UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS
FIRST SESSION

VOLUME 105—PART 13

AUGUST 18, 1959, TO AUGUST 31, 1959
(PAGES 16109 TO 17468)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1959

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SENATE

TUESDAY, AUGUST 18, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, on yet another morning our jaded spirits come seeking wellsprings of water which do not break through the dusty ground of the uninspired day.

In our highest hours we know in very truth that we cannot really live by bread alone, and that even the attainment of a social utopia could not quench our thirst for Thee.

Our own hearts, in which Thou hast set eternity, tell us that unless the human strivings which sigh and sob in these legislative Halls open to the world's woes and have validity in some infinite purpose, then all the human turbulence in which we are caught is but as the whirling of dust upon the surface of a presently to be extinguished star.

Gird us now with the assurance that all the tangled forest paths through which we grope lead into a highroad for Thee, our God, and that ahead for us and for all men are great horizons and the splendor of the rising sun with healing in its wings.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 18, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 17, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 355) to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1436. An act to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869); and

S. 1958. An act to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. KIRWAN, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 65. An act to provide for the conveyance to the State of Michigan of certain land in Grayling Township, Crawford County, Mich., to be used for National Guard purposes;

H.R. 616. An act to designate the dam across the Lampasas River in Texas as Stillhouse Hollow Dam;

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 3180. An act to extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by the Congress;

H.R. 3923. An act to provide for the presentation of a medal to persons who have served as members of a U.S. expedition to Antarctica;

H.R. 4306. An act to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service;

H.R. 5067. An act to repeal section 217 of the Merchant Marine Act, 1936, as amended;

H.R. 5068. An act to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes;

H.R. 5892. An act to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes;

H.R. 6179. An act to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.;

H.R. 6269. An act to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a Reserve component," so as to include a member of the Army or Air Force without specification of component;

H.R. 6781. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 6888. An act to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, section 2 of the Shipping Act, 1916, and section 905(c) of the Merchant Marine Act, 1936, as amended;

H.R. 6904. An act to establish an Advisory Commission on Intergovernmental Relations;

H.R. 7529. An act to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel;

H.R. 7559. An act to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies;

H.R. 7870. An act to amend the Revised Organic Act of the Virgin Islands, as amended;

H.R. 8035. An act to designate the Dyberry Dam and Reservoir, Lackawaxen River Basin, Pa., as the Gen. Edgar Jadwin Dam and Reservoir;

H.R. 8106. An act to provide for the relief of certain members and former members of the Department of the Navy for the expenses of temporary storage of household effects;

H.R. 8238. An act to authorize and direct the Surgeon General of the Public Health Service to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles;

H.R. 8241. An act to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes;

H.R. 8388. An act to amend the Merchant Marine Act, 1936, to provide further requirements for applicants for and contractors under operating differential subsidy contracts;

H.R. 8409. An act to extend the International Wheat Agreement Act of 1949;

H.R. 8461. An act to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure;

H.R. 8587. An act to provide for the equalization of allotments on the Agua Caliente (Palm Springs) Reservation in California, and for other purposes;

H.J. Res. 19. Joint resolution to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard;

H.J. Res. 281. Joint resolution authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival, and for other purposes;

H.J. Res. 283. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; and

H.J. Res. 493. Joint resolution making a technical correction in section 5136 of the Revised Statutes (relating to national banks).

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 369) expressing the sense of the Congress against the seating of the Communist regime of China as the representative of China in the United Nations, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred or placed on the calendar, as follows:

H.R. 65. An act to provide for the conveyance to the State of Michigan of certain land in Grayling Township, Crawford County, Mich., to be used for National Guard purposes;

H.R. 3923. An act to provide for the presentation of a medal to persons who have served as members of a U.S. expedition to Antarctica; and

H.R. 6269. An act to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a Reserve component," so as to include a member of the Army or Air Force without specification of component; to the Committee on Armed Services.

H.R. 616. An act to designate the dam across the Lampasas River in Texas as Stillhouse Hollow Dam; and

H.R. 8035. An act to designate the Dyberry Dam and Reservoir, Lackawaxen River Basin, Pa., as the General Edgar Jadwin Dam and Reservoir; to the Committee on Public Works.

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 7529. An act to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel;

H.R. 7559. An act to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies;

H.R. 8106. An act to provide for the relief of certain members and former members of the Department of the Navy for the expenses of temporary storage of household effects; and

H.R. 8461. An act to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure; to the Committee on the Judiciary.

H.R. 3180. An act to extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by the Congress;

H.J. Res. 281. Joint resolution authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival, and for other purposes; and

H.J. Res. 283. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Relations.

H.R. 4306. An act to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service; and

H.R. 8238. An act to authorize and direct the Surgeon General of the Public Health Service to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles; to the Committee on Labor and Public Welfare.

H.R. 5067. An act to repeal section 217 of the Merchant Marine Act, 1936, as amended;

H.R. 5068. An act to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes;

H.R. 6888. An act to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, section 2 of the Shipping Act, 1916, and section 905 (c) of the Merchant Marine Act, 1936, as amended; and

H.R. 8388. An act to amend the Merchant Marine Act, 1936, to provide further requirements for applicants for and contractors under operating-differential subsidy contracts; to the Committee on Interstate and Foreign Commerce.

H.R. 5892. An act to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes;

H.R. 6179. An act to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.;

H.R. 6781. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 7870. An act to amend the Revised Organic Act of the Virgin Islands, as amended; and

H.R. 8587. An act to provide for the equalization of allotments on the Agua Caliente (Palm Springs) Reservation in California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6904. An act to establish an Advisory Commission on Intergovernmental Relations; placed on the calendar.

H.R. 8241. An act to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 8409. An act to extend the International Wheat Agreement Act of 1949; to the Committee on Agriculture and Forestry.

H.J. Res. 19. Joint resolution to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard; and

H.J. Res. 493. Joint resolution making a technical correction in section 5136 of the Revised Statutes (relating to national banks); to the Committee on Banking and Currency.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 369) expressing the sense of the Congress against the seating of the Communist regime in China as the representative of China in the United Nations, was referred to the Committee on Foreign Relations, as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that its opposition to the seating in the United Nations of the Communist China regime as the representative of China should be and is hereby reiterated; and be it further

Resolved, That it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

Antitrust Subcommittee of the Committee on the Judiciary;

Interior and Insular Affairs Committee;

Labor and Public Welfare Committee.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Banking and Currency Committee was authorized to meet during the session of the Senate tomorrow.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to inquire of the majority leader about the program for the remainder of the day, after the Senate completes its action on the housing bill.

Mr. JOHNSON of Texas. The Senator from Illinois is optimistic.

We have the tax bill, reported from the Finance Committee, on which we have an agreement.

The Senator from Minnesota [Mr. HUMPHREY] desires to make an address for approximately 30 or 45 minutes, following the action of the Senate on the housing bill.

The Senate may take some action either to send to conference or to act on the veterans' pension bill.

Then we shall give notice in regard to a call of the calendar, which probably will be had tomorrow.

Aside from those measures, I had not projected the calendar further.

Mr. DIRKSEN. Then it is definite, is it, that consideration of the tax bill will follow the action of the Senate on the housing bill?

Mr. JOHNSON of Texas. That is our present plan. If there is nothing to interfere with it, at least I know of nothing.

Mr. DIRKSEN. And the Senator from Minnesota will speak, following the Senate's action on the housing bill?

Mr. JOHNSON of Texas. Yes.

Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Texas.

ORDER FOR RECOGNITION OF SENATOR HUMPHREY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that prior to action by the Senate on the housing bill, the Senator from Minnesota [Mr. HUMPHREY] may be recognized for not to exceed 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

INTERCHANGE OF JURISDICTION OF MILITARY AND NATIONAL FOREST LANDS

A letter from the Secretary of the Army and Secretary of Agriculture, reporting, pursuant to law, the intention of the Department of the Army and the Department of Agriculture to interchange jurisdiction of military and national forest lands within the Lucky Peak Reservoir project, Idaho, and the Boise National Forest (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on two overobligations of appropriations in that Administration; to the Committee on Appropriations.

REPORT ON REVIEW OF ACQUISITION OF WHERRY HOUSING BY DEPARTMENT OF THE AIR FORCE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the acquisition of Wherry housing by the Department of the Air Force, dated August 1959 (with an accompanying report); to the Committee on Government Operations.

NATIONAL CAPITAL AIRPORTS CORPORATION ACT OF 1959

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation to create the National Capital Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF STATE

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on tort claims paid by that Department, during the calendar year 1958 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the county central committee, Socialist Party—Social Democratic Federation of Milwaukee County, Milwaukee, Wis., favoring the enactment of housing legislation; to the Committee on Banking and Currency.

A resolution adopted by the county central committee, Socialist Party—Social Democratic Federation of Milwaukee County, Milwaukee, Wis., favoring an investigation by the Congress of the costs and trends in the steel industry to determine if profits are excessive, and so forth; to the Committee on Labor and Public Welfare.

The petition of Gregory J. Meier, of Ludlow, Ky., praying for the enactment of the so-called Landrum-Griffin labor-management bill; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

H.R. 6888. An act to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, section 2 of the Shipping Act, 1916, and section 905(c) of the Merchant Marine Act, 1936, as amended (Rept. No. 728).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. 2219. A bill to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes (Rept. No. 729).

ADDITIONAL FUNDS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE—REPORT OF A COMMITTEE

Mr. HILL, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 164) providing additional funds for the Committee on Labor and Public Welfare, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Labor and Public Welfare hereby is authorized to expend from the contingent fund of the Senate, during the 86th Congress, $15,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 2555. A bill for the relief of Josef Wurzel; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 2556. A bill to extend indefinitely the provisions of the Federal air pollution control law and to give the Surgeon General and the Secretary of Health, Education, and Welfare certain additional authority under such provisions; to the Committee on Public Works.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 2557. A bill to designate the Dyberry Dam and Reservoir, Lackawaxen River Basin, Pa., as the General Edgar Jadwin Dam and Reservoir; to the Committee on Public Works.

By Mr. PROXMIRE:

S. 2558. A bill for the relief of Luigi Antonio Ruffolo; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mr. PASTORE):

S. 2559. A bill to amend the Uniform Code of Military Justice; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2560. A bill to create the National Capital Airports Corporation, to provide for operation of the federally-owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. DIRKSEN, and Mr. KEATING):

S. 2561. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital," to provide for the construction of such memorial by the Secretary of the Interior, to the Committee on Rules and Administration.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER (for himself, Mr. JOHNSTON of South Carolina, Mr. CARROLL, Mr. EASTLAND, Mr. CANNON, Mr. HENNINGS, Mr. HUMPHREY, Mr. CHURCH, Mr. TALMADGE, Mr. BYRD of West Virginia, Mr. DODD, Mr. MORSE, and Mr. MCNAMARA):

S. 2562. A bill to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter; to combat juvenile delinquency, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S.J. Res. 134. Joint resolution proposing an amendment to the Constitution to provide that the people of the District of Columbia shall be entitled to vote in Presidential elections and for Delegates to the House of Representatives; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. BIBLE (for himself, Mr. BEALL, Mr. MORSE, and Mr. ROBERTSON):

S.J. Res. 135. Joint resolution granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, District of Columbia metropolitan area, and for other purposes; to the Committee on the Judiciary.

CONCURRENT RESOLUTION JOINT COMMITTEE ON NATIONAL FUELS POLICY

Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia) submitted the following concurrent resolution (S. Con. Res. 73) to create a Joint Committee on a National Fuels Policy, which was referred to the Committee on Interior and Insular Affairs.

CONCURRENT RESOLUTION

Whereas adequate supplies of fuel and energy resources in all forms are essential to the continued welfare of the Nation, to its industrial development, to the consuming public, and to the national security; and

Whereas authoritative estimates forecast that by 1980 the population of the United States will increase to two hundred and fifty million and that the consumption of fuel and energy resources will have increased by nearly 100 per centum; and

Whereas experience has demonstrated that our national reserves of fuel and energy resources are in varying degrees limited, and that in some areas we are in danger of approaching these limits; and

Whereas maintenance of the basic fuel industries together with adequate facilities for the transportation of fuel and energy resources is essential to national defense and national security; and

Whereas the stability and prosperity of the basic fuel industries are essential to the economic health of the Nation; and

Whereas in view of these considerations it has become evident that our inevitably increasing fuel and energy requirements, both for the long-range purposes of peaceful expansion and for the immediate exigencies of national security, cannot be adequately met without a national policy for the most effective utilization of these resources in the public interest; and

Whereas there has not existed and does not now exist in this Nation such a policy; and

Whereas the absence of such policy has frequently resulted in uneconomic exploitation of, and wasteful competition between, limited energy resources, resulting in the unbalanced development of fuel industries proportionate to their availabilities and most economic uses; and

Whereas the Congress realizes the imperative necessity of developing an integrated fuels policy for the benefit of the fuel and energy industries concerned, the consuming public, and the Nation as a whole; and

Whereas the Congress in connection with the development of such a national fuels policy desires to have data and recommendations presented for its consideration relative to these needed programs: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint committee which shall be known as the Joint Committee on a National Fuels Policy (hereinafter referred to as the "Joint Committee") and shall be composed of eight Members of the Senate, to be appointed by the President of the Senate, and eight Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the Joint Committee shall as nearly as may be feasible reflect the relative membership of the majority and minority political parties in the Senate and the House of Representatives.

SEC. 2. (a) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case of the original selection.

(b) The Joint Committee shall select a chairman and a vice chairman from among its members. In the absence of the chairman, the vice chairman shall act as chairman.

(c) A majority of the Joint Committee shall constitute a quorum except that a lesser number, to be fixed by the Joint Committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. (a) The Joint Committee shall—

(1) make a full and complete investigation and study (including the holding of public hearings in appropriate parts of the Nation) of the available fuel reserves of the United States and the present and probable future rates of consumption thereof; and

(2) formulate proposals for a national fuels policy to assure the availability of fuels adequate for an expanding economy and for the security of the United States, taking into account the investment necessary for the maintenance of efficient and adequate fuels and necessary related industries and the necessity for the maintenance of an adequate force of skilled workers.

(b) In carrying out the provisions of subsection (a) of this section the Joint Committee shall, in addition to such other matters as it may deem necessary, give consideration to—

(1) the proved and predicted availabilities of our national fuel and energy resources in all forms;

(2) projected national requirements for the utilization of these resources both to meet immediate demands and to provide for future expansion of the economy;

(3) the optimal allocation of the various fuel and energy resources to their most productive economic uses, including such consideration as the geographic distribution of these resources, and the development of balanced and interrelated regional fuel economies;

(4) the desirability of maintaining competition between various energy sources at a level that will promote the national interest by stimulating the development of all fuel and energy industries without excluding any from legitimate markets;

(5) technological developments, in progress and in prospect, including desirable areas for further exploration and technological research designed to supplement decreasing natural reserves of certain fuels;

(6) governmental programs and policies now in operation, including not only their effect upon the individual industries so regulated but also their impact upon related and competing fuels and their interaction with other regulatory programs; and

(7) proposed legislation designed to effectuate recommendations in accordance with the above and other relevant considerations, including proposed amendments of such existing laws as the Federal Power Act, the Natural Gas Act, and the Atomic Energy Act of 1954 necessary to integrate existing laws into the national fuels program.

(c) The Joint Committee shall report to the Senate and the House of Representatives the results of its study and investigation, together with its recommendations, at the earliest practicable date, but not later than ———. Upon the submission of such report, the Joint Committee shall cease to exist and all authority conferred by this resolution shall terminate.

SEC. 4. The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times within the United States, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable.

SEC. 5. The Joint Committee may employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

SEC. 6. The expenses of the Joint Committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Joint Committee.

(See the remarks of Mr. RANDOLPH and Mr. BYRD of West Virginia, relating to the above concurrent resolution, which appear under a separate heading.)

RESOLUTIONS

ADDITIONAL FUNDS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. HILL, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 164) providing additional funds for the Committee on Labor and Public Welfare, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HILL, which appears under the heading "Reports of Committees.")

COMMENDATION OF BUFFALO BILL COUNCIL, BOY SCOUTS OF AMERICA

Mr. MARTIN submitted the following resolution (S. Res. 165); which was referred to the Committee on Labor and Public Welfare:

Whereas for the past two years the Buffalo Bill Council, Boy Scouts of America, with headquarters at Davenport, Iowa, has sponsored annually a National Conservation Sports Tournament for the benefit of the Boy Scouts and Explorer Scouts of America; and

Whereas the purpose and effect of the holding of such tournaments is to encourage physical fitness and sportsmanship on the part of the participants as well as to develop their competitive abilities and inspire in them an interest in and appreciation of outdoor sports; and

Whereas the holding of such tournaments also has the worthwhile effect of imparting to the participants a basic understanding of the importance of the conservation and wise use of the Nation's soil, woods, water, and wildlife resources; and

Whereas, in August of 1959, the Buffalo Bill Council, Boy Scouts of America, will sponsor its Third National Conservation Sports Tournament in which more than five hundred Explorer Scouts from throughout the country will participate: Now, therefore, be it

Resolved, That there is hereby extended to the Buffalo Bill Council, Boy Scouts of America, the recognition and commendation of the Senate for the praiseworthy activities of such chapter in the sponsoring of its National Conservation Sports Tournament.

LEGISLATION TO STRENGTHEN ATTACK ON AUTO EXHAUST POLLUTION IS NEEDED

Mr. NEUBERGER. Mr. President, I introduce for appropriate reference, a bill to aid in eliminating air pollution by motor vehicle exhausts.

My measure would direct the Surgeon General of the Public Health Service to:

First. Determine, after conducting such research as may be necessary, standards as to the amount of unburned hydrocarbons and noxious gases which is safe from the standpoint of human health for a motor vehicle to discharge into the atmosphere.

Second. Assist, following establishment of these tolerance limitations, in development of an effective and practical device to control discharges from motor vehicle exhausts within the limits of such standards.

Third. Report annually to Congress and the President his progress in carrying out these two directives.

My bill would also strengthen existing provisions of the Federal air pollution control law so as to: (a) grant explicit authorization to the Surgeon General to hold public hearings on air pollution problems with the view to recommending solutions to such problems; (b) provide the Surgeon General with authority to issue cease-and-desist orders to halt particular air pollution practices adverse to the national interest; (c) remove the present appropriation ceiling; and (d) make the act permanent.

BROADER MANDATE REQUIRED

Last week the House Interstate and Foreign Commerce Committee reported a bill directing the Surgeon General to make a 2-year study and report to Congress on the amounts and kinds of substances which, from the standpoint of human health, it is safe for motor vehicles to discharge into the atmosphere.

It is my belief that the Surgeon General now has sufficient authority to carry out such an investigation, and that what is needed at present is a broader mandate for the Public Health Service.

Mr. President, the damage wrought by smog on people, property and plants is rising.

Last November, at the National Conference on Air Pollution, Surgeon General Leroy Burney told delegates that cancers can be produced by urban smog. While the case has not been proved, he declared that: "In protection of human health such absolute proof often comes late. To wait for it is to invite disaster."

Recent research in England has led some doctors to state that there appears to be a causal connection between smog and chronic bronchitis, a serious and sometimes fatal disease. Physicians in this country are currently studying the possibility that asthma may be stimulated by exposure to polluted air. Heart disease may also be associated with air pollution.

SMOG CAUSE OF DEATH

In certain situations, smog may kill more directly. Ten years ago, for instance, in Donora, Pa., an unusual atmospheric condition concentrated smoke and gas into a mixture which killed 20 persons and made thousands more ill. An acid-laden smog which settled over London from December 5 to 9 in 1952 was believed to have caused the death of 4,000 persons.

There is an economic loss as well as a health hazard involved in smog. Hazel Holly, in her study "What's in the Air," points out that—

> Aside from considerations of health, air pollution costs the United States something between $1.5 billion and $4 billion annually in terms of corroded metals, damaged buildings, crops and livestock, lowered real estate values, and added costs to industry. Men and women in many cities and towns pay far more than they realize because of air pollution in laundry and cleaning bills, painting costs, the depreciation and deterioration of personal property, to say nothing of the inconvenience and annoyance of living in an offensive environment. Who can assess the cost of air pollution for the woman who scrubs a house never-endingly grimly, or for a worker victimized by the psychological depression which has become one of the recognized effects of smog on humans?

AUTOMOBILE MAJOR OFFENDER

Mr. President, the primary cause of smog is incomplete combustion. The major offender in this regard is the automobile.

A scientific study conducted in Los Angeles showed that motor vehicle exhausts not only supplied the principal part of the pollution load, but are the source of most of the objectionable qualities of air pollution in that city.

Automobiles, trucks and buses produced 69 percent of the approximately 1,450 tons of hydrocarbons lost to the air on an average day in Los Angeles, 34 percent of the aerosols, 62 percent of the inorganic gas pollutants and 75 percent of the carbon monoxide.

Dr. Chauncey D. Leake of the College of Medicine at Ohio State University reported at last year's air pollution conference here in Washington that:

> In Seattle, autos and trucks dump 100 tons of hydrocarbons, 320 to 80 tons of nitrogen dioxide, and 4 tons of sulfur dioxide into the city's air every day. When are the auto and truck manufacturers going to turn from the foolishness of fins, from silly style whims, from oversized models, and from too much horsepower, to the essential but tough job of controlling exhausts?

Mr. President, the situation and the question are the same in Seattle as in many major metropolises today. And by 1970 emissions into the air from traffic will be nearly three times the level of 1950.

REDUCTION DEVICE NEEDED

The seriousness of the problem is indicated by the fact that 60 percent of the Nation's people are in 180 metropolitan centers—the areas where the air pollution of auto exhaust is worst.

The automobile industry reports that during the last 5 years it has spent above $1 million a year on research designed to perfect a method of effectively reducing motor vehicle exhaust fumes. Several approaches are under study. They include a low-temperature catalytic converter, a muffler device utilizing high-temperature catalysts and a flame-type afterburner. Employment of these devices will reduce hydrocarbon emissions 60 to 90 percent, engineers state. It is estimated that such devices might be produced and installed for as little as $150.

But little tangible in the way of a commercial exhaust reduction device has been presented to the public by the auto makers.

In fact, even the reported research expenditures look somewhat skimpy when placed beside the amounts spent by a single city, Los Angeles, for pollution control: between $70 and $100 million for purchase of fume-suppressing equipment by industry, $17 million taxpayers' outlay over 12 years, and a continuing annual smog abatement budget of $4 million.

PHS EXPANDING RESEARCH

People in Los Angeles and other metropolitan areas are understandably concerned that industry might be dragging its feet. As Arthur S. Flemming, Secretary of the Department of Health, Education, and Welfare said recently, both he and Surgeon General Burney "have real hope that the automobile industry will intensify its activities. We believe it should."

Mr. President, the Public Health Service has launched upon an expanded program of research into the role of auto exhausts in air pollution. I ask unanimous consent that a memorandum prepared by the PHS and outlining its plans in this area for fiscal year 1960 be printed in the RECORD at the conclusion of my remarks.

In April of this year the Senate approved an extension and expansion of the Air Pollution Research and Technical Assistance Act of 1955. Under the provisions of the bill, the current authorization of $5 million a year would be increased to $7.5 million beginning in fiscal year 1961. Enactment into law of this proposal will permit an increased outlay for research into the pollution problems created by auto exhausts.

The measure I introduce today would remove the appropriation ceiling and make the act permanent. Adoption of these two provisions would allow Congress to attack the continuing problem of air pollution by appropriating funds in accordance with program advances and investigative opportunities.

STANDARDS SAID DESIRABLE

Mr. President, Congress has authorized funds to find out what should be done to curb auto exhaust air pollution.

Now we should provide the direction and tools to see that it is done. My bill would help accomplish this second goal.

Last month the Secretary of the Department of Health, Education, and Welfare declared that "we have no doubt as to the ultimate desirability of developing and publishing standards or criteria relating to concentrations of various contaminants in the open atmosphere, including those derived from the exhausts of motor vehicles."

However, he also pointed out that "research experts who are now working on this problem in this Department advise that the scientific information required to justify and furnish the quantitative basis for the establishment of health protection standards for unburned hydrocarbons and noxious gases in motor vehicles exhausts is not now available."

My bill recognizes this reality. It requires establishment of standards only after the Secretary has determined that research is sufficiently advanced to support such action.

Although the standards obviously could not be issued immediately, I think it is important to provide the Public Health Service with an explicit mandate.

Similarly, application of the standards will require a device capable of reducing the amount of pollutants emitted

by auto exhausts to the specified safety point, and my bill directs the Department to assist in hastening this achievement.

GRANTS PHS ENFORCEMENT POWER

Compliance is the next step. In my view, this will require an act of Congress outlawing the use in interstate commerce of any vehicle violating the standards set up by the Public Health Service. More information will be necessary than we have today to permit realistic drafting of such a statute.

However, in the interim I believe that there are matters of lesser impact in terms of effect on industry but perhaps of equal importance to the elimination of auto exhaust pollution.

For instance, researchers have demonstrated that certain methods of refining gasoline produce more materials which pollute the air than others. If further experiments confirm this fact, I believe that the Public Health Service should have the authority to direct firms producing such gasoline to alter their production procedures.

This is why I have proposed that the Secretary of the Department of Health, Education, and Welfare be empowered to hold public hearings and to issue cease and desist orders. Similar authority has been granted the Secretary in connection with water pollution control. It has proved beneficial in correcting situations adverse to the public interest.

Mr. President, the problem of pollution of our air by auto exhausts is a serious one. I do not believe that its solution can be left to the caprices of auto designers who seem more concerned with fins than fumes. The public interest demands that Government take necessary steps to protect its citizens. Enactment of my proposal would be a further step in that direction.

I ask unanimous consent to have printed in the RECORD a summary from the U.S. Public Health Service of the very difficult smog problem and its impact on health.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the summary will be printed in the RECORD.

The bill (S. 2556) to extend indefinitely the provisions of the Federal air-pollution control law and to give the Surgeon General and the Secretary of Health, Education, and Welfare certain additional authority under such provisions, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Public Works.

The summary presented by Mr. NEUBERGER is as follows:

PUBLIC HEALTH SERVICE—AUTOMOTIVE EXHAUST RESEARCH STUDIES PROPOSED FOR FISCAL YEAR 1960

In 1959 the Public Health Service modified its research program in order to place greater emphasis on the urgent problems of automotive exhaust in relation to air pollution, including support of investigations by the Bureau of Mines and the Bureau of Standards. The Bureau of Mines will emphasize the analysis of engine exhaust gas and the removal by catalytic oxidation of air contaminants in the exhaust gas. The Bureau of Standards research covers the analysis and interpretation of auto exhausts in a general urban atmosphere. Close contact will be maintained with the automobile manufacturers, the petroleum industry, governmental agencies, and other interested groups. The additional emphasis in 1959 will provide a better understanding of the role of auto exhausts in air pollution. However, to deal effectively with the problem, increased research by the Public Health Service is necessary in 1960.

The principal reasons which dictate the need for special emphasis on the automotive exhaust problems are:

(a) Automobile exhaust has been identified as the major known uncontrolled source of air pollution in several major metropolitan areas.

(b) There appears to be little doubt that other metropolitan areas will experience similar air pollution problems due to increased concentrations of automotive traffic.

(c) Certain substances have been found in automobile exhaust fumes which are known to produce cancer in animals under experimental conditions. Statistical studies have shown that the incidence of lung cancer, when cigarette smoking is held constant, increased rapidly with the degree of urban concentration and gasoline consumption. In addition to cancer producing substances, auto exhausts contain certain materials which produce eye irritation and damage to crops.

(d) The National Advisory Committee on Community Air Pollution, which includes representatives of the chemical, petroleum, automobile manufacturing, and coal industries, and representation from State and local agencies, universities, and other groups, has strongly recommended that the Service take an active and vigorous research role in the problem of determining the biological effects of automobile exhaust. No organized scientific inquiry exists outside of the Public Health Service on the health effects of automobile exhausts. The Automobile Manufacturers' Association has independently suggested that the Service engage in such research, stating that the industry lacks the medical resources to conduct research on community health.

Determination of these effects can be done in the laboratory, by using experimental animals, and in the community, by using health records, special morbidity surveys, and under controlled conditions, by using normal and sick human beings. The combined engineering and medical research facilities which the Public Health Service can mobilize to attack these problems cannot readily be duplicated elsewhere. In addition to continuing research on automotive exhaust problems now underway, in fiscal year 1960 the following new or expanded studies will be done:

(a) Chronic exposures of animals to automotive exhausts: This study will involve the continuous exposure of a controlled animal colony to a realistic community level of typical automotive exhaust irradiated by artificial sunlight. These exposures will be continued for an initial period of 2 years. The purpose of this study will be to evaluate the cancer-producing potential of this mixture, and the general biological effect of living in an atmosphere contaminated by auto exhaust.

(b) Investigation of eye irritation phenomena: Little is really known about the eye irritation frequently encountered in Los Angeles and being increasingly reported elsewhere. Some individuals are particularly susceptible, some only react occasionally, and others apparently never. There is so little clinical or physiological data available that the possibilities of serious side-effects or long-range damage cannot be disregarded. Eye irritation is a source of civic concern and apprehension. Several approaches to this problem will be undertaken. In part, this study can be conducted under the same experimental conditions as (a) above, by evaluation of eye irritation and injury to exposed animals. Another phase will involve short-term exposures to higher levels of auto exhaust in an attempt to determine the levels at which measurable effects are produced and to explain the basic physiologic mechanisms involved.

(c) Biologic indicators of automotive exhaust intensity: It has been experimentally demonstrated that auto exhausts cause specific types of plant damage and also retard the growth of certain bacteria under laboratory conditions. These findings will be utilized in field studies to compare the geographic distribution of auto exhaust-type plant damage with intracity distribution of mortality and morbidity.

(d) Toxicological appraisals of gasoline additives: In addition to tetraethyl lead, many new substances have been added to gasoline in recent years, and most of these have not been tested for their possible harmful effects upon the community. They may be both directly harmful, or they may drastically modify the chemical nature, and therefore the physiologic effects, of other exhaust substances.

(e) Engine exhaust analytical and engineering research: The studies outlined above will depend largely for their air pollution materials upon the facility for the irradiation of automobile exhaust which has been installed at the Sanitary Engineering Center. This facility which is more fully described in attachment "A" will also be used in connection with research on sampling methods and analytical techniques for exhaust gases, and on other studies to supplement the total program for automobile exhausts being conducted by all interested parties. For example, promising catalysts developed by the Bureau of Mines research project will be tested at this facility and the effect of various gasoline additives and fuel injection systems on exhaust characteristics and control procedures will be studied.

NATIONAL CAPITAL AIRPORTS CORPORATION

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes. I ask unanimous consent that the letter from the Administrator of the Federal Aviation Agency, requesting the proposed legislation, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2560) to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEDERAL AVIATION AGENCY,
Washington, D.C.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: I transmit herewith for the consideration of the Congress a draft bill "to create the National Capital Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes."

The primary purpose of the legislation is to place the operations of the federally owned civil airports in the Washington metropolitan area on a sound business basis so that they may better serve the traveling public, the airlines, and other users of aircraft, at a minimum cost to the taxpayer. Such legislation will facilitate improvements in the efficiency of airport operations, and will permit swift action to correct conditions where the safety or convenience of the public is involved.

A commercial airport operation is precisely the kind of predominantly business type activity for which the Congress has made provision by enacting the Government Corporation Control Act of 1945. Moreover, throughout the Nation public authorities engaged in the operation of commercial airports have generally been established as corporate organizations. The corporate form, which is based upon the experience of private business, has been found to aid greatly in the administration of Federal activities which are revenue producing, which are potentially self-sustaining, which have a large volume of commercial type transactions with the public, and which need greater flexibility than is provided for under the customary appropriation budget.

The desirability of operating National Capital area airports under the corporate form of organization has long been recognized. The first Commission on Organization of the Executive Branch of the Government (Hoover Commission) recommended in 1949 that the operation of the Washington National Airport be placed under a Government corporation. In his 1955 budget message President Eisenhower recommended that legislation be adopted to provide for the establishment of a corporation to operate the Washington National Airport.

Bills to create such a corporation were introduced in both the House and Senate in the 83d Congress, and the Senate Committee on Interstate and Foreign Commerce unanimously recommended enactment of the corporation legislation. The committee, in its report to the Senate, stated that in its opinion the legislation was necessary and advisable to provide more effective management for the Washington National Airport. It cited the essentially business nature of the airport operation. It also cited the difficulties which had resulted from the application of customary budgetary and fiscal practices designed for conventional Government agencies, the requirement that the airport return all of its income to the Treasury as general receipts, and various problems which had arisen in connection with contracting and the acquisition of property under requirements applicable to regular Government agencies.

The approaching completion of the Dulles International Airport will require efficient, integrated operation of two of the largest civil airports in the Nation. The volume of commercial transactions involved in the administration of both airports will increase enormously and the revenues from services provided by the airports will be substantially larger. Therefore, the need for a form of organization adapted to the conduct of business type operations will become even more urgent.

The demands posed on airport operations by rapid developments in aviation require that the airport organization have the capability of responding swiftly to changing circumstances which directly affect the safety and convenience of the public and the efficient operation of air carriers. The normal budget processes are simply not capable of responding to such unforeseen demands, and as a result, inadequacies constituting serious hazards to safety and interfering with efficient operations have persisted for prolonged periods of time at the Washington National Airport. Under the corporate form of organization the revenue of the airports can be utilized in the prompt correction of most inadequacies in airport services and facilities.

The existence of a corporation with business type budget and accounting practices will make it easier for the Federal Aviation Agency, the President, and the Congress to review and evaluate the effectiveness of airport operations and management. The corporation will also be able to conduct business negotiations with other commercial entities on a more satisfactory basis than is possible under the current system in which revenues are deposited directly in the Treasury and are not available to provide services or to meet obligations.

The corporation will continue to be under the strict scrutiny of the Congress in accordance with the provisions of the Government Corporation Control Act. Therefore, it will be possible both to achieve the operating and managerial advantages of the corporate form of organization and at the same time assure that the activities of the corporation are properly subject to Congressional surveillance.

The creation of the corporation will entail no expenditures or increases in employment beyond those which would otherwise be required to operate and maintain the National Capital area airports under the present authority and form of organization.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely,

E. R. QUESADA,
Administrator.

PROPOSED AMENDMENT TO CONSTITUTION, RELATING TO CERTAIN VOTING PRIVILEGES FOR CITIZENS OF DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a joint resolution proposing an amendment to the Constitution of the United States to provide the residents of the District of Columbia with the right to vote for electors for President and Vice President and for three Delegates to the House of Representatives.

I also send to the desk and ask to be printed and appropriately referred an amendment to Senate Joint Resolution 126, the so-called anti-poll-tax amendment.

Mr. President, I believe that there is an opportunity during this session of Congress to obtain action on a constitutional amendment enfranchising the people of the District of Columbia. Yesterday the Constitutional Amendments Subcommittee of the Senate Judiciary Committee held hearings on Senate Joint Resolution 126. This joint resolution has been cosponsored by an overwhelming majority of the Senate and the path seems to be clear for action on it at an early date. I certainly would not want to pursue any course which would jeopardize the fate of this anti-poll-tax amendment. At the same time, I believe that this amendment offers a splendid opportunity to promote action on another much needed voting reform, namely, the removal of the absolute bar which is now applicable to residents of the Nation's Capital.

In my opinion, it would not be inappropriate to attach to the anti-poll-tax amendment the amendment conferring the franchise on the people of the District of Columbia. However, I recognize that it may be more orderly to act separately on and submit for separate ratification the two proposals. If it is possible to proceed in this manner without deferring consideration of the situation in the District of Columbia, that would be satisfactory to me. I was very gratified yesterday by the comments of the chairman of the Constitutional Amendments Subcommittee, Senator KEFAUVER, in support of expedited although separate consideration of both proposals.

Mr. President, it is because of some uncertainty at this stage about which procedure is best designed to achieve action that I have proposed two alternatives. The first alternative, an amendment to Senate Joint Resolution 126, is designed to provide a means for joint consideration of the two proposals if that should be necessary. The second alternative, a new resolution, is designed to permit independent consideration of the two proposals if it develops that both matters can be scheduled for early action during the current session.

Mr. President, whatever course is followed, I hope the Senate will act during this session to remove these undemocratic interferences with the voting rights of our citizens.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 134) proposing an amendment to the Constitution to provide that the people of the District of Columbia shall be entitled to vote in Presidential elections and for delegates to the House of Representatives, introduced by Mr. KEATING, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADJUSTMENT OF LEGISLATIVE JURISDICTION EXERCISED BY THE UNITED STATES OVER CERTAIN LAND USED FOR FEDERAL PURPOSES—AMENDMENTS

Mr. MANSFIELD. Mr. President, I submit amendments which I intend to propose to the bill (S. 1617) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes, and ask that they lie on the table and

be printed. I serve notice that I shall submit the amendments for consideration at the time that measure is before the Senate.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The amendments will be received, printed, and lie on the table.

AMENDMENT TO CONSTITUTION RELATING TO QUALIFICATIONS OF ELECTORS—AMENDMENT

Mr. KEATING submitted an amendment, intended to be proposed by him, to the joint resolution (S.J. Res. 126) proposing an amendment to the Constitution of the United States, relating to the qualifications of electors, which was referred to the Committee on the Judiciary, and ordered to be printed.

JOINT COMMITTEE ON FEDERAL-STATE ECONOMIC RELATIONS—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of August 11, 1959, the names of Mr. BRIDGES and Mr. SCOTT were added as additional cosponsors of the concurrent resolution (S. Con. Res. 70) to create a Joint Committee on Federal-State Economic Relations, submitted by Mr. KEATING (for himself and other Senators) on August 11, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD.

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Statement by Senator Moss before Senate Finance Committee on August 11, 1959, relating to Self-Employed Individuals Retirement Act.

NOTICE OF HEARINGS ON PROPOSED CREDIT UNION LEGISLATION

Mr. ROBERTSON. Mr. President, as chairman of the Committee on Banking and Currency, I wish to announce that hearings will be held on credit-union legislation on Friday, August 21, at 10:30 a.m., in room 5302, New Senate Office Building.

The legislation pending before the committee consists of the following bills:

H.R. 8305, Mr. SPENCE, of Kentucky, to amend the Federal Credit Union Act, passed by the House of Representatives on July 30, 1959.

S. 1786, Mr. SPARKMAN, to amend the Federal Credit Union Act.

S. 1985, Mr. MCCARTHY, to amend the Federal Credit Union Act.

All persons who wish to appear and testify at the hearings on these bills are requested to notify Mr. J. H. Yingling, chief of staff, Committee on Banking and Currency, room 5300, Senate Office Building, telephone Capitol 4-3121, extension 3921, as soon as possible.

If this legislation is to be enacted at this session of Congress, the hearings must be confined to this date, and all persons who are interested in the legislation are requested to take this into account in requesting an opportunity to testify and in presenting their testimony.

NOTICE OF HEARING ON NOMINATION OF WILLIAM T. SWEIGERT, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Tuesday, August 25, 1959, in room 2300, New Senate Office Building, on the nomination of William T. Sweigert, of California, to be U.S. district judge for the northern district of California, vice Edward P. Murphy, deceased.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF HENRY J. FRIENDLY TO BE U.S. CIRCUIT JUDGE, SECOND CIRCUIT

Mr. DODD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10 a.m., Tuesday, August 25, 1959, in room 2228, New Senate Office Building, on the nomination of Henry J. Friendly, of New York, to be U.S. circuit judge, second circuit, vice Harold R. Medina, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Missouri [Mr. HENNINGS], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

NOTICE OF HEARINGS ON THE NOMINATIONS OF J. SMITH HENLEY AND GORDON E. YOUNG TO BE U.S. DISTRICT JUDGES

Mr. MCCLELLAN. Mr. President, on behalf of the Committee on the Judiciary I desire to announce that a hearing on the nominations of J. Smith Henley, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, vice Harry J. Lemley, retired, and Gordon E. Young, of Arkansas, to be U.S. district judge for the eastern district of Arkansas, vice Thomas C. Trimble, retired, has been scheduled for 10 a.m., Wednesday, August 26, 1959, in the committee room, room 2228, New Senate Office Building.

At the above-mentioned time and place all persons interested in the above nominations may make such representations as are pertinent. The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. HRUSKA], and myself, chairman.

MONTANA EDITOR AIDS YOUTH CONSERVATION BILL

Mr. MANSFIELD. Mr. President, last week the Senate passed the youth conservation bill; and during the course of the debate, considerable use was made of a photographic display of the Nation's conservation needs. The photographs showed us what needs to be done in conserving our lands and protecting our forests.

This is one area where a Youth Conservation Corps would be extremely effective, especially in reforestation and tree planting.

The suggested use of photographs in emphasizing the need for the Youth Conservation Corps came from a Montanan, the editor and publisher of one of the State's finest weekly newspapers, the Hungry Horse News. He is Mel Ruder, of Columbia Falls, Mont.

Mel has been extremely active in all things concerned with conservation and development of our forest resources. In addition to publishing this fine weekly, he is an outstanding photographer. His photographs will compare favorably with those of the best professionals.

Mel made the suggestion of using photographs to my senior colleague [Mr. MURRAY], who is one of the chief sponsors and supporters of this bill. The photographs that were used on the floor came from the Department of Agriculture, but the idea came from Mel Ruder.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks two letters, one addressed to Mel Ruder, editor of the Hungry Horse News; and one addressed to the Secretary of Agriculture, Ezra Taft Benson. The letters were written by my colleague [Mr. MURRAY] in regard to the effective use made of the photographs.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 14, 1959.

Mr. MEL RUDER,
Editor, Hungry Horse News,
Columbia Falls, Mont.

DEAR MR. RUDER: For your information I am enclosing a copy of my letter to Secretary Benson on the Youth Conservation Corps and a copy of the CONGRESSIONAL RECORD containing the debate and vote.

It is with genuine satisfaction that I can say that you deserve as much credit as anyone for the favorable Senate action on this bill. As I told Secretary Benson, your idea to use photographs to depict needed conservation work was effective in securing support from at least five Senators.

Democracy has many, many virtues, but the one I most dearly treasure is the right of our people to give us in elected office their views on every conceivable matter. I study carefully the many suggestions sent to me. I try to reduce them to legislative accomplishments and in the case of an idea such as yours, to reduce them to action.

It is gratifying for me to be able to write that Columbia Falls, Mont., can be proud that one of its citizens can claim the credit for a major contribution in getting needed national conservation legislation on the road to becoming law.

Please accept my heartfelt thanks for your fine suggestion.

With best personal regards, I am,

Sincerely yours,

———

U.S. SENATE,
Washington, D.C., August 14, 1959.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: In accordance with our earlier agreement, I shall return separately the several excellent photographs of conservation needs you furnished at my request.

The youth conservation bill has been approved by the Senate. The pictures you supplied were on display in the cloakroom and on the floor of the Senate during the debate. At least five Senators were convinced of the merit of this bill by the visual presentation of conservation needs afforded by these graphic portrayals.

The idea that photographs were more powerful than words came to me from Mr. Mel Ruder, the enterprising, conservation-minded editor of the Hungry Horse News in Montana. His idea, which he submitted to me in the form of some of his own photographs on Montana's conservation needs, plus your photographs, were compelling demonstrations of our conservation deficiencies.

I do hope that you and your associates will restudy Senate bill 812 along with the hearings, committee report, and floor debate. I believe that this study will lead you to see that, properly applied, the Youth Conservation Corps can be a fine tool for effecting needed conservation work.

Please accept my sincere thanks for supplying the photographs.

Sincerely yours,

JAMES E. MURRAY,
U.S. Senator.

RESPONSIBILITIES OF THE INSPECTOR-GENERAL OF THE FOREIGN AID PROGRAM

Mr. MANSFIELD. Mr. President, an excellent article on changes which are being brought about in the foreign aid program by the current Mutual Security Act appeared in the New York World-Telegram on August 7. The article carried the byline of the very able correspondent, Mr. Peter Edson.

One point in Mr. Edson's article, however, seemed to me to be at odds with the intent of the legislation. Mr. Edson indicated that the military aid program would not come under the purview and responsibility of the new office of the Inspector General of the aid program, which was established this year by the Congress.

Mr. President, it seems to me that the law is clear and unequivocal on this point. The Inspector General is made responsible for the review of any and all aspects of the foreign aid program. It is his duty to try to discover shortcomings in the aid program, wherever they may exist.

To me, the creation of the office of Inspector General in the State Department represented a great step forward in bringing about a more effective administration of foreign aid. It fixed a single and tangible point of responsibility within the entire executive branch to uncover the weaknesses in administration, something which heretofore has been lacking. I was most disturbed, therefore, to find that the ink had scarcely dried on the new Mutual Security Act before Mr. Edson was indicating—I am sure on good authority—that the clear responsibility and authority which Congress had vested in the Inspector General was already being diluted by an apparent exemption of the military aid program from his jurisdiction.

Accordingly, I wrote to the Acting Secretary of State, and inquired about the accuracy of Mr. Edson's report. It was most helpful to receive the Acting Secretary's reply. He has assured me that the law means what it says, and that the jurisdiction of the new Office of Inspector General does, indeed, extend to every aspect of foreign aid, including military assistance.

I ask unanimous consent, therefore, that the exchange of letters between Mr. Dillon and myself, clarifying this matter, be made a part of the RECORD, at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 10, 1959.

Hon. C. DOUGLAS DILLON,
Acting Secretary of State,
Department of State, Washington, D.C.

DEAR MR. DILLON: In the August 7 issue of the New York World-Telegram and Sun, there is a column by Peter Edson on the aid programs. A copy of this column is enclosed.

I call your attention to the paragraph which I have encircled. If I read this paragraph correctly it means that the Inspector General in the Department of State will not have responsibility or authority to audit the military aid program.

May I say that was not my understanding of the mutual security legislation which recently passed the Congress. The impression I had, an impression shared by other Members, was that the Inspector General would have both the authority and the responsibility to audit every aspect of the aid program including military assistance program.

I would appreciate it, therefore, if you will let me have answers to the following questions:

(1) Is Mr. Edson correct when he says that, as regards the arms aid program, checking on its shortcomings "will not be entrusted to the new Inspector General and Comptroller's Office in the State Department?"

(2) If Mr. Edson is correct, who made the decision to divest the Inspector General of a responsibility and authority which seems to me to be clearly assigned to him under the law?

(3) If Mr. Edson is correct, where is the responsibility and authority now lodged for auditing the military assistance program?

I would appreciate hearing from you as soon as possible on this matter.

Thanking you and with best personal wishes, I am,

Sincerely yours,

———

[From New York World Telegram and Sun, Aug. 7, 1959]

CONGRESS TIGHTENS AID LAW

(By Peter Edson)

WASHINGTON, August 7.—For the first time, new foreign aid legislation passed by Congress will give the State Department and International Cooperation Administration a $19,000-a-year inspector general and comptroller.

His job will be to ride closer herd on U.S. economic and military assistance overseas. He will be authorized to make audits on all ICA operations. He will report to the Under Secretary of State, now C. Douglas Dillon. His main functions will be to catch, reduce and correct inefficiency, waste and corruption in these multibillion dollar programs.

Creation of this new office does not mean that the succession of U.S. foreign aid agencies—ECA, MSA, FOA, and now ICA—have been without powers to police their own operations in the past.

In the last 3½ years 75 U.S. oversea aid missions have been audited. There have been over 1,100 recommendations for corrective action.

These audits have checked not just the bookkeeping. They have also sought unauthorized diversions of U.S. aid supplies, black marketing, fraud, improper maintenance and use of equipment and materials furnished foreign countries.

On personnel security the investigations have looked for evidence of bribery, embezzlement, conflicts of interest, kickbacks, and falsification of records.

Since 1953 there have been over 2,300 personnel investigations, with 138 cases referred to Department of Justice. There have been 19 such cases this year. Nine employees have been discharged and nine resigned under investigation.

ICA's auditing and personnel security probes cover only economic aid programs. Military aid furnished friendly governments on a grant basis is supposed to be audited by Department of Defense comptrollers and by armed services' inspectors general.

But the Senate-House conference report on this year's foreign aid bill declares that "impressive evidence has been presented on shortcomings in the administration and control of military assistance in a number of countries." So a Department of Defense team is now conducting a comprehensive audit of all military assistance operations in the United States and abroad.

Nearly all the mistakes in arms aid programs are hidden under tarpaulins of military security secrecy. So checking on these shortcomings will not be entrusted to the new inspector general and comptroller's office in the State Department.

In writing the new law, Congress specified that all documents, audits, reports and findings relating to foreign aid operations shall be turned over to the General Accounting Office, which serves Congress, or to any congressional committee, on their request.

In signing this new law, President Eisenhower made clear he would not turn over to Congress any executive department papers if he deems this would not be in the public interest. This could stymie future probes.

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DEPARTMENT OF STATE,
Washington, D.C., Aug. 13, 1959.

Hon. MIKE MANSFIELD,
U.S. Senate.

Dear SENATOR MANSFIELD: I have your letter of August 10 regarding the article which appeared in the August 7 issue of the New York World-Telegram and Sun with particular reference to the responsibility and authority of the Inspector General and Comptroller in the Department of State.

I do not know, of course, the source of Mr. Edson's information. I can assure you, however, that it is the full intent of the Department of State to carry out the desire of the Congress in establishing the Office of the Inspector General and Comptroller in the Department of State, bearing in mind not only the express language of section 533A of the Mutual Security Act of 1954, as amended, but also the report of the House Foreign Affairs Committee and the statement of the managers on the part of the House.

All three indicate that the authority of the Inspector General and Comptroller extends to military assistance programs administered by the Secretary of Defense.

I trust this information will eliminate any concern which you might have.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

PROTECTION OF MINOR LEAGUE BASEBALL FROM STIFLING ENCROACHMENT BY THE MAJOR LEAGUES

Mr. NEUBERGER. Mr. President, as the summer draws to a close, every Congressman—like every other citizen in the country—opens his morning paper with mixed emotions. Surely, we are all concerned with current world tensions. No doubt we all desire to check the latest happenings on the domestic front. But no matter how rushed we are, we seldom fail to glance at the sports pages to see how our favorite baseball team is doing.

Whether it is one of the 16 major league teams, or a local minor league club, all of us want to keep up on the latest win-loss percentage of the "home club." Wherever people congregate these days, amid comments of, "What do you think of Khrushchev coming?" one is bound to hear someone say, "What's happened to the Yankees?" The pennant fever is in the air. But amid the annual furor over pennant struggles, the world series, and player talents, readers of the Nation's sports pages have noticed recurring news stories concerning the exemption of professional athletics from the Federal antitrust laws.

JUDICIAL HISTORY OF PROBLEM

The problem is not a new one, Mr. President. As early as 1922 the Supreme Court, speaking through Mr. Justice Oliver Wendell Holmes, held that baseball games were purely State affairs involving personal effort, therefore exempting them from the stream of commerce which might place them under the antitrust laws.

The 1922 decision was followed by a similar per curiam opinion in *Toolson* v. *New York Yankees* (346 U.S. 356), in 1953. However, since the Toolson case, two decisions by the Supreme Court have held that boxing and football are, at least with regard to the particular practices litigated, within the meaning of the term "engaged in trade or commerce among the several States," and therefore subject to the provisions of the Sherman Antitrust Act.

"BEAVERS" SUE THE MAJORS

The most recent chapter in this legal history was written on July 31, 1959, when the Portland Baseball Club, known colloquially as the "Beavers", brought a suit against the 16 major league teams, the American and National Leagues, Commissioner of Baseball Ford Frick, and and the presidents of both major leagues, charging that the aforementioned individuals and organizations had violated the Sherman Antitrust Act. The suit asked treble damages of $1.8 million and requested the Federal court to enjoin the majors' monopolistic practices.

Whatever the result of the Portland suit, the Congress will soon have to face up to this problem. Unrestricted TV broadcasts, monopoly of players, unrestricted contract signing of young players, and invasion of minor league territories, are only some of the practices about which minor leagues have been complaining. And, of course, many of these problems are present in other professional sports. But they are concentrated in baseball.

CONGRESSIONAL ACTION

In its last decision on the subject, in *Radovich* v. *National Football League* (352 U.S. 455), the Supreme Court suggested that the proper solution to the problem of antitrust regulation of professional sports must be provided by the Congress, not the courts.

In 1951 the House Judiciary Subcommittee on the Study of Monopoly Power, headed by Representative EMANUEL CELLER, held hearings on this matter. And there have been intermittent hearings and bills dealing with the subject ever since.

There are now two bills before the Senate Judiciary Committee which propose to deal with the problem. S. 616, sponsored by Senators HENNINGS, DIRKSEN, and KEATING, adopts the "all or nothing" approach. Their bill exempts from Federal regulation almost every significant practice engaged in by professional teams.

S. 886, sponsored by the Senator from Tennessee [Mr. KEFAUVER], is a more restrictive bill, in that it would provide for abolition of baseball's minor league farm system, a modification of the National Football League's "draft" of college players, and FCC regulation of TV "blackouts" of sporting events.

Mr. President, I hope that the Senate Judiciary Committee will act on one of these bills before the session ends. I think that, in light of the confusing state of court decisions in the area, the need for legislation dealing with the problem is evident.

Mr. President, I also ask unanimous consent that there be included at the conclusion of my remarks a very informative letter from Donald C. Walker, secretary and legal counsel of the Portland Baseball Club, explaining the basis of the Portland suit against the major leagues, and a newspaper article and an editorial about the suit from the Oregon Journal of Portland and the Washington Star of Washington, D.C.

I call particular attention to the editorial in the Journal entitled "Bevos Tackle Baseball 'Goliath.' "

The PRESIDING OFFICER (Mr. CARLSON in the chair). Is there objection to the request of the Senator from Oregon?

There being no objection, the letter, editorial, and article were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *August 8, 1959.*

HON. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: In my conversations with your office, it was thought best to make a statement for the Senate Judiciary hearings on baseball rather than to take the chance of coming back without a regular appointment as a witness.

The Portland Baseball Club has for some time attempted to negotiate within the baseball family the difficult problems that are damaging to minor league baseball throughout the country and baseball generally. The two major problems are:

1. Invasion of minor league territory by major league telecasting.

2. The acquisition, control and transferring of ballplayers.

Early this year, the Portland Baseball Club directed a letter to all major league clubs advising them it was necessary that these problems be negotiated. Enclosed is a sample copy of the letter that was written to the major league owners. After this letter was received, we were notified by counsel for the major league owners that they would like to discuss this matter with us. Mr. Louis F. Carroll, their attorney, requested that I come back to New York City and he would set up an appointment with Ford Frick, commissioner of baseball.

The Portland Baseball Club has felt that any settlement could not be one solely between itself and the major clubs but would have to be one that would be satisfactory to all minor league baseball. With that thought in mind, as secretary and legal counsel for the Portland Baseball Club, I visited with the various minor league owners throughout the country before meeting with the commissioner in the manner aforesaid. When I met with the commissioner I stated that it was the consensus of opinion of independent minor league operators that two problems should be negotiated:

1. The acquisition and control of minor league ballplayers.

2. The invasion of minor league territory by major league telecasting.

The commissioner was friendly to this suggestion and recommended the appointment of two committees to study this problem. The first committee was a radio and television committee with four members on the major league committee and four members on the minor league committee. The minor league committee met with the major league committee in Columbus, Ohio, and the minor league committee met several times thereafter and the outcome was a million-dollar fund to be distributed to 119 independent minor league clubs. This fund was to be distributed based upon classification. The Portland Baseball Club, being a AAA club, would receive $22,500 and, for example, the Salem Baseball Club and the Northwest League, being a B league, would receive $5,500. The major league clubs, however, required an unconditional release of all our rights and of course that was unacceptable to the Portland Baseball Club and I feel to many others if they recognize the full impact of that release.

Therefore, negotiations were completely unsatisfactory for the reason that no sound solution would be forthcoming from the million-dollar fund. I might add here, parenthetically, that there was already a minor league fund in existence of one-half million dollars for lower classifications of leagues for damage, so the creation of the million-dollar fund was only the addition of one-half million dollars to an already existing fund.

The Portland Baseball Club has come to the realization that its only redress is in the courts and that major league operators are not willing to negotiate on the merits of the two basic problems mentioned. After careful consideration, a lawsuit was filed here in the U.S. District Court for the District of Oregon against the 16 major league clubs, the commissioner and the American and National Leagues. This suit is an antitrust suit brought under the Sherman and Clayton Acts, and is an antitrust suit seeking damages for the monopolistic practices of controlling ballplayers and unfair competi-

tion through television. I am enclosing a copy of the complaint.

In the lawsuit we are also asking for $600,000 trebled plus certain equitable relief in reorganizing the structure of baseball so two major fundamentals can endure:

1. That baseball can develop in a community within the limits of that community's imagination, talents, and ability.

2. That the principles of representative government be practiced in that the commissioner of baseball be selected not only by major league operators but by all of baseball, including major league owners and minor league owners.

The present system of baseball allows the 16 major league operators to draft star players from minor league teams and the minor league teams are unable to secure replacement because all the young talent coming up is owned and controlled by major league operators. This system, in effect, means that the ownership of a minor league franchise is a license to lose money.

The evidence is clear that major league operators are killing baseball in America. Ten years ago there were 59 minor leagues that drew 41 million people. Ten years later there are 21 minor leagues and in 1958 the attendance was 13 million.

We believe that if baseball is a national pastime that it should exist in a healthy environment all over the country and not just in 16 cities. That baseball, while being a wonderful recreation has many other wonderful aspects.

Baseball can be an instrument of international good will as baseball should expand internationally. Baseball also can be a sound deterrent to juvenile delinquency by encouraging young people to be interested in a healthy competitive sport in stimulating them to participate on their own part. Baseball also can be a stimulus to business activity as evidenced by the economic advantages that occurred to Milwaukee, Kansas City, Los Angeles, and San Francisco.

We also feel that the Senate Judiciary hearings have not heard the side of minor league baseball and that sound legislation can save baseball for the entire country for the advantages that it will have far beyond the game itself.

We respectfully request that the Senate Judiciary Committee place in any proposed legislation, safeguards against the monopolistic practices of the control of unlimited numbers of players and second, the unfair competition in telecasting the major league games into minor league territory.

As to the latter, we are not attempting to prohibit major league telecasting but to work out a system that would be reasonable to all parties concerned.

The commissioner and major league owners urge that baseball be free of antitrust laws because of two unique features, the reserve clause and territorial rights. If immunity should be granted because of the uniqueness of the latter, then major league owners should recognize the uniqueness of minor league territory.

Also it would appear to the Portland Baseball Club that there are three types of proposed legislation:

1. The type that excludes baseball from the antitrust laws.

2. The type that would make it subject to the antitrust laws.

3. The type that would exclude the unique features of baseball from the antitrust laws.

The Senate Judiciary Committee should seriously consider that the abuses of the features that are unique to baseball such as territorial rights, the drafting of players, unlimited acquisition and control of ballplayers, can be very damaging to minor league baseball and also to major league operators who are not as successful as some of the top contending teams. In fact the abuse of the unique features is really causing the injustices.

Therefore, we urge the amendment of Senate bill 886 before its passage, particularly subparagraph (1) of section 2 be amplified as to what is the meaning of the phrase "the equalization of competitive playing strength."

As to subparagraph (2) of the same section, 80 players should be reduced to the present major league rule of 40 players. Subparagraph (4) is a delegation of authority to administrative agency and the boundaries of that delegation should be amplified and defined. We feel that serious consideration should be given to these points before the passage of any bill that might not correct the abuses that now exist within baseball.

If baseball is to be considered the national pastime, it should be subject to the present laws, namely, the Sherman Act and the Clayton Act, just as any other sport or endeavor. If legislation is to grant any immunity it should be for the betterment of baseball all over the country and not just for 16 operators in major league cities.

The answer is to allow the principles of free enterprise, individual initiative, and also representative government to prevail within all baseball structure, allowing for certain reasonable practices of territorial rights, reserve clause, etc.

We would appreciate your bringing our sentiments expressed in this letter to the Judiciary, Antitrust Subcommittee of the Senate.

Respectfully yours,

DONALD C. WALKER,
Secretary and Legal Counsel of the Portland Baseball Club.

[From the Oregon Daily Journal, Aug. 1, 1959]

BEVOS TACKLE BASEBALL "GOLIATH"

Whether the Portland Baseball club can win with its slingshot against the atom power of the major's "Club 16" is a question the courts must decide.

When, in our democracy, there is no other recourse, legal action must be taken, said Don Walker, secretary of the Portland Beavers, when he filed his $1,800,000 damage suit against the majors.

There seems no doubt that major league abuses of the minors fill a long specification sheet. No less an old-time baseball man than Larry MacPhail, former stormy petrel of the New York Yankees, detailed some of them:

1. Unrestricted TV.

2. Monopoly of players.

3. Unrestricted signing of players starting almost at cradle age with huge bonuses that prevent any competition from minor clubs.

4. Invasion of minor league territory.

But mostly it's been player control and saturation of minor areas with major television that strangled the minors. As MacPhail said, "Their whole policy toward the minors has been tantamount to poisoning them and then trying to pump their stomachs out, feebly. So all you get is crocodile tears."

Not only are the minors alienated by the majors, but so are our colleges, which are continually raided for good athletes by the high-paying majors. Oregon's Leo Harris, athletic director, has threatened to approach the NCAA with the thought of abandoning college baseball.

Baseball has been smug in the knowledge that an old Supreme Court decision gives it immunity from antitrust laws. But that was a long time ago, in 1922, before television. What justice is this when pro football and basketball are subject to the antitrust provisions?

And ironically enough, pro football has grown tremendously in national popularity and proved it can be a bigtime sport and still have friends and influence people. For one thing, pro football doesn't touch a college star until he graduates and then puts him up for draft.

Portland's directors start out as a lone voice in the baseball forest. Too many other minor league clubs are afraid of irritating the high-and-mighty majors. But as the fight goes on, Portland may gain allies. Let's hope that's so, because Portland's cause is the minors' cause.

Portland must be ready to face hardship. Major pressure could be felt here should the "big 16" try to squeeze the Bevos on player acquisition. So far, the Kansas City Athletics say they're happy with their affiliation with Portland. They say they have confidence in Tommy Heath. Undoubtedly they mean they think he is outstanding in developing the farmhands for their later use.

There may be pressure on KC to end the tieup. If that should happen, Portland would have to brace for an era of independence.

But this much should be realized: Baseball faces a period of great turmoil, with talk of a third major league and threats of congressional action.

It's just as well the Bevos go for broke. By the time the suit is resolved, it may be major league or nothing anyway.

[From the Washington Evening Star, July 31, 1959]

PORTLAND CLAIMS MONOPOLY—SUIT FOR $1.8 MILLION FILED AGAINST MAJORS

PORTLAND, Oreg., July 31.—Baseball's major leagues are a monopoly, the Portland Beavers said yesterday in a Federal court suit that asked, among other things, $1.8 million damages, a chunk of television money and the breakup of the majors' farm system.

The suit well might have been averted, an official of Portland's minor league club said, if the majors had been willing to sit down and talk things over seriously.

But now, as the Beavers are faced with dwindling attendance, the suit represents the club's ultimate hope for survival, another official said.

In addition to the damages sought, the suit asked the courts to revamp the structure of the majors and whittle their power. Through the suit ran the contention that the majors have violated Federal antitrust laws.

The damages were sought, the suit said, because the ways in which the majors acquired players and televised their games had brought loss of income.

Things could be straightened out, the suit said, if the courts would enjoin the majors from trying to monopolize and order them to sell every minor league club they own.

In addition, the suit said no major league team should be allowed to own or control more than 40 players.

Unfair competition from televised major league games also should be enjoined, and the majors should be forbidden to exercise arbitrary authority in expanding the leagues, the suit said.

The defendants included Commissioner Ford Frick, both leagues, their presidents, and all 16 major league teams, including the Kansas City Athletics, with whom Portland has a working agreement.

In New York, Frick commented: "It looks as if it is another one of those suits like the one filed by Frank Lawrence of Portsmouth, Va., which was tossed out of court."

Arch Kingsley, Portland's president, disagreed and said: "The Portsmouth case was one of breach of contract. Ours is under the antitrust laws charging monopoly and unfair competition. It is altogether different."

WHY BE UNJUST TO ANY COMBAT VETERANS?

Mr. KUCHEL. Mr. President, a few weeks ago, with meager debate, Congress passed what was presumably a piece of noncontroversial legislation relative to promotions of some officer personnel in the naval service. It now appears that a cruel joker was obscurely skulking in one of its sections, by which certain combat veterans in the Navy, Marine Corps, and Coast Guard are to be mistreated and punished by denying to them an honor which has always been available to them on retirement.

There can be no doubt whatsoever that Congress had no intention at all to secrete in the new statute a smack in the face of those who, under fire, defended their country.

In the past week, I was happy to become a cosponsor of a bill introduced by the distinguished senior Senator from Illinois and the distinguished junior Senator from Montana and Florida to postpone the effective date of provisions of Public Law 86–155 which would end so-called tombstone promotions in the Navy, Marine Corps, and Coast Guard. As it stands, this act of Congress, which became law only last week, will terminate in a few weeks the right of certain combat veterans to be advanced in rank—without, of course, any additional pay or benefits—upon voluntary retirement.

Prompt action is imperative to avert shameful injustice and to assure considerate treatment of a relatively small number of men in those branches of the Armed Forces who are faced with the necessity of making one of the most important decisions of their lives under the gun of an ill-advised deadline fixed by the Congress.

In signing this bill, President Eisenhower sharply illuminated the undesirable consequences of the provisions which would repeal, effective next November 1, a law which has been in effect since 1925. The Chief Executive, whose long career qualifies him probably above all others now holding public office to measure most accurately the effect of such legislation, asked Congress to reconsider this part of its action in the interests of equity, justice, and high morale.

At the outset of my remarks, I suggested that hardship and possible injury may be an unexpected result of passage of this legislation. For my own part, I regret that my attention had not been called to the particular provisions which I now believe must be modified without delay. I dare say few of my colleagues, at the time the bill was under consideration, gave thought to the effect of such hasty action on several hundred, at the most a few thousand, officers who can proudly point out they were specially commended for performance of duty in actual combat.

The November 1 deadline is particularly cruel to men who at the present time are on sea duty or stationed far away from their families, possibly in foreign countries. It is undeniably unfair to compel them to decide whether to apply for early retirement without the opportunity to consult their wives or to ascertain the prospects of agreeable civilian employment.

The especially unfortunate impact of congressional enactment of legislation to end tombstone promotions in less than 3 months is that officers may feel compelled to request retirement in order to avoid being forced out through steps to remove the "hump" in promotion lists, only to find that the administrative processes cannot operate fast enough to protect their rights and privileges.

In this regard, the Department of Defense has advised me that retirement procedures, under even favorable circumstances, are time consuming, and there is no certainty that officers making prompt request will have their applications reviewed and acted upon before the deadline. This is especially true in the case of reservists on inactive duty. I wish to point out to my colleagues that the records of each officer must be carefully reviewed to determine whether in actuality and in fact he is entitled to a tombstone promotion. In addition, physical examinations are mandatory, and in many cases medical review or hospitalization for observation is necessary.

The unwitting action of Congress already has had serious morale effects. Within less than 3 weeks after this legislation was passed, 55 retirement applications were submitted to the Secretary of the Navy. The consequences of our hasty approval of this far-reaching provision of H.R. 4413 easily could be to strip segments of our national defense of officers with great talent, ability, experience, and leadership qualities.

I earnestly recommend, Mr. President, that the bill, of which I am proud to be a cosponsor, be given the most expeditious consideration possible so that no undesirable, undesired, or inequitable results will flow from our desire to remove obstacles in the way of younger officers of these services.

Mr. President, I ask unanimous consent to have printed as a part of these remarks the statement of President Eisenhower calling attention to the undesirable provisions of Public Law 86–155 relating to forced retirement of certain officers.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Is there objection to the request?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

THE WHITE HOUSE, *August 11, 1959.*

I have today signed H.R. 4413, "An act to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes."

One provision of the Act repeals, effective November 1, 1959, a 1925 law which, as amended, requires upon their retirement, the honorary advancement to the next higher grade of Navy and Marine Corps officers who were specially commended for performance of duty in actual combat prior to January 1, 1947.

The November 1 deadline poses a serious problem for those active duty officers who are presently eligible for honorary promotion upon retirement. A number of these officers are, of course, on sea duty or at stations abroad. In a very short time they must decide either to effect their retirement by the November 1, 1959, deadline, or to continue on active service beyond that date in the hope that they will receive a regular promotion in due course.

This decision is made more difficult by the principal provisions of H.R. 4413 which will bring about the forced retirement of many officers in order to prevent a stagnation in the promotion of their juniors. I believe that it would be only fair to officers, who by their noteworthy combat service, have shown their dedication to our country, that they be allowed an additional period of time during which to make what is for them a momentous decision.

Out of consideration for the service which these officers have rendered, I hope the Congress will promptly accord them such additional time.

SPORTS AND THE ANTITRUST LAWS

Mr. KEATING. Mr. President, I was pleased to hear the present distinguished occupant of the chair [Mr. NEUBERGER] refer to the situation with regard to organized baseball, which is a subject in which I have been interested for a long time.

Mr. President, the bill introduced yesterday by the distinguished Senator from Tennessee [Mr. KEFAUVER], for himself, the Senator from Illinois [Mr. DIRKSEN], and the Senator from Missouri [Mr. HENNINGS], represents an admirable attempt to deal with the problem of the relation of the antitrust laws and our professional team sports. I am delighted the chairman of the Senate Antitrust Subcommittee has accepted the principles embodied in S. 616, of which I am a cosponsor. Unfortunately, S. 2545 does not do the whole job, and it therefore is a misnomer to term it a true or complete sports bill.

The measure, as introduced, grants certain needed exemptions from the antimonopoly statutes to the professional team sports of football, basketball, and hockey. I am heartily in favor of this move.

However, the sport of baseball is conspicuously absent from the language of this bill. This is its fatal flaw, and I intend to do all in my power to see that baseball is included in any measure which passes the Senate.

The need for congressional action in this field has been brought on by various Supreme Court decisions over the years which have indicated that baseball is exempt from the antitrust laws, while football and the other sports are not. This clearly anomalous situation cries out for clarification by Congress. Indeed, the High Court has specifically invited action by Congress in this regard.

In order to lay the groundwork for correcting the inequity of the Supreme Court's edicts, committees of both Houses have held hearings off and on for several years. As a Member of both the House and Senate I have participated in these deliberations, and have heard literally thousands of words and scores of witnesses representing all facets of the operations of our professional team sports.

I have concluded from these hearings and from my own studies that each of the four major professional team sports deserves equal treatment under our laws.

Each should be dealt with by legislation so that its status will be clear and equal.

While it is true that the operations of professional baseball differ in many respects from the manner in which the other sports run their businesses, I do not believe this should deter us from dealing with all of them in one legislative package. I believe baseball has proved it is worthy of special help along with these other sports, and I am convinced its future performance will be marked by good faith and honest operation in the best interests of the players, owners and fans of our national pastime.

I recognize, of course, that baseball is presently exempt under Supreme Court decisions from antitrust regulations, and that this could serve as a reason for not dealing with it by legislation. But I do not think we should do this thing in a halfway manner. If we are going to clarify the status of our professional team sports and the antimonopoly laws, then let us do the whole job and include baseball. Otherwise, I believe we will be casting a kind of legislative shadow on all the activities of baseball.

I also believe the fact baseball is not included in S. 2545 can have a deleterious effect on the delicate negotiations now underway with regard to the establishment of a third major league. It is my hope that Congress will not in any way try to hold a legislative club over organized baseball as these negotiations proceed. It is my hope we will not put ourselves in the position of being monitors of baseball.

There is nothing in the record or future promise of baseball to merit such a stand by Congress. Baseball has proved its worth, honesty and good faith over the years. It should be included with equal rights and equal exemptions in any true sports bill considered by Congress.

With these factors in mind, I shall offer in the Judiciary Committee an amendment to include baseball under the coverage of S. 2545. With that addition, I believe the job of Congress in correcting present legal inequities can be done and done well. We will have fulfilled our task of bringing order out of the potential chaos brought on by the High Court's rulings.

Perhaps most important of all, we will have given a vote of confidence to baseball and to these other sports. Each of them deserves this support and encouragement.

In the long run, I believe that the inclusion of baseball in a reasonable bill enacted by Congress will serve to spur progress toward the creation of the third major league—a dream close to my heart. On the other hand, I have serious reservations about the effect of legislation which does not include baseball. Such a bill could well scare off investors in the third league, and would generally serve as an upsetting influence on progress toward that goal.

While we must not expect miracles overnight as a result of the meetings commencing today on the third major league, it is incumbent upon Congress not to take any action which will hold up progress. The bill introduced yesterday could serve as such a roadblock. I am hopeful my activities to amend it will be successful, so that the third major league can continue upon its road to realization and actual operation in the very near future.

Mr. President——

The PRESIDING OFFICER. The Senator from New York has the floor.

TRIBUTE TO DR. LEV E. DOBRIANSKY: CHAMPION OF THE CAPTIVE NATIONS

Mr. KEATING. Mr. President, the role played by Dr. Lev E. Dorbriansky, of Georgetown University, in the proclamation of Captive Nations Week has unfortunately been overlooked by many people. The manner in which he conceived this idea and helped speed it through Congress should be a matter of public record.

The work of Dr. Dobriansky on the resolution is but one facet of his unceasing labors in behalf of all peoples trapped behind the Iron Curtain. His particular efforts have been devoted, of course, to the plight of the noble people of the Ukraine, since he serves as chairman of the Ukrainian Congress Committee of America. This committee has served well to retain the proud traditions of Ukraine, while promoting dedication to America and calling the attention of the free world to the present subjugation of their friends and relatives behind the Iron Curtain.

Dr. Dobriansky, in addition to his labors in behalf of his beloved Ukraine, has also been active in academic and political circles. He has appeared often before committees of Congress and has frequently spoken and written on subjects of national and international importance.

So that his activities, record, and words may have the wide public dissemination they deserve, I ask unanimous consent to have printed in the RECORD Dr. Dobriansky's biography and other material relating to his work.

There being no objection, the biography, testimony, and article were ordered to be printed in the RECORD, as follows:

BIOGRAPHY OF DR. LEV E. DOBRIANSKY

1. Born November 9, 1918, in New York City and educated in New York City public schools.

2. Studied at New York University (Ph. D., M.A., B.S.) and Fordham University:

(a) Charles Hayden Memorial scholar for 4 years at New York University; major in economics, minor in philosophy and history.

(b) Graduated magna cum laude, New York University.

(c) Studied formal philosophy at Fordham University for 7 years and offered graduate scholarship.

(d) Member of honor society, Beta Gamma Sigma, fraternity Delta Sigma Pi.

(e) Hirshland political science fellow at New York University, 1943–44.

(f) Teaching fellow in economics, New York University, 1942–44.

(g) Conferred honorary LL.D., Munich, Germany, 1952.

3. Taught at New York University and Georgetown University; faculty, the National War College:

(a) Teaching fellow in economics, New York University, 1942–44.

(b) Instructor in European history, New York University, 1943–44.

(c) Instructor in economics, New York University, 1944–48.

(d) Assistant professor in economics, Georgetown University, 1948–52.

(e) Associate professor in economics, Georgetown University, 1952; (1) acting chairman of department, 1953–54; (2) graduate school, course on Soviet economics, 1955.

(f) Faculty of political affairs, the National War College, 1957–58.

4. Additional activities in research, politics, etc.:

(a) Research in banking, American Bankers' Association, 1942–43 (small loan problems and ghost-written articles on subject).

(b) Associate editor of the Ukrainian Quarterly, 1946.

(c) President, Ukrainian Congress Committee of America (member, All-American Committee to Combat Communism), 1949–55; national chairman, 1955.

(d) Consultant, Republican National Committee, 1951–52; 1956.

(e) Assistant Secretary, Republican National Convention, 1952.

(f) Consultant, Commission on Accreditation of Service Experiences, American Council on Education, 1952.

(g) Member, Economists' National Committee on Monetary Policy.

(h) Adviser, Nationalities Division, Republican National Committee, 1956.

(i) Military Intelligence, G–2 (Reserve), 1948–53.

(j) Military Government, commissioned lieutenant colonel (Reserve), 1958.

(k) Executive board member, Institute of Ethnic Studies, Georgetown University, 1958.

5. Civic and general public participation:

(a) Testimonies in Congress: Senate Judiciary Committee on Immigration (1948); Senate Foreign Relations Committee on Genocide (1950); Wherry resolution (1951); mutual security (1952); House Foreign Affairs on diplomatic representation in Ukraine and Byelorussia (1953); Select House Committee on Communist Aggression (1954); House Ways and Means Committee on foreign economic policy (1955); Senate Foreign Relations Committee on U.N. Charter revision (1955); Senate Committee on Labor and Public Welfare on forced labor in U.S.S.R. (1956).

(b) Lectures and addresses on communism, Soviet economics, foreign policy and Eastern Europe before Air Force units, intelligence units (Fort Meade), military government units (Fort Meade), Exchange Club (Washington), Inquirendo Society (Washington), Eagles convention (Philadelphia), Institute of Slavic Studies (Marquette University, Wisc.), Cooperative League of Washington, Western College for Women (Ohio), Greater Buffalo Advertising Club, University of Michigan, Yale University, Johns Hopkins University, the National War College, College of City of New York, etc.

6. Appearances on radio and TV:

(a) Participant in roundtable discussions on economic, monetary and fiscal problems over WNYC in New York City, 1944–48.

(b) Commentaries on the U.S.S.R., with Gunnar Back, Washington and WMCA in New York City, 1951–52.

(c) Network program of "Crossfire," 1952.

(d) Georgetown University TV Forum, 1952 to present.

(e) Radio and TV stations in Pittsburgh (WKDI), Milwaukee, New Haven (WNHC–TV, 1956), Newark, N.J. (WATV, 1955), Philadelphia, Pa. (WFIL, 1956), etc.

(f) Moderator of "Congress Looks at the Slave World," August 1954, U.S. Senate.

7. Authored over 200 articles, book reviews and pamphlets on economic and political subjects, appearing in Human Events, CONGRESSIONAL RECORD, Ukrainian Quarterly, Georgetown University in Law Journal, Vital

Speeches, Exchange, Ukrainian Bulletin, Annals of American Academy of Political and Social Sciences, Social Order, Manuscripta, Free World Review, etc.

(a) Work on the Social Philosophical System of Thorstein Veblen: An Episode in Modern Thought, N.Y.U., 1953.

(b) The Free Trade Ideal, Dow Chemical Co., 1954.

(c) Contribution to House Un-American Activities Committee Symposium on the Soviet Union, April 1956.

(d) Veblenism: A New Critique, 1957.

8. Membership in the following professional and other societies: American Economics Association, American Academy of Political and Social Sciences, American Association of University Professors, Academy of Political Sciences, National Academy of Economic and Political Sciences, Catholic Economics Association, American Finance Association, Council of 1000—American Institute of Management, 1956, Shevchenko Scientific Society, National Society for Study of Education, University Club (Washington), National War College Alumni Association, etc.

9. Listed in "Who's in South and Southwest," "Who's Who in American Education," "Who Knows—and What," "Directory of American Scholars," "American Men of Science III–1956," "Who's Who in Commerce and Industry," "Leaders in American Science (1958–59)," etc.

10. Travel: Canada, 1946–47; Western Europe 1952–53; Middle East 1958.

"THE USIA AND THE U.S.S.R."

(Testimony on the U.S. Information Agency by Dr. Lev E. Dobriansky, professor at Georgetown University and chairman, Ukrainian Congress Committee of America, before Committee on Appropriations, the U.S. Senate, Friday, June 12, 1959, Washington, D.C.)

Gentlemen, I appreciate deeply the privilege of this opportunity to testify on the U.S. Information Agency. We support the budgetary request made by the USIA to establish new transmitters for Voice of America broadcasts to the non-Russian nations within the Soviet Union. Needless to say, many shortcomings and defects still continue to exist in the policy and operations of the USIA. Nevertheless, by reason of urgent circumstances, the requested funds should be appropriated with the specified intention of (1) redressing several blunderous changes recently effected in the Voice of America as concerns our broadcasts to these vital and strategic areas in the U.S.S.R.; and (2) expanding these broadcasts because of the internal satellite and captive status of these non-Russian nations.

We offer the following reasons to support this position:

(1) Strange as it may seem, last year some officials in the USIA and a related department concocted the bright idea of inducing the Lithuanians, Latvians, Estonians, Ukrainians, Georgians, Armenians, Turkestani, and the Azerbaijani to listen to our broadcasts either in the language of their captor, namely Russian, or in English. It was suggested that we imitate in this respect the British Broadcasting Co. When strong opposition to this project of alienating these truly natural allies developed both in the Congress and among private groups, the argument for curtailing broadcasts in the languages of these different peoples was shifted to the ground of transmitter shortages and lack of appropriations. Hearings on this subject were held by the House Subcommittee on State Department Organization and Foreign Operations and my own testimony appears in its "Review of U.S. Information Agency Operations" (Committee on Foreign Affairs, 1959, pp. 102–161). Despite these hearings, on the basis of transmitter shortages the agency drastically reduced the Baltic and Ukrainian language broadcasts and eliminated entirely the Moslemic Uzbek program to central Asia. It appears now that the reestablishment and further improvement of these broadcasts are predicated on additional appropriations. In view of the established necessity of these appropriations, they should be made with the specification of the two aims cited above.

(2) The dimension of activity suggested by the concept of the non-Russian nations in the U.S.S.R. is still little appreciated or even recognized by our Government or people. Probably in no field of economics or political science is there more confusion and basic misconception than that relating to the U.S.S.R. The incontrovertible facts that (a) over half the population in the U.S.S.R. is non-Russian, (b) almost half of the armed forces in the U.S.S.R. is non-Russian, (c) the so-called Soviet economy is an empire economy thriving on rich captive resources, and (d) the history of every non-Russian nation in this substrate empire is, to present date, one of a struggle for national independence and freedom—these basic and determining facts continue to largely escape the understanding and imaginative thinking of our policymakers. Indeed, nowhere in our Government is any systematic and continuous study being made of this non-Russian problem which gnaws the very core of Moscow's empire. We are told, for instance, to understand better the 100 million Russians but we virtually ignore the even greater and more real need for understanding the 110 million non-Russians in the U.S.S.R. whose aspirations and histories are by far more affinite to our own traditions and whose unreliability for Moscow has been repeatedly attested to by countless Russian overseers. To sustain and extend these aspirations in this peripheral area closest to the very heart of the empire logically would seem to be highest priority target of our psychological and other efforts. Instead, our broadcasts to these non-Russian nations are grossly inadequate in scope and depth for the achievement of this logical end—an end that is capable of giving us the most powerful political leverage against the aggressions of Moscow's cold war activity. For example, at present there are no broadcasts to the 10 million Byelorussians or the 30 million Moslems in the U.S.S.R. As a background to these observations, may I submit for the record this article on "Lands and Nations in the U.S.S.R."

(3) Our failure to capture the dominant spirit of these non-Russian nations accounts in the greatest measure for the extreme irony that in Asia and Africa today, Moscow, rather than we, is viewed as the main proponent of national independence, anticolonialism, and anti-imperialism. The one power that itself possesses a vastly extended empire, consisting of these internal satellites within the U.S.S.R. and also the external satellites in Europe and Asia, has by deception seized the role for which we, by tradition and spirituality, are best and honorably fitted. This situation is not only ironical but incredible and humiliating. Fortunately, some of our writers are beginning to grasp this. This article by C. L. Sulzberger on Anticolonialism-Soviet Style (the New York Times, Mar. 14, 1959), which I would like to insert as part of this testimony, is a constructive example.

While in our simplicity we continue to fight the ghosts of international communism, Soviet communism, and Marxian ideology, behind these smokescreens the Muscovites capably apply the borderlands policy of the past tyrants of Muscovy to surpass the imperialist and colonial successes of previous czars. While people in this country, like the Overstreets who profess to tell us what we must know about communism, speak of a strange new force, the strangest and most enigmatic in all history, Russian scholars themselves, like Berdyaev and others who concretely experienced this force, long ago taught that Russian communism is the third form of Russian imperialism, the dominant preceding forms being the Third Rome ideology and Pan-Slavism. Actually, what is truly engimatic is not Russia but our trained incapacity to comprehend its imperialism and colonialism within the legistic subterfuge known as the Soviet Union.

In short, our further reverses in the necessarily incessant cold war—and there are many in the offing—will not be the result of any missile gap, space lag, fictitious overall economic competition from Moscow, or domestic inflation, all of which are really of subsidiary significance in the cold war context. Instead, they will be the direct result of a protracted misconception of the real nature of the enemy, his traditional modes of conspiracy and diplomatic and political duplicity, and his centuries-long Messianism. At the present time there is no separate and necessarily autonomous agency in our Government specializing in the study of these supposedly new techniques of cold war activity and, worse still, we have no apparatus to cope with them.

Our further reverses will also be the indirect result of our fantastic neglect of the non-Russian nations in the U.S.S.R. Most of them are the first victims of Red Russian totalitarian imperialism and, significantly, it is historically on the basis of their subjugation that the extensions of Moscow's empire were and are made possible. The present state of USIA's operations regarding the basic area of the U.S.S.R. in the main reflect this neglect. With your permission to submit this background material into the record,[1] I cannot stress too strongly your responsibility to bring about appropriate changes in this paramount respect. Our prudent and imaginative activity in this new dimension—the non-Russian nations in the U.S.S.R.—stands to outvalue, and at far lesser cost, our missiles, our nuclear bombs, and other hardware as concerns the insecurity of Muscovy in its traditional strides for world dominion. We are clearly unprepared to meet the challenges and requirements of conditions known as "neither peace nor war." And with the declining importance of physical military deterrence, our survival as an independent nation will rest upon our ability to meet these conditions.

[From the Chicago Daily Tribune, July 25, 1959]

CREDIT PROF WITH CAPTIVE NATIONS IDEA—LAYS KHRUSHCHEV PEEVE TO INCLUSION OF U.S.S.R.

WASHINGTON, July 24—A professor of Russian economics at Georgetown University here was disclosed Friday as the man who conceived the Captive Nations Week idea that aroused the ire of Russian Nikita Khrushchev.

He is Dr. Lev E. Dobriansky, 41, who was born in New York City of parents of Ukrainian descent. Dobriansky first started work on the project more than a year ago.

The office of Senator PAUL DOUGLAS, Democrat of Illinois, who guided the resolution in connection with the observance through Congress, confirmed the educator's role.

NAMES NATIONS IN U.S.S.R.

Dobriansky told the Chicago Tribune that the impact of the congressional resolution on Khrushchev apparently lies in the fact that it includes not only the names of recognized satellites of Russia, but also of countries that now are a part of the Union of Soviet Socialist Republics.

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[1] "American Policy and the Non-Russian Nations in the U.S.S.R.," by Lev E. Dobriansky, Free World Forum, March 1959, pp. 21–24.

"The resolution," said Dobriansky, "marks the first time that the United States has recognized by public law that captive nations exist within the U.S.S.R."

A check of the resolution bears Dobriansky out. Mingled in with Poland, Hungary, and other satellite nations are the following Soviet republics:

White Ruthenia, Armenia, Azerbaijan, Georgia, Idel-Ural, Cossackia, Ukraine, Turkestan, Latvia, Estonia, and Lithuania. What is Turkestan now once was the republics of Uzbekistan, Turkmenstan, Taikikistan, Kazakistan, and Kirzikstan.

If Russia had not taken the above countries by force, claimed Dobriansky, it would be a third-rate power now. He said the fact that the resolution contains names of Soviet republics has received a big play in American foreign language papers read here by the Russian Embassy.

STIRRED BY NAGY FATE

Dobriansky said he got the idea for a congressional resolution recognizing the plight of captive nations at the time of the execution in mid-June of 1958 of Imre Nagy, Premier of Hungary at the time of its unsuccessful revolt against the Kremlin.

He said his first attempt last year consisted of a resolution introduced in the House by Representative Albert Cretella, Republican, Connecticut, which called for Presidential proclamations on independence or constitution days of 19 captive nations. The resolution died in the House Judiciary Committee on a tie vote. This year he lumped recognition into one Captive Nations Week.

IKE'S WORDING DIFFERENT

Dobriansky pointed out that the congressional resolution refers to "Russian communism" and "Communist Russia" as the aggressor in the plight of the captive nations while President Eisenhower's proclamation of Captive Nations Week, based on the resolution, refers to "Soviet dominated" countries.

He charged the State Department watered down the proclamation because it is "unimaginative" in failing to realize the power of "non-Russian nationalism, hostility and resistance" in the Soviet Union.

TRIBUTE TO U.S. NAVY

Mr. KEATING. Mr. President, I recently received a letter from Charles W. Lee, of Rochester, N.Y., who was taken on an indoctrination cruise by the U.S. Navy during the recently held Operation Inland Sea.

Quite frequently the various branches of the armed services invite groups of civilians from particular areas to observe their maneuvers, operations, and demonstrations. This is done, as I understand, with the idea of showing those who might otherwise never have the chance to observe, what is actually going on in the services concerning new developments and techniques. Such tours demonstrate to these people the readiness and power of our country's armed might.

These private citizens quite generally return to their homes tremendously impressed by what they have seen, and in turn pass on the knowledge they have gained to their associates and other members of the community.

Mr. Lee had a very sad and unfortunate experience during the time when he was on the trip, when he received word of the unexpected death of both his mother and an uncle at the same time. Mr. Lee outlines in his letter to me the very considerate way in which the Navy got him back home in time for his mother's funeral.

To paraphrase what Mr. Lee says, he was greatly impressed with the importance attached by the U.S. Navy to a single individual's losses and troubles. It is a heartwarming letter to read.

We hear a great deal of criticism of our Armed Forces. I have been one who has voiced from time to time criticism of this, that, or the other service, when I felt that the service was guilty of some shortcoming. That is always going to be true, but it is very refreshing to read a letter of this sort. I think it is worth while to make the letter a part of the RECORD, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROCHESTER, N.Y., *August 6, 1959.*

Senator KENNETH B. KEATING,
U.S. Senate, Washington, D.C.

DEAR SENATOR KEATING: After the Navy concluded Operation Inland Sea and the invasion demonstration at Rochester, N.Y., I was most fortunate to receive an invitation as a civilian to sail on one of the ships from Rochester to Norfolk, Va. I left Rochester on July 27, on board the U.S.S. *Oglethorpe* (AKA–100) under the command of Capt. C. W. Flenniken, Jr.

On Saturday morning, August 1, when we were on the Atlantic Ocean off the coast of Nova Scotia, I received a radio teletype message informing me of the unexpected deaths of both my mother and her brother. Captain Flenniken and his executive officer, Commander Rose, extended their deepest sympathy and regretfully advised that due to our position and the very dense fog through which we were traveling, there was no way to get me off the ship by plane or other means. However, they tried constantly to make some arrangement by which I would be put ashore as soon as possible.

The destroyer U.S.S. *Henley*, which participated in Operation Island Sea, was about 160 miles away and she changed course to intercept us. However, she was unable to do so until about Sunday noon.

Just before noon on Sunday, we encountered the aircraft carrier *Wasp* and her accompanying fleet on maneuvers. Within what seemed a matter of minutes, a "high line" was rigged and I was transferred across about 150 feet of open water while both ships continued under way. A few minutes later we were alongside the aircraft carrier *Wasp*. The "high line" operation was repeated and I was aboard the *Wasp*. I was quickly briefed on the plane that was to fly me to shore and introduced to the pilot. While walking across the flight deck to the plane which was all ready and waiting, the pilot briefed me on emergency flight procedures and equipment. In less than 30 minutes I had been transferred to two ships and was in the air and on my way home.

It was about 250 miles to shore and Floyd Bennett Field where I was met by Navy officers who had a car waiting to take me to a commercial airport. On hearing that my destination was Rochester, they advised me that there was a Navy transport plane leaving for Buffalo immediately and that they would drop me off in Rochester.

In about 4 hours, the Navy had transported me from about 250 miles at sea to Rochester, N.Y. The speed and efficiency with which the whole operation was carried out will always be a source of amazement to me. The fact that the U.S. Navy would halt the operations of a large fleet of Navy ships and thousands of Navy personnel to assist a very unimportant civilian in an emergency, gives me a very warm glow inside.

As a civilian who was never in the Armed Forces, it always seemed that they were just another impersonal branch of our Government. After talking with people about my experience, I find that the lowest ranking GI is accorded the same treatment in similar circumstances. It is a wonderful thing that a force which is designed and maintained to wreak vengeance and destruction on our enemies can on short notice and with a minimum of red tape be turned to humanitarian purposes even in the case of one individual.

There is no way I can personally thank all of the Navy officers and men for the assistance, courtesy, and sympathy extended to me. Therefore, I am writing to you in the hope that you will be able to convey my appreciation and thanks to the proper people in Washington and in turn to the ships, officers, and men concerned. Anything you can do for me in this respect will be sincerely appreciated.

As a small token of thanks, I am enclosing a check made out to the Navy relief fund. Could you please see that it is directed to the proper place.

Very truly yours,

CHARLES W. LEE.

BASIC FACTS IN STEEL STRIKE TO BE MADE PUBLIC

Mr. JAVITS. Mr. President, it is with real gratification, which I know is shared by Senator AIKEN, that I rise this morning to refer to the fact that there has just been an announcement by the Secretary of Labor, Mr. Mitchell, that the basic facts in the steel strike will be made public by him tomorrow afternoon and will be published in the newspapers of Thursday morning. This announcement follows a conference between the Secretary of Labor and the President of the United States.

It will be recalled that in this place yesterday I read a statement issued by the Senator from Vermont [Mr. AIKEN] and myself urging exactly this course upon the administration.

Mr. President, once the facts on wages, profits, prices, and productivity, which are the central points in the steel strike, are in the hands of the public, the public will be the jury. We pride ourselves in this free society upon the fact that the impact of public opinion is one of our strongest assets.

If I were making a prediction, Mr. President, I would predict these facts will show that there is "give" on both sides, both by management and by labor.

I hope very much that public opinion will express itself in the manifold ways in which it can express itself in communities; by the means of communication of the press, radio, television, and by meetings, resolutions of organizations, and those many other ways in which the thoughts in the minds of the American people are communicated to our leaders. I hope the public, with these facts in hand—which I am confident will be objectively presented by the Secretary of Labor—will take the bit in its teeth and determine that this is one strike which will be settled by the impact of public

opinion and not by Taft-Hartley injunctions or in any other way in which the Government itself has to take a hand in the collective bargaining process.

The Government in this instance is doing what is the most constructive thing for it to do—to find in a disinterested and objective way the facts, which will enable the public, with the use of those facts, to do the rest.

Mr. President, this can be a most auspicious development in American economic life, because it will give us a technique so sharply different from that of societies which order their people around, by which we can bring about the end of what promises to be, if it is allowed to continue, a serious national emergency, without invoking procedures which are bound to be considered by one side or by the other repressive and contrary to the best auspices for the collective bargaining process.

So I hope this initiative may be fruitfully carried through by the impact of American public opinion, to bring about the settlement within the next weeks—or perhaps even within the next few days—of the very vexing steel strike.

THE BILL OF RIGHTS—SUPREME COURT DECISIONS

Mr. JAVITS. Mr. President, I am most gratified, as should every American who treasures the independence of the judiciary established in our system of government by the Founding Fathers to note that another committee of the American Bar Association has reported that the Supreme Court's recent decisions have not endangered national security. It will be presented to the ABA at its forthcoming meeting on August 24, 1959, and is the report of the bar association's committee on the Bill of Rights.

After an analysis of the same 24 Supreme Court decisions which were referred to in another report in February of this year by the ABA special committee on Communist strategy, tactics, and objectives, and were the subject of so much controversy, and which I analyzed for the Senate shortly after that time, the committee on the Bill of Rights concludes that it "is unable to see any indication that the security of the Nation or of the States has been impaired" by the decisions. It points out:

> On balance, this committee is unable to see any indication that the security of the Nation or of the States has been impaired by the Supreme Court of the United States. No matter what the sympathies of members of the bar may be in specific instances of litigation, there should be no question of their sympathy with and their enthusiastic regard for the institution of a courageous and independent judiciary, even though this necessarily means that from time to time decisions will be handed down disappointing to the interests of someone.

I emphasize that the Bill of Rights committee report, like that of the report of the committee on Communist strategy, tactics, and objectives, is in the nature of a statement for the information of the ABA house of delegates as an expression of opinion of the committee, as distinguished from association policy. Like the prior statements, it is not a statement of the official policy of the ABA, since it has taken no official policy position on this subject. However, the views of this distinguished group of lawyers, which issued the report with only a single dissent, should be given equal emphasis with the widespread interest shown in the former report. While the instant report is to be presented to the ABA house of delegates next Monday, I am informed that it has been released for distribution to the press and that copies of it are available. In view of this fact, and in view of the fact that the prior report was placed in the CONGRESSIONAL RECORD, I ask unanimous consent that the text of the report of the ABA standing committee on the Bill of Rights be printed in the body of the RECORD at this point in my remarks, together with the dissent filed by one member of that committee.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION—REPORT OF THE STANDING COMMITTEE ON BILL OF RIGHTS

The American Bar Association has entrusted to this committee a high duty, "* * * to disseminate information generally concerning constitutional liberties." This mission requires of us careful observation of the trends of current opinions of the courts, and particularly of the Supreme Court of the United States. It requires that we take account of legislative and executive developments, Federal and State, which have a bearing on constitutional freedoms. The importance of our mission was accentuated on February 24, 1959, by the resolutions of the house of delegates of the association concerning recent decisions of the Supreme Court which relate, in various ways, to internal security. Our committee has given heed to the admonitions of that house in the paragraphs of its resolutions reading:

"Whereas recent decisions of the U.S. Supreme Court, in cases involving national and State security and with particular reference to Communist activities, have been severely criticized and deemed unsound by many responsible authorities; and

"Whereas problems of safeguarding national and State security have been exposed or created thereby which this association feels would be best solved by the careful study of each decision, and the prompt enactment of sound amendments to existing laws within the constitutional powers of the Congress."

We have, accordingly, following the spirit and letter of these paragraphs, given careful study to 24 decisions of the U.S. Supreme Court listed in the report of the association's special committee on Communist tactics, which that committee found to be "* * * the principal cases that have been criticized by the public officials and the bar in varying degrees, as illustrative of how our security has been weakened."

Pursuant to our committee's mission, we examined each case with reference to whatever bearing it might have on the judicial construction of the Bill of Rights or of the 14th amendment. This report summarizes our conclusions concerning these cases and others which exemplify the difficult balance between the liberties of the citizen and the maintenance of national security in our troubled times.

Three preliminary observations should be made at this point. The first concerns the effect of the Bill of Rights and the 14th amendment in hampering Federal and State governmental activity. In times of stress and anxiety, it is difficult to remember that impediment of certain types of governmental action was precisely what the Bill of Rights and the 14th amendment were intended to achieve. The history of the origin of the Bill of Rights shows that this idea was clearly in the minds of the Founding Fathers; its merits and demerits were argued. Hamilton, for example, felt that a Bill of Rights was unnecessary in a country controlled by its citizens. In the 84th Federalist Paper, arguing for the adoption of the Constitution without a Bill of Rights, he pointed out that historically bills of rights had been limits on kings, in favor of their subjects. He went on to say of bills of rights: "It is evident, therefore, that according to their primitive signification, they have no application to constitutions professedly founded on the power of the people, and executed by their immediate representatives and servants. Here, in strictness, the people surrender nothing; and as they retain everything, they have no need of particular reservations."

But when the various State ratifying conventions were held, Hamilton's view proved unpopular; the fact became apparent that the people were unwilling to entrust unlimited power to the National Government. The Constitution was ratified, but with an understanding that the newly created Congress would draft and propose constitutional amendments which would to some extent limit Federal powers. Our Bill of Rights of 1791 is the consequence. The intention that the 14th amendment should put limits on State powers is apparent on the face of that amendment. One of our deep national commitments of political theory is that no one of our governmental organs should have unlimited power over the lives, liberties or property of any of our people. To this end we have set up an independent judiciary, and have encouraged a fearless and watchful bar. And if at moments these limits we have put on our governments seem irksome in some respect, we can usefully remind ourselves that even in the processes of government men rarely get something for nothing.

In his separate opinion, concurring in *Youngstown Sheet and Tube Co.* v. *Sawyer*, the *Steel Seizure* case in 1952 (343 U.S. 579 at 613) Mr. Justice Frankfurter wrote:

"A scheme of government like ours no doubt at times feels the lack of power to act with complete, all-embracing, swiftly moving authority. No doubt a government with distributed authority, subject to be challenged in the courts of law, at least long enough to consider and adjudicate the challenge, labors under restrictions from which other governments are free. It has not been our tradition to envy such governments. In any event our Government was designed to have such restrictions. The price was deemed not too high in view of the safeguards which these restrictions afford."

A second cautionary observation goes to the difficulty of distinguishing constitutional construction from statutory construction, and the difficulty of discussing constitutional limits on government without discussing more general questions concerning the functioning of the courts which give effective existence to these limitations.

A number of the 24 decisions deal only with matters of statutory construction. There can be no danger to the national security in opinions of the Court as to what Congress probably meant when the statute is silent or unclear on the point, and, if Congress does not agree with the Court's interpretation, it can promptly pass a clarifying amendment. Nor, it might be noted in passing, does such congressional action denigrate our concept of judicial supremacy. Some of the most important cases discussed, such as *Pennsylvania* v. *Nelson*, and the non-Communist affidavit decisions, come within

this category. In still other cases of statutory construction, a constitutional question lurks in the background but is not reached.

The Supreme Court, quite properly, seeks to avoid holding a statute unconstitutional when the statute may be sustained by a process of construction which avoids the constitutional issue. For example, in *Kent* v. *Dulles* (357 U.S. 116 (June 16, 1958)), the Court's opinion mentions a concession of the Solicitor General, "The right to travel is a part of the 'liberty' of which the citizen cannot be deprived without due process of law under the fifth amendment" (see p. 125 of the report), and continues:

"Freedom to travel is, indeed, an important aspect of the citizen's liberty. We need not decide the extent to which it can be curtailed. We are first concerned with the extent, if any, to which Congress has authorized its curtailment" (p. 127).

This sound rule of statutory construction sometimes makes it difficult to separate discussion of constitutional limitations from discussion of the construction of statutes.

A third observation seems in order. The report of the special committee on Communist tactics lists 24 cases which "have been criticized by public officials and the bar in varying degrees as illustrative of how our security has been weakened." The committee on Bill of Rights has undertaken to examine these cases and to judge whether in them applications of the Bill of Rights, or the 14th amendment, or judicial construction of statutes to avoid conflict, demonstrably weakened the security of the United States. Our committee finds this a peculiarly difficult subject for certain determination. Quantitative analysis of national security has no scale of measurement. And comparative study of the safety of the United States with and without the 24 cases is impossible. The operation of the Bill of Rights is never suspended; we can never observe the relative security of the Nation as it governs itself within our constitutional limitations, and as it might govern itself with no such restrictions. The most that any thoughtful lawyer or other student of government can do is to make an educated estimate as to the effect of these cases; an estimate as accurate and detached as human frailties will permit. Our committee now turns to this task.

PREEMPTION OF THE FIELD OF SEDITION

A case which seems to have occasioned particularly adverse comment is *Pennsylvania* v. *Nelson* (350 U.S. 497 (1956)). Here the Supreme Court of the United States affirmed a judgment of the Supreme Court of Pennsylvania. Both courts agreed that insofar as the Pennsylvania Sedition Act proscribes by criminal sanctions sedition against the Government of the United States, the State legislation was superseded by the Federal Smith Act of 1940, as amended in 1948, which proscribed advocacy of the overthrow by force or violence of the Government of the United States. In Nelson no question was presented of attempted overthrow of a State government. Chief Justice Warren, writing the opinion of the Supreme Court of the United States, quoted a statement of the Supreme Court of Pennsylvania:

"Out of all the voluminous testimony, we have not found, nor has anyone pointed to, a single word indicating a seditious act or even utterance directed against the government of Pennsylvania."

Supersession of State legislation by Federal legislation is an ancient doctrine, difficult and puzzling to apply in specific instances. Examples are *New York Central* v. *Winfield*, 244 U.S. 147 (1917), in which the Federal Employers' Liability Act was held to have superseded the New York workmen's compensation law as applied to a workman in interstate commerce; *Hines* v. *Davidowitz*, 312 U.S. 52 (1941) in which the Federal Alien Registration Act of 1940 was held to have superseded the Pennsylvania Alien Registration Act of 1939; *Bethlehem Steel Co.* v. *New York State Labor Relations Board*, 330 U.S. 767 (1947), in which the National Labor Relations Act was held to exclude the provisions of the State Labor Relations Act following the Federal pattern. There are, of course, many more instances. Each State statute, in the presence of a Federal statute dealing with a related subject, presents a new and different problem. At the current term supersession was held not to have occurred, in the double jeopardy cases, *Abbate* v. *United States*, 79 S. Ct. 676 (March 30, 1959), and *Bartkus* v. *Illinois*, 79 S. Ct. 676 (March 30, 1959). Here the Court came to the respective conclusions that a Federal statute making it a crime willfully to destroy any telephone facilities operated or controlled by the United States did not supersede an Illinois statute making it a crime to conspire to injure or destroy the property of another, when applied to punish conspiracy to dynamite the facilities of a telephone company; and that a Federal statute penalizing the robbing of a federally insured bank did not supersede an Illinois statute under which Bartkus was convicted for the same act.

The concern of our committee at this time, however, is not so much to pass judgment on the correctness of that which the Supreme Court has already decided in Nelson but to consider whether the Supreme Court's judgment in that and in the other 23 cases has harmed the national security. In the light of the admirable efficiency of the Federal Bureau of Investigation, in the light of the success of the prosecution of top-rank Communists in *Dennis* v. *United States*, 341 U.S. 494 (1951), and a long list of other successful Federal measures, it seems difficult to believe that the Nation's safety is lessened by any impediment placed by Nelson in the way of State prosecutions for sedition against the United States. The Federal Government is taking good care of itself.

On June 8, 1959, the Supreme Court of the United States, in *Uphaus* v. *Wyman*, — U.S. —, 27 U.S. Law Week 4394, emphasized the comparatively limited scope of the Supreme Court's judgment in Nelson. The Uphaus case affirmed a judgment of the Supreme Court of New Hampshire holding Uphaus guilty of contempt of court for refusal to produce certain documents before the attorney general of that State. The attorney general, acting pursuant to the State legislature's direction, was seeking to determine whether there were subversive persons or organizations present in the State. Uphaus contended before the Supreme Court of the United States that Nelson had held the field of subversive activities so fully occupied by the Smith Act that the States were without power to investigate in that area.

Rejecting this holding the Supreme Court, on June 8, 1959, in a majority opinion by Mr. Justice Clark said:

"The appellant's argument sweeps too broad. In Nelson itself we said that the precise holding of the Court * * * is that the Smith Act * * * which prohibits the knowing advocacy of the overthrow of the Government of the United States by force and violence, supersedes the enforceability of the Pennsylvania Sedition Act which proscribed the same conduct. 350 U.S. at 499. The basis of Nelson thus rejects the notion that it stripped the States of the right to protect themselves. All the opinion proscribed was a race between Federal and State prosecutors to the courthouse door. The opinion made clear that a State could proceed with prosecutions for sedition against the State itself: That it can legitimately investigate in this area follows a fortiori. In *Sweezy* v. *New Hampshire, supra,* where the same contention was made as to the identical State act, it was denied sub silentio. Nor did our opinion in Nelson hold that the Smith Act had proscribed State activity in protection of itself either from factual or threatened "sabotage or attempted violence of all kinds." In footnote 8 of the opinion it is pointed out that the State had full power to deal with internal civil disturbances. Thus registration statutes, quo warranto proceedings as to subversive corporations, the subversive instigation of riots and a host of other subjects directly affecting State security furnish grist for the State's legislative mill. Moreover, the right of the State to require the production of corporate papers of a State-chartered corporation in an inquiry to determine whether corporate activity is violative of State policy is, of course, not touched upon in Nelson and today stands unimpaired, either by the Smith Act or the Nelson opinion."

Mr. Justice Brennan wrote a dissenting opinion concurred in by the Chief Justice and Justices Black and Douglas.

SUBVERSIVE ACTIVITIES CONTROL BOARD

On April 30, 1956, the Supreme Court of the United States sent back to the Subversive Activities Control Board a proceeding to require the Communist Party to register as a Communist action organization under the Subversive Activities Control Act of 1950. *Communist Party* v. *S.A.C.B.*, 351 U.S. 115 (1956). The Communist Party had moved for leave to adduce additional evidence to the effect that three Department of Justice witnesses had given perjured testimony in the proceeding below. The court of appeals had denied this motion; the Supreme Court, with three dissenting Justices, reversed and remanded. Mr. Justice Frankfurter, writing the Court's opinion, gave as the nonconstitutional reason for the disposition of the case:

'This is a proceeding under an act which Congress conceived necessary for 'the security of the United States and to the existence of free American institutions. * * *' The untainted administration of justice is certainly one of the most cherished aspects of our institutions. Its observance is one of our proudest boasts. This Court is charged with supervisory functions in relation to proceedings in the Federal courts. Therefore, fastidious regard for the honor of the administration of justice requires the Court to make certain that the doing of justice be made so manifest that only irrational or perverse claims of its disregard can be asserted.

"When uncontested challenge is made that a finding of subversive design by petitioner was in part the product of three perjurious witnesses, it does not remove the taint for a reviewing court to find that there is ample innocent testimony to support the Board's findings. If these witnesses in fact committed perjury in testifying in other cases on subject matter substantially like that of their testimony in the present proceedings, their testimony in this proceeding is inevitably discredited and the Board's determination must duly take this fact into account. We cannot pass upon a record containing such challenged testimony. We find it necessary to dispose of the case on the grounds we do, not in order to avoid a constitutional adjudication but because the fair administration of justice requires it. Since reversal is thus demanded, however, we do not reach the constitutional issues" (pp. 124, 125).

Beyond doubt this decision by the Supreme Court has delayed the final exhaustion of appellate remedies by the Communist Party in the Subversive Activities Control Board proceeding. It is the nature of procedural scrupulousness to somewhat delay final disposition of a case. The special committee on Communist tactics points out, however, that the SACB last February 9, again ordered the Communist Party to register. Whatever delay resulted from the

Supreme Court's 1956 decision, to our committee it seems unlikely, to say the least, that it in any way impaired the security of the United States. The malign character of the Communist Party must have long since become abundantly plain to everyone susceptible of being educated on the subject. The determination of the Board, when finally approved, will make one more formal record of what every educable American must already know. Meantime there does occur delay in the effective date of provisions of the Internal Security Act of 1950, concerning the restriction on issuance of passports to members of the Communist Party (50 U.S.C., secs. 781 and 785) which was mentioned by the Supreme Court in *Kent* v. *Dulles*, 357 U.S. 116 (1958) at page 121, footnote 3.

Delay of the determination of any litigated matter for procedural reasons is always regrettable: but delay is sometimes the price of "making certain that the doing of justice be made so manifest that only irrational or perverse claims of its disregard can be asserted."

FEDERAL AND STATE OFFICERS OR EMPLOYEES; LICENSED PROFESSIONS

Of the 24 cases mentioned by the special committee on Communist tactics, 2 involved the status of Federal officers or employees (*Cole* v. *Young*, 351 U.S. 536; *Service* v. *Dulles*, 354 U.S. 363). One (*Slochower* v. *Board of Education of the City of New York*, 350 U.S. 551) concerned a municipal employee in New York State. Two others (*Schware* v. *Board of Examiners of New Mexico*, 353 U.S. 232; and *Konigsberg* v. *State Bar of California*, 353 U.S. 252) concerned the allied problem of admission to membership in bars of New Mexico and California respectively.

The two cases of Federal employment, *Cole* v. *Young* and *Service* v. *Dulles*, involved only statutory construction. Cole was a classified civil service employee, a food and drug inspector in the New York district. Prior to a statute of 1950, Cole would have been authorized by the Veterans' Preference Act, 5 United States Code, section 863 to appeal any question of his discharge to the Civil Service Commission. He was charged with association with persons reliably reported to be Communists, and with sympathetic association with an allegedly subversive organization. After a study of all the documents the Secretary of the Department of Health, Education, and Welfare discharged him. Cole attempted to appeal to the Civil Service Commission which declined to accept his appeal on the ground that the statute of August 26, 1950, 5 United States Code, sections 22–1, 22–3, gave to the heads of certain departments and agencies of the Government power to make summary suspensions and unreviewable dismissals of their employees "when deemed necessary in the interests of national security." In an action to obtain a declaratory judgment that his discharge was invalid, Cole was unsuccessful in the District Court for the District of Columbia and in the U.S. Court of Appeals. The Supreme Court granted certiorari; in that Court the United States conceded that Cole's discharge was invalid if the Veterans' Preference Act was applicable, and not the statute of 1950. A majority of the Supreme Court held that not all governmental positions were affected with the "national security" as the term was used in the 1950 act; that no determination had been made that Cole's position was one which would adversely affect the national security; that the discharge was not authorized by the 1950 act. Mr. Justice Clark, with whom concurred Justices Reed and Minton, dissented from the majority, stating that "we believe the Court order has stricken down the most effective weapon against subversive activity available to the Government."

A majority of the Supreme Court speaking through Mr. Justice Harlan pointed out that the Government did not lack authority to dismiss employees on loyalty grounds, and that the question in the Cole case was solely the extent to which review by the Civil Service Commission was a requirement for discharge. The Supreme Court's holding that this food and drug inspector was entitled, "under applicable acts of Congress" to a Civil Service Commission hearing before discharge, scarcely seems to be "illustrative of how our security has been weakened."

Service v. *Dulles* presented the case of a Foreign Service officer, dismissed by Secretary of State Acheson with no effort to comply with the regulations of his own Department. How the national security would have been weakened by following departmental regulations does not appear. In the Service case, Mr. Justice Clark did not participate, but the rest of the Court was unanimous in declaring the dismissal invalid. On June 1, 1959, the Supreme Court in *Vatarelli* v. *Seaton*—U.S.—, came to a similar conclusion on somewhat different facts. In that case Mr. Justice Frankfurter dissented, with Justices Clark, Whittaker, and Stewart, but the dissenting opinion noted continuing agreement with the Service case.

The State employment and State licensing cases, *Slochower* (350 U.S. 551 (1956)), *Schware* (353 U.S. 232 (1957)), and *Konigsberg* (353 U.S. 252 (1957)), involve construction of the due process clause of the 14th amendment. Slochower, a professor in a New York City college, when asked questions concerning membership in the Communist Party during 1940 and 1941, at a 1952 hearing on the Internal Security Subcommittee of the U.S. Senate Committee on the Judiciary, invoked the fifth amendment privilege against self-incrimination. A section of the charter of the city of New York gave to such an assertion the consequence of automatic discharge from employment, without notice, hearing, or opportunity to explain. The majority opinion of the Court written by Mr. Justice Clark, stated: "* * * no inference of guilt was possible from the claim before the Federal committee. * * * The State has broad power in the selection and discharge of its employees, and it may be that proper inquiry would show Slochower's continued employment to be inconsistent with a real interest of the State. But there has been no such inquiry here. We hold that the summary dismissal of appellant violates due process of law."

The New York City authorities proceeded with the inquiry thus suggested, and before the inquiry was concluded, Professor Slochower resigned his position (New York Times, Feb. 27, 1957, p. 14:5).

In *Beilan* v. *Board* (357 U.S. 399) decided June 30, 1958, the Supreme Court upheld, against a 14th amendment claim, the discharge by the Philadelphia school authorities of a public school teacher who declined to answer a question of the superintendent of schools as to his having been press director of the professional section of the Communist Political Association in 1944. In *Lerner* v. *Casey* (357 U.S. 468) decided the same day as Beilan, the Supreme Court upheld, on a 14th amendment challenge, the discharge of a New York City subway conductor who, mentioning the fifth amendment, refused to tell the commission of investigation of that city whether he was then a member of the Communist Party. In *Beilan* (357 U.S. at p. 408) the Supreme Court pointed out that the Slochower case had not impugned the power of the city of New York to inquire into Slochower's fitness.

In the light of Beilan and Lerner it becomes evident that the Supreme Court has found no lack of power in State authorities to rid themselves of disloyal or otherwise undesirable employees, provided they be afforded elementary procedural protections of notice and an opportunity to be heard. Procedural amenities take some time and trouble, not very much time and trouble, as Beilan and Lerner demonstrate, but more time and trouble than originally was spent on Slochower. This time and trouble is the price of procedural decency. This committee finds such procedural caution entirely consistent with National and State security; we do not see that Slochower has weakened this security.

The two bar admission cases of May 6, 1957, *Konigsberg*, 353 U.S. 252, and *Schware*, 353 U.S. 232, have been much criticized on the ground that in each case the Supreme Court unduly interfered with admissions qualifications prescribed by State authorities. Konigsberg, when questioned by the California bar examiners about present and past membership in the Communist Party, declined to answer. The examiners refused him admission to the bar on the ground that he had failed to prove his good moral character and his nonadvocacy of unconstitutional overthrow of Federal or State Governments. Denied review by the California Supreme Court, Konigsberg obtained a reversal on certiorari. The Supreme Court of the United States, in an opinion by Mr. Justice Black, points out that the California authorities did not refuse admission to the candidate merely because of his refusal to answer questions.

"If and when a State makes failure to answer a question an independent ground for exclusion from the bar, then this Court, as the cases arise, will have to determine whether the exclusion is constitutionally permissible. We do not mean to intimate any view on that problem here, nor do we mean to approve or disapprove Konigsberg's refusal to answer the particular questions asked him" (353 U.S. 261–262).

The Court went on to examine the evidence, including the committee's contention that failure to respond was evidence of doubtful character and loyalty; and concluded that there was no evidence in the record rationally supporting a finding of doubt as to his character or loyalty. Under these circumstances the Court found California's refusal to admit Konigsberg a denial of due process and of equal protection, because both arbitrary and discriminatory. In the 1958 case of *Beilan* (357 U.S. 399 at 409), the Supreme Court said of Konigsberg:

"In the Konigsberg case * * * this Court stressed the fact that the action of the State was not based on the mere refusal to answer relevant questions, rather it was based on inferences impermissibly drawn from the refusal."

Mr. Justice Whittaker did not participate in Konigsberg; and Justices Frankfurter, Harland and Clark dissented, Mr. Justice Frankfurter on the ground that the record did not show that a Federal question had been adjudicated below; and Justice Harlan and Clark because of Konigsberg's refusal to answer questions put by the bar examiner's committee.

In *Schware*, 353 U.S. 232 (1957), the Supreme Court was unanimous in holding that New Mexico Board of Bar Examiners denied Schware due process, except that Mr. Justice Whittaker did not participate. Schware appeared before the Board of Bar Examiners of New Mexico and made a full statement of his background. He disclosed that he had used certain aliases between 1933 and 1937, and that on several occasions prior to 1940 he had been arrested. He explained that he had once been a member of the Communist Party, he stated that he had used the alias of Di Caprio to forestall the effects of anti-Jewish prejudice; that he had never been formally charged nor tried nor convicted of a crime; that he had left the Communist Party in 1940 when he became disillusioned with it; that he had entered the Army during the war, had volunteered as a paratrooper, and served in New Guinea. The

board of examiners barred Schware from taking the bar examinations, and the Supreme Court of New Mexico upheld this ruling. On certiorari, the Supreme Court of the United States reversed and remanded. The opinion of the Court, by Mr. Justice Black, rested on the ground that "there is no evidence in the record which rationally justifies a finding that Schware was morally unfit to practice law," and therefore found that he had been deprived of due process. A separate opinion was written by Mr. Justice Frankfurter, with the concurrence of Justices Clark and Harlan.

This separate opinion stated: "But judicial action, even in an individual case, may have been based on avowed considerations that are inadmissible in that they violate the requirements of due process. Refusal to allow a man to qualify himself for the profession on a wholly arbitrary standard or on a consideration that offends the dictates of reason offends the due process clause. Such is the case here" (353 U.S. at p. 249).

The Supreme Court of the United States always raises serious questions of Federal-State relations when it reexamines evidence given in State courts; but a holding that the state of the evidence below could never be reexamined by the Supreme Court would raise equally serious questions on the other side. Be that as it may, weakening of national security by these decisions is hard to perceive. There is no suggestion, in either Konigsberg or Schware, that State authorities are deprived of any disciplinary power the members of their bars. While these cases may suggest an increase of Federal power at the expense of State power, which one member of our committee, at least as to Konigsberg, believes to have been unjustified, they do not demonstrate any overall weakening of national security.

FALSE OR OMITTED NON-COMMUNIST AFFIDAVITS; THE NATIONAL LABOR RELATIONS BOARD

Five of the twenty-four cases concern non-Communist affidavits. They are *Leedom* v. *International Union*, 352 U.S. 145, *Amalgamated Meatcutter, etc.* v. *NLRB*, 352 U.S. 153, *Gold* v. *United States*, 352 U.S. 985, *Jencks* v. *United States*, 353 U.S. 657 and *United Mine Workers* v. *Arkansas Oak Flooring Co.*, 351 U.S. 62. None of these five cases raises a constitutional issue. The first two, Leedom and Amalgamated Meatcutters, raise the same point. In each, an officer of a union had filed a false non-Communist affidavit. The National Labor Relations Act denies its benefits to unions whose officers have not filed such affidavits. It imposes criminal penalties on union officers who file false affidavits. In *Leedom* v. *International Union*, the Supreme Court held that the statute imposes as the only sanction for false affidavit (in contrast to no affidavit at all), the criminal penalty on the wrong-doing officer. The National Labor Relations Act does not under those circumstances bar the union from the benefits of the act. The substance of the Amalgamated Meatcutters holding was the same. There was no dissent from either holding. *United Mine Workers* v. *Arkansas Oak Flooring Co.*, 351 U.S. 62, concerns the effect of failure to file non-Communist affidavits. Louisiana State courts enjoined picketing by a union which had failed to file the affidavits and other data required by the NLRA. The Supreme Court granted certiorari and, agreeing with a brief of the Solicitor General of the United States, filed by invitation of the Court, held that while the NLRA under these circumstances forbade the union to resort to the NLRB that act still disabled the State courts from enjoining peaceful picketing.

Serious danger which may flow from political strikes has been pointed out by the Supreme Court of the United States in *American Communications Association* v. *Douds*, 339 U.S. 382 (1950), (upholding the non-Communist affidavit provision of the Labor-Management Relations Act of 1947). The Leedom opinion refers to a penalty which may run as high as a $10,000 fine plus a prison term, for the false non-Communist affidavit, and finds that the intent of the Congress in passing the Labor Management Relations Act of 1947 was to interpose no delay in Board processes once an affidavit had been filed, leaving to criminal proceedings the punishment of affidavits that turn out to be false. No indications have come to this committee that criminal prosecutions for false affidavits have been lax, or that NLRB proceeding, permitted by Leedom and by Amalgamated Meatcutters, have weakened National or State security. Nor has any such weakening been specifically pointed out from the peaceful picketing by the Arkansas Flooring case, in accordance with the argument of the Solicitor General.

Gold v. *United States*, 350 U.S. 985 (1957), and *Jencks* v. *United States*, 353 U.S. 657 (1957), both involve questions of procedure in Federal criminal prosecutions. Each concerns only incidentally a prosecution for filing a false non-Communist affidavit: the rule laid down in each would apply equally to any other Federal criminal trial. Gold was a per curiam reversal because of contact by FBI agents with three members of the trial jury during Gold's trial (352 U.S. 985 (1957)). Gold, convicted in the U.S. District Court of filing a false non-Communist affidavit, appealed to the Court of Appeals for the District of Columbia, which affirmed the conviction by equal division (237 F. 2d 764 (1956)). The separate opinion of Judge Bazelon indicated (237 F. 2d at page 775) that during Gold's trial an FBI agent investigating another false non-Communist affidavit case telephoned or visited three members of the petit jury or their families and inquired whether they had received any propaganda literature. Even assuming that the judges of the court of appeals and the Justices of the United States Supreme Court who voted for reversal were wrong in finding that the contact between FBI agents and the trial jurors properly indicated a reversal, damage to national security by the rule so laid down seems scarcely indicated to this committee. Surely the United States is not jeopardized by a requirement that trial jurors in a Federal prosecution be left unvisited by FBI agents during the course of the trial, particularly when the purpose of the visit is to discuss issues resembling those before the jury.

Jencks, 353 U.S. 657 (1957), concerns a rather narrow point of evidence. On a prosecution for filing a false non-Communist affidavit a prosecution witness stated that he had made oral and written reports to the FBI concerning transactions with Jencks at a ranch in New Mexico. The witness testified to conversations with Jencks at the ranch, but he said that he could not remember what he had put in the written reports. The Supreme Court held that Jencks was entitled to an order directing the Government to produce for inspection all reports of the two Government witnesses who testified to transactions with Jencks, written and orally made as recorded by the FBI, touching the events and activities as to which the two Government witnesses testified at the trial. The Court further held that Jencks was entitled to inspect the reports to decide whether to use them in his defense. The Congress, by a statute approved September 2, 1957, 18 U.S.C., sec. 3500, did not eliminate the privilege of the witness defendant so laid down by the Jencks opinion, but defined its scope. The report of the Senate Committee on the Judiciary concerning that legislation appears in 1957 United States Code Congressional and Administrative News, page 1861 ff. That report, at page 1862, contains the following paragraph:

"The proposed legislation is not designed to nullify, or to curb, or to limit the decision of the Supreme Court insofar as due process is concerned. The committee believes that legislation would clearly be unconstitutional if it sought to restrict due process. On the other hand, the proposed legislation, as here presented, reaffirms the decision of the Supreme Court in its holding that a defendant on trial in a criminal prosecution is entitled to relevant and competent reports and statements in possession of the Government touching the events and activities as to which a Government witness has testified at the trial, but excluding such matter which is within any valid exclusionary rule."

The present state of the law of evidence, as dealt within the Jencks case, and as interpreted and regulated by the Congress, presents a compromise between the requirements for Federal prosecution of crime, and the requirements of fair procedure for defendants. In a number of cases argued at the 1958 term of the Supreme Court, the defendants asserted that in one way or another the Jencks rule as affected by statute, denied rights of a constitutional nature. On June 22, 1959, three such cases were decided in the Government's favor. See *Pittsburgh Plate Glass Company* v. *U.S.*, 27 U.S. Law Week 4464; *Palermo* v. *U.S.*, id. p. 4471 and *Rosenberg* v. *U.S.*, id. p. 4478. The Jencks statute, 18 U.S.C. 3500, was held constitutional. This committee is unable to perceive in the present state of the Jencks law any impairment of the national security.

CONGRESSIONAL AND STATE INVESTIGATORY POWERS

Six of the twenty-four cases concern the investigatory power of congressional committees, committees of State legislatures, or comparable State agencies. Three cases are congressional; three involve State investigations.

CONGRESSIONAL INVESTIGATIONS

The three congressional cases are *Watkins* v. *United States*, 354 U.S. 178 (1957); *Sacher* v. *United States*, 356 U.S. 576 (1958); and *Flaxer* v. *United States*, 358 U.S. 147 (1958). The latter two cases follow the theory of Watkins. All three cases exemplify, though on slightly different states of fact, the same general proposition: that in order to convict a witness of contempt of a congressional committee under 2 U.S.C., sec. 192, he must clearly be shown to have refused to answer a question put by the committee, acting within the scope of its mission, and the refusal must be deliberate and intentional.

In Watkins the Supreme Court reversed the U.S. Court of Appeals for the District of Columbia, which had upheld Watkins' conviction in the district court. The conviction had been based on his refusal to answer questions as to past Communist Party membership of certain persons, other than himself, put by a subcommittee of the House Committee on Un-American Activities. A majority of five members of the U.S. Supreme Court, in an opinion written by Chief Justice Warren, stated that committees of the Congress "are endowed with the full power of the Congress to compel testimony" in collecting information for a legislative purpose. He went on to state that it is essential, however, that the jurisdiction and purpose of the committee be spelled out by the authorizing resolutions. Section 192 defines the crime of which Watkins was accused as refusal to answer "any question pertinent to the question under inquiry." If the question is not pertinent, the witness under the express provision of the statute is not guilty of contempt for refusing to answer it.

"It is obvious that a person compelled to make this choice (between answering or refusing) is entitled to have knowledge of the subject to which the interrogation is deemed pertinent. That knowledge must be available with the same degree of explicitness

and clarity that the due process requires in the expression of any element of a criminal offense. The 'vice of vagueness' must be avoided here as in all other crimes" (354 U.S. 208, 209).

The Supreme Court, examining the transcript of Watkins' questions and answers, decided that the committee had not adequately explained to the witness what the topic under inquiry was, and the connective reasoning whereby the precise questions asked related to it. The Supreme Court found that the statement of the committee chairman, in which he told the witness that the subcommittee was investigating "subversion and subversive propaganda" was not sufficiently clear to permit the witness to decide whether or not questions as to membership of the various named persons in the Communist Party in the past were relevant or not.

"Petitioner was thus not accorded a fair opportunity to determine whether he was within his rights in refusing to answer, and his conviction is necessarily invalid under the due process clause of the fifth amendment."

Mr. Justice Frankfurter concurred specially; Mr. Justice Clark dissented; and Justice Burton and Whittaker did not participate.

Sacher v. *United States*, 356 U.S. 576 (1958), follows Watkins in a per curiam opinion. In *Flaxer*, 358 U.S. 147 (1958), the Supreme Court unanimously reversed a conviction of an indictment for refusing on October 5, 1951, the return date of a subpena duces tecum before a subcommittee of the Senate Judiciary Committee to produce certain union membership lists. The record shows that Senator Watkins, sitting as the subcommittee, directed the witness to produce the information within 10 days from October 5. The Supreme Court found, therefore, no default on October 5, because the subcommittee gave Flaxer 10 additional days to produce the desired lists, "* * * for all we know a witness who was adamant and defiant on October 5 might be meek and submissive on October 15."

There has been no demonstration to this committee on the Bill of Rights that there is any major difficulty facing congressional committees in making to a witness an explanation, of sufficient clarity to comply with the due process clause, of the pertinency to the mission of the committee of a question propounded. And by the same token it is not apparent to this committee on the Bill of Rights, that the requirement of reasonable definiteness, thus enforced by the Supreme Court of the United States, is "illustrative of how our security has been weakened."

This conclusion of the standing committee on the Bill of Rights was confirmed by the judgment of the Supreme Court of the United States on June 8, 1959, in *Barenblatt* v. *United States*, —U.S.—, 27 U.S. Law Week, 4366. Here the Supreme Court affirmed a conviction, under 2 U.S.C., sec. 192, of Lloyd Barenblatt for contempt of Congress arising from refusal to answer questions put by a subcommittee of the House Committee on Un-American Activities. A previous affirmance of conviction by the U.S. Court of Appeals, 240 F. 2d 875 (CADC 1957), had been vacated by the U.S. Supreme Court on certiorari, 354 U.S. 930 (1957): The Supreme Court remanded the case to the court of appeals for further consideration in light of Watkins. The court of appeals, en banc, reaffirmed the conviction, 252 F. 2d 129 (1958). The Supreme Court again granted certiorari and on this second review, affirmed on June 8, 1959.

The congressional subcommittee had asked Barenblatt:

"Are you now a member of the Communist Party?"

"Have you ever been a member of the Communist Party?"

"Were you ever a member of the Haldane Club of the Communist Party while at the University of Michigan?"

The Court's opinion, written by Mr. Justice Harlan, states at one point:

"The precise constitutional issue confronting us is whether the subcommitee's inquiry into petitioner's past or present membership in the Communist Party transgressed the provisions of the first amendment which of course reach and limit congressional investigations. *Watkins, supra,* at 197" (see 27 U.S. Law Week 4371).

The majority opinion concludes: "* * * the relevancy of the questions put to him by the subcommittee is not open to doubt.

"We conclude that the balance between the individual and the governmental interests here at stake must be struck in favor of the latter, and that therefore the provisions of the first amendment have not been offended.

"We hold that petitioner's conviction for contempt of Congress discloses no infirmity, and that the judgment of the court of appeals must be affirmed."

Mr. Justice Black wrote a dissenting opinion in which the Chief Justice and Mr. Justice Douglas concurred.

State investigations were concerned in *Sweezy* v. *New Hampshire*, 354 U.S. 234 (1957), *Raley* v. *Ohio*, 354 U.S. 929 (1957) and *Uphaus* v. *Wyman*, 355 U.S. 16 (1957).

Sweezy reversed a conviction for contempt of the New Hampshire attorney general, adjudged by the Supreme Court of New Hampshire. No five justices agreed in any one opinion of the Supreme Court of the United States as to the grounds of the reversal. The State attorney general, acting under a legislative resolution, had asked Sweezy and Sweezy had refused to answer, questions concerning the activity of Sweezy's wife in the formation of the Progressive Citizens of America, whether Nancy Sweezy was then working with members of the Communist Party, whether Charles Beebe was active in the Progressive Citizens of America, and the Progressive Party, whether Beebe worked with Mrs. Sweezy in 1947, and whether a meeting in Weare in 1948 had anything to do with the Progressive Party. The attorney general also asked Sweezy what had been the subject of a lecture which he gave by invitation of a teacher in a humanities course at the University of New Hampshire in 1954, and asked various questions about the topics of that lecture, and Sweezy had further refused.

Chief Justice Warren's opinion for reversal states that neither the Supreme Court nor the State courts "* * * have any assurance that the questions petitioner refused to answer fall into a category of matters on which the legislature wanted to be informed when it initiated this inquiry. * * * Thus, if the attorney general's interrogation of petitioner were in fact wholly unrelated to the object of the legislature in authorizing the inquiry, the due process clause would preclude the endangering of constitutional liberties. We believe that an equivalent situation is presented in this case. The lack of any indications that the legislature wanted the information the attorney general attempted to elicit from petitioner must be treated as the absence of authority. It follows that the use of the contempt power notwithstanding the interference with constitutional rights, was not in accordance with the due process requirements of the 14th amendment" (354 US 254–255).

The judgment of the Supreme Court of New Hampshire was reversed. Mr. Justice Whittaker took no part. Mr. Justice Frankfurter, with whom Justice Harlan joined, concurred in a special opinion. The Frankfurter opinion emphasizes a point mentioned by Chief Justice Warren—that the separation of powers is not a State requirement. However, Mr. Justice Frankfurter finds that the State authority was used to probe beyond the grounds of the 14th amendment due process clause into the academic freedom of Sweezy as a lecturer, and finds similar unconstitutional intrusions in the questions concerning Mrs. Sweezy, Charles Beebe, and the meeting concerning the Progressive Party. Mr. Justice Clark, with whom Mr. Justice Burton joined, dissented.

Evaluation of this decision is difficult. Precisely the same facts are not apt to recur, and as Mr. Justice Brandeis long ago pointed out in his dissenting opinion in *Burnet* v. *Coronado Oil and Gas Co.*, 285 U.S. 393 (1932) at 410, "due process questions resemble, fundamentally, the question of reasonable care in negligence cases, the determination of which is ordinarily left to a jury." In Sweezy, the question of the due process accorded Sweezy by New Hampshire was decided after a complicated weighing of competing considerations—the policy in favor of allowing the citizen reasonable liberty to express himself and associate with others, and the policy in favor of allowing the State a reasonable liberty to maintain itself and keep order. In *Raley* v. *Ohio* (354 U.S. 929) a judgment of contempt by the Ohio Supreme Court under somewhat similar circumstances was remanded to the State courts for further consideration in the light of Sweezy. The Ohio court reaffirmed its former judgment of conviction; Raley is once again now before the Supreme Court; the case was argued April 27, 1959, and is undecided as this report is written.

Uphaus,—U.S.—27 U.S. Law Week 4394, decided June 8, 1959, has already been discussed under the Nelson case earlier in this memorandum. Uphaus on its particular facts comes to a conclusion opposed to that on different facts in Sweezy, and upholds the contempt conviction of the defendant for refusing to answer questions of the State attorney general. Uphaus, Executive Director of World Fellowship, Inc., which maintained a summer camp in New Hampshire, had refused to deliver to the attorney general a list of the names of all of the camp's nonprofessional employees for two summer seasons, the correspondence between Uphaus and persons who came to the camp as speakers, and the names of all persons who attended the camp during the same period. Uphaus refused and was convicted at the Merrimack county court. His conviction was confirmed by the Supreme Court of New Hampshire, 100 N.H. 436 ( ). The supreme court remanded the case for further consideration in the light of Sweezy. The Supreme Court of New Hampshire reaffirmed its former decision, 101 N.H. 139 ( ). On June 8, 1959, the Supreme Court of the United States affirmed the Supreme Court of New Hampshire in its second holding that Uphaus was guilty of contempt. The Supreme Court distinguished Sweezy on the ground that academic and political freedoms were not present in Uphaus in a similar degree, since World Fellowship is neither a university nor a political party. The Court stated that it had for decision the Federal question whether the public interests overbalanced the private interests of the guests at the World Fellowship in their associational privacy. It stated that the justification for the production order turns on the substantiality of New Hampshire's interest in obtaining the identity of the guests; and the Court found that the attorney general had valid reason to believe that the speakers and guests might be subversive persons within the meaning of the New Hampshire act. The Court concluded that the committee's demand for the information was a legitimate one, and that the conviction for contempt was constitutional. Mr. Justice Brennan dissented, with the agreement of the Chief Justice, Mr. Justice Black, and Mr. Justice Douglas.

Clearly the Supreme Court has by its decision in Sweezy prevented and has not prevented in Uphaus, the imposition of judgments of contempt for refusal to testify under situations which the State authorities of New Hampshire desired. As this committee noted at the outset of this report, the nature of the due process clause, enforcing the policy of the first amendment, is to stand in the way of certain State actions. There is built into the 14th amendment a necessary conflict between the Supreme Court of the United States and State authority. There are inevitable differences of opinion as to the wisdom of the balancing of interests made by the Supreme Court—differences which emerge from the differences in the prevailing and dissenting opinions in Sweezy. However, it does not appear that these judgments, concerning State investigations, have effected on net balance a perceptible weakening of the security of the Nation or of the State. A reading of the State reports and those of the Supreme Court of the United States concerning the testimony in these cases suggests that the diligence of State investigators had already produced the substance of the desired information before the questions were directed to the witnesses, and that the questions were primarily intended to make a public record of the facts so adduced. It is no part of this committee's undertaking at this time to express an opinion as to whether this process of public recordation is desirable or not. Woodrow Wilson wrote in 1885 in praise of the congressional function of informing the public. (See *Watkins*, 354 U.S. 178, at 200, footnote 32.) But passing this question, our committee finds no demonstration that the Supreme Court in weighing as it has the individual immunities of the persons questioned and the public interests of the States, has impaired the national security or that of the States. New Hampshire, Ohio, and the United States of America are admirably immune from all subversive influences.

PASSPORTS

On June 16, 1958, the Supreme Court decided *Kent and Briehl* v. *Dulles*, 357 U.S. 116, and *Dayton* v. *Dulles*, 357 U.S. 144. Kent, Briehl and Dayton were applicants for passports who had been unsuccessful in obtaining passports from the Secretary of State. In each case an action in the District Court of the District of Columbia against the Secretary for declaratory relief had been decided in favor of the Secretary of State, and against the plaintiff. In each case the Court of Appeals for the District of Columbia Circuit affirmed. (See 248 F. 2d 561 (1957); 248 F. 2d 600 (1957); and 254 F. 2d 71 (1957).) The Supreme Court granted certiorari in all three cases.

Kent and Briehl had refused to submit, with their applications for passports, affidavits as to whether either then was, or ever had been, a member of the Communist Party. Kent and Briehl, with an opinion of Mr. Justice Douglas expressing the views of five Justices, held that no legislation of the Congress, then in effect, justified the Secretary of State in withholding a passport because of Communist membership when the only law expressly curtailing the movement of Communists across our borders has not yet become effective. (See secs. 2 and 6 of the Internal Security Act of 1950, 50 U.S.C., secs. 781, 185, discussed under *Communist Party* v. *United States*, above.) Mr. Justice Douglas and the four other Justices who joined in his opinion speak of "* * * a constitutional right of the citizen, a right which we must assume Congress will be faithful to respect. We would be faced with important constitutional questions, were we to hold that Congress, by section 1185 and section 211a had given the Secretary authority to withhold passports to citizens because of their beliefs or associations. Congress has made no such provision in explicit terms; and absent one, the Secretary may not employ that standard to restrict the citizens' right of free movement (reversed, 357 U.S. at 130).

Justices Clark, Burton, Harlan, and Whittaker dissented.

Dayton filed with the passport authorities an affidavit stating, in part: "I am not now and I have never been a member of the Communist Party." His application for a passport was denied, and the director of the Passport Office wrote his lawyer that "the determining factor in the case was Mr. Dayton's association with persons suspected of being part of the Rosenberg espionage ring and his alleged presence at the apartment in New York which was allegedly used for microfilming material obtained for use of a foreign government."

The Supreme Court, reversing the District Court and the Court of Appeals of the District of Columbia wrote in an opinion by Mr. Justice Douglas, from which dissented Justices Clark, Burton, Harlan, and Whittaker: "The question most discussed in the briefs, and on oral argument, is whether the hearing accorded petitioner satisfied the requirements of due process. (The denial of the passport had been predicated in part upon confidential reports of investigation not shown to Dayton.) A majority of the Court thinks we need not reach that constitutional question, since on their face these findings show only a denial of a passport for reasons which we have today held to be impermissible. *Kent* v. *Dulles*. Whether there are undisclosed grounds adequate to sustain the Secretary's action, is not here for decision (reversed, 357 U.S. 144, at 150).

Evaluation of the practical results of these cases, taking all factors into account, is most difficult. The Secretary of State, in denying Dayton his passport, had stated that "the issuance of a passport would be contrary to the national interest" (357 U.S. at 153). An adjudication construing an act of Congress in such a manner as to arrive at a result so found by a Department head "contrary to the national interest" would be regrettable unless some countervailing considerations better served the national interests when more broadly considered. What dangers to the national security flow from the travel abroad of such persons as were concerned in the Kent, Briehl, and Dayton litigation is, to a considerable extent, veiled by the Government's requirements of security. As the cases involved construction of an act of Congress, the statute could be amended to change the rule promulgated by the Supreme Court; the constitutionality of the amended statute could then be tested in due course.

The importance of the right to travel and the gravity of governmental regulation restricting the free movement of a citizen has recently been impressively explained in a study made under the sponsorship of the Association of the Bar of the City of New York. The special committee to study passport procedures of that association discusses the Kent, Briehl, and Dayton cases in its 1958 report, entitled "Freedom To Travel." That committee points out (p. 30), the analogy between freedom of speech and freedom of travel, and the similar difficulties of applying, in the public interest, restrictions on either. The committee came to the conclusion (p. 39) "that freedom of individual travel may be circumscribed when its free exercise would dangerously impinge upon national security," but found (p. 35), that restriction of freedom to travel "should be denied only when its free exercise would dangerously impinge upon national interests of the most pressing urgency."

Legislation on the subject has been introduced during the present Congress; for example, Senate bill 1303. If an act is passed, its constitutional aspects will remain for decision in future litigation.

IMMIGRATION AND DEPORTATION

Two of the 24 cases concerning this subject turn upon statutory construction. See *Bonetti* v. *Rogers*, 356 U.S. 691 (1958), and *United States* v. *Witkovich*, 353 U.S. 194 (1957). Bonetti involves the construction of section 22 of the Internal Security Act of 1950 (64 Stat. 1008), which provides in substance that any alien who "was at the time of entering the United States, or has been at any time thereafter * * *" a member of the Communist Party of the United States shall be deported. Bonetti twice lawfully entered the United States, once in 1923 and again in 1938. Between these two entries, from 1932 to 1936, he was a member of the Communist Party of the United States. The Supreme Court, construing the statute, found that, as Bonetti was admitted as an "immigrant" in 1938, and, as the Court held, this was "the time of entering the United States" referred to in the statute, and as Bonetti had not been a Communist Party member thereafter, he was not deportable. Mr. Justice Clark, with the concurrence of Justices Frankfurter and Harlan, dissented on the ground that the statute referred to the first as well as the last entry. The majority opinion, by Mr. Justice Whittaker, states that while the statutes "are quite ambiguous in their application to the question here presented, we believe that our interpretation of them is the only fair and reasonable construction that their cloudy provisions will permit under the rare and novel facts of this case" (356 U.S., at p. 699).

He went on to state that when an act of Congress is ambiguous the ambiguity must be resolved in favor of lenity.

Witkovich, 353 U.S. 194 (1957), involved a prosecution under section 242(d) of the Immigration and Nationality Act of 1952, originally part of section 23 of the Internal Security Act of 1950. The defendant was charged with willfully failing to give information to the Immigration and Naturalization Service as required by that section, he being an alien against whom a final order of deportation had been outstanding for more than 6 months. The district court, in two opinions, first held that the statute was not unconstitutional, then dismissed the indictment for failure to state an offense (140 F. Supp. 815–820 E.D., Illinois, 1956). The United States took a direct appeal, and the Supreme Court affirmed the dismissal in an opinion by Mr. Justice Frankfurter. Mr. Justice Whittaker did not participate and Justices Clark and Burton dissented. The district court, and the Supreme Court by its affirmance, held that the statute authorized all questions reasonably appropriate to keep the Attorney General advised concerning the alien's continued availability for departure. But "to hold that the statute intended to give an official the unlimited right to subject a man to criminal penalties for failure to answer absolutely any question the official may decide to ask would raise very serious constitutional questions" (353 U.S. 197, 198).

The first amendment does not protect citizens alone. That amendment restricts the Congress in making any law abridging the freedom of speech or of the press; the fifth amendment provides that "no person shall be deprived of life, liberty, or property without due process of law." A statute permitting the Attorney General of the United States to require that a citizen give "such other information, whether or not related to the foregoing, as the Attorney General may deem fit and proper," would at once raise serious questions of constitutionality in the mind of any lawyer. If the United States

chooses to allow an alien to remain within its borders, he has, under the Bill of Rights, the same privileges the Bill of Rights extends to citizens. The United States can, of course, deport Witkovich; and, in the meantime, if he violates any law, he can be tried and punished. Beyond these limits, and beyond restrictions reasonably incidental to them, Witkovich is entitled equally with a citizen to freedom of speech and freedom of association. The danger to the security of the United States from this provision is not explained by the special committee on Communist tactics; to the extent that there may be danger, it is a danger flowing from the policy of the Bill of Rights.

ADVOCACY OF FORCIBLE OVERTHROW

Yates v. *United States*, 354 U.S. 298 (1957), involves two questions. The less difficult concerns the construction of that provision of the Smith Act of 1940 which forbids the organization of any group who teach, advocate, or encourage the overthrow of any government in the United States by force or violence. It was not disputed by the Government that the Communist Party, referred to in the indictment as the group so organized, came into being no later than 1945, and if the crime was original organization prosecution was barred by a 3-year statute of limitations. The district court and the Court of Appeals, however, accepted the Government's construction of the Smith Act "organization" clause, to the effect that "organize" connotes a process which goes on throughout the life of the organization, including such things as recruiting new members and the forming of new units. A majority of the Court, in an opinion by Mr. Justice Harlan, wrote:

"In these circumstances we should follow the familiar rule that criminal statutes are to be strictly construed and give to 'organize' its narrow meaning, that is, that the word refers only to acts entering into the creation of a new organization, and not to acts thereafter performed in carrying on its activities, even though such acts may loosely be termed 'organizational'" (345 U.S. at p. 310).

As the indictment of Mrs. Yates and others was returned in 1951, the 3-year statute of limitations barred the prosecution for "organizing."

It is open to the Congress to pass a new statute penalizing the maintenance of an organization intended to overthrow the Federal or a State Government by force and violence, and legislation to that effect is now pending, though such a statute could not constitutionally authorize a prosecution for acts committed prior to the passage of the statute.

A more permanently significant part of this one of the several Yates cases is a statutory construction, made in the light of a "constitutional danger zone" as Mr. Justice Harlan put it in the Court's opinion (354 U.S. at p. 319). The question arose on the charge of the district judge at the trial. The single count indictment not only charged the defendants with organizing the Communist Party, but also with conspiring "to advocate and teach the duty and necessity of overthrowing the Government of the United States by force and violence" (see 18 U.S.C. sec. 2385). At the trial, both Mrs. Yates and her codefendants, and the Government, submitted proposed instructions which would have required the jury to find "* * * that the proscribed advocacy was not of a mere abstract doctrine of forcible overthrow, but of action to that end, by the use of language reasonably and ordinarily calculated to incite persons to such action" (see 354 U.S. 316).

The charge thus requested both by the prosecution and the defense at the Yates trial was substantially the charge given in the Dennis case, ending in a conviction by the Supreme Court (see 354 U.S. 326). The trial judge in Yates declined to give this charge, insisting that all such advocacy was punishable, "whether it is language of incitement or not" (354 U.S. at 318).

In Yates, after conviction, and affirmance in the court of appeals, the Supreme Court reversed on certiorari with an opinion by Mr. Justice Harlan. The gist of the Court's opinion of this point was "the essential distinction is that those to whom the advocacy is addressed must be urged to do something, now or in the future, rather than merely to believe in something" (354 U.S. at 324, 325).

Mr. Justice Burton concurred in the result except that he differed as to "organize". Justices Black and Douglas would have directed acquittals instead of sending back the case to the district court for further proceedings, as in the opinion of these two Justices the first amendment was violated by the statutory provisions. Mr. Justice Clark dissented; Justices Brennan and Whittaker took no part.

The boundary between that expression which is protected by the first amendment, and that which is punishable as inciting to crime, is always difficult. Yates has not made conviction for revolutionary advocacy impossible. The Government's success in Dennis demonstrates that juries will convict on the charge there given which, the Supreme Court held, should have been given in the Yates trial.

In *Yates* v. *United States* (355 U.S. 66 (1958)), the same Mrs. Yates concerned in the case last discussed obtained certiorari to review convictions of contempt in the U.S. District Court for the Southern District of California which had been confirmed by the Court of Appeals for the Ninth Circuit. During the trial of the *Yates* case reported in 354 U.S. 298 (1957), Mrs. Yates, a defendant, took the stand, but on cross-examination refused to answer questions respecting the Communist membership of a nondefendant and of a codefendant who had rested his case. Her refusals were given to 11 separate questions, and the trial judge, after the imposition of sentences in the conspiracy case, proceeded under 18 U.S.C., sec. 401, to find Mrs. Yates guilty of 11 separate criminal contempts, and sentenced her to 1 year on each of the contempts, to run concurrently. The Supreme Court reversed the convictions on specifications 2 to 11, but affirmed the conviction on specification 1. It remanded the case to the district court for resentencing. The Supreme Court, in an opinion by Mr. Justice Clark, wrote that while the management of the trial rests with the trial judge, "* * * it is equally clear that the prosecution cannot multiply contempts by repeated questioning on the same subject of inquiry within which a recalcitrant witness already has refused answers."

While the committee on Communist tactics of this association does not include the later Yates opinion in those cases which it considers have weakened national security, it is of interest to notice that on May 5, 1958, Mrs. Yates was the subject of another opinion reported at 356 U.S. 363. After the remand of the case to the district court, that court resentenced Mrs. Yates to a year in prison. The Court of Appeals for the Ninth Circuit affirmed, 252 Fed. 2d 568, observing that the sentence was severe. When the case was back in the Supreme Court on certiorari, that Court reversed the judgment below and remanded the case to the district court with directions to reduce sentence to 7 months, the period during which Mrs. Yates had already been confined, in the course of the several proceedings against her. The court said that it would modify the original contempt sentence because the district court failed to exercise its discretion in the light of the reversal of the judgment, and in effect merely sought to justify the original sentence.

COMMENTARY AND CONCLUSIONS

The study of recent decisions of the Supreme Court of the United States, a study recommended by paragraph IV of the resolutions adopted by the house of delegates at its meeting in Chicago on February 24, 1959, is an undertaking which can never end. As this report is under preparation, there are pending for argument, or for decision, before the Supreme Court of the United States, a number of other cases which raise various aspects of the general issues exemplified by the 24 cases discussed by this committee and by the committee on Communist tactics. Our committee cannot withhold this report until all American constitutional issues are adjudicated. There will always be unfinished business in the balancing of security and freedom.

In all of this study, there appear certain constant themes. One is the belief, held by our people since long before the Declaration of Independence, that there should be some areas for the individual immune from Government intrusion. The establishment of a balance in the continually shifting competitions of interest in safety and order on the one hand and in individual freedom on the other, present a perpetually changing and continually complex set of relations. Study of this complicated relationship must include consideration of legislative activity, and of executive action to carry out legislative or executive policy. It must include dispassionate study of the independent action of the judiciary, with its peculiarly American power to decline to permit what may seem the exigencies of the moment, which bear upon the Legislature and the Executive, to prevail against the basic policies of individual freedom symbolized by the Bill of Rights and the 14th amendment.

Every judicial decision in this perennial competition of interests will necessarily arouse dissatisfaction from one side or the other, depending on the fortunes of litigation. No matter what the sympathies of members of the bar may be in specific instances of litigation, there should be no question of their sympathy with and their enthusiastic support for the institution of a courageous and independent judiciary, even though this necessarily means that from time to time decisions will be handed down disappointing to the interests of someone. The whole legal system depends on the freedom and assurance of the judiciary. The American Bar Association can perform its best service for the country if it encourages the appraisal of judicial determinations with the detachment, the cool-headed fairness, for which the lawyer is particularly well equipped.

In an effort to accomplish this end the committee on the Bill of Rights has submitted the analysis of cases set forth in this report. On balances, this committee is unable to see any indication that the security of the Nation or of the States has been impaired by the Supreme Court of the United States. The affectionate regard that the American people feel for their Government is in no small measure due to the independence and integrity of the Federal judiciary and particularly of the Supreme Court which heads it. In that loyal regard is the greatest source of our national safety.

Respectfully submitted.

STANDING COMMITTEE ON
BILL OF RIGHTS,
JOSEPH HARRISON,
Chairman.
ARCHIBALD M. MULL, Jr.
F. HODGE O'NEAL.
REUBEN OPPENHEIMER.
A. E. SUTHERLAND, Jr.
REUBEN G. THOREEN.[1]

[1] A dissenting statement by Mr. J. Cleo Thompson is attached.

DISSENT OF J. CLEO THOMPSON TO THE REPORT OF THE COMMITTEE ON BILL OF RIGHTS

It is with much regret that I find myself in disagreement with the other members who have filed the report of the committee on the Bill of Rights of the American Bar Association. I hold in high esteem all the members of the committee, however, I am unable to agree with the conclusions reached as to certain decisions of the Supreme Court of the United States and their effect upon the national security.

In some of the decisions strong dissenting opinions were voiced by members of the Supreme Court who did not agree with the decisions reached by the majority. In one of the decisions, Mr. Justice Clark, in the Cole case, as is noted in the committee's report, stated: "We believe the Court has stricken down the most effective weapon against subversive activity available to the Government." That statement should be a warning.

It is unnecessary to review the numerous decisions referred to in the committee's report but I think that the committee report itself indicates in many instances that it would be impossible for the human mind to determine the possible effect on our national security resulting from some of the decisions of the Supreme Court. I, for one, believe that our national security is of such great importance and concern that when doubts or uncertainties arise, that everything should give away to the national security, or else the Bill of Rights and all will be lost.

As a member of the Bill of Rights committee, I also feel that the report of the committee is more in the nature of a reply brief to the action of the house of delegates on February 24, 1959, wherein the house adopted a resolution sponsored by the special committee on Communist tactics of the American Bar Association.

The American Bar Association having spoken through the house of delegates in the adoption of said resolution, I think it is not within the province of the Bill of Rights committee to attack in this devious manner the action of the house of delegates. The committee report calls for no affirmative action and will certainly tend to divide and reduce the influence of the American Bar Association.

Respectfully submitted.

J. CLEO THOMPSON.

Mr. JAVITS. The members of the committee are: Joseph Harrison, chairman; Archibald M. Mull, Jr.; F. Hodge O'Neal; Reuben Oppenheimer; A. E. Sutherland, Jr.; Reuben G. Thoreen; and J. Cleo Thompson.

The dissent was filed by J. Cleo Thompson, of Dallas, Tex., former president of the Dallas Bar Association. In that dissent Mr. Thompson said:

In some of the decisions strong dissenting opinions were voiced by members of the Supreme Court who did not agree with the decisions reached by the majority. In one of the decisions, Mr. Justice Clark, in the Cole case, as is noted in the committee's report, stated: "We believe the Court has stricken down the most effective weapon against subversive activity available to the Government." That statement should be a warning. I, for one, believe that our national security is of such great importance and concern that when doubts and uncertainties arise, that everything else should give way to the national security, or else the Bill of Rights and all will be lost.

I hope very much that Senators will pay serious attention to this matter. I, as a Senator, a lawyer, and a member of the American Bar Association, am deeply concerned by the impression created by the previous report, that of the special committee on Communist strategy, tactics, and objectives of the American Bar Association, which, in my opinion, could very well lead to rather improvident legislation relating to certain Supreme Court decisions, allegedly to protect the public in terms of security, but which actually might invade what we have for so long considered the inviolable rights of the individual.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

OVERSEA TRAINING PROGRAM FOR BUSINESS INVESTMENTS AND AMERICAN FOREIGN POLICY

Mr. JAVITS. Mr. President, I offer for inclusion in the RECORD as a part of my remarks an editorial from the New York Times of yesterday which tells us that business executives, banding together at long last, propose to give training to their own employees who are going to foreign places to serve in American private industry located in such places.

For a long time I have urged the foreign policy implications of American private investment and American private operations abroad. It is gratifying that this is now being recognized. I know of no more useful tool for foreign policy and for the peace of the United States than that of intelligent people who know the area in which they are to engage in business, and know the language and background of the peoples of those countries. They can be wonderful representatives of the United States through the unique expression of our society which is the private economic system located in those countries.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRAINING FOR OVERSEAS

The overseas training program for business executives, announced today by the Business Council for International Understanding and the American University, gives promise of conspicuous srevice both to business and to the Nation as a whole. Beginning on September 14 there will be six 6-week sessions at the university's school of international service in Washington for those assigned by business concerns to responsible positions abroad. The whole undertaking is a unique blend of top business sponsorship, represented by the BCIU, competent instruction by members of the university faculty and close liaison with the State Department and its personnel.

The program is designed to help those who attend get a sympathetic understanding of the countries in which they will serve, and also to build good will for the United States overseas—all of which, of course, will increase their usefulness to their own companies. This means the ability quickly to get to know the people of the host country—their needs, aspirations, and point of view—and at least the beginnings of a speaking knowledge of their language.

The provincialism of Americans—especially those in official and business posts overseas—has far too frequently been a serious handicap to them. The new overseas training program should go a long way toward meeting these deficiencies. Further information can be had from its director, Harold M. Randall, the American University, Washington 16, D.C.

DEATH OF NORMAN R. HAGEN

Mr. GREEN. Mr. President, many of my fellow Senators join with me in deep regret at the announcement of the death on Saturday, August 15, of Norman R. Hagen, internationally known meteorologist who served with the U.S. Weather Bureau for the past 31 years.

Mr. Hagen's career was a distinguished one. He was a dedicated public servant, who was truly devoted to the science of meteorology for the welfare of our country.

He was a personal friend of mine, and was well known to many other Members of Congress who, in recent years, had the benefit of his intelligent and full cooperation in their efforts to advance the public service activities of the Weather Bureau and the science of meteorology, and therefore he will be sorely missed.

I extend my deepest sympathy to his devoted wife, his three sisters and three brothers, and ask to have inserted in the RECORD an article from the New York Times of August 17, 1959, which outlines Mr. Hagen's notable career.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORMAN R. HAGEN, U.S. WEATHER AID—BUREAU'S PUBLIC INFORMATION COORDINATOR DIES—HELPED GENERAL SPAATZ IN WAR

WASHINGTON, August 16.—Norman R. Hagen, public information coordinator of the U.S. Weather Bureau, died last night of a heart attack. He was 52 years old.

Mr. Hagen was a meteorologist with the Bureau for 31 years. In 1955, he became its first public information coordinator, providing information to all news media.

He was born on August 21, 1906, in Crookston, Minn. In 1928, Mr. Hagen joined the Weather Bureau at Minneapolis. After serving there and in Cleveland, he was transferred in 1929 to the Bureau central office here.

Mr. Hagen studied physics, meteorology, and architectural engineering at Baldwin Wallace College in Berea, Ohio, and at George Washington and Catholic Universities here.

HEADED DAILY MAP UNIT

From 1929 to 1943, Mr. Hagen served with the Forecast Division and was in charge of meteorological codes. During this period he also headed the Bureau's daily-map unit.

In 1943 he was selected as Weather Bureau liaison officer to foreign governments in connection with national and international meteorological activities.

Until 1946, Mr. Hagen was Bureau representative in Europe and a meteorological consultant to the Chief of the Air Force in Europe, Gen. Carl Spaatz.

After World War II, Mr. Hagen was special liaison officer for the Weather Bureau to all European, Middle Eastern, and north African meteorological services. He had charge of Project HYPO, which was designed to rehabilitate foreign aviation meteorological services. Project HYPO included a team of more than 30 U.S. meteorologists.

SERVED IN MOSCOW

From 1946 to 1952, Mr. Hagen also had an appointment from the Secretary of State, James F. Byrnes, as meteorological attaché to the U.S. Embassies in London and Moscow.

As Weather Bureau representative in Europe, he attended more than three dozen

international meetings in the fields of meteorology, aviation, and telecommunications.

A former president of the Meteorological Telecommunications Committee of the World Meteorological Organization, he helped to formulate the basic regulations adopted by the first WMM Congress.

Returning to Washington in 1952, Mr. Hagen served as aviation weather specialist in the Bureau's growing international aviation weather service program.

He was the brother of Representative Harold C. Hagen, of Minnesota, who died in March 1957.

Mr. Hagen leaves his wife, the former Ann Sullivan, who heads the Radio and Television Section of the Office of Public Information agency; three sisters and three brothers.

THE GALLANT "TENNESSEE"

Mr. KEFAUVER. Mr. President, we often pay tribute here in the Senate to great men and women. And rightly so. We are vitally concerned with the newest technological techniques and military tactics. And realistically so.

But I believe that there is time midst our eulogies of brave humans and concern with brave frontiers to pause and salute the courage of a ship and the past which it represents.

With the advent of air power in naval battles, the era of the battleships and the classic "battle line" tactics is over. An editorial in the Memphis Press Scimitar of July 28, 1959, entitled "The Gallant *Tennessee*," has movingly honored the end of the battleship which carries the name of my great State and the valiant battles it fought during its long career.

Mr. President, I should like to place this editorial in the RECORD at this point in my remarks as a reminder that much of our hope for the future rests on the greatness of our past. The *Tennessee* is a symbol of a great State, a great Nation, and a great past.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GALLANT "TENNESSEE"

The picture showed only a floating hunk of steel.

Stricken from the Navy rolls, the once proud and gallant battleship *Tennessee* was being towed out of Philadelphia Navy Yard to be cut up for scrap.

When a brave ship dies she rates an obituary eulogy no less than a brave man who fought for his country. She took her lumps at Pearl Harbor, but survived to fight in 13 campaigns of World War II.

In the battle of Surigao Strait off Leyte in the Philippines, the *Tennessee* had a heroic part. "In no battle of the entire war did the U.S. Navy make so nearly a complete sweep," summed up Navy Historian Adm. Samuel E. Morrison.

In the "battleline"—classic naval tactic of battleships used in that engagement—the *Tennessee* fought furiously, though some of her sister ships had bigger guns. In a sense, it was her last great fight, and a historic one.

For that was the last naval battle in which airpower played no part, the last use of a "battleline." It marked the end of an era. Battleships from then on were outmoded. Wrote Admiral Morrison:

"One can imagine the ghosts of all great admirals from Raleigh to Jellicoe standing at attention as the battleline (as a tactic) went into oblivion, along with the Greek phalanx and the English longbow."

Last is a sad word, and so is oblivion—but that is where the *Tennessee* finally is headed after a long, honorable career. She will live only in the history books.

PRICE STABILITY FOR ECONOMIC GROWTH

Mr. KEFAUVER. Mr. President, I ask unanimous consent that I may speak for an additional 3 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. KEFAUVER. Mr. President, the White House yesterday released an interim report to the President by the Cabinet Committee on Price Stability for Economic Growth headed by the Vice President. This is the second report issued by the Cabinet Committee, the first having appeared on June 29.

Mr. President, I have compared these two reports, and I am disturbed at what I find. As between the earlier report and the one issued yesterday, there is, in the words of the New York Times, a "shift in emphasis from inflationary dangers to the need for economic growth." The Times went on to quote an unidentified member of the Cabinet group as saying that "the Committee was now reasonably optimistic that the line would be held on the general price level that the problem of economic growth was now the primary concern of the Cabinet Committee."

This shift in emphasis manifests itself in a number of ways. Thus, while the June report was almost entirely concerned with the dangers to the economy of inflationary price rises, yesterday's report makes price stability only one—and the last in order—of three "economic aims of the American people."

Moreover, yesterday's report stresses the use of the adjective "reasonable" as a qualification of price stability, but the committee fails to tell us just how much inflation we can have without it becoming "unreasonable." I am sure that we are all familiar with the permanent danger done to the enforcement of the antitrust laws by the injection, through judicial construction, of this same word, "reasonable." Back in June the Cabinet Committee was most explicit in its denunciation of inflation, stating that it "rejects three misconceptions that are sometimes heard: That a small amount of inflation is no cause for concern; that inflation will stimulate economic growth; that a little inflation is inevitable, relax and enjoy it."

The Cabinet committee in its June report made a number of other observations concerning the danger of inflation with which I am thoroughly in accord. Thus it pointed to the fact that "prices of industrial commodities and many other goods have been rising in wholesale markets and this is usually followed by rises at retail." It noted that the recent stability of the Bureau of Labor Statistics price indexes may be misleading, stating:

While the average level of consumer prices has been relatively stable, prices of many consumer goods and services have continued to go up in the past year.

The committee also noted that during the recession of 1958 "there was no decline in the overall average of prices." From the fact that prices tend to increase during periods of rising prosperity but fail to decline during recessions it drew the logical conclusion that "moderate increases even for short periods cumulate in the course of years to immoderate increases in the cost of living."

In the statement issued yesterday, however, these strictures concerning the dangers of even a little inflation are conspicuous by their absence. Instead we are treated to a rather glowing description of "economic growth" and "maximum employment opportunities." These objectives, like mother love, God, and country, are noble ideals which every right-thinking American, I am sure, fully supports. The question which divides us on national policy is not the desirability of growth and maximum employment but rather how to attain them. On this vital question of ways and means, the Cabinet committee in yesterday's report has literally nothing to offer.

Mr. President, I am concerned that the contrast in emphasis between the two reports of the Cabinet Committee reflects a weakening of the administration's stand against inflation. True, that stand had never manifested itself in direct form. Its use has been limited to serving, mistakenly in my belief, as a rationale for opposing public-interest measures such as the housing bill. Nonetheless, in principle at least, the administration has stood resolutely opposed to inflation.

Are we now witnessing a softening of that resistance? In the name of "economic growth" and "maximum employment" are the consumers of this country to be sold down the river? Will not the shift in emphasis in the committee's report be taken by the steel companies and other administered price industries as a green light to set off another round in the upward spiral of prices?

Mr. President, the news stories announcing this latest report of the Cabinet Committee attribute the reduced emphasis on inflation partly to the recent stability of the Consumer Price Index. Thus far this year the index has risen less than half of a percent. Against the background of knowledge of specific price increases, this stability struck me as somewhat curious. Accordingly, I requested the economic staff of the Subcommittee on Antitrust and Monopoly to prepare a brief analysis of the recent behavior of the general price level, as reflected by the various Government indexes. Their analysis, which is in the form of a memorandum by Drs. John Blair and Walter Measday, is attached.

Briefly, they have found that neither the Consumer Price Index nor the wholesale price index adequately measures the changes in the general price level, nor indeed were they ever intended to do so. The deficiencies in each of the measures tend to make them understate the actual changes in prices. For the purpose of measuring changes in the overall price level they find that a series

developed and used by the Department of Commerce in putting on a real basis, or deflating, its figures on national income and gross national product is a more accurate indicator.

The Department of Commerce index shows a greater increase than is indicated by either the Consumer Price Index or the wholesale price index. Thus this year alone the Department of Commerce series, or "gross national product deflator" as it is technically termed, has risen three times the percentage increase shown by the Consumer Price Index and the wholesale price index. From 1953 to date the increase in the Department of Commerce series has been one and one-half times as great as the percentage increase in the other two series. The advance shown by the Department of Commerce index in the first half of this year represents a rate of inflation which would permit the general price level to double in less than a generation.

Mr. President, this Department of Commerce series bears out what I am sure the American consumer knows to be a fact. Inflation is by no means something that is over and done with. It is a problem of greatest urgency which is continuing here and now and for which a solution must be found. This latest report of the Cabinet Committee is good cause for concern that the day when we begin to face up to it has been put off once again.

Mr. President, I asked that the economic members of the staff of the Subcommittee on Antitrust prepare a comparison of these price indexes. They have done so, and I have the comparison here. I ask unanimous consent that it be printed, together with a memorandum on the subject, following my remarks.

There being no objection, the memorandum and tabulation were ordered to be printed in the RECORD, as follows:

MEMORANDUM

AUGUST 14, 1959.

To: Paul Rand Dixon, counsel and staff director.

From: John M. Blair, chief economist; Walter S. Measday, economist.

Subject: "Stability" of the price level in recent months.

In recent weeks a number of statements have appeared from various quarters to the effect that the pronounced upward movement of the price level of recent years has come to an end and that inflation will not be a serious problem in the foreseeable future. The argument that inflation has come to an end is subject to several important qualifications. In the first place, as repeated news accounts have made abundantly clear, firms in a considerable number of steel-using industries are holding their price increases in abeyance until the steel strike is settled and the expected increase in the price of steel takes place. Thus the present period of apparent price stability may be atypical in that it is only a lull before the storm. In this connection it is understood that the increase in the costs to buyers resulting from the recent change in the method of pricing warehouse steel is already being reflected in higher bids on Government projects.[1]

In the second place the phenomenon of price increases in administered price industries which are offset by price reductions in market-price areas, while producing by happenstance stability in the overall price index, nonetheless gives rise to serious economic problems of its own. For example, there is the possibility that a significant reduction in the consumption of products of the administered-price industries might result from the increase of their prices and the reduction of buying power of producers in the market-price industries. Persuasive, though by no means conclusive, showings have been made in the past of an apparent relationship between the level of industrial production and the degree of price "dispersion" (i.e., the sum of the differences of prices from each other in terms of some base period).

Finally there is a question of the adequacy of the Consumers Price Index (CPI) and wholesale price index (WPI) for the purpose of measuring changes in the overall price level. It is to this question that this memorandum is addressed. Thus far in 1959 both indexes have shown only relatively small increases; for the first 6 months of 1959 each is only 0.4 percent higher than the 1958 average.

The extent to which either of these indexes is an accurate measure of the impact of inflation upon the economy is open to question, since neither is designed conceptually or methodologically to measure changes in the overall price level.

The Consumer Price Index is designed to provide "a statistical measure of changes in prices of the goods and services bought by families of city wage earners and clerical workers" on the basis of 1951–52 family spending patterns.[2] The Bureau of Labor Statistics has estimated that the class of families whose spending patterns provided the "market basket" for the index accounted for no more than 40 percent of the U.S. population at the time the index was developed. Further, the Bureau has issued frequent warnings against the temptation to use the Consumer Price Index as a "cost-of-living" measure for the remaining 60 percent of the population, consisting of nonurban families, families in higher or lower income groups, retired persons or single persons not residing in family establishments.

Methodologically, the Bureau collects retail price data on a selected list of 298 items, at intervals of from 1 to 4 months, in 46 of the 2,797 cities reported in the 1950 Census of Population.[3] These limitations alone should raise doubts as to the advisability of using the Consumer Price Index as an authoritative index of changes in the general price level in the economy.

Even the categories which are sampled may, for a variety of reasons, seriously understate the price increases which have occurred since the index was adopted. During the automobile hearings of this subcommittee it was shown that, because of their method of handling the problem of quality changes, the Bureau of Labor Statistics new car price series has substantially understated the true extent of actual price increases since January 1954.[4] In the drug field it is doubtful if aspirin, milk of magnesia, and a vitamin concentrate can provide a picture of price trends in the nonprescription field. For prescription drugs price trends are represented by A.P.C. tablets, codeine sulfate cough syrup, and penicillin tablets. The Bureau of Labor Statistics could hardly have selected three items less likely than these to show the price increases which have occurred in this important area of family expense. It is probable that the whole index has understated inflation since 1953. By and large, the areas of skimpy coverage are products of administered-price industries, while those most adequately covered, food and clothing, are areas in which market competition has served as a check upon price increases.

The wholesale price index is even less adequate than the Consumer Price Index as an index of inflation in the economy as a whole. Conceptually the wholesale price index is designed to measure changes in the prices of specified, standardized items, principally in primary markets. The starting point is, in effect, those products for which reasonably reliable wholesale price series are available which are then weighted in accordance with their relative importance. The index suffers from the problems of unreliable series and undercoverage. On balance, both shortcomings probably tend to result in understatements of price increases in administered-price industries. While the importance of this factor should not be overstressed, it is a fact that there are areas, notably chemicals, for which the Bureau of Labor Statistics series understate the true price change.

Many areas in which price increases have been of great significance in the problem of inflation are either not covered or are covered inadequately. Fabricated metals, machinery and electrical machinery, all predominantly administered-price areas, suffer from undercoverage. Machine tools and industrial electrical equipment are conspicuous examples of products represented by a limited selection of standardized items which are less significant than the special purpose equipment and other items which are either custom-made or modified standard equipment to meet the requirements of particular buyers.

In short, both the Consumer Price Index and the wholesale price index are special purpose indexes which are of doubtful value as indicators of changes in the general price level in the economy as a whole. A more comprehensive measure for this purpose is the implicit price deflator for gross national product, computed by the Department of Commerce to facilitate comparisons of the annual rate of real output of goods and services from year to year. For the purpose of measuring the change in the overall price level the "weights" of this deflator, which represent the relative importance of the various segments of the economy to the total gross national product, are far superior to the quantities of goods purchased by city wage earners and clerical workers or the quantities of products sold for which wholesale price series happen to be available over a long period of years.

The gross national product deflator utilizes both the Consumer Price Index and the wholesale price index, but it supplements these with a variety of other price indexes for sectors of the economy which are not reflected in the Consumer Price Index and wholesale price index. Even a cursory examination of the price deflators for individual major components of the gross national product series reveals that the sharpest price increases since 1953 have occurred in those sectors which are not adequately represented in the other two series—namely, new farm and business construction, producers, durable equipment, and governmental purchases of goods and services.

In discussions of current price "stability" as measured by the Consumer Price Index and the wholesale price index, it is unfortunate that little attention has been paid to the gross national product deflator. While neither the Consumer Price Index nor the wholesale price index has in 1959 shown any marked rise over the 1958 averages, the

[1] Cf., the CONGRESSIONAL RECORD, July 14, 1959, pp. 13344–13347.

[2] "Consumer Price Index," reprint of ch. 9, bull. No. 1168, Bureau of Labor Statistics.

[3] All 12 urban areas within population in excess of 1 million in 1950 are sampled; 9 out of 42 areas with population from 240,000 to 1 million; 9 out of 216 urban areas with population from 30,500 to 240,000; and 16 out of 2,527 cities under 30,500. Op. cit., table 1.

[4] Hearings, pt. 7, pp. 4,000–2.

average of the gross national product deflator for the first two quarters of 1959 was 125.2 (1950=100), compared to 123.7 for the year 1958.

Thus, the increase in the general price level indicated by the gross national product deflator for the first half of 1959 has been 1.2 percent over the 1958 average, or three times the percentage increases exhibited by the Consumer Price Index and the wholesale price index. This represents a rate of inflation which would permit the general price level to double in less than a generation.

Table I attached compares the three indexes referred to above from 1950 through the first half of 1959 and shows the percentage changes in each from year to year. The indexes as reported by the Departments of Commerce and Labor have been converted to a common base of 1950=100.

This table indicates the extent to which the Consumer Price Index and the wholesale price index may understate the extent of inflation. From 1950 to 1959, the wholesale price index rose by 16 percent and the Consumer Price Index by 20 percent. The increase in the general price level disclosed by the gross national product deflator, however, was 25 percent. The discrepancy has been especially marked since 1953. From 1953 to 1959, the percentage increase in the general price level as measured by the gross national product deflator was 1½ times as great as the percentage increases in the other two series.

TABLE I.—*Percentage increases in selected price indexes, 1950–59 (first half)*

[1950=100]

	GNP deflator		Wholesale price		Consumer price	
	Index	Percent change from preceding year	Index	Percent change from preceding year	Index	Percent change from preceding year
1950	100.0		100.0		100.0	
1951	107.5	7.5	111.3	11.3	108.0	8.0
1952	109.6	2.0	108.2	−2.8	110.4	2.3
1953	110.6	.9	106.8	−1.3	111.3	.8
1954	111.7	1.0	107.0	.2	111.7	.3
1955	113.1	1.2	107.4	.4	111.4	−.3
1956	116.4	3.0	110.9	3.3	113.0	1.5
1957	120.9	3.8	114.1	2.9	117.0	3.5
1958	123.7	2.3	115.6	1.4	120.0	2.6
1959 (1st half)	125.2	1.2	116.1	.4	120.5	.4
PERCENTAGE CHANGES, SELECTED YEARS TO 1959 (FIRST HALF)						
1950–59		25.2		16.1		20.5
1953–59		13.1		8.7		8.3
1956–59		7.5		4.7		6.6

Source: Price indexes: Bureau of Labor Statistics. GNP deflator: Department of Commerce.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting sundry nominations, and withdrawing the nomination of J. Smith Henley, of Arkansas, to be U.S. district judge for the eastern district of Arkansas, which nominating message was referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board;

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board; and

Billie E. Jones, and sundry other candidates for personnel action in the Regular Corps of the Public Health Service.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

MARINE CORPS

The legislative clerk proceeded to read sundry nominations for temporary appointment in the Marine Corps.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER (Mr. KEATING in the chair). Without objection, the nominations are confirmed en bloc.

NOMINATIONS ON THE VICE PRESIDENT'S DESK

The legislative clerk proceeded to read sundry nominations in the Air Force and the U.S. Marine Corps placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered and confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified immediately of the confirmations made today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FILING OF CLAIMS FOR CREDIT OR REFUND OF OVERPAYMENT OF INCOME TAXES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 670, H.R. 2906.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2906) to extend the filing of claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment, on page 3, after line 4, to insert a new section, as follows:

SEC. 2. Notwithstanding any period of limitation otherwise applicable, the Secretary of the Treasury or his delegate is authorized and directed to allow credit or refund of an overpayment of $383.64 (claimed on an amended joint return for the calendar year 1951 made June 7, 1954, by Dexter Phillips and Jeanette H. Phillips and disallowed August 4, 1954, by the examining internal revenue officer) to the extent that such overpayment is attributable to the erroneous inclusion in the gross income shown on their original joint return for such year, made March 11, 1952, of any amount received by Dexter Phillips in final distribution of his grandfather's estate.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I have cleared this bill with the distinguished minority leader and with the members of the Committee on Finance. I am informed that there is no opposition to the bill.

Section 1 of the bill amends both the 1954 code and the 1939 code to provide that where the elimination of excessive profits by renegotiation creates a net operating loss, or increases an already existing net operating loss, the period for filing a claim for credit or refund for that portion of an overpayment attributable to the carryback of the created loss, or the increase in the loss, is not to expire until 12 months after the month in which the agreement or order for the elimination of the excessive profits becomes final. This new period of limitation for a net operating loss carryback is not to cut short the period provided by present law in the case of a net operating loss carryback. Thus, in no case will the period of limitations expire before the 15th day of the 40th month—39th month in the case of a corporation—following the end of the taxable year in which the net operating loss arises if this is later than the 12th month after a renegotiation agreement or order becomes final.

The amendments apply only to that portion of the overpayment for any taxable year which is attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by renegotiation. There will be no extension, by reason of this bill, for any portion of the overpayment which is not so attributable.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from the report.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SECTION 1. NET OPERATING LOSS CARRYBACKS RESULTING FROM RENEGOTIATION

Section 1 of this bill, which was adopted by your committee without amendment, amends the 1939 code and the 1954 code by extending the period of limitations for filing claims for credit or refund of overpayments of income taxes which arise as a result of a renegotiation of Government contracts. The period for filing a claim for credit or refund for an overpayment of taxes, to the extent attributable to the creation of, or an increase in, a net operating loss carryback resulting from the elimination of excessive profits by a renegotiation of a Government contract is not to expire before the end of 1 year after the month in which the agreement or order for the elimination of the excessive profits becomes final. The amendment to the 1954 code applies to all 1954 code years. The amendment to the 1939 code applies with respect to claims resulting from renegotiations for taxable years ending after December 31, 1952. In no case will the period of limitations expire before September 1, 1959.

The general rule provided by the Internal Revenue Code with respect to claims for credit or refund of income taxes is that such claims must be filed within 3 years from the time the return is filed or 2 years from the time the tax is paid, whichever period expires later (sec. 6511(a)). However, there is a special rule in the case of the carryback of net operating losses, since otherwise the period allowed under the general rule for the income year may have expired before the amount of the loss which should be carried back (and offset against the income of that year) is determined. Under existing law (sec. 6511(d)(2)(A)), if a claim for a credit or refund relates to an overpayment of tax attributable to the carryback of a net operating loss, the period in which the claim must be filed is the period which ends on the 15th day of the 40th month (39th month in the case of a corporation) following the end of the taxable year in which the net operating loss arose. A similar provision is contained in section 322(b)(6) of the 1939 code.

The special rule applicable in the case of net operating loss carrybacks generally provides adequate time for the filing of a claim for credit or refund. However, where the net operating loss arises as a result of the restoration of excessive profits pursuant to renegotiation, the period may not be adequate, since the renegotiation may become final more than 38½ months (or 39½ months in the case of an individual) after the end of the year in which the net operating loss arose, and under existing law the period provided by the special rule for filing a claim for credit or refund would have expired. In such a case, your committee agrees with the House it is unfair for the Government to require the restoration of excessive profits, on the one hand, and, at the same time, deny the taxpayer a credit or refund of the taxes paid with respect to such profits where the renegotiation decreases his tax liability.

* * * * *

The amendment to the 1954 code (to sec. 6511(d)(2)(A)) is to apply to claims for taxable years beginning after December 31, 1953, and ending after August 16, 1954 (the general effective date of the 1954 code). The amendment made to the 1939 code (to sec. 322(b)(6)) is to apply to claims resulting from renegotiations for taxable years ending after December 31, 1952. The bill provides that the period of limitations will in no case expire before September 1, 1959.

SECTION 2. ALLOWANCE OF CREDIT OR REFUND FOR OVERPAYMENT OF TAX NOTWITHSTANDING PERIOD OF LIMITATION IN THE CASE OF DEXTER PHILLIPS AND JEANETTE H. PHILLIPS

Section 2 of this bill, which was added by your committee, provides that, notwithstanding any period of limitation otherwise applicable, the Secretary of the Treasury or his delegate is authorized and directed to allow credit or refund of an overpayment of $383.64 (claimed on an amended joint return for the calendar year 1951 made June 7, 1954, by Dexter Phillips and Jeanette H. Phillips and disallowed August 4, 1954, by the examining internal revenue officer) to the extent that such overpayment is attributable to the erroneous inclusion in the gross income shown on their original joint return for such year, made March 11, 1952, of any amount received by Dexter Phillips in final distribution of his grandfather's estate.

Your committee is informed that the facts with respect to this matter are as follows:

Dexter Phillips and Jeanette H. Phillips filed, within the statutory period, a joint U.S. income tax return for the calendar year 1951 showing a total income of $7,335.95, of which $2,002.13 was reported as received from an estate. The tax reported was $995.72, payment of which was effected by withholding in the amount of $677.91 and a remittance with the return in the amount of $317.81. On June 8, 1954, an amended return was filed by Dexter Phillips and Jeanette H. Phillips for the year 1951 showing income of $5,333.82 and tax due of $612.08. Refund of $383.64 was requested. The refund requested was based upon the erroneous inclusion in income of the amount of $2,002.13 received from the estate.

An office audit of the return for 1951 was made and on August 4, 1954, the report of the examining officer states that:

"Taxpayer filed 'amended' return eliminating amount received from final distribution of grandfather's estate construing same to be a gift, but which is fully taxable.

"It is recommended that the claim filed in the amount of $383.64 for the year 1951 be disallowed in full."

The report of the examining officer was approved on August 5, 1954, by the group chief, and on December 10, 1954, a copy of the report was sent to the taxpayers. It appears further that Dexter Phillips, for himself and his wife, agreed to the findings of the agent.

The grandfather of Dexter Phillips died on or about July 6, 1950. The records concerning the probate of the grandfather's estate disclose that the assets of the decedent, valued at $8,046.87, were sold for $8,013.47, or at a loss of $33.40. Distribution of the assets of the estate was made on December 10, 1951. During 1950 and 1951 income in the amounts of $399.91 and $335.65, respectively, was collected. Accordingly, the total receipts of the estate aggregated $8,749.03. During administration the following disbursements were made:

Clerk of district court—court costs	$21.80
Appraiser's fees	22.50
Personal taxes	29.25
Appraisal fees on specified property	75.00
Attorney fees	294.98
Administrator's fees	294.98
Total	738.51

The balance available for distribution ($8,010.52) was distributed as follows: $2 additional court costs, one-half of remainder to decedent's son, one-fourth each to two of decedent's grandchildren (one of whom was Dexter Phillips).

The circumstances of this case, as outlined above, indicate that there was an erroneous inclusion in income of an amount received as a bequest, that a timely claim for refund was made, and that this claim was erroneously rejected by the examining officer and his superior. In view of these circumstances, your committee is of the opinion that relief should be given in this case for the particular taxpayers who, following the conclusions of the Government's representatives concerned, did not further prosecute their claim within the period of limitations.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2906) was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SHALL THE UNITED STATES RESUME NUCLEAR TESTS?

Mr. HUMPHREY. Mr. President, the subject matter to which I shall address myself today is: Shall the United States resume nuclear tests?

Mr. President, the Geneva negotiations for a treaty to end nuclear weapons tests have now reached a critical stage. My purpose in speaking today is to discuss the nature of this crisis. I must voice a grave concern lest through indecision and internal differences our Government may contribute to the breakdown of the negotiations at this particular time.

The United States, the United Kingdom, and the Soviet Union have been negotiating to discontinue nuclear weapons tests for almost 10 months. Progress was being made. At the same time other hopeful signs were emerging. The President appointed Charles Coolidge to conduct a special review of U.S. disarmament policy. The Foreign Ministers Conference agreed to the desirability of having general disarmament negotiations, disbanded since 1957, reconvene, and it is expected that the details of the agreement for the renewal of the negotiations will be forthcoming soon. I say these are hopeful signs even though I believe that any new disarmament negotiations should not be devoid of a direct relationship with the United Nations.

We can embrace these encouraging moves on the part of the major powers only if we genuinely believe that they lead somewhere besides a dead end. I am convinced that the people of this and every other country are impatient with the inability of the leaders of the major powers to reach some agreement in the area of arms control. This race for weapons superiority is all so futile. It can lead nowhere. It is an expensive way of buying time to determine whether man is rational enough to live with his fellow man without engaging in the business of mass extinction through large-scale war.

It is in this framework that the test ban negotiations must be viewed. If they succeed, then future arms control discussions take on meaning, in fact, become imperative so that the momentum gained by one small step will not be lost. If they fail, then new talks will tinkle in a hollow chamber amid the reverberating echoes of the last failure.

STATUS OF THE GENEVA TALKS

The Geneva test ban negotiations, as I have said, have been going on for almost 10 months. This amount of time is not unusual in terms of average time taken in negotiating with the Soviet Union. What is unusual is the fact that of the remaining undecided issues only one—the number of on-site inspections—really stands in the way of an agreement among the three nuclear powers. On this one major remaining issue, the United States at the moment has no negotiating position. The Soviets have made no proposal on this point as yet either, but if they did, we would have no answer. The United States has no negotiating position because the Government is still divided on some basic aspects of the problem. It is divided between those who are concerned about the risks involved in a continuing arms race—those who think it is important to take a real step toward arms control—and those who feel that we have more to gain than to lose by continuing tests and that we cannot afford to stop testing our nuclear weapons in the face of a control system that is less than perfect.

Our negotiators are burdened by obstacles which have been built primarily by the Atomic Energy Commission and to a lesser extent by the Defense Department. The AEC seems to have difficulty in remembering that it was not created to be a policy-making body in the area of foreign relations. Although I think the AEC has overstepped the bounds of its functions in this instance, nevertheless, I cannot dispute its right to argue its case. The AEC is allowed to continue to oppose the official position of the United States and to inject its own views on foreign policy due to a lack of leadership at the top.

The Constitution provides that "the executive power shall be vested in a President of the United States of America." There can be no substitute for executive leadership on this problem. The President has failed to assert the leadership necessary to reconcile conflicting views. Our position is being determined by an interdepartmental committee, which can decide only when it is unanimous. In effect, every department has a veto over the State Department's role in the negotiations in the absence of active Presidential participation. I am confident that the President and the Secretary of State want to reach a workable agreement to stop nuclear weapons tests. I am confident also that the overwhelming majority of Americans are behind the President on this issue. The President should exert his authority. That is what we are waiting for.

The technical advice of the AEC is valuable, but the matter is not only a problem of science and technology. It is not only one of the importance of perfecting new and better weapons. The issue involves judgment in many fields of which science and weaponry are only two of many factors to be considered.

FALLOUT STILL A CONCERN

The AEC and the Pentagon evidently are so eager to resume nuclear testing that they are promoting and fostering newspaper reports to that effect. The reports indicate that testing either will be resumed regardless of the outcome of the test ban negotiations, or that it is expected that the negotiations will fail and testing will be resumed as a matter of course. I personally think that if tests resume before we know the outcome of the test ban negotiations the United States will be inviting an outburst of indignation and criticism by the people of other nations. Furthermore, our own people are immensely concerned about the possible harmful effects of radioactive fallout. Scientists are still studying this problem so we as yet do not have all the answers we need. The results of studies conducted thus far, however, continue to give cause for alarm.

We could conceivably claim that tests should be resumed because there are no harmful effects of fallout and that the test ban talks are not making progress, two of the lines of argument being advanced by the AEC. The facts on the former are uncertain, as I have said, and the facts on the latter are to the contrary. The facts of this situation must be made known. Otherwise, the public will be fooled and decisions will be made behind closed doors without the kind of public discussion and knowledge which the people of a democracy must have if our system is to survive and endure.

I now wish to discuss some of these matters in detail.

COURSE OF THE NEGOTIATIONS

What progress has been made? What have the three nuclear powers thus far agreed to?

First. Vienna, Austria, has been chosen as the headquarters for the control organization.

Second. The control organization will be composed of a seven-nation commission of which the three nuclear powers will be permanent members; there will also be a conference once or twice every 2 years of all the parties to the treaty.

Third. An administrator, acceptable to the three nuclear powers, will be responsible for operating the control system.

Fourth. The control posts worldwide will number 170 to 180, each of which will be staffed by approximately 30 to 40 technicians plus supporting personnel.

Fifth. The treaty will continue indefinitely depending on the successful installation of the control system and the absence of evidence that atomic weapons tests have taken place in violation of the treaty.

Sixth. The control organization will conduct a continuous program of research to improve the quality and capabilities of the control system. The scientists at the Conference of Experts agreed this should be done and the nuclear powers have each declared their acceptance of this principle. An article of the treaty still must be drafted, however, on this point.

Seventh. Scientists from the United States, the United Kingdom, and the Soviet Union have recommended a series of space satellites to assure that clandestine tests cannot take place in outer space.

Eighth. The treaty will be open for other states to become parties to the agreement.

This is the list of the principal features of the 17 articles of the treaty agreed to thus far. What have the three nuclear powers not yet agreed to?

First. The staffing of control posts. The three nuclear powers still are discussing the composition of the staff at the control posts. The Soviets say that no more than one-third of the staff should be foreigners in the country where they are stationed, whereas the United States argues that no more than one-third should be nationals of the country in which the control post is located. Translated into terms of actual numbers the difference between the two sides is approximately a difference between 10 and 25, a difference which, I expect, can be resolved if negotiations continue.

Second. Composition of the control commission. Although the nuclear powers have agreed on a seven-nation control commission, they have not yet decided what nations should be on the control commission. This is not yet a matter of controversy because discussion of the subject has not taken place. This too should not provoke fundamental differences. One way to resolve the question which I suggested some time ago, is to divide the composition as follows: two Western nations—the United States and the United Kingdom—two members of the Soviet-Sino bloc—the U.S.S.R. and one other—and three neutral countries—nations which are not allied either with the United States or the Soviet Union in defense pacts.

Third. Control system for high altitude tests. The scientists from the three nuclear powers reached agreement on the system to be recommended to the governments on the control system to detect tests at high altitudes, that is, tests conducted above 31 miles. The nuclear powers have not yet incorporated these recommendations into treaty language. It is not expected that such a step will involve political problems. There are some engineering problems, however, to solve. These include the means by which satellites will be sent into space so as to assure that no nuclear tests are being conducted there.

Fourth. Budget. The Soviet Union is still contending that the budget for the operation of the control system should be acceptable to the three nuclear powers, since they will be expected to pay the main costs of the control system. The United States and the United Kingdom believe that the budget should be voted on by all the members of the treaty with a majority determining the final outcome. Again, I do not think

that the question of the adoption of the budget, although an important issue, should present an insurmountable obstacle.

Fifth. Equipment at control posts. At the Geneva Conference of Experts last year, scientists from eight nations agreed on the type of equipment to be placed at each control post. Since that time the United States has requested what amounts to a revision of the list of equipment. Our Government has done this as a result of the Hardtack series of nuclear tests last October. From those tests we learned that the problem of detecting and identifying underground tests and other phenomena was more difficult than had been anticipated.

The improvements in the equipment being suggested by U.S. scientists are not such that the Soviets should object. They do not increase the number of manned control posts. As a matter of fact, if the United States would raise the question as one of improving the equipment at the control posts instead of asking for a reconsideration of the entire question of the detection and identification of underground tests by seismic means, I should think that the Soviets would see the merits of our proposal. In any case, improvement of equipment should not be a major obstacle to agreement.

Sixth. Number of on-site inspections. I come now to the last area of difference between the two sides at Geneva. The last area is the main and only major area of difference. This must be emphasized so that the public can know that, except for one major problem, the probabilities are that an agreement could be reached. This is not to say that the other differences will be easy to resolve. They won't. Negotiating with the Soviet Union is never easy because that nation operates on the principle of stalling and delay. I would even suggest that the United States should not allow the negotiations to go on indefinitely if it becomes apparent the Soviet Union does not wish to accept adequate and reasonable controls. But we cannot abandon the talks without first exploring with the Soviets the main obstacle to an agreement. This major area of difference is how many inspections of a suspicious and unidentified event, registered at the control posts, should be undertaken each year in the territories of the nuclear powers.

It is vital that we fully comprehend this one major area of difference, and so I intend to discuss the matter in some detail.

PROBLEM OF ON-SITE INSPECTION

At the Geneva Conference of Experts held in the summer of 1958 the scientists from the eight countries represented concluded there would be from 20 to 100 events—presumably earthquakes—worldwide of the size of a 5-kiloton explosion or larger that the control posts would detect but probably could not identify. The scientists also said there would be an unspecified, but presumably large, number of unidentified events of sizes less than that of a 5-kiloton explosion. These unidentified events, the scientists concluded, should be subject to further investigation, including inspection at the site of the events. Inspection would include mobile teams going to the area of the event and examining it to determine whether the event was an earthquake or a nuclear explosion.

At the Geneva political negotiations, beginning last October, the United States recommended a formula for inspection. We proposed that all unidentified events the size of a 5-kiloton explosion or larger and 20 percent of all events below 5 kilotons should be subject to inspection. What figure would constitute 20 percent has not been suggested, but according to figures on earthquakes available this would make roughly a total of 85 inspections in the Soviet Union per year.

After the Hardtack series the scientists revised their estimates upward considerably and at the same time recommended new equipment in an attempt to cut down on the number of unidentified events. At the present time, using first, the estimates resulting from the Hardtack series; second, two of the recommendations of the Berkner Panel on Seismic Improvement; and third, the ratio of inspecting all unidentified events of 5 kilotons or larger and 20 percent of all unidentified seismic signals below 5 kilotons down to a half a kiloton, the number of inspections in the Soviet Union would be 366, or roughly one inspection in the Soviet Union per day. The number of inspections to be held in the United States would only be slightly less.

These numbers give the impression that the inspection problem is so huge that the negotiators might just as well pack up their bags and go home because it is almost absurd to suggest that such a large number of inspections should take place. I would like to show in a few ways that the inspection numbers game must be subjected to more thorough analysis.

First, earthquake specialists tell us that at least two-thirds of all earthquakes in the Soviet Union occur in the Kamchatka Peninsula which is a very small part of the entire Soviet Union. Furthermore, they tell us that another 25 percent occur along part of the southern periphery of the Soviet Union. This would mean, using the above figures, that 242 inspections would take place in the Kamchatka Peninsula; 91 would take place along the southern periphery; and this would leave 33 for the rest of the country. I am reasonably certain that it would not be necessary to conduct 242 inspections in the Kamchatka Peninsula to satisfy ourselves that the Soviets were not sneaking tests in that area. A mobile inspection team might check on several earthquakes during one visit. Other means also exist to determine whether tests have taken place in addition to the reading of instruments and the conducting of mobile inspection teams. I am referring here to a variety of intelligence measures which would be available to the United States and which would have nothing to do with the operations of the control system.

Second, most of our able seismologists say that once the control posts are established and operating, many events will be identified as a result of close observance of earthquake activity from a given region. In other words, we will learn more about earthquake patterns which make the identification problem less complicated.

Third, one of the recommendations of the conference of experts is being completely ignored by our Government scientists and consultants. That is the possibility of using and reequipping existing seismograph stations throughout the world, and devising means to help assure that the data from them will be reliable. There are some 650 stations now in existence, of which only a fifth or a fourth are probably located in spots that can be used. However, the recommendation of the experts is ignored by the executive branch and thus kept out of any discussion for improving the control system.

The executive branch ought to request the help of the United Nations in improving existing seismograph stations. At the coming session of the United Nations General Assembly the United States should recommend that the United Nations establish a special working group to assist other nations in improving and modernizing their seismograph stations, and if necessary, erecting new locations for them. A test ban requires effective safeguards. Other nations have a responsibility to see a test ban control system succeed and to try to remove all possibilities of evasion.

I have mentioned a few of the scientific aspects involved in inspection. They are enough to indicate the complexity of the scientific problems, which, in turn, must be weighed along with the many facets of military security, our relations with the Soviet Union and with our allies.

Mr. RUSSELL. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I am very much interested in the subject matter of the discourse of the distinguished Senator from Minnesota. I must say that I am somewhat amazed to hear him recite such exact figures in regard to various areas within the Soviet Union. I wonder whether he is certain in regard to the source of his figures, whereby he can differentiate between bomb explosions, earthquakes, and things of that kind.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. I am very much interested in the very thorough work the Senator from Minnesota has done, but I am somewhat surprised that that information is available at all.

Mr. HUMPHREY. Let me say to the distinguished Senator from Georgia that the figures I cited are the result of the calculations made by our scientists. The earthquake specialists tell us that two-thirds of all the earthquakes in the Soviet Union occur in what is known as the Kamchatka Peninsula, which is a very small part of the Soviet Union, and that another 25 percent occur along the southern periphery of the Soviet Union.

On the basis of the calculations which have been made by specialists and according to one formula suggested by the executive branch which show there would be a need for approximately 366 on-site inspections a year, that would mean that roughly 242 inspections would take place in the Kamchatka Peninsula and 91 would take place along the southern periphery. This is merely what one might call an interpretation of facts which were developed by our specialists, and then relating those facts to particular areas.

The Atomic Energy Commission apparently believes that in order to have a safeguarded inspection system, it would be necessary, on the basis of the Hardtack series of tests and the Berkner report, to have 366 inspections a year in the Soviet Union. When we relate that figure to the areas in which the earthquakes and other disturbances take place—I refer to those which would cause some problem of identification as between an earthquake and an atomic explosion—we see, then, that the vast majority of them would take place in the Kamchatka Peninsula, and that the majority of the others would take place primarily in the southern periphery of the Soviet Union.

Mr. RUSSELL. Mr. President, the Senator from Minnesota has done a great deal of work on this matter; and all of us might well be concerned about it.

But how could we tell whether a disturbance which occurred on the Kamchatka Peninsula was an earthquake or an atomic explosion? We might allow for a ratio of three earthquakes for each atomic explosion; but how would we be able to differentiate between disturbances caused by atomic explosions and those resulting from natural causes, such as earthquakes?

Mr. HUMPHREY. In the case of explosions of certain sizes of atomic weapons, the tracings on seismographic instruments indicate certain differences between earthquakes and atomic explosions, by means of the manner in which the tracings appear on the tape which records the earth disturbances. In other words, when such a disturbance in excess of a particular magnitude occurs it will leave a very definite trace upon a seismograph dial or upon the seismograph tracing paper. But the difficulty occurs when the disturbances are of small magnitudes, or the equivalent of atomic explosions in the very small yields.

When atomic weapons were tested for their efficiency, particularly atomic weapons which could be used for tactical purposes and missiles which would result particularly in explosions of 5 kilotons or less, a mobile inspection unit would move into the area, to determine by testings of the earth itself—primarily underground, by borings into the earth and by other techniques—the nature of suspicious, unidentifiable disturbances which affected the seismographic instruments.

Our scientists now have outlined a program of unmanned seismographic stations which would correlate into a central station the tracings and recordings, and thus would greatly improve the system of detection.

Furthermore, I am sure that if the mobile inspection teams ever revealed a test which was a violation of the agreement, the agreement would be entirely ended. So there is a kind of self-enforcing apparatus.

Mr. RUSSELL. However, we do not rely altogether on instruments to determine whether there has been such an explosion.

Mr. HUMPHREY. That is correct; we do not. Of course, I am not an expert on these matters, although I have endeavored to learn something about them.

Mr. RUSSELL. Mr. President, I think the Senator from Minnesota has performed an important public service by placing this information in the RECORD, where it may be studied and considered by all, so that some understanding of the subject can be had. I believe the Senator from Minnesota has performed a very fine service in that connection.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from Georgia for his praise.

Of course, the other methods of identification which we have are through what we call acoustical waves or magnetic waves. In addition to the seismograph, there are other means of being able to determine whether an explosion has taken place, particularly if there is any upburst from the earth of any debris into the atmosphere. That is a very good way of making such a determination.

Mr. RUSSELL. Yes, by means of the particles.

Mr. HUMPHREY. Yes, and also by borings of the earth, to determine whether the resultant heat or pressure changed some of the earth into a new form—as in the case of the Rainier test, I believe, which literally fused parts of the earth into glass.

Of course the next point I shall make is that we need to expand greatly our research into this area—something we have not yet done. Although we have participated at Geneva in conferences, on the one hand, and although we have received reports on the proposed inspection system, on the other, we have not yet taken the steps in the field of research which I believe are fundamental—namely, to increase our technical research, which is required in order to make it possible for us to arrive at some reasonably well safeguarded type of agreement. Certainly no Member of this body will vote for an agreement in regard to suspension of nuclear tests unless he believes we have done everything which modern science can enable us to do in order to protect ourselves from evasion on the part of the Soviets.

Mr. RUSSELL. I agree.

Of course, I hope our research in this area will be advanced. But, in the final analysis, I do not believe we can substitute any of these things for inspection.

Mr. HUMPHREY. Yes, we must have the right of inspection, including on-site inspection within the Soviet Union itself. Otherwise, the inspection system would be one in name only, and would actually be a travesty on the meaning of the word "inspection."

IMPORTANCE OF DETERRENCE

But there is a fourth aspect to this analysis, to my way of thinking one of the most important. We should apply the principle of deterrence to the control problem. We live by the concept of deterrence in our defense policies. We know that we cannot necessarily stop the Soviet Union from sneaking some missiles with nuclear warheads through our warning system to bomb our people and the people of nations allied with us. But we operate on the principle that if we have enough defense so that we can strike back, then the Soviets will be deterred from launching a surprise attack.

The same principle ought to apply in a control system. We must accept the fact that we cannot cover every little unidentified event in the Soviet Union to see whether it is an earthquake or a nuclear test. We can, however, demand the right to inspect a certain number of cases on the assumption that such inspections will constitute a spot check system of random sampling which will have a high probability of accuracy and which will deter a nation from thinking a few sneak tests can be held without being caught.

At the present time there is no known perfect system for any arms control measure. There is a certain percentage of risk. But there is also a certain percentage of risk involved in doing nothing. If we let the present test ban talks die, then what do we think we can accomplish by starting new arms control discussions? If these test ban talks succeed, then new arms control discussions become imperative.

Today our own Government remains divided and hesitant. Our Government cannot make up its mind what proposal to offer on the inspection problem.

I want to state flatly that new data does not preclude a workable control system from being realized. The scientific problems that have been discovered during the course of the negotiations are not substantially or fundamentally different from those the scientists and the negotiators faced when the negotiations began. We knew then that we would never be able to explore for each and every unidentified earthquake. We knew then that in inspecting the site of an unidentified event it would be immensely difficult to determine whether it had been an earthquake or a nuclear explosion. We knew then that although our techniques of detecting and identifying tests would improve with increased research and knowledge we would also discover a larger number of natural phenomena with this newer and more sensitive equipment.

Nothing has changed since last October that justifies our giving up. The only justification for ending the talks at this point is the refusal of the Soviet Union to accept a reasonable number of inspections. I do not even think that the number ought to be so fixed that it cannot be altered from year to year.

Numbers of earthquakes change and so should the number of inspections.

I do not claim that if we had a negotiating position on the inspection problem an agreement would follow. Perhaps the Soviets will insist that no more than a few inspections a year can be made. I do not think that would constitute a reasonable proposal. But if the conference negotiates and negotiates and concludes with a reasonable number of inspections, then I think that an agreement may be possible. The number of possible inspections we are discussing would be a number not subject to a veto. If the total inspections were used up and another inspection appeared necessary and if the Soviet Union vetoed it, then the agreement could be called off. It is my opinion we would seldom want to use the maximum number of inspections allowed us. But if and when we did, any use of the veto would be a warning signal at the least and the end of the agreement at the most.

LACK OF EFFORT ON RESEARCH

Added to the indecision of our Government on this issue is another astounding fact. We have said we need more research to perfect the control system as it is established. Yet, the executive branch has asked for no money for this from the Congress. We shall adjourn here in 3 or 4 weeks and the executive branch will not have funds to do the kind of a research program recommended by its own scientists and consultants. What is the answer to these questions? Why has the executive branch neglected asking for money? Why have many of the key recommendations of the Berkner report on seismic improvement, for example, been ignored?

I know for a fact that many of our technicians and scientists are eager to go to work to improve our knowledge about the problem of control.

But the executive branch, which still continues with the negotiations at Geneva, apparently says "No" to the request from the scientists for advanced research. Our executive officers act as if they would rather put money into almost anything else but the matter of arms control. The Congress, too, has been derelict in this matter. I have tried on three different appropriation bills to get money for this purpose. In fact, this morning I testified again for it. Each time the Congress has refused. There is one more opportunity, when we consider the mutual security appropriation, and I intend to try again. In fact, I advanced testimony this morning in the Appropriations Committee for that purpose.

How can this great Nation of ours maintain respect during the coming session of the United Nations General Assembly if we allow the negotiations for a cessation of nuclear weapons tests to collapse through any act or omission on our part? With our record of bickering and indecision, how can we persuade the 79 members of the United Nations that are not nuclear powers that we tried to reach an agreement, but that the Soviet Union did not?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I have one and a half pages remaining, and then I shall be through.

Mr. PROXMIRE. Very well.

CONCLUDING REMARKS

Mr. HUMPHREY. In conclusion, I wish to summarize my position on this great question of whether we should continue to seek a test ban agreement or whether nuclear tests should be resumed.

First. Nuclear weapons tests should not be resumed on the part of the United States unless the nuclear test ban negotiations collapse. I recognize that the military officers and AEC scientists want to start testing again, but the civilian authority of our Government and the overriding dictates of foreign policy and national security must be upheld.

Second. The United States must not allow the talks to collapse through a failure to achieve a reasonable negotiating position on the most important remaining issue in the negotiations—the number of on-site inspections. The number of inspections must not be the few suggested by the Soviets, and it need not be the 366 suggested by Mr. McCone of the AEC. And, in arriving at a reasonable position in the negotiations we must keep in mind that if the Soviets ever use the veto when the control organization wants to investigate a truly suspicious event, this within itself will be the warning signal that cheating may be going on. That is the warning signal which could mean the end of the agreement.

Third. The United States should seek the assistance of the United Nations in modernizing existing seismograph stations around the world. We should look to them for assistance in reaching a successful test ban agreement, an agreement, may I add, that eventually and in agreed-upon stages, must include other nations.

Fourth. The executive branch should immediately embark on a vastly expanded research program to improve our knowledge, methods, and equipment of control. The Berkner Panel on Seismic Improvement revealed extensive Soviet advances in seismological research. It also recommended several important programs, but the President, I regret to say, has asked for no funds from the Congress for any of them.

I want to urge my colleagues in the Senate and my fellow Americans everywhere to ask themselves these questions: Do we want to be responsible for terminating the test ban talks before we have determined whether the Soviets will accept adequate controls? Do we really think our defense demands resuming tests the moment the gong strikes on November 1? Do we want to face the prospect that the arms race cannot be held back?

I think every Member of this body would answer these questions in the negative. Let us hope and pray that the President will have the wisdom and the courage to pursue the right course.

Mr. President, I ask unanimous consent that at this point in the RECORD there be printed an editorial which appeared in the Washington Post and Times Herald, entitled "More Test Pressure."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE TEST PRESSURE

Defense Secretary McElroy has joined in the pressure for renewed nuclear weapon testing that has been building up in the Pentagon and Atomic Energy Commission. Unless there is a test ban agreement with the Soviet Union by October 31, he says, he will ask for authority to resume nuclear tests.

Perhaps this and similar statements by others are designed in part as a psychological lever to induce Soviet acceptance of an adequate inspection system. More likely, however, they derive from the sincere conviction of some persons that new tests are essential to perfect additional nuclear weapons, particularly several for limited war defense. Some persons also quite honestly feel that any suspension agreement would be unenforcible and hence a mistake.

The merit of these beliefs cannot be challenged with any certainty. What is missing for public understanding, however, is any cogent official explanation of the other side of the argument. What are the paramount national security and international political advantages of an overall test ban, which is still the stated aim of American policy? What are the sticking points in the nuclear negotiations at Geneva? What has this country conceded? How far has the Soviet Union gone to satisfy American objections?

It may be that, in the absence of any enforcible agreement, the time will come when a resumption of testing will appear only prudent. The nuclear agreements with this country's allies recently approved by Congress imply resignation to the conclusion that security will be better advanced by the sharing of information and nuclear technology than by secrecy and suppression. We share this conclusion, somewhat reluctantly, as the only presently realistic defense against nuclear blackmail.

But there is another point that also needs to be considered very seriously in any discussion of nuclear test resumption if an agreement proves impossible. Underground tests presumably would not create much if any new fallout hazard. Chairman Anderson of the Joint Committee on Atomic Energy hints, however, that some aboveground tests also might be conducted.

The ultimate health effect of the fallout already in the atmosphere is not and cannot yet be known. Almost every new appraisal points either to increased potential danger or to reduce tolerance of strontium 90, cesium, carbon 14 and the other fission products which descend as fallout. Indeed, the dangers in slipshod disposal of atomic wastes from peaceful applications of nuclear energy are still inadequately appreciated. No one really knows, despite the frequent sunny assurances, whether there will be general genetic or other damage from past tests and applications.

In such circumstances it would be almost contemptuous of human welfare to authorize new fallout-producing tests, and the mere mention of the idea is alarming. Here, as on the whole case for continued effort to obtain a reliable test suspension, more facts from the administration are urgently needed.

Mr. HUMPHREY. Mr. President, this editorial points out the pressure that is being exerted now from the AEC and the Pentagon for the resumption of tests, and asks, of course quite properly, that this matter be considered in light of our foreign policy objectives and

that the civilian authority of our Government assert its leadership in this matter.

I also ask unanimous consent that an article in the New York Times of Thursday, August 6, entitled "Senator Sees United States Resuming A-Tests—Anderson Predicts Action Will Come in October as Year Moratorium Ends," be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR SEES UNITED STATES RESUMING ATOM TESTS—ANDERSON PREDICTS ACTION WILL COME IN OCTOBER AS YEAR MORATORIUM ENDS

(By Harold M. Schmeck, Jr.)

Senator CLINTON P. ANDERSON, chairman of the Joint Congressional Committee on Atomic Energy, predicted last night that the United States would resume testing atomic weapons after October 31.

He said other nations could be expected to follow suit.

The date marks the expiration of a year-long moratorium on atom-bomb testing announced by President Eisenhower in the summer of 1958.

Senator ANDERSON made his prediction in a speech at a meeting of the General Council of District 65 of the Retail, Wholesale and Department Store Union.

He predicted that the United States would confine its tests largely to underground and outer-space shots in an effort to minimize fallout, but he declared that "no one should be surprised if testing within the atmosphere is continued on a limited scale."

In Washington administration officials said yesterday that no decision had been reached yet on the testing.

DISCUSSION INTO OPEN

An effect of the Senator's prediction, it was indicated in Washington, was the bringing into the open of discussions on the subject that had been going on within the administration and with the British Government.

Senator ANDERSON had indicated in Washington that his prediction was not based on any official information but largely on the lack of progress of talks in Geneva on an atom test ban.

The talks began there last October 31, coinciding with the start of the West's self-imposed year-long ban.

In his speech last night the Senator said that results of the conference seemed to indicate that detection and inspection systems acceptable to all three nations directly involved would not be possible.

Present techniques are not sufficiently sophisticated to assure identification of all nuclear explosions, particularly those underground, he said.

"Most important," Senator ANDERSON said, "I am not sure that the Government of either the United States or Russia really wants to cease nuclear testing."

He said many U.S. scientists and defense officials believed that testing was the only foolproof method of developing the weapons needed to assure an adequate defense system.

"I am not trying to say whether this is good or bad," the Senator said.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Washington Post article of Sunday, August 9, 1959, entitled "New Tests Scheduled in Detection of Blasts," written by Joseph L. Myler, of the United Press International, be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW TESTS SCHEDULED IN DETECTION OF BLASTS

(By Joseph L. Myler)

American earthquake experts hope to begin tests in February or March of improved methods for detecting underground nuclear explosions.

Eventually they expect to check various parts of the new system with both high-explosive and atomic blasts.

This was disclosed yesterday in connection with a report by the Coast and Geodetic Survey on research "directed toward developing an effective solution to the problem of nuclear test detection."

Many scientists, the report said, believe "that within a few years it may be possible to develop a reliable seismological method of detecting and identifying nuclear explosions at considerable distances."

KEY TO NEGOTIATIONS

On this possibility depends in part the success of East-West negotiations for an international ban on nuclear weapons tests in the future.

Nobody could cheat on such an agreement with surface or air bursts of test weapons. Airborne radioactivity would give them away. But the possibility exists that a nation might violate the ban by staging test explosions underground.

The only way to detect such explosions at a distance would be by the so-called seismic earth waves they generate. Such waves are different for explosions and earthquakes, but it is difficult to detect the difference when the energy involved is less than that of 20,000 tons of TNT.

Last summer a panel of East-West experts said 180 seismographic stations around the world could do a good job of detecting man-made earth shocks down to around 5,000 tons of TNT.

But later experience with underground blasts in Nevada in 1958 showed that detection of nuclear explosions was much more difficult than previously supposed.

For one thing, so-called background noises—the surface waves always rolling through the earth's crust—caused interference comparable to radio static.

In June a panel of U.S. scientists led by Lloyd V. Berkner of the associated universities reported that this difficulty could be greatly increased by intentional efforts to muffle waves from underground shots.

The Berkner group said, however, that the 180-station plan might be made more effective by setting up arrays of 100 seismic instruments each to filter out background interference. It also suggested use of wave-measuring instruments in holes, many thousands of feet deep, where interference would be reduced.

The Coast and Geodetic Survey said in yesterday's report that it already has done research indicating the effectiveness of the array and deep-hole systems.

It proposed 100-instrument arrays which would feed data into a central station where electronic devices automatically would weed out background noise.

Dean S. Carder, the Survey's chief seismologist, told United Press International such an array could reduce background interference at least 10 times, and perhaps 100 times.

Deep-hole instruments, he said, would be similarly effective, though probably much more costly than the array system.

Carder said the survey hopes to have an array system ready for preliminary tests in February or March. Eventually, he said, such a system will have to be checked against actual explosions to determine their effectiveness. Deep-hole tests would come later.

Such tests also could be used to get further information about intentional muffling and how to counteract it.

FIVE YEARS SEEN NEEDED

The Berkner group said the new system could be made effective in 5 years, given enough research and development.

Like other seismologists, however, Carder emphasized that wave analysis can only do a screening job. Suspect small shocks, he said, will always have to be verified by other means.

This means inspection on the site. The Russians so far have refused to agree to any inspection system which the West considers adequate.

Mr. HUMPHREY. Mr. President, this particular article relates to the program of our scientists to begin tests in February or March of improving methods of detecting underground nuclear explosions. The theme of the column is based upon the Berkner report recommendations for the improvement of our seismographic instrumentation as a means of improving the control system.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks an editorial entitled "Test Talks," from the Manchester Guardian Weekly.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, the editor of the Manchester Guardian states the case, as I see it, very succinctly. He says:

> Unless there are overwhelming military reasons—and it is hard to believe that there are—the suspension of tests ought to continue. To end it would be hurtful both in diplomacy and in public health. During the past 9 months of negotiations, progress has not been insignificant. Both sides have accepted the principle of a quota of veto-free inspections of unexplained phenomena, although there is no agreement so far on their number. On the staffing of control posts, the Russians have recently moved a little closer to the Western proposal that in each country these staffs must be composed predominantly of nonnationals of that country. At no stage have the Russians been asked to accept controls which the Western powers would not accept for themselves. Moreover, the Russians, like the West, must wish to limit the number of nuclear powers, and they know that an agreed and controlled ban on tests may turn out to be one of the ways of doing it.

This editorial summarizes in the main some of the points I have attempted to make today. Primarily, the continuation of these negotiations, so long as there is a hope for some constructive agreement, is in the best interests of the United States and of the free world. Surely we should not have upon our hands and upon our conscience the responsibility for concluding these negotiations when there is still an opportunity and still a chance that they may be successful.

I think this is particularly pertinent in the light of the impending visit of the Soviet Premier, Mr. Khrushchev. I want our President to be able to discuss with Mr. Khrushchev matters such as nuclear test suspension with clean hands, in the full knowledge that our Government seeks an honorable agreement and seeks

to have inspection and control which is effective, reasonable, and modern, to advance continuously in terms of technical competence. I believe this can be done.

EXHIBIT 1

TEST TALKS

Just when Mr. Khrushchev says he does not want to pay his visit to the United States with his rocket showing out of his pocket, some Americans want to jingle theirs. Senator ANDERSON has tried to ginger up the Geneva test talks with his statement that America should start testing nuclear weapons again if there is no agreement by the end of October. By then the year of test suspension by the three powers will have run out. Although the Senator is chairman of the Joint Atomic Energy Committee of Congress, he was simply expressing his personal view—being impatient, like the rest of us, to see more progress toward agreement. But as a warning to the Russians it cannot be convincing. They know that Britain is unlikely to resume tests in a hurry, even if a Conservative majority is returned at the elections, and certainly not if Labour comes in. While that need not hinder the Americans from going ahead, they might be reluctant to incur the odium of being the first to resume tests. They know that the whole question of ending tests is being debated before a world audience, and, however careful they are in keeping radiation to a minimum, they cannot wish to present the Russians with an opportunity to point scornful fingers at them. (The State Department, at any rate, cannot wish it; the Defense Department may have other priorities.) The Russians, for their part, always try to create the impression that they are eager to get an agreed ban. They talk about wanting actions, not words, and they raise their obstacles chiefly in the conference room when the talks get down to control arrangements. These details, they seem to think, are too complicated and boring to be of much interest to the public outside. They hope that Asians and Africans will therefore conclude that the Russians are prepared to end tests, while the West is not. Senator ANDERSON'S warning can be turned to fit in with this concept. So can the statement by the American Secretary of Defense that it would be desirable to resume the testing of weapons.

Russian military leaders may share Mr. McElroy's view, but they are careful not to say so. They are content to leave the Americans with the apparent responsibility for ending the moratorium. (Mr. Khrushchev on Monday offered a most solemn pledge that Russia would not be the first to resume tests.) Yet it is improbable that the West has a greater need to resume tests than the Russians (if, indeed, there is any real need on either side). For the West to show impatience is neither good politics nor good tactics. True, while the talks continue the Russians get their ban without any control. But there has been no suggestion of secret Russian tests, and these will become more difficult to arrange as the means of detection develop. Why, then, should anyone break the nuclear silence? Unless there are overwhelming military reasons—and it is hard to believe that there are—the suspension of tests ought to continue. To end it would be hurtful both in diplomacy and in public health. During the past 9 months of negotiations progress has not been insignificant. Both sides have accepted the principle of a quota of veto-free inspections of unexplained phenomena, although there is no agreement so far on their number. On the staffing of control posts, the Russians have recently moved a little closer to the Western proposal that in each country these staffs must be composed predominantly of nonnationals of that country. At no stage have the Russians been asked to accept controls which the Western Powers would not accept for themselves. Moreover, the Russians, like the West, must wish to limit the number of nuclear powers, and they know that an agreed and controlled ban on tests may turn out to be one of the ways of doing it. Although newcomers such as China and France may not hesitate to blow off bombs while they are not themselves parties to an agreement suspending tests, eventually they may adhere to a general agreement. And, while the Americans may intend to take great care not to pollute the atmosphere further through any tests they undertake, others without the ability to send explosives into outer space may be less successful in diminishing the hazards to health. More tests almost certainly mean more radiation.

Several Senators addressed the Chair.

Mr. HUMPHREY. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I enthusiastically congratulate the Senator from Minnesota for an extremely timely, important, and significant speech. It is about time a U.S. Senator made this kind of speech. I realize the Senator from Minnesota has been informing the Senate from time to time on this particular issue.

I can think of nothing more important than the survival of mankind, and that is what the Senator is talking about.

I should like to ask the Senator about a statement on page 6 of his prepared text, in which he talks about the need for seismological research. I ask the Senator how much money has been appropriated by Congress in the last 3 or 4 years for this purpose.

Mr. HUMPHREY. I will have to look into the record to determine that, but I believe it is about a million dollars.

Mr. PROXMIRE. How much of a program does the Senator from Minnesota believe is necessary? If the Berkner recommendations were carried out, how much would the cost be?

Mr. HUMPHREY. Let me point out that in the Berkner panel study it was revealed, even though there was very little public attention to the fact, that the Soviet Union was expending about 10 times as much on certain aspects of seismological research as we are expending, in the Government of the United States. I surely feel that a substantial increase is required.

I do not want to profess to have the intimate knowledge which is necessary for a definitive statement as to the exact amount of dollars needed. All I can say is that there are a number of scientists of great competence and fine background who have been urging that greater effort be made in terms of improving our seismographic stations and in terms of updating the equipment. The tragedy of the situation is that much of the equipment is outdated. Much of it could be improved so that it would give a great deal more sensitivity, and thereby we would be able to give to the United States a much greater degree of assurance of no evasion and no cheating on a testing system.

Furthermore there is a need for research in what I call the unmanned seismographic stations, where we can collate information from a number of unmanned stations which are strictly mechanical, instrumented stations. The facts and information can be collated at a central station which can be manned and staffed. This is a research problem in itself. Something can be done about it with adequate funds for the research required.

Mr. PROXMIRE. The Senator is talking about two things. He is talking about adequate seismological research, so that we can be in a position to protect ourselves, and to make our inspections more effective and efficient; and the Senator is also talking about adequate research, so that we can give ourselves and our prospective opponents the kind of confidence which is necessary in an inspection system, to indeed work to prevent the terrible impact on human lives of fallout from testing.

Mr. HUMPHREY. Exactly. The Senator has summarized it well.

Mr. PROXMIRE. The Senator is also interested in lessening the prospect of nuclear war. However little we may lessen it, we can lessen to some extent the prospect of nuclear war.

Mr. HUMPHREY. The Senator is correct.

Mr. PROXMIRE. The Senator has said that we have spent about a million dollars for this in the past.

Mr. HUMPHREY. This is roughly correct. We have spent a modest sum.

Mr. PROXMIRE. The Senator is talking about not more than a few million dollars for this kind of research, to save literally millions and millions of lives, as compared to the expenditure of tens of billions of dollars on weapons of destruction, is that not correct?

Mr. HUMPHREY. That is correct.

I will say to the Senator that I have been asking for an additional $500,000 for technical studies in the field of disarmament. I have been trying to get $500,000, when we have a $39 billion defense program, and that effort has been rejected. It has been said that we did not have quite enough information as to what we would do with the $500,000.

Mr. President, it is not sound policy to engage in the political aspects of disarmament unless one is reasonably well informed and fortified on the technical aspect of disarmament. In other words, I do not want to see our country pressing forward politically, on the political agreement aspect of disarmament, unless we are sure what we are doing can be safeguarded so that our national security will be safeguarded from a technical point of view.

Mr. PROXMIRE. Let me simply say, in conclusion, if we would spend something like one-tenth of 1 percent, or perhaps less than one-tenth of 1 percent of our defense budget for this kind of research, which can save lives and which can do so much to provide an effective inspection system, to preserve our country's defense, we could make real progress.

Mr. HUMPHREY. I have some of the figures which were made available by the Berkner Panel of the President's Science Advisory Committee on the matter of the system development which would be required for an effective seismological inspection program. It appears

to be in the sum of $22,825,000. That is the amount which would be required. That is a small price to pay, I will say, for a safeguarded inspection program, for some possibility of reducing the terrible tensions which beset the world today, and for impeding or slowing down the arms race.

Mr. PROXMIRE. That would mean we would be spending $1 for this purpose for every $1,400 or so we are spending in our defense budget. I am not stating that our defense budget is not essential, for indeed it is. However, I am saying this research to make inspection feasible is a constructive way to preserve life and to defend our country, for a very, very modest sum—in fact, in comparison it is an insignificant cost.

Mr. HUMPHREY. The Senator is surely correct. I would encourage every Member of the Senate who is interested in this subject to read the very fine report released on the date of June 12 by the State Department, giving the more important portions of the Berkner Panel report to the American people.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent, in connection with the discussion with the Senator from Wisconsin [Mr. PROXMIRE], relating to the costs of research, to have printed in the RECORD pertinent paragraphs from the Berkner report, beginning on page 13, with section 6, and continuing through pages 14, 15, and 16.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

6. THE NEW LEVEL OF SEISMOLOGICAL RESEARCH: A DISCUSSION OF ITS ADMINISTRATION, ITS BUDGET AND ITS IMPLICATIONS

A seismological research program of the magnitude discussed in this report must draw upon the facilities of the universities, the Government and industry for implementation. It is anticipated that many groups will submit proposals under the new program of support. Some mechanism must be established for collating, evaluating and following the projects. It is recommended that an advisory panel be established, perhaps through the National Academy of Sciences, to perform these functions. The panel has demonstrated how effectively a group drawn from research seismologists, physicists, mathematicians and engineers can function in advancing seismological research and it is recommended that the advisory panel be similarly constituted.

It is strongly recommended that this program be viewed as a "package," one centrally funded and directed, in order to derive the fullest benefits.

In addition to projects definable as research, there is clearly a need to initiate immediately activity that may be described as "system development." Such activity would include planning in detail the complete worldwide seismic detection system. In its first phase of implementation, the system will probably resemble closely that envisaged in the Geneva proposal (since it will not likely be possible to develop anything more sophisticated in the time available). But planning must extend to later phases, in which improvements coming from results of research will be incorporated, because these improvements must be anticipated as much as possible to permit their orderly implementation into the then existing system.

"System development" will include development of new equipment, such as improved seismometers, and data processing and transmission apparatus, described earlier in this report. It will also include the field trials, mentioned earlier, of significant elements of the detection system as well as the planning of the operational procedures. As the system plan is established (and approved by the appropriate government agency), implementation must be programed and executed with due consideration of funding limitations, manufacturing capabilities, logistical problems, and international agreements.

The panel believes that the research program can best be carried out by various existing private, university, and Government laboratories, coordinated by a panel of scientists, possibly under the aegis of the National Academy of Sciences. In contrast to this arrangement for research, the panel recommends that the "system development" responsibility be assigned to a single well-organized central laboratory. Such a laboratory should have competence not only in seismology, but also in development, engineering, and large system operation. The laboratory would likely subcontract with private industry for much, or perhaps all, of the specific hardware development and procurement. However, it is essential that the laboratory have full responsibility for the planning of the system (including its orderly metamorphosis with time), for field trials, for implementation, and possibly for the American portion of its operation.

Tentative cost estimates are given below for the first 2 years of a program which will continue thereafter at least at the levels indicated. The estimates are divided among three categories: (a) Research, (b) system development, and (c) nuclear and HE detonations.

[Thousands of dollars]

	1st year	2d year
Individual research projects:		
Equipping of selected stations with modern seismic equipment	1,250	1,000
Study of shear waves	225	170
Identification from aftershocks	100	100
Long-period surface and body waves	1,000	1,000
Geophysical investigation of crustal structure	1,000	4,000
Equalization experiments	300	1,000
Model studies	100	100
Noise studies and development of standards	150	150
Large arrays	500	1,000
Deep hole detection	500	500
Deep ocean seismograph	400	400
Research computing facilities	750	750
Library of digitized seismograms	50	100
Theoretical studies of explosion sources	100	100
Other	150	150
Subtotal	6,575	10,520
System development:		
Unattended seismic stations	750	1,250
Improved seismographs	300	300
Portable or "throw-away" seismographs	200	230
Automatic data processing	1,000	1,700
System planning and field trials	2,000	4,000
Implementation of detection system	(1)	(1)
Subtotal	4,250	7,480
Nuclear and HE detonations	12,000	12,000
Total, not including implementation	22,825	30,000

[1] Not estimated.

The items in the research budget are not meant to be all inclusive. Although they represent aspects of seismological research which are pertinent to the detection problem, each project can be justified on the basis of significance to fundamental seismological research. On the other hand, the appendixes are not meant to define specific programs in detail but rather to outline broadly needed research areas.

The panel submits this program of research as a means of realizing the optimum contribution to seismology to the detection problem. In so doing it also recognizes that this program will result in dramatic advances in our knowledge of the earth's interior, of the mechanism of earthquakes, and of elastic wave propagation. Now that seismographic stations are being planned for placement on other planets, seismological research will bear on new questions relating to the origin of the solar system. Seismology is a fundamental tool, providing data to geologists, geochemists, geophysicists, astronomers, engineers, petroleum prospectors and underwater acousticians, etc., and rapid developments in these fields can be expected from this program.

It is the opinion of the panel that the research studies described in this document will certainly improve detection capabilities of underground nuclear detonations. However, the improvements are not likely to be evaluated adequately for proper assessment of value in a detection system before 1 year of research activity at best. Most of them will undoubtedly require more time, perhaps 3 years. Thus, it is important to conceive of the detection system as one which will gradually evolve with time and reach a high level of detection capability only after several years.

Mr. HUMPHREY. This particular material gives the actual statistical data about which the Senator from Wisconsin sought information, and also the recommendations of the Berkner Panel relating to improved research in the field of seismology.

Mr. CLARK. Mr. President, will the Senator yield for a few questions?

Mr. HUMPHREY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I wish to commend the Senator for the fine speech he has made. I did not hear all of it, but I have had an opportunity to glance through most of the text.

I should like to ask my good friend whether he could not buttress his desire to have these negotiations continue, almost without any thought of terminating them until we explore to the fullest our position on each of these critical points, and certainly until after the President has had an opportunity to have conversations with Mr. Khrushchev, both here and in Russia, to see if there is not some prospect of reaching an agreement.

Mr. HUMPHREY. I concur with the Senator in that observation. It seems to me, from all we have been able to ascertain thus far, that our security would in no way be prejudiced by the continuation of the suspension of nuclear tests. I say this because the experts in our Government, both military and scientific, have told us in the Congress that we are ahead of the Soviets in nuclear research, that we are ahead of the Soviets in nuclear weaponry, and that we are ahead of the Soviets in tactical strategic weapons. If that is the case, it is surely not to our disadvantage to continue a cessation of nuclear testing, because it is only through nuclear testing that the technological gap can be filled by the Soviet Union. Every time there is new testing the Soviets come that much closer to our position of strength. So relatively speaking, testing has been advantageous to the Soviet Union.

This is not the testimony of Senator HUMPHREY. It is the testimony of experts before our committee, who have testified that, had we been able to obtain a test-ban agreement 2 years ago, we would have been so far ahead of the Soviet Union in atomic and nuclear weapons that there would have been no hope of their ever catching up. In other words, time has been on the side of the Soviets when that time has been used for testing.

To be sure, we improve our weaponry. Testing is advantageous to our military; but the relative benefit has been to the Soviets thus far. That is a matter of testimony before congressional committees.

Mr. CLARK. The Senator would agree, would he not, in view of what he has just said, that this is no time to break off the negotiations in Geneva?

Mr. HUMPHREY. I surely feel that to break off negotiations at this time would not be in the national interest or in the interest of world peace.

Mr. CLARK. As I understood the Senator's comments, he indicated that there is a critical point in those negotiations at which the United States has no agreed or announced position.

Mr. HUMPHREY. That is correct. We have been ambivalent, indecisive, and, in fact, in conflict in our Government over the so-called on-site inspection program.

Mr. CLARK. The Senator is a distinguished member of the Committee on Foreign Relations; and I hazard the guess that he would agree with me—he will tell me if he does not—that one of the most unfortunate things the State Department did during the tenure of office of the late Secretary of State was to downgrade the policy planning staff, so that position papers on matters of great importance, on questions which might confront the United States at any moment, were not being prepared by thoroughly qualified individuals. Does the Senator care to comment on that statement?

Mr. HUMPHREY. It is my feeling that the Senator's statement is correct. I recall discussions in the Senate Committee on Foreign Relations, in which members of the committee expressed their distress and unhappiness over the downgrading of the Policy Planning Division of the State Department.

Mr. CLARK. It is my understanding that the Foreign Relations Committee has at least informally called the attention of Mr. Herter to this situation, and urged him to reinstate the policy planning staff at the level it had during the Truman administration, with a top level chairman who would be able to assemble an able staff to make these very important studies. Is my information correct?

Mr. HUMPHREY. It has been the recommendation of individual members of the committee. As to whether or not it is a concerted committee policy, I cannot recall. However, I know that members, including the chairman of the committee—and he can speak for himself better than anyone else can speak for him—have stated that the policy planning staff should take on the stature and position it once had, in preparing expert position papers, removed from the political considerations of the moment, so as to give the Secretary and the President the best possible advice on these crucial matters.

Mr. CLARK. Does the Senator agree with me with respect to a matter which is not identical, but closely allied with what we have been discussing; namely, that it would be constructive if a reconstituted, high level policy planning staff in the State Department were to begin at the earliest possible moment a series of high level studies to determine the possibility of achieving world peace through enforcible world law, and through an appropriate modification of the Charter of the United Nations, which, in all probability, would take into account the whole matter of nuclear testing?

Mr. HUMPHREY. I enthusiastically agree with that position. It seems to me that this is exactly what the policy planning staff should be engaged in. I want to see the United States known not only for its military and economic strength, but as a pioneer in seeking the road to peace—a peace that it is not appeasement, a peace based upon the principles of justice; a peace that can be sustained through enforcible world law.

Mr. CLARK. The Senator from Minnesota is a distinguished cosponsor of Senate Concurrent Resolution 52, which calls upon the President to make such studies, looking to the achievement of world peace through enforcible world law, and through an appropriate modification of the Charter of the United Nations to be proposed at a charter revision conference. I know that I can rely on his support in endeavoring to bring this matter to the favorable attention of Secretary of State Herter, who, as I understand, has not yet had an opportunity to consider it. Does the Senator think it would be a constructive move to talk with Secretary Herter and see if we could not persuade him to have such studies started?

Mr. HUMPHREY. I think it would be a constructive move. The Senator has pointed out that the proposal embodies a program of studies. The proposal is not a dogma or doctrine, declaring, "This will be done this way." Rather, it is an effort to seek and obtain an objective study as to how we could best present to the United Nations proposals for the revision of the charter, so as to give the United Nations authority in certain areas of conflict between nations, to operate within what we call enforceable law.

Mr. CLARK. I see in the Chamber the distinguished senior Senator from New York [Mr. JAVITS], who is also a cosponsor of Senate Concurrent Resolution 52. I invite his attention to the comments I am about to make.

Last week I had the privilege of calling on Charles Coolidge, the newly appointed Assistant to the President in Charge of Disarmament. I had hoped that the senior Senator from New York [Mr. JAVITS] would be able to accompany me on that visit, but he was detained by another engagement. He has assured me that he is in accord with the views which Representative PORTER, of Oregon, Representative SCHWENGEL, of Iowa, and I presented to Mr. Coolidge, and that the Senator from New York would buttress those recommendations in a separate talk which he would expect to have with Mr. Coolidge.

At that meeting, we urged Mr. Coolidge to urge the State Department to begin these studies through a reconstituted high level policy planning staff in the State Department, looking to the preparation of position papers on the question of world peace through enforceable world law. The Senator from New York is as much interested in that subject as I am, and he may wish to comment briefly.

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I agree with my colleague from Pennsylvania. I have already taken up this question, and I shall do so again. I think it is extremely important.

I have one suggestion to make to the Senator from Minnesota with regard to his speech. I hope the Senator will give me his attention.

The Senator knows that I have a deep affection for him. I do not wish to become involved in criticisms of the administration, either pro or con. I would rather keep my eye on the ball and express what I think is the proper gratitude of the Senate to the Senator from Minnesota for keeping our feet to the fire on this question of an effort to cease nuclear testing, which is tied directly to disarmament.

If you do not test, then you are not going to develop new nuclear weapons. Nobody realizes the danger from this better than the Senator from Minnesota. If somebody else is testing and we are not, the fact is that nuclear extinction can come either way. It can come from a nuclear war, or it can come from others having such a long lead that they may blackmail us—that we may have to choose between being extinguished and becoming slaves.

That is the big issue the American people face.

I have a practical suggestion for the Senator. As I said, I do not wish to get into this business of criticizing the administration because I think that is beside the point.

The Senator set an excellent precedent in asking the President for an explanation of these particular arrangements with Turkey and West Germany, with respect to the nonnuclear aspects of nuclear weapons technology. I join the Senator on that. I also wrote the President asking for a high level pronouncement that this arrangement would not complicate the future of disarmament negotiations.

Can the same method be pursued in trying to get a definitive administration position on this subject directly from the President?

When we lawyers look at something when it is not reasonable, we suspect there is another reason for it, for a flat position, like that which the Senator cites at page 7 of his excellent speech,

in which he says, "But the executive branch says no."

That is, it seems strange to me that the executive branch says no to the proposition for the kind of experimentation for controls to which the Senator refers.

So, would it be a good suggestion to ask the President about it directly, to get a specific and definitive statement of policy from him on that particular subject?

Mr. HUMPHREY. May I just correct the Senator's observation?

Mr. JAVITS. Yes, please.

Mr. HUMPHREY. I know that perhaps I did not explain my position adequately or accurately.

What I was talking about was the position of the executive branch, the Bureau of the Budget, in reference to additional funds for seismographic research, not on the matter of developing a control system, because, first of all, I said early in the speech that the policy of the President and the State Department was the policy of the continuation of seeking an agreement to prohibit further nuclear weapons tests. This was the policy of the late Secretary of State, Mr. Dulles. It is the policy of the present Secretary of State, Mr. Herter, and it is the policy of President Eisenhower. This policy I applaud. This policy I approve. This policy I commend. But I must say with equal candor that there has been a rash of rumors and statements coming out of the Atomic Energy Commission and the Department of Defense which seeks to blur what should be the clear-cut image of the United States in reference to seeking an agreement on the test ban prohibition.

I have said, and I think with due consideration, that the AEC does have a responsibility for weapons, that the Department of Defense of course has a responsibility, the responsibility for our defense and our security. But over and above all of this is the overall power of the President, under the Constitution, to be our spokesman in the field of foreign relations and foreign affairs. When a policy statement is laid down by the President to the State Department as his agent in coordinating foreign policy matters, it is then the responsibility and the duty of the AEC and the Pentagon to stay in harness, and if they have disagreement, have that disagreement within and in the circle of the administration, rather—and I say this very advisedly—than having some authorized junior officers, and sometimes some authorized senior officers, leaking stories to newspapers, to columnists, making statements which lend themselves to the belief that an agreement cannot be obtained, and that if one were obtained, it would jeopardize the security of the country; and finally that tests ought to be continued.

I desire to give the President, may I say, an expression on the part of one Senator, reasserting again, if need be, his unqualified right of leadership in this matter.

Mr. JAVITS. I applaud the Senator's statement on that; I like it, and I think it is very helpful. I suggest these two things. In the matter of seismological research, if the President be appealed to for a precise statement, I think it would help us quite a bit on the floor of the Senate.

Mr. HUMPHREY. I shall be very happy to join the Senator in that.

Mr. JAVITS. I will be glad to do it. The second proposition is, perhaps the Senator could set up all views on two sides of a paper, as we do in these committees, arguments as to why there should be an appropriation on one side, and on the opposite side arguments of the Atomic Energy Commission and others why there should not be. Then we will not have Senators coming to the floor in the final analysis saying, "Well, you are popping this on us very suddenly. We really do not know anything about it."

In short, before it ever reaches the floor, let us set forth the points on a major issue with the arguments on both sides so that the Senators can be fully informed, and not feel that this is a new thing which has just been popped out of the air. They would then have a major policy statement, with the arguments set forth on both sides, and they can then use that.

Mr. HUMPHREY. I thank the Senator for a very constructive suggestion, and it shall be my purpose, at the time when the appropriation items are before us, to have a factual statement as to the actual amount of funds being expended for research in the seismographic area, the amount I deem to be needed in light of the recommendations of scientists and experts, and try to present a case that is worthy of the attention of the Senate.

Mr. JAVITS. But give us other arguments, too, arguments for, and arguments against.

Mr. CLARK. Mr. President, the Senator has been very patient, but I would ask him if he would indulge me in one more very brief question.

The Senator has pointed out most ably the need for additional seismographic research in order to enable us properly to negotiate with the Russians on the question of elimination of nuclear tests through an appropriate system of inspection.

A little while ago the distinguished junior Senator from Washington took the floor to point out the need for substantial additional research in the field of oceanography, bringing up to date our knowledge and our obsolete and defective equipment in that regard. I suspect that there are a number of other fields where a little seed money would go a long way not only for assisting in the safety of the United States and other countries, but in promoting important scientific research.

I want to ask the Senator if he will comment on the statement I have seen so often coming out of the Bureau of the Budget and other administration agencies, to the effect that, oh, there is a limit on what one can spend for research. We have got more than enough money now for all the research that needs to be done.

It would occur to me that a little more selectivity in determining where research should be engaged in would be a wise policy for this administration to follow, and I wonder if the Senator from Minnesota would agree with that comment.

Mr. HUMPHREY. I do. I am sure there is a limit to how much money can be effectively and productively expended for research at any one time. In other words, it is possible to get a sort of glut of funds over and beyond the capacity of the system to utilize them, but we are not in any such danger in either the field of oceanography or the field of seismology.

In fact, 3 years ago, at the time the distinguished Senator from Florida [Mr. HOLLAND] was handling the appropriation item for the Coast and Geodetic Survey, in the Department of Commerce, the Senator from Minnesota brought to the attention of the Senate, in colloquy with the Senator from Florida, the sorry lack in the funds for oceanographic research, and it was brought to my attention by an article I had read some weeks prior to that about the tremendous amount of research and activity on the part of the Soviet Union in oceanography. They are conducting surveys, on the one hand, with a vast fleet of submarines, probing all over the areas of the world with these submarines. On the other hand, they were spending vast sums of money in studying the currents, the floor of the ocean, the currents of the ocean; in other words, oceanography.

Here we were actually with a 19th century apparatus in the field of oceanography. I feel that it might have been because the Senator from Minnesota pressed his point that day, and because a very receptive U.S. Senator saw the need of further exploration in the area of oceanography, that it was possible to get some new information and to get new research underway. As I recall, both the Navy and the Coast and Geodetic Survey within a week had men at my office stating their needs and saying they had been denied funds by the Bureau of the Budget. They needed funds but could not get them.

The same I believe to be true in the field of seismological instruments and seismological research.

Mr. CLARK. I thank the Senator from Minnesota for his comments. I observe in the Chamber the distinguished junior Senator from Missouri [Mr. SYMINGTON]. I am sure he will agree with me that not only in these two fields, but also in the field of missile development and the field of the modernization of our Armed Forces, to enable them to fight a brush war more effectively, it is certainly not tenable to say there is only a certain amount of money which can be spent. We must meet the needs.

Mr. SYMINGTON. I agree with the distinguished senior Senator from Pennsylvania.

RUSSIAN BALLISTIC MISSILE FIRING SUBMARINES

Mr. SYMINGTON. Mr. President, early this year the administration stated it was planning to allow the Soviet Com-

munists to establish a lead of at least three to one in the production of the weapon now feared the most—the intercontinental ballistic missile.

More recent information supports the conclusion that the Soviets' lead in this new weapon will be considerably greater than three to one.

Yesterday the able Chief of Naval Operations stated that the Russians "probably already have ballistic missile firing submarines."

Presumably, this important announcement is based on information not previously presented the Congress.

As we all know, the United States has no ballistic missile firing submarines. Admiral Burke states he expects that when the United States does obtain a submarine of this character, it will be better than comparable Soviet units. But the important point is they have this type of submarine. We do not.

As many Americans who served in World War I, World War II and the Korean war can testify, however, it is difficult to defend with either plans or blueprints.

For some time we have known many Russian submarines have been observed close to the United States. The Soviets are now being permitted to lead in the other important new weapons system.

In the same interview, Admiral Burke noted that the United States "might" become involved in a Communist-provoked crisis in Laos, describing that situation as "very serious," and declaring the Chinese Reds are "pushing pretty hard there."

A great elder statesman said recently that the Russians were filling a military vacuum politically in the Berlin area.

This latest announcement about their relative progress makes one wonder about Communist future plans in other areas.

If this announcement by a member of the Joint Chiefs of Staff is correct, it is significant he couples it with the warning about the increasing Communist danger in Laos, because it is additional evidence of unilateral disarmament.

If this Nation continues to prepare for wars of the past instead of working to stay at least even in modern defense preparation, based on the record, what chance have our diplomats to negotiate a just and lasting peace?

JAMES MADISON SHOULD BE MEMORIALIZED IN THIS CITY AND IN OUR HEARTS

Mr. YARBOROUGH. Mr. President, I join with the distinguished Senator from Missouri and other Members of Congress in commending the idea of a memorial for former President James P. Madison.

Washington is what it is today—the lovely and dignified Capital of a great Nation—because of the foresight and abilities of men such as Madison. He it was, with Thomas Jefferson, who decided the site of the Capitol. He it was who selected the names of Washington and the District of Columbia. And he it was, when his city was threatened by invaders, organized help to preserve it.

And, in a greater and grander field, it was the fine mind of Madison which shaped our Nation's Constitution, through The Virginia Plan which he authored. He was the author of the Bill of Rights.

This man was Secretary of State under President Thomas Jefferson and later was elected the fourth President of the Nation which he, through his wisdom and energies, had done so much to establish.

President James Madison should be memorialized in this city and in the hearts of all Americans.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Washington Post and Times Herald for Sunday, August 16, 1959, entitled "Memorializing Madison."

In addition, I ask unanimous consent to have printed at this point in the RECORD letters to the editor which show some of the support for the idea of a memorial for our fourth President:

First. Letters from Carl B. Swisher and John Wells Davidson published in the Washington Post and Times Herald for July 19, 1959, under the title "Pillar of Freedom."

Second. A letter from the distinguished Senator from Missouri [Mr. HENNINGS] published in the Washington Post and Times Herald for July 14, 1959, entitled "Honoring Madison."

Third. Letters from Edmond Cahn, Neal Reimer, and Edward S. Corwin published in the Washington Post and Times Herald for July 12, 1959, under the title "A Shrine for a Founder."

Fourth. A letter from Irving Brant published in the Washington Post and Times Herald for June 28, 1959, under the title "Why Not a Memorial for Madison?"

Fifth. A letter from Francis De Sales Ryan published in the Washington Post and Times Herald for July 1, 1959, under the title "An Honor Deserved."

Sixth. A letter from John M. Virden published in the Washington Post and Times Herald for July 8, 1959, under the title "An Emphatic Amen."

There being no objection, the editorials and letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 28, 1959]

WHY NOT A MEMORIAL FOR MADISON?

James Madison, who died 123 years ago today, is the only American of the highest rank in history who is not honored with a memorial in Washington or a historical shrine in his native State.

Here in the Capital we have the Washington Monument, the Jefferson Memorial, the Lincoln Memorial. Surely a place with these is deserved by the man who is known in history as the father of the Constitution and author of the Bill of Rights.

Henry Clay, leader of Congress during the Presidency of Madison, called him the greatest American statesman after Washington. It is strange indeed that at a time when the stability of American institutions and the precious rights of citizens are geared to Madison's work in the building and perfecting of the Constitution, there should be no visible mark of respect to his memory.

Political admirers build a carillon tower for a Senator whose place in history is still in doubt. We should erect a memorial to Madison not because he needs it, but because we do.

This is a project in which all who believe in our form and principles of government can join with equal heartiness. Conservatives and liberals alike benefit from the sound political structure Madison took the lead in building, and from the constitutional guarantees of civil rights and liberties which he sponsored.

Place his words on the wall of a national memorial and there will be the text for a hundred thousand high school essays in what he said to fellow Members of Congress who were assailing an unpopular political minority:

"If we advert to the nature of republican government, we shall find that the censorial power is in the people over the government, and not in the government over the people."

It is more or less by the chance of long-continued private ownership and tenure that the beautiful Madison estate, Montpelier, in Orange County, Va., has not the status of a Mount Vernon or a Monticello. In the fullness of time, with public spirit and good will, that may come about. But a national memorial in Washington depends on nothing but the will to create it.

Madison was an unassuming man of simple tastes. Might not that fact solve the current problem of what to do with the columns lately removed from the Capitol? They could be made a Madison memorial of surpassing beauty, harmoniously placed in relation to the Washington, Jefferson, and Lincoln Memorials. Standing as a symbol of enduring nationhood, they would link the present to the past as they are linked in law and history by the work of Madison.

This suggestion was being put into words when I opened a book obtained for an unrelated purpose—"The Memoirs, Official and Personal, of Thomas L. McKenney," published in 1846. It proved to be dedicated to Mrs. James Madison and the dedicatory words almost foreshadow what is here proposed:

"Madam: There is such a thing as the memory of the heart. * * * Mine for your illustrious husband can never die. I delight in the contemplation of his purity, his patriotism, his statesmanship. * * * Your fame, madam, is so delicately and beautifully mingled with his as to become identified with it. * * * If his is the column that sustains the Capitol, yours is the cap that ornaments it."

IRVING BRANT.

WASHINGTON.

[From the Washington Post, July 1, 1959]

AN HONOR DESERVED

President James Madison, fourth President of the United States, richly merits a public memorial here in the Capital City as urged by Irving Brant and endorsed by your June 28 editorial, "Neglected Father."

Indeed it would be most fitting and appropriate that the discarded columns of the Capitol's east front form a part of the proposed memorial, for it was Madison himself who first selected the site for the Capitol and fought against powerful forces, to have his selection approved.

History records that when Congress enacted a bill called "An act establishing the temporary and permanent seat of government of the United States," no reference was made to the exact location of the Capital City or the Capitol Building.

At President Washington's request James Madison and Thomas Jefferson studied the problem and Jefferson agreed with Madison on the choice of the site now occupied by the Capitol. Their agreement received the hearty approval of the President, but met

with vigorous congressional opposition. Helen Nicolay, in "Our Capital on the Potomac," records the judgment of historians in stating that "James Madison's deft parliamentary skill * * * saved the Potomac project from defeat."

Moreover, Madison selected the very names for our District and our Capital City. When the purchase of the land had been effected, President Washington selected three Commissioners to take charge of the surveying and laying out of the District. The three Commissioners invited Madison and Jefferson to meet with them.

At their first meeting Madison suggested that the new district be called the Territory of Columbia, in honor of Christopher Columbus, the discoverer of America; and that the Capital City be known as the city of Washington, in honor of the Father of Our Country.

Both of these suggestions were adopted and for many years the official designation of our city was "the city of Washington in the Territory of Columbia."

Records of the Treasury Department show that when the British invaders were nearing Bladensburg during Madison's administration, he hurried to the office of the Secretary of the Treasury and borrowed two Army pistols which always hung behind the Secretary's desk. Then, mounting a horse, the President hurried out to the battlefield and fought beside General Widner until retreat was sounded. He loved his country with a great love and in a farewell letter to the American people, which he left among papers to be opened after his death, he wrote:

"The advice nearest my heart and deepest in my convictions is that the union of the States be cherished and preserved. Let the open enemy to it be regarded as a Pandora with her box opened; the disguised one as the serpent creeping with his deadly wiles into Paradise."

Madison was a scholar and a Christian gentleman. While he was studying at Princeton University he wrote a manuscript, now at the Library of Congress, in which he copied 29 of the proverbs of Solomon from the Bible. One of them, heavily underscored, is a proverb that he often quoted in letters and addresses. It reads as follows:

"Get wisdom because it is better than gold, and purchase prudence for it is more precious than silver."

How appropriate it would be if these words were carved into the stone of a majestic memorial, formed of the 24 columns from the east front of the Capitol, as a grateful Nation's tribute to a brave soldier, a brilliant statesman, and an excellent President of the United States, James Madison.

FRANCIS DE SALES RYAN.

WASHINGTON.

[From the Washington Post, July 8, 1959]

AN EMPHATIC "AMEN"

The suggestion has been made in your newspaper that the graceful columns now removed from the east front of the Capitol might be erected in some suitable spot as a memorial to President James Madison.

I would like to say a fervent and emphatic "Amen" to that proposal. Not only would this preserve these columns that have witnessed so much of our country's history but it would also recognize—belatedly—James Madison's monumental contribution to the foundation of the United States.

We are indebted to James Madison, more than to any other one person, for the Constitution. And he has long deserved some visible expression of our appreciation.

If we can afford a huge bell tower dedicated to the memory of a Senator whose niche in history is yet uncertain, and a bronze statue of William Jennings (Old Grape Juice) Bryan—with his hand extended toward an old brewery—surely we can offer Mr. Madison this long-overdue tribute.

James Madison has been neglected by history. It was his misfortune to be President at the time of the War of 1812, which did not make any kind of sense at all. Then there is the fact that the quiet and brilliant Virginia lawyer was more than a little overshadowed by his vivacious wife, Dolley (that's the way she spelled it) who seems to have worn the Madison family britches much of the time.

I can't think of a better use for the Capitol columns than to erect them as a lasting memorial to this modest man who, in great part, established the basis of the system of laws that insures the freedom we enjoy.

JOHN M. VIRDEN,
Colonel, USAF (Retired).

[From the Washington Post, July 12, 1959]

A SHRINE FOR A FOUNDER

NEW YORK.

Irving Brant, whose biography of James Madison is itself one of the enduring monuments of our age, has proposed that the Nation erect a monument, memorial, or national shrine in honor of Madison, architect of the Constitution and Bill of Rights. In your issue of June 28, you endorsed Mr. Brant's suggestion and invited readers to comment on it.

It is evident that a suitable monument in the District of Columbia would have great educational value, particularly for the visitors, young and old, who come from all over the country to witness and learn the operating principles of a free republican government.

Madison does not need and can scarcely gain from any monument we may build. It is our own citizenry, present and future, who will gain most from seeing a tangible symbol of our gratitude to him and our dedication to the principles he served so ably.

There is another consideration worth mentioning. A Madison monument would announce to the world that America respects intelligence, education, culture, and spiritual refinement. These were among Madison's qualities, and we need to proclaim that as they informed our beginnings, they remain our abiding national ideals.

EDMOND CAHN,
Professor of Law, New York University.

(The author of "The Moral Decision," Dr. Cahn also edited "The Supreme Court and Supreme Law.")

UNIVERSITY PARK, FLA.

I think Irving Brant's suggestion for a Madison memorial is an excellent one. If we have been remiss all these years in honoring the father of the Constitution—and our most perceptive political theorist—we now truly have a golden opportunity to remedy this neglect.

We certainly owe Madison more than we have hitherto publicly acknowledged. A suitable public memorial would be a wonderful way of reemphasizing Madison's great contributions, in thought and in action, to the American Nation. Today more than ever we need to be reminded of the great generation of southern leaders who were Americans first and southerners second.

Madison's dedication to union, to republicanism, to federalism, to our basic freedoms, to majority rule, and to prudent statesmanship need to be emphasized and reemphasized.

A memorial to him would not simply honor the man, but the vital and viable principles that underlie the American experiment in democratic government.

NEAL RIEMER,
Associate Professor of Political Science, Pennsylvania State College.

PRINCETON, N.J.

James Madison once wrote a correspondent, "The hand that writes this letter, wrote the Constitution." Something of an exaggeration, perhaps, but by no means a baseless claim.

Turning to the index of Max Farrand's "Records of the Federal Convention of 1787," one finds that the references to Madison's name occupy more than four columns, while those to the nearest runners-up, Mason, Morris, Rutledge, Sherman, and Wilson, occupy less than three columns each. And Farrand's Records makes, of course, no reference to the Bill of Rights.

Much is therefore to be said for Irving Brant's suggestion. However, can we stop with Madison? Is my old friend John Marshall properly memorialized at the seat of Government? Then, of course, there are two or three generals who have been neglected, and perhaps a President or two.

Yet on the whole I favor Mr. Brant's suggestion for a special memorial to James Madison.

EDWARD S. CORWIN,
Emeritus Professor of Politics, Princeton University.

[From the Washington Post, July 14, 1959]

HONORING MADISON

WASHINGTON, D.C.

I have noted with interest the recent discussion concerning a memorial for James Madison. I wholeheartedly agree that this outstanding patriot deserves fuller recognition for his role in building the foundations of our freedom.

Madison, scholarly and judicious, buttressed the views shared by his more outspoken colleagues with careful reasoning and extensive knowledge.

From his youth he was concerned for individual liberty. At the age of 25, while a delegate to the Virginia Constitutional Convention, he fought for a clause in the Virginia bill of rights allowing the free exercise of religion. Thirteen years later he told the first Congress of the United States that it should expressly declare the great rights of mankind secured under this Constitution. The amendments which he thereupon introduced became the Bill of Rights for the Nation.

Throughout the formulation of our Constitution and the establishment of our Federal Government, Madison played a quiet but leading role.

While a delegate to the Continental Congress he clearly saw the need for a stronger Central Government, subsequently sought to convince his State assembly in Virginia of this fact.

At the Constitutional Convention in Philadelphia, the Virginia plan authored by Madison, became the foundation for the structure of Government which was adopted. Then in the fight for ratification, the Federalist papers which he joined in writing provided solid, carefully reasoned arguments for the proposed new government.

Having devoted himself to the establishment of a strong Federal Government, Madison became a Member of the first Congress and took a leading role in the organization of the Government and the creation of the executive departments. It was at this time that he introduced the Bill of Rights.

Madison's service to his country continued, as he was selected by Jefferson to be Secretary of State, and then elected by the Nation to be its fourth President. The lifetime of service which James Madison gave to the establishment of democracy and the protection of the rights of mankind has gained for him the highest respect of all who are continuing the fight to guarantee the freedom and rights of the individual.

THOMAS C. HENNINGS, Jr.,
Senator from Missouri.

[From the Washington Post, July 19, 1959]

PILLAR OF FREEDOM

BALTIMORE, MD.

I was delighted with the suggestion of Irving Brant that the columns lately removed from the front of the Capitol be used in the construction of a memorial to James Madison. The suggestion appeals because Madison was himself a kind of pillar of our constitutional system which the Capitol with its impressive columns symbolizes.

If this particular set of columns, must go to make way for additional space inside the building, it would be a happy expedient to use them to honor the man who helped make the Capitol worthwhile.

His services as a member of the Constitution Convention and the recorder of many of its proceedings, as an author of the Federalist and advocate generally of the adoption of the Constitution, as a Member of Congress implementing the written Constitution and drafting the first 10 amendments, and as a profound thinker in the field of democratic government, place him with Washington and Jefferson and other statesmen whom we memorialize in the Capital City.

If some of his other offices, including the Presidency, brought him no added glory, the moderation of his distinction there should not be permitted to obscure his greatness as here revealed. Today, for visitors to Washington, there is a hiatus in our gallery of statesmen. That hiatus can be ended by the suggested use of the columns from the Capitol.

CARL B. SWISHER,
Professor of Political Science, the Johns Hopkins University.

I wish to endorse most heartily Irving Brant's proposal that James Madison be honored with a memorial made of the columns that once graced the East Front of the Capitol. Madison's contribution to the framing of the Constitution alone would deserve some such recognition from the country which has profited immeasurably from "the rich resources of his luminous and discriminating mind."

Mr. Brant not only has illuminated the life of a great man with his scholarly volumes but has reminded us of a debt long overdue.

JOHN WELLS DAVIDSON.

[From the Washington Post and Times Herald, Aug. 16, 1959]

MEMORIALIZING MADISON

Senator HENNINGS has given an important assist to the plan to use the discarded columns from the old east front of the Capitol for a memorial to James Madison. In introducing a resolution calling for the creation of a James Madison Memorial Commission, Mr. HENNINGS would direct the Commission to give particular study to the use of the 24 columns, now being stored on the Capitol Grounds. Mr. HENNINGS thus joins Senator NEUBERGER and Representatives UDALL and KASTENMEIER in seeking legislative recognition for the neglected American who is known as the father of the Constitution and the architect of the Bill of Rights. Judged by the wide support the proposal has received from other newspapers and from leading scholars, the passage of Mr. HENNINGS' resolution would be a constructive and creditable achievement for this Congress. An appropriate memorial to our fourth President, as Mr. HENNINGS observed, is indeed long overdue.

DISARMAMENT COULD STRENGTHEN ECONOMY

Mr. HART. Mr. President, several days ago I introduced Senate Joint Resolution 150, proposing the creation of a Select Committee To Report on the Economic Impact of National Defense. Every once in a while, I believe, every one of us hears someone suggest a means of bringing peace to the world.

Events of the past week have been such as to cause talk of a so-called disarmament scare. This must disturb our friends elsewhere in the free world. Certainly it does not do us any good at home.

We are not afraid of peace. We genuinely seek peace. We can afford peace, provided we make intelligent preparations for the transition from an economy which pumps $40 billion into weapons for war to an economy which requires a lesser sum of money for such purposes. We have to convince both those at home and our friends elsewhere in the world that that can be done, and that we can be trusted to keep the peace. Certainly one way of convincing them is to demonstrate that we can afford to have peace. It is to this end that I submitted Senate Resolution 150.

Mr. President, what I regard as a remarkable portrayal both of the problem and of the opportunity is to be found in an article entitled "Disarmament Could Strengthen Economy," written by Harold B. Dorsey, and published in the Washington Post of August 17. I ask unanimous consent that the article be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISARMAMENT COULD STRENGTHEN ECONOMY

(By Harold B. Dorsey)

The sharp weakness in the stock market last week cannot be blamed entirely on the disarmament scare.

In our last two articles in this space it was noted that: "It is to be doubted that sophisticated investors will continue to buy and hold equities indiscriminately simply on the theory that inflation will automatically increase the market prices of all stocks. * * * The financial factors suggest that the price/earnings ratios of stocks should decline and their yields should rise—as a generality. * * * There may not be enough common stock money to permit the luxury of 'discounting the hereafter,' in appraising common stocks."

These views were expressed before the "disarmament scare" became such a popular topic. They are just as valid now as they were then. So it is logical to conclude that last week's stock market weakness involved other considerations.

However, the focusing of attention on the bare possibility that armament expenditures might be reduced—with a consequent adverse effect on the market prices of the military stocks—does carry a lesson. Speculators may now recognize that this risk factor is involved when they tend to become enthusiastic about development of a product which might find favor for military uses. If the price behavior of the subject stock seems to be discounting the hereafter, it must be remembered that the chances are better than even that somewhere in the intervening time there will be a period of hope for lower military expenditures. In such periods the earnings projections have to be marked down.

But so far as the stock market as a whole is concerned, it is doubtful that the possibility of some melting in the cold war should be considered as unfavorable—although there is a fairly broad tendency to place that interpretation on such a prospect. This tendency might be removed if some Government agency, or some prominent private foundation, would make a thorough report which would show how prosperous the economy could be if there were a noticeable reduction in the productive effort that is now going into the defense program.

In this connection it may be recalled that the Committee for Economic Development rendered an outstanding service during the latter part of World War II when it directed attention to the problems that would be involved in swinging from a war economy to a peace economy. The Nation's business leadership then gave those problems very careful attention. As a result the transition from war to peace was unbelievably smooth.

Unquestionably, the present condition of international affairs justifies a high rate of military expenditures. There is no thought here that they should be reduced under present circumstances. But from the economist's viewpoint, such expenditures add nothing to national wealth; they are a waste.

If military expenditures were to be cut, let us say, $15 billion per annum, and if taxes were promptly cut by a similar sum, that same $15 billion would become available to the non-Government economy. There are plenty of items on which it could be spent—items that would improve the standard of living, create jobs and add to the economic wealth of the Nation.

Especially would this be true at this particularly juncture. Numerous strong forces are currently operating in the direction of a soundly expanding economy. That expansion is absorbing all of the economy's savings. A noticeable reduction in taxes would add to the savings available for the expansion and would generate more real earning power than is now being developed by Government expenditures for military purposes.

One would think that an alert administration, facing a national election next year, would seize this opportunity to make a thorough study that would demonstrate the advantages to business activity and employment that would result from a more peaceful international atmosphere. A worldwide vision of the improved living standards that would then be available would probably arouse strong public demand in all nations—especially in Russia—for a peaceful solution to international threats.

Such a study could prove that peace would redound to the financial advantage of everybody—even to the most selfish elements of big business. Most businessmen know this, but the average citizen, both here and abroad, is probably not entirely convinced.

So far as practical investment considerations are concerned, the foregoing comments present certain contradictions. To the extent that the recent stock price weakness has been broadly ascribed to a disarmament scare, then one can quarrel with the reasoning. To the extent that the weakness reflects the above-mentioned financial and diminishing factors, the price weakness of some stocks—not all—would seem to be understandable.

At the same time, the promised expansion in business activity and, in some cases, the pronounced improvement in production efficiency provide a base for rather good earnings and dividend improvement for those companies whose operations will reflect the favorable nature of these conditions. If the stock prices of such companies have not already outdistanced the indicated improvement, then there seems to be no significant reason why those prices should decline.

REMOVAL OF LIMITATION ON RECLAMATION INVESTIGATION APPROPRIATIONS IN ALASKA

The PRESIDING OFFICER (Mr. AIKEN in the chair). The hour of 1 o'clock has arrived, and morning business is closed.

The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1514) to amend the act of August 9, 1955 (69 Stat. 618).

INCONSISTENT POSITION OF AFL–CIO ON LABOR REFORM LEGISLATION

Mr. GOLDWATER. Mr. President, several weeks after the Kennedy-Ervin bill, S. 1555, passed the Senate, having been amended both in the Senate Labor and Public Welfare Committee and on the Senate floor, the AFL–CIO, through its president, George Meany, and other official spokesmen, announced their opposition to the bill.

Among their objections was the presence in the bill of numerous criminal penalties against unions and union officials for violations of the bill's provisions. These labor leaders insisted that these provisions were too harsh, too extreme, that they penalize labor union officials who might have been guilty only of simple mistakes and that they were thus designed to seriously weaken or even destroy the legitimate labor movement.

In making these criticisms, Mr. Meany and his colleagues simultaneously asserted that S. 1555, the Senate passed bill, had been a good bill up to the time it was reported to the Senate floor and that it was the amendments made by the Senate in the course of the debate which had rendered the bill unacceptable to the labor movement. In this later assertion they were joined by Senator KENNEDY, the author and sponsor of the bill, who agreed that his bill had been a good one up to the time it reached the Senate floor and prior to its amendment by the Senate. In fact, in a speech made before the convention of the Oregon State Federation of Labor on Monday, August 3, he asserted that his bill, up to the time it reached the Senate floor, had been worked out carefully with President Meany and his lawyers and supported by the executive council, and that it was a reasonable, fair, and responsible bill prior to its being altered undesirably and unfortunately on the floor of a supposedly friendly Senate.

If these statements are accepted as accurately reflecting the point of view of Senator KENNEDY and the AFL–CIO leadership, there can be no justification for the complete contradiction in which they now involve themselves, for it must be emphatically asserted here that every one of the criminal sanctions which the AFL–CIO now condemns was contained in the Kennedy bill as reported by the Senate Labor Committee prior to its amendment by the Senate.

Set forth below are the criminal provisions of the Senate bill, S. 1555, which were in the bill when it emerged from the committee and before it was amended by the Senate. The section references are to S. 1555, Report No. 187, Calendar No. 172, which was reported to the Senate by Senator KENNEDY on April 13, 1959.

First. Section 107(a) makes it a crime for a union to make loans to any officer or employee of the union in excess of $1,500.

Second. Section 107(b) makes it a crime for a union to pay the fine or pay or advance the costs of defense of any officer, employee or representative of the union indicted for or convicted of any violation of any provision of the bill.

Third. Section 108(a) punishes, by $10,000 fine and/or 1 year imprisonment, any person who fails to comply with the reporting requirements of title I.

Fourth. Section 108(b), same criminal penalty for any person who falsifies or knowingly omits any of the information required to be reported under title I.

Fifth. Section 108(c), same criminal penalty against any person who makes a false entry or willfully withholds or destroys any books, records, and so forth, required to be preserved by title I.

Sixth. Section 108(d), same criminal penalty for any person who engages in any of the above types of misconduct in the filing of a report in behalf of the union.

Seventh. Section 109(a) imposes a criminal penalty of $10,000 fine and/or imprisonment for 5 years on any labor union officer or employee who embezzles, steals, or converts to his own use any of the money or property of a labor union.

Eighth. Section 111 amends the Taft-Hartley Act to make it a crime for any union officer to accept a loan from an employer who has or might have bargaining relationships with his union.

Ninth. The same section makes it a crime for any labor union official or representative to demand or accept a fee from the operator of a truck for permitting the truck to be unloaded.

Tenth. The same section makes it a crime to carry on picketing for purposes of extortion.

Eleventh. Section 112 makes it a crime for a labor union officer to fail to file a non-Communist affidavit.

Twelfth. Section 201 imposed certain reporting requirements on labor unions imposing trusteeships on subordinate or local unions. Failure to comply with these reporting requirements or falsification of the reports or destruction of basic records and documents upon which the reports were based were all made crimes punishable by $10,000 fine and/or 1 year in prison.

Thirteenth. Section 203 imposed certain limitations in administering a trusteed local and in the handling of funds of such local. Violation of these provisions was a crime punishable by $10,000 fine and/or 1 year in prison.

Fourteenth. Section 305(a) made it a crime to serve as an officer or official of a labor union if the person so serving had been convicted or imprisoned within the preceding 5 years of certain enumerated felonies.

Fifteenth. Section 305(b) similarly made it a crime for any person to serve in such union capacity if he had failed to file the required information under titles I and II of the bill and the union or its officers which permitted such a person to hold office was likewise guilty of a crime.

Sixteenth. Section 506(a) made it a felony punishable by a fine of $10,000 and/or 2 years in prison for any labor union, its officers, employees, or representatives to discipline any of the union members for exercising any right granted to them by the bill.

Seventeenth. Section 506(b) made it a similar felony for any person, through force or violence or threat of the same or through economic reprisal or threat of the same, to attempt to intimidate, restrain, or coerce any union member for the purpose of interfering with or preventing the exercise of any right granted to him by the bill.

Thus, it is very plain that each of the very criminal provisions to which the AFL–CIO leadership is so strongly opposed was contained in the version of the Senate bill which the same labor leaders have asserted was a good and satisfactory bill and was completely acceptable to them. Inconsistency can scarcely go further.

Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

SUPERIOR PROVISIONS OF THE SENATE LABOR BILL

Mr. GOLDWATER. Mr. President, as the only Member of the Senate who voted against S. 1555, the Senate committee labor bill, I am profoundly gratified that an overwhelming majority of the other body shared my view that the Senate bill was inadequate to do the job of correcting the evils exposed by the McClellan rackets committee. My basic reason for voting against the Senate bill was its complete failure to deal with certain weaknesses in the Taft-Hartley Act, weaknesses which, as the McClellan committee revealed, enabled racketeering and corruption to flourish, and to remain unremedied, in important segments of the labor-management field. The Landrum-Griffin bill, passed by the House, in my opinion, contains precisely the Taft-Hartley amendments which would substantially eliminate those abuses. In these provisions, it is incomparably better than the Senate bill. But I do wish to take this opportunity to point out that the Senate bill, where it does not deal with the Taft-Hartley Act, is, in a number of respects, superior to the bill passed by the House.

Ever since the Landrum-Griffin bill was introduced in the House of Representatives on July 27, 1959, the contention has been repeatedly made in certain

quarters that the bill is a "killer" bill, that it will hurt honest and legitimate unions and union leaders, and that it is a far tougher bill than S. 1555, which passed the Senate on April 25, 1959.

In order to set the record straight, it should be pointed out that, to the contrary, there are many significant provisions in S. 1555, the Senate bill, which are far more effective in reaching the evils of racketeering, dishonesty, corruption, and abuse of power than are the provisions of the Landrum-Griffin bill, and, hence, that in these respects the Senate bill is actually tougher than the House bill.

Set forth herewith is a chart pointing out these tougher and more effective provisions of the Senate bill. The second column indicates and identifies the superior Senate bill provision. The first column indicates and identifies the corresponding provision of the House bill, or the failure of the House bill to include any provision on the subject at all, as well as a recommendation for amending the House bill to make it correspond to the more effective provision of the Senate bill. And the third column indicates which of these more effective provisions in the Senate bill were also contained in the bill reported to the Senate by the Senate Labor Committee and prior to the bill's amendment on the floor of the Senate.

The third column, indicating the provisions of the Senate-passed bill which were contained in the Senate Labor Committee reported bill, are of particular interest and significance. The AFL–CIO leadership has stated on several occasions that the Senate committee reported bill was acceptable to it as a good, sound bill which was spoiled by the amendments made on the Senate floor. Senator KENNEDY himself shared this point of view, as demonstrated in the speech he made to an AFL–CIO convention in Oregon on August 3, 1959. In that speech, referring to this attitude of the AFL–CIO, the Senator from Massachusetts said:

> I share their regret that the reasonable, fair, and responsible bill reported by the Senate Labor Committee, worked out carefully by President Meany and his lawyers, and supported by the executive council, was altered undesirably and unfortunately altered on the floor of a supposedly friendly Senate.

The references to section, page, and line in the House bill are to the copy of the House bill as it appears in S. 1555 of August 14, 1959, in which all of the Senate bill appears as stricken and the provisions of the House bill are set forth in italic type.

Mr. President, I ask unanimous consent that the memorandum to which I have referred, which was compiled by my very excellent staff, be printed at this point in the body of the RECORD in connection with my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

HOUSE BILL (AS PASSED) S. 1555, AUGUST 14, 1959	SENATE BILL (AS PASSED) S. 1555	SENATE BILL (AS REPORTED)
BILL OF RIGHTS		
1. Section 101(a)(3): Dues, initiation fees, and assessments: Paragraph 3 permits a national or international union to increase dues and initiation fees or impose a general or special assessment by (iii) majority vote of the members of the executive board or similar governing body of the union.	1. No such authority granted (sec. 101(a)(1)). Recommendation: Strike out in House bill on page 81, line 9, everything after the word "ballot" down through the period in line 16, to conform with S. 1555.	Not in.
2. Section 104 requires that union members be furnished copies of collective bargaining agreements which affect them. Failure to do so gives Secretary of Labor right to seek compliance in a civil action under section 210.	2. Section 307 imposes a similar requirement on unions but makes failure to comply a misdemeanor, punishable by $10,000 fine and/or 1 year in prison (sec. 307 (b)). Recommendation: On page 84, line 3 of the House bill, strike out all after the period down through the period on line 4 and insert in lieu thereof the Senate bill language as follows: "Any person who shall willfully violate the provisions of this section shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."	Not in.
REPORTING REQUIREMENTS		
3. Section 503(a) prohibits loans to union officers and employees aggregating in excess of $2,500.	3. Section 207(a) prohibits loans to union officers and employees aggregating in excess of $1,500. Recommendation: On page 115, line 17, strike out "$2,500" and insert "$1,500."	The tougher Senate bill provision is in the Senate committee bill, section 107(a) on page 20, line 3.
4. Section 503(b) prohibits payment by unions of fines imposed on union officers or employees indicted for or convicted of willful violation of the act.	4. Section 207(b) prohibits paying fines and costs of defense of such union officers and employees. Recommendation: On page 115, strike out lines 18 through 20 and insert in lieu thereof lines 7 through 13 on page 22 of the Senate bill.	The tougher Senate bill provision is in the Senate committee bill, section 107(b) on page 20, lines 4–10.
5. Section 209(d) makes it a misdemeanor for a union official responsible for filing a union report required by the act, only if he knows the information contained therein to be false.	5. Section 208(d) does the same but does not impose the limitation of knowledge of the falsehood. Recommendation: On page 98, strike out line 21.	Senate committee bill is same as reported bill—section 108(d), page 21, lines 3–6.
6. Section 501(a) imposes a fiduciary responsibility on union officials. It limits this responsibility, however, by using language imposing such responsibility subject to the "special problems and functions of a labor organization," a limitation not in the Senate bill. Again, although union officials may not be relieved of this responsibility by any general exculpatory union provision or action, they may be relieved by a specific exculpation, unlike the Senate bill.	Recommendation: On page 112, line 3 of the House bill, beginning with the word "taking" strike out all down through the comma on line 4; on page 112, line 16 of the House bill, strike the period and everything down through line 21, and insert in lieu thereof a comma and "notwithstanding any exculpatory clause or action purporting to exempt him from such fiduciary responsibility."	Not in.
7. Section 304(c) creates a presumption of validity of a trusteeship for a period of 18 months.	7. Section 304(c) creates a presumption of validity of a trusteeship for a period of 12 months.	Not in.

House Bill (as Passed) S. 1555, August 14, 1959	Senate Bill (as Passed) S. 1555	Senate Bill (as Reported)
8. Section 401(b): In local union elections, all bona fide candidates are given the right to inspect and copy the union's membership lists, where such members are covered by compulsory membership collective agreement, but there is no general provision for equality of treatment among candidates. Provides for rival candidates having an observer at the counting of the ballots whereas Senate bill provides for a teller.	Recommendation: On page 103 of House bill, line 16, strike the word "eighteen" and insert "twelve" and on line 21, strike the word "eighteen" and insert "twelve." 8. Section 401(b): In local union elections there are provisions for equal treatment and facilities for candidates but no right, under any circumstances, to inspect and copy the membership lists. Recommendation: Add the language in the Senate bill from page 40, lines 4 to 20, to the House bill.	Not in.
9. Section 401(d) provides for a "reasonable" method of notifying members of the date and place for making nominations and holding elections.	9. Section 401(d) provides for a written notice to each member of time and place of elections. Recommendation: Amend the House provision to require the same type of written notice for both nominations and elections as is required in the Senate bill for elections alone.	Not in.
10. Section 401(f) prohibits use of union funds, etc., in support of union candidates, and limits campaign literature, among other things, to "factual statements of the issues."	10. Section 401(f) is the same except that it limits campaign literature which are "factual statements of the issues" to where such statements do not involve the candidates. Recommendation: On page 107, line 14 of the House bill, after the word "issues" insert "not involving candidates."	Not in.
11. Section 401(g) permits union members to sue in a Federal court for an election for removal of officers only where the union's constitution and bylaws do not provide an adequate procedure for the same.	11. Section 402(a) is designed to give union members an equivalent remedy which includes a remedy where the union constitution and bylaws do contain an adequate procedure for the removal of officers, but the union fails or refuses to apply or follow its own procedure. Recommendation: On page 107, line 20 of the House bill, after the word "misconduct" insert the following language taken from section 401(h) of the Senate bill, page 43, lines 23 and 24, and page 44, line 1, as follows: "(including violation of the constitution and bylaws of the labor organization pertaining to the election and removal of officers)."	Same—section 302(a), page 39, lines 5 through 7.
12. Section 402(a)(2)(B) requires a union member to wait as much as 6 months before bringing his action for violation of the election provisions of the bill.	12. Section 402(a)(2) requires only a 3-month waiting period. Recommendation: On page 108, line 20 of the House bill, strike the word "six" and insert "three."	Same as in bill as passed Senate. Section 302(a)(2), page 39, line 1.
13. Section 402(c) directs the court to set aside a union election if, among other things, it finds that a violation of the bill's election provisions actually "affected the outcome of an election."	13. Section 402(c)(2) directs the court to set aside the election if it finds that the violation "may have affected the outcome of an election." Recommendation: On page 109, line 22 of the House bill, before the word "affected" insert "may have."	Same as in bill as passed Senate. Section 302(c)(2), page 40, line 10.
14. Section 504 prohibits certain classes of ex-felons from acting as union officials or labor relations consultants to employers and makes it a crime for such persons so to act, but does not make it a crime for unions or their officers to permit such individuals to act in such capacity.	14. Section 405 does not include Communists or labor relations consultants in its prohibition and includes a penalty on unions and union officers who knowingly permit such persons to act as union officials. Recommendation: Strike out reference in House bill (sec. 405) to Communists, strike out prohibition on labor relations consultants who are ex-felons, and make it a crime, as in the Senate bill (sec. 405), for a union or its officers to permit such ex-felons to hold office. Also amend House bill to include sec. 212 of Senate bill respecting non-Communist status of union and employer officials.	Same in Senate bill as reported, section 305.
15. Section 606 makes the Administrative Procedure Act applicable to the issuance, amendment, or regulation of any rules or regulations promulgated under the bill and to any procedures conducted pursuant to the bill.	15. Section 606 is the same except that it does not require procedures (as distinguished from rules, regulations, etc.) to be followed pursuant to the Administrative Procedure Act. Recommendation: Strike out of House bill (sec. 606) on page 125, line 23, the words "or any procedure."	Same in Senate bill as reported (sec. 505).
16. Section 609 gives a union member a right to bring a civil suit if a labor union or its officials fine, suspend, expel, or discipline him for exercising his rights under the act and section 610 makes it a misdemeanor for any person to use force or violence or threats thereof to interfere with or prevent the exercise of such rights.	16. Section 607 makes both of these types of interference with the exercise of the rights of a union member, a felony.	Same as in bill as reported (sec. 506).

THE THREAT OF RED CHINA'S ECONOMIC WARFARE

Mr. McGEE. Mr. President, many of us for a number of years have been rather deeply concerned about the question of China and the Far East, and we have been particularly disturbed by the reluctance in high places to keep under continual examination our own national posture with regard to the changing events of the Pacific.

We have in effect laced ourselves into our own self-imposed straitjacket by a set of policies that were workable and useful 10 years ago. Because of the pace of change in Asia, and particularly because of the unknowns of the mainland Chinese, I have been among those urging a continual reexamination and an attempt to get all of the information available about the Communist Chinese. So far these efforts have been unavailing, but they nonetheless point up the imperative necessity of informing ourselves to the fullest about Red China. Such information is helpful whether we recognize the Red Chinese Government or do not recognize it; whether we admit Red China to the U.N. or keep it out of the U.N. It has to do only with the national interest of the United States.

We are represented as being the leaders of the non-Communist world. Mr. President, do we strengthen our position as such a leader by pretending that the largest segment of the Communist world does not exist, or of trying to keep from ourselves—surely from no one else—what is going on behind the Bamboo Curtain?

For those reasons, I think the more we can get behind that curtain, and the more we can turn out in the way of specific on-the-spot reports from Red China, the more we shall strengthen our own national defense posture.

Mr. President, what provoked this particular thought this morning was an article in a recent press dispatch reporting on a plan and study just completed by the National Planning Association. This careful study disclosed what must be obvious to all thinking people—that the Red Chinese are preparing to launch a trade offensive that may be of serious consequences to the United States. That trade will invade, economically, vast areas of Asia. It may close to us, by competition, large markets now enjoyed by us. This possibilty in itself advertises the importance of our renewing our concern and reopening our consideration and assessment of all of the questions revolving around Communist China, in order that we may strengthen our own security.

Mr. President, I ask unanimous consent that the article to which I have referred, entitled "Red China Challenge on Trade Is Predicted," which appeared in the Washington Star last evening, be included at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED CHINA CHALLENGE ON TRADE IS PREDICTED

A private research organization, the National Planning Association, predicts that Communist China might decide to shift part of its present trade with the Soviet bloc to free world nations, significantly stepping up its economic competition with the West.

Yesterday's report, prepared by A. Doak Barnett, author and Asian specialist of the association's Council of Foreign Relations, embraced an 82-page study of Communist China's economic strategy.

He said there is no sign right now of a break in the impasse between Communist China and Japan. But if trade were to open up it would be of particular significance because Japan has the capacity to provide many of the capital goods needed by Communist China, and use some of the commodities now being exported by the Chinese to the Soviet Union.

Since 1952, Mr. Barnett said the Chinese Communists have actively promoted trade with the free world and lifted it to a level of about $1 billion a year. Two-thirds of this is with the Asian-African area.

Mr. Barnett reached these other conclusions:

1. Peiping's foreign aid programs to countries in the Asian-African area may well be expanded in the years immediately ahead.

2. It would take many decades even at the present rapid rate of growth for Communist China to catch up with either the United States or the Soviet Union. But, in certain key industries, such as steel, Peiping in a relatively few years may be able to overtake or surpass Japan—its only important industrial rival in Asia at the present time.

3. The Chinese Communist industrial development policy with its accent on heavy industry is designed to support its large and expensive military establishment. Annual military expenditures, running between $2 billion and $3 billion a year, impose a heavy drain on China's limited resources. But military personnel is used as labor on economic projects, reducing the cost of maintaining large armed forces.

4. The biggest question mark for the future is the Communist commune system. If the Chinese people refuse to accept them in the long run, the communes could prove to be a great mistake with heavily adverse effects upon every phase of the Communist program.

5. A serious lag in agricultural production has created basic pressures and strains inside Red China. This is the most critical sector of the economy and if the lag persists, it might well slow down the pace of Peiping's entire development program.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER, (Mr. HART in the chair). Without objection, it is so ordered.

LEASING OF COAL LANDS IN ALASKA

The PRESIDING OFFICER (Mr. Moss in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MANSFIELD. I move that the Senate insist upon its amendments agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. GRUENING, Mr. Moss, and Mr. ALLOTT conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 196. An act for the relief of Grover J. Cole;

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.; and

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 38. Concurrent resolution to print for the use of the Committee on the Judiciary additional parts of certain hearings on administered prices;

S. Con. Res. 39. Concurrent resolution to print for the use of the Committee on the Judiciary additional copies of certain reports submitted by it and the Subcommittee on Antitrust and Monopoly;

S. Con. Res. 41. Concurrent resolution to accept the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall;

S. Con. Res. 42. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran;

S. Con. Res. 43. Concurrent resolution to print proceedings of the presentation and acceptance of the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall;

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability";

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change;

S. Con. Res. 55. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Esther Morris, of Wyoming, and authorizing ceremonies on such occasion;

S. Con. Res. 56. Concurrent resolution accepting the statue of Esther Morris, of Wyoming, for placement in the Statuary Hall collection; and

S. Con. Res. 57. Concurrent resolution to print as a Senate document the proceedings incident to the acceptance of the statue of Esther Morris, presented by the State of Wyoming.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4242) for the relief of certain aliens.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 405) for the relief of certain aliens.

HOUSING ACT OF 1959

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, in order that the Senate may

continue consideration of Senate bill 2539, the Housing Act of 1959.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate resumed the consideration of the bill (S. 2539) to extend and amend laws relating to the provisions and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the time situation on the bill?

The PRESIDING OFFICER. The proponents have 40 minutes remaining on the bill, and the opponents have 34 minutes.

The bill is open to amendment.

Mr. BUSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. It is proposed to strike out everything beginning on page 57, line 3, and ending on page 58, line 14, and substitute the following:

SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal, as determined by the Administrator, to the fair value of the site for the most likely alternative private use, and the amount so determined shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act) be accepted as a local grant-in-aid equal in amount as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act.

Mr. BUSH obtained the floor.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. BUSH. I allot myself 5 minutes on the amendment.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, this amendment has to do with payment for land used for low-rent public housing purposes.

Where land in an urban renewal project area is acquired for a low-rent public housing project aided by the Federal Government under the U.S. Housing Act of 1937, the Federal annual contributions in effect serve to pay the entire debt service on the cleared land and on the public housing structures. The loss resulting from the prior clearance of the land under the urban renewal program is divided, under title I of the Housing Act of 1949, between the Federal Government which bears two-thirds of the loss and the locality which bears one-third of the loss. Under the bill, the Federal Government would absorb the entire loss, resulting from land clearance in the urban renewal program, attributable to land underlying the public housing project. This change in effect reduces the locality's contribution with respect to federally aided low-rent projects in urban renewal areas to a level consistent with that in other areas where the public housing project involves clearance of buildings on the site.

I may say parenthetically that the language proposed is absolutely at variance with proposals which have been made by the administration in respect of the Federal share in connection with urban renewal projects. The President has repeatedly asked the Congress to taper off the Federal share, so as to increase the local or State contributions to the slum clearance and urban renewal program. Specifically, this year he suggested a 4-year reduction program, reducing the Federal Government's share from 66⅔ to 60 percent, then to 55 percent, then to 50 percent, in 4 successive years.

The bill, if this provision is not stricken from it, would go in exactly the opposite direction, and increase the Federal share in the projects.

This question of consistency is not involved with respect to nonfederally aided public housing projects. Accordingly, the amendment would strike from the bill a provision which waives the local one-third share of the federally aided urban renewal project costs with respect to land underlying a State or local low-rent housing project not aided under, or governed by, the U.S. Housing Act of 1937.

In other words, it does not apply only to federally aided housing projects, but under the proposal in the bill it would apply to projects sponsored by localities or by State housing authorities.

The amendment would also clarify the price to be paid by local public housing agencies for cleared land in an urban renewal project area.

The price under the amendment would be the fair value of the cleared site for the most likely alternative private use. This standard would replace one in the bill based on the fair value of the land to a private redeveloper who wants to buy a site in the community for private rental housing with physical characteristics similar to those of the proposed low-rent housing project. This standard will not work as intended in those cases where the physical characteristics are not well suited to private housing, resulting in a sharply reduced, or even zero, value for the land. Thus, an unwarranted additional subsidy would result to low-rent public housing at the expense of the Federal Government.

I may say, Mr. President, of course, that the purpose of the provision of the bill to which my amendment is directed is to cut down the cost so that public housing may be built at a lower cost than otherwise or than at present, and at the expense of the Federal Government.

Mr. BENNETT. Will the Senator yield?

Mr. BUSH. I yield to the Senator from Utah.

Mr. BENNETT. Does the Senator from Connecticut believe that a private builder intending to build housing would be interested in acquiring a piece of land in the middle of the city of New York, in the middle of the island of Manhattan; that it would be possible under any circumstances to compare land developed in that area for an urban redevelopment program with land that might actually be acquired for the purpose of building private housing?

Mr. BUSH. I think the Senator is quite correct in pointing that out. It would not be likely that he would pick such a site in the very center of a great metropolitan district.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. I allot myself 1 extra minute.

Mr. President, I have outlined the purpose of my amendment. It is not my intention to ask for a yea-and-nay vote on the amendment, but I do hope very much the Senate will sustain it.

I think it is another one of the important, if not key, points in connection with the proposed legislation, where the Senate is at variance with the administration, and I do hope very much that the language will be eliminated.

I myself do not recall that we actually had hearings on this phase of the bill. I do not believe that the report of the hearings will disclose that we have had any hearings that would support this language's being in the bill. It slipped in as several other provisions did, after the subcommittee reported to the full committee.

Mr. President, I urge that the amendment be adopted.

Mr. LAUSCHE. Will the Senator yield?

Mr. BUSH. I yield myself 2 additional minutes that I may yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Connecticut made a statement that the respective contributions by the Federal Government to the local government, instead of following the recommendation of the President that the Federal contributions be gradually reduced in the course of years, go in the opposite direction. Will the Senator from Connecticut illustrate his statement by figures?

Mr. BUSH. Well, I cannot illustrate it in dollar figures.

Mr. LAUSCHE. In percentage figures.

Mr. BUSH. I cannot illustrate it in percentages. What happens is that we have a subsidy granted to a local public housing project in the form of the cost of land, and the cost of the subsidy is absorbed not by the city, not by the State, but by the Federal Government, and that is the effect of the provision in the bill. The purpose of it is to reduce the cost of the land to the public housing project in a large city, and with the Federal Government supposed to pick up the extra burden of cost in urban renewal that is involved over and above the two-thirds share, which is statutory.

In order to give the Senator dollar figures, one would have to have an illustration of a case in being.

Mr. LAUSCHE. It was the President's recommendation that the Federal Government should gradually reduce its contribution.

Mr. BUSH. That is correct.

Mr. LAUSCHE. But instead of following that recommendation, the provisions of the bill go contrary to what the President recommended.

Mr. BUSH. The Senator is correct. The Senator will recall I spoke of 67 percent, or two-thirds. The President has recommended that over a 4-year period 66⅔ percent be reduced first to 60 percent, then to 55 percent, and then to 50 percent. Under the provision in the bill we are discussing the 66⅔ percent would remain stationary, and it would become 70 percent or 75 percent or whatever the additional cost of the land provided for in this section of the bill would be.

Mr. LAUSCHE. I assume that the President's recommendation was made partly on the basis that the fiscal position of the Federal Government is in such a state that the increased contributions by the local government could be borne with greater ease than increased contributions by the Federal Government.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. I yield myself 3 additional minutes.

The Senator is quite correct, that the budgetary pressures on the Federal Government no doubt were among the President's most important considerations in this matter.

The President also had in mind that the purposes of such projects were purely local, to serve local needs, and that it was the business of localities to carry their share, but that at least half of the whole cost of such a project would seem to be a reasonable cost for the locality to bear; and he also encouraged the States to participate, since the States have an interest in these localities, and make contributions so that the towns which needed State aid might get it from the States in which they were located.

Furthermore, he has pointed out that the credit of many of these cities under present conditions is better in the open market than that of the United States so far as the interest rate is concerned. They can actually borrow at rates lower than those at which the Federal Government can borrow, which is an added consideration.

Mr. LAUSCHE. I thank the Senator very much.

Mr. BUSH. Mr. President, I have nothing further to say on this matter, and when the opposition wishes to yield its time, I shall be glad to yield back our time.

Mr. SPARKMAN. Mr. President, we certainly do not yield back our time without some presentation on this matter. The distinguished Senator from Illinois is here at this time, and I shall be very glad to yield time to him.

The Senator from Connecticut will recall that I actually stated a preference for his formula to that which was written into the bill. In all fairness, we must recognize that there are arguments on both sides, and I think the Senator from Connecticut has indicated that is true.

Under the proposal in the bill, it would be an aid to public housing. Under the language proposed by the Senator from Connecticut it would be an aid to urban renewal.

The Federal Government participates heavily in both programs.

My reason for having preferred the language offered by the Senator from Connecticut is based upon the fact that, after all, the bill deals with urban renewal. As we know, Senators who represent States having large city areas have impressed upon us the great difficulty which the cities have in obtaining sites for public housing, and to use the urban renewal space to serve primarily housing needs. The amendment of the Senator from Connecticut would make it possible to bring more housing into urban renewal areas.

I shall not speak longer at this time. I will yield whatever time still remains to the opposition to the Senator from Illinois [Mr. DOUGLAS]. I also wish the Senator from Illinois to control the time.

The PRESIDING OFFICER. The Senator from Alabama has 13 minutes remaining.

Mr. DOUGLAS. Mr. President, the amendment offered by the Senator from Connecticut would strike a heavy blow at public housing in large metropolitan areas, for this reason: It would compel the high cost of land acquisition to be charged against the public housing project, and would value that land at its highest commercial use.

The areas which are cleared in the big cities generally are areas around central shopping and business districts. They become valuable for hotels, for big apartment houses, for upper-middle-class residences; in some cases, for residences for the very wealthy. This means that if we charge to public housing units the land costs for the highest alternative use of the land, we raise the cost of public housing to such a point that it becomes virtually impossible to rehouse any of the displaced families who lived on the slums which have been cleared.

As we all know, the relocation of families displaced by slum clearance or urban renewal is a difficult problem. Since such families commonly are in the low income groups, and are often colored groups, the outlying regions do not want to receive them. It has always been our hope that we could rehouse a considerable fraction of the displaced families on the area which has been cleared.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BENNETT. The Senator from Illinois did not hear the amendment stated, evidently, because it does not relate to the highest use; it relates to the most likely alternative use.

Mr. DOUGLAS. Well, that is almost the same, in most places.

Mr. BENNETT. I think there is a tremendous difference.

Mr. DOUGLAS. The cost of the apartments would be raised to such a point that in many cities the Public Housing Administration will refuse to approve the project. That is the case in my own city of Chicago. The appraisal formula in the Bennett amendment would raise the cost of an apartment way above the existing administrative ceiling of $17,000. The Public Housing Administration would then take the position that it will not approve units which cost as much as that; and the displaced families, as a result, would have no adequate provision made for them.

In my judgment, this proposal is comparable to the situation which confronts us very frequently in the case of recreational areas. If it is proposed to make land use for recreation bear the cost of what the land could sell for as factory sites or for wholesaling sites, it would be very hard to get adequate recreational facilities.

The opponents of public housing have been both ingenious and successful in throwing barrier after barrier in the way of decent rehousing projects for families displaced by slum clearance, highway construction, and other types of governmental action.

I may say, in all kindness, that the Senator from Connecticut and his associates have made two frontal attacks on public housing which have been turned back in this session. Now the Senator from Connecticut is making a flank attack. For those families who come from the big metropolises of the country, this proposal would be almost a death blow, if it were accepted.

Mr. President, I hope very much that the amendment offered by the Senator from Connecticut will be rejected.

Mr. BUSH. Mr. President, I understand the distinguished senior Senator from New York [Mr. JAVITS] wishes to offer an amendment to or a modification of my amendment. I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call to be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUSH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Do both sides yield back the time on the amendment of the Senator from Connecticut, so that the amendment to be offered by the Senator from New York may be proposed?

Mr. DOUGLAS. Mr. President, I do not care to yield back all the time remaining until I hear what the distinguished Senator from New York will propose.

The PRESIDING OFFICER. Time will be available on the amendment to be offered by the Senator from New York; but before that amendment can be offered, time will have to be surrendered on the Bush amendment.

Mr. BUSH. If the Senator from Illinois is willing to surrender the remainder of his time, I am willing to yield back the rest of my time.

Mr. DOUGLAS. I will be willing to yield back the rest of my time on the Bush amendment when I understand the new amendment which will emerge from the other side of the aisle under the auspices of the Senator from New York.

Mr. BUSH. I understand the Senator from New York wishes to offer an amendment to my amendment, but the remaining time on my amendment must be yielded back before he may do that.

The PRESIDING OFFICER. If time is yielded back on the Bush amendment, the Senate can proceed to the consideration of the Javits amendment.

Mr. BUSH. I am perfectly willing to yield back the remainder of my time, on that basis.

Mr. DOUGLAS. If the Senator from Alabama is willing to yield back the remainder of his time, I am willing to agree to that, so that we may hear what the Senator from New York intends to bring forth with his amendment.

The PRESIDING OFFICER. All time on the Bush amendment has been yielded back.

Mr. JAVITS. Mr. President, I offer an amendment to the Bush amendment. I ask that the reading of the amendment may be dispensed with, and that the amendment may be printed without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. JAVITS is as follows:

In the fifth line of the amendment of Mr. BUSH, after the word "amended", it is proposed to insert "or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act"; in the 12th line, after the word "Act", to insert "or by analogous provisions in legislation authorizing such State or local program", and in the 19th line, after the word "Act" to insert "or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs".

Mr. JAVITS. All I seek to do is to protect what we did in committee with respect to State and local public housing projects on the urban renewal site, if the Bush amendment shall be adopted. I do not know that it will be or that it will not be. But I understand that when the Senator from Connecticut offered his amendment, he pointed out that he had confined it to Federal public housing projects on urban renewal sites and the cost basis which they shall have in respect of the different proportions of contributions by the municipal governments and the Federal Government. The committee graciously accepted the fact that the State of New York needs, in order to deal with its situation, not only the inclusion of Federal public housing, under whatever formula is finally decided on by the Senate, but also the inclusion of city public housing and State public housing, and that all of them should be subjected to whatever formula the bill provides for Federal public housing. That is the only purpose of my amendment—namely, to make the Bush amendment coextensive with the present provisions of the bill, so that whatever formula the Senate ultimately decides upon at least will include both Federal public housing, State public housing, and local or city or community public housing.

No harm will be done thereby, for it is desirable for the Federal Government to encourage both the communities and the States to have public housing programs of their own, and to give them the benefit of whatever formula is applied to Federal public housing, inasmuch as the demand for Federal public housing is reduced exactly to the extent that the States and communities are able to carry their share of that responsibility.

So that is the purpose of my amendment. I hope it will be considered acceptable, so that the Senate then will vote on the sole question of whether it prefers the Bush formula or the committee formula.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from New York yield to the Senator from Illinois?

Mr. JAVITS. I yield.

Mr. DOUGLAS. Is it not true that the language proposed by the amendment of the Senator from New York is already contained in the committee bill?

Mr. JAVITS. Yes.

Mr. DOUGLAS. Then why does not the Senator from New York rely on it, instead of attempting to use a parachute to land on the territory staked out by the Senator from Connecticut? Or, to state the matter in another way, is the Senator from New York trying to provide an escape hatch for the city of New York, so it can be protected, no matter what happens to Chicago?

Mr. JAVITS. Mr. President, I do not want my position to be misunderstood. Let me state that I intend to stay by the bill, rather than the Bush amendment. I state frankly that I do not intend to support any formula except the one provided in the bill. But I believe that in all fairness it is necessary to protect the situation of New York, which makes an affirmative contribution to housing by providing public housing of its own.

Therefore, whatever may be the decision of the Senate in regard to the main point, I believe that no change should be made in the fundamental formula now provided in the bill.

In answer to the Senator from Illinois, let me state that New York is not seeking an escape hatch. New York considers the chief issue to be the kind of formula to be provided in regard to public housing on urban sites; and it is necessary to have that formula apply equally to Federal public housing, State public housing, and local or community public housing. Therefore, let us proceed in such a way that the bill, including the formula it contains, will not hurt what we do not wish to hurt.

Mr. BUSH. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. BUSH. I understand that the Senator from New York seeks to have any benefits which will accrue under this provision accrue also to State public housing and local public housing.

Mr. JAVITS. That is correct.

Mr. BUSH. Then I shall be glad to accept the amendment of the Senator from New York as a modification of my amendment, if that is agreeable to the Senator from New York.

Mr. JAVITS. I am delighted to have that done, and that simplifies the matter for all of us.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. I wish to speak against the Bush amendment, but I understand that the remaining time on the Bush amendment was yielded back, so that the amendment of the Senator from New York [Mr. JAVITS]—to which I have no particular objection—could be submitted.

Now the Senator from Connecticut has accepted the amendment of the Senator from New York; and I hope there is some way by means of which those of us who do not like the Bush amendment will be able to state our position on it.

Mr. BUSH. Mr. President, I ask unanimous consent that an additional 15 minutes be allowed each side on the question of agreeing to my amendment, as modified, so that the Senator from Pennsylvania [Mr. CLARK] and other Senators may have time in which to discuss my amendment, as modified.

Mr. DOUGLAS. Mr. President, I wish to congratulate the Senator from New York——

Mr. BUSH. Mr. President, first may we have a ruling on my unanimous-consent request?

The PRESIDING OFFICER. Let the Chair inquire whether the Senator from Connecticut is requesting that the time heretofore yielded back be made available at this time.

Mr. BUSH. No, Mr. President. My request is to make available to each side 15 minutes, on the question of agreeing to my amendment, as modified.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. CAPEHART. I object. I think 5 minutes to each side will be sufficient. We must get through with the housing bill.

Mr. BUSH. We shall get through with it. But I think it only courteous to make such an arrangement for the benefit of our friends on the other side of the aisle who wish to speak on my amendment, as modified.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. BENNETT. How much time was yielded back by each side a few moments ago?

The PRESIDING OFFICER Five minutes were yielded back by the proponents of the Bush amendment, and 7 minutes were yielded back by the opponents of the Bush amendment.

Mr. BENNETT. Then I ask unanimous consent that that time be restored.

Mr. JAVITS. Mr. President, reserving the right to object, I desire to propound a parliamentary inquiry: Is any time left to me, on the question of agreeing to my amendment to the amendment of the Senator from Connecticut?

The PRESIDING OFFICER. Not after the amendment of the Senator from New York has been accepted by the Senator from Connecticut as a modification of his own amendment.

Mr. JAVITS. Very well.

Mr. President, I thank my colleague, the Senator from Connecticut, for accepting my amendment; and I hope very much that the pending unanimous-consent request will be agreed to.

Mr. DOUGLAS. Mr. President, I shall take 1 minute to congratulate the State of New York——

The PRESIDING OFFICER. First, let the Chair ask whether there is objection to the requested unanimous-consent agreement.

Is there objection?

Mr. CLARK. Mr. President, reserving the right to object—although probably I shall not object—I wonder why the Senator from Utah is so anxious to prevent those of us who were not on the floor when the amendment was brought up having the small amount of 15 minutes in which to state our reasons for opposing the amendment.

Mr. BENNETT. I am not anxious to prevent that. But all but 7 minutes of the time regularly available for debate on the amendment was used by those who oppose the amendment. Under these circumstances, it is customary to ask for time on the bill; and considerable time remains available for debate on the bill.

Mr. CLARK. Mr. President, let me ask how much time remains to each side for debate on the bill.

The PRESIDING OFFICER. Thirty-four minutes remain available to the proponents of the bill, and 40 minutes remain available to the opponents of the bill.

Mr. CLARK. Then I do not object to the request of the Senator from Utah.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and without objection, it is so ordered. Five minutes are now available to the proponents of the amendment, as modified; and 7 minutes are available to the opponents.

Mr. DOUGLAS. Mr. President, for the third time I wish to congratulate the State of New York on having so able a defender of its interests.

It so happens that under some great Democratic Governors of the State of New York—I refer to Franklin Roosevelt and Herbert Lehman—the State of New York established some State-aided public housing projects; and during the governorships of those two great men, the State of New York led the country in this respect, and to a certain extent New York has been traveling on the accumulated momentum which those Governors gave it.

Now, our good friend, the Senator from New York [Mr. JAVITS], who is one of my dearest friends in this body, and is one of the ornaments of the Senate, and, I believe, has one of the sharpest legal minds in this entire body, has, with the assistance of the Senator from Connecticut [Mr. BUSH], neatly taken care of New York City. But the other great metropolises of the Nation, which did not have the advantage of the services of Franklin Roosevelt and Herbert Lehman as Governors, and therefore do not have State-aided or State-fostered public housing, are left out in the cold.

Mr. JAVITS. Mr. President, will the Senator yield to me briefly?

Mr. DOUGLAS. I should like to finish my statement; then I will yield.

Mr. President, I have admired the way in which the various sectional groups in this country stick together—the mountain group, the cotton group, the mineral group. These various groups have a high degree of cohesion. But I lament the fact that the big cities of the country, which contain the major portion of the population, have not yet been able to develop this cohesion; and it pains me to see the Senator from New York, and the Senator from Connecticut—the latter at least a daytime resident of New York [laughter]—gang up on Philadelphia, Detroit, Chicago, and other great cities of the country. There is nothing we can do about it, but I do hope the Senator from New York will put as much verve into voting down the Bush amendment as he has taking care of New York City, no matter what happens.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield the floor.

Mr. JAVITS. First, I would like to say that New York is worthy of being taken care of——

Mr. DOUGLAS. But not uniquely taken care of.

Mr. JAVITS. But not uniquely taken care of; that is correct.

Second, we may add Governor Dewey and Governor Rockefeller to the list of distinguished Governors who have carried on public housing. Indeed, practically all public housing in New York was constructed during Governor Dewey's administration. I think when the overall matter is taken into consideration, my colleague will accept the proposal. I may also say to my colleague I will fight shoulder to shoulder with him in all matters affecting Chicago, except—and it pains me to say so—for Lake Michigan diversion. [Laughter.]

Mr. CLARK. Mr. President, may I have 5 minutes?

Mr. SPARKMAN. I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. I should like to have the attention of my friend from Connecticut, because I am not completely sure I understand his amendment, only one copy of which is available to Members of the Senate. But if I correctly understand the amendment, the Senator from Connecticut wishes to change the provisions in the bill as reported by the committee so as to make it substantially more expensive to construct public housing on urban renewal land than the committee bill would provide. Am I correct?

Mr. BUSH. I do not think the Senator is correct. The purpose of my amendment is to prevent concealing the cost of public housing in the urban renewal program. The bill is designed to do that, and my amendment is designed to stop it.

Mr. CLARK. In view of the comment of my distinguished friend, I think I am correct; and I think that fact appears from a consideration of section 107 as it appears in the bill and the proposed amendment to section 107.

In the committee bill it was provided that if the public housing agency desired to acquire a public housing site within an urban renewal area, that site would be sold or made available to the public housing agency at the same price at which a private redeveloper would want to buy it, on which to build residential housing for higher income groups. That provision was included in order to treat public housing fairly by making the land available to the agency at the same price a private redeveloper who wanted to put up private housing would pay for it.

The amendment of the Senator from Connecticut changes that. It says, "Oh, no; you cannot have your low-rent housing at the same price a private developer would pay for it. You will have to pay for the land what it will bring after the private redeveloper has built his own private housing."

So out come the poor unfortunates who were going to try to live in public housing, and we make the public housing agency, which is looking for sites, pay a great deal more for the land than the private redeveloper would have to pay for it in order to put up private housing. I say it is unfair. I say it is an injustice. I say it is against the interest of taking care of low-income families.

I hope the amendment will be defeated.

Mr. President, I yield back the remainder of my time.

Mr. BENNETT. Mr. President, may I have 2 minutes?

Mr. BUSH. I yield 2 minutes to the Senator from Utah.

Mr. BENNETT. The Senator from Pennsylvania does not think, does he, that a private developer would approach the Urban Renewal Authority and ask for an opportunity to buy land in the middle of the typical urban renewal project in order that he might build private housing there?

Mr. CLARK. Of course. It is done every day. That is what the private redeveloper is there for. He gets the land at a knocked-down price. That is where the whole Federal grant comes into the picture. Having got the land at a knocked-down price, he puts up private housing—which is helpful to the community, I agree—and makes an honest profit out of it, to which he is entitled. I say the public housing agency should be able to acquire the same land at the same price.

Mr. BENNETT. The Senator from Utah cannot believe that the private developer can get land in an urban renewal project at a price lower than the cost of acquiring and clearing the land.

Mr. CLARK. If the Senator will indulge me, perhaps we are talking somewhat at cross-purposes. The whole basis of the program is that the developer comes onto land which has been purchased, with the Federal grant and the local contribution, at a relatively high price, land on which some slum dwellings exist. They are torn down, the land is cleared, and then the cleared land is offered for bids to private redevelopers. They are not going to pay as much for the cleared land as it cost the Federal and local authorities to clear it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I ask that I be allotted 3 minutes on the bill, in order that I may continue this colloquy with the Senator, because I have been using some of his time.

Mr. SPARKMAN. I yield 3 minutes on the bill.

Mr. CLARK. When the private redeveloper comes into the picture, he buys the whole site at a price which results in a substantial loss to the locality and the Government. He puts up the structures, usually private houses, and he sells or rents that housing. Those are the men who will achieve a profit for getting the land and building on it. If the local housing agency comes to that area and says, "We want 5 acres of land for public housing at the same price the private redeveloper was going to offer to pay you," it ought to be able to get it.

Mr. BENNETT. Did the Senator say at the same price the private redeveloper was going to offer?

Mr. CLARK. Let me read the Senator the language of the bill. It states the sale shall be made at a price equal to the fair value of the land to a private redeveloper who wants to buy a site in the community for private rental housing.

Mr. BENNETT. If the bill said "at a price which a private redeveloper has in fact offered or has made a firm bid upon," the Senator from Utah would have no quarrel with it; but the way the language is written, it seems to me the public housing agency could say, "We think a private redeveloper should be able to buy this land for so much money. Therefore, without giving the private redeveloper a chance to make the bid, we want you to accept this mythical price and turn the land over to us."

Mr. CLARK. Let me call to the attention of my friend from Utah the key language of the amendment of the Senator from Connecticut to which I object. It says that the low rent housing project has to pay the fair value of the site for the most likely alternative private use. That is very much higher than what the private redeveloper would be willing to pay for it before he builds on it to make his profit.

Mr. BENNETT. Does not the Senator think one of the most likely alternatives of private use would be the erection of privately financed housing, on the basis of a firm profit?

Mr. CLARK. Probably it would mean substantial housing for the rich. That is what I really object to. The additional reason is that we are in such desperate need for sites——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I ask for 30 seconds more.

Mr. SPARKMAN. Mr. President, I yield the Senator 30 seconds.

Mr. CLARK. We are desperately in need of decent sites for public housing. The urban renewal areas are the best remaining places to put this housing, so the amendment of the Senator from Connecticut cannot fail to strike a serious blow at the cause of housing for the low rental families.

Mr. BENNETT. Mr. President, may I have another minute?

Mr. BUSH. Mr. President, I yield an additional 2 minutes to the Senator from Utah, from my time.

Mr. BENNETT. The Senator from Utah would like to make the observation that the opponents of the ideas coming from our side always end up by saying, "Whatever these men want is for the rich; what we want is for the poor."

Mr. CLARK. The Senator is correct.

Mr. BENNETT. I should like to ask my friend from Pennsylvania to correct his statement, to the effect that that is the opinion of the Senator from Pennsylvania. It certainly is not fair to say to the Senator from Utah that "the Senator is correct."

Mr. CLARK. I am only too happy to make that amendment to my comment. I try never to comment on motivation, but only on the results of action.

Mr. BENNETT. That is all.

I thank the Senator from Connecticut.

Mr. BUSH. Mr. President, how much time do I have left on the amendment?

The PRESIDING OFFICER. Two minutes remain on the amendment.

Mr. BUSH. Mr. President, I trust the amendment will be agreed to.

I should like to say a word about the comment recently made by my good friend the distinguished Senator from Pennsylvania, in regard to the rich and the poor. I will say that we take that matter into consideration just as much as the Senator does. I do not think it is fair for the Senator or for anyone else to presume that he is the only person who has the interests of the poor people of this country at heart. I believe that the President of the United States has as much interest in the poor as anybody living. I believe the President has as much interest in them as anybody who has ever sat in the White House.

I believe that the President tries to balance these programs one against the other and tries to allow reasonable amounts for urban renewal, reasonable amounts for college housing, and reasonable amounts for one thing after another. The President must do this balancing in a way to properly allocate these things, considering our enormous defense budget and the other requirements of the Federal Government. Therefore, it is not possible for him or for those of us who support the administration's program to agree to every proposal which comes along which will further subsidize public housing or further subsidize urban renewal.

We are not opposed to those things. We have supported them. We have voted for them. However, we believe, considering the critical financial condition of the United States today, that these things have to take their proper places.

That is the reason, Mr. President, we offer many of the amendments which are being offered this afternoon.

Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BUSH], as modified. [Putting the question.]

The amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out everything appearing on page 65 after the comma on line 2; and on page 66, line 1, to strike out the words *"Provided further"*.

Mr. BUSH. Mr. President, I yield myself 5 minutes. I shall discuss this amendment very briefly.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, I invite this discussion to the attention of my distinguished friend from Illinois, for this amendment may have a special interest to him. It relates to colleges or universities in or near urban renewal project areas.

This amendment would delete provisions from the bill that would permit the local urban renewal agency to obtain noncash, grant-in-aid credit for expenditures made by a college or university for acquiring and clearing land within, adjacent to, or in the immediate vicinity of an urban renewal project area. The expenditures could have been made as long as 5 years prior to the au-

thorization of a loan and grant contract for the project, as the bill is now written.

The amendment would prevent a local urban renewal agency from receiving what in effect would be a retroactive windfall of noncash, grant-in-aid credit. The college or university would not gain from this credit received by the public agency.

The credit could be large enough to cover more than the local one-third share of project costs. In such case, the excess credit could be used toward the local share of projects in other parts of the locality—in no way connected with the university.

The full cost to the university of acquiring the land and buildings would enter into the local public agency's credit. There would be no disposition proceeds to offset this cost, as would be the case where the local public agency acquires the land and buildings and sells the cleared land.

The provisions would result in completely unwarranted decreases in the locality's share of the cost of urban renewal projects, and increases in the Federal share of the cost.

I say now, as I did in connection with the last amendment, this is exactly contrary to what the administration has recommended with respect to the sharing of the costs. It has been the President's repeated recommendation—and I think very wise recommendation—that the Federal share be gradually reduced. The tendency of the bill is to gradually increase the Federal share. The purpose of the amendment is to stop that increase.

The amendment would eliminate these undesirable features relating to local grant-in-aid credit, but retains a provision in the bill which waives the predominantly residential requirement for urban renewal projects which are helpful to a college or university in or near the urban renewal area.

Mr. President, that is my explanation of the amendment. I think this is a completely unwarranted section of the bill, which would permit a university or a college in an area such as one of our large cities to take land and to clear it, and then have the locality, which has put nothing into it, take full credit in cash for it, thereby imposing upon the Federal Government the necessity of substituting its own cash for that which should have been provided by the locality. It is an unwarranted subsidy, an unnecessary subsidy, and one which should be stricken from the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield for a question.

Mr. CLARK. Would the Senator explain why he thinks the present provision in the bill is a windfall to anybody?

Mr. BUSH. It is a windfall to the locality.

Mr. CLARK. Why?

Mr. BUSH. Because it simply reduces the locality's share of the contribution to the project.

Mr. CLARK. But the locality's share of the contribution is put up by the educational institution.

Mr. BUSH. No.

Mr. CLARK. Well, it is.

Mr. BUSH. It need not be in the urban renewal project at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Do the opponents yield time?

Mr. CLARK. Will the Senator from Alabama yield me 3 minutes, to pursue my colloquy with the Senator from Connecticut?

Mr. SPARKMAN. I yield 3 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, may I have the attention of the Senator from Connecticut? I am now speaking on our time.

The Senator will agree, will he not, that the provision in the bill, in section 418, preserves the two-thirds, one-third ratio which presently exists, with the Federal Government putting up two-thirds?

Mr. BUSH. No.

Mr. CLARK. The university, instead of the locality, would put up the other one-third.

Mr. BUSH. The language substitutes for the locality's one-third share in cash some property which the university bought for its own account.

Mr. CLARK. But the locality could have put in the same property and could have received the same credit. The Federal Government would not be hurt 1 dime.

Mr. BUSH. It would be hurt substantially, because the property need not be in the urban renewal project. The Senator knows that.

Mr. CLARK. Let me read to my good friend from Connecticut the provision in the bill. The provision says that this educational institution contribution "shall be a local grant-in-aid in connection with such urban renewal project."

Mr. BUSH. Yes.

Mr. CLARK. So it must be in the urban renewal project. It must be in place of the local grant. The Federal Government does not lose a dime. The only reason I can see for preventing this part of the bill from becoming law is so that the locality will have exhausted its resources, and will not be able to apply for another urban renewal grant, which, goodness knows, under the authorization provided in the bill, it will never get anyway.

Mr. BUSH. Mr. President, I have no desire to discuss the matter further with the Senator. I have made my position clear. I think this provision is a windfall for the town or locality. It means an extra burden on the Government. On that basis I object.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. BENNETT. Is not the basis of the whole urban renewal program a partnership between a locality and the Federal Government?

Mr. BUSH. That is correct.

Mr. BENNETT. On the basis of the section which the Senator is proposing to change, the local community can, if it wishes, bring in another party on its side, without involving the other party in the urban renewal project, and say, "Because you have done something for your own purposes and your own benefit, we are going to count it as a part of our share in the partnership with the Federal Government."

Mr. BUSH. That is what it is sought to do under the bill, thus placing the Federal Government under an added cash obligation.

Mr. BENNETT. If a university puts $100,000 into its own campus, perhaps to clear the land for a football field, the Federal Government can be expected to put up $200,000 more money in the basic urban renewal project.

Mr. BUSH. That would be the effect.

Mr. BENNETT. So the effect would be to reduce the amount of money available for urban renewal projects in other cities.

Mr. BUSH. Yes.

Mr. CLARK. Mr. President, will the Senator yield for one more question?

Mr. BUSH. I yield for one more question.

Mr. CLARK. I have been trying to understand why the Senator believes that the provision in the bill which he seeks to change could conceivably cost the Federal Government as much as one dime of additional money. I assert that it would not. Perhaps I am mistaken.

Mr. BUSH. Simply because the town or locality uses what the university has spent as a substitute for cash in the total deal, and the Federal Government must put up the cash.

Mr. CLARK. That does not mean that the Federal Government has to make any additional contribution.

Mr. BUSH. It increases the Federal Government's share.

Mr. DOUGLAS obtained the floor.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. DOUGLAS. How much time remains?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. DOUGLAS. I yield myself 6 minutes.

Once again the Senator from Connecticut is proposing something the effect of which would be to cripple the slum clearance and urban renewal program of the country, and also cripple educational facilities in cities.

What the Senator from Connecticut apparently does not seem to understand is the way in which many universities located in cities are now being engulfed in slums. This is true of Columbia University. It is true of the University of Pennsylvania. It is true of my own University of Chicago. It is true of the alma mater of our distinguished friend from Connecticut.

I can remember being in the beautiful Harkness quadrangle at Yale some years ago, and seeing, across the street, one of the most loathsome slums in the country. The people in those slum areas would pay taxes, but people in the beautiful rooms of the Harkness quadrangle, with artificially broken panes of glass to give an illustion of antiquity, would not pay taxes.

I have always felt that the educational institutions owed some debt to the community, and that they should try to make

their contribution toward cleaning up the slums around them. I think this is a necessity, very frankly, if the city universities are to survive and grow.

What the present provision does is to permit the money which the universities will themselves pay to be a part of the general urban renewal program, but to do this under the supervision of the city, in accordance with the city plan, and as a part of an approved local program. The universities are not given a hunter's license and allowed to go out and clear any territory they wish to clear. They must operate as a part of the city plan. It will be necessary to do this if the universities are to survive.

I have mentioned the fact that there are numerous universities in this position. I should like to mention some additional ones—George Washington University, in the city of Washington, D.C.; Howard University, in Washington, D.C.; the Medical School of the University of Indiana, at Indianapolis; New York University, about which we have heard a good deal; Tulane; Vanderbilt; Washington University; and the University of California. I have heard rumors that urban blight is reaching even to the campus of Harvard University.

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. As I understand, the Senator from Connecticut is saying that if the financial contributions of these public institutions were counted as a part of a city's contribution to urban renewal, there would be more city funds available elsewhere, and hence there would be more land cleared. Would it be a terrible thing to have more slums cleared and removed? The Senator from Connecticut seems stricken with horror at the thought that the urban renewal program might in some measure be assisted, and blight might be arrested. But if it frightens the Senator from Connecticut, it does not frighten me, and I do not think it frightens the American people.

We know that the contributions made by the Government and by the cities to the cause of slum clearance and urban renewal are not adequate. They are not adequate in this bill. They are not adequate as the bill was originally proposed. They are less adequate now, due to the efforts of our friends on the other side of the aisle, and of the President, at 1600 Pennsylvania Avenue, who have been whittling away at these proposals.

The Senator from Connecticut would try to prevent the universities from joining in the program. Without meaning to do so—because I believe his motives are good—he is really assisting the cause of urban blight.

Something has been said about giving universities credit for improvements they have made in the 5 years preceding the actual starting of the slum clearance program. As the Senator from Connecticut is well aware, it requires as much as 5, 6, or 7 years to get these projects under way.

Are we to say that the universities must hold off until the very last minute before coming into the program? Should they not be given credit for work which they have done in the preceding 5 years? I believe that the slums of New Haven would be reduced very appreciably if we could retain the present language in the bill, and that Yale University would not have as much on its conscience, as it probably has now, because it has neglected this issue, which has been at its doors for so many years.

Mr. BUSH. Mr. President, I will say to my good friend from Illinois that I am deeply touched by his concern for New Haven, Conn. He is always sympathetic toward us, especially when there is some bill——

Mr. DOUGLAS. I try to take a national point of view, and to make Yale University shoulder some of the burden which it has heretofore refused to bear.

Mr. BUSH. I appreciate my friend's comments. I had not yielded to him for that purpose. He is always interested in us in a very kindly way, and I am happy to make this acknowledgment.

Mr. President, I hope my amendment will be sustained. I say once more, with some reason, that the whole purpose of the provision in question is to unload upon the Federal Government an additional cash share in the urban renewal program.

It is unwarranted. It is not necessary, and it is an attempt on the part of communities—I will not say it is an attempt by the communities, but by those who speak for them here—to reduce their cash share and to increase the cash share of the Federal Government, which is exactly the opposite direction in which we ought to be going in connection with urban renewal projects.

Mr. CLARK. I ask the Senator to yield me 2 minutes.

Mr. DOUGLAS. I yield 2 minutes to the Senator from Pennsylvania.

Mr. CLARK. For the sake of the record I would like to suggest to my good friends, the Senator from Connecticut and the Senator from Utah, that they have inadvertently, I am sure, made some statements about the pending bill which in my judgment the bill does not justify.

In the first place, the statement was made that the college urban renewal project might be conducted far away from any urban renewal project.

Mr. BUSH. Will the Senator yield? I said outside the urban renewal areas.

Mr. CLARK. As I read the language in the bill, it says that this project must be within, adjacent to, or in the vicinity of the project area.

Mr. BUSH. Will the Senator define "immediate vicinity"?

Mr. CLARK. I think that we can leave that to the common sense of the administrators, as I hope the Senator's amendment will be left to the common sense of the majority of the Members of the Senate.

My second point is that the Senator from Utah inferred that this urban renewal project might be utilized for the building of a football field, and I call to his attention the language in the bill on page 65, line 8, that this rehabilitation must be for educational uses.

I do not know whether football is an educational use in Utah—perhaps it is—but I should think there will be very few football fields built under this project.

Finally, I know that the Senator from Connecticut and the Senator from Utah do not agree with me in this, but I assert to my colleagues in the Senate that it just is not true that this provision as it is now in the bill will cost the Federal Government 1 cent more than it would if the amendment of the Senator from Connecticut were adopted.

Mr. BUSH. I yield myself 2 minutes. I would just like to say further, speaking of New Haven, Mr. President, as the Senator did, that I do not believe there is any community in the United States which has been more forward and more aggressive in taking advantage of urban slum clearance and urban renewal provisions of the law.

Mr. DOUGLAS. Will the Senator yield?

Mr. BUSH. No. I am sure that the mayor of New Haven would tell the distinguished Senator that I have been one who has helped perhaps as much as anyone else outside his own administration in clearing the slums in New Haven and redeveloping that wonderful community.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BUSH. For what purpose does the Senator wish me to yield?

Mr. DOUGLAS. Only to ask whether there is any city in the country that needs this provision more than New Haven and Yale University?

Mr. BUSH. I think there may be, because we have been so forehanded on this matter that there are some who really need it more. We have three very large urban renewal projects under way. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. Mr. President, I should like to try again to explain my understanding of the effect of the amendment on the money the Federal Government puts into urban renewal. Assuming that it is a fixed amount, it is that amount which it expects to have matched on a basis of one part civic money for two parts Federal money.

If we allow the community to take credit for land which an educational institution is going to acquire for its own purposes, whether for school buildings or football fields, then we simply require the Federal Government to use a larger percentage of the fixed money which is available in the particular urban renewal project, and reduce the amount that might be available somewhere else. It is a device by which a particular city can get a larger share of the available Federal money than it might otherwise get.

Mr. BUSH. Mr. President, how much time do I still have?

The PRESIDING OFFICER. There are 4 minutes remaining.

Mr. BUSH. Mr. President, I should like to have the attention of the Senator from Pennsylvania, and I desire to direct an inquiry to him.

Will the Senator from Pennsylvania assure us, or can he assure us, that if the bill is not amended, it will not per-

mit reduction of a city's cash share of urban renewal cost because of the expenditures made by a college; it will not reduce their cash share of the payment?

Mr. CLARK. I cannot give the kind of categorical yes or no answer the Senator desires, but I will try to make a responsive answer.

The way the law now reads, two-thirds of the cost of an urban renewal project is met by the Federal Government by a grant, one-third is met by the city. The city's one-third may be cash or it may be local improvements or it may be parcels of land. It may come in one of a number of ways. All I am saying is that the present provision in the bill would not require the Federal Government to put up 1 cent of cash that it would not have to put up if the provision were not in the bill, and the net result will be that out of the $550 million in additional authorization which the bill provides for urban renewal, some small part of it may go for the rehabilitation of institutions of higher learning instead of none.

Mr. BUSH. Mr. President, I merely assert that the provision will result in an increase in the Federal cash contribution in connection with an urban renewal project if the college deals are availed of, and the purpose of my amendment is to prevent that.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Unless the time is yielded back, it will not be in order, except by unanimous consent.

Mr. BUSH. Mr. President, I am prepared to yield back my time if the opposition is ready to yield back their remaining time.

Mr. CLARK. If the Senator will yield, it occurs to me—and I shall be in the hands of my good friends from Connecticut and Utah—if we are to have a quorum call to bring to the floor a number of Senators who have not heard the discussion, we at least owe them the courtesy of a couple of minutes' explanation of what we are asking them to vote for. So I suggest that instead of yielding back the time, we ask unanimous consent that the quorum call shall not be charged to either side, and that when the quorum call is terminated, the proponents of the amendments and the opponents of the amendments may each have 2 minutes to explain what it is all about.

Mr. BUSH. I ask the Chair how much time is left on both sides.

The PRESIDING OFFICER. Three minutes for each side.

Mr. CLARK. I will amend my request to 3 minutes.

Mr. BENNETT. I ask the Senator from Pennsylvania if he will amend that request to permit each side to exhaust the unexhausted time.

Mr. CLARK. I am happy to do so. It means 3 minutes each.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? There being none, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Each side has 3 minutes remaining on the amendment.

Mr. BUSH. Mr. President, I yield myself 2 minutes.

The purpose of the amendment is to prevent a further increase in the Federal share of urban renewal projects which would be occasioned by the bill, because the bill makes it possible for a college or a university located near an urban renewal project in a city to acquire land, and to have the cost of the land credited to the municipality's cost of the urban renewal project, which is one-third of the total cost, two-thirds to be borne by the Federal Government. The more the project is enlarged by adding to the university project, the larger the purchase becomes and the larger the Federal cash share becomes.

It is possible, in the way the bill is written, for an urban renewal project to be so devised that the locality will put up no cash whatever, and the whole cost of the urban renewal project might well be absorbed by the Federal Government in cash.

I say this flies right in the face of the movement as recommended with respect to cost sharing. It is recommended that there be a gradual reduction of the Federal share.

This phase of the bill would increase the Federal share of the cost in cash. For that reason, I urge that my amendment be adopted.

Mr. President, I yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I think our case is so strong that it does not need any further argument. I yield back the remainder of our time and hope that we may vote.

The PRESIDING OFFICER. Both sides have yielded back the remainder of their time. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. BENNETT. Mr. President, the Senator from Connecticut desires to offer another amendment. I rose simply to stop the third reading.

Mr. BUSH. Mr. President, I offer an amendment and ask that it be read.

The LEGISLATIVE CLERK. It is proposed to strike out subsection 414(a) beginning on page 59, line 16, and ending on page 60, line 3, and strike out the designation "(b)" on page 60, line 4.

The PRESIDING OFFICER. How much time does the Senator from Connecticut yield himself?

Mr. BUSH. Four minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. BUSH. Mr. President, the amendment would strike from the bill a provision permitting improvements and facilities such as streets and schools to be credited as local grants-in-aid to an urban renewal project, even though their construction was started as long as 3 years prior to the authorization by the Housing and Home Finance Administrator of a loan and grant contract for the project.

The provision proposed to be stricken would tend to pervert the urban renewal program into an aid program for local public works. Under the provision, an urban renewal project could be started upon the enactment of the bill, for example, and the city would be permitted to count as a contribution to the project streets and schools provided by the city over the last 3 years. This could substantially reduce or eliminate all real local contribution to the project, because the improvements could well be those which would have been made with or without an urban renewal project. The point is that the provision would permit cities or towns to include in their share of the contributions to urban renewal projects items which would have been built anyway, regardless of whether there was to be an urban renewal project or not.

The purpose of this provision in the bill is simply to unload the cost of those projects, which would have been built anyway, onto the Federal Government. It is simply another move in that direction—and we have discussed two or three of them this afternoon. It moves again directly contrary to the way the administration has recommended that this division of costs should move. It tends further to increase the Federal contribution to the cities and to decrease the cost to the cities or States themselves.

I do not believe the urban renewal business in this country will be aided or furthered if the tendency is constantly to increase the cost borne by the Federal Government.

I hope the amendment will be agreed to, and that the provisions which further unload costs on the Federal Government may be stricken from the bill.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, I yield myself 5 minutes.

The provision of the bill which the Senator from Connecticut seeks to strike out is probably one of the more important, helpful sections written into the bill. All it provides is that in contributing the local one-third share of the urban renewal project, it is perfectly permissible to count local public improvements which have been made within the last 3-year period to render the site more habitable, to make it less of a slum, to make it the kind of decent place in which people ought to be willing to live. That is all it does.

As a matter of fact, administratively, this provision has been pretty much in effect for several years. The Administrator of the Housing and Home Finance Agency now goes back 2 or 2½ years in county salutary public improvements which definitely are, in any real sense of the word, a part of the slum clearance project. All the provision of the bill does is to provide a statutory limit of

3 years, instead of the administrative limit of 2 or 2½ years.

The bill as it originally came to the full committee contained a provision which would allow a municipality to go back 5 years, just as we approved in the case of educational institutions a few minutes ago. But in deference to the Senator from Connecticut [Mr. BUSH] and some of his colleagues, we reduced the time from 5 years to 3. In my judgment, it is unfortunate that we did that, but we are ready to make an effective compromise.

Now the Senator from Connecticut, not content with the gains he made in the committee, comes before the Senate and wants to strike out the provision entirely.

Let me cite as one example of how the striking of this provision from the bill would hurt the city of Denver, Colo., which sent the director of its urban renewal authority to Washington to speak before the committee on behalf of the mayor of Denver. He pointed out that if this provision were not in the bill, it would be very difficult, indeed, for the city of Denver, a relatively new city, and which only recently has come into the field of urban renewal, and which has been trying desperately to clear up the slums without the aid of the Federal Government, to move forward with the widespread program which they now have. So adoption of the amendment of the Senator from Connecticut would definitely eliminate many of the benefits which Denver expects to obtain from the bill. Denver is only one of many cities which would be hurt if the amendment were agreed to.

So I hope very much the amendment will be rejected.

I yield back the remainder of time which has been allotted to me.

Mr. SPARKMAN. Mr. President, I yield back the remainder of the time under my control, on the question of agreeing to the amendment of the Senator from Connecticut.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was rejected.

Mr. BUSH. Mr. President, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 50, beginning in line 7, and ending in line 22, it is proposed to strike out paragraph numbered (1) of section 405, and to substitute the following:

(1) by inserting after the first sentence of subsection (b) the following new sentence: "In addition to amounts otherwise authorized to be appropriated for such purpose, there is authorized to be appropriated for the purpose of making contracts (in addition to those authorized in the preceding sentence), after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $550,000,000, and any funds so appropriated shall remain available until expended. Additional amounts aggregating not more than $100,000,000 are authorized to be appropriated for the purpose of making contracts for grants, after appropriations therefor, upon a determination by the President that such action is necessary to meet those requirements of communities, having populations which are not in excess of one hundred thousand according to the most recent available census figures, which cannot otherwise be met under the authorization set forth above."

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Connecticut yield to himself?

Mr. BUSH. Five minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, this amendment has to do with appropriations for financing urban renewal projects, rather than those of any other type.

The amendment would require the appropriation of funds before additional contracts for urban renewal could be entered into. Instead of giving the Housing and Home Finance Administrator authority to enter into additional contracts to make urban renewal grants aggregating $550 million, the amendment would authorize the appropriation of $550 million for that purpose; and, similarly, the additional authorization of $100 million, provided by the bill, to be used at the discretion of the President for contracts with communities of less than 100,000 population, would be made an authorization for additional appropriations for such contracts.

In effect, the amendment would substitute front-door financing for back-door financing, in the case of urban renewal grants. The amendment is confined to the urban renewal program.

Without this amendment, such contracts would be entered into, but the Congress would have no alternative but to make appropriations of funds when Federal payments were due under the contracts. Thus, the amendment would give the Congress additional control over Federal expenditures for urban renewal grants, in relation to other Federal expenditures.

Mr. President, this amendment raises a very important issue—namely, whether the Congress shall have control, from year to year, through the appropriation process, of expenditures for various purposes; or whether the Congress will pass proposed legislation, and then will pay no more attention to it or will have no further control over the expenditure of funds thus made legal.

Practically all our items of defense and other items for the operation of the Government are reviewed from year to year by the Congress, principally through the Appropriations Committtees. So it seems to us that there is no reason why the urban renewal program should not be subject to annual scrutiny by the congressional Appropriation Committees.

A test vote on this matter was taken a few weeks ago, in connection with the mutual security bill. At that time the Senate decided by a vote of 48 to 42, that the appropriation process should be used in connection with the development loan fund. I think this matter is equally important.

At stake in this case is a question of principle—namely, whether the Congress will regain control of the fiscal affairs of the Government. The vote on this amendment will be a test vote on that issue, as well as on the issue of keeping the Congress alert to its responsibilities, from year to year, in connection with programs it authorizes and adopts from time to time.

The President has requested that this change be made.

It is true that in some cases in the past, the President has approved of the so-called back-door financing process. But he has stated clearly and forcibly that the fiscal and the budgetary conditions of the Government require that a change be made, and require increased congressional responsibility, and require the use of the appropriation process, rather than the back-door financing process.

For those reasons, Mr. President, I submit the amendment. I hope the Senate will adopt it.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, first of all, let me say that in the bill as reported to the Senate, account has been taken of the President's objection to the so-called back-door financing process. In the new programs we have initiated—that is, the program of providing housing for the elderly and the program of providing classrooms for colleges—we have provided for the appropriation process.

However, last year, and when the housing bill was before us early this year, and even at the beginning of the hearings on the housing bill now before the Senate, the President did not propose changes in financing any of the existing programs. As a matter of fact, when we held hearings on the veto message on Senate bill 57, only recently, at the time when Mr. Mason first testified before the committee, we asked him specifically about this method of financing. He said, "We prefer the financing procedure provided for in Senate bill 612"—which was the same system that has been used throughout the years.

A week later, Mr. Mason appeared before us again. At that time he said he wished to make a supplemental statement; and then he said, "We have changed our minds."

But I wish to point out that successively throughout the years, and throughout the early months of this year, and even later in connection with the hearings on the bill now before the Senate, when those hearings began, the representatives of the executive branch advocated leaving the existing programs exactly as they are.

Mr. President, I think the plan worked out at the beginning was a good one. These moneys are not paid out immediately. The contracts and the allocations are made; but the moneys are paid

out in relatively small amounts over the years, and are only paid out after they have been approved through the appropriation process.

The law specifically provides that these funds shall be appropriated, although it is true that the contract authority is made ahead of time. It seems to me that is the only feasible and the only practical procedure; otherwise, every individual project would have to be justified before the Appropriation Committees. I do not believe it is feasible or practical to provide for any other procedure.

Mr. CLARK. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. CLARK. I should like to commend the Senator from Alabama for his very clear exposition of why the pending amendment of the Senator from Connecticut should be rejected. No amendment which has been offered by my good friend, the Senator from Connecticut [Mr. BUSH], would do more harm to the ultimate objectives of urban renewal than would this amendment.

We are following the course which has been pursued ever since the urban renewal program first was included in Federal housing bills some 10 years ago.

So I hope the amendment of the Senator from Connecticut will be rejected.

Mr. BUSH. Does the Senator yield the floor?

Mr. CLARK. Yes.

Mr. BUSH. Mr. President, I yield myself 2 minutes.

I do not see how the amendment can do any harm, unless the Senator has lost confidence in the Congress of the United States. I do not see why the Senator would want to deprive the Congress of the right of review.

Mr. CLARK. Mr. President, has the Senator from Connecticut asked me a question?

Mr. BUSH. I have not asked the Senator a question. I have only 2 minutes.

I should like to refer to the hearings, at page 647, in which is quoted a statement of the President from his budget message. He said:

> I sincerely hope that the Congress will again consider ways by which it can more effectively overcome the diffused consideration which results from separate appropriation bills, the provision of new obligational authority outside of the appropriation process, and the separate deliberations on revenue bills and the debt limit.

More specifically, the President later said:

> In addition, even though there are a few justifiable exemptions, the practice of providing authorizations to expend from debt receipts and contract authority outside the appropriation process is generally inconsistent with sound standards of budget practice.

I think the President is clearly on record, from what I have just read.

Mr. President, I have nothing further to say on this amendment at the moment.

Mr. SPARKMAN. Mr. President, I am willing to yield back the remainder of my time, if the proponent of the amendment is willing to yield back the remainder of his time.

Mr. BUSH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was rejected.

Mr. BENNETT. Mr. President, I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 83, lines 8 to 10, to strike out ", or which the Secretary determines to be a permanent part of the Military Establishment."

Mr. BENNETT. Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 7 minutes.

Mr. BENNETT. Mr. President, the committee put into the bill a provision, section 702, requiring the acquisition of Wherry rental housing by the Department of Defense where there is no Capehart housing. This amendment would delete that provision from the bill. The amendment would not remove the requirement of mandatory acquisition of military housing if it has been approved by the Secretary of Defense. Application of the same law applies to Wherry housing. The provision would restrict budgetary expenditures which would require housing to be purchased without any reasonable discretion being allowed to the Secretary as to the need for such housing.

Mr. President, this is a very difficult and controversial problem. At the present time there are, as I remember, some 13,000-plus units of Wherry housing which, under the bill, must be acquired by the Secretary of Defense.

The opposition of the President to this particular provision occurs chiefly out of the immediate budget impact of the proposal.

Yesterday my colleague from Indiana [Mr. CAPEHART] introduced into the RECORD a schedule of housing which was entitled "Forecast of Expenditures over 10 Years." It showed that over 10 years this particular provision would cost $140 million. I had a different set of figures. I have spent a considerable time today trying to reconcile these figures.

It is pretty obvious, even from the figures put into the RECORD yesterday, that the cost for fiscal 1960 of this provision will be $38.6 million, and for fiscal 1961 it will be $36.1 million—approximately $75 million.

Mr. President, this is a very difficult problem. There are several aspects of it. There is some question in the minds of some of us as to whether this matter is properly within the jurisdiction of the Banking and Currency Committee and whether, in fact, it does not fall into the jurisdiction of the Committee on Armed Services.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CASE of New Jersey. Are the figures which the Senator gave, showing the impact on the budgets of 1960 and 1961, in addition to what is estimated to be involved under the present law, or are they inclusive of such acquisition?

Mr. BENNETT. These figures represent the cost of acquiring some 13,000 houses which the Federal Government does not own now. So that would be outside of existing law.

Mr. CASE of New Jersey. Might not some of them be acquired under existing law?

Mr. BENNETT. They might be acquired, but they have not yet been acquired.

Mr. CASE of New Jersey. They have not yet been acquired?

Mr. BENNETT. That is correct.

Mr. CASE of New Jersey. There is no way of telling what the number might be that would be required to be acquired under the provisions of existing law. Is there?

Mr. BENNETT. There are 10,000 units now being acquired under existing law, and the 13,000 are in addition to those 10,000.

Mr. CASE of New Jersey. I thank the Senator.

Mr. BENNETT. The figure of $75 million for the 2 fiscal years 1960 and 1961 includes the net cost of operating these houses after they are acquired. It includes the cost of rehabilitating and furnishing them.

Yesterday my friend from Indiana indicated he was prepared to propose that, in order to spread the cost out, we have some kind of a 10-year payment program. Such a program would, however, not materially change the immediate impact on the budget, because out of the $75 million that would be the cost in the next 2 years, only $14.5 million would represent the cost of acquiring equity. The remainder is represented by rehabilitating, furnishing, and operating costs of those units.

The Committee on Banking and Currency has had no hearings on this proposal. I am not completely sure, of my own knowledge, whether the Armed Services Committee of the Senate has heard this problem and made a decision on it. I understand that at least certain members of the Armed Services Committee are very much opposed to having that program contained in the bill.

I think it is fair to say that the problem is controversial, that it is complicated, that it needs very careful study.

I know that the present owners of equity in Wherry housing are anxious to have the Federal Government take these units over, presumably on a basis that will be profitable.

The PRESIDING OFFICER. The 7 minutes which the Senator yielded to himself have expired.

Mr. BENNETT. Mr. President, I reserve the remainder of my time. I think there are other Senators who wish to speak on the subject.

I should also like to inform the Senate that I think it is important to have a yea-and-nay vote on this particular amendment.

Mr. CAPEHART. Mr. President, will a Senator who has control of time yield me about 5, 6, or 7 minutes?

Mr. BENNETT. On which side of the question does the Senator wish to speak?

Mr. CAPEHART. I am against the amendment of the Senator from Utah.

Mr. SPARKMAN. Mr. President, I yield time to the Senator from Indiana. How much time does he desire?

Mr. CAPEHART. Perhaps 5 minutes; perhaps more.

Mr. SPARKMAN. I yield 5 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. Mr. President, I am not opposed to this amendment simply because I want to oppose it. I am opposed to the amendment on the basis that the Congress, sooner or later, must face the so-called Wherry issue. It might as well do it today as to do it 6 months from now or a year from now.

A subcommittee of the House Committee on Armed Services, which is headed by Representative VINSON, looked into the matter. The chairman of the subcommittee was Mr. KILDAY, and one member of the subcommittee was the Republican whip of the House, LESLIE C. ARENDS. The subcommittee filed a report on May 20 of this year, and I read from their recommendations:

> It is the recommendation of the subcommittee that all remaining Wherry housing units located at or near a military installation which the Secretary of Defense determines to be a permanent part of the military establishment should be acquired.
>
> The subcommittee further recommends that the above recommendation be implemented by the enactment of appropriate legislation.

Mr. President, the subcommittee of the Committee on Armed Services of the House recommends that the Secretary of Defense acquire these Wherry houses. The bill we are considering at the moment has a section mandating the Secretary of Defense to buy all Wherry projects in or near military establishments which are going to be permanent.

I am the first to admit that this is not a good situation. I was one who voted for the Wherry legislation years and years ago. It has not worked out as we who voted for it—and I suspect the vote was unanimous in this body—thought it was going to work.

We have a problem facing us. At the proper time, when all time has been used on the amendment of the able Senator from Utah, I shall offer a substitute amendment to his amendment, which would mandate the Secretary of Defense to purchase these Wherry projects in or near these military establishments, where the Secretary certifies they are going to be permanent, but instead of providing for paying the owners in cash the amendment will provide for paying them in 10-year debentures, due one-tenth each year.

These are the facts we have to take into consideration. We must forget our emotions and simply take the facts into consideration. I think there are 23 of the Wherry projects, consisting of some 14,000 units. The Federal Government has guaranteed the mortgages on those projects. If a mortgage is not paid, the Federal Government will have to pay it. The Federal Government has guaranteed the rentals on these projects. Only military men and civilian employees can live in the houses. The projects are built on Government-owned land. The problem the military has at the moment is that the private owners of these projects are not maintaining the houses properly, and there is no way they can be forced to maintain them properly.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Will the Senator yield me an additional 3 minutes?

Mr. SPARKMAN. I yield 3 additional minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for an additional 3 minutes.

Mr. CAPEHART. That is the situation. We do not want to unbalance the budget. We do not want the Federal Government to spend some money at the moment. The situation is that we have a problem facing us. It is a reality. We had better solve it today, rather than try to solve it 6 months from now.

Under the substitute amendment which I shall offer, we would pay for the equities in debentures, which would not require any cash at the moment, but would require payment of one-tenth each year for the next 10 years.

I should like to invite the attention of Senators to another fact. If the Federal Government purchases these Wherry projects it will have to rehabilitate them, and that will cost some money, but the Federal Government will have 10 years to pay the owners whatever the equities amount to. The Federal Government will assume the unpaid mortgages, and can use the rentals paid by the men in the military to amortize the payments on the debentures and the payments on the mortgages. At least we hope that will be the case.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BENNETT. Yesterday the Senator put into the RECORD the statement of the HHFA. Does the Senator have that statement in his hand?

Mr. CAPEHART. Yes, I have.

Mr. BENNETT. Does the Senator notice that each year for 10 years the statement shows a loss to the Federal Government of $8.2 million?

Mr. CAPEHART. That is because the Federal Government is going to buy the equities and pay for them over a 10-year period of time.

Mr. BENNETT. In that set of figures it is presupposed that the equities will be purchased the first year.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. If I correctly understand the situation, that loss comes about because rental allowances are not counted. The rental allowances will cease.

Mr. CAPEHART. That is correct.

Mr. SPARKMAN. The quarters will be furnished in lieu of allowances?

Mr. CAPEHART. That is correct.

Mr. SPARKMAN. As a matter of fact, is it not true that it would cost the Government some $140 million to acquire these buildings, but that the cost to the Federal Government, in regard to the rental allowances, for the same period of time, would be $137 million?

Mr. CAPEHART. Over a 10-year period that is true.

The PRESIDING OFFICER. The 3 additional minutes have expired.

Mr. CAPEHART. Mr. President, I wish to put the Senate on notice that when all time has been consumed on the pending amendment I shall offer a substitute amendment to provide that the Federal Government will acquire the equities in these Wherry projects by the issuance of debentures, rather than paying cash.

Mr. BENNETT. Mr. President, I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. Mr. President, I thank the Senator from Utah.

Mr. President, this is a very involved and complicated matter which has been before the Committee on Armed Services many, many, many times. I do not suppose there is any good solution to the problem. I know there is no perfect solution.

I think we will be going a long way and leaving both ends open if we require the military services to purchase all these Wherry units.

Mr. President, on page 84 of the bill, in a part of section 703, there is language which, with all due respect to the committee, is very loose, and which will require, in the purchase of Wherry units, that the courts more or less take figures on valuations which are not estimates and which are not appraisals but which are simply figures as reported by the Secretary of Defense to the Armed Services Committees of the House and the Senate. Upon the basis of those reported figures the courts will have to require the Department of Defense to pay the owners at least 75 percent of whatever the equities may be, according to those calculations.

Mr. President, the language at page 84 of the bill simply cannot stand. Coupled with the mandatory feature on the preceding page, the way the bill is drawn, the Department of Defense will be required to buy all these Wherry units, and it is possible to add windfall on top of windfall. In many cases that is exactly what the provisions of the bill will do.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield briefly.

Mr. BENNETT. Are we not actually amending now some legislation we passed about 2 weeks ago?

Mr. STENNIS. Less than 2 weeks ago the President signed the military authorization bill, which contained a pro-

vision with reference to the acquisition of Wherry houses which is rather strict in its limitations. This bill would repeal that section.

Taken together, these two sections leave the whole matter wide open.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. STENNIS. If I may have a little more time, I should like to read briefly from the communication we have received from the Secretary of Defense. The Secretary says:

> This [provision] would require the acquisition of Wherry housing whether or not it served any military need whatever.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Those are the strongest kind of words and the strongest kind of language, "whether or not it served any military need whatever."

I continue to read:

> At the present time, as you know, Wherry acquisition is mandatory only where Capehart housing is constructed in the vicinity, and the programing of the Capehart project does of course indicate a need for family housing. To require acquisition in cases where such action would not be in the interests of the United States, and where the sponsors are now satisfactorily operating the projects on a rental basis, would, I believe, be an extremely undesirable precedent, and would serve no purpose other than to relieve the sponsors of the business risks they undertook in constructing and operating this housing.

I am certainly no expert on this subject. I am only a victim of the incessant and constant demands, year after year, on committees to revise the language so as to serve better the purpose of getting rid of Wherry housing.

When the Secretary of Defense says that the Wherry houses will serve no military need whatsoever, to say that we must acquire them is almost the height of absurdity. I think that provision should be promptly stricken from the bill. That is particularly important when, on another page, there is a new formula repealing the law we passed 2 weeks ago, with reference to the matter not of valuations, but merely reports, making the court accept a report, not an appraisal or an estimate, but a report at the beginning of negotiations, as a basis for finding values and paying hard money, without any bond or resource whatsoever.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. BENNETT. Mr. President, I am prepared to yield back the remainder of my time provided time on the other side is yielded back.

Mr. SPARKMAN. Mr. President, how much time have I?

The PRESIDING OFFICER. Seven minutes remains to the Senator from Alabama.

Mr. SPARKMAN. Let me refer first to the statement of the distinguished Senator from Mississippi. He and I have discussed this subject on numerous occasions on the floor of the Senate.

I think it was most unfortunate that Congress ever established the so-called Wherry housing program. It has been a constant headache year in and year out ever since. I have said on the floor of the Senate that if the Armed Services Committee would take over the Wherry housing and handle it in its entirety, we would be pleased. It is only on infrequent occasions that the Armed Services Committee dips into the subject. The Wherry housing program has not been a good one. There is no question about it.

Insofar as the military says that it could serve no military purpose whatsoever, I cannot possibly see how that statement could be true. Wherry housing was built to meet the needs of military personnel at permanent installations. Moreover it was constructed at the request of the military; and furthermore the military promised to fill the Wherry units with tenants.

A few minutes ago it was stated that it is estimated that it would cost $140 million to acquire the remaining projects. Only a small percentage of the units are left to acquire. Over the next 10 years the Government, by making quarters available instead of paying rental allowances to military personnel, could save an expenditure of $137 million. In other words, the net cost to acquire the remaining Wherry units would be only $3 million over the next 10 years.

With reference to the valuation to which the Senator from Mississippi referred, he will recall that before this provision was ever put in the bill, I told him that the problem was before us again, and that the Armed Services Committee of the House had specifically recommended that the legislation in this field be enacted. This recommendation had been referred to the Committee on Banking and Currency. So apparently the Armed Services Committees of the Congress are not together.

At that time I told the Senator from Mississippi that we were planning to place some provision in this bill, and we left it more or less open for negotiation. He knows that for the past 2 days members of his staff and members of our staff have been working on this matter. As a matter of fact only a few minutes ago I showed him a substitute which I would propose for the valuation provision.

Yesterday, the Senator from Mississippi gave to me some information which I had not had before. For example, he explained to me the manner in which certain figures were reported to the Armed Services Committee.

I do not wish to do anything unfair. But I do not wish to see our Government do something that is unfair to its citizens. I believe that under the law as it stands today, unfairness on the part of the Government is the natural result. That is the reason why I shall later propose substitute language for the language contained in the bill relating to valuation.

We have reached the point where the great majority of the Wherry projects have already been taken over by the Secretary of Defense. There are not many projects left in the hands of the sponsors or owners. Let us acknowledge that the Wherry housing program was not a good program and let us attempt to end it in an equitable manner. Mandatory acquisition by the Secretary of Defense is the best way that has yet been proposed. It will be the cheapest, and will save money for the Government in the long run, particularly under the plan which will be proposed by the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, I gave notice that I intended to ask for the yeas and nays on my amendment. There are so few Senators present in the Chamber that there are probably not enough to order the yeas and nays. Therefore I suggest the absence of a quorum, and ask that the time consumed in the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—and I shall not object—I have no objection if the Senator intends to withdraw the request later.

Mr. BENNETT. I shall let the quorum call proceed only until enough Senators are present to order the yeas and nays.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. BENNETT. I ask for the yeas and nays on my amendmnet.

The yeas and nays were ordered.

Mr. BENNETT. Mr. President, how much time is there remaining?

The PRESIDING OFFICER. The proponents have 2 minutes; the opponents have 3 minutes.

Mr. BENNETT. I yield myself 2 minutes.

For the benefit of those Members of the Senate who have come in since the debate started, let me say that the bill now contains a provision under which the Secretary of Defense must purchase all Wherry housing. This is going to hit the budget with the spending of $75,500,000 in the next 2 years, and the President is very definitely opposed to it. This is one of those provisions in the bill which concerns him most and which might lead to a veto. It also presents a very complicated problem. It has been the subject of no hearings in our committee. There is a question about possible jurisdiction of the Armed Services Committee.

I therefore hope that my colleagues will strike the proposal out of the bill,

and leave it open for further consideration and further study by the appropriate committee.

I yield back the balance of my time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BENNETT. Yes. I have to yield.

Mr. GORE. Does the Senator say that whether the Defense Department wants, or needs, or desires the projects, the bill is mandatory that they be purchased?

Mr. BENNETT. The bill is mandatory. There are some 13,000 units.

Mr. SPARKMAN. Mr. President, first let me correct the Senator from Utah in his statement that we have had no hearings. As a matter of fact, if he will refer to the hearings held in January of this year, he will find that we had several witnesses on this subject—including witnesses from the Department of Defense.

With reference to the military purchasing these units whether it needs them or not, we should remember the provision relates only to Wherry projects that are located at or near permanent military installations. If the military does not need this housing, then the Secretary of Defense never should have asked for the program to begin with, and the projects would have never been built. Wherry projects were built at the request of the Defense Department for the purpose of serving the housing needs at military installations. The Secretary, therefore, should be obligated to fill the units with tenants.

Rental allowances do not go directly to the owners of the Wherry projects, but to the tenants who in turn pay the owners. This housing is tied up completely by the military.

As a matter of fact, I never have liked the program. I never did particularly like the Capehart housing program because I felt that the military ought to appropriate funds directly for the purpose of building homes on the basis that the Government would own them. However, I will say that the Capehart program has furnished badly needed housing in great numbers.

What we are trying to do is to wipe the slate clean of privately owned Wherry projects, charge the program off, and, as I said, when I believe the Senator from Tennessee was not in the Chamber, the total cost would be $140 million, but over the next 10 years, and that goes to the time when the Senator from Indiana proposes to let us pay for them, the net cost would be small.

Over the next 10 years, the amount of rental allowances that would be saved by reason of furnishing quarters will amount to $137 million. This savings is based on 90 percent occupancy when as a matter of fact the military could make it 100 percent because they furnish the tenants.

I think, Mr. President, it could be shown to be a good investment, and that it would be well to charge off a program which never was good.

The PRESIDING OFFICER. The time of the Senator has expired. All time for debate has expired.

Mr. CAPEHART. Mr. President, I send to the desk a substitute for the pending amendment. Unless some Senator desires, I ask unanimous consent that the amendment not be read.

Mr. RUSSELL. Mr. President, if the amendment is not too long, I should like to have it read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 83, line 10, it is proposed to strike out the quotation marks and insert in lieu thereof the following:

Payment for the interest of the mortgagor in any housing purchased hereunder as a result of the Secretary's determination that such housing is a permanent part of the military establishment shall be made in the form of debentures which the Secretary is hereby authorized to issue. Such debentures shall be executed in the name of the revolving fund established under subsection (g) of this section as obligor, shall be signed by the Secretary, by either his written or engraved signature, and shall be negotiable. The Secretary, with the approval of the Secretary of the Treasury, shall prescribe the form and denominations of such debentures which shall bear interest at a rate of 4 per centum per annum and shall mature in not more than 10 years. In the event the revolving fund established under subsection (g) of this section fails to pay upon demand, when due, the principal of or interest on any such debentures, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated. Any difference between the mortgagor's interest and the aggregate face value of any debentures issued hereunder shall be adjusted by the payment of cash from the revolving fund established under subsection (g) of this section.

Mr. CAPEHART. Mr. President, I will allot myself 10 minutes.

Mr. President, I do not like this Wherry situation, and I am not dealing with it from an emotional standpoint. I am dealing with it 100 percent from a business standpoint.

We have some 23 Wherry projects containing some 14,000 units on which the Federal Government has insured the mortgages. These units are built on Government-owned land. The Department of Defense has guaranteed to keep 90 percent of them rented.

The subcommittee of the Armed Services Committee of the House recommends that the Federal Government purchase these rental projects.

The pending legislation before us mandates that the Department of Defense buy the Wherry projects providing—and I want to emphasize "providing" because there have been some here today who neglected to mention it—the Secretary of Defense certifies that the site or the camp is going to be a permanent site. If it is not going to be a permanent site, then he does not have to buy them.

We will save $137 million the next 10 years in rentals. According to the FHA it will cost $140 million, $38 million in 1960, and $36 million in 1961.

I am proposing that this be paid with debentures and not cash, at 4 percent interest.

I would like to read a list of the States that are involved and that should be interested in this: Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, New Jersey, North Carolina, New York, Ohio, Pennsylvania, Tennessee, Texas, and Virginia.

Some figures have been used here today saying that if the Government buys these projects they will have to rehabilitate them and buy new furniture, et cetera. Well, that may be true, and it may not be. Servicemen are now living in these houses with the present furniture and the present facilities. So there is no particular reason why the Government should rehabilitate them at the moment if they do not want to.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. CAPEHART. But in any event in the situation facing us here, in my opinion, it is just good, common, horsesense business to have the Federal Government buy them.

Yes, I will yield to the Senator from Washington.

Mr. JACKSON. I am sure the Senator is aware of the fact that in order to save the rental allowance that every officer is entitled to receive, the Government would have to rehabilitate the Wherry housing to meet the requirements of appropriated fund housing. It is not fair to say that the Government is going to save all these amounts of money in rental allowance unless we take into consideration the cost of bringing the Wherry housing up to standard.

Mr. CAPEHART. Who is living in these Wherry projects now?

Mr. JACKSON. They are occupied by officers and their families, but they are not paying all their rental allowance for it.

Mr. CAPEHART. They are paying rent.

Mr. JACKSON. Yes, they are paying rent, but they are not paying up to their full rental allowance.

Mr. CAPEHART. Maybe I misstated the facts, but the facts that I wanted to state were that the rent from these projects would amount to $137 million. Now, whether the rental allowance amounts to that or not, the serviceman has got to live there.

Mr. JACKSON. The testimony that we have before the Armed Services Committee is very clear on this, and if they take them over they are going to have to rehabilitate them, and on the 13,812 units remaining we have been advised by the Department of Defense that it would cost $34 million to rehabilitate. Those are the facts.

Mr. CAPEHART. What are you going to do with them if you do not buy them? Is the private enterpriser who now runs them and operates them going to rehabilitate them?

Mr. JACKSON. We can cross that bridge as we go along. I do not think it is at all feasible to require the Secretary of Defense to pass on the permanency of all military bases at once.

Mr. CAPEHART. I do not care to debate the issue at all. To me, as a businessman, it seems that we ought to consider the matter from a business standpoint.

There is a second standpoint. We must face the issue. We do have Wherry projects which are headaches, not only to Congress, but also to the Defense Establishment. They are even headaches to the servicemen who live in them. The subcommittee of the Committee on Armed Services recommended that the Government buy them. Evidently, some members of the Senate Committee on Armed Services are opposed to the Government's buying them. Fortunately, or unfortunately, whichever position one wishes to take, the bill we are dealing with contains a section mandating the Government to purchase them. The Senator from Utah [Mr. BENNETT] has offered an amendment to strike out that section. I have offered an amendment in the nature of a substitute, not to strike out the provision, but to have the Department of Defense purchase them and pay for them in debentures rather than in cash.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. RUSSELL. The provision as it stands would require the Secretary of Defense, in effect, to take over the Wherry projects.

Mr. CAPEHART. Only if they are on a base which is to be a permanent one.

Mr. RUSSELL. Oh, well, I know the Senator from Indiana made that statement, but that is not what the law provides. The law provides that where the Secretary has approved or where he has determined the base to be a permanent part of the Military Establishment. The two permanent bases have been closed in the last 2 years, to the great sorrow of the Senators from Louisiana and Arkansas. If they were here, they could bear testimony to that fact.

I can understand a condemnation proceeding under existing law, in which the value is arrived at in dollars to be paid the owner. But what will be the case if a man who owns Wherry projects says, "I do not want your debentures; I want dollars"? That is an entirely new wrinkle in the condemnation laws of the land.

Mr. CAPEHART. Let me give a little history. The history of this section of the bill originated in the House. It was included in S. 57 in the House. The Members of the House were very, very strong for it. It was deleted in conference, however, because the House conferees were willing to wait until a study by the House Armed Services Committee and the Housing Subcommittee was completed.

I shall not make a big issue of this. I have no personal interest in it. I am trying to show both sides of the coin. I am trying to explain the matter as I understand it.

As a businessman, I would purchase the Wherry housing projects if I could purchase them by giving debentures which would not require any cash payments, and if I could replenish the value of my debentures with rents. That is what it amounts to. I do not like it. I know there has been a windfall in the Wherry housing. I was chairman of the so-called FHA Committee. As a result of that inquiry, 803 persons have already gone to jail. We found windfall profit after windfall profit. But that has happened. If there is a windfall profit there it is there, and it will stay there. This bill will not particularly change that situation one way or the other.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JACKSON. I appreciate the Senator's desire to try to find a solution of the problem. But, if I may submit my view, to pay in debentures would be clearly in violation of the Constitution. The Constitution has a mandatory provision with respect to the taking of property. The Government would not comply with the constitutional requirement of just compensation by the issuance of debentures. The way the bond market has been dropping, it would not be possible to provide just compensation under the Constitution, if I may say so. I do not think the Senator's proposal will stand the light of a simple constitutional test.

Mr. CAPEHART. What is the Senator's suggestion? I simply know that a problem exists and we are trying to solve it. What is the best way to handle it?

Mr. JACKSON. I merely submit that in its present form the Senator's proposal is not constitutional.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CLARK. Who would be the obligor of the debentures, under the Senator's amendment? In other words, who would issue the debentures?

Mr. CAPEHART. The Secretary of the Treasury.

Mr. CLARK. Would the debentures be Government bonds?

Mr. CAPEHART. Yes.

Mr. CLARK. They would not be FNMA debentures?

Mr. CAPEHART. No.

Mr. CLARK. They would simply be ordinary U.S. bonds?

Mr. CAPEHART. They would be 4-percent debentures. I am simply trying to get away from paying for the projects in cash.

Mr. CLARK. I understand; but the debentures would carry a 4-percent interest rate?

Mr. CAPEHART. Yes.

Mr. BENNETT. Mr. President, I yield myself 5 minutes.

I wish to make one or two points as clear as I can. I have great respect for the Senator from Indiana. I know he is trying to devise a program by which the impact on the Federal budget in the years immediately ahead will be lightened. But in terms of the total impact, the net effect of what he proposes seems to me to be very small.

Only about $15 million worth of these equities would be purchased. If the purchases were spread over 10 years, the $15 million would be cut down from the first year $1,500,000.

Earlier in the discussion I placed in the RECORD an estimate of the Housing and Home Finance Agency and the Department of Defense as to the cost of the proposal to buy Wherry housing. The total cost in fiscal 1960, including $14,500,000 to buy equities, would be $38.6 million.

If the Senator's amendment is adopted, in fiscal 1960 that would take out $13,500,000 and reduce the first year to $25 million. It would add $1,500,000 the second year and make that $38,500,000. It would reduce the total impact on the Treasury for the 2 years by about $12 million. But this is $12 million out of a cost of $75 million for the 2 years, and the balance would still be there for rehabilitation and for furnishing.

Mr. CAPEHART. The difference between the $12 million each year and the $75 million is the cost of rehabilitating.

Mr. BENNETT. That is what I am trying to say.

Mr. CAPEHART. Is that not true?

Mr. BENNETT. Yes. That is what I have said.

Mr. CAPEHART. But when these projects are rehabilitated, they are then brought into the scope of or placed on a par with Capehart housing, and then they amortize themselves, and the money is repaid.

Mr. BENNETT. That is the second point I should like to make. I hope the Senator will let me continue, so that I may make my comment.

Mr. CAPEHART. It will be necessary to rehabilitate this housing anyway, because the Federal Government has guaranteed the mortgage.

Mr. BENNETT. As long as they are private property, the Federal Government is under no obligation to rehabilitate them or to furnish them.

When they become Federal property, and when the Federal Government reaches in and takes the officer's or enlisted man's quarters to pay for the quarters which the Federal Government provides, then it has an obligation to put those quarters in shape.

The forecast of net expenditures over ten years, which is already in the RECORD, shows that after the second year there will be a net cost of the operation of this program to the Federal Government of $8,200,000.

The idea seems to be prevalent in some parts of the Chamber that this is an expense and that it will be offset by the rental income. But this is the difference after the rental income has been deducted from the expense, because after they buy the equity, they have to pay off the existing obligations. The Department of Defense estimates that, beginning with the second year, the cost to the Federal Government, after it has deducted the quarters allowance, will be $8 million a year. So this program will not pay itself out. This program will remain a cost to the Federal Government, because of the capital investment, plus the cost of rehabilitating and refurbishing, and then maintaining these quarters at the level at which the Federal Government would want to maintain them.

Returning to the proposal of my friend, the Senator from Indiana [Mr. CAPEHART], let me say that its effect will be limited, even if it is adopted. So it does not matter a great deal whether it is adopted or rejected. If adopted, it

would have a very limited effect on the total overall cost. It would simply mean that instead of paying $15 million the first year, the Government would pay $1,500,000 for each of 10 years. But this $15 million is only a small part of the $75 million the program will cost the first 2 years, and of the $140 million the program will cost in 10 years.

On that basis, I hope the Senate will reject the substitute amendment, which is not really a substitute; it is an amendment of one small part of my amendment, because it would change the method of financing the purchase of the equity; it would not, in effect, change my proposal that this whole program be rejected.

Mr. CAPEHART. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for an additional 5 minutes.

Mr. LAUSCHE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. The Senator from Indiana has stated that the Wherry housing program is a headache?

Mr. CAPEHART. Yes.

Mr. LAUSCHE. The Senator also stated that it is on the basis of good business practice that he recommends that the Government purchase this housing?

Mr. CAPEHART. Yes.

Mr. LAUSCHE. And that in the end the Federal Government will be economically better off as a result.

Mr. CAPEHART. Yes.

Mr. LAUSCHE. What is the headache aspect of this matter? Have there been some complications?

Mr. CAPEHART. The headache is that the 14,000 units we are discussing are built on Government-owned land, and the Federal Government holds the mortgage to these properties, and has guaranteed that it will keep 90 percent of the units occupied. But they are owned and operated by private individuals who are not maintaining the properties to the standards to which the Defense Establishment believes they should be maintained.

The able Senator from Utah [Mr. BENNETT] makes the point that if the Federal Government purchases the housing, it must immediately spend a great deal of money to rehabilitate them. If so, they must be in deplorable condition at the moment. Why are we asking 14,000 of our servicemen to live in these quarters, if they are in such bad shape that they must be rehabilitated? I do not understand that. I do not know why they cannot be purchased and used just as they are.

Mr. LAUSCHE. Then the headache is that the Federal Government some time ago believed that if it allowed private builders to construct the housing, and if it guaranteed the mortgages and guaranteed 90 percent occupancy of the housing, the Government would benefit by that program; is that correct?

Mr. CAPEHART. Yes. That was the Wherry program, which was enacted in 1945 or 1946. But it has proven to be unsatisfactory, for the reasons I stated a moment ago.

Mr. LAUSCHE. Today the Federal Government finds itself the guarantor of the mortgages, and thus is on the hook; is that the point? Is that likely to happen in the future, in the case of other of the guaranties the Federal Government is making? Certainly that is a question which is worthy of our consideration.

Mr. CAPEHART. It will not happen in the case of military housing; no.

Mr. LAUSCHE. I should like to subscribe to the proposal of the Senator from Indiana. He is trying sincerely to work out a lighter burden for the Federal Government.

But I must concur in the statements made by the Senator from Georgia and the Senator from Washington, who have said that, under the Constitution, an owner whose property is taken by the Government cannot be compelled to accept bonds in payment for it. Instead, he must be paid in U.S. currency.

Mr. CAPEHART. Mr. President, are the Senators who are on the Armed Services Committee, and who object to mandating the Government to buy the Wherry housing projects, willing to have the Government buy them and pay cash for them? Or do those Senators prefer that the Government pay for them by means of bonds? Is the Senator from Utah interested in saving the Federal Government money, or is he simply opposed to having the Federal Government take over the Wherry projects?

Mr. BENNETT. I am against having the Federal Government take over the Wherry housing projects; and I have before the Senate an amendment which will have that effect. If the Wherry projects were taken over, I do not think there would be any particular virtue to paying for them with bonds, rather than with cash. I am not a lawyer, but I am impressed by the statement made by Senators on the other side of the aisle who are lawyers, who say that this bond proposal is, in effect, unconstitutional.

The PRESIDING OFFICER. All available time on the amendment of the Senator from Indiana to the amendment of the Senator from Utah [Mr. BENNETT] has been used.

Mr. CAPEHART. Mr. President, I withdraw my amendment to the amendment of the Senator from Utah.

The PRESIDING OFFICER. The amendment of the Senator from Indiana to the amendment of the Senator from Utah has been withdrawn.

The question now recurs on agreeing to the amendment of the Senator from Utah [Mr. BENNETT]. On this question, the yeas and nays have been ordered. All time available on this amendment has been used; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Wyoming [Mr. O'MAHONEY] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Louisiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The result was announced—yeas 56, nays 39, as follows:

YEAS—56

Aiken	Hart	Mundt
Allott	Hartke	Muskie
Anderson	Hickenlooper	Neuberger
Bennett	Holland	Pastore
Bush	Hruska	Prouty
Byrd, Va.	Jackson	Robertson
Cannon	Jordan	Russell
Carlson	Keating	Saltonstall
Case, N.J.	Kefauver	Schoeppel
Case, S. Dak.	Kuchel	Scott
Church	Langer	Smith
Cooper	Lausche	Stennis
Curtis	Long	Talmadge
Dirksen	McCarthy	Thurmond
Dworshak	McClellan	Wiley
Ervin	McGee	Williams, Del.
Fulbright	Magnuson	Young, N. Dak.
Goldwater	Martin	Young, Ohio
Gore	Morton	

NAYS—39

Bartlett	Engle	McNamara
Beall	Frear	Mansfield
Bible	Green	Monroney
Butler	Gruening	Morse
Byrd, W. Va.	Hayden	Moss
Capehart	Hennings	Murray
Carroll	Hill	Proxmire
Chavez	Humphrey	Randolph
Clark	Javits	Smathers
Cotton	Johnson, Tex.	Sparkman
Dodd	Johnston, S.C.	Symington
Douglas	Kennedy	Williams, N.J.
Eastland	Kerr	Yarborough

NOT VOTING—3

Bridges	Ellender	O'Mahoney

So Mr. BENNETT's amendment was agreed to.

Mr. BENNETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUSH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF CODE TO CLARIFY TYPES OF ARRESTMENT PROHIBITED WITH RESPECT TO WAGES OF U.S. SEAMEN

Mr. MAGNUSON. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House on S. 1958.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen, which were to strike out all after the enacting clause and insert:

That the second sentence of section 12 of the Act of March 4, 1915 (38 Stat. 1169; 46 U.S.C. 601), is amended by striking out the period at the end thereof and inserting a colon in lieu thereof and the following: *"And provided further,* That no part of the wages due or accruing to a master, officer, or any other seaman who is a member of the crew on a vessel engaged in the foreign, coastwise, intercoastal, or noncontiguous trade shall be withheld pursuant to the provisions of the tax laws of any State, Territory, possession, or Commonwealth, or a subdivision of any of them."

And to amend the title so as to read: "An Act to amend section 12 of the Act of March 5, 1915, to clarify types of arrestment prohibited with respect to wages of United States seamen."

Mr. MAGNUSON. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. PASTORE, Mr. ENGLE, Mr. BARTLETT, Mr. BUTLER, Mr. MORTON, and Mr. SCOTT conferees on the part of the Senate.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. SPARKMAN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 83, beginning with line 18, it is proposed to strike out all through line 2 on page 85 and insert in lieu thereof the following:

SEC. 703. Section 404(c)(2) of the Housing Amendments of 1955 is amended by striking out the matter preceding the first colon in the third sentence and inserting in lieu thereof the following: "The amount of such deposit in any case where the sponsor or owner has not certified the cost of the project to the Federal Housing Commissioner at the time of the enactment of this Act, shall be determined by the Secretary of Defense, or his designee, in accordance with the Act of February 26, 1931 (46 Stat. 1421), with a view toward accurately estimating the equity of the sponsor or owner".

Mr. SPARKMAN. Mr. President, I yield myself 3 minutes.

A few minutes ago, in the course of the debate on the preceding amendment, I stated that it was my purpose to offer a substitute for the second part of the Wherry program, the one relating to just compensation when property is taken through condemnation. This is the substitute I offer for the language in the bill. It has been drafted by members of our committee, the Armed Services Committee, and the Government Operations Committee. I believe it is agreeable to all, and I offer it in the belief that it would help to improve the law which has recently been enacted.

I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I agree with the Senator from Alabama with reference to this amendment. I note the presence in the Chamber of the Senator from South Dakota [Mr. CASE], who has just entered the Chamber. I was about to say that this is a subject on which he has done a great deal of very constructive work, and I hope he has had an opportunity to look into the amendment.

The amendment would merely add a few words of direction to the law which was passed 3 or 4 weeks ago, to which we referred in the debate on the Bennett amendment. I think this language fully carries out the purposes of the formula which was agreed upon in the previous law, the Military Construction Authorization Act. I believe it makes more clear the intent, and points out the measure of the equities to be followed by the Secretary of Defense.

Mr. CASE of South Dakota and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield; and, if so, to whom?

Mr. STENNIS. I yield first to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, first let me express my appreciation for the kind remarks of the Senator from Mississippi. I regret that my train was delayed for 3 hours, and I reached the Chamber only in time for the previous vote.

I understand that the provision with respect to Wherry housing is mandatory.

Mr. STENNIS. The Senator is correct.

Mr. CASE of South Dakota. I am not familiar with the full text of the amendment. Does it also strike out the provision in the bill relating to deposits?

Mr. STENNIS. The amendment offered by the Senator from Alabama does not change the present law, as it was enacted 3 or 4 weeks ago, with reference to the deposit. The amendment pertains to the way of measuring the amount which is to be reached when it comes to valuing the equity of the owner.

Mr. CASE of South Dakota. That objective seems to me to be desirable. However, I should like to ask the Senator from Mississippi whether or not the bill, if amended by this amendment, would still give the Government the protection which the Senator from Mississippi was instrumental in seeing that it should have, by providing for a bond which would indemnify the Government against a final award which was less than the deposit.

Mr. STENNIS. The provision with reference to the bond will remain in the law. It will not be affected by this amendment. It will be retained in the law.

Mr. CASE of South Dakota. Certainly it should be retained.

It is a most constructive suggestion by the Senator from Mississippi that the Government should have bonded protection against a deposit exceeding the appraisal or the award.

As I understand, in the Military Construction Act, the Government is also protected by a bond for the interest which would have been earned by the excess payment. Does that protection still continue?

Mr. STENNIS. That protection still continues in the law.

The Senator from Mississippi did not know that the Senator from South Dakota was in the Chamber, or he would have asked more time in order to submit the amendment to him.

For the information of the Senate as a whole, as well as the Senator from South Dakota, the amendment adds to the present law the following words:

With a view toward accurately estimating the equity of the sponsor or owner.

That is a guideline for the Secretary of Defense. It is spelled out, word for word, as a guideline for the Secretary of Defense.

Mr. CASE of South Dakota. As I understand, the bonding provision is still protected.

Mr. STENNIS. The Senator is correct.

Mr. CASE of South Dakota. I thank the Senator.

Mr. GORE. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Tennessee.

Mr. GORE. I congratulate the able Senator from Mississippi, and also the junior Senator from Alabama, for drafting this provision. However, I wish to be sure that it does not condone or permit the taking of property and the payment into a court of only $1, as was the case in at least one instance, if not more.

Is not the purport of the amendment of the Senator from Alabama, coupled with the provision so recently written into law under the authorship of the Senator from Mississippi, in the direction of a requirement that equitable settlement shall be the goal? Would not that, in itself, tend to require a more equitable payment into court upon the taking?

Mr. STENNIS. I think the Senator has correctly stated the situation. Under the present law, with this amendment, the services could not go into court and offer a token payment of $1. There must be an actual effort at valuation on a fair basis. The owner can draw the money down, but he must give a bond to insure the Government in case there is an overpayment.

Mr. GORE. Then this amendment would not operate as a windfall or bailout, but would protect the rights of the Government as well as the rights of the property owner.

Mr. STENNIS. The Senator is correct; and the wording added by the Senator from Alabama refers to "accurately estimating the equity of the sponsor or owner." Those are strong words.

Mr. GORE. As I understand, equity means something more than the ultimate value. It includes the process involved in paying into court a reasonable amount.

Mr. STENNIS. That is true. I do not know of any better word to use than the word used by the Senator from Alabama, namely, "equity." It has a good meaning in law.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SPARKMAN. I ask the Senator from Mississippi if it is not true that under the wording of the entire act, of which this amendment would be a part, it is contemplated that the Secretary of Defense will deal in good faith?

Mr. STENNIS. Absolutely.

Mr. GORE. Good faith would be beyond any token payment. It would have to be a good faith payment.

Mr. STENNIS. It would have to be a payment in good faith. A token payment into court would not meet the requirements of the law, and therefore would not be "within line of duty."

Mr. BENNETT. Mr. President, I ask the Senator from Alabama [Mr. SPARKMAN] if he will yield me 1 minute.

Mr. SPARKMAN. Certainly. I yield 2 minutes to the Senator from Utah.

Mr. BENNETT. The Senator from Utah and the Senator from Alabama have been fencing vigorously for 2 days. I am happy that we have reached the point where the Senator from Utah can join the team of the Senator from Alabama. Perhaps if the Senator from Alabama instead of the Senator from Utah had been offering the amendments all along, we might have had an easier time of it.

I believe that the amendment of the Senator from Alabama, in combination with that offered by the Senator from Utah, will be an excellent solution to the problem, and I am happy to support the amendment of my friend from Alabama.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. SPARKMAN. I yield 3 minutes to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I hope the pending amendment will not be agreed to. I believe that the language in the bill is fair to both sides. If the Secretary of Defense makes some kind of report as to, perhaps, the top figure which he is willing to pay for the property, the person from whom it is condemned can receive only 75 percent of that amount.

I am aware of a case in Tennessee in which constituents of mine have a Wherry project. They were operating it successfully, and the Seward Air Field authorities were pleased with the operation. But after it was decided that the Government should take back all the Wherry properties, the property was condemned, and a deposit of $1 was made in court. The property, according to some estimates, was worth considerably more than $1 million. That is not fair. Under existing law, as I understand, the administrative agency can make any decision it wishes, and the courts will sustain it. In this case the decision was to make a deposit of $1. The judge said that was unreasonable, that it was not a deposit at all; whereupon I believe the Government deposited approximately $180, which was nowhere near a reasonable or adequate amount.

I think the rights of these people to have a reasonable amount deposited so that they can withdraw it ought to be taken into consideration, and it would seem to me that 75 percent of what the Defense Department itself said that it might be willing to pay for the property would not be an unreasonable amount.

I say to the Senator from Mississippi [Mr. STENNIS], who has worked on this matter a great deal, that if he feels 75 percent might be too high, reduce it to 65 or some lower amount, but I think there must be some protection afforded to these people other than the present law which, as we have seen, has been flaunted, at least in the case that I know about and in other cases.

This is working a great hardship upon the owners of the property that I am referring to. Their property is tied up. They cannot get a decision. They have only one judge in that district, and he has been sick for a long time.

The way this is, first one dollar was tendered into court, and then later on an entirely inadequate amount. These people have to sit there and wait for years and years until the condemnation proceedings can be acted upon, and I think it is not unreasonable to ask the Air Force in this case, the Government, to deposit 75 percent of the amount they reported to the committee of Congress they would be willing to pay in order to acquire the property.

If the Senator thinks 75 percent is too high, then let us reduce that figure, but at least pay them some definite amount so that there will be some measure of protection.

I hope the Senate will not vote favorably for this amendment, and then we can consider whether the 75 percent figure should be reduced or considered further.

Mr. SPARKMAN. I feel very strongly about this subject. As a matter of fact, I feel very much as the Senator from Tennessee feels.

However, the Senator from Mississippi pointed out some things to me with reference to the manner in which these cases are handled. Furthermore the Senator from Mississippi referred to the language which was enacted into law about 2 weeks ago—that is Public Law 86–149. I am sorry the Senator from Tennessee was not here a few minutes ago when we engaged in colloquy in which the Senator from Mississippi clearly said that the kind of token payment referred to by the Senator from Tennessee, could not be made now under the law because the Secretary of Defense must act in good faith.

Mr. KEFAUVER. I know something about the change in the law, but that has not changed the conduct of the Secretary of Defense.

Mr. SPARKMAN. The legislation to which I refer has just been written into law in the last 2 or 3 weeks.

Mr. KEFAUVER. The fact remains that as of the present time they have taken the property, property of many of my good constituents in Tennessee, in which there is no windfall involved on their part. They are entitled to be compensated, and they are still sitting there, as they have been for a long time, with not even enough deposited into court to pay their taxes. I say it is entirely unfair.

Mr. SPARKMAN. I am familiar with the case to which the Senator refers. I am and have been in sympathy with the owners involved, but I feel that we have worked out the very best that we could possibly get into this bill.

Mr. KEFAUVER. What is the matter with paying 75 or 70 percent——

Mr. SPARKMAN. I do not think there is anything wrong with such a suggestion.

Mr. KEFAUVER. Of the amount the armed services, the Secretary of Defense, said they would be willing to pay for the property?

Mr. SPARKMAN. I want to go along with the language in the bill. I think it is the best that we could get through, and I think we worked out the best compromise we could.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SPARKMAN. I yield back any time that may be remaining.

Mr. BENNETT. I yield back all the time remaining to us.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BENNETT. Mr. President, the Senate has been very patient with the Senator from Utah and the Senator from Connecticut over the past 2 days. The Senator from Utah feels that he would like an opportunity to sum up the program on which he has been working, and for that purpose he makes a motion to recommit, and I yield myself such time within the 15 minutes as I may require.

Mr. SPARKMAN. Will the Senator yield to me?

Mr. BENNETT. Yes.

Mr. SPARKMAN. There was one other amendment.

Mr. BENNETT. I will be glad to withhold my motion.

Mr. SPARKMAN. I thank the Senator for withholding his motion until I offer this amendment.

Well, I will offer the amendment for myself and the Senator from Indiana [Mr. CAPEHART].

I think this is in keeping with the views that have been expressed by the administration, so I earnestly hope it will be supported by the Senator from Utah. I may say that this amendment is not in complete accord with my own feelings in the matter.

Mr. President, I will send forward the amendment in order that there may be pending business.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The following amendment has been proposed:

On page 28, beginning with line 20, strike out all through line 15 on page 29.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

We had in the bill which was vetoed by the President a requirement—the Senate may recall—which would have required the Federal National Mortgage Association to continue to purchase special assistant mortgages at par.

The President took exception to this provision. This was one of the items he particularly mentioned in the veto message.

We tried to work out something in the subcommittee, and I will say to the Senate that we had a most difficult time. The subcommittee came up with certain language that would have eliminated the par purchase requirement but at the same time allow those charges, fees, and discounts connected with the closing of a loan to be included in the mortgage debt itself if such mortgage were eligible for purchase by the Federal National Mortgage Association under its special assistant functions.

I believe anyone can understand that there would be some objection to this procedure—some difficulty in the administration of such a provision. When the full committee considered this matter, the subcommittee's provision was amended so that mortgages eligible for purchase under the special assistance functions of the Federal National Mortgage Association could contain these fees, charges, and discounts regardless of whether such mortgages were purchased by the Association. The bill before us contains this provision.

It is my understanding—I do not have any direct information on this—that the administration actually would rather have this provision deleted; that is, have it stricken from the bill. Certainly I know that this provision has caused some disturbance. I had a long memorandum from the House of Representatives to the effect that the House committee was concerned about this provision. I therefore thought the provision ought to be called to the attention of the Senate, and that we should discuss it.

My amendment would delete the provision with the idea that next year we can make a complete study of this matter. I have a feeling, and I have had this for some time, that we would get a better housing program if all of the charges in connection with the closing of a mortgage—the actual charges—might be made a part of the mortgage debt, including a single premium for insurance.

I am not sure that I would be for the kind of program I mentioned until I studied it very, very, carefully, but I think it is something that does bear study. I suggest that we carry this matter over to next year. In the meantime we may study it with that in mind, and for that reason I have offered this amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. As the Senator knows, this was a problem which gave the committee a great deal of difficulty. I do not know that in the end any of us were particularly well satisfied with the solution. The Senator from Alabama and I were in favor of maintaining par purchases. In this view we met with the opposition of the President, and we met a good deal of opposition from colleagues in the Senate and House. So par purchases were taken out of the bill.

If we are not to have par purchases, then what comes next? It seems that if we are to allow FNMA discounts, fees, and service charges, we ought to make it possible, at least in the special assistance field, for a mortgagor who is willing to do so, but who cannot raise the cash, to include the amount of fees and charges in the amount of his mortgage, and then simply let him continue to pay a little longer until the entire amount is all taken off. That, in effect, was what the subcommittee did. It confined this privilege to FHA insured mortgages purchased by FNMA in connection with the special assistance functions.

Although I do not believe this is a utopian or a perfect suggestion, I believe that, on the whole, the solution which the subcommittee reached was the best of the alternatives which now confront the Senate. I agree thoroughly with the Senator from Alabama that the decision in the full committee to broaden this proposal, so that it would cover all mortgages, whether they were financed in the private market or through FNMA for special assistance function, goes too far and would simply be an inducement to increase further the discounts, depress the market, and make the poor old mortgagor pay more than he ought to pay.

I have an amendment which I should like to offer at the appropriate time. It would return the situation to what it was when the bill left the subcommittee. It would provide for the funding of charges and fees, but only with respect to mortgages purchased by FNMA in the course of the operation of its special assistance functions. I hope the Senator from Alabama will feel, on reflection, that he can accept the amendment, so that we may see how the proposal will work for a year, rather than to say that no one will be allowed to fund fees and discounts, and thus, I fear, work rather substantial injustice on cooperatives and other special assistance utilizers who will not have an opportunity really to get their mortgages disposed of if they cannot fund the charges and are left to the tender mercies of FNMA or private market inducements to increase discounts and charges.

I do not think this is the kind of situation in which we can be categorical or can be certain as to who is right or wrong.

On balance, I should like to ask the Senator from Alabama whether he would not be prepared to accept that solution.

Mr. SPARKMAN. I do not believe I could, even though I must say that my sympathies lie along that line. One reason why I feel we ought not to go backward today is that the administration opposes the provision in the bill. It is my understanding that the administration feels that all these mortgages now would be channeled into the Federal National Mortgage Association. This would, in effect, almost amount to par purchase, the very thing which the administration opposes. We are trying, whether some of our friends believe it or not, as we have tried all the way through, to produce a bill which would, insofar as we are able to do, meet the objections of the administration.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. SPARKMAN. Yes, if I still have time.

Mr. CLARK. I have come to learn, over the course of this long, long session, that when I find myself in opposition to a combination of the administration and the distinguished junior Senator from Alabama, there is not much chance of success. Therefore, I withhold my amendment.

Mr. SPARKMAN. Mr. President, I am ready to yield back the remainder of my time.

Mr. BENNETT. I should like to take the second opportunity in the last 15 minutes to congratulate the Senator from Alabama on the course he has taken.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Utah.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer several amendments which are purely technical in nature, such as the changing of punctuation marks and the like. I ask that the reading of the amendment be dispensed with, and that they be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendments will be printed.

The amendments are as follows:

On page 23, in line 14, strike out "title" and insert in lieu thereof "Act".

On page 35, line 7, strike out "exced" and insert in lieu thereof "exceed".

On page 35, line 18, strike out "section" and insert in lieu thereof "Section".

On page 43, line 3, strike out "such" and insert in lieu thereof "the National Housing".

On page 47, line 4, strike out "facilitiates" and insert in lieu thereof "facilitates".

On page 78, line 20, strike out "subsection" and insert in lieu thereof "subsections".

On page 97, line 2, after "(42 U.S.C. 1587)" insert a comma.

Mr. BENNETT. Mr. President, I yield back my time on the amendments.

Mr. SPARKMAN. I yield back my time on the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Alabama.

The amendments were agreed to.

Mr. BENNETT. Mr. President, I renew my motion to recommit the bill. I yield myself as much of the 15 minutes allotted to me as I may need.

First, may I inquire if there are any other amendments to be offered, because I expect that my motion to recommit may be the last activity before the vote is taken on the bill.

Mr. President, we are working today in a rather peculiar situation. S. 57 was passed by both Houses, was sent to the White House, and was vetoed. We are now working on the bill which was developed as a substitute for S. 57.

The committee has presented a new bill to the Senate, and that bill does not completely meet the objections which

the President urged in his veto message of S. 57. At the beginning, I pointed out that, by my analysis of the veto message, there were some 22 objections. When we began to discuss the bill, six of those objections had been met, and six had been compromised in one way or another. The remaining 10 had been neither met nor compromised.

By our vote on the Wherry housing proposal, we have increased by one the number of objections which have been met. So seven objections have been met, and nine remain unsatisfied.

Today, both in the discussion with the majority leader and with members of the Republican Party, it has been made plain that there were four remaining problems which, if they were not corrected, might lead the President seriously to consider a veto of the new bill. We started out with five objections to be met; we have now met three. One of those problems had to do with the expiration date of FHA. We met that objection part way yesterday, but in such manner as I am certain would not lead the President to any rejection of the bill.

By eliminating Wherry housing, we have met another of the President's five most important objections. There are three left. Those three include the college classroom proposal. We voted on that yesterday in two forms, but by a vote of approximately 50 to 40, the proposal to eliminate college classrooms from the bill was rejected.

This afternoon the Senator from Connecticut [Mr. BUSH] offered an amendment to end the so-called back door financing of urban renewal. The President objected to that proposal most seriously, and it was on his list. That amendment was not put to a record vote, but was rejected by means of a voice vote.

The other one on the President's list we did not bring up for a vote, because it was obvious that that amendment would have met the same fate that the other amendments met. That amendment related to the proposal for direct loans for housing for the elderly. We had some debate on that subject when consideration of the bill began, on yesterday. For the record, I should like to make one or two observations on that matter at this time.

This part of the bill would provide a $50 million authorization for direct Federal loans for nonprofit housing for the elderly. The loans could equal 98 percent of the cost, could mature in 50 years, and would bear an extremely low interest rate. Under present market conditions, the rate would be 3⅛ percent, which is far below any rate conceivably available in the private market.

Because those terms would be so very favorable to the borrowers, the immediate effect of that provision would be a mass shifting of the applications from the FHA mortgage insurance program for rental housing for the elderly to the new direct loan program. In short, the FHA program for housing for the elderly would, in practice, then be abandoned; and those who made applications for loans for the construction of housing for the elderly would use the direct loan program, and would soon exhaust the $50 million. I am sure that would happen, because under existing law, until June 30 of this year, 56 applications for FHA authorizations for housing for the elderly had been received, and they total more than $55,500,000. Of these, approximately $35 million have been committed, and $23 million worth of the applications have been insured.

As of March 31 of this year, there were an additional 43 projects for the construction of housing for the elderly on which firm proposals were contemplated to be transformed to applications in the near future. So it can reasonbly be estimated that if the direct-loan program had not been adopted by the end of the fiscal year the FHA program would have put into effect at least $100 million worth of loan guarantees for housing for the elderly.

But the Senate in its wisdom rejected so many of the President's proposals that, as I have said, we did not bring up this one, for I am sure it would have suffered the same fate.

We find that now the Senate is ready to vote on the bill, and no further amendments are to be proposed.

However, from the President's viewpoint and from that of his advisers, the bill contains three provisions to which he seriously objects—namely, the provision for direct loans for housing for the elderly, the provision for loans for college classrooms, and the provision for back door financing for urban renewal.

The only way by means of which these objections can now be cured, if we wish to cure them, is to recommit the bill and have the committee restudy these three provisions, in particular, and make whatever changes the committee might believe to be desirable.

If the Senate decides not to recommit the bill—and, frankly, I am not under any illusions as to what decision the Senate will make, in view of the votes which already have been taken—then the bill which goes to the House of Representatives will contain these three provisions to which the President has indicated his objections.

We can only hope that in that case the House of Representatives will take into consideration the legislative history the Senate has made and the President's objections to these provisions. Certainly, it would be tragic if the President were to be faced with the responsibility of vetoing this bill during the closing weeks of the session. Not only would that damage the loan and grant provisions, but it would be very dangerous to the basic FHA program, which has just about reached the end of its legal authorization for the insurance of mortgages. I do not know how close the end of that authorization is, but I am sure that if this session of Congress ends without the enactment of such a housing bill, that authorization limit will be reached long before the Senate will have an opportunity in the next session to make adequate authorization.

I appreciate the patience of my colleagues, particularly the patience of the chairman of the committee and the patience of the chairman of the subcommittee. I also appreciate the opportunity I have had to make this summary.

Again, I express the opinion that the bill still contains three provisions which are distasteful to the President. The President has made it clear, not only to me, but also to the majority leader, the opposition which the President has to these provisions.

On that basis, Mr. President, I am willing to close my remarks on the bill and on the motion to recommit; and I am prepared to yield back the remainder of the time available to me.

In conclusion, I wish to say that I think we wish to have just one more yea-and-nay vote taken. So far as I am concerned, I do not care whether that vote is taken on the question of agreeing to my motion to recommit or on the question of the final passage of the bill. However, in order to test the attitude of the Senate, I ask for the yeas and nays on the question of agreeing to my motion to recommit.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, if the Senator from Utah will yield to me, I wish to ask that the yeas and nays be ordered on the question of the final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. BUSH. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. First, let me ask how much time remains under my control.

The PRESIDING OFFICER. The Senator from Utah has 5 minutes remaining under his control.

Mr. BENNETT. Mr. President, I am happy to yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I thank the Senator from Utah and I compliment him for the excellent summary he has made of this measure. I agree with everything he has said. I also compliment the Senator from Utah upon the vigorous prosecution of his position, in which I have joined him, during both today and yesterday.

In addition to the principal three objections which the Senator from Utah said the President has to provisions which remain in the bill—I refer to those which are most earnestly objected to by the administration—let me point out that the bill also contains other provisions which likewise are very objectionable to the President. I offered amendments in regard to three of them, but those amendments were rejected.

One of my amendments would have eliminated from the bill the unsound provisions in regard to payment for land in urban renewal areas used for low-rent public housing.

Another of my amendments would have eliminated from the bill the provisions which would give windfalls to cites for land purchased by colleges or universities.

Another of my amendments would have eliminated from the bill the pro-

visions which would permit communities to obtain credit for public works, regardless of whether they were planned as parts of an urban renewal project.

I have mentioned only a few of the provisions which remain in the bill which I think the committee should reconsider and should strike from the bill, so as to insure that housing legislation will be enacted this year.

I have repeatedly stated that the administration is very anxious to have a good and an adequate housing bill enacted into law. The administration has the responsibility of relating the needs for housing to the needs in other areas—for instance, to the needs as regards defense, agriculture, the Veterans' Administration, and various other programs and areas for which the needs are very large and very demanding. Each one of these needs has to be considered in its proper place, in relation to the others. That has been the principal responsibility of the President, and that is why he has taken the position he has in regard to these housing issues. He believes that the provisions he favors will be adequate to the needs of the Nation, as viewed by him and by his administration from the vantage point of the position they occupy.

Mr. President, I believe the President has correctly analyzed the situation and has correctly related the needs in the housing field to the other needs. Certainly someone must do so; and the Congress does not have sufficient opportunity to do it, for the Congress does not have a chance to view all these needs, relative to each other, in the way that the President does. But the President does, and I think in doing that this year he has done it wisely and generously, so far as housing is concerned.

The testimony we had in the hearings from those who have to administer the housing laws indicates that the program which was sent to Congress by the President would provide adequate housing in the various fields in which the Government engages in housing.

I very much hope that the Senate will vote to send the bill back to committee, where once again it may have careful attention and where some of the provisions which are so objectionable may be taken out of the bill before it comes back to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit.

Mr. SPARKMAN. Mr. President, I yield myself such time in opposition to the motion as I may need, and I shall be very brief in my presentation.

I do not feel it is necessary to say again, as I have said many times in the course of the consideration of this bill, that we have gone a long, long way toward meeting the President's objections. We studied his objections. We held hearings on them. We studied them in detail. We had the administration's officials testify before the committee. This bill represents a measure which goes a long distance toward meeting those objections.

I have heard Senators on the other side of the aisle say, from time to time, that there are objectionable features in the bill. I do not believe the President of the United States would expect us to pass a bill here in the Senate that meets with his approval 100 percent. I have never seen a bill of that kind go through Congress. At least, very few bills have gone through Congress that would have met my objections 100 percent. I have seen bills I sponsored which, by the time they went through committee and Congress, would be amended so greatly that I would hardly recognize them. However, just because I did not get everything I wanted, it does not mean I shall stop introducing and supporting bills offered by others.

I think the President has shown a reasonable disposition toward housing legislation as indicated by the remarks he made at Gettysburg a few days ago, in which he said, in essence, that he did not expect every detail to be in accord with his wishes. This bill is not that kind of a bill. Perhaps many items in it are not in accord with the President's wishes, but the overwhelming majority of the items in the bill are in accord with the President's wishes as expressed to us.

The Senate has done everything it can, or it will have done everything it can, under the Constitution, in respect to this bill. It will have exercised its discretion in shaping legislation with regard to which the President has made recommendations. Certainly, sending this bill back to the committee would not produce the kind of bill which the President would approve of 100 percent.

Mr. President, I yield 2 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I rise in opposition to the motion to recommit and in support of the bill.

We are all very deeply troubled over whether the President will veto the bill. That is the real issue we face. I do not think there is much question about the fact that a majority of us felt that S. 57 was a correct prescription to meet the housing needs of the Nation.

I express the hope that very careful consideration will be given by the President and his advisers to the bill now before the Senate, because having taken into consideration the actualities, we have gone a great deal of the way toward meeting the President's views.

I am deeply distressed over the possibility that we might have a parallel of what we had last year, and have no bill at all. That difficulty is compounded by the fact that we have no FHA authorization, and we face the grave danger that we may have to settle for some kind of an extension resolution.

We are all delighted with the fact that the recession has come to an end and that there is a forward march in the economic existence of the United States, showing again its magnificant virility and vitality; but 37,000 units in housing is one of the critical components of this economic system. We have managed to carry on with the leavings, with enough to carry us through the recession, but the cup has run dry.

In the rest of the 2 minutes which remain to me, I plead with my colleagues and the administration not to tempt fate. The United States is on the slopes of a great recovery in economic terms, and that recovery is very much involved with the foreign and domestic policies of the United States. Let us here or this administration not tempt fate by having another year in which we shall have no housing at all, and this not until, but after, the cup has run almost dry.

I hope very much the administration feels we have proceeded in the spirit of compromise, that we have deferred to him in cutting down public housing and urban renewal provisions; and that the President, after deep consideration, as he did in the case of the railroad retirement bill, though he may feel he does not like it at all, as he probably will, will feel the bill is worth signing into law. I believe there is such a good chance it will happen that I shall support the bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. Mr. President, may I ask the Senator from Indiana if he desires a couple of minutes?

Mr. CAPEHART. I shall vote against the motion to recommit.

Mr. SPARKMAN. I yield to the Senator such time as he may need.

Mr. CAPEHART. I do not know whether we want a housing bill or not. Personally, I think if we want a housing bill, this is as good a bill as we can get when we take into consideration the differing needs of the 49 States, and a new proposed State, Hawaii.

I think compromises have been made in every direction. Housing is a long-time proposition. Urban renewal is a long-time proposition. I think if we want a housing bill, this is a fair housing bill. I can well understand why some persons do not want a housing bill, and I am one who believes that perhaps we could get along without a housing bill. That is something else again. If we really want a housing bill, I think it would be rather difficult to get a better bill than the one now before the Senate. We might get a better housing bill if the matter were turned over to me and I were permitted to draft a bill. I possibly could get a better housing bill, but others besides me have ideas. I do not quarrel with their ideas. I think this is as good a housing bill as we can get.

I shall vote against the motion to recommit and for the bill.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield to the Senator from Virginia such time as he may need.

Mr. ROBERTSON. Mr. President, I object to three items in this bill which were mentioned by the distinguished Senator from Utah. I tried to get them out of the bill in committee, and failed. I tried to get those items out of the bill on the floor of the Senate, and failed. I think I know our committee, because we have wrestled with these problems on two different occasions this year.

If I thought that by sending the bill back to committee we could promptly bring out of the committee a bill that did not have provision for classroom housing, that did not have provision for direct

loans, and that wiped out back door financing—and I mentioned that subject in my talk yesterday—I would vote to recommit the bill.

What do we have? We have five Republicans on the committee. Two of them have already said they will not vote for a different bill. That leaves three Repubicans. How many do I have on my side? Only myself. That makes a total of four, at the most, and I am not sure of all those. [Laughter.]

That is just an example of the problem of sending the bill back to the committee.

In my opinion, if the motion is agreed to and the bill is sent back to the committee, it will simply be a delaying action.

I have promised the builders of this Nation, those who finance the homes of this Nation, that I would do what I could, before adjournment, to give them a bill to continue FHA financing. There are 1 million jobs at stake. There are hundreds of millions of dollars worth of supplies at stake. There is an urgent need for new homes, with a rapidly expanding population.

I have not been able to obtain the kind of bill I would prefer, but I have done what I promised to do. I called a meeting of our committe promptly. I urged as strongly as I could that we not invite another veto. I said, "Let us make some concessions to the Presidential point of view. Let us take out the things the President finds most objectionable." We took out over half of them, and perhaps two-thirds of them.

Three other items have been mentioned. I personally do not think the President will veto the bill on account of those three features. I cannot speak for the President, but I must speak for myself. We will not be doing anything other than delaying a final action on a very essential bill by sending the bill to the committee.

If we could change the bill I would vote to send it to the committee. Since I am convinced it would be only a delaying action, and since I feel that I have not yet fully carried out my promise to do what I could to get the FHA program, which is so urgently needed, continued, I shall vote against the motion to recommit and I shall vote for passage of the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. What was the amount in the original bill (S. 57) for college classrooms?

Mr. ROBERTSON. Sixty-two and a half million dollars.

Mr. LAUSCHE. In the original bill there was $62½ million provided for classrooms, and the bill now before the Senate provides $50 million.

Mr. ROBERTSON. The first bill also had the indirect, back door financing, and this bill provides for going through the appropriations process. Fortunately, I am on the Appropriations Committee, and we will get another look at that matter.

Mr. LAUSCHE. Yes. However, the principle under which the President vetoed the bill, with respect to this item, was that the Government was entering into a new field of what we might call subsidizing or lending, which he thought should not be done?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. The Senator from Virginia agreed with the proposition that we ought not enter into the new field?

Mr. ROBERTSON. Yes. In the committee by a majority of one we took that out, and then the committee reversed itself and by a majority of one left it in.

Mr. LAUSCHE. With respect to the item of $50 million for direct loans to build dwellings for the aged, may I ask how much was provided in S. 57 for that item?

Mr. ROBERTSON. The same amount; $50 million.

Mr. LAUSCHE. And the same principle applies with respect to this item; it is a new operation?

Mr. ROBERTSON. It is a new operation.

Mr. LAUSCHE. The President said we ought not enter into these new operations.

Mr. ROBERTSON. There was a feeling—it was not shared by all members of the committee, but it was shared by the chairman—that giving a subsidized loan at a rate of interest less than the market price would cause the building of fewer houses, because it would eliminate the FHA program, which had already built for the elderly more houses than the $50 million would build.

Mr. LAUSCHE. I have in my hand a transcript of the testimony. On page 220 there is described the great progress which was made in Cleveland in building houses for the elderly by guaranteed mortgage loans and not direct loans.

Mr. ROBERTSON. It was felt that there was misplaced sympathy. We all want to see the elderly housed, but not all of us think the program is moving in the proper direction.

Mr. LAUSCHE. The Senator from Virginia agrees with the principles set forth by the President with respect to these new projects?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, will the Senator yield me 2 minutes from the time on the bill?

Mr. DIRKSEN. Mr. President, how much time is left on the bill?

The PRESIDING OFFICER. The proponents have 36 minutes remaining and the opponents have 34 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Virginia is still of the opinion that the President was correct in his statement of the reasons for his action and the principles he advocated?

Mr. ROBERTSON. The Senator is correct.

Mr. LAUSCHE. The only reason the Senator from Virginia feels that the bill should not go back to the committee is that it would be hopeless to send the bill back to the committee?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. Therefore, the principle is abandoned and the practicality of the problem is accepted as determinative?

Mr. ROBERTSON. Well, I would not state it that way. I would say with regard to controversial legislation we generally have to make some compromises, and what is left in the bill, in the opinion of the Senator from Virginia, is of greater weight than what the Senator from Virginia objects to. Therefore, since I cannot write the bill and I cannot have my own way 100 percent, I am going to accept a bill in which the good outweighs the bad, and proceed with a very necessary housing program, notwithstanding the $50 million in one item and $50 million in another item of which I do not approve.

Mr. LAUSCHE. The Senator from Virginia, however, does adhere to the principles which he espoused in the committee and which he has espoused on the Senate floor with regard to the reasons why he voted for the amendments which would have brought the bill into conformity with the President's wishes?

Mr. ROBERTSON. Absolutely. I would not criticize any of my colleagues who think those principles outweigh the desirability of what is left in the bill.

The chairman of the committee has made a commitment to his constituents who are interested in the housing program, that he would do what he could to get a bill passed before adjournment. I see no way to do that, except to pass the bill now pending, although the bill does not satisfy me by 100 percent by any means.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

Mr. DIRKSEN. Mr. President, will the Senator withhold his request?

Mr. SPARKMAN. Mr. President, I withhold the request.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes, for the purpose of summarizing.

I can understand objections which the President may have to this new bill.

As to the elderly housing, the Federal Housing Administration has indicated that already this program is in progress. It is doing very well. It is doing well at normal interest rates. Despite that we have put a provision in the bill at a subsidized interest rate, and we continue a principle which in my judgment is unsound, because if we apply it to enough projects and enough activities it is the absolute and certain way of bankrupting a Government. That provision is in the bill.

Secondly, I should like to mention the expiration date of FHA. It has been modified in part, I suppose, because the revolving fund can be used. It is admitted that for 25 years the FHA has been a satisfactory operation, and has been successful. I should like to know why we should cut off FHA in October of 1960 unless—and this is only a speculation on my part—it is to become the vehicle or the instrumentality to compel passage of another housing bill. I can come to no other conclusion than

that, and I think it is a very unsatisfactory practice.

We still have a provision for college classrooms in the bill. That is a new activity. It will "snowball." If the President of the United States has some regard for his successors in office, since he will not be in office after the 20th of January 1961, he will take account of a new activity which will launch us so deeply into the educational field. When we talk about laboratories, classrooms, machinery, equipment, appurtenances, structures and all the rest, it is only a little while until by amendatory language the sky becomes the limit.

I can foresee a program, judging from the size of this country and the interest in educational activities, which could reach astronomical proportions quite worthy of the space age, before we are through.

The subsidized interest rate on college housing is still there. We have had that problem with respect to the REA, and never have been able to take it out of existing law. Now it is proposed to add subsidized interest rates in connection with housing. I am reminded of the fellow who grabs someone coming along the sidewalk by the lapel and says, "Come in, my friend; I want to sell you a suit. I will sell you this suit below cost."

The prospective buyer says, "I do not see how you can sell it below cost."

The storekeeper says, "The reason we can do that is that we sell so many of them." [Laughter.]

That is the way to go broke. We have had one experience. Now we are proposing to add two more. After a while we shall add others, and go broke. How are we going to borrow at 4 percent and relend for these activities at 3 percent, and remain in business? I defy any bank, any savings and loan institution, any insurance company, or any other private lender to do it for very long and still remain in business. That goes for any State or any locality, and for the Government of the United States.

There is the point of the 3-year credit. Senate bill 57 provided a 5-year credit period. We said, "Go ahead and do some work, then make your application for loan or grant, come to Washington, and say to the authorities, 'Look at the work we have had in progress for 5 years. Throw that in as a noncash credit.' "

The President objected, and the committee changed that provision. Instead of a 5-year credit, they provided a 3-year credit. That is a great compromise, is it not? There is no change in the principle, but it is still anathema in my book.

What would any Senator do if he sat in the President's place, when these palpably unsound things come along? The President, like everyone else, wants a housing bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 2 additional minutes.

The President wants a housing bill, as does everyone else, but he cannot accept this sort of thing. I say to Senators, put yourselves in the President's shoes, and evaluate the program from the standpoint of the future and of the national interest, and come to your own conclusion as to what the President of the United States should do under those circumstances.

It would be no great job to take the bill back to the bosom of the committee, modify it a little, and take out the invitations to a veto—because that is what they amount to.

Remember, the President of the United States is a part of the legislative process. The Constitution is as clear as crystal on that point. The House passes a bill and then the Senate passes it, but it never becomes law unless the President approves it or allows it to become law without his approval. So he is a part of the legislative process. We should have some regard for him.

Secondly, the President represents the largest constituency of all—all the people of the United States of America, and every interest that is involved. I may have a particular interest in something which inures to the benefit of a great metropolitan center like Chicago. There is no such inhibition on the President. I may think in terms of the rural areas in the lower end of the State. The President of the United States is under no such limitation. He thinks of the country and its interests in their entirety.

It is in that frame of mind that tomorrow he must evaluate the bill. I think it should be recommitted. I believe that in a few days the committee could take out the objectionable features, modify the bill somewhat, and make it a palatable bill, which we could be reasonably certain would be approved not only by the House of Representatives, where it must go first, but also by the President of the United States.

Mr. CAPEHART. Mr. President, will the Senator from Illinois yield me a few minutes?

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, let us put ourselves in the shoes of the President, and analyze the situation a little.

I have become a little tired of many programs, although I have not been opposed to them. I am a little tired of saying to the Treasury of the United States, "You can lend the International Bank $4 billion"—and I am for it. I am a little tired of saying to a new Latin-American bank, "The Treasury can lend x amount—hundreds of millions of dollars."

We can build a new Senate office building which we do not need, costing in the neighborhood of $50 million; and yet we deny to thousands of students classrooms and college housing.

We can appropriate billions of dollars for foreign aid, as we have done—and I have not been opposed to it. We can appropriate billions of dollars for national defense; and I have not been opposed to it. I am not talking against it.

But I ask why, when a committee has worked as hard and as diligently as this committee has in reaching compromise after compromise, we must be held up before the people of the Nation and accused of being spenders. It is said that what we are doing is all wrong, when all we are trying to do is to supply some houses for elderly people, and some classrooms for students.

It is said that this process will go on and on and on; that we would open the door in the future for expenditures of many billions of dollars. We do the same thing when we authorize $4 billion for the International Bank. We open the door for more. I am for all these things.

I want to know why members of the committee should be held up before the people of the United States and accused of being spenders. Why did we appropriate $50 million to build an office building which we did not need, and yet refuse to lend $50 million for classrooms? What are Senators thinking about?

I have been a Member of this body for 15 years, and I have helped to appropriate many billions of dollars for national defense. I have helped to appropriate many billions of dollars for foreign aid.

I have been told that our opponent, Russia, was out to conquer the world. I wake up overnight and find that we are inviting Mr. Khrushchev to come over here and visit with us, to tour the country, to fly over the city of Washington, and visit our military establishments. The President is going over there for a couple of weeks. The Vice President has been over there for a couple of weeks.

To me it is like a nightmare. It is like a nightmare to hear men talking about the comparatively small amounts involved in this bill, when we are spending many billions of dollars for other purposes.

I am becoming tired of spending all these billions. The $4 billion which went to the International Bank was on the basis that the Treasury would lend the money through back door financing. But when we change the provision with respect to classrooms, and limit it to an appropriation basis, it is said that the bill should go back to the committee.

Do we or do we not desire a housing bill? I have always had more courage, perhaps, than wisdom. I have enough courage to vote against all housing. I am not so sure that we have not arrived at the point when we do not need any Federal housing legislation. But if we are to have housing legislation, I want to have in on a practical basis.

What we should have been arguing about on the floor of the Senate is the fact that the bill reduces downpayments on houses costing $16,000 and more to the point where they are practically nothing, and the terms are extended for 5 years, making it almost impossible for a person to sell an old home.

We are dealing with small things instead of big things. I, for one, am becoming a little tired of doing all these things. I do not like to be made a sucker. Either we have been right in the past 15 years I have been a Member of this body, in being against communism and other subversive influences, or we have been wrong. I do not like to be made a sucker.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion of the Senator from Utah [Mr. BENNETT] to recommit the bill to the Committee on Banking and Currency. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] is absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce, that, if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Montana would vote "Nay," and the Senator from New Hampshire would vote "Yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business and is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Montana would vote "nay."

The result was announced—yeas 28, nays 67, as follows:

YEAS—28

Allott	Dworshak	Prouty
Bennett	Eastland	Russell
Bush	Goldwater	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Hruska	Smith
Carlson	Kuchel	Stennis
Case, S. Dak.	Lausche	Thurmond
Cotton	Martin	Williams, Del.
Curtis	Morton	
Dirksen	Mundt	

NAYS—67

Aiken	Gruening	Magnuson
Anderson	Hart	Mansfield
Bartlett	Hartke	Monroney
Beall	Hayden	Morse
Bible	Hennings	Moss
Byrd, W. Va.	Hill	Muskie
Cannon	Holland	Neuberger
Capehart	Humphrey	Pastore
Carroll	Jackson	Proxmire
Case, N.J.	Javits	Randolph
Chavez	Johnson, Tex.	Robertson
Church	Johnston, S.C.	Scott
Clark	Jordan	Smathers
Cooper	Keating	Sparkman
Dodd	Kefauver	Symington
Douglas	Kennedy	Talmadge
Ellender	Kerr	Wiley
Engle	Langer	Williams, N.J.
Ervin	Long	Yarborough
Frear	McCarthy	Young, N. Dak.
Fulbright	McClellan	Young, Ohio
Gore	McGee	
Green	McNamara	

NOT VOTING—3

Bridges	Murray	O'Mahoney

So Mr. BENNETT's motion was rejected.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the motion to recommit was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and to be read a third time.

The bill was read the third time.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I voted against the motion to recommit the bill for several reasons. One was that I sympathized with the distinguished chairman of the committee who has tried very hard to bring an acceptable bill from the committee. I saw no reason to subject him again to another series of tribulations.

Second, it seems to me that to recommit the bill would have amounted to a delay in the course of necessary legislation which has to be passed before Congress can go home.

Third, it seemed to me to be very unwise to open up and possibly set aside amendments which the Senate adopted today, some of which I thought were very helpful amendments. As the Senate knows, recommittal sends a bill back in the shape in which it came to the floor, so the amendments which were adopted today and yesterday could have been reconsidered by the committee; and if the bill came back to the Senate with the old provisions in it, it would have required additional long and, I think, not very constructive debate.

I shall vote against the passage of the bill on its merits for three reasons, which I shall state in the RECORD:

First, as to the inclusion of the classroom project for higher education insituations, not only do I agree that that program would become large, and excessively so, if we ever embarked upon it; but, in all good humor, I do not see how Senators could answer to the parents or the children attending the public schools and other lower institutions of learning throughout the Nation for our continued reluctance and refusal to grant funds for public school construction and other similar purposes, if we were lending funds in large amounts to the institutions of higher learning, where we would only be aiding advanced students who had attained to the college stage of their education.

Second, I think that the adoption of the suggested special program for housing for the elderly would be a tragic mistake, because private enterprise is operating successfully in that field in many places and could not continue to operate successfully in competition with the special and low terms offered by the Government.

I think that what we need is more successful private enterprise. We should not discourage it every time we get a chance.

Third, I think more public housing is provided in the bill than is needed. With all due respect to the distinguished Senator from Alabama [Mr. SPARKMAN], who has labored hard on the bill, and who simply happens to have convictions which are at variance with my own, I have not been able to feel that it is wise to risk an Executive veto on that additional ground, just as it is risked on the two grounds which I have already given with reference to providing for classroom construction for colleges and special housing for the elderly.

So I shall vote against the bill, but with the very real hope that whether it is vetoed or not, we shall soon have a bill which can be supported by both Houses of Congress, and can be accepted by the Executive, a bill which can provide for the necessary extension of those existing worthwhile, satisfying, and acceptable programs which are so necessary to our people.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I should like to be able to agree with the distinguished Senator from Florida that private funds will take care of the construction of housing for the elderly. However, I call his attention to an editorial which was published on August 13, 1959, in one of the most respected conservative Republican newspapers in the United States, the Oregonian, which is published in the community where I was born and raised, Portland. Let me read what the Oregonian said about this particular subject. After discussing President Eisenhower's opposition to the provision of loans for housing for the elderly, the Oregonian editorial went on to say:

> If the President is right, and he may very well be, it has not yet become apparent in Portland. Privately sponsored provision of housing for the elderly in this vicinity has been largely confined to the construction of new apartment-type buildings, cost of which is prohibitive to many persons on the retired lists. Initial payments in these homes for the retired range from $5,000 upward to $20,000 or more, depending on the accommodation chosen, plus monthly payments of from $100 to $140 per person.
>
> This is quite beyond the means of persons living solely on social-security payments and far beyond the means of the 5,000 oldsters living on public assistance in Portland.

Mr. President, the housing bill before the Senate today contains provisions for housing of the elderly identical to those included in S. 57, the measure vetoed by the President.

S. 2539 would, first, authorize direct Federal loans to nonprofit corporations to provide rental housing for persons 62 years of age or older and create a $50 million revolving fund to handle such loans, with maximum maturity of 50 years and interest at about 3 percent; second, make available FHA mortgage insurance in maximum amounts of $12.5 million in the case of private developments, and up to $50 million in the case of State or Federal projects, at a maximum interest rate of 5.5 percent for new or rehabilitated living units, not less than 50 percent of which are specifically designed for the use and occupancy of elderly persons.

HOUSING FOR ELDERLY ESSENTIAL

Mr. President, these two programs are vitally needed. Proper housing is a major concern for our older citizens. Of the 15.4 million persons in the United States today who are aged 65 or over, only 15 percent live in their own households, either alone or with nonrelatives.

Four percent live with nonrelatives, but not in their own homes. Three percent live in institutions and another 3 percent live in hotels and rooming houses. The other 75 percent live in the homes of family members.

Without special assistance, these senior citizens have little opportunity to better their situation. Three out of every five persons aged 65 or older have incomes of less than $1,000 annually.

The situation in which older persons find themselves with respect to housing is well illustrated by a survey of housing needs for the aged receiving old-age assistance conducted in Portland, Oreg., by the Housing Authority of Portland.

FEDERAL AID CAN SHOW WAY

The survey showed that 75 percent of Portland's indigent elderly are presently housed in dwellings that are not decent, safe, or sanitary. Eighty-three percent of these persons were renting their living quarters. Average gross monthly family income of the aged sampled was $99.33. The amount which they can spend on housing is obviously minimal.

In a recent speech before the North Portland Rotary Club, Gene Rossman, executive director of the Housing Authority of Portland, declared that "federally subsidized public housing cannot completely solve the problem, but it can help and it can show the way."

As Mr. Rossman told the Rotarians, what is needed is total planning which will result "in a better break for our oldsters, the satisfaction of at least their minimum physical needs, the preservation of their self-respect, and the assurance that their declining years may be spent in comfort and dignity."

PORTLAND PROVIDES EXAMPLE

Today Portland has pending 398 units of public housing desperately needed to aid both low-income families and indigent older persons who are being displaced by public projects. Unless the provisions for housing of the elderly contained in S. 2539 are approved, these displaced persons cannot be housed outside of slums.

Mr. President, because Mr. Rossman's comments so cogently emphasize the the pressing need for Federal aid to better house our older citizens, I ask unanimous consent that the text of his speech to the Rotarians be printed at the conclusion of my remarks, together with an article published in the Portland Oregon Journal of August 10, 1959, an article from the Portland Oregonian of August 11, 1959, and the entire editorial published in the Oregonian on August 13, 1959, all discussing the need for an adequate housing program for the elderly.

There being no objection, the speecn, articles, and editorial were ordered to be printed in the RECORD, as follows:

ADDRESS BEFORE MEETING OF NORTH PORTLAND ROTARY CLUB, MONDAY, AUGUST 10, ENCOMPASSING FIRST PUBLIC ANNOUNCEMENT OF RESULTS OF SURVEY BY THE HOUSING AUTHORITY OF PORTLAND OF HOUSING NEEDS OF PORTLAND'S RECIPIENTS OF OLD-AGE ASSISTANCE

(By Gene Rossman, executive director, housing authority of Portland)

Seventy-five percent of Portland's indigent elderly, of whom more than 5,000 depend wholly or in large part on old-age assistance, are presently housed in substandard dwelling units. The shocking and shameful fact that so large a percentage of our senior citizens are living in accommodations that are neither decent, safe, or sanitary was brought to light by a survey just completed by the Housing Authority of Portland.

Dwellings of 10 percent of the recipients of old-age assistance in Portland were checked for compliance with the city's codes. The survey, initially requested by Mayor Schrunk, was conducted under the direct supervision of the Portland Development Commission; the field work was executed by advanced Portland State students experienced in field surveys involving housing. The 10 percent sample was distributed geographically so as to be in direct proportion to the concentrations of aged populations in the various areas of the city, and dwellings in nearly every Portland district were included in the survey.

Eighty-three percent of the dwellings were tenant-occupied, and 17 percent were owner-occupied.

Of the 500 dwelling units surveyed, these significant facts were developed: 161 cases of inadequate ventilation; 137 instances of unsafe stairways; 107 dwellings not free from vermin, rodents, debris, filth, and garbage; 49 sinks not in good working condition and 47 other improper and inadequate plumbing facilities; and 168 cases in which walls and ceilings were in bad repair.

More than 30 percent of the dwellings were found to be in violation of three or more code requirements. Seventeen percent were in violation of five or more code requirements; and one dwelling, virtually a "paper shack," was in violation of 15 code requirements.

The results of the survey are not meant to point out the lack of attention to substandard conditions by those responsible for enforcing our various codes. It must be remembered that the surveyed dwellings are not public buildings and as such are not subject to routine inspection.

The Housing Authority of Portland initiated the survey primarily to determine if there is a real need in Portland for decent, safe and sanitary housing for our senior citizens of low income. The results of the survey prove conclusively that such a need not only exists but is urgent. Old-age assistance benefits range from approximately $73 to $140 per month with the average gross monthly family income of the aged whose dwellings were included in the survey at $99.33 acutely limiting the amount of money these people can afford to pay for standard housing.

Federally subsidized public housing cannot completely solve the problem but it can help and it can show the way. This spring, the Portland City Council unanimously passed a resolution approving a cooperation agreement with the Housing Authority of Portland involving a reservation of up to 500 additional units of low-rent public housing for families and elderly people of low income. In turn, the Public Housing Administration approved the agreement and the reservation. Since that time, the local housing authority has acquired a total of 102 additional units of public housing in its purchase of Iris and Maple-Mallory Court apartments from FHA (only 24 of which units are adaptable for housing for the elderly), leaving a balance of 398 additional units under its approved reservation.

The Public Housing Administration has agreed that, providing Congress with presidential concurrence allots it sufficient additional funds, it will consider underwriting a program of low-rent housing for the elderly in Portland to the tune of from 100 to 200 dwelling units. If this hope and plan achieves fruition, and as of this date there is still the all-important matter of the Congress and the President getting together on a mutually acceptable allocation of Federal funds for such purpose, it will still only serve as a beginning in meeting the local need for decent, safe, and sanitary housing for our senior citizens of low income.

The time has come, as so pointedly revealed by the results of our recent survey, for all pertinent public and private agencies to join hands in working toward a common objective of meeting the need for decent housing for Portland's senior citizens.

For its part, the Housing Authority of Portland is studiously seeking to determine just what type of housing project for our indigent elderly is most practical and financially feasible, presuming, of course, that a Federal loan and subsidy will eventually be available. Should our initial start begin with a high-rise structure in Portland's West Side downtown area, close by the largest concentration of our indigent elderly? Or should a one-story, "village-type" project be envisioned for this purpose and located in a suburban area where ground costs are less expensive? Should we consider a special housing project solely for elderly persons? Or should we rather seek to develop an integrated, typical neighborhood for low-income, small families and elderly persons and couples? Insofar as the broader aspects of the needs and interests of the elderly are concerned, should we encourage other local agencies and organizations to provide visiting nurse service, therapy, medical care, recreational facilities, etc., in direct, physical connection with a public-housing project? Or should we concern ourselves solely with housing, and depend upon community and neighborly interests and responsibility to provide the fringe benfits.

These and many other questions are facing the Housing Authority of Portland in its desire to initiate a start, a break through if you please, to inspire others in the city of Portland to promote better housing for our needy and deserving senior citizens.

Our problem in this regard is no different from that of every other metropolitan community in our land. Life magazine is currently publishing a series of graphic feature stories on housing needs for the elderly. The President and every State Governor have appointed committees to work toward a solution of the problem.

To provide expert, experienced help in its efforts, the Housing Authority of Portland has asked representatives of social agencies and community service groups to compose an advisory, factfinding committee.

The Housing Authority of Portland hopes that its determination to make a successful beginning in the promotion of decent, safe, and sanitary housing for our needful senior citizens will encourage private interests to do likewise—and that thereby our total planning will eventually result in a better break for our oldsters, the satisfaction of at least their minimum physical needs, the preservation of their self-respect, and as the assurance that their declining years may be spent in comfort and in dignity.

[From the Oregon Journal, Aug. 10, 1959]

DWELLINGS FOR ELDERLY SAID POOR

Seventy-five percent of Portland's indigent elderly persons are living in substandard dwelling units.

That claim was made today by Gene W. Rossman, executive director of the Portland Housing Authority, who spoke before the North Portland Rotary Club at luncheon.

The housing authority has only recently completed a survey of 500 dwellings occupied by elderly persons receiving old-age assistance in Portland.

Rossman said the total number of elderly persons receiving old-age grants in Portland is about 5,000.

The survey showed a range in old-age assistance benefits from $73 to $140 with an

average, gross monthly family income of $99.33.

Persons making the survey of housing found 376 substandard homes, actually in violation of one or more city codes. In 161 homes the windows could not be opened and 107 premises were found to be either infested with vermin or rodents or contaminated with filth or garbage.

Forty-nine housekeeping units occupied by single persons were found to be without a sink and in 57 units cooking and sleeping facilities were in a common room.

Rossman said results of the survey indicate an urgent need for decent, safe and sanitary housing in Portland for senior citizens of low income.

He said federally subsidized housing cannot completely solve the problem, but it can help and show the way.

The housing authority, he said, is seeking the most practical and financially feasible solution to the housing problem in the hope that a Federal loan and subsidy will eventually become available.

[From the Oregonian, Aug. 11, 1959]

SURVEY REVEALS HOUSING NEEDS—CITY'S POOR OLD PEOPLE SAID LIVING IN UNSAFE, SUBSTANDARD DWELLINGS

The Housing Authority of Portland revealed Monday that 75 percent of the city's poor old people live in unsafe, indecent and substandard dwellings.

In a prepared text delivered before the North Portland Rotary Club, Executive Director Gene Rossman declared the situation shocking and shameful.

More than 5,000 men and women depend on old-age assistance in Portland, Rossman said, and most of them subsist in deplorable accommodations.

He said a survey completed by the authority disclosed:

1. Vermin, rodents, debris, filth, and garbage infested many residences;

2. Inadequate ventilation, unsafe stairways, and walls and ceilings in bad repair were evident in many instances;

3. Sinks were not in good working condition and plumbing facilities were inadequate in many houses.

BUILDINGS VIOLATE CODE

Said the authority's director: "More than 30 percent of the dwellings were found to be in violation of three or more (city) code requirements; 17 percent were in violation of five or more code requirements; and one dwelling, virtually a 'paper shack,' was in violation of 15 code requirements."

The survey proves conclusively, Rossman asserted, that there is a need for "decent, safe, and sanitary" housing for citizens of low income in their senior years.

Average gross monthly income of the aged families whose dwellings were checked in the study, the director said, was $99.33 a month.

This sum acutely limits the amount of money that these persons may pay for standard housing, he said.

Rossman said he believed that federally subsidized public housing cannot completely solve the problem, "but it can help, and it can show the way."

ONE HUNDRED AND TWO UNITS PURCHASED

Recently, the authority acquired 102 additional units of public housing when it bought the Iris and Maple-Mallory Court apartments from the Federal Housing Authority, he said.

Of these, however, only 24 were adaptable for housing elderly persons.

Rossman reported that the Public Housing Administration has stated it will allot money to Portland to build 100 to 200 dwelling units for low-rent housing for old persons if the Congress and the President approve it.

Such a step will serve only as a beginning, Rossman stated, to meet local needs here.

It is time for "all pertinent public and private agencies to join hands in working toward a common objective of meeting the need for decent housing for Portland's senior citizens," Rossman said.

PROJECT TYPE DEBATED

He told the Rotarians that many problems and questions face the authority: What kind of buildings, a project solely for old folks, or integrated units?

He cited the President's committee on problems of the aging; Governors' committees across the United States; and a series of articles currently published in Life magazine as indicators of public concern.

Then Rossman concluded: "The housing authority has asked representatives of social agencies and community service groups to compose an advisory, factfinding committee."

The committee's goal will be to provide a better break for "our oldsters, the satisfaction of at least their minimum physical needs, the preservation of their self-respect, and the assurance that their declining years may be spent in comfort and dignity."

SCHRUNK ASKS HOUSING

Mayor Terry D. Schrunk addressed the group extemporaneously and told a reporter he hoped that a combination of publicly and privately financed housing would solve the problem.

Public housing, the mayor declared, must have "complete justification."

"These persons must be cared for," Schrunk said, "and if their needs can't be met by private agencies then public housing must be provided."

He noted that civic improvement projects—such as urban renewal, the exposition and recreation center, and a highway—have displaced some old people in low-income brackets.

The mayor asked his fellow citizens to realize the costly nature of depressed and blighted areas as well as their shame to the city.

"Fire, police, and health protection all go sky high," Shrunk said, "in slum areas."

"The shortage of public housing, generally," he said, "may be seen in the fact that more than 100 families qualified for such housing are on waiting lists.

"After this survey, we now know what the specific need is," Schrunk said.

[From the Oregonian, Aug. 13, 1959]

NEEDED: HOMES FOR AGED

There is a direct relationship between the housing plight of Portland's needy elderly, as reported Monday by Housing Authority Director Gene Rossman, and the fate of the omnibus housing bill, which the Senate Wednesday refused to pass over President Eisenhower's veto.

The vetoed bill contains several provisions concerning Federal assistance for housing for the elderly. The proposed extension of the annual $336 million subsidy for public housing includes funds already earmarked for expenditure by the Portland Housing Authority to provide up to 200 low-rent units for elderly tenants. Other provisions include:

An authorization of direct Federal loans to private nonprofit corporations providing rental housing for persons 62 years of age and over.

A $50 million revolving fund for such loans, with a maximum maturity of 50 years and interest at approximately 3 percent.

A maximum FHA-insured mortgage of $12½ million at a maximum interest rate of 5½ percent for private loans for new or rehabilitated buildings in which at least half of the units are occupied by persons 62 years of age or over.

President Eisenhower has opposed all but the last-cited provision. "Needs in this area can be adequately met by private funds," he said in his veto message, "invested under the protection of Federal insurance."

If the President is right, and he may very well be, it has not yet become apparent in Portland. Privately sponsored provision of housing for the elderly in this vicinity has been largely confined to the construction of new apartment-type buildings, cost of which is prohibitive to many persons on the retired lists. Initial payments in these homes for the retired range from $5,000 upward to $20,000 or more, depending on the accommodation chosen, plus monthly payments of from $100 to $140 per person.

This is quite beyond the means of persons living solely on social security payments and far beyond the means of the 5,000 oldsters living on public assistance in Portland. Mr. Rossman's survey covered the dwelling conditions of a sampling of 500 of these welfare clients in all sections of the city. The average gross income per person was $99.33 to cover all costs of existence.

Even with a public housing program on the scale contemplated in the vetoed housing bill, there would be prospect of only 200 new low-rent units in Portland to replace the substandard quarters occupied by nearly 4,000 elderly persons on the public welfare rolls. Many more thousands are existing on minimum retirement pensions from Government, schools, and private institutions.

Here is a problem that demands the most urgent attention, not only of the Federal Government, but of the State and the city. Dependence on Federal largess is not the answer. As President Eisenhower says, deficit financing for housing or anything else merely stimulates inflation; and those living on pensions and other forms of fixed income suffer more quickly and more severely than do other citizens the evil effects of cheapening the dollar.

The Portland Housing Authority survey was conducted with the assistance of the Portland Development Commission, whose first responsibility is urban renewal project No. 1, in which area many elderly persons live in substandard conditions. It was not a thorough sociological survey. It concerned itself only with the physical aspects of the dwellings, as measured by the city building code, and with the ability of the occupants to pay for housing, as measured by gross income.

The result—the finding that 75 percent of a single category of Portland's poor old people are living in unsafe, substandard accommodations—reveals a shocking condition that cannot be permitted to continue unchallenged. The least Portlanders can do is to rally their public and private resources to take a first step toward the solution of a problem that will certainly get worse without a significant change in both public and private home-financing policies.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Alabama yield back the remainder of his time?

Mr. SPARKMAN. No. I was under the impression that the majority leader wanted to make a few remarks on the bill. However, since he is not present, I will yield back the remainder of my time, if the minority leader will yield back the time under his control.

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

All remaining time for debate on Senate bill 2539 has been yielded back, and the bill has been read the third time.

The question now is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] is absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Montana would vote "yea," and the Senator from New Hampshire would vote "nay."

I further announce that, if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business and is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 71, nays 24, as follows:

YEAS—71

Aiken	Green	Mansfield
Allott	Gruening	Monroney
Anderson	Hart	Morse
Bartlett	Hartke	Morton
Beall	Hayden	Moss
Bible	Hennings	Muskie
Byrd, W. Va.	Hill	Neuberger
Cannon	Humphrey	Pastore
Capehart	Jackson	Prouty
Carlson	Javits	Proxmire
Carroll	Johnson, Tex.	Randolph
Case, N.J.	Johnston, S.C.	Robertson
Chavez	Jordan	Saltonstall
Church	Keating	Scott
Clark	Kefauver	Smathers
Cooper	Kennedy	Smith
Dodd	Kerr	Sparkman
Douglas	Langer	Symington
Ellender	Long	Talmadge
Engle	McCarthy	Wiley
Ervin	McClellan	Williams, N.J.
Frear	McGee	Yarborough
Fulbright	McNamara	Young, Ohio
Gore	Magnuson	

NAYS—24

Bennett	Dworshak	Martin
Bush	Eastland	Mundt
Butler	Goldwater	Russell
Byrd, Va.	Hickenlooper	Schoeppel
Case, S. Dak.	Holland	Stennis
Cotton	Hruska	Thurmond
Curtis	Kuchel	Williams, Del.
Dirksen	Lausche	Young, N. Dak.

NOT VOTING—3

Bridges	Murray	O'Mahoney

So the bill (S. 2539) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS TO 11 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, while so large a number of Senators are on the floor, I should like to query the majority leader about the time of meeting tomorrow.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM — ORDER FOR CALL OF CALENDAR TOMORROW

Mr. JOHNSON of Texas. Mr. President, it is the present plan to take up tomorrow the tax bill, on which there is a unanimous-consent agreement limiting the time for debate. It may be that it will be possible for us to take up the bill relating to Public Law 480. I am still working on that with interested Senators. Those would be the two measures we would expect the Senate to consider tomorrow. We do expect to take some action to concur in an amendment of the House on the veterans' bill.

Mr. KEATING. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. KEATING. Is it expected that there will be a call of the calendar tomorrow?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order to call the calendar immediately following the morning business tomorrow, beginning with Calendar No. 640.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the veterans pension bill, which we understand will be acted on tonight. Will the Senator from Texas state which bill that is?

Mr. JOHNSON of Texas. It is House bill 7650, the veterans pension bill. This measure was reported last week by the Finance Committee, and was passed by the Senate with amendments. The House has agreed to all of the amendments of the Senate to the bill, as I understand, except one. The Senator from Louisiana [Mr. LONG] desires to make a brief statement in connection with this matter, as soon as the Chair lays it before the Senate. However, it would not be appropriate for the Senate to proceed to the consideration of that question until the final vote on the housing bill has been taken.

THEODORE ROOSEVELT MEMORIAL

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, a bill to establish a memorial to Theodore Roosevelt in the National Capital and to provide for its construction by the Secretary of the Interior. I introduce the bill on behalf of myself, the Senator from Illinois [Mr. DIRKSEN] and the Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2561) to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior, introduced by Mr. JAVITS (for himself, Mr. DIRKSEN, and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Rules and Administration.

Mr. JAVITS. Mr. President, I wish to make a very brief statement on the bill, to the effect that there is now on the calendar a bill with reference to acquiring land for a memorial to Franklin Delano Roosevelt. I think it would be most fitting and appropriate that there be a bill in the Senate to provide for a memorial to Theodore Rosevelt. I hope very much the bill will be considered appropriate; and I think appreciable progress on both bills to honor great Americans who led their country so nobly should be made in this body as well as in the other body.

New York State is proud of both Roosevelts, and wishes to see both of them similarly honored.

The plans for a Theodore Roosevelt memorial are complete. Indeed, there has been approval of such a memorial by the Federal Commission which is in charge of such matters. The memorial would be located in the center of the 90-acre island in the Potomac River. The island was originally purchased by the Theodore Roosevelt Association in 1932 and given to Congress that same year.

The monument, a large bronze celestial sphere of about 40 feet in diameter, would be a fitting tribute to President Roosevelt, who had dedicated his life to his country.

Plans for the memorial were drawn by Eric Gugler, internationally known architect who designed the memorial to American soldiers at the Anzio beachhead, Anzio, Italy, and Paul Manship, celebrated sculptor, who is known for the Prometheus statue at New York's Rockefeller Center. The plans have been approved by the National Fine Arts Commission, the National Capital Planning Commission, the National Capital Parks Service, the Theodore Roosevelt Association, and the Theodore Roosevelt Centennial Commission.

A bas-relief of the former President would be in the center of the granite base of the memorial, which would be placed in a court in the center of the island facing a reflecting pool. The court itself would be some 150 feet wide and 200 feet deep, and ringed by trees. Twelve granite panels on three sides of the court, each 10 feet high and 20 feet wide, would contain inscriptions of the President's famous statements on government.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an extract from the final report of the Theodore Roosevelt Centennial Commission to the Congress of the United States, by Hermann Hagedorn, Director of the Commission. It deals with the subject and shows the advanced studies and planning with respect to this particular memorial.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

THEODORE ROOSEVELT CENTENNIAL (1858–1958)—FINAL REPORT OF THE THEODORE ROOSEVELT CENTENNIAL COMMISSION TO THE CONGRESS OF THE UNITED STATES

(By Hermann Hagedorn, Director of the Commission)

We feel, indeed, that the Congress has a moral obligation to complete the memorial on this island so generously donated to the people by the Theodore Roosevelt Association. Plans are ready and have been approved by all concerned.

Fulfillment of this project is relatively simple and inexpensive and the Commission hopes Congress will pass the necessary legislation at this session.

Surely, Theodore Roosevelt's greatness merits an adequate memorial in the National Capital, and the Theodore Roosevelt Association's magnificent gift to the Nation of Theodore Roosevelt Island deserves the development that has been planned for it and that the 84th Congress directed the Commission to complete. Let the sanctuary of the free spirit, the Commission asks, be the enduring expression in granite and bronze of the centennial theme of responsible citizenship. Is it too much to believe that, as such, it can be made to serve the vital needs of the free world, today and in the future, and to serve them with ever-deepening, ever-widening effectiveness?

MODIFICATION OF PENSION PROGRAMS FOR CERTAIN VETERANS

Mr. JOHNSON of Texas. Mr. President, I ask the chairman of the Finance Committee to submit the papers on H.R. 7650, and the Chair to lay before the Senate the papers from the House on the veterans' pension bill.

The PRESIDING OFFICER. The Chair lays before the Senate the following message from the House, which will be read by the clerk.

The Chief Clerk read as follows:

In the HOUSE OF REPRESENTATIVES, U.S.,
August 14, 1959.

Resolved, That the House agree to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 12 to the bill (H.R. 7650) entitled "An Act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children";

That the House disagree to the amendment of the Senate numbered 11.

Mr. BYRD of Virginia. Mr. President, the House accepted all the amendments of the Senate except one. With the approval of the patron of that amendment, the Senator from Louisiana [Mr. LONG], I move that the Senate recede from the amendment of the Senate numbered 11.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

Mr. LONG. Mr. President, I should like to explain what the effect of affirmative action on the motion will be.

I have discussed the matter with the chairman of the Finance Committee. He and I are not in disagreement at all as to the course which will be taken here, and the course which will be attempted in the future.

The House has agreed to all except one Senate amendment on the veterans' pension bill. That amendment was offered by me as a member of the Senate Finance Committee, and was offered as a Senate bill by me on behalf of myself and 56 other Senators, earlier this session.

Mr. President, I ask unanimous consent that the text of Senate bill 1113, together with the list of all the sponsors of that measure, be printed in the RECORD at this point.

There being no objection, the bill and list of sponsors were ordered to be printed in the RECORD, as follows:

[Mr. LONG (for himself, Mr. BARTLETT, Mr. BEALL, Mr. BIBLE, Mr. BUSH, Mr. BUTLER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARLSON, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DODD, Mr. DOUGLAS, Mr. ENGLE, Mr. ERVIN, Mr. FULBRIGHT, Mr. GREEN, Mr. GRUENING, Mr. HENNINGS, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JORDAN, Mr. JOHNSTON of South Carolina, Mr. KEATING, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN, Mr. MUSKIE, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCNAMARA, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PROXMIRE, Mr. PROUTY, Mr. RANDOLPH, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, Mr. WILLIAMS, of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota) introduced the following bill; which was read twice and referred to the Committee on Finance]

S. 1113

A bill to amend title 38 of the United States Code to provide a one-year period during which certain veterans may be granted national service life insurance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter I of chapter 19 of title 38 of the United States Code is amended by inserting at the end thereof the following new section:

"§ 725. Limited period for acquiring insurance

"(a) Any person who served on active service (as defined in the National Service Life Insurance Act of 1940, as amended, prior to its repeal) between October 8, 1940, and April 24, 1951, both dates inclusive, shall, subject to the conditions and limitations prescribed in paragraph (2) of section 602(c) of the National Service Life Insurance Act of 1940, as amended, be granted insurance in accordance with the provisions of such paragraph upon application in writing made within one year after the date of the enactment of this section in the same manner and to the same extent as if such paragraph had not been repealed.

"(b) Any person heretofore eligible to apply for insurance under section 620 or 621 of the National Service Life Insurance Act of 1940, as amended, shall, upon application made in writing within one year after the date of the enactment of this section, be granted insurance in accordance with the provisions of section 620 or 621 of such Act, subject to the conditions and limitations of such sections, respectively, (other than limitations with respect to the time for filing application), in the same manner and to the same extent as if such sections had not been repealed, except that where application for insurance pursuant to section 621 of such Act is made more than one hundred and twenty days after separation from active service the applicant shall be required to submit evidence satisfactory to the Administrator of good health at the time of such application. Insurance authorized to be granted by this subsection in accordance with the provisions of section 621 of the National Service Life Insurance Act of 1940, as amended (prior to the repeal of such Act), shall be on the limited convertible term or permanent plans of insurance and the premiums shall be based on table X–18 and interest at the rate of 2½ per centum with an additional amount for administrative costs as determined by the Administrator. The Administrator is authorized to transfer annually an amount representing such administrative cost from the revolving fund to the general fund receipts in the Treasury.

"(c) All premiums paid and other income received on account of national service life insurance granted under the authority contained in subsection (a) shall be segregated in the national service life insurance fund and, together with interest earned thereon, shall be available for the payment of liabilities under such insurance.

"Notwithstanding the provisions of section 782 of this title the Administrator shall determine annually the administrative costs which in his judgment are properly allocable to such insurance and shall thereupon transfer the amount of such costs from any surplus otherwise available for dividends on such insurance from the national service life insurance fund to the national service life insurance appropriation."

SEC. 2. The analysis of subchapter I of chapter 19 of title 38 of the United States Code is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance."

Mr. LONG. Mr. President, the purpose of the amendment which I offered on behalf of myself and 56 other Senators was to give veterans of the Second World War, as well as veterans of the Korean war and veterans who had served between those two periods, the opportunity to take out national service life insurance which they had failed to take out or which had been canceled subsequent to their taking it out.

The amendment was offered because many who had been discharged from the service had either failed to take out national service life insurance, due to financial difficulties or because of family responsibilities, and later regretted that decision and lacked an opportunity to take such insurance.

Adoption of the amendment would have resulted in no cost to the Federal Government, because the cost of administering the policies would have been carried by an additional charge on the new policies to include costs which would have been incurred had the policies been taken out at a certain attained age. The amendment would not have made any person eligible for insurance who was not at one time eligible. It merely provided another period of eligibility for those who had failed to take the opportunity or had permitted their opportunity to lapse.

Although this provision passed in the Senate in 1956, 1958, and again in 1959, the House Members have never been permitted to vote on the measure on the floor of the House. The House Veterans' Affairs Committee has not been favorable to it. Today I am inclined to believe that the majority of the House Members would agree to it if the provision came to a vote.

This measure was added to the Pension Act as a Senate amendment to the House-passed bill. While the House-passed bill would cost $300 million in its first year of operation, and over $10 billion over the next 40 years, the measure which we added as an amendment would have added very little, if any, cost. In many respects it would have tended to reduce the cost of the House-passed bill, inasmuch as all sorts of income of widows and orphans was to be considered in arriving at the amount of pensions they will draw.

It was especially appropriate that the Senate bill should have had attached to the bill such an amendment, because millions of veterans who are healthy and able will never call upon the Government for assistance. Many of them will not require Government help to provide for their relatives.

About the only thing those veterans would receive out of the legislation would be the privilege of paying taxes to support their former comrades who are disabled and the widows and orphans of former comrades. The opportunity to take out life insurance at a cost greatly below that of private insurance would be made available to those veterans. Thirty percent of those veterans who did not suffer disability will not be calling upon the Government for any assistance.

The House did not see fit to agree to this amendment. However, the distinguished chairman of the House Veterans' Affairs Committee assured me that, although his committee may not be favorable to this measure, if it comes back to the House as an amendment to any other piece of legislation, or as a separate bill, he will use his best efforts to see to it that the House has an opportunity to vote for the measure on the floor.

Under those conditions, I feel that the distinguished chairman of the House Veterans' Affairs Committee, OLIN TEAGUE, of Texas, has shown a willingness to meet us halfway. I do not believe I would be serving the interests of this legislation or of the veterans to oppose the House action under these circumstances.

Therefore, I will offer the amendment again at some subsequent date, looking forward to having a vote on it at some later time.

Mr. JOHNSON of Texas. Mr. President, I want to commend the Senator from Louisiana for his fine and generous attitude with respect to this matter. I will confirm what he has said about my beloved colleague, the chairman of the House Veterans' Affairs Committee. I am informed he will cooperate with the Senator from Louisiana in seeing that a vote is obtained in the House in connection with the amendment in which the Senator from Louisiana is interested. I know all Members of the Senate appreciate the fine leadership the Senator from Louisiana has demonstrated in this field.

I want to applaud the reasonableness and understanding with which the Senator from Louisiana has approached this matter.

Mr. LONG. Mr. President, I thank our distinguished majority leader. He has always been one of those who has worked overtime to obtain a fair and reasonable solution to legislative problems. I believe this is a reasonable settlement of this difference, and I shall vote to support the House action.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. BYRD]. [Putting the question.]

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MCNAMARA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 45 and the amendment of the House thereto, to the bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 17, 1959, p. 16095 CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. STENNIS. Mr. President, the total amount of the conference allowance is $128,797,380. The appropriations for 1959 were $136,048,080. The budget estimates for 1960 were $133,648,180.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows the budget estimate, the House and Senate allowances, and the amount agreed to in conference for each item of appropriation in the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Legislative appropriation bill, 1960—Legislative branch

Legislative branch	Appropriations, 1959	Estimates, 1960	House allowance, 1960	Senate allowance, 1960	Conference allowance
SENATE					
Senators:					
Compensation of Senators	$2,352,225	$2,425,255		$2,425,255	$2,425,255
Mileage of the President of the Senate and of Senators	51,000	58,370		58,370	58,370
Expense allowance for majority and minority leaders	4,000	4,000		4,000	4,000
Compensation of the Vice President	37,695	37,695		37,695	37,695
Expense allowance of the Vice President	10,000	10,000		10,000	10,000
Total, Senators	2,454,920	2,535,320		2,535,320	2,535,320
Salaries of officers and employees:					
Office of the Vice President	112,140	112,140		112,140	112,140
Chaplain	5,500	5,500		5,500	5,500
Office of the Secretary of the Senate	630,140	630,140		639,140	639,140
Committee employees	2,362,665	2,372,960		2,372,960	2,372,960
Conference committees:					
Majority, clerical salaries	44,020	44,020		44,020	44,020
Minority, clerical salaries	44,020	44,020		44,020	44,020
Administrative and clerical assistants to Senators	10,630,050	11,039,250		11,052,450	11,052,450
Office of the Sergeant at Arms and Doorkeeper	2,256,855	2,263,890		2,304,995	2,304,995
Office of secretaries for the majority and minority, salaries	108,065	108,065		112,185	112,185
Office of the majority and minority whips	22,050	22,050		22,050	22,050
Total, salaries of officers and employees	16,215,505	16,642,035		16,709,460	16,709,460
Senate procedure	10,000				
Office of Legislative Counsel of the Senate:					
Salaries and expenses	206,125	206,125		206,125	206,125
Contingent expenses:					
Legislative reorganization	117,150	117,150		117,150	117,150
Senate policy committees	247,660	247,660		247,660	247,660
Joint Committee on the Economic Report	156,950	156,950		156,950	156,950
Joint Committee on Atomic Energy	250,145	250,145		250,145	250,145
Joint Committee on Printing	81,505	81,505		106,315	106,315
Committee on Rules and Administration	35,210	35,010		10,000	10,000
Vice President's automobile	8,160	8,160		8,160	8,160
Automobile for the President pro tempore	13,160	7,660		7,660	7,660

Legislative appropriation bill, 1960—Legislative branch—Continued

Legislative branch	Appropriations, 1959	Estimates, 1960	House allowance, 1960	Senate allowance, 1960	Conference allowance
SENATE—Continued					
Contingent expenses—Continued					
Automobiles for majority and minority leaders	$26,320	$15,320		$15,320	$15,320
Reporting Senate proceedings	207,650	207,650		209,195	209,195
Furniture	65,575	31,190		31,190	31,190
Inquiries and investigations	3,379,900	3,374,900		3,550,000	3,550,000
Folding documents	31,900	31,900		31,900	31,900
Senate restaurants	85,000	85,000		85,000	85,000
Motor vehicles	16,560	16,560		16,560	16,560
Miscellaneous items	1,682,535	1,856,210		1,856,210	1,856,210
Postage stamps	47,960	45,875		45,875	45,875
Stationery	189,580	195,000		195,000	195,000
Communications	14,550	15,150		15,150	15,150
Total contingent expenses	6,657,470	6,778,995		6,955,440	6,955,440
Total, Senate	25,544,020	26,162,475	0	26,406,345	26,406,345
HOUSE OF REPRESENTATIVES					
Compensation of Members	10,638,000	10,638,000	$10,638,000	10,638,000	10,638,000
Mileage and expense allowance of Speaker	200,000	200,000	200,000	200,000	200,000
Salaries, officers and employees:					
Office of the Speaker	58,510	58,510	58,510	58,510	58,510
Office of the Parliamentarian	60,265	60,265	60,265	60,265	60,265
Office of the Chaplain	8,195	8,195	8,195	8,195	8,195
Office of the Clerk	1,030,655	1,065,220	1,060,150	1,060,150	1,060,150
Committee employees	2,611,190	2,900,000	2,750,000	2,750,000	2,750,000
Office of the Sergeant at Arms	561,675	561,675	571,720	571,720	571,720
Office of the Doorkeeper	961,510	961,725	961,725	961,725	961,725
Minority employees	269,360	281,070	281,070	281,070	281,070
Office of the Postmaster	286,595	290,370	290,370	290,370	290,370
Official Reporters of Debates	174,080	186,610	186,610	186,610	186,610
Official reporters to committees	175,825	190,145	190,145	190,145	190,145
Appropriations Committee	500,000	500,000	500,000	500,000	500,000
Legislative Counsel	204,600	204,600	204,600	204,600	204,600
Total salaries, officers and employees	6,902,460	7,268,385	7,123,360	7,123,360	7,123,360
Clerk hire, Members and Delegates	16,425,000	16,500,000	16,300,000	16,300,000	16,300,000
Contingent expenses:					
Furniture	244,463	245,130	231,800	231,800	231,800
Miscellaneous items	2,319,900	2,500,000	2,450,000	2,450,000	2,450,000
Reporting hearings	125,000	150,000	150,000	150,000	150,000
Special and select committees	2,200,000	2,500,000	2,450,000	2,450,000	2,450,000
Joint Committee on Internal Revenue Taxation	264,000	295,000	295,000	295,000	295,000
Joint Committee on Immigration and Nationality Policy	20,000	20,000	20,000	20,000	20,000
Office of Coordinator of Information	98,970	98,970	98,970	98,970	98,970
Telegraph and telephone	1,300,000	1,400,000	1,300,000	1,300,000	1,300,000
Stationery	788,400	788,400	525,600	525,600	525,600
Attending physician's office	13,145	14,145	15,045	15,045	15,045
Postage stamps	322,100	183,640	183,640	183,640	183,640
Folding documents	220,000	220,000	220,000	320,000	220,000
Revision of laws	18,150	18,150	18,150	18,150	18,159
Speaker's automobile	16,625	9,500	9,500	9,500	9,500
Automobile for the majority leader	16,625	9,500	9,500	9,500	9,500
Automobile for the minority leader	16,525	9,500	9,500	9,500	9,500
New edition of United States Code		150,000	150,000	150,000	150,000
Payments to widows of deceased Members	135,000				
Total, contingent expenses	8,118,903	8,611,935	8,136,705	8,136,705	8,136,705
Total, House of Representatives	42,284,363	43,218,320	42,398,065	42,398,065	42,398,065
LEGISLATIVE MISCELLANEOUS					
Capitol Police:					
General expenses	36,700	36,700	36,700	36,700	36,700
Capitol Police Board	105,576	106,435	106,435	106,435	106,435
Total, Capitol Police	142,276	143,135	143,135	143,135	143,135
Joint Committee on Reduction of Nonessential Federal Expenditures	24,795			24,795	24,795
Education of pages	61,915	62,500	62,500	62,500	62,500
Statement of appropriations	8,000	8,000	8,000	8,000	8,000
Penalty mail	2,259,000	3,591,000	2,691,000	2,691,000	2,691,000
ARCHITECT OF THE CAPITOL					
Salaries, Office of the Architect	268,375	278,100	278,100	278,100	278,100
Contingent expenses	50,000	50,000	50,000	50,000	50,000
Capitol Buildings and Grounds	933,500	1,088,200	1,013,200	1,013,200	1,013,200
Capitol Grounds	329,475	361,000	357,000	357,000	357,000
Legislative garage	44,280	140,500	115,500	115,500	115,500
Subway transportation	6,000	6,000		6,000	6,000
Senate Office Building	1,822,000	1,819,700		1,819,700	1,819,700
Additional office building for U.S. Senate	750,000				
Furniture and furnishings, additional Senate Office Building	283,550				
Extension of Capitol	4,000,000				
Extension of additional Senate building site	1,590,000	200,000		200,000	200,000
House Office Buildings	1,335,650	1,435,700	1,400,000	1,451,300	1,451,300
Additional House Office Building, acquisitions of property, construction and equipment	22,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Capitol Power Plant	1,738,000	1,901,600	1,901,600	1,901,600	1,901,600
Expansion, Capitol Power Plant	750,000	5,750,000	2,500,000	2,500,000	2,500,000
Library Building and Grounds:					
Structural and mechanical care	708,600	1,100,500	1,080,500	1,080,500	1,080,500
Furniture and furnishings	75,000	156,000	140,000	140,000	140,000
Total, Architect of the Capitol	37,184,430	30,787,300	25,335,900	27,412,900	27,412,900
BOTANIC GARDEN					
Salaries and expenses	399,750	327,500	327,500	327,500	327,500
Relocation of greenhouses	587,000				
Total, Botanic Garden	986,750	327,500	327,500	327,500	327,500

Legislative appropriation bill, 1960—Legislative branch—Continued

Legislative branch	Appropriations, 1959	Estimates, 1960	House allowance, 1960	Senate allowance, 1960	Conference allowance
LIBRARY OF CONGRESS					
Salaries and expenses	$6,748,300	$7,156,200	$7,150,000	$7,159,890	$7,159,890
Copyright Office	1,397,256	1,478,500	1,450,000	1,450,000	1,450,000
Legislative Reference Service	1,390,300	1,455,400	1,455,400	1,455,400	1,455,400
Distribution of catalog cards	1,878,635	1,981,300	1,981,300	1,981,300	1,981,300
Increase of the Library of Congress:					
General increase of the Library	320,000	350,000	350,000	350,000	350,000
Increase of the Law Library	90,000	90,000	90,000	90,000	90,000
Books for the Supreme Court	30,000	30,000	30,000	30,000	30,000
Books for the blind	1,367,900	1,619,400	1,619,400	1,619,400	1,619,400
Organizing and microfilming the papers of Presidents	106,800	106,800	106,800	106,800	106,800
Preservation of early American motion pictures	60,000	60,000	60,000	60,000	60,000
Total, Library of Congress	13,389,191	14,327,600	14,292,900	14,302,790	14,302,790
GOVERNMENT PRINTING OFFICE					
Printing and binding	10,700,000	11,500,000	11,500,000	11,500,000	11,500,000
Office of Superintendent of Documents	3,463,340	3,520,350	3,520,350	3,520,350	3,520,350
Total, Government Printing Office	14,163,340	15,020,350	15,020,350	15,020,350	15,020,350
Total, legislative branch	136,048,080	133,648,180	100,279,350	128,797,380	128,797,380

Mr. STENNIS. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. I yield to the senior Senator from West Virginia.

Mr. RANDOLPH. I thank our considerate and helpful majority leader.

The PRESIDING OFFICER. The Senator from West Virginia.

THE UNITED STATES NEEDS A NATIONAL FUELS POLICY

Mr. RANDOLPH. Mr. President, there was submitted earlier today for appropriate reference by the Senators from West Virginia for themselves and, hopefully, other Senators who may wish to become cosponsors, a concurrent resolution calling for a joint congressional committee which would gather information essential to the establishment of a national policy relating to energy fuels.

Under Senate Concurrent Resolution 73 there would be created the Joint Committee on a National Fuels Policy.

So far as I have been able to determine, there does not appear to be opposition to the establishment of such a policy. In fact, there seems to be widespread agreement that there is real need and that it is a highly desirable national objective.

It is my belief that when other Members of this body have been afforded the occasion to examine the aims of this resolution, they will desire to join in cosponsorship. Accordingly, Mr. President, I ask unanimous consent that the resolution lie on the table for 2 days so that other Senators may have the opportunity to associate themselves affirmatively with this proposed legislation.

Here are some paraphrased summary items of the purposes of the resolution, and the reasons why the sponsors consider it essential, as stated in the preamble:

We need not be reminded that adequate supplies of fuel and energy resources in all forms are essential to the continued welfare of the Nation, to its industrial development, to the consuming public, and to the national security.

CONSUMPTION OF FUEL AND ENERGY RESOURCES TO INCREASE

By 1980, we are told, the population of the United States will have increased to 250 million, while the consumption of fuel and energy resources will have gone up nearly 100 percent.

Experience has demonstrated that our national reserves of fuel and energy resources are, in varying degree, limited. In some areas we are known to be in danger of approaching these limits.

Maintenance of the basic fuels industries, together with adequate facilities for the transportation of fuel and energy resources, is essential to national defense and national security. Furthermore, the stability and prosperity of the basic fuels industries are essential to the economic health of the country.

In view of these considerations it has become evident that our inevitably increasing fuel and energy requirements, both for the long-range purposes of peaceful expansion and for the immediate exigencies of national security, cannot be adequately met without a national policy for the most effective utilization of these resources in the public interest.

Perhaps it is appropriate to mention some of the work done previously in connection with movements in the direction of delineation of a national fuels policy.

NATIONAL RESOURCES COMMITTEE PERFORMED VALUABLE SERVICE

There was, for example, the National Resources Committee of the late thirties. This body was headed by the late Harold L. Ickes, who was then Secretary of the Interior. Under that group was an Energy Resources Committee which issued a report in 1933. Among its findings and recommendations were these:

> The energy resources—coal, petroleum, natural gas, and waterpower—lie at the foundation of our industrial civilization. * * * From the evidence reviewed in this study it appears beyond argument that the Nation's patrimony should be safeguarded, that a sound national policy must be concerned with the conservation and prudent utilization of these basic resources.

That was 20 years ago; and many, many events have transpired, among them the tragedy of World War II. That worldwide struggle dissipated not only great numbers of our manpower but, indeed, much too much of our natural resource fuel reserves.

Mr. President, for all its vastness, ours is not a country of unlimited resources. Admittedly, our energy resources are limited, as we understand them today. Indeed, we have much statistical data on the limits of the natural resource fuel reserves in the United States.

In the light of these facts, why are we so dilatory in meeting our obligation to our country's future? Why are we delaying the necessity of arriving at a policy—a plan—for proper long-term utilization and conservation of these energy resources, rather than continuing to expend them with no real thought of the consequences of the tomorrows? Frankly, why do we not have a national fuels policy aimed at real correlation and development of the energy potential of our country?

PROBLEM POSES MANY FACTORS TO CONSIDER

The Nation's energy problem goes much deeper and should be considered much more broadly than from the standpoint of competition between fuels for markets.

In 1951, the Senate Committee on Interior and Insular Affairs studied our energy resources under a Senate resolution with an objective "to investigate available fuel reserves and formulate a national fuels policy for the United States." In a forceful and thought-provoking letter transmitting the results of the study, the thorough and scholarly senior Senator from Wyoming [Mr. O'MAHONEY] raised some important questions which, unfortunately, still are unanswered either by action of the Congress or the executive department.

Then, in 1952, there was the report of the President's Materials Policy Commission, better known as the Paley Commission. One of the purposes was to evaluate the status of our natural resources in the hope of laying a foundation for the development of a coordinated fuels policy that would meet both

immediate defense requirements and the long-term demands of our expanding peacetime economy. In the opinion of the Paley Commission, it was essential that there be developed such an integrated policy—even though there had been none accomplished. There followed a change of administrations and with it delay and very little followup.

We might refer, also, to the report of the Presidential Advisory Committee on Energy Supplies and Resources Policy issued in February 1955, which asked characteristic questions—familiar questions—which, for the most part, still remain unanswered.

Obviously, all studies and inquiries looking toward the establishment of a national fuels policy should be thorough, comprehensive, and nonpartisan. Equally important is the necessity that all the industries involved, along with consumer interests, should be taken into account. The staff which would assist the proposed committee should be composed of competent men fully capable of considering properly the whole range of fuel resources in the light of the country's reserves, potentials, and needs.

ACTION SHOULD BE BASED ON FACTS

There is another important consideration, and it is this: The natural resource industries—whether coal, oil, gas, or water—hydroelectric—must accept the facts. Our country's course must be planned with facts in mind, and I place emphasis on the word "facts."

Perhaps we have already lost too much time and expended too much of our natural resource energy fuels by misdirection. Hence, there is accuracy in the assertion that a national fuels policy looking toward the efficient and comprehensive use of our natural resources is overdue.

I hope a substantial number of my colleagues will join in cosponsoring Senate Concurrent Resolution 73 and that it will be the recipient of prompt and favorable consideration by the appropriate committee, by this body, and by the other body of the 86th Congress.

The PRESIDING OFFICER. Without objection, the concurrent resolution will lie on the table for 2 days, as requested by the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I rise to associate myself with the very pertinent comments of my colleague from West Virginia, and to join in urging early consideration and passage of Senate Concurrent Resolution 73.

Most of the major countries of the world, with the exception of the United States, have established national policies looking toward the efficient use and conservation of energy resources. For instance, only in the past few days, Canada has appointed members to the newly formed Canadian National Energy Board. The board was established by legislation enacted at the last session of the Canadian Parliament. Among its duties, this board will regulate the export of gas and oil from Canada, and also will make general studies of all matters relating to energy resources.

It is my sincere belief, Mr. President, that America cannot afford to remain aloof from this type of development, which has been recognized as vital by many widely divergent political and social economies around the globe. One of the other nations which has a firm and well-directed national fuels policy is the Soviet Union. I think that this fact should bear heavily upon our decision in this matter. Each of us knows that the avowed goal of Russia is to surpass America in every possible field as quickly as it can. And each of us knows that Russia today is making gigantic economic strides forward. Perhaps a significant factor in Russia's push ahead might be its firm, unswerving national fuels policy.

I wish to quote portions of an article which appeared in the Communist publication, Izvestia, a year ago. The article said:

> Therefore, in our long-range plan for development of our natural fuel resources, we are planning for the extensive, but intelligent, use of oil, natural gas and coal for our powerplants, for our industry and the everyday needs of community living. * * * But the time factor must not be forgotten. We must gain time in our competition with capitalism so as to overtake the United States of America in per capita production in the shortest possible time.

Mr. President, this is only one of many Russian writings which have appeared on this important subject, but I feel that it should serve as a jolting warning to each of us. Can we, the United States, afford to trifle with our priceless fuel resources while Russia is forging ahead with precise fuels planning?

I am sure that I need not explain to the Members of the Senate how much America depends upon her supplies of coal, oil and gas. Virtually our entire industrial economy is based upon, or in some way connected with, the power derived from these fuels. And some day, perhaps, practical atomic energy may enter the picture. Can we, as a nation, afford to make no intelligent efforts to direct the future of these vital cornerstones of our economy? Consider the dire consequences which would result if we husband our fuel resources so poorly that they become inadequate to meet all possible expectations—including excessive wartime demands. Our global struggle with Russia would be as good as lost if we were to allow ourselves to fall substantially behind in the realm of fuels and power potential.

Now, I am sure that the Senators from the great oil-producing States are desirous of seeing the implementation of a national fuels policy, in view of the many benefits which might redound to their respective States. And I am equally certain that the Senators from the major gas-producing States must feel the same way, in view of the possible benefits for gas-producing areas.

But, for the moment, I should like to speak only as a Senator from America's largest coal-producing State, and to discuss only the possible benefits which might accrue to the coal-producing areas.

As each of us knows, and as I have stated numerous times in this Chamber, the condition of America's coal industry is a matter of national concern. The depressed state of the industry is a serious detriment, both to the economic welfare of the regions dependent upon coal, and to our national defense potential. The Office of Civil and Defense Mobilization recently submitted data estimating that the productive capacity of the bituminous coal industry today is around 520 million tons. Coal production last year was only 404 million tons, as compared to 500 million tons in 1957, and the alltime peak of 631 million tons in 1947.

The OCDM study showed that the number of bituminous coal mines is declining and that, under existing circumstances, overall capacity to produce coal is declining. On the other hand, it is clear that the demands on the coal industry in the event of war would be more than 520 million tons, which is today's capacity. The estimates vary as to how much would be required in event of war, but most experts agree that it would be more than 600 million tons a year, or considerably above the 520-million-ton capacity we presently have. Thus it appears that the coal industry today could not meet the requirements which probably would be demanded of it in the event of war. This is a matter of serious importance.

Furthermore, there is a question as to the ability of the coal-hauling railroads to transport the amount of coal which the country would need in wartime. The decline in coal production causes deterioration of coal-carrying equipment by the railroads and cutbacks in orders for coal-carrying cars.

One important phase of the fuels study, then, would be to find out why the coal industry is in its present depressed state and what can be done about it. Perhaps the situation is the result of forces which are, at the moment, beyond our control. If so, we might have to take extreme measures, such as the stockpiling of coal, or the subsidization of the purchase of coal-carrying equipment for the railroads. I only mention these steps as possibilities. I think other solutions can be found. But, clearly, we must be prepared to meet our energy demands in the event of a national emergency.

We have an abundance of coal, enough to last for more than 1,000 years. The price of coal at the mine has remained remarkably stable, being virtually the same today as it was 10 years ago. This is because of the coal industry's remarkable record of productivity. The average output per miner per day is around 12 tons at present, having just about doubled in the past 10 years.

Yet, there is unemployment in the coal industry; skilled workers are leaving the fields and seeking jobs elsewhere. Once gone, they rarely return, and they are hard to replace. The profit record of the coal industry is a poor one, comparatively speaking. For many years it has been a borderline operation, and has lost money in several years, including 1954 and perhaps 1958.

In contrast to the coal situation in this country is the flourishing coal industry in the Soviet Union. In 1958, Russia produced well over 500 million tons of coal, exceeding production of the United

States by more than 100 million tons. The U.S.S.R. was fourth in coal production in 1937; today it is first in the world. This is not a comforting thought.

Furthermore, the Russian railroads are being expanded to serve the expanding coal industry. Also, the Russians are stockpiling coal against possible emergencies.

By 1965, the Russians estimate that their coal production will be 612 million tons or more. There are reports that the Russians have cut back on nuclear programs, because costs were higher than were anticipated, and plan to concentrate more and more on coal.

Mr. President, in view of all these things which I have mentioned, it would appear that America must act with boldness and impart a sense of direction to the use of fuels. Therefore, I respectfully urge my colleagues in this body to join in support of this resolution.

IMPACT OF FOREIGN AID AND FOREIGN TRADE POLICIES UPON AMERICAN INDUSTRY AND LABOR

Mr. SCHOEPPEL. Mr. President, some time ago I made clear my apprehension and concern about the impact of our foreign aid and foreign trade policies upon American industry and upon American labor.

It seemed obvious to me that the leaders of the American labor movement had been lending their political support to programs which were going to be very injurious to their own members. Ultra-liberals and one-worlders seem to have placed the interests of the American people at the very bottom of the list.

I ask unanimous consent to insert in the RECORD at this time some additional evidence which buttresses my opinion that the time has come for us to take care of our own interests before we have no interests left to take care of.

Those of us who have been trying for years to protect small business and American labor will be interested to watch the maneuvers of the free trade labor bosses as they now become tariff protectionists.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post and Times Herald of June 24, 1959; a column from the Washington Daily News of August 4, 1959; an article from the Washington Daily News of June 10, 1959; an article from the Washington Post and Times Herald of August 17, 1959; and an article from the New York Times of August 17, 1959.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, June 24, 1959]

U.S. TRADE DEFICIT SHAVED IN QUARTER

(By Frank Cormier)

The U.S. balance-of-payments position—the country's standing in financial dealings with the rest of the world—improved in the January–March quarter for the first time in 18 months.

The Commerce Department reported yesterday that payments by the United States to other countries continued to exceed United States receipts in international transactions. However, the deficit was smaller than in the final quarter of 1958.

After adjustment for seasonal factors, the first-quarter deficit was at an annual rate of $3,708 million compared with $4,040 million in the preceding 3 months.

This was the first quarterly improvement in the United States position since the third quarter of 1957.

Government economists said there is a possibility the current quarter will show some slight further improvement. In any event, they said, the deficit is expected to decline later in the year.

Most of the first-quarter improvement involved transfers of money in the form of loans, grants, and investments. A better showing here more than offset a worsening of the situation with respect to transfers of goods and services.

The net outflow of private capital in the first quarter was $394 million—the smallest 3-month total since 1955. The outflow resulting from money transactions of the Government was $89 million, down from $166 million in the previous quarter.

The report said exports of goods and servics were at a seasonally adjusted annual rate of more than $22 billion. This was about $1.2 billion less than in the preceding 3 months.

Imports of goods and services dropped only slightly to an annual rate of nearly $22 billion.

The Department cited several special transatcions and developments which affected the first-quarter picture.

On the favorable side, Germany made an advance repayment of $150 million on its postwar debt, and Americans liquidated a good chunk of their short-term assets held abroad in order to take advantage of higher interest rates in the United States.

These developments more than offset the unfavorable effect of extra-large imports of petroleum products, inspired by anticipation of import quotas.

As was reported earlier, the outflow of gold in the first quarter dropped to $96 million from $347 million the previous quarter.

[From the Washington Daily News, Aug. 4, 1959]

FIGHT AGAINST IMPORT TIDE

(By John Herling)

A cloud no bigger than a coat and a pair of pants now threatens the prosperity of the men's clothing industry. The source of the danger comes up like thunder from Japan and Hongkong. The Amalgamated Clothing Workers Union, the chief U.S. labor organization of the men's apparel industry, and the employers have decided to make common cause to ward off the "danger of imports."

After the war, the Marshall Plan and similar systems of aid restored the industrial economies of many countries. Today these countries have not only become self-sustaining, they are now competing with our industries in the American and Canadian markets. For example, auto imports, once a trickle, pour in from Europe so that Detroit knows that this is no longer kiddie car competition. Steel companies find that steel imports are mounting and the current strike will stimulate the flow of steel from abroad.

More than one hint has been released that it might be well for management and unions to close ranks against an immediate challenge to business and jobs. Even the textile industry, long split by bitter labor-management struggles, has synchronized, if not integrated, its efforts against the rising import tide.

All this is very distressing to many Government, industry and union leaders because organized labor for a long time espoused the long range position that what's good for the world's economy is good for the United States. Among the most articulate advocates of this principle has been the Amalgamated Clothing Workers. Now its president, Jacob Potofsky and its executive board, charges that the United States and Canadian clothing industry is being "threatened by unfair competition from sweated labor abroad."

Here is the roster of Amalgamated grievances:

"The volume of apparel imports, particularly from Japan and Hong Kong has increased enormously. From 1954 to 1958, shirt imports, for example, have expanded over 800 percent. The U.S. knit glove industry is well on the way to destruction. Imports of pajama robes, underwear, pants, raincoats, outerwear, sporting apparel and equipment are rapidly increasing.

"Tailored clothing is arriving from abroad in ever larger quantities. Hong Kong's mail-order business in tailored clothing with customers in the United States and Canada expands. For the first time in Japan's history, a ready-to-wear tailored clothing industry is being developed to export to the United States and Canada.

"We now find that the hard-won labor standards of our members, and ultimately, their jobs are threatened by the evils of starvation wages and sweatshop conditions imported from abroad. The competitive advantage of imported apparel is rooted in substandard wages, the equivalent of 10 cents an hour and degrading working conditions. It is based on long hours of work, 60 hours a week for women and children, homework, shameful exploitation of the labor of the young, the aged and infirm. No apparel manufacturer in United States or Canada can hope to meet this kind of competition, and no one should be expected to meet it from Japan, Hongkong or anywhere else."

Where does this leave the international trade policy of this—and perhaps other unions? Answer: "This union has long favored improved trade relations among the nations of the world. It has been a staunch supporter of the reciprocal trade programs ever since the early days of the New Deal. But reciprocal trade was conceived as a middle-of-the-road approach to liberalizing international trade without injuring the domestic industries of any nation. It was never intended to be an instrument for destroying an important American industry by unfair competition from sweated labor abroad."

[From the Washington Daily News, June 10, 1959]

RECESSION IS WHIPPED, INFLATION CHECKED—ROBUST BRITAIN GETS SET FOR WORLD TRADE FIGHT

(By Charles Lucey)

LONDON, June 10.—An England confident in a tradition reaching back to Drake and Magellan is fighting fit today for a great new battle for world trade.

Its national economy has turned the corner from recession and is headed upward. It is holding the line on inflation at home. This means keeping down export prices to compete more aggressively overseas.

England has moved a long way from the old craft traditions to modernize plants toward automation, which means lower-cost volume output.

Productivity—output per man-hour in factories—is moving upward again after a lag. Unemployment is down to 2.2 percent of the work force. A manpower shortage is even possible if expansion goes as likely.

RESERVES HIGH

Gold and dollar reserves are at high levels. And British trade union leaders, keenly aware that jobs depend on selling overseas one-fourth of everything Britain makes and

that the goods must be priced low to do this, are committed to fighting the battle of inflation.

Keep living costs in check, they tell the government in effect, and trade unions will restrain their demands.

Britain's picture is bright today but this is only after much agonizing and travail. Inflation ran a fast course here—much faster than in the United States—for most of the past decade. In 1955, the boom rose high, prices and wages climbed. Prosperity led to Briton's consuming to much of what they made and exporting too little. Money was shifting away from the British pound sterling to the German deutsche mark and the Swiss franc.

By 1957 it was clear inflation must be checked. The Government began a massive procedure against it. It shoved bank interest rates up to 7 percent to make money tighter and imposed consumer credit controls to check wild buying.

The moves were effective—too effective, some Britishers thought—and the economy slackened. Unemployment increased. Britain's total national factory output and productivity fell. But the Macmillan government checked inflation.

TURN UPWARD

By mid-1958, with prices at last stable, Britain began turning upward again. Investment in expanding factories had continued at a high rate. Interest rates now were cut gradually to make credit and money more available. Banks were told they could lend on easier terms. Installment credit controls were relaxed. Industry was urged to keep its investment plans high.

Yet, in doing these things the Government tried to guard against a new onslaught of inflation. On the books, 1958 showed only as a stay-even, rather than a go-ahead, period for British industry. Yet Britain's balance of exports over imports—was at the best level in history.

Britain today is a land of high confidence. But it still has unemployment pockets. And large problems, too.

Germany has been much more aggressive opening up new markets—Latin America, for example. The Italians have grabbed huge oversea dam-building and other construction projects out from under British noses. There are fears the French may be outdistancing Britain in jet aircraft.

In shipbuilding, British design and quality on big passenger vessels are still the finest, but the Japanese and Germans are giving Britain a hard run on tankers and transport cargo ships. Cheap labor in India, Japan, and Communist China is making it difficult or impossible for England's textile mills to compete in huge-volume, common-loom goods.

HASN'T CAUGHT UP

Britain has gone far toward factory modernization but much small or medium-sized industry hasn't caught up with the pace of 1959 production in terms of automation and high-speed machine tools.

It is only fact to report that U.S. firms in Britain—General Motors, Vauxhall and British Ford, for example—have had a good deal to do with setting the pace toward the modernization that has come. Yet, saying all this, England today is sturdy and getting sturdier. In machinery and metal products it will compete hard anywhere. Good evidence of this is that British exports to Germany have been rising rapidly—something that couldn't happen if costs were out of line.

Sir David Eccles, president of the British Board of Trade, notes that altho exports of all Western European countries to the United States have risen considerably, those of England have risen most of all. British wage rates, altho rising faster on a percentage basis recently than those of the United States, still average possibly less than half those paid the American worker. Even given higher U.S. output per man, because England rarely can match modern production facilities of Detroit and Pittsburgh, this wage differential often gives England considerable advantage.

STEEL PRICE CUTS

Note also: Contrary to what has happened in the United States, Britain has seen two cuts in steel prices in the last year, the last one of 2 percent on important industrial orders only two weeks ago.

This week millions of Englishmen are getting a few extra shillings in their pay pockets—the result of income tax cuts decreed in the government's new budget in April. The sales tax has been cut—including about 2 cents on the Englishman's cherished pint of beer. Industry is getting new tax allowances to encourage expansion.

This shows, altogether, a fairly confident Britain. But, also, one that knows the battle ahead for world trade will be the most competitive in history and is determined to stay ahead in that battle.

NINETEEN HUNDRED AND FIFTY-NINE IMPORTS OF EUROPE GOODS SOAR

(By Harry W. Frantz)

U.S. imports from Europe in the first half of 1959 were sharply higher than in the same period of 1958, while exports declined. As a result, the international merchandise trade balance turned favorable to Europe.

The United Kingdom ranked first and West Germany second in both the imports and exports of the United States.

According to unpublished Commerce Department statistics obtained by United Press International, U.S. imports from Europe in January-June 1959 were valued at $2,192, 813 compared with $1,544,119 in the same period of 1958.

U.S. exports to Europe in January-June 1959 were valued at $2,075,214 compared with $2,293,258 in the same period of 1958.

The Department classifies Europe as comprising continental countries including the Communist bloc, and also the United Kingdom, Ireland, and Iceland.

[From the New York Times, Aug. 17, 1959]

UNION CHIEFS SEEK QUOTAS FOR SWEATSHOP IMPORTS

(By A. H. Raskin)

UNITY HOUSE, PA., August 16.—The labor federation is planning a major modification this week in its policy of full support for the Government's reciprocal trade program.

Alarmed by recent increases in imports of goods manufactured in countries with low wage standards, the federation's high command is slated to approve a call for legislation to safeguard domestic production against foreign inroads.

The proposal is in a resolution to be considered by the Executive Council of the American Federation of Labor and Congress of Industrial Organizations at its midsummer meeting. The meeting opens tomorrow in this Poconos resort.

The resolution was submitted jointly by four key unions—the International Ladies Garment Workers Union, the Amalgamated Clothing Workers of America, the Textile Workers Union and the United Hatters, Cap and Millinery Workers International Union. All four have long been identified with the policies of free trade.

Jacob S. Potofsky, president of Amalgamated, and David Dubinsky, president of the Garment Union, discussed the proposal yesterday with George Meany, the federation's president. It was understood that Mr. Meany had given the plan his blessing.

The resolution seeks to offset any impression that labor is reverting to the isolationist position it took in the Twenties. In those years labor was a bulwark of "buy American" campaigns, backed by pressure for high tariffs and tight curbs on immigration.

However, the underlying theme of the new position is that the failure of many foreign countries to give their workers an equitable share in the fruits of their economic progress has created a serious threat to the stability of U.S. industries.

The resolution notes that the federation has endorsed the Marshall plan and all other measures for economic assistance to revitalize the economies of other nations.

The gap between the resulting rise in the productivity of these nations and their substandard wages and working conditions has caused them to ship much of their goods abroad, instead of using it to raise their own living standards, the resolution complains.

It adds that the United States has become a major target in the exportation of goods able to compete here solely on the basis of inferior labor conditions. The apparel and textile industries are cited as examples of groups particularly hit hard by this trend. The resolution puts part of the blame on a small group of domestic profiteers eager to enrich themselves by fostering the flow of foreign goods.

Labor's formula for checking this importation of sweatshop conditions from abroad involves the passage of a law limiting the flow of foreign products. The bill would give the U.S. Tariff Commission power to determine normal levels of domestic output of goods; on the basis of past records of actual production and the anticipated needs of our growing population.

Import quotas would be established to protect these levels of domestic production. Above the safeguarded level, each product could be imported under existing tariff rates or new rates negotiated under the General Agreement on Tariffs and Trade. The quotas would be governed by the difference between the protected rate of U.S. output and the most recent total consumption rate for each item.

Imports above the quota would be subject to higher tariffs. These would take into account, as one controlling factor, the wage differentials between this country and the exporting nation, with extra penalties for goods made under conditions that were substandard even by the yardsticks of their own countries.

As wages abroad went up, the import duties would go down. This would provide an incentive to foreign manufacturers to raise their pay scales without increasing the delivered cost of their product in the United States.

Sponsors of the proposal were at pains to deny that it lent indirect support to the arguments being used by the steel industry in the present national strike of 500,000 steelworkers. The companies contend that a wage freeze is necessary to offset foreign competition. The steel union has insisted that imports represent a negligible element in the total steel supply situation.

Federation executives declared that the total formula represented a constructive approach to the solution of any import problem that might develop in steel. They said the answer to the trade dilemma was not to depress U.S. wages to the levels prevailing abroad but to encourage foreign producers to raise their pay rates.

The severest trade headaches in recent months have been suffered by apparel and hat manufacturers in connection with imports from Japan and Hong Kong.

Union leaders say that garments being brought in from the Far East are being sold at prices one-third or less than those charged by domestic manufacturers. Even if workers here contributed their labor without pay, these prices could not be matched, union statistics indicate.

Outside the needle trades, concern is spreading about the rise in shipments of automobiles, electonic equipment, cameras, and other goods. The pressure for a new federation policy has been increased by fear of a prospective flood of subsidized exports from countries in the Communist bloc.

Meanwhile union leaders will divide their time this week between trying to patch cracks in labor's house and combating attacks by labor's critics in Congress.

The first business tomorrow will be a resolution of support for the striking members of the United Steelworkers of America.

All agreed that passage by the House of Representatives of the Landrum-Griffin union control bill represented a "disaster."

RESOURCES AND CONSERVATION ACT OF 1960

Mr. DODD. Mr. President, yesterday the distinguished and able Chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY] introduced a bill which I hope and believe will be an historic landmark in the long struggle for an adequate national policy of development and conservation of our natural resources.

On May 22, in a speech on the Senate floor, I cataloged the critical problems facing our Nation in one natural resource field after another.

We have cut 90 percent of our virgin timber stand in the commercial forest area. The erosion of our soil and the consequent destruction of agricultural lands has been a national calamity.

Our water supply, once considered unlimited, is now proving inadequate in widespread sections of the country. It is estimated that an expenditure of $50 billions will be required during the next 15 years if we are to provide adequate water and sewage facilities to our mushrooming urban communities.

Once a large exporter of raw materials, we are now a large importer and are at least partially dependent upon foreign sources for almost every basic metal.

Our consumption of minerals is six times what it was in 1900, and our present rate of consumption will double by 1980.

Unless we embark upon an urgent, comprehensive national program for husbanding our natural resources and developing new sources of supply, we will be unable to meet the needs of the next generation and our national standard of living as well as our military and political strength will begin a steady and irreversible deterioration.

In my remarks of last May, I urged the President to appoint a new commission, similar to the Paley Commission, except that it would be charged with the responsibility for specific legislative recommendations.

There has been no action from the White House. But now the Senate, under the leadership of the Senator from Montana [Mr. MURRAY] is taking the initiative.

I am pleased to have the opportunity to join the Senator from Montana [Mr. MURRAY] and 28 other Senators in cosponsoring S. 2549. This bill would provide for two important continuing groups to make annual studies and reports on the complete natural resource picture. It provides for a White House Council of Advisers and a Joint Congressional Committee on Resources and Conservation. It envisions a continuing, coordinated attack on all the complex and related problems involved in resource conservation and development. It is a vital piece of legislation, and I hope that we will have congressional action on it at the earliest possible moment so that we can make this new and important advance in the long struggle to preserve the foundation of our national strength and well being, our natural resources.

TRIBUTE TO THE LATE SELIG PERLMAN

Mr. MORSE. Mr. President, it is with great sadness I bring to the attention of the Senate the death of Prof. Selig Perlman, who last June retired from the University of Wisconsin, department of economics.

There happen to be a considerable number of us in the Congress, Mr. President, who are greatly indebted to this great scholar for his inspiration and for his teaching during the years of his service as a graduate professor, which he spent at the University of Wisconsin.

Prof. Selig Perlman was one of my major graduate professors in the field of labor economics, and I suppose, Mr. President, if I were asked to name the five or six people to whom I am more indebted than to all other people, outside of my own family, Selig Perlman would be very high on that list.

The American labor movement will never be able to write its history without paying great tribute to the writings of Professor Perlman. I remember that some years ago, at a dinner where it was my honor to pay tribute to Professor Perlman, I said, in effect, that probably in the past half century we have not had as keen a student or as sound a scholar in the field of labor economics as Prof. Selig Perlman, although that honor should be shared with his distinguished colleague and very close friend at the University of Wisconsin, Prof. Edwin Witte.

These two men, Professor Witte and Professor Perlman, have probably made the most scholarly contributions in the field of theoretical labor economics of any two men in American academic life in half a century.

The student beneficiaries of Professor Perlman are very many. His writings have been translated into many languages.

There appeared in the New York Times of August 15, 1959, an obituary article setting out the highlights of this noble man's great life. I ask unanimous consent that the article be printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SELIG PERLMAN, ECONOMIST, DIES—LEADER IN STUDIES OF LABOR WAS AUTHOR—TAUGHT AT UNIVERSITY OF WISCONSIN 40 YEARS

PHILADELPHIA, August 14.—Selig Perlman, labor economist, died today in Pennsylvania Hospital. He had suffered a stroke Saturday night. His age was 70.

Dr. Perlman retired in June after more than 40 years on the University of Wisconsin faculty. He had been in Philadelphia as a visiting professor at the University of Pennsylvania's Wharton School of Finance and Commerce.

First as a student and then as a colleague of the late Dr. John R. Commons, Professor Perlman was part of a small group that pioneered in the study of labor economics, beginning half a century ago, at the University of Wisconsin.

From the Commons-Perlman school students went as economists to other universities, Government service, trade unions and industry. For his part, Professor Perlman stayed at Wisconsin, teaching, writing, and lecturing. At his retirement 2 months ago he was John R. Commons research professor.

Dr. Perlman was born in Bialystok, Poland, the son of a yarn spinner. The revolutionary ferment of that time, including the labor movement, socialism and Zionism, strongly influenced him. He was 20 years old when he came to the United States after having studied for 2 years at the University of Naples.

In 1910 Mr. Perlman received an A.B. degree at Wisconsin. He became an American citizen 3 years later and in 1915 he took his Ph.D. degree under Dr. Commons. Already, in 1909, he had become a research assistant at the university, and from 1913 to 1915 he was special investigator for the U.S. Commission on Industrial Relations.

After a further period of economic research, Dr. Perlman was made an instructor in 1919, an assistant professor in 1921, associate professor in 1925, and professor in 1927.

In 1918 Dr. Perlman collaborated with Dr. Commons and others to write the standard "History of Labor in the United States." Ten years later he turned out his classic "A Theory of the Labor Movement." Other writings included "A History of Trade Unionism in the United States," "Labor Movements 1896–1932" (with Philip Taft) and "Organized Labour in Four Continents" (with several others).

Dr. Perlman was a visiting lecturer at various universities, including the Hebrew University in Jerusalem and the University College of South Wales. At various times he had served on State commissions. He was a member of the American Economic Association, the American Jewish Committee, the Jewish Publication Society, and the University Club.

Dr. Perlman was married twice. His first wife, the former Miss Eva Shaber, whom he married in 1918, died in 1930. They had two sons, David and Mark. In 1930 he married the former Miss Fannie Shaber. They had two daughters, Eva (now Mrs. Ernst Silversmith) and Rachel.

Mr. MORSE. Mr. President, I was absent from the city over the weekend, and was unavailable, insofar as anyone being able to reach me was concerned. Therefore it was not until this noon that I heard this sad news, or I would have made this statement about Professor Perlman at an earlier hour.

I was advised this afternoon that the former students and close friends of Professor Perlman, in the Congress and in Washington, will hold a memorial meeting in the near future to pay our respects to the great contribution Professor Perlman has made to American scholarship, to American teaching, and to American university life.

Mrs. Morse joins me in expressing to his family our very deep sympathy.

ALLEGED DISCRIMINATION BY NORWAY AGAINST JESUITS

Mr. MORSE. Mr. President, on July 8, during the course of the debate on my antidiscrimination amendment to the mutual security bill, the distinguished chairman of the Senate Foreign Relations Committee [Mr. FULBRIGHT] said:

I am told that Norway will not admit Jesuits. So if an American Jesuit applied for admission to Norway and were refused admission, I suppose this amendment would require us to sever our relations with Norway—and so on around the world. (P. 12962, CONGRESSIONAL RECORD, July 8, 1959.)

The foregoing statement constituted one of the arguments that prompted the Senator from Arkansas to vote against my amendment, I assume.

Later, in my August 12 statement to the Senate Appropriations Committee in support of the inclusion of my antidiscrimination amendment in the Mutual Security Appropriations bill, H.R. 8385, I said:

I am informed that Norway still discriminates against American citizens who may be Jesuit clergymen. My amendment would apply to that situation, as well.

This statement appears at page 15743 of the CONGRESSIONAL RECORD, August 12, 1959.

Yesterday I received a communication from the Norwegian Information Service advising me that Norway's "ban against Jesuits and monastic orders was revoked by Parliament in October, 1956." I ask unanimous consent that the August 13, 1959, letter of the Norwegian Information Service be included in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORWEGIAN INFORMATION SERVICE,
EMBASSY OF NORWAY,
Washington, D.C., August 13, 1959.

The Honorable WAYNE MORSE,
Senator from the State of Oregon,
Senate Building, Washington, D.C.

MY DEAR SENATOR MORSE: An Associated Press report in today's Washington Post and Times Herald quotes you as having stated: "I am informed that Norway still discriminates against American citizens who may be Jesuit clergymen."

I beg to advise that you have been misinformed and that there is no factual basis for the allegation.

As adopted on May 17, 1814, article 2 of the Norwegian Constitution read as follows: "The Evangelical-Lutheran religion shall constitute the established church of the kingdom. Jesuits and monastic orders shall not be tolerated. Jews are furthermore excluded from the kingdom."

The ban against the admission of Jews was repealed in 1851. And the ban against "Jesuits and monastic orders" was revoked by Parliament in October 1956.

The Roman Catholic Church has not been able to attract many Norwegian members, for reasons explained by Hallvard Rieber-Mohn, O.P., in the February 1959 issue of the Month which contains a series of articles on catholicism in Norway. (The Month, published by Longmans, Green & Co., Ltd., 6 and 7 Clifford Street, London W. 1, is available from British Publications, Inc., 30 East 60th Street, New York 22.)

I might add, that even before the anti-Jesuit paragraph was repealed, numerous Jesuits were known to have visited Norway without any difficulties on the part of the authorities, for the simple reason that foreign visitors are not asked about their religion before being admitted.

If you wish to glance through the Month, we shall be very happy to lend you the one and only copy in our files. We also have a special Scandinavian issue of the annual bulletin of the St. Ansgar's Scandinavian Catholic League of New York, published in November 1955, a year before the anti-Jesuit paragraph was revoked. This, too, contains much information about the Catholic church in Norway.

In conclusion I wish to say that the Norwegian Information Service would appreciate it very much if you should see fit to make a correction of the statement you reportedly made in the U.S. Senate on August 12, 1959.

Respectfully yours,
FREDRIK WULFSBERG,
Press and Cultural Counselor.

Mr. MORSE. Also, Mr. President, I ask unanimous consent that a news item appearing in the Oslo, Norway, newspaper Aftenposten of August 14, 1959, together with a letter from my friend, Mr. Sverre Gahr, translating the newspaper item, be set forth at this point in my remarks.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

INGEN DISKRIMINERING AV JESUITTER I NORGE

I anledning av den amerikanske senator Wayne Morses uttalelser onsdag om at Norge fremdeles driver diskriminering av amerikanske jesuittprester, ønsker Justisdepartementet å presisere at noe slikt er ganske ukjent såvel for departementet som for Statens utlendingskontor.

OSLO, NORWAY, *August 14, 1959.*

DEAR SENATOR MORSE, Thank you very much for your kind letter of June 19.

I thought you might be interested in the enclosed clipping from our morning paper today. It reads:

"NO DISCRIMINATION OF JESUITS IN NORWAY

"On account of the declaration given Wednesday by the American Senator WAYNE MORSE to the effect that Norway still are discriminating against American Jesuit chaplains, the Department of Justice wishes to emphasize that any such form of discrimination is totally unknown to the Department as well as to the Government's Office for Foreigners."

With kindest regards,
Sincerely,
SVERRE GAHR.

Mr. MORSE. Mr. President, it has always been my pleasure to set the record straight, and I am pleased to do so in this instance. I am delighted to correct the error which appeared in my statement of August 12. It is to Norway's everlasting credit that this discriminatory ban against a segment of American citizens was removed in 1956. I am delighted to correct the error that appeared in my statement of August 12.

With this information at hand, I urge the Senator from Arkansas [Mr. FULBRIGHT] to reconsider the position he took on my amendment on July 8. I would welcome the distinguished Senator as a cosponsor of my amendment.

I serve notice that there is still discrimination in the world, to which my amendment does apply; and I sincerely hope that when I offer it to the appropriation bill when it reaches the floor of the Senate, it will be adopted.

CRIMINAL PENALTIES FOR MAILING, IMPORTING, OR TRANSPORTING OF OBSCENE MATTER

Mr. KEFAUVER. Mr. President, on behalf of myself, and Senators JOHNSTON of South Carolina, CARROLL, EASTLAND, CANNON, HENNINGS, HUMPHREY, CHURCH, TALMADGE, BYRD of West Virginia, DODD, MORSE, and MCNAMARA, I introduce for appropriate reference a bill "to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter; to combat juvenile delinquency; and for other purposes." I ask unanimous consent that the bill be printed in the RECORD following my remarks. I also request that it lie on the table until the end of the day tomorrow in order that other Senators may join in its sponsorship, and then that it be referred to the appropriate committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Tennessee.

The bill (S. 2562) to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter; to combat juvenile delinquency, and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. KEFAUVER. Mr. President, I wish to call attention to two recent proposals for constitutional amendments which I sponsored with several of my distinguished colleagues, and which deal with the broad question of control of the publication and dissemination of obscene material—Senate Joint Resolution 116 and Senate Joint Resolution 133. It is my hope that a way can be found to hold a single set of hearings on these proposed amendments and the bill which I have introduced today.

Some progress has been made in the battle against the smut peddlers, but the war is far from won. Lewd material is still being sent into millions of American homes despite all that local law enforcement agencies, the Post Office Department, and the Department of Justice have been able to do. It has been reliably estimated that the smut peddlers do an annual business in excess of one-half billion—I repeat—one half billion dollars. This may seem incredible, but it, unfortunately, is true.

Last year, after a lengthy effort, we succeeded in amending the law to expand the venue for actions against the purveyors of filth. This change in venue applied to sections 1461 and 1462 of title 18 of the United States Code. It made it possible for the Department of Justice to prosecute pornographers not only in the district where pornographic material is mailed, but also in districts through which the material passes, and the district into which it is mailed. I have discussed this problem with Postmaster General Summerfield, and he has informed me that several convictions have recently been obtained under the new law and that, in his view, its diligent use will result in the successful

prosecution of many more pornographers.

This notwithstanding, I believe that there are certain other changes which can be made within the Constitution as it now stands and which will further strengthen the hand of these who are attempting to close the mails to obscene material.

The first of these changes is in the penalties which are applicable to offenses under sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code. As the law now reads, there are maximum fines or imprisonments for convictions under these sections, but there are no mandatory jail sentences. I believe that, as a matter of practice, most persons who have been convicted under these sections have been given fines and/or light or suspended jail sentences. The number of filth peddlers who have gone to jail has been infinitesimal. In view of the huge profits made out of their trade, most pornographers are not too concerned with the fines which are levied against them. For the most part, they are fly-by-nighters. Whenever they are caught and fined, they change their address and the name of their company, and go right back in business. The only realistic way to curb their activities is to see that they are put behind bars if they persist in their low and illegal business.

In my view, mandatory jail sentences for the first offenses under sections 1461, 1462, 1463, and 1465 would be so harsh, that courts and juries might not convict, but I do not feel that this is true of the second and subsequent convictions. If a person has been convicted once, he will think long and hard before continuing in business if he knows that a jail sentence of substantial length is mandatory. Title I of the bill which I am introducing would establish what amounts to a "third time loser" rule for smut peddlers. I believe that it would discourage a number of the regular repeaters in this dirty business.

Title II of the bill incorporates several changes suggested by the Postmaster General in the provisions authorizing the temporary impounding of mail to effectuate the closing of the mails to obscene matter. Title II does not include all of the changes suggested by Mr. Summerfield; it does, however, include several of the most important; and I am hopeful that we shall have a thorough discussion of the suggested changes which have been omitted from this bill.

Mr. President, I believe that this is the most important bill that I have introduced in a long, long time. It is my strong conviction that the dregs of our society who deal in "dirt for money's sake" must and shall be curbed. They shall be curbed, if for no other reason, because the parents of America—both organized and unorganized—demand it.

And they are not alone in their demand. Virtually every religious, civic, and fraternal group in the country is on record in favor of stricter laws against the evil dissemination of hard core pornography. Representative GRANAHAN, of Pennsylvania, has given much thoughtful attention to this problem and has held hearings on several bills she has filed, and this year the House subcommittee of which she is chairman has favorably reported one bill.

This bill which I am introducing now will lie on the table until the end of the day tomorrow. I urge my colleagues to study it, and I hope that they will join me in its sponsorship.

The bill (S. 2562) was ordered to be printed in the RECORD, as follows:

TITLE I

SEC. 101. That the eighth paragraph of section 1461 of title 18 of the United States Code (relating to the mailing of obscene matter) is amended to read as follows:

"Whoever knowingly uses the mails for the mailing, carriage in the mails, or delivery of anything declared by this section to be nonmailable, or knowingly causes to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, or knowingly takes any such thing from the mails for the purpose of circulating or disposing thereof, or of aiding in the circulation or the disposition thereof, shall be fined not more than $5,000 or imprisoned not more than five years, or both for the first offense, and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than one year nor more than five years for the second such offense, and shall be fined not less than $3,000 nor more than $20,000 and imprisoned not less than three years nor more than ten years for each such offense thereafter."

SEC. 102. The last paragraph of section 1462 of title 18 of the United States Code (relating to the importation or transportation of obsence matter) is amended to read as follows:

"Shall be fined not more than $5,000 or imprisoned not more than five years, or both for the first offense, and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than one year nor more than five years for the second such offense, and shall be fined not less than $3,000 nor more than $20,000 and imprisoned not less than three years nor more than ten years for each such offense thereafter."

SEC. 103. The second paragraph of section 1463 of title 18 of the United States Code (relating to the mailing of obscene or indecent matter on envelopes, wrappers, or cards) is amended to read as follows:

"Whoever knowingly uses the mails for the mailing, carriage in the mails, or delivery of anything declared by this section to be nonmailable, or knowingly causes to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, or knowingly takes any such thing from the mails for the purpose of circulating or disposing thereof, or of aiding in the circulation or disposition thereof, shall be fined not more than $5,000 or imprisoned not more than five years, or both for the first offense, and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than one year nor more than five years for the second such offense, and shall be fined not less than $3,000 nor more than $20,000 and imprisoned not less than three years nor more than ten years for each such offense thereafter."

SEC. 104. The first paragraph of section 1465 of title 18 of the United States Code (relating to the transportation of obscene matter for sale or distribution) is amended by adding after "shall be fined not more than $5,000 or imprisoned not more than five years, or both," the following:

"for the first offense, and shall be fined not less than $1,000 nor more than $5,000 and imprisoned not less than one year nor more than five years for the second such offense, and shall be fined not less than $3,000 nor more than $20,000 and imprisoned not less than three years nor more than ten years for each such offense thereafter."

TITLE II

SEC. 201. The Act of July 27, 1956 (70 Stat. 699; Public Law 821, 84th Congress; 39 U.S.C. 259b) is amended to read as follows:

"§ 259b. DETENTION OF MAIL CONTAINING OBSCENE MATTERS—

"(a) INTERIM ORDERS; JURISDICTION OF COURT; APPEAL; RIGHT TO EXAMINE MAIL.—Whenever the Postmaster General shall determine during proceedings before him that in the administration of section 259 or 259a of this title, such action is necessary to the effective enforcement of such section, he may enter an interim order directing that mail addressed to any person be held and detained by the postmaster at the post office of delivery for a period of forty-five days from the effective date of such order. Notice of such order, advising such person of the holding and detention and setting forth in specific detail the reasons therefor, together with a copy of sections 259, 259a, 259b, and 259c of this title, shall be sent forthwith by registered or certified mail to such person at the post office at which such mail is to be held and detained. Any person against whom an interim order is issued may petition in the United States district court for the district in which the post office at which such mail is held or detained is situated for an injunction restraining the postmaster from enforcement of the order if it is not necessary to the effective enforcement of such section. Any such order for the holding and detention of mail addressed to any person shall expire at the end of the forty-five days after the issuance thereof unless the Postmaster General shall file, prior to the expiration of a twenty-day period, a petition in the United States district court for the district in which the post office in which such mail is held or detained is situated, and obtain an order directing that mail addressed to such person be held and detained for such further period as the court shall determine. Notice of the filing of any such petition shall be given forthwith by the clerk of the court in which such petition is filed to such person, at the post office at which the mail is being detained (or otherwise as the clerk of the court shall determine to be appropriate), and such person shall have five days in which to appear and show cause why such order should not issue. If, upon all the evidence before it, the court shall determine that the continued withholding and detention of mail addressed to such person is necessary to the effective enforcement of sections 259 and 259a of this title, it shall forthwith issue an order directing that mail addressed to such person be held and detained by the postmaster at the office of delivery until conclusion of the proceeding by the Postmaster General or until further order of the court. If the court shall determine, upon all the evidence before it, that the continued withholding and detention of mail addressed to such person is not necessary to the effective enforcement of sections 259 and 259a of this title, it shall dismiss the petition and order all mail addressed to such person held or detained in any post office to be released forthwith for delivery. An appeal from the order of the court shall be allowed as in civil causes. Any order of the Postmaster General or of the district court, under section 259b of this title, may be dissolved by such court at any time for cause, including failure to conduct expeditiously the proceedings instituted against such person before the Postmaster General with respect to sections 259 and 259a of this

title. When, under any order herein authorized to be issued by the Postmaster General or the district court, a person's mail is detained and held by the postmaster at the office of delivery, such person shall have the right to examine said mail and receive such mail as clearly is not connected with the alleged unlawful activity.

"(b) DEFINITION OF PERSON.—As used in section 259b of this title the term 'person' means any individual, firm, corporation, company, partnership, or association.

"(c) EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.—Action by the Postmaster General in issuing the interim order provided for herein and petitioning for a continuance of such order under sections 259b and 259c of this title, shall not be subject to the requirements of the Administrative Procedure Act."

SEC. 202. The Act of July 27, 1956 (70 Stat. 700; Public Law 821, Eighty-Fourth Congress; 39 U.S.C. 259c), is amended to read as follows:

"§ 259c. DETENTION OF MAIL CONTAINING OBSCENE MATTERS; APPLICATION TO MAIL ADDRESSED TO PUBLISHERS OR DISTRIBUTORS.

"The provisions of section 259b of this title shall not apply to mail addressed to publishers or distributors of publications which have entry as second-class matter under the Act of March 3, 1879, as amended, or to publishers or distributors of copyrighted books and other publications as to which certificate of registration of copyright has been issued under the copyright laws of the United States."

ASSISTANCE TO UNDERDEVELOPED COUNTRIES

Mr. MANSFIELD. Mr. President, well over a year ago the distinguished junior Senator from Oklahoma [Mr. MONRONEY] introduced the idea of an International Development Fund, to give assistance to underdeveloped countries.

The purpose behind this effort was to extend a loan or credit, so that underdeveloped countries could, by such means, be enabled to help themselves toward economic stability and economic rehabilitation.

I am glad to note that the Eisenhower administration, at long last, has given its approval to this particular proposal by the Senator from Oklahoma.

However, I am sorry to note that according to an editorial in the New York Times of August 18, 1959—

> The Eisenhower administration has launched another major project designed to enlist the whole free world in helping its underdeveloped members to develop their full potential in freedom while at the same time relieving the United States of some of the increasingly onerous burden of "foreign aid."

I should say that the words "Eisenhower administration" should be stricken out, and that the name of the Senator from Oklahoma, who was the originator of this idea, should be substituted.

Moreover, I say that this is not in reality either a Monroney or an Eisenhower proposal, but, in the way in which it has been developed, it is a Monroney-Eisenhower proposal, because it indicates what can be done if people get together in good heart and try to do something on a bipartisan basis, which will bring about an alleviation of a situation which exists throughout the world.

I ask unanimous consent that the editorial from the New York Times, entitled "A Fund for Freedom," be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A FUND FOR FREEDOM

While the Senate still wrestles with mutual security appropriations, cut by the House below safety levels, the Eisenhower administration has launched another major project designed to enlist the whole free world in helping its underdeveloped members to develop their full potential in freedom while at the same time relieving the United States of some of the increasingly onerous burden of foreign aid.

The project calls for an International Development Association with a capital of $1 billion provided by some three score nations to make to the underdeveloped countries so-called soft long-term, low-interest loans largely repayable in local currencies.

Such loans involve risks which orthodox banking institutions cannot assume. But they are essential for two reasons. One is to meet competition from the Communist bloc, which last year provided $1 billion worth of credits and grants to 18 underdeveloped countries. The other is to help capital-poor countries raise money for industrialization, thus feeding their rapidly rising populations without resorting to dictatorial methods or sweating their labor, as early European capitalism did in the 19th century—or as Communist state capitalism does today.

In that respect the new association is designed not only to supplement but to go beyond the aid already being extended by the $10 billion World Bank, a specialized United Nations agency with which it will be affiliated, or the Monetary Fund, the American Export-Import Bank, the United Nations Technical Assistance Program, or its Special Fund for Under-Developed Countries, the American aid programs that include a larger than half-a-billion-dollar Development Loan Fund and a food-for-peace plan, and the Colombo plan for southeast Asia. It is to do for the free world at large what the projected billion-dollar Inter-American Development Bank is to do for Latin America.

At the same time, it is intended to spread the burden of such aid by enrolling among the subscribers all 69 members of the World Bank, in particular West European countries such as Germany, and also Japan, whom American aid has helped to rise to new prosperity. With the United States beginning to show a deficit in its balance of payments, leading to an outflow of gold, this is both proper and necessary. And with such widespread participation the aid would become both more flexible and multinational, thereby contributing to its effectiveness in sensitive areas.

The project, first suggested by Senator MONRONEY, is strongly backed by Treasury Secretary Anderson, and West Germany has already expressed full support of it. There is hope, therefore, that it can be launched soon, and it must be expected that underdeveloped countries wishing to benefit from it will provide the proper climate for it.

REMOVAL OF LIMITATION OF RECLAMATION INVESTIGATION APPROPRIATIONS IN ALASKA

The Senate resumed the consideration of the bill (S. 1514) to amend the act of August 9, 1955 (69 Stat. 618).

RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 41 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Wednesday, August 19, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 18, 1959:

DEPARTMENT OF STATE

Walter C. Dowling, of Georgia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State, vice Livingston T. Merchant.

U.S. JUDGES

Harry A. Blackmun, of Minnesota, to be U.S. circuit judge for the eighth circuit, vice John B. Sanborn, retired.

J. Smith Henley, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, vice Harry J. Lemley, retired.

Gordon E. Young, of Arkansas, to be U.S. district judge for the eastern district of Arkansas, vice Thomas C. Trimble, retired.

U.S. MARSHAL

James H. Somers, of North Carolina, to be U.S. marshal for the middle district of North Carolina for the term of 4 years, vice William B. Somers, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18, 1959:

PROMOTIONS IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Adams, Ralph E., 54630A.
Adolph, Calvin B., 32266A.
Allen, Charles F., 2d, 32265A.
Allen, Edgar D., 54559A.
Anessi, Thomas J., 29793A.
Auch, Donald J., 32272A.
Avey, Donald B., 54657A.
Barrett, Robert F., 54579A.
Bartek, Albert C., 54547A.
Bass, John R., 54638A.
Beery, Raymond E., 48525A.
Berrigan, Robert B., 32288A.
Berry, Bobby L., 32275A.
Berry, Richard C., 29799A.
Billman, Charles M., Jr., 48477A.
Bliss, Alonzo O., 3d, 29766A.
Boyer, Earle O., 48515A.
Brashear, William J., 48480A.
Brewer, Allen J., 54550A.
Brodie, Richard N., 29897A.
Brownwood, David O., 48510A.
Buntschuh, Robert F., 54634A.
Burke, David P., 29765A.
Burkett, Robert V., Jr., 48523A.
Carter, James A., 54640A.
Cervantes, Manuel, Jr., 54540A.
Clark, James C., 54551A.
Clarno, John T., 48479A.
Cole, George F., 54557A.
Corgin, Richard B., Jr., 32276A.
Corrigan, William J., 48495A.
Cotter, Lawrence R., 29854A.

Cronk, Donald R., 54631A.
Culver, Donald A., 32264A.
Daisley, Roger W., 32267A.
David, Frank C., 54661A.
Davis, Roy L., 48519A.
Dennany, James E., 54602A.
Derhammer, Ned E., 54563A.
Dickson, Henry A., 54677A.
Dickerson, David F., 54548A.
Dietz, Arthur H., 54655A.
Doutt, Thomas L., 32256A.
Dowd, Theodore, 54682A.
Duffy, Robert T., 32277A.
Edsall, Philip V., 54667A.
Edwards, Verlan E., 54642A.
Ely, Frank E., 54668A.
Erickstad, Selmer R., 29801A.
Eversole, Donald L., 32259A.
Faris, Walter S., 32278A.
Farris, Robert H., 32284A.
Flemings, Frederic J., Jr., 54633A.
Foisy, Donald B., 32257A.
Fowler, Leo E., 54678A.
Gallop, Richard W., 32285A.
Garber, James F., 3d, 48482A.
Gargus, John, 48498A.
Gelenter, Julian H., 54679A.
Griggs, James L., Jr., 29855A.
Haderlie, Kermit L., 54665A.
Hall, Harold R., 48494A.
Hall, Ronald K., 32268A.
Hamilton, Richard A., 48481A.
Hanley, Donald L., 54672A.
Harrod, Franklin D., 54553A.
Hatch, Thomas E., 29781A.
Hayes, Joseph M., 48526A.
Heap, Larry A., 54558A.
Herring, Alfred D., 54555A.
Herzog, Robert T., 48509A.
Hilliard, Gerald L., 48507A.
Hoffmeyer, William D., 48531A.
Horton, Glen R., 29900A.
Houchin, Lloyd K., 29899A.
Hughes, Jesse W., Jr., 54635A.
Illies, Keith F., 32260A.
Jenicek, Kenneth A., 54604A.
Johannes, Robert P., 48486A.
Johnson, Elling Z., 29792A.
Johnson, James H., 32274A.
Johnson, Gerald F., 54676A.
Johnson, Richard W., 54644A.
Johnson, Richelieu N., 54641A.
Jones, Douglas N., 48491A.
Jones, Ricker H., 54566A.
Jones, Robert G., 48517A.
Jumper, Howard D., 48485A.
Kellum, Donald A., 54671A.
Kennedy, Eugene C., 32282A.
Kennedy, John M., 54649A.
Kern, David C., 54543A.
Killen, Carrol W., 32286A.
Kinder, Morris B., 54646A.
Kinneer, Billy L., 54653A.
Kopf, John R., 54650A.
Lambert, Carl F., Jr., 54658A.
Lauritsen, Terry N., 29790A.
Lee, Alfred, 54648A.
Leech, Frank J., 54565A.
Lindeman, Robert W., 54645A.
Long, Neal A., 29787A.
Loucks, Charles, 29732A.
MacPherson, John C., 54670A.
Marshall, John A., Jr., 32262A.
Matthews, David W., Jr., 29800A.
McChesney, John R., 29797A.
McDonald, Jack E., 32287A.
McGlone, Ronald G., 48521A.
McGrath, Daniel H., 54673A.
McIntire, John T., 29767A.
Meitz, Robert O., 54643A.
Miller, Frederick J., Jr., 54680A.
Molter, Donald W., 54629A.
Moore, George H., 54546A.
Mulherin, Anthony T., Jr., 48503A.
Nance, James A., 54675A.
Oglukian, Raymond L., 32258A.
Oldam, Paul B., 29804A.
Oydna, Tunney J., 54664A.
Parker, Charles M., 32283A.
Pascoe, Richard M., 32261A.
Peterson, Eddie M., 54616A.
Phares, Lindsay F., 48476A.
Purnhagen, Tom G., 48487A.
Raymond, Robert M., 29795A.
Revill, Lawrence A., 54699A.
Riley, Richard A., 54626A.
Rosenberg, Lewis H., 54619A.
Ryan, Charles J., 48504A.
Salvador, Renalds D., 29784A.
Schuler, Wendell L., 32273A.
Scott, Donald L., 29803A.
Scott, Hugh E., 54666A.
Scott, Walter G., Jr., 48492A.
Searle, Robert A., 54556A.
Sellars, David K., 2d, 54674A.
Shaw, Roger W., 32269A.
Shelton, James H., Jr., 32279A.
Shockley, Jerry M., 54636A.
Snow, Jackie K., 29785A.
Socolofsky, Lowell E., 54544A.
Spanbauer, Robert N., 32271A.
Statler, Harry R., 29791A.
Steeves, Thomas W., 54652A.
Stewart, Clarence A., 54545A.
Stockton, James A., 29901A.
Stroh, Jerry D., 29769A.
Swortzel, Frank R., 48489A.
Tedrick, Thomas D., 29898A.
Thomas, Charles R., 29768A.
Thompson, Donald D., 29782A.
Thompson, Gerald F., 29845A.
Thorley, Milon, 54681A.
Tonini, Gervasio, 48499A.
Uus, Henno, 32514A.
Van Meter, Thomas R., 54538A.
Verble, David E. L., 48518A.
Verrelli, David M., 48505A.
Vipond, John R., 29798A.
Voehl, Richard K., 48528A.
Waddell, Franklin D., 54562A.
Wadsworth, Donald L., 54541A.
Waikem, Frederick U., 54607A.
Walker, Bobby E., 29802A.
Wheeler, Richard W., 32280A.
Wiley, Raymond W., 32270A.
Willingham, James F., Jr., 32263A.
Wing, Richard L., 29764A.
Wink, Frank R., 48514A.
Witte, Robert E., 32281A.
Woodhull, Richard G., Jr., 54637A.
Wyatt, James G., 54542A.
Zeller, Eldon W., 48500A.

Medical Service Corps

Casimiro, Paul S., 49126A.
Cobb, James B., 55365A.
Hill, Sherwood S., 55366A.
Kelly, Ronald L., 55368A.
Kelsey, Donn R., 49127A.
Strathern, Arthur D., Jr., 55367A.

Nurse Corps

Hause, Helen E., 51395W.

APPOINTMENTS IN THE REGULAR AIR FORCE

The following persons for appointment in the Regular Air Force in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be captain, U.S. Air Force (Dental)

Homer L. Phillips, AO3045064.

To be captains, U.S. Air Force (Judge Advocate)

John H. Carey, OA1910841.
William T. Marcollo, AO679913.
William T. Watkins, AO1340516.

To be first lieutenants, U.S. Air Force (Judge Advocate)

Donald G. Anderson, AO3060570.
Albin E. Chovanec, AO2214785.

To be first lieutenants, U.S. Air Force (Medical)

Steven C. Beering, AO3078231.
Francis J. Dannemiller, AO3079263.
Irwin L. Hirsch, AO3075352.
John R. Jones, AO3078100.
Angelo Lurus, AO3004210.
Emil W. Peterson, AO3075118.
Charles N. Thomas, AO3075142.
William G. Wixted, AO3079017.
Willis F. Wunder, AO3088652.

To be first lieutenants, U.S. Air Force (Nurse)

Ruth E. Adams, AN1912928.
Ona M. Cyrus, AN2243005.
Alice E. Felder, AN2242842.
Norma I. Hamer, AN2243522.
Norda M King, AN2243221.
Rose A. Stephens, AN902431.

The following distinguished aviation cadet graduates for appointment in the Regular Air Force, in the grade of second lieutenant, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Don H. Cagle, AO308253.
Roger L. Christen, AO3082342.
David L. Hodges, AO3082325.
Larry P. Van Sickle, AO3082348.
George R. Wright, AO3082339.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Donald P. Adee	John E. Kutzbach
Frank C. Baker	Donnavon P. Laudenslager
Jerry L. Bay	Howard E. Lynch
James M. Bell	Royal D. Miller, Jr.
Gary D. Bernard	Frederick J. Mitchell
Asa O. Bishop, Jr.	Phillip M. Mlynek
Richard C. Bower	Jerry L. Moore
Bruce L. Brown	Michael L. Murray
William E. Cheney	Donald S. Nash
James L. Clark	John G. Nickel
Walter K. Combs	John H. Partridge, Jr.
David C. Craig	George V. Phillips, Jr.
John N. Crawford	Thomas S. Purrington II
John H. Croy	John R. Ross, AO3099478
Gino Della Libera	Ronald K. Scheltens
Tracy K. Dorsett, Jr.	Glen R. Schmieding
Don C. Eckholdt	Grant E. Secrist
George E. Flynn III	James L. Socolofsky
Ira D. Good	Harold M. Stewart
John F. Groeneweg	James R. Stidham
Billy C. Harlan	Frederic R. Strub
James H. Haynes	Larry G. Van Pelt
Bernard A. Higdon	Losie V. Watkins, Jr.
Donald L. Howell	Jimmy G. Wilcox
Carl T. Hubbell	James H. Wingerter
Donald L. Kaufman	
Garry V. Kenworthy	
Richard A. Kramer	

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be major generals

August Larson	Frederick L. Wieseman
Richard C. Mangrum	Victor H. Krulak

To be brigadier generals

William T. Fairbourn	William R. Collins
Bruno A. Hochmuth	John C. Miller, Jr.
Roy L. Kline	Louis B. Robertshaw

First Lt. James R. King, Jr., U.S. Marine Corps, for permanent appointment to the grade of captain.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 18, 1959:

U.S. DISTRICT JUDGE

J. Smith Henly, of Arkansas, to be U.S. district judge for the eastern district of Arkansas.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 18, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

III John 11: *Follow that which is good for he that doeth good is of God.*

Eternal God, grant that daily, in character and conduct, we may be inspired to follow the precepts and example of our blessed Lord.

Show us how we may bring relief and release to all for whom life seems to have lost its wonder and adventure because of strain and stress.

We penitently confess that we are frequently so reticent about expressing our sympathy and encouragement even to those who are near and dear unto us.

Make us more helpful in building the kingdom of brotherhood when every selfish interest shall be supplanted by the spirit of altruism and good will.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1565. An act to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956.

SUPPLEMENTAL APPROPRIATION BILL, 1960

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. THOMAS, KIRWAN, CANNON, JENSEN, and TABER.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill (H.R. 7978), making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes, have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SENSE OF THE CONGRESS AGAINST SEATING RED CHINA IN THE UNITED NATIONS

Mr. LIPSCOMB. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, it was necessary to me to be out in my district in California over the weekend to attend to various matters concerning my district, and I was therefore unable to be present yesterday for the rollcall vote on House Concurrent Resolution 369, expressing the sense of Congress against seating Red China in the United Nations as representative of China. If I had been present, I would have voted for passage of the resolution. Through its actions in Korea and Tibet, to cite just a few examples, the Communist regime in China has amply demonstrated its barbaric nature, its utter contempt for law and order, and the nominal value it places on human life. It has shown itself unwilling to abide by the principles of civilized nations. I am completely opposed to seating Red China in the United Nations and believe it is necessary and advisable at this time for the Congress to reaffirm its stanch position in this regard.

CIVIL RIGHTS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, last night I began what may prove to be a very long and fruitless vigil. Two weeks ago I saw the President come before the Nation over television and read a speech about the pending labor legislation. Since that speech I have read much in the Nation's press about the new Eisenhower—the relentless fighter for what is right and for what the people of the Nation need. Well, if this be true, this should be a very beneficial thing for the Nation.

However, I began last night to wait and see if the President would make as earnest a plea for strong and meaningful civil rights legislation as he made for punitive labor legislation. I sat up to hear the new Eisenhower speak out against violence, against the wanton destruction of churches and synagogues, against brutal deprivation of American citizens' basic rights—the right to vote, the right to an education—the right to join a nonsegregated labor union. But I heard nothing. Perhaps the minority leader, who is of course anxious to dispel any rumors about a deal involving civil rights and labor legislation, could inform the House when the President is going to speak out for civil rights as he spoke out for antilabor legislation.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ELLEN LESCHNER

The Clerk called the bill (H.R. 1701) for the relief of Mrs. Ellen Leschner.

There being no objection, the Clerk read the bill, as follows:

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the immigration and nationality laws, section 352 (a) of the Immigration and Nationality Act shall not be held to have been or to be applicable to Mrs. Ellen Leschner, a citizen of the United States, provided she returns to the United States prior to January 1, 1963.

With the following committee amendment:

On page 1, line 7, strike out "January 1, 1963" and insert "July 1, 1961."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOYCE LEE FREEMAN

The Clerk called the bill (S. 539) for the relief of Mrs. Joyce Lee Freeman.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

KUM HUNG SEETO AND KUM WO SEETO

The Clerk called the bill (S. 1828) for the relief of Kum Hung Seeto and Kum Wo Seeto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Kum Hung Seeto, and Kum Wo Seeto, shall be held and considered to be the natural-born alien children of Earnest S. Joe, a United States citizen: *Provided,* That the natural parents of Kum Hung Seeto and Kum Wo Seeto shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCLUSION OF CERTAIN ALIENS

The Clerk called the resolution (H.J. Res. 477) relating to the exclusion of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Mrs. June Desormeaux Bushnell may be issued a visa and admitted to the United States for permanent residence if she

is found to be otherwise admissible under the provisions of that Act: *Provided,* That, unless the beneficiary is entitled to care under chapter 55 of title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

SEC. 2. Notwithstanding the provision of section 212(a)(19) of the Immigration and Nationality Act, Francesco Grisanzio and Janis Silins may be issued visas and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that Act.

SEC. 3. Notwithstanding the provisions of section 212(a)(6) of the Immigration and Nationality Act, Andrija Vilanj may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

SEC. 4. The exemptions provided for in this Act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT RESIDENCE AND DEPORTATION OF CERTAIN ALIENS

The Clerk called the resolution (H.J. Res. 478) relating to permanent residence and deportation of certain aliens.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DIRECTING SECRETARY OF INTERIOR TO CONVEY CERTAIN LANDS IN NAVAJO COUNTY, ARIZ.

The Clerk called the bill (S. 220) to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the successors in interest of Neils S. Hansen, deceased, all of the right, title, and interest of the United States in and to the lands conveyed to said Neils S. Hansen by Mrs. C. E. Amos and W. N. Amos, her husband, by a deed dated January 4, 1906, which was recorded on January 10, 1906, on page 265, book 4 of deeds, official records of the county of Navajo, State of Arizona.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEF JAN LOUKOTKA

The Clerk called the bill (S. 1945) for the relief of Josef Jan Loukotka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Josef Jan Loukotka shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, line 4, after the name "Josef Jan Loukotka" insert a comma and add the following: "Mieczyslaw J. Piorkowski and Jan Frantisek Sevcik".

On page 1, line 7, strike out the word "fee" and substitute "fees".

On page 1, line 8, strike out the word "alien" and substitute "aliens".

On page 1, line 10, strike out the words "one number" and substitute "three numbers".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik."

A motion to reconsider was laid on the table.

GERARDO A. DOBARGANES

The Clerk called the bill (H.R. 1455) conferring U.S. citizenship posthumously upon Gerardo A. Dobarganes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Airman Second Class Gerardo A. Dobarganes, AF14605811, a native of Cuba, who served honorably in the United States Air Force from September 6, 1956, until his death on June 12, 1958, shall be held and considered to have been a citizen of the United States at the time of his death.

With the following committee amendment:

On page 1, line 3, strike out the name "Gerardo A. Dorbarganes," and insert in lieu thereof the following: "Gerardo Rafael Dobarganes y Torres,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill conferring U.S. citizenship posthumously upon Gerardo Rafael Dobarganes y Torres."

A motion to reconsider was laid on the table.

GORDON LANGLANDS JOHNSTON

The Clerk called the bill (H.R. 1499) for the relief of Gordon Langlands Johnston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Gordon Langlands Johnston shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OERLIKON MACHINE TOOL WORKS BUEHRLE & CO.

The Clerk called the bill (H.R. 1517) for the relief of the Oerlikon Machine Tool Works Buehrle & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitation, jurisdiction is hereby conferred upon the United States Court of Claims, to hear, determine and render judgment upon the claim of Oerlikon Machine Tool Works Buehrle and Company for losses sustained as a result of the taking and use of property without just compensation and upon an implied contract with the United States in connection with the use by the United States of Oerlikon antiaircraft cannon and ammunition.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA GURMAN

The Clerk called the bill (H.R. 1520) for the relief of Eva Gurman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Eva Gurman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MELVIN H. BAKER AND FRANCES V. BAKER

The Clerk called the bill (H.R. 1593) for the relief of Melvin H. Baker and Frances V. Baker.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

BERNARD BARRETT

The Clerk called the bill (H.R. 2077) for the relief of Bernard Barrett.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Bernard Barrett (Army service number O567205) of Campbell, California, is hereby relieved of liability to the United States in the amount of $19,255.16. Such sum represents the amount received by him as retired pay in good faith and without knowledge of any violation of the law, in excess of the limitation imposed by section 212 of the Act entitled "An Act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes", approved June 30, 1932 (5 U.S.C. 59a), while he was employed at the Ames Aeronautical Laboratory during the period from December 5, 1944, to August 3, 1955, inclusive. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard Barrett, an amount equal to the aggregate of the amounts paid by him or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of the amount for which Bernard Barrett is relieved of liability to repay under the first section of this Act: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5: Strike "$19,255.16" and insert "$17,365.16".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time,was read the third time, and passed, and a motion to reconsider was laid on the table.

SUOR CANDIDA FERRANTE GIUSEPPA

The Clerk called the bill (H.R. 2090) for the relief of Suor Candida Ferrante Giuseppa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Suor Candida Ferrante Giuseppa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, line 4, strike out the name "Suor Candida Ferrante Giuseppa" and substitute in lieu thereof "Giuseppa Ferrante (Sister Candida)".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Giuseppa Ferrante (Sister Candida)."

A motion to reconsider was laid on the table.

RABBI CHAIM B. FINK

The Clerk called the bill (H.R. 3932) for the relief of Rabbi Chaim B. Fink.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Rabbi Chaim B. Fink, of 601 Bedford Avenue, Brooklyn, New York, in full settlement of all claims against the United States. Such sum represents the amount of departure bond posted by Rabbi Chaim B. Fink for Tibor Klein on April 2, 1953: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKSYM HRYCYK

The Clerk called the bill (H.R. 6273) for the relief of Maksym Hrycyk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Maksym Hrycyk, New York, New York, and his claim for compensation for injuries sustained by him while employed with the 504th Military Police Company, Heidelburg, Germany, in or about February 1946, shall be enacted upon under the remaining provisions of such Act if he files such claim with the Bureau of Employee's Compensation, Department of Labor, within six months after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN I. STRONG

The Clerk called the bill (H.R. 7744) for the relief of John I. Strong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John I. Strong, Maitland, Florida, the sum of $2,013.92. The payment of such sum shall be in full settlement of all claims of the said John I. Strong against the United States for compensation for damage caused to citrus trees and other property owned by him on October 30, 1952, when two jet aircraft of the United States Air Force collided in midair and one of them fell and exploded on his property. Such claims are not cognizable under the tort claims procedure as provided in title 28 of the United States Code: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORTHINGTON OIL REFINERS, INC.

The Clerk called the bill (H.R. 2582) for the relief of the Worthington Oil Refiners, Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATHANIEL H. WOODS, DECEASED

The Clerk called the bill (H.R. 2631) for the relief of the estate of Nathaniel H. Woods, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $13,476.50 to the estate of Nathaniel H. Woods, deceased, in full settlement of all claims against the United States. Such sum represents a refund of money erroneously paid and collected as estate tax under a mutual mistake and fact: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum

thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 9, strike "and" and insert "of". The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GLADYS M. ELLISON

The Clerk called the bill (H.R. 2301) for the relief of Mrs. Gladys M. Ellison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act entitled "An Act providing for the barring of claims against the United States", approved October 9, 1940 (31 U.S.C. 71a), are hereby waived in favor of Mrs. Gladys M. Ellison, of Creve Coeur, Illinois, if her claim for retroactive adjustment of compensation for services rendered the United States Post Office, Peoria, Illinois, during the period July 1, 1945, through May 1, 1948, both dates inclusive, is filed with the General Accounting Office within one year after the date of enactment of this Act, since such claim is now barred solely by reason of the failure of the responsible governmental agency to forward it to the General Accounting Office within the allowable period of time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUSTAV K. BROECKER

The Clerk called the bill (H.R. 2707) for the relief of Gustav K. Broecker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

JEAN K. SIMMONS

The Clerk called the bill (H.R. 4825) for the relief of Jean K. Simmons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Jean K. Simmons, of Levittown, Pennsylvania, and her claim for compensation for disease contracted in line of duty as an employee of the United States Veterans' Hospital, Castle Point, New York, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within six months after the date of enactment of this Act: *Provided,* That no benefits shall accrue by reason of the enactment of this Act, except hospital, medical and other expenses sustained as the result of the disease.

With the following committee amendment:

Page 1, line 6, after the word "disease" insert "alleged to have been" and same line strike out "in line of duty", and insert in lieu thereof "the performance of duty."

Page 2, line 2, after the word "Act" strike out the remainder of the bill and insert the following: "for any period prior to the date of its enactment except reasonable medical and hospital expenditures."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SYLVESTER L. GARDNER

The Clerk called the bill (H.R. 7225) for the relief of Sylvester L. Gardner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Sylvester L. Gardner, lieutenant, United States Navy, retired, 342649, is hereby relieved of all liability to refund to the United States the sum of $9,789.81. Such sum is the aggregate amount of compensation received by the said Sylvester L. Gardner incident to his employment in a civilian capacity from July 24, 1956, to February 6, 1959, both dates inclusive, at the United States Naval Air Station, Alameda, California, in violation of the Act of July 31, 1894, as amended (5 U.S.C. 62), relative to the holding of more than one office, without knowledge on his part of such violation. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for all amounts for which liability is relieved by this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Sylvester L. Gardner, a sum equal to the aggregate of the amounts (if any) which have been repaid by him to the United States, or which have been withheld by the United States from amounts otherwise due him from the United States, by reason of the liability of which he is relieved by the first section of this Act: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD KETCHUM

The Clerk called the bill (H.R. 7263) for the relief of Edward Ketchum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $8,814.78 to Mr. Edward Ketchum, of Ajo, Arizona, in full settlement of his claims against the United States for payment for the overtime hours he performed as a member of the customs patrol of the Treasury Department during the fiscal years 1946, 1947, and 1948 while attached to the Nogales, Arizona, office: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL LEVITT

The Clerk called the bill (H.R. 7447) for the relief of Paul Levitt.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

WILLIAM B. JACKSON

The Clerk called the bill (H.R. 7452) for the relief of William B. Jackson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William B. Jackson, Minneapolis, Minnesota, the sum of $1,374.67. Such sum represents the amount of settlement for which the said William B. Jackson was required to pay for the loss of money from registered mail. Said William B. Jackson, a letter carrier in the United States Post Office at Minneapolis, Minnesota, apparently lost the register or the register was stolen from him while making collection of mail on a scheduled collection tour: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That William B. Jackson, of Minneapolis, Minnesota, is hereby relieved of all liability to repay to the United States the sum of $1,384.67. Such sum represents the amount which he was required to pay for the loss of money from registered mail while employed as a carrier

in the United States Post Office at Minneapolis, Minnesota.

"SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, any amounts paid by the said William B. Jackson in reduction of the indebtedness referred to in section 1 of this Act or withheld from amounts otherwise due him because of that indebtedness. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with his claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD C. LONG

The Clerk called the bill (H.R. 7857) for the relief of Richard C. Long.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,204.46 to Richard C. Long of 1105 Parkway Drive, Burlington, Iowa, in full settlement of his claims against the United States for compensation for his personal injuries and medical expenses, and for damage to his private airplane, resulting from the crash of that airplane on November 18, 1957, while on an authorized search mission for the Civil Air Patrol under the direction of the United States Air Force: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out the figures and insert in lieu thereof "1,077".

Page 1, line 8, strike out "his personal injuries and medical expenses, and for".

Page 1, line 9, after the name "airplane" insert "and eye glasses".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVERET BUMGARDNER

The Clerk called the bill (H.R. 8196) for the relief of Everet Bumgardner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Everet Bumgardner, the sum of $565.80, in full satisfaction of this claim against the United States for compensation for loss by theft of certain personal property on or about May 11, 1958, at Bogota, Columbia, while he was carrying out his official duties as press photographer, U.S. Information Agency: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike "Columbia" and insert "Colombia". The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAWRENCE M. FURTADO

The Clerk called the bill (H.R. 8197) for the relief of Lawrence M. Furtado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lawrence M. Furtado, the sum of $143.95 in full satisfaction of his claim against the United States for compensation for loss of currency and personal property as a result of highway robbery between Bombay and Bhopal, India, on or about January 25, 1957, while he was on official duty as a Foreign Service local employee of the United States Information Agency at Bombay, India: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARTIN ACKERMAN

The Clerk called the bill (H.R. 8198) for the relief of Martin Ackerman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Martin Ackerman, the sum of $864.25, in full satisfaction of his claim against the United States for compensation for loss of certain personal property resulting from war conditions during July and August 1954, at Haiphong, North Vietnam, while he was serving as Public Affairs Officer, United States Information Agency, at Phnom Penh, Cambodia: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES J. MANNING

The Clerk called the bill (H.R. 8199) for the relief of James J. Manning.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James J. Manning, the sum of $620.63, in full satisfaction of his claim against the United States for compensation for loss of certain personal property resulting from a fire in an Army barracks in Taegu, Korea, on or about June 15, 1955, while he was serving as Provincial Public Affairs Officer, U.S. Information Agency, at Taegu, Korea: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH H. CORNELL

The Clerk called the bill (H.R. 8310) for the relief of Joseph H. Cornell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph H. Cornell (Veterans' Administration claim numbered C-5684682), the sum of $230. The payment of such sum shall be in full settlement of all claims of the said Joseph H. Cornell against the United States for reimbursement of expenses incurred by him in obtaining dental treatment which he was authorized to obtain from the Veterans' Administration, but which was denied him through administrative error: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the comma and insert "of Caledonia, New York".

Page 2, line 2, strike out "in excess of 10 per".

Page 2, line 3, strike out "centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD WILLIAM ABBOTT AND OTHERS

The Clerk called the bill (H.R. 8277) for the relief of Harold William Abbott and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold William Abbott, the sum of $1,486.43; Max Anderson, the sum of $7,071.85; Otto P. Hahn, the sum of $359.96; Paul R. Hahn, the sum of $404.60; Howard P. Holt, the sum of $6,845.25; Arnold Loher, the sum of $653.69; Harold Lyman, the sum of $1,431.27; A. D. Smith, the sum of $2,025.60; George W. Davis, the sum of $1,190.71; Mary Alma Knowles, the sum of $1,160.48; Jack (John) H. Whiticar, trading as the Whiticar Fleet, the sum of $687.77; representing the amounts reported by the United States Court of Claims to the Congress in response to H. Res. 323, Eighty-fifth Congress, first session (congressional number 5-57, decided July 13, 1959); in full settlement of their claims against the United States as a result of transportation taxes unlawfully collected prior to 1952 and subsequent to 1945.

With the following committee amendment:

At the end of the bill add: ": *Provided,* That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENTRY OF CERTAIN ALIENS

The Clerk called the resolution (H.J. Res. 479) relating to the entry of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Luigi Filice shall be deemed to be a nonquota immigrant.

SEC. 2. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Margherita Zebri shall be held and considered to be the minor alien child of Mr. and Mrs. Giuseppe Zebri, lawfully resident aliens of the United States.

SEC. 3. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Angja Nikolovska Stoyanovska, shall be held and considered to be the natural-born alien child of Spiro Stoyanovich, a citizen of the United States: *Provided,* That the natural father of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 4. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Ronald Dee Tedrow shall be held and considered to be the natural-born alien minor child of Mr. Wesley L. Tedrow, a citizen of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 5. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jock Angus Tedrow, shall be held and considered to be the natural-born alien child of Mr. Wesley L. Tedrow, a citizen of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 6. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Louis DiGiovanni, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph DiGiovanni, citizens of the United States.

SEC. 7. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, the minor child, Muhidin Spahic, shall be held and considered to be the natural-born alien child of Muhamed Spahic, a lawfully resident alien of the United States.

SEC. 8. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Bronislawa Nowak, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Stanley Novak, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 9. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Olga Vasilatos shall be held and considered to be the natural-born alien minor child of Mrs. Gust Vasilatos, a citizen of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 10. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Spyridon Cappony shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Nicholas Cappony, citizens of the United States.

SEC. 11. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Giovanna Mariotti, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Pietro Pescio, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 12. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Calogero Pagliarello Zagarri, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Luigi Zagarri, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 13. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Maria Giuseppa Amatangelo shall be held and considered to be the natural-born alien minor child of Mr. Vincenzo Amatangelo, a citizen of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 14. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Anna Maria Rossomondo, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Rossomondo, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 15. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Mary John Karavas, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John Karavas, citizens of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Beginning on page 5, at the end of the joint resolution, add six new sections, numbered 16, 17, 18, 19, 20, and 21, to read as follows:

"SEC. 16. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Spiridoula G. Amarantos, shall be held and considered to be the natural-born alien child of Mr. and Mrs. George Amarantos, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act.

"SEC. 17. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Carmela Adele Falanga-Graziano, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Alessandro Graziano, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act.

"SEC. 18. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Rose Mary Romano, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Charles Romano, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act.

"SEC. 19. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Mae Ja Ward shall be held and considered to be the minor natural-born alien child of Sergeant and Mrs. Alan T. Ward, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage,

be accorded any right, privilege, or status, under the Immigration and Nationality Act.

"SEC. 20. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Ming Sang Quon (Quon Ming Sang) shall be held and considered to be the minor alien child of Kim Chune Quon, a citizen of the United States.

"SEC. 21. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Antonio Miosi Castronovo, shall be held and considered to be the natural-born alien child of Mary Frances Castronovo, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GROVER J. COLE

The Clerk called the bill (S. 196) for the relief of Grover J. Cole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Grover J. Cole of Waterford, Connecticut, is hereby relieved of all liability to repay to the United States the sum of $2,108.50, representing overpayments of retirement pay erroneously paid to him by the Department of the Army during the period from July 1, 1952, to February 28, 1958, such overpayments having occurred as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Grover J. Cole, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGNES LORRAINE PANK

The Clerk called the bill (H.R. 2302) for the relief of Agnes Lorraine Pank.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (4) of the Immigration and Nationality Act, Agnes Lorraine Pank may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of the Immigration and Nationality Act, Agnes Lorraine Pank shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provide,* That, unless the beneficiary is entitled to care under chapter 55, title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER F. DE ULLMANN

The Clerk called the bill (H.R. 4839) for the relief of Peter F. de Ullmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Peter F. de Ullmann shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That, unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as described by section 213 of the Immigration and Nationality Act. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, lines 8 and 9, strike out the following language: "unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250),".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZELDA GLICK

The Clerk called the bill (H.R. 5910) for the relief of Zelda Glick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 314 of the Nationality Act of 1940, Zelda Glick shall be held to have acquired United States citizenship through the naturalization of her father.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VUKASIN KRTOLICA

The Clerk called the bill (H.R. 6405) for the relief of Vukasin Krtolica.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Vukasin Krtolica shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

With the following committee amendment:

On page 1, at the end of line 7, add the following sentence: "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BARBARA MAY BOSWELL

The Clerk called the bill (H.R. 6884) for the relief of Mrs. Barbara May Boswell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (4) of the Immigration and Nationality Act, Mrs. Barbara May Boswell may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That, unless the beneficiary is entitled to care under chapter 55, title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS REMEDIOUS VILLANUEVA

The Clerk called the bill (H.R. 7256) for the relief of Miss Remedious Villanueva.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RUDOLPH ROZMAN

The Clerk called the bill (H.R. 7518) for the relief of Rudolph Rozman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Rudolph Rozman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VARTANOUCHE KALFAYAN

The Clerk called the bill (H.R. 7550) for the relief of Vartanouche Kalfayan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Vartanouche Kalfayan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bond, which may have issued in the case of Vartanouche Kalfayan. From and after the date of the enactment of this Act, the said Vartanouche Kalfayan shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF PROPERTY IN YALOBUSHA COUNTY, MISS.

The Clerk called the bill (H.R. 1735) to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall convey to W. A. Nolen and Wiley W. Walker of Water Valley Mississippi, without consideration, all rights, title, and interest of the United States in and to the real property situated in Yalobusha County, Mississippi, and more particularly described as follows: The southeast quarter of the southwest quarter of section 28, township 25 north, range 5 east in Yalobusha County, Mississippi.

With the following committee amendment:

Page 1, line 5, strike out the words "without consideration, all rights, title, and interest of the United States in and to the real property situated in Yalobusha County, Mississippi, and more particularly described as follows: The" and insert in lieu thereof the words "under the Color of Title Act of December 22, 1928 (45 Stat. 1069), as amended by the Act of July 28, 1953 (67 Stat. 227; 43 U.S.C., secs. 1068–1068b), the".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT RESIDENCE AND DEPORTATION OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to return to No. 245 on the Calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Is there objection to the present consideration of House Joint Resolution 478?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Theodora Bourlotos (nee Hatzipetros) and Michael George Petrakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees: *Provided,* That a suitable and proper bond or undertaking approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act in the case of Mrs. Theodora Bourlotos (nee Hatzipetros).

SEC. 2. For the purposes of the Immigration and Nationality Act, Anthony Menezes, Venanzio Girardi, Il Pyong Kim, Sister Carolina (Antonietta Vallo), Sister Noemi (Francesa Carbone), Sister Marta (Sabina Guglielmi), Sister Rafaella (Angela Sicolo), Sister Maria Annunziata (Teresa Carbone), Sister Marisa (Carolina Nutricati), and Cho Hung Choy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 3. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds which may have issued in the cases of Alvin Ergin (Ahmet Hamdi Ergin), and Maria Mariani Guidi: *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act as they apply to Alvin Ergin (Ahmet Hamdi Ergin). From and after the date of the enactment of this Act, the said Maria Mariani Guidi and Alvin Ergin (Ahmet Hamdi Ergin (shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

With the following committee amendments:

On page 2, line 5, after the word "Act," insert the following name "Simon Beriro,".

On page 2, line 24, after the words "cases of" insert the following: "Antonio Grova, Mah Wah Yong,".

On page 2, line 24, strike out the word "and" and substitute a comma.

On page 2, line 25, after the name "Guidi" insert the following: ", and Serpuhi Klavuzoglu".

On page 3, lines 4, and 5, strike out "Maria Mariani Guida and Alvin Ergin (Ahmet Hamdi Ergin)" and substitute the word "persons".

The committee amendments were agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Add a new section 4, as follows:

"SEC. 4. For the purposes of the Immigration and Nationality Act, Anna Grazioli and Gilberto Azevedo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available."

And a new section 5, as follows:

SEC. 5. Mrs. Sadie Latoufe, who lost United States citizenship under the provisions of section 401(a) of the Nationality Act of 1940, as amended, may be naturalized by taking, prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Mrs. Sadie Latoufe shall have the same citizenship status as that which existed immediately prior to its loss."

And strike, on page 2, line 3, the name "Sister Carolina (Antonietta Vallo)," all of lines 4, 5, 6, and "Nutricati)" on line 7.

The amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 312.

The Clerk read the resolution, as follows:

Resolved, That, in continuing to carry out its duties during the Eighty-sixth Congress, the Committee on House Administration is authorized to incur such expense, in addition to that provided in House Resolution 131, Eighty-sixth Congress (not in excess of $10,000), as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

The resolution was agreed to, and a motion to reconsider was laid on the table.

OFFICIAL REPORTERS OF DEBATES AND OFFICIAL COMMITTEE REPORTERS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 335.

The Clerk read the resolution, as follows:

Resolved, That effective August 1, 1959, the basic compensation of the Clerk to the Official Reporters of Debates shall be at the rate of $4,800 per annum.

The basic compensation of the No. 1 Assistant Clerk to the Official Reporters of Debates shall be at the rate of $3,750 per annum, and the basic compensation of No. 2 Assistant Clerk to the Official Reporters of Debates shall be at the rate of $3,500 per annum.

The basic compensation to the Clerk of the Official Committee Reporters shall be at the rate of $4,800 per annum.

The additional amounts necessary to carry out the provisions of this resolution shall be paid out of the contingent fund of the House until otherwise provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SALARY INCREASES FOR THE POLICE, NATIONAL ZOOLOGICAL PARK

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8464) to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus", approved October 24, 1951 (40 U.S.C., sec. 193n and the following), is amended by adding at the end thereof the following new section:

"SEC. 10. Notwithstanding any other provision of law, each of the following positions on the police force authorized for the National Zoological Park by this Act shall be placed in the General Schedule of the Classification Act of 1949, as amended, in the grade designated opposite it as follows:

"(1) Private—Grade GS–5.
"(2) Sergeant—Grade GS–6.
"(3) Lieutenant—Grade GS–7.
"(4) Captain—Grade GS–8."

SEC. 2. Each member of the police force authorized for the National Zoological Park by the Act entitled "An Act relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus", approved October 24, 1951 (40 U.S.C., sec. 193n and the following), who immediately prior to the effective date of this Act is receiving basic compensation at one of the scheduled or longevity rates of a grade in the General Schedule of the Classification Act of 1949, as amended, shall receive a rate of basic compensation on and after the effective date of this Act at the scheduled or longevity rate for that step of the grade to which his position is assigned by the first section of this Act which corresponds numerically to the step of the grade which he occupied immediately prior to the effective date of this Act.

SEC. 3. The amendment made by the first section of this Act shall take effect on the first day of the first pay period which begins on or after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TELEPHONE AND TELEGRAPH SERVICE FURNISHED MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8593) to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (1) of the first section of the Act entitled "An Act relating to telephone and telegraph service and clerk hire for the House of Representatives", approved June 23, 1949, as amended (2 U.S.C., sec. 46f), is amended to read as follows:

"(1) toll charges on strictly official long-distance telephone calls made by or on behalf of the Member within the United States, its Territories and possessions and the Commonwealth of Puerto Rico; and".

SEC. 2. Section 2 of the Act entitled "An Act relating to telephone and telegraph service and clerk hire for Members of the House of Representatives", approved June 23, 1949, as amended (2 U.S.C., sec. 46g) is amended to read as follows:

"SEC. 2. (a) In the case of any Member of the House of Representatives other than the speaker, the majority leader, the minority leader, the majority whip, and the minority whip, there shall be paid under the first section of this Act (1) toll charges on strictly official long-distance telephone calls, and (2) charges on strictly official telegrams, cablegrams, and radiograms, made or sent by or on behalf of the Member, aggregating not more than eighty thousand units during a term, except that if a Member is elected for a portion of a term, the aggregate number of units with respect to which such toll charges and charges may be paid under the first section of this Act for such portion of a term shall be reduced to a number which is the same percentage of eighty thousand as the number of days of his service in such portion of a term is of the total number of days in a term.

"(b) For the purposes of subsection (a) of this section—

"(1) one minute of a long-distance telephone call shall be five units, and

"(2) one word of a telegram, cablegram, or radiogram shall be one unit.

"(c) For the purposes of this section, the word 'term' means the period beginning at noon on January 3 of an odd-numbered calendar year and ending at noon on January 3 of the next succeeding odd-numbered calendar year."

SEC. 3. The amendments made by the first two sections of this Act shall take effect as of noon, January 3, 1959.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATUE OF SENATOR PATRICK A. McCARRAN

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 41 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of Senator Patrick A. McCarran, presented by the State of Nevada, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered such State for the contribution of the statue of one of its most eminent citizens, illustrious in the field of law and government; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Nevada.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLACING TEMPORARILY IN ROTUNDA OF CAPITOL A STATUE OF LATE SENATOR PATRICK A. McCARRAN

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 42 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the State of Nevada is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran, of Nevada, and to hold ceremonies in the rotunda on such occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. BARING] may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BARING. Mr. Speaker, we have before us today a resolution that would accept in behalf of the United States, with the thanks of Congress, a statue of the late Senator Patrick A. McCarran, presented by the State of Nevada as a memorial to one of its most eminent citizens, illustrious in the field of law and government, as Nevada's first contribution to the National Statuary Hall collection.

The late Senator McCarran, during his service in the U.S. Senate, was associated with the enactment of legislation having for its purpose the arresting at its source of the poisonous pollution of the godless ideology of communism which was permeating the lifestream of this Nation.

In furtherance of the fight against the enemies of the Republic, both within and without, he authored and caused to be enacted the Internal Security Act of 1950, known as the McCarran Act, and coauthored and guided the enactment of the Immigration Code of 1952, known as the McCarran-Walter Act, these acts being the two principal security laws of the United States.

This most distinguished statesman and courageous patriot, during his 22 years of service in the U.S. Senate, brought great distinction and credit to his native State of Nevada and to the Nation at large and prior to such senatorial service he was instrumental in shaping the laws of the State of Nevada as a member of the legislature, district attorney, and supreme court justice.

Statuary Hall was designated by the 38th session of Congress as a place for the States to honor their statesmen and leaders by the donations of statues, not to exceed two from each State. The resolution before us conforms in every respect to the rules for admission of statues to Statuary Hall. There are only eight States that have not as yet honored any of their respective sons by contributing such a statue; Nevada is one of these States.

Favorable action on this legislation has already been taken by the Senate and I wholeheartedly urge the approval of this body.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PLACING TEMPORARILY IN ROTUNDA OF CAPITOL A STATUE OF ESTHER MORRIS, OF WYOMING

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 55 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the State of Wyoming is hereby authorized to place temporarily in the rotunda of the Capitol a statue of Esther Morris, of Wyoming, and to hold ceremonies in the rotunda on such occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Speaker, these resolutions provide for the State of Wyoming placing in its permanent place of honor, with proper ceremonies, its first statue for Statuary Hall in the United States Capitol.

It is fitting that this statue should be that of Esther Hobart Morris, pioneer leader in the struggle for woman's equality, who is properly referred to as the "Mother of Women's Suffrage." She symbolizes part of the force which has made the West, and especially Wyoming, an area of strength. Her presence in statue form in the Capitol will typify the spirit of progressiveness exemplified by this woman of undaunted courage.

It is my great privilege to be able to offer certain excerpts from writings on the life of Esther Morris and to serve as Wyoming's United States Representative at this time and take part in seeing that the legislative procedure for presentation of the statue to the United States Government by the State of Wyoming is carried out.

I ask that certain facts I have gathered concerning the life of Esther Morris be printed in the CONGRESSIONAL RECORD at this point. These writings point out the place of importance which Esther Morris holds in Wyoming and its struggle for achievement that has been carried out over the years by people of vision and courage.

To Esther Morris, the women of Wyoming owe a debt of gratitude not to be forgotten in this or coming generations. She has rightfully been called the Mother of Woman Suffrage, though some would have us believe otherwise. The writer has frequently heard the remark that we were given suffrage because "they had to have the women to make the requisite number of voters necessary to become a Territory."

It will be noted in this connection that the act to provide a temporary government for the Territory of Wyoming was approved on July 25, 1868, and this is known as the Organic Act of Wyoming. There is nothing in the Constitution of the United States or in the Organic Act of Wyoming which provides that a certain number of qualified electors be resident of a given Territory before its admission to that status or to be a State in the Union. The conditions surrounding the creation of the Territories of the United States have always been left to the discretion of the Congress. The Ordinance of 1787 is the only act of Congress which defines a qualification to admission to statehood, and it provides in article V thereof that "Whenever any of the said States shall have 60,000 free inhabitants therein, such State shall be admitted * * * on equal footing with the original States * * * and shall be at liberty to form a permanent constitution and State government." And, while the Ordinance of 1787 was passed and in effect long before the lands comprising the State of Wyoming were part of the territory of the United States, the general principles therein laid down seems to have governed the admission of the Territory of Wyoming by the act of admission approved July 10, 1890.

It is also to be noted in this connection that the granting of suffrage was after the creation of the Territory of Wyoming and 21 years before the admission of the State into the Union. And furthermore, under the treaty of cession (known as the Louisiana Treaty) and the Constitution of the United States there could have been no condition precedent to the admission of this State which would not be of equal force in all the other States of the Union. It is readily seen that the arguments advanced by some do not stand in light of the facts which are the population and not the number of qualified electors in a given territory seems to have been the determining factor at the time for admission of a territory of the United States into the Union as a State, and in this instance the Territory had already been created before the legislature which passed the suffrage law had convened.

A most authentic and interesting account of the enactment of the female suffrage law is found in "How Suffrage Came to Wyoming," written by Dr. Grace Raymond Hebart, of the University of Wyoming, and published in November 1920. Quoting from the above authority the statement made by Capt. H. G. Nickerson, of Lander, Wyo., a one-time resident of South Pass and contained in an affidavit made by him and in the official files of Wyoming in which he says:

"To Mrs. Esther Morris is due the credit and honor of advocating and originating woman suffrage in the United States. At the first election held at South Pass (then in Carter County, Wyo.), on the 2d day of September 1869, Col. William H. Bright, Democrat and myself, Republican, were candidates for the first Territorial legislature. A few days before the election, Mrs. Morris gave a tea party at her residence at which there were present about 40 ladies and gentlemen, Colonel Bright and myself being invited for a purpose, for while sitting at the table, Mrs. Morris arose and stated the object of the meeting. She said, 'There are present two opposing candidates for the first legislature of our new territory, one of whom is sure to be elected, and we desire here and now to receive them a public pledge that whichever one is elected will introduce and work for the passage of an act conferring upon the women of our new Territory, the right of suffrage.'

"Of course we both pledged ourselves as requested and received the applause of all present. There were no Republicans elected at this first election; the legislature was solidly democratic. Colonel Bright, true to his promise, introduced the bill and it became a law."

As a result of this foresight, our husbands, fathers, brothers and sons have always been accustomed to the company of our women at the polls, to their taking part in matters of public interest in their several communities and there can be no doubt but that this influence was one of the greatest of the contributing factors which elevated to the highest official position within the gift of our electorate, a women, to be the Governor of the great State of Wyoming.

In addition to being the Mother of Woman Suffrage, Esther Morris occupies another distinctive and unique position in the official life of Wyoming. On February 14, 1870, she was appointed justice of the peace at South Pass City, which was in the central part of the State near the Oregon Trail, her name being suggested by Judge John W. Kingham, of the district. Acting Gov. Edward M. Lee issued her commission. This was the first time in the history of the world that any woman had held judicial office.

This position she held till the first day of November, 1870, having tried 70 cases during her administration, and none of which, when taken to a higher court, were ever reversed.

Quoting again from Dr. Hebard's article we have the following statement made by Mrs. Morris when she surrendered the docket of her court to her successor:

"Circumstances have transpired to make my position of justice of the peace a test of woman's ability to hold public office and I feel that my work has been satisfactory, although, I have often regretted that I was not better qualified to fill the position. Like all pioneers, I have labored more in faith and hope."

Of Esther Morris, the woman, much has been written. Left an orphan before coming of age, she was early thrown upon her own resources. For a number of years she carried on a thriving millinery business in the village of Owego, N.Y., and before her marriage at the age of 28, had acquired a competence which in those days would be considered a comfortable fortune. An account of her marriage is given in the genealogy of her family which closes this article.

That she retained her poise and mental faculties to a remarkable degree is evidenced by the fact that in 1894, when past 80 years of age, she was elected a delegate to the National Republican Convention held in Cleveland on June 19 of that year and that she attended the same. It was on this occasion that the Chicago Tribune and many eastern papers gave interesting accounts of her activities on behalf of woman suffrage and of her having served as a justice of the peace.

On Statehood Day she made the speech for the women of the State and at which meeting the women presented the State with the State flag.

When Miss Susan B. Anthony visited the State in the early nineties, Mrs. Morris presided at a public meeting given in her honor. The affair was a notable one, being attended by the State officials and men and women prominent in public life.

Upon the death of Mrs. Morris one of her sons published a eulogy, from which we quote the following:

"Her quest for truth in this world is ended. Her mission in life has been fulfilled. The work she did for the elevation of womankind will be told in the years to come, when the purpose will be better understood."

Fortunately there has been preserved to us the site of the home and office of Esther Morris while justice of the peace at South Pass. This is due to the efforts of Dr. Grace Raymond Hebart, who herself, trundled the rocks in a wheelbarrow, with which she erected a cairn on this site on which in September 1920, Captain Nickerson carved with his skillful mallet and chisels the following inscription: "Site of office and home of Esther Morris, first woman justice of the peace, author of female suffrage in Wyoming."

ANCESTRY OF ESTHER HOBART MORRIS

Esther Hobart McQuigg was born near Spencer, Tioga County, N.Y., on August 8, 1814, died in Cheyenne, Wyo., April 2, 1902. She married first in 1841, Artemus Slack, a civil engineer, who had been employed by the Erie and Illinois Central Railroads. He died in 1845. He was a grandson of Jesse Slack and Ebenezer Burnham, of Windsor, Vt., both of whom were Revolutionary soldiers. There was born of this marriage, one son, Edward Archibald Slack, at Owego, N.Y., October 2, 1842, who died at Cheyenne, March 3, 1902. He married September 22, 1870, Sarah Frances Neeley, born August 16, 1841, at Franklin, Ky., and died in Cheyenne, Wyo., March 2, 1921. They had two daughters, Harriet L., wife of Wallace Bond, of Cheyenne, Wyo., and Dora, wife of William Dubois, of Cheyenne.

Soon after Esther Slack's husband died she started, with her infant son in her arms, to Illinois, where her husband had acquired a large tract of land and it is said that in the settlement of this estate she first conceived the idea that the rights of women under the law should be no less than those of men. In 1845, she was married to John Morris, a prosperous merchant of Peru, Ill., where they resided for more than 20 years, moving with their three sons, Edward Archibald Slack, Robert C. and Edward Morris, to South Pass City, Wyo., in 1869. Robert and Edward Morris were twins, born November 8, 1851. Edward died at Green River, Wyo., in the fall of 1902. He was married but left no issue. Robert died January 22, 1921, and he had never married. Another son John, Jr., died in infancy. Esther Hobart McQuigg comes from a long line of American pioneers.

Source: "Women of Wyoming," volume I, 1927, by Mrs. Alfred (Cora M.) Beach, Casper, Wyo.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ACCEPTING THE STATUE OF ESTHER MORRIS OF WYOMING

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 56 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of Esther Morris, presented by the State of Wyoming, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered such State for the contribution of the statue of one of its most eminent citizens; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Wyoming.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING FOR USE OF COMMITTEE ON THE JUDICIARY PARTS OF CERTAIN HEARINGS

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 38 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatves concurring), That there be printed for the use of the Committee on the Judiciary, United States Senate, two thousand five hundred additional copies each of parts 1, 2, 3, and 4 of the hearings conducted by the committee during the Eighty-fifth Congress, first session, on administered prices.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING FOR USE OF COMMITTEE ON THE JUDICIARY COPIES OF CERTAIN REPORTS SUBMITTED BY SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 39 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary, United States Senate, two thousand five hundred additional copies each of the following reports: S. Rept. 1378 (Eighty-fifth Congress, second session) of the Committee on the Judiciary, entitled "Administered Prices—Steel"; and three reports of the Subcommittee on Antitrust and Monopoly entitled, respectively, "Concentration in American Industry" (Eighty-fifth Congress, first session), "Administered Prices—Automobiles" (Eighty-fifth Congress, second session), and "Case Study of Incipient Monopoly in Milk Distribution" (Eighty-fifth Congress, second session).

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS OF PRESENTATION AND ACCEPTANCE OF STATUE OF LATE SENATOR PATRICK A. McCARRAN

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 43 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Senator Patrick A. McCarran, to be presented by the State of Nevada in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed three thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which one hundred copies shall be for the use of the Senate and one thousand six hundred copies shall be for the use of the Members of the Senate from the State of Nevada, and five hundred copies shall be for the use of the House of Representatives and eight hundred copies shall be for the use of the Member of the House of Representatives from the State of Nevada.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF "FEDERAL TAX POLICY FOR ECONOMIC GROWTH AND STABILITY"

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House

Administration, I call up Senate Concurrent Resolution 46 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee one thousand additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability."

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON AUTOMATION AND TECHNOLOGICAL CHANGE

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 47 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee one thousand additional copies of the hearings on automation and technological change held by that committee during the Eighty-fourth Congress.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS INCIDENT TO ACCEPTANCE OF STATUE OF ESTHER MORRIS

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 57 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Esther Morris, to be presented by the State of Wyoming in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed three thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which one hundred copies shall be for the use of the Senate and one thousand six hundred copies shall be for the use of the Members of the Senate from the State of Wyoming, and five hundred copies shall be for the use of the House of Representatives and eight hundred copies shall be for the use of the Member of the House of Representatives from the State of Wyoming.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF "ORGANIZATION AND MANAGEMENT OF MISSILE PROGRAMS"

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 234 and ask for its immediate consideration.

The Clerk read the House concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Government Operations two thousand additional copies of the hearing, entitled "Organization and Management of Missile Programs", held by that committee during the current session.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF 16TH REPORT OF COMMISSION OF FINE ARTS AS A HOUSE DOCUMENT

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 378 and ask for its immediate consideration.

The Clerk read the House concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Sixteenth Report of the Commission of Fine Arts, transmitted by the President to the Congress of the United States on August 5, 1959, be printed as a House document with illustrations.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF "COMMUNIST PERSECUTION OF CHURCHES IN RED CHINA AND NORTHERN KOREA"

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 330 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities twenty thousand additional copies of the consultation held by that Committee during the current session, entitled "Communist Persecution of Churches in Red China and Northern Korea".

The resolution was agreed to.

A motion to reconsider was laid on the table.

MARITAL DEDUCTION FOR CERTAIN SUPPORT ALLOWANCES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2573) to amend the Internal Revenue Code of 1954 with respect to the application of the estate tax marital deduction to widow's allowance or award.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Marital deduction for allowance or award to surviving spouse.

Section 2056(b) of the Internal Revenue Code of 1954 (relating to limitation in the case of life estate or other terminable interest) is amended by adding at the end thereof the following new paragraph:

"(7) ALLOWANCE OR AWARD TO SURVIVING SPOUSE.—For purposes of this subsection, an allowance or award made after the decedent's death pursuant to local law for the support of the surviving spouse during the settlement of the decedent's estate, shall not be considered as an interest which will terminate or fail to the extent that the allowance or award is in fact paid to the surviving spouse or to the estate of such spouse."

SEC. 2. Definition of property passing from a decedent.

Section 2056(e) of the Internal Revenue Code of 1954 (relating to definitions) is amended by deleting the word "or" at the end of paragraph (6) thereof; by substituting a semicolon followed by the word "or" for the period at the end of paragraph (7) thereof; and by adding at the end thereof the following new paragraph:

"(8) such interest is an allowance or award pursuant to local law for such person's support during the settlement of the decedent's estate."

SEC. 3. Effective date of amendments.

These amendments shall be applicable to estates of decedents dying after September 23, 1950.

With the following committee amendments:

Page 2, line 6, strike out "spouse or to the estate of such spouse." and insert in lieu thereof the following: "spouse, or to the estate of such spouse, within 15 months after the date of the decedent's death."

Page 2, strike out lines 19 and 20, and insert:

"The amendments made by the first two sections of this Act shall apply only with respect to the estates of decedents dying after December 31, 1958."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, as amended by the Committee on Ways and Means, H.R. 2573 provides that the marital deduction is to be available for estate tax purposes with respect to allowances or awards which, pursuant to local law, are paid within 15 months from the date of a decedent's death to the decedent's surviving spouse for her support during the period the decedent's estate is being settled. This is accomplished by specifically providing that these allowances or awards are property passing from the decedent to a person, and not terminable interests for which no marital deduction is available. The change would apply to estates of decedents dying after December 31, 1958.

Present law allows a marital deduction for property passing to a surviving spouse to the extent of 50 percent of the adjusted gross estate. It is not clear, however, under what circumstances the marital deduction is available with respect to an award or allowance made pursuant to local law for support of a decedent's surviving spouse during the period of the settlement of the decedent's estate. The questions that have arisen have for the most part been resolved by reference to the governing local law as interpreted by the local courts, with the result that the allowance of the marital deduction for these awards has varied from State to State. Moreover, there also is uncertainty as to whether any estate tax deduction is available for these allowances.

H.R. 2573, which was introduced by our colleague, the Honorable SIDNEY R. YATES, would assure that the extent to which the marital deduction is allowed with respect to these awards or allowances is the same in all States during the usual period of the settlement of the estate, and will not turn on technical questions of local law.

The Treasury Department has advised that it is not opposed to this legislation, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the Committee on Ways and Means was unanimous in reporting the bill, H.R. 2573, with amendments.

Under present law a marital deduction for estate tax purposes is allowed for property passing to a surviving spouse to the extent of 50 percent of the adjusted gross estate. The purpose of this bill is to make clear the circumstances under which the marital deduction is available with respect to an award or an allowance made under local law to the decedent's surviving spouse pending the settlement of the estate.

This legislation which has just passed the House would provide a uniform rule applicable in all States. Such uniformity has not previously been present. The bill as amended allows the marital deduction in the case of allowances or awards made under local law within 15 months from the date of the decedent's death for the purpose of support of the surviving spouse pending the settlement of the estate.

Mr. MILLS. Mr. Speaker, in order to save time, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] and myself, as well as the author of each bill which I call up today, may insert our remarks immediately after the passage of each of these bills.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REPEAL OF EXCISE TAX ON AROMATIC CACHOUS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4586) to amend section 4021 of the Internal Revenue Code of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas give us an explanation of the bill?

Mr. MILLS. I shall be very glad to. The purpose of this bill, which was introduced by our colleage on the Committee on Ways and Means, the Honorable AIME J. FORAND, is to amend section 4021 of the Internal Revenue Code of 1954 so as to exempt aromatic cachous from the 10-percent excise tax on certain toilet preparations. The amendment would be effective as of the first day of the month beginning not more than 10 days after the enactment of the bill.

I might say to the gentleman from West Virginia that this bill has passed the House by unanimous consent on previous occasions.

Mr. BAILEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4021 of the Internal Revenue Code of 1954 is hereby amended by striking out "Aromatic cachous.".

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 4586, which was introduced by our colleague on the Committee on Ways and Means, the Honorable AIME J. FORAND, is to amend section 4021 of the Internal Revenue Code of 1954 so as to exempt aromatic cachous from the 10 percent excise tax on certain toilet preparations. The amendment would be effective as of the first day of the month beginning more than 10 days after the date of enactment of the bill.

Aromatic cachous are aromatic pellets, such as Sen Sen, made of licorice, cashew nuts, gum, et cetera, which are chewed for the purpose of sweetening the breath. The committee has concluded that aromatic cachous should not be taxed as toilet preparations since they are more nearly like mouthwashes and candied mints than like the externally applied toilet preparations which comprise the rest of the articles subject to the toilet preparations tax. Moreover, the tax on aromatic cachous places them at a competitive disadvantage with nontaxed articles purchased for similar use. Still another reason for not subjecting aromatic cachous to tax is the fact that they are usually sold in candy stores, confectionaries, and other shops which do not handle other articles subject to the toilet preparations tax. As a result the proprietors of these stores are burdened with the requirement of collecting and remitting negligible amounts of tax. This fact has in many cases discouraged proprietors from handling aromatic cachous.

A favorable report was received on this legislation from the Treasury Department, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation would provide that the 10 percent Federal excise tax on toilet preparations would not be applicable to aromatic cachous.

Aromatic cachous are used in the preparation of an article similar in use to mouth washes and candied mints which are not subject to the cosmetics tax. Therefore, it is appropriate that aromatic cachous should be treated in a similar manner for tax purposes rather than be subject to the 10 percent retail tax on cosmetics. It can be properly said that this legislation is in the interest of simplified tax administration in removing a competitive disparity.

The House of Representatives has passed this legislation previously, and it is my hope that we can find this meritorious bill becoming enacted into law.

AMENDING SECTION 5801 OF THE INTERNAL REVENUE CODE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4029) to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machine guns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5801 of the Internal Revenue Code of 1954 (relating to special (occupational) taxes on persons manufacturing, importing, and dealing in machine guns and certain other firearms) is amended to read as follows:

"SEC. 5801. TAX.

"(a) RATE.—On first engaging in business, and thereafter on or before the first day of July of each year, every importer, manufacturer, and dealer in firearms shall pay a special tax at the following rates:

"(1) IMPORTERS OR MANUFACTURERS.—Importers or manufacturers, $500 a year or fraction thereof;

"(2) DEALERS OTHER THAN PAWNBROKERS.—Dealers, other than pawnbrokers, $200 a year or fraction thereof;

"(3) PAWNBROKERS.—Pawnbrokers, $300 a year or fraction thereof;

Provided, That manufacturers and dealers in guns with combination shotgun and rifle barrels, 12 inches or more but less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and manufacturers and dealers in guns classified as 'any other weapon' under section 5848(5), shall pay the following taxes: Manufacturers, $25 a year or fraction thereof; dealers, $10 a year or fraction thereof.

"(b) CROSS REFERENCE.—

"For license to transport, ship, or receive firearms or ammunition under the Federal Firearms Act, see section 3 of the Act of June 30, 1938 (52 Stat. 1251; 15 U.S.C. 903)."

SEC. 2. Subsections (a) and (b) of section 5811 of the Internal Revenue Code of 1954 (relating to transfer tax on machine guns and certain other firearms) are amended to read as follows:

"(a) RATE.—There shall be levied, collected, and paid on firearms transferred in the United States a tax at the rate of $200 for each firearm: *Provided*, That the transfer tax on any gun with combination shotgun and rifle barrels, 12 inches or more but less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and on any gun classified as 'any other weapon' under section 5848(5), shall be at the rate of $5. The tax imposed by this section shall be in addition to any import duty imposed on such firearm.

"(b) BY WHOM PAID.—Such tax shall be paid by the transferor: *Provided*, That if a firearm is transferred without payment of such tax the transferor and transferee shall become jointly and severally liable for such tax."

SEC. 3. Paragraph (1) of section 5848 of the Internal Revenue Code of 1954 (defining the term "firearm") is amended to read as follows:

"(1) FIREARM.—The term 'firearm' means a shotgun having a barrel or barrels of less than 18 inches in length, or a rifle having a barrel or barrels of less than 16 inches in length, or any weapon made from a rifle or shotgun (whether by alteration, modification, or otherwise) if such weapon as modified has an overall length of less than 26 inches, or any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive of such weapon is capable of being concealed on the person, or a machine gun, and includes a muffler or silencer for any firearm whether or not such firearm is included within the foregoing definition."

SEC. 4. The amendments made by this Act shall take effect on July 1, 1959.

With the following committee amendments:

Page 2, line 12, strike out "thereof;" and insert "thereof:".

Page 3, line 12, strike out "$1" and insert "$5".

Page 4, strike out lines 9 and 10, and insert:

"SEC. 4. Subsections (a) and (b) of section 5685 of the Internal Revenue Code of 1954 (relating to penalty for possession of firearms, etc., when violating liquor laws) are each amended by striking out 'shotgun or rifle having a barrel or barrels less than 18 inches in length,' and inserting in lieu thereof 'shotgun having a barrel or barrels less than 18 inches in length, or a rifle having a barrel or barrels less than 16 inches in length.'

"SEC. 5. The amendments made by this Act shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this Act and, for purposes of the rate of the special tax imposed by section 5801 of the Internal Revenue Code of 1954, shall apply with respect to periods beginning after June 30, 1959."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, as amended by the Committee on Ways and Means, H.R. 4029 amends the special excise taxes in the Internal Revenue Code relating to short-barreled firearms, machineguns, and the so-called any-other-weapon category, in general, as follows:

First. It exempts from the special occupational and transfer taxes rifles with barrels between 16 inches and 18 inches in length—an exemption is already provided in the case of those with a caliber of .22 or smaller. These are primarily sporting guns which will, therefore, become taxable under the regular 11 percent manufacturers' firearms tax.

Second. It subjects to these occupational and transfer taxes—and also the so-called making tax—any weapons made from a rifle or shotgun if the modified weapon has an overall length of less than 26 inches—whether or not concealable.

Third. It lowers the manufacturer and dealer occupational taxes and the transfer and making taxes with respect to "any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if the weapon is capable of being concealed on the person." At present the manufacturers' and dealers' occupational taxes applicable to these weapons—other than certain handguns—generally are $500 and $200, and under the bill will be $25 and $10, respectively. The transfer and making taxes under present law are $200 in this case, and under the bill will be $5.

Fourth. The dealers' taxes with respect to certain combination shotgun and rifles and also certain guns designed to be held in one hand are raised from $1 to $10 a year in the case of dealers and the applicable transfer and making taxes are raised from $1 to $5 per transaction.

Fifth. The occupational taxes are the same whether the individual involved is in the specified business for part, or all, of a year, or, in other words the proration feature of existing law is repealed.

Sixth. The transferor and transferee of the specified firearms are made jointly and severally liable for the transfer tax imposed.

These amendments become effective as of the first of the month which begins more than 10 days after the date of enactment of the bill, and the changes in the occupational tax rates also apply with respect to periods beginning after June 30, 1959.

This bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable CECIL R. KING, is concerned with the sections of the Internal Revenue Code which originated in the National Firearms Act, approved June 26, 1934 (48 Stat. 1237). The primary purpose of that act was to make it more difficult for the gangster element to obtain certain types of weapons. The types of weapon with which these provisions are concerned are the types it was thought would be used primarily by the gangster-type element.

Problems have been presented with respect to certain features of these national firearms taxes by gun collectors, rifle associations, and others. It has been made clear to your committee that these organizations do not want to interfere with the effective administration of the National Firearms Act taxes, but are concerned with what is believed to be unnecessary interferences with their avocations. As a result, the interested parties have worked out the recommendations contained in this bill in conferences with representatives of the Internal Revenue Service and law enforcement agencies, with the purpose of finding solutions to the problems with which these organizations were concerned without interfering with the administration of the National Firearms Act. At the same time, as a result of these conferences, a number of features were added to this bill which are designed to aid in enforcement and simplify the administration of these provisions.

The Treasury has indicated that it has no objections to this bill as amended, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House relates to the sections of the Internal Revenue Code of 1954 which were developed from the National Firearms Act. The primary purpose of that act was to facilitate the control of weapon utilization by gangster and other underworld characters. The purpose of the legislation is to eliminate the interference of this police regulation of these weapons with sport and recreational utilization. At the same time the bill will not jeopardize the deterrence to improper and unlawful uses.

The legislation would be of benefit to gun collectors, rifle associations, and persons having an avocation involving firearms without interfering with the effective administration of the National Firearms Act taxes. This legislation was unanimously reported by the Committee on Ways and Means.

Mr. KING of California. Mr. Speaker, the purpose of H.R. 4029 is to amend the National Firearms Act to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce the occupational and transfer taxes on certain firearms, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain technical changes in the definition of the term "firearm."

The National Firearms Act—sometimes referred to as the Machinegun Act—was enacted by the 73d Congress in 1934 to provide a making and transfer tax of $200 on machineguns and certain specified firearms which has become a national crime problem in the prohibition era. In addition to machineguns, the act applies to a silencer for a firearm and to sawed-off rifles and shotguns.

The law does not apply to pistols and revolvers or to ordinary sporting rifles and shotguns. Any weapon defined as a firearm by the National Firearms Act is required to be registered with the Department of the Treasury and becomes subject to the prohibitive tax provision of the act. Several technical provisions of the law have resulted in a severe hardship on law-abiding gun owners and particularly gun collectors without adding to the effectiveness of the act as a crime prevention measure. Also, at least one provision in the law has left open a loophole by means of which unscrupulous persons have been able to evade the tax which Congress decreed should be placed upon the transfer of machineguns. It is the purpose of my bill to correct these technical shortcomings.

The National Firearms Act provides in part that a shotgun or rifle having a barrel of less than 18 inches in length is a firearm and subject to the $200 making and transfer tax, except that rifles of .22 caliber are exempt if the barrel length is 16 inches. An area of inequity arises here from the fact that a number of popular sporting rifles and a number of rifles having great value to gun collectors have barrel lengths just slightly under 18 inches. While such rifles could not be considered concealable, and while they do not enter into the crime picture, they still must be classed as a firearm subject to the taxation provisions of the law. It is one of the purposes of my bill so to amend the definition of the term "firearm" under the law that it will not apply to any rifle which has a barrel of at least 16 inches in length. This will mean that all rifles having a barrel length of at least 16 inches will be exempt from the law, not .22-caliber rifles alone as at present.

Another area of inequity from the standpoint of law-abiding shooters and gun collectors arises from the provision in the law which defines as a firearm, in addition to a machinegun or sawed-off rifle or shotgun, "any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person." It is apparent from this language that Congress did not intend the prohibitive tax provision of the Machinegun Act to apply to pistols or revolvers. The law, however, does not define the terms pistol or revolver; and it, therefore, becomes a matter of administrative interpretation as to what is a pistol, excepted under the act, and what is any other weapon, prohibited under the act. We see here a complex administrative problem. If a particular weapon is clearly recognizable as a pistol or revolver, it meets a specific exception in the National Firearms Act. However, if the weapon is concealable and is not clearly recognizable as a pistol or revolver, then it must fall into the loose category of "any other weapon" and become immediately subject to a prohibitive $200 transfer tax.

Highly valued items to gun collectors are the guns which mark stages in the development of firearms from their earliest beginning. In the process of experimentation, trial and error, and plain American inventiveness which have led to the modern pistol and revolver, many strange firearms have had brief moments on the scene. Some are clearly recognizable as a step in the development of a modern pistol; others are not. Many, by administrative edict, now fall in the "any other weapon" category under the National Firearms Act and are, therefore, subject to its prohibitive controls.

Since pistols and revolvers make up the vast majority of weapons capable of being concealed on the person and, since for good and sufficient reasons the Congress felt that pistols and revolvers should not be included in the Machinegun Act, it would seem just and equitable that the full $200 transfer tax not be applied to the very small minority of concealable weapons which may be interpreted to be neither a pistol nor a revolver. To the contrary, it would appear that the purpose of the act would be better served by a nominal tax on this category of weapon which would permit them to be possessed and traded by gun collectors while retaining the records and controls now maintained by the Department of the Treasury under the National Firearms Act.

Experience through the years has demonstrated that the type of concealable weapon controlled under the National Firearms Act which has most frequently figured as a crime problem is the weapon that is made from a rifle or shotgun by cutting it down in length so as to make it concealable on the person. Under the present law, if a rifle or shotgun is altered by cutting off the barrels so that the barrel length is less than that prescribed in the definition of a "firearm," then the weapon clearly becomes subject to the criminal provisions of the law. In many cases, however, the criminal not only cuts off the barrel of a conventional rifle or shotgun but also may cut off the shoulder stock and thus create a one-hand weapon of greater concealability than had he sawed off the barrel alone. In the past, criminals apprehended with such weapons attempted to avoid prosecution on the ground that the weapon they created by cutting off the barrel and the stock of a shotgun or a rifle was in fact a pistol since it was a one-hand weapon. In the view that it was just this type of criminal weapon that Congress sought to control in the National Firearms Act, I am suggesting an amendment to the definition of the term "firearm" by adding the language, "or any weapon made from a rifle or shotgun—whether by alteration, modification, or otherwise—if such weapon as modified has an overall length of less than 26 inches."

The National Firearms Act provides for an annual $200 tax for persons engaged in the business of dealing in machineguns and those categories of weapons defined as "firearms." At present the payment of this occupational tax may be prorated on a monthly basis established on the fiscal year. It has been called to my attention that certain persons other than bona fide dealers have been able to take advantage of this provision to avoid the payment of the transfer tax on machineguns by paying the dealers' occupational tax for 1 month only. A person engaged in the business of dealing in machineguns and who has qualified for and paid the occupational tax provided for in the law is permitted an exemption from the transfer tax. As the law now stands, a man may qualify as a machinegun dealer in June by paying only one-twelfth of the normal $200 dealers occupational tax. He may then purchase machineguns without paying the $200 transfer tax and, at the end of June, may simply elect not to renew his dealer's status by paying his occupational tax for the following year. It is one of the purposes of my bill to remove the pro rata feature with respect to the occupational tax so that a person qualifying as a dealer, engaged in the business of dealing in machineguns, will pay the $200 occupational tax for a year or fraction thereof.

Another weakness in the present language of the law has been that the transferor alone has been responsible for the transfer tax on machineguns. If, through false pretenses, an individual not actually a bona fide dealer has been able to secure a machinegun transfer tax exempt, the Government has no recourse since no liability for the tax rested on the transferee. The purpose of my bill is to correct this by providing that, if a firearm is transferred without payment of the transfer tax, the transferor and transferee shall become jointly and severally liable for the tax.

The amendments I suggest will improve the enforcement of the National Firearms Act with respect to machineguns and sawed-off shotguns and will at the same time, alleviate some of the inequities that plague gun collectors and shooter-sportsmen without contributing to the effectiveness of the law.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. SIKES] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIKES. Mr. Speaker, for a number of years there has been a need for clarification of firearms legislation to remove inequities which have been shown to exist in present laws. I am very pleased to see the bill which is now before us and which comes to the House with a unanimous favorable report of the Committee on Ways and Means. Identical bills were introduced by me and by other Members of the House following a series of conferences between representatives of the Alcohol and Tobacco Tax Division, the National Rifle Association, Sporting Arms and Ammunition Manufacturers Institute, American Gun Dealers Association, Importers Association, National Chiefs of Police Association, Metropolitan Police Department, and many individual sportsmen and collectors. It was as a result of these meetings that the legislation now before us was written. I believe that a much better understanding now exists between the various segments of the firearms industry and that there is general agree-

ment that the proposed legislation will be beneficial.

It has taken several years of hard work to get this bill to the floor. One problem has been the difficulty of getting a favorable report from the Treasury Department where there seems to have existed a great deal of misconception regarding the purposes of the legislation and the need for a revision of present legislation. Fortunately, there does exist a better understanding in that agency at this time and I am very glad to note the cooperation which the agency is now giving.

Collectors and sportsmen will benefit in particular from the new language; there can be very little, if any, loss of revenue to the Government by virtue of the reductions of some excessive fees which presently are charged and I can see nothing in this bill that would provide any measure of satisfaction for the criminal element or open any loopholes to them which they do not now possess. In fact, some loopholes will be closed.

The amendments which were added by the committee are in my opinion sound and I trust that the bill as it now appears will speedily be adopted by the House and the Senate and that it will become law.

PERSONAL EXEMPTION FOR CHILDREN PLACED FOR ADOPTION

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 47) to amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 152(b)(2) of the Internal Revenue Code of 1954 (relating to the definition of the term "dependent") is amended by striking out "a legally adopted child of an individual" and inserting in lieu thereof the following: "a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual)".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1957.

With the following committee amendment:

On the first page, line 13, strike out "1957" and insert in lieu thereof "1958".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 47, as amended by the Committee on Ways and Means, is to amend the Internal Revenue Code of 1954 to provide that, for 1959 and subsequent years, the definition of a dependent for purposes of claiming a $600 dependency exemption be amended to treat in the same manner as a natural-born child of an individual not only a legally adopted child, as provided by present law, but also a child placed with him by an authorized placement agency for legal adoption by him if the child is a member of the individual's household. An exemption can be claimed for such a child under present law, if other required tests are met, but generally only after he has been in the home of the taxpayer for an entire year. The effect of the pending bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable HALE BOGGS, is to waive this "entire year" requirement where the child is placed in the home by an authorized placement agency for legal adoption. The amendment would be effective for taxable years beginning after December 31, 1958.

A favorable report was received on this legislation from the Treasury Department, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation which has just passed the House relates to the $600 dependency exemption and would clarify the status of children with respect to whom the taxpayer has adoption proceedings pending. Existing law has been held to require that such a child must be in the home of the taxpayer for an entire year before he is considered a dependent for personal exemption purposes. This bill would remove that time requirement under circumstances where the child is placed in the home by an authorized placement agency.

Mr. Speaker, this legislation was reported unanimously by the Committee on Ways and Means. The committee amendment provides that the bill will be effective for taxable years beginning after December 31, 1958.

TEMPORARY FREE IMPORTATION OF EXTRACTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6579) to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1670(b) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1670(b)), is amended by inserting after "eucalyptus" and before "(irrespective of their chief use)" the following: "and hemlock".

SEC. 2. The amendment made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act and prior to September 29, 1960, and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment.

With the following committee amendment.

Page 1, strike out lines 5 and 6, and insert "by striking out 'hemlock,' after 'divi-divi,', and by striking out 'eucalyptus (irrespective of their chief use)' and inserting in lieu thereof 'eucalyptus or hemlock (irrespective of their chief use)'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6579, as amended by the Committee on Ways and Means, is to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning, regardless of their chief use, until the close of September 28, 1960.

Under Public Law 85–235, approved August 30, 1957, tanning extracts were transferred from paragraph 38 of the dutiable list to the free list where they were included in a new subparagraph (b) of paragraph 1670. The tariff terminology relating to tanning extracts has been interpreted by the Bureau of Customs as requiring classification under paragraph 1670(b) only of those extracts which, at the time of importation, belong to a class of articles chiefly used in the United States for tanning purposes. The actual use of a particular importation is not controlling. Thus, while a particular extract may be classified as a tanning extract at one time because of its chief use as such, it would not be classifiable as a tanning extract at another time if its chief use has changed in the meantime.

H.R. 6579, which was introduced by our colleague on the Committee on Ways and Means, the Honorable EUGENE J. KEOGH, would transfer hemlock extract to the free list where it would be included in paragraph 1670(b) irrespective of its chief use and subject only to the requirement that it be suitable for use in tanning. The transfer would terminate at the close of September 28, 1960, as in the case of the transfer made by Public Law 85–235.

Favorable reports on this legislation were received from the Departments of State, Treasury, Commerce, and Labor and in informative report from the U.S. Tariff Commission. The Tariff Commission advised the committee that the United States depends upon imports for the great bulk of the tanning materials and extracts consumed in this country and that "these imports supplement rather than compete with the small domestic supply."

The Committee on Ways and Means was unanimous in recommending the enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr Speaker, the legislation which has just passed the House would provide for the free importation until the close of September 28, 1960, of extracts, decoctions, and preparations of hemlock suitable for use for tanning regardless of their chief use. The termination date of September 28, 1960, for this duty-free privilege coincides with the legislation affecting the duty status of certain other tanning extracts.

Favorable reports on this legislation were received from the interested executive departments.

TRANSFER OF CERTAIN PUMICE STONE TO FREE LIST

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6368) to amend the Tariff Act of 1930 to place certain pumice stone on the free list, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Tariff Act of 1930, as amended (19 U.S.C. 1201), is amended by adding at the end thereof the following new paragraph:

"PAR. 1823. Pumice stone, when imported to be used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, and similar forms, under such regulations as the Secretary of the Treasury shall prescribe."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, after the thirtieth day after the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6368, which was introduced by our colleague on the Committee on Ways and Means, the Honorable A. S. HERLONG, JR., is to transfer from the dutiable list to the free list of the Tariff Act of 1930 pumice stone imported to be used in the manufacture of concrete masonry products such as building blocks, bricks, tiles, and similar forms.

Pumice stone, unmanufactured, is presently provided for in paragraph 206 of the Tariff Act of 1930, and is dutiable under two value classifications: that valued at $15 or less per long ton, and that valued at more than $15 per long ton. The pumice stone which will be covered by the bill is unmanufactured pumice valued at $15 a ton or less and subject to a duty of 85 cents a ton. Such pumice stone could be entered free of duty only for use in the manufacture of the specified products. Any pumice stone entered for other uses would continue to be subject to duty.

Favorable reports on this legislation were received from the Departments of State, Treasury, and Commerce and informative reports from the Department of the Interior and the U.S. Tariff Commission. The Department of Commerce advised the committee that duty-free entry of pumice for the stated uses would benefit the makers of building blocks and other masonry products and the Department has no facts indicating that this would have an adverse effect on any U.S. industry.

The Committee on Ways and Means was unanimous in recommending the enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation which has just passed the House would transfer from the dutiable list to the free list pumice stone that is imported to be used in the manufacture of certain construction articles such as building blocks and tiles.

The Committee on Ways and Means received favorable departmental reports on this legislation from the interested executive departments. It was stated by the Department of Commerce that the duty-free entry of pumice would benefit the makers of building blocks and other masonry products in the United States.

COPYRIGHT ROYALTIES—PERSONAL HOLDING COMPANY TAX

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7588) to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 543(a) of the Internal Revenue Code of 1954 (relating to personal holding company income) is amended by adding at the end thereof the following new paragraph:

"(9) COPYRIGHT ROYALTIES.—Copyright royalties, unless—

"(A) such royalties (exclusive of royalties received for the use of, or right to use, copyrights or interests, in copyrights on works created in whole, or in part, by any shareholder) constitute 50 percent or more of the gross income,

"(B) the personal holding company income for the taxable year not taking into account—

"(i) copyright royalties, other than royalties received for the use of, or right to use, copyrights or interests in copyrights in works created in whole, or in part, by any shareholder owning more than 10 percent of the total outstanding capital stock of the corporation, and

"(ii) dividends from any corporation in which the taxpayer owns at least 50 percent of all classes of stock entitled to vote and at least 50 percent of the total value of all classes of stock and which corporation meets the requirements of this subparagraph and subparagraphs (A) and (C) is 10 percent or less of the gross income, and

"(C) the deductions allowable under section 162 (other than deductions for compensation for personal services rendered by the shareholders and other than deductions for royalties to shareholders) constitute 50 percent or more of the gross income. For purposes of this subsection, the term 'copyright royalties' means compensation, however designated, for the use of, or the right to use, copyrights in works protected by copyright issued under title 17 of the United States Code (other than by reason of section 2 or 6 thereof), and to which copyright protection is also extended by the laws of any country other than the United States of America by virtue of any international treaty, convention or agreement, or interests in any such copyrighted works, and includes payments from any person for performing rights in any such copyrighted work. For purposes of this paragraph the term 'shareholder' shall include any person who owns stock within the meaning of section 544."

(b) Such section 543(a) is amended—

(1) by striking out "(other than mineral, oil, or gas royalties)" in paragraph (1) and inserting in lieu thereof "(other than mineral, oil, or gas royalties or copyright royalties)"; and

(2) by adding at the end of paragraph (6) the following new sentence: "For purposes of the preceding sentence, copyright royalties constitute personal holding company income."

(c) Section 544(a) is amended—

(1) by striking out "For purposes of determining whether a corporation is a personal holding company, insofar as such determination is based on stock ownership under section 542(a)(2), section 543(a)(5), or section 543(a)(6)" and inserting in lieu thereof "For purposes of determining whether a corporation is a personal holding company, insofar as such determination is based on stock ownership under section 542(a)(2), section 543(a)(5), section 543(a)(6), or section 543(a)(9)"; and

(2) by revising subparagraph (B) of paragraph (4) thereof to read as follows:

"(B) for purposes of section 543(a)(5) (relating to personal service contracts), of section 543(a)(6) (relating to use of property by shareholders), or of section 543(a)(9) (relating to copyright royalties), if but only if, the effect is to make the amounts therein referred to includible under such paragraph as personal holding company income."

(d) Section 544(b) is amended—

(1) by striking out the word "and" appearing at the end of paragraph (2);

(2) by striking out the period appearing at the end of paragraph (3) and inserting in lieu thereof "; and";

(3) by inserting the following new paragraph (4) immediately after existing paragraph (3) thereof:

"(4) for purposes of section 543(a)(9) (relating to copyright royalties), but only if the effect of the inclusion of all such securities is to make the amounts therein referred to includible under such paragraph as personal holding company income."; and

(4) by striking out "paragraphs (1), (2), and (3)" appearing in the last sentence and inserting in lieu thereof "paragraphs (1), (2), (3), and (4)".

(e) Section 553 is amended by striking out "all royalties, whether or not mineral, oil, or gas royalties" and inserting in lieu thereof "all royalties, whether or not mineral, oil, or gas royalties or copyright royalties".

SEC. 2. The amendments made by the first section of this Act shall apply only with

respect to taxable years beginning after December 31, 1958.

With the following committee amendments:

Page 2, line 1, strike out "interests," and insert "interests".

Page 3, line 24, after "Section 544(a)" insert "of such Code".

Page 4, line 20, after "Section 544(b)" insert "of such Code".

Page 5, line 11, after "Section 553" insert "of such Code".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 7588, as amended by the Committee on Ways and Means, is to amend the Internal Revenue Code of 1954 to provide that personal holding company income is not to include income from copyright royalties, under certain conditions. Personal holding companies in general terms are closely held corporations, the bulk of whose income is passive in nature or received from certain specified types of investment sources. Such companies, in addition to the regular corporate income tax, are subject to a tax of 75 to 85 percent on their undistributed personal holding company income. The bill excludes copyright royalties from the definition of personal holding company if first, they—exclusive of royalties received from works of shareholders—represent 50 percent or more of the gross income of the company; second, other personal holding company income, apart from copyright royalties—except royalties received with respect to work of shareholders owning more than 10 percent of the company's stock—and also apart from dividend income received from corporations in which the company has a 50 percent or more stock interest which themselves meet these same tests, is not in excess of 10 percent of the gross income of the company; and third, business expense deductions allowable to the company, other than salaries or royalties paid to shareholders, equal at least 50 percent of the gross income of the company.

Mr. Speaker, the personal holding company tax was developed as a device to prevent the avoidance of the individual income tax by the formation of incorporated pocketbooks for the receipt of certain investment income by a single or relatively small group of individuals. From time to time in the past, Congress has found it necessary to exempt from the personal holding company tax, legitimate types of operating income. H.R. 7588, which was introduced by our Colleague on the Committee on Ways and Means, the Honorable EUGENE J. KEOGH, is directed to a new instance wherein operating income is being subjected to the threat of the personal income holding company tax through changes in business circumstances. The music publishing industry once found its principal market in the sale of sheet music, even through they received some royalty income from music. Recent developments, however, have tended to shift the major source of music publishing income from the sale of sheet music to royalty income, largely as a result of the fact that radio, television, motion pictures, and the expansion of the use of phonograph records have increased royalty income at the same time when sales of sheet music are correspondingly declining.

The pending bill meets this situation by excluding copyright royalties from the definition of personal holding company if the conditions set forth above are met. The amendment is to be effective with respect to taxable years beginning on or after January 1, 1959. A similar bill was passed by the House in the last Congress—H.R. 8960, 85th Congress.

A favorable report was received from the Treasury Department on this legislation, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation would provide that personal holding company income is not to include income from copyright royalties. The legislation would specify certain conditions to preclude the abuse of this amendment.

The personal holding company tax has been developed to prevent the establishment of a corporation to be used as a corporate pocketbook in handling investment income. It has been brought to the attention of the Committee on Ways and Means that existing law does in fact characterize as a personal holding company an organization that is actually an operating company. It was not intended that such an organization be included within the definition of a personal holding company and this legislation would clarify existing law on that subject.

EXTENSION OF TEMPORARY FREE IMPORTATION OF CASEIN

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7456) to extend for 3 years the suspension of duty on imports of casein, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to amend the Tariff Act of 1930 to provide for the temporary free importation of casein", approved September 2, 1957 (71 Stat. 579; 19 U.S.C. 1001, par. 19 note), is amended by striking out "1960" and inserting in lieu thereof '1963".

With the following committee amendment:

Page 1, line 7, strike out "'1963'." and insert: "1963".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 7456, as amended by the Committee on Ways and Means, is to extend for 3 years, to the close of March 31, 1963, the suspension of import duties imposed on casein under paragraph 19 of the Tariff Act of 1930, as amended. The present suspension, provided for by Public Law 85–257, will expire at the close of March 31, 1960.

Mr. Speaker, I should point out here that a printing error was made in the House report on this bill—House Report No. 823—in the purpose section. The last word in line 3 of that section should be "1930" instead of "1939," so as to read "the Tariff Act of 1930, as amended."

Although available official statistics on domestic production and imports of casein do not distinguish between the edible and inedible product, your committee was informed by the U.S. Tariff Commission that it is believed that the domestic production consists almost entirely of edible casein and casein derivatives while imports consist almost entirely of inedible or industrial casein. Industrial casein is used principally in the manufacture of coated paper, glues, cold-water paints, mucilage-type adhesives, and other less extensive uses.

The committee was further advised that domestic production of casein has shown a trend of decline whereas the general trend of imports of casein has been upward for a number of years. Since 1952, the milk price-support program has constituted a material inducement for converting skim milk—the raw material from which casein is made—into products other than casein.

Favorable reports were received on this legislation from the Departments of Agriculture, Labor, and Commerce, and informative reports from the Treasury Department and the U.S. Tariff Commission.

This bill was introduced by our colleague, the Honorable JOHN F. BALDWIN, JR.

The Committee on Ways and Means was unanimous in recommending the enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under existing law the suspension of import duties on casein is scheduled to be terminated effective April 1, 1960. This legislation would continue the suspension for an additional 3 years to April 1, 1963. The import duty suspension is intended to improve the competitive position of domestic industry in the manufacture of certain paper adhesive and paints among other less extensive uses. No instances of abuse of the duty-free privilege were presented to your committee during our consideration of this legislation. Favorable reports on the bill were received from the interested executive departments. The Committee on Ways and Means was unanimous in reporting this legislation.

IMPORTATION OF CERTAIN ARTICLES FOR RELIGIOUS PURPOSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4384) to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BAILEY. Mr. Speaker, reserving the right to object, would the gentleman explain this bill?

Mr. MILLS. Mr. Speaker, the purpose of H.R. 4384, as amended by your committee, is to add inconostases to the list of articles for which free entry is presently provided in paragraph 1774 of the Tariff Act of 1930, as amended; to provide for the free entry of adjuncts and appurtenances of the named articles whether to be physically joined thereto or not; and to extend the application of paragraph 1774 to cemeteries, schools, hospitals, orphanages, and similar nonprofit activities staffed and controlled by corporations or associations organized and operated for religious purposes.

The bill was introduced by our colleague, the gentleman from Michigan [Mr. MACHROWICZ], and, perhaps, the gentleman from Michigan would like to add something at this point to what I have said.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. MACHROWICZ. Mr. Speaker, this bill in practically the same form was passed unanimously by the House last year, and because of certain interpretations by the courts insofar as the adjuncts to altars and other religious articles are concerned, this bill has been submitted and it has the complete approval of the Treasury Department, the Department of State, and the Department of Commerce.

Mr. BAILEY. I might say to the gentleman from Michigan I have no intention of objecting, but I have been looking for one proposal coming out of this committee having to do with stained glass, and I thought that this bill might have something to do with that.

Mr. MACHROWICZ. This bill has nothing to do with that.

Mr. BAILEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1774 of the Tariff Act of 1930, as amended (19 U.S.C. 1201, par. 1774) is amended to read as follows:

"PAR. 1774. Altars, pulpits, communion tables, baptismal fonts, shrines mosaics, iconostas, or parts, appurtenances, or adjuncts of any of the foregoing, whether to be physically joined thereto or not, and statuary (except casts of plaster of paris, or of compositions of paper or papier mache, imported in good faith for the use of, either by order of, or for presentation (without charge) to, any corporation or association organized and operated for religious purposes, including cemeteries, schools, hospitals, orphanages, and similar nonprofit activities staffed and controlled by such corporation or association."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of the enactment of this Act.

With the following committee amendments:

Page 1, line 4, strike out "par. 1774)" and insert "par. 1774),".

Page 1, line 6, strike out "shrines mosaics, iconostas," and insert "shrines, mosaics, iconostases,".

Page 1, line 9, strike out "paris" and insert "Paris".

Page 1, lines 9 and 10, strike out "papier mache" and insert "papier-mâché".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 4384, as amended by the Committee on Ways and Means, is threefold: First, to add iconostases to the list of articles for which free entry is presently provided in paragraph 1774 of the Tariff Act of 1930, as amended; second, to provide for the free entry of adjuncts and appurtenances of the named articles whether to be physically joined thereto or not; and, third, to extend the application of paragraph 1774 to cemeteries, schools, hospitals, orphanages, and similar nonprofit activities staffed and controlled by corporations or associations organized and operated for religious purposes.

This bill was introduced by our colleague on the Committee on Ways and Means, the Honorable THADDEUS M. MACHROWICZ. A similar bill was passed by the House in the Second Session of the 85th Congress.

Your committee was advised by the interested departments of the Government that this bill would assist in solving certain difficult interpretative questions which have arisen under present provisions of paragraph 1774 of the Tariff Act of 1930, as amended. Favorable reports on the legislation were received from the Departments of State, Labor, and Commerce and informative reports from the Department of the Treasury and the U.S. Tariff Commission.

Your committee was unanimous in recommending enactment of this bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 4384 permits the importation of certain religious articles for religious purposes. Existing law allows such free entry for many articles of a religious nature such as pulpits, shrines, baptismal fonts, and mosaics. The bill would add to the list iconostases, which are altar screens or partitions. The bill would also provide that articles which are appurtenances or adjuncts of the enumerated articles shall be accorded the free entry privilege. The bill also provides that the free entry status shall apply to such appurtenances or adjuncts when imported in good faith for presentation to an organization operated for religious purposes. The Committee on Ways and Means received favorable reports on this legislation from the interested executive departments and the committee was unanimous in ordering H.R. 4384 favorably reported.

EXEMPTIONS FROM ADMISSION TAX FOR ATHLETIC GAMES BENEFITING CRIPPLED OR RETARDED CHILDREN

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4857) to amend the Internal Revenue Code of 1954 to provide that the exemption from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants are recent graduates of designated schools or colleges as well as where they are currently students therein, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4233(a) of the Internal Revenue Code of 1954 (relating to exemptions from the tax on admissions) is amended by adding at the end thereof the following new sentence:

"In determining whether a team participating in an athletic game is composed of students from elementary or secondary schools or colleges for purposes of paragraphs (1)(C)(i) and (11), an individual who is a member of such team shall be considered a student from an elementary or secondary school or a college, even though he graduated from such school or college prior to the time of the game, if the game occurs before the first day of the next regular school year commencing after the date of such graduation and he participates in the game as a representative of the school or college from which he graduated."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to amounts paid for admission to athletic games occurring on or after July 1, 1958.

With the following committee amendment:

Strike out all after the enacting clause and insert "That paragraph (11) of section 4233(a) of the Internal Revenue Code of 1954 (relating to exemptions from the tax on admissions) is amended by adding at the end thereof the following new sentence: 'In determining whether a team participating in an athletic game is composed of students from elementary or secondary schools or colleges for purposes of this paragraph or paragraph (1)(C)(i), an individual who is a member of such team shall be considered a student from an elementary or secondary school or a college if he was a student of such school or college at any time during the 8-month period ending on the date of the athletic game.'

"SEC. 2. The amendment made by the first section of this Act shall apply only with respect to amounts paid on or after the date of the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, as amended by the Committee on Ways and Means, H.R. 4857 would amend the Internal Revenue Code of 1954 to provide that the exemption from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants are recent graduates of designated schools or colleges, as well as where they are currently students therein.

Present law exempts from the admissions tax athletic games between teams composed of students from elementary or secondary schools, or colleges, where the proceeds inure to the benefit of hospitals for crippled children or of tax-exempt educational, charitable, or religious organizations operated exclusively for the purpose of aiding and advancing retarded children. Thus, these exemptions are not available if any of the players have graduated and therefore are no longer students in the schools they formerly attended. As a result, an exemption from the admissions tax presently may not be available where an otherwise qualifying benefit game is played after the close of the school year.

The pending bill, which was introduced by our colleague, the Honorable HARLAN HAGEN, would provide that for purposes of these tax-exemption categories, the term "student" is to include an individual who was a student of the school or college at any time in the 8 months immediately prior to the athletic game in question. This will make the exemption available for all-star and other similar benefit games even though the game is played shortly after the end of the school or college year.

The bill, on which the committee received a favorable report from the Treasury Department, would be effective for amounts paid on or after the date of enactment.

The Committee on Ways and Means was unanimous in recommending enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this bill would clarify the status of certain athletic games benefiting handicapped children so as to make it clear that such games will be exempt from the admissions tax.

This legislation would remove the discrimination contained in existing law against some of the all-star and similar athletic contests which under existing law are denied admissions tax exemption because they are played after the close of the school year.

This legislation has been ordered favorably reported by the unanimous action of the committee.

Mr. HAGEN. Mr. Speaker, I urge the enactment of H.R. 4857, which corrects an oversight in the Internal Revenue Code of 1954 to permit exemption of the excise tax on tickets to charity athletic contests for the benefit of crippled or retarded children where the participants in the game are recent graduates of high school or college.

This bill, which I introduced, eliminates the requirement that the participants actually be in school when the contest takes place in order that tax exemption be authorized. I am sure that the Congress in enacting the Internal Revenue Act did not intend to exclude games played after the end of the school year from the excise tax exemption when the contest qualifies in all other respects. This, however, was the unintended effect of the language of the act.

My bill is intended to correct a specific situation which arose in Bakersfield, Calif., where the Senior Bowl football game was conducted in the summer months of 1958 and again this year. The game is sponsored by the Kern County Firemen's Welfare and Benefit Association, Inc., and the proceeds go to the Bakersfield Association for Retarded Children. The participants are players who completed their high school eligibility during the preceding football season.

When I learned that the game was found to be ineligible for excise tax exemption I asked the Internal Revenue Service to reconsider its decision. Upon reconsideration, the Service ruled that it could not grant the exemption because the act applies only to games in which the participants are students of schools or colleges.

The game qualifies otherwise in all respects for the charitable exemption.

Although no other similar instances have been brought to my attention, I am sure that other benefit games sooner or later will be affected by the existing statute. To make the correction at this time is only logical.

I might say that this is noncontroversial legislation. It has the endorsement of the Internal Revenue Service and no opposition has been expressed from any source.

I would urge that my bill, H.R. 4857, be enacted.

TEMPORARY SUSPENSION OF DUTY ON SPUN SILK YARN

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2886) to suspend for 3 years the import duties on certain classifications of spun silk yarn, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph 1202 of the Tariff Act of 1930, as amended (19 U.S.C. 1001, par. 1202), is amended to read as follows:

"PAR. 1202. Yarns wholly of discontinuous silk fibers, colored or dyed, 25½ per centum ad valorem; not colored or dyed, and not finer than 40 cotton count, singles, 21 per centum ad valorem, plied, 25½ per centum ad valorem; silk roving and yarns, wholly of discontinuous silk and rayon or other synthetic fibers, bleached, colored, dyed or plied, 25½ per centum ad valorem; other, 21 per centum ad valorem."

(b) Paragraph 1762 of the Tariff Act of 1930, as amended (19 U.S.C. 1201, par. 1762), is amended to read as follows:

"PAR. 1762. Spun silk single yarn finer than 40 cotton count and plied yarn composed of single yarns finer than 40 cotton count if not colored or dyed and silk cocoons and silk waste."

SEC. 2. The amendments made by this Act shall be effective only with respect to articles entered, or withdrawn from warehouse, for consumption, during the three-year period beginning on the sixtieth day after the date of the enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert "that spun silk or schappe silk yarn, not dyed or colored, singles of more than 58,800 yards per pound, or plied of more than 29,400 yards per pound, provided for in paragraph 1202 of the Tariff Act of 1930, shall be admitted free of duty if entered, or withdrawn from warehouse, for consumption, during the three-year period beginning on the sixtieth day after the date of the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HEMPHILL. Can the gentleman inform me if he has any estimate as to the amount of yardage involved or contemplated in this bill?

Mr. MILLS. The committee was not given an estimate as to any definite amount of spun-silk yarn that might be affected by this bill. I would like to point out to the gentleman we are dealing here with a commodity that is not produced in this country, so that there is no competition with a like commodity here of spun-silk yarn.

Mr. HEMPHILL. I thank the gentleman.

Mr. MILLS. Mr. Speaker, as amended by the Committee on Ways and Means, the purpose of H.R. 2886, which was introduced by our colleague on the Committee on Ways and Means, the Honorable EUGENE J. KEOGH, is to suspend for a period of 3 years the import duties on certain classifications of spun-silk yarn provided for in paragraph 1202 of title I of the Tariff Act of 1930.

Spun-silk yarns of the fineness provided for in this bill are not produced domestically in any quantity. Imported yarns, which are usually finer in size than those of domestic manufacture, are used for various decorative purposes and in the production of certain types of silk broadcloth and other fabrics. Such yarns are dutiable at rates

of 21 percent and 25½ percent ad valorem, at present.

Domestic producers of silk fabrics have, by virtue of the duties applicable to spun-silk yarns, been obliged to pay higher prices for their raw materials than do their competitors abroad. Partly because of this situation, domestic production of silk fabrics has encountered competition from imports of silk fabrics. The committee has been advised that the suspension of the duties on the raw materials—fine spun-silk yarns—as provided for in H.R. 2886, would improve the competitive position of the domestic silk-weaving industry and would tend to increase domestic production of silk cloth. Because fine silk yarns are frequently mixed with the coarser yarns of domestic manufacture in the fabrication of silk cloth, the availability of cheaper fine silk yarns would also tend to increase demand for the domestically produced silk yarns.

Favorable reports on this legislation were received from the Departments of State, Treasury, Agriculture, and Commerce, and informative reports from the Department of Labor and the U.S. Tariff Commission.

The Committee on Ways and Means was unanimous in recommending the enactment of H.R. 2886.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House, H.R. 2886, suspends for a period of 3 years the import duties applicable to certain spun-silk yarns of a specified fineness which are not produced domestically in any quantity. The purpose of the bill is to reduce the import cost of the yarn so that our domestic processors can compete more favorably with foreign processors.

TEMPORARY SUSPENSION OF DUTY ON BOOK BINDINGS AND COVERS IMPORTED BY CERTAIN INSTITUTIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4576) to transfer to the free list of the Tariff Act of 1930 book bindings or covers imported by certain institutions, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COHELAN. Mr. Speaker, reserving the right to object, and I shall not object, would the distinguished chairman of the committee explain why there is a time limitation on the proposal rather than making the proposal permanent?

Mr. MILLS. The committee thought it better to impose a time limitation rather than to make it permanent as the gentleman from California had originally introduced his bill. If the committee desires, in a future Congress, it may extend this time. I would not be disturbed if I were the gentleman over the fact that there is a limitation on these suspensions.

Mr. COHELAN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1631(a) of the Tariff Act of 1930, as amended, is further amended by inserting "book binding or cover," after "book,".

SEC. 2. The amendment made by section 1 shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the tenth day following the date of enactment of this Act.

With the following committee amendment:

Page 1, strike out lines 6 to 9, inclusive, and insert:

"SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption during the two-year period beginning on the date of the enactment of this Act and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend for a temporary period the duty on book bindings and covers imported by certain institutions."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 4576, as amended by the Committee on Ways and Means, is to suspend for a period of 2 years from the date of enactment the duties imposed on book bindings or covers imported by certain institutions. The bill was introduced by our colleague, the Honorable JEFFERY COHELAN.

Paragraph 1631(a) of the Tariff Act of 1930, as amended, now provides for duty-free treatment of books, charts, engravings, etchings, lithographic prints, maps, music, sound recordings, slides and transparencies, and photographs, imported by educational, literary, and other institutions for their own use or for the encouragement of the fine arts and not for sale.

Section 2 of Public Law 694, 83d Congress, amended paragraph 1631 to include book bindings or covers for a 2-year period, to September 1, 1956. This period was extended to September 1, 1958, by section 4 of Public Law 723, 84th Congress. Since that time, bookbindings and book covers have been subject to duty. H.R. 4576 would provide for the same duty-free treatment provided for under the enactments referred to above for a 2-year period running from the date of enactment.

Your committee received favorable reports on this legislation from the Departments of State, Treasury, and Commerce, and an informative report from the U.S. Tariff Commission. The Tariff Commission advised that it was not aware of any complaints against imports under the previous temporary duty exemption.

The Committee on Ways and Means was unanimous in recommending the enactment of this bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 4576 provides for a 2-year suspension of duty on bookbindings and book covers imported by educational, literary, and similar institutions for their own use or for the encouragement of fine arts and not for sale.

Congress has previously granted this privilege and no instance of abuse has been presented to the Committee on Ways and Means. Favorable reports were received on this legislation from the interested Government departments. The committee was unanimous in reporting this legislation to the House.

RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H.J. Res. 405) for the relief of certain aliens, with Senate amendments thereto, and concur in the amendments of the Senate.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "Maria Lagomarsino Rosasco,".

Page 1, lines 4 and 5, strike out "Sister Eucharia (Miss Philomena Iannucci),".

Page 1, lines 5 and 6, strike out "Sister Marie Bernard (Miss Nicolina Ossa),".

Page 1, lines 6 and 7, strike out "Sister Alphonsus Marie (Miss Mary Grace Padovano),".

Page 1, lines 7 and 8, strike out "Sister Mary Dulcis (Miss Mary Teresa Di Ioia),".

Page 1, line 8, strike out "Priscilla Sook Chur Chiang,".

Page 2, lines 14 and 15, strike out "Jose Guadalupe Magdaleno Acosta,".

Page 2, line 16, strike out "Maria Angelidou,".

Page 3, line 3, strike out "commended" and insert "commenced".

Page 4, line 1, after "That" insert "in the case of Rosa Angarica".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4242) for the relief of certain aliens, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out lines 5, 6, and 7, and insert "Marie, Plarim, Elishwa, Sulty, Paul, Sophia, Surma (daughter of Paul and Sophia), Eshaya, Virginia, George, and Mersina D-Mar Shimum and Mrs.".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PROGRAM FOR AUGUST 18 AND 19

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection

Mr. HOEVEN. Mr. Speaker, I take this time to ask the majority leader if there has been any change in the program for tomorrow.

Mr. McCORMACK. I will commence with today. The next order of business will be consideration of the bill H.R. 8374, dealing with the Century 21 Exposition in Seattle, Wash. If this bill is disposed of today then the equal-time bill, H.R. 7985, will be taken up and be the continuing order of business until disposed of tomorrow.

I have programed another bill, one of the pieces of "must" legislation before adjournment, inasmuch as the Rules Committee has reported out a rule on it. It is the bill H.R. 8609, relating to the extension of Public Law 480.

If H.R. 7985 is not reached today then this extension of Public Law 480 will be the next order of business; but if H.R. 7985 is reached but not disposed of today the extension of Public Law 480 will follow completion of consideration on H.R. 7985.

CENTURY 21 EXPOSITION

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 345, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Astronautics, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield myself 30 minutes, and pending that I yield the gentleman from Illinois [Mr. ALLEN] such time as he may desire.

Mr. Speaker, House Resolution 345 makes in order the consideration of H.R. 8374, to amend Public Law 85–880 in order to clarify its intent and to authorize the appropriation of funds for participation of the Federal Government in the Century 21 Exposition to be held in Seattle, Wash., beginning in 1961. The resolution provides for an open rule and 1 hour of general debate.

In enacting Public Law 880 during the 85th Congress, Congress contemplated that the Federal Government would participate in the exposition, such participation to consist of two stages: First, a preparatory stage; and, second, actual participation in the exposition.

Any Federal participation in the exposition is based entirely upon the achievement of the people of the State of Washington and the city of Seattle to bring the exposition into being through their work in conceiving, organizing and financing it. They have determined the threefold purpose of the exposition—commemorating the centennial of the physical fixing of the boundry line between the United States and Canada, depicting the role of science in modern civilization, and exhibiting the varied cultures of the nations of the Pacific rim. The organizers of the exposition have determined that recent tremendous strides in science and future benefits to mankind should be emphasized in the exposition. Since the last major fair in the United States in 1939, there have been important developments in atomic science, space exploration, the biological sciences, and many others. The exposition will devote nearly one-third of its space to scientific progress.

On July 11, 1959, the President issued a proclamation pursuant to which foreign countries will be invited to participate in the exposition. It has been determined that an appropriation of $12,500,000, authorized in this bill, will be adequate for Federal participation in the Century 21 Exposition and that no additional appropriations for this purpose will be required in the future.

The Department of Commerce urges early enactment of this legislation in order that the exhibits of the Federal Government may be ready at the time the exposition opens on May 10, 1961. The Bureau of the Budget has stated that it has no objection to the submission of this legislation to the Congress.

I urge the adoption of this resolution.

Mr. ALLEN. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. BROOKS of Louisiana. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8374, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BROOKS of Louisiana. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the purpose of this bill is to amend existing law which authorizes the U.S. participation in the Century 21 Exposition to be held in Seattle, Wash., beginning in 1961. The bill also authorizes appropriations of $12,500,000 to defray expenses for such participation.

In the 85th Congress, Public Law 880 was enacted which authorizes the U.S. participation in this exposition, and it contemplates that the participation would consist of two stages. First, the existing law provides that the President would designate one of the executive departments through which he would carry out his functions under the act. The President designated the Department of Commerce, and since January of this year, the Department has been in the process of making the plans for the U.S. participation in the exposition.

This will be an international exposition, and will have a threefold purpose. It will commemorate the centennial of the physical fixing of the boundary line between the United States and Canada. It will also depict the role of science in modern civilization; and finally, the varied cultures of the nations of the Pacific rim will be exhibited.

The city of Seattle and the State of Washington have already made available $15 million for their share in defraying the cost of participation in the exposition.

It is contemplated that the Federal Government will build an exhibit building which will cost approximately $5 million, and the remainder of the authorized funds will be expended in the Hall of Science for the exhibit program and for administration.

The President, on July 11, 1959, issued a proclamation pursuant to which foreign countries will be invited to participate in the exposition. The Governor of the State of Washington will also issue invitations to the several States of the Union to take part in the exposition. All foreign countries are being asked to take part, but the basic law provides that no Communist de facto government holding any people of the Pacific rim in subjugation shall be invited to participate. This would exclude Red China, North Korea and North Vietnam.

Mr. Chairman, this bill merely clarifies the law which was passed last year, authorizing U.S. participation in the exposition, and provides authorization of $12½ million to pay for such participation.

Mr. FULTON. Mr. Chairman, I would like to congratulate the chairman of the Committee on Science and Astronautics, the gentleman from Louisiana [Mr. BROOKS], for his excellent statement outlining the purpose of this legislation. In order not to repeat and to keep the time short, I would like to supplement his views with some added comments. I would like also to congratulate the Department of Commerce, and its excellent general counsel, Mr. Robert Dodds, for their excellent and understanding cooperation in working out the provisions of this legislation, which I have particularly appreciated.

We must remember that we are not deciding today whether to adopt the

policy of Federal joint participation in Century 21 Exposition in Seattle, to begin in 1961, but we in Congress are saying that we are going to amend the act that has been passed in the last Congress, the 85th Congress, Public Law 880, of September 2, 1958, in order to carry out the expressed purposes of that act. In this particular legislation we are setting a limit on the overall total amount of the Federal participation in this exposition. While the local governments are putting in $15 million, the Federal Government agencies will be putting in $12,500,000, so that there is not an indefinite authorization for the construction of the building and exhibits, distinguished from the $125,000 authorized for planning and engineering studies, as there had been under the previous act of the 85th Congress, authorizing our Federal participation.

I have been a member of the House Committee on Foreign Affairs that acted on the authorizing legislation in the 85th Congress, Public Law 85–880, and I am also a member of the Science and Astronautics Committee now acting on this extension of authorization and a limitation of authorization. I have studied and followed this project closely, as well as the authorizing legislative problems.

We are now bringing up to date what has been agreed upon by the various authorities of government, that is, at the Federal, State, and city level; with the State of Washington and the city of Seattle, and we are working out definitely what the program will be on how our Federal effective participation shall be consummated.

I would like to compliment the committee staff under the able direction of our General Counsel, Mr. Ducander, as well as the Science and Astronautics Committee members working on this legislation, also the Department of Commerce to whom the President has assigned this responsibility in Century 21 Exposition. I would like to compliment particularly the new General Counsel of the Department of Commerce, Mr. Robert Dodds, who has shown a refreshing disposition of cooperating with the Science and Astronautics Committee of the House in redrafting the various provisions to follow out the ideas that have been worked out by the committee, the members of the Century 21 nonprofit corporation and its cooperating boards, and the Federal Commissioner handling Federal participation in the Century 21 Exposition. Mr. Dodds has also tried as well to implement the ideas that have been produced by the State and the local authorities in the city of Seattle, Wash. It has been a difficult position to come up with a legal method of procedure that will satisfy all the parties. I am glad to say that the language we worked out has generally satisfied everybody on the committee as to method, so that there is no opposition as to the method, I believe, at this point, although there are some few members of the Committee on Science and Astronautics who feel that the Federal Government should not, on policy basis, be participating in fairs and expositions of this kind.

I would like to include after my remarks, a letter of August 17, 1959, signed by several of our congressional colleagues who have endorsed this legislation strongly, and I will ask to have this put in the RECORD later in conjunction with my talk so that I will not have to read it now. These Members of Congress by this letter strongly sponsor this amending legislation today: The gentleman from Washington [Mr. TOLLEFSON], the gentleman from Washington [Mr. WESTLAND], the gentlewoman from Washington [Mrs. MAY], the gentleman from Washington [Mr. PELLY], the gentleman from Washington [Mr. HORAN], and the gentleman from Washington [Mr. MACK], all of whom are good substantial and competent Members of this House.

In addition, I will ask, when we get into the House, that a statement of the plan for U.S. participation and for exhibition at the World Science Century 21 Exposition, be put in the RECORD, and also a history of what has been to date, as well as plans of the exhibition purposes and contents of the Federal building. For example, it will show that the exhibits will be divided into the following categories: life, science, energy, man and space. Likewise, I would like to put in the RECORD a statement of prominent scientists and officials in industry, as well as museum officials who have strongly recommended the passage of this legislation in letters sent to the House Committee on Science and Astronautics, supporting the program for Federal participation in the Century 21 Exposition at Seattle, Wash., in 1961 and 1962.

Rather than use any more time I would like to say to the House I have studied and followed this matter very carefully. Various technical provisions in the legislation were adopted at my suggestion, and those of other members of the committee, in order to tighten up the legislation to make sure that we have a good congressional precedent for Federal participation in this type of international exposition and world fair. The amount in present-day dollars that is authorized by this legislation, $12,500,000, for Century 21 Federal participation, is a moderate amount and that it is not out of context in its proportion to the Federal participation in other exhibits and expositions that we have had previously.

I include in my remarks the following:

PLAN FOR U.S. PARTICIPATION AND EXHIBITION AT THE WORLD SCIENCE PAN-PACIFIC EXPOSITION (CENTURY 21 EXPOSITION)

In accordance with Public Law 85–880 the President designated the Department of Commerce as the executive department to consult with other departments, agencies and instrumentalities with respect to their plans and recommendations for their participation in the exposition to be held at Seattle. The plan now presented represents an integration of their suggestions into an exhibition program that is scientifically sound and will be the most effective manner of representation of the United States at the exposition. An appropriation request will be submitted to the Congress to implement the plan now presented.

Any Federal participation in the exhibition is based entirely upon the achievement of the people of the State of Washington and the city of Seattle to bring the exposition into being through their work in conceiving, organizing and financing it. They have determined the threefold purpose of the exposition—commemorating the centennial of the physical fixing of the boundary line between the United States and Canada, depicting the role of science in modern civilization and exhibiting the varied cultures of the nations of the Pacific rim. Theirs, too, has been the decision to emphasize science in a section of the exposition which will be known as the World of Science.

In 1956 and 1957 the State and city put their planning for a major international exposition on a firm fiscal basis when they appropriated $15 million. Next, the exact location was made definite by the acquisition of 74 acres of land close to downtown Seattle. A nonprofit corporation has been created to operate the exposition. It is Century 21 Exposition, Inc. and the exposition's name has been shortened to Century 21 Exposition.

The organizers of the exposition have also determined that recent tremendous strides in science and future benefits to mankind should be emphasized in the exposition. Since the last major fair in the United States in 1939, there have been important developments in atomic science, space exploration, the biological sciences and many others. The exposition will devote nearly one-third of its space to scientific progress in the world of science theme area.

In the course of cooperating with the State and city, the Federal Government has also had the cooperation of the advisory group of eminent U.S. scientists to which the Century 21 Corp. has turned for advice on the scientific content of the exposition. More than 50 scientists have advised the corporation from time to time and more than 20 are now organized into a group called the National Science Planning Board to continue to provide scientific counsel to the corporation and exhibitors. The following are members of this board:

Dr. Froelich Rainey, chairman, director, University of Pennsylvania Museum, Philadelphia, Pa.

Dr. Detlev W. Bronk, president, Rockefeller Institute, New York, N.Y.

Dr. Leonard Carmichael, secretary, Smithsonian Institution, Washington, D.C.

Mr. Harold J. Coolidge, National Academy of Sciences, Washington, D.C.

Dr. Frank Fremont-Smith, medical director, Josiah Macy, Jr., Foundation, New York, N.Y.

Dr. Harry F. Harlow, Department of Psychology, University of Wisconsin, Madison, Wis.

Dr. Donald Loughridge, Nuclear Power Engineering Division, General Motors Technical Center, Detroit, Mich.

Prof. Herman Mark, Department of Chemistry, Polytechnic Institute of Brooklyn, Brooklyn, N.Y.

Dr. Donald H. McLaughlin, Homestake Mining Co., San Francisco, Calif.

Dr. Donald H. Menzel, director, Harvard Observatory, Cambridge, Mass.

Dr. Allen V. Astin, director, National Bureau of Standards, Department of Commerce, Washington, D.C.

Dr. J. C. Morris, vice president, Tulane University, New Orleans.

Dr. Hans Neurath, professor and executive officer, Department of Biochemistry, University of Washington, Seattle, Wash.

Dr. Gerald Piel, president and publisher, Scientific American, New York, N.Y.

Dr. Glenn T. Seaborg, chancellor, University of California, Berkeley, Calif.

Dr. Frederick Seitz, Department of Physics, University of Illinois, Urbana, Ill.

Dr. Henry Bradford Washburn, Jr., director, Boston Museum of Science, Boston, Mass.

Dr. Paul Weiss, member and professor, Rockefeller Institute, New York, N.Y.

Dr. Dael Wolfle, executive officer, American Association for the Advancement of Science, Washington, D.C.

Many of the members of this board have worked with, and have the respect of the departments and agencies of Government in various science fields. There has been a useful exchange of ideas between them and the agencies with the result that the agencies now present plans for participation which will be integral parts of the science theme and will produce an effective representation for the United States as desired by the Congress.

CONTENT OF FEDERAL EXHIBITIONS

With the cooperation of the National Science Foundation introductory areas will be created for the Federal exhibits in order to make initial presentations in each field of Science. These areas are planned to excite youth and adult interest in, and promote the understanding of, the four basic Science areas: Life sciences, energy, man, and space.

THE LIFE SCIENCES

In the area devoted to the life sciences, exhibits will develop in a series of coordinated steps the major areas that biochemists and others are exploring in nature and in the processes of life. The understanding derived from years of basic scientific discovery will be projected into the future and related to the welfare of a much expanded world population in Century 21. How biology contributes to the rational choices that man can and must make today with respect to the survival of his species will be illustrated.

As an example of specific subject treatment, special emphasis will be placed on an exhibit that depicts the all important life creating and sustaining process of photosynthesis.

The Department of Health, Education, and Welfare will present medical exhibits such as research in chemical cures for cancer, testing against new hazards in radiation and new forms of drugs. Blood and tissue will be the subjects of presentations by the Department of Defense. The Department of Agriculture will provide exhibits on the subjects of breeding and genetics. They will also demonstrate new crops and display new techniques in improving animals.

The Atomic Energy Commission will delve into radiation plus studies in biosynthetic labeling, tumor localization, and parasite eradication. In addition to its task of exhibit and theme coordination, the National Science Foundation will present exhibits in such life science subjects as growth and behavior. The National Science Foundation intends to secure the cooperation of the National Academy of Science, private foundations, and educational institutions.

ENERGY

The theme of the energy section is man's endless search for new sources of energy. A review of his accomplishments up to 1961 will be presented. The show will then proceed rapidly from conventional power to power from fission and fusion, and to the direct conversion of nuclear power without an intervening heat cycle.

Communications will demonstrate worldwide transmission by satellite repeaters. Weather predicting techniques, such as we have never imagined, that could save billions of dollars and countless lives will be demonstrated.

The Department of Defense will play a major role in the energy section. This Department intends to cover the following subjects: Power sources—atomic power package, solar energy, cosmic rays, direct battery conversion of chemical to electric power, and shock tube programs. Other important topics will be crystal physics, crystal and whisker growth, high pressure and unusual fabrication techniques, etc. The Atomic Energy Commission will deal in reactors—fission and fusion models plus a small power source for satellites.

The National Science Foundation will contribute research in chemical engines. Saline water, hydroelectric power and metallurgy will be the principal areas of participation by the Department of Interior. The Federal Aviation Agency has been requested to present studies in fuels and propulsion systems. The Department of Commerce will round out the display with a maritime exhibit including atomic propulsion and hydrofoils, etc.

MAN

Man is greatly affected by the many forces that are at play within his environment. His reaction to these forces—in the past, the present, and the future—sets the them for the exhibit in the area of man.

Here will be shown those inventions and the results of science research that have eased man's workload, provided him leisure with dignity, and with new powers to heal himself, as well as the power to destroy himself. Here the visitor will see treated in exhibit form the coming population explosion and the restless search for food as a weapon for peace. In this area it will be clearly demonstrated that out of coming generations we must discover and encourage the scientists of tomorrow.

The Department of Defense has proposed environment and reaction studies. Health, Education, and Welfare is prepared to present exhibits concerned with geriatrics, educational advances and techniques, population explosion, and urbanization. The Department of Labor will tell the story of man at work throughout the ages. Particular emphasis will be placed on automation and its effect upon the workingman and his future. New food sources will be the subject of exhibits by the Department of Agriculture. The story of the future of commerce, industry, and transportation will be told by the Department of Commerce. Conservation, fossil fuels, etc., will be the subjects of exhibits by the Department of the Interior.

The National Science Foundation will provide basic science exhibits designed to assure continuity of theme. They will also contribute scientific direction and coordination.

A high percentage of the exhibits involved will be designed to have residual value. This will be true of the other theme areas as well.

SPACE

Space science is no longer science fiction. Within the Federal Government the National Aeronautics and Space Administration, the Department of Defense, the National Science Foundation, and the Weather Bureau and the Bureau of Standards of the Department of Commerce, and others, work around the clock on all phases of science problems created by man's challenge of space. Astronautical measurement, chemistry, cosmic radiation, communications, orbital mechanics, propulsion, medicine, and habitation are just a few of the problems.

The introduction to this science will be presented as an accomplishment of our Government. The National Aeronautics and Space Administration will make it possible for the visitor to see how information from satellites is transmitted for analysis in terms of its scientific significance. Such developments as have been analyzed by the time of the exposition will be included in this exhibit, stressing the significance of the satellite as an exploratory scientific tool.

Past, present and future space vehicles and an actual 80-foot research rocket, models and demonstrations of propulsion systems will lead the visitor to a point where he can see a full-scale mockup of the capsule in which the first American man will make space exploration. The problems that will attend such exploration will be illustrated and solutions proposed.

Space research for the benefit of mankind will be demonstrated. Forecasting, and perhaps even controlling weather by efforts in space will be shown. Recent earthbound scientific accomplishments will not be ignored. The Bureau of Standards will demonstrate nonsatellite methods of measurement of the earth's ionosphere. The National Science Foundation will present exhibits covering compilations and conclusions developing out of the International Geophysical Year and the Smithsonian Institution's proposal for astrophysical laboratories.

COST ESTIMATES OF THE FEDERAL PLAN

In order to house, construct, and operate the Federal exhibits as herein described, cost estimates have been made as follows:

For fiscal years 1960, 1961, 1962, 1963

ACTIVITY AND TOTAL ESTIMATED REQUIREMENTS	
I. Construction costs:	
A. Site development and Construction	$5,003,550
B. Architectural services	200,142
II. Exhibit program: A. Hall of Science	6,658,228
III. Administration:	
A. Personal services	490,000
B. Other	148,080
Total requirements	12,500,000

FOLLOWING ARE EXCERPTS FROM LETTERS SENT TO THE HOUSE COMMITTEE ON SCIENCE AND ASTRONAUTICS SUPPORTING THE PROPOSED FEDERAL PROGRAM FOR PARTICIPATION IN THE CENTURY 21 EXPOSITION IN SEATTLE, WASH., 1961–62

I feel that this exposition will be a major event in international scientific history. (Dr. Glenn Seaborg, chancellor of the University of California, Berkeley, Calif.)

It is my opinion that there could be no more appropriate time or place for a science exposition both in terms of the scientific prestige that such an exposition will give our country and the science stimulation that it will engender in our youth and our young adults. (Dr. Harry Harlow, University of Wisconsin, Madison, Wis.)

Century 21 offers a unique opportunity for the city of Seattle, the State of Washington, and the U.S. Government together with scientific, educational, and other voluntary agencies to join hands with representatives of many nations in a magnificent effort to illustrate the ever-increasing vital role of science in human affairs. (Dr. Frank Fremont-Smith, medical director, Josiah Macy, Jr., Foundation, New York City, N.Y.)

Plans for the exposition appear to me to be progressing in a most promising way. I hope very much that the program will receive an effective measure of support. Particularly in these times, efforts of this sort arouse interest in science and help attract our most able young people to careers in these fields. I feel the expenditure of public funds is well warranted. (Dr. Donald McLaughlin, Homestake Mining Co., San Francisco, Calif.)

Nothing is more vital to America today than for the general public to understand and appreciate the significant part which science is going to play henceforth in every aspect of our lives. Almost equally important is the need to stimulate a vast cross section of our youngsters in the hope they will turn toward careers in science and engineering. (Dr. Bradford Washburn, Jr., director, Boston Museum of Science, Boston, Mass.)

The Century 21 Exposition is a most important international project. It is extremely important that we impress upon the population of the Western World the basic dependence of our way of life on scientific progress. (Dr. Donald Loughridge, nuclear power engineering division, General Motors.)

I am delighted to tell you that in my judgment the Century 21 Exposition may well develop as an organization that will have real significance in American science. (Dr. Leonard Carmichael, Secretary, Smithsonian Institution, Washington, D.C.)

The public consciousness of the scientific achievements of Russia gives a peculiar popular interest in the achievements of this country. The recommendations of the National Science Planning Board will, if carried out, give a true picture of the possibilities of science and the need for increasing our own activities in the field. I am writing to ask your full support of the Century 21 Exposition. (Dr. J. C. Morris, vice president, Tulane University, New Orleans, La.)

All of us have been fascinated with the job of explaining the significance of recent scientific developments in terms of the lives of people in general and I am sure that all of us feel that the job is certainly worth doing. The more I have seen of this, the more convinced I am that recent and impending breakthroughs in research are going to revolutionize the lives of everyone. I do not think that the public is truly aware of what is happening, and I believe that the Century 21 Exposition offers an excellent opportunity to marshal our best guesses and to advise the public in general as to what we think is happening. (Dr. Froelich Rainey, Chairman, National Science Board, and director, University of Pennsylvania Museum.)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1959.

DEAR COLLEAGUE: On Tuesday, August 18, H.R. 8374, a bill providing for Federal participation in the Century 21 Exposition, will be considered on the floor of the House.

This exposition, which will provide a showplace for recent dramatic advancements in science and technology has received an enthusiastic reception from scientists all over the world. They feel it is a worthwhile and long overdue project. Enclosed are some comments we have received from some of our country's leading scientists.

The Federal plan for participation in Century 21 has been enthusiastically endorsed by President Eisenhower and his science advisers and has the approval of the Bureau of the Budget.

We would appreciate your support of this legislation on Tuesday.

Sincerely yours,

THOR C. TOLLEFSON,
Member of Congress.
JACK WESTLAND,
Member of Congress.
CATHERINE MAY,
Member of Congress.
THOMAS M. PELLY,
Member of Congress.
WALT HORAN,
Member of Congress.
RUSSELL MACK,
Member of Congress.

Mr. Chairman, I now yield 6 minutes to the distinguished gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, as a member of the 1957 Legislature of the State of Washington, and as a member of the State government committee, I had the privilege of being in on the beginning of the tremendous Century 21 plan when the great idea was implemented into legislation. We passed the bill that provided the means for setting up the planning committee and acquiring the land and facilities. Since then, a great deal of planning and work has gone into making Century 21 a reality.

The city of Seattle and the State of Washington have each appropriated $7,500,000 to acquire property and erect buildings on the 74-acre site 1 mile from the heart of Seattle. An ultimate investment of $50 million from all sources, including private and industry contributions, is anticipated. Federal participation, which has been invited, would be in the four fields of science: Life sciences, energy, man, and space.

As you know, during recent years, science has become a subject of widespread interest. Much of this is due to the great competition between nations—particularly the Soviet Union and the United States—to learn more about outer space. It is almost impossible to open a daily newspaper without reading about some new rocket launching or plan to send another animal or man into space. The American taxpayer is being called upon to spend millions and millions of dollars on these endeavors without knowing exactly where we are going or what we have accomplished.

Century 21 will provide an excellent opportunity to show not only our own people, but the peoples of the entire world, what we are doing in the various fields of science. There will be, of ccurse, considerable emphasis on man in space and his efforts to get there. But, in addition to this, the proposed Federal exhibits would show the world what we are doing to develop new sources of energy and propulsion, how we are working on better agricultural products to help feed the world, and how we are making dramatic medical progress.

I would particularly point out to you a very important potential connected with this Federal exhibit which has to do with the influence it will hold on the minds of today's youth. It is anticipated that many thousands of our youth will visit Century 21, and view the Federal exhibit. The exhibit will be designed with interest and imagination to stimulate and inspire our young citizens to turn to the fields of science and mathematics for their life work.

Further, every nation on the U.S. diplomatic list is to be invited to participate with exhibits which will demonstrate that scientific knowledge must be used for the benefit of man.

Finally, remember the United States has not had a major exposition, involving all of the free countries of the world, since the San Francisco and New York World Fairs of 1939. Those expositions took place at a very important period in our history. We are now entering another great era—one which has greater promise than any period since 1939. We would do well to take a serious look at where we, as a Nation and a world, are going. It is for that reason that I wholeheartedly support Century 21 and the proposed plan for Federal participation.

In conclusion, Mr. Chairman, my colleague, the gentleman from Washington, WALT HORAN, is still in the hospital but he asked me to say that he wished to associate himself with his colleagues from our State in the remarks which they make and, of course, he urges support of this proposed legislation.

Mrs. CHURCH. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. Mr. Chairman, I would like to commend the gentlewoman for her speech. But more than that, I would like to commend her to her district. I know of no one on the distaff side of the House who has come here and brought so much ability with her, in her freshman year in the House. She has been admired and respected for her knowledge, for her saneness and if I may say so, also for her kindliness and her gracious outlook toward all people. Mr. Chairman, I am glad she is among us, and though I can speak only for the distaff side of the House, I am perfectly sure that the gentlewoman from Washington is held in the same high regard by all of her colleagues.

Mrs. MAY. Mr. Chairman, I thank the gentlewoman from Illinois for her very kind remarks.

Mrs. ST. GEORGE. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Mr. Chairman, I should like also to add my praise to the words just spoken by the gentlewoman from Illinois.

I am sure that the gentlewoman now addressing the House has great knowledge of the subject before us and her very clear thinking on the matter will be of the utmost help to the Members of this House.

We are also very happy to have her join us. We know that she is starting out to make a magnificent contribution which we hope will continue over very many years.

Mrs. MAY. I thank the gentlewoman from New York.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, I should like to add my word of commendation for the participation of the gentlewoman from Washington [Mrs. MAY] in this proposed legislation. I want to compliment her on her statement to the Committee on Science and Astronautics and her appearance before the House Rules Committee to urge the passage of this legislation. Her clear backing of the bill, her clear statements in support of it, represent one of the major reasons this bill has been worked out in its present good form.

Also I should like to say to the people of her district that we are glad she is here in the U.S. House of Representatives and have hopes that she has many more years of efficient and intelligent congressional service before her, many more than she will later admit.

Mrs. MAY. I thank the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, it gives me great pleasure to yield time at this side to my colleague, the gentleman from Washington [Mr. MAGNUSON], who represents the city of Seattle in this body.

I yield 10 minutes to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, the distinguished chairman of the Commit-

tee on Science and Astronautics has outlined very clearly and simply what the Century 21 Exposition is and what is involved in the Federal participation in the exposition.

I should like to take just a few minutes to explain what a tremendous job has been done by the city of Seattle and the State of Washington in bringing this exposition about.

Let me emphasize, first of all, that this is not just a centennial celebration or trade fair of the type and scope we hear about in many cities throughout the country every year. We have had a State-supported international trade fair for 8 consecutive years, and it is something quite apart from this exposition. Century 21 is a unique exposition, unlike anything ever held in this country. It has sound financial backing at the local level, and it will accomplish something which this country and the world have needed for a long time.

Many of my colleagues will recall how on October 4, 1957, the United States and the entire world suddenly and abruptly were made aware of the tremendous scientific accomplishments which have been made since the end of World War II. That was the date on which the Soviet Union launched its first sputnik. We in the United States suddenly found ourselves in an extremely embarrassing position, and our people were filled with wonderment about all the talk about satellites, outer space and moon probes, and so forth. Many people here and all around the world began wondering if the United States traditional role of leadership in scientific and technological development suddenly was being eclipsed by the Soviet Union. We in the Congress knew then, and know now, that this has not happened and we shall not permit it to happen. But there certainly is reason for the public at large to wonder what we have been doing in the various scientific fields and where we are going in the next century.

The answers to these questions are, in a nutshell, the purposes of the Century 21 Exposition.

Just a year ago next week, a bill was passed by Congress providing for Federal participation in the Century 21 Exposition and calling for a study of the extent of this participation.

In January of this year, the Department of Commerce set up a study staff from among some of the leading experts in the department in the field of international fairs. A complete and thorough study was conducted by our Deputy Director at the Brussels World's Fair and his staff, and recommendations were presented to Congress in May of this year. The proposal was referred to the Foreign Relations Committee first, because of its international aspect, and then to the Committee on Science and Astronautics because of the emphasis in the program on science and outer space. The proposal was voted out of that committee by a vote of 17–3. This is the proposal which is before you today. It represents months of work by the Department of Commerce and careful consideration by the Science and Astronautics Committee. It has the endorsement of the President and his Cabinet and has been approved by the Bureau of the Budget.

Century 21 also has the enthusiastic support of leading scientists throughout this country and in several foreign countries. They believe that the United States has failed to inform the American public about the dramatic scientific accomplishments which have been made in recent years and give them some idea of where we are going in the so-called space age.

Now, many of my colleagues may wonder why Seattle should come to Congress for a handout to help promote an international science fair. Seattle is not coming back here for a handout. This program was developed by the Department of Commerce at the direction of Congress. The exposition will be held whether the United States is a participant or not. Eighty-three other countries will be invited to participate. We most certainly hope that our own country will be among these.

Now, Century 21 is not just someone's wild dream. It is a going concern which has sound financial backing and management.

The city of Seattle and State of Washington each have raised $7,500,000 to acquire a site and erect exposition buildings. In addition to this $15 million, the city and State have made available some $16 million worth of existing buildings which can be used for exposition halls. The business community is underwriting operating and promotional costs, and a fund-raising drive aimed at raising an additional $2 million currently is in progress. Century 21 has sufficient property in downtown Seattle—74 acres—sound financing and an excellent staff, which has been working full time for 2 years.

In addition, the project has the wholehearted support of the vast majority of the population of the State, and scores of leading businessmen have been giving freely of their time and money, because they believe this is a worthwhile project.

It may appear to some of my colleagues that the Federal plan for participation in this exposition is unusually large. But this proposal has been screened very carefully—for 8 months—by the Bureau of the Budget, the departments concerned and congressional committees. They are convinced that the right kind of a job cannot be done for less.

As we look at the history of expositions in which the Federal Government has participated, we find that this expenditure certainly is not out of line with what we have done in the past. At Brussels, the Federal Government appropriated $13,500,000 for a 180-day exposition where we had to tear down our building after it was over. In this case, the Federal Government will have a building which it can use, lease, sell, or dispose of as it sees fit. In terms of today's dollars, we spent $20,656,395 for two world fairs in 1939, and the Federal Government has enjoyed benefits ever since. Just look at what Treasure Island, a direct result of the San Francisco World Fair in 1939, has meant to the State of California and the Federal Government, especially in time of war.

Mr. Chairman, this is a project which we have needed in this country for a long time. For years we have been spending millions and millions of dollars, and I think justifiably so, on trade fairs and various other expositions all over the world. These have done a job for us. But during the past few years we have been awakened to the fact that our very survival during the next century depends upon how well we develop our scientific resources.

Science today has more appeal than ever before. Our grade school and high school students find science a more fascinating field of study every year. Through this exposition we shall be able to interest even more of our people—of all ages—in science and how it can be made to serve mankind.

Century 21 will make a major contribution toward better understanding among nations. It will highlight the place of science in mankind's future welfare and prosperity. Science has a heartening story to tell, and Century 21 will tell it in a dramatic and informative way.

Mr. FULTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, as a member of the Science and Astronautics Committee I heartily commend this bill to the Members of Congress in the belief that it is a very essential international function in which the United States should participate. On the strictly economical side and the obligation that we are assuming I think it would be well to read a section of the bill dealing with the disposition of the exhibits, materials, and equipment. It is section 6 and reads as follows:

SEC. 6. After the close of the exposition, all property, real and personal, acquired or received pursuant to section 3 hereof and all property purchased or erected with funds provided pursuant to this Act shall be utilized and disposed of in accordance with the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471), and other applicable Federal laws relating to the disposition of excess and surplus property.

That means that this is not a dead loss by any means, that the contribution we may make to this exposition will be utilized for an indefinite period of time afterward as public buildings for the Federal Government.

The endorsements that have been received in favor of the exposition are from very capable and competent people who believe that it is a very essential thing to do at this time. The participation by the various Government agencies will be important to those who have the opportunity to attend this exposition.

The Department of Health, Education, and Welfare will present medical exhibits such as research in chemical cures for cancer, testing against new hazards in radiation, and new forms of drugs.

The Department of Agriculture will provide exhibits on the subjects of breeding and genetics. They will also demonstrate new crops and display new techniques in improving domestic animals.

The Atomic Energy Commission will delve into radiation plus studies in biosynthetic labeling, tumor localization, and parasite eradication.

In addition to its task of exhibit and theme coordination, the National Science Foundation will present exhibits in such life science subjects as growth and behavior. The National Science Foundation intends to secure the cooperation of the National Academy of Science, private foundations, and education institutions.

The Defense Department will plan an important part in this exhibit, and one of the very essential things that we in California are quite interested in, the conversion of saline water to potable water will be on display. We hope by the time of this exposition we will have found a workable plan for this conversion. Hydroelectric power and metallurgy will be some of the things the Department of the Interior will have in the exhibit.

The Federal Aviation Agency has been requested to present studies in fuels and propulsion systems.

The Department of Commerce will round out the display with a maritime exhibit, including atomic propulsion and hydrofoils, and so forth.

Mr. Chairman, this is a fine opportunity for the United States to display its recent advance in the sciences, especially in astronautics, in aviation, in the sciences for the cure of malignant diseases as far as mankind is concerned, in the economy, in the production of food, in transportation, in all of which we have made great progress in recent years.

Since the city of Seattle and the State of Washington have contributed generously so far as they are concerned, to the extent of some $35 million, toward the expenses of this exhibition, I think the United States should participate in it to the extent this bill provides.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Ohio.

Mr. BOW. I notice that the city of New York intends to raise about $500 million for a fair in 1964. Does the gentleman feel that if they should raise $250 million that thereafter they will ask the Federal Government to match with $250 million on the basis of this bill?

Mr. McDONOUGH. No; I do not think we should match it, and we are not matching the money that the city of Seattle has put up.

Mr. BOW. How about a third of it?

Mr. McDONOUGH. I think the United States should be a participant in world's fairs in New York City or in Los Angeles.

Mr. BROOKS of Louisiana. Mr. Chairman, as I said before, the gentleman from California [Mr. GEORGE P. MILLER] presided over the hearings held by the Committee on Science and Astronautics when this matter was being considered. I yield such time as he may desire to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Chairman, I think the holding of an exposition of this nature in Seattle in the next couple of years is a very desirable thing, just as I hope that New York will go forward and raise money to hold an exposition in that city. We have had a series of international expositions held throughout the United States, all of which have contributed greatly to our development, to the display of our economic wealth, to the encouragement of business, and certainly to the culture of our country.

Fairs are places where people exchange thoughts and we have an opportunity to see the products of other nations or of other States of our own Union. I am certain that this fair will make that sort of contribution to the welfare of the country.

Mr. Chairman I do not know that there is anything more to say. The bill has been very well explained, and I cannot add anything in that respect, but having heard all of the testimony and knowing the sincerity with which it was offered, I am very happy that the bill is now before the House for consideration and I urge its passage.

Mr. FULTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. WESTLAND].

Mr. WESTLAND. Mr. Chairman, I rise in support of H.R. 8374 and urge its passage. This legislation would authorize the Federal Government to fully participate in the Century 21 Exposition at Seattle in 1961 and 1962 by removing the $125,000 limitation on Government expenditures and to improve the contracting provisions of Public Law 85–880.

Science has become a subject of increasing interest during recent years. This interest is due to competition between the nations of the world to learn about outer space—particularly between the United States and the Soviet Union. Century 21 will provide an excellent opportunity to show not only our own people, but also the peoples of the entire world what we are doing in the various fields of science.

There will be considerable emphasis placed on man in space and his efforts to get there. The proposed exhibits would show the world what we are doing to develop new sources of energy and propulsion, how we are working toward better agricultural products to help feed the world and how we are making dramatic progress in the fields of medicine.

With the cooperation of the National Science Foundation areas would be created for the Federal exhibits in order to excite youth and adult interest in the four basic science areas: Life sciences, energy, man and space.

I want to emphasize that the State of Washington and the city of Seattle have made extensive preparations for this exposition. Seattle and the State of Washington as sponsors are committed to a $7.5 million contribution each, or a total of $15 million. On the site are buildings valued at an estimated $15 million. Also, Seattle Transit Co. has contracted for a $5 million monorail system to carry visitors to the exposition site. This represents a total city-State transit contribution of $35 million. It is necessary now to decide what space will be provided for the exhibitions of the Federal Government and in order to determine this, action is required on H.R. 8374, a bill similar to H.R. 7443 which I introduced.

Our Nation has not had a major exposition involving the free countries since the San Francisco and New York World Fairs in 1939. The expositions took place at a very important period in our history. Now, we are entering another great era, an era which has even greater promise than the period since 1939. We would do well to take a serious look at where we as a Nation and a world are going. Century 21, I believe, will benefit not only Washington State and Seattle, but also the Nation and the world.

Again, Mr. Chairman, I urge that this body pass H.R. 8374.

Mr. FULTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I rise in support of H.R. 8374 which would authorize the appropriation of funds for participation of the Federal Government in Century 21, to be held in Seattle in my home State of Washington in 1961.

Federal participation in Century 21 will make possible a comprehensive coverage of America's exciting scientific, cultural, and educational advances not only just ahead, but imaginatively projected into the next century.

The exposition will attract thousands of persons not only from all over America, but very probably from all over the world. Here they will see what America is doing, and what she plans to do in the future to benefit all mankind.

Those who come to our fair will also have the opportunity of experiencing our glorious climate, of enjoying the most beautiful and varied scenery anywhere, and the feeling of being very close to what Tacoma's Murray Morgan, one of our finest writers, calls "The Last Wilderness."

I urge support of this bill, and I also urge that all of you join the throngs who will be our guests in 1961, and let us have the opportunity not only to show you our fair, but our glorious State and its hospitable people as well.

Mr. FULTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I am surprised that there should be any opposition to this bill, a bill that provides that the Federal Government shall contribute $12,500,000 toward the expenses of an international science exposition in Seattle in 1961.

The Congress in recent years provided Federal contribution for American participation in an international exposition in Belgium and more recently for American participation in an international exposition in Russia.

If it is all right to spend money for American exhibits in expositions in for-

eign countries, we as a nation, ought to support an international exposition in our own country—the first international exposition, I am told, our country has held in 20 years.

Congress last year passed a resolution giving the go ahead signal for the international exposition to be held in Seattle. With the cooperation of our American State Department and the Department of Commerce all other nations of the world with which we have diplomatic relations have been invited to have exhibits at the Seattle International Exposition. To turn down this bill now at this late date, and after passage of a resolution a year ago approving the Seattle exposition, and our encouragement of foreign nations to participate would place our Government in the inconsistent position of inviting other nations to participate and then saying "the United States will not participate."

I hope this bill will be passed unanimously.

Mr. FULTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, it is an unpleasant task to oppose so many of my very best friends in the Congress of the United States, but I do feel that we must call attention to the fact that this bill provides for $12,500,000 to be used in participating in a fair in a city in the State of Washington.

We talk a lot about economy in this Congress, but when we begin to appropriate sums of this kind for purposes of this nature, we are not exercising economy. It would be fine if the Federal Government could afford to contribute to each and every one in this body and to their districts large sums of money to carry on these fairs; but I am afraid, Mr. Chairman, that we are getting ourselves into the position of a precedent so that before many years have passed it will cost us somewhere between $30 million and $50 million a year.

The District of Columbia is planning a fair, New York, as I said, is planning one, and they are talking about $500 million, a half billion dollars. Los Angeles is planning a fair, as are many other places. We are called upon each year to appropriate large sums for fairs abroad which some of us on the Appropriations Committee that handle this item have some question about.

I notice in this report that these fairs are very important. Here is one statement as to one of the real purposes of this fair for which we are spending $12,500,000. I quote from the report:

> How biology contributes to the rational choices that man can and must make today with respect to the survival of his species will be illustrated.

I know that I am not going to be able to stop this bill today, but I do want to point out and to bring to the attention of the House what we are faced with, if we mean what we say when we talk about economy. And, may I point this out to you that within the last 3 years, with a former colleague of ours, the gentleman from Ohio, Mr. Clevenger, who sat on the subcommittee with me on State, Justice and the Judiciary, when there was raised the proposition of a fair, pan-American games, to acquire land, also to build buildings in northern Ohio, in practically our own districts, we would not even bring that bill to the floor of the House; and it was in our own area in the State of Ohio, because we felt that this was not a proper use of Federal funds. So, I feel that when I helped to deny it to my own area in Ohio, that I have a perfect right to bring to the attention of the House today that this kind of expenditure certainly is not in line with those who stand up and claim to be for economy.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from California.

Mr. McDONOUGH. I appreciate the position the gentleman is taking. However, do you believe that this international exposition should go ahead without participation on the part of the Federal Government at all?

Mr. BOW. The House has spoken on that and the House authorized the expenditure of $125,000. I have no objection to this bill if you take section 7 out and leave the $125,000 in.

Mr. McDONOUGH. Now, on the other hand, the amount of money that is being contributed is assured in the bill; that the Federal Government will receive almost the equivalent of that amount in the use of the buildings that are left there, because under the Federal Properties Act we are going down department after department until we find someone who can use them. Certainly some department of Government could use those buildings built between now and 1961. We have to build buildings all the time. Why not do it this way?

Mr. BOW. There is nothing in the record to prove we need buildings out there. I could say the same thing about the 16th Congressional District in Ohio, that maybe some day we may need a building out there, so let us build one for my Stark County Fair, so that perhaps some day we, too, can have a Federal building in our district.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Washington.

Mr. MAGNUSON. The gentleman from Ohio has mentioned the rejection of proposed legislation—I believe it was for a stadium in Cleveland; is that right?

Mr. BOW. Well, that was only part of it, I will say to the gentleman.

Mr. MAGNUSON. Was that not for the pan-American games?

Mr. BOW. Pan-American games. In that fund they were going to build a stadium, a bicycle track, and other features, but in that case the State of Ohio was putting up large sums of money and the city of Cleveland was going to put up large sums of money. We had the same matching principle there.

Mr. MAGNUSON. I just want to point out the difference between a great world's fair and science exposition and an athletic event. I think there is a distinction. One further point. The gentleman mentioned $125,000 which was authorized in the appropriation in last year's bill, and I want to call the attention of the committee to the fact that the purpose of that money was merely to investigate the extent of the participation of the U.S. Government in this fair.

Mr. BOW. I will say to the gentleman, under section 3 of the original bill, in carrying out the provisions of that act, the department or independent agency may—and then it says "without regard to the Civil Service Act, enter into contracts that may be necessary to provide U.S. participation to erect such buildings and other structures as may be necessary," and they appropriated $125,000. So, there was a study plus the authorization to build this, and when we came in I remember the gentleman from Iowa raised the question, "Well, how much is it going to cost?" on four or five occasions, but fortunately for the proponents of this legislation, and unfortunately for those who would like to economize, nobody would say what it was going to cost, so we cannot say, as you did the other day, how much was involved.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Do I understand from the statement in the minority views that the Communist countries under the domination of Red China may not be invited, but that the Communist countries, or the Iron Curtain countries, under the domination of Soviet Russia may be.

Mr. BOW. I understand that is correct.

Mr. JOHANSEN. I am curious as to the distinction.

Mr. BOW. I think the gentleman on the Committee on Foreign Affairs may be able to answer that question.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FULTON. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, the point that I raised is that if this is going to be one more invitation for a gathering of representatives of Communist nations in this country under the auspices of a fair, my only criticism of the gentleman's amendment is that it did not go far enough.

Mr. FULTON. The point is this. We are trying to limit the fair to just those nations which we have recognized as countries and which are recognized by the United States as nations. That means that any nation on the Pacific rim under the domination of a Communist government and under its subjugation, which has not been recognized by the United States, is not to be invited to the fair. The President's proclamation specifically says that. It specifically excludes Communist China, Communist North Korea, Communist North Vietnam; so they are out.

Mr. BROOKS of Louisiana. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, the distinguished members of the House Com-

mittee on Science and Astronautics are to be commended for the careful study and full consideration given to this legislation to implement the recommendation of the President regarding Federal participation in the World Sciences—Pan-Pacific Exposition.

As my colleagues are aware, last year the Congress passed legislation providing that the President through an executive department determine and report back to the Congress the extent to which the United States should be a participant and an exhibitor in this so-called Century 21 Exposition opening May 10, 1961, and closing in October 1962.

H.R. 8374 would authorize such participation in the amount of $12.5 million in accordance with the report of the President. The amount has the approval of the Bureau of the Budget.

Because of the lateness of the hour I will not repeat what other committee members have said in support of passage of this bill.

The exposition location is in the congressional district I have the honor to represent. As a result I know about its background and of the years of careful planning that has gone on since my State of Washington Legislature first created a world fair commission in 1955. A statewide nonprofit corporation is financing the exposition as far as operational expenses are concerned. The capital improvements are provided by the State of Washington and the city of Seattle.

Under the authority of this bill, the plan is for the Federal Government to erect a science pavilion at a cost of $5 million with 160,000 square feet of exhibit space. This would be built on 6½ acres which would be donated to the Federal Government.

The State of Washington is building a coliseum of nations. After the exposition is over, the city of Seattle hopes to purchase the Federal building as a permanent exhibit hall to be a part of a civic center.

Let me point out that by this means, the Federal Government stands to recover substantially on this investment. Likewise, of course, the Federal Treasury stands to gain from the tax on admissions.

The Stanford Research Institute which was employed to estimate probable attendance, figures between 18 and 23 million visitors will pay admission during the 18 months when the exhibits will be open. This should produce about $4 million income to the Treasury.

The idea and goals of Century 21 have been well received by scientists throughout the world. A group of 19 leading scientists has worked closely with the Century 21 management and the Department of Commerce to develop a program which would be educational and further the aims of our foreign policy. These distinguished scientists have discussed Century 21 with their colleagues both in this Country and overseas, and the concensus is that we should have done something like this a long time ago.

Mr. Chairman, I should like to quote, briefly, a few excerpts from typical letters received from leading American scientists. Dr. Glenn Seaborg, chancellor of the University of California, wrote that Century 21 will be a "major event in international scientific history." Dr. Leonard Carmichael, Secretary of the Smithsonian Institution, said that Century 21 "may develop as an organization that will have real significance in American science."

Seattle and the State of Washington have taken the initiative in developing an exposition which will dramatically illustrate what our scientists are doing. The city and State have raised money, acquired property and buildings and hired a highly qualified staff, including many of the people who worked on our exposition at Brussels and elsewhere.

This exposition, I am confident, is destined to be a really fine contribution toward world peace and will improve our international relations. It will call to the attention of the American public the importance of science in our everyday lives and help stimulate the interest which will be necessary if our way of life is to survive in the century before us.

Mr. Chairman, this program has been endorsed by the President, his Cabinet and his former science adviser, Dr. James Killion. Invitations are being prepared to be sent to 84 nations throughout the world.

Century 21 is to be a giant showcase where the American taxpaper can see graphically at the cost of one missile and at first-hand where his money is going and why it is being spent. A democracy is dependent upon public knowledge and opinion. If we are to maintain our traditional role of world leadership our own people must have a clear understanding of what we are doing. This legislation has great significance, and I hope this committee will grant a rule, so the House can consider this program as soon as possible.

I wish again to thank the members of this committee for their consideration of this important legislation.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. GEORGE P. MILLER. I think if we project the taxes that would be collected by the Federal Government on such things as transportation, and so forth, as well as the taxes that the States would collect who would be affected by the travel of 23 million people, we would find that the returns would more than liquidate the cost that would be put into the proposal. Fairs have proven valuable assets in that respect.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman.

Mr. FULTON. I think the gentleman should also call attention to the fact that this will be of great benefit to our own country in the stimulation of scientific education and spurring the interest of young people in science, as well as honoring our scientists and pointing the way to new developments both for military and civilian uses of science in the future.

Mr. PELLY. I thank the gentleman. The mention of science brings to my mind one quotation which I would like to give to the committee. Dr. Froelich Rainey, Chairman of the National Science Planning Board, wrote:

> The more I have seen of this, the more convinced I am that recent and impending breakthroughs in research are going to revolutionize the lives of everyone. I do not think that the public is truly aware of what is happening, and I believe that the Century 21 Exposition offers an excellent opportunity to marshal our best guesses and to advise the public in general as to what we think is happening.

Mr. Chairman, I think the members of this Committee should bear in mind that day in and day out during this session of the Congress, we are spending the taxpayers' money for research of one kind or another. How can we continually justify these expenditures to the taxpayers unless they know what is going on. One of the chief purposes of this great exhibition is to show the taxpayers what they are getting for their money in the way of scientific research for the peaceful benefits of mankind.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. BROOKS of Louisiana. I think the gentleman is stating very well the fact that the fair is a show for the benefit of the people of this country to bring them up to date on what is being done by our people and to show them what is being done in the field of scientific research and development, which is, indeed, amazing and which the people of the country ought to know about.

May I say to the gentleman in reference to the gift by the city of Seattle of 6½ acres that is property near the center of the city of Seattle and when we come to the provisions regarding the termination of the fair and the disposition of the property, we fixed it so that the Government has superior rights more so than they have, I dare say, in any other instance of this sort, and certainly superior rights to what we had in Brussels and in other fairs throughout the world. As a result of that, I have received a very fine telegram from the mayor of the city of Seattle, Gordon Clinton, saying that the city would go along with amendments which would fully protect the United States in the disposition of this property.

Further, in spite of what has been said here today, there is testimony in the record to indicate the United States may need this building as an office building, and they have gone into the question of whether or not it would be suitably located for that purpose. So regardless of the possible use by the locality and for fair purposes, there is a possibility that the United States may need that property itself.

Mr. PELLY. The gentlemen, I take it, will agree with me that in a dictatorship, you do not have to let the people know what you are doing in the way of scientific development, but in a democracy and in a republic, you do. That is why I think that this is important. It is a show case for scientific progress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. GROSS. But, we do have to report to our people on the spending in Congress; do we not?

Mr. PELLY. The gentleman from Iowa, in my opinion, is the greatest watchdog of the Treasury that I know of, and I admire him for it.

Mr. GROSS. I appreciate the statement of the gentleman. I wonder if the Science and Astronautics Committee, in view of the statement that the public all over the country ought to see the latest scientific developments, is willing to spend $12½ million in every State for this kind of deal?

Mr. PELLY. We have had only one of these expositions in the United States in 20 years. In other words, the last one was in San Francisco in 1939.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. BROOKS of Louisiana. We did not hesitate, did we, to go into the program when the St. Lawrence Seaway was dedicated and to help financially in that program? Wherever the interest of North America is concerned and the people of this country are concerned, I am willing to see to it that we do our proper part.

Mr. PELLY. May I say to the gentleman, when it comes to economy, I stand shoulder to shoulder with the gentleman from Ohio and the gentleman from Iowa. I recognize and respect their positions in this respect. However, we have responsibilities that call for spending too.

Mr. FULTON. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I would like to say to the gentleman from Ohio [Mr. Bow], a member of the House Committee on Appropriations who has asked whether this is a precedent being established by this legislation—yes, it is. In the type of legislation, in the bill that was sent up by the administration there was a waiver of 31 United States Code 529 and its provisions. Under this particular legislation we require that the appropriations must be made by the Appropriations Committee according to law, which is quite a new departure in this type of legislation; and it is done by an amendment which I put in the legislation at the committee level, striking out that provision of the original bill which had been submitted to us.

I think the gentleman from Ohio [Mr. Bow] will agree that this is a very fine departure and that the House Appropriations Committee can now look in detail into the question of the $12,500,000 because under the terms of this bill this is not an authorization and an appropriation; this is simply the authorization. The provision reads:

There is hereby authorized to be appropriated, to remain available until expended, not to exceed $12,500,000 to carry out the provisions of this Act, including participation in the exposition.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Ohio.

Mr. BOW. I agree with the gentleman, but I like much better the original bill which came out. Their section 7 reads:

There is hereby authorized to be appropriated not to exceed $125,000 to carry out the purposes of this act.

In this bill you have not changed that authorization provision, you simply have increased it from $125,000 to $12,500,000.

Mr. FULTON. The gentleman well knows, however, as I do as a member of the Foreign Affairs Committee that there was in no sense a limit on Federal participation to $125,000 in the law passed last session. We on the Foreign Affairs Committee last year did not have completed or developed plans before us. These have since been worked out in detail. That was the beginning authorization in order to have an estimate made to see how much participation there should be.

As a matter of fact none of this $125,000 authorized by the act was spent. Some $45,000 was spent from the President's emergency fund for 1959. Sixty thousand dollars has been set aside by the President to be expended. Fifteen thousand dollars was not used but was returned to the President's emergency fund and to the Treasury because it expired at the end of fiscal year 1959 on June 30, 1959. So none of the $125,000 was ever appropriated or used and the gentleman on his committee knows that the House Appropriations Committee did not act on the appropriation of $125,000 for Century 21 in the 85th Congress.

Mr. BOW. The $125,000 was not in the budget and was not considered by the Appropriations Subcommittee of which the gentleman from Ohio is a member. May I ask this further question.

Mr. FULTON. Just let me finish with the $125,000.

We of this committee have now repealed in our bill the provision setting up the $125,000 authorization in Public Law 880 of the 85th Congress. It will be repealed, by our action here today and not included in addition to this $12,500,000.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BROOKS of Louisiana. We have no further requests for time, Mr. Chairman.

Mr. FULTON. Mr. Chairman, will the gentleman grant me the rest of his time?

Mr. BROOKS of Louisiana. I am sorry, but I cannot.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of the Act of September 2, 1958 (Public Law 85–880; 72 Stat. 1703) is hereby amended as follows:

(a) After the phrase, "World Sciences—Pan Pacific Exposition", insert "now known as Century 21 Exposition".

(b) Strike out "1961" and insert in lieu thereof "1961 and 1962".

Mr. BOW. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. BOW. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we have had quite a bit of testimony before the Science and Astronautics Committee as to the work that has been done and the planning that has been had on this Century 21 Exposition. I believe it is a careful estimate and that $12,500,000 is in line and in correlation in amount with previous participation of the Federal Government in international expositions and world fairs.

If the Members will look at page 7 of the House committee report they will find the comparative costs of the major international expositions in which the United States has participated from 1893 to 1959. Then I refer you to the top of page 6 of the committee report where we say that the design of the building should be such that when the exposition is ended it can be readily used, for example, as an office building, and will be considered to be a credit to the community. We are therefore forestalling any possibility that it might be designed to be some sort of building looking like a beehive or a peculiar sort of inverted triangle. Without designating the type of building except that it should be basically a general purpose building, we have felt it should be so designed that it can be available for some sort of public use either by the Federal Government or the local government.

Mr. BOW. The gentlemen from Washington just mentioned that the city of Seattle is interested in the purchase of this building. Would this not mean that the Federal Government is building a building into which we will put approximately $5 million and then offer it to the municipality at a sum much less than that?

Mr. FULTON. As the gentleman knows, the disposition of this building as surplus property will be under the General Services Administration and under the general act for disposition of surplus property whereby the Federal Government disposes of surplus property it feels is excess to its needs. Under this Federal Property and Administrative Services Act of 1949 it is first offered to the various Federal departments to see if it can be used by them or for their general purposes before being allocated for sale. This property, however, can be offered only for sale, or disposed of, for public purposes, according to congressional intent, which limitation is in accordance with a similar limitation in the constitution of the State of Washington. As a matter of fact, under the Health, Education, and Welfare Department procedures there is a method by which this building could be given to a local governmental agency, or the State or city to use without cost or at a greatly reduced price, for health, education, or welfare purposes. Generally if it comes to the point of selling by the Federal Government, it will be sold for its then present market value. Such

sale could be made to the State, the city, or a subdivision, such as the school board, or local public authority, or port authority.

Mr. BOW. I think they are establishing here a dangerous precedent and one that in a few years to come will be costing the taxpayers of this Nation millions and millions of dollars. I just dread to think what is going to happen when every community, including New York City that wants to have a fair, asks for this assistance. If the gentleman from New York wants a fair in his part of the country, I will have to support him. I hope he is not going to ask that for his district.

Mr. BECKER. I am not going to ask for the spending of any money. I am against the spending of the money. If this building will be sold by GSA to the city of Seattle as an office building, does the gentleman from Ohio think this building that is built will be of such a nature that it will cost millions of dollars to be reconverted to an office building?

Mr. BOW. I was worried about what kind of an exhibit they were going to have in an office building. It has been said that one reason we should do this is we ought to report to the people of the country on our development of scientific methods. How many of the taxpayers of the country that are going to contribute to the $12,500,000 are going to be able to attend that fair? They will not go to the fair. They cannot get the people to go there to see this development. I think we could do that in some better way.

Mr. BECKER. Is it not a fact that the gentleman, a distinguished member of the Committee on Appropriations, knows we are today spending billions of dollars in scientific efforts in this country?

Mr. BOW. Yes.

Mr. BECKER. Appropriated by the committee and passed by the House?

Mr. BOW. Yes.

Mr. BECKER. This is another added $12,500,000.

Mr. BOW. It has been stated that this should be appropriated. I am concerned about the fact that few people will be able to attend this beautiful fair. It will be a great fair and a beautiful country to go to, and I wish everyone could go and see it, but they will not be able to and we are spending their money.

Mr. PELLY. I hope very much that one of the taxpayers who comes out to see it will be the gentleman from Ohio. I want to say that with him will be about 23 million other fellow Americans and they will all be very welcome.

Mr. BOW. I hope they will be, and I expect to see the fair in Moscow before too long and determine whether that is a proper expenditure of money.

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any point.

Mr. GROSS. Mr. Chairman, I object.

Mr. FULTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this question that has been raised by the gentleman from Ohio is one that should be answered by the House. It is a question not only of this particular exposition or international fair but whether this Government should continue the policy of Federal participation in these international or world fairs, or fairs that might be set up by any municipality or subdivision of a State or the State itself, that partake of a national interest.

Our previous policy has been that the Federal Government does not in and of itself run international fairs. We have adopted the policy previously of the Federal Government participating in fairs which other governmental units or agencies, either here or abroad, have run and have established and maintained responsibility for.

I want to congratulate the Department of Commerce, city of Seattle, and the State of Washington, as well as the various scientists, boards and commissions that have been cooperating in preparing this plan for the Century 21 Exposition. I have looked over this method and the reports that have been made on the progress to date, and the program has been well worked out, carefully worked out. It is a reasonable and well-balanced approach. I think we on the committee, regardless of whether we agree with the policy or not, can agree this Century 21 Exposition has been a good program, well worked out to date.

Mrs. CHURCH. I notice, on page 9 of the report, the statement that the Bureau of the Budget has advised that there would be no objection to the submission of this legislation to the Congress. Am I right in assuming that this bill meets with the approval of the administration and of the Bureau of the Budget?

Mr. FULTON. Yes, the amount of $12,500,000 is in the Federal budget for this purpose, with the approval of the Bureau of the Budget. I might say that we want the House Committee on Appropriations to look over this general authorization to see what is the correct amount. I do not believe this committee at the present time should go into detail as to amount.

Mrs. CHURCH. Am I further correct in assuming that a vote for the $12,500,000 could be considered as a vote for money already within the budget?

Mr. FULTON. That is correct.

Mrs. CHURCH. I thank the gentleman.

Mr. FULTON. And I might say further the provision for $125,000 contained in the legislation Public Law 85–880, passed last year on September 2, 1959, is repealed, so there is no further authorization for that $125,000. That is out.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. I just wanted to say this for the benefit of the gentlewoman from Illinois [Mrs. CHURCH], and in answer to her question: The Executive Departments sent a message to us here that was transmitted to the committee urging this appropriation and recommending an appropriation of $12,500,000.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. May I say further that we do not have any real option on this matter. This Congress has aready approved an enabling act and also authorized the President to go ahead and make plans and commitments, and the President, acting under the law, has already done that, and he has already expended the money and appointed a man to take care of this, and designated the Department of Commerce to handle the program. We have already done that a year ago. This merely clarifies the law which has already been enacted, and we have no alternative, because we made the commitment ourselves.

Mr. FULTON. I say in conclusion that I think the House is well advised to set a definite limit on the amount that can be expended for this particular project. You will note the proposed language says not to exceed $12,500,000. Then the people who are the proponents of this legislation and for Federal participation must then go to the House Committee on Appropriations to justify in detail each of the expenditures. There is where we on the committee have disagreed with the administration, because we have said we simply authorize an amount, we do not also appropriate in this particular bill.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Chairman, I would like to ask the gentleman exactly what the Department of Agriculture, which I understand has been having some very serious problems with food surpluses, is going to contribute to the general benefit of the Nation in the way of exhibits and information regarding new food sources.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to have the attention of my good friend, the gentlewoman from Illinois [Mrs. CHURCH], who asked whether the $12,500,000 authorized in this bill was included in the budget. May I point out to her, as she well knows, that the $3,900 million originally sought for the foreign giveaway program, was also in the budget. I, for one, am not always guided by what some people put in the budget. Yes, here is another one of those appropriations with an international flavor, and we have learned long ago that if it carries any kind of an international flavor you will find it in the budget; in the budgets of this administration, in the budgets of past administrations. As long as a bill provides for some kind of international involvement the spending in connection therewith will be approved in the budget.

Mr. Chairman, I am becoming very much impressed with the new Committee on Science and Astronautics. It is really spreading its wings. Yesterday

the committee had a bill before the House providing $10,000 tax-free awards to scientists, a new program which could cost $200,000 a year. Now the committee is here today with a $12,500,000 bill. It is really spreading its wings. And, I suggest that this is just about as good a place as any to sit down on the Science and Astronautics Committee right here and now today.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. BROOKS of Louisiana. The gentleman is making a rather serious attack on a new committee that is just trying to get started. The gentleman ought to give his cooperation and his support.

Mr. GROSS. I am going to cooperate with the committee and I am also going to cooperate with the taxpayers at the same time by voting against this bill.

Mr. BROOKS of Louisiana. Let me say this to the gentleman that when the legislation which became Public Law 880 came before the House a year ago and it was adopted into law, did the gentleman raise his voice against this program when we authorized the executive department to proceed with a commitment in making binding obligations on us, or did he disapprove?

Mr. GROSS. I do not yield any further. The gentleman knows that if I was on the floor, I did object. The gentleman knows that. He does not have to ask the question.

I have not found time to research the record of last year. The gentleman from Ohio [Mr. Bow], a member of Appropriations Committee, indicates he has received the record.

Mr. BOW. Mr. Chairman, if the gentleman will yield, I did research the record, and I found the gentleman from Iowa did ask on several occasions what this legislation was going to cost, and could not find anyone who could tell him.

Mr. GROSS. Is that answer sufficient for the gentleman from Louisiana?

Mr. BROOKS of Louisiana. I know the gentleman well enough to know that he would not be satisfied with that.

Mr. GROSS. Apparently I could not get the information from the gentleman from Louisiana last year as to what this was really going to cost.

Mr. BROOKS of Louisiana. I will remind the gentleman since he seems to have forgotten that the bill last year was handled by the Foreign Affairs Committee. Therefore he could not and did not ask me for the information. After we permit the Congress and the executive branch to participate in an exposition, it comes a little late to come in then and say, "We will not put up any money to help erect buildings"——

Mr. GROSS. I suggest that the gentleman look in some other direction, because I am not one of those who voted for it last year. He ought to address his remarks to somebody else, not me.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. You might go away back when they started to get them out of kindergarten, if you wanted to get any sound advice on that.

Mr. GROSS. I was glad to hear the gentleman from Washington say a few moments ago that irrespective what the Federal Government does, Seattle is going ahead with this exposition. I think that would be a very good way to leave this proposition today, to provide the $125,000 that was authorized a year ago, or whenever it was, and let the city of Seattle and the State of Washington, if the State wants to participate, go ahead with this proposition.

Now, I understand $5 million of Federal funds will be used for the construction of an exhibition building. Two and two just do not make four when you say that the Federal Government may have a permanent need for such a building. How is it proposed to utilize a building designed for exhibition purposes for an office building?

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PELLY. I would like to say to the gentleman from Iowa that several public bodies have indicated a desire to acquire a building in that area. The University of Washington is very anxious to get a building.

Mr. GROSS. Let me ask the gentleman this question. Seattle is built on seven hills; what is the location of this proposed building?

Mr. PELLY. It is in an area just north of the center of the business section, where the hills were washed away.

Mr. GROSS. It is down at the bottom of the hills, is it not?

Mr. PELLY. I would say that it is in a spot which is highly valuable.

Mr. GROSS. But land is a good deal more valuable up on the hills, is it not?

Mr. PELLY. No.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Pursuing this a little further, what is this location?

Mr. PELLY. It is north of the main shopping area where the hills were washed away. It is in a part of the city which is enhancing in value, the real estate values there are going up every day. That is where the business area is moving. It is an area where there will probably be a new civil center established, such as many large cities have.

Mr. GROSS. Does the gentleman have any idea how much those interested in the purchase would pay for this $5 million building?

Mr. PELLY. I could only say to the gentleman in all fairness that if the building originally cost $5 million, it would obviously take a great deal of money to convert it to some other use, so I think the value would depend largely on the use to which it was going to be put. To the building there will be added the value of the real estate which is given to the Federal Government. I might add, too, that the port of Seattle is interested in it and the city of Seattle itself, so there will be active competition to acquire it through the GSA.

Mr. GROSS. Someone a little while ago spoke of a telegram from the mayor. I have no doubt that everybody in the State—well, not necessarily the State of Washington, but almost everybody in Seattle is interested in this kind of a proposition. I suspect there would be interest in Iowa if the Federal Government was going to give the State a $12½ million handout. As the gentleman from Ohio very well said awhile ago, I cannot conceive of many people from the State of Iowa or Ohio loading up their cars merely to go to Seattle to an exposition.

Mr. PELLY. I will be very much surprised if there are not thousands of people from Iowa who are already thinking in terms of going out to see this great showcase of science.

Mr. GROSS. As far as I am concerned this is just another raid upon the Treasury of this country which it can ill afford at this time or in the foreseeable future.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is one of those little bills that it was anticipated might pass without too much of a fuss, but apparently there are differences of opinion.

The gentleman from Washington awhile ago said, regardless of whether this bill passed or not, the city of Seattle is going to stage this world's fair. That, of course, is completely correct. That is what our committee understood. This matter is set, the dates are set, there is going to be a world's fair in the city of Seattle, Washington, during the years 1961 and 1962. The British Empire, Germany, France, Italy, Russia probably, other great countries of the world are going to have exhibits there. They are going to present their scientific achievements and progress to the world.

The only thing we are considering here today is whether or not the United States shall participate along with the other Nations of the world in this fair. We voted the money and went over to Brussels and participated in a world's fair. We voted the money and went over to Moscow to participate in a world's fair. We participated because of our pride in our achievements and in our way of life, in our culture, in our art and science, all over the world.

Mr. Chairman, I do think if we are going to have a World's Fair in the continental United States, it may be worthwhile—just might possibly be worthwhile that the United States participate and that we have an exhibit there. That is all that is involved here, whether or not we are going to have an American exhibit at this world's fair. I think nothing could hurt our position not only with our own people, but with many peoples throughout the world more than to refuse to cooperate in a world's fair held on the North American Continent.

I am as concerned as the next person about the taxpayers of this country, but I am beginning to think, and I have all the respect and regard in the world for the gentlemen who are opposing this, but I am just wondering how far we can carry some of these arguments which, frankly, to me become a little ridiculous about our responsibility to the American taxpayers. We have a responsibility, but I think it works both ways. Certainly, one of those ways in which it should work is to fulfill our responsibility to our people and to our constituents and in the eyes of our own people as well as in the eyes of the people of the world.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. BROOKS of Louisiana. I can recall with reference to the world's fair in Belguim, we appropriated funds which we thought were necessary to take care of our obligation to present America at that fair. Then, we found that the money was short and we had to come back and get a further authorization and a further appropriation from the Committee on Appropriations and from the Congress. As I recall, if I am not mistaken, the amount that we gave to Belgium was practically the same as the amount we are requesting in this case. It seems to me, if we did it for Belgium and if we do this for foreign countries, then it is fair to do it for the United States.

Mr. SISK. I thank the distinguished chairman of our committee. Let me simply say on behalf of the people of the State of California I wish all the good luck in the world to the people of Seattle, Wash., and hope that they may have a great fair. Of course, I would hope that our own country may be permitted to participate in that fair.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. FULTON. Can you imagine what would be the opinion of the world if the State of Washington and the city of Seattle have a world's fair and the U.S. Government itself refused to participate when all other foreign governments do? I cannot imagine a more ridiculous situation than a world's fair in our own country and the U.S. Government not saying: "God bless you; go ahead, State of Washington and city of Seattle; you are doing fine when you raise $15 million and we will participate ourselves for somewhat less, but we will participate."

I cannot imagine our U.S. Congress adopting the policy that the U.S. Government participate in foreign affairs and we do not participate in our own world's fair at home.

Mr. SISK. I certainly agree with the gentleman from Pennsylvania. To me that is the whole sum and substance of this tempest in a teapot that is going on here today.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SISK. I yield.

Mr. JOHANSEN. I wonder if the gentleman could clarify the statement on the first page of the report that in enacting Public Law 880 it contemplated the Federal Government would participate. Can the gentleman enlighten the committee as to the exact provisions of that public law and the commitment that was spelled out in that law?

Mr. SISK. I do not have a copy of the law before me, but I will be glad to yield to our chairman.

Mr. BROOKS of Louisiana. I have a copy of the law here and the gentleman is welcome to read it. It is short. It is an obligation on our part to participate in that fair and we authorized $125,000 for planning and engineering to start with. Furthermore, it authorizes the Chief Executive to designate the agency of government that is to act and it authorizes that agency to go ahead and make commitments and contracts to carry out the purposes of this Congress, which was to participate in the fair.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to oppose this bill with considerable reluctance because of my regard for my colleagues from the State of Washington. I do want to say that to the extent there was a good faith commitment of participation on the part of the Federal Government in this fair, if there is a mistake made, it was made when that authorization was adopted. I have not checked the RECORD. I am sure I opposed the authorization if I was on the floor at the time. It seems to me, as the gentleman from Ohio has said, that we are setting a very serious precedent. To say that we shall designate it as a World's Fair in which the Federal Government participates, of course, does not spell out the cost or the extent of Federal participation in the exhibition.

This is the first observation I should like to make: This is another very important illustration of the fact that if there is going to be any birth control on Federal spending, that control is going to have to be exercised at the commencement point, when we adopt authorizing legislation.

Beyond that I would like to make one or two observations about Federal participation. Many questions have been raised regarding American participation in fairs whether abroad or in this country. I recall that only recently we authorized participation in the American exhibition in Moscow only to discover that we were to be represented over there by exhibits unworthy of the United States. I observe that in this particular fair there are to be, among other things, a Department of Health, Education, and Welfare exhibit. I raise the question as to the extent to which the American taxpayers are going to subsidize the Department of Health, Education, and Welfare to propagandize the American people for projects that are going to cost the taxpayers more money. I recall that within the last year the Department of Health, Education, and Welfare bootlegged into effect a program of pupil testing contrary to the intent and spirit of legislation enacted by Congress. I notice that in this exhibition one of the exhibits will portray the new techniques of education developed by the Department of Health, Education, and Welfare. I suggest that this becomes a completely vicious circle by which the taxpayers are paying the Department to propagandize the people to pay the Department to do more of the same thing.

Yet whenever we raise an objection to such participation or expenditures the leftwingers—I ought not to say that, for I understand "leftwingers" is not acceptable in this Chamber—but persons of liberal trend in this country doubt our sincerity and honesty in challenging some of these activities.

I now yield to the gentleman from Washington.

Mr. MAGNUSON. I may say to the gentleman, with regard to U.S. participation, that this country has participated in every world fair.

Mr. JOHANSEN. I say the precedent is set in the sense that we make a State-sponsored fair a world's fair, and I am concerned with the precedent to the extent that it can be raised against the validity of our objecting to similar fairs in other States in the future.

Mr. MAGNUSON. Who would the gentleman have sponsor a world's fair?

Mr. JOHANSEN. I think the Government of the United States should sponsor a world's fair if it were to be a fair representing the entire Nation.

Mr. MAGNUSON. It seems to me the gentleman's principal argument or objection is that we should not participate in the world's fair because we cannot put up a worthwhile exhibit.

Mr. JOHANSEN. I did not say that, but on the basis of the exhibit we introduced in Moscow there is some validity to the gentleman's statement. On the basis of my previous statement I think we should think long and hard before we engage in this kind of subterranean activity.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. JOHANSEN was allowed to proceed for 2 additional minutes.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Iowa.

Mr. GROSS. This has been mentioned before, but does the gentleman have any idea that when the Science and Astronautics Committee is confronted with a fair that is being promoted in New York and a fair that is being promoted in Washington, does the gentleman have any idea that the Congress will be called upon to appropriate, if they approve this bill here today, authorizing $12,500,000?

Mr. JOHANSEN. I will not put myself in the position of saying there might not be some future validity for national sponsorship of a fair in that field. What I am saying now is not a blanket criticism, but I will say that the gentleman from Iowa raises and underscores the very point I am making, that if we support this kind of authorization we will find it more and more difficult to deny or cut down such requests in the future.

Mr. GEORGE P. MILLER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is about time that we get the train back on the track. I can understand the gentleman's aversion to the Department of Health, Education, and Welfare. I do not hold such aversion, but that is his privilege. Certainly I am not going to let the Department of Health, Education, and Welfare, that will only enter this picture incidentally, influence me or worry me about the validity of the bill now before us.

We have a moral commitment in this matter. We passed a law authorizing the President, through an executive department or any independent agency designated by him, to cooperate with the Washington State Fair Commission with respect to determining the extent to which the United States shall participate as an exhibitor at the World's Pan Pacific Scientific Exposition, now known as Century 21. This was the authority.

The President, acting on the authority, reported back to this House and suggested legislation to implement what we had asked him to do in the 85th Congress. That is all we are considering here today.

I have heard a great deal in recent days about accepting the recommendations of the President. He is your President and my President. He has made this very formal recommendation and the Bureau of the Budget has cleared it. I do not know what more is necessary than this, if we are going to keep faith with the people of this country and the people of Seattle. To me this moral obligation is quite binding and it was on that and acting in good faith, accepting the recommendation of the President, that this committee held rather extensive hearings.

I may say, for the benefit of the gentleman from Iowa, that I do not know that another bill of this nature would ever come before the Committee on Science and Astronautics. The only reason it was referred to that committee was because science is stressed in the coming exposition. Science is the theme of this fair. I presume the next World's Fair that will be held in this country will be on transportation or some other theme and the bill would go to another committee. But suffice it to say that we have talked a lot, we have gone far afield, so I ask you now to go back to the purpose of the bill, which is to implement our pledged obligation by carrying out the recommendations of the President and the Bureau of the Budget.

Mr. BROOKS of Louisiana. Mr. Chairman, I renew my request at this time that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The remainder of the bill follows:

SEC. 2. (a) Clause 5 of section 3 of said Act is hereby amended to read as follows:

"(5) incur such other expenses as may be necessary to carry out the purposes of this Act, including but not limited to expenditures involved in the selection, purchase, rental, construction, and other acquisition of exhibits and materials and equipment therefor and the actual display thereof, and including but not limited to related expenditures for costs of transportation, insurance, installation, safekeeping, maintenance and operation, rental of space and dismantling; and."

(b) Add clause 7 to section 3 of said Act as follows:

"(7) procure services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $50 per diem."

SEC. 3. That part of clause 3 of section 3 of said Act before the proviso is hereby amended to read as follows:

"(3) erect such buildings and other structures as may be necessary for United States participation in the exposition, on land conveyed to the United States free of liens and encumbrances or leased to the United States for a period of not less than 20 years, whichever may be determined by the United States to be in its best interests (in consideration of the participation by the United States in the exposition, and without further consideration other than that of continued use for public purposes), by the State of Washington or by any local government of such State or any political subdivision or instrumentality of either."

SEC. 4. Section 6 of said Act is hereby amended to read as follows:

"SEC. 6. After the close of the exposition, all property, real and personal, acquired or received pursuant to section 3 thereof and all property purchased or erected with funds provided pursuant to this Act shall be utilized and disposed of in accordance with the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471), and other applicable Federal laws relating to the disposition of excess and surplus property."

SEC. 5. Section 7 of said Act is hereby repealed and in lieu thereof add a new section 7 and a new section 8 to said Act, all reading as follows:

"SEC. 7. There is hereby authorized to be appropriated, to remain available until expended, not to exceed $12,500,000 to carry out the provisions of this Act, including participation in the exposition.

"SEC. 8. The functions authorized in this Act may be performed without regard to the prohibitions and limitations of section 3735, Revised Statutes (41 U.S.C. 13)."

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, pursuant to House Resolution 345, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. For what purpose is the gentlewoman making that point?

Mrs. CHURCH. So that there may be a call of the House, Mr. Speaker.

The SPEAKER. Evidently a quorum is not present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Alford	Hays	Osmers
Barry	Holifield	Pilcher
Blitch	Horan	Powell
Bolton	Jackson	Rodino
Bowles	Jensen	Shelley
Boykin	Johnson, Colo.	Sikes
Buckley	Jonas	Spence
Canfield	Kee	Steed
Cooley	Kilburn	Taber
Dawson	Kilday	Taylor
Diggs	Kirwan	Teague, Tex.
Dingell	Lennon	Teller
Dooley	McSween	Thomas
Durham	Macdonald	Thompson, La.
Elliott	Martin	Van Pelt
Evins	Mason	Wainwright
Farbstein	Miller, N.Y.	Williams
Gallagher	Minshall	Zelenko
Hall	Mitchell	
Halleck	Morrison	

The SPEAKER. On this rollcall 376 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

The SPEAKER. The question is on the passage of the bill.

Mr. JOHANSEN. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks on the bill H.R. 8374 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDING SECTION 315 OF THE COMMUNICATIONS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 343 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7985), to amend the Communications Act of 1934 with respect to facilities for candidates for public office. After general debate, which

shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE], and pending that I yield myself such time as I may consume.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Speaker, House resolution 343 makes in order the consideration of H.R. 7985, which would amend the Communications Act of 1934 with respect to facilities for candidates for public office. The resolution provides for an open rule and 3 hours of general debate.

The purpose of the bill, as amended by the Interstate and Foreign Commerce Committee, is to exempt from the equal-time requirement of section 315 of the Communications Act of 1934 any appearance by a legally qualified candidate on any bona fide newscast—including news interview—or on any on-the-spot coverage of news events—including but not limited to political conventions and activities incidental thereto—provided the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of the news.

The bill, as amended by the committee, would add a new sentence at the end of subsection (a) of section 315, as follows:

Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

Due to the great amount of existing confusion as to whether a person is considered a candidate for a political office when appearing on radio or TV, the committee feels that it is necessary that this situation be clarified, even if it requires the enactment of additional legislation on the subject.

Therefore, I urge the adoption of this resolution.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield for a question?

Mr. BOLLING. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. In the gentleman's opinion does he feel that this legislation will offer the greatest benefits to the candidates or to the radio and television stations, particularly the network stations?

Mr. BOLLING. I will say to the gentleman from Missouri that I make no claim to be a great expert on the substance of this, but that is one of the matters that concerned me in committee. My impression of the testimony we heard from witnesses from the Committee on Interstate and Foreign Commerce was that it recognized that particular problem and had attempted to come up with language which would well serve both the networks and the candidates. It is in effect an attempt, as I understand it, to meet a very difficult problem in a compromise way.

Mr. JONES of Missouri. I thank the gentleman.

I would like to make an observation. In reading this bill it appears to me what you are attempting to do here today or what the committee and this bill attempt to do, is to offer some protection and to give some guarantees to the stations, particularly the large networks stations, without doing anything to benefit the candidates themselves. In effect, it would actually take away some of the opportunities that some candidates might have at the present time which they would not have if this legislation is adopted. Is that a correct statement?

Mr. BOLLING. I cannot disagree with the gentleman from Missouri on that. This bill is designed to meet a problem raised by a perennial candidate insisting that because somebody he was running against had a certain amount of time on newscasts, he should have equal time. Obviously this bill is to protect the stations from a very awkward situation that developed, I think it was through the Lar Daly case. It seems to me clear that the stations do deserve some protection in this area in view of the decision in this particular case. I repeat again, it seems to me, this is at least a reasonable approach to the solution of a difficult problem, both from the point of view of the candidates and the networks.

Mr. JONES of Missouri. The gentleman says they are bringing this bill here under an open rule. I would like to ask the gentleman, Is this an open rule or merely an open rule with respect to this one particular section which applies only to helping the large network stations and does not help other people, and that you are not permitting under this rule amendments which might be offered to the Communications Act that would help some other stations, that would help the general public and would help many other candidates?

Mr. BOLLING. I may say to the gentleman that I would not attempt to guess in advance what might be the decision of the gentleman occupying the Chair of the Committee of the Whole on that kind of a parliamentary problem. I am not in position to say how wide open the Communications Act is, whether it may be open as to this particular section or to the whole act. All I can say to the gentleman is that insofar as the Committee on Rules can grant an open rule, this is an open rule.

Mr. JONES of Missouri. I thank the gentleman.

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation, in my opinion, is most necessary. The broadcasting media of the country has found itself in an impossible situation since the decision of the Federal Communications Commisson in the Lar Daly case.

What it boils down to is this: If a man is a candidate for coroner or chief of police or for Congress or for anything else, and he is shown on a bona fide news broadcast, no matter whether connected with his candidacy or not or whether he even knew of or gave consent to such showing, anyone who is a candidate for that particular office may demand equal time from the radio or television station or stations.

The bill before the House as provided in this rule adds one section to the present act, and which section reads as follows:

Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

I think it is quite important to note that the language of the committee bill provides that such coverage must be incidental to the presentation of news. In other words, this amendment to the present act could not be used as a subterfuge for the promotion of the candidacy of any particular individual.

The rule should be adopted and H.R. 7985 considered by the House.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I listened with a great deal of interest in the Committee on Rules to the testimony given on this bill. I believe that it is a good piece of legislation. It is a bill that should pass the House and also, of course, be approved by the other body and sent to the President for his signature. I believe it is a very necessary piece of legislation as the result of a recent decision known as the Lar Daly case in Chicago, where the Federal Communications Commission made a ruling that because the mayor of Chicago had been shown on a newscast in connection with his civic activities and responsibilities, that then this man, Lar Daly, who had been a perennial candidate, was entitled to equal time.

In private life, I am in the newspaper publishing business. We have, under our Constitution and the Bill of Rights, freedom of the press. There is nothing in the law that can prevent a newspaper from saying anything that it may please about a candidate for public office so long as it does not violate the ordinary rules and laws relative to obscenity, slander and libel, and all of that. Any newspaper has the right to interview any candidate for public office, or any public official, on any matter it wishes, because the Constitution guarantees freedom of news and freedom of the press. I believe it is just as important to see to it that we have freedom of news and free-

dom of the press, if you want to call it that, on our radio and television stations.

This bill simply permits and provides that where it is legitimate news, or the coverage of a legitimate news event that has been instigated, not by the candidate, but rather by the media, whether it be television or radio, that seeks to interview such person, that equal time cannot be claimed.

Under the present ruling made by the Federal Communications Commission, if the Speaker of this House should be a candidate for reelection and should be interviewed while he was a candidate as to something that went on in the House, or as to his opinion on a legislative matter, then technically, under that ruling, the candidate against him could demand and get equal time. Of course, such an arrangement and such a situation just does not make good, common sense. It is a little silly and a little stupid.

This legislation has been drawn carefully by the House Committee on Interstate and Foreign Commerce just to meet those conditions so that just because a man happens to become a candidate for political office he is not barred from television and from radio, if he is newsworthy, and if the media wishes to instigate an interview with him, or bring him, perhaps, on some news program such as "Meet the Press" or "Face the Nation."

This legislation, I understand, would permit the operation of a program, such as "Meet the Press" or "Face the Nation" where an individual in public life—perhaps he might be a candidate for President or for any other high office—can be interviewed, if the station, or those in charge of the program, instigate and wish to do so and invite him on the program. However, he cannot put on a program of his own to help his own candidacy. Instead, it must be newsworthy, but it must be instigated by the station or by the news reporters that interview him.

To me, as I said a moment ago, this bill is a step in the right direction. I wish it went a little further, to be honest about it. It does not give quite as much freedom as I would like to see given, but it is a bill in the right direction to give to radio stations and television stations the same rights, with some limits, that are now enjoyed by the press of the Nation, of which I am a member.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I would like to say that some of us on this side of the House look to the gentleman in the well addressing the House now, shall I say, more or less as the official spokesman for the press and the position of the press on matters of legislation affecting journalism generally. Even though there is considerable rivalry between radio and television, I would like to state that the committee has on file some 189 editorials from different newspapers across the Nation endorsing the principle of exemption from equal time in this bill today.

Mr. BROWN of Ohio. I thank the gentleman from Kansas very much for his remarks, because I do know that generally the newspapers of the Nation favor this legislation because, all that it gives to the people of America is the right to information, to find out through these radio and television interviews just where a certain official or candidate stands, as to what he believes, and what his position may be.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Looking over the definition of "candidate" I would like to ask the gentleman from Ohio if a person becomes a candidate after a primary election, where you have a State and a primary election, or is he a qualified candidate when he announces for the primaries?

Mr. BROWN of Ohio. It is my understanding that it would apply. If he were a primary candidate he would become a political candidate. There has been no distinct ruling on this point, but it is my interpretation that the Commission or Court would probably rule that when a man officially files as a candidate for public office, either for the nomination or in a general election, he becomes a political candidate.

Mr. LAIRD. In those States where we have presidential preference primaries, where they do not have actual filing by the candidate, what is the feeling of the members of the Commission?

Mr. BROWN of Ohio. I would say that if a man has not filed as a candidate for President anywhere, but is just mentioned as presidential timber by other people, then he is not a candidate. That is my interpretation of it.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PUCINSKI. The gentleman mentioned the fact that there were some 165 editorials in support of this legislation. Does the gentleman have any idea how many of the large radio and television stations in America are owned by the newspapers?

Mr. BROWN of Ohio. No, I do not have any idea, but a long time ago we fought that out in Congress. At one time we had a chairman of the Federal Communications Commission who thought that simply because a person owned a newspaper he should not be permitted to own a radio station or a television station. That was soon changed because, after all, even newspaper publishers are not second-class citizens. They ought to be and usually are first-class citizens.

Mr. PUCINSKI. I thank the gentleman.

Mr. BROWN of Ohio. I hope this rule will be adopted and the bill passed by a large majority, because I think, in fact I know, it is much needed legislation.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I have some doubt about the wisdom of adopting this rule, and I say that advisedly, for this reason. As I indicated in the colloquy with the gentleman from Missouri when he presented this rule, we have observed for a long time the influence of the large networks not only on the public but on those who are charged with the responsibility of policing the broadcasting facilities of this country. This bill, as I read it—and I have tried to read it carefully—in my opinion seeks to protect the larger radio stations and particularly the networks from damage suits. I am not saying that that is not a good thing. At the same time there are many other broadcasting facilities throughout the length and breadth of this land that have been trying for years to get some consideration from the Federal Communications Commission and they have not been able to do it. If this rule is adopted and this bill is passed those people are going to have not only more power but they are going to have less interest in the small community-type radio stations that serve the districts of the majority of the Members in this Chamber.

I should like to see a rule brought in here that would permit amendments to be offered to the Federal Communications Act to bring about one change which we have been seeking for years and which we are not going to get as long as this field is dominated by the networks, and by the large radio stations of this land. I am speaking about the so-called daytime stations.

Further to identify my interest and position in this, I am interested in a small daytime station. Someone may say I have a personal interest in this. Certainly it is not a predominating interest. I am a stockholder in one of several hundred such daytime stations throughout the country. I would like to see an amendment offered on this floor to increase the length of the broadcasting day during the winter months, when the sun rises around 7 to 7:15 in the morning and sets at 4:45 in the afternoon and when your local radio station is permitted to stay on the air only from 7:15 in the morning until 4:45 in the afternoon, they are not rendering the maximum service to their community. I want to take this opportunity to correct one impression that I think the gentleman from Ohio left.

I do not agree with two statements that he made. I happen to have been in the country newspaper business too. There is freedom of the press there, and that that cannot be regulated or restricted except by the exercise of good judgment to avoid libel and damage suits. But, in my opinion, we do not have freedom of the press over the radio for this reason. Operating as the local radio station does in my community, I feel that it has a monopoly in the radio business in that community. The newspaper there does not have a monopoly because another newspaper can go in there at any time anyone wants to put up the money. But, they cannot come in there and put up another radio station without securing a license which cannot be justified. I would say in this respect, I am different from most people who operate radio stations. I feel every radio

station in the land should pay a license fee sufficient to more than pay for the maintenance and operation of the Federal Communications Commission. That is fought by all of the big stations because it would be put on a percentage basis, perhaps, or it would be based upon the power of the station. You will find very few operators of radio stations who would agree with that, but it is fair, we should pay for the operation of the agency that regulates our business.

Mr. BUDGE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, this is a dangerous bill. We just had a demonstration of what publicity will do in connection with labor legislation. The McClellan committee worked for 2½ years or more and, apparently, was not getting anywhere until the press, radio stations, and television stations took it up, and then we were buried under letters, not only from lobbyists, but from the folks back home. The people, at least from the Fourth District of Michigan anyway, took the trouble to get a piece of paper and pencil or pen and some ink and write, and that was the kind of propaganda we all listened to because the people, or some of them anyway, who are writing and surely if we want to serve our constituents, and if we want to come back, which is the least worthy, perhaps, of all the motives, we pay attention when they speak. But here is the danger that publicity agencies may take over, but what are we to do about it? The present situation is intolerable. In my judgment, we just must do something now because should I run again, I do not want five or six or seven or eight other fellows who are just in there for fun and for the local publicity that they can get out of it or just so they can have the wife and kids sit in and listen to poppa talk—the air cannot be burdened by some who have nothing to contribute. There is no reason why such a burden should be inflicted upon the public.

I will vote for this bill regardless of that dangerous grant of power. We can take care of that—when it becomes oppressive. If I must take orders from somebody I would rather take them from my people than from the self-appointed and self-anointed Republican leaders who follow rules except the one of what we consider expedient.

Mr. BOLLING. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HARRIS. The gentleman from Missouri obviously made his position clear a moment ago, but I think the House should understand just what the problem is and what it is that we are trying to clear up here. The question of libel is not involved at all. As to damage suits for libel, as he mentioned a moment ago, that matter was determined by the Supreme Court of the United States recently in a decision that was handed down by the Court a short while ago.

The question of daylight broadcasting is one that has been before the Commission, the Congress, and the country for a good many years. That is an entirely different subject. That is a technical engineering problem which also involves treaty problems that we have with a number of South American countries that are involved. Therefore, we should not get those things confused with the problems which we are trying to solve here.

Mr. CELLER. I think what the chairman of the committee says is perfectly sound. The remarks of the gentleman from Missouri were addressed to the question of prime hours on radio and television with relation to chains. That matter is quite alien to the subject matter of the instant bill.

The pending bill refers only to the type of political reporting that radio and television stations indulge in without having to provide equal time. It is quite different than the subject of prime hours.

I want to compliment the distinguished chairman of the Interstate and Foreign Commerce Committee and his colleagues on the committee for the manner in which they have treated this very vexatious and complex problem.

It is my considered judgment that passage of this legislation is essential if the Nation's voters are to obtain on radio and television the fullest information about candidates for public office. The urgent necessity for such legislation is underscored by the fact that under section 315 as presently construed by the Federal Communications Commission, even an incidental appearance on a news broadcast of a political candidate requires identical coverage for other candidates. Indeed this principle is applicable to news programs in which a candidate—without his knowledge or consent—is shown performing a function entirely unrelated to the campaign itself.

Because of this ruling, broadcasters have an understandable reluctance to permit any candidate to appear on a bona fide news program lest they be subject to numerous demands for time by opposing qualified candidates for the same office. As the Senate Commerce Committee put it:

> The inevitable consequence is that a broadcaster would be reluctant to show one political candidate in any news-type program lest he assume the burden of presenting a parade of aspirants. * * * This would tend to dry up meaningful radio and television coverage of political campaigns.

The overriding consideration in these circumstances is that passage of the pending measure is urgently needed in order to protect the public's right to know.

Considering this matter in greater detail, members of the House will recall that the FCC, in the now celebrated Lar Daly decision, held by a 4–3 vote that under section 315 of the Communications Act, a television station which used a brief film clip of a candidate's activities—which were unrelated to the campaign itself—was required to provide equivalent free time to all opposing candidates to use the station as they see fit. Involved in that case were several newscasts of Richard J. Daley, mayor of Chicago, and a candidate for renomination to that office in the Democratic primary. The first newscast consisted in part of a silent film insert of 1 minute and 5 seconds duration, showing Mayor Daley greeting President Frondizi of Argentina at the Midway Airport in Chicago. The second consisted of a 29-second silent film in respect of an appeal by Mayor Daley for contributions in connection with the March of Dimes campaign. Lar Daly an opposing candidate petitioned for equal time under section 315.

The Commission decided that considering the unconditional language of section 315, its provisions could not be avoided even though it was demonstrated that the appearance of the candidate on the newscast was not initiated or controlled by the candidate. The Commission added:

> We are further of the opinion that when a station uses film clips showing a candidate during the course of a newscast, that appearance of a candidate can reasonably be said to be a use, within the meaning and intent of section 315. In short, the station has permitted a benefit or advantage to accrue to the candidate in the use of its facilities, thus placing itself under the statutory obligation to extend equal opportunities to opposing candidates in the use of its broadcasting station. In our opinion, only through this interpretation of section 315 can Congress' unequivocal mandate that all candidates for the same office shall be treated equally be effectively carried out, taking into account the possible benefits or advantages which accrue in favor of a candidate thus given exposure on television. It may, of course, seem that such a holding is harsh or unduly rigid and that within the area of political broadcasts, it has a tendency to restrict radio and television licensees in their treatment of campaign affairs. If this be so, the short answer is that such a result follows not from any lack of sympathy on our part for the problems faced by licensees in complying with section 315, but from the unconditional nature of the language of section 315, which we are not at liberty to ignore.

I would point out that while I personally disagree with the holding, I have no quarrel with the FCC nor do I think that the widespread ad hominem criticism of the majority is justified. At best the legislative history of section 315 is ambiguous and uncertain. I think it clear that all members of the FCC, in the majority as well as minority, sought to resolve the issues involved in the Lar Daly case in good faith and on the basis of the congressional intent as they saw it.

These considerations apart, I find it difficult to reconcile the Lar Daly decision with the previous ruling by the Commission in the Blondy case which was decided in 1957. In the Blondy case a station used as part of a newscast film clips showing a legally qualified candidate participating as one of a group in an official ceremony; and the newscaster, in commenting on the ceremonies, mentioned the candidate and others by name and described their participation. The Commission held that the equal time requirement did not apply since "the facts clearly showed that the candidate had

in no way directly or indirectly initiated either filming or presentation of the event, and that the broadcast was nothing more than a routine newscast by the station in the exercise of its judgment as to newsworthy events."

In all fairness it must be added that the rationale for the Blondy decision might well have been the principle of de minimis. For, as the Commission stated in the Lar Daly decision:

> To have held otherwise (in Blondy) would have required the station to afford an opportunity for appearance by an opponent for a period ranging from a fraction of a second to perhaps a few seconds. If the de minimis principle of law is applicable to matters such as this, it was clearly applicable to the facts of that case.

Whatever the merits or demerits of the Lar Daly decision, it has an unquestionable tendency within the area of political broadcasting to restrict radio and television licenses in their treatment of campaign affairs. For example, let me quote from the testimony of the president of a group of radio and television stations in Hartford, Conn.:

> In the last election in 1957, we had 36 candidates running for the city council. The Lar Daly ruling means that we cannot give any exposure in a newscast during the election period to any of the 36 candidates, many of whom are among the leading citizens of our community. If we were to permit a single candidate for the city council to appear in a newscast on our radio, FM, or television stations, the present law would require us to give an equal opportunity to the other 35 candidates to appear. Bearing in mind the overall responsibilities of broadcast stations, this would be an impossible assignment. Thus, the electorate loses its right to see a candidate or hear his voice on newscasts and similar programs during the crucial period of election on matters vital to the community. This result is unjust to the candidates and the citizens and inimicable to the best interests of everyone. This hamstrings two of the most important media of mass communications from performing their proper functions in informing and educating the people on the issues of the day.

Beyond that, the Lar Daly decision has the anomalous effect of severely discriminating against the candidate who appeared in the newscast. The first candidate who appears has no choice in the means and methods whereby the station carries his utterances, whereas his opponents have a complete choice and control over their means and methods of appearance. As the president of the National Association of Broadcasters pointed out:

> The first candidate who appeared in a newscast actually had no control over his appearance. This means that he is discriminated against by the operation of section 315. Presumably, he would never have any control over whether or not a station would choose to put him on the air in its normal news coverage. However, should a station, under the Commission's ruling, carry the candidate (and, of course, it is possible that a candidate could do something newsworthy which would not necessarily be flattering), that candidate's opponent would have the right to utilize the station's facilities in any manner he saw fit.
>
> Consequently, equal opportunity is not at all guaranteed by the present Commission interpretation of section 315, because the first candidate who appears has no choice in the means and methods whereby the station carries his utterances, and his opponents have a complete choice and the control over their means and methods of appearance.

Against this background, the bill recommended by the Committee on Interstate and Foreign Commerce restores the status quo before the Lar Daly decision by exempting from section 315 bona fide newscast showings of political candidates thus safeguarding the right of the American citizenry to obtain at firsthand newsworthy events treated in political campaigns. Furthermore, the committee has acted very wisely, I think, in not legislating here in complex detail. Instead there is entrusted to the Federal Communications Commission responsibility for issuing detailed rules and regulations to implement the legislative intent.

Under the bill, in order for a section 315 exemption to apply, the appearance of a candidate in a newscast must not be designed to advance the cause of, or discriminate against, any candidate. More than that, if a broadcast station takes one candidate and makes a news feature out of him, it would be going beyond a bona fide newscast. In brief, the broadcaster would be permitted by the pending legislation to exercise his judgment as to newscasting of candidates so long as he did that in good faith and presented the news objectively and without distortion. Nor would the bill grant a broadcaster a license to convert the station to his own private political use.

I think it well to emphasize also that the bill would in no wise exempt broadcasters from the obligation of fair and balanced presentation of programing where political and other controversial issues are involved. In other words, broadcast licensees would continue to remain subject to their present statutory duty to operate in the public interest. Under this general, overall standard of licensee responsibility, the Commission requires a licensee to be fair in the presentation of opposing views on controversial public issues. This would mean that while the licensee would not have to accord the present equal opportunity called for by section 315, a station still would not be free, under the proposed exemption of news programs, to present news regarding political candidates in a partisan manner. Thus, while a broadcaster would have some discretion to determine which candidates were sufficiently newsworthy to merit coverage, it could not select for dissemination over the airwaves only those political viewpoints which it favored. As one organization pointed out:

> The duty to present news fairly and to give the public an opportunity to be fully informed of all viewpoints is one of the most important duties of the broadcasting industry.

On the whole I think the broadcasting industry has tried to honor its responsibility in this respect.

Nevertheless, I would be less than candid if I did not observe that there have been several instances—isolated, it is true—where certain broadcasters have not always complied with their responsibility to operate on a basis of overall fairness by making their facilities available for the expression of the contrasting views of all responsible elements in the community on the issues which arise. Let me refer specifically to a case in point which arose within the past several weeks where the three national television networks, CBS, NBC, and ABC provided time to President Eisenhower to set forth his views concerning the labor bill. Certainly the making available of such time was beneficial in the public interest. However, the networks are subject to condign criticism for denying the request of the Democratic Party, made in the name of our great speaker, for network time to present a divergent point of view. Here the two national networks fell far short of exercising their responsibility to operate on the basis of overall fairness. I am impelled to state that the networks flouted the admonition of the FCC which defined the obligation of a broadcast licensee in these terms:

> It is clear that any approximation of fairness in the presentation of any controversy will be difficult if not impossible of achievement unless the licensee plays a conscious and positive role in bringing about balanced presentation of the opposing viewpoints. * * * What is against the public interest is for the licensee "to stack the cards" * * * to favor one viewpoint at the expense of the other. * * * Assurance of fairness must in the final analysis be achieved, not by the exclusion of particular views because of the source of the views, or the forcefulness with which the view is expressed, but by making the microphone available, for the presentation of contrary views without deliberate restrictions designed to impede equally forceful presentation.

The pending bill places much greater responsibility in the hands of the broadcasters to operate on the basis of overall fairness. I speak without rancor when I say that the public interest demands that the greater discretion which the bill would grant to broadcasters is a challenge which cannot and must not be used for partisan purposes.

I am confident that the appropriate committees of the Congress will exercise continuing oversight to insure against misuse of this discretion. For the principle that must constantly be borne in mind is that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Minnesota.

Mr. WIER. What would be the gentleman's interpretation of this bill in the terms of the recent event that we had here where the President took to the air on the labor reform bill espousing the Republican point of view in favor of the bill and denying the Democratic leadership or whoever might be chosen to represent the Democratic point of view?

Mr. CELLER. As I said, the networks deserve condign criticism for their failure to accord to our distinguished Speaker the same facilities they accorded to the President of the United States on that very momentous subject of labor legislation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. While this has nothing to do with the bill, we know that the press of the country is decidedly unfair to the Democratic Party—slanted news, and about 80 or 90 percent of the press completely unfair. The other day in one paper in one of the States, I am told, in writing about those who voted against the Landrum-Griffin bill the news item stated that they voted for racketeers—a libelous statement.

We all know that many newspapers throughout the country control radio and television stations, and we, being practical men, know what we are up against. It is an unusual situation with such slanting of the news and unfairness to the Democratic Party.

I may say to my friend from New York that while I realize that something has to be done to correct the Chicago situation, I certainly do want to do something where the Democratic Party is going to be penalized. What has the gentleman got to say on that?

Mr. CELLER. I just want to say that the refusal of the networks to allocate to our eminent and distinguished Speaker equal facilities and equal time on the network flouted the basic principles of fairness which are supposed to be applicable to broadcasting stations. As the FCC has stated, and as I have previously pointed out:

> Assurance of fairness must in the final analysis be achieved, not by the exclusion of particular views because of the source of the views, or the forcefulness with which the view is expressed, but by making the microphone available, for the presentation of contrary views without deliberate restrictions designed to impede equally forceful presentation.

If the networks had followed the admonition and the policy prescribed by the FCC, that time would have been accorded our Speaker.

Mr. McCORMACK. Does the gentleman agree with me that an amazing percentage of the press of the country is unfair to the Democratic Party in reporting political news?

Mr. CELLER. I will say that the press in this country, and I can almost agree that the radio and television facilities likewise, are more or less slanted in the Republican direction and not in our direction. That is unfair.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Kansas.

Mr. AVERY. Would not the gentleman agree with me that this is certainly not an appropriate forum to discuss the policy of the press and the networks?

Mr. CELLER. I am sorry but I did not start it.

Mr. AVERY. I recognize the gentleman did not start it.

Mr. McCORMACK. Is it irrelevant to the bill? Because we know that many of the newspapers of the country have stepped in and bought television and radio stations and if they carry that policy in relation to the news and the newspapers, they are going to project it into television and radio. So it is completely relevant in the whole picture. Of course my Republican friends do not like to hear it.

Mr. AVERY. I love to hear it, but I want to get the record straight, that is all.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BOLLING. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. DEROUNIAN. I just have one question to propound. The majority leader mentioned the fact he did not want this bill to be unfair to the Democrats.

I want to remind the majority leader, and he knows it, that on our Committee on Interstate and Foreign Commerce, a great committee, there are 21 Democrats and only 12 Republicans, and without the Democrats agreeing to this bill it could not come out. I suggest he talk to the chairman of our committee.

Mr. CELLER. I expect the Republicans on one or two occasions have begun to see the light.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If this bill becomes law, and it is a step in the right direction, it will be the Republican agencies that will administer it, and it will be Republican newspapers that are going to interpret it.

Mr. CELLER. That is why we want to enact a bill to insure there will be some restraint upon the networks and the broadcast stations to operate on the basis of fairness in presenting opposing points of view. I hope that the Committee on Interstate and Foreign Commerce will go a step further and examine into any slanting of news over radio and television. I may say to the gentleman from Massachusetts that I hope that that committee will endeavor to plumb the depths of the subject. The gentleman referred to it. It is an intricate problem and I hope they will come up with some solution that will crack the knuckles of the networks if they do not recognize their responsibility. For it must be realized that the networks do not own the spectrum. The spectrum belongs to the people of this country. Broadcasters are licensed to use the spectrum. They have a public interest responsibility to the Nation, to you and me, and to the public generally.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7985) to amend the Communications Act of 1934 with respect to facilities for candidates for public office.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7985, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce brings to the House for your consideration H.R. 7985, the purpose of which, as is well known to most Members, is to exempt from the equal-time provision, section 315 of the Communications Act of 1934, any appearance by a legally qualified candidate on any bona fide newscast—including news interviews—or on any on-the-spot coverage of news events—including, but not limited to, political conventions and activities incidental thereto.

Now, it is my hope, Mr. Chairman, that we can give our attention to the purposes of this bill and to what is involved. I hope that we will not get too far afield into some of the things that can easily arise in the consideration of a sensitive problem like this. This may happen easily considering that all 436 Members of this House are in the business of politics. I think it is very important that we try to make a clear record here, which becomes the legislative history of this amendment to section 315 which is designed to clarify the unfortunate situation in which we find ourselves today.

May I say that the equal-time provision was included in the Radio Act of 1927. Now, it was not such a serious problem, important as it was, during the early radio days. However, it did become such a problem with the advent of television.

In 1934, when the Communications Act was passed by this Congress, section 315 was again included in that act substantially as it was under the Radio Act of 1927.

We have had this provision in the law during all this time. It has worked, generally speaking, fairly well throughout the years, and only in recent times has there been a real effort by some to bring about its repeal.

Now, the committee has considered several proposals that were offered by various colleagues in the Congress. The reason why I think it is important that we pay very close attention to the legislative history of this amendment, is that we intend for the broadcasting industry and the Communications Commission to be guided by this history in the observance and administration of this legislation.

I might say that over the past several years there has seemed to be some question in the minds of some members of the Communications Commission and certain members of the broadcasting industry as to what actually was the intent of the Congress. We want to make it very clear, therefore, here today, as to what the intent of the Congress is. So, first, I call your attention to the language of the bill that was reported by the committee itself.

Secondly, I call your attention to the report—Report No. 802—which will become I hope—and certainly that is my intention and the intention of the committee—a part of the legislative history of this amendment. This report contains the explanation of what is intended here, to guide the industry and the Commission. And then there will be the debate in which we shall take part in today, to explain further this particular problem. Because of the importance of the legislation and with the indulgence of the members of this committee I want to read a statement which has been very carefully worked out, so there will be no mistakes so far as the record and the legislative history are concerned in connection with this problem.

I believe most of the Members are generally familiar, with this background of this legislation. On June 15, 1959, the Federal Communications Commission adopted an "interpretive opinion" in the so-called Lar Daly case—which involved a Chicago incident—to the effect that the appearance by a legally qualified candidate in the course of a newscast must be considered use of a broadcasting station within the meaning of section 315 entitling other legally qualified candidates for the same office to equal time.

Two commissioners of the seven dissented from that opinion; one commissioner dissented in part.

You may recall, Mr. Chairman, that the situation with which the Commission dealt involved the perennial candidate for a variety of offices, including the office of the mayor of the city of Chicago and the Office of President of the United States, Lar Daly. Incidentally, Mr. Daly announced his candidacy for the Presidency in 1960, when he was testifying before our committee.

Lar Daly requested equal time because in the course of a newscast the mayor of the city of Chicago, who at the time was a candidate for reelection, was shown as welcoming President Frondizi of Argentina upon his arrival at the airport. The Commission held that this appearance was use of a station and entitled Mr. Lar Daly to equal time.

There were six other situations of this nature, all of which involved appearances of candidates in the course of newscasts. It seems to the committee that the decision of the Commission in the Lar Daly case is inconsistent with an earlier decision of the Commission in which the Commission held unanimously that the equal-time requirement did not apply to newscasts. That was in the case known as the Blondy case handed down in 1957. As I recall, that was a case in which a broadcaster used a filmclip in connection with a news broadcast in which a candidate was shown participating in an official ceremony. The Commission held—and that has been the traditional policy—that other candidates for the same office were not entitled to equal time.

The Blondy decision confirmed the traditional concept held by broadcasters throughout the country and candidates alike of considering the equal-time requirement inapplicable to appearances of candidates on newscasts. The Lar Daly decision abandoned this traditional concept and it is the primary purpose—listen to me—it is the primary purpose of this legislation to write back into section 315 this traditional exemption from the equal-time requirement and to deal with other things that always have been thought to be exempted from the equal-time requirement.

This is the background of the legislation as far as the public record of the Commission's decisions is concerned. However, there may be something more in the background of this legislation which is not quite so apparent. It is mystifying why the Commission found it necessary to break away from a long-established tradition, but the thought has occurred that at this juncture the Commission preferred shifting a difficult burden to the Congress to do by legislation what the Commission ordinarily would have accomplished by continued commonsense interpretation of present law.

On the other hand, certain segments of the broadcasting industry for a long time sought to bring about the complete repeal of section 315, and the Lar Daly decision seems to offer a fine opportunity to accomplish this objective.

Now, Mr. Chairman, I think it should be stated with complete candor that legislating in this very sensitive area is most difficult. Our committee went into this question in 1956 before the Lar Daly decision, and already then efforts were made to get section 315 repealed outright. Then and at this time, our committee carefully considered the question of outright repeal and determined that this would not be in the public interest. Broadcasting facilities, and particularly television broadcasting facilities, are limited in number throughout the country and subject to Government licensing, and the limited facilities available play a vitally important role in our political life. For this reason, this has to be considered most carefully. Access of political candidates to these limited facilities should be governed by the rule of substantial equality of opportunity—and I repeat—should be governed by the rule of substantial equality of opportunity which is embodied in section 315.

I emphasize this because I have somehow come to feel that some broadcasters—some, you understand, and not by any means all—appear to be inclined to challenge the principle of section 315, and they appear to be using difficult cases arising under section 315 to accomplish their real objective; namely, the complete repeal of section 315.

Mr. Chairman, in bringing this legislation to the floor of the House, I would like it clearly understood that the committee was almost unanimous in rejecting proposals to repeal section 315 outright. The legislation reported by our committee and the action of the other body on substantially similar legislation amount to a reaffirmation of the principle of equal time; and it is my sincere hope that broadcasters as well as the Commission will make diligent efforts to observe this provision of law the way Congress intends it to be observed.

After this general discussion of the background of the legislation, let me turn to the specific provisions of the bill as introduced and the provisions of the committee amendment.

The bill, as introduced, is substantially identical with a bill which I introduced during the 84th Congress and on which our committee held extensive hearings. That bill, I believe, was H.R. 6810, 84th Congress.

The bill, as introduced, would have exempted from the equal-time requirement appearances of political candidates on any "news, news interview, news documentary, on-the-spot coverage of newsworthy events, panel discussion, or similar type program where the format and production of the program and the participants therein are determined by the broadcasting station, or by the network in the case of a network program." That was the language of the bill as introduced.

We held extensive hearings on this bill this year and other bills dealing with the same subject. Some of the bills would have provided for the exemption of appearances of major party candidates for the office of President and Vice President, thus denying equal time to minor party candidates. The committee did not go into that. We did not feel that that was a subject that we could work out at this time.

The Subcommittee on Communications and Power discussed the various bills at considerable length in executive session, and reported to the full committee H.R. 7985, but limited the exemption to newscasts (including news interviews) and on-the-spot coverage of newsworthy events.

In other words, Mr. Chairman, the subcommittee and the full committee decided to eliminate as separate categories news documentaries, panel discussions, and similar type programs as such. The committee felt—with which I agreed—that these categories are simply too vague and cannot be defined with sufficient definiteness.

On the other hand, and I want you to get this, on the other hand, the elimination of these categories by the committee was not intended to exclude any of these programs if they can be properly considered to be newscasts or on-the-spot coverage of news events.

The full committee discussed the legislation in two lengthy executive sessions and finally reported the bill in its amended form. That is the legislation you now have before you. The full committee concurred with the subcommittee in the omission of the categories which had been eliminated by the subcommittee. Then the full committee included

some additional language which I consider interpretive language designed to clarify the meaning of the provisions recommended by the subcommittee. Thus, the amendment states that a newscast must be a bona fide newscast. The amendment states further that on-the-spot coverage of news events specifically includes political conventions and activities related thereto. Carrying to a logical conclusion the decision of the commission in the Lar Daly case, there would probably be no televising of the Democratic and Republican conventions in 1960. That is just how ridiculous the situation is.

But the exemption is not limited to the coverage of political conventions. The exemption covers the on-the-spot coverage of news events, including but not limited to political conventions.

Finally, the amendment as the committee worked it out states that the appearance of the candidate on such newscast, interview, or in connection with such coverage must be, and I quote, "incidental to the presentation of the news."

As I said before, to my way of thinking, all this additional language is merely interpretive and could have been omitted from the legislation and included in the report and serve the same purpose; nevertheless, the committee took the action of including this language in the amendment in an effort to be perfectly clear on it. Some members of the full committee felt that it would be preferable to include the language in the amendment.

The question very likely will be asked how the committee amendment differs from the bill passed by the other body, S. 2424. In the first place S. 2424 exempts "news documentaries" in addition to newscasts, news interviews, and on-the-spot coverage of news events. Whether or not that difference is significant I cannot say because the bill S. 2424 does not define what a news documentary is.

Then the Senate bill declares the intention of the Congress to watch during the next 3 years, whether the amendment has proved effective and practical, and the Federal Communications Commission is directed to file annual reports on its determination under the new amendment and to make recommendations to protect the public interest. Finally, the bill S. 2424 provides that while making these exemptions from section 315, Congress still insists that all sides of public controversies be given as fair an opportunity to be heard as is practically possible.

The net effect, then, so far as I can see, is that the difference between the Senate bill and the committee amendment is not of major proportions. I recognize, however, that this is quite a sensitive area in which we are trying to legislate, and other Members may feel quite strongly that one word or another word in the amendment makes all the difference in the world, and that is the reason why I emphasize the importance of the legislative history that we are making now.

As I see it, both proposals exempt appearances of candidates on newscasts (including news interviews) and on-the-spot coverage of news events. That is the crucial thing in this legislation—to overrule the Lar Daly decision and to make it clear that important news events involving the appearance of a candidate may be covered on-the-spot without giving the right of equal time to other candidates.

Mr. Chairman, I could go on discussing point by point the contents of the committee report. I would like to point out to the Members this report is an important part of the legislation. It is not a document written by some staff member on the basis of his judgment of what the chairman of the committee or other members of the committee might care to say or not care to say about the legislation. The report represents the composite judgment of the committee. All members had an opportunity to participate, as many did, in the actual writing of the report. We adopted the unusual procedure of having the report drafted and circulated among all members and substantially all of the changes recommended by the members of the committee are a part of this report.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, thus the report represents the consensus of opinion of members of the committee and it is entitled to great weight in interpreting the meaning of the committee amendment.

I felt it was important to have the history made on this as clear and complete as possible. That is the reason why I have used as much time as I have.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. PUCINSKI. On page 18, in the supplemental views of the committee report, there is a statement which would indicate that the FCC has abandoned a position which it adopted in 1928, indicating that the decision in the Lar Daly case was contrary to previous decisions regarding such matters.

Would the gentleman care to comment whether or not the statement on page 18 that the Commission has abandoned its original position is a correct one?

Mr. HARRIS. That was the general feeling of the committee, and that is the reason for this legislation.

Mr. PUCINSKI. Has the committee made any effort to find out why the FCC abandoned the position taken in 1958 in the Lar Daly case?

Mr. HARRIS. Yes, the committee has inquired into that. The Commission's reasons are included in the opinion which the Commission handed down in the Lar Daly case to which I referred briefly. Two members of the Commission dissented from the opinion and one dissented in part.

Mr. PUCINSKI. Is it not correct to say that the radio networks are now appealing to the courts the Commission's decision in that case?

Mr. HARRIS. Yes, and that was thoroughly discussed. There are those who feel that on appeal the Lar Daly decision might very well be reversed, but everyone knows it is going to take a long time for the courts finally to pass on it. It is the feeling of the committee that it is important to legislate on this problem in order to remove promptly the adverse effect of the Lar Daly decision.

Mr. PUCINSKI. There is no question in my mind but what the decision of the FCC in the Lar Daly case was a capricious one that reversed its former holding. The thing I am wondering about is whether or not we in this Congress want to now go ahead and proceed with the rewriting of rule 315 when the case is pending. I know that nothing moves more slowly than a democracy such as ours, but in the final analysis justice prevails. Are we going to lose more rights than the rights we might gain under the expediency of that decision?

Mr. HARRIS. I may say to the gentleman he has an entirely erroneous conception of this legislation if he contends he is losing any rights at all. That is not the purpose of this legislation.

Mr. IKARD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. IKARD. I would like to inquire of the distinguished chairman of the committee. I am sure he is well aquainted with two outstanding presentations on television today, "Meet the Press" and "Face the Nation." Is it the intention that these programs be exempt from the equal time requirements of section 315, and would the bill that is now under consideration accomplish it?

Mr. HARRIS. The committee felt that if panel discussions, documentaries and such, were to be exempted, the terms are so vague that they might very well include almost all kinds of programs not intended to be covered. But, with the amendment which the committee adopted, if a news documentary or panel discussion is part of a regular bona fide newscast, or news interview or on-the-spot coverage of a news event, where that program is designed by the broadcaster in charge of it, then the documentary or panel discussion would be exempt. If they went to, say, the gentleman's district or mine, and got together a panel, to put me before them, which is not a regular bona fide newscast, or any part of a news program or news interview, then that would not be exempt.

Mr. IKARD. I take it then that as to a program such as "Meet the Press" or "Face the Nation" the chairman's answer is that they would be exempt.

Mr. HARRIS. As long as they continue to be regular, bona fide news programs or on-the-spot coverage of news events.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Pursuing questions along the same line about Meet the Press or similar programs of that type, would there not be this difference,

that if that program appeared as a public service of the station and the station had the opportunity to present only the candidates that might reflect their particular views, that it might be a different thing than if it was appearing as a sponsored paid program where, perhaps, the sponsor might have something to say who he would like to have appear on the program. Would there be any difference?

Mr. HARRIS. The newscast or on-the-spot coverage must be controlled by a licensee or a network.

Mr. JONES of Missouri. Now, what do you do in this bill, if anything, that would affect the so-called—and I am using that advisedly—radio commentator who gets up there and gives his opinion as an editorial writer does in some of our papers, or our columnists? Do we do anything that would correct that situation, that when these people make statements which are contrary to the views of many of us, to give an opportunity to correct those statements? Do you do anything to try to correct that?

Mr. HARRIS. The Communications Act places the responsibility for fairness upon the broadcaster. He has got to come back for his license every 3 years, and then he has to give an accounting as to whether or not he has operated that station in the public interest. If he has not done so and has been unfair, that could very well be held against him in connection with the renewal of his license.

Mr. JONES of Missouri. But, appearing on a network program he would have to apply in each instance to the members of the network in that connection; is that not correct?

Mr. HARRIS. Well, each broadcasting station is in charge and control of its programs, and it is up to a broadcasting station whether it wants to carry a particular network program or not.

Mr. JONES of Missouri. In other words, the network is irresponsible to the extent that it could be estopped by the Commission.

Mr. HARRIS. Well, the network is responsible, because it is a licensee of the stations owned by the network. The responsibility is on the broadcaster—the licensee.

Mr. JONES of Missouri. On the individual members of that particular network.

Mr. HARRIS. Yes. Well, the affiliates, you mean?

Mr. JONES of Missouri. That is right.

Mr. HARRIS. Yes.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. VANIK. I appreciate the time the distinguished chairman of the committee has taken in explaining this legislation. It has been very helpful to all of us. I do not know whether this situation prevailed in other areas, but recently, for the first time, a broadcaster in my area took it upon himself to endorse candidates for public office, a political endorsement, on radio and television. Now, I have a question in the nature of a legislative inquiry. Under the provisions of this bill would a broadcaster be authorized to permit the appearance of a candidate, the display of the candidate's picture, the reproduction of his voice if, in the substance of a newscast, was the announcement that the broadcasting station had studied the qualifications of several candidates for office and had determined that the candidate in question was either recommended and endorsed or not recommended, and to be opposed or defeated?

Mr. HARRIS. As I understand the gentleman's inquiry, what the station did here would have been for the benefit of the candidate. The committee amendment does not exempt any program which is primarily for the benefit of a candidate. The appearance of a candidate must be incidental to the presentation of news. It must not be for the purpose of aiding the candidate.

Mr. VANIK. A further question, if the gentleman will yield, would this section have any effect at all upon the action of such broadcasters in making endorsements during the course of a political campaign?

Mr. HARRIS. Well, insofar as equal time is concerned, section 315 would be applicable only where appearance of a candidate is involved. I think if there was such endorsement, without the appearance of the candidate, who received the endorsement, operation in the public interest would require that the opposing candidate be given as fair an opportunity as possible to be heard.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has again expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I would like to take this opportunity to commend the chairman for his discussion of this bill, because I know it is of vital importance to all of the Members of the House. This is the question I would like to pose.

Is the appearance of a congressional candidate in a public service program exempt from the equal-time provision under this section? The public service program that I would like to give as an example is that in practically every community represented by Members of Congress each year in the fall, the Community Chest makes a drive and in an effort to get across to the public in every community various persons are asked to appear in public forum panels to discuss the merits of the Community Chest. If a candidate for Congress appeared on such a public service feature would his opponent be entitled to equal time?

Mr. HARRIS. It would depend, No. 1, on whether or not that particular public service program could be considered part of a newscast or a news interview. No. 2, it would depend on whether or not it would be considered and interpreted as on-the-spot coverage of a news event. If it is a program in which the broadcaster is covering the event referred to and the appearance of the candidate is incidental to the coverage of the event, then it would be exempt. If the appearance of the candidate was for the purpose of promoting the candidacy of the candidate, then it would not be exempt.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman predicated his question upon a public service broadcast. Could a public service broadcast be a news broadcast?

Mr. HARRIS. A public service broadcast could consist of an on-the-spot coverage of a news event. If the gentleman is talking about a public-service program, for instance, which involves a weekly news report by a Member of Congress, where I send down—I do not do it any more—a weekly news report to be sent over my radio or television station, as so many Members do, that would not be exempt.

Nor would the following situation be exempt: One of our colleagues who had a lot to do with obtaining citizenship for a little girl, the daughter of an American citizen who was serving overseas, appeared on one of the national guessing contest programs—I suppose it could be called that—and he was on that program. The total time he was on during that half-hour program was 72 seconds. That was in 1956, and he was a candidate. Because he appeared on that particular program, which is a regularly scheduled program, but which is not part of a newscast or news interview, his opponent got 72 seconds. The committee amendment would not reach a situation like that and his opponent could still demand equal time.

Mr. GROSS. Will the gentleman yield further for an observation?

Mr. HARRIS. I yield.

Mr. GROSS. Having spent nearly 15 years in this business of news broadcasting, I would just make this comment. This bill may work out all right, I do not know; I doubt it very much.

Mr. HARRIS. There will be problems.

Mr. GROSS. I think you can legislate from now until kingdom come and you will not solve this problem, as you may think you have solved it.

Mr. HARRIS. But I think we can give guidance to the Commission which seems to have had so much trouble during the last few years.

Mr. GROSS. I think you can. but it would depend in the end upon the fairness of the radio station owner or the person to whom he entrusts the operation of his station.

Mr. HARRIS. And then how the Commission acts in the case of abuses.

Mr. GROSS. That is right.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Florida.

Mr. CRAMER. Let us assume under the proposed bill you have a newscast and assume that that newscast covers the activities of a candidate relating specifically and solely to his campaign such as, for instance, if he should have a trailer tour or do something that was

newsworthy, solely relating to his campaign. That was covered on the newscaster's part. The opposition was doing other things, and consistently throughout the campaign the station refused to cover those things being done by that opponent, which also were newsworthy. Is it not true that under this bill the discretion as to what is to be covered is left entirely with the station?

Mr. HARRIS. Yes, that is true, as long as the appearance of a candidate is incidental to the presentation of a news event. If the station goes beyond the coverage of news and seeks to aid a candidate, then the matter may be appealed to the Federal Communications Commission.

Mr. CRAMER. What relief has a candidate in that instance?

Mr. HARRIS. He may appeal to the Federal Communications Commission and the Commission may determine that the opposing candidate is entitled to equal time; and furthermore the station, at renewal time, may jeopardize its license.

Mr. CRAMER. I thank the gentleman.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. MACK of Washington. A U.S. Senator or Representative returns home in July. He has already filed as a candidate in the primary election. He is invited to a radio station and certain questions are asked of him, let us say, concerning the enactment of a highway bill. He takes 5 minutes of that time. Does that entitle, under the rule of the Federal Communications Commission, every other candidate in the primary, to equal time?

Mr. HARRIS. It would, unless it was a part of a bona fide newscast or news interview program.

Mr. MACK of Washington. This would be a bona fide news program.

Mr. HARRIS. Then it would be exempted if the appearance was incidental to the presentation of a news event, and then it would not entitle everybody else to equal time.

Mr. MACK of Washington. Would it be exempted under this bill or is it exempted now?

Mr. HARRIS. I doubt very seriously if it is exempted now if the Lar Daly decision is carried through to its logical conclusion.

Mr. MACK of Washington. Of course, it would be a ridiculous situation where five or six people could ask for equal time.

Mr. HARRIS. We think that is true.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, first of all, I would like to compliment the distinguished chairman of this committee and the members of the committee as well for certainly doing a wonderful job in presenting this legislation to the House and, particularly, the chairman for his very fine explanations. This is a field in which I have been interested in and I want to say I want to know a great deal more about it since the last half hour.

Mr. Chairman, my interest in supporting H.R. 7985 stems from my 15 years of association with the fields of news and public information in the broadcasting industry. In other words, I grew up with radio and television, which long ago came of age as media for dissemination of news. Through these media of mass communication, the American public can be and is made aware of the great and small issues of our time, and the same public is exposed—and rightly so—not only to the sight and sound of these issues, but to the living presence and personality of those who make the news which shapes our very lives and the future of our world.

Today, radio and television have been blacked out, for all practical purposes, from the most important news story in our national life. For even now, the 1960 presidential campaigns are getting into gear. And already, television coverage of the political candidates is being hampered by a brief, three paragraph section of the Communications Act. This is section 315, which basically provides that, if a station permits one candidate to use its facilities, it must give all other candidates for the same office an equal chance to use those facilities. The purpose of section 315 is obvious: To safeguard the democratic process by insuring that no candidate will be able to monopolize the air—or broadcast time, since this is the commodity by which radio and television is measured.

Although radio and television have been hamstrung by section 315 for many years, it was less than 6 months ago that an event occurred which brought about the situation which the President of the United States termed "ridiculous." This is the recent interpretation of section 315 by the Federal Communications Commission which dealt with a Chicago candidate named Lar Daly.

Because the mayor of Chicago and his unsuccessful Republican opponent appeared on some legitimate local newsfilm footage, "America First" Daly asked for equal time—and got it, by the FCC's strict letter-of-the-law interpretation of section 315. The Chicago stations had—in their newscasts—shown a flash shot of the mayor filing his nomination papers, a 22-second glimpse of him greeting President Frondizi of Argentina at the airport, and a 1-minute shot of him opening the March of Dimes campaign. These were not pictures of the mayor making a political speech. The mayor did not ask for the time, it was not given him, he did not buy it. It was part of a general news program. The mayor got in the show only because he was part of the news. Not because he was a candidate. But Daly, who is known as a perennial candidate for whatever is going, demanded equal time, and the FCC, by a 4 to 3 vote said he was entitled to it. This is the same Daly who once announced he was a candidate for President, then sued the TV networks for equal time with President Eisenhower. A judge threw out the case.

The FCC frivolity in the Daly case goes way beyond that—it tampers with the news. In practical effect, it means that the networks and most stations individually will be restrained from any news report reference to candidates for any major office. The restraint will apply not only to news about the campaigns but to any event concerning a candidate which ordinarily might be news. Dr. Frank Stanton, president of the Columbia Broadcasting System, put it this way:

> Such major news events as an assassination attempt on a candidate for public office could not be shown on a television newscast—unless the attempt succeeded and the victim was therefore no longer a candidate.

If this decision stands, henceforth, political news on radio and television during any election campaign period will come to the American public filtered through the censorship rules of the FCC. This in itself is serious enough. But, even more serious is what it foreshadows for newspapers and other means of keeping the public informed. In a number of significant decisions the courts have held—and rightly so—that freedom of the press is not limited to newspapers. The marked trend of the courts is to hold that freedom of the press embraces all general means of gathering news or ideas and relaying them, whether in language or pictorial form, to the public. Radio and television are included.

It boils down to this: If radio and television news can be put through government censorship today, all other news ultimately can and will be put through the same filter. As one editorial writer recently said: "Then, friends, we will have had it." Our freedom, and by that I mean the freedom of the American citizen—is being openly threatened.

Little wonder the President called the ruling "ridiculous." This is the same as telling a newspaper that it must print a news story about every candidate just because it carried a news story about one of them. As a matter of fact, during the recent congressional hearings on section 315, a minor-league officeseeker suggested just that: In his testimony, he advocated that newspapers should be forced by law to give equal space to all candidates.

The fact that the FCC ruled the way it did in the Lar Daly case does not mean that the FCC wholly approves of section 315. In the congressional hearings brought about by the Lar Daly case, Commissioner Frederick Ford, speaking for the majority of the Commission, agreed that the law should be changed to exempt newscasts and special political events from the equal time requirements. Going even further than that, FCC Chairman John C. Doerfer said that in his opinion section 315 should be repealed.

Broadcast industry leaders have also strongly urged liberalization of section 315. So has nearly every daily newspaper in the United States.

The Senate-approved bill to eliminate some of the ridiculous features of the so-called equal-time provision of the Federal broadcasting law is a big step in the right direction. Exempt from the equal-time provision would be newscasts,

news interviews, on-the-spot broadcasts of political news events.

But, for some inexplicable reason, the Senate refused to include panel shows in the exemption, although such shows, when conducted by bona fide newsmen, would certainly qualify in the category of news. I feel the House, while reiterating the same standards of fairness demonstrated in the Senate, should also exempt panel discussions which afford much insight into the character and ability of candidates. The amendment ought to be viewed, not as merely an accommodation to broadcasters, but rather as a means of gratifying the public demand for closer acquaintance with the men and women who will be in competition for votes.

It speaks well for the institutions and people of America that an overwhelming protest has arisen across the country to correct this law. Enactment of the legislation before us today is a minimum essential of the freedom of television to help the public to know the candidates and issues in the critical election campaigns of 1960 and the years beyond.

As Dr. Stanton, president of CBS, stated in an editorial last July 26:

> All we ask for is the right to distinguish, as any sensible citizen would do, between the major parties and the splinter parties, between the significant candidates and the fringe or obscure candidates. We do not ask for the right to discriminate—only to distinguish.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, after the very profound and learned discussion of this bill by our chairman, there is little left to be said, I think, in the way of explaining the bill. There are several facets or ramifications, however, that the chairman did not mention that I would like to bring up in my discussion this afternoon.

No. 1 is that the Interstate and Foreign Commerce Committee did not go nearly as far in bringing this bill to the floor as had been suggested by various Members of the House who had introduced bills on this subject of amending section 315. As a result of the Lar Daly case, this matter has been called to the attention of many Members of the House and a number have introduced legislation. I think the first Member to introduce a bill on this subject in the 86th Congress was the gentleman from Nebraska [Mr. CUNNINGHAM]. Bills of the same general provision were also introduced by the gentleman from Florida [Mr. ROGERS], the gentleman from California, [Mr. YOUNGER], the gentleman from Colorado [Mr. ASPINALL], and some other Members.

I will say to the members of the committee this afternoon that there were several other bills introduced to approach this problem, one by the distinguished gentleman from Colorado [Mr. CHENOWETH], and the gentleman from Indiana [Mr. BARR], and possibly others. They propose to amend section 315–A exempting news broadcasts from equal time requirements, but also suggesting that we might go one step further by defining what is meant by a substantial presidential candidate thereby exempting major or principal candidates from the equal time requirement as applied to minor or fringe candidates. I will concede that it is extremely difficult to write into legislation definitions of the qualifications of a "substantial presidential candidate" in dealing with the equal time requirement.

I hope that our committee will give this proposition further study possibly in the second session of this 86th Congress.

I would like to say to the Committee, too, this afternoon that although the Federal Communications Commission was agreed that certainly some legislative remedy was in order after the Lar Daly decision, they are not agreed as to how the situation should be legislatively cured. In fact, the Chairman of the Federal Communications Commission—and I think you will find this interesting if you have not read the committee report—the Chairman, Mr. Doerfer, recommended that section 315 be repealed outright. I think he took the most extreme position of any member of the Commission. It was Mr. Doerfer's philosophy that rather than to try to define what should be exempt from the equal time requirement the whole section should be repealed outright and it become the responsibility of the licensee to operate his broadcasting facilities under the public responsibility requirement that is written throughout the Federal Communications Act of 1934. Although equal time for political candidates is only touched in section 315, in various other sections of the Communications Act it is repeatedly stated that the licensee shall operate the broadcasting facilities in what is determined to be the public interest and to live up to his public responsibility in that particular.

Mr. Doerfer felt that under this responsibility the licensee certainly would not jeopardize renewal of his license, which occurs every 3 years, in attempting to discriminate unreasonably between any two or more candidates for public office. Mr. Doerfer stated he felt this renewal of the license every 3 years would preclude discrimination on the part of the broadcaster, and in order to meet the requirements of the other sections of the act the licensee must operate his facility in the public interest.

I think this will further interest the Committee, if you have not examined the committee report. I have recited for you a number of Members who have introduced legislation to bring about needed amendments to section 315, resulting from the Lar Daly decision. Not only did most of the Members appear in support of the legislation pending here this afternoon, but several licensees appeared, the networks were represented, and the National Association of Broadcasters. The Association of Broadcasters also supported the position of Chairman Doerfer that the whole section 315 should be repealed.

You might be more interested in knowing who opposed the legislation. If there is any question in your mind in what position you would like to find yourself regarding the adoption of this bill today, I would like to read for you several witnesses who appeared opposing the legislation. We had Lar Daly, of course, who at great sacrifice to himself, I am sure, came down from Chicago to testify at length before the committee, expressing not only his opposition to the bill, but he included seven reasons why the bill should not be passed. In his rather lengthy testimony, and as our Chairman pointed out to you a few minutes ago, he officially announced his candidacy for President during the hearing before the committee for 1960.

In addition to Mr. Daly opposing this bill was a Mr. Orange, representing Arnold Petersen, national secretary of the Socialist Labor Party of America. Further in opposition to this bill was a Mr. Joseph Schafer of Philadelphia, and a William Price, executive secretary, United Independent Socialist Committee.

As near as I can recall, we had only those three witnesses opposing the legislation. There were several others who expressed some apprehension as to how well or how carefully we had drafted the legislation, but recognized the need for a bill.

I would like to say to you that the committee certainly was not unanimous in its selection of language in the bill we bring before you this afternoon. Our chairman had introduced a bill similar to the one he introduced in the 85th Congress and, very frankly, I thought it had considerable merit, desirable provisions and language. Another member of the committee felt a certain amount of reservation about the language submitted by the gentleman from Arkansas [Mr. HARRIS], and submitted alternate language. For reason of a compromise in order to bring a bill before you this afternoon the committee accepted the substitute language in the form of an amendment. However, I certainly want the RECORD to show that although I went along with the substitute language, I felt the original language set out in the bill introduced by our chairman was probably preferable or more understandable, and certainly would meet the need more directly than the substitute provisions in the bill we bring before you this afternoon.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-six Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 137]

Alford	Cannon	Hall
Andrews	Celler	Halleck
Arends	Collier	Hays
Auchlincloss	Davis, Ga.	Hoffman, Ill.
Barden	Davis, Tenn.	Hoffman, Mich.
Boland	Dawson	Holifield
Bolling	Dooley	Horan
Bolton	Durham	Jackson
Bow	Elliott	Jensen
Boykin	Farbstein	Johnson, Colo.
Buckley	Frelinghuysen	Kee
Canfield	Griffin	Kilburn

Kilday	O'Neill	Taber
Kirwan	Osmers	Taylor
Kluczynski	Passman	Teague, Tex.
McDowell	Patman	Teller
McMillan	Pilcher	Thomas
McSween	Powell	Thompson, La.
Macdonald	Riley	Udall
Marshall	Rodino	Van Pelt
Martin	Shelley	Wainwright
Mason	Sheppard	Westland
May	Sikes	Wharton
Miller, N.Y.	Simpson, Pa.	Williams
Minshall	Smith, Calif.	Winstead
Mitchell	Smith, Miss.	Withrow
Morrison	Spence	Zelenko
Moulder	Steed	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7985, and finding itself without a quorum, he had directed the roll to be called when 350 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Kansas [Mr. AVERY] is recognized.

Mr. AVERY. Mr. Chairman, I would only rise to conclude my statement by saying that there are 4,583 licensed television and radio stations throughout the land. All of those stations broadcast the news to some degree or other. Some of them devote a considerable portion of their time to news, others to a lesser degree. It is impossible to write legislation that will explicitly cover every station, but I do believe, Mr. Chairman, the Committee on Interstate and Foreign Commerce has brought to the Committee of the Whole this afternoon certain basic guidelines that should direct the rulemaking of the Federal Communications Commission to the end that is sought and was accepted in the industry before the Lar Daly decision.

I urge adoption of the bill.

Mr. HARRIS. Mr. Chairman, I might say for the information of the Members, it is contemplated we will utilize some 20 or 25 minutes today, and I hope we can conclude consideration of the bill this afternoon.

Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, the legislation before us is of great importance to the American political scene. It is our duty to act promptly before further confusion results. However, in so acting let us make clear to the FCC, to individual broadcasters, and to the networks that we are by this legislation setting down a minimum course of conduct in the field of broadcasting of controversial issues. It should be clear that we expect them to exert every effort to present all legitimate sides of controversial issues and all legitimate candidates for office in their coverage of news, special events, and other types of programs which this law will not exempt from the equal time provisions.

Many of us in recent years have been increasingly troubled by the apparent decline in program quality and variety on television. This, of course, includes the field of public affairs. I suspect that too many network executives do not fully realize that the medium which they are using is public property—a natural resource which must be used in the public interest if it is to be used at all by private parties for private profit. I have no quarrel with the frequencies being used for private profit so long as the public benefits from receiving balanced programing—fine entertainment, as well as mediocre; variety as well as cowboys; news shows as well as quiz shows; top-flight public affairs as well as soap operas; stimulating educational features as well as adventures. If the medium is used in this manner, we can have no quarrel with the networks. However, I feel that too many network executives regard TV as an advertising medium first, and an entertainment-educational medium second. There are indications that the networks have abdicated their public responsibility for balanced programing to the advertisers who with the herd instinct—playing to the lowest common denominator—assail us with look-alike and sound-alike programs. I do not object to good westerns, good quiz shows, good adventure shows; I like them.

It has been suggested by some that the reason the network programs have declined in quality is the emergence of a third network during the last 4 years, that the added competition from this source has forced all networks to trim rates and to kowtow to soap salesmen in order to compete with one another. I cannot accept this as a legitimate argument, for to accept it is to admit that free competition results in an inferior product. I prefer to think that real competition results in a better product. It is fairly well known in the industry that the new network has had to cut rates in order to compete with the other two, because of a lack of TV stations in a number of cities such as Birmingham, Louisville, Rochester, Syracuse, Providence, and other markets. It is claimed that this is the reason why the third network does not have more news and public-affairs shows than it now has. Perhaps if competition were more equal it would tend to be based more on the quality of programs; perhaps then control of programs would be returned to the networks from the hands of the salesmen.

TV channels are public property. They should be opened and used for the public good wherever they are available. The FCC is the custodian of this public property. They should guard the use of the channels but should not hoard them. Natural resources are little good if not used. The public deserves to be served. The Government can realize no tax gains from unused channels. The FCC should do its part just as the networks should. They should immediately allocate channels in as many markets as possible. Once commercial channels are allocated to those areas where they are needed, they should be put on the air—as quickly as possible. Hearings designed to protect the applicants' rights should be expedited as much as possible. It would avoid the waste of an unused TV channel wherein the public has fewer programs, there is less competition, and the Government receives no tax moneys from the use of the channel. This would give the networks an opportunity to prove what they can do in truly competitive circumstances to more efficiently serve the public interest with varied programing, fine drama, music, variety, news, and public affairs.

Certainly the networks should be given every opportunity to improve their use of the medium. They have already been given the free use of the frequencies and their owned stations.

This bill is one more piece of legislation for the interest of both the networks and the public. Let us see what they do with it. Let us promise now to take another look in 1961.

Let us look to the future to see what further must be done to make this most important of all communications media more effective in serving the public.

Mr. HARRIS. Mr. Chairman, I yield such time as he might desire to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, much has been said in the last few months about the now celebrated Lar Daly case, involving an interpretation of section 315 of the Federal Communications Act.

Your Committee on Interstate and Foreign Commerce, on which I serve, recently concluded consideration of the number of bills introduced to offset the Federal Communications Commission decision granting Lar Daly, a perennial if unsuccessful candidate for a myriad of public offices including President, equal time on a Chicago television station in which to promote his candidacy for mayor of Chicago. This decision was prompted by Daly's protest that the station in question had depicted, on a regularly scheduled newscast, the incumbent mayor, Democrat Richard Daley, and his Republican opponent in various stages of political activity. Mayor Daley was also shown officially greeting Argentine President Frondizi on his arrival in Chicago and together with his wife, officially initiating a March-of-Dimes campaign. Lar Daly, who had filed as a candidate for both the Democratic and Republican nomination for mayor, demanded and was refused equal air time to further his candidacy. Taking an appeal to the FCC, this Commission ruled 4 to 3 that he was entitled to equal time.

This decision provoked many cries of Federal censorship from those in our communications industries. The industry voiced the fear that the decision would have the practical effect of preventing full coverage of newsworthy events connected with political campaigns and if carried to its logical extreme, might result in the Federal Government substituting its judgment of what is properly the subject of a newscast for the bona fide good faith judgment of television and radio news staffs.

The President has called the decision ridiculous and Chairman John Doerfer, Chairman of the FCC, publicly called for the repeal of section 315. Members of the House and Senate introduced bills ranging from the actual repeal of

section 315 to the exemption of newscasts, only, from the operation of that section.

Your committee has made a careful study of all the proposed measures and has heard testimony from leading industry officials, Members of Congress and various and sundry interested persons and groups. We feel that the measure under discussion today incorporates the best features of the various proposals and that it is one which will deal adequately with the situation while at the same time will not permit favoritism to be exhibited by a facility in behalf of a particular candidate.

This bill, as originally introduced, specifically exempted news documentaries and panel discussions from the operation of section 315. Nowhere was any mention made of political conventions, as such. In the reported bill, the committee withdrew the exemption from news documentaries and panel discussions because of the difficulty encountered in defining these terms and added a provision exempting on-the-spot news coverage of "political conventions and activities incidental thereto."

It has been argued that the phrase "activities incidental thereto" could be interpreted as affording an exemption to panel discussions and news documentaries when conducted in connection with political conventions. However, in view of the committee's specific refusal to exempt those types of news coverage, it would appear that it was the intent of the committee to refuse exemption of these two categories under any circumstances, whether in connection with political conventions or otherwise, if appearance by a candidate on such an event was not "incidental to the presentation of news."

Mr. Chairman, this bill, we believe, constitutes a balance between actual repeal of the "equal time" provision and the present interpretation of section 315. We feel that the provisions contained in the bill are not only fair to bona fide political candidates but that they will permit our communication media to continue to keep our public well informed on important public events.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, I would like to associate myself with the remarks of my distinguished chairman, the gentleman from Arkansas [Mr. HARRIS]. As chairman of the Committee on Interstate and Foreign Commerce and as chairman of the Subcommittee on Communications and Power which conducted hearings on this legislation, he has maintained a spirit of fairness and has from the outset made every effort to go fully into this question, to permit any witness who wanted to be heard the right to appear before our committee, and he was instrumental in drafting the language of H.R. 7985 as reported by the subcommittee and by the full committee.

He has clearly defined the background and the purpose of this legislation. I find myself in accord with his interpretation of both.

I support this legislation as reported by the committee and I urge its approval today.

Mr. Chairman, the purpose of this bill, as amended by the committee, is to exempt from the equal-time requirement of section 315 of the Communications Act of 1934 any appearance by a legally qualified candidate on any bona fide newscast—including news interviews—or on any on-the-spot coverage of news events—including but not limited to political conventions and activities incidental thereto—provided the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news.

As to the background of this legislation, section 315 of the Communications Act of 1934, as presently in effect, reads as follows:

FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

SEC. 315(a). If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate.

(b) The charges made for the use of any broadcasting station for any of the purposes set forth in this section shall not exceed the charges made for comparable use of such station for other purposes.

(c) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

The bill, as amended by the committee, would add a new sentence at the end of subsection (a) of section 315, as follows:

Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

The background of this legislation is as follows:

On June 15, 1959, the Federal Communications Commission adopted an interpretive opinion in the so-called Lar Daly case, with two of the seven Commissioners dissenting and one Commissioner dissenting in part. In its opinion the Commission denied a petition for reconsideration of the Commission's earlier interpretation, adopted in that case on February 19, 1959, to the effect that the appearance by a legally qualified candidate in the course of a newscast must be considered use of a broadcasting station within the meaning of section 315, and that other legally qualified candidates for the same office must therefore be granted equal time.

While the Commission, in its opinion, admitted that the legislative history of section 315 was "barren of specific mention of the problem involved here"—paragraph 48—the majority nevertheless held that "there is no legal basis for exempting appearances by candidates on newscasts from section 315, irrespective of whether the appearance was initiated by the candidate or not"—paragraph 55.

The Commission blamed "the unconditional nature of the language of section 315 which we are not at liberty to ignore" for what may seem a "harsh and unduly rigid" holding in the Lar Daly case. It referred to the language of section 315 as an "unequivocal mandate," and took the position that if its holding in the Lar Daly case has the effect of restricting radio and television licenses in their treatment of political campaign affairs the remedy lies with Congress rather than with the Commission—paragraph 55.

For 32 years prior to the Lar Daly case it had been assumed by broadcasters as well as political candidates that the equal-time requirement did not apply to the appearance of a candidate on a newscast. This view was confirmed by the Commission in the so-called Blondy case—letter to Allen H. Blondy, dated February 6, 1957; 14 R.R. 1199. In that case a station used as part of a newscast film clips showing a legally qualified candidate participatings, as one of a group, in official ceremonies; and the newscaster, in commenting on the ceremonies, mentioned the candidate and others by name and described their participation.

The Commission held in the Blondy case that the equal-time requirement of section 315 did not apply because "the facts clearly showed that the candidate had in no way directly or indirectly initiated either filming or presentation of the event, and that the broadcast was nothing more than a routine newscast by the station in the exercise of its judgment as to newsworthy events"—FCC public notice, "Use of Broadcasting Facilities by Candidates for Public Office," October 1, 1958, question and answer No. 12.

Thus, the language of section 315 did not prevent the Commission in the Blondy case from reaching a result which, in the opinion of this committee, was a reasonable one; and it is worthy of note that the holding of the Commission in that case was a unanimous one.

This prompts the question: What circumstances led a majority of the Commission 2 years after the Blondy case to conclude that the unconditional nature of the language of section 315 made it impossible to reach an equally commonsense result in the Lar Daly case?

The committee feels that the Lar Daly decision is inconsistent not only with the Blondy decision but also with some of the Commission's own statements in the Lar Daly case. In the latter case, in the following statements, the majority stressed quite properly that if section 315 were construed to require qualitative as well as quantitative equality, the statute could not possibly be complied with:

68. The Commission has never stated that the time afforded Mr. Daly must be on a

news program. Our prior rulings belie the implied contention of petitioners that equal opportunities call for identical formats and time segments. * * *

70. The impracticability of pure equality of opportunity does not leave as the only remaining alternative total abandonment of any attempt to carry out the intent and purpose of section 315. On the contrary, there remains the logical application of the statute by way of substantial compliance with the intent and purpose of the Act. The intent and purpose of that section are fulfilled, we believe, when broadcast facilities are made available under conditions which amount to the closest approximation to equal opportunities.

The committee agrees with the Commission that absolute and pure equality of opportunity is impossible of achievement. However, it is mystifying to the committee that in the Lar Daly case the Commission was capable of construing the language of section 315 in some respects so as to require no more than substantial compliance with the intent and purposes of the act but in other respects felt that the unconditional nature of the language of section 315 prevented it—in spite of the considerations which guided the Commission in the unanimous decision in the Blondy case—from reaching a realistic and practical result in the public interest.

Under these circumstances, the committee feels that the courts may well overrule the Commission's decision in the Lar Daly case. The committee notes that a petition to review the Commission's order has been filed in the U.S. Court of Appeals for the District of Columbia. Until a final judicial interpretation has been made in this case, however, the Commission's decision would continue to affect adversely and contrary to the public interest the treatment of political news by radio and television stations.

Therefore, it is essential that legislation be enacted promptly exempting from the equal-time requirement of section 315 the appearance by a legally qualified candidate on a bona fide newscast. At the same time the committee feels that there are certain problems of electronic news coverage, involving the operation of section 315, other than those dealt with in the Lar Daly case, which should be cleared up by the Congress in this legislation simultaneously with the clarification of section 315 with respect to newscasts.

Mr. Chairman, we feel that this proposed legislation clarifies the intent of Congress relating to section 315. Section 315 was incorporated in the Communications Act of 1934. It had previously been in the Radio Act of 1927, and it has been sound legislation throughout these many years.

This legislation today does not change or alter the intent of Congress. The purpose of this legislation today is to clarify the meaning of the term "equal time" and to remove any doubt on the intent of Congress on this subject.

Mr. Chairman, I urge the approval of H.R. 7985.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. MACDONALD] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MACDONALD. Mr. Chairman, I rise in support of H.R. 7985, the so-called equal time amendment.

Recent events indicate the necessity for an immediate change to exempt legitimate news broadcasts and similar programs from the usage category of section 315, the so-called equal time provision of the Communications Act.

The harshness and difficulty inherent in this enforcement was clearly shown this year when, in deciding an appeal from a minor candidate for mayor of Chicago, Lar Daly, the FCC ruled that he was entitled not only to buy equal time but to have allotted to him the same space given other candidates on regular news programs.

If this ruling were to be followed vigorously, minor candidates for major offices, including a variety of freaks and crackpots, could create chaos on the airlanes before and during political campaigns. In 1956, for example, 9 minor contenders campaigned for the presidency, gaining from 8 to 175,000 votes apiece. Had each of these demanded equal time as President Eisenhower after his news conferences, the confusion can easily be imagined. Furthermore, this ruling destroys the program editor's freedom of judgment as to what is news and what is not. Newscasters should not be restrained against the public interest in proper judgment of what is news.

Mr. Chairman, the necessity for a ruling is now upon us. The majority of the witnesses who testified before the committee said in effect that if every person who declares himself a candidate for office is to be given equal time under the present interpretation of the Federal Communications Commission, an impossible situation will follow and therefore I would like to point out that action need be taken.

I point out that under the bill that is now under consideration an appearance by a candidate on "any bona fide newscast (including news interviews)" will be considered not to be "use" of a broadcasting station within the meaning of section 315 if such appearance is incidental to the presentation of the news.

However, in order that there will be no misunderstanding as to what the committee had in mind concerning this point I wish to quote a part of the committee report.

It will be noted that the committee inserted the words "including news interviews" following the word "newscast." This was done to make clear that the appearance of a candidate in a news interview shall not require the granting of equal time to competing candidates if such interview is part of a bona fide newscast and if such appearance is incidental to the presentation of news. It is the intention of the committee that in order not to be considered use of a station, the event to be covered in a newscast must be news in and of itself, and the appearance of a candidate in connection with such event must not be the principal aspect of the event. Most events in the course of a campaign are likely to have been staged by the candidate, and the appearance of the candidate in connection with such events must be considered to be the principal purpose of the event rather than incidental thereto. Under such circumstances, the appearance of a candidate on a newscast which covers such a staged event must be considered use of a broadcasting station within the meaning of section 315, thus requiring the granting of equal time to opposing candidates.

From discussions within the committee, it is clear that staged events such as a candidate pictured visiting a long established factory or oil refinery in the area and is pictured shaking hands with workers should not be viewed as news but as a staged event, and prohibited as being a real newcast. So-called local news programs that cover a candidate in his typical campaign day showing the candidate greeting his workers at a reception staged in his honor, or viewing a ship entering a harbor should likewise be considered staged events. Obviously, such events should not be carried as local news and if they are, the candidate's opponent should be given equal time and treatment. These illustrations are not hypothetical but actually occured in a campaign for Congress in the Eighth Congressional District of Massachusetts. I know that my colleagues agreed with me in committee meetings that this type of staged event should not come out from under the purview of section 315.

Mr. Speaker, the protections afforded to bona fide candidates should be protected equally with the rights of the networks not to be burdened by psuedo candidates' demands for equal time on national networks. I feel it important that the freedom of our airways be maintained and certainly in this field section 315 has been a bulwark against self-styled kingmakers presenting their candidates to advantages under the guise of local news while creating a blackout over the activities of the hand-picked candidate's opponent.

Mr. Chairman, I want to commend our distinguished chairman and the members of committee for the excellent work they did in connection with this much needed proposal. We have the choice of having a news blackout or of doing something about the situation, as the chairman and others have pointed out.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, I wish to commend the able and distinguished chairman of the Committee on Interstate and Foreign Commerce for the wonderful job he has done in attempting to solve a very difficult problem.

As I understand the purpose of this legislation, it is to restore a situation which had existed since 1927 when the original act was passed. I believe that this bill will accomplish this and therefore I offer my unqualified support of the committee bill.

Mr. Chairman, this bill was brought to the House today because of the now famous Lar Daly decision. Many of the people of this country differed with the decision of the Federal Communications

Commission on that occasion. But, all of us respect the right of the Federal Communications Commission to make such a decision. This legislation is a result of the clamor which followed this decision.

I believe that if the Commission had followed its interpretation of section 315, it would have been justified in denying time to Lar Daly. In the FCC public notice of October 1958 entitled "Use of Broadcasting Facilities by Candidates for Public Office" the following question is set forth:

> Question. When a station, as part of a newscast, uses film clips showing a legally qualified candidate participating as one of a group in official ceremonies, and the newscaster, in commenting on the ceremonies, mentions the candidate and others by name and describes their participation, has there been a "use" under section 315?
>
> Answer. No. Since the facts clearly showed that the candidate had in no way directly or indirectly initiated either filming or presentation of the event, and that the broadcast was nothing more than a routine newscast by the station in the exercise of its judgment as to newsworthy events.

I think that that is a reasonable answer to the question propounded, and if the Federal Communications Commission had followed this precedent they would not have decided as they did in the Lar Daly case.

I believe I was the only member of our committee who voted against this bill when it was being considered in executive session. Now, since the report has been written and the legislative history is being made on this subject, I am satisfied that it will solve the immediate problem. I would like to ask the chairman of the committee if this is not the purpose of this legislation, to restore the original intent of the Congress and the original interpretation of this basic law.

Mr. HARRIS. The gentleman is correct. That is the intention of the committee. Of course, it would necessarily have to clarify some of the things that arose as a result of that decision, and that, too, to be clarified by this legislation and the legislative history of it.

Mr. MACK of Illinois. I want to again commend the chairman of the committee and say I strongly support what he is trying to accomplish by this legislation. I also want to mention the fact that although we are amending the basic law, that we are clarifying this point, we have failed to attack the real problem pointed up in the Lar Daly case. In this case, we had a candidate, a perennial candidate, who runs for every office, demanding equal time with prominent people who are substantial candidates for office in Chicago and the State of Illinois. I want to state emphatically that this bill will not solve that problem. I have so stated in my supplemental remarks. I think the problem confronting the Congress is to define the term "legally qualified candidate." I have made a suggestion that we limit the time that a man is actually a candidate by classifying him as a candidate 45 days before a primary and 90 days before a general election. Under that provision it would be impossible for any of these nuisance candidates to come in a year in advance, such as Lar Daly could do today, to demand equal time. If we limit the time to 45 days before a primary and 90 days before a general election, it would be only during that period that the provisions of section 315 would apply. I think we have to go even further than that in defining the term "legally qualified candidate," but this can be handled in separate legislation after this bill is enacted.

Mr. Chairman, I strongly support the objectives of this bill but I also feel that we need to further consider legislation to deal specifically with the problem confronting us in the Lar Daly case.

Mr. BARR. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BARR. Mr. Chairman, the United States has never had much luck trying to regulate the coverage of news events. The various States refused to accept the original Constitution until a Bill of Rights was included which guaranteed freedom of the press. In the early 1800's the alien and sedition laws raised such storms of protest that they were quickly dropped. Most people in this Nation are dedicated to the idea that they should receive their news with no governmental restraints.

This whole idea of freedom of the press worked quite well until the advent of radio and television. When radio came on the scene, the whole problem became just a bit different. Radio stations were paid for with private capital, but they used the airwaves that obviously belonged to all the people. Their situation was not the same as that of a newspaper which provides its own capital for distribution as well as for publishing. In the case of radio, the airwaves over which the programs were distributed were clearly the property of every citizen.

In 1934 the Congress enacted the Federal Communications Act. This act spelled out certain obligations which the broadcasters must assume, and among these were the obligations to render certain public service as a part of their programing schedules, and to treat all political candidates fairly and impartially. Section 315 of this act stated that any broadcasting licensee, which allows its facilities to be used by a legally qualified candidate, must afford fair and equal opportunities to all opposing legally qualified candidates.

This provision sounded fine when it was written, but it has proved very difficult to interpret. It has been the source of a lot of confusion and some bitterness because actually it has acted as a restraint on the right of broadcasters—whether radio or television—to report the news as they see it. The situation becomes especially difficult in election years when a man who already holds public office is a candidate for reelection. In the last months of his tenure when he is still a public servant and also a candidate, the broadcasters are faced with a lot of difficulty in reporting any news that this official may develop. In Chicago when they photographed the mayor greeting an important foreign visitor, one of his opponents asked for equal time. The same situation to a lesser degree developed in my own city of Indianapolis, Ind. It became very difficult for the broadcasting stations to report adequately the activities of our mayor this spring.

This restriction on their right to cover the news ran into the typical and traditional American opposition to any law or to any regulation that imperils the freedom of the press. It was obvious that something had to give, and the equal-time bill, which we are considering today, was the result.

I believe that this bill is a good bill; it is in the national interest; and it is in the American tradition of freedom of the press. It exempts from the equal-time provisions of section 315 newscasts, interviews, and on-the-spot coverage of news events, including national conventions. The bill limits itself strictly to news coverage, and while no bill in this extremely complicated field can be perfect, I believe that all of us can agree that this is certainly a step in the right direction. I intend to support this bill, and I believe that it will help the broadcasters in my congressional district and across the country to better perform their obligation of news coverage to the general public.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think that possibly the chairman of the committee in his remarks a few minutes ago misunderstood my intention of the idea I was trying to express when I discussed this bill a minute ago and brought into the discussion the daytime broadcasters. What I hope we can make clear is this: Anything that we do in this bill to take the burden off the big broadcasting station and the big networks will thereby lose us their interest in any other legislation which could be brought up, which could be enjoyed by this group of small stations that have never been able to get the ear of the Federal Communications Commission.

I want to say this, as was pointed out by the chairman of the committee and as was pointed out in the report and by the gentleman who preceded me, that if the Federal Communications Commission had used ordinary common sense this bill would not be here today. We cannot write the regulations for the Federal Communications Commission. They have guidelines now, but if they cannot use the law as it is, in a common sense way, no amount of legislation that we write here is going to correct that situation.

I want to commend the committee for at least touching a part of it and trying to get it cleared up. But I will say quite frankly that I do not think they have gone into it far enough. I do not think the committee has faced up to its responsibility to solve this problem that the daytime broadcaster has. And I am talking about the radio stations that are serving the public interest of this country, the stations that are providing the

community service. And every one of the Members here except those, possibly, coming from the metropolitan areas, has that kind of station. We should be fighting for them now to see that this regulation of the Federal Communications Commission is changed to permit those local community, public-spirited stations that are rendering a public service, to continue. And they are not going to be able to do it as long as the Federal Communications Commission continues to do as it has done.

I might say to any Member of this Committee who listen to the big radio stations and to the big networks that they do not give a hoot about what happens down in your local communities where you have to depend upon those stations.

Mr. Chairman, I do not want to confuse this issue, but I am telling you this: If you pass this bill for the benefit of these big stations and big networks who are trying to get out from under a part of their responsibility, and for the benefit of the Federal Communications Commission which wants us to write their regulations and take over part of their job for them, you are going to lose the interest of those people when it comes time to legislate in the interest and for the benefit of the public and for those stations that are serving the public. That is what I am trying to tell you here today. I am not confusing the issue, but I am telling you that when you pass this bill you are going to take away a lot of the interest.

I would like to ask the chairman of this great committee, has his committee any intention of doing anything about the daytime broadcasters' problem?

Mr. HARRIS. If the gentleman will yield to me——

Mr. JONES of Missouri. I am glad to yield.

Mr. HARRIS. In the first place, on behalf of the committee, may I say that I appreciate the compliment the gentleman has paid the committee. On the other hand, I cannot accept the severe criticism of the committee, that it has not done its duty. In my opinion the committee has been doing its duty on this question that the gentleman has in mind.

We have had it before us for some time and there has been a study which has been made by the Federal Communications Commission. This question has been studied for some time.

As I said to the gentleman earlier in the day, this is a problem that goes far beyond whether or not a daytime broadcaster shall operate from a certain time in the morning until a certain time in the afternoon. This is a matter which involves engineering and as the gentleman from his experience knows, it depends upon the time of the day how far a signal will go. The gentleman knows from his experience that that is an engineering problem that is involved. He also knows that the matter is tied up with treaties which this country has negotiated with other nations, particularly to the south of us. If the gentleman wants to know, if those treaties were disregarded overnight many of these foreign stations that are involved could jam our broadcasting stations.

The gentleman has made these accusations, but I say to the gentleman that the committee has gone into this problem and the committee is just as much concerned with the daytime broadcaster as is the gentleman. But we have got the welfare of the United States to look after as well as that of the daytime operators. It is the intention of the committee, as it has been up until now, to consider this problem. Therefore the Communications Commission has been in contact with the State Department in an effort to try to work out something on it.

Mr. JONES of Missouri. Will the gentleman just answer this one question. When do you intend to have the people there?

Mr. HARRIS. The arrangements are under way now and have been under way to work it out for the last 6 weeks.

Mr. JONES of Missouri. When I came to this body in January 1948 the Federal Communications Commission members at that time told me the matter was under consideration. It has been under consideration ever since. They tell you about the engineering and they tell you about the treaties when the fact of the matter is there is not a member on that commission down there who is sympathetic to this daytime broadcasters problem because they are influenced by the big networks and the big stations. I make that statement without any reservation.

Mr. Chairman, I yield back the balance of my time.

Mr. HARRIS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Missouri is just as sincere and honest in his motives and in his intentions as anyone can be, but I say to the membership of this House—as important as the broadcasting industry is to this Nation, we must take into consideration that the radio spectrum which belongs to this Nation, is utilized not only by us but by other nations whose use of the spectrum may interfere with our use of the spectrum. I trust the gentleman can understand there are these other matters involved, and these matters may be responsible. The committee is not derelict in its duty, and it is not, as the gentleman says, catering to some so-called big business operation. I would say to the gentleman that the members of the Committee on Interstate and Foreign Commerce are just as interested in the little broadcasting stations as he is, and I want to make that just as plain as I know how. If this committee, having the welfare of the little broadcasting stations at heart, can do anything about the problem that the gentleman has raised, it will be done. I can assure the gentleman of that.

Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, although I am in support of H.R. 7985, I want to take this opportunity to direct the attention of the distinguished Committee on Interstate and Foreign Commerce to the need for legislation to clarify the right of any broadcasting station to endorse the nomination or election of any candidate or the support or defeat of any issue on the public ballot.

During recent years there has been a growing tendency on the part of broadcasters to support a slate of candidates for public office and take a position on issues on the public ballot. Although the broadcasters have operated with restraint in this area, there are grave dangers in this practice.

First of all, radio and television endorsements violate the spirit of section 315(a) of the Federal Communications Act, which provides for equal opportunities and fair play in the political use of the spectrum.

Secondly, only a small percentage of the broadcasters are really equipped with individual resources to evaluate the qualifications of candidates for public office or to determine the wisdom of support or opposition to issues on the public ballot. Many radio stations are manned by a diskjockey, an engineer who doubles as news commentator, and an owner-manager who probably heads up the advertising department. More and more television stations operate with an engineer, a movie projector, and a box of old film. Can there be fair play with endorsements made under these circumstances? Can there be fair play under circumstances which permit the owner of a broadcasting station to editorially support his own candidacy? Is this a proper use of the spectrum which is public property?

Is the public interest served by permitting the private individual owners of broadcasting stations to recommend the election or defeat of candidates for public office? The legislator who legislates with one eye on the newspaper editorial is already half a man. Is it wise to further divide and defeat his personal judgment with the promise of television and radio endorsements?

Radio and television endorsing of candidates for public office and issues on the public ballot should be abated in its infancy in order to protect the integrity of the medium. The constitutional issue of free speech is not involved. The broadcasters use a public spectrum—publicly monitored at public expense. The broadcasters operate under a license which is issued by a public authority under a framework of laws adopted by the Congress.

I believe that radio and television, as important mediums of communication, should operate as free as possible from public restraint. I also believe we should preserve to the utmost the instrumentalities through which we enjoy the dissemination of facts and information. However, there are very serious objections to the use of these mediums for control of thought. Up to very recent times, radio and television have built up a very commendable record of impartial reporting. I fear the potential decline of the integrity and the future of these mediums if they should enter upon participation in active politics by the endorsement of candidates for public office or the endorsement of public issues.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I, too, would like to commend the committee for attempting to resolve an extremely knotty problem, one that deals with constitutional questions, constitutional principles, and I know that the members of this committee have worked very hard to try to come up with the solution which they think at least is going to go a part of the way toward meeting the problem.

I feel that a great deal of this problem has been created by the purely arbitrary and administrative decisions of an executive agency whose policies have harassed to a great extent the entire radio and television industry because these policies have ricocheted somewhat from time to time. This whole thing started this spring when we in Chicago were having our annual St. Patrick's Day parade and as has been the custom, the mayor of our town was going to lead the parade, but he had already been a declared candidate for reelection. The television station that was going to televise this very colorful parade that is participated in by all nationalities in Chicago was advised that if it televised this parade with the mayor leading this parade, it would probably have to give equal time to the other candidates running for mayor.

The television station inquired of the FCC as to whether or not the parade telecast would come under section 315(a). Instead of standing up to its responsibilities and advising this television station, the FCC harassed this station right up to the last minute by saying: "Go ahead, use your own judgment. We will then make a decision after you have used your judgment."

This is the kind of service that has been emanating from the FCC, so there is a question I would ask of the chairman of this committee, the gentleman from Arkansas, for whom I have a very high and deep respect, a question which when answered will certainly help me, for I want to be guided by the committee's recommendation. As has been pointed out by the gentleman from Illinois, the language proposed in this bill is somewhat ambiguous. Is there any possibility that such language as "legally qualified candidates," "bona fide newscasts," and so forth, is there any possibility that the ambiguities of this language could enable the FCC to further harass these radio and television stations even more than they are doing now?

Mr. HARRIS. The Federal Communications Commission, of course, has only as much authority as is delegated to it by the Congress. We are trying to make a record here to explain carefully and clarify this entire matter so that the Commission will have some guidance insofar as this amendment is concerned.

The Commission has pursued what I think has been a very justifiable course, with respect to the qualification of candidates and the Commission is recognizing the laws of the various States as to when a person becomes a candidate for office.

Mr. PUCINSKI. This legislation, then, would not distinguish between a bona fide public official exercising his official duties as the mayor of Chicago did in leading the St. Patrick's Day parade as against any others, would it?

Mr. HARRIS. This legislation is intended and would cover such bona fide newscasts and on-the-spot news coverage wherein the mayor of Chicago would appear at a public function. That is the matter the gentleman is concerned about.

Mr. PUCINSKI. It is the gentleman's contention, then, that this legislation would give the newscasters greater leeway in reporting legitimate news.

Mr. HARRIS. It would exempt that type of news coverage in a newscast or in on-the-spot coverage of a news event.

Mr. YATES. Mr. Chairman, will the gentleman yield that I may ask a question of the chairman?

Mr. PUCINSKI. I yield.

Mr. YATES. It is becoming more popular for TV stations in the use of their news facilities to editorialize. What would happen in the event that one of the commentators broadcasting an editorial were to call a candidate for an interview? Would that be a newscast within the meaning of the language of the bill?

Mr. HARRIS. If it is part of a regular newscast, then it would be exempt under the provisions of this bill.

Mr. MOSS. I wonder if the gentleman will yield? I thought that was handled very carefully in the report. It would be my interpretation that the incident related, the hypothetical case, would not be exempt under the language adopted by the committee, as dealt with in the report of the committee. The question was in connection with an editorial comment of a station to further the candidacy of a candidate and I say that clearly would be covered under 315 and not be exempt.

Mr. HARRIS. The gentleman is correct if he is limiting what he said to editorial comment. In order to be exempted, the appearance must be part of a regular bona fide newscast and must not be for the purpose of aiding a candidate.

Mr. YATES. I had in mind a regular program of commentary and special exception is made in order to permit a person who is a candidate, possibly an officeholder, to explain a particular event. Would other candidates for the office held by the person being interviewed be entitled to equal time?

Mr. HARRIS. If it is a part of a bona fide newscast, and the appearance of a candidate is incidental to the presentation of a news event they would not be entitled to equal time. If it was something other than that, then the station would have to give equal time to all other candidates.

Mr. YATES. Is editorial commentary, which is not news——

Mr. HARRIS. This does not include editorial commentary.

Mr. YATES. It does not include editorial commentary. The gentleman is stating that the term "newscast" does not include "editorial comment"?

Mr. HARRIS. This does not deal with news interviews in connection with what is generally referred to as "editorial commentary."

Mr. YATES. Does the term "newscast," as used in this bill, include editorial commentary?

Mr. HARRIS. There is nothing in the bill or in the report to the effect that that would be included as a part of the exempting provision.

Mr. YATES. Do I understand the chairman's answer to be that the term "newscast" does not include editorial commentary?

Mr. HARRIS. It does not include editorial commentary.

Mr. YATES. I am not getting a specific answer.

Mr. HARRIS. The gentleman will have to admit this: It has got to be determined what particular kind of program it is. I do not know what the gentleman would mean by editorial commentary. That could cover a whole field of programs. We have here specifically narrowed this field to what is referred to and what everybody recognizes as a bona fide newscast, including bona fide interviews that are incidental to the news.

Mr. PUCINSKI. Who would decide when a newscast is, No. 1, incidental to the news; and, No. 2, free of any editorial comment? Who does that?

Mr. HARRIS. First, it is the responsibility of the station. If the station is claimed to have failed to exercise its bona fide news judgment, then the Federal Communications Commission can be called upon to act.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I think one thing should be made clear. When you speak of a news commentary by a regular news commentator of a station, we do not deal with that problem here at all unless the candidate appears on a program in some way. There is nothing in this legislation that deals with any area of reporting on TV or radio unless it is associated with the appearance of the candidate or officer, a bona fide candidate.

Mr. PUCINSKI. I think the committee is to be commended for its efforts in trying to solve this problem.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I rise to explain the reason for the supplemental views which are found on page 18 of the report. What has happened is that in the Lar Daly case, because a man announced his candidacy far in advance of the time in which he would really be a candidate, a ridiculous decision was announced which said any other candidate would have equal time. I have supported the bill—I never voted against it—and compliment and commend the chairman for the wonderful work he and his subcommittee have done in preparing this fine legislation.

When I think of the fact that every Member of the House is a candidate today for office next year, because he is if he will admit it, unless he plans to retire; and if any person announces against him now, what happens? Is he a legally qualified candidate or not? The gentleman from Illinois [Mr. MACK], and I felt we either ought to invade the area of definition and say that because this is a regulatory body under the Congress we should define a legally qualified candidate.

Let me point out here that we believe the stations should have more leeway in making these determinations. We do not go so far as to further the idea of abolition of section 315(a) of the Communications Act of 1934, but we believe relief from the probability of such decisions, as that in the Lar Daly case, should be legislated.

When we were faced with that decision we found out—and it is on page 8, I believe, of the report—that the Federal Communications Commission had already defined "legally qualified candidate" as one who the State laws had said is legally qualified, and therefore we would have been invading an area which would cause litigation and confusion and further confuse this issue which has been confused by what I call a ridiculous decision in the Lar Daly case. So, our next approach, in order to meet a practical problem, was to say, Let us set a time limit before a primary or a convention or before a general election in which this section 315 should apply.

Now, what would that mean? That would mean that a Member of Congress, for example—and our own personal problems would certainly point out the practicalities of the situation—who has a weekly broadcast, which is nonpolitical, and he has guests on it, and someone announces against him—he can no longer continue that program whether it is political or not, because we still have this thing open. When the opponent says he is a candidate he is a candidate insofar as I can determine under the Lar Daly decision and so far as this legislation is concerned. That is the reason for the supplementary views. We felt that the legislation should go further. I support the legislation, but I want to call that to the attention of the committee.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman is a very distinguished lawyer. Certainly, because of the confused situation, there is need for clarification. However, I gather from your statement in the report that you do not feel that enough standards have been written into the bill; is that correct?

Mr. HEMPHILL. I feel that as many standards have been written into the bill as could have been written. I would like to go into this other area, but I would not offer an amendment that was not taken up in committee. I do not think the legislation should be written here on the floor of the House.

Mr. EVINS. As far as a legally qualified candidate is concerned, that might vary in 50 States, and you might have 50 different standards, is that not correct?

Mr. HEMPHILL. That is correct. If we invade that area of definition, then we are invading States rights on the one hand and confusing the issue on the other, because the Constitution says that the States shall determine who are the electors, and if the Constitution provides that, then I think the Constitution would say the States have the right to determine who the legally qualified candidates are.

Mr. EVINS. Does the gentleman think standards should be written into the bill regarding the 45 to 90 days qualifying time before primary and general elections, or should that be left to local decisions?

Mr. HEMPHILL. I think that that should be left to local decisions. I might say to the distinguished gentleman from Tennessee that the reason we insist on putting in these supplemental views is to get before the Congress the thinking on this matter so that if for any reason this legislation does not do what we think it will do and hope it will do, that then we will have some area for discussion in the future for acting on this.

Mr. EVINS. The gentleman is appealing for more freedom on the part of the local broadcasting companies rather than centralizing control in the FCC.

Mr. HEMPHILL. That is true. I might say to the gentleman that I have found the radio and television communications facilities in my area eminently fair at all times. I think they should have more discretion. If they abuse it, and I do not believe they will, Congress has the power and the instrument of correction by appropriate legislation.

Mr. BENNETT of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I am pleased to rise in support of legislation to correct what in my mind was a misinterpretation by the FCC of section 315, the so-called equal time rule. I need not report to the House the results of the FCC ruling in the Lar Daly case. Suffice to say that all political news faces a complete blackout on radio and TV as a result of that ruling.

And although this blackout would leave newspapers free to report political activities and campaigns, we all know that the press in many instances has failed to do the fine objective reporting job that has been done by the radio and TV stations and networks in this country.

It is a shame that any legislation is needed in this field. I believe that the time will come when all of section 315 will be repealed, and the news directors of the stations and networks will use the guide of public interest in presenting political news; and they will continue to present the objective viewpoint they have in the past on both political news and nonpolitical controversial issues which are not now subject to section 315 and never have been.

As the author of H.R. 5389, the first bill introduced in Congress to correct the Lar Daly ruling, I am pleased that the Interstate and Foreign Commerce Committee has reported a bill to us which will effectively deal with the Lar Daly decision. Although the wording of H.R. 7985 is slightly broader than H.R. 5389, I naturally will give the committee bill my full support. The important thing is that we give relief to the news directors who have demonstrated time and time again through the years that they have and will deal with any controversial issue fairly and in the public interest.

I urge my colleagues to give their full support to this legislation to prevent what will otherwise be a news gag placed on the entire broadcasting industry.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I take this time merely to clear the record because there has been very severe criticism leveled at the Federal Communications Commission because of their decision in the Lar Daly case, the inference being that it was a matter of the administration. I would like to say that the majority of the Commission who rendered this decision are not members of the same party as the administration. The Republican members on the Commission were in the minority in the Lar Daly decision, and I would like to have that made clear in the RECORD.

I also would like to say on my own behalf, while I am supporting this bill, I do not believe that it is as good a bill as was introduced by our chairman in the original instance. I think it has been injured by the amendment. And, while I am supporting it, I certainly hope that the conference committee will bring back a bill more nearly like the one that was introduced by our chairman in the original instance.

I also want to make it clear as far as the record and I am concerned, that I have no intention of voting for this bill if it would in any way eliminate programs such as "Meet the Press" and "Face the Nation" if they are to be included in section 315. I think they should be excluded and I believe they are excluded in this bill. If they were not I would not be for the bill.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Will the gentleman inform me if the Republicans are responsible for the situation we have in Chicago where the big broadcasting stations are wiping out the originating programs from Chicago? Do the Republicans claim credit for that?

Mr. YOUNGER. I could not say because I am not familiar with the situation in Chicago. The gentleman will have to ask somebody from Chicago. I am from California.

Mr. O'HARA of Illinois. I thank the gentleman.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the problem with which H.R. 7985 proposes to deal has been discussed from one end of the country to the other. It has been discussed in detail in open congressional hearings, in executive sessions, and we are now engaged in discussing it here on the House floor.

Let me say at the outset that I am in full accord with the objectives of the committee amendment which is now before us, but I have grave misgivings about the adequacy of the amendment to accomplish the objective which all of us are trying to reach.

What is our objective? It is to make possible for broadcasters to cover political news and political issues in a satisfactory manner, and they cannot do so if the Federal Communications Commission's Lar Daly decision is permitted to stand. Therefore, we must amend section 315 of the Communications Act.

It has been suggested by some segment of the broadcasting industry that this objective could best be accomplished by repealing section 315 in its entirety, and do away with the equal-time requirement for political candidates. I believe our committee was nearly unanimous in rejecting this approach as not being in the public interest, and the committee report reflects this sentiment. I concur in this decision and I shall not take any time to discuss this approach to the problem.

Then, our committee has before it a number of bills which would have qualified the equal-time requirement with respect to presidential and vice-presidential candidates both with regard to general elections and with regard to primary elections. These bills would have required equal time to be given to major party candidates only and would have defined what are major party candidates. Our Subcommittee on Communications and Power discussed these bills at great length and came to the conclusion that such an approach required a lot more study than we had time to devote during this session, and that it was important to get legislation enacted promptly in order to remove the Lar Daly hurdle to effective news broadcasting.

Therefore, the subcommittee decided—and I believe very wisely—to amend section 315 by exempting appearances of political candidates on bona fide newscasts and in the course of on-the-spot coverage of news events. I am in complete agreement with this course of action, and so stated in the executive session of the full committee.

The bill as originally introduced by the chairman of our committee, the able gentleman from Arkansas [Mr. HARRIS], included several additional categories of programs to be exempted from the equal-time requirement: news documentaries, panel discussions, and similar type programs. The subcommittee felt, and rightly so, that these programs should not be exempted generally but only if they happen to come within the category of newscasts or the category of on-the-spot coverage of news events. Thus, regular programs such as those scheduled weekly by some networks in the course of which news is presented would be exempted.

I feel the exempting of newscasts and on-the-spot coverage of news events is satisfactory and would make it possible for stations and networks to cover political news and news events without the shackles imposed by the Lar Daly decision.

In the full committee, however, some new language was added, and it is this new language which causes me to fear that if this language remains in the bill and becomes law, we shall not accomplish our objective to permit broadcasters to cover political news and political issues in a satisfactory manner. This new language provides that the appearance of a candidate on a newscast, news interview, or in connection with the on-the-spot coverage of a news event shall be exempt from the equal time requirement only—and I quote—"where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news."

Now, this new language seems innocent enough at first sight. However, a little closer examination and a careful reading of the committee report may persuade many of you, as it did me, that this is an impossible yardstick for the broadcaster and the Commission to apply.

Look at page 5 of the committee report, near the bottom of the page. The report states that this phrase "incidental to the presentation of news" was used by the committee in order to summarize in as few words as possible a number of factors which, in the opinion of the committee, require consideration. Then look at page 6, and let me read you a few paragraphs which highlight the difficulties which I fear will flow from this new language "incidental to the presentation of news":

It is natural that during campaign periods political candidates will do their best to see to it that incidents in their campaigns, including speeches, are news and thus are covered by all important news media. However, as a matter of principle, it is not the intention of the committee that staged incidents or stump speeches be considered "news" within the context of this legislation.

Most "events" in the course of a campaign are likely to have been staged by the candidate, and the appearance of the candidate in connection with such events must be considered to be the principal purpose of the event rather than incidental thereto. Under such circumstances, the appearance of a candidate on a newscast which covers such a staged event must be considered "use of a broadcasting station" within the meaning of section 315, thus requiring the granting of equal time to opposing candidates.

It is the intention of the committee that in order not to be considered use of a station, the event to be covered in a newscast must be news in and of itself, and the appearance of a candidate in connection with such event must not be the principal aspect of the event.

The committee realizes that it must initially be left to the sound and sophisticated "news judgment" of broadcasters, acting in good faith, to distinguish between these two types of events. The committee must necessarily assume that licensees of broadcasting stations who have come under the scrutiny of the Federal Communications Commission in connection with their applications and renewal applications for licenses can be expected to meet the test of responsibility in terms both of professional competence and integrity.

Now, there you have it. I can think of instance after instance where conscientious news directors of stations or networks will be in a quandary whether an appearance of a candidate is incidental or not to the presentation of news. Certainly, even if a director decides that an appearance, in his opinion, is incidental, the opposing candidate is likely to claim the contrary, and will demand equal time. If he does not get it, he will appeal to the Commission, and the Commission is likely to be flooded with numerous case in which it will be called upon to decide which appearance is incidental and which is not. Sooner or later, complaints will reach the Congress that the Commission misinterpreted the law, and we shall be back where we are now.

The other alternative is that stations and networks may decide that they cannot risk permitting the appearance of candidates under these circumstances, and then we shall have accomplished nothing by amending the statute because, just the same as now under the Lar Daly decision, stations will feel compelled to keep candidates out of newscasts and out of on-the-spot coverage of news events or risk complaints and appeals to the Commission.

Look at page 7 of the report—what it has to say there with respect to the appearance of candidates in the course of the on-the-spot coverage of news events:

In the case of on-the-spot coverage of news events other than conventions, the selection of the event to be covered and the determination of the parts of the event to be broadcast largely determines which candidate will appear on radio or television, in what capacity and to what extent. The opportunities for favoritism and discrimination are many and may be important to the political fortunes of the candidates involved. The principal test, just as in the case of newscasts, is whether the appearance of a candidate is incidental to the on-the-spot coverage of a news event or whether it is for the purpose of advancing the candidacy of a candidate.

Since the appearance of the candidate in the course of an on-the-spot coverage of a news event may be a great deal longer in time than in the case of a newscast, the task of balancing the two principles in fairness to the candidates and the public becomes even more difficult. Therefore, both the broadcasters and the Commission will have to exert a great deal of sustained conscientious and intelligent effort to arrive at balanced decisions in the case of on-the-spot coverage of news events. To recapitulate in part, the factors to be considered, among others, are the importance of the news event, the length and prominence of the appearance of the candidate, and the special national, regional, statewide or local significance which such appearance may have to the candidate and his political fortunes.

I believe that the report contains an understatement if it says that the task of broadcasters and the Commission will be difficult and that a great deal of conscientious and intelligent effort will be required of both to arrive at balanced

decisions under the language of the amendment. Mr. Chairman, I maintain that the task is an impossible one. It simply cannot be met even with the most conscientious and intelligent efforts on the part of the broadcaster and the Commission.

As a theoretical classroom exercise, the test of incidental to the presentation of news may be all right, but as a practical yardstick to aid broadcasters, candidates, and the Commission in reaching quick and equitable decisions, it seems to me, it is impractical.

What does this all add up to? I fear that unless the clause "incidental to the presentation of news" is omitted from this legislation we shall at best accomplish nothing or, more likely, we shall still further confuse an already sufficiently confused situation. I feel that we should omit this language from the bill. Without this language, the bill would exempt only bona fide newscasts—including news interviews—and on-the-spot coverage of news events—including but not limited to political conventions and activities incidental thereto.

I feel these two are the proper categories to exempt from the equal time requirement. If the incidental clause is stricken from the bill the broadcasters and the Commission will be given a fair chance to bring about results which are in the public interest. If that clause is stricken candidates may still demand equal time where a broadcaster permits appearances beyond the limits of these two categories, and the Commission still has power to determine whether a broadcaster has complied with the law and whether the complaining candidate is therefore entitled to equal time.

If we retain the incidental clause, however, I fear we shall have failed in our efforts clarifying section 315.

I hope the bill will be overwhelmingly approved.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I desire to speak in favor of the bill.

Mr. Chairman, I rise in support of H.R. 7985. I take this time to speak on this legislation, even though I am not a member of the committee, because for a number of years I was employed as a regular news commentator on both radio and television, and am therefore somewhat familiar with the problems involved in television and radio news coverage, as well as with the impact of section 315 of the Federal Communications Act without the clarification provided by this legislation.

It seems clear on the basis of evidence discussed here today that without the kind of clarification provided in this legislation fair and adequate coverage of the news may be seriously impaired. Because radio and television are both so important today in keeping us informed, I believe it would be a tragedy if anything were to interfere with their ability to bring us as full a picture as possible of contemporary events.

But while I support this legislation, Mr. Chairman, I do wish to bring to the attention of the committee, and therefore to make a part of the legislative history my views with respect to two specific points.

There is no doubt that all television and radio stations have a serious responsibility for meeting the requirements of public service in their coverage of political candidates and political contests. This responsibility is already implicit in the Federal Communications Act. It will be even more so if this legislation is adopted. Not only will stations have an obligation to be fair in their treatment of all candidates and all sides of issues, but they will also have an obligation to make certain that important public issues are covered to a full and reasonable extent.

In that connection, Mr. Chairman, and this is the first point that concerns me, is that although section 315 specifically states that "no obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate", I believe that there must be a continuing recognition of the responsibility on the part of all radio and television stations to make their facilities available, insofar as reasonably possible, for the presentation of political views in the course of primary campaigns as well as general election campaigns. I am not prepared at this time to propose any specific amendment to this portion of section 315, but I do believe that the test of whether this legislation will be properly utilized will depend on the actions of the stations themselves in seeing that the important media of radio and television are not denied to candidates generally in the course of important primary and election campaigns. It is not enough merely to allocate such time as is allocated equally and fairly among the candidates. There is also, in my judgment, a further obligation on these stations to provide a reasonable opportunity for this kind of coverage, which the law does not now recognize but which should certainly be recognized by those in the broadcasting field.

Secondly, Mr. Chairman, while recognizing, as we do in adopting this legislation, that some of the provisions of section 315 must be limited in some degree in order to make adequate and bona fide news presentations feasible, there must not be any attempt to rule out fair and adequate coverage of the points of views of legitimate and proper candidates who do not belong to one of the two major parties. In my State of New York, for example, the Liberal Party has achieved great stature and has contributed greatly to the political life of our State. We must do nothing to make it impossible for any party which, though it is small, makes as important a contribution to political life of our country as does the Liberal Party, to be fully and fairly heard.

In that connection, the position of the Liberal Party on this legislation has already been expressed in the remarks of Dr. Timothy Costello, assistant secretary of the New York State Liberal Party over the CBS television network on Sunday, August 2. I therefore ask unanimous consent that the remarks of Dr. Costello be included at this point in the RECORD, and may I urge that the committee, as well as those charged with the administration of this legislation, keep clearly in mind the position so eloquently expressed by Dr. Costello.

The statement follows:

REMARKS BY DR. TIMOTHY COSTELLO, ASSISTANT SECRETARY OF THE LIBERAL PARTY OF NEW YORK STATE, CBS–TV NETWORK, SUNDAY, AUGUST 2, 1959

The position of the Liberal Party with regard to appearances of candidates for public office on television and radio is basic. We believe that not only are all bona fide candidates entitled to be heard, but that conversely, the people must be guaranteed the right to hear the viewpoints of all bona fide candidates.

We are aware of the problems involved in the appearances of candidates on news programs, panel shows and other broadcasts that may have no direct relationship to their candidacy. But we are even more concerned that the processes of democracy will always be maintained in this vital area of communication.

The President of CBS made a valid point when he said that the equal-time restrictions cause serious hardships for broadcasters. But he made a rather less-than-valid assertion when he stated that, unless corrective measures are adopted, "we will have no choice but to turn our microphones and television cameras away from all candidates during campaign periods."

We would remind Dr. Stanton that the airwaves belong to the people, and that the assignment of radio frequencies and television channels to commercial broadcasters involves the broadcasters in a never-ceasing obligation of public service. And the processes of democray in general, and political campaigns in particular, are all part of that public service.

The radio and television broadcasters, by reason of hardship, could no more divert their microphones and cameras away from events and issues of deep public interest than the power companies, also by reason of hardship, could divert electric current away from a community. And in this area, may I say parenthetically, we are concerned not only with free time on the air; we are also concerned with the increasing difficulty of getting even paid time for political broadcasts.

Equal air time is a very important part of the democratic process. And the sharing of the public forums by the candidates of the two leading parties is in the best tradition of let the people decide.

But if the democratic process is to flourish, major recognition must also be given to third parties. For in the history of our country, third parties have shown that they have a vital contribution to make. The Republican Party itself began as a third party. The records of achievement by the Progressive Party in Wisconsin and the Farmer-Labor Party in Minnesota are testimony to the importance of third parties.

And currently, although the Liberal Party of New York State is the only major third party in the Nation today, it, too, we believe, is writing a record of achievement in the State of New York and in its cities and counties that brings echoes of agreement and of action from many other parts of the country.

The third parties of the past, as well as the Liberal Party today, have been the originators of much that was new and perhaps daring to begin with but that has now become part of the social and political fiber of the Nation. At the moment, I will name only old-age pensions, unemployment insurance, minimum wages, public housing, and civil rights. There are many more.

For a decade now, between 250,000 and 500,000 voters in New York State have voted for the Liberal Party's candidates at each election. This is greater than the total vote cast in the last presidential election in such States as Arizona, Delaware, Idaho, Maine, Mississippi, Montana, Nevada, New Hampshire, New Mexico, North Dakota, South Carolina, Utah, Vermont, Wyoming, and a few others. It is greater than the total vote of the two new, and let me say very welcome, States of Alaska and Hawaii.

We are dealing here with a major force in American politics. We are dealing with a party whose independent candidate for the U.S. Senate in 1952, Dr. George S. Counts, polled 490,000 votes; with a party which, in that same year, gave Adlai Stevenson 417,000 votes; with a party whose vote carried New York State into the Roosevelt column in the presidential election of 1944; with a party whose 426,000 votes gave Senator Lehman his margin of victory in 1949; with a party that elected its independent candidate, Rudolph Halley, president of the New York City Council in 1951 with 583,000 votes, and gave him 428,000 votes for mayor in 1953; with a party whose 264,000 votes carried Governor Harriman to victory in 1954, and whose 295,000 votes made State Comptroller Arthur Levitt the only Democratic victor in 1958; with a party that elected its own candidate, Vincent Corsall, the present mayor of the city of Oswego.

To quote Senator KEATING's recent statement, "Consideration must be given to significant parties such as the Liberal Party. * * * It must not be denied the opportunity to present its candidates and its views on an equal basis with other substantial parties."

In this complex situation of equal time, the Liberal Party realizes that there have to be certain standards applied and certain limitations imposed. But distinction must be made between bona fide parties and candidates with a significant political program, and the others—or we will be throwing out the baby with the bath water. Let's not destroy the good principle of equal time because it contains a weakness in detail, but rather work to eliminate the weakness.

In the quest for both reasonableness and fairness, we would join with CBS in seeking to define just who is and who is not a legally qualified candidate. In this regard, we would hold that the standards and requirements of each State should be the determining guide.

For example, New York State has specific and stringent requirements. And for the broadcaster to deny a candidate, legally qualified and authorized by the State, the right to the airways, is to arrogate to itself a sovereign power of the State.

We agree that bona fide newscasts and on-the-spot news programs should be exempted from the equal-time requirements. But with regard to panel shows, interviews and documentary programs, we feel that only those should be exempted that are substantially removed from the participant's candidacy.

Unless a radio or television program comes clearly and unmistakably under the heading of news, it must provide the right to equal time for all legally qualified candidates.

We would make one exception. A candidate for the Presidency who is legally qualified in certain States, should be entitled to equal time only in those States and not nationally.

In the worldwide struggle that is now enveloping all of us—the struggle between democracy and totalitarianism—the problem we are discussing here becomes increasingly important. We must be on guard at every moment to see that the concept of free expression and communication is not eroded, eaten away by new encroachments, however slight or reasonable appearing. We are here involved in nothing less than a defense of the fundamental processes of democracy.

Mr. HARRIS. Mr. Chairman, for our final speaker, I yield 10 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, first let me say that as the author of the amendatory language on page 2, I am somewhat flattered to find my colleagues, the gentleman from Michigan [Mr. BENNETT] and my good friend from California [Mr. YOUNGER], were so willing to buy it in committee and find it so distasteful now. The language was the language representing the consensus of a majority of the committee and the language had the effect of narrowing the area which would be exempted from coverage under 315. I had reservations, very serious reservations, and I might add that the conduct of the networks in refusing to carry a broadcast by the distinguished Senator from Minnesota [Mr. HUMPHREY] under the entirely specious argument that he was then a legally qualified candidate, did nothing to reinforce my judgment nor to make me feel that we could grant the networks carte blanche authority to determine who might or might not be permitted to appear on their stations. And the further action of those same broadcasting networks in what in my judgment was unconscionable handling of the efforts to inform the public on the various proposals before this body on labor did nothing to restore my confidence in their objectivity.

I think the conduct of the broadcasting networks must raise serious doubts in the mind of every Member of this House who might on occasion be subjected to their whims as to the advisability of opening up too far this area of first-person reporting.

Now let us get into very clear focus what we are discussing. At the present time under the Lar Day decision, the radio stations of this Nation may fully report the news without any restraint and without any requirement of equal time. Bear that in mind. They have the same latitude that is enjoyed by the American press. They may use photographs or stills, in the reporting of the daily news. It is only when they bring in the candidate in person either by way of a taped on-the-spot coverage or a live program originating in their studios that they are bound by the section that we are dealing with to accord equal time.

While I lack confidence in the complete objectivity of the broadcast industry, I feel in fairness to the American people that we should permit the stations the latitude they request here in the bona fide reporting of the news. We should permit them to use those techniques which are peculiar to radio and television. By doing so we will have more comprehensive coverage of the news.

I am not so naive as to believe we can ever legislate complete fairness. Here we have the broader public need to be informed, and that to me is far more persuasive than the arguments advanced by the networks or the radio station owners. But I do want you to realize fully what we are dealing with. It is a different type of coverage of the news. I note the gentlewoman from the State of Washington indicated her concern that there would be an inability on the part of the stations to report the news. That inability does not exist regardless of what we might do here today.

With reference to editorial comment: Editorial comment being reporting in the third person is not covered in this proposed amendment nor is it dealt with in section 315. This is a different problem. If there are those in the House who are concerned lest there be some prejudice worked against them, I would suggest they introduce legislation. This was not an easy subject to handle before the committee. I know of no instance where I could even remotely suggest that a member of the committee approached this problem with any other objective than achieving an answer to this problem in good faith.

As to the language we adopted, which the gentleman from California hoped the other body would not accept, and served notice that he would not vote for legislation if they did not broaden it. I want to say if the other body does undertake to broaden this legislation, then I will do everything in my power to defeat it. We are dealing with very solemn rights of the American people here, rights which we, as candidates, and those who oppose us have a perfect right and need to have protected. It is important to the American people that there be the broadest possible discussion of political issues. But, it must be a fair discussion of those issues. When we start to include panel discussions—you know how easily they can be rigged. You know how easily a panelist can have an unsympathetic moderator and how a program might be scheduled when you have a conflicting engagement. I would not want to exempt panel discussions. However, I would not deny a station the right to take a film clip of a news item clearly developed in connection with such a discussion and use it to report more accurately to the listening or viewing audience. I am not willing to have news documentaries opened up. What is a news documentary? Well, you can take the life of a candidate from the cradle up to the point where he files for public office—and that is a news documentary. It is wide open to abuse. Never forget that these are not super beings who run these radio stations. They are subject to the same prejudices as each one of us. We know from the performance of some of the members of the press that some of the elements of personal prejudice do clearly enter into the treatment of political candidates. There are few things closer to us than our politics—our religion and our politics. These we can become very, very self-righteous about—and we can insist that we are right with the righteousness of the righteous in these matters. Let us not open up this public resource. Every licensee is but the temporary custodian of a permit to utilize that which belongs to the people. A license would have no value if it were not regulated. If anyone and everyone could start a radio station tomorrow, radio stations would have no value.

They would be so jammed, you could not even pick up a broadcast.

This is important. Let us not open this any wider than it is in the committee amendment. The committee has wisely given the subject careful consideration and opened it up only to the extent necessary for the reporting in detail of the bona fide news which occurs across this Nation and throughout the world daily.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from California.

Mr. YOUNGER. Does the gentleman contend that on the programs known as "Face the Nation" and "Meet the Press" where a qualified candidate appears, candidates for all the other parties must also be given an opportunity to appear?

Mr. MOSS. I contend that program is not a bona fide newscast, nor is it a spot coverage of a news event, unless in the course of the program bona fide news develops. Then I say there is the right to take a clip of that program and use it in the reporting of news; but the program as such is not intended to be exempted.

Mr. YOUNGER. And it would still be under the jurisdiction of section 315 according to the gentleman's interpretation, and the gentleman wants to leave that as a record in the consideration of this measure?

Mr. MOSS. I most certainly do.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. It is my understanding that section 315 of the present law does not authorize "Face the Nation" or any of these other programs mentioned by the gentleman from California [Mr. YOUNGER] to be exempt from 315, nor has it been so permitted at any time in the past. Am I correct in that?

Mr. MOSS. That certainly is my understanding.

Mr. DINGELL. Then what the gentleman from California seeks to do here, and I do not refer to the gentleman who just yielded to me but the gentleman from California [Mr. YOUNGER]; what he intends to do is actually to extend the scope of section 315 to a point where it might jeopardize the rights of candidates to equal time under the guise of what you might call news coverage.

Mr. MOSS. I think the committee's intent is very clear. We changed the language. We inserted the condition that the news must be bona fide and that the first-person reporting by the candidate be incidental to the reporting of the news. I would not construe that the entire program "Meet the Press" would be deemed exempt as being incidental to the reporting of the news; but a news development on that program reported on afterward showing the candidate making his newsworthy statement would be clearly included within the exemption granted by this language.

Mr. DINGELL. The gentleman was the author of the amendment to the bill which was adopted by the committee, and as such I am sure he is well qualified and capable of construing it.

Mr. MOSS. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, will

Mr. MOSS. I yield.

the gentleman yield?

Mr. HARRIS. The gentleman does not contend that such interviews as "Meet the Press" and such panel discussions as have been interpreted as coming within the provisions of section 315——

Mr. MOSS. Let me be sure of your meaning.

Mr. HARRIS. From what the report says and from what I explained a moment ago regarding certain of such panel discussions—if the gentleman will yield, it is important that everyone should know this—I think the gentleman realizes that until one of the networks took a clip off one of these programs only recently, it had never been construed as coming within the purview of section 315.

Mr. MOSS. I believe there has been difficulty in the past. I recall an incident when I was to appear on one of these national panel-type programs. In the interim between the invitation and the time of the program broadcast I was told that they could not permit me to go on because I had announced my candidacy and a candidate had announced in opposition to me. So that the situation which will arise under this amendment will be the precise situation that existed prior to the Lar Daly decision.

It would not be my intention to go beyond that. I think I tried in the committee discussion of my amendment to make it very clear that that was the intent.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Chairman, this bill is in the nature of a substitute. It is a substitute for the commonsense which the Federal Communications Commission ought to have but which unfortunately in the Lar Daly case so completely and so consistently managed to escape the majority of the Commission.

It is not often that I am afforded the opportunity to strike a blow for commonsense and, for this reason, I am happy to support H.R. 7985.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315(a) of the Federal Communications Act is amended to read as follows:

"SEC. 315. (a) If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided,* That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate. Appearance by a legally qualified candidate on any news, news interview, news documentary, on-the-spot coverage of newsworthy events, panel discussion, or similar type program where the format and production of the program and the participants therein are determined by the broadcasting station, or by the network in the case of a network program, shall not be deemed to be use of a broadcasting station within the meaning of this subsection."

With the following committee amendment:

Page 2, after line 10, insert the following: "Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a broadcasting station within the meaning of this subsection."

Mr. COAD. Mr. Chairman, I offer an amendment.

Mr. HARRIS. Mr. Chairman, has the committee amendment been passed upon?

The CHAIRMAN. Is this an amendment to the committee amendment?

Mr. COAD. I have an amendment to the bill.

The CHAIRMAN. The question is on the committee amendment.

Mr. COAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COAD. Mr. Chairman, my amendment will also embrace an amendment to the amendment. Is this the appropriate time to offer it?

The CHAIRMAN. May the Chair say to the gentleman from Iowa if it is an amendment to the committee amendment it may be offered now.

Mr. HARRIS. Mr. Chairman, in order to assist and to expedite the matter, I ask unanimous consent that the gentleman may be permitted to offer his amendments en bloc, which necessarily go to the basic provision of section 315, also to the committee amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. Does the gentleman from Illinois [Mr. O'HARA] have an amendment?

Mr. O'HARA of Illinois. I have an amendment, Mr. Chairman.

The CHAIRMAN. Is it to the committee amendment?

Mr. O'HARA of Illinois. It is an amendment to the bill originally read by the Clerk.

The CHAIRMAN. There is a committee amendment pending now. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. O'HARA] because it is an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois to the committee amendment: After the period following the word "subsection" in line 18 on page 2, add the following sentence: "The licensee of any broadcasting station over which such newscast or spot coverage of news appears shall be held by the Commission to a strict accountability."

Mr. O'HARA of Illinois. Mr. Chairman, I realize the difficulty of this sub-

ject and the diligence with which the committee has worked, but I am fearful of possible abuses. We might be opening up a press agent's paradise when campaigns would be determined by the artistry in devising exciting news events in which a favorite candidate would be thrown on TV screens in heroic and glamorous roles, such as rescuing a maiden from the waves.

The committee in its report, and the members of the Committee of the Whole in their remarks have sought to furnish a guide as to how news should be interpreted. But of course there is no definition of news. Everyone has a concept of what is news. The press agents of Madison Avenue are skilled in furnishing material for news stories. In this debate the members of the Committee of the Whole have sought to furnish some kind of a blueprint of what the Congress intends. So the amendment I am offering is merely to tie up that blueprint with the language of the bill itself.

The report of the committee states that a determination of what is a bona fide news story must be made by the broadcaster in the exercise of his bona fide news judgment. Then we turn to another part of the report and find: "Therefore, both the broadcaster and the Commission will have to exert a great deal of conscientious effort" and so forth.

My amendment merely says that the licensee of the broadcasting station over which the newscast is carried shall have the responsibility of strict accountability. It is not something to be determined solely by the individual broadcaster. If a broadcaster unfairly is working in a favorite candidate as a news subject, and the offense is flagrant the licensee of the station can be called to account.

My amendment does not go any further than that, but it definitely ties up what is in our minds, what has been expressed in the committee, what has been expressed in the report, ties it all up and makes it apply to the licensee of a broadcasting station. This I think would be an effective check on abuses that might develop.

Mr. Chairman, I trust that the Committee will accept my amendment, but if the Chairman believes that it will not serve a useful purpose, I shall be content with his statement.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

I appreciate the spirit behind the effort of our distinguished friend from Illinois in offering his amendment. Of course, we all realize that the licensee must be held strictly accountable for the operation of the station. The Communications Act itself makes that requirement. Every time he comes back for a renewal of his license, which is now every 3 years, he has got to give an account of the service that he has performed under the grant of that license. The amendment that the gentleman offers here at this particular point deals with the subject of political broadcasters, and the committee has tried to make a record and a legislative history here dealing with this subject. I trust that we will not be accepting amendments dealing with entirely different subject matters, because if we do, then we get the legislative history again in a confused status, and I am fearful we will have some of the same problems that we have been wrestling with and suffering with now for the last several years.

Mr. Chairman, I ask that the amendment be voted down.

Mr. O'HARA of Illinois. Mr. Chairman, in view of the statement of the chairman of the committee, let me state that I sought merely to be helpful and that it could serve some useful purpose. But, as the chairman believes not, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendent was agreed to.

Mr. COAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 1, line 6, after the word "office" add the following: "or representative of any political or legislative philosophy".

On page 1, line 8, after the word "office" add the following: "or representatives of any political or legislative philosophy".

On page 2, line 3, after the word "candidate" add the following: "or representative."

On page 2, line 11, after the word "candidate" add the following: "or representative".

On page 2, line 15, after the word "candidate" add the following: "or representative".

Mr. COAD. Mr. Chairman, this is basically a very simple amendment. I want to state right now, before I begin what I have to say about this amendment, that I appreciate very much the work of the committee and very much the work of the chairman, our colleague, the gentleman from Arkansas [Mr. HARRIS], in what he has done to bring this matter to the floor. I think that this is a very important step, one that goes to and reaches all of the American people. I would like to point out that what my amendment does is simply make it possible for the people of America to have presented to them fairly and squarely and honestly the issues on political and legislative philosophy just as we are exercising those rights here today on the floor of this House. In other words, if there are those who have a legislative philosophy about any given bill that is up and if, in a given situation, a network or television station or studio offers to one who has a legislative or a political philosophy, then by the same token those who feel otherwise ought to have equal time in order to present their views on the subject. That is all that it does. We know that the history of the past week, the history of the past month, has indicated that it is time that the American people have this right, have the right of freedom of speech on the part of all of those who have a definite philosophy about these matters. It is a right that we grant to the Members of this House. We do not throttle and silence those who may differ with us in philosophy on legislative matters. No, it goes to the heart, of the right of freedom of speech, as guaranteed by the Constitution, to present your ideas, to present your ideals and your philosophies about a given matter, and this is all that this amendment does.

I agree very much and wholeheartedly with my colleague from California [Mr. Moss], for this does not touch in any instance or change in any part the news broadcast aspect of this bill. It leaves it the same. It does not say that anyone who has a political philosophy or a legislative philosophy who, when covered by a news broadcast, must have equal time given to the opposite view. All that this does is to say to the networks, radio and television, that if you take the responsibility to give to someone who has a political philosophy or a legislative philosophy on any given subject, then you must provide the same amount of time to those who have a differing opinion to that philosophy. We know it happened to our beloved Speaker just this last week. And this is the kind of thing that this amendment will correct. We know what has happened to others in many instances down through the years, ever since 1927 when this original act, section 315, was passed.

Mr. Chairman, under paragraph C of section 315 of the act is ample provision whereby the Federal Communications Commission can draw up adequate rules and regulations by which the provisions of my amendment will be carried out. Under the rules of the Commission, the extraneous and the nuisance groups would be eliminated. The un-American groups would be eliminated. This amendment of mine will place all subjects of civic importance openly and fairly before the American people, but with the protection of the rules of fairplay set down by the FCC.

So all we have before us here is the question whether or not the American people are going to be guaranteed their rights by legislative action under the Constitution so that they can hear all sides of the story. If they do not want to enter into this, all that the networks have to do is to say that we are not going to start it; but if they do start it, then it is mandatory upon them to let all sides be heard. It is a matter of asking for fairness so that the American people can hear all sides of the story.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. HARRIS. Mr. Chairman, will the gentleman yield to me for a unanimous-consent request?

Mr. O'BRIEN of New York. I yield to the gentleman.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'BRIEN of New York. Mr. Chairman, I would wish that this amendment were as simple as the distinguished author of it said it would be. We have been struggling all afternoon to try to determine what is a qualified political candidate. I wonder how many weeks it might take us to determine who would be the representative of any political or legislative philosophy. There might be 1,000 variations of the philosophy.

I have been 37 years in the news field and I have difficulty or would have difficulty defining for you today what news means. But I do not think if I lived for 50 years I could define for you the meaning of a philosophy.

If we adopt this amendment—and I know that the gentleman's intentions are very good and very fine—we might just as well tear up the bill.

I had not intended to inject myself into this discussion at all. But what we are trying to do here is inject commonsense into a problem which was dumped on our doorstep. I know the committee felt, and the House undoubtedly feels that 1 million words in a bill would not force anyone to be fair. We are going to have unfairness in this field no matter what we write. We cannot drain out the human element. But to me more important than the language of the bill—and I accept the language of the bill—is the legislative history which has been so carefully and adroitly written here today. The FCC and the industry are on notice, and the notice is, let the broadcasting industry beware of a blatant departure from objectivity, because everyone in this House, regardless of party, feels that the worst calamity which could happen to this Nation would be a one-party broadcasting industry with its tremendous impact, not so much upon the thinking of the Nation, but upon the emotions of the Nation which still regards television to a great extent as an entertainment medium. You are a hero or a villain. You are a character actor or you are a juvenile. That is the way this medium appeals at the present time to the public.

Now open it up to where the representative of any political or legislative philosophy would be entitled to equal time. If that happened, Mr. Chairman, none of us would have the opportunity of seeing our favorite western or whatever our favorite program might be. The networks and the local stations would devote every hour of broadcasting time to presenting representatives of these multiple economic, political, or legislative philosophies.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. COAD. Is it not true under paragraph (c) of section 315 that the Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section? Is it not also true the responsibility of starting this kind of philosophy in the first place, that is, of presenting a program of one philosophy, political or legislative, is an incumbent responsibility on the network in the first place? So they do not have to start it, but if they do, then this amendment will require fairness.

Mr. O'BRIEN of New York. I do not think the Congress could write a law or that the Commission could promulgate a rule which would provide, without destroying the industry itself, time on the air for all representatives of any political or legislative philosophy.

Mr. McGOVERN. Mr. Chairman, I rise in support of H.R. 7985, a bill to amend the Communications Act of 1934, with respect to facilities for candidates for public office. This legislation is essential to clear up confusion and restrictions that now jeopardize the whole field of political broadcast.

We all know that the mass media of communications play a tremendous role in our political life. It is imperative that candidates for office be given equal consideration in the use of radio and television facilities.

On the other hand, as matters now stand, it will be virtually impossible for radio and television stations to offer adequate news coverage because of the apparent requirement that regular news reports, interviews, panel discussions, and on-the-spot coverage give equal time to all condidates.

I am very much in favor of the provision in H.R. 7985 which exempts from the equal-time requirement appearances "by a legally qualified candidate on any news, news interview, news documentary, on-the-spot coverage of newsworthy events, panel discussion, or similar type program where the format and production of the program and the participants therein are determined by the broadcasting station, or by the network in the case of a network program."

I earnestly hope that the Members of Congress will support what I regard as a sensible solution to this troublesome problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. COAD].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7985) to amend the Communications Act of 1934, with respect to facilities for candidates for public office, pursuant to House Resolution 343, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

STATUTORY INTEREST RATE CEILINGS ON FEDERAL BONDS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I regret it is my obligation to call the attention of the House to an action taken today by the majority members of the Committee on Ways and Means that is of the gravest concern to the citizens of our Nation and to the people of the free world. I refer to the decision of the committee majority to suspend during this session of the 86th Congress any further consideration of a legislative request from the administration pertaining to the removal of the statutory interest rate ceilings on Federal bonds.

It will be recalled that on June 8, 1959, the President transmitted to the Congress a request for legislation removing the statutory ceilings on rates of interest on Government securities. The purpose of this legislative request was to facilitate economical and efficient debt management. It was directed to the forestalling of inflationary pressures and to the maintenance of public confidence at home and abroad in the soundness of our dollar and in the integrity of our Nation's credit. Following the receipt of that legislative recommendation the Committee on Ways and Means held 3 days of public hearings on the subject and then met in executive session until approval was given to a proposal that met the issue only part way and included one very undesirable amendment. This approval occurred on July 8.

The proposal was unsatisfactory in that it failed to give the administration the tools necessary to do the job of public debt management. It departed from the administration proposal in three major respects: First, it did not repeal the statutory ceilings but instead gave the President the authority to disregard them in the event he found such action to be required in the national interest; second, it imposed a 2-year limitation on this authority; third, it contained a "sense of Congress" amendment expressing the view that the Federal Reserve System should in effect undertake at least a partial pegging of the Federal bond market by buying securities of varying maturities. It was this latter amendment that was particularly objectionable.

When it appeared that this legislation would constitute the final action by the Committee on Ways and Means the minority members prepared views commenting on this majority proposal. So that the record may be complete I will

include at this place in my remarks the statement of those minority views:

I. INTRODUCTION

Proper debt management directly involves public confidence in the Government's intent and capacity to deal forthrightly and soundly with monetary and fiscal problems. Failure to uphold this public confidence would nurture inflation and thwart economic growth; it would dangerously weaken our position in world economic affairs. In essence, these are the facts that make the action of the Congress crucial to the preservation of a sound and stable dollar and to the continued integrity of the Nation's credit.

On June 8, 1959, President Eisenhower sent a special message to the Congress setting forth urgent public debt matters and outlining legislative recommendations for dealing with them. In addition to requesting adjustments in the statutory debt ceiling, the President asked (1) that the 4¼-percent legal limit on interest rates the Treasury may pay on new bond issues be repealed, and (2) that there also be eliminated the 3.26-percent-interest-rate ceiling applicable to savings bonds.

In the message that accompanied this legislative request, the President said in part:

"The public debt must be managed so as to safeguard the public credit. It must be managed in a way that is consistent with economic growth and stability. It must also be managed as economically as possible in terms of interest cost. * * * The enactment of this program is essential to sound conduct of the Government's financial affairs."

In short, the President was seeking to guard against financial problems; he was asking Congress for the tools to do an important part of this job.

The bill H.R. ——, as reported to the House, falls considerably short of giving to the Executive the necessary tools. Accordingly, the signatories to these minority views are opposed to the enactment of the bill in its present form. Our objections, which are summarized in the three paragraphs that follow, are directed to three majority-approved amendments to the original legislative proposal.

A. Summary of principal objections

1. The bill fails to repeal the statutory interest rate ceiling: Instead, the bill provides that, if the President finds that such action is required by the national interest, the retained ceilings can be exceeded. This is a deceptive alternative to dealing forthrightly with the problem. First, it is inconceivable that this majority-approved ruse will contribute to economical debt management. It is unthinkable to presume that any President or any Secretary of the Treasury, regardless of party affiliation, would pay more than the absolute minimum for borrowed money. Second, the amendment is meaningless in substance because the President now approves all bond issues. Third, and most important, the amendment is unwise because it would imply the existence of a national emergency if it became necessary on a particular issue to exceed the ceilings which this bill would retain. However, if the majority is wedded to this particular amendment, we will not further oppose its inclusion in the bill.

2. The bill limits the effective period of authority to exceed the ceilings to 2 years, after which the statutory rates become absolute: This amendment portends either of two unacceptable eventualities—economic recession or inflationary debt financing. To enact a bill which would, even by implication, contemplate such possibilities is not conducive to confidence in the dollar at home or abroad. And there are other respects in which this amendment does not meet the problem which confronts the Nation and the Congress at this time. The 2-year authority would expire shortly after the next President takes office, but a final solution to the management of a public debt of almost $290 billion cannot be accomplished within that time. What is needed now is congressional action that will commit us, unambiguously and without reservation, to a continuing policy of fiscal responsibility. This is no time for a stop-and-go policy. We must now commit ourselves to a responsible course of action to instill confidence. The effect of the proposed amendment, by the most charitable estimate, would be to raise more questions in the public mind than it would answer. It should be deleted from the bill.

3. The bill restricts powers given by Congress to the Federal Reserve System under the Federal Reserve Act: This amendment would require the Federal Reserve "where feasible" to expand the money supply by purchase of Government securities of "varying maturities." The amendment is portrayed as innocuous because of its ambiguity. The only certainty relating to the question of whether this amendment is permissive or mandatory is that it cannot be both. Contradictory statements by its advocates raise serious question as to its true character. That uncertainty itself would serve to destroy public confidence. The amendment may be the "camel's nose under the tent"; the tent, in this case, is a complete return to the discredited practice of pegging the prices of Government bonds. To launch once more on such a venture would have the same inflationary and damaging effect as the late and unlamented bond-support program that served as an "engine of inflation" until it was fortunately and wisely ended in 1951. The amendment would expose monetary management to the pressures of political expediency. Any savings that might be achieved, through lower interest rates, would be lost many times over through inflation. This amendment, too, would undermine public confidence. The amendment must be deleted from the bill.

B. Summary of the problem

During 1959, the U.S. economy has surged forward at a rapid pace. Production is at an alltime peak; more people are gainfully employed than ever before; personal income is the highest on record. All of this has been achieved in our free-enterprise economy within the framework of a stable dollar. Yet, the Federal Government is confronted with serious difficulties in managing its financial affairs.

The difficulties stem from causes that are readily identifiable. The major causes are four in number:

(1) First is the enormous size of the Federal debt and its significance in the capital market. The Federal debt subject to statutory limitations stood at $284.4 billion at the end of fiscal year 1959. It is almost as large as the combined debt of all the corporations in the United States ($298 billion); it is almost as large as the combined debt of all individuals plus the debt of all State and local governments ($299 billion). The United States owes one-third of all outstanding debt in the country. It is by far the largest single borrower. The United States owes more than the combined debt of all other countries.

(2) The second major cause of the Federal Government's debt management problem was the $12.5 billion deficit of the fiscal year 1959. Contrasted with comparable fiscal year 1958 budgetary figures (when a deficit of $2.8 billion occurred) the experience in fiscal year 1959 showed a decline in receipts of $0.9 billion and a rise in expenditures of $8.8 billion. The 1959 budgetary deficit necessitated the borrowing of large sums of money. It was a major factor in causing the rise in interest rates.

(3) A third factor is the maturity distribution of the marketable securities comprising a large part of the Federal debt as indicated in the following table:

TABLE [1]

Maturity period	Marketable debt outstanding	Percent
	Billion	
1 year and under	$73.7	41
Short term (from 1 year through 5 years)	62.5	34
Intermediate term (from 5 years through 10 years)	17.0	9
Long term (over 10 years)	29.7	16
Total	182.9	100

[1] As of Aug. 15, 1959, estimate.

In calendar year 1958, the Treasury issued $69 billion of new marketable securities to cover cash and refinancing requirements in addition to a continuing rollover of approximately $22 billion of weekly bill maturities. In the current fiscal year the Treasury must refinance $74 billion of maturing short-term securities. If new offerings should continue to be restricted to a 1-year category, the debt due within 12 months will amount to almost $100 billion by December 1960.

(4) The fourth factor in the debt financing problem of the Federal Government, made more urgent by the magnitude of the debt, rising interest rates, and immediate refinancing needs, is the archaic provision of law which prohibits the issuance of new Government securities of more than 5 years' maturity at interest rates higher than 4¼ percent and a similar provision which prohibits the Treasury from offering a yield higher than 3.26 percent on savings bonds.

The legislation proposed by the administration would eliminate the fourth enumerated factor (namely, statutory interest rate ceilings) and thereby alleviate the problems of debt management that the other three factors impose. By removing the artificial statutory interest rate ceilings on intermediate and long-term securities, the Treasury Department will be able to do its financing in the most noninflationary manner, in the way that will be most conducive to sustainable economic growth. In addition, in the absence of further budgetary deficits, the Treasury Department will be able to address itself to an economical and effective long-range program of debt management and retirement.

The legislation endorsed by the majority of this committee would provide a means for exceeding the interest rate ceilings on new bond issues. However, whereas the administration proposal was for complete removal of the interest rate ceilings, H.R. —— would provide only a limited and restricted degree of freedom. Futhermore, the legislation favored by the majority has certain amendments which carry definite inflationary implications. The signatories to these minority views object strongly to these encumbering amendments which have no contribution to make to the Nation's financial soundness.

C. Summary of the minority position

The undersigned support the administration's proposal as contained in the Simpson bill, H.R. 8304. We are opposed to the majority-approved amendments to the proposal as contained in the committee's bill, H.R. ——.

Our opposition to the majority amendments is predicated on the fact that they would impair public confidence in our Nation's fiscal strength, would interfere with economical debt management and would be inflationary in our consequences.

It is our hope that the House membership will support our endeavors duing the floor consideration of H.R. —— to eliminate the objectionable features of the bill.

The material that follows presents a detailed discussion of the reasons supporting our minority position on this important matter.

II. SCOPE OF THE PROBLEM

A. Historical background

The first public-debt statute enacted in 1790 authorized the President to borrow money on the credit of the United States for the specific purposes of (1) payment of the foreign debt, (2) funding of the existing domestic debt, and (3) assumption of the several State debts. This authority was delegated by President Washington to the then Secretary of the Treasury, Alexander Hamilton. This pattern continued until in 1861 the Secretary of the Treasury was directly authorized by the Congress to issue bonds, 1-year notes, and demand notes. During World War I, in recognition of the need for flexibility in debt management, Congress departed from its previous policy of prescribing in detail the terms and conditions applicable to each individual issue.

The 4¼-percent ceiling on new issues of Treasury bonds dates back to World War I. This historical background of the 4¼-percent ceiling on new issues of Treasury bonds indicates clearly that the rate ceiling has been of little significance during the past 25 years primarily because of the following three circumstances: retirement of one-third of the public debt in the 1930's; economic depression during the 1930's; and Federal Reserve support of bond prices from 1941 to 1951.

Prior to World War I, the Secretary of the Treasury had little discretion in public debt operations. Because of the magnitude and frequency of financing operations during the war, however, the Secretary was granted much wider latitude. Nevertheless, Congress specified maximum rates of interest applicable to new bond issues. This ceiling rate, which was established at 3½ percent in the First Liberty Bond Act of April 1917, was raised to 4 percent in September 1917 and, finally, to 4¼ percent in April 1918.

During the early months of 1919, when it became clear that new financing would be required in the near future, Carter Glass, then Secretary of the Treasury, presented a strong case for granting the Treasury greater leeway in setting the terms of new issues, citing at length the difficulty under conditions then prevailing of fixing the terms of loans considerably in advance of the offering. He said: "To withhold from the Secretary of the Treasury the power to issue bonds or notes bearing such rate of interest as may be necessary to make [the victory loan] possible might result in a catastrophe * * *. To specify in the act the maximum amount of interest at a figure sufficient to cover all contingencies would be costly, because the maximum would surely be taken by the public as a minimum."

Congress refused to remove the 4¼-percent bond rate ceiling, but did grant the Secretary authority to issue notes (1- to 5-year maturities) at whatever rates were required by market conditions. Market conditions prevented the issuance of bonds at the ceiling rate of 4¼ percent; accordingly, the Treasury was unable to engage in any significant amount of debt-lengthening at that time, even though such funding was highly desirable. The financing had to be confined to the issuance of 3- to 4-year notes, which carried an interest rate of 4¾ percent. This inability to issue bonds severely complicated Treasury debt operations in the early 1920's. In the years 1920–21, the ceiling forced the Treasury to engage in 25 separate short-term debt operations at interest rates above 5 percent—or three-fourths point higher than the ceiling.

From that time until recently the trend of interest rates has made the 4¼-percent ceiling a somewhat academic matter. Substantial budget surpluses in the 1920's permitted retirement of about one-third of the public debt. The ability to retire debt not only eased Treasury debt management problems, but also, by supplying funds to the market, reduced pressure on interest rates during a period of active and rising business activity. Market yields on outstanding issues of Treasury bonds declined steadily throughout most of this period.

During the 1930's, reduced demands for credit, coupled with an expansive monetary policy and the impact of large gold inflows from abroad, contributed to extremely low interest rates. These low levels were maintained during World War II, and for several years thereafter, primarily by Federal Reserve support of prices of Government securities. Recognizing the strong inflationary impact of such support operations, the Treasury and the Federal Reserve agreed in March 1951 that such operations would be discontinued. Thereafter, interest rates moved in accordance with economic conditions, rising in periods of expansion, and declining during recession.

In the light of this historical experience the increase in interest rates since 1951 can be viewed as a return to the normal and proper operation of free credit markets under conditions of business prosperity. The reason for the uptrend in interest rates is to be found primarily in the tremendous demands for credit in the postwar period. In the absence of a freely moving interest rate structure, such pressures could be restrained only by some system of direct economic regimentation or by inflationary expansion of the money supply. Neither of these alternatives is acceptable.

It should be recognized that history has demonstrated that just as interest rate ceilings have not operated to keep interest costs down neither would the repeal of those ceilings inevitably lead to rising interest costs. Artificially repressed interest rates are inflationary and nothing contributes so strongly to forcing interest rates to rise as fear of inflation. On the other hand, public confidence in the continued integrity of the dollar would tend to reduce interest rates and the cost of Government borrowing.

B. The crux of the Treasury's current problem

Market conditions today are such that it would be virtually impossible for the Treasury to sell new securities of more than 5 years' maturity within the 4¼-percent ceiling. The Treasury, when it markets new bonds, must offer an interest return sufficiently high to attract investors' funds. Because no investor in a free market economy is compelled to subscribe to new Treasury issues, but is free to invest his funds as he will, the price that the Treasury puts on a new issue must be competitively attractive. Otherwise, the issue would fail.

In the short-term market the Treasury must compete for savings with the borrowing needs of business (particularly relatively small concerns), and consumers. In the long-term market the Treasury competes with business (usually larger concerns), State and local governments, and home mortgage programs. The refinancing of outstanding Government obligations accomplished under existing law has seriously added to the competition for savings in the short-term market, with a consequent rise in short-term interest rates. Testimony was presented to your committee that the major factor contributing to the rise in interest rates during the past year was the $12.5 billion deficit because of its warning of inflation and its increase in demand for credit.

The Treasury's problem is eased only slightly by the projection of a balanced budget for fiscal year 1960. The Treasury must finance a heavy seasonal deficit during the first half of the fiscal year. Moreover, $74 billion of securities of less than 1-year maturity are outstanding and must be refinanced during the next 12 months.

The Treasury Department sells four types of obligations in the open market and only one of these is subject to a statutory rate limit. Bonds, subject to the 4¼-percent limit, are the only class of U.S. obligations which have a maturity beyond 5 years. The other three types of obligations on which there is no statutory interest rate limit are—Treasury bills and certificates which run for terms up to and including 1 year, and Treasury notes which run for terms for 1 year up to and including 5 years. In addition to the marketable securities the Treasury also issues bonds on which a statutory rate ceiling of 3.26 percent applies. These savings bonds are redeemable on demand and the holder assumes no risk of market price depreciation.

It is highly desirable that the Treasury, in carrying out its financing operations, possess sufficient flexibility to offer new securities of longer term duration, to the extent market demand for such issues exists. For one thing confinement of new Treasury issues to securities of relatively short maturity exerts a strong inflationary impact because short-term securities are the next thing to cash and frequent refinancing creates an unsettled market that is disruptive of public confidence. Secondly, unless effective steps are taken to issue longer term securities, more and more of the debt will tumble into the short-term range. This topheaviness of the debt structure, by increasing the size and frequency of financing operations, can only serve to complicate debt management in the future.

The need for flexibility in debt management has important international as well as domestic ramifications. During the postwar years, the United States has come to occupy a position as the "world's banker." It has been aptly said that the dollar is the anchor of international financial stability and its soundness must be maintained to avoid serious repercussions throughout the free world. Foreign central banks, commercial banks, business concerns, and individuals hold more than $15 billion of short-term investments and deposits in the United States. Foreign holdings of short-term securities can be readily converted into demands for gold should there be a decline of confidence in our determination to manage our monetary affairs in a responsible manner. With such a large stake in the American economy held by these foreign investors, it is only natural that they should have great interest in the manner in which we conduct our fiscal and monetary affairs.

Opposition to removal of the interest rate ceiling is based largely on a lack of understanding of the role of money and interest rates in our free economy. As pointed out by the Secretary of the Treasury in his statement before the committee, the interest rate is the price of borrowed money. Consequently, interest rates tend to rise or to fall in keeping with forces working through the demand for credit and the supply of savings. Once this basic fact is understood, it is clear that legislative establishment of a ceiling rate for new issues of Treasury bonds cannot keep interest rates generally from rising when the market pressures that accompany prosperity tend to force rates higher. This is demonstrated by the fact that market yields on a number of issues of outstanding Government securities have already risen above the 4¼-percent level.

Moreover, as stated earlier, removal of the ceiling in itself would not cause market rates of interest to rise. It actually would

tend to result in lower rates of interest. This is because the inflationary consequences of heavy reliance on short-term Treasury financing inevitably tends to strengthen expectations of inflation. When lenders expect the value of the dollar to decline in the future, they are willing to extend credit only at rates sufficiently high to offset the expected erosion of the dollar. Also, borrowers are anxious to acquire credit, in order to repay the loans with cheaper dollars. Consequently interest rates tend to rise rapidly. In other words, the expectation of inflation breeds rising interest rates.

Advocates of low interest rates should support the Treasury position on this legislation. The Secretary of the Treasury testified before your committee outlining three positive steps to reduce the pressures tending to raise interest rates (see pp. 64–65, committee hearings) as follows:

"(a) Convert the Federal Government from a net borrower to a supplier of funds in credit markets by achieving a surplus in the budget * * * to result in a net supply of funds available for private borrowers, not a subtraction as is the case when the Federal Government borrows to finance a deficit.

"(b) Convince investors that the value of the dollar will be protected, thus removing the pressures for higher interest rates stemming from a conviction that further inflation is likely to occur * * * the most important single action would be a clear demonstration of the Government's determination to maintain fiscal and monetary discipline * * * and freedom for Federal Reserve authorities to pursue flexible monetary policies.

"(c) Provide the Treasury with sufficient flexibility for sound management of the public debt, so that a better balance in debt structure can be achieved—including larger amounts of longer-term securities outstanding—and so that bond markets will not become unsettled over such things as an impinging interest-rate ceiling."

Such a program is in essence the administration's legislative proposal, coupled with a timely admonition to end deficit financing.

A problem related to the ceiling on marketable bonds exists with respect to the ceiling on savings bonds. It may be parenthetically explained that the rationale for higher rates on regular marketable bonds than on savings bonds is the absence of comparable investor safeguards with respect to marketable bonds, the absence of any guarantee against price depreciation, and the fact that marketable bonds are not redeemable on demand.

There are upward of $50 billion in savings bonds now outstanding. During the past several months redemptions have exceeded sales. The net decline in savings bond holdings has added to the Treasury's refinancing problem. The higher returns promised by other types of savings and by equity investments have caused a shift from the savings bond market.

By proposing the repeal of the ceiling on savings bond interest rates, the Treasury is endeavoring to restore the program to the competitive status it held in 1952. Giving appropriate authority to the Treasury to do this is to keep faith with the Americans who have invested in the future of their country.

The crux of the problem confronting not just the Treasury Department but 177 million Americans would be met by providing the Secretary of the Treasury with the legislative authority needed to achieve a balanced debt structure and by our willingness to pursue responsible fiscal policies.

III. DISCUSSION OF EXISTING ALTERNATIVES

The gravity of the problem that confronts our economy can be highlighted by a discussion of alternatives to removing the 4¼ percent interest rate ceiling. The alternatives which are discussed below are: (A) selling new Treasury bonds at a discount from par, which effectively increases the yield to the investor; (B) confining all Treasury financing, both for new money and in refinancing maturing issues, to securities of less than 5 years' maturity; and (C) relying upon the Federal Reserve System to peg the prices of Government bonds so as to keep long-term interest rates at low levels.

A. Sale of bonds at discount

Since March 1942, the Treasury has had the right to offer securities at a discount from par. Thus, it is permissible under present statutory authority for the Treasury to issue a bond that is priced below par to yield a return to the investor above 4¼ percent. The Treasury is to be commended for its decision not to circumvent the statutory ceiling but to take the direct approach to the problem by requesting legislation to eliminate the ceiling. It would not be fitting, in our judgment, for this Nation to resort to what is in essence a subterfuge to avoid congressional action that, on its own merits, is highly desirable. It would tend to reflect on the integrity of our national credit in the minds of persons unsophisticated in matters of Government finance. The discount technique would not be satisfactory to an investor who sought current income. It would create an estate tax loophole in that securities bought by a person at a discount in contemplation of death could be turned in at face value to defray the estate tax liability.

B. Marketing only short-term securities

The second alternative to removal of the interest-rate ceiling is to confine all new Treasury issues to maturities of less than 5 years. This is highly undesirable for several reasons.

In the first place, approximately three-fourths of the marketable Treasury debt already matures in less than 5 years. Further net additions to this total can only serve to complicate debt management in the future. While prospects are that the debt will be with us for a long term, very little of the debt obligations are in long-term form. If new offerings should be restricted to the 1-year category through market conditions resulting from the failure of responsible legislative action, the debt due within 1 year by December 1960 will be almost $100 billion.

Second, short-term financing of the Government's needs, during a period of high and rising business activity, exerts strong inflationary pressures. Short-term securities are more attractive to commercial banks than are longer term issues. When banks purchase Government obligations, they generally create a new deposit by crediting the Treasury's account; this tends to result in an increase in the money supply. Excessive growth in the money supply, when economic resources are being used close to full capacity, adds to inflationary pressures and contributes to further erosion in the value of the dollar. Financing the Government with bank credit rather than real savings tends to this effect.

Moreover, short-term Government securities are but one step away from being money. Investors who own short-term Governments, but who desire to obtain cash for spending, can sell the securities in the market at only a slight discount, or they can simply wait for the securities to mature and demand cash from the Treasury. Stated differently, a large volume of short-term debt reflects a high degree of liquidity in the economy. And high liquidity, in turn, tends to bolster inflationary pressures during prosperity.

It is clear, therefore, that heavy reliance on short-term financing runs the serious risk of strongly encouraging inflationary pressures. The dollar has already depreciated in value by one-half during the past two decades. We cannot sit idly by and permit a further debasement of our currency.

Confinement of Treasury borrowing to short-term issues is undesirable for still other reasons. Under current conditions, with interest rates on securities of less than 5 years' maturity higher than those on longer term issues, complete reliance upon short-term financing adds significantly to the interest cost of the public debt. Only recently the Treasury, in a major refunding operation, offered investors a choice of a 12½-month note and a 4¾-year note; to attract investors, both securities had to carry interest rates of 4¾ percent. Under current conditions, short-term financing is not economical; it is very costly.

Furthermore, the confinement of new Treasury issues to the short-term is tending to overcrowd this already congested area of the credit market. By borrowing exclusively in the less than 5-year range, the Treasury competes directly with other borrowers that commonly raise funds in this sector of the credit market. This group of borrowers includes consumers, who borrow to finance purchases of automobiles, furniture, and other household durables. It includes business firms, acquiring funds to finance payrolls, inventories, and receivables. In particular, it includes small businesses, which acquire a large portion of the funds they need by borrowing from banks and other short-term lenders. Arbitrary confinement of Treasury financing to the less than 5-year area can only serve to restrict the availability of credit to these important borrowers.

C. Pegging of bond prices by the Federal Reserve System

The final alternative, suggested in certain quarters, is to force the Federal Reserve System to return to the discredited wartime practice of directly supporting the prices of Government bonds. This alternative would be even more inflationary than confining new financings entirely to short-term issues; it could, in effect, convert the Federal Reserve System once more into an "engine of inflation." The System, in supporting bond prices, would create large amounts of reserves for the commercial banking system. These reserves would provide the basis for a multiple expansion in bank loans, investments, and deposits, with highly inflationary consequences. Flexible administration of credit policies, which have been so important in promoting healthy recovery from the business recession and in preventing credit excesses from leading to unsustainable expansion, would be impossible.

A more detailed discussion of this proposal is set forth in part IV C of these minority views.

The alternatives existing under present law to the administration's legislative proposal are clearly not satisfactory substitutes for the straightforward repeal of the statutory rate ceilings. These alternatives are not conducive to maintaining public confidence; they are discriminatory; they tend to foster inflation.

IV. COMMITTEE APPROVED AMENDMENTS TO THE ADMINISTRATION'S PROPOSAL

The majority of the committee has refused to approve the simple, direct approach proposed by the administration, but has instead encumbered the original administration proposal with three major amendments which are unwise and which will tend to detract from the very public confidence that this legislation seeks to preserve. These amendments are inflationary in import and would serve to increase rather than decrease the cost of debt management. The majority approved amendments would—(A) necessitate a finding by the President that the national interest required that the retained interest ceilings be exceeded, (B) limit the

authority to 2 years, and (C) express the "sense of Congress" that the Federal Reserve should undertake to peg the price of Government bonds.

A. National interest finding

The committee bill, rather than removing the interest rate ceiling, authorizes the President to exceed the ceiling when he finds that such action is in the national interest. This action, as a substitute for congressional removal of the ceiling, carries the implication that, if this legislation were not passed, the President would be likely to approve an issue of bonds that was not in the national interest. We cannot believe that any President or any Secretary of the Treasury, be he Republican or Democrat, would knowingly pay a rate of interest higher than was required in the best interests of the Nation.

We have termed this amendment unwise because of our concern of a possible inference that a national emergency exists if it becomes necessary to exceed the statutory interest rate ceilings. It is submitted that this amendment will tend to undermine public confidence in such an eventuality. It is further submitted that this amendment will in no way contribute to lowering the cost of debt management but could conceivably add to it. The requirement that the President make a finding is meaningless in view of the fact that the President now personally approves all bond issues.

We are convinced this is an undesirable amendment, but if the majority of the committee believes that this amendment is meaningful, and believes that it is preferable to the forthright action of repealing the ceiling, the signatories of these minority views will offer no further objection.

B. Two-year limitation on authority

The 2-year limitation on the authority to exceed the interest ceilings represents an amendment to the original proposal which is highly objectionable and which should be deleted from the bill. Either this restriction is a forecast of economic recession within the next 2 years, under which conditions interest rates could be expected to decline, or it implies that the Government will, in the meantime, execute a significant shift in its economic policies. We submit that such a shift could only be in the direction of artificial and highly inflationary attempts to repress interest rates. The repercussions of such action on confidence in the dollar, both at home and abroad, could be grave and far-reaching. Moreover, such a time limitation, expiring in the summer of 1961, could impose a grave problem on any new President only a relatively short time after he has taken office.

The only circumstance under which this 2-year limitation could possibly be meaningful is if, in the meantime, the Federal Government could convert from a net borrower to a net supplier of funds through a program of substantial debt reduction and if the present trend in interest rates were to be reversed.

This change in the administration's proposal is cause for grave concern and it is the view of the undersigned that the 2-year limitation should be eliminated or the period of the limitation should be substantially extended.

C. Sense-of-Congress amendment

The so-called sense-of-Congress amendment, which was sponsored by our committee colleague, Mr. METCALF, expresses the sense of Congress with respect to future actions of the Federal Reserve System. This amendment would call upon the Federal Reserve, where feasible, to bring about monetary expansion by purchasing U.S. securities of varying maturities.

The first question that arises with respect to this amendment is whether it is permissive or mandatory. If it is simply permissive, as some of its advocate argue, then there is little reason for attaching it to important legislation on debt management. On the other hand, some of its advocates have in public utterances given the impression that it is intended to be mandatory. It is difficult for the undersigned to conceive that the amendment could be interpreted as wholly permissive in nature. After all, the Federal Reserve System is responsible to Congress; and surely an expression of congressional sentiment concerning the manner in which the System uses its statutory powers should be given considerable weight by Federal Reserve authorities.

To the extent that the amendment involves, in some degree, a directive to the Federal Reserve System, it is in effect an amendment to the Federal Reserve Act. Such legislation should, of course, originate in another committee of the House rather than the Committee on Ways and Means. If the amendment does partake of a directive, it deals with matters of sufficient importance to warrant an intensive study of all the pros and cons of the actions proposed; it should not be approved as a rider to other legislation.

Reduced to its essentials the Metcalf amendment gives lipservice to acknowledging the Federal Reserve System's primary responsibility of administering sound monetary policy and then expresses the sense of Congress that the System should act contrary to that responsibility by pegging the price of Government bonds. The attempt to provide just a little bit of support in the long-term bond market would inevitably lead in the long run to full-scale support or pegging. If the Federal Reserve signifies that it accepts some measure of responsibility for prices of long-term bonds, investors would tend to dump large amounts of bonds on the System in reaction to a disturbing trend in the bond market, to a prospect of higher return in other types of investment, and to the menace of inflation.

The inflationary implications of the Metcalf amendment can be exposed by reference to theory and by review of past experience.

The superficial rationale of pegging the price of Government securities is that by holding the central bank ready to provide a floor below which the prices could not fall, interest rates are prevented from rising. The nexus between pegging and inflation is that in the process of seeking to reduce interest rates to a predetermined level, the Fed would become a creator of bank reserves through security purchases. The expanding bank reserves would be the basis for inflationary credit expansion. The bank reserves would provide a basis for additional lending and investing by the banking system by an amount equal to nearly six times the increase in reserve balances. Inflationary increases in the supply of credit and money would be the price paid for attempted restraint of interest rate pressures; and inflation generates rising interest rates. The Secretary of the Treasury pointed out in the public hearings held by your committee that under the proposal to peg the Government bond market "the Federal Reserve System could indeed be transformed into an 'engine of inflation' rather than a responsible central bank attempting to promote sustainable economic growth."

Recent past experience with efforts by the Federal Reserve to peg the price of Government bonds has demonstrated the fallacy and danger in such an endeavor. The experience with the bond pegging technique between the end of World War II and 1951 found the purchasing power of the dollar index dropping from 130 to 90.7 (1947–49=100), gold moving abroad, and inflation accelerating. A study of this matter in 1950 by the Joint Committee on the Economic Report prompted the following statement in its report:

"The vigorous use of a restrictive monetary policy as an anti-inflation measure has been inhibited since the war by considerations relating to holding down the yields and supporting the prices of U.S. Government securities. * * * We believe that the advantages of avoiding inflation are so great and that a restrictive monetary policy can contribute so much to this end that the freedom of the Federal Reserve to restrict credit and raise interest rates for general stabilization purposes should be restored even if the cost should prove to be a significant increase in service charges on the Federal debt and a greater inconvenience to the Treasury in its sale of securities for new financing and refunding purposes."

Both in theory and by experience the concept of facilitating easy financing of deficits and minimizing the cost of large public debt by pegging bond prices has been discredited. The President in his message to the Congress of June 8, 1959 (the text of which is set out in full as pt. V–A of these minority views) warned against resort to such artificial devices when he said "any debt management device which would seek to interfere with the natural interaction of the competitive forces of our free economy and produce unnatural reductions in interest rates would not only breach the fundamental principles of the free market, but under current conditions could be drastically inflationary. The additional cost to the Government alone from increased prices of the goods and services it must buy might far exceed any interest saving. The ultimate harm to the entire Nation of such a price rise could be incalculable."

In the existing economic environment of high and rising business activity, the Metcalf amendment or any other proposal to peg bond prices could only bring about inflationary induced crisis and a cessation of economic growth.

The Metcalf amendment is destructive of public confidence in our Nation's will to avoid further erosion of the dollar. As Federal Reserve Board Chairman Martin said in commenting on the Metcalf amendment, it "will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter. We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible, as I did during the hearings (the full text of Chairman Martin's letter is set out in pt. V–C of the minority views)."

The last clause of the Metcalf amendment, which suggests that "the System should, where feasible, bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities," has been described as a congressional protest against the so-called bills-only policy of the Federal Reserve System. While the issue involved is much broader than this policy, it should be observed that very little of the deliberations of this committee dealt with the bills-only policy as such. Our deliberations were properly directed to the problems now confronting the Treasury, not with considerations that are properly the concern of other committees of the Congress.

But if this committee had delved more deeply into the nature of the so-called bills-only policy it might well have found that this operating technique of central banking—and it is no more than an operating technique—is not deserving of the criticism that some observers have placed on it. We might have concluded, for example, that Federal Reserve operations in long-term Government bond markets tend to give rise to wide swings in prices of such instruments.

And we might have found, in addition, that blind reliance on purchases of Government securities to provide for all future needed monetary growth might, at certain times, be much less effective than reductions in member-bank reserve requirements for the same purpose.

We have no set conclusions with respect to these questions. But we do feel that the issues involved are of sufficient importance that, if legislation of this type is to be enacted, it should be preceded by full-scale, intensive study by appropriate committees of the Congress. The issues involved are much broader and much more important that the bills-only policy as such. But, without any such thorough inquiry, the Metcalf amendment drives to the very heart of the question whether the Federal Reserve shall be permitted to use its statutory powers freely and flexibly to promote a sound monetary system or whether shortrun political considerations shall dictate the day-to-day operations of the central bank.

In our judgment, the economic success of this Nation is due in part to the traditional insulation of monetary management from the influence of political expediency. The Metcalf amendment, whether permissive or mandatory, represents an opening wedge for further congressional control over the day-to-day operations of the central bank. This sort of encroachment can only be viewed by responsible observers in this country and abroad as a breach of sound and tested principles of monetary management.

The motives behind this amendment are not difficult to identify. They stem directly from the criticism by certain people of the monetary policies recently pursued by the Federal Reserve authorities—policies which have been clearly demonstrated to have been in the public interest. During the past year recognized measures of output, employment, and income have advanced rapidly to record levels, yet the value of the dollar has remained stable. This, we submit, is ample evidence of the soundness of recent Federal Reserve policy. And it is ample evidence that we should act judiciously and without haste, on the basis of objective study of all of the issues involved, in considering legislation that may in any way impair the ability of the Federal Reserve to pursue flexible policies in the future.

It is the strongly asserted view of the undersigned that the Metcalf amendment would be damaging to any semblance of fiscal responsibility and it should be struck from the bill.

V. ADMINISTRATION POSITION

A. President's message to the Congress

THE WHITE HOUSE.

To the Congress of the United States:

Successful management of the debt of the Federal Government is one of the most important foundation stones of the sound financial structure of our Nation.

The public debt must be managed so as to safeguard the public credit. It must be managed in a way that is consistent with economic growth and stability. It must also be managed as economically as possible in terms of interest costs. The achievement of these goals is complicated today by several factors, despite the fact that U.S. Government securities are the safest investment in the world. Our growing prosperity, combined with Government programs to support mortgages and other types of debt obligations, has strengthened the position of these mortgage and other investments with which the Treasury must compete when it sells Government securities.

In addition, the rapid growth in borrowing demands of corporations, individuals, and State and local governments (which issue tax-exempt obligations) tends to diminish the amount of funds available for investment in direct Federal Government securities. Furthermore, the market for all fixed dollar obligations has been affected by a recent preference among some buyers for common stocks.

The achievement of a fiscal position that allows our revenues to cover our expenditures—as well as to produce some surplus for debt retirement—will improve substantially the environment in which debt management operates. Greater flexibility of debt management action is required, however, under present-day conditions if a reasonable schedule of maturities is to be maintained and the safeguards against inflation strengthened.

I am therefore asking the Secretary of the Treasury to transmit to the Congress today proposed legislation designed to improve significantly the Government's ability to manage its debt in the best interest of the Nation.

The legislation provides principally for—

(1) Removal of the present 3.26 percent interest rate ceiling on savings bonds. This, together with other changes, will reinvigorate the savings bond program.

(2) Removal of the present 4¼ percent interest rate ceiling on new issues of Treasury bonds. The present ceiling seriously restricts Treasury debt management and is inconsistent with the flexibility which the Secretary of the Treasury has on rates paid on shorter term borrowing.

(3) An increase in the regular public debt limit from $283 billion to $288 billion, and an increase in the temporary limit from $288 billion to $295 billion. These increases are essential to the orderly and prudent conduct of the financial operations of the Government, even with expenditures covered by revenues in the fiscal year 1960, as the budget proposes.

Savings Bonds

Removal of the present 3.26 percent maximum limit on savings bond interest, together with certain other changes, will permit the Treasury to improve the terms of savings bonds. This will strengthen the contribution of the program both to habits of thrift throughout the Nation and to a better structure of the public debt.

The Treasury is proposing the following revisions in the savings bond program, subject to approval of enabling legislation: A 3¾-percent interest rate to maturity for all series E and H savings bonds sold on or after June 1, 1959; an improved interest rate on all series E and H bonds outstanding and continued to be held; and improved extension terms for outstanding series E bonds when they mature.

Four and One-quarter Percent Maximum Interest Rate on New Bond Issues

There is no statutory maximum on the interest rate which can be paid by the Treasury for marketable borrowing of 5 years or less (bills, certificates, and notes). The Secretary of the Treasury should have similar flexibility with regard to Treasury bonds (which run 5 years or more to maturity).

The Treasury always tries to borrow as economically as it can, consistent with its other debt management objectives, but in our democracy no man can be compelled to lend the Government on terms he would not voluntarily accept. Therefore, when the Government borrows, it can do so successfully only at realistic rates of interest that are determined by the supply and demand for securities as reflected in the prices and yields of outstanding issues established competitively in the Government securities market.

I am aware of the fact that many proposals have been made which are designed to produce lower interest rates. However, any debt management device which would seek to interfere with the natural interaction of the competitive forces of our free economy and produce unnatural reductions in interest rates would not only breach the fundamental principles of the free market, but under current conditions could be drastically inflationary. The additional cost of the Government alone from increased prices of the goods and services it must buy might far exceed any interest saving. The ultimate harm to the entire Nation of such a price rise could be incalculable.

Market yields on a number of Treasury bonds are already above 4¼ percent. With one exception all bonds which have 5 years or more to run to maturity have market yields above 4 percent. The Treasury recently has done substantial short-term borrowing, but it must avoid undue shortening of the public debt and therefore should continue to sell intermediate and longer term bonds whenever market conditions permit. It should not be prohibited from doing so by the existence of an artificial ceiling which under today's conditions makes it virtually impossible to sell bonds in the competitive market.

Debt Limit

The Treasury's current estimates, assuming that revenues cover expenditures for the fiscal year 1960 as a whole, indicate the need for an increase in the regular (or permanent) statutory public debt limit from $283 billion to $288 billion. The $288 billion figure is $13 billion above the permanent limit of $275 billion in effect at the beginning of the fiscal year 1959. This $13 billion increase is approximately equal to the Federal Government deficit during the current fiscal year, as estimated in the budget submitted in January.

The Treasury expects the debt to approximate $285 billion on June 30, 1959, leaving about $3 billion leeway under the proposed $288 billion regular ceiling—a leeway which is essential to protect the Government in case of unforeseen emergencies and to provide necessary flexibility in debt management operations.

Even with budget receipts covering expenditures in the next fiscal year the debt is expected to rise considerably above $288 billion next fall and winter as the Treasury borrows to cover seasonal needs. This seasonal borrowing can then be repaid before the end of the fiscal year. I am asking, therefore, for a temporary increase of $7 billion in the public debt limit beyond the $288 billion permanent ceiling to cover those seasonal borrowing needs. This temporary limit would expire June 30, 1960, and can be reviewed prior to that time.

Certain other technical proposals to improve the management of the public debt are also included in the proposed legislation.

The enactment of this program is essential to sound conduct of the Government's financial affairs. It will contribute significantly to the Treasury's ability to do the best possible job in the management of the public debt. I urge, therefore, that the Congress give prompt consideration to this request.

There is another matter to which I wish to call your attention, quite apart from the legislative program discussed above. When I submitted my budget to you in January interest costs on the public debt for the fiscal year 1960 were estimated at $8 billion. The increase in interest rates that has taken place since that estimate was made is now expected to add about half a billion dollars to this figure.

At the same time, however, I am informed that, because of the strength of economic recovery and growth beyond our earlier expectations, our revenue estimates for fiscal

year 1960 will be sufficient to offset the increased interest cost on the public debt.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 8, 1959.*

B. Letter from the Chairman, Board of Governors, Federal Reserve System

BOARD OF GOVERNORS,
OF THE FEDERAL RESERVE SYSTEM,
OFFICE OF THE CHAIRMAN,
Washington, July 14, 1959.

Hon. RICHARD M. SIMPSON,
House of Representatives,
Washington, D.C.

DEAR MR. SIMPSON: This response to the request contained in your letter of July 13 puts in writing the gist of the comments I made in the executive session meetings of the Ways and Means Committee on the amendments to the legislative proposals originally offered by the administration.

It is my considered judgment we are facing a serious financial situation. The limitation on interest rates is unrealistic in the light of present market quotations and denies the U.S. Treasury the tools essential to effective balanced handling of its borrowing needs. By statute the Treasury is now limited, because of the ceilings, to the issue of short-term securities which under present conditions of rising prosperity is dangerous. These short-term obligations can readily be converted into money at the option of the holder. In effect, they are a substitute for money, and thus could swell the flow of money far beyond that needed to purchase available goods and services at current price levels. The threat of a money flow out of hand has a major impact on the cost of living and places a burden on all of us.

It serves no useful purpose at the moment to argue whose fault it is that we are in our present predicament. The fact of the matter is we are in it. The committee is not being asked to vote whether interest rates should or would go up or down, but merely to grant the Treasury authority to exercise its best judgment in meeting an existing problem. We are discussing a crucial matter—the credit of the United States. Failure to deal with this could (and I was careful not to threaten or assert that it necessarily would) have the most serious implications. It was my duty to warn of this, much as I disliked the task. These are the basic facts with which we were dealing and any amendments must be considered in this light.

The amendment to retain the statutory ceilings but permit them to be disregarded if the President found the national interest so required did not seem to me to present unworkable problems. Accordingly, I did not raise objections, although I prefer the original.

The "sense of the committee" amendment is quite a different matter. I object to this on principle. The Open Market Committee and the Federal Reserve Board are given the responsibility under the Federal Reserve Act for regulating the money supply. If the Congress wishes to spell out the means of doing this, it should amend the Federal Reserve Act and not tack this on to a debt management bill.

Furthermore, under present conditions, I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter. We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible, as I did during the hearings.

The amendment limiting the President's authority to 2 years is, in my judgment, unsound. It could be a source of embarrassment to both the next President and the then Secretary of the Treasury.

I have tried as faithfully as possible to summarize what I actually said during the hearings, and not to introduce new ideas. May I, in conclusion, thank you and all the members of the committee for the courtesy and consideration shown me and my associates throughout the meetings. I am taking the liberty of sending a copy of this letter to Chairman MILLS.

Sincerely yours,

WM. MCC. MARTIN, Jr.

VI. PRESS AND EDITORIAL COMMENT ON THE PRESIDENT'S DEBT MANAGEMENT PROPOSALS

June 2, 1959, Baltimore Sun: "Senator JOHNSON * * * pointed out that in the single showdown in which high interest rates had been at issue, the Senate majority, including a majority of Democrats, had voted to pay the rates demanded by the market. The pending bill had been a GI housing measure."

June 4, 1959, New York Times: "There could be serious trouble if the Government is foreclosed indefinitely from selling any security longer than 5 years to maturity."

June 5, 1959, Associated Press Business News Analyst Sam Dawson has written: "If the Treasury could sell more long-term bonds to investors and more U.S. savings bonds to individuals, it would tend to dampen the fires of inflation, since such money wouldn't be breeding new credit, as short-term Treasury bills do."

June 5, 1959, Baltimore Sun: "The Government has got to offer advantages or it just isn't going to get the lender's money. That is precisely the fix in which the Government now finds itself * * *. The alternative is some kind of strong-arm action comparable to a kingly commandeering of private property."

June 5, 1959, Wall Street Journal: "So just what kind of a fix do these Democratic Congressmen think the U.S. Treasury will be in if it is prohibited from paying more than 4.25 percent interest in a market that has a higher interest rate? It will be in the fix it is now in, only more so."

June 8, 1959, Baltimore Sun: "Senator DOUGLAS said this: "I believe in a competitive interest rate. I do not believe that the Government should artificially lower the interest rate." Without such flexibility, the Treasury will be forced to adopt inflationary expedients and the soundness of the dollar will be even more seriously threatened than it is."

June 8, 1959, New York Journal of Commerce: "A ceiling on borrowing cost can accomplish very little. * * * it would be extremely unfortunate for the economy if the Treasury had to continue to rely on the short-term securities with their inflationary effects just because the Congress adjourned without raising an interest ceiling that could be called at best an artificial barrier."

June 9, 1959, St. Louis Post Dispatch: "As with the ancient dream of eating one's cake and having it too, the hope of simultaneously enjoying the best of two possible worlds has a strong grip on some Senators and Representatives. They would like to enjoy both the full employment of boom times and the low interest rates of depression times. Who wouldn't? * * * What are the alternatives? The Federal Reserve System might be ordered to support the price of Government bonds, as it did during and after the war. But this is a proved way of creating inflationary pressures, since every dollar thus put into support buying adds something like $6 to the money supply."

June 9, 1959, Wall Street Journal: "Today when any man throws bricks at the hard-hearted advocates of hard money, he is in reality smashing the hopes of the common man and the dream of security in the pension society."

June 10, 1959, J. A. Livingston in Washington Post and Times Herald: "Congress has no alternative. It must grant Secretary Anderson freedom to finance in the open market. It will have to raise the interest ceiling on bonds above 4¼ percent—in case he has to use it. Anderson's fix is everybody's fix."

June 11, 1959, Sylvia Porter in Washington Star: "The saving bond program is being brought up to date and placed on a realistic interest rate * * *. The program is being given a new lease on life. It deserves it."

June 14, 1959, Paul Heffernan in New York Times: "President Eisenhower's proposals for raising the Federal debt limit and removing the ceiling on interest rates of Treasury bonds are viewed in the financial district as necessary moves for putting the Government's financial affairs in an up-to-date framework."

June 14, 1959, New York Times: "The ultimate effect of the ceiling's removal, declared Martin * * * would be not only to lessen the pressures that are pushing interest rates up, but to reassure savers as to the future value of the money they have put into interest-bearing investments."

June 15, 1959, Kansas City Star: "The dollar has been regarded throughout the world as a symbol of U.S. prestige and strength. We do not suggest, nor did Secretary Anderson, that other nations have already lost faith in either the dollar or in our Government. But it is only realistic to admit that because of our inflationary and fiscal difficulties, they are watching more closely than ever before."

June 16, 1959, Washington Daily News: "under present market conditions * * *. To get the money, the Treasury must resort to short-term bond issues * * *. But the repeated marketing of these short-term issues is expensive. Furthermore it unnecessarily disturbs the credit market where expanding industry also must go for funds * * *. The Democratic advisory council termed removal of the interest ceiling 'indefensible.' It said the action would have 'a damaging effect on small borrowers, States, municipalities, and homemakers.' It need have no such effect."

June 17, 1959, Wall Street Journal: "The past few days have brought into the open an attitude on the part of a number of influential lawmakers that is both disturbing and dangerous. This is an evident desire to return the Federal Reserve System to the business of pegging the Government bond market."

June 22, 1959, Wall Street Journal: "Thus it is quite possible that if the Government is forced, by a refusal of Congress to remove the ceiling, into nothing but short-term financing, its interest rate expense will become high rather than low."

June 25, 1959, Baltimore Sun: "The Democrats—in sharp contrast to the Republican minority on the Ways and Means Committee—haven't any well-formulated, concrete alternative proposal to offer the Treasury. * * * What the Democrats fear is that if they flatly brushed the President's interest proposal aside and drove the Treasury into the short-term market interest rates may go on rising anyhow. And thus in the coming presidential year they conceivably could be left with a woeful political headache on their hands: How to explain to the voters that they failed to stop interest from rising while forcing the Treasury to resort to inflationary short-term financing and a concomitant rise in living costs. * * * Some Congressmen have been told by the Treasury 'if you force us into the short-term market exclusively, you'll probably find the cost of the national debt rising even more than it has already risen.' "

July 1, 1959, J. A. Livingston in Philadelphia Bulletin: "First, Congress votes authority to Secretary of the Treasury Robert B. Anderson to increase the public debt from $285 billion to $295 billion. Then it fusses and fumes over the request to eliminate the interest rate ceiling of 4¼ percent on marketable bonds and 3.26 percent on savings bonds. How fit for a nursery rhyme:

"Congress may I go into debt?
Yes, Bob, name your target;
Borrow whatever you have to get,
But don't send bonds to market."

July 1, 1959, New York Times: "It is difficult to imagine that in a final showdown a majority of the Members of Congress, acting out of ignorance or ancient prejudice or pure partisan politics, should act to hamstring the Treasury * * *. Passage of this legislation is a difficult thing to ask of the Democratic leadership, but the very essence of leadership is assumption of responsibility on the tough ones."

July 3, 1959, Wall Street Journal: "Despite the political attractiveness of shifting any onus from Congress to the White House, these men apparently felt it was too inconsistent with their "liberal" reputations to do anything at all that might possibly seem to be for higher interest rates. So now all is in suspense while they try to work themselves out of their self-created dilemma."

July 6, 1959, Philadelphia Evening Bulletin (editorial titled "Sneaky Inflation"): "Nobody is for inflation so long as it is called by its right name. But let it be called 'expansion of the economy.' Or 'hold down the interest rates.' Or 'No bonus for bankers.' Then it's a different story. A great many people will enthusiastically back any of these appeals, happily unaware that they are helping to bring about the very thing they dread."

July 10, 1959, Wall Street Journal: "The implication is that the legal right to pay the market price for money is a sort of favor granted the President instead of being the only practical thing the U.S. Treasury, like any other borrower, can do."

July 10, 1959, New York Herald Tribune: "The House Ways and Means Committee * * * has coupled its action with a potentially damaging assault on the independence of the Federal Reserve Board."

July 11, 1959, Nat S. Finney in Buffalo Evening News: "Americans who buy on the time payment plan or have to borrow to tide themselves over 6-month emergencies will 'pay through the nose' if Congress refuses to remove a 30-year-old interest rate ceiling on longer term Federal bonds."

July 11, 1959, Washington Star: "When the Treasury Department announced this week that it would pay a near-record 4.728 percent interest rate on a $2 billion issue of 1-year, or short-term bills it was not 'setting' the highest rate in 38 years for the benefit of the Nation's bankers. Instead, it was borrowing money at the lowest price it could find—by competitive bidding in a free market that is governed by the nonpolitical law of supply and demand * * *. It is clearly 'in the national interest' for the Treasury to have greater flexibility in its debt management."

July 13, 1959, Harold B. Dorsey in Washington Post and Times Herald: "Of at least equal importance is the fact that the Treasury Department's demand for credit in the short-term market is making it more expensive and more difficult to finance the normal operations of business. Some of those who oppose lifting the interest rate ceiling on Government bonds are inconsistently in favor of cheap credit for individuals and small businesses. They would force the Government to compete with these individuals and small businesses for the available supply of short-term credit. The natural effect is a higher interest rate for everybody in the short-term and intermediate-term credit markets."

July 15, 1959, New York Times: "Is there a relatively painless way by which the Treasury could sell more long-term bonds without paying higher interest rates? Are there devices by which the Federal Reserve System, without pumping up the Nation's bank reserves and money supply to inflationary proportions, could help solve the Treasury's problem? A number of Democrats in Congress think the answer to both those questions is 'Yes' * * *. The idea is to have the Federal Reserve buy Treasury bonds from time to time, which it does not now do, while still fulfilling its 'primary mission' of a 'sound' monetary policy. This is to be the painless cure for the debt-management problem * * *. There is no easy way to beat inflation and still keep interest rates low at a time of boom in the economy. The Ways and Means Committee would do well to recognize that fact and strike the amendment from the bill."

July 20, 1959, The Washington Daily News: "Funny money is the problem in congressional maneuvering over interest rates. An insistent minority would run the printing presses to pay the Government's bills. * * * Present high living costs * * * are substantially the result of their work. * * * The printing press influence is obvious in the Ways and Means Committee suggestion * * *. Any such 'sense of Congress' as is proposed would advertise to the world that we haven't learned our lesson * * *. We hope that, whatever else Congress may choose to do about interest rates, it will eliminate this inflationary advice to the Federal Reserve."

July 25, 1959, Baltimore Sun: "The present management of the Federal Reserve System is very much against trafficking in Federal bonds.

"* * * The Government's credit is measured in the ultimate by its bonds. For the Federal Reserve to buy these bonds would, the Reserve feels, inject artificial and distorting pressures into the market. * * * the Federal Reserve System's resistance is clearly on a keep-the-camel's-nose-out-of-the-tent basis."

July 26, 1959, J. A. Livingston in Washington Post, Philadelphia Bulletin, and other newspapers: "Both the Reserve Board and Secretary of the Treasury Anderson consider the amendment misleading and inflationary. It implies that the Reserve will become a backdoor printing press for the Treasury. The vote on this will disclose the inflation and anti-inflation lineup in Congress."

July 27, 1959, the New York Times: "The independence of the Federal Reserve System, for example, is a far more vital issue than a change in the Government bond ceiling that could well prove of theoretical more than practical significance. There are other fiscal and monetary issues that are far more important.

"It is to be hoped that the administration, in seeking to end the illogical interest rate ceiling on Government bond offerings, will not be willing to pay too high a price for something that promises to have limited practical value, at most, at this time."

VII. STATEMENT OF MINORITY POSITION

In these minority views consideration has been given (1) to the nature of the problems confronting the Treasury Department that tend to complicate flexible management of the public debt, (2) to the existing alternatives to legislative action, and (3) to the implications of the committee amendments to the administration proposal. It is the opinion of the undersigned that this consideration of the factors involved makes it abundantly clear that the original proposal made by the administration is the only proper action for Congress to take.

Congressional approval of the administration proposal would—

1. Permit the Treasury to have flexibility in debt management and thereby to minimize inflationary consequences of Government financing.

2. Enable the Treasury to effect its financing in the most economical manner possible, because such financing would not be confined to the congested short-term area in which interest rates are currently higher than in the long-term market.

3. Maintain confidence in the dollar, both here and abroad, by demonstrating clearly that the Federal Government is determined to act responsibly in conducting its financial affairs.

4. Keep faith with purchasers of savings bonds by paying a more nearly competitive yield on their investments in America's future.

Inflation continues to be our Nation's most serious domestic problem. Inflation causes debasement of the dollar and deters economic growth. As Mr. Raymond Moley has described it:

"Inflation is the prescription for bureaucratic tyranny * * * thwarts the individual's means of self-help and personal security by withering his savings and the value of his income * * * transforms the normal transactions of business into speculative gambles, especially for small businesses * * * spawns demagogs to make the processes of politics and government a compound of false promises, deceptions, hidden taxes, and worthless benefits * * * rots the fabric of constitutional government. * * * The Nation's credit is the final, ultimate sacrifice. This means economic disaster * * * eagerly awaited by communism."

If as a nation and as individuals we would avoid such consequences, we must be willing to deal straightforwardly with the causes of inflation. One of the most important steps we can at this time take in the direction of curbing the pressures of inflation is to deal honestly and realistically with governmental fiscal affairs.

Accordingly, we are unalterably opposed to the amendments that have been approved by the majority; they are inflationary, destructive of public confidence, and defeating of economy in debt management.

In these minority views we have pointed out how the majority-approved amendments would imply, if not compel, "printing press" financing of the costs of Government, would lead to the conclusion at home and abroad that further erosion of the dollar was inevitable, and would result in higher interest rates and debt costs. We have pointed out the adverse consequences such events would have on our Nation's economic strength; which we submit is as vital to our survival in the long run as military strength. Our Nation is not immune to the experiences and examples of history. If we would continue to be great, we must avoid the errors that have destroyed other once-great nations.

The issue that is before the Congress in the bill H.R. —— is as serious and far-reaching as any matter that has confronted this Nation in recent times. It must be decided on its true merits without resort to expediency or regard for partisanship. The decision that is reached will importantly influence the future course of the United States and, indeed, of the free world. As has been said, "The vanishing respect for private property is intimately related to our laxity about the integrity of money. A free society can only stand on firm and durable foundations."

Opposition to the administration's proposal to repeal the statutory interest rate ceilings has been expressed in terms of the proposal being a green light to rising interest costs. We submit that we have in these

minority views refuted that allegation and in fact have proved that on balance the administration proposal will be conducive to lower interest rates and reduced cost of debt management.

Interest yields on long-term Government securities are higher today in the United States than at any time since the 1920's except for a brief period in the early 1930's. Despite this fact they are still among the lowest in the world. In Canada long-term Government-bond yields average approximately 5 percent and in the United Kingdom they have been as high as 5½ percent in the past 2 years. Two factors that must be evaluated in viewing current interest rate levels are (1) that interest income on U.S. securities issued since February 1941 have been fully taxable whereas prior to that time interest income from comparable rates was partially tax exempt including such income in 1918, at the time the 4¼-percent ceiling was established; and (2) that income tax rates today are substantially higher than they were in 1918 or almost any intervening period so that effective interest rates are considerably lower than the actual rates.

It will be the purpose of the undersigned during the House floor consideration of this legislation to seek to correct the shortcomings in the bill H.R. —— as they have been outlined in these minority views. We respectfully submit to the membership of the House our objections could be met by the passage of legislation containing the substantive provisions of H.R. 8304.

The Treasury must be given continuing and full access to the long-term investment market. The signatories to these minority views will work to that end during the floor consideration of the committee bill. If the rule under which the committee approved legislation is being considered permits, we will offer perfecting amendments to the bill; short of success in this endeavor, our motion to recommit will contain the substantive provisions of the Simpson bill, H.R. 8304, embodying the administration's recommendation. A summary of the provisions of the bill H.R. 8304 follows:

(1) Short title: The first section provides that the bill may be cited as the "Public Debt Management Act of 1959." This is similar to the comparable section of the committee bill.

(2) Section 101: This section would amend the Second Liberty Bond Act to eliminate the 4¼-percent interest rate ceiling on Government bonds having a maturity of more than 5 years.

(3) Section 102: This section would amend the Second Liberty Bond Act to eliminate the 3.26 percent ceiling on savings bond yields on outstanding and new bonds and certificates, to remove the 20-year and 10-year maturity limits applicable to bonds and certificates, respectively, and to permit greater latitude in the extension periods for holding series E and H savings bonds. Subsection (b) continues the treatment under existing law providing that increases in redemption value are to be included in gross income when the obligation is redeemed to the extent not previously includible.

(4) Section 103: This section would amend section 22(1) of the Second Liberty Bond Act to provide that "qualified" paying agents and Government paying agencies would not be liable after 10 years for erroneous payments in redemption of savings bonds unless notice of liability has been given or the agent has assumed unconditional liability to the United States. This is similar to a section in the committee bill.

(5) Section 104: This section would amend applicable statutory provisions to allow specified Government trust funds to acquire obligations of the United States on original issue at the issue price instead of at par (as required under present law). This is similar to a section in the committee bill.

(6) Section 105: This section would amend section 3701 of the Revised Statutes of the United States to clarify the exempt status of securities of the Federal Government with respect to State and local tax laws. This is similar to a section in the committee bill.

(7) Section 106: This section would provide an effective date of June 1, 1959, for section 102.

(8) Section 201: This section would permit the Secretary of the Treasury to designate certain exchanges of Government securities upon which recognition of gain or loss would be deferred for Federal income tax purposes. The amendment made by section 201 also contains provisions relating to the application of section 1232 of the Internal Revenue Code of 1954 relating to original issue discounts. A special rule is provided to eliminate the possible creation of original issue discount in the case of exchanges of transferable Government securities. This is similar to a section in the committee bill.

(9) Section 202: This section would conform the Public Debt Act of 1941 to accord with the amendments of the Internal Revenue Code proposed in section 201. This is similar to a section in the committee bill.

(10) Section 203: This section would provide an effective date for sections 201 and 202 so as to make the amendments applicable to taxable years ending after the date of enactment of the act. This is similar to a section in the committee bill.

We urge our colleagues in the House who would preserve our Nation's fiscal strength and foster its economic growth to support our endeavors. On the success of our efforts may depend the continued existence of our free enterprise society.

RICHARD M. SIMPSON, NOAH M. MASON, JOHN W. BYRNES, HOWARD H. BAKER, THOMAS B. CURTIS, VICTOR A. KNOX, JAMES B. UTT, JACKSON E. BETTS, BRUCE ALGER, ALBERT H. BOSCH.

Mr. Speaker, the Republican members of the committee continued their efforts to have responsible action taken on this legislation and to have the majority approve the administration's proposal. On July 16, 1959, I issued a press statement in which I called on the Democratic leadership to lend its support to this proposal. In that statement I said the following:

The Honorable RICHARD M. SIMPSON, Republican, Pennsylvania, ranking Republican member of the Committee on Ways and Means, today charged that the failure of the House Democrat leadership to clear for House consideration President Eisenhower's legislative recommendations concerning Government interest rates is a political act that threatens our national credit and impairs the ability of our Federal Government to fulfill its obligations to our citizens.

Congressman SIMPSON characterized the Democrat failure to act as another example of the Democrat leadership's inability to provide responsible legislative guidance. He said, "The Democrat Party is seeking bigger and better ways of spending more and more of the taxpayer's dollars while turning its back on measures that would bar inflation and preserve the purchasing power of our citizen's income and savings." Mr. SIMPSON asserted that the Democrat delay has already added to the cost of debt management as evidenced by the rising yields on weekly issues of Treasury bills during the prolonged period that the Committee on Ways and Means has been working on this legislation on an on-again off-again basis.

Mr. SIMPSON called on Democrat leadership to stop straddling the political fence and deal forthrightly with this important problem without further delay. He asserted that the cleavage in the ranks of the Democrat majority had prompted the majority leadership to sit on the legislation while casting about for an escape hatch from reality.

Mr. SIMPSON pointed out that financial writers and experts are virtually unanimous in recognizing the need for the legislation as recomended by the President. Long-term financing of our huge public debt would tend to ease money problems of small business and other short term private borrowers and would be less inflationary than the methods of debt management that would follow from Democrat inaction.

Congressman SIMPSON said, "The administration has shown the way to fiscal responsibility. All that remains is for the Democrat leadership to make the difficult political decision to be fiscally responsible and support the passage of this urgent legislation."

Mr. Speaker, when that stalemate continued and no further committee action had occurred since July 8, the Republican members of the Committee on Ways and Means joined in addressing a letter under date of July 22, 1959, to the Speaker of the House of Representatives calling on him to lend his support to our endeavors to have this legislation reported to the House for consideration. The text of that letter which was signed by all the Republican members of the committee along with a statement I issued on July 23, 1959, follows:

The Honorable RICHARD M. SIMPSON, Republican, of Pennsylvania, ranking Republican member of the House Committee on Ways and Means, today announced that the 10 Republican members of the House Committee on Ways and Means have acted unanimously to urge the House Democratic leadership to permit consideration of the administration's request for legislation to facilitate the most economical and efficient management of the public debt.

It will be recalled that on June 8, 1959, the President transmitted to the Congress a request for legislation removing the statutory ceilings on rates of interest on Government securities. The Republican members of the committee in their concern over the gravity of the fiscal problems confronting the United States joined in addressing a letter to the Speaker of the House urging that he bring the prestige and persuasion of his office to ending the existing stalemate that has caused this legislation to be bottled up in committee for more than 6 weeks.

The administration proposal has received the overwhelming support of financial writers and monetary experts. These writers and experts have pointed out the danger inherent in not acting promptly to deal forthrightly with the present situation. They have also referred to the serious trouble that could result from preventing the Federal Government from marketing bonds with maturities in excess of 5 years. Under existing law the statutory interest rate ceiling does not apply to bills, notes, or certificates having a maturity of 5 years or less. To limit the Federal Government to the short-term money market would force the Government to compete for credit and savings in the same market that small business and consumers resort to for financing business expansion and consumer articles such as automobiles and household appliances. Failure to act favorably on this legislation would add substantially to the credit problems of the small businessman and the American public.

The text of the letter to the Speaker follows:

JULY 22, 1959.

The Honorable SAM RAYBURN,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: The President of the United States sent a communication to the Congress on June 8, 1959, outlining a legis-

lative program to assist in the successful management of the debt of the Federal Government. Included in the program set forth by the President were proposals for removing the present 3.26-percent interest rate ceiling on savings bonds and for the removal of the present 4¼-percent interest rate ceiling on new issues of Treasury bonds.

In his communication the President stated: "The public debt must be managed so as to safeguard the public credit. It must be managed in a way that is consistent with economic growth and stability. It must also be managed as economically as possible in terms of interest costs. * * * The enactment of this program is essential to sound conduct of the Government's financial affairs."

Since the transmission of this communication on June 8 the Committee on Ways and Means has held 3 days of public hearings and has met in executive session many times. Through the able and constructive participation by the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System in the work of the committee we have obtained answers to the policy questions raised in regard to this proposal. The Committee on Ways and Means has focused its attention to the exhaustive consideration of all aspects of this legislative request.

We are confident you are mindful that the United States is now confronted with a serious fiscal situation. This situation has the gravest import in its domestic and international implications with respect to confidence in the soundness of the dollar. The delay that has occured to date in bringing this legislation before the House has created market uncertainties which have contributed to increasing the cost of the public debt.

We are addressing this letter to you with a copy to Chairman MILLS in view of press statements attributed to you to effect that the legislation will not receive House consideration in the absence of administration concurrence in the amendments tentatively approved by the majority members of the committee. We are confident that the Committee on Ways and Means would complete its action on this legislation if you would indicate your willingness to have the matter presented to the House. It is essential that the House be allowed to work its will by the action of the entire House membership.

The 10 Republican members of the Committee on Ways and Means pledge their wholehearted support to the administration proposed legislation on this subject. We firmly believe that at least 140 Republicans in the House would vote in favor of the administration's request. Our party's membership in the House of Representatives is willing to accept the responsibility for removing the statutory ceilings on interest rates for Government securities to facilitate the economical management of the public debt. If no House action is taken on this legislation, the Democratic majority in the House must accept the responsibility for the consequences of failure to act. The soundness of our Nation's currency and the integrity of our Nation's credit are at stake.

One of the objectives to be accomplished by the enactment of the legislation urged by the administration is to make it clear that the U.S. Government fully intends to manage its monetary affairs in a sound and responsible manner. It is essential if we are to avoid catastrophic aftermaths that we retain the confidence at home and abroad in the fiscal strength of the United States.

During its deliberations on this legislation the majority members of the Committee on Ways and Means have tentatively approved two amendments to the bill which in our judgment could impair that confidence and interfere with efficient debt management. One of these amendments would limit for an effective period of 2 years the authority to exceed the interest rate ceilings. This amendment could be construed to indicate an expectation that there will be a contraction in America's economic expansion by that time. Such an interpretation would not be conducive to the building of public confidence. We cannot agree that such a contraction in economic growth is inevitable in the next 2 years.

The second amendment to which we object would express the sense of Congress that the Federal Reserve System should return to the discredited wartime practice of supporting the price of Government bonds. As evidenced by comments on the floor of the House by members of your own party, there is confusion as to whether this amendment would be mandatory or permissive on the Federal Reserve System. Regardless of its intent in this respect, its inflationary implications would tend to destroy the public confidence we seek to maintain.

These amendments would be injurious to proper debt management and would tend to deprive the Federal Reserve System of the discretionary flexibility in monetary affairs that the Congress has historically recognized the need for it to have. We are categorically opposed to any amendments that would serve to destroy the very public confidence that we are seeking to protect by this legislation.

The administration's request is already in legislative form and is pending in the House of Representatives as set forth in a bill, H.R. 8304, introduced by the ranking Republican member of our committee. While we are opposed to any amendments that have been considered to date to the administration's request, we are firm in the conviction that legislation dealing with this subject should and must be considered in the House of Representatives.

Accordingly, we respectfully request your support of our endeavors to have prompt House consideration of legislation dealing forthrightly with this important fiscal problem.

Sincerely yours,

RICHARD M. SIMPSON, NOAH M. MASON, JOHN W. BYRNES, HOWARD H. BAKER, THOMAS B. CURTIS, VICTOR A. KNOX, JAMES B. UTT, JACKSON E. BETTS, BRUCE ALGER, ALBERT H. BOSCH.

Mr. Speaker, the Speaker chose to characterize this sincere pledge of support by the Republican members as a "political play" and because of the statement he issued to the press, I felt called upon to set the record straight making it clear that our motivations were not political in nature but instead were intended to give him encouragement to provide the necessary leadership to bring this legislation before the House. In my statement responding to the charge I said the following:

The Honorable RICHARD M. SIMPSON, Republican of Pennsylvania, ranking Republican member of the House Committee on Ways and Means, today expressed regret that the Speaker of the House of Representatives had unwarrantedly chosen to characterize as a "political play" the pledge of support from the 10 Republican members of the Committee on Ways and Means to assist in obtaining favorable House action on the administration's request for legislation to remove statutory interest rate ceilings to facilitate economical public debt management.

Mr. SIMPSON stated that the Speaker's reaction to the Republican joint letter of July 22, 1959, is an indication of the Democratic House leadership's vulnerability to the charge that if the Democratic leadership continues to thwart House action on this measure "the Democratic majority in the House must accept the responsibility for the consequences of failure to act" on a measure that involves the soundness of the Nation's currency and the integrity of the Nation's credit. Mr. SIMPSON noted that while neither he nor any other Republican member of the Committee on Ways and Means had received a reply from the Speaker to their letter of July 22, the Speaker had claimed in a press statement "the leadership of the Congress and the Democratic members of the Committee on Ways and Means are seeking a solution to this problem." Mr. SIMPSON acknowledged encouragement from the fact that the Democratic House leadership recognized the matter as a problem, but he said "I find difficulty in reconciling that statement by the Speaker to a press statement of July 16, 1959, attributed to the Speaker saying 'we can sit here and wait'."

Mr. SIMPSON said that one of the considerations that had prompted the committee Republican members to urge action on this important legislation is their concern that the Democratic House leadership had decided to sit and wait in taking action on this important measure in the same way the Democratic leadership has been sitting and waiting on effective farm legislation, a suitable housing bill, and a labor bill that will protect the rights of all American citizens. He went on to say, "The Democratic leadership in the Congress seems to have effectively adjourned the Congress without the awareness of the Members."

Mr. SIMPSON said, "I presume if and when the Democratic House leadership makes its decision as to what is good for the Nation with respect to public debt management, it will permit the entire House membership to vote on legislation meeting the approval of that leadership without regard to the President's recommendation."

Mr. SIMPSON noted that the Speaker's criticism of the Federal Reserve Board was totally unwarranted and constituted a rebuke by a highly placed Government official of other Government officials who are earnestly doing their patriotic best to fulfill their responsibility as prescribed by law.

In connection with his statement Congressman SIMPSON released the text of a letter he had received from the Honorable William McChesney Martin, Chairman of the Board of Governors of the Federal Reserve System on the Democratic proposed amendments to the administration's legislative proposal.

The complete text of Mr. SIMPSON's statement follows along with the text of Mr. Martin's letter:

"TEXT OF THE STATEMENT BY THE HONORABLE RICHARD M. SIMPSON

"I sincerely regret that the Speaker of the House of Representatives has unwarrantedly chosen to characterize as a 'political play' the pledge of support from the 10 Republican members of the Committee on Ways and Means to assist in obtaining favorable House action on the administration's request for legislation to remove statutory interest rate ceilings to facilitate economical public debt management.

"It is a matter of public record that a substantal cleavage exists among House Democrats on this legislative proposal and our pledge of unanimous support by Republican committee members and the expression of expected support from at least 140 Republican Members of the House were intended to give encouragement to the House Democratic leadership to break the existing stalemate and deal forthrightly with this important issue involving confidence in the soundness of our dollar and in the integrity of our credit.

"While neither I, nor to my knowledge any other Republican member of the Committee on Ways and Means, has received a reply from the Speaker to our letter of July 22, the Speaker apparently has said to the press that

'the leadership of the Congress and the Democratic members of the Committee on Ways and Means are seeking a solution to this problem'. I am encouraged that the Democratic House leadership has recognized and is seeking a solution to this problem, but I find difficulty in reconciling that statement by the Speaker with a press statement of July 16, 1959, attributed to the Speaker saying 'we can sit here and wait.'

"One of the considerations that weighed persuasively with the Republican membership of the Committee on Ways and Means in urging the Speaker to end the committee bottleneck was our concern that the Democratic House leadership had adopted a sit and wait policy on this important matter in the same way that the Democratic leadership has been sitting and waiting on effective farm legislation, a suitable housing bill, and a labor bill that will protect the rights of all American citizens. The Democratic leadership in the Congress seems to have effectively adjourned the Congress without the awareness of the Members. I presume if and when the Democratic House leadership makes its decision as to what is good for the Nation with respect to public debt management, it will permit the entire House membership to vote on legislation meeting the approval of that leadership without regard to the President's recommendation.

"The Speaker has unjustly expressed criticism of Federal Reserve authorities. This criticism is totally unwarranted and constitutes a rebuke by a highly placed Government official of other Government officials who are earnestly doing their patriotic best to fulfill their responsibility as prescribed by law. The Speaker in seeking to cast responsibility for this Democratic-caused stalemate on the Federal Reserve authorities is criticizing recognized monetary authorities who are conducting themselves with impeccable propriety on this important issue. In his criticism of the Federal Reserve the Speaker seems unmindful of the virtually unanimous criticism expressed by financial writers of the amendments tentatively approved by the Democratic majority on the Committee on Ways and Means. An example of such criticism appears in the July 13, 1959, publication of Aubrey G. Lanston & Co., Inc., who are foremost specialists in Government securities. An excerpt from the publication states the following with respect to the amendment which would require the Federal Reserve to peg Government bond prices:

" 'Some things, however, are clear. The management of money, credit, and debt is an art the practice of which is replete with complexities. The means by which these arts are practiced very definitely are not matters in which Congress can afford to meddle whimsically or for purposes of advancing partisan objectives. The manner in which, and the methods by which Federal Reserve open-market operations are conducted may not be subjected to black-and-white analyses. But, certainly, the national interest dictates that the choice of methods be left to the experts, and that the actual decisions with respect to these matters be left to the experts who are charged with the responsibility. Certainly, too, Federal Reserve officials know better than the House Ways and Means Committee what the Fed can and cannot do in the Government market if the public interest is to be served.'

"The Speaker in stressing what he interprets as the permissive character of the proposed amendment also seems unmindful of statements made on the House floor by Democratic House Members indicating that perhaps the amendment would be mandatory on the Federal Reserve.

"On July 13, 1959, I addressed a letter to the Chairman of the Board of Governors of the Federal Reserve System, the Honorable William McChesney Martin, Jr., at the request of several members of the Committee on Ways and Means asking the Chairman to evaluate the amendments that had been tentatively adopted by the House committee majority. Because I was uncertain as to the scheduling of subsequent activity by the committee on this legislation, I asked that Chairman Martin expedite his reply. His answer contained nothing that he had not previously brought to the attention of the committee before the Democratic majority had approved these amendments. I consider that his answer contained his earnest and patriotically expressed views on this very serious matter.

"In view of the aspersions that have been cast upon the Federal Reserve authorities, I feel it only proper that the text of Chairman Martin's reply to me should be released at this time. It is appropriate that the American people should be permitted to judge whether he is acting as an obstructionist as has been alleged or instead is constructively working as a responsible Government official who is knowledgeable in monetary affairs to find a correct solution to a very grave national issue."

(For the text of Mr. Martin's letter see part VB of the foregoing minority views.)

Mr. Speaker, in a further endeavor to have a satisfactory legislative proposal developed by the Committee on Ways and Means for presentation to the House on August 3, 1959, I addressed a letter to the chairman of the Committee on Ways and Means at the direction of the Republican membership of the committee stressing our conviction of the urgency that adequate legislation be approved by the committee so that the House could work its will with respect thereto. The text of that letter is as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 3, 1959.

The Honorable WILBUR D. MILLS,
Chairman, Committee on Ways and Means, U.S. House of Representatives.

DEAR MR. CHAIRMAN: This letter is addressed to you at the direction of the entire Republican membership of the Committee on Ways and Means.

The statement you made to the committee in executive session on the afternoon of Thursday, July 30, 1959, relative to the uncertain prospects for effective committee action on interest rate ceiling legislation has occasioned this letter.

I believe you are aware of our respect for the prerogatives of a committee chairman and particularly our very genuine respect for you and the office you now so ably hold as the chairman of our committee. As our committee colleague and as our chairman you have consistently performed your responsibility with fairness and judgment in such a way as to bring credit to the entire committee membership. On several occasions you have done this under the most difficult circumstances as may now be the case.

Therefore, it is with unwillingness that the minority finds itself obligated to insist that the Committee on Ways and Means be given prompt opportunity to conclude committee action on legislation dealing with the repeal of the statutary ceilings on marketable bonds and on series E and H bonds. The Republican membership of the Committee has instructed me to request that you schedule action on the legislative matter at the earliest possible opportunity.

In a technical sense the bond interest rate ceiling legislation has not been approved by the committee, but we have assuredly reached the point where one or two more meetings would bring us to that position. I am confident that if you will consent to the scheduling of such a meeting, we can by majority action favorably approve legislation that will properly deal with this important national problem. Our committee's responsibility to the House precludes delaying our legislative action on the relatively simple interest rate question by concern with extraneous considerations, that may or may not have merit, which are within the jurisdiction of another House committee.

You are fully cognizant of the importance of public confidence in maintaining the fiscal stability and economic strength of our Nation. The attitude of stalemate and indetermination that has developed on this legislative issue is not conducive to a continuation of that confidence. This is particularly so when it is considered that the recommendation has been pending before the Committee on Ways and Means for 8 weeks with Senate action still to be accomplished and with the prospect of adjournment in the next few weeks.

I have been instructed to inform you of our conviction that this matter is so urgent we feel constrained to use every appropriate parliamentary recourse available to have it considered.

Please be assured of my desire to cooperate with you and to be of any assistance that I can in the performance of your very great responsibilities as chairman of the Committee on Ways and Means. I have written this letter with the utmost reluctance but the consequential character of the issue involved would have made me derelict in my duty if I had not done so.

Sincerely yours,

RICHARD M. SIMPSON,
Member of Congress.

Mr. Speaker, on August 12, 1959, the Committee on Ways and Means finally returned to the consideration of the administration's legislative recommendation on this subject. It will be remembered that the last previous meeting had been on July 8 at which time a proposal had been approved. In the period that intervened between the transmittal of the President's recommendation on June 8 until the committee met on August 12, I had introduced two bills—H.R. 7964, introduced June 24, 1959, and H.R. 8304, introduced July 20, 1959—which embodied the administration's recommendations in this area.

On August 12, 1959, the committee voted to rescind the approval it had given to a proposal on July 8, 1959. The action on August 12 resulted in the approval of a bill that would for 3 years from the date of enactment authorize the President to disregard the retained statutory interest ceilings if he found that the national interest so required. In addition, this legislation contained a "sense of Congress" expression that was not as objectionable as the one contained in the earlier proposal that the Committee had approved. My distinguished committee colleague from Virginia [Mr. HARRISON] and I joined in introducing legislation carrying out the committee's decisions, H.R. 8637 and H.R. 8638.

Today, 1 week later, the committee rescinded that action and, as I have previously indicated, voted to suspend any further committee consideration of this subject during this session.

Mr. Speaker, it is clear that the responsibility for this failure to act rests solely upon the Democratic Party in the

House of Representatives. The Democratic Party has led the committee up the hill and back down the hill twice in agreeing and disagreeing on what needs to be done on this vital subject.

The consequences of failure to take responsible action in giving the administration the tools necessary for proper debt management will mean that the holders of Series E and H savings bonds will not receive the return on their investment to which they are entitled. The failure to act will mean that the Federal Government will be compelled to finance its debt in the short-term market in competition for borrowed funds with our consumers, our small businessmen and certain State and local governmental activities.

The failure to act will mean rising cost of debt management. The failure to act may mean a further erosion of the purchasing power of our dollar and a loss of public confidence in our Nation's credit.

Mr. Speaker, following the committee action of August 18 suspending further consideration of this bill, I issued a statement in which I said the following:

The following statement was issued by the Honorable RICHARD M. SIMPSON, ranking Republican member of the Committee on Ways and Means, following action by the Democratic majority of the committee suspending, for the remainder of this session, any action on the administration's recommendation for legislation repealing the interest rate ceilings on Government bonds:

"The action of the Democratic majority of the Committee on Ways and Means in reneging on the committee's previous action approving modification of statutory interest rate ceilings so as to facilitate efficient and economical public debt management is an action of incredible folly and is a tragic example of the Democratic Party's program of Government by default.

"The majority members of the Committee on Ways and Means apparently joined with the Democratic House leadership in making effective a decision to bottle up in committee legislation requested by the President that was designed to keep faith with purchasers of E and H savings bonds and other investors in America's future.

"The Democratic majority has led the Congress and indeed the Nation up-and-down the hill twice in its stop-and-go machinations on this vital issue affecting the soundness of our dollar and the integrity of our Nation's credit. Twice the committee has given approval to legislation dealing with this problem only to have the committee Democratic majority later reverse the committee action. These reversals have occurred, not because of any change in circumstance to make the legislation unnecessary, but instead are solely attributable to a Democratic default in leadership and a willingness to jeopardize the fiscal stability and economic growth of our Nation.

"The Democratic membership in Congress is in default by trying to rehash a housing bill that has already been pronounced extravagant and unsatisfactory; the Democratic majority is in default by ignoring the needs of the farmer; that majority is in default by its opposition to effective labor legislation to protect the public and the union members which the House passed over substantial Democratic opposition; now that majority has defaulted on its responsibility to support legislation that would provide for the efficient and economical management of the public debt—a debt that Democratic membership did so much to help create.

"This Democratic on-again off-again opposition is the height of fiscal irresponsibility and bodes evil for the confidence of the people, at home and abroad, in the soundness of our fiscal structure. Failure to act on this legislation in this session of Congress will be an invitation to unrestrained inflation; failure to act will mean the Federal Government will have to borrow in the short-term money market in competition with State and local governments, businesses, and consumers. The cost of such borrowing will tend to force the cost of short-term money up and will tend to thwart economic growth.

"For the welfare of our Nation and the economic growth of our Nation, it is to be hoped that the Democratic leadership will reverse itself a third time—and soon—to report this urgent legislation to the House. It is 'must' legislation for this session."

Mr. Speaker, this is not a partisan issue. It is a matter of the Congress facing the fiscal facts of a $285 billion public debt, of the need to finance that debt, of the need to create an environment conducive to economic growth and of a need to provide for fiscal stability. It is imperative that the Committee on Ways and Means during this session of the 86th Congress march once more up the hill to take effective and straightforward action on this urgent issue involving the soundness of our Federal Government's fiscal posture.

Specifically, we should give to the administration the exact authority requested by the President by—

First. Repealing the statutory ceiling of 3.26 percent on series E and H bonds;

Second. Repealing the 4¼ percent ceiling on new issues of Government bonds; and

Third. Providing for certain nonrecognition of gain on bonds exchanged for new issues.

To do less, Mr. Speaker, is to risk the loss of public confidence in the intent of Congress to deal responsibly with our Nation's fiscal affairs.

THE CITY OF DAVENPORT, IOWA, SHOWS IT CAN BE DONE

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the mayor and city council of Davenport, Iowa, my home city, just published a report to their citizens on the state of the city.

This is the second year that such a report has been made. It shows in detail where the money comes from to run the city; where it goes; who the paid and unpaid administrators of the city tax dollar are; how much the city is in debt; what its tax valuation is and how big its budget it.

The whole picture of the city administration's responsibilities and how it meets these responsibilities in the best interest of its citizens is in the report.

I commend Mayor Don Petruccelli and his city council for making this report to the people, and I am grateful to the Davenport Daily Times and the Davenport Morning Democrat, two of the Midwest's leading daily papers, for printing this report as a special supplement, so that every citizen can have a copy to acquaint himself with the multiplicity of ways in which his city serves him, and to know how his tax money is being spent in providing these services.

The most important item in this year's report is that Davenport citizens will enjoy a 2-mill tax reduction this year. While most government units throughout the country are experiencing increased costs which are invariably reflected in higher taxes, Davenport has found a way to reduce taxes for its citizens.

Two factors enter into the tax cut—a sewer rental plan which removed the fund from the tax load and the elimination of a number of capital items from the recreation budget. This latter item does not mean that Davenport citizens will suffer from the lack of recreational facilities or qualified people to administer them. The city's recreation program is one of the best in the country.

This report shows clearly to me that when a city, county, State, or Federal government takes a careful look at its budget, it can find ways and means of eliminating the frills and the unnecessary items so that they can keep expenses within income and whenever possible give the taxpayer a break.

Davenport is a fair-sized community of some 100,000 people. Its city budget exceeds $5 million dollars. This is small compared to many metropolitan areas, the county, State or Federal budgets, but the mayor and city council of Davenport have applied the same careful scrutiny on receipts and expenditures which must be made at all levels of government. They have shown that they can live within their means and can reduce taxes whenever possible. I commend this report to the careful study of every Government official. I am sure that there are lessons here which can be put to work in reducing the high cost of government everywhere, so that taxes can be reduced in other quarters too.

INVITE ALL RUSSIAN NON-COMMUNISTS TO VISIT THE UNITED STATES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I propose this resolution declaring it to be the will of Congress that an invitation shall be issued welcoming all Russian people who are not Communists to visit the United States, and to enjoy the warm and sincere hospitality of our people.

We ask as many as possible to come here; to observe our freedoms as well as our standard of living; and to help build an enduring friendship between our two peoples.

This resolution pays tribute to the Russian people whom we respect and admire; but denounces their Communist overlords who deny them freedom as the first step in destroying freedom throughout the world. The Russian non-Communists would qualify for visas that would permit them to visit the United States, and we would be proud and happy to receive them as honored guests. However, under our immigration laws, Khrushchev and his fellow-Communists would never qualify for visas because their hands are stained with blood.

This is the position of the American people that must be stated clearly and emphatically: "We welcome the Russian people, but we reject their Communist oppressors." This is the vital distinction that the administration does not comprehend. By inviting Khrushchev to visit the United States, it has sacrificed moral imperatives in favor of wishful thinking.

What is the source of our Nation's greatness, that has earned the respect of peoples everywhere? Not material conveniences and military strength, for these are but auxiliaries to its spirit.

Freedom to develop the best that is in each of us; freedom that lives up to its rights and its responsibilities; freedom to build genuine brotherhood; these are the values that others see in our society, and want to create in their own lands. So many people have had faith in the principles and the actions of our Government, believing that they truly reflected the will of the American people. They believed that, as a Nation, we would never embrace the leaders of communism, or welcome them as honored guests in the United States, the sanctuary of freedom.

All that has changed suddenly, almost overnight. For the world sees this administration putting aside our people's uncompromising devotion to peace with justice striving for an accommodation with communism. Preparing the way for it by an exchange of hospitality with the Communist dictator as if there were no difference between a representative government and a tyrannical government that is seeking to conquer the world.

To correct that tragic confusion which will do such damage to America's reputation, I propose this resolution of friendship for the Russian people, and unyielding opposition to Khrushchev and communism. Here we must draw the line. The Russian people are welcome. Their Communist leaders are not.

For deep in the hearts of the Russian people is the hope that we will affirm what they cannot say until the time when they too can breathe freely in a world of peace and justice and honor.

The greatest service we can do for them, for ourselves, and for humanity is to speak up clearly now for the Russian people and against the visit of Khrushchev to the United States.

For the Kremlin has said:

> The capitalistic countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist.

In spite of this, the President has opened our land to the Khrushchev trap.

Stop it. Protest. And save our country from dishonor and danger.

Pass this resolution proclaiming friendship for the Russian people, and welcoming them to our shores, but sternly opposing any visit by Khrushchev or his conspirators.

We owe this to ourselves, to the Russian people, and to people everywhere who are watching to see if the United States stands firm on its moral principles.

INCREASING THE NUMBER OF PERMANENT SEATS IN THE HOUSE OF REPRESENTATIVES

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute; to revise and extend my remarks, and to include a table.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, I have introduced a bill today increasing the number of permanent seats in the House of Representatives to 438.

Under the provisions of my bill the temporary increase of two seats authorized by the acts admitting the States of Alaska and Hawaii would be made permanent. In addition, another seat would be added to provide for the additional representative Hawaii will gain under the reapportionment of House seats that will be necessary as a result of the 1960 census.

The reapportionment of seats among the States as a result of the 1960 census will become effective in the elections for the 88th Congress to be held in November 1962.

The act of August 8, 1911, sets the permanent membership of the House at 435 seats. This number was reaffirmed by the act of June 18, 1929.

It will be seen, therefore, that unless the present membership of the House is increased to include the new Members from Hawaii and Alaska certain States of the Union will lose representation in the 88th Congress as a direct and proximate result of the admission of these States.

Preliminary figures released by the Bureau of the Census indicate that, based on the 1960 census, 13 States are expected to lose one or more Representatives in the 88th Congress. The largest losses probably will be suffered by New York and Pennsylvania. Each of these States may lose three Representatives. Massachusetts and Arkansas may lose two Representatives, and it is predicted that nine other States each will lose one Representative.

Unless action is taken by the House to expand its membership to accommodate the three new Members from Hawaii and Alaska in the 88th Congress, provision must be made through reapportionment in 1960 to accommodate them within the present authorization of 435 seats.

Mr. Speaker, my bill, if enacted, will be in keeping with tradition. There is plenary precedent for increasing the membership of the House of Representatives upon the admission of new States to the Union. It has been our consistent custom in the past to increase the size of the House whenever new stars have appeared in our flag.

It will be interesting to note that under the reapportionment made necessary by the census of 1910, 433 seats were allocated for the House. The law made provision in advance, however, for one seat for Arizona and one seat for New Mexico, although these States actually did not enter the Union until 1912.

In their wisdom the Founding Fathers did not see fit to limit the number of Senators and Representatives in the Congress. While the Constitution provides that each State shall have two Senators and at least one Representative, no limitation was placed on the total number of Senators and Representatives.

Mr. Speaker, it does not seem reasonable to me that the House of Representatives should be limited to a membership of 435 notwithstanding the additional representation made necessary by the admission of new States while the Senate under constitutional mandate is required to increase its membership by two Senators whenever a new State is admitted.

I do not advocate that the House of Representatives should increase its membership every time we take a census. I do believe, however, that no State should be required to lose representation in Congress by reason of the admission of a new State. Such will be the case unless the House authorizes three additional permanent seats for the Representatives from Hawaii and Alaska under the reapportionment of the House of Representatives that will be required by the census of 1960.

It is my hope that my colleagues in the House will join me in preventing any State from being penalized in its representation in the Congress by the admission of the two great States of Hawaii and Alaska.

Mr. Speaker, under unanimous consent I include as a part of my remarks that chart appearing on page 334 of the Congressional Directory, 86th Congress, under the heading "Representatives Under Each Apportionment." This chart very graphically supports the historical contentions that I have made in the remarks with reference to my bill.

The chart follows:

Representatives under each apportionment

State	Constitutional apportionment	1st Census, 1790	2d Census, 1800	3d Census, 1810	4th Census, 1820	5th Census, 1830	6th Census, 1840	7th Census, 1850	8th Census, 1860	9th Census, 1870	10th Census, 1880	11th Census, 1890	12th Census, 1900	13th Census, 1910 [1]	15th Census, 1930	16th Census, 1940	17th Census, 1950
Alabama	----	----	----	[2] 1	3	5	7	7	6	8	8	9	9	10	9	9	9
Arizona	----	----	----	----	----	----	----	----	----	----	----	----	----	[2] 1	1	2	2
Arkansas	----	----	----	----	----	[2] 1	1	2	3	4	5	6	7	7	7	7	6
California	----	----	----	----	----	----	[2] 2	2	3	4	6	7	8	11	20	23	30
Colorado	----	----	----	----	----	----	----	----	----	[2] 1	1	2	3	4	4	4	4
Connecticut	5	7	7	7	6	6	4	4	4	4	4	4	5	5	6	6	6
Delaware	1	1	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1
Florida	----	----	----	----	----	----	[2] 1	1	1	2	2	2	3	4	5	6	8
Georgia	3	2	4	6	7	9	8	8	7	9	10	11	11	12	10	10	10
Idaho	----	----	----	----	----	----	----	----	----	----	[2] 1	1	1	2	2	2	2
Illinois	----	----	----	[2] 1	1	3	7	9	14	19	20	22	25	27	27	26	25
Indiana	----	----	----	[2] 1	3	7	10	11	11	13	13	13	13	13	12	11	11
Iowa	----	----	----	----	----	----	[2] 2	2	6	9	11	11	11	11	9	8	8
Kansas	----	----	----	----	----	----	----	----	1	3	7	8	8	8	7	6	6
Kentucky	----	2	6	10	12	13	10	10	9	10	11	11	11	11	9	9	8
Louisiana	----	----	----	[2] 1	3	3	4	4	5	6	6	6	7	8	8	8	8
Maine	----	----	----	[3] 7	7	8	7	6	5	5	4	4	4	4	3	3	3
Maryland	6	8	9	9	9	8	6	6	5	6	6	6	6	6	6	6	7
Massachusetts	8	14	17	[3] 13	13	12	10	11	10	11	12	13	14	16	15	14	14
Michigan	----	----	----	----	----	[2] 1	3	4	6	9	11	12	12	13	17	17	18
Minnesota	----	----	----	----	----	----	----	[2] 2	2	3	5	7	9	10	9	9	9
Mississippi	----	----	----	[2] 1	1	2	4	5	5	6	7	7	8	8	7	7	6
Missouri	----	----	----	----	1	2	5	7	9	13	14	15	16	16	13	13	11
Montana	----	----	----	----	----	----	----	----	----	----	[2] 1	1	1	2	2	2	2
Nebraska	----	----	----	----	----	----	----	----	[2] 1	1	3	6	6	6	5	4	4
Nevada	----	----	----	----	----	----	----	----	[2] 1	1	1	1	1	1	1	1	1
New Hampshire	3	4	5	6	6	5	4	3	3	3	2	2	2	2	2	2	2
New Jersey	4	5	6	6	6	6	5	5	5	7	7	8	10	12	14	14	14
New Mexico	----	----	----	----	----	----	----	----	----	----	----	----	----	[2] 1	1	2	2
New York	6	10	17	27	34	40	34	33	31	33	34	34	37	43	45	45	43
North Carolina	5	10	12	13	13	13	9	8	7	8	9	9	10	10	11	12	12
North Dakota	----	----	----	----	----	----	----	----	----	----	[2] 1	1	2	3	2	2	2
Ohio	----	----	[2] 1	6	14	19	21	21	19	20	21	21	21	22	24	23	23
Oklahoma	----	----	----	----	----	----	----	----	----	----	----	----	[2] 5	8	9	8	6
Oregon	----	----	----	----	----	----	----	[2] 1	1	1	1	2	2	3	3	4	4
Pennsylvania	8	13	18	23	26	28	24	25	24	27	28	30	32	36	34	33	30
Rhode Island	1	2	2	2	2	2	2	2	2	2	2	2	2	3	2	2	2
South Carolina	5	6	8	9	9	9	7	6	4	5	7	7	7	7	6	6	6
South Dakota	----	----	----	----	----	----	----	----	----	----	[2] 2	2	2	3	2	2	2
Tennessee	----	[2] 1	3	6	9	13	11	10	8	10	10	10	10	10	9	10	9
Texas	----	----	----	----	----	----	[2] 2	2	4	6	11	13	16	18	21	21	22
Utah	----	----	----	----	----	----	----	----	----	----	----	[2] 1	1	2	2	2	2
Vermont	----	2	4	6	5	5	4	3	3	3	2	2	2	2	1	1	1
Virginia	10	19	22	23	22	21	15	13	11	9	10	10	10	10	9	9	10
Washington	----	----	----	----	----	----	----	----	----	----	[2] 1	2	3	5	6	6	7
West Virginia	----	----	----	----	----	----	----	----	----	3	4	4	5	6	6	6	6
Wisconsin	----	----	----	----	----	----	[2] 2	3	6	8	9	10	11	11	10	10	10
Wyoming	----	----	----	----	----	----	----	----	----	----	[2] 1	1	1	1	1	1	1
Total	65	106	142	186	213	242	232	237	243	293	332	357	391	435	435	435	435

[1] No apportionment was made in 1920.

[2] The following representation was added after the several census apportionments indicated when new States were admitted and is included in the above table:

1st. Tennessee, 1.
2d. Ohio, 1.
3d. Alabama, 1; Illinois, 1; Indiana, 1; Louisiana, 1; Mississippi, 1.
5th. Arkansas, 1; Michigan, 1.
6th. California, 2; Florida, 1; Iowa, 2; Texas, 2; Wisconsin, 2.
7th. Minnesota, 2; Oregon, 1.
8th. Nebraska, 1; Nevada, 1.
9th. Colorado, 1.
10th. Idaho, 1; Montana, 1; North Dakota, 1; South Dakota, 2; Washington, 1; Wyoming, 1.
11th. Utah, 1.
12th. Oklahoma, 5.
13th. Arizona, 1; New Mexico, 1.

[3] 20 Members were assigned to Massachusetts, but 7 of these were credited to Maine when that area became a State.

VISIT OF SOVIET PREMIER KHRUSHCHEV

Mr. OLIVER. Mr. Speaker, I ask uanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Speaker, there has been considerable speculation by newspaper columnists and commentators as to whether or not Congress will adjourn before the Soviet Premier, Mr. Khrushchev, makes his planned visit to our country.

Although I, personally, share the desire of the entire membership of the House that we should adjourn, for many reasons, none of which are associated with the visit of Khrushchev to Washington, it is my strong opinion that we should remain in session until Khrushchev leaves our shores.

For two reasons, I hope that we shall remain in session until that time:

First. Congress should be in session to meet any emergency which should arise or be precipitated while the Soviet top man is in America.

Such an emergency could occur because of provoked or planned attacks against him. This could result from responsible or irresponsible persons who have come to America as a sanctuary from the persecution and prosecution of Soviet totalitarianism. This could result from the planned conspiracy of those in the Kremlin or the Red army high command who would welcome the opportunity to "get" Khrushchev and throw the blame on America. In other words, it could be the overt act of 1959 to trigger off retaliatory attitudes which might serve the purposes of personal scheming for Soviet internal power. It could be the planned action of fanatics in Red China who cannot look with any favor on the lessening of world tensions.

Another development of an emergent nature, requiring the continuing session of Congress, could be stepped-up aggression by Red China in Southeast Asia or in the Formosa Strait.

Congress should and must remain on the job, ready to act, to meet any such emergency or any other which could conceivably develop during this critical period of Khrushchev's presence in the United States.

Second. Another valid reason for Congress remaining in session during this period can be found, in my opinion, in the necessity to record some form of nonacceptance of the Khrushchev visit. It is my belief that there are millions of American citizens who disapprove the action of the President in arranging for these mutual visits. Congress, by its refusal to invite Khrushchev to attend its session, which I hope would be our position, would register the silent protest of our people against the totalitarian practices and plans of the Soviets and their

comrades in arms. Such a protest by the duly-elected representatives of the America people would renew the hope and confidence of the enslaved populations of the world and would reassure the people of the free world that America still stands as the bulwark of resistance and strength against the tyrannical despots of international communism.

As additional reasons for the necessity of nonacceptance by Congress of this personal diplomacy of our Government, the Khrushchev visit to the United States at the invitation of President Eisenhower constitutes a strong and telling propaganda victory for the Soviet leadership, because:

First. It has been sold to the Russian people as an unselfish concession by their Government toward the softening of world tensions and also that the American people are enthused over this exchange of visits and are keen for them.

Second. It has further been sold on the basis that the personal discussions between Khrushchev and the President, speaking on his own admission, only for the United States and not the Western World, mean that the unified front of the Western nations is breaking up and that this will result in the isolation of the United States and eventual emergence of the Soviet Union as the supreme power of the world.

Third. Personal visits of leaders of other nations of the Western World will follow those of Macmillan and Eisenhower. Trade proposals and promises of cooperation will be held out for the purpose of further undermining Western unity and cohesion.

Furthermore, it appears indicated that visits and return visits with these planned all-out welcomes, handshakes, and backslapping are to result in the burial of basic differences and incompatibilities. Also to accompany these superficial gestures toward the atmosphere of peaceful and amicable coexistence, the Soviet leadership will stage economic and scientific projects to indicate her desire for peace and the end of her cold war techniques.

The only way that the wily and shrewd leaders of the Soviets can put over this shell game on the Western World is for us dumbly to accept their advances as sincere. If we will only remain aware that these schemers remain, down deep, as tough and unscrupulous as they were when they murdered Hungarians with their tanks and machineguns; when they ruthlessly shot down the revolting East Berliners; when they cynically broke every agreement that they made with us; when they enslaved Estonia, Latvia, Lithuania, and the other satellite peoples, then, and then only, shall we, once again, push back this new offensive of Soviet insidiousness.

Therefore, it seems only sensible and necessary that Congress, representing the people of America, should refuse to accept Khrushchev, this symbol of repression and bloody murder, in any official or semiofficial manner whatsoever. Certainly, we should not adjourn until he has come and gone from Washington in order to demonstrate that we are not buying his merchandise, which is nothing more than the same old shoddy goods he and his predecessors have been selling for these many years. The President has invited him—let the President extend whatever protocol he deems proper. Let us, the Congress, tolerate this visit as a phase in the President's constitutional authority to conduct foreign policy. But let us, the Congress, demonstrate by our negative reaction that we must be shown by deeds, not words alone, that Khrushchev and his government have really changed the spots of conspiracy, aggression, and scheming, which have bloodied their hands over the years, before we extend any official recognition that we feel that Soviet aggressive intentions have changed.

Congress should not adjourn, neither should Congress recognize the visit of this symbol of ruthless, cruel, despotic, and conscienceless power.

YAKIMA FEDERAL RECLAMATION PROJECT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3335) to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes, with amendments of the Senate thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, after "project." insert "The difference between the amounts previously authorized by such 1914 and 1940 statutes to be appropriated and credited to the reclamation fund and the amount of the cost assigned to the Wapato Indian irrigation project pursuant to this Act is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated, and to be credited to the reclamation fund. Such difference shall be made available in amounts not to exceed $20,000 annually."

Page 1, line 9, strike out "If the remainder" and insert "If the amount not assigned to the Wapato Indian irrigation project pursuant to this Act".

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. GRIFFIN. Mr. Speaker, reserving the right to object, will the gentleman state whether this matter has been cleared with our side?

Mr. ASPINALL. I will say to the distinguished gentleman that it has been cleared with the minority side as well as the majority side.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING COMMUNICATIONS ACT OF 1934 WITH RESPECT TO FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, a bill similar to the bill, H.R. 7985, just passed by the House, and ask for its present consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315(a) of the Communications Act of 1934 is amended by inserting at the end thereof the following: "Appearance by a legally qualified candidate on any newscast, news interview, news documentary, on-the-spot coverage of news events, shall not be deemed to be use of a broadcasting station within the meaning of this subsection, but nothing in this sentence shall be construed as changing the basic intent of Congress with respect to the provisions of this Act, which recognizes that television and radio frequencies are in the public domain, that the license to operate in such frequencies requires operation in the public interest, and that in newscasts, news interviews, news documentaries, on-the-spot coverage of news events, all sides of public controversies shall be given as fair an opportunity to be heard as is practically possible."

SEC. 2. (a) The Congress declares its intention to reexamine the amendment to section 315(a) of the Communications Act of 1934 made by the first section of this Act, at or before the end of the three-year period beginning on the date of the enactment of this Act, to ascertain whether the remedy provided by such amendment has proved to be effective and practicable.

(b) To assist the Congress in making the reexamination of the amendment made by the first section of this Act, the Federal Communications Commission shall make a report to the Congress, within fifteen days after the close of the year beginning on the date of the enactment of this Act and within fifteen days after the close of each of the following two years, setting forth (1) the information and data used by it in determining questions arising from or connected with such amendment, and (2) such recommendations as it deems necessary to protect the public interest and to assure equal treatment of all legally qualified candidates for public office under section 315 of the Communications Act of 1934.

Mr. HARRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Strike out all after the enacting clause of S. 2424 and insert the provisions of H.R. 7985, as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill, H.R. 7985, was laid on the table.

ADMISSION OF RED CHINA TO THE UNITED NATIONS

Mr. KASEM. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KASEM. Mr. Speaker, yesterday I was yielded the floor by the gentleman from Vermont [Mr. MEYER] in his discussion of the resolution involving the admission of Red China to the United Nations. It was called to my attention that from my remarks made at that time it would appear I was in support of the position of the gentleman from Vermont. My vote indicates otherwise.

It was my intention to indicate my admiration for his courage in taking an unpopular stand and to commend him for his forthright attitude.

My first question I think clearly indicated that my protest was lodged against the fact that there was not sufficient debate on a question that I think we should periodically review.

May the RECORD show that I am opposed to the admission of Red China into the United Nations and the reasons were ably stated by the gentleman from Minnesota [Mr. JUDD]. Thank you.

The SPEAKER. The time of the gentleman from California has expired.

INTEREST RATE ON GOVERNMENT BONDS

The SPEAKER. Under the previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 20 minutes.

Mr. HEMPHILL. Mr. Speaker, I have today introduced legislation concerning the interest rates of this country and concerning the interest on U.S. Government bonds.

My purpose in introducing this legislation is not only to save money but to promote a fiscal rejuvenation in the handling of our national indebtedness. I have, therefore, introduced legislation to provide that the interest rate on future issues of public debt obligations of the United States shall not exceed 2 percent per annum, and to provide that the interest on such obligations shall be exempt from income tax.

The first part of my bill sets and pegs the interest rate at 2 percent per annum, and I realize there will be a hue and cry that the Government cannot finance at 2 percent. I am mindful of the fact, however, that through the medium of postal savings we are borrowing, at 2 percent, approximately $6 billion. This is the cheapest financing we are doing and when some wanted to abolish the Postal Savings System last Congress, some of us pointed out that we were borrowing the money cheaper than we could borrow the same money at the banks in this country. Some of us on the Committee on Post Office and Civil Service, in August of 1957, were ready to expose the raid on the Treasury by the big banks to the tune of $25 million. See House Report No. 295 of the 1st session of the 81st Congress if you want the details.

Some will say the banks will not purchase the obligations at 2 percent. I believe they will and I further believe that the little man in this country would welcome 2 percent interest if he could get the interest tax free. I also believe the banks and insurance companies, which invest most of the investment money in this country, would be glad to get the money so long as the interest was tax free. I further believe their patriotism would be such as to inspire them to borrow money to help the Government because everybody is concerned over the fact we are so far in debt and our Government is having difficulty in borrowing money.

I further propose in this legislation that the Government 2 percent be tax free. This incentive would stimulate a quick sale of all sorts of Government obligations, would stimulate payroll saving plans by methods of payroll bond purchases, or regular bond purchases, and would give the public the feeling we are trying to do something about the national indebtedness that would both benefit the Government and the taxpayer. All of us, in these inflated times, are looking for some way to do something about the national debt. I believe most Americans, except, apparently the man in the White House and those who hold him captive, want to participate in a drive to do something about this enormous debt. If this bill were enacted, the wage earner would buy bonds or other obligations as a patriotic endeavor to help his Government.

Frankly, I do not expect the present administration to be in favor of this legislation. The attempt at the postal savings steal convinces me that those who hold the reins on the Chief Executive are greedy men. Profit on postal savings in fiscal year 1957 were $7,362,986, and in fiscal year 1958 were $5,234,225, yet the administration wanted to get rid of it so the boys on Wall Street could charge 3 to 3½ percent interest to the Government on money the Government was borrowing at 2 percent. So, the administration will not back my bill because it is good for the people instead of Wall Street. I point out the Post Office mess just to emphasize and illustrate my point.

Now, some have asked me if it would not cost the Government money to do just this. I am no accountant, but I can prove by simple figures what it can do. At this point I ask unanimous consent to include page 5 of the "Summary of Public Debt and Guaranteed Obligations Outstanding June 30, 1959," taken from the daily "Statement of the Public Debt, June 30, 1959."

Taking the figures on this page I can illustrate my point. The Treasury bills had regular series bills outstanding on June 30, 1959, according to this report, of $29,015,814; the average interest rate on these is stated to be 3.292 percent. If we were to pay this interest at 2 percent, by eliminating 1.292 percent, we would save $374,884,316.88, but, some will say, how can we do that and lose the income on that interest? Actually, if we took 2 percent of $29,015,814 we would arrive at a figure of $580,316,820. If the tax bracket was 30 percent we would only lose from the tax $174,094,884, and if we deducted the $174,094,840 from the $374,884,316.88, simple arithmetic tells us we would save almost $200 million, thus offsetting the tax loss which anyone would complain about. We give the figures:

Outstanding	$29,015,814,000.00
Interest excess 1 percent	.01292
	58,031.628
	2,611,423.26
	5,803,162.8
	29,015,814
Interest saved	$374,884,316.88
2 percent interest on outstanding bills	$580,316,280.00
	.30
Income tax on 2 percent at 30 percent	[1] $174,094,884.00

[1] This is income tax lost by having obligations tax free.

We can take the next item which is Treasury bills—tax anticipation series—stated to be in the amount of $3,001,554,000, and on which the interest rate is shown at 3.556. If we eliminated 1.556 of the interest we would save $46,704,180.24. Then if we took 2 percent of the $3,001,554,000, we would arrive at a figure of $60,031,080, which would be the taxable interest at 2 percent. Saying that the interest was taxable in the 30-percent bracket, the tax would only run $18,009,324, so that, by reducing interest and tax exemption, we nevertheless would effect a saving of $28 million plus on that item alone. I could go through the figures here but I think it will be unnecessary as I gave these figures as an example only.

Each was calculated on the basis of the total public issues, same being stated to be $237,077,731,428.92, and the average interest of 2.899. Of course, this does not reflect on the fact that we have another $27,314,097,000 in Treasury notes and the average interest rate is 3.304 percent and another $50,502,557,078.92 out at 2.899 percent, all of which are included in that total. If, however, we took the $237 billion plus figures and multiplied it by .899 percent which would be that interest above 2 percent, we arrive at a figure of interest saved of $2,131,328,805.54. Two percent interest on the total figure amounts to $4,741,554,626.57 and if we calculate that in the tax bracket of 30 percent we would arrive at a figure of $1,422,466,388.57, which shows that on the total amount, offsetting the taxes, there would be a net saving of almost three-quarters of a billion dollars.

We insert the figures:

Amount outstanding	$237,077,731,428.92
Percent	.899
	213369958286028
	213369958286028
	189662185143136
Interest saved	$2,131,328,805.5459908
	$237,077,731,428.92
	.02
Interest at 2 percent	$4,741,554,628.5784
Taxable interest bracket	$4,741,554,628.58
	.30
Interest lost as tax free	$1,422,466,388.5740

I expect opposition from the Treasury Department and others on this legislation. I realize that many who have participated in driving up the interest rates on Government obligations for their own profit, would vigorously oppose this legislation. I have confidence, however, that there is still enough patriotism in

this country to cooperate with the Government, especially where we have an honest to goodness tax incentive which is open to all and not a tax incentive to the few.

On Thursday, August 6, 1959, I read in one of the financial papers that the money rates in New York were pretty high and that on all Federal funds the bids were 3½ percent. Bankers' acceptance rates on 30 to 90 days were quoted at 3⅝ percent to 3½ percent; 91 to 120 days, 3¾ percent to 3⅝ percent; 121 to 180 days, 3⅞ percent to 3¾ percent.

I give you these figures to compare the interest rates, and, of course, in fairness, I think there should be a comparison.

As the matter stands now, there is less incentive to invest in Government bonds, people are worried about their bonds, and in many areas more bonds are being cashed in than are being purchased. The Government is having a hard time getting money, and people are preferring commercial paper to Government paper in many areas. Because of this situation, the Government finds it harder to get money from the banks and has to pay more and more for it. Some time ago we were asked to raise the interest ceiling. I was against that proposal as I believe it is a surrender to inflation. I I do know that the Secretary of the Treasury would not endorse such a proposal unless he had to because he is charged with the responsibility of getting the money at the lowest possible interest rate.

On the financial sheet I have put in the RECORD, the total interest bearing rate is shown to be $281,833,362,428.92, and by the same calculation we get a figure saved of $2,443,495,282.25 in interest saved as against $1,691,000,174.57 in tax loss. So again we save any way we figure.

CONTROL OF REVENUES

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, the Congress was invested by the framers of our Constitution with the solemn responsibility for raising and dispensing of revenues with which to conduct affairs of Government. In this, as in so many other decisions, our forebears acted wisely. Indeed, I think the Congress must always be vigilant to prevent encroachments upon this function, since it is so directly related to our role as elected representatives charged with advancing the welfare of all Americans.

We need also to remember, however, that Government has become immensely more intricate than was ever envisioned by the authors of the Constitution and those who have added to that document in the years following. Who could have foreseen the day when this Nation's budget would approach $80 billion a year? Who could have anticipated that the Federal Establishment would become so complex as to stagger the imagination and require a guidebook to get around?

As a consequence of this phenomenal national growth, it has become increasingly apparent in recent years that a clear need exists for the conscientious reappraising of methods presently in force with respect to the allocating and disbursement of Federal moneys. Particularly is this reevaluation of methods being called for by many thoughtful citizens who have become concerned and disturbed by the ever-mounting size and cost of Government. They believe, and sincerely so, that the time has come for the Congress to pinpoint fiscal responsibility much more sharply than current practices allow.

We are all aware that, under present procedure, the Congress on various occasions votes appropriations bills in package form. And we all know that in more than one instance, appropriations bills have been weighted with certain items which obviously did not meet the test of serving the best interests of the Nation as a whole. Thus it was that any President who found some individual item objectionable was confronted with the unenviable choice of turning down the entire appropriations measure.

Indeed, it has been demonstrated that these so-called omnibus appropriations bills can be saddled with deliberately objectionable features that literally invite a White House veto. The President was, in effect, told to "take it or leave it." This has proved to be a source of friction over a prolonged period of years—and, unfortunately, often created a situation wherein appropriations bills were unnecessarily delayed even though they were, by and large, reasonable and essential to the everyday conduct of Government.

What is the solution to this problem that has for so long been an irritant to the carrying out of high-minded fiscal policy? I submit that the answer is simply to revise the system to permit the President of the United States to approve and disapprove, separately, any individual items in appropriations bills passed by the Congress. There can be no logical argument against the principle that any appropriation should be able to stand up on its own individual merits. It makes no sense to see a flood control appropriation bill endangered, just to cite a typical example, simply because there has been inserted into such a bill some pet project that is so unjustified and uncalled for as to be glaringly obvious. The same common sense reasoning applies to various other appropriations measures.

I hold in the highest admiration and respect the work of the great Appropriations Committee of this House. They have done, and are doing, a magnificent service. I believe that the revision of procedure which I advocate would do a great deal to help them in their labors.

To this end, on January 20, I introduced a bill—House Joint Resolution 161—which proposes an amendment to the Constitution empowering the Congress to authorize the President to approve and disapprove separate items or provisions in appropriation bills. Of course, the customary ratification by the legislatures of three-fourths of the several States would be required as provided in the Constitution, within 7 years from the date of its submission to the States by the Congress.

It is to be noted that this bill retains the traditional proviso that any item disapproved by the President can be passed over his veto by a two-thirds vote of the House of Representatives and the Senate as provided under section 7 of article I of the Constitution. Whenever the President, pursuant to such statutory authority, disapproves more than one such item or provision, the vote of the House and Senate upon reconsideration would be taken separately on each item or provision.

There may be those who are concerned that the Congress might be imperiling its inherent right to set revenue policies. No one recognizes the importance of safeguarding this right, Mr. Speaker, more than I, and that is why in my opening words I stressed the need for the Congress to be forever alert to any invasion of that function. Such fears are groundless so long as the Congress preserves its power to override a veto, also when it is remembered that the Chief Executive already has the privilege of the veto. He can bring the veto to bear anytime he feels strongly enough on a particular item. So it follows that this joint resolution which I introduced to the present session of Congress earlier this year merely is intended to clear the air. By logically applying a simple change of procedure, it strives to correct a condition that has for too many years been a stumbling block. There is no upheaval here in the way of fundamnetal constitutional procedure. Indeed, this bill should go a long way toward correcting packing evils which were never intended to be part of our constitutional processes governing appropriations procedures in the first place.

I sincerely believe that this bill is necessary and right. It will require each item of appropriations to bear up under careful scrutiny. It will eliminate a nettle that obstructed and frequently added to the already heavy workload of the Appropriations Committee in the past. And it will go a long way toward bringing into exact focus the lines of responsibility that are properly those of the Congress and also those of the President of the United States.

I strongly urge that the Congress enact this legislation at the earliest opportunity.

A BASIC FUEL POLICY FOR THE UNITED STATES

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SAYLOR. Mr. Speaker, in company with many of my colleagues, I today have introduced a resolution calling for a joint congressional committee which would gather the information necessary for the establishment of a national fuels policy.

I feel certain that when the other Members of this body have had an opportunity to examine the aims of this

resolution—to appraise the vastness of the problem it is designed to meet and to assess the imminent dangers of the situation, they, too, will wish to add their sponsorship to this resolution.

Mr. Speaker, this resolution may well turn out to be one of the most important measures that I have ever been privileged to introduce in this House. Without going into the technical language of the resolution, let us examine what is at stake. It is my belief, based on knowledge of what is being done in other countries of the world, that a national fuels policy—aimed at correlating and developing to the maximum degree the energy potential of the United States—is an immediate necessity.

For all its vastness, the time is past when ours is a country of limitless resources. Our energy resources are limited and those limits are known. To continue, as we have been wont to do in the past, a prodigal expenditure of these energy resources with no thought of the day when the lack of them will bring us face to face with grim reality, would be the sheerest folly.

In a recent speech, William R. Connole, Vice Chairman of the Federal Power Commission, said:

> Now, to me at least, the need for an energy policy is so patently obvious that I am simply unable to understand how anyone who considers himself to be associated with this energy business can seriously say we don't need one.

To that thought I give my wholehearted agreement.

Mr. Speaker, it is my firm contention that the United States cannot afford to remain aloof from a development that has been recognized as essential by many widely different political and social economies all the way from Soviet Russia to our good neighbor to the north, Canada. They are but two of the major energy-producing countries which have recognized the vital importance of putting their fuel potential on a sound, national basis. Just last week the Canadian Government named its five-man National Energy Board. Before this body will come every question of energy use that has a national connotation. From it will emanate opinions and recommendations to the Parliament that will insure that the country's precious energy potential is not ruined by intentional or ignorant profligacy. In my opinion, this is one of the most commendable and intelligent actions taken in the field of natural energy resources in years.

Let us now consider the case of Soviet Russia. It is no secret to Members of this House that Russia's avowed intention is to surpass the United States in every conceivable field in the shortest possible time. While figures used in the Soviet press or in official documents may perhaps be taken with a grain of salt, there is little doubt that the industrial, scientific, and production progress made by Russia since the end of World War II, is nothing short of fantastic.

Let me quote to you from an article in Izvestia, written by special correspondents Budantseva and Sryvtsev just about a year ago.

They wrote, in part:

> Therefore, in our long-range plan for development of our natural fuel resources, we are planning for the extensive, but intelligent use of oil, natural gas, and coal for our powerplants, for our industry, and the everyday needs of community living * * * but the time factor must not be forgotten. We must gain time in our competition with capitalism so as to overtake the United States of America in per capita production in the shortest possible time.

Mr. Lubnohkov, vice chairman of the Komi Economic Council, wrote in the same newspaper recently:

> In the 7-year plan for the development of our national economy, it is extremely important to find a practical solution to the problems connected with the integrated use of natural fuel resources.

Mr. Speaker, here we have two countries with energy resources, potentially, though not yet actually, on a par with our own. They have already recognized the extreme value of a national fuels policy and have put such a policy into action. How much longer can we, in the United States, afford to dally with what I believe to be our most priceless natural resource? I do not need to tell the Members of this House how absolutely dependent we are, as a Nation, on our coal, oil, and natural gas resources. Our entire industrial and social economy is based on the power we extract from one or other of these fuels. Before too long, industrial and social use of atomic energy may also be a practical proposition. Can we, as a Nation, afford to neglect the intelligent development of the reserves of these fuels? Can we afford to wake up one morning and find that because of the lack of an integrated policy for the conservation and maximum use potential of these precious natural gifts, their abundance has disappeared?

I would ask my distinguished colleagues to think for a moment of the deplorable position in which this Nation would find itself if we were forced by aggression to defend ourselves and suddenly found that our domestic oil, gas, and coal production potential had dwindled to the point where it would be impossible to operate at full wartime volume. Do you think this could not happen? Unless we are prepared, right now, to give these matters some concentrated thought and to lay the groundwork for a plan that will avoid such a contingency, it very well could happen.

Mr. Speaker, I have introduced this resolution with the conviction that it represents the first practical step toward a national fuels policy and I contend that we, as a body, have a duty to the people of this country to see that the gifts of nature that have helped make this country great are used to the greatest benefit of our Nation.

Everyone, everywhere, knows or should know that the increasing use of energy is the key to progress as an economic society, is a way to leadership as a nation and in the world. In the final analysis, it is the one way to win the world race with communism. I will not burden you with grim statistics of what Russia is doing in the way of stepping up her production. Suffice it to say, the figures are very impressive. But, I will tell you this—in nearly every case of increased production in Soviet Russia, this increase is being achieved by planned use of energy fuels.

This fuels issue is not simply one of open competition for a market. It is much, much more significant than that. The issue, as I see it, is this: We must have a fuels policy that will assure this Nation of a steady supply of energy fuels at low cost not only in 1959 or 1979, but in the decades far beyond those that may see you and me as participants on the national scene. It is our duty, I believe, to formulate a fuels policy that will maintain our economy, always susceptible to growth and expansion—that will insure for generations to come a standard equal to and surpassing that which we now enjoy. The growth of the United States is limited only by the availability of an unlimited volume of low cost energy.

In closing, Mr. Speaker, I do not see any economic problem that outranks this question as far as the interests of the American people are concerned. It affects the stability of our domestic economy. It affects the employment of our citizens. It affects the principle of private investment and the free enterprise system, with rewards to the investor. It affects the question of our national security. If anyone can tell me a problem with more far-reaching significance than that, I would be glad to listen.

Mr. Speaker, the creation of a national fuels policy is not something we should do—it is something we must do if this great Nation of ours is going to continue its truly remarkable progress. The formation of a joint congressional committee to study the machinery of setting up such a body and to make recommendations to the Congress for its implementation, is but the first step. But it is an essential step. I trust that my colleagues in this Chamber will share my conviction that in creating such a committee, we will be going a long way toward fulfilling what I see as a vital duty to our Nation and to the world.

PERSONAL ANNOUNCEMENT

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, on rollcall No. 134, on Monday, August 17, on the passage of the bill, H.R. 6904, to establish an Advisory Commission on Intergovernmental Relations, I was unavoidably absent. Had I been present and voting I would have voted "yea."

On rollcall No. 135, on Monday, August 17, on the passage of the resolution, House Concurrent Resolution 369, expressing the sense of Congress against seating of the Communist regime in China as the representative of China in

the United Nations, I was unavoidably absent. Had I been present and voting I would have voted "yea."

RETIREMENT OF WALTER LEE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FASCELL. Mr. Speaker, I join with all of my colleagues in the House today in paying well-deserved tribute to retiring Walter Lee, counsel for the Claims Subcommittee of the House Judiciary Committee.

Walter Lee will be sorely missed by all of us who have had the pleasure of knowing and working with him. His outstanding characteristics of cheerfulness and cooperation to the Members and their staffs in the preparation and handling of difficult and complicated claims bills presented to the Congress rendered their consideration by the committee and this body equitable and thorough.

After 21 years in Government Service, Walter Lee leaves this body with the deep appreciation of all of us and I join his many well-wishers in hoping he will enjoy a pleasurable and rich retirement life which he overwhelmingly deserves.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ALFORD, for 3 days, on account of death in family.

Mr. RODINO (at the request of Mr. DANIELS), for Tuesday, August 18, 1959, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BURNS of Hawaii, for 30 minutes, on Thursday.

Mr. PORTER, for 30 minutes on August 20.

Mrs. ROGERS of Massachusetts, for 5 minutes, today, and to include extraneous matter.

At the request of Mr. BROOMFIELD, Mrs. ROGERS of Massachusetts was given permission to vacate her special order for today and to address the House for 10 minutes on August 19.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. RIVERS of Alaska.

Mr. FULTON in two instances.

Mr. PHILBIN and to include extraneous matter.

Mr. STRATTON to revise and extend remarks made in Committee of the Whole on H.R. 7985 and to include extraneous matter.

Mr. FULTON to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter at the end thereof.

(At the request of Mr. BROOMFIELD and to include extraneous matter, the following:)

Mr. REES of Kansas.

Mr. HIESTAND.

(At the request of Mr. ALBERT and to include extraneous matter, the following:)

Mr. ZABLOCKI.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1565. An act to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, Puerto Rico, in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes;

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958;

S. 1590. An act for the relief of the Government of the Republic of Iceland;

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State;

S. 2210. An act to provide for the disposition of the Philadelphia Army Base, Philadelphia, Pa.;

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake";

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand; and

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 7509. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

ADJOURNMENT

Mr. HARRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 19, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1312. A letter from the Assistant Secretary of Agriculture, transmitting a report relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

1313. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report relating to two minor violations of section 3679 of the Revised Statutes, as amended, involving instances where funds have been obligated in advance of appropriations; to the Committee on Appropriations.

1314. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1315. A letter from the Acting Secretary of State, transmitting the annual report of tort claims paid by the Department of State, pursuant to the Federal Tort Claims Act (28 U.S.C. 2673); to the Committee on the Judiciary.

1316. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1317. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 312. Resolution providing additional funds for the Committee on House Administration; without amendment (Rept. No. 917). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 335. Resolution relative to the Office of the Official Reporters of Debates and the Office of the Official Committee Reporters; without amendment (Rept. No. 918). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. H.R. 8464. A bill to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park; without amendment (Rept. No. 919). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. H.R. 8593. A bill to amend the act of June 23, 1949, as amended, to pro-

vide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis; without amendment (Rept. No. 920). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 41. Concurrent resolution to accept the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall; without amendment (Rept. No. 921). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 42. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran; without amendment (Rept. No. 922). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 55. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Esther Morris, of Wyoming, and authorizing ceremonies on such occasion; without amendment (Rept. No. 923). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 56. Concurrent resolution accepting the statue of Esther Morris, of Wyoming, for placement in the Statuary Hall collection; without amendment (Rept. No. 924). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 38. Concurrent resolution to print for the use of the Committee on the Judiciary additional parts of certain hearings on administered prices; without amendment (Rept. No. 925). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 39. Concurrent resolution to print for the use of the Committee on the Judiciary additional copies of certain reports submitted by it and the Subcommittee on Antitrust and Monopoly; without amendment (Rept. No. 926). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 43. Concurrent resolution to print proceedings of the presentation and acceptance of the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall; without amendment (Rept. No. 927). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability"; without amendment (Rept. No. 928). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change; without amendment (Rept. No. 929). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 57. Concurrent resolution to print as a House document the proceedings incident to the acceptance of the statue of Esther Morris, presented by the State of Wyoming; without amendment (Rept. No. 930). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. House Concurrent Resolution 234. Concurrent resolution authorizing the printing of addition copies of the hearing entitled "Organization and Management of Missile Programs"; without amendment (Rept. No. 931). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. House Concurrent Resolution 378. Concurrent resolution authorizing the printing of the 16th report of the Commission of Fine Arts as a House document; without amendment (Rept. No. 932). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. House Resolution 330. Resolution providing for the printing of additional copies of the consultation entitled "Communist Persecution of Churches in Red China and Northern Korea"; without amendment (Rept. No. 933). Ordered to be printed.

Mr. WILLIS: Committee on the Judiciary. S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment; without amendment (Rept. No. 934). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners; without amendment (Rept. No. 935). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. House Joint Resolution 450. Joint resolution regarding certain Supreme Court decisions; without amendment (Rept. No. 936). Referred to the Committee of the Whole House on the State of the Union.

Mr. DULSKI: Committee on Post Office and Civil Service. H.R. 5571. A bill to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned; with amendment (Rept. No. 937). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5751. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes; with amendment (Rept. No. 938). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 7465. A bill for the establishment of a Commission on Metropolitan Problems and Urban Development; with amendment (Rept. No. 940). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 346. Resolution for consideration of H.R. 8609, a bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes; without amendment (Rept. No. 941). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 347. Resolution for consideration of House Concurrent Resolution 177, concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; without amendment (Rept. No. 942). Referred to the House Calendar.

Mr. THOMAS: Committee of conference. H.R. 7978. A bill making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 943). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 3524. A bill for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Luciana (Gemma Antonello), Sister Marta (Sabina Guglielmi), Sister Rafaella (Angela Sicolo), Sister Maria Annunziata (Teresa Carbone), and Sister Marisa (Carolina Nutricati); with amendment (Rept. No. 939). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 8707. A bill to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 8708. A bill to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding; to the Committee on the Judiciary.

By Mr. DOWDY (by request):

H.R. 8709. A bill to amend section 1176 of the Revised Statutes of the United States relating to the District of Columbia; to the Committee on the District of Columbia.

By Mr. HEMPHILL:

H.R. 8710. A bill to provide that the interest rate on future issues of public debt obligations of the United States shall not exceed 2 percent per annum and to provide that the interest on such obligations shall be exempt from income tax; to the Committee on Ways and Means.

By Mr. HIESTAND:

H.R. 8711. A bill to limit and prevent concerted activities by labor organizations which interfere with or obstruct or impede the free production of goods for commerce or the free flow thereof in commerce, and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS of Florida:

H.R. 8712. A bill to amend the act of August 9, 1955, to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation and the Seminole Reservations in Florida; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of California:

H.R. 8713. A bill to authorize the Secretary of the Navy to convey certain real estate to the Oxnard Harbor District, Port Hueneme, Calif., and for other purposes; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 8714. A bill to authorize the admission of certain fiancees and fiances of U.S. citizens; to the Committee on the Judiciary.

By Mr. WHITENER:

H.R. 8715. A bill to provide that the permanent membership of the House of Representatives shall be 438 Members in the 88th Congress and each Congress thereafter; to the Committee on the Judiciary.

By Mr. ASHLEY:

H.R. 8716. A bill to amend section 6 of the War Claims Act of 1948 to permit the reconsideration of certain claims for benefits by prisoners of war during the Korean conflict; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPINALL:

H.R. 8717. A bill to provide for the preservation and development of the domestic fluorspar industry; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 8718. A bill to provide for the preservation and development of the domestic fluorspar industry; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 8719. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations, and for other purposes; to the Committee on Government Operations.

By Mr. STAGGERS:

H.R. 8720. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STUBBLEFIELD:

H.R. 8721. A bill to provide for the preservation and development of the domestic fluorspar industry; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 8722. A bill to amend the Civil Service Retirement Act to provide certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. COAD:

H. Con. Res. 389. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H. Con. Res. 390. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. Con. Res. 391. Concurrent resolution expressing the sense of the Congress with respect to visits to the United States by the people of the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. SAYLOR:

H. Con. Res. 392. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. ZABLOCKI:

H. Con. Res. 393. Concurrent resolution to promote peace through the reduction of armaments; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORN of New York:

H.R. 8723. A bill for the relief of James Martin Berry; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 8724. A bill for the relief of Cecil T. Langford; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

257. The Speaker presented a petition of the secretary-treasurer, Socialist Party, Milwaukee, Wis., petitioning consideration of their resolution with reference to requesting the investigation of costs and trends in the steel industry to determine if profits are excessive, etc., which was referred to the Committee on Rules.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

QUARTERLY REPORT

The following reports for the first calendar quarter of 1959 were received too late to be included in the published reports for that quarter:

A. Active-Retired Lighthouse Service Employees Association, Post Office Box 2169, South Portland, Maine.
D. (6) $370. E. (9) $496.19.

A. Claris Adams, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $231.20.

A. Aircraft Service Association, 1195 Ranchero Road, Pasadena, Calif.
D. (6) $2,250. E. (9) $2,878.96.

A. American Carpet Institute, Inc., 350 Fifth Avenue, New York, N.Y.

A. American Civil Liberties Union, Inc., 170 Fifth Avenue, New York, N.Y.
D. (6) $1,708.86. E. (9) $1,708.86.

A. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $9,303.54 E. (9) $9,303.54.

A. American Legion National Headquarters, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $57,541.83. E. (9) $32,942.98.

A. American Library Association, 50 East Huron Street, Chicago, Ill.
D. (6) $112.50. E. (9) $4,410.67.

A. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $1,475.70. E. (9) $1,632.74.

A. American Vocational Association, Inc., 1010 Vermont Avenue NW., Washington, D.C.

A. Ash, Bauersfeld & Burton, 1921 I Street NW., Washington, D.C.
B. Edwin W. Pauley, 717 North Highland Avenue, Los Angeles, Calif.
D. (6) $5,000.

A. Frederic A. Baker, 296 Lexington Road, Berkeley, Calif., and 1201 19th Street NW., Washington, D.C.
B. The Federated Indians of California.

A. Balfour, Guthrie & Co., Ltd., 72 Wall Street, New York, N.Y.
E. (9) $3,561.90.

A. Ralph E. Becker, 1700 K Street NW., Washington, D.C.
B. American National Theatre and Academy, 1545 Broadway, New York, N.Y.
E. (9) $360.14.

A. Ralph E. Becker, 1700 K Street NW., Washington, D.C.
B. Comision de Defensa del Azucar y Fomento de la Cana, Ciudad Trujillo, Dominican Republic.
D. (6) $2,000. E. (9) $359.11.

A. Ralph E. Becker, 1700 K Street NW., Washington, D.C.
B. The League of New York Theatres, Inc., and the National Association of the Legitimate Theatre, Inc., 137 West 48th Street, New York, N.Y.
D. (6) $700. E. (9) $169.65.

A. Carl H. Berglund, 1219 Washington Building, Tacoma, Wash.
E. (9) $3.37.

A. James C. Black, 1625 K Street NW., Washington, D.C.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio.
D. (6) $600. E. (9) $500.

A. Mrs. Paul Blanchard, 408 A Street NE., Washington, D.C.
B. Unitarian Fellowship for Social Justice, 408 A Street NE., Washington, D.C.
D. (6) $300.

A. Blue Cross Commission, 840 North Lake Shore Drive, Chicago, Ill.

A. Roland Boyd, 202 Central National Bank Building, McKinney, Tex.
B. North Texas Municipal Water District, Wylie, Tex.

A. Roland Boyd, McKinney, Tex.
B. Wherry Housing Association, 1737 H Street NW., Washington, D.C.
D. (6) $4,250. E. (9) $568.93.

A. Boykin, De Francis, Grimes & Smith, 1000 16th Street NW., Washington, D.C.
B. Mrs. Claire Hugo Stinnes, Grossenbaumerstrasse 253, Mulheim Ruhr, Germany.
E. (9) $165.

A. Boykin, De Francis, Grimes & Smith, 1000 16th Street NW., Washington, D.C.
B. Studiengesellschaft fur Privatrechtliche Auslandsinteressen, e.v. Contrescarpe 46, Germany.
E. (9) $260.

A. Frank P. Brennan, Avoca, Iowa.
B. Iowa Power & Light Co., Des Moines, Iowa.
E. (9) $682.81.

A. Homer L. Brinkley, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.

A. Brown & Lund, 1625 I Street NW., Washington, D.C.
B. American & Foreign Power Co., Inc., 100 Church Street, New York, N.Y.
D. (6) $625. E. (9) $95.18.

A. George B. Burnham, 132 Third Street SE., Washington, D.C.
B. Numerous stockholders of the Burnham Chemical Co., 132 Third Street SE., Washington, D.C.
D. (6) $200. E. (9) $200.

A. Robert M. Burr, 101 Park Avenue, New York, N.Y.
B. Mica Industry Tariff Committee, care of S. A. Montague, Spruce Pine Mica Co., Spruce Pine, N.C.
D. (6) $1,000.69.

A. Robert M. Burr, 101 Park Avenue, New York, N.Y.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.

A. Canal Zone Central Labor Union—Metal Trades Council, AFL–CIO, Box 471, Balboa Heights, C.Z.
D. (6) $4,244.16. E. (9) $1,566.96.

A. Albert E. Carter, 1026 16th Street NW., Washington, D.C.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
E. (9) $1,512.67.

A. Clarence B. Carter, Post Office Box 798, New Haven, Conn.
B. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.

A. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D.C.

A. Clarence F. Cockrell, 501 Patrick Street, Portsmouth, Va.
B. Active-Retired Lighthouse Service Employees Association, South Portland, Maine.
D. (6) $60. E. (9) $71.67.

A. Edwin S. Cohen, 25 Broad Street, New York, N.Y.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.
E. (9) $50.20.

A. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington, D.C.
D. (6) $200. E. (9) $100.

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D.C.
B. Amana Refrigeration, Inc., Amana, Iowa.

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D.C.
B. Independent Advisory Committee to the Trucking Industry, Inc.

A. Arthur D. Condon, 1000 Vermont Avenue N.W., Washington, D.C.
B. Salt Producers Association, 726 La Salle-Wacker Building, Chicago, Ill.

A. Leo E. Connor, 1201 16th Street NW., Washington, D.C.
B. Lexington School for the Deaf, 904 Lexington Avenue, New York, N.Y.

A. Eugene P. Conser, 36 South Wabash Avenue, Chicago, Ill.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $750.

A. Bernard J. Conway, 222 East Superior Street, Chicago, Ill.
B. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $3,500.

A. Raymond A. Cook, 2200 Gulf Building, Houston, Tex.
B. Hughes Tool Co., Houston, Tex.

A. Council of Conservationists, Inc., 588 Fifth Avenue, New York, N.Y.
B. Fred Smith & Co., Inc., 588 Fifth Avenue, New York, N.Y.

A. Council for Exceptional Children (a department of the National Education Association), 1201 16th Street NW., Washington, D.C.
E. (9) $56.80.

A. Council of State Chambers of Commerce, 1025 Connecticut Avenue, Washington, D.C.
D. (6) $2,062.87. E. (9) $2,062.87.

A. Edsall Lee Couplin, 441 East Jefferson, Detroit, Mich.
B. Michigan Hospital Service, 441 East Jefferson, Detroit, Mich.
D. (6) $1,200. E. (9) $20.10.

A. J. Gilbert Cox, Elliston, Va.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Oscar Cox, 1625 I Street NW., Washington, D.C.
B. Balfour, Guthrie & Co., Ltd., 72 Wall Street, New York, N.Y., and Congopalm, 12 Avenue des Aviateurs, Leopoldville, Belgian Congo.
D. (6) $2,402.50. E. (9) $29.32.

A. S. P. Deas, 520 National Bank of Commerce Building, New Orleans, La.
B. Southern Pine Industry Committee, 520 National Bank of Commerce Building, New Orleans, La.
E. (9) $60.

A. Robert J. Demichelis, 640 Central Avenue, Deerfield, Ill.
B. The National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.
D. (6) $2,252.60. E. (9) $286.75.

A. Philip M. DeVany, 639 Woodward Building, Washington, D.C.
B. Porter Bros. Corp., Post Office Box 667, Boise, Idaho.

A. John M. Dickerman, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,031.25. E. (9) $57.48.

A. William C. Doherty, 100 Indiana Avenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,125.

A. Robert E. Dougherty, 1145 19th Street NW., Washington, D.C.
B. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y.
B. International Ladies Garment Workers Union, 1710 Broadway, New York, N.Y.
D. (6) $1,188. E. (9) $1,183.25.

A. Lloyd M. Dunn, 1201 16th Street NW., Washington, D.C.
B. George Peabody College for Teachers, Nashville, Tenn.

A. John W. Edelman, 1025 Vermont Avenue NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y.
D. (6) $2,099.02. E. (9) $349.09.

A. Harold E. Edwards, 1001 Connecticut Avenue NW., Washington, D.C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.
D. (6) $3,304.85. E. (9) $200.

A. John W. Emeigh, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $667.42. E. (9) $10.

A. Mrs. Albert E. Farwell, Box 188, Route 2, Vienna, Va.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. James Finucane, 926 National Press Building, Washington, D.C.
B. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington D. C.
D. (6) $100.

A. E. F. Forbes, 604 Mission Street, San Francisco, Calif.
B. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $7,500.

A. Clark Foreman, Post Office Box 1275, Washington, D.C.
B. Emergency Civil Liberties Committee, 421 Seventh Avenue, New York, N.Y.
D. (6) $1,112.26. E. (9) $1,519.20.

A. Fowler, Leva, Hawes & Symington, 1701 K Street NW., Washington, D.C.
B. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N.Y.
E. (9) $15.93.

A. Ivan K. Garrison, 1201 16th Street NW., Washington, D.C.
B. Board of Education, 506 Jordan Street, Jacksonville, Ill.

A. Group Health Federation of America, 343 South Dearborn Street, Chicago, Ill.
D. (6) $300. E. (9) $217.

A. Alfred N. Guertin, 230 North Michigan Avenue, Chicago, Ill.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $125.20.

A. Walter R. Guild, 261 Franklin Street, Boston, Mass.
B. New England Manufacturing Confectioners Association, 261 Franklin Street, Boston, Mass.

A. Raymond V. Hall, 245 Market Street, San Francisco, Calif.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $2,066.56. E. (9) $2,828.04.

A. William A. Hanscom, 100 Indiana Avenue NW., Washington, D.C.
B. Oil, Chemical and Atomic Workers International Union, 1840 California Street, Denver, Colo.
D. (6) $1,250. E. (9) $225.

A. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. L. James Harmanson, Jr., 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place, Washington, D.C.
D. (6) $3,491.68. E. (9) $125.90.

A. Robert E. Harper, 1913 I Street NW., Washington, D.C.
B. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.

A. Robert N. Hawes, 1145 19th Street NW., Washington, D.C.
B. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. Kit H. Haynes, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.
D. (6) $2,891.64. E. (9) $102.04.

A. M. F. Hicklin, 507 Bankers Trust Building, Des Moines, Iowa.
B. Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

A. Jake D. Hill, 709 Security Federal Building, Columbia, S.C.
B. South Carolina Railroad Association, 709 Security Federal Building, Columbia, S.C.
E. (9) $53.62.

A. Frank N. Hoffmann, 1001 Connecticut Avenue NW., Washington, D.C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.
D. (6) $4,000. E. (9) $1,000.

A. Vester T. Hughes, Jr., 2800 Republic National Bank Building, Dallas, Tex.
B. American Life Insurance Co., P.O. Box 35, Birmingham, Ala.
E. (9) $726.78.

A. John M. Hurley, 302 Hoge Building, Seattle, Wash.

A. DeWitt S. Hyde, Shoreham Building, Washington, D.C.
B. Laundry and Dry Cleaners Association of the District of Columbia, 2400 16th Street NW., Washington, D.C.
D. (6) $275.

A. Independent Advisory Committee to the Trucking Industry, Inc., 1000 Vermont Avenue NW., Washington, D.C.

A. International Union of Electrical, Radio, and Machine Workers, 1126 16th Street NW., Washington, D.C.
E. (9) $1,241.

A. Jewelry Industry Tax Committee, Inc., 820 Highland Avenue, Newark, N.J.
D. (6) $50. E. (9) $128.88.

A. William T. Jobe, 810 18th Street NW., Washington, D.C.
B. National Ice Association, Inc., 810 18th Street NW., Washington, D.C.

A. W. D. Johnson, 401 Third Street NW., Washington, D.C.
B. Order of Railway Conductors and Brakemen, O.R.C. & B. Building, Cedar Rapids, Iowa.

A. Jerome J. Keating, 100 Indiana Aevenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $1,873.

A. Robert F. Kiepinger, Rust Building, Washington, D.C.
B. Peninsula Retired Officers Club, Moffett Field, Calif.
D. (6) $400. E. (9) $87.95.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. A. H. Bull Steamship Co., 115 Broad Street, New York, N.Y.
D. (6) $750.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. Marine Transport Lines, Inc., 11 Broadway, New York, N.Y.
D. (6) $750.

A. Herman C. Kruse, 245 Market Street, San Francisco, Calif.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $5,315.62. E. (9) $6,820.50.

A. Charles R. Larson, 1040 Warner Building, Washington, D.C.
B. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $623.67. E. (9) $20.

A. Charles B. Lipsen, 215 DeSales Building, Washington, D.C.
B. Retail Clerks International Association, DeSales Building, Washington, D.C.

A. Gordon C. Locke, 418 Munsey Building, Washington, D.C.
B. Committee for Oil Pipe Lines.

A. Lowenstein, Pitcher, Hotchkiss, Amann & Parr, 25 Broad Street, New York, N.Y.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Ray B. Lucas, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $144.50.

A. William A. McClintock, Jr., 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.

A. McClure & McClure, 626 Washington Building, Washington, D.C.
B. The Coca-Cola Export Corp., 515 Madison Avenue, New York, N.Y.

A. McClure & McClure, 626 Washington Building, Washington, D.C.
B. Twenty Grand Towing Corp., Offshore Oil Center, Morgan City, La., and Tidewater Marine Service, Inc., 211 The Warwick, New Orleans, La.
D. (6) $4,000. E. (9) $74.67.

A. John H. McCormick, Jr.
B. The Council for Exceptional Children, 1201 16th Street NW., Washington, D.C.

A. Joseph J. McDonald, 1001 Connecticut Avenue NW., Washington, D.C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.
D. (6) $3,304.85. E. (9) $200.

A. Joseph B. McGrath, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,875. E. (9) $221.13.

A. Robert J. McKinsey, 1411 Pennsylvania Avenue NW., Washington, D.C.
B. National Independent Automobile Dealers Association, 1413 K Street NW., Washington, D.C.

A. MacLeish, Spray, Price & Underwood, 134 South La Salle Street, Chicago, Ill.
B. National Committee for Insurance Taxation, 221 North La Salle Street, Chicago, Ill.,
D. (6) $5,850. E. (9) $395.82.

A. Julia L. Maietta, Congressional Hotel, Washington, D.C.
B. Amalgamated Clothing Workers of America, 15 Union Square, New York, N.Y.
D. (6) $985. E. (9) $1,999.54.

A. James D. Mann, 714 Sheraton Building, Washington, D.C.
B. Private Truck Council of America, Inc., 714 Sheraton Building, Washington, D.C.

A. Olya Margolin, 1637 Massachusetts Avenue NW., Washington, D.C.
B. National Council of Jewish Women, Inc., 1 West 47th Street, New York, N.Y.
D. (6) $1,797.84. E. (9) $100.05.

A. Tommy M. Martin, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers Association, 1040 Warner Building, Washington, D.C.
D. (6) $498.26. E. (9) $10.

A. Arnold Mayer, 100 Indiana Avenue NW., Washington, D.C.
B. Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Ill.
D. (6) $1,105. E. (9) $1,753.56.

A. Medical Society of the District of Columbia, 1718 M Street NW., Washington, D.C.

A. Kenneth A. Meiklejohn, 1908 Q Street NW., Washington, D.C.
B. Retail, Wholesale, and Department Store Union, 132 West 43d Street, New York, N.Y.
D. (6) $675.

A. Michigan Hospital Service, 441 East Jefferson, Detroit, Mich.
E. (9) $1,242.68.

A. Joseph L. Miller, 1025 Connecticut Avenue, Washington, D.C.
B. Northern Textile Association and Quinebaug-French Rivers Manufacturers Association.
E. (9) $25.

A. M. D. Mobley, 1010 Vermont Avenue NW., Washington, D.C.
B. American Vocational Association, 1010 Vermont Avenue NW., Washington, D.C.

A. Joseph J. Mulhern, 11 Pemberton Square, Boston, Mass.
D. (6) $10,500. E. (9) $701.08.

A. Andrew P. Murphy, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,625. E. (9) $177.72.

A. John H. Myers, 1224 Cleveland Street, Wilmette, Ill.
B. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.

A. National Associated Businessmen, Inc., 910 17th Street NW., Washington, D.C.
D. (6) $2,098.20. E. (9) $1,931.58.

A. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $25,236.13. E. (9) $15,234.92.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $497,482.70. E. (9) $10,298.99.

A. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue NW., Washington, D.C.
E. (9) $16,423.38.

A. National Association of Social Workers, Inc., 95 Madison Avenue, New York, N.Y., and 1346 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,235. E. (9) $2,235.

A. National Association of Travel Organizations, 1424 K Street NW., Washington, D.C.
D. (6) $18,860.13. E. (9) $682.50.

A. National Audio-Visual Association, Inc., Box 337, Fairfax, Va.
D. (6) $314.90. E. (9) $251.79.

A. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.

A. National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.
D. (6) $27,033.64. E. (9) $27,971.88.

A. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.

A. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.
D. (6) $1,800. E. (9) $5,000.

A. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C.
D. (6) $19,633.75. E. (9) $2,113.86.

A. National Federation of Independent Businesses, Inc., 740 Washington Building, Washington, D.C.
D. (6) $10,697.64. E. (9) $10,697.64.

A. National Independent Automobile Dealers Association, 1413 K Street NW., Washington, D.C.
D. (6) $3,220.50 E. (9) $797.71.

A. National Rural Letter Carriers Association, 1040 Warner Building, Washington, D.C.
D. (6) $8,341.65. E. (9) $8,439.13.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $5,829.50. E. (9) $5,936.98.

A. George S. Newcomer, 900 First National Bank Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. Ruse Nixon, 1319 F Street NW., Washington, D.C.
B. United Electrical, Radio & Machine Workers of America, 11 East 51st Street, New York, N.Y.
D. (6) $747.51. E. (9) $260.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D.C.
B. The Associated Business Publications, 305 East 42d Street, New York, N.Y.
D. (6) $4,000.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D.C.
B. National Association of Wool Manufacturers, 386 Fourth Avenue, New York, N.Y.

A. Order of Railway Conductors and Brakemen, O.R.C. & B. Building, Cedar Rapids, Iowa.
E. (9) $5,581.45.

A. George F. Parrish, Post Office Box 7, Charleston, W. Va.
B. West Virginia Railroad Association, Post Office Box 7, Charleston, W. Va.
D. (6) $4,624.98.

A. Iris V. Peterson, 4201 Massachusetts Avenue NW., Washington, D.C.
B. Air Line Stewards and Stewardesses Association International, 55th and Cicero Avenue, Chicago, Ill.

A. Kenneth Peterson, 1126 16th Street NW., Washington, D.C.
B. International Union of Electrical, Radio and Machine Workers, 1126 16th Street NW., Washington, D.C.
D. (6) $1,031.

A. Andrew A. Pettis, 100 Indiana Avenue NW., Washington, D.C.
B. Industrial Union of Marine and Shipbuilding Workers of America affiliated with American Federation of Labor, Congress of Industrial Organizations, 534 Cooper Street, Camden, N.J.
E. (9) $2,030.13.

A. Piper & Marbury, 900 First National Bank Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. Frederick T. Poole, 418 Munsey Building, Washington, D.C.
B. Committee for Oil Pipe Lines.

A. Homer V. Prater, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $1,944.

A. Allen I. Pretzman, 150 East Broad Street, Columbus, Ohio.
B. Scioto-Sandusky Conservancy District, 150 East Broad Street, Columbus, Ohio.

A. Public Information Committee of the Cotton Industries, Empire Bank Building, Dallas, Tex.

A. Gordon M. Quarnstrom, 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.

A. William A. Quinlan, 1317 F Street NW., Washington, D.C.
B. Associated Retail Bakers of America, 735 West Sheridan Road, Chicago, Ill.; National Candy Wholesalers Association, Inc., 1424 K Street NW., Washington, D.C.; Private Truck Council of America, Inc., 714 Sheraton Building, Washington, D.C.; U.S. Wholesale Grocers Association, Inc., Investment Building, Washington, D.C.

A. Mrs. Richard G. Radue, 3406 Quebec Street NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
D. (6) $88.06. E. (9) $181.91.

A. Sydney C. Reagan, 3840 Greenbrier Drive, Dallas, Tex.
B. Southwestern Peanut Shellers Association, Box 48, Durant, Okla.
D. (6) $150.

A. William T. Reed, 5800 Connecticut Avenue, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan, Chicago, Ill.
D. (6) $1,500. E. (9) $198.53.

A. Roland Rice, 1111 E Street NW., Washington, D.C.
B. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.

A. Bill Richards, Orleans, Nebr.
B. National Association of Soil Conservation Districts, League City, Tex.

A. John J. Riggle, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.

A. Morton W. Royse, 1514 17th Street NW., Washington, D.C.
B. Democratic Central Committee of the District of Columbia, 711 14th Street NW., Washington, D.C.
D. (6) $800.

A. Francis J. Ryley, 519 Title and Trust Building, Phoenix, Ariz.
B. General Petroleum Corp., Los Angeles, Calif.; Richfield Oil Corp., Los Angeles, Calif.; Shell Oil Co., San Francisco, Calif.; Standard Oil Co., of California, San Francisco, Calif.; Tidewater Oil Co., Los Angeles, Calif.; Union Oil Co., Los Angeles, Calif.

A. James D. Secrest, 1721 DeSales Street NW., Washington, D.C.
B. Electronic Industries Association, 1721 DeSales Street NW., Washington, D.C.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. American Carpet Institute, Empire State Building, New York, N.Y.
D. (6) $375. E. (9) $38.74.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. New York Coffee and Sugar Exchange, 70 Pine Street, New York, N.Y.
D. (6) $1,200. E. (9) $47.97.

A. P. L. Shackelford, 4545 Connecticut Avenue, Washington, D.C.
B. Sheet Metal Workers' International Association, 1000 Connecticut Avenue, Washington, D.C.
D. (6) $600.

A. W. Lee Shield, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $864.80. E. (9) $19.40.

A. Ralph Showalter, 1126 16th Street NW., Washington, D.C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America Solidarity House, 8000 East Jefferson Avenue, Detroit, Mich.
D. (6) $1,985.58. E. (9) $768.66.

A. Paul Sifton, 1126 16th Street NW., Washington, D.C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America.
D. (6) $2,338. E. (9) $795.06.

A. Fred Smith & Co., Inc., 588 Fifth Avenue New York, N.Y.
B. Edward Mallinckrodt, 16 Westmoreland Place, St. Louis, Mo.
D. (6) $3,010.29.

A. M. Frederik Smith, 588 Fifth Avenue, New York, N.Y.

B. Council of Conservationists, Inc., 588 Fifth Avenue, New York, N.Y.

E. (9) $538.80.

A. Southern Pine Industry Committee, 520 National Bank of Commerce Building, New Orleans, La.

D. (6) $623.19. E. (9) $209.06.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.

B. Ben Blumenthal, 608 Fifth Avenue, New York, N.Y.

A. Noble J. Swearingen, 224 East Capitol Street, Washington, D.C.

B. National Tuberculosis Association, 1790 Broadway, New York, N.Y.

D. (6) $225. E. (9) $28.83.

A. George O. Tiffany, Ridgeway Center Building. Stamford, Conn.

B. Unilac, Inc., and its subsidiary, Nestle's Products (Export), Inc., Ridgeway Center Building, Stamford, Conn.

E. (9) $2,743.68.

A. Joseph A. Todd, Investment Building, Washington, D.C.

B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.

A. Townsend Plan, Inc., 808 North Capitol Street, NW., Washington, D.C.

A. Paul T. Truitt, 1700 K Street NW., Washington, D.C.

B. National Plant Food Institute, 1700 K Street NW., Washington, D.C.

A. J. T. Trullinger, National Bank of Commerce Building, Olympia, Wash.

B. General Petroleum Corp., 612 South Flower Street, Los Angeles, Calif.; Richfield Oil Co., 555 South Flower Street, Los Angeles, Calif.; Shell Oil Co., Shell Building, San Francisco, Calif.; Standard Oil Company of California, 225 Bush Street, San Francisco, Calif.; Tidewater Oil Co., 4201 Wilshire Boulevard, Los Angeles, Calif.; Union Oil Company of California, Union Oil Centre, Los Angeles, Calif.

A. Trustees for Conservation, 251 Kearny Street, San Francisco, Calif.

D. (6) $659. E. (9) $2,309.74.

A. Richard E. Vernor, 1701 K Street NW., Washington, D.C.

B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

D. (6) $110.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.

B. Lion Manufacturing Co., 2640 Belmont Avenue, Chicago, Ill.

D. (6) $912. E. (9) $912.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.

B. United Manufacturing Co., 3401 North California Avenue, Chicago, Ill.

A. Vera M. Waltman (Mrs. Arnold Mayer).

B. National Consumers League, Inc., 1025 Vermont Avenue NW., Washington, D.C.

D. (6) $1,138.62. E. (9) $37.25.

A. Herbert F. Walton, 7447 Skokie Boulevard, Skokie, Ill.

B. The National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.

A. Weaver and Glassie, 1225 19th Street NW., Washington, D.C.

B. National Community Television Association, Inc., Perpetual Building, Washington, D.C.

E. (9) $125.13.

A. Gene T. West, 1424 16th Street NW., Washington, D.C.

B. Munitions Carriers Conference, Inc., 1424 16th Street NW., Washington, D.C.

A. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.

D. (6) $89,637.76. E. (9) $137.03.

A. Don White, Box 337, Fairfax, Va.

B. National Audio-Visual Association, Inc., Box 337, Fairfax, Va.

D. (6) $3,750. E. (9) $4,796.88.

A. John J. Wicker, Jr., 501 Mutual Building, Richmond, Va.

B. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.

D. (6) $2,573.14. E. (9) $2,573.14.

A. Albert E. Wilkinson, 417 Investment Building, Washington, D.C.

B. The Anaconda Co., 616 Hennessy Building, Butte, Mont.

E. (9) $575.59.

A. Theodore Wiprud, 1718 M Street NW., Washington, D.C.

B. Medical Society of the District of Columbia, 1718 M Street NW., Washington, D.C.

A. Burton C. Wood, 1625 L Street NW., Washington, D.C.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D. C.

D. (6) $1,375. E. (9) $156.92.

A. C. C. Woodard et al., 7630 Biscayne Boulevard, Miami, Fla.

E. (9) $1,260.

A. Harley Z. Wooden.

B. The Council for Exceptional Children, 1201 16th Street NW., Washington, D.C.

D. (6) $55.

A. Albert Y. Woodward, 1625 I Street NW., Washington, D.C.

B. The Flying Tiger Line, Inc., Lockheed Air Terminal, Burbank, Calif.

E. (9) $2,178.47.

A. Albert Young Woodward, 1625 I Street NW., Washington, D.C.

B. Signal Oil and Gas Co., 811 West Seventh Street, Los Angeles, Calif.

E. (9) $2,178.48.

QUARTERLY REPORTS

The following quarterly reports were submitted for the second calendar quarter 1959:

(NOTE.—The form used for reports is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services (e.g., salary, fee, etc.)
6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year
8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter
12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors? Please answer "yes" or "no": _____
14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures
9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year
11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditures' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing.
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Claris Adams, 1701 K Street NW., Washington 6, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $115.60. E. (9) $60.90.

A. J. Carson Adkerson, 976 National Press Building, Washington, D.C.
D. (6) $1,100. E. (9) $257.46.

A. Arthur F. Aebersold, 900 F Street NW., Washington, D.C.
B. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington, D.C.
D. (6) $1,417.45. E. (9) $33.25.

A. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $15,547.16. E. (9) $15,547.16.

A. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $5,085. E. (9) $7,710.46.

A. Aircraft Owners and Pilots Association, 4650 East-West Highway, Bethesda, Md.

A. Air Transport Association, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $5,259.76. E. (9) $5,259.76.

A. Louis J. Allen.
B. Class I railroads in Tennessee.

A. Nicholas E. Allen & Merrill Armour, 1001 15th Street NW., Washington, D.C.
B. Music Operators of America, Inc., 128 East 14th Street, Oakland, Calif.
D. (6) $1,260. E. (9) $363.97.

A. W. L. Allen, 8605 Cameron Street, Silver Spring, Md.
B. The Commercial Telegraphers' Union, International, 8605 Cameron Street, Silver Spring, Md.

A. William B. Allen, 917 15th Street NW., Washington, D.C.
B. United Rubber, Cork, Linoleum and Plastic Workers of America, High at Mill Street, Akron, Ohio.
D. (6) $2,210. E. (9) $12.

A. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D.C.

A. American Cancer Society, 521 West 57th Street, New York City, N.Y.
E. (9) $7,694.32.

A. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill. and 425 13th Street NW., Washington, D.C.
D. (6) $25,713. E. (9) $25,713.

A. American Federation of Labor and Congress of Industrial Organizations, AFL–CIO Building, Washington, D.C.
E. (9) $31,090.10.

A. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $1,976.80. E. (9) $7,879.35.

A. American Hospital Association, 840 North Lakeshore Drive, Chicago, Ill.
D. (6) $13,374.23. E. (9) $11,424.23.

A. American Hotel Association, 221 West 57th Street, New York, N.Y.

A. American Justice Association, Post Office Box 1387, Washington, D.C.
E. (9) $155.30.

A. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $150.60. E. (9) $231.17.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $20,000. E. (9) $11,884.02.

A. American Merchant Marine Institute, Inc., 11 Broadway, New York, N.Y.
E. (9) $5,919.15.

A. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $21,663.50 E. (9) $3,476.

A. American Optometric Association, care of Dr. H. Ward Ewalt, Jr., 8001 Jenkins Arcade, Pittsburgh, Pa.
D. (6) $4,418.54. E. (9) $3,031.60.

A. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $520.48. E. (9) $520.48.

A. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. American Parents Committee, Inc., 52 Vanderbilt Avenue, New York, N.Y., and 132 Third Street SE., Washington, D.C.
D. (6) $1,668.01. E. (9) $2,345.90.

A. American Petroleum Institute, 50 West 50th Street, New York. N.Y.
D. (6) $3,947. E. (9) $8,562.

A. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $63,096.90. E. (9) $4,469.07.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $2,774.30. E. (9) $2,774.30.

A. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
D. (6) $44,376.90. E. (9) $30,907.79.

A. American Sugar Beet Industry Policy Committee, 500 Sugar Building, Denver, Colo.

A. American Tariff League, Inc., 19 West 44th Street, New York, N.Y.
B. Trade Relations Council.

A. American Textile Machinery Association, 60 Batterymarch Street, Boston, Mass.
D. (6) $125.04.

A. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $17,000. E. (9) $7,368.15.

A. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $10,290.06. E. (9) $15,778.54.

A. American Vocational Association, Inc., 1010 Vermont Avenue NW., Washington, D.C.

A. American Warehousemen's Association–Merchandise Division, 222 West Adams Street, Chicago, Ill.

A. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D.C.
D. (6) $4,659.57. E. (9) $4,016.62.

A. America's Wage Earners' Protective Conference, 815 15th Street NW., Washington, D.C.
D. (6) $1,275. E. (9) $1,187.77.

A. Buist M. Anderson, c/o Connecticut General Life Insurance Co., Hartford, Conn.
B. Connecticut General Life Insurance Co., Hartford, Conn.
E. (9) $175.

A. Jerry L. Anderson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Walter M. Anderson, Jr., c/o Alabama Railroad Association, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.
D. (6) $126. E. (9) $770.95.

A. Robert Anthoine, 1065 Lexington Avenue, New York, N.Y.
B. Pension Fund of Local 1, Amalgamated Lithographers of America, 113 University Place, New York, N.Y., and Inter Local Pension Fund, Amalgamated Lithographers of America, 204 South Ashland Boulevard, Chicago, Ill.
D. (6) $13,000. E. (9) $230.15.

A. Richard H. Anthony, 19 West 44th Street, New York, N.Y.
B. The American Tariff League, Inc.

A. David O. Appleton, 801 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $1,875. E. (9) $1,224.58.

A. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.
D. (6) $3,000. E. (9) $3,049.33.

A. Arkansas Railroad Committee, Boyle Building, Little Rock, Ark.
B. Class I railroads operating in the State of Arkansas.
D. (6) $196.85. E. (9) $1,199.39.

A. J. Sinclair Armstrong, 45 Wall Street, New York, N.Y.
B. United States Trust Co., of New York, 45 Wall Street, New York, N.Y., trustee.
D. (6) $461.55. E. (9) $325.

A. W. C. Arnold, 200 Colman Building, Seattle, Wash.
B. Alaska Salmon Industry, Inc., 200 Colman Building, Seattle, Wash.

A. Arthritis and Rheumatism Foundation, 10 Columbus Circle, New York City.
E. (9) $1,249.95.

A. Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Associated Third Class Mail Users, 1406 G Street NW., Washington, D.C.

A. Association of American Medical Colleges, 2530 Ridge Avenue, Evanston, Ill.
E. (9) $1,693.47.

A. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $1,500.

A. Association of American Railroads, 929 Transportation Building, Washington, D.C.
D. (6) $19,700.55. E. (9) $19,700.55.

A. Association of American Ship Owners, 76 Beaver Street, New York, N.Y.

A. Association of Casualty and Surety Companies, 60 John Street, New York, N.Y.
D. (6) $2,218.65. E. (9) $2,218.65.

A. Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $785. E. (9) $785.

A. Edward Atkins, 51 East 42d Street, New York, N.Y.
B. National Association of Shoe Chain Stores, Inc., 51 East 42d Street, New York, N.Y.
D. (6) $25. E. (9) $25.

A. Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.
E. (9) $1,521.89.

A. Richard W. Averill, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
D. (6) $375. E. (9) $37.60.

A. Charles E. Babcock, Route 2, Box 406, Vienna, Va.
B. National Council, Junior Order United American Mechanics, 3025 North Broad Street, Philadelphia, Pa.
D. (6) $150. E. (9) $1.25.

A. Harry S. Baer, Jr., 1115 17th Street NW., Washington, D.C.
B. Aeronautical Training Society, 1115 17th Street NW., Washington, D.C.

A. Charles B. Bailey, Sr., 2035 South Avenue, Toledo, Ohio.
B. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express & Station Employees.
D. (6) $1,350. E. (9) $1,273.17.

A. George P. Baker, Soldiers Field Post Office, Boston, Mass.
B. Transportation Association of America.

A. John A. Baker, 1404 New York Avenue NW., Washington, D.C.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1404 New York Avenue NW., Washington, D.C.
D. (6) $3,274.88. E. (9) $340.47.

A. Thomas F. Baker, 1128 16th Street NW., Washington, D.C.
B. American Bottlers of Carbonated Beverages.

A. Joseph H. Ball, 90 Broad Street, New York, N.Y.
B. American Steamship Committee on Conference Studies, Room 207, Barr Building, Washington, D.C.
E. (9) $137.49.

A. J. H. Ballew, Nashville, Tenn.
B. Southern States Industrial Council, Nashville, Tenn.
D. (6) $2,400.

A. Roy A. Ballinger, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. Hartman Barber, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express & Station Employes, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $2,301.99. E. (9) $961.50.

A. Arthur R. Barnett, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $1,005. E. (9) $53.29.

A. Irvin L. Barney, 401 Third Street NW., Washington, D.C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $3,225.

A. William G. Barr, 711 14th Street NW., Washington, D.C.
B. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. Laurie C. Battle, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Roy Battles, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, Patrons of Husbandry, 744 Jackson Place NW., Washington, D.C.
D. (6) $3,600.

A. Bert Bell, One Bala Avenue, Bala-Cynwyd, Pa.
B. National Football League, One Bala Avenue, Bala-Cynwyd, Pa.
E. (9) $12,001.75.

A. James F. Bell, 730 Southern Building, Washington, D.C.
B. National Association of Supervisors of State Banks, Munsey Building, Washington, D.C.
D. (6) $450. E. (9) $62.83.

A. Mrs. Rachel S. Bell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.

A. Ernest H. Benson, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $4,500.

A. Bergson & Borkland, 918 16th Street NW., Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.

A. J. Raymond Berry, 85 John Street, New York, N.Y.
B. National Board of Fire Underwriters, 85 John Street, New York, N.Y.
D. (6) $1,560. E. (9) $945.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,900. E. (9) $486.15.

A. Walter J. Bierwagen, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL–CIO, 900 F Street NW., Washington, D.C.

A. Hudson Biery, 4517 Carew Tower, Cincinnati, Ohio.
B. Ohio Valley Improvement Association, Inc., 4517 Carew Tower, Cincinnati, Ohio.
D. (6) $3,498. E. (9) $344.40.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N.Y., and 839 Shoreham Building, Washington, D.C.
B. American Institute of Marine Underwriters, The Association of Marine Underwriters of the United States, American Cargo War Risk Reinsurance Exchange, American Hull Insurance Syndicate.
E. (9) $375.08.

A. Robert J. Bird, 1000 Connecticut Avenue, Washington, D.C.
B. Massachusetts Indemnity and Life Insurance Co., 654 Beacon Street, Boston, Mass.

A. Robert J. Bird, 1000 Connecticut Avenue, Washington, D.C.
B. Massachusetts Protective Association, Worcester, Mass.

A. Robert J. Bird, 1000 Connecticut Avenue, Washington, D.C.
B. Occidental Life Insurance Co. of California, 1151 South Broadway, Los Angeles, Calif.

A. Robert J. Bird, 1000 Connecticut Avenue, Washington, D.C.
B. Paul Revere Life Insurance Co., Worcester, Mass.

A. A. H. Bishop, Machinists Building, Washington, D.C.
B. International Association of Machinists, Machinists Building, Washington, D.C.
D. (6) $1,500. E. (9) $132.11.

A. David Bishop, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. John H. Bivins, 50 West 50th Street, New York, N.Y.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.
D. (6) $550.

A. James C. Black, 1625 K Street NW., Washington, D.C.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio.
D. (6) $600. E. (9) $500.

A. William Rhea Blake, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $504.79. E. (9) $234.75.

A. Blue Cross Commission, 840 North Lake Shore Drive, Chicago, Ill.

A. William Blum, Jr., 1741 K Street NW., Washington, D.C.
B. Committee for the Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
D. (6) $1,260. E. (9) $73.53.

A. Eugene F. Bogan, 1108 16th Street NW., Washington, D.C.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.
D. (6) $400. E. (9) $63.09.

A. Hyman Bookbinder, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,159. E. (9) $408.75.

A. Joseph L. Borda, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Lyle H. Boren, Seminole, Okla.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $785.

A. Joseph Borkin, 802 Ring Building, Washington, D.C.
B. Alleghany Corp., 230 Park Avenue, New York, N.Y.

A. Robert T. Borth, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $375. E. (9) $351.82.

A. G. Stewart Boswell, 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $787.50. E. (9) $17.46.

A. Charles B. Bowling, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place NW., Washington, D.C.
D. (6) $600.

A. Charles M. Boyer, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Joseph E. Brady, 2347 Vine Street, Cincinnati, Ohio.
B. International Union of United Brewery, Flour, Cereal, Soft Drink, and Distillery Workers of America, 2347 Vine Street, Cincinnati, Ohio.

A. Harry R. Brashear, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Frank P. Brennan, Avoca, Iowa.
B. Iowa Power & Light Co., Des Moines, Iowa.
E. (9) $1,271.72.

A. W. Kenneth Brew, 122 East 42d Street, New York, N.Y.
B. American Paper and Pulp Association, 122 East 42d Street, New York, N.Y.

A. Homer L. Brinkley, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives.

A. W. S. Bromley, 220 East 42d Street, New York, N.Y.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Milton E. Brooding, 215 Fremont Street, San Francisco, Calif.
B. California Packing Corporation, 215 Fremont Street, San Francisco, Calif.
D. (6) $800. E. (9) $475.

A. Derek Brooks, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.
D. (6) $600. E. (9) $634.13.

A. Brotherhood of Locomotive Engineers, 1122 Engineers Building, Cleveland, Ohio.

A. J. Olney Brott, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $575. E. (9) $71.95.

A. Bryant C. Brown, 425 13th Street NW., Washington, D.C.
B. American Mutual Insurance Alliance.

A. C. Blake Brown, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. J. D. Brown, 919 18th Street NW., Washington, D.C.,
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $351.

A. Brown & Lund, 1625 I Street NW., Washington, D.C.
B. National Association of Electric Companies, Ring Building, Washington, D.C.
D. (6) $1,425. E. (9) $1,427.27.

A. Russell B. Brown, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $13.45.

A. F. Raymond Brush, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $21.25. E. (9) $24.85.

A. Lyman L. Bryan, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $125. E. (9) $60.

A. George S. Buck, Jr., Post Office Box 9905, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $1,500. E. (9) $117.63.

A. Newman D. Buck, Mount Pleasant, S.C.
B. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $68.53. E. (9) $68.53.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
D. (6) $1,350. E. (9) $523.50.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. The Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.
D. (6) $1,350. E. (9) $195.13.

A. George J. Burger, 250 West 57th Street, New York, N.Y.
B. Burger Tire Consultant Service, 250 West 57th Street, New York, N.Y., and National Federation of Independent Business, 740 Washington Building, Washington, D.C.

A. John J. Burke, 1062 West Platinum Street, Butte, Mont.
B. Pacific Northwest Power Co., Post Office Box 1445, Spokane 10, Wash.
E. (9) $425.

A. Burley & Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.
D. (6) $11,305. E. (9) $1,087.18.

A. George B. Burnham, 132 Third Street SE., Washington, D.C.
B. Numerous stockholders of the Burnham Chemical Co., 132 Third Street SE., Washington, D.C.
D. (6) $472. E. (9) $472.

A. F. Hugh Burns, 821 Cafritz Building, Washington, D.C.
B. Great Lakes-St. Lawrence Association, 821 Cafritz Building, Washington, D.C.
D. (6) $1,800. E. (9) $51.33.

A. David Burpee, Fordhook Farms, Doylestown, Pa.
E. (9) $105.

A. Robert M. Burr, 105 Mansfield Avenue, Darien, Conn.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.

A. Orrin A. Burrows, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 1200 15th Street NW., Washington, D.C.
D. (6) $3,624.99.

A. Hollis W. Burt, 1212 Munsey Building, Washington, D.C.
B. National Association of Supervisors of State Banks, 1212 Munsey Building, Washington, D.C.
D. (6) $42.75.

A. Sherman E. Burt, 1625 I Street NW., Washington, D.C.
B. American Coal Sales Association, 1625 I Street NW., Washington, D.C.

A. Charles C. Butler, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $700. E. (9) $4.46.

A. C. G. Caffrey, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $760.20. E. (9) $70.

A. Gordon L. Calvert, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $300. E. (9) $359.16.

A. Campaign for the 48 States, Cotton Exchange Building, Memphis, Tenn.

A. Carl C. Campbell, 502 Ring Building, Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $72.

A. James A. Campbell, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $3,365.39. E. (9) $336.54.

A. John L. Carey, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.

A. John T. Carlton, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Braxton B. Carr, 1025 Connecticut Avenue, Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue, Washington, D.C.
D. (6) $1,500. E. (9) $328.20.

A. Robert S. Carr, 1220 Pennsylvania Building, Washington, D.C.
B. Hiram Walker & Sons, Inc., Penobscot Building, Detroit, Mich.

A. Henderson H. Carson, 600 First National Bank Building, Canton, Ohio, and 744 Pennsylvania Building, Washington, D.C.
B. East Ohio Gas Co., 1717 East Ninth Street, Cleveland, Ohio.
D. (6) $2,000. E. (9) $850.

A. Albert E. Carter, 1026 16th Street NW., Washington, D.C.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $3,750. E. (9) $1,569.87.

A. Clarence B. Carter, Post Office Box 798, New Haven, Conn.
B. R. R. Pension Conference, Post Office Box 798, New Haven, Conn.

A. J. R. Cash, 401 Third Street NW., Washington, D.C.
B. Order of Railway Conductors and Brakemen, Cedar Rapids, Iowa.

A. Walter Caven, Post Office Box 717, Austin, Tex.
B. Texas railroads.
D. (6) $46.66. E. (9) $635.75.

A. Francis R. Cawley, 1101 Vermont Avenue NW., Washington, D.C.
B. Magazine Publishers Association, Inc., 444 Madison Avenue, New York, N.Y.
D. (6) $1,040. E. (9) $118.17.

A. Jay H. Cerf, 300 Independence Avenue SE., Washington, D.C.
B. Foreign Policy Clearing House, 300 Independence Avenue SE., Washington, D.C.
D. (6) $3,300. E. (9) $601.81.

A. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. Justice M. Chambers, 2521 Connecticut Avenue NW., Washington, D.C.
B. M. Golodetz & Co., 120 Wall Street, New York, N.Y.
D. (6) $2,500.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. American Taxicab Association, Inc., 4415 North California Avenue, Chicago, Ill.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Camara Minera De Mexico, Gante 15, Mexico, D.F. Mexico.
D. (6) $1,000.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Union Nacional De Productores De Azucar, S.A. De C.V., Balderas 36, Primer Piso, Mexico, D.F. Mexico.
D. (6) $6,875. E. (9) $897.12.

A. Charitable Contributors' Association, 100 Old York Road, Jenkintown, Pa.
D. (6) $2,200. E. (9) $1,540.28.

A. Enoch D. Chase, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $29.45.

A. Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $4,946.03. E. (9) $3,697.75.

A. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.

A. Earl W. Clark, 132 Third Street SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $900. E. (9) $148.28.

A. Robert M. Clark, 525 Shoreham Building, Washington, D.C.
B. Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill.

A. Clear Channel Broadcasting Service, 532 Shoreham Building, Washington, D.C.

A. Clarence E. Cleveland, Montpelier, Vt.
B. Vermont State Railroads Association, Montpelier, Vt.
D. (6) $49.32. E. (9) $93.47.

A. W. H. Coburn, 315 Bowen Building, Washington, D.C.
B. Western Forest Industries Association, 526 Henry Building, Portland, Oreg.
D. (6) $1,500. E. (9) $650.

A. A. C. Cocke, 821 Gravier Street, New Orleans, La.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
E. (9) $925.16.

A. Edwin S. Cohen, 25 Broad Street, New York, N.Y.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.
D. (6) $350.

A. Coles & Goertner, 1000 Connecticut Avenue, Washington, D.C.
B. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
E. (9) $388.12.

A. Coles & Goertner, 1000 Connecticut Avenue, Washington, D.C.
B. Sand Products Corp., 2489 National Bank Building, Detroit, Mich.
E. (9) $190.86.

A. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
E. (9) $995.54.

A. Committee for Broadening Commercial Bank Participation in Public Financing.

A. Committee for Collective Security, 80 John Street, New York, N.Y.
D. (6) $80. E. (9) $316.18.

A. Committee on Laws, National Board of Fire Underwriters, 85 John Street, New York, N.Y.
D. (6) $4,620. E. (9) $5,655.

A. Committee for Oil Pipe Lines, 418 Munsey Building, Washington, D.C.

A. Committee To Strengthen the Frontiers of Freedom, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $11,805.14. E. (9) $16,174.24.

A. Committee for Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
E. (9) $12,840.08.

A. John C. Cone, 815 15th Street NW., Washington, D.C.
B. Pan American World Airways System, 815 15th Street NW., Washington, D.C.

A. Leo E. Connor, 1201 16th Street NW., Washington, D.C.
B. Lexington School for the Deaf, 904 Lexington Avenue, New York, N.Y.

A. Julian D. Conover, Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $1,000. E. (9) $18.30.

A. Orval R. Cook, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Raymond A. Cook, 2200 Gulf Building, Houston, Tex.
B. Hughes Tool Co., Houston, Tex.

A. Cooper and Silverstein, 1100 Bowen Building, Washington, D.C.
B. Association of Advanced Life Underwriters, 708 Bowen Building, Washington, D.C.

A. Cooper and Silverstein, 1100 Bowen Building, Washington, D.C.
B. National Coal Association, 15th and H Streets NW., Washington, D.C.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D.C.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D.C.
B. R. J. Reynolds Tobacco Co., Winston-Salem, N.C.

A. Ben C. Corlett, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $1,250. E. (9) $3,404.99.

A. Edward J. Coughlin, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $195. E. (9) $20.

A. Council for Exceptional Children (a department of the National Education Association), 1201 16th Street NW., Washington, D.C.
D. (6) $19. E. (9) $78.50.

A. Council of Mechanical Specialty Contracting Industries, Inc., 610 Ring Building, Washington, D.C.
D. (6) $4,206.23. E. (9) $1,599.30.

A. Edsell Lee Couplin, 441 East Jefferson Avenue, Detroit, Mich.
B. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
D. (6) $1,200. E. (9) $133.94.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.
E. (9) $46.89.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Committee on Joint Resolution 1955 Legislature, P.O. Box 3170, Honolulu, Hawaii, U.S.A.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Copper and Brass Research Association, 420 Lexington Avenue, New York, N.Y.
E. (9) $163.16.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Ohio Deposit Guarantee Fund, 1303 Fifth Third Bank Building, Cincinnati, Ohio.
E. (9) $33.57.

A. J. Gilbert Cox, Elliston, Va.
B. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $150.40. E. (9) $150.40.

A. A. M. Crawford, 704 Title and Trust Building, Phoenix, Ariz.
B. Southern Pacific Company, 65 Market Street, San Francisco, Calif., and The Atchison, Topeka and Santa Fe Railway, 121 East 6th Street, Los Angeles, Calif.
D. (6) $400. E. (9) $810.35.

A. William A. Cromartie, 1 North La Salle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $1,525.73.

A. William A. Cromartie, 1 North La Salle Street, Chicago, Ill.
B. Swift & Company Employes Benefit Association, 4115 Packers Avenue, Chicago, Ill.
D. (6) $3,537.28. E. (9) $2,538.81.

A. Laurence A. Crosby, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. H. C. Crotty, 12050 Woodward Avenue, Detroit, Mich.

A. Leo J. Crowley, 840 Equitable Building, Denver, Colo.
B. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
D. (6) $995.54. E. (9) $995.54.

A. Paul Cunningham, 575 Madison Avenue, New York, N.Y.
B. American Society of Composers, Authors and Publishers, 575 Madison Avenue, New York, N.Y.

A. John T. Curran, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,159. E. (9) $519.17.

A. Bryce Curry, 18th and M Streets NW., Washington, D.C.
B. National League of Insured Savings Associations, 18th and M Streets NW., Washington, D.C.
D. (6) $1,800.

A. Ralph E. Curtiss, 917 15th Street NW., Washington, D.C.
B. National Licensed Beverage Association, 420 Seventh Street, Racine, Wis.
D. (6) $1,150.

A. Bernard Cushman, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. John R. Dalton, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. D. C. Daniel, 1627 K Street NW., Washington, D.C.
B. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.
D. (6) $337.50. E. (9) $8.10.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $656.25. E. (9) $18.17.

A. Joan E. David, 4737 36th Street, NW., Washington, D.C.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
D. (6) $50. E. (9) $17.90.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Sears, Roebuck and Co., 925 South Homan Avenue, Chicago, Ill.
D. (6) $2,580.08.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $1,525.73.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Swift & Co. Employes Benefit Association, 4115 Packers Avenue, Chicago, Ill.
D. (6) $3,537.28. E. (9) $2,538.81.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, Washington Building Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, Washington Building, Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D. C.
B. Robert E. Pflaumer, Chicago, Ill.

A. Michael B. Deane, 1700 K Street NW., Washington, D.C.
B. U.S. Poultry and Egg Producers Association, Lakewood, N.J.
D. (6) $2,000.

A. Tony T. Dechant, 1575 Sherman Street, Denver, Colo.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1575 Sherman Street, Denver 1, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $36.27.

A. Mary S. Deuel, 3026 Cambridge Place NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $937.50.

A. R. T. DeVany, 918 16th Street, NW., Washington, D.C.
B. National Association of Manufacturers.

A. Cecil B. Dickson, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $1,125. E. (9) $90.50.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Sacramento Yolo Port District, 705 California Fruit Building, Sacramento, Calif.
D. (6) $2,825.10. E. (9) $200.10.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Westland Water District, Post Office Box 4006, Fresno, Calif.
D. (6) $3,502.10. E. (9) $502.10.

A. Disabled American Veterans, National Headquarters, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,500.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C.
E. (9) $3,760.50.

A. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D.C.
D. (6) $21,222.38. E. (9) $21,887.73.

A. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
E. (9) $35,735.63.

A. Robert C. Dolan, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $282.50. E. (9) $63.66.

A. James L. Donnelly, 200 South Michigan Avenue, Chicago, Ill.
B. Illinois Manufacturers' Association, 200 South Michigan Avenue, Chicago, Ill.
E. (9) $340.78.

A. Donoghue, Ragan & Mason, 239 Wyatt Building, Washington, D.C.
B. California Shipping Co., 320 Market Street, San Francisco, Calif.

A. Robert F. Donoghue, 239 Wyatt Building, Washington, D.C.
B. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $1,624.99.

A. Thomas J. Donovan, 155 East 44th Street, New York, N.Y.

A. J. Dewey Dorsett, 60 John Street, New York, N.Y.
B. Association of Casualty and Surety Companies, 60 John Street, New York, N.Y.
D. (6) $127.50.

A. Jasper N. Dorsey, 1001 Connecticut Avenue NW., Washington, D.C., and Hurt Building, Atlanta, Ga.
B. Southern Bell Telephone & Telegraph Co., Hurt Building, Atlanta, Ga.
D. (6) $500.

A. C. L. Dorson, 900 F Street NW., Washington, D.C.
B. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington, D.C.
D. (6) $1,468.44. E. (9) $140.

A. Ben DuBois.
B. Independent Bankers Association, Sauk Centre, Minn.

A. Lloyd M. Dunn, 1201 16th Street NW., Washington, D.C.
B. George Peabody College for Teachers, Nashville, Tenn.

A. Read P. Dunn, Jr., 502 Ring Building, Washington, D.C.
B. National Cotton Council of America, P. O. Box 9905, Memphis, Tenn.
D. (6) $255.

A. Stephen F. Dunn, 916 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. William E. Dunn, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Henry I. Dworshak, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $15.

A. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $93.15. E. (9) $147.57.

A. Herman Edelsberg, 1640 Rhode Island Avenue NW., Washington, D.C.
B. Anti-Defamation League of B'nai B'rith, 515 Madison Avenue, New York, N.Y.
D. (6) $140. E. (9) $15.

A. Harold Edwards, 2400 16th Street NW., Washington, D.C.
B. National Health Federation, 2454 Van Ness Avenue, San Francisco, Calif.
D. (6) $700.

A. Harold E. Edwards, 1001 Connecticut Avenue NW., Washington, D.C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.
D. (6) $3,304.85. E. (9) $300.

A. James B. Ehrlich, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $516.25. E. (9) $60.70.

A. John Doyle Elliott, 808 North Capitol Street, Washington, D.C.
B. Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.
D. (6) $1.092. E. (9) $14.35.

A. John M. Elliott, 5025 Wisconsin Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D.C.
B. National Oil Jobbers Council, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $4,000.

A. Perry R. Ellsworth, 1145 19th Street NW., Washington, D.C.
B. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.
D. (6) $125. E. (9) $9.65.

A. John H. Else, 302 Ring Building, Washington, D.C.
B. National Retail Lumber Dealers Association, 302 Ring Building, Washington, D.C.
D. (6) $3,750. E. (9) $219.96.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $2,375.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif.
D. (6) $1,500.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. Department of Water Resources, State of California, Sacramento, Calif.
D. (6) $3,250.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. East Bay Municipal Utility District, 2130 Adeline Street, Oakland, Calif.
D. (6) $1,200.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. Imperial Irrigation District, El Centro, Calif.
D. (6) $2,100.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D.C.
B. Six Agency Committee and Colorado River Board of California, 909 South Broadway, Los Angeles, Calif.
D. (6) $7,217.50. E. (9) $4.25.

A. Myles W. English, 966 National Press Building, Washington, D.C.
B. National Highway Users' Conference, Inc., 966 National Press Building, Washington, D.C.

A. Lawrence E. Ernst, 301 East Capitol Street, Washington, D.C.
B. National Star Route Mail Carriers Association, 301 East Capitol Street, Washington, D.C.
E. (9) $22.60.

A. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $5,835. E. (9) $3,736.01.

A. Farmers Educational and Cooperative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $60,646.46. E. (9) $21,608.16.

A. Mrs. Albert E. Farwell, Box 188, Route 2, Vienna, Va.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Joseph G. Feeney, 201 World Center Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $3,000. E. (9) $150.

A. Bonner Fellers, 1001 Connecticut Avenue NW., Washington, D.C.
B. Citizens Foreign Aid Committee.

A. Harold E. Fellows, 1771 N Street NW., Washington, D.C.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C.

A. Maurice W. Fillius, 703 National Press Building, Washington, D.C.
B. National Association of Alcoholic Beverage Importers, Inc.
D. (6) $500.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D.C.
B. Bangor and Aroostook Railroad, 84 Harlow Street, Bangor, Maine.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D.C.
B. C. H. Sprague & Son Co., 10 Post Office Square, Boston, Mass.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D.C.
B. Estate of Mrs. R. B. von Courten, 60 State Street, Boston, Mass.

A. Berchmans T. Fitzpatrick, 1025 Connecticut Avenue NW., Washington, D.C.
B. Wood, King & Dawson, 48 Wall Street, New York, N.Y.
E. (9) $150.

A. Norman A. Flaningam, 425 13th Street NW., Washington, D.C.
B. Consolidated Natural Gas Co., 30 Rockefeller Plaza, New York, N.Y.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (5) $1,287.50.

A. Florida Citrus Mutual, Lakeland, Fla.
E. (9) $1,862.45.

A. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
E. (9) $1,673.50.

A. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla.
D. (6) $181.01. E. (9) $181.01.

A. Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.
E. (9) $1,545.13.

A. W. Robert Fokes, 400 Midyette-Moor Building, Tallahassee, Fla.
B. Florida Railroad Association, Midyette-Moor Building, Tallahassee, Fla.

A. W. Robert Fokes, 400 Midyette-Moor Building, Tallahassee, Fla.
B. The Florida Savings and Loan League, Post Office Box 2246, Orlando, Fla.

A. Aaron L. Ford, Plaza Building, Jackson, Miss.
B. Joseph Abrams, 33 Great Neck Road, Great Neck, N.Y.
D. (6) $7,500. E. (9) $482.48.

A. Mrs. J. A. Ford, 808 North Capitol Street, Washington, D.C.
B. The Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.

A. Foreign Policy Clearing House, 300 Independence Avenue SE., Washington, D.C.
D. (6) $225. E. (9) $5,595.37.

A. Forest Farmers Association, Post Office Box 7284, Station C, Atlanta, Ga.
D. (6) $375.20. E. (9) $375.20.

A. James W. Foristel, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $737.50. E. (9) $91.96.

A. James F. Fort, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $500. E. (9) $175.80.

A. Ronald J. Foulis, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone and Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $1,200.

A. Fowler, Leva, Hawes & Symington, 1701 K Street NW., Washington, D.C.
B. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N.Y.

A. L. S. Franklin, 2309 Pine Croft Road, Greensboro, N.C.
D. (6) $450. E. (9) $895.

A. Robert W. Frase, 1820 Jefferson Place NW., Washington, D.C.
B. American Book Publishers Council, Inc., 24 West 40th Street, New York, N.Y.
D. (6) $1,100. E. (9) $954.55.

A. Robert W. Frase, 1820 Jefferson Place NW., Washington, D.C.
B. National Postal Committee for Educational and Cultural Materials, 24 West 40th Street, New York, N.Y.
D. (6) $1,100. E. (9) $656.85.

A. George H. Frates, 1163 National Press Building, Washington, D.C.
B. National Association of Retail Druggists.
D. (6) $3,900. E. (9) $1,124.

A. W. E. Fravel, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Frank J. French, 40 Rector Street, New York, N.Y.
B. Fluorspar Consumers Committee.

A. Elmer M. Freudenberger, 1701 18th Street NW., Washington, D.C.
B. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,500.

A. Philip P. Friedlander, Jr., 1012 14th Street NW., Washington, D.C.
B. The National Tire Dealers and Retreaders Association, Inc., 1012 14th Street NW., Washington, D.C.
E. (9) $18.03.

A. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $16,964.72. E. (9) $5,596.22.

A. Garrett Fuller, 1210 Wyatt Building, Washington, D.C.
B. West Coast Steamship Company, 601 Board of Trade Building, Portland, Oreg.
D. (6) $30. E. (9) $1.20.

A. Wallace H. Fulton, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc.

A. M. J. Calvin, 207 Union Depot Building, St. Paul, Minn.
B. Minnesota Railroads.
D. (6) $700. E. (9) $786.49.

A. Earl H. Gammons, 1735 DeSales Street NW., Washington, D.C.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D.C.
B. Bigham, Englar, Jones & Houston, 99 John Street, New York City, N.Y.
E. (9) $34.96.

A. Ivan K. Garrison, 1201 16th Street NW., Washington, D.C.
B. Board of Education, 506 Jordan Street, Jacksonville, Ill.

A. Marion A. Garstang, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $200. E. (9) $2.95.

A. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.
D. (6) $44.25. E. (9) $44.25.

A. Gus F. Geissler, 1575 Sherman Street, Denver, Colo.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. J. M. George, 165 Center Street, Winona, Minn.
B. The Inter-State Manufacturers Association, 163–165 Center Street, Winona, Minn.
D. (6) $1,500.

A. J. M. George, 165 Center Street, Winona, Minn.
B. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.
D. (6) $3,000.

A. Ernest Giddings, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $2,059.80. E. (9) $649.59.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
D. (6) $550. E. (9) $222.48.

A. Leif Gilstad, 1000 Connecticut Avenue NW., Washington, D.C.
B. Transportation Association of America.

A. Frank T. Gladney, 401 Third Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 1200 15th Street NW., Washington, D.C.
D. (6) $750.

A. Henry W. Goodall, 209 South La Salle Street, Chicago, Ill.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $2,375.

A. John A. Gosnell, 801 19th Street NW., Washington, D.C.
B. National Small Business Men's Association.
D. (6) $1,500.

A. Lawrence L. Gourley, 1757 K Street NW., Washington, D.C.
B. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $375.

A. Government Employees' Council, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $6,998.25. E. (9) $7,178.08.

A. Government Relations Committee of the Office Equipment Manufacturers Institute, 777 14th Street NW., Washington, D.C.

A. James L. Grahl, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $50.

A. Grain & Feed Dealers National Association, 400 Folger Building, Washington, D.C.
E. (9) $21.44.

A. Grand Lodge of the Brotherhood of Locomotive Firemen & Enginemen, 318–416 Keith Building, Cleveland, Ohio.
D. (6) $16,744. E. (9) $16,613.01.

A. Mrs. Edward R. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Mrs. Virginia M. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. Citizens Committee for UNICEF, 132 Third Street SE., Washington, D.C.
D. (6) $435. E. (9) $49.72.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.
E. (9) $714.77.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B.C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Mutual Benefit Health & Accident Association, Omaha, Nebr.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. National Coal Association, 15th and H Streets NW., Washington, D.C.
D. (6) $1,875.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, 731 Washington Building, Washington, D.C.

A. Weston B. Grimes, 1001 Bowen Building, Washington, D.C.
B. Cargill, Inc., 200 Grain Exchange, Minneapolis, Minn.
D. (6) $6,000. E. (9) $5.40.

A. I. J. Gromfine, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Albert A. Grorud, 816 E Street NE., Washington, D.C.
B. Yakima Indian Association of Washington State.
D. (6) $50. E. (9) $36.90.

A. Alfred N. Guertin, 230 North Michigan Avenue, Chicago, Ill.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. Rodger S. Gunn, 4618 Highland Drive, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Mrs. Violet M. Gunther, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,986.95. E. (9) $250.75.

A. Frank E. Haas, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $1,560. E. (9) $380.24.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $900. E. (9) $220.62.

A. Hal H. Hale, 423 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Haley, Wollenberg & Kenehan, 1735 De Sales Street NW., Washington, D.C.
B. Home Town Free Television Association, 2923 East Lincolnway, Cheyenne, Wyo.
E. (9) $386.83.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill.

A. Hugh F. Hall, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $741.66. E. (9) $11.28.

A. E. C. Hallbeck, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,374.96. E. (9) $178.77.

A. Charles A. Hamilton, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $500. E. (9) $118.

A. Harold F. Hammond, 1000 Connecticut Avenue NW., Washington, D.C.
B. Transportation Association of America.

A. C. L. Hancock, 420 Lexington Avenue, New York, N.Y.
B. Copper and Brass Research Association, 420 Lexington Avenue, New York, N.Y.
D. (6) $3,000. E. (9) $6,316.99.

A. George F. Hannaum, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. William A. Hanscom, 100 Indiana Avenue NW., Washington, D.C.
B. Oil, Chemical, and Atomic Workers International Union, 1840 California Street, Denver, Colo.
D. (6) $1,250. E. (9) $225.

A. Murray Hanson, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $600. E. (9) $976.23.

A. Eugene J. Hardy, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers of the U.S.A.

A. L. James Harmanson, Jr., 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.
D. (6) $3,365. E. (9) $74.89.

A. Herbert E. Harris II, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,087.50. E. (9) $48.58.

A. Merwin K. Hart, 7501 Empire State Building, New York, N.Y.
B. National Economic Council, Inc., 7501 Empire State Building, New York, N.Y.
D. (6) $300. E. (9) $49.56.

A. Stephen H. Hart, 520 Equitable Building, Denver, Colo.
B. National Livestock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $3,775.60.

A. John A. Hartman, Jr., 67 Broad Street, New York, N.Y.
B. American Cable & Radio Corporation, 67 Broad Street, New York, N.Y.
E. (9) $805.46.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $308. E. (9) $94.90.

A. Kit H. Haynes, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.
D. (6) $2,824.98. E. (9) $21.84.

A. Joseph H. Hays, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. John C. Hazen, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
E. (9) $56.55.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
E. (9) $407.52.

A. Patrick B. Healy, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $300. E. (9) $203.05.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y., and 132 Third Street SE., Washington, D.C.
B. American Parents Committee, Inc., 132 Third Street SE., Washington, D.C.

A. Robert B. Heiney, 1133 20th Street NW., Washington, D.C.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $875. E. (9) $774.

A. Kenneth G. Heisler, 907 Ring Building, Washington, D.C.
B. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
D. (6) $2,300.

A. Chas. H. Heltzel, 606 Commerce Building, Washington, D.C.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg.
D. (6) $930. E. (9) $525.25.

A. Willon A. Henderson, 612 South Flower Street, Los Angeles, Calif.
B. General Petroleum Corp., 612 South Flower Street, Los Angeles, Calif.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $2,172.03. (9) $1,047.03.

A. Maurice G. Herndon, 1002 Washington Loan and Trust Building, Washington, D.C.
B. National Association of Insurance Agents, 96 Fulton Street, New York, N.Y., and 1002 Washington Loan and Trust Building, Washington, D.C.
D. (6) $400.05. E. (9) $400.05.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Boston Wool Trade Association, 263 Summer Street, Boston, Mass.
D. (6) $600. E. (9) $29.40.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Association of Hot House Vegetable Growers, Post Office Box 659, Terre Haute, Ind.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Football League, 1 Bala Avenue, Bala Cynwyd, Pa.
D. (6) $12,000. E. (9) $48.96.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Wool Trade Association, 263 Summer Street, Boston, Mass.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Philadelphia Wool and Textile Association, P. O. Box 472, Station E, Philadelphia, Pa.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. United States Brewers Foundation, 535 Fifth Avenue, New York, N.Y.
D. (6) $5,000. E. (9) $29.40.

A. W. J. Hickey, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $218.75.

A. M. F. Hicklin, 507 Bankers Trust Building, Des Moines, Iowa.
B. Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

A. Ray C. Hinman, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $1,426.93. E. (9) $176.93.

A. George C. Holdrege, 1416 Dodge Street, Omaha, Nebr.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.
D. (6) $4,875.

A. Edward D. Hollander, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
E. (9) $51.03.

A. A. D. Holmes, Jr., Gallion, Ala.
B. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $97.09. E. (9) $97.09.

A. Stanley G. Holmes, 311 California Street, San Francisco, Calif.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.

A. Richard C. Holmquist, 570 Lexington Avenue, New York, N.Y.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $140. E. (9) $100.

A. Winfield M. Homer, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Edwin M. Hood, 441 Washington Building, Washington, D.C.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. J. M. Hood, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $318.75.

A. Samuel H. Horne, Munsey Building, Washington, D.C.
B. Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $1,525.73.

A. Lawrence W. Horning, 1010 Pennsylvania Building, Washington, D.C.
B. New York Central Railroad Co., 466 Lexington Avenue, New York, N.Y.

A. Donald E. Horton, 222 West Adams Street, Chicago, Ill.
B. American Warehousemen's Association Merchandise Division.

A. J. Cline House, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,500.

A. Harold A. Houser, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $2,500.09.

A. Vernon F. Hovey, 101 Hott Terrace, Schenectady, N.Y.
B. National Dairy Products Corp., 260 Madison Avenue, New York, N.Y.
D. (6) $3,000. E. (9) $555.15.

A. Erma D. Hubbard, 509 Ridgely Avenue, Annapolis, Md.
B. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.

A. Vester T. Hughes, Jr., 2800 Republic National Bank Building, Dallas, Tex.
B. American Life Insurance Co., Postoffice Box 35, Birmingham, Ala.
E. (9) $726.78.

A. William J. Hull, 326 Cafritz Building, 1625 I Street NW., Washington, D.C.
B. Ashland Oil & Refining Co., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 326 Cafritz Building, NW., Washington, D.C.
B. Ohio Valley Improvement Association, Inc.
E. (9) $12.

A. Robert L. Humphrey, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. C. E. Huntley, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $298.75.

A. DeWitt S. Hyde, Shoreham Building, Washington, D.C.
B. Laundry and Dry Cleaners Association of the District of Columbia, 2400 16th Street NW., Washington, D.C.

A. W. J. Hynes, 611 Idaho Building, Boise, Idaho.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.
E. (9) $1,052.39.

A. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
E. (9) $1,163.55.

A. Bernard J. Imming, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Industrial Union Department, 815 16th Street NW., Washington, D.C.
D. (6) $15,349.34. E. (9) $15,349.34.

A. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300. E. (9) $250.32.

A. International Association of Machinists, Machinists Building, Washington, D.C.
E. (9) $3,520.11.

A. International Brotherhood of Teamsters, 25 Louisiana Ave NW., Washington, D.C.
E. (9) $19,847.16.

A. Inter-State Manufacturers Association, 163-65 Center Street, Winona, Minn.
D. (6) $3,000. E. (9) $3.50.

A. Iron Ore Lessors Association, Inc., W-1481 First National Bank Building, St. Paul, Minn.
D. (6) $15. E. (9) $2,061.23.

A. Chester W. Jackson, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place N.W., Washington, D.C.
D. (6) $3,126.

A. Robert C. Jackson, 1145 19th Street N.W., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $2,000. E. (9) $242.25.

A. Andrew Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Harold G. Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
D. (6) $400. E. (9) $375.

A. Philip F. Jehle, National Press Building, Washington, D.C.
B. National Association of Retail Druggists, 205 West Wacker Drive, Chicago, Ill.
D. (6) $3,500. E. (9) $125.

A. Ray L. Jenkins, 1066 National Press Building, Washington, D.C.
B. Societe Internationale Pour Participations Industrialies Et Commerciales, S. A. Peter Merianstr. 19, Basel, Switzerland.
E. (9) $295.25.

A. Robert G. Jeter, Dresden, Tenn.
B. H. C. Spinks Clay Co., Paris, Tenn., et al.
E. (9) $2.75.

A. Jewish War Veterans of the United States of America, 1712 New Hampshire Avenue NW., Washington, D.C.
D. (6) $2,749.98. E. (9) $383.20.

A. Peter Dierks Joers, 810 Whittington Avenue, Hot Springs, Ark.
B. Dierks Forests, Inc., 810 Whittington Avenue, Hot Springs, Ark.

A. Gilbert R. Johnson, 1208 Terminal Tower, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Hugo E. Johnson, 600 Bulkley Building, Cleveland, Ohio.
B. American Iron Ore Association, 600 Bulkley Building, Cleveland, Ohio.

A. Reuben L. Johnson.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,966.72. E. (9) $144.30.

A. W. D. Johnson, 401 Third Street NW., Washington, D.C.
B. Order of Railway Conductors and Brakemen, ORC&B Building, Cedar Rapids, Iowa.

A. Geo. Bliss Jones, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.
D. (6) $264. E. (9) $570.12.

A. L. Dan Jones, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $29.22.

A. Rowland Jones, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $347.

A. Edwin W. Kaler, 919 18th Street NW., Washington, D.C.
B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.
D. (6) $8,750.

A. John E. Kane, 1625 K Street NW., Washington, D.C.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.
D. (6) $3,780. E. (9) $341.37.

A. Francis V. Keesling, Jr., 605 Market Street, San Francisco, Calif.
B. West Coast Life Insurance Co., 605 Market Street, San Francisco, Calif.
E. (9) $296.72.

A. James C. Kelley, 1900 Arch Street, Philadelphia, Pa.
B. American Machine Tool Distributors' Association, 1900 Arch Street, Philadelphia, Pa.

A. George J. Kelly, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $375. E. (9) $45.85.

A. Elizabeth A. Kendall, 2310 Connecticut Avenue, Washington, D.C.

A. I. L. Kenen, 1737 H Street NW., Washington, D.C.
B. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D.C.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C.
B. The Ohio Oil Co., Findlay, Ohio.
D. (6) $500. E. (9) $262.95.

A. Miles D. Kennedy, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,500. E. (9) $93.40.

A. Ronald M. Ketcham, Post Office Box 351, Los Angeles, Calif.
B. Southern California Edison Co., Post Office Box 351, Los Angeles, Calif.
D. (6) $628.56. E. (9) $1,456.69.

A. Jeff Kibre, 1341 G Street NW., Washington, D.C.
B. International Longshoremen's and Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.
D. (6) $1,697.16. E. (9) $1,399.48.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $12.50.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $221.25.

A. H. Cecil Kilpatrick, 912 American Security Building, Washington, D.C.
B. Minot, DeBlois & Maddison, 294 Washington Street, Boston, Mass.
E. (9) $142.81.

A. Kenneth L. Kimble, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $210. E. (9) $2.39.

A. James F. King, 1825 Connecticut Avenue NW., Washington, D.C.
B. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,250.

A. Ludlow King, 2071 East 102d Street, Cleveland, Ohio.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. T. Bert King, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $1,350. E. (9) $31.

A. Mr. and Mrs. Harry L. Kingman, 200 C Street SE., Washington, D.C.
D. (6) $575. E. (9) $575.

A. Clifton Kirkpatrick, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $450. E. (9) $41.43.

A. Rowland F. Kirks, 2000 K Street NW., Washington, D.C.
B. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $3,807.66. E. (9) $76.09.

A. Robert F. Klepinger, 1001 15th Street NW., Washington, D.C.
B. Peninsula Retired Officers Club.

A. Clarence C. Klocksin, 2649 North Hackett Avenue, Milwaukee, Wis.
B. The National Board of Fire Underwriters, 85 John Street, New York, N.Y.
D. (6) $1,000. E. (9) $600.

A. James F. Kmets, 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $2,046.

A. Burt L. Knowles, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Robert M. Koch, 1015 12th Street NW., Washington, D.C.
B. National Agricultural Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $27.50.

A. Robert M. Koch, 1015 12th Street NW., Washington, D.C.
B. National Crushed Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $12.50.

A. A. W. Koehler, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. William L. Kohler, 1025 Connecticut Avenue, Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue, Washington, D.C.
D. (6) $937.50. E. (9) $98.41.

A. Mrs. Catherine G. Kuhne, 2013 Massachusetts Avenue NW., Washington, D.C.
B. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C.

A. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $5,609.52. E. (9) $5,203.69.

A. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. A. M. Lampley, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Locomotive Firemen and Enginemen, 318 Keith Building, Cleveland, Ohio.
D. (6) $2,750.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. American Fair Trade Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $249.96.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. National Patent Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $999.96.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. Trinity Improvement Association, Inc., 808 Trans-American Life Building, Fort Worth, Tex.
D. (6) $1,275.

A. Dillard B. Lasseter, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $150.

A. J. Austin Latimer, 1001 Connecticut Avenue NW., Washington, D.C.

A. Alan Latman, 200 East 42d Street, New York, N.Y.
B. National Committee for Effective Design Legislation, 200 East 42d Street, New York, N.Y.
D. (6) $1,249.98 E. (9) $226.58.

A. John L. Lawler, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $100. E. (9) $40.

A. John V. Lawrence, 1424 16th Street NW., Washington, D.C.
B. American Trucking Association, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $560. E. (9) $3.60.

A. Warren Lawrence, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.
D. (6) $125. E. (9) $75.

A. Elton J. Layton, 4730 Arlington Boulevard, Arlington, Va.
B. The National Association of Retail Druggists, 205 West Wacker Drive, Chicago, Ill.
D. (6) $900. E. (9) $150.

A. Gene Leach, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,187.50. E. (9) $14.95.

A. H. Harold Leavey, 2020 L Street, Sacramento, Calif.
B. California-Western States Life Insurance Co., 2020 L Street, Sacramento, Calif.
D. (6) $178.11. E. (9) $187.50.

A. Robert F. Lederer, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $20. E. (9) $45.

A. Ivy Lee and T. J. Ross, 405 Lexington Avenue, New York, N.Y.
D. (6) $6,249.99. E. (9) $6,948.70.

A. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,469.50. E. (9) $4.50.

A. G. E. Leighty, 401 Third Street NW., Washington, D.C.
B. Railway Labor Executives' Association.

A. Hal Leyshon, 122 East 42d Street, New York, N.Y.
B. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $4,999.98. E. (9) $3,585.77.

A. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.
D. (6) $135.70. E. (9) $135.70.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y., and 1701 K Street NW., Washington, D.C.
D. (6) $11,067.23. E. (9) $11,067.23.

A. L. Blaine Liljenquist, 917 15th Street NW., Washington, D.C.
B. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $3,125. E. (9) $92.78.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C.

A. Robert G. Litschert, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $843.75. E. (9) $61.55.

A. Walter J. Little, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $724.99. E. (9) $416.11.

A. John M. Littlepage, 15th and K Streets NW., Washington, D.C.
B. The American Tobacco Co., Inc., 150 East 42d Street, New York, N.Y.

A. John M. Littlepage, 15th and K Streets NW., Washington, D.C.
B. General Acceptance Corp., 1105 Hamilton Street, Allentown, Pa.

A. Arthur Y. Lloyd, 1025 Connecticut Avenue NW., Washington, D.C.
B. Burley and Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.
D. (6) $825. E. (9) $172.24.

A. Gordon C. Locke, 418 Munsey Building, Washington, D.C.
B. Committee for Oil Pipe Lines.

A. Leonard Lopez, 1029 Vermont Avenue NW., Washington, D.C.
B. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D.C.
D. (6) $2,499.90. E. (9) $15.

A. Joe T. Lovett, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.

A. Harold O. Lovre, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $109.62.

A. Otto Lowe, Cape Charles, Va.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $1,250.

A. Lowenstein, Pitcher, Hotchkiss, Amann & Parr, 25 Broad Street, New York, N.Y.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Finance Conference, 176 West Adams Street, Chicago, Ill.
D. (6) $1,250.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Mobile Homes Manufacturers Association, 20 North Wacker Drive, Chicago, Ill
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.
D. (6) $500.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Roadside Business Association, 646 North Michigan Avenue, Chicago, Ill.
D. (6) $500.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Adolph von Zedlitz, 60 Sutton Place, South, New York, N.Y.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western Medical Corp., 415–23 West Pershing Road, Chicago, Ill.
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western National Life Insurance Co. of Texas, 210 East 10th Street, Amarillo, Tex.
D. (6) $200.

A. H. B. Luckett, 311 California Street, San Francisco, Calif.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
E. (9) $431.88.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Stret NW. Washington, D.C.
D. (6) $750.

A. John C. Lynn, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,087.50. E. (9) $20.55.

A. A. E. Lyon, 401 Third Street NW., Washington, D.C.
B. Railway Labor Executives' Association.
D. (6) $1,050.

A. LeRoy E. Lyon, Jr., 530 West Sixth Street, Los Angeles, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.
D. (6) $2,832.67. E. (9) $2,356.57.

A. Milton C. McCamant, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $700. E. (9) $35.

A. J. L. McCaskill, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $290. E. (9) $118.84.

A. McClure & McClure, 626 Washington Building, Washington, D.C.
B. The Coca-Cola Export Corp., 515 Madison Avenue, New York, N.Y.
E. (9) $90.40.

A. John H. McCormick, Jr.
B. The Council for Exceptional Children, 1201 16th Street NW., Washington, D.C.

A. Angus H. McDonald.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $2,029.44. E. (9) $220.23.

A. Joseph J. McDonald, 1001 Connecticut Avenue NW., Washington, D.C.
B. United Steel Workers of America, 1500 Commonwealth Building, Pittsburgh, Pa.
D. (6) $3,304.85. E. (9) $300.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1300 18th Street NW., Washington, D.C.

A. E. D. McElvain, 1625 I Street NW., Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.
D. (6) $500. E. (9) $320.

A. Joseph A. McElwain, 500 Main Street, Dear Lodge, Mont.
B. The Montana Power Co., Butte, Mont.
D. (6) $781.26. E. (9) $1,369.22.

A. A. J. McFarland, 126 North Eighth Street, Sterling, Kans.
B. Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $999.99. E. (9) $150.

A. Edward F. McGinnis, 375 Park Avenue, New York, N.Y.
B. Joseph E. Seagram & Sons, Inc.

A. Frederick C. McKee, care of Committee to Strengthen the Frontiers of Freedom, 1025 Connecticut Avenue NW., Washington, D.C.

A. William F. McKenna, 60 East 42d Street, New York, N.Y.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.

A. Robert J. McKinsey, 1411 Pennsylvania Avenue NW., Washington, D.C.
B. National Independent Automobile Dealers Association, 1413 K Street NW., Washington, D.C.
D (6) $900. E. (9) $7.

A. William H. McLin, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $1,885.20. E. (9) $353.65.

A. W. H. McMains, 1132 Pennsylvania Building, Washington, D.C.
B. Distilled Spirits Institute, 1132 Pennsylvania Building, Washington, D.C.

A. Clarence M. McMillan, 1424 K Street NW., Washington, D.C.
B. National Candy Wholesalers Association, Inc., 1424 K Street NW., Washington, D.C.

A. Ralph J. McNair, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $1,050. E. (9) $25.65.

A. Charles R. McNeill, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $425. E. (9) $53.75.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. American Optometric Association, Inc., c/o Dr. H. Ward Ewalt, Jr.; 8001 Jenkins Arcade, Pittsburgh, Pa.
D. (6) $3,000. E. (9) $31.60.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. Frankel Brothers, 521 Fifth Avenue, New York, N.Y.
E. (9) $0.75.

A. John G. Macfarlan, 1503 H Street NW., Washington, D.C.
B. Railway Express Agency, Inc., 1503 H Street NW., Washington, D.C.
D. (6) $1,375. E. (9) $1,055.22.

A. James E. Mack, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Confectioners Association, 1028 Connecticut Avenue NW., Washington, D.C.

A. John W. MacKay, 918 F Street NW., Washington, D.C.
B. National Postal Clerks Union, 918 F Street NW., Washington, D.C.
D. (6) $2,700.10. E. (9) $276.42.

A. Maclay, Morgan & Williams, 76 Beaver Street, New York, N.Y.
B. Association of American Ship Owners, 76 Beaver Street, New York, N.Y.

A. James B. Madaris, 401 Third Street NW., Washington, D.C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $2,688.

A. Albert E. Maddocks, 1883 South Seventh East, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Arch L. Madsen, 1735 DeSales Street NW., Washington, D.C.

A. Don Mahon, Box 959, Ben Franklin Station, Washington, D.C.
E. (9) $708.44.

A. William J. Mahon, 1 Gracie Terrace, Apt. 6–D, New York, N.Y.
B. Associated Railroads of New York State.

A. John H. Mahoney, 80 Broad Street, New York, N.Y.
B. Seaboard & Western Airlines, Inc., 80 Broad Street, New York, N.Y.
D. (6) $250.

A. Walter E. Maloney, 40 Wall Street, New York, N.Y.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
D. (6) $9,420. E. (9) $1,176.60.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.
D. (6) $600.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Coal Association, Southern Building, Washington, D.C.
D. (6) $3,000. E. (9) $224.

A. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,625. E. (9) $2,475.

A. Olya Margolin, 1637 Massachusetts Avenue NW., Washington, D.C.
B. National Council of Jewish Women, Inc., 1 West 47th Street, New York, N.Y.
D. (6) $1,797.84. E. (9) $112.50.

A. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C.

A. James Mark, Jr., 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $3,796.

A. Rodney W. Markley, Jr., Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $4,200. E. (9) $1,010.

A. Raymond E. Marks, 65 Market Street, San Francisco, Calif.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.
E. (9) $31.73.

A. Edwin E. Marsh, in care of National Wool Growers Association, Salt Lake City, Utah.
B. National Wool Growers Association, Salt Lake City, Utah.
D. (6) $2,749.98. E. (9) $811.03.

A. Winston W. Marsh, 1012 14th Street NW., Washington, D.C.
B. National Tire Dealers and Retreaders Association, 1012 14th Street NW., Washington, D.C.
D. (6) $240. E. (9) $84.32.

A. Fred T. Marshall, 1112 19th Street NW., Washington, D.C.
B. The B. F. Goodrich Co., 500 South Main Street, Akron, Ohio.

A. J. Paull Marshall, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $444.38. E. (9) $251.64.

A. Mike M. Masaoka, 919 18th Street NW., Washington, D.C.
B. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
D. (6) $200. E. (9) $174.

A. Walter J. Mason, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,159. E. (9) $562.25.

A. David Mathews, Jr., 345 Fourth Avenue, Pittsburgh, Pa.
B. The Pittsburgh Coal Exchange, 345 Fourth Avenue, Pittsburgh, Pa.
E. (9) $300.

A. P. H. Mathews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $1,373.49. E. (9) $500.62.

A. Joe G. Matthews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $217.75. E. (9) $152.52.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C.
B. National Association of Waste Material Dealers, Inc., 271 Madison Avenue, New York, N.Y.
E. (9) $16.96.

A. Cyrus H. Maxwell, M.D., 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $800. E. (9) $39.14.

A. Albert E. May, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue N.W., Washington, D.C.
D. (6) $356.25. E. (9) $103.32.

A. Vera Waltman Mayer.
B. National Consumers League, Inc., 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $1,153.90. E. (9) $75.95.

A. John S. Mears, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $1,980. E. (9) $15.15.

A. Medical Society of the District of Columbia, 1718 M Street NW., Washington, D.C.

A. Merchants National Bank & Trust Company of Syracuse, 216 South Warren Street, Syracuse, N.Y.
E. (9) $116.

A. Edward L. Merrigan, 425 13th Street NW., Washington, D.C.
B. Maryland and Virginia Milk Producers Association, Inc., 1530 Wilson Boulevard, Arlington, Va.
E. (9) $123.03.

A. J. T. Metcalf, 1002 L & M Building, Louisville, Ky.
E. (9) $608.55.

A. James G. Michaux, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $50.32.

A. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
E. (9) $1,363.89.

A. G. R. Milburn, Grass Range, Mont.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
E. (9) $376.42.

A. Clarence R. Miles, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S.A.

A. John R. Miles, 1615, H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S.A.

A. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.
D. (6) $573. E. (9) $1,149.02.

A. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Aerospace Industries Association (formerly Aircraft Industries Association), Shoreham Building, Washington, D.C.
D. (6) $8,562.50. E. (9) $631.14.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Blue Cross Association, Inc., 55 East 34th Street, New York, N.Y.
D. (6) $3,000. E. (9) $45.61.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Blue Shield Medical Care Plans, 425 North Michigan Avenue, Chicago, Ill.
D. (6) $1,350. E. (9) $42.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Estate of James G. Van Horn, care of Detroit Wabeek Bank & Trust Co., Detroit, Mich.
D. (6) $2,500.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Dallas (Tex.) Chamber of Commerce.
D. (6) $1,500.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Intracoastal Canal Association of Louisiana and Texas, 2211 South Coast Building, Houston, Tex.
D. (6) $2,250.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Texas Gulf Sulphur Co., Newgulf, Tex., and New York, N.Y.
D. (6) $2,250.

A. Edwin Reid Miller, 1004 Farnam Street, Omaha, Nebr.
B. Nebraska Railroads Legislative Committee, 1004 Farnam Street, Omaha, Nebr.
D. (6) $2,553. E. (9) $678.91.

A. Harold C. Miller, 1001 Connecticut Avenue NW., Washington, D.C.
B. American Society of Composers, Authors, and Publishers, 575 Madison Avenue, New York, N.Y.
D. (6) $1,824.99. E. (9) $566.70.

A. Lloyd S. Miller, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $2,500.

A. Claude Minard, 215 Market Street, San Francisco, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.

A. Seymour S. Mintz, William T. Plumb, Jr., Robert K. Eifler, and Richard A. Mullens, 810 Colorado Building, Washington, D.C.
B. Hughes Tool Co., Houston, Tex.

A. Seymour S. Mintz, 810 Colorado Building, Washington, D.C.
B. Tennessee Products & Chemical Corp., Nashville, Tenn.

A. Clarence Mitchell, 100 Massachusetts Avenue NW., Washington, D.C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.
D. (6) $1,875. E. (9) $150.

A. M. D. Mobley, 1010 Vermont Avenue NW., Washington, D.C.
B. American Vocational Association, 1010 Vermont Avenue NW., Washington, D.C.

A. Harry L. Moffett, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $750.

A. Albert H. Monacelli, 161 East 42d Street, New York, N.Y.
B. National Committee for Municipal Bonds, Inc., 161 East 42d Street, New York. N.Y.

A. Donald Montgomery, 777 14th Street NW., Washington D.C.
B. American Hotel Association, 221 West 57th Street, New York, N.Y.
D. (6) $400. E. (9) $114.20.

A. Walter H. Moorman, 4650 East-West Highway, Bethesda, Md.
B. Maryland Railroad Association, 300 St. Paul Place, Baltimore, Md.
D. (6) $2,500.

A. Cecil Morgan, 30 Rockefeller Plaza, New York City, N.Y.
B. Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York City, N.Y.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. American Reciprocal Insurance Association, Kansas City, Mo.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. Chambers of Commerce of St. Thomas and St. Croix, Virgin Islands, U.S.A.
D. (6) $3,500. E. (9) $1,588.25.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. Ford Motor Co., The American Road, Dearborn, Mich.
D. (6) $1,000.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. The Sperry & Hutchinson Co., 114 Fifth Avenue, New York, N.Y.
D. (6) $2,500. E. (9) $335.79.

A. James R. Morris, 2724 Hickory Street, Alexandria, Va.
B. Electronics Small Business Council, 1000 Vermont Avenue NW., Washington, D.C.

A. Giles Morrow, 1012 14th Street NW., Washington, D.C.
B. Freight Forwarders Institute, 1012 14th Street NW., Washington, D.C.
D. (6) $5,625. E. (9) $171.68.

A. Harold G. Mosier, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $4,056. E. (9) $385.50.

A. William J. Mougey, Manager, Washington Office, General Motors Corp., Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Bernard R. Mullady, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers.
D. (6) $2,600.

A. Vincent S. Mullaney, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $875. E. (9) $1,621.70.

A. T. H. Mullen, 711 14th Street NW., Washington, D.C.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. T. H. Mullen, 711 14th Street, Washington, D.C.
B. American Pulpwood Association 220 East 42d Street, New York, N.Y.

A. Walter J. Munro, Hotel Washington, Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Dr. Emmett J. Murphy, 5737 13th Street NW., Washington, D.C.
B. National Chiropractic Insurance Co., National Building, Webster City, Iowa.
D. (6) $300. E. (9) $300.

A. J. Walter Myers, Jr., Post Office Box 7284, Station C, Atlanta, Ga.
B. Forest Farmers Association Cooperative, Post Office Box 7284, Station C, Atlanta, Ga.
D. (6) $166.62. E. (9) $208.58.

A. Paul A. Nagle, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Postal Transport Association, 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $3,000.

A. National Agricultural Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
D. (6) $2,102. E. (9) $2,102.

A. National Association of Direct Selling Cos., 163–165 Center Street, Winona, Minn.
D. (6) $13,750. E. (9) $10.

A. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $939.28. E. (9) $14,529.03.

A. National Association of Frozen Food Packers, 919 18th Street NW., Washington, D.C.

A. Natoinal Association of Insurance Agents, Inc., 96 Fulton Street, New York, N.Y.
D. (6) $3,500. E. (9) $7,393.95.

A. National Association of Margarine Manufacturers, Munsey Building, Washington, D.C.

A. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.
E. (9) $2,584.67.

A. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.
D. (6) $240.60. E. (9) $240.60.

A. National Association of Postmasters of the United States, 307 Pennsylvania Building, Washington, D.C.
D. (6) $14,913.50. E. (9) $1,500.

A. National Association of Refrigerated Warehouses, Inc., 1210 Tower Building, Washington, D.C.

A. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.
E. (9) $850.

A. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $1,336.92. E. (9) $938.51.

A. National Association of Travel Organizations, 1422 K Street NW., Washington, D.C.
D. (6) $35,001.75. E. (9) $682.50.

A. National Association of Wheat Growers, Wasco, Oreg.
D. (6) $980.10. E. (9) $980.10.

A. National Audio-Visual Association, Inc., Box 337, Fairfax, Va.
D. (6) $300.75. E. (9) $250.70.

A. National Bureau for Lathing & Plastering, 311 Tower Building, Washington, D.C.

A. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $549,766.14. E. (9) $8,988.

A. National Coal Association, 802 Southern Building, Washington, D.C.

A. National Committee for Effective Design Legislation, 200 East 42d Street, New York, N.Y.
D. (6) $2,648.50. E. (9) $2,430.89.

A. National Committee to Liberalize the Tariff Laws for Art, 21 West 53d Street, New York, N.Y.
D. (6) $2,180. E. (9) $1,173.20.

A. National Committee for Municipal Bonds, Inc., 161 East 42d Street, New York, N.Y.
D. (6) $2,096. E. (9) $553.13.

A. National Committee on Parcel Post Size and Weight Limitations, 1625 I Street NW., Washington, D.C.

A. National Committee for Research in Neurological Disorders, University Hospital, Minneapolis, Minn.
E. (9) $2,000.

A. National Community Television Association, Inc., Perpetual Building, Washington, D.C.
E. (9) $5,541.77.

A. National Conference for Repeal of Taxes on Transportation, 1000 Connecticut Avenue NW., Washington, D.C.
E. (9) $339.68.

A. National Cotton Compress and Cotton Warehouse Association, Box 23, Memphis, Tenn.

A. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $9,967.57. E. (9) $9,967.57.

A. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D.C.
D. (6) $2,000. E. (9) $2,239.

A. National Council of Naval Air Stations, 3929 Castro Valley Boulevard, Castro Valley, Calif.
D. (6) $160. E. (9) $196.18.

A. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
B. Association of First Class Mailers, 210 East Ohio Street, Chicago, Ill.
D. (6) $274.13. E. (9) $409.13.

A. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
B. Independent Airlines Association, 1411 K Street NE., Washington, D.C.
D. (6) $3,166.23. E. (9) $3,445.85.

A. National Crushed Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
D. (6) $575. E. (9) $575.

A. National Economic Council, Inc., 7501 Empire State Building, New York, N.Y.
D. (6) $1,168.20. E. (9) $1,176.75.

A. National Electrical Contractors Association, Inc., 1200 18th Street NW., Washington, D.C.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $6,349.13. E. (9) $6,394.13.

A. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $97,809.77. E. (9) $10,502.91.

A. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $165,350.57. E. (9) $20,731.26.

A. National Fisheries Institute, Inc., 1614 20th Street NW., Washington, D.C.
E. (9) $289.26.

A. National Food Brokers Association, 1916 M Street NW., Washington, D.C.

A. The National Grange, 744 Jackson Place NW., Washington, D.C.
E. (9) $11,076.

A. National Housing Conference, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $9,597.46. E. (9) $19,262.30.

A. National Independent Automobile Dealers Association, 1413 K Street NW., Washington, D.C.
D. (6) $824.50. E. (9) $1,571.47.

A. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.
D. (6) $734.26. E. (9) $734.26.

A. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $4,783.43. E. (9) $2,576.75.

A. A. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
D. (6) $5,097.51. E. (9) $4,569.84.

A. National Livestock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $3,775.60.

A. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
D. (6) $1,507.90. E. (9) $1,525.30.

A. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $5,083.67. E. (9) $5,883.67.

A. National Multiple Sclerosis Society, 257 Fourth Avenue, New York City.
E. (9) $883.31.

A. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. National Postal Clerks Unions, 918 F Street NW., Washington, D.C.
D. (6) $8,364.71. E. (9) $5,328.49.

A. National Postal Transport Association, 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $7,531.22. E. (9) $7,531.22.

A. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $18,207. E. (9) $12,655.51.

A. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $1,853.40. E. (9) $1,105.76.

A. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
D. (6) $4,125. E. (9) $4,686.58.

A. National Rivers & Harbors Congress, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $17,768. E. (9) $17,996.14.

A. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.
D. (6) $253.56. E. (9) $253.56.

A. National Small Business Men's Association, 301 19th Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $4,210.12.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $126,731.35. E. (9) $2,422.20.

A. National Tire Dealers & Retreaders Association, 1012 14th Street NW., Washington, D.C.
D. (6) $362.35. E. (9) $362.35.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $3,408.59. E. (9) $2,241.30.

A. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $2,941. E. (9) $3,561.01.

A. Nation-Wide Committee of Industry, Agriculture and Labor on Import-Export Policy, 815 15th Street NW., Washington, D.C.
D. (6) $7,600. E. (9) $15,437.30.

A. Robert R. Neal, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. William S. Neal, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. A. Z. Nelson, 1319 18th Street NW., Washington, D.C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
E. (9) $24.50.

A. George R. Nelson.
B. International Association of Machinists, Machinists Building, Washington, D.C.
D. (6) $1,500. E. (9) $388.

A. Paul Nelson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $50.

A. Herschel D. Newsom, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place NW., Washington, D.C.
D. (6) $3,750.

A. New York and New Jersey Dry Dock Association, 161 William Street, New York City, N.Y.
D. (6) $4,250. E. (9) $3,967.19.

A. New York Stock Exchange, 11 Wall Street, New York, N.Y.
E. (9) $3,000.

A. Russ Nixon, 1319 F Street NW., Washington, D.C.
B. United Electrical, Radio and Machine Workers of America, 11 East 51st Street, New York, N.Y.
D. (6) $747.51. E. (9) $260.

A. Henry G. Nolda, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $769.24. E. (9) $28.55.

A. O. L. Norman, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $787.50. E. (9) $54.54.

A. Harry E. Northam, 185 North Wabash Avenue, Chicago, Ill.
B. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.

A. E. M. Norton, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $300. E. (9) $89.90.

A. Brice O'Brien, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $7.50.

A. George J. O'Brien, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.

A. E. H. O'Connor, 176 West Adams Street, Chicago, Ill.
B. Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.
D. (6) $9,270.30.

A. R. E. O'Connor, 122 East 42d Street, New York, N.Y.
B. American Paper and Pulp Association, 122 East 42d Street, New York, N.Y.

A. Herbert R. O'Conor, 919 18th Street NW., Washington, D.C.
B. American Merchant Marine Institute, Inc., 919 18th Street NW., Washington, D.C., and 11 Broadway, New York, N.Y.

A. John A. O'Donnell, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $600.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D.C.
B. The Associated Business Publications, 305 East 42d Street, New York, N.Y.
D. (6) $2,000.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D.C.
B. National Association of Wool Manufacturers, 386 Fourth Avenue, New York, N.Y.

A. Graeme O'Geran, 131 Orvilton Drive, Dewitt, N.Y.
B. The Merchants National Bank & Trust Co. of Syracuse, 216 South Warren Street, Syracuse, N.Y.
E. (9) $116.

A. Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
E. (9) $1,225.13.

A. Alvin E. Oliver, 400 Folger Building, Washington, D.C.
B. Grain and Feed Dealers National Association, 400 Folger Building, Washington, D.C.
D. (6) $14.44. E. (9) $7.

A. E. L. Oliver, 1001 Connecticut Avenue NW., Washington, D.C.
B. Labor Bureau of Middle West, 1001 Connecticut Avenue NW., Washington, D.C.

A. Clarence H. Olson, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $2,490. E. (9) $30.63.

A. Samuel Omasta, 1015 12th Street NW., Washington, D.C.
B. National Agricultural Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $12.

A. Charles T. O'Neill, Jr., 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $375. E. (9) $255.05.

A. Order of Railway Conductors and Brakemen, O. R. C. & B. Building, Cedar Rapids, Iowa.
E. (9) $4,985.11.

A. Clayton L. Orn, 539 South Main Street, Findlay, Ohio.
B. The Ohio Oil Co., Findlay, Ohio.

A. Morris E. Osburn, Central Trust Building, Jefferson City, Mo.
B. Missouri Railroad Committee.

A. Kermit Overby, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $492.

A. Vaux Owen, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $2,884.62. E. (9) $24.16.

A. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $200. E. (9) $1,624.99.

A. Edwin F. Padberg, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Everett L. Palmer, 901 Hamilton Street, Allentown, Pa.
B. Pennsylvania Power & Light Co., 901 Hamilton Street, Allentown, Pa.
E. (9) $514.60.

A. Lew M. Paramore, Post Office Box 356, Kansas City, Kans.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,750.

A. J. D. Parel, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Mrs. Karla V. Parker, 1729 Union Boulevard SE., Grand Rapids, Mich.

A. A. Lee Parsons, 1145 19th Street NW., Washington, D.C.
B. Cotton Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C.
D. (6) $300. E. (9) $49.05.

A. Perry S. Patterson, 800 World Center Building, Washington, D.C.
B. Automatic Phonograph Manufacturers—The Seeburg Corp., The Wurlitzer Co., AMI, Inc., Rock-Ola Manufacturing Corp., United Music Corp.

A. James G. Patton, 1575 Sherman Street, Denver, Colo.
B. The Farmers' Educational and Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,250.

A. Edmund W. Pavenstedt, care of White & Case, 14 Wall Street, New York, N.Y.

A. Albert A. Payne, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,000. E. (9) $251.39.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. Charitable Contributors' Association, 100 Old York Road, Jenkintown, Pa.
D. (6) $1,400. E. (9) $75.73.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $3,200. E. (9) $416.21.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. The Pitcairn Co., 204 Delaware Trust Building, Wilmington, Del.
D. (6) $2,200. E. (9) $411.15.

A. Mrs. Esther Peterson, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $2,411.52. E. (9) $961.17.

A. Hugh Peterson.
B. Georgia Power Co., 75 Marietta Street, Atlanta, Ga.
D. (6) $3,750.

A. Hugh Peterson, 1001 Connecticut Avenue NW., Washington, D.C.
B. U. S. Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D.C.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. Florida Citrus Mutual (legislative fund), Lakeland, Fla.
D. (6) $1,800. E. (9) $62.45.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. West Coast Inland Navigation District, Bradenton, Fla.
D. (6) $600. E. (9) $186.84.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. C. C. Woodard, 7630 Biscayne Boulevard, Miami, Fla.; J. W. Keen, Luke and Eleanore Flood, Frostproof, Fla.; and J. Allen Brown, Coral Gables, Fla.
E. (9) $13.24.

A. J. E. Phillips, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.

A. Albert T. Pierson, 54 Meadow Street, New Haven, Conn.
B. The New York, New Haven & Hartford Railroad Co., 54 Meadow Street, New Haven, Conn.

A. Albert Pike, Jr., 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $70.

A. James F. Pinkney, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $666.67. E. (9) $11.30.

A. T. E. Pinkston, 101 East High Street, Lexington, Ky.
B. Kentucky Railroad Association, Lexington, Ky.
E. (9) $720.13.

A. Pitcairn Co., 204 Delaware Trust Building, Wilmington, Del.
E. (9) $2,388.39.

A. Ralph D. Pittman, 500 Wire Building, Washington, D.C.
B. George B. Soto, 1801 Calvert Street NW., Washington, D.C.

A. Plains Cotton Growers, Inc., 1720 Avenue M, Lubbock, Tex.
D. (6) $13,421.13. E. (9) $525.

A. J. Francis Pohlhaus, 100 Massachusetts Avenue NW., Washington, D.C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.
D. (6) $827.94.

A. James K. Polk, 40 Wall Street, New York N.Y.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y.

A. James K. Polk, 40 Wall Street, New York, N.Y.
B. The Western Pacific Railroad Co., 526 Mission Street, San Francisco, Calif.

A. Frederick T. Poole, 418 Munsey Building, Washington, D.C.
B. Committee for Oil Pipe Lines.

A. Frank M. Porter, 50 West 50th Street, New York, N.Y.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.

A. Nelson J. Post, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $200. E. (9) $8.20.

A. Richard M. Powell, 1210 Tower Building, Washington, D.C.
B. National Association of Refrigerated Warehouses, 1210 Tower Building, Washington, D.C.

A. Walter I. Pozen, 1519 26th Street NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $2,499.99.

A. Homer V. Prater, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $2,268.

A. William H. Press, 1616 K Street NW., Washington, D.C.
B. Washington Board of Trade, 1616 K Street NW., Washington, D.C.
D. (6) $4,800.

A. Public Information Committee of the Cotton Industries, Empire Bank Building, Dallas, Tex.

A. Alexander Purdon, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,031.25. E. (9) $614.95.

A. C. J. Putt, 920 Jackson Street, Topeka, Kans.
B. The Atchison, Topeka, and Santa Fe Railway Co., 920 Jackson Street, Topeka, Kans.
E. (9) $501.89.

A. Arthur L. Quinn, 1625 K Street NW., Washington, D.C.
B. Instituto Cubano de Estabilizacion del Azucar acting as Trustee for Asociacion de Colonos de Cuba and Asociacion Nacional de Hacendados de Cuba, Agramonte 465, Havana, Cuba.
D. (6) $3,000.

A. Luke C. Quinn, Jr., 1001 Connecticut Avenue NW., Washington, D.C.
B. American Cancer Society, Arthritis and Rheumatism Foundation, United Cerebral Palsy Association, National Multiple Sclerosis Society, New York, N.Y.; National Committee for Research in Neurological Disorders, Minneapolis, Minn.; Association of American Medical Colleges, Evanston, Ill.
D. (6) $11,916.65. E. (9) $7,222.59.

A. Alex Radin, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $346.08.

A. Mrs. Richard G. Radue, 3406 Quebec Street NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Edward F. Ragland, 6917 Marbury Road, Bethesda, Md.
B. The Tobacco Institute, Inc., 1017 Barr Building, 910 17th Street NW., Washington, D.C.
D. (6) $32.

A. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
D. (6) $40.50. E. (9) $40.51.

A. Railway Labor Executives' Association, 401 Third Street NW., Washington, D.C.

A. Alan T. Rains, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit and Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Donald J. Ramsey, 1612 I Street NW., Washington, D.C.
B. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $425. E. (9) $10.88.

A. Sydney C. Reagan, 3840 Greenbrier Drive, Dallas Tex.
B. Southwestern Peanut Shellers Association, Box 48, Durant, Okla.
D. (6) $150.

A. Joseph H. Ream, 1735 De Sales Street NW., Washington, D.C.
B. Columbia Broadcasting System, Inc., 485 Madison Avenue, New York, N.Y.

A. Stanley Rector, Hotel Washington, Washington, D.C.
B. Unemployment Benefit Advisors, Inc.
D. (6) $1,000.

A. Otie M. Reed, 1107 19th Street NW., Washington, D.C.
B. National Creameries Association, 817 New York Building, St. Paul, Minn.
D. (6) $1,875. E. (9) $2,078.38.

A. William T. Reed, 5800 Connecticut Avenue, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan, Chicago, Ill.
D. (6) $1,500. E. (9) $187.62.

A. J. B. Reeves, 9th and Jackson, Topeka, Kans.

A. K. M. Regan, P. O. Box 172, Midland, Tex.
B. Angelina & Neches River Railroad Company, Keltys, Tex., et al.
D. (6) $6,114.66. E. (9) $2,771.39.

A. George L. Reid, Jr., 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $1,999.98. E. (9) $121.81.

A. Geo. L. Reid, Jr., 1010 Vermont Avenue NW., Washington, D.C.
B. National Association of Wheat Growers, Wasco, Oreg.
D. (6) $900. E. (9) $80.10.

A. Herbert S. Reid, 466 Lexington Avenue, New York, N.Y.
B. New York State Association of Railroads, 466 Lexington Avenue, New York, N.Y.
D. (6) $1,312.50. E. (9) $516.45.

A. James Francis Reilly, 1625 K Street NW., Washington, D.C.
B. Potomac Electric Power Co., 929 E Street NW., Washington, D.C.
E. (9) $362.

A. Louis H. Renfrow, 1000 Connecticut Avenue, Washington, D.C.
D. (6) $6,250. E. (9) $8,275.11.

A. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $62,826.01.

A. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F. Street NW., Washington, D.C.
D. (6) $9,207.80. E. (9) $8,263.31.

A. Theron J. Rice, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S.A.

A. Bill Richards, Orleans, Nebr.
B. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $390.43. E. (9) $390.43.

A. James P. Richards, 1536 14th Street NW., Washington, D.C.
B. The Tobacco Institute, Inc., 1017 Barr Building, Washington, D.C.
D. (6) $330. E. (9) $31.95.

A. James W. Richards, 1000 16th Street NW., Washington, D. C.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $218.53.

A. Leon D. Richeson, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, 900 F Street NW., Washington, D.C.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. Mutual Benefit Health and Accident Association, Omaha, Nebr.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, Washington Building, Washington, D.C.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. Robert E. Pflaumer, Chicago, Ill.

A. Edward McGee Rider, 4309 South 36th Street, Arlington, Va.
B. National Association of Margarine Manufacturers.

A. Siert F. Riepma, Munsey Building, Washington, D.C.
B. National Association of Margarine Manufacturers.

A. John J. Riggle, 744 Jackson Place NW., Washington, D.C.
B. National Council of Farmer Cooperatives.

A. C. E. Rightor, 3300 Rolling Road, Chevy Chase, Md.
D. (6) $2,467.38. E. (9) $1,494.80.

A. George D. Riley, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,159. E. (9) $525.

A. John J. Riley, 1128 16th Street NW., Washington, D.C.
B. American Bottlers of Carbonated Beverages.

A. John J. Riley, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Hugo J. Ripp, 811 North 22d Street, Milwaukee, Wis.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. E. W. Rising, 328 Pennsylvania Avenue SE., Washington, D.C.
B. Western Sugar Beet Growers Association, Post Office Box 742, Great Falls, Mont.
D. (6) $300. E. (9) $532.91.

A. Eugene Ritzner, 2400 Benedict Canyon Drive, Beverly Hills, Calif.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $250.

A. Frank L. Roberts, 1700 K Street NW., Washington, D.C.
B. Chrysler Corp., 341 Massachusetts Avenue, Detroit, Mich.
D. (6) $250. E. (9) $100.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $80.32.

A. Edward Rodgers, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $950. E. (9) $80.11.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C.
B. Association of Registered Bank Holding Companies, 730 15th Street NW., Washington, D.C.
D. (6) $625. E. (9) $6.95.

A. Frank W. Rogers, 1700 K Street NW., Washington, D.C.
B. Western Oil and Gas Association, 609 South Grand Avenue, Los Angeles, Calif.
D. (6) $4,333.50.

A. Watson Rogers, 1916 M Street NW., Washington, D.C.
B. National Food Brokers Association, 1916 M Street NW., Washington, D.C.

A. George B. Roscoe, 1200 18th Street NW., Washington, D.C.
B. National Electrical Contractors Association, 1200 18th Street NW., Washington, D.C.

A. Maurice Rosenblatt, 229 Shoreham Building, Washington, D.C.
B. National Counsel Association, 229 Shoreham Building, Washington, D.C.
D. (6) $1,454.19.

A. Royall, Koegel, Harris & Caskey, Wire Building, Washington, D.C.
B. National Tax Equality Association, 208 South La Salle Street, Chicago, Ill.
D. (6) $5,849.15. E. (9) $1,918.30.

A. John Forney Rudy, 902 Ring Building, Washington, D.C.
B. The Goodyear Tire & Rubber Co., Akron, Ohio.

A. Albert R. Russell, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, P.O. Box 9905, Memphis, Tenn.
D. (6) $840. E. (9) $254.95.

A. Horace Russell, 221 North La Salle Street, Chicago, Ill.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $618.75.

A. M. O. Ryan, 777 14th Street NW., Washington, D.C.
B. American Hotel Association, 221 West 57th Street, New York, N.Y.
D. (6) $500. E. (9) $256.03.

A. William H. Ryan, 1029 Vermont Avenue NW., Washington, D.C.
B. District Lodge 44, International Association of Machinists, 303 Medical Science Building, Washington, D.C.
D. (6) $2,999.88. E. (9) $60.

A. Francis J. Ryley, 519 Title and Trust Building, Phoenix, Ariz.
B. General Petroleum Corp., Los Angeles; Richfield Oil Corp., Los Angeles; Shell Oil Co., San Francisco; Standard Oil Co. of California, San Francisco; Tidewater Oil Co., Los Angeles; Union Oil Co., Los Angeles.

A. Ira Saks, 1008 Standard Building, Cleveland, Ohio.

A. Robert A. Saltzstein, 508 Wyatt Building, Washington, D.C.
B. Associated Business Publications, 205 East 42d Street, New York, N.Y.
D. (6) $3,500. E. (9) $224.71.

A. Kimball Sanborn, 4000 Massachusetts Avenue NW., Washington, D.C.
B. Boston and Maine Railroad, Boston, Mass.
D. (6) $370. E. (9) $175.

A. Satterlee, Warfield & Stephens, 460 Park Avenue, New York, N.Y.
B. American Nurses' Association, 10 Columbus Circle, New York, N.Y.
D. (6) $750. E. (9) $75.16.

A. O. H. Saunders, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $1,950.

A. Henry P. Schmidt, 77 Lincoln Street, Jersey City, N.J.
B. Brotherhood of Railway Clerks, etc., 1015 Vine Street, Cincinnati, Ohio.
D. (6) $1,075.

A. Schoene & Kramer, 1625 K Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 401 Third Street NW., Washington, D.C.
E. (9) $52.82.

A. Harold H. Schroeder, 1001 Connecticut Avenue NW., Washington, D.C. and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $1,500.

A. V. L. Schultz, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $550.

A. J. A. Schwab, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Seaboard & Western Airlines, Inc., 80 Broad Street, New York, N.Y.
E. (9) $450.

A. Durward Seals, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Harry See, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.
E. (9) $204.23.

A. Clayton A. Seeber, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $205.62. E. (9) $1,264.45.

A. Fred G. Seig, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $67.66. E. (9) $31.01.

A. Leo Seybold, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,125. E. (9) $65.13.

A. Alvin Shapiro, 919 18th Street NW., Washington, D.C.
B. American Merchant Marine Institute, Inc., 919 18th Street NW., Washington, D.C., and 11 Broadway, New York, N.Y.
D. (6) $1,350. E. (9) $248.40.

A. A. Manning Shaw, 1625 I Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $893.

A. Maurice J. Shean, 940 25th Street NW., Washington, D.C.
B. City and County of San Francisco.
D. (6) $3,750. E. (9) $2,318.30.

A. Shearman & Sterling & Wright, 20 Exchange Place, New York City, N.Y.
B. Monsanto Chemical Co.
E. (9) $12.90.

A. Leander I. Shelley, 608 Fifth Avenue, New York, N.Y.
B. American Association of Port Authorities, Inc., Washington, D.C., and Airport Operators Council, Inc., Washington, D.C.
D. (6) $1,458.31. E. (9) $386.66.

A. David R. Shelton, Munsey Building, Washington, D.C.
B. Joseph Abrams, 33 Great Neck Road, Great Neck, N.Y.
D. (6) $7,500. E. (9) $20.

A. Bruce E. Shepherd, 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $150.

A. Laurence P. Sherfy, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $600.

A. Robert H. Shields, 920 Tower Building, Washington, D.C.
B. United States Beet Sugar Association, 920 Tower Building, Washington, D.C.

A. Robert L. Shortle, 801 International Building, New Orleans, La.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,375. E. (9) $263.31.

A. Charles B. Shuman, Merchandise Mart Plaza, Chicago, Ill.
B. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill.
D. (6) $625.

A. Paul Sifton, 1126 16th Street NW., Washington, D.C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America.
D. (6) $2,681. E. (9) $752.28.

A. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $440.50. E. (9) $838.68.

A. David Silvergleid, 918 F Street NW., Washington, D.C.
B. National Postal Clerks Union, 918 F Street NW., Washington, D.C.
D. (6) $2,541.20. E. (9) $286.97.

A. Six Agency Committee, 909 South Broadway, Los Angeles, Calif.
E. (9) $3,194.25.

A. Stephen Slipher, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $2,187.50. E. (9) $24.90.

A. Elizabeth A. Smart, 144 Constitution Avenue NE., Washington, D.C.
B. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $606.12. E. (9) $85.15.

A. T. W. Smiley, 135 East 11th Place, Chicago, Ill.
B. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
E. (9) $338.55.

A. Carl K. Smith, 401 Third Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 330 South Wells Street, Chicago, Ill.
D. (6) $329.79.

A. Dudley Smith, 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. Harold Arden Smith, 605 West Olympic Boulevard, Los Angeles, Calif.
B. Standard Oil Company of California, 225 Bush Street, San Francisco, Calif.
D. (6) $250. E. (9) $84.50.

A. James R. Smith, 719 Omaha National Bank Building, Omaha, Nebr.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,900. E. (9) $199.29.

A. Lloyd W. Smith, 416 Shoreham Building, Washington, D.C.
B. Chicago, Burlington & Quincy RR. Co., 547 West Jackson Boulevard, Chicago, Ill., and Great Northern Ry Co., 175 East Fourth Street, St. Paul, Minn.
D. (6) $4,257.

A. Wallace M. Smith, 425 13th Street NW., Washington, D.C.
B. American Mutual Insurance Alliance.

A. Wayne H. Smithey, 1200 Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,750. E. (9) $1,010.

A. Lyle O. Snader, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $384.99. E. (9) $100.85.

A. Edward F. Snyder, 104 C Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $1,148.24.

A. J. D. Snyder, La Salle Hotel, Chicago, Ill.
B. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
D. (6) $825.

A. J. R. Snyder, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Marvin J. Sonosky, 1028 Connecticut Avenue NW., Washington, D.C.

A. J. Taylor Soop, 401 Third Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 330 South Wells Street, Chicago, Ill.
D. (6) $2,968.11.

A. Southern States Industrial Council, 1103 Stahlman Building, Nashville, Tenn.
D. (6) $18,414.57. E. (9) $27,260.82.

A. William W. Spear, 214 National Bank Building, Fremont, Nebr.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $900. E. (9) $358.31.

A. Lyndon Spencer, 305 Rockefeller Building, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Thomas G. Stack, 1104 West 104th Place, Chicago, Ill.
B. National Railroad Pension Forum, Inc., 1104 West 104th Place, Chicago, Ill.
D. (6) $1,800. E. (9) $3,970.

A. Howard M. Starling, 837 Washington Building, Washington, D.C.
B. Association of Casualty & Surety Companies, 60 John Street, New York, N.Y.
D. (6) $150. E. (9) $6.75.

A. Mrs. Nell F. Stephens, Post Office Box 6234, Northwest Station, Washington, D.C.

A. Russell M. Stephens, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $240. E. (9) $20.

A. Herman Sternstein, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. B. H. Steuerwald, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Signalmen, 2247 West Lawrence Avenue, Chicago, Ill.
D. (6) $750.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. N. R. Caine & Co., 40 Exchange Place, New York, N.Y.
D. (6) $20,000.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. Howard F. Knipp, 3401 South Hanover Street, Baltimore, Md.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.
D. (6) $15,681.25. E. (9) $401.40.

A. Charles T. Stewart, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $1,583.33.

A. Edwin L. Stoll, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $1,208.33.

A. Joseph M. Stone, 821 15th Street NW., Washington, D.C.
B. GPO Press Division Employees Union, Post Office Box 1644, Washington, D.C.
D. (6) $125.

A. Joseph M. Stone, 821 15th Street NW., Washington, D.C.
B. Local 1, AFSCME, 333 National Press Building, Washington, D.C.
D. (6) $100.

A. W. S. Story, 1729 H Street NW., Washington, D.C.
B. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300. E. (9) $1.

A. Sterling F. Stoudenmire, Jr., 61 St. Joseph Street, Mobile, Ala.
B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.
D. (6) $1,250.

A. Francis W. Stover, 200 Maryland Avenue NE., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,750.02. E. (9) $66.60.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
B. America's Wage Earners' Protective Conference.
D. (6) $1,153.85.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
B. International Allied Printing Trades Association, Box 728, Indianapolis, Ind.
D. (6) $625.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
B. Nation-Wide Committee of Industry, Agriculture, and Labor on Import-Export Policy.
D. (6) $6,250.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Adhesive Manufacturing Association of America, 441 Lexington Avenue, New York, N.Y.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Blackfeet Tribe of the Blackfeet Reservation, Browning, Mont.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Ben Blumenthal, 608 Fifth Avenue, New York, N.Y.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The Hualapai Tribe of the Hualapai Reservation, Peach Springs, Ariz.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Laguna Pueblo of New Mexico, Laguna, N. Mex.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The Nez Perce Tribe, Lapway, Idaho.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The San Carlos Apache Tribe, San Carlos, Ariz.

A. William A. Stringfellow, 6004 Roosevelt Street, Bethesda, Md.
B. National Association of Mutual Insurance Agents, 829 Investment Building, Washington, D.C.

A. Norman Strunk, 221 North La Salle Street, Chicago, Ill.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $1,000.

A. William L. Sturdevant, Jr., 229 Shoreham Building, Washington, D.C.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
D. (6) $1,454.18.

A. Arthur Sturgis, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $61.70.

A. J. E. Sturrock, 607 Littlefield Building, Austin, Tex.
B. Texas Water Conservation Association, 607 Littlefield Building, Austin, Tex.
D. (6) $2,100. E. (9) $972.28.

A. J. Monroe Sullivan, 1625 K Street NW., Washington, D.C.
B. Pacific American Steamship Association, 16 California Street, San Francisco, Calif.
D. (6) $843.75. E. (9) $2,162.54.

A. Frank L. Sundstrom, 350 Fifth Avenue, New York, N.Y.
B. Schenley Industries, Inc., 350 Fifth Avenue, New York City.

A. Noble J. Swearingen, 224 East Capitol Street, Washington, D.C.
B. National Tuberculosis Association, 1790 Broadway, New York, N.Y.
D. (6) $400. E. (9) $75.82.

A. Joseph C. Swidler, 415 Nashville Trust Building, Nashville, Tenn.
B. Tennessee Valley Public Power Association, Power Building, Chattanooga, Tenn.
D. (6) $2,750. E. (9) $504.25.

A. Synthetic Organic Chemical Manufacturers Association of the United States, 41 East 42d Street, New York, N.Y.
D. (6) $548.79. E. (9) $548.79.

A. Charles P. Taft, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, 1025 Connecticut Avenue NW., Washington, D.C.

A. Glenn J. Talbott.
B. The Farmers' Educational and Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. Edward D. Taylor, 777 14th Street NW., Washington, D.C.
B. Office Equipment Manufacturers Institute, 777 14th Street NW., Washington, D.C.

A. Tyre Taylor, 1010 Vermont Avenue NW., Washington, D.C.
B. Southern States Industrial Council, Stahlman Building, Nashville, Tenn.
D. (6) $3,000. E. (9) $514.35.

A. William L. Taylor, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,625. E. (9) $63.20.

A. Temporary Committee on Taxation of Mutual Life Insurance Co., 1740 Broadway, New York, N.Y.
D. (6) $40,761. E. (9) $57,391.55.

A. Texas Water Conservation Association, 607 Littlefield Building, Austin, Tex.
D. (6) $4,400. E. (9) $6,101.55.

A. J. Woodrow Thomas, 1000 16th Street NW., Washington, D.C.
B. Trans World Airlines, Inc., 10 Richards Road, Kansas City, Mo.

A. Oliver A. Thomas, 125 North Center Street, Reno, Nev.
B. Nevada Railroad Association, 125 North Center Street, Reno, Nev.
D. (6) $350. E. (9) $1,280.10.

A. Thomas C. Thompson, Jr., 1000 Connecticut Avenue, Washington, D.C.
B. Occidental Life Insurance Co. of California, 1151 South Broadway, Los Angeles, Calif.

A. William B. Thompson, Jr., 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $213.33. E. (9) $100.53.

A. Eugene M. Thore, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $3,495. E. (9) $96.16.

A. Arthur R. Thurston, 3929 Castro Valley Boulevard, Castro Valley, Calif.
B. National Council of Naval Air Stations Employee Organizations, 3929 Castro Valley Boulevard, Castro Valley, Calif.

A. G. D. Tilghman, 1612 K Street NW., Washington, D.C.
B. Disabled Officers Association, 1612 K Street NW., Washington, D.C.
D. (6) $3,750. E. (9) $10.50.

A. William H. Tinney, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. M. S. Tisdale, 4200 Cathedral Avenue, Washington, D.C.
B. Armed Services Committee, Chamber of Commerce, Vallejo, Calif.
D. (6) $295. E. (9) $500.53.

A. Tobacco Associates, Inc., 1025 Connecticut Avenue, NW., Washington, D.C.
E. (9) $546.

A. H. Willis Tobler, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $2,418.75. E. (9) $209.17.

A. John H. Todd, 1085 Shrine Building, Memphis, Tenn.
B. National Cotton Compress & Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. F. Gerald Toye, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $1,000. E. (9) $140.03.

A. Transportation Association of America, 6 North Michigan Avenue, Chicago, Ill.

A. Richard S. Tribbe, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. Matt Triggs, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,600. E. (9) $46.54.

A. Glenwood S. Troop, Jr., 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North LaSalle Street, Chicago, Ill.
D. (6) $1,093.75. E. (9) $55.95.

A. Paul T. Truitt, 1700 K Street NW., Washington, D.C.
B. National Plant Food Institute, 1700 K Street NW., Washington, D.C.

A. J. T. Trullinger, National Bank of Commerce Building, Olympia, Wash.
B. General Petroleum Corp., 612 South Flower Street, Los Angeles, Calif., et al.
E. (9) $174.50.

A. Ernest Allen Tupper, 1420 New York Avenue, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.

A. Stanley R. Tupper, 154 State Street, Augusta, Maine.
B. Boston and Maine Railroad, North Station, Boston, Mass.

A. Harold J. Turner, Henry Building, Portland, Oreg.
B. Spokane, Portland & Seattle Railway Co., et al., Henry Building, Portland, Oreg.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. California Range Association, 2438 Tulare Street, Fresno, Calif.
E. (9) $38.88.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. Local No. 30, Canal Zone Pilots Association, I.O.M.M. & P., Post Office Box 601, Canal Zone.
E. (9) $23.51.

A. Lewis H. Ulman, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $800.

A. Union Producing Co., 1525 Fairfield Avenue, Shreveport, La., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.
E. (9) $702.92.

A. United Cerebral Palsy Associations, 321 West 44th Street, New York, N.Y.
E. (9) $1,388.82.

A. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.
D. (6) $48,360.20. E. (9) $1,233.05.

A. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
E. (9) $16,608.06.

A. The United States Trotting Association, Post Office Box 2058, Main Post Office, Columbus, Ohio.

A. United States Trust Co. of New York, 45 Wall Street, New York, N.Y.
E. (9) $814.59.

A. Thomas M. Venables, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Richard E. Vernor, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $35. E. (9) $19.67.

A. L. T. Vice, 1700 K Street NW., Washington, D.C.
B. Standard Oil Co. of California, 1700 K Street NW., Washington, D.C.
D. (6) $385. E. (9) $145.

A. R. K. Vinson, 1346 Connecticut Avenue N.W., Washington, D.C.
B. Machinery Dealers National Association, 1346 Connecticut Avenue NW., Washington, D.C.

A. Carl M. Walker, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $250. E. (9) $10.95.

A. Leland M. Walker, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $1,538.48. (E. (9) $228.

A. Paul H. Walker, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $119.62. E. (9) $2.46.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.
B. Lion Manufacturing Co., 2640 Belmont Avenue, Chicago, Ill.
D. (6) $914.60. E. (9) $914.60.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.
B. United Manufacturing Co., 3401 North California Avenue, Chicago, Ill.
D. (6) $600. E. (9) $600.

A. Stephen M. Walter, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $59.75.

A. Thomas G. Walters, 100 Indiana Avenue NW., Washington, D.C.
B. Government Employees' Council, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,126.

A. Charles A. Washer, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.

A. Washington Board of Trade, 1616 K Street NW., Washington, D.C.

A. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $4,867. E. (9) $6,470.36.

A. Vincent T. Wasilewski, 1771 N Street NW., Washington, D.C.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C.

A. Jeremiah C. Waterman, 165 Broadway, New York, N.Y.
B. Southern Pacific Co., 165 Broadway, New York, N.Y.
E. (9) $100.

A. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N.Y.
D. (6) $970. E. (9) $113.97.

A. J. R. Watson, I.C.R.R. Passenger Station, Jackson, Miss.
B. Mississippi Railroad Association, I.C.R.R. Passenger Station, Jackson, Miss.
E. (9) $676.84.

A. Merrill A. Watson, 342 Madison Avenue, New York, N.Y.
B. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.
E. (9) $157.10.

A. Robert Watson, Tower Building, Washington, D.C.

A. Watters & Donovan, 161 Wiliam Street, New York City, N.Y.
B. New York and New Jersey Dry Dock Association, 161 William Street, New York City, N.Y.
D. (6) $3,750.

A. Thomas Watters, Jr., 161 William Street, New York, N.Y., and Shoreham Building, Washington, D.C.
B. Higham, Englar, Jones & Houston, 99 John Street, New York City, N.Y., and Shoreham Building, Washington, D.C.
E. (9) $433.08.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. The Atlantic Refining Co., Inc., 260 South Broad Street, Philadelphia, Pa.
D. (6) $1,500. E. (9) $21.89.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. Eastern Meat Packers Association, Inc., Statler Hotel, New York, N.Y.
D. (6) $500. E. (9) $234.57.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $124.25.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. The National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $3,750. E. (9) $404.23.

A. Narvin B. Weaver, 1200 18th Street NW., Washington, D.C.
B. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.

A. William H. Webb, 1028 Connecticut Avenue, Washington, D.C.
B. National Rivers and Harbors Congress, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $2,118. E. (9) $424.30.

A. Donald D. Webster, Barr Building, Washington, D.C.
B. American Steamship Committee on Conference Studies, Barr Building, Washington, D.C.
D. (6) $3,750. E. (9) $297.92.

A. E. E. Webster, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $4,152.19.

A. William E. Welsh, 897 National Press Building, Washington, D.C.
B. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $3,750. E. (9) $94.25.

A. West Coast Inland Navigation District, Court House, Bradenton, Fla.
E. (9) $2,629.40.

A. Gene T. West, 1424 16th Street NW., Washington, D.C.
B. Munitions Carriers Conference, Inc., 1424 16th Street NW., Washington, D.C.

A. Joseph T. West, 1 Salem Street, Houlton, Maine.
B. Brotherhood of Locomotive Firemen and Enginemen, 401 Third Street NW., Washington, D.C.
E. (9) $1,020.

A. George Y. Wheeler II, 1625 K Street NW., Washington, D.C.
B. Radio Corp. of America, 1625 K Street NW., Washington, D.C.

A. Don White, Post Office Box 337, Fairfax, Va.
B. National Audio-Visual Association, Inc., Post Office Box 337, Fairfax, Va.
D. (6) $3,750. E. (9) $4,501.19.

A. John C. White, 838 Transportation Building, Washington, D.C.
B. American Cotton Shippers Association.
D. (6) $750. E. (9) $288.35.

A. Marc A. White, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc., 1707 H Street NW., Washington, D.C.

A. Richard P. White, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $37.50. E. (9) $94.88.

A. H. Leigh Whitelaw, 734 15th Street NW., Washington, D.C.
B. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.

A. Edward P. Whitney, 612 Perpetual Building, 1111 E Street NW., Washington, D.C.
B. National Community Television Association, Inc., 612 Perpetual Building, 1111 E Street NW., Washington, D.C.

A. Claude C. Wild, Jr., 1625 K Street NW., Washington, D.C.
B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.
D. (6) $450. E. (9) $50.

A. John C. Williamson, 1300 Connecticut Avenue, Washington D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue, Washington, D.C.
D. (6) $3,700. E. (9) $564.93.

A. Kenneth Williamson, 17th and Pennsylvania Avenue NW., Washington, D.C.
B. American Hospital Association, 840 North Lakeshore Drive, Chicago, Ill.
D. (6) $2,568.87. E (9) $1,127.38.

A. Franz O. Willenbucher, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $3,000.

A. E. Raymond Wilson, 104 C Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $1,292.32.

A. Everett B. Wilson, Jr., 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. W. E. Wilson, 1525 Fairfield Avenue, Shreveport, La.
B. Union Producing Co., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.
D. (6) $600. E. (9) $102.92.

A. W. F. Wimberly, 873 Spring Street NW., Atlanta, Ga.
B. The Pure Oil Co., 35 East Wacker Drive, Chicago, Ill.

A. Everett T. Winter, 1978 Railway Exchange Building, St. Louis, Mo.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $4,500. E. (9) $556.73.

A. Theodore Wiprud, 1718 M Street NW., Washington, D.C.
B. Medical Society of the District of Columbia, 1718 M Street NW., Washington, D.C.

A. Wood, King & Dawson, 48 Wall Street, New York, N.Y.
B. Committee for Broadening Commercial Bank Participation in Public Financing, 50 South La Salle Street, Chicago, Ill.

A. C. C. Woodard, 7630 Biscayne Boulevard, Miami, Fla.

A. Harley Z. Wooden, 1201 16th Street NW., Washington, D.C.
B. The Council for Exceptional Children, a department of the National Education Association, 1201 16th Street NW., Washington, D.C.
D. (6) $55. E. (9) $2.70.

A. Russell J. Woodman, 401 Third Street NW., Washington, D.C.
B. The Order of Railroad Telegraphers, 3860 Lindell Boulevard, St. Louis, Mo.
D. (6) $350.

A. Frank K. Woolley, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,750. E. (9) $32.06.

A. Edward W. Wootton, 1100 National Press Building, Washington, D.C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. John C. York, 350 Edwards Drive, Fayetteville, N.Y.
B. Eastern Milk Producers Cooperative Association, Inc., Kinne Road, DeWitt, Onondaga County, N.Y.
D. (6) $300. E. (9) $515.63.

A. Donald A. Young, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States of America.

A. J. Banks Young, 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $1,400. E. (9) $151.44.

A. John H. Young, 1411 Major Street, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Edmund A. Zabel, 200 Maryland Avenue NE., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,699.98. E. (9) $98.15.

A. Sidney Zagri, 25 Louisiana Avenue NW., Washington, D.C.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C.
D. (6) $3,375.

A. Gordon K. Zimmerman, Washington, D.C.
B. National Association of Soil Conservation Districts, League City, Tex.

A. O. David Zimring, 11 South La Salle Street, Chicago, Ill., and 1001 Connecticut Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL–CIO, and various railroad labor organizations.
E. (9) $5,877.01.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1959:

(NOTE.—The form used for registration is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employes subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. American Justice Association, Post Office Box 1387, Washington, D.C.

A. Anne Archbold, 3905 Reservoir Road, Washington, D.C.

A. J. Sinclair Armstrong, 45 Wall Street, New York, N.Y.
B. United States Trust Co. of New York, 45 Wall Street, New York, N.Y.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. Commissioner of Baseball, 30 Rockefeller Plaza, New York, N.Y.

A. Richard W. Averill, 801 Sheraton Building, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.

A. Baldwin and Mermey, 205 East 42d Street, New York, N.Y.
B. Bureau of Education on Fair Trade, 205 West Wacker Drive, Chicago, Ill.

A. George Ballis, 4624 East Cornell, Fresno, Calif.

A. Barnes, Dechert, Price, Myers & Rhoads, 3 Penn Center Plaza, Philadelphia, Pa.
B. E. I. du Pont de Nemours & Co., Wilmington, Del.

A. James F. Bell, 730 Southern Building, Washington, D.C.
B. National Association of Supervisors of State Banks, Munsey Building, Washington, D.C.

A. Jacob I. Bellow, 4338 East-West Highway, Bethesda, Md.
B. American Federation of Government Employees, Lodge No. 12, Box 865 Benjamin Franklin Station, Washington, D.C.

A. Jacob I. Bellow, 4338 East-West Highway, Bethesda, Md.
B. American Federation of Labor, Lodge No. 12, Box 865 Benjamin Franklin Station, Washington, D.C.

A. David Bishop, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. Percy G. Black, 829 Pennsylvania Building, Washington, D.C.
B. General Telephone Service Corporation, 730 Third Avenue, New York, N.Y.

A. Francis Boardman, 11 North Pearl Street, Albany, N.Y.
B. Brotherhood of Locomotive Firemen and Enginemen, Keith Building, Cleveland, Ohio.

A. Joseph Borkin, 802 Ring Building, Washington, D.C.
B. Alleghany Corp., 230 Park Avenue, New York, N.Y.

A. Vincent L. Broderick, 61 Broadway, New York, N.Y.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.

A. Edward T. Butler, 85 2d Street, Athens, N.Y.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. Judy Carlile, 229 Shoreham Building, Washington, D.C.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.

A. J. R. Cash, 401 Third Street NW., Washington, D.C.
B. Order of Railway Conductors and Brakemen, Cedar Rapids, Iowa.

A. Walter Caven, Post Office Box 717, Austin, Tex.
B. Angelina and Neches River Railroad Co. et al.

A. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.

A. Albert M. Cole, 1825 Connecticut Avenue NW., Washington, D.C.
B. California Savings and Loan League, 1444 Wentworth Avenue, Pasadena, Calif.

A. Committee to Strengthen the Frontiers of Freedom, 1025 Connecticut Avenue NW., Washington, D.C.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.

A. Dorothy Mondell Davis, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Robert E. Pflaumer, Chicago, Ill.

A. Michael B. Deane, 1700 K Street NW., Washington, D.C.
B. Royal Jamaica Imports, Inc., 10 East 40th Street, New York, N.Y.

A. Michael B. Deane, 1700 K Street NW., Washington, D.C.
B. U.S. Poultry & Egg Producers Association, Lakewood, N.J.

A. Donoghue, Ragan, & Mason, 239 Wyatt Building, Washington, D.C.
B. California Shipping Co., 320 Market Street, San Francisco, Calif.

A. Fred B. Driscoll, 719 Oldtown Road, Cumberland, Md.
B. Journeymen Barbers, Hairdressers, Cosmetologists & Proprietors International Union of America, 1141 North Delaware Street, Indianapolis, Ind.

A. Lloyd M. Dunn, 1201 16th Street NW., Washington, D.C.
B. George Peabody College for Teachers, Nashville, Tenn.

A. Federation of Homemakers, 5610 16th Street North, Arlington, Va.

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B. Estate of Garrard Winston, Dcd., c/o Shearman & Sterling & Wright, 20 Exchange Place, New York, N.Y.

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B. Board of Education, 506 Jordan Street, Jacksonville, Ill.

A. Ginsburg, Leventhal, Brown & Morrisson, 1632 K Street NW., Washington, D.C.
B. Society To Study Private Property Interests in Foreign Countries, Contrescarpe 46, Bremen, Germany.

A. Frank T. Gladney, 401 Third Street NW., Washington, D.C.
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A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Mutual Benefit Health and Accident Association, Omaha, Nebr.

A. Andrew G. Haley, 1735 De Sales Street NW., Washington, D.C.
B. Home Town Free Television Association, 2923 East Lincolnway, Cheyenne, Wyo.

A. Haley, Wollenberg & Kenehan, 1735 De-Sales Street NW., Washington, D.C.
B. Home Town Free Television Association, 2923 East Lincolnway, Cheyenne, Wyo.

A. Charles A. Hamilton, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.

A. George F. Hannaum, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association, 610 Shoreham Building, Washington, D.C.

A. Hays & Busby, 815 15th Street NW., Washington, D.C.
B. Distributors, Inc., 441 Atendo Avenue, Charlotte, N.C.

A. Noel Hemmendinger, 1000 Connecticut Avenue, Washington, D.C.
B. United States-Japan Trade Council, 1000 Connecticut Avenue, Washington, D.C.

A. Frank D. Howard, 1001 West Main Street, Leesburg, Fla.
B. Brotherhood of Locomotive Firemen and Enginemen, Keith Building, Cleveland, Ohio.

A. Howe Sound Co., 500 Fifth Avenue, New York, N.Y.

A. David Hume, 1001 Connecticut Avenue, Washington, D.C.
B. Laboratory Apparatus and Optical Instrument Sections of the Scientific Apparatus Makers Association, 20 North Wacker Drive, Chicago, Ill.

A. Fred G. Hussey, 1145 19th Street NW., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.

A. George F. Hussey, Jr., 70 East 45th Street, New York, N.Y.
B. American Standards Association, 70 East 45th Street, New York, N.Y.

A. Elmer P. Hutter, Post Office Box 3, Rochester, N.Y.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C.

A. Frank S. Ketcham, 261 Constitution Avenue NW., Washington, D.C.
B. Thomas J. Lipton, Inc., 1500 Hudson Street, Hoboken, N.J.

A. S. F. Kirby, 20 North Wacker Drive, Chicago, Ill.
B. National Council on Business Mail, Inc., 20 North Wacker Drive, Chicago, Ill.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. Alcoa Steamship Co., Inc., 17 Battery Place, New York, N.Y.

A. Harold Leventhal, 1632 K Street NW., Washington, D.C.
B. Columbia Pictures Corp. et al.

A. Lynton & Saslow, 99 Park Avenue, New York, N.Y.
B. New York Antique & Art Dealers Association, Inc., 59 East 57th Street, New York, N.Y.

A. John H. McCormick, Jr.
B. The Council for Exceptional Children, 1201 16th Street NW., Washington, D.C.

A. Frederick A. McGonigle, 500 Fifth Avenue, New York, N.Y.
B. Howe Sound Co., 500 Fifth Avenue, New York, N.Y.

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B. National Independent Automobile Dealers Association, 1413 K Street NW., Washington, D.C.

A. Robert H. McNeill, 815 15th Street NW., Washington, D.C.
B. Peoples Bank & Trust Co., Manila, Philippine Islands.

A. Robert H. McNeill, 815 15th Street NW., Washington, D.C.
B. A group of Protestant churches in the Philippine Islands.

A. Arch L. Madsen, 1735 DeSales Street NW., Washington, D.C.
B. Association of Maximum Service Telecaster, Inc., 1735 DeSales Street NW., Washington, D.C.

A. Raymond E. Marks, 65 Market Street, San Francisco, Calif.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.

A. Alwyn F. Matthews, 1029 Vermont Avenue NW., Washington, D.C.
B. Supplemental Air Carrier Conference, 1029 Vermont Avenue NW., Washington, D.C.

A. Edward L. Merrigan, 425 13th Street NW., Washington, D.C.
B. Maryland and Virginia Milk Producers Association, Inc., 1530 Wilson Boulevard, Arlington, Va.

A. Edward L. Merrigan, 425 13th Street NW., Washington, D.C.
B. Weil, Gotshal & Manges, 60 East 42d Street, New York, N.Y.

A. Miller & Chevalier, 1001 Connecticut Avenue, Washington, D.C.
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B. Alleghany Corp., 230 Park Avenue, New York, N.Y.

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A. National Paint, Varnish & Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C.

A. National Restaurant Association, 1012 14th Street NW., Washington, D.C.

A. New York Antique & Art Dealers Association, Inc., 59 East 57th Street, New York, N.Y.

A. Robert S. Palmer, State Office Building, Denver, Colo.
B. Emergency Small Miners Committee, care of Colorado Mining Association, Denver, Colo.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 575 Madison Avenue, New York, N.Y.
B. Science Materials Center, Inc., 59 Fourth Avenue, New York, N.Y.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. The Pitcairn Co., 204 Delaware Trust Building, Wilmington, Del.

A. Pitcairn Co., 204 Delaware Trust Building, Wilmington, Del.

A. Thomas W. Power, 1012 14th Street NW., Washington, D.C.
B. National Restaurant Association, 1012 14th Street NW., Washington, D.C. and 1530 North Lake Shore Drive, Chicago, Ill.

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A. James W. Riddell, 731 Washington Building, Washington, D.C.
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A. James W. Riddell, 731 Washington Building, Washington, D.C.
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A. Daniel S. Ring, 1500 Rhode Island Avenue NW., Washington, D.C.
B. National Paint, Varnish & Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C.

A. Henry F. Rood, Fort Wayne, Ind.
B. Lincoln National Life Insurance Co., Fort Wayne, Ind.

A. Lt. Col. John A. Ryan, Jr., 5236 North 36th Street, Arlington, Va.

A. Hilliard Schulberg, 211 Southern Building, Washington, D.C.
B. Washington (D.C.) Retail Liquor Dealers Association, Inc., 211 Southern Building, Washington, D.C.

A. Harold Shapiro, 25 Louisiana Avenue NW., Washington, D.C.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C.

A. Maurice J. Shean, 940 25th Street NW., Washington, D.C.
B. City and County of San Francisco, Calif.

A. Shearman & Sterling & Wright, 20 Exchange Place, New York City, N.Y.
B. Monsanto Chemical Co.

A. Harold S. Skinner, Post Office Box 2197, Houston, Tex.
B. Continental Oil Co., Post Office Box 2197, Houston, Tex.

A. Small Business Association for Government Relations, 919 18th Street NW., Washington, D.C.

A. Carl K. Smith, 401 Third Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 330 South Wells Street, Chicago, Ill.

A. E. Stratford Smith, 1111 E Street NW., Washington, D.C.
B. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.

A. Standard Public Relations, Inc., 45 Rockefeller Plaza, New York, N.Y.
B. Theodore Roosevelt Association, 28 East 20th Street, New York, N.Y.

A. Stitt and Hemmendinger, 1000 Connecticut Avenue, Washington, D.C.
B. Importers of Japaneses Oysters, 92 Liberty Street, New York City, N.Y.

A. Stitt and Hemmendinger, 1000 Connecticut Avenue, Washington, D.C.
B. Nozaki Associates, Inc., 92 Liberty Street, New York, N.Y.; Mitsubishi International Corp., 120 Broadway, New York, N.Y.; Ajinomoto Co. of New York, 30 Broad Street, New York, N.Y.

A. Henry Stoner, 8925 Lindblade Street, Culver City, Calif.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Prudential Steamship Corp., 17 State Street, New York, N.Y.

A. Ernest Allen Tupper, 1420 New York Avenue, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York City, N.Y.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. Local No. 30, Canal Zone Pilots Association I.O.M.M. & P., Post Office Box 601, Canal Zone.

A. Union Producing Co. and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.

A. Leland M. Walker, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.

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B. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.

A. Weaver & Van Koughnet, 1701 K Street NW., Washington, D.C.
B. Lt. Col. John A. Ryan, Jr.

A. Marc A. White, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc.

A. Edward P. Whitney, 1111 E Street NW., Washington, D.C.
B. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.

A. Laurens Williams, 602 Ring Building, Washington, D.C.
B. Pacific Mutual Life Insurance Co., Los Angeles, Calif.

A. William A. Williams, Jr., Santa Fe, N. Mex.
B. National Association of Soil Conservation Districts, League City, Tex.

A. W. E. Wilson, 1525 Fairfield Avenue, Shreveport, La.
B. Union Producing Co. and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.

EXTENSIONS OF REMARKS

Aid Program in Vietnam Not a Fiasco

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 18, 1959

Mr. ZABLOCKI. Mr. Speaker, on July 30, 1959, I had taken the floor to advise the Members that the Subcommittee on the Far East and the Pacific of the Foreign Affairs Committee would hold hearings to be fully briefed on the situation of our aid program in Vietnam, with particular reference to the series of articles written by Mr. Colegrove and appearing in the Scripps-Howard chain.

The hearings conducted by the subcommittee on the Colegrove articles were completed last Friday, August 14, and at that time I issued the following statement:

The Subcommittee on the Far East has been conducting a continuing review of our aid programs in the area under the subcommittee's jurisdiction. In an effort to be fully informed about progress achieved in this field, the subcommittee has conducted on-the-spot investigations, and supplemented them periodically with hearings.

The U.S. aid program in Vietnam, being within the area of the subcommittee's jurisdiction, has received close and continuing attention.

The series of articles which appeared recently in one of the local newspapers, alleging that the aid program in Vietnam is a fiasco, and that the administration of that program has been fraught with corruption, mismanagement, and other abuses, has received the subcommittee's immediate attention.

After reviewing these charges in an executive session on July 27, the subcommittee decided to examine them thoroughly. The author of the charges, Mr. Albert Colegrove, Government officials responsible for the administration of the aid program in Vietnam, and other interested persons were invited to testify before the subcommittee.

The hearings which the subcommittee has conducted have thus far failed to bear out the charge that our aid program in Vietnam is a fiasco, and that it has been administered in a scandalous manner.

These accusations, as well as specific charges of wrongdoing, have not been substantiated to date. Many of these charges have been traced to sources which I, for one, must regretfully consider to be less than reliable.

In contrast, the testimony which the subcommittee received from reliable observers who had firsthand knowledge of the aid program in Vietnam, and from executive branch witnesses, indicates strongly that the aid program in Vietnam has been constructive, successful, and responsibly administered.

Because of its desire to be as thorough as possible in examining Mr. Colegrove's charges, and to correct any weaknesses or waste in the aid program, a special study mission of members of the Foreign Affairs Committee, headed by Congressman PILCHER, Democrat, of Georgia, will conduct an on-the-spot investigation of certain items which have not been substantially explained.

The results of the subcommittee's inquiry and its findings will be referred to the Special Subcommittee for Review of the Mutual Security Programs for further examination and appropriate action by that investigating body.

Walter Lee, Legislative Assistant to the House Committee on the Judiciary, To Retire

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 18, 1959

Mr. PHILBIN. Mr. Speaker, I was sorry to learn that Mr. Walter Lee, legislative assistant to the House Committee on the Judiciary, will soon retire from this position which he has held for more than 21 years.

The name of Walter Lee is synonymous with warm friendship, wholehearted cooperation, and diligent, effective work for the committee to which he is assigned and for the membership of the House as a whole.

During my public service, I have never know a finer, more sincere, more devoted, more dedicated public servant than Walter Lee, and I am profoundly grateful to him for his outstanding service and for the many instances in which he has personally assisted me with my work. He has indeed made noteworthy contributions to vital work of the Congress.

I heartily congratulate him and his family upon the completion of his magnificent service and wish for them every success and happiness in the future. Godspeed and good fortune to our dear, able, and esteemed friend, Walter Lee.

Self-Employed Individuals Retirement Act

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Tuesday, August 18, 1959

Mr. KEFAUVER. Mr. President, yesterday the junior Senator from Utah [Mr. Moss] appeared before the Senate Finance Committee in support of H.R. 10. This is the bill designed to provide self-employed persons with a voluntary pension plan similar to that now accorded employees covered by employer-financed pension, and is identical to my bill, S. 944.

I am very glad to see the able Senator from Utah giving his invaluable support to this proposal. It is a field that has been too long neglected, Mr. President.

Since the Senator from Utah presented such an excellent case for the bill, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the Senator's testimony.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR FRANK E. MOSS, DEMOCRAT, OF UTAH, BEFORE SENATE FINANCE COMMITTEE, AUGUST 11, 1959

Re H.R. 10, Self-Employed Individuals Retirement Act.

Mr. Chairman, I appreciate this opportunity to testify in support of H.R. 10, the Self-Employed Individual's Retirement Act of 1959.

On June 17 of this year, Mr. David A. Lindsay, Assistant to the Secretary of the Treasury, appeared before this distinguished committee. As spokesman for the major opponent of this legislation, he said, "The

Treasury recognizes that present law does not give self-employed persons tax treatment for their retirement savings comparable to that now accorded to employees covered by employer-financed pension plans."

In view of this statement, I don't believe it is necessary for me or other proponents of this legislation to waste your valuable time discussing whether or not an inequity exists. The Treasury Department admits it.

The people of Utah are greatly concerned about this situation, and many of them representing an excellent cross section of the self-employed farm folks, small retailers, lawyers, dentists, doctors, and many others have written me on numerous occasions urging the enactment of H.R. 10.

Naturally, they have given a lot of thought to their old age, and the vast majority of them say that they have nothing other than OASI to live on once they retire. They can't understand why they are being penalized because they are self-employed and do not work for a corporation. Gentlemen, with but few exceptions, these are the average people of my State, the middle-income group often referred to as the backbone of this great country of ours.

I am concerned about this inequity and I believe that the majority of our colleagues feel it is time to remedy it.

H.R. 10 was first introduced in 1951 and has been before the Congress for 8 years. It has always had bipartisan support from Members who feel that enactment of the bill is the best way to deal with this unfair situation.

While the Treasury Department has advanced a number of objections to the bill, their major argument is the one generally offered when all others have failed—"let's wait until the budgetary situation is more favorable for tax reduction." As part of this reasoning, they emphasize a revenue loss of $365 million, which to the best of my knowledge they are unable to substantiate. Because of my constituents' interest in this legislation, I have read a good part of the hearings on this bill and am inclined to feel that the maximum impact would not exceed $100 million the first year.

Gentlemen, I am very definitely interested in keeping our economy in a healthy state, as are all the Members of this Congress. Surely the effect of the tax loss in the case of H.R. 10 is small compared with the favorable effect it will have on the 10 million self-employed of this country.

These people are not asking local, State, or Federal governments to take care of them in their retired years. They are asking simply for a postponement of tax liability so that they may be able to set something aside for their old age. They are willing to put up the money when they are able to spare it from the demands of their business. All they are asking of us, the Congress of the United States, is that we offer them the same tax consideration that 18 million corporate employees are receiving, so that they can provide for themselves.

In my opinion, it is imperative that H.R. 10 be enacted in this 86th Congress.

Thanks for your courtesy.

U.S. Passport Legislation

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 18, 1959

Mr. FULTON. Mr. Speaker, the distinguished Representative JOHN V. LINDSAY, of New York, appeared today before the House Committee on Foreign Affairs and presented an excellent statement on proposed U.S. passport legislation. Many bills have been filed to limit the travel of certain U.S. citizens abroad, whose travel and activities might be detrimental to the security and basic foreign policies of the United States.

Congressman LINDSAY is well qualified to appear as an expert witness on passport legislation because of his top-level legal background and experience. He has served from 1955 to 1957 as executive assistant to the Attorney General of the United States. Mr. LINDSAY is a graduate of the Yale Law School and as an outstanding attorney, is admitted to the New York bar, the bar of U.S. Supreme Court, and the District of Columbia bar.

Mr. LINDSAY is a member of the Association of the Bar of the City of New York, the New York State Bar Association, and the American Bar Association. Mr. LINDSAY is making a fine record as a Member of the 86th Congress.

I am submitting this material for my colleagues in the Congress as well as the people of the United States so that these views can be carefully considered in working out the constitutional basis, and the correct legal method in obtaining good legislation in this important field of passport authorization and issuance.

The above mentioned follows:

U.S. PASSPORT LEGISLATION

(Statement of U.S. Representative JOHN V. LINDSAY of New York before the House Foreign Affairs Committee, Tuesday, August 18, 1959)

Mr. Chairman, I am grateful for the opportunity to appear before this distinguished committee. I share your concern, and that of the Department of State whose representatives have already testified, over the absence of legislation, consistent with the decisions of the Supreme Court in the Kent, Briehl, and Dayton cases, to authorize the Secretary of State to exercise some measure of discretion in the issuance of passports. I am aware as we all are, that the matter of passports and their issuance, is necessarily an aspect of the conduct of foreign affairs, and in that sense, bears upon national and international security.

But in approaching the problem of devising legislation, I start with the premise that we are dealing here with a constitutional right. I am in firm agreement with the opinion of the Supreme Court in the Kent, Briehl, and Dayton cases. While not deciding those cases on constitutional grounds, the Court nevertheless stated that "the right to travel is part of the liberty of which a citizen cannot be deprived without the due process of law of the fifth amendment." I agree wholeheartedly with that statement. I believe also that the right to travel is conjoint with and part of the first amendment—freedom of speech and assembly. I believe it to be the duty of this committee to study the substance of the right to travel with great care, realizing that any measures restricting this right are certain to be tested in the courts sooner or later—probably sooner. And I am particularly disturbed by what I feel are constitutional inadequacies in the legislation endorsed to you by the Department of State.

What is the right to travel? In my book it is one of the most fundamental liberties that we have. The Supreme Court tells us that it is "part of the liberty protected by the due process clause of the fifth amendment." The Solicitor General of the United States conceded as much in his argument before the Court in Kent and Dayton. But, as I stated at the outset, I would suggest also that it is a part of the first amendment. Of all the freedoms that we have, the one I should most hate to lose is freedom of speech. Speech is communication, and communication in this modern day is impossible without locomotion. Speech is meaningless unless thought of in the context of the physical and social aspects of human existence.

Constitutional sources strongly suggest that early Americans recognized a freedom to move beyond national frontiers. However uncertain its basis may have been, however unclear its limitations, the English recognized that freedom long before they crossed the Atlantic. The people of the Colonies, moreover, evidently took the freedom for granted; witness the constant movement between Colonies and to the west. That may explain why the freedom was not more clearly recognized in writing. The Declaration of Independence goes no further than to list as a grievance the restrictions which George the Third placed upon emigration. The Articles of Confederation merely guaranteed free movement between different colonies, though the Colonies, not yet joined in a more perfect union, were more like foreign countries to each other than the United States are today. Perhaps the most direct documentary evidence is to be found in the Pennsylvania Constitution of 1790 which declared "that emigration from the State shall not be prohibited."

These sources, taken together, and viewed in the light of the ninth amendment, warrant the assumption that omission of the words "right to travel," was not intended to eliminate the right. Nor is the omission inconsistent with a specific intention to include the right in free speech. The Constitution was designed to guide the United States for an indefinite period of time. It would have been impossible to enumerate the variety of ways in which free speech might be abridged—and the framers recognized this in the generality of the first amendment's language.

The specific problem your committee must wrestle with, Mr. Chairman, is that of finding a constitutional way of preventing hard-core, dedicated Communists from abusing the travel right by actively striving against our most supreme national interests.

Now let me make it absolutely clear that we are not here talking about anyone who is under indictment for the commission of any crime, or is under restraining order of any kind by any court, or has been stripped of any right or liberty by due process of law. As to these, we all agree that the right to travel ought to be, and can constitutionally be, curtailed. The nonindicted, non-court-restrained Communist presents a more difficult case. There may well be risks inherent in allowing a member of the Communist Party, or one identified as such by our intelligence units, free exit from our shores to travel abroad. But it is necessary to point out that this is true when Communists travel from Chicago to New York or from New York to the Bahamas, or from Dallas to Mexico, or from San Francisco to Buenos Aires or to any other South American country, none of which places requires a passport for exit or entry. It should be pointed out also that under the McCarran-Walter Act we are required to deport alien members of the Communist Party and we go to elaborate efforts to secure their removal after they have been traveling freely in this country for years. Well and good enough. Yet under our passport procedures, until the Supreme Court decided otherwise, we have insisted that it is essential to the national security to keep citizen members of the party confined to our shores. The point is that there

could possibly be something wrong with our reasoning; and when we are dealing with limitations on constitutional rights it is important that our reasoning be compelling and logical. You must consider whether the bills before you will in fact accomplish their purpose of confining trained subversives to these shores. You must remember, also, that the President has in the past stressed the importance of taking every reasonable step that will facilitate international travel and exchange, e.g., the abolition of the requirement of finger printing for transients through, and temporary visitors to, this country.

I do not differ too widely in substance from the position taken by the administration, as presented by the State Department through its spokesman, Mr. Hanes, in his testimony here. I shall come to the differences shortly, and although seemingly small, they are important ones. I do differ widely in emphasis. I would emphasize the obligation of the Department of State—for that matter, of every executive department—to scrupulously avoid to the greatest extent possible any intrusion on the precious rights of American citizens. The right to travel, although it has been around a long while, is just beginning to be articulated. We must be careful not to let a cavalier approach lead us to legislative decisions which the courts may undo, and quite properly so.

I agree with the State Department that it is indeed fundamental that the liberty guaranteed by the Constitution is not absolute. "Civil liberties," says the Supreme Court "imply the existence of an organized society maintaining public order without which liberty itself would be lost in the excesses of unrestrained abuses." Freedom to travel, like other liberties, is subject to reasonable regulation and control in the interests of the public welfare. I am not sure that it is possible to draw up absolutely fixed rules which will in advance strike a proper balance which will meet the exigencies of every case, protect the public interest, and yet stay within constitutional limitations. Circumstances and the times vary and "due process of law has never been a term of fixed and invariable content." But let's make sure we don't "throw out the baby with the bath." I should like therefore to restate what I believe to be the guideposts which should guide the Congress in its consideration of this subject:

First, the right to travel—to communicate—is a constitutionally protected right which may not be abrogated by the State except under the general war power, which normally may be invoked only in time of extreme emergency, usually involving armed conflict between nations. The right is a concomitant of, and conjoint with, the first amendment of the Constitution. A denial of a passport therefore, may result in violations of both the fifth and first amendments.

Second, neither the right of the citizen to have issued, nor the right of the Secretary of State to deny issuance of, a passport is an absolute right.

Third, a general standard under which the Secretary of State is authorized to deny the issuance of a passport whenever he finds that its issuance would be contrary to the national welfare, safety or security, or otherwise be prejudicial to the interests of the United States is too indefinite a standard when applied to a right as firmly grounded among our basic liberties as is freedom of speech and assembly. In the past we have too often seen examples of executive arbitrariness under the umbrella of the national security and the conduct of foreign relations.

Fourth, a refusal to issue a passport may not rest upon confidential undisclosed information, under a blanket, unlimited authority to use the same. Such a refusal would, in all probability, be a denial of due process of law under the fifth amendment. The authority to use confidential information in the administrative process, under imprecise standards, coupled with the power to delegate authority to subordinates, and without full judicial review, can result in a breeding ground of arbitrariness in the course of which innocent people may, and undoubtedly will, suffer.

You will note that I have spoken here of blanket, unlimited authority to use confidential information. There may be room for an exception to cover the hard core Communist case, under which the Secretary of State or the Under Secretary, personally, will certify, first, that disclosure will expose a "double" or "buried" agent of tested and known reliability; second, that such exposure will be prejudicial to the national interests, and third, that the case may not be decided without resort to such evidence. But even then, full access to the evidence in question should be given upon judicial review to the court, under seal, for examination by the court in camera.

Thus the two important points of difference between the Department of State's views and mine are (1) I would permit confidential information to be used only upon certification at the highest level of its special necessity, and (2) I would require that the whole of the confidential information be laid under seal before the reviewing judge in chambers. In my judgment, anything less might violate the due process requirement of the fifth amendment.

Turning then to the bills before this committee, to the extent that time has permitted me to review them, I believe that H.R. 7006, which the State Department has endorsed, is lacking in the necessary procedural safeguards of a constitutional right. Since H.R. 2468 contains no review provision at all, it seems deficient in this respect, as well as in the others enumerated by the Department. Nor does H.R. 5455 provide such safeguards in my judgment.

I find that H.R. 55, in its present form, contains the words "on the record" at line 11, page 3, which are ambiguous. I understand from Mr. Hanes' statement that there is legislative history behind these words, and if they can fairly be deemed to mean "on the record, open and closed," that bill contains, at least in part, the standards I should like to see applied.

The best approach to the procedural problem of the bills presently before you, in my opinion, is contained in title III of H.R. 8329. In its requirement in section 306(b) that the Secretary of State himself make the final administrative determination upholding a refusal to issue, or a revocation of, a passport, it goes far toward providing for due caution in the evaluation of confidential information. And its section 307 provides what no other House bill I have examined does: the kind of judicial review necessary, in my judgment, to meet the constitutional test of due process.

I have not in this discussion tried to spell out an entire code to govern the issuance of passports, or to draft legislation. My purpose here has been only to state my views on some of the fundamentals, and I would hope that consideration of this matter in the Congress would be guided by those fundamentals. Neither have I touched upon the whole subject of area restrictions, except indirectly. Here I would recommend the report of the special committee to study passport procedures of the Association of the Bar of the City of New York, an excellent report, prepared by a distinguished committee of lawyers. Its conclusion on the subject of area restraints is as follows:

"Travel abroad by all U.S. citizens may be prohibited in areas where the Secretary of State determines that such prohibitions should be imposed in the national interest, but only in situations of exceptional gravity. The imposition of area restrictions should be accompanied by a statement by the Secretary of State setting forth the reasons therefor. Exceptions to general area prohibitions, permitting travel by particular individuals or groups, may be made by the Secretary of State in his discretion."

In closing, I should like to make reference to a document of great importance which is too seldom invoked. It is the Universal Declaration of Human Rights, which this year celebrated its 10th anniversary. Article 13 of the declaration reads as follows:

"ART. 13. (1) Everyone has the right to freedom of movement and residence within the borders of each state. (2) Everyone has the right to leave any country, including his own, and to return to his country."

The United States along with the other member nations, has pledged itself to achieve, in cooperation with the United Nations, the promotion of universal respect and observance of the human rights and fundamental freedoms set forth in the declaration. Let us in the United States be faithful to our pledge.

Veto of Oil Leasing Bill for Alaska Unwarranted

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 18, 1959

Mr. RIVERS of Alaska. Mr. Speaker, I firmly believe that President Eisenhower's veto of H.R. 6940, a bill which would have increased the maximum allowable acreage for oil and gas leasing in Alaska from 300,000 acres to 600,000 acres was ill-advised and uncalled for. Alaska's size, equaling five Western States, plus the need for incentives to bring about exploration of remote areas subject to the high costs which prevail in Alaska, requires an increase from 300,000 to 600,000 acres.

The fact that the Department of the Interior expresses preference for a package bill to increase lease rentals and abolish the existing waiver of rentals for the second and third year has nothing whatsoever to do with my bill which has been vetoed. Interior's package plan could, in the wisdom of Congress, be put into effect regardless of the provisions of H.R. 6940. The maximum allowable acreage in Alaska has nothing to do with rental rates and waivers or nonwaivers of rentals. It is admitted that this veto will deprive the State of needed income by curbing increased leasing at this time, but is piously justified on the theory that it will be better for the State and the Nation in the long run.

The Interior Department made only a meager showing regarding the bill during the House and Senate committee hearings, expressing no firm position regarding monopolies, and could not justify its proposal that a separate leasing area be established for that part of Alaska north of the Brooks Range. That this is true is evidenced by the favorable reports made by both the Senate and House

committees which conducted the hearings. The House Interior and Insular Affairs Committee, of which I am a member, was unanimous in finding that the increased acreage would not be monopolistic and that the legislation would be conducive to orderly, yet accelerated, development of the oil resources of Alaska. The evidence also showed that there was no unanimity of opinion within the Department of the Interior itself, and that the opinion expressed by the witness for the Department, at the hearings, that there should be a separate leasing area north of the Brooks Range, was only a makeshift.

The President's action is a reflection of departmental arrogance directed at the House and Senate Interior Committees—and the Congress of the United States—for having the temerity to legislate with a slight variance from the conclusion submitted by the Interior Department. I consider this veto to be an unwarranted overriding of congressional discretion and judgment.

The Invisible Retreat

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 18, 1959

Mr. LANE. Mr. Speaker, the first scene is the White House, Washington, D.C., United States of America.

It is an evening late in June 1959.

The quiet hum of motor cars in the distance has the beat of time, rising and falling, as the cars come and go.

The President is alone at his desk.

It is a warm, humid twilight. Even the sightseers have been forced to seek air-conditioned relief from the accumulated heat of the day.

One motorist turns on his lights prematurely, eager for the help of night.

The President is tired. He has worked a long, hard day, and the news has not been good.

He picks up a dispatch from his desk.

"Soviet delegate won't yield an inch. Geneva Conference adjourns in stalemate. No progress expected when talks resume."

The President reaches for a sheet of White House stationery. The time has come to do something different. Perhaps a face-to-face meeting with Khrushchev will soothe his pride and make him more cooperative. If I invite him to the United States and arrange for him to view our industrial might and our military power, and let him see all the comforts and luxuries that our people enjoy, he will realize that our people are happy in their personal progress, and have no thought for anything else. That should impress him as to our peaceful intentions. The friendship approach will accomplish more than months of stiff, formal, and fruitless debate.

He starts to write, then looks up quickly, listening.

It sounded like a cry out there—a man's cry—suddenly choked off.

But as far as he can see in the deepening dusk, there is only the chain of passing headlights, broken by the bushes and the trees that are more substantial than the night.

He waits but the voice does not cry out again.

Where did it come from?

He listens but there is no human sound above the hum of the motor traffic, rising and falling, like mechanical breathing.

"Strange. That cry in the night. I'd swear that someone was trying to warn me, but I must be mistaken. Just nerves," he said to himself.

The President frowned, then relaxed.

And went on writing the invitation to Khrushchev.

Scene 2, the Kremlin, Moscow, U.S.S.R.

It is after 9 p.m. in Washington, but 4 a.m. of the following day in an office within the fortress walls of the Soviet capitol.

Red Square is empty.

Except for the security police and the guards who are blended with the night, there is no sign of life. But the people of Moscow, after replenishing their energies through sleep, will soon rise and breakfast and hurry to work. They will continue their heroic efforts to strengthen Mother Russia and protect her against the aggressive plots of the capitalist warmongers. Or so they will be told, over and over again, by their Communist bosses. But they will work hard. They are used to it. They have no other choice.

The bald-headed man who got up early to digest the evening-before news from Washington, pushes his chair away from the desk, and folds his hands across his paunch which is round and firm, like half a globe. His voice is vigorous and jubilant.

"Comrade Secretary, you are the first to know of the great Soviet victory."

The Secretary, who was sifting papers on the desk, dropped them in his surprise and confusion. Was the leader of Communist imperialism in earnest, or was he joking? One could never be sure. And it was dangerous to guess wrong.

"But, if you will excuse me, Comrade Khrushchev, there has been no special report from Deputy Premier Kozlov in Washington."

Khrushchev smiled at his aide's ignorance and bewilderment. When people are uncertain and afraid, like this honest bureaucrat, they can be manipulated so easily.

Khrushchev wagged his finger. "One must be ahead of developments, with the nose to smell them before they can be seen. The President of the United States is going to invite me to visit Washington because I planned it that way."

The Secretary stared, not knowing what to say.

"I can see, Comrade, that you do not understand the efficiency of our methods," Khrushchev said. "With these Americans, who are thin on patience, it is only a matter of time before we wear them down. Gromyko has done well at Geneva. He has been our Gibraltar, a face of stone, deaf to the arguments of the Western diplomats, causing them frustration and loss of confidence. And when the Americans cannot find a solution, they think that friendship will 'melt' us. How childish. They have so much to learn, but they are so impatient. They think that I will be impressed, like some peasant, when I see their luxuries. But I will be using them, and I will be exploiting their weaknesses every minute, for the greatest propaganda triumph in the history of Communist Russia."

"Would you say then," the Secretary began, but stopped, dazzled by the prospects.

"Go on, Comrade."

"Would you say that this marks the strategic breakthrough for your psychological war against the West?"

Khrushchev grinned.

"We have induced the United States to tranquilize itself. The President and his advisers do not know that we have fooled them into making the invisible retreat."

Secretary of State Herter at Santiago Ministers' Conference

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 18, 1959

Mr. FULTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Secretary of State Christian A. Herter at the fifth meeting of the Foreign Ministers of the American States, at Santiago, Chile, on August 12, 1959, in response to the address of welcome by President Jorge Allessandri Rodriguez of Chile and in behalf of the Foreign Ministers:

Your Excellency, in behalf of the Ministers of Foreign Affairs meeting here in this hospitable capital I am honored to be entrusted with our collective expression of gratitude for the welcome extended by you and your Government. Your cordial words of greeting warm our hearts. No place could be more appropriate for sessions consecrated to preserving the peace and freedom of America. The devotion of the Chilean people to Pan American ideals of peace and cooperation, their dedicated efforts and achievements in economic and social progress, and their firm adherence to democratic principles, are widely recognized throughout our American community of nations. As long ago as 1541, when this noble and beautiful city of Santiago was founded by Pedro de Valdivia, that far-sighted hero struck a prophetic and truly American note when he declared in a letter to the King that Santiago would grow and flourish provided only that nobody should be sent out from Spain or from other areas of the New World to interfere with its affairs.

Against the heroic background of Chilean history looms Chile's cultural achievements. It is no accident that in her universities were trained many political and intellectual leaders from other American countries. The agricultural and technical development here

has been accompanied, indeed has been stimulated, by the imaginative energy of a creative people. It is an augury of success that our sessions are being held in such an environment.

I appreciate Your Excellency's expression of Chile's sympathetic interest in the efforts of the great powers to seek a stable world peace through discussion of their differences. As you know, I have just returned from a meeting of this kind in Geneva. In contrast to that gathering, however, I think the issues to be decided at the meeting of Foreign Ministers in this city appear more capable of early solution. Your Excellency brilliantly summarized the issues before us by stating that we should seek a formula that harmonizes our heartfelt desire never to see human rights violated with our absolute respect for the principle of nonintervention, thus guaranteeing an international liberty indispensable for living together harmoniously and sanely in this hemisphere. As Your Excellency states, this international democratic policy can be fortified by the fullest utilization of our economic capabilities.

At their informal meeting in Washington last year the Foreign Ministers of the American Republics reaffirmed their recognition that inter-American solidarity is an essential factor in the stability not only of our hemisphere but of the world. They likewise affirmed the present need for a renewed dedication by our peoples and our governments to the inter-American ideals of independence, political liberty, and economic and cultural progress and for a renewed faith in our capacity to achieve them. On December 24, 1958, the Eighth International Conference of American States approved "the Declaration of Lima." That declaration begins with the forthright statement "that the peoples of America have achieved spiritual unity through the similarity of their republican institutions, their unshakeable will for peace, their profound sentiment of humanity and tolerance and, through their absolute adherence to the principles of international law, of the equal sovereignty of states and of individual liberty without religious or racial prejudice." It closes with a provision for meetings of consultation of the Ministers of Foreign Affairs of the American Republics when deemed desirable and at the initiative of any one of them.

We may say that the Declaration of Lima comes of age this current year, the 21st since its adoption. During these 21 years, our 21 Republics have convoked 5 meetings of consultation of their Foreign Ministers for the purpose of maintaining the peace and independence of the hemisphere and preserving our freedom and progress toward a better life.

That has always been the American ideal. Peace is our chosen environment, freedom and progress our chosen way of life. The American peoples have never believed that one could be valid without the other. Our Republics are founded on the concept of independence with law, freedom with order. Our revolutions were fought—all of them—to attain a freedom both for states and for individuals dedicated to the development of the progress which can be achieved only through peace.

It is in response to that undeviating concept—peace with freedom and progress—that we are met in this historical capital of a free progressive and peace-loving country. The convocation of a meeting of consultation of the Foreign Ministers is in itself evidence that a crisis exists. It is at the same time proof of our united belief, supported by our experience, that the crisis can be met and its problems solved if dealt with cooperatively in a spirit of reason and good will.

Let us remember that there have been in all the course of our common history very few armed conflicts across national boundaries in this hemisphere. No comparable area of the world so large in extent, so great in population, with so many basic mutual interests, affording nevertheless such varied surface points of difference, has ever developed into an international neighborhood like that of the Americas. The unguarded frontier is a commonplace of national life with most of our peoples. The Christ of the Andes represents not only a lofty international ideal but a customary international relationship, the same ideal and relationship which farther to the North—Mexico, Canada and my own country attest to with bridges across the boundary rivers.

Just as there is no comparable area of the world living so harmoniously with its neighbors as the American Republics, there is none other that has so long a record of freedom. Our 21 nations, neighbors by the accident of geography, free and independent by instinct and by choice, have been closely and freely associated friendly peoples. From their republican beginnings, independence has been fortified and augmented by cooperation through increased contacts between our peoples in all fields of life. We have developed wider areas of mutual understanding. Cooperation in economic and social fields has been intensified, moving forward with both national and international efforts toward the achievement of greater productivity and higher living standards for our peoples. The progress made this past year in this field of inter-American economic cooperation, particularly under the inspiration of Operation Pan America, has been highly significant and holds out the promise of further gains in the future.

Nor has any other comparable area achieved an international organization like ours—an organization voluntary, continuous, and potent as a matter of historic fact. We all know that the development of the United Nations and other international organizations owed much to the experience of the Organization of the American States, precisely because of the proved effectiveness of our own inter-American experience. The 21 American Republics became charter members of the United Nations. In that body's councils, year after year we have stood together in defense of the free world and in the maintenance of peace and security.

Our inter-American system has worked well. At various times in its history it has faced crises and surmounted them with renewed vitality and increased capacity for constructive achievement. The balance of peace with freedom and progress that has characterized our system has constituted an inspiring demonstration to the entire world of how nations large and small may live and work together toward the common goals of humanity.

Our present meeting here in Santiago comes at a time when our inter-American system again faces a critical moment in history. We are called upon as we have been called upon in the past to renew and revitalize in the light of present conditions and forces the principles that have made our great achievements possible.

Four of these principles which are expressed in the charter of the Organization of American States are particularly pertinent to the situation facing the Organization today. There is first the principle of nonintervention, which has served as a foundation stone for the relations between our countries. Second is the principle of collective security. Together these two principles form the basis for peace and independence on this continent. Third is the principle of the effective exercise of representative democracy and respect for human rights. Fourth is cooperation for economic and social progress. This is of particular pertinence to our time. Together these latter two underlie the achievement of freedom and progress. Our problem today is to restore the traditional balance between peace on the one hand and freedom and progress on the other by giving a proper emphasis to each of these four outstanding principles. We have recognized these four principles as valid in themselves and have learned that our separate, no less than our mutual well-being depends in large measure upon them. When any of these principles is threatened, the individual independence and the collective peace of the American peoples is threatened as is their capacity to progress toward better human life. Against such threats the American nations must at all times marshal their collective effort to insure their continued progress.

We are gathered together here to examine and analyze in a spirit of objectivity and with a common purpose. We will not let ourselves be deluded into mistaking a temporary disorder for a cancer in the heart of peace or for a permanent paralysis of the sinews of freedom. Neither will we permit ourselves to be deceived into dismissing negligently symptoms of a disorder that might adversely affect us all. The American hemisphere is a community of freedom under law and so it must remain for our own generation and for our children's children.

This year in my country we are celebrating the 150th anniversary of the birth of Abraham Lincoln, whose faith in freedom and devotion to peace have caused other American countries to commemorate his anniversary. At the outset of our proceedings at this meeting we may well recall his exhortation: "Our reliance is in the love of liberty which God has planted in us; our defense is in the spirit which prized liberty as the heritage of all men in all lands everywhere."

Miss Elizabeth A. Smart

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 18, 1959

Mr. REES of Kansas. Mr. Speaker, I have requested this time to announce the passing of Miss Elizabeth A. Smart who died in a hospital in Washington, D.C., last Sunday, August 16.

Miss Smart was well known to Members of the House and Senate, as well as others on Capitol Hill. They knew her especially because of her championing the cause of temperance. She represented the Woman's Christian Temperance Union in Washington. No one, to my knowledge, was more diligent and more effective in opposition to the sale and distribution of intoxicating liquors.

She was highly respected by everyone who knew her, even those who disagreed with her views. She was deeply religious, she was sincere, she was a great Christian character.

Even though Miss Smart has passed from this life, her influence and her effectiveness will live on in the years to come. The great organization she represented and the country have suffered a distinct loss of a great American.

Decisions of the Supreme Court That Have Attempted To Alter and Revise the Constitution of the United States

EXTENSION OF REMARKS
OF

HON. EDGAR W. HIESTAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 18, 1959

Mr. HIESTAND. Mr. Speaker, under unanimous consent to extend my remarks in the CONGRESSIONAL RECORD, I wish to include therein a series of three Washington reports made by my colleague, the Honorable JAMES B. UTT, of California. These reports treat with the dangers of this Republic by reason of a long line of judicial decisions handed down by the Supreme Court over the last several years which tend to decrease the sovereign powers of the several States by denying the States the right to legislate in areas not under the exclusive jurisdiction of the Federal Government.

Mr. UTT also attacks the Court for attempting to write new words and phrases into the Constitution which are not there, and which if accepted as law would greatly weaken the Constitution which is the very foundation of the political life of this Republic.

The above-mentioned Washington reports follow:

WASHINGTON REPORT

(By Congressman JAMES B. UTT)

AUGUST 6, 1959.

For some time I have been torn between two admonitions of significant virtue; one by my father when he said, "Son, if you can't speak well of someone, don't speak at all," the second one by Abraham Lincoln when he said, "To keep silent when one has the duty to speak out is a sin." Believing that tolerance can be a sin as well as a virtue, I have resolved this dilemma by accepting the Lincoln doctrine as a responsibility of the highest magnitude. There is aways a straw which breaks the camel's back and a catalyst which sets off a mental or physical explosion.

The catalyst in this case was the undignified performance of Chief Justice Earl Warren at a Sunday evening cocktail party in which he called Earl Mazo "a damned liar" when Mazo denied that in his new biography of Vice President NIXON he was spotlighting NIXON at the expense of the Chief Justice. Mazo asked the Chief Justice if he had read the book. The Chief Justice replied "No," and Mazo's rejoinder was, "I hope to God for the sake of the country that your decisions are based on much more full and accurate evidence than judgments on a book you haven't even read."

This last rejoinder must have struck a tender spot, as it must be recalled that in the desegregation opinion which overthrew the 58-year-old Supreme Court doctrine, the Chief Justice, after citing certain authorities, added, "And see, generally, Myrdal, 'Our American Dilemma.' "

While I am opposed to segregation, I am unalterably opposed to having the Supreme Court rely upon sociology instead of legal authorities. The Swedish sociologist, Gunnar Myrdal, in his book cited by Warren's opinion as an authority, also stated that the Constitution of the United States is "impractical and unsuited to modern conditions, and that its adoption was nearly a plot against the common people." What hogwash. What poppycock. And what a slander against our Founding Fathers. Any student of our Constitution should know that it was founded upon Judaic-Christian religion, with a profound reverence for the Greek philosophers, B.C., the Roman law, and above all, the Magna Carta of 1215, and the Common Law of England, and was beamed to protect and increase the freedom and dignity of the individual under a God-ordained universe.

At this point I wish to make it abundantly clear that I am not attacking the Supreme Court as an institution, but rather my remarks are leveled at the members of the present Court and their sociological philosophies upon which they have based so many of their opinions, in some of the most amazing decisions ever handed down by that august body. Contrary to popular opinion, the Supreme Court rulings are in no sense the supreme law of the land. The supreme law of the land is referred to in an article of the Constitution which does not even mention the Supreme Court at all.

Article III provides: "The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as Congress may from time to time ordain and establish." The judicial power is not indivisible. Article III, section 2, says that "The Supreme Court shall have appellate jurisdiction, both as to law and to fact, with such exceptions and under such regulations as the Congress shall make." Congress, therefore, is given the sole right to divide this judicial power between the Supreme Court and the lower courts. The Constitution and some of the amendments are full of limitations upon the Supreme Court.

Article VI defines the supreme law of the land by saying, "This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land." You will note that the Supreme Court is not even mentioned in this definition. No Federal court is given any authority under the Constitution to change it by a single word nor to evade it by subterfuge, and any attempt to do so is as unlawful as rape, and just as despicable, even though perpetrated by prima donnas.

Speaking of prima donnas, in 1957 when the American Bar met in London to pay tribute to the signing of the Magna Carta by King John, the Chief Justice was an invited guest. After accepting the invitation, he heard that Vice President NIXON was also an invited guest, and the Chief Justice notified his London host that if NIXON was going to be there, he, the Chief Justice, would decline to attend. The reason? Under protocol, the Vice President outranks the Chief Justice. How horrible. The Chief Justice was not the least concerned over the embarrassment this caused his hosts in making it necessary for them to recall their invitation to the Vice President of the United States. However, if it were not for this trait, Mr. Warren would not be Chief Justice, because when he was promised the first vacancy on the Supreme Court, and that vacancy was created by the death of Chief Justice Vinson, he demanded this appointment as Chief Justice, and would not accept an appointment as an Associate Justice.

The Supreme Court has no authority to question the wisdom of any law. It can only determine its constitutionality. It is an equal and coordinate branch of our Government, and therefore has no authority to invade the jurisdiction of the executive branch, nor the legislative branch, and yet an examination of a score or two of the decisions of the present members of the Supreme Court establishes a record of invasion upon the rights, duties, privileges, and immunities of the other two branches. More than that, examination will prove that the Court has entered upon an attempt to repeal and rewrite many articles and amendments to the Constitution.

This duplicity is so outstanding that it comes within the purview of Lincoln's admonition that "to keep silent when one has a duty to speak out is a sin." A partial list of these decisions and their effect upon our Constitution will be included in next week's report. These decisions strike at the very heart of our Government, and tend to destroy the right of the individual to have a voice in his government at the State and community level.

WASHINGTON REPORT

(By Congressman JAMES B. UTT)

AUGUST 13, 1959.

In my report last week I indicated that I would cite several recent decisions of the Supreme Court which strike at the very foundation upon which our republic is built, and which create a sociological philosophy that the Constitution was created to defend the Court rather than that the Court was created to defend the Constitution. The Constitution must be supreme over the Court, and not the Court over the Constitution.

The Constitution is a document of strict limitations, and prohibits the Federal Government from doing anything not permitted by the Constitution. The 10th amendment states: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Now comes the Supreme Court with the opinion that none of the States can enact and enforce laws dealing with Communist subversion and antisedition laws, because Congress had legislated in that field, and therefore preempted it. This decision involved the case of Steve Nelson who was convicted under Pennsylvania antisedition laws. He was an admitted Communist leader, but the Court held that because Congress had passed the Smith Act (an antisedition law) any State law dealing with this subject was henceforth null and void. Under that decision the previous convictions of the 10 top Communists in California, which were under appeal, were automatically reversed, and these Communists were set free. The Smith Act in no sentence or pargraph indicated that Congress intended to preempt this field, nor are such laws prohibited to the States by the Constitution. How then could the Supreme Court reach such a conclusion?

Under this "doctrine of preemption" no State could enact and enforce a little Lindbergh kidnaping law, because Congress has legislated in this field, and the enactment and enforcement of our State narcotics control laws are likewise in jeopardy under this doctrine.

The great political strength of this country lies in the fact that it has 50 separate States, each with its constitution, its own legislature, its own constabulary, and its own legal department, so that just in case the Federal Government should be subverted there would yet remain 50 distinct entities with exactly the same character. No "coup" could take place in this country such as have taken place in many countries, and for the very reason just stated.

In *Sweezy* v. *New Hampshire* the Supreme Court held that the attorney general of that State had no right to question a college professor about subversive activities, and held further, in *Raley et al* v. *Ohio* that the State could not punish a witness for contempt for his refusal to answer questions by its legislature regarding his subversive activities. This line of decisions has given aid and comfort to the Communists, and follows

the social philosophy of some members of the Supreme Court rather than the rule of law.

I said last week that the Supreme Court had no authority to add one word nor to delete a word from the Constitution, yet in the Watkins case it attempted to do just that. Congress had voted a contempt action against John T. Watkins for refusing to answer questions of the Un-American Activities Committee. In the opinion written by Chief Justice Warren, he said, "* * * nor can the first amendment freedoms of speech, press, religion, or political belief or association be abridged." Now the first amendment does guarantee freedom of speech, press, religion, and assembly, but where, oh where in the first amendment are listed freedoms of "political belief" and "association"? These words simply do not appear in the Constitution, and yet the Supreme Court is attempting to solidify this into accepted law.

I could cite a dozen other cases which I feel constitute a frontal attack against our Constitution, and it is shocking to know that none of the Justices of the Supreme Court has ever taken an oath to support and defend the Constitution, as members of the other branches of government do, and as required by the Constitution itself. They simply sign a watered-down version to administer justice according to the best of their ability and understanding, agreeably to the Constitution and laws of the United States.

I have introduced legislation to require all Federal judges and justices to take the oath of office prescribed by the Constitution, and which I have taken as a Member of Congress.

WASHINGTON REPORT

(By Congressman JAMES B. UTT)

AUGUST 20, 1959.

This report concludes a series of three, relative to decisions of the Supreme Court that have attempted to alter and revise the Constitution of the United States. Additional opinions to those heretofore cited are set forth in this final report. I do not believe that the general public is aware of the serious effect which has resulted to law enforcement agencies and others by striking down the right of the States to legislate and enforce laws which rightly fall within the jurisdiction of the State. Until the effect strikes you individually, you will continue to be complacent.

The Mallory case is one in point. After Mallory was convicted of rape, and there was no question of his guilt, as he had confessed, nevertheless the Supreme Court ordered him freed because the arresting officers had detained him for questioning before indictment. It was impossible to have a new trial because the same defense would obtain, and there was nothing to do but wait for Mr. Mallory to strike again, which he did within a few months after his release. If it had been your daughter who was the victim of this assault, you would not feel kindly toward the judges who released him, knowing that he was guilty in the first instance.

In the case of Clinton E. Jencks, who had been convicted of Communist activities, he was released by the Supreme Court because the trial judge refused to make the Federal Bureau of Investigation open its files on the matter. In this case there could have been a new trial had the FBI been willing to open its complete files. The Justice Department felt that it would reveal its sources of evidence on other investigations, and would destroy the effectiveness of the FBI. So, rather than comply with the admonition of the Court, they did not bring Jencks to trial again. Mr. Jencks is now attending the University of California under a foundation grant for the purpose of obtaining teacher's credentials qualifying him to teach your children and mine, and under the rulings of the Court he cannot be denied a teacher's certificate on the grounds of Communist association.

This is one area where the present Supreme Court has reversed an interpretation of the free speech amendment which has long been an accepted doctrine. In *Gitlow* v. *New York*, U.S. Reports, page 667, the opinion by Justice Sanford reads in part: "And, for yet more imperative reasons, a State may punish utterances endangering the foundations of organized government and threatening its overthrow by unlawful means. These imperil its own existence as a constitutional State. Freedom of speech and press * * * does not protect disturbances to the public peace or the attempt to subvert the Government. It does not protect publications or teachings which tend to subvert or imperil the Government or to impede or hinder it in the performance of its governmental duties." In other words, it has always been the rule that the right of free speech guaranteed by the first amendment did not give sanctuary to those people whose purpose is to overthrow the Government by force and violence, thereby destroying the Government which gave them the right of free speech. However, under the recent rulings which include cases of subversion and cases involving the right to teach an idea, even though that idea could be adultery, as in the "Lady Chatterley's Lover" case, sabotage, or effective methods of overthrowing the Government by force and violence, the limit of free speech is not breached until an overt act has been committed, implementing the teaching of the idea. In other words, you can teach the overthrow of the Government by force and violence, but you are not a criminal until you light the fuse.

One final case of incompetency of the Court was revealed in one of the shortest opinions on record. In the matter of the Evetts Haley, Jr. case, reversing Federal Judge T. Winfield Davidson's decision, the opinion in full is herewith stated: "The judgment is reversed. *Wickard* v. *Filburn*, 317 U.S. 111." It is my candid opinion that any freshman in law school who would cite *Wickard* v. *Filburn* as an authority for reversing the Haley case would be washed out of school as an incompetent. I do not say that the Court might not have reached the same conclusion under the broad powers granted under the "commerce" clause of the Constitution, but surely the reversal of Judge Davidson's decision merited more than four words.

The Haley case involved the planting of wheat and its consumption on the farm without an allotment from the Department of Agriculture. The Government had imposed a fine of $506.11 against Haley because he grew 43 acres of wheat on his 1,660-acre cattle ranch. Mr. Haley had never received any subsidies for anything on his farm, and in the case which the Supreme Court cited as authority for reversal, the defendant, Filburn, had received subsidies by way of parity payments, and fed his wheat, grown on the surplus acreage, to his livestock. In that case, the Court used 23 pages of opinion to arrive at its conclusion, and on page 131 of that decision stated, "It is hardly lack of due process for the Government to regulate that which it subsidizes." On page 133 of that decision the Court concluded "that appellee is the worse off for the aggregate of this legislation does not appear; it only appears that, if he could get all that the Government gives and do nothing that the Government asks, he would be better off than this law allows."

There you have it. The Filburn case was based on the Government's right to control that which it subsidizes, and in the Haley case, no subsidy whatsoever was involved, and for the Court to cite the Filburn case as an authority for reversal is simply juvenile.

SENATE

WEDNESDAY, AUGUST 19, 1959

The Senate met at 11 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O merciful God, whose law is truth and whose statutes stand forever, we beseech Thee grant unto us who in the morning seek Thy face fervently to desire, wisely to discern, and obediently to fulfill all that is according to Thy will.

Unite our hearts and minds to bear with patience the burdens these stressful times lay upon us.

Give Thy strengthening grace unto all here lifted into the ministry of public service that, putting aside partisan divisions, they may be given tallness of stature to see above the walls of prideful opinions the good of the largest number.

With besetting perils without, forbid that the precious oil of our national unity be spilled upon the ground to ignite selfish fires; may it still feed the flame of liberty's torch as it enlightens the whole darkened earth.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 18, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 18, 1959, the President had approved and signed the following acts and joint resolution:

S. 162. An act for the relief of Henri Polak;

S. 593. An act for the relief of Angelinas Cuacos Steinberg;

S. 1053. An act for the relief of Rosa Maria Montenegro;

S. 1104. An act for the relief of Pak Jae Seun;

S. 1135. An act for the relief of Alice Kazana;

S. 1289. An act to increase and extend the special milk program for children;

S. 1455. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to the preservation of acreage history and the reallocation of unused cotton acreage allotments;

S. 1512. An act to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes;

S. 1684. An act for the relief of Mr. and Mrs. Carl Skogen Woods;

S. 1724. An act for the relief of Tse Man Chan;

S. 1946. An act for the relief of Vicente Soliva Empleo; and

S.J. Res. 118. Joint resolution authorizing and requesting the President of the United States to issue a proclamation calling for the flag of the United States to be flown at half-staff on the occasion of the death of the last surviving veteran of the War Between the States.

REPORT ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 160)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am transmitting herewith the 40th report to Congress on Lend-Lease Operations for the calendar year 1958.

Most of the governments continued to make payments on their lend-lease accounts as called for by the terms of the settlement agreements. Collections and credits realized during 1958 on these accounts amounted to $30,430,424.54. This comprised payments of $9,592,831.68 on principal and $20,837,592.86 on interest.

As reported heretofore, 409,782,670.64 fine troy ounces of silver bullion were transferred to various countries under lend-lease. The silver was to be returned to the United States by April 27, 1957. As of December 31, 1958, 309,748,836.25 fine troy ounces had been returned and assayed. However, this figure does not include shipments reported to contain 59,566,964.38 fine troy ounces which were received during 1957 and 1958 and not assayed by the close of 1958.

Information on these and other items of lend-lease interest is provided in the report.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 19, 1959.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3335) to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Acting President pro tempore:

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes;

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958;

S. 1590. An act for the relief of the Government of the Republic of Iceland;

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State;

S. 2210. An act to provide for the disposition of the Philadelphia Army Base, Philadelphia, Pa.;

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake";

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand; and

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees were authorized to meet during the session of the Senate today:

The Committee on Rules and Administration.

The Fiscal Affairs Subcommittee of the Committee on the District of Columbia.

ORDER FOR RECOGNITION OF SENATOR BENNETT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the call of the calendar, the Senator from Utah [Mr. BENNETT] may be permitted to address the Senate for 40 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, let me say, by way of explanation, that yesterday, because we were waiting on certain conferences which were taking place, we agreed to permit the Senator from Minnesota [Mr. HUMPHREY] to speak for an extended period, early in yesterday's session. It is my information that the Senator from Utah [Mr. BENNETT] desires the same consideration, and the leadership has agreed to extend it.

However, I would not want this to set a precedent. I hope that in the few days remaining, during the daylight hours the Senate will work on the proposed legislation at hand, in an attempt to get it passed, and then the Senate will remain in session as long as may be necessary to accommodate all Senators who may desire to speak. I do not think it is generally a good practice for the Senate to talk all day, and then vote all night. I would rather have the Senate vote during the daytime, and then have Senators speak on subjects on which the Senate is not to vote after the action of the Senate on the business at hand has been completed. I hope to have the cooperation of the Senate in that respect.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, subject to a 3-minute limitation on statements.

The ACTING PRESIDENT pro tempore (Mr. MANSFIELD). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

RAILROAD RETIREMENT BOARD

The Chief Clerk read the nomination of Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1959.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1964.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the Public Health Service nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

RESOLUTION OF ST. PAUL AFL–CIO TRADES AND LABOR ASSEMBLY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the St. Paul AFL–CIO Trades and Labor Assembly on August 12 concerning the Federal highway pro-

gram be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION, MINNESOTA MAINTENANCE ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES, LOCAL NO. 1011, AUGUST 12, 1959

Whereas the U.S. Bureau of Roads has advised the Minnesota Highway Department to discontinue the letting of contracts for new construction because of depletion of the Federal highway trust fund; and

Whereas such reduction of road building programs will not only jeopardize the employment of highway personnel, but also immediately cause the layoff of thousands of construction employees; and

Whereas the resultant loss of income will adversely affect the economy of the entire State of Minnesota: Now, therefore, be it

Resolved, That the St. Paul Trades and Labor Assembly go on record entreating the Congress of these United States to restore sufficient moneys to the Federal highway trust fund to the end that the program shall be completed as scheduled; and be it further

Resolved, That a copy of this resolution be sent to the national headquarters of the AFL–CIO in Washington, D.C., and copies sent to our Senators HUMPHREY, MCCARTHY, and Congressman KARTH.

RALPH E. LEIDER, *President.*
MARY ANNE KENNEY,
Secretary.

THE HIGHWAY TRUST FUND—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution pertaining to the continuation of the highway program as adopted at a joint meeting of the AGC and local unions in the State of Minnesota be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *August 12, 1959.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

Following resolution adopted at joint meeting of AGC and highway and heavy local unions in State of Minnesota, signed as below:

"Be it resolved by members of this conference assembled at the Radisson Hotel, Minneapolis, Tuesday, August 11, 1959, That Congress take immediate action to provide financing of the highway trust fund by placing all road user taxes into the highway trust fund in order to maintain the highway construction program at the present level.

"It is imperative that Congress, at this session, take action to see that the program is continued.

"It would seriously affect the economy of the State of Minnesota and the Nation if this action is not taken."

ABE H. JOHNSON,
Vice President,
AGC Highway Division.

(Business agents and officers of unions as follows: L. J. Gough, Operating Engineers, No. 49, St. Paul; Stan Olson, Drivers Local, No. 1208, St. Paul; A. P. Eberly, Drivers Local, No. 221, Minneapolis; Frank Demeria, Drivers Local, No. 346, Duluth; Ernest R. Lee, Carpenters, 951–1429, Brainerd and Little Falls; Harold Veal, Laborers, No. 563, Minneapolis; Victor E. Lapakko, Laborers, No. 132, St. Paul; Raymond Landkamer, Drivers Local, No. 487, Mankato; Richard Schmidt, Carpenters, No. 1464, Mankato; Eugene Topness, State Council of Carpenters; John E. Swedberg, Laborers Local, No. 563, Minneapolis; W. H. Meyers, Laborers Local, No. 132, Mankato; N. K. Long, Carpenters Local, No. 87, St. Paul; Leo Ruberto, Laborers Local, No. 132, St. Paul; Fred J. Bauer, Laborers Local, No. 132, St. Paul; Orvile J. Evenson, Cement Masons, No. 557, Minneapolis; John F. Horbach, Cement Masons, No. 560, St. Paul; Robert Penning, Cement Masons, No. 557, Minneapolis; Herbert F. Kortz, Carpenters, No. 1644, Minneapolis; Joe E. Erickson, Carpenters, No. 7, Minneapolis; Floyd Coughtry, Carpenters, No. 930, St. Cloud; Hollis Larsen, Laborers, No. 1316, Winona; Nicholas Gretz, Carpenters and Laborers, Faribault; William Bammert, Building Trades and Cement Finishers, Mankato; Dave Roe, MPLS, Building Trades Council; Teddy Webb, Laborers, No. 563, Minneapolis; Leonard W. Snell, Carpenters, No. 606, Virginia; A. W. Pryor, Laborers Local, No. 1097, Virginia; Joe Babolian, Local No. 1160, Fargo-Moorhead; Mike Kelly, Laborers Local, No. 580, Grand Forks-Crooksston; George Reid, Local No. 1148, Austin; Fred Howie, Local No. 515, Faribault; Clarence C. Johnson, Local No. 563, Minneapolis; Pat Sweeney, Local No. 563, Minneapolis.)

RESOLUTION OF CITY COUNCIL OF ANCHORAGE, ALASKA

Mr. GRUENING. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by the City Council of the City of Anchorage, Alaska, favoring the adoption of home rule legislation for the District of Columbia.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 1059

Resolution urging adoption of home rule legislation for the District of Columbia

Whereas local self-government is the bedrock of free government; and

Whereas the rights and benefits of local self-government should be available to all American citizens; and

Whereas the residents of the District of Columbia are denied the rights and benefits of local self-government; and

Whereas the Congress of the United States has the authority to assure local self-government by granting home rule to the District of Columbia; and

Whereas the principle of home rule has been endorsed by a substantial majority of the residents of the District of Columbia; and

Whereas the Board of Commissioners of the District of Columbia have unanimously endorsed proposals for granting home rule to their city; and

Whereas the Senate has passed a home rule bill for the District of Columbia five times during the last 10 years, while in the same period such measures have been bottled up in the District Committee of the House of Representatives, and no hearings held: Now, therefore, be it

Resolved by the City Council of the City of Anchorage, Alaska—

1. That the Congress be, and it is hereby, urged to approve home rule legislation to assure local self-government to the residents of the District of Columbia; and

2. Be it resolved further that members of the House of Representatives be urged to sign a discharge petition so that the Commissioners' bill, otherwise known as the Territorial bill, be brought on to the floor of the House so that the full membership can have the opportunity at last to vote on the measure; and be it further

3. *Resolved*, That a copy of this resolution be forwarded to the President of the U.S. Senate, to the Speaker of the House of Representatives, to the majority and minority floor leaders of the Senate and the House of Representatives, and to the State delegation to Congress.

Publication of this resolution shall be made by posting a copy hereof on the city hall bulletin board for a period of 10 days following its passage and approval.

HEWITT V. LOUNSBURY,
Mayor.

Attest:

B. W. BOEKE, *City Clerk.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

H.R. 8159. An act to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes (Rept. No. 730).

By Mr. ROBERTSON, from the Committee on Banking and Currency, with an amendment:

H.R. 8160. An act to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes (Rept. No. 731).

By Mr. HILL, from the Committe on Labor and Public Welfare, with amendments:

S. 2468. A bill to amend the National Science Foundation Act of 1950, as amended, and for other purposes (Rept. No. 732).

By Mr. BYRD, of Virginia, from the Committee on Finance, without amendment;

S. Res. 162. Resolution requesting the U.S. Tariff Commission to make an additional investigation under section 332 of the Tariff Act of 1930 of the domestic lead and zinc industries (Rept. No. 733); and

S. Res. 163. Resolution requesting the U.S. Tariff Commission to make an additional investigation, under section 332 of the Tariff Act of 1930, of the domestic fluorspar industry (Rept. No. 734).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. 2291. A bill to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam (Rept. No. 742);

S.J. Res. 128. Joint resolution to establish a commission to formulate plans for a memorial to James Madison (Rept. No. 743);

H.J. Res. 115. Joint resolution to reserve a site in the District of Columba for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition (Rept. No. 735);

S. Res. 152. Resolution to provide additional funds for the Committee on Interstate and Foreign Commerce;

S. Res. 155. Resolution authorizing the payment of certain obligations incurred by the Select Committee on Improper Activities in the Labor or Management Field (Rept. No. 741);

S. Res. 159. Resolution authorizing the printing of additional copies of part 2 of the second interim report of the Select Committee on Improper Activities in the Labor or Management Field;

S. Res. 160. Resolution to provide additional funds for the Committee on the Judiciary (Rept. No. 740);

S. Res. 161. Resolution increasing the limit of expenditures for the Committee on Agriculture and Forestry (Rept. No. 739); and

S. Res. 164. Resolution providing additional funds for the Committee on Labor and Public Welfare (Rept. No. 738).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Con. Res. 53. Concurrent resolution to print additional copies of hearings on "Fallout From Nuclear Weapons Testing" (Rept. No. 737); and

S. Con. Res. 72. Concurrent resolution to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War" (Rept. No. 736).

By Mr. SYMINGTON, from the Committee on Agriculture and Forestry, without amendment:

S. 2457. A bill to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government (Rept. No. 745).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict (Rept. No. 746).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with amendments:

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war (Rept. No. 747).

MABEL E. PRITCHARD—REPORT OF A COMMITTEE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 166) to pay a gratuity to Mabel E. Pritchard, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mabel E. Pritchard, widow of Robert L. Pritchard, an employee of the Senate at the time of his death, a sum equal to five months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MABEL R. COOK AND EDITH COOK SCHRADER—REPORT OF A COMMITTEE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 167) to pay a gratuity to Mabel R. Cook and Edith Cook Schrader, and submitted a report (No. 744) thereon, which resolution was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, the sum of $17,500, one-half each to Mabel R. Cook and Edith Cook Schrader, daughters of Arthur E. Cook, recently deceased Assistant Architect of the Capitol, the said sum being the amount of one year's salary received by him at the time of his death.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER (for himself and Mr. AIKEN) (by request):

S. 2563. A bill to amend the Rural Electrification Act to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JAVITS:

S. 2564. A bill for the relief of Salvatore Cardinale; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2565. A bill to amend the act of August 9, 1955 (69 Stat. 539), relating to leases of Indian lands; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 2566. A bill for the relief of Peter Leo Bahr; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2567. A bill to amend the Helium Act of September 1, 1937, as amended, for the defense, security, and the general welfare of the United States; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON:

S. 2568. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States; and

S. 2569. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

RESOLUTIONS

Mr. HENNINGS, from the Committee on Rules and Administration, reported the following original resolutions, which were placed on the calendar:

S. Res. 166. Resolution to pay a gratuity to Mabel E. Pritchard; and

S. Res. 167. Resolution to pay a gratuity to Mabel R. Cook and Edith Cook Schrader.

(See the above resolutions printed in full when reported by Mr. HENNINGS, which appear under the heading "Reports of Committees.")

REPORT ON PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION (S. DOC. NO. 45)

Mr. FULBRIGHT. Mr. President, the Secretary of the Treasury, the Honorable Robert B. Anderson, has submitted, on behalf of the National Advisory Council on International Monetary and Financial Problems, a report on the proposed International Development Association, pursuant to Senate Resolution 264, 85th Congress, the so-called Monroney resolution.

The report consists of 15 typewritten pages. In order that it may be given adequate distribution and study, I ask unanimous consent that it be printed as a Senate document and that 1,000 additional copies be printed for the use of the Senate Committee on Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE—AMENDMENTS

Mr. SPARKMAN submitted an amendment, intended to be proposed by him, to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce, which was ordered to lie on the table and to be printed.

Mr. TALMADGE submitted an amendment, intended to be proposed by him, to Senate bill 2524, supra, which was ordered to lie on the table and to be printed.

Mr. LONG submitted amendments, intended to be proposed by him, to Senate bill 2524, supra, which were ordered to lie on the table and to be printed.

CIVIL RIGHTS—AMENDMENTS

Mr. KEATING. Mr. President, it has now become apparent that the only practical way of assuring consideration of civil rights legislation during this session of Congress is by offering a civil rights bill as an amendment to some other bill already on the Senate Calendar.

I regret that this irregular procedure is necessary. I concede that it is not the best way to legislate. Committees should pass upon these matters. I would much prefer, as I am sure would others interested in this problem, to have pursued this matter to a conclusion by the Senate Committee on the Judiciary. It has become obvious, however, that such a course is futile.

Actually, I am somewhat surprised and disappointed by this turn of events. But the lack of legislative leadership on this subject now requires that unusual steps be taken if we are to come to grips with the problem of civil rights during this session. On Monday the senior Senator from Missouri [Mr. HENNINGS] submitted amendments intended to be proposed by him to a bill pending on the Senate Calendar which presumably reflect his views as to what action would be desirable in this field. I am in agreement with many of the proposals contained in these amendments and with the strategy being pursued. However, I have considerable doubt about the wisdom of utilizing the particular bill selected by the distinguished Senator from Missouri as a vehicle for this objective.

S. 1617, the bill designated for amendment, is designed to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes. Objection has been voiced to this measure on the ground that the cession of legislative jurisdiction over such lands in some States would promote efforts by these States to enforce local segregation and other similar practices on the inhabitants thereof. A measure embroiled in such controversy hardly strikes me as an appropriate one upon which to erect a civil rights program.

I have, therefore, decided to offer a series of amendments to another bill

pending on the Senate Calendar which does not suffer from the same infirmities, namely, H.R. 4938, a bill to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the definition of peanuts which is now in effect. I know from studying the report of the Senate Committee on Agriculture and Forestry that this is a bill of great interest to the peanutgrowers in a number of States. I hope it is of sufficient interest to Senators that Congress will not be allowed to adjourn sine die without action on this measure. Moreover this bill has the advantage of having already been passed by the House of Representatives, which indicates a substantial interest in the subject matter in the other body.

Accordingly, I intend to propose as an amendment to H.R. 4938, a package containing the administration's civil rights proposals plus an additional title authorizing the Attorney General under certain conditions to institute civil injunctive suits in civil rights cases. In some respects these proposals are more moderate than those included in the amendments proposed by the Senator from Missouri. Actually, I believe that they represent overall a much more realistic basis for achieving meaningful action on this subject. At the same time, they contain several provisions which are not adequately covered in the Hennings package but which I believe deserve the support of a majority of Congress. These include a provision directed at the plague of school and church bombings in recent years, a provision giving the Civil Rights Commission more time in which to complete its work, a provision creating a statutory Commission on Equal Job Opportunity under Government Contracts, and a provision facilitating prosecution of those extremists who obstruct compliance with court orders in school desegregation cases. In an effort to close these gaps, in the Hennings package I have, in addition to including these provisions in a general bill to amend the peanut bill, prepared separate amendments to the amendments offered by Senator HENNINGS to S. 1617.

I send to the desk and ask to have printed and lie on the table a series of amendments for the purposes I have outlined. The first proposed amendment to H.R. 4938 contains the administration's proposals plus part III. The second amendment to H.R. 4938 contains the provisions of the antibombing bill which I have previously introduced as S. 73. The third amendment is an amendment to the Hennings amendment to S. 1617. It would incorporate the provisions of my antibombing bill as a part of his package. The fourth amendment is an amendment to the Hennings package dealing with the extension of the Civil Rights Commission. The fifth amendment is an amendment to the Hennings package dealing with the Commission on Equal Job Opportunity under Government Contracts. The sixth amendment is an amendment to the Hennings package dealing with obstruction of court orders.

I believe that if a majority of the Senate are given an opportunity to express their will on this subject, they will support these proposals, or at least a major part of them.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. KEATING. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I wish to serve notice on the Senator from New York that I will object when that bill comes up. But of course the bill will not come up today; I can assure the Senator from New York of that.

I favor enactment of the peanut bill, but I am not in favor of the amendments proposed by the Senator from New York. I deeply regret the Senator from New York has chosen this bill which affects the small peanut farmers of the South.

Mr. KEATING. Mr. President, I hardly anticipated that the Senator from South Carolina would support the amendments. I have complete confidence in his sincerity of purpose, but I recognize that he and I have differences with regard to this matter.

Mr. JAVITS. Mr. President, will my colleague yield to me?

The ACTING PRESIDENT pro tempore. Does the Senator from New York yield to his colleague?

Mr. KEATING. I am happy to yield.

Mr. JAVITS. I may say to my colleague that it is just too bad that all of these gyrations have to be gone through by my colleague, who is laboring manfully in this field, and by the Senator from Missouri [Mr. HENNINGS] and other Members, including myself. Of course, the more regular procedure would be to have such a bill reported from the Judiciary Committee, even if it were only a skeleton bill. But those who are bitterly opposed to civil rights legislation cannot "have it both ways." This matter is bound to come up in this Congress, for in my opinion a pledge to that effect has been made to the American people. The majority favors that, and so does the administration.

Some who would like to see a bill such as this one passed could very easily have the dilemma solved by having such a bill reported from the Judiciary Committee. But in the absence of that, the only course for us to take is the one now being taken.

Mr. RUSSELL. Mr. President, I should like to make an observation.

Mr. KEATING. I yield to the Senator from Georgia.

Mr. RUSSELL. I happen to represent, in part, a State which produces quite a few peanuts. The bill which the Senator from New York proposes to amend affects a small number of peanut farmers.

I suppose I should be gratified at the sweet spirit of Christian charity which prompts the Senator from New York to cull through the calendar and pick out a bill which affects a few hundred southern peanut farmers, and to seize upon it as the vehicle for bringing before the Senate this highly controversial issue—although it would seem that many other bills might have been chosen for that purpose. But no doubt the Senator from New York is prompted by the highest motives in selecting this bill, which affects only a few hundred peanut farmers.

Of course, Mr. President, these people are accustomed to being the targets of attacks leveled at the section of the country from which I am proud to come.

From time to time, Mr. President, we have heard a great deal about peanut politics; and I assume that this bill is an appropriate vehicle for the offering of these amendments. [Laughter.]

Mr. KEATING. In answer to the distinguished Senator from Georgia, Mr. President, I may say that, of course, the amendments will lie on the table; and if this issue arises here prior to consideration of the bill to which the amendments have now been offered, I would seek leave to bring up the amendments in connection with such prior legislation, whenever it is taken up.

Mr. THURMOND. Mr. President, will the Senator from New York yield to me?

Mr. KEATING. I yield.

Mr. THURMOND. I wish to say that I regret that apparently another effort is going to be made to try to amend another bill by attaching a so-called civil rights bill to it. Certainly legislation of that type could do nothing but create tensions and generate race hatred.

In the South we have splendid relations between the races; and we feel that if some of the other States of the Nation which want to foist on the South these unconstitutional measures, would first clean up conditions in their own States, before they tried to punish the South wrongfully, the country would be much better off.

I am convinced that it is a great mistake to bring up a civil rights bill. It is so unnecessary, and it can do no good. In fact, in my opinion, it can do a great deal of harm.

I wish to thank the distinguished Senator from New York for yielding to me.

Mr. KEATING. Mr. President, I recognize that the distinguished Senator from South Carolina entertains views on this problem different from mine. I respect his sincerity.

Mr. ERVIN. Mr. President——

Mr. KEATING. I yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, it is one of the unfortunate things in this Nation today that so many desire to make a whipping boy out of the Southern States.

I have been privileged to serve on the Constitutional Rights Subcommittee of the Senate Committee on the Judiciary. The subcommittee has conducted many hearings upon all the bills which are now being offered as amendments, here on the floor, to nongermane bills. The subcommittee has taken the testimony of many able witnesses, and has considered these bills, and has decided, by majority vote, that only 2 of the 29 or 30 proposals which have been made are worthy of consideration either by the

full Judiciary Committee or by the Senate. The subcommittee, by majority vote, voted to postpone indefinitely all of these bills except one which would extend the life of the Civil Rights Commission to January 31, 1961, and one which provides for preservation of voting records in the 165,115 precincts of the country.

After the subcommittee had reported to the full committee its action, the full Judiciary Committee began to consider those two bills. After the full committee had spent, as I recall, three sessions in considering amendments to the two bills which the subcommittee had reported to it, a very strange thing happened. While there were other amendments to be considered to the two bills reported by the subcommittee, the able and distinguished chairman of the subcommittee [Mr. HENNINGS] unexpectedly proposed a substitute, at the last session of the full Judiciary Committee comprising 40 pages, which was the most drastic, far-reaching, and indefensible proposal in this field that had ever been made since Thaddeus Stevens descended to his grave.

With the exception of approximately 20 minutes during the morning portion of the session, when the full committee considered an amendment offered by me to one of the two bills reported to it, under an agreement that each side would have only 10 minutes to debate such amendment, the able and distinguished chairman of the Subcommittee on Constitutional Rights occupied the floor for virtually the entire day and until a comparatively short time before sunset explaining and advocating his 40-page substitute. After the committee adjourned for the day, the able and distinguished chairman of the subcommittee charged, in substance, that the southerners, who had been sitting in the full committee listening to him present his bill all day, were running a filibuster.

Mr. President, if any filibuster was run on that occasion, it was run by the able and distinguished chairman of the subcommittee, who was filibustering in favor of his own substitute proposal, whose adoption would contribute a repudiation of the work of the subcommittee. And yet the southerners who sat there and heard the chairman of the subcommittee conduct a filibuster approximately all day in favor of his substitute proposal are charged with obstructing civil rights bills, on that occasion because they would not agree then and there to take action on a 40-page substitute bill which, I will say here on the floor of the Senate, would abolish virtually all local self-government in all of the Southern States, and would furnish the legal method by which virtually all local self-government could be abolished in all the other States of the Nation.

I thank the able and distinguished Senator from New York for yielding.

Mr. KEATING. I appreciate the remarks of the able and distinguished Senator from North Carolina, and I realize, likewise, that he entertains different views from mine respecting this problem. I do not want to get into any controversy as to who talked most in the Judiciary Committee, nor reveal what went on in that executive session. All I can say is that my distinguished friend, as a raconteur, is second to none.

There were many subjects discussed there which ran rather far afield of civil rights, some of which had to do with Biblical allusions. Certainly we, in the busy lives we lead, cannot be reminded on too many occasions of the very wonderful passages from Scripture, regarding which the distinguished and able Senator from North Carolina is so well informed and so ready to enlighten his colleagues here in the Senate.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. ERVIN. On the last day we sat, when we considered the 40-page substitute, the able and distinguished Senator from New York proposed an amendment to the 40-page substitute which would have made it a little longer. I do not think anything that happened in connection with any of these proposals would have any reference to the Bible. In fact, I think these proposals would do great violence to the Bible, just as they would do to our legal and governmental systems.

Mr. KEATING. I thank the Senator. I myself wondered how the Bible got into the discussion. We covered a great deal of historical figures, particularly from the Old Testament, in connection with the discussion of the problem. I became convinced it was going to be completely impossible to get action in the committee itself. But I would still hope I am wrong. I would still hope the Committee on the Judiciary will report out a bill on this subject. I concede again that is the proper way to legislate on this particular subject.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. KEATING. I yield to the distinguished Senator from West Virginia, who is also a great scholar, but his references to the Bible are often couched in poetic phrases.

Mr. BYRD of West Virginia. The Senator from New York may be aware of the passage from Shakespeare which says, "The Devil can cite Scripture for his purpose."

Mr. KEATING. Not, however, referring to my distinguished friend from North Carolina. [Laughter.]

Mr. BYRD of West Virginia. No.

Mr. ERVIN. I am glad to have that assurance, because I can assure the Senator from West Virginia and the Senator from New York that I have always been on the Lord's side in this controversy. [Laughter.]

Mr. KEATING. I am sure he believes he is on the Lord's side. [Laughter.]

Mr. ERVIN. The Senator from North Carolina knows he is on the Lord's side. [Laughter.]

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. JAVITS. Does not the Senator feel there would be no great difficulty, so far as the Senator from New York, my distinguished colleague, or the chairman of the subcommittee, the distinguished Senator from Missouri [Mr. HENNINGS] are concerned, in reporting out of committee even a skeleton bill if they could at least dispense with the many allusions and quotations?

Mr. KEATING. I am sure the votes exist in the Committee on the Judiciary to report out of committee a meaningful civil rights bill, and certainly to report what is referred to as a skeleton bill. The difficulty is the procedural problem of getting to a vote. Having served on the House Committee on the Judiciary, where it was so easy to cut off debate, I never realized how difficult it could be to cut off debate in the Senate Committee on the Judiciary. I inquired of the chairman how one would invoke cloture. He said, "In the same way you do in the House." I said, "Then, it would require 16 of the 15 members of the committee to agree to invoke cloture." He agreed that was right. He may be right. Anyway, it is pretty difficult to get 16 out of the 15 members to sign such a petition.

Mr. JAVITS. It is impossible.

Mr. KEATING. It is practically impossible. [Laughter.]

Mr. JAVITS. So the Senator feels he has taken the only practical procedure, just as the Senator from Missouri, by filing amendments to other bills, to arrive at the objectives, just as the other side is using procedures to arrive at their objectives.

Mr. KEATING. I am trying to arrive at an objective which I sincerely hold, and I also recognize the sincerity and strength of the views of those who differ with us. I know the differences are very deep, very abiding; and I hope we can continue, as indeed we have in the committee at all times, to meet those problems without rancor.

FAIR AND EQUITABLE TREATMENT FOR FARMERS IN THE SOIL BANK PROGRAM—ADDITIONAL COSPONSORS OF BILL

Mr. McCARTHY. Mr. President, I ask unanimous consent that the names of the Senators from North Dakota [Mr. LANGER and Mr. YOUNG] and the Senators from Minnesota [Mr. McCARTHY and Mr. HUMPHREY] may be joined as cosponsors of S. 2457, a bill to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPLICABILITY OF ANTITRUST LAWS TO EXEMPT CERTAIN ASPECTS OF DESIGNATED PROFESSIONAL TEAM SPORTS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 17, 1959, the names of Senators MURRAY, BRIDGES, RANDOLPH, McCARTHY, KUCHEL, MUNDT, JACKSON, SALTONSTALL, HUMPHREY, and SCOTT were added as additional cosponsors of the bill (S. 2545) to limit the applicability of

the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators) on August 17, 1959.

CRIMINAL PENALTIES FOR MAILING, IMPORTING, OR TRANSPORTING OF OBSCENE MATTER—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 18, 1959, the names of Mr. Moss, Mr. BIBLE, and Mr. LANGER were added as additional cosponsors of the bill (S. 2562) to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter; to combat juvenile delinquency; and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators) on August 18, 1959.

PROPOSED AMENDMENT TO CONSTITUTION RELATING TO QUALIFICATIONS OF ELECTORS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the name of the Senator from Maine [Mr. MUSKIE] be added as cosponsor of the joint resolution (S.J. Res. 126) proposing an amendment to the Constitution of the United States, relating to the qualifications of electors, introduced by the Senator from Florida [Mr. HOLLAND], for himself and other Senators, on August 6, 1959, the next time it is printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SCHOEPPEL:

Address entitled "Our Responsibilities and America's Future," delivered by Hon. Arthur E. Summerfield, Postmaster General of the United States, at the 55th national convention of the National Rural Letter Carriers Association, in Washington, D.C., on August 12, 1959.

By Mr. DODD:

Letter to him from Hon. James P. Casey, mayor of Bristol, Conn., and his reply regarding visit to the United States by Premier Khrushchev.

HEARINGS SCHEDULED FOR PROPOSED OREGON DUNES NATIONAL SEASHORE AREA

Mr. NEUBERGER. Mr. President, the distinguished chairman of the Senate Interior and Insular Affairs Committee [Mr. MURRAY] has scheduled on-the-spot hearings on legislation now pending before the committee to establish the Oregon Dunes-Sea Lion Caves National Seashore Area. First session of the hearings will be held on October 5 in Reedsport, Oreg., in the Reedsport High School, and the second session will be held on October 7 at Eugene, Oreg., in Erb Memorial Hall on the University of Oregon campus.

I am grateful for the action taken by the chairman, because these sessions will provide an opportuity for full discussion and examination of the proposals for inclusion of this 23-mile stretch of Oregon's unique and beautiful coastline as a unit in the National Park System. In addition to the hearings in the two Oregon counties most affected by the seashore recreation area project—Lane and Douglas Counties—the committee chairman has authorized an on-the-ground inspection of the Florence-Reedsport area by committee members on October 6. Under auspices of the mayor of Florence, the Honorable E. A. Davidson, a community luncheon session is planned for that day to provide for further discussion of the proposed recreation area, according to word received by the chairman.

Naturally, I am honored that the distinguished chairman has designated me to conduct the Oregon hearings on this important legislation. When I introduced the Oregon Dunes Seashore Recreation Area bill, S. 1526, I emphasized my belief that early hearings should be held in the local areas so that the views of all interested citizens could be heard. The sessions planned for October will provide ample opportunity for the committee to assess local sentiment. At the hearings under my chairmanship, time will be equally divided between opponents and proponents of the legislation in the interests of fairness and orderly procedures. I look forward with pleasure to the hearings which have been announced.

I ask unanimous consent to have printed with my remarks a copy of the announcement about the hearings schedule sent by the Senate Interior and Insular Affairs Committee chairman [Mr. MURRAY] to public officials and newspapers in the State of Oregon.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
August 12, 1959.

Have today designated Senator RICHARD L. NEUBERGER to conduct official committee hearings on pending legislation to establish Oregon Dunes National Seashore. Senator NEUBERGER will preside at hearings to be held October 5 at Reedsport and October 7 at Eugene. An on-the-ground inspection of the area proposed for development as unit of National Park System will be carried out on October 6. Community luncheon in Florence is scheduled for same day. Individuals or organizations interested in testifying at these hearings should submit request to me immediately. Address: 3108 New Senate Office Building, Washington 25, D.C. Time at hearings will be divided equally between opponents and proponents of legislation.

JAMES E. MURRAY,
Chairman, U.S. Senate Committee on Interior and Insular Affairs.

NOTICE OF HEARING ON NOMINATION OF WALTER C. DOWLING TO BE ASSISTANT SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate yesterday received the nomination of Walter C. Dowling to be Assistant Secretary of State for European Affairs.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days from receipt.

NOTICE OF HEARING ON NOMINATION OF WALTER A. GORDON, TO BE JUDGE OF DISTRICT COURT FOR THE VIRGIN ISLANDS

Mr. HENNINGS. Mr. President, on behalf of the Committee on the Judiciary, and the Senator from Wyoming [Mr. O'MAHONEY], chairman of the subcommittee on this nomination, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Wednesday, August 26, 1959, in room 2228, New Senate Office Building, on the nomination of Walter A. Gordon, of California, to be judge of the district court for the Virgin Islands for a term of 8 years.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], chairman, the Senator from Missouri [Mr. HENNINGS], the Senator from Colorado [Mr. CARROLL], the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. KEATING].

PROMISE OF SECRETARY OF AGRICULTURE TO SUBMIT IN LEGAL LANGUAGE AN OMNIBUS FARM BILL

Mr. SYMINGTON. Mr. President, in testimony before the Senate Committee on Agriculture and Forestry, on February 16 and 17, the Secretary of Agriculture promised to submit in legal language an omnibus farm bill.

Subsequently, on several occasions on the Senate floor, I have brought up the Secretary's promise, and the failure to follow through. In so doing, I quoted Mr. Benson's testimony exactly as it was taken down by the official reporter.

Last week, on August 11, one of my colleagues read into the RECORD an apparent "misquotation," and in turn read, from the printed hearings, what he presumed to be the correct testimony.

At that time I explained that the differences between the two versions arose from the fact that I had quoted the original transcript, while the Senator was reading from the record after it had been edited by someone in the Department of Agriculture.

During the same colloquy, I assured him I would send to his office the

sheets themselves, showing how the record was changed, using either the original or photostatic copies of the original sheets. This was done.

During that colloquy, I stated I would put the photostats in the RECORD; but upon being informed of the technical difficulties of reproducing original testimony in the RECORD, with the handwritten changes made in the Department of Agriculture, I said, the next day—August 12—that the photostats of the changed pages would be given to the Clerk of the Senate, so they could be examined by any Senator who wished to look at them. This also was done.

A subsequent editorial in the St. Louis Post-Dispatch on August 17 stated that, while such an arrangement was satisfactory for Senators, it would not clarify the situation for those who had read the RECORD, but do not have access to the Senate floor. I believe there is merit in that position.

Therefore, Mr. President, I ask unanimous consent to have printed at this point in the RECORD portions of the actual testimony, with bracketed inserts of the language as it appeared after it had been edited in the Department of Agriculture.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TRANSCRIPT OF SECRETARY BENSON'S TESTIMONY (FEBRUARY 16–17, 1959)

* * * * *

Senator SYMINGTON. Mr. Chairman, may I make a recommendation, and if anyone on the committee disagrees I wish they would say so. I recommend that the Secretary of Agriculture draw up in what he calls legal language a bill that the Congress should study and analyze and in his opinion pass in order to help this growing problem of the investment of the American people in agriculture, and also to help the standards of living in agriculture.

Now I recommend we ask the Secretary of Agriculture to give us a bill on agriculture.

The CHAIRMAN. That question was posed to him this morning, and he agreed to do that, as I understood him.

* * * * *

Senator PROXMIRE. It would certainly seem to me, Mr. Secretary, you would come in and propose changes all up and down the line anywhere you feel the law should be changed and improved.

Secretary BENSON. That is what I have done in the testimony, and we will draft it. [and we will draft language for the alternatives covered.]

Senator PROXMIRE. Good.

* * * * *

Senator SYMINGTON. * * * if we are going to get this omnibus bill on all the changes and adjustments that the Secretary believes should be made now to face up to this farm problem, he would include in that bill what he thinks should be done or should not be done on tobacco, too.

I am correct on that, am I?

Secretary BENSON. Yes, we would be glad to draft something on tobacco as well as the other commodities. [on tobacco as well as wheat and peanuts.]

* * * * *

Senator PROXMIRE. As I understand it, the committee has asked you and you have agreed to provide an omnibus farm bill in this session.

Secretary BENSON. We have agreed to do some drafting that would incorporate it in legal language. [that would incorporate the alternatives in legal language.]

Mr. SYMINGTON. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, following my remarks, the editorial which was published in the St. Louis Post-Dispatch.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SYMINGTON VERSUS BENSON

For nearly 6 months Senator SYMINGTON, of Missouri, has been attacking Secretary of Agriculture Benson regularly for failing to send Congress an omnibus farm bill. The Senator has maintained that Benson promised such a bill last February at a hearing before the Senate Agriculture Committee. He repeated his charge on the Senate floor August 3.

Subsequently, SYMINGTON'S position was challenged by Senator GOLDWATER, of Arizona, chairman of the Senate Republican Campaign Committee. Quoting from the printed record of the hearing, GOLDWATER drew a picture of the Secretary agreeing to submit not an overall farm bill but specific proposals for problems in wheat, peanuts, and tobacco. Senator SYMINGTON'S reply was that the original stenographic record of the hearing was changed before it was printed "if not by Mr. Benson himself, by one of his assistants." Changes to correct grammar and obvious errors of fact are frequently made in this manner, but it is understood that the essential meaning of a statement is not to be altered. "The thought in this case was very definitely changed," Senator SYMINGTON said.

To clear up the matter, Senator SYMINGTON, on August 11, quite properly declared: "Now that I am accused of not reading from the accurate record, tomorrow I will put into the CONGRESSIONAL RECORD those changes made by the Department of Agriculture which substantially changed the testimony of the Secretary of Agriculture, as against what he actually told the committee."

The morrow, came and the Senator had this to say on the floor: "I assured the junior Senator from Arizona that duplicates of the original testimony and of the testimony as edited would be shown to him. Arrangements in that respect have already been made. Other Senators have also expressed interest in this edited testimony. Consequently, any Senators who wish to examine it can do so by checking at the desk."

The public is entitled to ask a few questions at this point. Do the quotations from the transcript and the printed hearing record support Senator SYMINGTON or Secretary Benson? Why did not Senator SYMINGTON, as he announced he would, put the disputed quotations in the CONGRESSIONAL RECORD so the public could form a judgment as well as the members of the senatorial "club"? Is this all a form of doubletalk?

The matter is of some importance. The Senator has made Mr. Benson's failure to submit an omnibus bill a major point in many agricultural speeches. If Mr. Benson did not make such a promise, it is unfair to charge him with failing to fulfill it, no matter how badly farm legislation is needed. If he did make the promise, then the Senator may validly criticize him. There is only one way to tell, and that is for Senator SYMINGTON to make all the pertinent quotations available to the public.

NATIONAL AVIATION DAY—PROGRESS WITHIN THE INDUSTRY CITED AS VITAL TO OUR ECONOMY

Mr. RANDOLPH. Mr. President, some 20 years ago—to be exact, on May 11, 1939—approval was given to the designation of National Aviation Day, to be observed on August 19, the anniversary of the birth of Orville Wright, the first man to fly an aircraft.

Fifteen Members of the House of Representatives, namely, Representatives Sparkman, now the junior Senator from Alabama; Carlson, now the junior Senator from Kansas; Anderson of Missouri, Ashbrook, Merritt, Mason, Martin of Colorado, Maas, Peterson of Florida, Shanley, Sheppard, Simpson, Voorhis of California, Wallgren, and myself, introduced in that body identical resolutions on this subject; and the Honorable Claude Pepper, of Florida, at that time an active and progressive Member of the Senate, introduced Senate joint resolution 111, which was passed by this body on May 4, 1939.

It was my privilege, as one of those Members of the House of Representatives who sponsored similar proposed legislation in that forum, to call up Senate Joint Resolution 111 on May 5, 1939. Passage of the joint resolution by the House of Representatives occurred on that day; and Presidential approval was given the measure on May 11 of that year. As finalized, it read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized to designate August 19 of each year as National Aviation Day, and to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on that day, and inviting the people of the United States to observe the day with appropriate exercises to further and stimulate interest in aviation in the United States.

Mr. President, on this National Aviation Day, it is fitting to take stock of the tremendous developments which have occurred in the airline industry, in personal and business aircraft flying, in the use of aircraft in the Defense Establishment, and in the overall progress of this vital development.

Mr. President, I trust that the practice established by President Franklin D. Roosevelt in proclaiming National Aviation Day will be resumed by the present occupant of the White House and by those who may succeed him.

It seems to me important that the issuance of a proclamation on August 19th, the anniversary of the birth of Orville Wright, should be set forth annually. I regret that the custom has not been followed year after year.

Our citizens, especially the youth of the country, can well have their attention focused on the progress which has been made in the development of this important area in the economy of America and, we hope, ultimately in the strengthening of mankind.

I ask unanimous consent that a statement I have prepared on National Aviation Day be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is desirable on this National Aviation Day, to assess the aviation industry which, together with other exponents of the airfoil principle, is made possible by the genius, the courage and the perseverance of Orville Wright, the man whose birthday the occasion celebrates.

The current state of the art is summed up by one airline official this way: "Today the United States is only 5 hours wide and 2 hours deep."

This is one of the concomitants of what is referred to as the civil jet age. It means that 600-mile-per-hour jet planes capable of shrinking the world by 40 percent are now part of the fleets of the scheduled airlines.

The airline industry has completed four major equipment programs since World War II. Now it is beginning the most significant—and the most dramatic—reequipment program in its brief two-decade history: the "revolution" to turbine-powered (turbo-prop and turbo-jet) aircraft.

At the beginning of 1958, the scheduled airline fleet numbered 1,924 aircraft, the large percentage of which were piston-driven, though there were turbo-prop planes as well. In late 1958, pure jets began to enter the fleet and have been doing so in increasing numbers ever since. Plans call for additional turbine aircraft in service at an average rate of 16 per month for the remainder of 1959 and all of 1960. By the end of 1960, the airlines will be operating nearly 500 turbine aircraft.

Air travel has become the most popular form of intercity public transportation for passengers in the United States. Airlines operate almost as many passenger-miles as the railroads and the buslines combined. And four out of every five Americans who travel overseas go by air.

The extensive range of airline services requires specialization: There are the domestic trunk lines, linking major traffic centers in the United States; the international and overseas lines that operate between the United States and foreign countries; the local service lines that join smaller cities to each other and smaller cities to major ones; the airlines that serve Alaska and Hawaii; the all-cargo lines that specialize in air freight; and the helicopter airlines that serve the commerce of three metropolitan centers.

All told, there are 55 certificated air carriers, serving the transportation needs of this country, and nations throughout the world. They carry more than 65 percent of the world's air commerce.

Because the airlines have become a major factor in the movement of goods and people, they are, as Fortune magazine pointed out, one of the six big new basic industries to be developed in the last 50 years.

Last year, for example, the scheduled airlines carried this workload: 49 million passengers, 1,500 million letters, 500 million ton-miles of freight.

They operated over 250,000 miles of routes and served more than 1,000 cities in the United States and foreign countries.

With the increasing role of the United States in the world at large, traffic between this Nation and other countries has grown spectacularly.

West Virginia is served by six commercial air carriers, namely, Allegheny, American, Capital, Eastern, Piedmont, and Trans-World. Cities having daily scheduled flights include: Charleston, Huntington, Wheeling, Clarksburg-Fairmont, Parkersburg, Bluefield, Beckley, Elkins, and surrounding communities.

Ground travel is often difficult from the standpoint of public transportation and there is an increasing volume of passenger traffic using the airlines in our State.

Indicative of this development is the activity at our capital city where Kanawha Airport was opened to commercial air traffic on December 1, 1947. In the 11 years and 8 months since that time, more than 2,300,000 passengers have been boarded and landed at the port. According to official certification, there have been an average of 35,000 air carrier operations per year (not including the heavy volume of general aviation and military operations) with between 400,000 and 450,000 landings and takeoffs by these commercial air carriers since the opening of the airport.

The airport at Martinsburg is one of the most important aviation facilities in our State. Located there is the West Virginia Air National Guard, with a complement of jet aircraft.

Last year more than four million passengers were flown on U.S. airlines between the United States and other nations, and on our airlines between foreign countries. Approximately 70 percent of all air passengers between the United States and foreign countries were Americans. This percentage of U.S. citizens in the international air market has been increasing steadily over the years.

Until just after World War II, the surface vessels were the primary means of transporting people between the United States and foreign ports. Then the airplane took first place and its growth line zoomed.

For the first time in history, the airlines of the world carried more passengers than did steamships across the Atlantic in 1958.

With the new jets on the ocean runs, each capable of carrying in one year as many people as the largest U.S. steamship, this travel pattern promises to accelerate in the years ahead.

Millions of Americans were beyond reach of regular airline service until, after World War II, a whole new generation of airlines was created. Called local service airlines, they were assigned a special mission: pioneer scheduled service to the intermediate-size and smaller cities—many with populations under 10,000.

Today 13 local service airlines carry passengers, mail and cargo in and out of more than 500 cities—serving also the thousands of surrounding communities within easy airport reach. It is significant that 300 American communities might have no air service whatsoever were it not for the local service lines.

The local service airlines provide triple-type service: They link smaller communities with one another, with their major trading centers, and with the trunk and international airlines that fly to far-away places.

Another area of significant public service is found in the airline's air-cargo potential. Many of the airlines are already improving and expanding their air cargo fleets. Three airlines are converting DC–7's to all-cargo configuration. Four others have just ordered giant turboprop airfreighters. One type can cross the Atlantic nonstop with a payload of 35 tons.

Among those who have taken vigorous leadership in urging a buildup of the civil cargo fleet have been Federal Aviation Agency Administrator Elwood R. Quesada and the energetic Senators who head the Senate Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] and its subcommittee on Aviation [Mr. MONRONEY]. They recognize that if America is to maintain an aerial supply pipeline during cold-war crises, it must rely on a strong, modern air cargo industry engaged in peacetime commerce.

In airline circles, there is much talk of what is referred to as a "distribution revolution." This means that although in some instances the tariff may be somewhat higher, the air-cargo user saves on insurance, crating and labor costs, and pilferage; his shipments arrive faster and in better condition; warehousing may be eliminated; working capital is not tied up in large inventories.

Apart from its role in the Nation's commercial progress, the air transport industry is a strong factor in the national defense. The Defense Department "places major reliance on the air carrier industry" for global airlift in the event of war.

Under current mobilization, the scheduled airlines are ready to contribute to the military a much greater airlift capacity than made available during World War II, Berlin or Korea. This contribution will be greatly increased as jet aircraft are phased into airline fleets. The military and the airlines are developing a blueprint for fast and orderly mobilization of this defense potential should it be necessary.

The impact of the various facets of commercial airline industry on the national and local economy and on the national defense is being felt more and more each year. The airline equipment program, for example, represents a three-billion dollar investment in the American economy.

The Administrator of the Federal Aviation Agency told President Eisenhower that "this substantial investment of private capital is a dynamic element of our national ecnomy which should not be permitted to falter."

Mr. Quesada, who based his White House report on a study by Prof. Paul Cherington of Harvard, indicated the jet program involves between 80,000 and 125,000 additional jobs directly in the American economy, and indirectly still more. He said it reaches into some 5,000 firms, such as aircraft, engine, and component manufacturers, their suppliers and others.

While we marvel at the meteoric rise of air transport, we must recognize that there's no leveling off in sight.

A Department of Commerce survey reveals air transportation as one of the "fastest growing industries."

The Postmaster General says his department is confronted with a serious problem resulting from "the rapidly changing patterns of our national transportation system." He says, "The only solution lies in the appropriate use of air transportation."

Former Presidential Assistant for Aviation, Gen. Edward P. Curtis, summarized the role of aviation this way:

"The United States is becoming more and more an air community and the airplane has become the prime mover of people over distances beyond 200 miles. Aviation is the Nation's largest employer in manufacturing."

Later, in a special report to the President, Mr. Curtis said, "These developments are changing the American way of life, our habits of work, our national outlook. If they are given room to follow their logical evolution, they may well provide the principal sustaining elements to our social and economic well-being as well as our national strength, for years to come."

Record of 2 decades of airline usefulness

	1939	1949	1958
Number of airlines	23	45	55
Cities served (excluding Alaskan points) [1]	286	638	703
Aircraft in service	347	1,083	1,900
Seats available (daily)	5,100	35,900	103,700
Cruising speed of fastest transport (miles per hour)	220	315	590
Number of people employed	13,300	76,000	146,000
Total airline payrolls	$24,000,000	$349,000,000	$950,000,000
U.S. mail (ton-miles)	8,610,000	61,144,000	177,430,000
Number of passengers carried	1,864,000	16,723,000	49,075,000
Average fare (cents)	5.62	6.23	5.8
Ton-miles of freight carried	[2] 2,713,000	112,500,000	501,591,000

[1] Early figures for Alaska not available but in 1958 there were 268 points served.
[2] Freight and express combined.

A large and important factor in the total aviation picture which makes substantial contributions to the national economy is a category in flying known as general aviation (personal and business flying).

This embraces all civil flying except that of the scheduled airlines and includes business, industry, agriculture, air taxi and air cargo services, instruction, geophysical research, survey and patrol, and non-business personal use.

Today there are more than 97,000 general aviation aircraft providing air transportation between 6,412 listed airports in the United States and Territories. In 1958 aircraft in the general aviation category flew approximately 11,500,000 hours.

The Federal Aviation Agency has predicted a 100 percent increase in active general aviation by 1975. The Aircraft Owners and Pilots Association, a trade association of the owners and users of general aviation aircraft, includes over 75,000 members scattered throughout the United States.

The ownership and use of aircraft for and by all types of U.S. business and industry continues its phenomenal growth and now flies more hours and more miles per year than does any other single segment of civil aviation.

Almost 5 million hours, it is estimated, were flown by business aircraft in 1958—in a fleet ranging from single-engine, four-place, personal-use type aircraft to modern Convairs and Viscounts. The introduction of turbo prop equipment to the business fleet started in 1957 has been further implemented by the introduction of the turboprops Fairchild F–27 and the Gruman Gulfstream in the past 8 months.

The spring of 1960 will mark the first deliveries of the first 12-place, 4-engine jet transports to the business aircraft fleet.

Replacement of the DC–3 by pressurized twin-engine Convairs has, since mid-1958, been one of the most significant trends in equipment replacement in the business aircraft fleet. Many of these Convairs—entirely refurbished from former airline configuration—are slated for conversion to turbo prop installations.

Shipments of smaller utility and executive aircraft during the first 6 months of 1959 are 18 percent ahead of the corresponding period last year. A total of 4,067 aircraft valued at $67,956,000 were delivered during the latter period.

Approximately 26,000 aircraft are owned and operated by about 10,000 businesses and corporations.

SENATOR NEUBERGER EXPLAINS WHY HE VOTED AGAINST SPECIAL $29 BILLION VETERANS' PENSION BILL

Mr. NEUBERGER. Mr. President, the amendment offered by my distinguished senior colleague [Mr. MORSE] to provide special pension benefits for World War I veterans with non-service-connected disabilities was defeated by a Senate roll-call vote of 79 to 14. This was during consideration of the Veterans' Pension Act on August 13. I voted with the majority, with such good friends as Senators HUMPHREY, KENNEDY, SYMINGTON, JOHNSON of Texas, DOUGLAS, CHURCH, SMITH, CARLSON, WILEY, BARTLETT, GRUENING, and many others. All of us are deeply concerned about the needs of World War I and other veterans.

Because of the widespread interest in my State over this amendment establishing special pensions for veterans of World War I, I owe it to my constituents and myself to set forth the reasons why I reluctantly voted against this amendment.

OPPOSED BY MAJOR VETERANS' ORGANIZATIONS

The World War I pension amendment did not have the support of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, or AMVETS. The first three of these organizations include in their membership many veterans of the First World War. The amendment would set up one scale of benefits for veterans of World War I and a lower scale of benefits for veterans for World War II and the Korean conflict.

AMENDMENT WOULD COST $29 BILLION

Cost of the amendment was estimated by Veterans' Administration experts as $29 billion over the next 40 years. This was in addition to the cost of liberalizing benefits which we added on the floor with my support.

During this critical financial period of our Nation, in order to justify increased benefits to needy and disabled veterans, orphans, and widows, we have to demonstrate where the money is coming from. Where would we get the funds necessary to pay the costs of the special World War I pension, in addition to the more liberal benefits already provided in the bill?

PENSION BILL WOULD FACE CERTAIN PRESIDENTIAL VETO

Addition of the amendment to the bill would have meant that the liberalizing features which all veterans desired would have stood little or no chance of being enacted into law, since the entire legislation would then have faced an almost certain Presidential veto.

Mr. President, to vote in opposition to the amendment for a special World War I pension is not a politically popular position to have taken. I realize that.

My distinguished senior colleague cited on the floor the vast number of messages received from Oregon in behalf of his proposal. If we had unlimited financial resources, I would like to see all veterans get $90 a month; but we are in a critical fiscal period and must have funds to pay for other essential needs and services such as national defense, public welfare, conservation, education, and health.

LOW INCOME WORKERS WOULD BEAR PENSION COSTS

Some 71.3 percent of Federal income taxes are paid by American citizens with taxable incomes of less than $4,000 annually. Should we take the tax withheld from a worker's small salary to pay $90 a month to a World War I veteran who may never have suffered a single scratch or may never even have been in combat, and might actually have other income as high as $1,800 a year under the formula?

At one time I myself thought a pension of this sort for veterans of World War I might be possible. I even cosponsored a similar measure several years ago, as many of us often do. I thought then, as I do now, that the present pension of $66.15 a month for veterans under 65 years of age, and $78.75 for veterans 65 years and older, was inadequate for veterans in the lowest income group. The bill just passed by the Senate fortunately raises the pension to $85 a month for veterans having an annual income of less than $600. Special pension legislation for World War I veterans exclusively should not be made a part of general veterans' legislation, which is favored by all veterans' groups.

As the cold war has continued, demanding of our Government ever-increasing expenditures for national defense, it has behooved us to be prudent of other Federal expenditures. This is why I searchingly questioned the able chairman of the Senate Finance Committee, the Senator from Virginia [Mr. BYRD], as to the precise cost of this proposal. When he gave the figure of $29 billion, I decided—with real reluctance—that this was too great a burden to add to the taxpayers of the United States, in the context of the other heavy demands upon their wallets.

LIBERALIZED BENEFITS SUPPORTED

I actively supported an amendment by the worthy senior Senator from Oklahoma [Mr. KERR] to liberalize benefits for veterans of World War I, World War II, and the Korean conflict. Under the terms of this amendment, which was adopted, veterans of these wars in the lowest income bracket who have an income of less than $600 a year, will receive a pension of $85 a month. This is a substantial increase over the pension these veterans presently receive.

This Kerr amendment had the endorsement of all major veterans organizations, including the American Legion, VFW, DAV, and AMVETS.

VETERANS TO RECEIVE INCREASED PENSIONS

Furthermore, the bill adopted equalized pensions for veterans' widows and orphans for World War II and Korean survivors. It is estimated that, under the terms of the bill passed by the Senate, 854,000 out of 1,223,000 veterans now on the pension rolls would be eli-

gible for increased pensions, and 72,000 cases would be added to the pension rolls by the higher income ceilings provided. No veteran presently on the pension rolls will have a reduction in his pension, for he will have a choice of continuing on under the present law or coming under the new law, whichever is to his advantage.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

KI-ANN INDIAN DANCERS TO PERFORM ON THE EAST FRONT OF THE CAPITOL AT HIGH NOON TOMORROW

Mr. McGEE. Mr. President, I should like to invite attention today to an event which will take place on the east front of the Capitol at high noon tomorrow.

Mr. President, although I have never been noted for my prognostications, and although I am certainly no weather forecaster, I rise this morning to warn my colleagues of a forthcoming rain and caution them to bring their umbrellas to work Thursday morning.

I realize that Washington National Airport may not agree with my forecast, but I do not believe our local weather personnel are aware of the rain dance which will be performed in front of the Capitol at noon tomorrow by the Ki-Ann Indian Dancers from Cheyenne, Wyo.

Many Senators may have read of this unique and colorful organization in the local press. Indeed, their performance may well be one of the most interesting and spectacular to be seen on Capitol Hill in some time. And I urge all my colleagues to see for themselves how our Cheyenne, Wyo., teenagers have managed to preserve with amazing authenticity native American Indian dances.

It does behoove me, however, to announce a weather alert in good conscience, because the Ki-Anns are fantastically successful in their efforts to bring rain.

For testimony to this fact, I quote from the Ki-Anns' official publication:

> Each year the snake dance, or rain dance, is performed an average of about eight times and to date, the failure to bring rain within a 24-hour period has happened only once. The prayer for rain which is the basis of this dance may be only superstitious; but ask a Ki-Ann if it works and he will tell you "Yes" in no uncertain terms. Ask the folks at Beecher Island, Colo. After suffering a severe dry period with no rain for 90 days, a telegram was delivered to the Ki-Anns upon arriving in Cheyenne. It read: "Congratulations, we had a cloudburst." Ask the folks at McCook, Nebr. Before our performance was over, it was raining. These stories have been repeated again and again.

Mr. President, the Rain Dance is performed by these 30 teenaged youths with live bull snakes, carried in the boys' mouths as the Hopi Indians still do at their reservations in the Southwest.

While we are not asking these Indian dancers to pray for rain in our behalf, the ceremony itself is so colorful, with its ritual involving the live bull snakes, as well as the feathered regalia of the dancers, that we want them to pursue the ritual in the interest of the color and authenticity it conveys. Therefore, we may have to take the consequences.

More than once these young dancers "rained out" their own performances by their activities. Rain notwithstanding, I sincerely feel Senators will find the entire performance at high noon on Thursday a rare treat.

Mr. President, I desire to address myself to another subject.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

YELLOWSTONE CUTTHROAT TROUT FOR LUNCH

Mr. McGEE. Mr. President, while we have all been saddened by the news of the catastrophe in and around Yellowstone Park in Wyoming, and the neighboring surrounding areas in Montana, there has been good news from the area also. Not all the earth shaking has involved the moving of mountains. There was also removed from Yellowstone Lake a very healthful supply of deep water, cold bred, native cutthroat trout—enough trout, in fact, to satisfy the liveliest of appetites of all the Members of this body.

Mr. President, I want the RECORD to show, as Senators partake of this rare delicacy of Yellowstone cutthroat trout, there was no connection between the removal of those trout from Yellowstone Lake on Sunday and the upheaval which has occurred there since. I trust the senior Senator and junior Senator from Wyoming will be absolved of any blame in regard to that unfortunate incident.

I have already been advised that the size of these trout has posed a crisis in the dining room below, in that there are no platters of sufficient length to accommodate these denizens of the deep of Yellowstone Lake. However, if Senators will put up with the inconvenience of having the trout hanging over each side of the plate I am sure they will find the repast well worth their indulgence.

I speak on behalf of my senior colleague [Mr. O'MAHONEY] and myself, when I say we cordially invite all Senators to be our guests this noon.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. McGEE. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. Do these fish have bones?

Mr. McGEE. These are trout, sir; they are not fish. [Laughter.]

Mr. President, I yield the floor.

OPPOSITION TO PROPOSAL TO INVITE PREMIER KHRUSHCHEV TO ADDRESS CONGRESS

Mr. YOUNG of Ohio. Mr. President, it has been suggested by certain leading Americans that Premier Khrushchev, the dictator of the Soviet Union and the oppressor of millions of captive peoples, be invited to address the Congress during his visit to the United States.

May I say at the outset, the very suggestion that this body interrupt its deliberations on important legislative matters, or remain in session, to be lectured by the Communist dictator, is abhorrent to me. I feel certain that the bestowal of this honor on Premier Khrushchev would be equally abhorrent to the majority of my fellow Americans.

Mr. President, it is my understanding that the privilege and honor of addressing a joint session of the Congress is reserved for Americans who have performed some outstanding service to their country, for visiting chiefs of state, for leaders of friendly governments, and for the President of the United States.

Premier Khrushchev fits none of these categories. He is not a chief of state, and, without going into detail, I believe we agree that he is not the leader of what could be called a government friendly to the United States. His visit may connote a historic opportunity. It may be a friendly gesture, or it may be otherwise.

Our duty and responsibility is to consider, discuss and legislate on important issues which will have far deeper consequences on the lives of Americans than a formal address by Mr. Khrushchev.

I assert we should not offer the United States Congress as a forum for Soviet propaganda. Such a move would be meaningless. Through our free press we hear daily of Mr. Khrushchev's harangues and are well aware of his views. He cannot tell us anything that we do not already know of him and his country. Khrushchev is an effective politician in his own country, but would we be interested in hearing one of his speeches aimed for home consumption in the Soviet Union? Could we be persuaded by his wiles?

This session of Congress will, in all probability, extend beyond the time originally anticipated. Most of us, I believe, are anxious to return to our homes and to meet with our constituents. It is unthinkable that the President's invitation to the Soviet dictator should cut any figure whatsoever in determining the date of our adjournment.

I have, both as a private citizen and since I became a Member of this body last January, urged that Mr. Khrushchev be invited to see our great country. However, the purpose of this trip is not for us to learn from him.

The sole reason for his trip should be for Mr. Khrushchev to learn the truth about us—to help correct the dangerous misconceptions that he may have of our people, our way of life, and our strength. We have invited him here to learn, not to lecture.

Propagandizing the Congress would surely not fit that purpose.

I suggest that his time would be better used by seeing as much of our country and its people as the duration of his visit permits. May I express my hope that his itinerary will include my own home city of Cleveland.

No city in America is better qualified to reveal to the Soviet Premier the basic strength of our democracy. Cleveland is one of the proudest results of our way of life. It is a great community in which people of all ethnic, racial and religious backgrounds work and mingle with one another in a spirit of cooperation, friendship, and mutual respect and understanding.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent to proceed for 2 minutes to complete my statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. YOUNG of Ohio. In Cleveland he would find a city where people of Polish, Hungarian, Czech, Greek, Slovak, Rumanian, and Russian descent live in harmony and warmth with people descended from immigrants who came from every corner of the world. He would find all people living together in comfort and friendship.

He would discover a city whose government is comprised of persons from all these divers groups, governing wisely and well; not narrowly for their nationalities or particular group in which they have their roots, but for the welfare of all Clevelanders. The mayor of Cleveland, Anthony Celebrezze, will welcome him.

In addition to our people, he would see the great might of American industry in one of the most industrially concentrated areas of the Nation. He would see a city on a hill that is a great lake port and will—as a further sign of America's rapidly moving progress—become a great world seaway port.

He would see a city of beauty, culture, warmth and great hospitality.

Not only would Mr. Khrushchev discover the strength of our people in our cities such as Cleveland, and on our farms throughout the broad expanse of the United States, he would also see the depth of our determination and the achievements of American technology. He should be encouraged to visit Oak Ridge, Cape Canaveral, our military installations and our Air Force bases.

He would be impressed with the fact that America is not asleep at the switch and that to Americans, the best defense is preparedness, in which we have been engaged throughout the past years, and in which we are at present engaged by the expenditure of billions of dollars.

Exposed to the warmth, strength, and determination of a free people, he might be prompted to take a second look at his policies. Very likely he might conclude that his people and ours could live in enduring peace unclouded by the fear of a nuclear war.

MIGRANT FARM LABOR CONDITIONS IN CONNECTICUT

Mr. DODD. Mr. President, most Americans are completely unaware of the fact that approximately two million migrant laborers are working on the commercial farms of this country under conditions which we like to think are part of a bygone age.

For many years a small but dedicated group of individuals and organizations have been trying to bring these unbelievable and tragic facts to the attention of the American people. I recently received a published study of migrant farm labor conditions in my own State of Connecticut. This study was made by Daniel Donchian under the auspices of the Human Relations Council of Greater New Haven. It paints a lucid picture of migrant labor conditions in terms that should strike home to all of us.

The farm laborers covered in this survey work twice as long as average American workers for less than one-fourth of the average hourly pay.

Because of Sunday work, they are even unable to attend church services.

About one-third of these workers work at least 85 hours a week without overtime pay. Many of them are not covered by social security although the law requires employers to cover them.

Since they are generally unschooled, and since they are not provided with statements of earnings and deductions, they are subject to being cheated and frequently are.

Most of them live in badly substandard housing. They do not have hot water. Some have no running water at all. Most have completely inadequate toilet facilities. Some have none at all.

Sleeping space is overcrowded and frequently these workers are without linen or even pillows. Some quarters are without such basic rudiments as chairs and tables.

Most of these migrant laborers do not have the benefits of workmen's compensation or medical coverage.

The humane reforms of two generations of progress have passed them by.

Mr. President, there is no excuse for such conditions in our country. A number of measures have been introduced in this body to wipe out this shameful blot on our society. I hope that by constantly bringing home the facts to our colleagues, those who support these measures can speed the day of their acceptance.

I therefore ask unanimous consent to have the study referred to printed in the body of the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

A STUDY OF MIGRATORY PUERTO RICAN AGRICULTURAL WORKERS ON FARMS AND NURSERIES IN THE NEW HAVEN AREA

(By Daniel Donchian)

SUMMARY OF FINDINGS AND CONCLUSIONS

Over a million agricultural migrants move about the land each year trying to eke out a living. There are the Negro and white workers of the South; there are the Mexican nationals, some of them wetbacks, and the Mexican-Americans; there are the British West Indians; there are the Puerto Ricans. Much has been written about their plight; little has been done.

Migratory agricultural workers have always been one of the most deprived and exploited of occupational groups in the Nation. They still are. Although they perform essential work, they have virtually none of the security nor the legislative benefits enjoyed by other kinds of workers. They have to work longer, harder, and with less reward than any other major occupational group.[1]

This problem comes close to home, closer than many people in Connecticut realize Large numbers of seasonal agricultural workers are employed in many different sections of this State each year. Many of them come from Puerto Rico, and some of them work on truck farms and nurseries in the greater New Haven area. One of the purposes of this study has been to find out how many of them work here, where they work, and what kind of living and working conditions they have.[2]

Puerto Rican seasonal farmworkers employed in Connecticut can be divided into two categories: (1) those who come under work agreements or individual contracts between worker and employer which are approved by the U.S. Employment Service and the Department of Labor of Puerto Rico; and (2) those who do not. The work agreements guarantee certain minimum (and minimal) conditions and standards such as wages and hours, length of the work season, and accident insurance coverage. These contracts contain many provisions which benefit both the farmers and the workers. None of the Puerto Rican migrant agricultural workers employed in the greater New Haven area have come under these work agreements or contracts.

During the 1958 farm season, 186 Puerto Rican workers were found living and working at 36 truck farms and nurseries located in New Haven and 9 surrounding townships. Puerto Ricans were virtually the only seasonal live-in workers employed on farms in this area. Some farms employed as few as 1 worker, others as many as 28. The average number of workers per farm was 5.

Many of the Puerto Rican workers were hired this season or previously through unlicensed private out of State employment agencies or contractors. These agencies: (1) often provided inexperienced, unwilling, or unhealthy workers; (2) charged exorbitant fees and fares to both employers and workers; and (3) undercut local labor standards by providing a source of cheap labor. So long as this source exists, it will be difficult to raise the standards of migrant agricultural labor in this area. At present, however, no legal means of dealing with these unauthorized labor merchants seems to be available.

Actual recruitment this season (1958) was mostly done in the following ways: (1) Workers who had been previously employed (most of whom were originally hired through the agencies) were rehired; or (2) one previously employed worker was rehired and told to recruit additional workers in Puerto Rico and bring them with him; or (3) workers were hired directly from the agencies. Employers advanced the cost of the airplane fare from Puerto Rico to Connecticut to the workers, who repaid it from their earnings during the course of the season. Workers paid their own way back to Puerto Rico when the farm season was over.

It is not surprising that hardly any of the workers covered by this study were recruited locally. The wages offered were so low in comparison with other types of work, and the hours so long, that virtually no local workers—not even the unemployed—could be persuaded to accept this kind of farm employment. Workers at the two nurseries were found to be somewhat better paid and better housed than the farm workers, and

[1] See New York Times editorial.

[2] The fact that these workers are Puerto Ricans is significant but incidental. They might have been of some different background, but the value of obtaining information about their situation would have been the same.

had shorter workdays and workweeks. Even here, however, wages and working conditions were somewhat inferior to those of the most menial nonagricultural occupations.

On the farms, about 80 percent of the workers earned 65 cents an hour or less, and some were paid as little as 51 cents an hour. Over 80 percent of these workers generally put in 11 hours of work a day or more, half of them worked 12 hours a day or more, and 30 percent worked 13 hours a day or more. Since almost all of them worked 6½ days a week or more (one-quarter of them regularly worked 7 full days a week), the total number of hours worked per week was truly staggering, especially in times when most people think in terms of a 40-hour week. Most of the farm workers generally worked 75 hours a week or more, and about 30 percent of them usually put in 85 hours a week or more on the job. They really had to, for at such low wages, it was the only way that they could meet their expenses and have a little left over. Overtime pay was almost unheard of, and only 13 percent of the workers could count on receiving some kind of a bonus if they stayed on the job until the end of the season.

The meager earnings of these farm workers were seriously affected by weather conditions. Over two-thirds of the workers received no pay when bad weather interfered with outdoor work, nor were they given any alternative indoor work at such times. Only 5 percent received full pay regardless of the weather, except for the 17 percent who were required to work outdoors even in stormy weather, often getting soaked in the process.

While most workers repaid transportation advances out of their pay, a small amount should also have been deducted from their wages for social security. It was found, however, that over one-fourth of the workers had not been brought under social security, although the law requires employers to do so.

Since only 4 percent of the employers provided workers with statements of earnings and deductions at pay time, the great majority of the workers had no real way of knowing just how their earnings and deductions had been calculated. Most of them had had little if any schooling, and so they could hardly have been expected to keep track of their own earnings. They simply had to accept the amounts of cash given to them and assume that they were correctly computed.

Although the workers paid for their own food, which they usually bought and cooked on their own time, they were not expected to pay for housing. Nearly all employers of seasonal agricultural labor make a practice of providing living quarters for their workers. In the New Haven area, however, only 15 percent of the farms provided satisfactory housing. The living quarters at all the rest were found to be substandard with respect to minimum comfort, safety, and sanitation. Most farms furnished only cold running water for bathing, washing dishes, and laundering; some had no running water in the living quarters at all. Three-quarters of the farms had toilet facilities which were unacceptable; some had no toilet facilities of any kind. At others, there were latrines as far as half a mile from the workers' quarters. In many instances, there was no separation between cooking and sleeping areas. Sleeping space was often found to be overcrowded, with too many beds in too small an area. Often there was no linen—only old blankets that were not changed during the whole season—and sometimes no pillows were provided. Several farms were found where single beds or cots had to be occupied by two workers each. There were farms where no tables or chairs were provided—workers had to sit on their cots to eat or read. In some cases refrigerators or stoves were lacking or were in very poor condition. Screens were lacking at over one-third of the farms, and the same proportion had no heaters.

A substantial improvement in housing conditions on these farms can be expected in the 1959 season, for local and State health authorities took prompt action as soon as the preliminary findings of this study were brought to their attention. Workers' housing has already been inspected by health officers and sanitarians, and farmers have been ordered to bring living quarters up to the acceptable standards required by law. Connecticut public health officials are to be congratulated for their immediate and effective response to this problem as soon as they became aware of it.

The wage and hour situation of the seasonal workers, however, is another matter. It will remain essentially the same as reported here unless some important changes take place (see "Recommendations"). As things were in 1958, the migrant workers covered by this study had little to show for their efforts at the end of the season. Considering the many hours of hard labor they had put in, their net earnings were meager indeed.

Just how did these workers come out at the end of the season? How much did they have left over after expenses? If a worker was paid 65 cents an hour (some earned less) and worked 77 hours a week (some worked more), he made about $50 a week by working nearly twice as long as most people do. Since the average length of the work season was 28 weeks, this would have come to $1,400. But he probably lost a total of 2 weeks pay due to bad weather, leaving $1,300 for the 6½-month season. Out of this came $130 for the trip from and to Puerto Rico, about $10 a week for food, and $5 a week for incidentals. This left him about $750, or approximately $27 a week with which to support his family (most workers had wives and children in Puerto Rico), pay for his clothes, and cover medical expenses.

Most workers were expected to pay their own medical expenses in case of illness. Although workmen's compensation is believed to cover seasonal farm labor, neither farmers nor workers seemed to know it. Over one-fourth of the employers carried no insurance to provide for on-the-job accidents. There was no provision at all for off-the-job injury or illness requiring extensive medical treatment or hospitalization. These workers would not have been able to meet the cost of such sickness or disability. They would become public charges, and sometimes did.

One of the greatest disadvantages of this group of agricultural workers was that they were inarticulate. They were not able to communicate because most of them could not speak English. Many of the workers had problems, and some had grievances, but they had no way of telling anyone about them, and no one to tell if they could.

Another disadvantage was the lack of free time, which, coupled with the lack of English, tended to isolate these workers from the surrounding area. Not only had they no time for recreation or relaxation; they could not even attend church services once a week because they were required to work on Sundays. Some of the workers said that they had not left the farms during the entire season.

It was natural, then, to find morale among the workers poor. Two-thirds of them expressed attitudes ranging from sullen indifference to active discontent and resentment. This was frequently, but not always, due to employment and housing conditions. Lack of adequate selection procedures in recruitment sometimes resulted in the hiring of men who were physically or psychologically unsuited to this type of work.

The attitudes of many of the employers, too, left much to be desired. No more than one-quarter of them could be said to have had good working relations with their employees. In the long run, the substandard working and living conditions being perpetuated by many of these employers are bound to work to their disadvantage.

The overall situation of the migrant agricultural workers in the New Haven area—as in other parts of the Nation—was and still is an anachronism. Progress in labor standards has so far passed them by. Most legislation benefiting other types of workers does not yet apply to them. As a result, they are overworked, underpaid and, in general, overlooked. It is hoped that they will not remain forgotten.

RECOMMENDATIONS CONCERNING SEASONAL AGRICULTURAL WORKERS IN CONNECTICUT

(NOTE.—These recommendations would apply to all migratory or seasonal agricultural workers in the State. Some of them would require the enactment of legislation, others would not.)

1. Establishment of a minimum hourly wage standard with provision for overtime work.

2. Establishment of maximum and minimum limits on the number of hours worked per day and per week.

3. Enforcement of workmen's compensation laws to insure coverage of migratory and other agricultural workers.

4. Establishment of requirements that (a) periodic statements of earnings and deductions be given to all workers; (b) employers maintain adequate records; and (c) such records be reviewed periodically by a responsible agency.

5. Designation of an appropriate agency (the Department of Labor is suggested) to supervise and enforce standards applying to seasonal agricultural workers, and establishment of procedures for handling grievances.

6. Establishment of a means of regulating the operations in Connecticut of private out-of-State labor contractors and agencies, especially those which are not licensed as employment agencies even in the States from which they operate.

7. Development of a medical and hospitalization insurance program, with limited death benefits, to cover illness and off-the-job accidents and to be paid for, at reasonable cost, by the workers. Periodic physical examinations of the workers, or at least one such examination at the beginning of the work season, would be advantageous to both employers and workers.

8. Continuing enforcement of uniform housing and sanitation codes for all farms and nurseries employing live-in workers.

RESPONSIBILITY OF SENATORS IN CONNECTION WITH EXECUTIVE NOMINATIONS

Mr. DODD. Mr. President, not long ago I received a letter, written on the official stationery of the Insurance Workers International Union, AFL–CIO, signed by William A. Gillen, secretary-treasurer.

The burden of Mr. Gillen's letter is that since I was elected on the Democratic ticket, presumably with the support of "thousands of other Connecticut liberals," I was, therefore, dutybound to vote against the confirmation of Admiral Strauss and that in failing to do so, I betrayed my party and those who voted for me.

Such a position is so violently in conflict with the duties and responsibilities of a U.S. Senator in making a decision on Presidential nominations that I cannot believe Mr. Gillen's letter represents the thinking of the members of the Insurance Workers International Union.

The practice of individuals airing their private views on the stationery of respected organizations is widely abused and I have decided to make public this correspondence in order to acquaint as many members of this union as possible with the type of letters that are being sent out on their stationery with the unavoidable implication that such letters represent the views of the union.

Mr. President, I ask unanimous consent that Mr. Gillen's letter and my reply be printed in the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INSURANCE WORKERS
INTERNATIONAL UNION,
AFL–CIO,
Washington, D.C., July 20, 1959.

The Honorable THOMAS DODD,
U.S. Senate, Senate Office Building,
Washington, D.C.

MY DEAR SENATOR DODD: A few weeks ago, upon learning of your vote on the question of confirming Mr. Lewis Strauss as Secretary of Commerce, someone immediately suggested I should have my temperature taken.

Several weeks have passed, and to spare you from entertaining any solicitous feelings about the state of my health, let me assure you that, while not in my sickbed, I am still very, very warm.

How you, having been elected as a liberal, with the support of thousands of other Connecticut liberals, can justify the position you took on this matter, seems to me to be beyond conscience, let alone any question of political expediency. Certainly, if we have such as you masquerading as liberals, I am called to wonder at the necessity for a Republican Party.

As a freshman Democratic Senator, you have found for yourself some mighty strange classmates. I only hope, for the sake of what may be left of your constituency and the party whose program you saw fit to utilize last November, that you will not be found at any future class reunions.

Yours very sincerely,
WILLIAM A. GILLEN,
Secretary-Treasurer.

AUGUST 1, 1959.

Mr. WILLIAM A. GILLEN,
Secretary-Treasurer,
Insurance Workers International Union,
Washington, D.C.

DEAR MR. GILLEN: My first impulse after reading your impertinent letter was to drop it into the wastebasket.

It is typical of the intolerance and arrogance of the small and frustrated band of ultraliberals in this country that they should demand the rejection of Secretary Strauss as part of the qualifications of being a liberal, as though some party line should be substituted for a Senator's conscience in weighing the individual merits and demerits in the long life of a distinguished public servant.

True liberalism would require that each Senator base his decision on the Strauss case on a careful study of all the issues developed during the hearings and on a conscientious appraisal of his fitness as an individual to serve in a high capacity in Government. The fake liberalism which you appear to represent demands a blanket condemnation of Secretary Strauss without regard for any evidence or any personal competence or achievement, but strictly on the basis that a Senator ran on the Democratic ticket.

It is my belief that the Senators I know voted against Strauss on the basis of their sincere deliberation over the varied facets of the question, and I hope that none were motivated by the contemptible and sickening reasoning which prompted your letter.

It has always amused me that throughout my various campaigns for nomination and election to office, I have been consistently opposed and criticized by a small but vocal band of self-styled liberals. Yet it never fails that after I have survived their opposition and been elected to office, they pose as the group that put me in office and voice astonishment when I do not conform to their orthodox party line.

Perhaps this group is perpetually doomed to a life of astonishment, frustration and recrimination. But in the hope that I may straighten out at least one of them concerning my own philosophy, let me assure you that I have never masqueraded as one of your group.

My public career is a long one and it is all in the public record. My voting record in the Senate is consistent with my previous 4-year voting record in the House of Representatives. My public statements since last November reflect the same philosophy as heretofore.

It is you and your kind who are masquerading as liberals and if you have misjudged me, it is your fault and not mine.

I have consistently fought for enlarged individual rights and opportunities, for greater social justice and improved conditions of life based on moral considerations, for measures that would expand the economic, cultural and military development of this country, and for policies aimed at aiding the free world and strengthening it against Communist aggression.

To this extent I have considered myself a liberal. But I have never chosen to wear the horse collar of any liberal clique that would require me to condemn a fine man and a great American to prove my liberalism, and I think the people of Connecticut will support me in this choice.

Sincerely yours,

THOMAS J. DODD.

Mr. WILLIAMS of Delaware. Mr. President.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, yesterday the Senate rejected a proposal by the Committee on Banking and Currency which would have committed the Federal Government to a policy whereby the Government would have been compelled to buy all the so-called Wherry housing projects. I am glad the Senate defeated that proposal. Today I want to call attention to glaring overpayments on some of the projects already bought under existing discretionary authority. I call to the attention of the Senate a report just received by the Congress from the Comptroller General dealing with the purchase of Wherry housing projects by the Air Force. This report documents a shocking disregard for the taxpayers' interest by the agency making these purchases.

I first read from the Comptroller General's letter to Congress. It is dated August 17, 1959, addressed to Hon. SAM RAYBURN, Speaker of the House of Representatives, and signed by Frank H. Weitzel, Assistant Comptroller General. I ask that an excerpt from the report be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Enclosed is our report on review of the acquisition of 33 Wherry housing projects purchased by the Department of the Air Force through June 30, 1958. The purpose of our review was to determine whether the prices paid were negotiated within the maximum formula prices prescribed by law and whether the program was administered effectively.

We found that the formula price, the maximum price permitted by law, was offered by the Air Force to the sponsors of the first 23 prospects, on which purchase prices were agreed to, without any attempt to negotiate a price within the formula price. In arriving at the formula price, the amount deducted by the Air Force from the Federal Housing Administration's estimated replacement cost for the estimated cost of repairs necessary to restore the project to sound physical condition was often significantly inadequate. Instructions from the Office of the Secretary of Defense providing for the recovery of windfall profits, by way of deduction from the formula price, were ineffective. We believe that at least three vendors may have received windfall profits, totaling perhaps $740,000.

We found also that some project vendors appear to have earned large profits on the sale of their projects to the Air Force. Although we are not qualified to say whether or not the prices paid by the Air Force were fair and reasonable for the projects acquired, we believe that the Congress should be informed if large profits were apparently earned by vendors.

This report is also being sent today to the President of the Senate. Copies are being sent to the Secretary of Defense, the Secretary of the Air Force, the Commissioner of the Federal Housing Administration, the Chairman of the Renegotiation Board, and the Commissioner of the Internal Revenue Service.

Mr. WILLIAMS of Delaware. Next I read from page 40 of the report, in which the Comptroller General said:

If a fair price to be paid by the Air Force for the 33 projects is the cost of the projects to the vendors, less the depreciation thereon previously collected by the vendors in rentals from personnel of the Air Force, the purchase price of $175,957,000 paid by the Air Force was in excess of a fair price by the following amounts:

If fair price of projects was, cost less 10 percent for depreciation (note a), excess price was $20,655,000; if fair price of projects was cost less 20 percent for depreciation (note b), excess price was $37,911,000.

One project, the Eglin, Fla., project, had an original construction cost of $5,966,000. The owners had a capital investment of only $1,000 and financed the balance with a guaranteed mortgage of $5,965,000. The Air Force bought this back at 100 percent of its original cost, but in the meantime with the Government guarantees on rentals, and so forth, the owners received a net cash return of $1,091,000 on their capital investment of only $1,000.

A similar breakdown of all the projects will be found in the insertion at the end of these remarks.

Altogether the Comptroller General estimated that the first 23 projects were bought by the Air Force at prices in excess of that which should have been paid by at least $20 million.

Continuing, I read from page 11 of this report, wherein is made a rather significant charge:

In the 23 cases under discussion, the Air Force, complying with DOD instructions, gave no consideration to other factors bearing on the determination of a fair price. Though the Air Force knew the cost of the projects as certified by the vendors to FHA, and knew that the formula prices were

nearly all in excess of cost, no attempt was made to negotiate prices lower than the formula prices. The possibility that vendors might have been willing to accept lower purchase prices in view of their relatively small capital investments was not considered.

Mr. President, I will not delay the Senate by reading this entire report, which is available to all Members of Congress and to the public, but I do emphasize that this is one Government activity which should be checked. Certainly there could be no justification for the Air Force's buying these projects without giving consideration to original cost as well as to present values. There is no justification for the Government's buying them without taking into consideration the windfall profits which might have been paid to these contractors when they were originally constructed The irresponsible manner in which these projects have been overpriced represents a callous disregard for the taxpayer's money.

At this point I ask unanimous consent that the list of these projects as they appear in the Comptroller General's report, appendix A, which shows the original construction cost, the amount of the mortgages, the capital investment, the net cash return in each case, and other data concerning the repurchase formulas, along with appendixes B and C, be printed at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

APPENDIX A

Financial information on 33 Wherry projects purchased by the Air Force through June 30, 1958

[Thousands of dollars]

Projects	Purchase price			Construction cost	Financing			Net cash return to vendor	Profit to vendor		
	Formula price	Percent of formula price	Amount		Mortgage proceeds	Capital investment	Together		Basis 1	Basis 2	Basis 3
Barksdale, La	6,256	100.0	6,256	6,169	5,591	578	6,169	665	87	704	1,321
Bergstrom, Tex	4,667	100.0	4,667	4,307	4,129	178	4,307	740	360	791	1,222
Castle, Calif	6,497	100.0	6,497	5,411	5,868	(457)	5,411	1,572	1,086	1,627	2,168
Edwards, Calif	11,183	99.2	11,093	11,019	10,106	913	11,019	850	74	1,176	2,278
Eglin, Fla	6,561	100.0	6,561	5,966	5,965	1	5,966	1,091	595	1,191	1,789
Ellsworth No. 1, South Dakota	3,687	97.7	3,600	3,519	3,330	189	3,519	403	81	433	785
Ellsworth No. 2, South Dakota	4,844	100.0	4,844	4,815	4,366	449	4,815	243	29	510	992
George, Calif	5,031	100.0	5,031	4,806	4,538	268	4,806	729	225	706	1,186
Hill, Utah	3,501	100.0	3,501	3,254	2,791	463	3,254	399	247	572	897
Holloman No. 1, New Mexico	3,767	100.0	3,767	3,765	3,389	376	3,765	173	2	379	755
Holloman No. 2, New Mexico	1,899	100.0	1,899	1,984	1,685	299	1,984	(59)	(85)	113	311
Keesler, Miss	7,695	100.0	7,695	7,362	6,752	610	7,362	963	333	1,069	1,805
Lackland, Tex	5,556	100.0	5,556	5,323	5,000	323	5,323	655	233	765	1,297
Lockbourne, Ohio	4,871	94.3	4,596	4,660	4,175	485	4,660	66	(64)	402	868
Loring, Maine	16,129	95.2	15,367	14,716	14,552	164	14,716	1,336	651	2,123	3,595
Malmstrom No. 1, Montana	1,369	98.0	1,343	1,310	1,238	72	1,310	173	33	164	295
Mather, Calif	7,332	94.9	6,958	6,951	6,558	393	6,951	621	7	702	1,397
McClellan, Calif	1,003	100.0	1,003	916	901	15	916	160	87	179	271
Mountain Home, Idaho	4,947	100.0	4,947	4,846	4,334	512	4,846	214	101	586	1,071
Nellis, Nev	7,626	99.8	7,612	7,242	6,807	435	7,242	831	370	1,094	1,818
Offutt, Nebr	5,394	100.0	5,394	6,292	4,949	1,343	6,292	(442)	(898)	(269)	360
Perrin, Tex	2,720	96.1	2,616	2,559	2,254	305	2,559	149	57	313	569
Presque Isle, Maine	2,147	100.0	2,147	2,189	1,889	300	2,189	(1)	(42)	177	396
Ramey No. 1, Puerto Rico	6,071	98.1	5,954	6,565	4,725	1,840	6,565	(280)	(611)	46	703
Ramey No. 2, Puerto Rico	4,557	99.8	4,550	3,906	3,570	336	3,906	685	644	1,035	1,426
Robbins, Ga	4,085	100.0	4,085	3,497	3,745	(248)	3,497	885	588	938	1,287
Scott, Ill	9,605	98.4	9,456	9,343	8,505	838	9,343	963	113	1,047	1,981
Shaw No. 1, South Carolina	4,462	100.0	4,462	4,503	4,032	471	4,503	288	(41)	409	859
Sheppard, Tex	5,388	100.0	5,388	5,039	4,558	481	5,039	706	349	853	1,357
Stewart, N.Y	2,907	100.0	2,907	2,979	2,428	551	2,979	41	(72)	226	524
Tyndall, Fla	4,243	100.0	4,243	4,085	3,824	261	4,085	517	158	566	974
Westover No. 1, Massachusetts	9,168	100.0	9,168	10,729	7,808	2,921	10,729	(783)	(1,561)	(488)	585
Westover No. 2, Massachusetts	2,794	100.0	2,794	2,531	2,379	152	2,531	387	263	516	769
Total	177,962	98.9	175,957	[1] 172,558	156,741	15,817	172,558	14,940	3,399	20,655	37,911

[1] App. B.

See attached notes to apps. A and B.

APPENDIX B

Construction cost of 33 Wherry projects purchased by the Air Force through June 30, 1958

[Thousands of dollars]

Projects	Units	Construction cost			Projects	Units	Construction cost		
		Certified by vendors	Builders' fees	Total			Certified by vendors	Builders' fees	Total
Barksdale, La	692	5,893	276	6,169	Mountain Home, Idaho	500	4,846		4,846
Bergstrom, Tex	480	4,307		4,307	Nellis, Nev	800	6,976	266	7,242
Castle, Calif	700	5,136	275	5,411	Offutt, Nebr	611	6,006	286	6,292
Edwards, Calif	1,350	10,796	223	11,019	Perrin, Tex	300	2,368	191	2,559
Eglin, Fla	750	5,966		5,966	Presque Isle, Maine	192	2,189		2,189
Ellsworth No. 1, South Dakota	401	3,241	278	3,519	Ramey No. 1, Puerto Rico	575	6,220	345	6,565
Ellsworth No. 2, South Dakota	490	4,501	314	4,815	Ramey No. 2, Puerto Rico	420	3,906		3,906
George, Calif	650	4,806		4,806	Robins, Ga	500	3,314	183	3,497
Hill, Utah	350	3,105	149	3,254	Scott, Ill	1,000	8,629	714	9,343
Holloman No. 1, New Mexico	400	3,535	230	3,765	Shaw No. 1, South Carolina	500	4,503		4,503
Holloman No. 2, New Mexico	200	1,984		1,984	Sheppard, Tex	612	4,795	244	5,039
Keesler, Miss	858	6,767	595	7,362	Stewart, NY	284	2,835	144	2,979
Lackland, Tex	600	4,944	379	5,323	Tyndall, Fla	450	3,900	185	4,085
Lockbourne, Ohio	500	4,304	356	4,660	Westover No. 1, Massachusetts	882	10,311	418	10,729
Loring, Maine	1,500	13,623	1,093	14,716	Westover No. 2, Massachusetts	268	2,406	125	2,531
Malmstrom No. 1, Montana	192	1,245	65	1,310					
Mather, Calif	750	6,577	374	6,951	Total	18,862	164,807	7,751	[1] 172,558
McClellan, Calif	105	873	43	916					

[1] App. A.

See attached notes to apps. A and B.

APPENDIX C

NOTES TO APPENDIXES A AND B

1. The column headed "Construction Cost, Certified by Vendors" represents cost certified by the vendors subject to a criminal penalty of a fine of not more than $5,000 or imprisonment for not more than 2 years, or both (18 U.S.C. 1010). The cost statements were submitted to and reviewed by FHA personnel who did not examine the books and other records of the vendors or contractors.

2. The column headed "Construction Cost, Builders' Fees" represents fees allowable to those vendors who acted as their own contractors (directly or through affiliated interests) and who, in accordance with FHA instructions, did not include a builder's fee in their certified cost figures.

3. The column headed "Mortgage Proceeds" represents the cash received by the vendors from the FHA insured mortgages to finance their construction costs.

4. The column headed "Capital Investment" represents the excess of "construction cost" over "mortgage proceeds"; in other words construction costs financed from sources other than mortgage proceeds. Figures in parenthesis are excess mortgage porceeds received by the vendors (windfall profits).

5. The column headed "Net Cash Return to Vendor" is the excess of the purchase price paid by the Air Force over (a) the mortgage outstanding at the date of settlement ($145,200,000 in total) and (b) the capital investment ($15,817,000 in total). In the case of the Castle and Robins projects, the net cash return includes the capital investment "windfalls" of $457,000 and $248,000, respectively. Figures in parentheses are the amounts of capital investment not recovered by the vendors.

6. The column headed "Profit to Vendor" represents in the "basis 1" column, the excess of the purchase price paid by the Air Force over construction cost; in the "basis 2" column, the excess of the purchase price over construction cost less 10 percent for depreciation; and in the "basis 3" column, the excess of the purchase price over construction cost less 20 percent for depreciation. Depreciation of 10 and 20 percent are minimum and maximum estimates of the amounts included for depreciation in rents collected by the vendors from tenants during the average period of about 5 years that the projects were rented by the vendors to Air Force personnel. Figures in parentheses are the amounts of capital investment not recovered by the vendors.

Mr. WILLIAMS of Delaware. Mr. President, in the purchase price, allowances were supposed to have been made for those repairs which would be necessary to bring the property into rental condition.

According to the Comptroller General, however, deductions made in the purchase price for these repairs were but a small fraction of that which should have been made.

In some instances the necessary repairs actually cost 22 times more than the amount deducted.

At this point I ask unanimous consent to have printed as a part of my remarks the Comptroller General's comments on these understated repairs as appearing on pages 24 to 28 of the report.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

So far as individual projects are concerned, we have prepared a comparative statement of past-due repairs as negotiated by the Air Force and of amounts programed for repairs at eight selected projects. While amounts planned for structural alterations and other items not considered as past-due repairs have been eliminated by us from the programed amounts, we are not prepared to say that the remaining programed amounts are strictly comparable with the past-due repair allowances. We believe, however, that they are indicative of the differences between what the Air Force considered past-due repairs for determining the formula prices and the repairs actually to be undertaken. The comparative figures referred to are, in thousands of dollars, as follows:

Project	Date acquired	Negotiated repairs	Programed repairs	
			Date	Amount
Edwards	May 1, 1958	$81	May 28, 1958	$765
Eglin	Aug. 30, 1957	66	May 2, 1958	241
George	Apr. 1, 1958	17	June 18, 1958	266
Mather	Mar. 31, 1958	37	May 1, 1958	260
Nellis	Mar. 1, 1958	45	May 14, 1958	447
Presque Isle	Nov. 1, 1957	17	July 9, 1958	67
Scott	Mar. 31, 1958	37	July 17, 1958	126
Shaw	Feb. 1, 1958	18	Apr. 29, 1958	160
Total		318		2,332
Per unit (5,992 units)		53		389

Some of the individual repair and replacement items, comprising the negotiated allowances on these projects, were anywhere from 45 percent to as much as 97 percent less than the amounts programed only a few months later for the same items. In one instance the allowance was only one-eighth of 1 percent of the programed amount.

In the acquisition of the Edwards project on May 1, 1958, the $81,000 allowance negotiated for past-due repairs included the following:

Item	Units	Amount
Interior painting	925	$34,050
Exterior painting	1,050	7,375
Replace and overhaul evaporative coolers	1,250	6,175
Replace damaged floor tile	1,250	2,184
Miscellaneous interior repairs	1,250	5,450
Miscellaneous exterior repairs	1,050	2,825
Garage doors	25	625

Within a month after acquisition, the amounts programed for the same items ranged to as much as 22 times the negotiated amount. The amount programed for the interior and exterior painting of 1,250 units was $552,690, or 13 times the negotiated amount; for the replacement and overhaul of evaporative coolers in 1,250 units, $137,550, or 22 times the negotiated amount; and for the replacement of damaged floor tile in 250 units, $6,810, or 3 times the negotiated amount. For the repair and replacement of damaged doors in 250 units, the amount programed was $10,950; for the replacement of water heaters in 220 units, $16,800; for the repair and replacement of sink tops and kitchen cabinets in 450 units, $6,130; for the repair of bathroom fixtures and replacement of toilet seats in 680 units, $12,240; for the replacement of shades and screens in 490 units, $10,700; and for the replacement of electric fixtures, hardware, weatherstripping, and cracked window panes in 350 units, $11,130. These programed amounts were almost eight times the negotiated amounts for miscellaneous interior repairs, miscellaneous exterior repairs and garage doors.

In the first 9 months after acquisition of the Eglin project, $39,000 was expended for interior painting and $47,000 for patching leaks, replacing damaged shingles, recaulking windows, and repairing sink tops, kitchen cabinets, doors, closets, and plumbing and electrical fixtures. In addition, $155,000 is programed for exterior painting, replacement of rotted exterior woodwork, and repair of termite damage. The cost of these repairs is more than 3½ times the amount negotiated for past-due repairs.

When the George project was acquired on April 1, 1958, the amount negotiated for past-due repairs included allowances of $865 for replacing and resetting approximately 3,460 floor tiles; $2,600 for repairing and painting exterior molding; $6,500 for the miscellaneous interior and exterior repair of 650 units; and $5,000 for sealing and patching the roads at critical points. Two and one-half months later, the Air Force programed $29,250 for replacing damaged asphalt tile flooring and shoe molds in 650 units; $19,500 for repairing and painting the exterior moldings; $51,500 for regrouting ceramic tile in bathrooms, reglazing windows, repainting, repairing window screens, replacing shower curtain rods and toilet seats, replacing thresholds, pointing up and painting concrete block walls, and installing lock-type weatherstripping; and $166,000 for repairing streets. The programed amounts were almost 18 times the negotiated amounts.

In the acquisition of the Mather project, an allowance of $17,264 was negotiated for interior and exterior painting and $9,050 for streets, curbs, gutters, and driveways. One month later, $31,700 and $167,525, respectively, were programed for the same items.

The negotiated repairs on the Nellis project included $6,000 for exterior and interior painting. Two and one-half months later, $100,125 was programed for interior painting only; $4,365 was allowed for bathroom repairs and replacements, such as new sinks, lavatories, toilets, tubs, medicine cabinets and toilet seats, compared with $65,400 subsequently programed for the repair or replacement of defective space heating equipment, hot-water heaters, lavatories, and bathroom tile; $3,576 was allowed for street patching compared with a programed amount of $79,920 for the repair of streets. A mere $60 was allowed for landscaping. This was only one-eighth of 1 percent of the $48,750 programed for renovation of the grounds necessitated by the lack of street curbing, poor soil, and constant erosion which ruined all the lawns at this project.

In the acquisition of the Presque Isle project, $1,216 was allowed for the repair of broken asphalt tile and $2,200 for exterior painting. The amounts programed a little more than 8 months later included $6,340 for the replacement of damaged asphalt tile and deteriorated plywood underlaying the tile and $60,340 for exterior and interior painting.

The negotiated repairs on the Scott project represented only a small percentage of the amounts programed within 4 months; $2,000 was allowed for recaulking joints between sash frames and window sills, and $810 for repairing downspouts; $4,950 was programed for the repair of exterior walls, doors, and sills; $2,000 was allowed for miscellaneous interior repairs; $4,550 was programed for the replacement of damaged doors and glass, and a like amount for the replacement of damaged partitions, interior doors, trim, and

screens; $2,750 was allowed for replacing utility room and entry hallway asphalt and for refinishing entry hall steps, hall utility doors, and stairway railing; $11,150 was programed for the replacement of badly damaged floor tile and doors; $28,325 was allowed for the interior and exterior painting; $100,800 was program for this work.

The negotiated repairs on the Shaw project showed the same disparity when compared with the amounts programed only 3 months later; $2,700 was allowed for window repairs; $125,000 was programed for the repair, replacement, and weatherstripping of windows; $1,500 was allowed for termite damage and for carport columns; $11,500 was programed for the replacement of rotted wood columns; $7,500 was allowed for interior painting and $900 for repainting gravel trim; $23,000 was programed for all painting work.

The law requires the cost of past-due repairs to be estimated by the military departments on the advice of FHA.

WHY WE MUST CONTINUE WITH "SAFE" NUCLEAR AND ATOMIC TESTS

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Has the morning hour been concluded?

The PRESIDING OFFICER. The morning hour has not been concluded.

Is there further morning business? If not, the morning hour is closed.

Mr. KUCHEL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. What is the pending business?

The PRESIDING OFFICER. There is an order for the calling of the calendar immediately following the conclusion of morning business.

Mr. KUCHEL. Mr. President, I ask unanimous consent, notwithstanding that order, that the distinguished Senator from Utah be permitted to address the Senate for not to exceed 40 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, the senior Senator from Minnesota yesterday delivered an address on the subject of resumption of nuclear tests. It was his contention that progress is being made in the talks with the Soviet leaders on the question of inspection systems, and that therefore we should continue our self-imposed ban on testing.

I wish I could share Mr. HUMPHREY'S optimism about the chances of an accord with the Soviet Union in this area, but the areas of agreement have been relatively unimportant in comparison with the areas of remaining disagreements. As yet, the Soviets have shown no disposition to accept an inspection system which would be truly effective.

It seems to me that the apparent inability of the two major powers to demonstrate meaningful progress makes it imperative that we reexamine both the conditions and the issues to see if we cannot find a different approach, and a different goal—one that is more consonant with the interest of both sides and therefore more possible of attainment.

In the grand frame of history, the atomic and nuclear age is figuratively newborn. Its potential development, not only for war but especially for peace, has barely begun. To try to deny this infant normal growth by denying the right to test the many ideas science has and will have is as unnatural as the old laws that, in some places, required a man to walk in front of an automobile to warn the people. I think the conference was bound to fail or its decisions were bound to be evaded or circumvented. Instead of spending time and money to try to find and agree on ideas for detecting violations of an antitest ban, which after all could only be enforced in the last analysis by war, why not devote the time needed to develop and agree on safe methods of testing? In view of the limits of our present knowledge, atmospheric testing produces dangerous fallout and should be abandoned, at least until safe methods can be found. Who can say that we cannot find other environments for testing—underground, in space, or elsewhere—without the risk of fallout, or who can say that we may not someday develop clean devices that can be safely tested and used in the open atmosphere? Why risk the end of all progress now because the testing of present devices in one medium is dangerous, and assume that any safe test is therefore impossible?

To develop and be able to use safe, fallout-free testing of atomic and nuclear explosions is desirable from every point of view; and, if we can take the leadership in setting that as a new goal, I feel confident that world opinion will support it and help push to success any conference seeking it.

Looking at this question from our own point of view alone, I think it would be disastrous if we should, at this point in the development of the art, give up all rights to conduct any further tests. It would not only deny us the opportunity to develop better and more useful weapons, but might effectively prevent the controlled use of this great explosive force for peaceful purposes.

Of these two facets of the problem, the weapons aspect currently commands the world's greatest attention and creates its greatest fears. Let us look at this one first, against the backdrop of the present world situation.

The great hope of mankind today is for world peace, and our own foreign policy is dedicated to the preservation of the tenuous and uncertain peace we have and its expansion into a more stable and permanent one. When we Americans talk of world peace, we think of an atmosphere with a minimum of international tension, in which all peoples and nations are free to develop their human and natural resources to their greatest potential as members of a community of equally free and friendly nations. We envision a world atmosphere of mutual trust and respect. This is a concept we can understand because such a situation has existed within our own American society since the beginning. We have been conditioned to it by our religious background, based essentially on the worship of the Prince of Peace.

We can safely assume that all the people of the world share this same goal of world peace, but we must realize that at different times, in different nations, both the currently acceptable definitions of peace and the apparently desirable route to it will be different. Today the Russian ideas are most important, not only because of the size of Russia but because the ideas of the Soviet leaders seem at this time at least to be almost exactly the opposite of our own. Though they talk constantly of their devotion to peace, we have yet to see any convincing evidence that they have permanently abandoned their long-proclaimed objective of reaching that goal by force, if necessary, and imposing on the world a peace based on its surrender to their domination and its acceptance of their social and economic ideology. Thus, paradoxically, the Russian approach to peace is not through a relaxation of tensions, but by constantly creating new ones.

What we have in the world today is peace, Russian style. Whenever we move naturally to relax tensions, they push to increase them, probing for weak spots in our spiritual, social, economic, and military armor, and striving always to upset any balance that develops. In such a situation, they force us to work constantly to create new balances. We must always make sure that our capacity in each field, and in total effect, is more than a match for theirs.

Whenever tension is involved, balance is the only safe way to prevent disaster. Balance is a dynamic condition which, to be preserved, must be constantly redressed. Since their obvious objective is to upset and destroy balance, our constant responsibility is to be flexible enough to counter their moves and restore it. To this end, we must continually assess their position and its resources, as well as our own.

We must never underestimate their resources or overestimate our own. In some respects they are potentially greater than our own.

For one thing, they have an essential homogeneity that we lack. The physical territory they control is completely integrated in the heartland of the great Eurasian Continent. Though their people were once divided by nationality and language, this has been largely offset by the highly centralized control and administration which they have developed, and is being further cemented by their vigorous program of national education. So far, they have been very successful in mobilizing most, if not all, of their human resources so that they can be applied with great singleness of purpose to the goals of the state with a minimum diversion to personal satisfactions.

Their psychological motivation is supplied by Marxism, a philosophy of godless materialism, and while they may change the accepted interpretation of this gospel from time to time, its rejection of what, by our standards, are basic

moral scruples, leaves them always free to pursue any currently desirable goal with any available means. The fact that their motherland, Russia, has for centuries lagged behind Europe and the United States in most areas of development seems to have given them a sense of insecurity, and an inferiority complex, which, in the face of the present contrast with the United States, particularly in living standards, drives them to exert almost superhuman effort to surpass us. To this end they will copy what they can, buy what they must, and steal what they can get away with. The basis of their development in nuclear science falls largely in this last category, and its weapon applications fit naturally into their philosophy of peace through surrender to force. Though at the moment, they claim to be ahead in the field of missiles, we firmly believe that any advantage they may have is a temporary one which they will undoubtedly lose before they can exploit it, if we continue to pursue our present course with vigor.

In the face of both the Russians' objectives and their resources, we must neither overestimate nor neglect our own.

While we have an older and more mature civilization, with a greater store of knowledge and know-how to draw on, the free world, of which we are a part, and temporarily the leader vis-a-vis Russia, is a loose and shifting fellowship of nations. It is made up of a mixture of races, traditions, and political and economic philosophies, held together by the mutual possession of faith in religion as a moral force, by an ultimate, though often almost embryonic faith in individual freedom, and by a common love of peace, and a common determination to prevent world domination by any country, particularly Russia. Having a longer history of education and science, we have had a head start in all basic fields, including the new field of atomic and nuclear science and its applications to both weapons and peaceful uses. However, the Russians nullified much of this advantage through their successful theft of our secrets, and are now driving forward under forced steam to get ahead of us.

In terms of conventional warmaking potential, the Russians can field greater manpower, and their equipment in machines and missiles is dangerous and impressive. Here again they have the advantage of central control and homogeneity, while we have to develop our potential through alliances, and in the face of the constantly shifting national objectives of those countries who make up groupings like NATO. Then, too, we are morally bound to forego the initial advantage of aggressive surprise.

If we hope to maintain an effective balance of power and preserve world peace, we need to add to our moral strength completely adequate capacity in the field of physical force. Today that means supremacy in atomic and nuclear power. We were first in the field in time; we must always be first in capability.

Of course, supremacy in nuclear warmaking potential is not the final and ultimate answer in this game of balance. If we stalemate the Russians here, they will open other fronts, including economic competition. We must be successful on every front; but since war is the ultimate test of international policy, and the final denial of our goal of peace, power to create a stalemate and maintain a balance here is imperative.

But, some may ask, "Have we not achieved that power? Are not present atomic and nuclear weapons so terrible that they will deter war? Why seek further?"

In my opinion, the present atomic and nuclear weapons are too terrible, too destructive, and therefore the world cannot risk being left at their mercy. At the same time, they are potentially so efficient that the world will never completely abandon them. We cannot destroy forever the knowledge of the science on which they rest, and return to the preatomic era. That is contrary to all human nature. So we must live with this knowledge, and continue to work to develop new weapons reduced to usable proportions and capabilities. Of our present weapons we might say that they are unnecessarily destructive because they are crude and primitive. They need refinement, sophistication, expression in greater variety for limited and specific application.

Then, too, the great field of the use of nuclear devices as an effective defense against nuclear attack needs to be fully explored and tested. And, finally, if nuclear explosions are to be available for peaceful uses, we must develop devices that are both cleaner and smaller; and testing is the only way we can prove their effectiveness and safety.

The most dangerous and terrible effect of atomic and nuclear explosions, against which all the world rebels, is the production of long-lived radioactive isotopes which poison the earth and damage living tissue. If this could be eliminated, the blast force and the great heat which such explosions produce would be acceptable. If no radioactive fallout were involved, the demand to ban tests would probably never have developed. Even before the question of a test ban was raised, we in America had already embarked on the development of cleaner bombs with less, and perhaps eventually no, radioactive fallout—bombs that were also smaller, more diversified in variety, and related to specific military uses; bombs with little or no after contamination. The idea of a test ban interrupted that process, but not before we had gone far enough to know that the possibilities were too valuable to be abandoned forever.

The unreasoned fear of fallout being what it is, it is not surprising that even in the face of these facts, there are still those who would argue that such developments are a useless waste of time. They assume that the Russians would not be interested in cleaner, smaller weapons, and that any wartime use of such limited devices would still quickly and inevitably bring retaliation by the use of the biggest, dirtiest weapons in the Russian arsenal. To me, this idea ignores the basic and ultimate objective of Russian policy, which is domination of a living world, not mere marginal survival on a dead, contaminated earth. Actually and practically, I am sure the Russians are no more willing to take the ultimate risk of world destruction than we are.

Regardless of whether this is true, other potential dangers which are involved in a test ban could destroy the value to us of the present nuclear stalemate. If the Russians continue their present policy of creating world tensions, through constant probing for Western weakness, and if both sides are either morally or practically unable to use the present dirty bombs, with their resulting radioactive poisons, then, in practice, military strength will again be measured only in terms of manpower and so-called conventional weapons. Here the Russians have very real advantage in numbers, in their monolithic homogeneity, and in their power to devote a greater part of their natural resources to the production of weapons.

There is still another very compelliing reason for encouraging refinements of atomic and nuclear weapons. To me, the idea that the present American-Russion-British monopoly in such weapons can be maintained, is pure hopeless, wishful thinking.

Apparently, France is not far from the point at which she can move into the charmed circle; and others may be expected to follow, probably sooner than we think. So long as this means only additional production of big, dirty weapons, I agree that the increase in the potential threat of world war is tremendous. But, if, through further development validated by tests, the military use of the power within the atom can be reduced to livable proportions, the risk to world peace because of the possession of nuclear capability by many additional nations will be minimized.

The existence of atomic weapons ceased to be a secret after Hiroshima. The Russians, by stealing ours, have demonstrated that secrets as important as these cannot be held as monopolies. The British, by using their own scientists, have again demonstrated the truth that science cannot be confined within national boundaries. Then why not face the inevitable, and work to continue testing, with a new, chief goal of safety, rather than inspection?

If we take this position, I doubt that we shall see any immediate change in the Russian attitude of opposition. The Russians will probably continue to press vigorously for an end to all tests, with as little inspection as they can persuade us to accept. The very fact that they take this position is evidence to me that by stopping Western tests—not necessarily their own—they expect to shift the balance of war-making power to their side and in their favor.

Logically, the Soviets have many reasons for stopping nuclear tests. They have much to gain thereby. First, all their efforts in that direction and compliance by the West with their demands tend to stigmatize all aspects of nuclear weapons and make it more difficult for the West to use them in its own defense,

short of clearly desperate, last-ditch situations, such as another Dunkirk with American troops, or all-out attack upon the West. The Soviets are probably far too smart to create such black or white situations.

Second, by stopping all tests—ours, as well as theirs—the Soviets prevent us from developing clean nuclear devices that can be used as defensive weapons. This leaves us in continuing fear of the vulnerability of the West to an all-out nuclear attack, and thereby preserves the inhibiting influence which such a feeling of terrible vulnerability must unavoidably exert upon Western foreign policy decisions. This gives them an advantage in psychological warfare; and if they can thus reduce the probability that we will use weapons to defend ourselves, they make their own superior conventional forces much more effective for either blackmail or military aggression, depending upon the tactics called for by the specific situation.

Third, they slow the spread of nuclear capabilities to other nations. Widely spread nuclear capabilities would hamper their aggressive tactics, just as widespread possession of the six-shooter in the early days of the West cramped the style of the natural bully.

Fourth, by stopping all tests, they would stop development by the West of smaller and more specialized nuclear weapons whose characteristics would make them appropriate for use in local wars, even against conventional Communist forces, if need be.

Finally, and obviously, being uninhibited by moral and religious scruples, it is reasonable for us to assume that they may hope and expect to stop our nuclear development, while continuing with their own by clandestine means, hoping that these tests can be conducted without being picked up by our test detection systems, but really not caring too much if they are discovered. If that happens, what can we do about it? Would we be willing to go to war?

One often hears a number of fanciful explanations of the Russian opposition to nuclear tests, including such ideas as these: that the Soviets are reluctant to bear the expense of testing; that the Soviets have enough nuclear weapons now, and would like to stop making them; that they genuinely fear, as much as we, the possibility of a nuclear holocaust if testing continues; and other explanations of similar nature which try to rationalize the apparent anomaly that the Soviets seek to stop all testing while we are still ahead. It is hard to understand how thinking men can accept these explanations in the face of known Russian objectives and demonstrated Russian willingness to use ruthless force, as in Hungary.

How might the West maintain the power balance by continued testing?

There are many ways. First, it might by testing develop a truly effective defense against all-out nuclear attack. If this is ever possible, such a defense will probably involve the use of nuclear weapons, because they appear to offer the only possibility of providing the kind of energy that is required—high energy to assure a missile kill even at great miss distances, light weight to ease the problems of putting the defensive weapon into place in time to meet incoming missiles. Additionally, such defensive nuclear weapons should be clean and avoid the lingering radioactivity which might have adverse effects upon defended populations.

Without an effective defense against nuclear attack, any nation or group of nations are necessarily vulnerable to psychological threats at which the Russians are so skillful. However, if both the Soviets and the West develop effective defense against incoming nuclear weapons, the practical threat of all-out nuclear war could disappear.

Second, continued nuclear testing by the West should produce more discriminate nuclear weapons—ever smaller ones and those with greatly reduced fission products in all yield ranges. The easiest way to make sure that a nuclear war can be limited is to provide our forces with appropriate weapons with limited nuclear capabilities. I believe the existence of such weapons will probably do more than anything else to insure that any fighting they undertake will remain conventional.

There is no longer any logical way by which we can assume that the possession of all nuclear capabilities will be outlawed. Therefore, it is only prudent to add tactical nuclear capabilities to strategic weapons we already have and make sure that our new, smaller weapons are those most likely to prevent the expansion of limited conflicts into all-out nuclear wars. This means a wide variety of the most discriminate nuclear weapons which science can devise. Under circumstances which give to the Soviets an overwhelming conventional superiority, it is nothing short of foolhardy for the West to discontinue development of the tactical weapons which might serve to counter this imbalance.

As I have already indicated, if there were no problem of fallout and the test ban question had never been raised, the natural development in nuclear weapons would probably have taken such directions as these:

First. They would tend to grow smaller in both weight and yield and would produce less lingering contamination afterward. In other words, they would become more discriminate and more capable of application to military objectives alone, without unintended death or damage to civilian populations or facilities. This would in effect be a third generation of nuclear weapons, the first two being the atomic and then the thermonuclear.

Second. These weapons would become more diversified, and thus provide military flexibility in their use.

Third. In some cases they would become more applicable to specific military needs.

Fourth. They would become more effective as defensive weapons by enhancing the possibility of effective defense against all-out nuclear attack.

Defensive weapons would tend to be used here in our own country. If we are going to use nuclear weapons for defense, we have the most compelling reason in the world to see that they are clean.

Fifth. They would become more suitable for peaceful applications, such as explosives. Energy serves man to the extent that he tames it. Nuclear explosive energy is no exception. With smaller yield and less lingering radioactivity, peaceful applications will expand.

I think if we stop testing now and have nothing available except the present dirty weapons, there will be tremendous opposition to the present peaceful use of the explosive power of these devices.

Would this be good for us—the defender? Yes, in many ways. Would such results of continued testing be good for the Russians? Militarily—yes. Psychologically—no. In a military sense, the Russians share some of our own objectives in development of weapons, except that their military problem is much less difficult than ours. As the aggressor, they elect the time and place and type of war they choose to make, including the type of weapons they wish to use. We, as defenders, must be prepared to meet all possibilities and be flexible as to types of defensive weapons and well equipped in numbers.

But for the moment at least, the Russians may not be so much interested in actual military applications of their nuclear weapons as they are in their psychological effects through blackmail. We must never lose sight of the fact that many elements of the nuclear problems are made to order for emotions, fear, and wishful thinking. Fallout, for example, has many characteristics of this nature. So, too, does the imminent threat of nuclear holocaust—so clear to all. We cannot let the Soviets continue to ride on the crest of these natural psychological fears which tend to drive out logic and clear thinking about these terrible problems which would show us that the Soviets are really out to alter the total power balance in their favor.

I realize that the task of disengaging ourselves from the present test-ban conference and starting on a new program seeking an agreement to establish and approve safe methods of testing will not be an easy one, for many reasons. To accomplish it we must overcome many psychological barriers and eliminate many common misconceptions.

The most obvious of these misconceptions is the widely held fear, carefully nurtured by Russian propaganda, that all tests are dangerous. This fear has already been deflated in part by J.C.A.E. hearings that have demonstrated that fallout volume from tests up to this time are not dangerous. Discussions during negotiations at Geneva have shown that atmospheric tests are the only real source of fallout; thus, the groundwork has been laid to move from a negative attitude—banning atmospheric tests—to a positive search for safe alternatives.

The long stalemate in Geneva should have just about convinced us that agreement on any worldwide detection system requiring extensive invasion of national rights is practically impossible to set up and operate.

On the other hand, further negotiations toward agreements for on-the-spot inspection may have been made unnecessary by the announcement of the Navy's new Project Teepee. In any event, any worldwide inspection and detection system which would require maintenance of police forces within the borders of every nation with nuclear weapon capabilities would be undesirable per se. Most of the time these forces would be idle, and idleness breeds trouble and impairs efficiency; their existence would contribute to increased international tension, and this serves Russia's purpose, not ours. It is very likely that through relaxation induced by inaction or carelessness, they could be caught off guard, since testing is very infrequent and could be unpredictable. Technical knowledge of test detection is still sketchy; we would actually have to have controlled observation of many more tests to know for sure how to prepare to check for tests and what to look for.

Difficult as detection is, it is still far easier than identification of the qualities of the device exploded. On-site inspection is of little practical value because tests are few and far between, and if the best brains of a country are challenged to produce explosions that cannot be accurately detected and identified, they can undoubtedly succeed. Even the most fanatical proponents of stopping tests agree to that. This is another case in which agreements involving moral responsibility bind only those who are, in fact, morally responsible.

Another misconception that exists is that use of nuclear weapons in any limited war is impossible without inevitably causing an all-out war. This is equal to saying that because now that we began with giant nuclear weapons, all weapons used in limited war are outmoded before they have been developed, and every war must inevitably turn into a worldwide nuclear conflict. If this is true, why waste money on any weapons less than the ultimate ones?

Fortunately, we know this is not true. We have fought limited wars with limited conventional weapons since nuclear power was available, and ultimate war did not eventuate. I think this refutes the idea that a limited war in which both sides used limited nuclear weapons would be bound to explode into world conflict. I think this also ignores the international facts of life. Replacement of limited conventional explosives with limited atomic or nuclear ones by itself does not change the basic conditions which create world war. It is the worsening of intricate international relations, not weapons, that builds little wars into big ones—as we learned in 1914–18 and 1939–45.

There is also a vague feeling that further nuclear development increases the possibility of nuclear war, as if men, like little boys with toy guns, have to shoot these weapons off just because they have them. If there is no further testing and present nuclear weapons are used, we can be sure that millions of innocent people will die unnecessarily, and the earth will be poisoned needlessly. By denying to ourselves the greater control of weapons effects which further tests can produce, we decrease the possibility of escape from these terrible consequences. As a collateral effect, if we prevent the development of a clean bomb, we reduce, if not eliminate, the chance of harnessing the explosive power of the atom for safe, peaceful use.

It is not strange that these misconceptions exist. In the face of the ultimate damage which can be inflicted by present crude, primitive bombs, fear and wishful thinking unite to blind judgment and blot out clearheaded common sense. Even the scientists themselves are not immune. Trained to think of material problems chiefly in exact and objective terms, they, too, can be very naive when complex political and military problems are involved—unable often, to accept the fact that men trained in these fields, and not they, must handle the international problems which have been created by the existence of the force the scientists have discovered.

Before we conclude this appraisal of the need for further testing and come to a specific policy suggestion, there is one final appraisal we must make. That relates to our basic objective to maintain an effective balance of force and power vis-a-vis the Russians. Do we now possess that ability in terms of nuclear capability and can we continue to hold onto it without tests?

It is my belief that the United States is now ahead of Russia both in numbers and variety of types of weapons and that the Soviets know this. In terms of the ability of one of us to stop or hurt the other, I think we now have the edge; but, if we look at this question in terms of the ability of one of us to completely prevent any nuclear attack, neither has an edge. If there were a complete and effective ban on all nuclear weapons, this would measure power again solely in terms of conventional weapons, and in this the Russians—not we—have the edge.

But neither history nor science has ever stood still—or ever will. Given the Russian goal of world domination, if a test ban stops us from further improvement on nuclear weapons, that lead will soon pass to them; and if it does, the Senate may some day be faced with the terrible decision to surrender to that domination to save our people from destruction.

What, then, should we do? These ideas are my own:

First. We should announce a fundamental change in our objectives for the Geneva Conference. We should abandon further attempts to reach agreement on a complete ban of all nuclear testing, with its impossible requirement that a foolproof system of detection and inspection be developed and agreed to.

Second. In place of this, we should press for agreement banning atmospheric tests, relying on presently available methods of detection to reveal violations. We should make this agreement for a specific number of years rather than for the indefinite future, so that if and when clean explosives can be developed, they can be tested and used for peaceful purposes.

Third. We should leave all nations with nuclear capabilities free to test atomic and nuclear devices underground and in space and to use their research capabilities to develop safe methods of testing, rather than continue the present sterile search for foolproof detection systems.

Fourth. If the Soviets refuse to agree to such a program, we should announce it as a unilateral policy and break off the present fruitless negotiations. Such a program would have many practical advantages.

(a) By eliminating the risk of poisoning through atmospheric fallout, it would deny to the Soviets the opportunity to use a devastating propaganda weapon.

(b) It would effectively put legitimate human values and aspirations into the scale on the side of tests and further developments rather than in opposition to these natural—yes, inevitable—goals.

(c) It would put the burden of responsibility back on the Soviets, and test the sincerity of their intentions before all the world. The Soviets have wanted a limited approach to the problem; this fits that specification. They say they want to stop all fallout. This plan does that, too. The Russians have opposed every workable idea for effective inspection inside their own country. This program makes such inspection unnecessary.

Fifth. As soon after October 31 as practicable we should resume testing under safe conditions—underground or elsewhere—to do three things:

(a) We should continue the developments which take us toward the ultimate "clean" weapon.

(b) We should continue to develop new weapons types to round out our arsenal for national defense.

(c) We should provide development and application of nuclear explosives for peaceful uses—of which there are many possibilities—including the exploration of oil shale deposits, which is of vital interest to the people of my State.

This concludes the presentation of my ideas on the subject of atomic testing. In expressing these thoughts I speak only for myself, as a very junior member of the Joint Committee on Atomic Energy. I have not discussed these proposals with any other person. I hope they will find some acceptance in this body and in other areas where direct responsibility lies.

To repeat my assumptions and conclusions briefly, I believe that Russia still seeks peace only as an aftermath of world domination and, on the way to that goal, will try to create constant tension aimed to shift the balance of power to her side. On the other hand, we have the almost unattainable objective of seeking peace by relaxing tensions without surrendering any power necessary to maintain power on our side. I think if the present complete test ban were adopted, on balance, Russia would win this particular round, because under her code of international morals, she would be free to evade what we would be bound to respect.

By shifting from a position of a complete ban to an agreement to ban atmos-

pheric explosions as long as the danger of fallout exists, we could hope to relax international tensions without losing our own present lead in nuclear capabilities and at the same time create a greater pressure of world opinion to force Russia to follow the same policy.

I think all these make up "a consummation devoutly to be wished."

Mr. CARLSON. Mr. President, will the distinguished Senator yield?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator yield?

Mr. BENNETT. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to commend the senior Senator from Utah for a very timely, a very scholarly, and a very studied statement regarding some of the problems confronting this Nation and the world with respect to nuclear testing. I have enjoyed it, personally. I know it will be of great value to the Senate, to the country, and to the world at this time when we are so concerned about a war which may be fought with weapons which are not listed as limited war weapons.

The address of the Senator deals with a very difficult situation. Again I say we are indebted to the senior Senator from Utah for his very fine presentation.

Mr. BENNETT. I appreciate the commendations of my friend.

I should like to make one other observation before I conclude. We now face a problem of time. The present unilateral ban on testing will expire at the end of October. By that time we will have to make up our minds whether we will quit for good or whether we will continue testing. In the face of this deadline, I think the problem is very serious. I hope the people of our country will understand the problem, and will support a program which will make it possible for us to develop safe tests, and to use them to enhance our defensive capabilities.

PROBLEMS RESULTING FROM FORCED INTEGRATION

Mr. JOHNSTON of South Carolina. Mr. President, I bring to the attention of the Senate a newspaper item appearing in the Anderson Independent, of Anderson, S.C., dated August 16, entitled "Minnesota Police Battle Negro Mob—Quell Rioting in St. Paul," and a second article from the State, of Columbia, S.C., dated August 17, entitled "Chicago Fires Set as Negroes Move Into Area."

Mr. President, these articles underscore once again the problems and violence that result from forced integration no matter where it occurs. For several weeks I brought to the attention of the Senate violence occuring in New York City which resulted from forced integration. Today it is Chicago and St. Paul, Minn. Tomorrow we do not know where, but if the Congress passes civil rights legislation that fosters the theory of forced integration, then we can expect more of the same all across the United States.

There are large groups such as the NAACP and the Urban League which raise millions of dollars every year for the purpose of promoting integration in various parts of the country, and especially in the South, where segregation has been common practice for generations. It would do these organizations and the leaders of such groups well to turn their sights away from forcing integration on unwilling people and to begin a campaign of education on the fundamentals of respecting law and order.

It seems to me that in all of these instances where rioting, murder, rape, and other crimes occur as a result of forced integration, there is reflected a general breakdown of respect for law and order. For instance, in St. Paul, Minn., after police had quelled a mob of 300 Negroes from rioting, it was necessary for the chief of police to meet with Negro leaders and explain that police were there for their own protection and not for any other reason. The way the article expressed the situation, the chief of police was apologizing for the quelling of the riot. It seems unthinkable that the chief of police of a large city in America must meet with the clannish leaders of a section of a community to explain why police must enforce the law.

Mr. President, rioting in any form is above the law of the land, so to speak. In the Chicago situation, arsonists set fire to buildings being occupied by Negroes in an area where racial tension has been mounting as a result of integration. No one could say that these tragic fires were not set as a result of integration. Regardless of how anyone may wish to theorize on the question of integration, they can not overlook the tragic realistic damage that results to society, both physically and spiritually, when conditions such as these result.

I hope the Members of the Senate who have been toying with the idea of supporting so-called civil rights legislation will see the futulity of such legislation promoting anything other than more trouble for our citizens and will turn their energies toward more constructive problems such as means of promoting respect for law and order in their respective local communities.

Mr. President, I ask unanimous consent that these articles, one from the Anderson Independent of August 16 and from the State of August 17, be printed in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, Aug. 17, 1959]

CHICAGO FIRES SET AS NEGROES MOVE INTO AREA

CHICAGO.—Police said arsonists set two fires early Sunday causing minor damage to an apartment building occupied only hours earlier by three Negro families. The neighborhood is predominantly white.

The two-story gray stone building is about 2 miles southeast of the West Side scene of recent racial tension over leasing of homes to two Negro families.

Detective John Wilfinger said arsonists dumped six cans of a paint and gasoline mixture onto a second-floor porch through a trap door and fled.

The mixture ignited near the apartment of the only white family still in the building, at 3449 West Lexington Street, which was sold to a loan corporation about a month ago. The white tenants, Mr. and Mrs. Ernest Ebmeier and their two children plan to move.

Milton Brown, Negro tenant who moved with his family into the first-floor apartment Saturday, told Wilfinger he saw a man touch off a similar blaze on his porch roof, leap to the ground and flee. The other Negro tenants are the Robert Conleys and the Freddie Chatmans.

Both fires were quickly extinguished, and damage was estimated at $500. There were no injuries. A police guard was posted.

[From the Anderson (S.C.) Independent, Aug. 16, 1959]

MINNESOTA POLICE BATTLE NEGRO MOB—QUELL RIOTING IN ST. PAUL—FIRE HOSE, NIGHT STICKS, DOGS USED IN PUTTING DOWN MELEE

ST. PAUL, MINN.—Forty policemen and firemen, using police dogs and armed with night sticks and fire hoses, quelled a melee involving about 300 persons in a Negro district here Saturday.

Several persons were injured and six were jailed following the early morning melee which resulted when police asked Robert L. Price, 26, a Negro, for identification.

Police Chief William Proetz met late Saturday with Negro leaders and told them the riot probably was due to "resentment and a misunderstanding of our increased policing."

Proetz explained patrol activity had been intensified in the city recently due to a series of sluggings. The Negro community, he said, must understand that the police are for the residents' benefit and protection.

He told the Negro leaders all policemen have been ordered to ask identification of any person found on the streets at late hours.

Police said the riot began when Detectives Frank Yost and Robert Morehead stopped Price. He refused to produce any identification, police said, and started to fight the detectives. While Morehead grappled with Price, Yost ran to the squad car to summon help. He was talking to the dispatcher by radio when a rock struck his face. Morehead also was struck by a rock.

"Almost immediately the area became crowded with people and a number began interfering with us," Morehead said.

Several squads of police and a fire truck arrived and were greeted by a barrage of stones and bottles. One woman who tried to hit Patrolman Laurence McDonald with her purse was bitten by McDonald's police dog.

Yost and Morehead said only about 12 persons actually fought police. The rest stood around, throwing bottles and rocks at the officers.

The fighting lasted more than an hour. It broke up after firemen turned hoses on the crowd and police started swinging their night sticks.

Price was charged with not having a draft card. The others jailed were accused of either disorderly conduct or drunkenness.

Mr. KEATING obtained the floor.

Mr. KEATING. Mr. President, I ask unanimous consent to proceed for 15 minutes.

The PRESIDING OFFICER. That will require unanimous consent, inasmuch as morning business has been concluded, and the calling of the calendar is now in order.

Is there objection to the request of the Senator from New York?

Mr. KUCHEL. Mr. President, reserving the right to object, if there is no objection from the majority side, inasmuch as the Senate convened early today, and a number of Senators are now

present in the Chamber for the first time, it seems to me that there ought to be an additional morning hour to enable Senators to transact routine business prior to the call of the calendar. If there is no objection, I suggest that 20 minutes be allowed for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from New York [Mr. KEATING] is recognized.

Mr. KEATING. Mr. President, I had placed my name at the desk as desiring to speak for 10 or 15 minutes. I shall be happy to yield to other Senators for the transaction of routine business.

SIXTY-NINTH ANNUAL REUNION OF THE ARMY AND NAVY LEGION OF VALOR

Mr. SPARKMAN. Mr. President, there began in Washington on Sunday, to continue through the week, a convention in which all Americans can take deep pride. I refer to the 69th annual reunion of the Army and Navy Legion of Valor.

The membership of this distinguished group is composed of those who have been awarded the Medal of Honor, the Distinguished Service Cross, or the Navy Cross. I need not tell you of the justifiable pride felt by those who hold these high distinctions.

There are not many who have been so honored. Among this select and small group are two of our Senate colleagues, Senator SPESSARD HOLLAND, of Florida, and Senator SAM J. ERVIN, JR., of North Carolina. We all, I am sure, extend anew our congratulations to them.

The formation of the Army and Navy Legion of Valor has a long and honorable history. It was formalized by Public Law 224, under which Congress incorporated the organization in 1955.

We are all indebted to those who enjoy membership and who are eligible for membership in this unique organization. They have served their Nation well and honorably. We proudly salute them, and wish for them many more enjoyable and constructive years.

Mr. ERVIN. Mr. President, I wish to join the able and distinguished junior Senator from Alabama in calling to the attention of the Senate the fact that the Army and Navy Legion of Valor of the United States is currently holding its annual convention in the Capital City of Washington.

This organization is composed of men who have been awarded the Congressional Medal of Honor, the Distinguished Service Cross, or the Navy Cross. For this reason it is a unique organization, and it is altogether fitting that it should hold its annual convention in Washington, so near to Arlington Cemetery, where past heroes of American wars are interred in such large numbers.

This organization is unique in that it seeks no advantages for itself or its members. It merely craves an opportunity to serve in peace the Nation which its members have served in war.

Mr. GOLDWATER. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I am glad to yield.

Mr. GOLDWATER. I do not think any remarks about the Legion of Valor should be made on the floor of the Senate without noting that two Senators are present who are entitled to belong to this organization; namely, the distinguished Senator from North Carolina [Mr. ERVIN], who is now addressing the Senate, and the distinguished Senator from Florida [Mr. HOLLAND], sitting next to him, both of whom wear the Distinguished Service Cross. It is with great pride that I point out to the Senate that both of these men are entitled to belong to this very highly honored organization in this country.

Mr. ERVIN. I thank the Senator from Arizona. I yield the floor.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Arizona for his more than gracious reference to the Senator from Florida.

I associate myself with the remarks of the distinguished senior Senator from North Carolina [Mr. ERVIN], which were in the nature of a greeting to the members of the Army and Navy Legion of Valor now meeting in Washington. The Senator from North Carolina and I had the great honor of speaking to them briefly yesterday afternoon. It was a source of great inspiration and encouragement to me to find this group of wartime heroes—excluding the Senator from North Carolina and myself—as interested as they are in the Nation and its welfare. They have come here from all parts of the Nation and from points outside the Nation to express their continuing belief in the soundness of our form of government and their belief that it will persist unfailingly because it is built upon principles which are right and are eternal.

It was an encouragement to me, as I feel certain it was to all who were present, to meet with that distinguished group yesterday afternoon.

Again I thank the distinguished Senator from Arizona.

DEATH OF DR. C. P. RHOADS, OF NEW YORK

Mr. JAVITS. Mr. President, I wish to call the attention of the Senate to the passing of Dr. C. P. Rhoads, of New York, head of the Sloan-Kettering Institute, and the head of Memorial Hospital.

Dr. Rhoads was probably as distinguished a leader in the field of cancer research as there was in the country. I had the honor of serving with him in the Army when he was chief medical officer of the Chemical Warfare Service, and I was assistant to the Chief of Operations of that corps.

Dr. Rhoads was a pioneer in one very important respect, in that he had the concept that a mass attack upon the various hypotheses which were available in the field of cancer would advance cancer research more than the thought that someone would come forward with a brilliant idea, like the Salk vaccine in polio, to cure cancer. As a result of his pioneering effort, the enormous forces he marshaled, with the cooperation of Alfred P. Sloan, the head of General Motors, Kettering, of General Motors, and others who contributed to the use of the Memorial Hospital in New York, marked advances were made in the prevention and cure of limited types of cancer.

There are estimates running as high as one-third of all types of cancer now being within reach of cure by surgery or medical means.

Mr. President, I think Dr. Rhoads, who died at the very early age of 61, will go down in history as one of the truly great leaders of American scientific research, especially in the field of cancer. His life was marked with such outstanding achievement that I thought it was appropriate to call it to the attention of my colleagues in the Senate.

I ask unanimous consent, Mr. President, that as part of my remarks there may be included the obituary notice about Dr. Rhoads from the Chicago Tribune of yesterday.

There being no objection, the article was ordered printed in the RECORD, as follows:

COLLEAGUES OF DR. RHOADS PLAN A MEMORIAL SERVICE

Colleagues of Dr. Cornelius Packard Rhoads, who directed the Sloan-Kettering Institute for Cancer Research, made plans here yesterday for a memorial service in his honor next month.

The noted pioneer in the search for a cancer cure died of a heart attack Thursday night at his summer home in Stonington, Conn. He was 61.

The funeral service will be private. The memorial service will be held in New York at a date to be announced later.

NO ONE DID SO MUCH

Associates of Dr. Rhoads were profuse in their praise yesterday. Dr. C. Chester Stock, associate director of the Sloan-Kettering Institute, declared, "I know of no one who has contributed so much in so many ways to cancer research."

Dr. Rhoads was one of the leaders in the hunt for a chemical or biochemical cure for cancer. Nowhere in the country was this search more diligently pursued than at Sloan-Kettering, the research affiliate of Memorial Center for Cancer and Allied Diseases which Dr. Rhoads served as scientific director.

He was convinced that there were differences between normal cells and cancer cells and that chemicals could be found that would check and kill the growth of cancer cells while leaving normal cells intact. Dr. Rhoads made the search for these chemicals his life work and, as Dr. Henry T. Randall, clinical director of Memorial Center, said yesterday, these efforts earned him a unique position of leadership in the field of cancer research.

BASED ON WAR WORK

Building on his own experience in the Chemical Warfare Service during World War II, he pioneered in the development of chemotherapy, the use of chemical agents for the selective treatment of cancer. While serving as director of Memorial Center from 1940 to 1950, he gathered a research staff and then enlisted the support of Alfred P. Sloan and Charles F. Kettering to create the Sloan-Kettering Institute.

Before coming to Memorial Center Dr. Rhoads was associated with the Rockefeller Institute for Medical Research. He joined the staff of the Rockefeller group as an associate member in charge of the study of hematologic or blood disorders.

Dr. Rhoads was born in Springfield, Mass., and received his A.B. from Bowdoin College

in 1920. He was graduated cum laude with a medical degree from the Harvard Medical School in 1924. His internship in surgery was taken at Peter Bent Brigham Hospital in Boston under Dr. Harvey Cushing and as a Trudeau Fellow at Trudeau Sanatorium in Saranac Lake, N.Y.

HARVARD INSTRUCTOR

During 1926 and 1928 he was an instructor in pathology at the Harvard Medical School and assistant pathologist at the Boston City Hospital. He was named professor of pathology at the Cornell University Medical College in 1940, and held that post until 1952 when he became professor of pathology in the Slogan-Kettering Division of the Cornell Medical School.

Dr. Rhoads was an authority on steroid metabolism in cancer, clinical biochemistry of gastric and other cancers, diet in experimental cancer, deficiency disease, anemia, renal physiology and poliomyelitis.

An outspoken man of strong views, Dr. Rhoads was sometimes at odds with what he termed the "doctrinaire" views of self-styled "pure research" scientists who criticized the efforts of cure seekers, like himself. He also disagreed with those who insisted that the problem of cancer could only be solved by some great, basic, unexpected discovery.

ENOUGH TO GO AHEAD

"I think we know enough to go ahead and make a frontal attack with all our forces," he said. "We follow every promising lead, and we know a lot of them. If the ivory-tower men solve the problems ahead of us, we won't feel we've wasted our time."

Dr. Rhoads was a member of more than 30 professional bodies and an officer of many of them. He held three honorary degrees, the U.S. Government's Legion of Merit, and was the author of more than 100 articles.

Dr. Rhoads was recipient of the New York City Cancer Committee's Clement Cleveland Medal Award in 1948. He also received the American Cancer Society Award in 1955 and the Walker Award of the Royal College of Surgeons in 1956.

Surviving is his wife, the former Katherine Southwick Bolman.

PROPOSED VISIT TO THE UNITED STATES OF PREMIER KHRUSHCHEV

Mr. JAVITS. Mr. President, I refer now to the responsibility of those who, like myself, approve of the visit to this country of Premier Khrushchev of the Soviet Union. I think that we have a special obligation to the American people to call to their attention the elements of caution and discretion and discipline mentally which will be required as we receive the calm suasions or protestations of peace which we all know Mr. Khrushchev will bring here.

The American people have to be realistic. This visit is an incident in our foreign policy out of which we wish to extract some good. We certainly do not want to be lulled to sleep or to become complacent.

By way of bearing that out, Mr. President, I call attention to an editorial in today's New York Times, headed, "Moscow's Hand in Laos." We all know that the Government of little Laos is being assailed now with internal action fomented by people from North Vietnam, a Communist-dominated country, seeking to upset the democratic Government of Laos.

Mr. President, by using the word "democratic" we all know that Soviet propaganda in respect of this invasion of Laos is only referring to what they call the people's democracies; in other words, communism. The people of Laos showed by a great protest meeting over the weekend that they were opposed to any kind of subversion of their freedom in this way.

Moscow has shown its hand by a statement issued by the Soviet Foreign Ministry only yesterday, supporting the Communist attack on Laos, and, as the Times says, "with typical Communist effrontery, presumes to make the victim the guilty party." It accuses the Laotian Government of violations of various provisions of its agreement of 1957, and of the agreement which preceded it of 1954.

Mr. President, these are tactics with which we are all too familiar, but the important point, and the reason for my calling the matter to the attention of my colleagues and of the American people, is that we must understand that notwithstanding all these protestations of peaceful communication and the coming face-to-face conversations between Khrushchev and Eisenhower, the purposes and the designs as well as the activities of the Soviet Union to subvert the world to communism go on just the same. While we want to use these conversations to try to bring about some degree of agreement in some areas, we cannot fool ourselves by assuming that there is any cessation of the Communists' major drive.

The only victory we may look for, Mr. President, is the triumph in the competition through the integration of the countries of the free world and the effectiveness of our own strength in striving for freedom. If the American people have that clearly in mind, Khrushchev's visit cannot hurt. It may do some good.

I ask unanimous consent that the editorial to which I have referred may be made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOSCOW'S HAND IN LAOS

State Department suspicions that the Soviets, under cover of Premier Khrushchev's projected visit to the United States, are helping to stir up new trouble in southeast Asia involving this country are confirmed by an official statement broadcast by Moscow.

The statement, issued by the Soviet Foreign Ministry, not only supports the Communist attack on Laos but, with typical Communist effrontery, presumes to make the victim the guilty party. It accuses the Laotian Government of violating the neutrality provisions of the Geneva truce agreement of 1954 by admitting American military personnel and bases and thereby risking a civil war that could shatter the peace of all southeast Asia. More bluntly Soviet propaganda accuses the Laotian Government of seeking to suppress a "democratic," meaning a Communist movement, and Communist North Vietnam boasts that the Communists have already "liberated" vast areas in Laos.

The facts are, of course, otherwise and back the assumption that the Soviets and their Communist allies are trying to use the apparent easing of world tensions due to the Soviet-American exchange of visits for a breakthrough in southeast Asia as they used the "Geneva spirit" of 1955 for their breakthrough into the Middle East. Neither Laos nor the United States has broken the Geneva agreement; there are no American military bases in Laos and the American supply of arms and a few instructors in their use is wholly in keeping with that agreement.

It is the Communists who have violated all agreements. They have staged a revolt against the 1957 agreement between the Royal Laotian Government and the Pathet Lao integrating the Communist-dominated Provinces and forces with those of the rest of the country. And they have backed this revolt with men and arms from North Vietnam. The 1957 agreement supplanted the Geneva agreement and the truce commission it created, and the Soviet demand for reactivation of this commission is merely an attempt to nullify the 1957 agreement and to repartition Laos as a step toward a Communist conquest of it. Neither the United States, a member of the southeast Asian collective defense treaty that protects Laos, nor the United Nations can permit this to happen.

SEASHORES: A NEED FOR TEXAS AND AMERICA

Mr. YARBOROUGH. Mr. President, more and more people each year are discovering the wonderful assets of Padre Island, an unspoiled vacationland off the coast of southern Texas along the Gulf of Mexico.

More and more people are crowding onto its spacious beaches, lending impetus to the move to establish a national seashore area on the island. Private developers have already set up some hotels, motels, restaurants and homes at each tip of the island. My bill, S. 4, would establish a national seashore Park on the island, not to crowd out these private developments at each end of the island, but to preserve for all people now and in the future the many beauties and advantages of this 110-mile-long unspoiled, undeveloped beach area, without a mark of human habitation or human development on it, one of the last seashore areas in its virgin state in our rapidly vanishing public shoreline. By the same token, I do not believe the national seashore park should be crowded into a little 30-mile space on the center of the island.

The people are coming and we must provide adequate space for them and preserve this island which is well on its way to becoming winter playground for the Nation. It is my hope that the Senate Committee on Interior and Insular Affairs will be able to hold hearings this fall in Texas about Padre Island, along with its other nationwide hearings on seashore areas. Mr. President, I request unanimous consent to have printed at this point in the RECORD an editorial from the Beaumont Enterprise for Sunday, August 9, 1959, entitled "Uncle Sam and Padre Island" and an article from the Dallas Morning News for Sunday, August 16, 1959, entitled "Beach of Beauty—Padre Frontier Days Slipping Fast Away."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Beaumont (Tex.) Enterprise, Aug. 9, 1959]

UNCLE SAM AND PADRE ISLAND

We hope Senator RALPH YARBOROUGH is successful in his efforts to have the Interior Committee hold a hearing this year on his bill to make Padre Island a naticnal park.

As the lawmaker points out, the big hurdle was cleared when the Texas Legislature passed a resolution endorsing the establishment of a national seashore area on this delightful stretch of beach and dune.

The Park Service does a magnificent job of protecting and preserving natural beauty once it takes charge. Texans will welcome this saving hand for beautiful Padre.

[From the Dallas Morning News, Aug. 16, 1959]

BEACH OF BEAUTY—PADRE FRONTIER DAYS SLIPPING FAST AWAY

(By Jean Simmons)

While Padre Island's days as a frontier vacationland may not be numbered, surely its years are. It is inevitable that the beautiful white sand will be crowded with tourists someday. Beaches like that just don't grow on every shore.

As of right now, you can drive a few miles up the long skinny island from Padre Beach at the south end or a few miles down from the north end and picture yourself marooned on a desert island.

If a large section of Padre Island is turned into a national park, as is being considered, the crowds will begin arriving soon. If not, it's only a matter of time.

Padre will be able to absorb a lot of visitors before it gets very crowded, however. The beach is about a half mile wide and it stretches 115 miles off the southern coast of Texas, roughly from Corpus Christi to Port Isabel. That's room for a lot of beach umbrellas. Also a lot of palm trees—something Padre is short on.

Each year sees more development at Padre Beach, the only section of the island with overnight accommodations. There are several good resorts there now and more in the offing.

Padre Beach lies across the Queen Isabella Causeway from Port Isabel. The only thing south of it is Isla Blanca Park, one of three county parks that are to be developed eventually at that end of the island. The other two are just above Padre Beach. Isla Blanca already has picnic shelters, bathhouses, a restaurant called the Jetties, a trailer park (with some mighty fancy trailers parked there), rides for children and fishing facilities.

The only development at the north end of the island includes picnic shelters, a children's playground and a very busy fishing pier. But the north end is convenient to Port Aransas' and Corpus Christi's excellent accommodations.

In between these two areas are more than 100 miles of nothing but beach, sand dunes, windswept grass, seashells and driftwood. To the east are the rolling breakers of the gulf; to the west the quiet waters of Laguna Madre.

HIGHWAY DOWN THE ISLAND?

To get from the north end of the island to the south, a motorist now has to drive inland through Corpus Christi, Kingsville, Riviera, Raymondville, Harlingen and Port Isabel. There's a stretch of more than 50 miles through Kenedy County where there is not even a gasoline station. But many Padre Island boosters envision a highway straight down the island.

It's no wonder that Padre Beach is booming, now that it has gotten started. In addition to its beautiful sand and surf, it has all sorts of other natural attractions. Sigsbee's Deep, an enormous body of deep blue water, lies but 75 miles southeast of Padre Beach and is credited with being a direct factor in creating the mild climate and bountiful marine life in the area. There are said to be 272 varieties of salt water fish in the Padre Beach area. As for temperatures, Padre Beach has an average of 63.1 from December to March; 79.7 from April to December. (Miami Beach averages 62.7 in the winter, 78.4 in the summer.) As for water temperatures, the average from October to April at Padre Beach is 69.2 (at Daytona Beach, Fla., 67.1).

It's nice to be able to leave a clean, modern room at Padre Beach, drive about 5 or 10 miles up the island and be all by yourself. At low tide, driving on the beach is a cinch. The trouble is apt to come when you swing up into the loose sand to turn around or park for a swim or seashell hunt.

MOTELS AVAILABLE

It's not an unwelcome sensation to discover if you get stuck that you aren't really as all alone as you thought you were. Help somehow seems to materialize right out of the dunes or the breakers.

Biggest and liveliest place to stay at Padre Beach is the colorful Sandy Retreat Resort Hotel, with nearly 60 units built in a V around two swimming pools. Adjacent to the hotel (or motel) is the Driftwood Inn, a fine restaurant with delicious foods. There also is a private club on the premises.

Some Padre Beach visitors prefer the quieter El Padre Resort Hotel with about 20 units in use of the 100 planned. El Padre also has a pool but no restaurant or club. There is a coffeeshop, however, where breakfast is served. Accommodations here range from single rooms, each with two double beds and a bath, with or without kitchen facilities, to suites of two rooms with four double beds, two baths and kitchen facilities. Summer rates start at $10.

There are several other new motels with just a few units each. Due to open in a few months is another large one, the Sea Island Resort Hotel, which has been under construction for some time. It will have 60 units, a restaurant, private club, a propeller-shaped swimming pool and a pleasure boat.

Other buildings at Padre Beach include the Palmetto Inn, one of a chain of restaurants featuring good Mexican foods, seafoods and steaks; a root-beer stand, small grocery, and quite a few private homes. Most impressive is the $75,000 pink home of the John L. Tompkins family of Corpus Christi. Mr. Tompkins is the developer of Padre Beach and he built this showplace a few years ago to establish a pattern for future construction there. It proudly overlooks the beach that its owners had such faith in, and every year finds it looking a little less lonely.

PROPOSAL TO CUT TAXES BY ENDING FARM SUBSIDIES

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks a letter addressed to the editor of the New York Times and sent by the distinguished Lamont University professor at Harvard, Sumner H. Slichter.

Mr. Slichter says in part that what we need to is to stop paying subsidies for farm products and use the savings to reduce taxes.

Mr. President, the letter deals with an important precept. I do not always find myself in agreement with the distinguished professor, but I do applaud this letter, and recommend its reading to the Members of the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO CURTAIL FARM SURPLUSES—ENDING SUBSIDIES WITH ECONOMIES USED TO CUT TAXES PROPOSED

To the EDITOR OF THE NEW YORK TIMES:

Five of the most overproduced commodities in the United States are wheat, cotton, corn, rice, and tobacco. And yet we persist in paying large subsidies to keep up the overproduction of these goods.

The Government takes the surpluses off the hands of the producers and stores them at enormous expense—at the cost of about a billion dollars a year. So large are the accumulated surpluses that the problem of finding physical facilities in which to store them has become acute. And yet the payment of the huge subsidies to induce *still* more production of the overproduced commodities still goes on.

What should be done? It is obvious that the United States is losing an important opportunity to raise its standard of consumption. The amount of labor and capital now devoted to finance the production of surpluses could be devoted to increasing the supplies of goods that are scarce and that people would consume in larger quantities if the goods were produced and were available for consumption. How can this diversion of resources from producing unwanted wheat, corn, cotton, rice, and tobacco be brought about?

A simple way to accomplish the shift would be for the Government simply to stop paying subsidies and to use the money thus saved to cut taxes. Consumers would then decide how the released production power would be used because tax cuts would enable them to step up promptly the buying of a vast variety of goods.

GRADUAL ELIMINATION

The additional demand by consumers would pull workers and capital out of the wheat, cotting growing, corn, rice, and tobacco industries into more productive uses. In order to mitigate the problems of transition it would probably be desirable to eliminate the subsidies by gradual steps over a period of about 4 years. In order to provide new sources of demand to pull resources out of the excessively expanded industries, the tax cuts should be timed to coincide or slightly precede the subsidy cuts.

But though tax cuts could provide alternative demand for that now supplied by subsidies, the Government would not need to use all of the savings from the termination of subsidies in this way. The country has enormous public needs. It needs more schools, low-cost housing, better roads, flood control, pollution control, more hospitals, more recreation areas with roads to them, its cities need much replanning and rebuilding.

Hence, the Government would be wise to divide the savings from terminating subsidies into two parts—one part going to individuals in the form of tax reductions, the other part going to the public in the many forms of public works that the country badly needs but cannot now afford.

SUMNER H. SLICHTER,
Lamont University Professor, Harvard.

CAMBRIDGE, MASS., *August 10, 1959.*

INTEREST RATES

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks a statement by the Honorable Marriner S. Eccles, former Chairman of the Federal Reserve Board, which was written for the United Press International.

Mr. Eccles deals with the question of interest rates, which is a burning question these days. In part, he says:

The need is for the Congress to deal with the causes of the higher interest rate, rather than to oppose an increase. The Government cannot expect to keep interest rates from rising as long as it has to finance a large budgetary deficit in times of prosperity. The effect of this deficit under present conditions is inflationary and tends

to discourage savings on the part of the public and to increase the need for credit.

Mr. President, these are weighty words. The argument which Mr. Eccles makes in this statement is worthy of a former Chairman of the Federal Reserve Board under a Democratic administration of former years.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MARRINER S. ECCLES, FORMER CHAIRMAN OF THE FEDERAL RESERVE BOARD

There seems to be a general lack of understanding of the economic factors which determine the interest rate. It is thought by many, including some influential congressional leaders, that the Federal Reserve can control interest rates while at the same time maintaining stable money, which is its primary objective.

The Federal Reserve can influence the growth in the supply of money as well as restrict it. To permit an expansion greater than the growth in the national product, under present conditions, would have the effect of diminishing the purchasing power of the dollar. This is inflation and if allowed to continue will lead to ever-increasing interest rates.

Under boom conditions—when the supply of money is held in check to prevent inflation—the demand for credit exceeds the supply, and interest rates are bid up. Such is the present situation. You cannot have low-interest rates in a booming economy without bringing about a dangerous inflationary situation. Only an economy in a state of declining activity produces an excess in the supply of money and credit and hence lower interest rates.

Of course, the Government can control interest rates temporarily, as during the war when it controlled everything else—wages, prices, etc.—but when such controls are taken off, and the excess supply of money released, inflation is inevitable.

A large part of the postwar price inflation was a result of the Federal Reserve purchasing billions of dollars of Government securities at fixed prices in order to prevent an increase in interest rates. This was during the period when the Government had a balanced cash budget.

The Treasury and White House, over the strong protest of the Federal Reserve, required this action be taken. In doing this, an excess amount of bank reserves was created which brought about an inflationary expansion of commercial bank credit and of the money supply.

The present administration and the Federal Reserve are trying to avoid making this mistake by curbing the growth of bank credit and allowing the interest rate to rise.

Under present conditions the aggregate savings by individuals and business are inadequate to meet private investment demands and at the same time finance the large public deficit of the States and Federal Government. Hence we find interest rates going up—even though there is a growth in the money supply equal to the growth in the national product, at stable prices.

There is no effective substitute for larger savings combined with curbs in public spending as a means of preventing inflation and increased interest rates.

It is a fallacious idea to think that the bankers control this situation and are greatly benefited by high interest rates. On the contrary, this condition causes the banks to pay increasing interest rates for savings deposits and time funds—and depreciates the value of mortgages and bonds held in large amounts by the banking system. At present, this offsets any benefits arising from increased interest rates.

The real beneficiaries of the higher interest rates will be the millions of people who put their money in savings accounts in banks and building and loan companies, or those who purchase bonds and mortgages at the present high interest rates. In short—the savers.

The need is for the Congress to deal with the causes of the higher interest rate, rather than to oppose an increase. The Government cannot expect to keep interest rates from rising as long as it has to finance a large budgetary deficit in times of prosperity. The effect of this deficit under present conditions is inflationary and tends to discourage savings on the part of the public and to increase the need for credit.

A statement I made last March before the Joint Congressional Committee on the Economic Report bears repeating. It is this:

"I want to say again, that to achieve our objectives will always be a source of great political and economical controversy because everyone wants a greater share of the economic pie than it contains. Government and other public bodies want more money to spend—the leaders of organized labor want more pay and fringe benefits for less hours of work—business presses for further profits—and increasing ranks of oldsters call for higher pensions. However, everyone expects these benefits in dollars of stable purchasing power. Unfortunately, all the economy has to divide are the goods and services it is able to produce—and not the amount of money it could create, which is, of course, limitless.

"In our society, this situation is creating a dilemma for the Members of Congress whose constituents want easy money, lower prices, higher wages, greater profits, and fewer taxes. Only a combination of the Government, Congress, and the Federal Reserve can successfully deal with these diverse forces. To do this adequately it would be necessary for them to agree on the problems and have the courage to act, regardless of political conditions."

LABOR LEGISLATION

Mr. BUSH. Mr. President, on the subject of the labor bill, I ask unanimous consent to have printed in the RECORD two items; first an editorial from the Hartford Courant of Sunday, August 16, 1959, entitled "Strong Action on a Strong Labor Bill," and following that, a letter from a constituent of mine, whose name I do not disclose for fear it might embarrass or hurt him. It is a letter in which he urges strong support of the Landrum-Griffin bill. The letter is from one who was a former active member of the CIO, a steward of the union, a local vice president, a political action chairman, and an editor of one of their papers for some time. It is a very impressive letter, and I am sure it will be of interest to those who take the time to read it.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Hartford Courant, Aug. 16, 1959]

STRONG ACTION ON A STRONG LABOR BILL

The mills of the gods may grind slowly, but they do a good job of it when they get around to it. The need for labor reform has been kicked around for years. Now, thanks to the surprisingly strong action of the House last Thursday, it looks as though we were going to have it.

To be sure the Landrum-Griffin bill, which the House approved by the comfortable margin of 229–201, has still to be adjusted in conference to the milder Kennedy-Ervin bill enacted by the Senate. It is even possible that the two are so far apart that no bill at all will go through. But if the conferees follow what it is now clear the American people want, they will settle for some middle ground, at least. Any bill at all, between these two, is better than none.

Two things made this unexpectedly hopeful development possible. One was the leadership of the President in appealing to the people over the heads of Congress. The other was Jimmy Hoffa of the Teamsters. The American people are still used to feeling that labor is the underdog it was a generation ago. But they have been increasingly resentful as the truth about union abuses, and union corruption, came out. Since last year the further revelations before the McClellan committee, and indeed experience all around the country, have built up strong pressure for reform.

As for Mr. Hoffa, he helped pass a strong bill by his contempt for everybody but himself. When Life magazine sought to make a thorough study of the Teamsters Union, Mr. Hoffa's instinctive reaction was to close all doors. But in the end he invited the reporters and photographers to come in, to see all they could and say anything they wanted. His attitude was that, no matter what facts anybody published, he was so strong that nobody could touch him. Again, just a few weeks ago when the McClellan committee issued a report on what it had found, Mr. Hoffa dismissed it by saying, "To hell with them."

No doubt some citizens with no ax to grind on one side or another have qualms lest the House bill be as punitive as its enemies, in labor and in Congress say it is. But this is more talk than fact. Even when the redoubtable SAM RAYBURN spoke his piece on the subject last week, he did not cite chapter and verse of the various measures, but said such things as that "in my opinion" the Landrum-Griffin bill went too far.

Opinions depend on where you sit, politically or economically. What matters is the hard fact of getting rid of (1) corruption and crime in labor, and (2) the abuses of power like blackmail picketing. The Taft-Hartley Act is still denounced as a slave-labor law. But everyone can see, from the strength and wealth of the overwhelming majority of the labor movement that is decent, as well as from the Hoffas, that this is nonsense. The House's Landrum-Griffin bill is not anti-labor. Indeed it does much to protect the individual union member. But also it does, in the President's words, "protect the American people from the gangsters, racketeers, and other corrupt elements who have invaded the labor-management field." Let's have it, or something pretty close to it.

AUGUST 12, 1959.

The Honorable PRESCOTT BUSH,
U.S. Senate, Washington, D.C.

DEAR SIR: That my small voice cannot penetrate the din that is being raised by labor bill activity, I am certain. Nevertheless, I feel intently about this, mine is the opinion of a person who attempts to be reasonably well informed, and, certainly, to offer that opinion here may serve a better purpose than merely to spout my thoughts within the confines of my home.

I am a former active member of the CIO. As a member, I was a steward, a local vice president, a local PAC chairman and the editor of a local union publication. The attitudes of area union leaders with regard to independent thinking played no small part of my seeking other employment. Briefly, in 1952 I chose to work for Ike's election. My union leaders subsequently became somewhat less than friendly.

Actually, it was a "nothing" situation, but the very fact that I was subjected to blustering and verbal abuse was more than a hint about the fact that unions have be-

come smug with their political power, that the leaders of these unions attempt to dominate the thinking and actions of union members.

That refers to only a small experience, important only to me in its results, but indicating a decided need for controlling legislation. It should be unnecessary to do more than refer to the findings of the McClellan committee as a means of pointing up more important reasons for legislative action.

It seems a sign of decadence that the American people get little more than pussyfooting half measures from their legislators in Washington. Unfortunately, I am not acquainted with the content of the Landrum-Griffin bill.

Union leaders and at least one newspaper columnist have referred to the bill as "antilabor" and "union-busting." (I recall that the Taft-Hartley bill was tagged as a "slave-labor" act.) At the same time the President of the United States has asked the passage of the Landrum-Griffin bill, terming it a "good beginning toward sensible legislation."

Despite political lines and union name-calling, the record shows that the President has never been antiunion. That he is a thoroughly fairminded man is also beyond dispute.

As one man—a man who works hard for his living—a man who knows that good unionism is a contributing factor to our national strength and our economic health—a man who is essentially labor-minded—I can do no more than express that I hope for the passage of the Landrum-Griffin bill. I have not reached my conclusion haphazardly. My decision, in the final analysis, is based on what I have read, on my own experience as a union member and finally on the word of the sincere and honest man who is our President.

Very truly yours,

———.

INTEREST RATES

Mr. JOHNSTON of South Carolina. Mr. President, I think the Senate should take note of what the Ways and Means Committee of the House of Representatives did yesterday. I know the people of the United States are grateful to the committee for the action taken to stop the increase in interest rates in the United States.

PROGRESS TOWARD A THIRD MAJOR LEAGUE

Mr. KEATING. Mr. President, it is difficult for me to restrain my enthusiasm about the news from New York City that the major league baseball committee is supporting the expansion of big league play through a third major league. The results of yesterday's baseball meeting at the summit indicate that organized baseball will negotiate with the proposed Continental League with the same honesty and good faith it has shown over the years.

The willingness of the major leagues to cooperate with the entrepreneurs of the third league removes all possible excuses for omitting the national pastime from any sports legislation enacted by Congress. There is now no basis for attempting to hold a legislative shotgun to the head of organized baseball, because it has clearly demonstrated that it is going to help this healthy expansion of the game.

As I indicated yesterday on the floor of the Senate, when the sports bill, S. 2545, introduced by the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. HENNINGS], and the Senator from Illinois [Mr. DIRKSEN], comes before the full Committee on the Judiciary, I shall attempt to correct its major flaw by including baseball within its purview. This will guarantee that our national pastime will receive exactly the same treatment under our laws as is proposed for professional football, basketball and hockey. It will represent a vote of confidence by the people's representatives in these great sports.

Mr. President, realization of the dream of a third major baseball league will open up new horizons for all people who love this game so well. It will expand big league ball into new areas of our country. It will stimulate interest in our national pastime everywhere. In a word, it is a healthy sign within our free enterprise system. It represents progress without subjecting these businesses to undue Federal regulation or interference. I share the confidence of Branch Rickey that the Continental League will be in action by 1961—if Congress does nothing in the meantime to hinder progress.

Almost overlooked in the excitement over the granting of major league status to the Continental League was the news that further strides are being made toward establishing one of its teams in the New York City area. A second big league club in Gotham will mark a new era in the city's life and I am delighted so much concrete progress is being made.

The selection of the incomparable Branch Rickey as president of the Continental League is indeed the frosting on the cake. In my judgment, he is the perfect man for the job. He is respected and beloved as the elder statesman of our national pastime. He combines experience with proved pioneering spirit. His trail-blazing efforts in fields such as establishing the farm system and breaking baseball's color barrier give us confidence he will be more than equal to this, his greatest challenge.

Branch Rickey believes deeply in the present practices of organized baseball and he will be able to work effectively with the present structure to speed the formation of the new league. The unequaled power of his rhetoric, alone, will be a tremendous asset to the new venture. He is, in every way, the champion the Continental League needs. He is, in short, "just what the doctor ordered."

I take special pride in Mr. Rickey's accomplishments because he holds an honorary degree from my alma mater, the University of Rochester. I am proud to claim him as an honorary alumnus and am confident in his new role he will add further luster to his already legendary name and fame.

In this connection, Mr. President, this morning's New York Herald-Tribune contains a fine editorial concerning Branch Rickey and the third major league. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRANCH RICKEY GOES TO BAT

Branch Rickey's appointment as head of the third baseball league certainly shows that the newcomers mean business. Of course, Mr. Rickey can't make that peg down to second base as quickly as he could when he was a catcher for the old St. Louis Browns. But even if his arm is gone, his baseball savvy—to use the technical term—remains unimpaired. He has been associated with successful enterprises in the past, as Brooklyn Dodger fans well know. He commands respect in the sports world. There's no doubt at all that the Continental League has made a fine choice.

It's a long way from picking a head man to fielding eight teams. The new league says it has five cities lined up, including New York, with plenty of others to choose from. But there are big jobs still to be accomplished if the 1961 target is to be reached—not least of which is rounding up enough quality players to man the teams.

In any case, we're pleased that a New York team, presumably playing at Flushing Meadow, is at the heart of the operation. We aren't particular whether this city gets another big league entry through a new league or an expansion of the old ones. But this is more than a one-team town. And having Branch Rickey on our side raises our hopes that another baseball club will soon be playing here.

Mr. KEATING. Mr. President, I feel certain all Members of this body applaud the progress which is being made toward putting Continental League teams onto the playing field. I feel sure none of us wants to stand in the way of this great expansion of our great national pastime.

However, I must warn the Senate that unless baseball is included in any sports legislation we enact, we may well be seriously impeding progress. Failure to give baseball the same legislative treatment we give the other professional team sports could shake the confidence of all concerned with the new league.

On the other hand, adoption of the amendment I shall offer to include baseball in the special legislation to clarify the status of sports under the antitrust laws will serve as a further spur to the Continental League. I am extremely hopeful such action will be forthcoming so that the long-dreamed-of expansion of big league baseball can be speeded along its way.

CHICAGO'S RAPE OF THE ST. LAWRENCE—EDITORIAL IN THE OGDENSBERG JOURNAL

Mr. KEATING. Mr. President, the Ogdensburg Journal recently published an editorial entitled "Chicago's Rape of the St. Lawrence." This editorial contains a clear analysis of the completely unjust efforts being made to divert 1,000 cubic feet of water per second down the Chicago sewage canal and the disaster which would result to the people of New York State in the form of less water in the harbors, impeded navigation, and increased shipping costs on the seaway, and less power to be generated

by the Power Authority of the State of New York and Ontario Hydro if these efforts should succeed.

Mr. President, I ask unanimous consent that this fine editorial be printed in the RECORD at this point, in the hope that the many people who would be deprived of their rights to the historic flow of the Niagara and St. Lawrence Rivers will support the Representatives and Senators of New York State in opposing this unconscionable grab by Chicago.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHICAGO'S RAPE OF THE ST. LAWRENCE

Chicago is at it again. They never give up in their attempts to get more water out of Lake Michigan to divert through the Chicago sewage canal. Every year Chicago gets a bill introduced in Congress to give them an additional 1,000 cubic feet of Lake Michigan water per second. They have done this every year for years. Three years ago the bill actually passed Congress but President Eisenhower promptly vetoed it. The bill almost passed Congress last year but the President would doubtless have vetoed it again if it had. The bill is again before Congress and Chicago and Illinois representatives are making a desperate effort to get it passed.

Of course, if an additional 1,000 feet is diverted down the Chicago drainage canal it will mean the lowering of levels of the Great Lakes and the St. Lawrence River. It would mean less water in the harbors and connecting channels. It will impede navigation and increase costs of shipping on the seaway.

If the amount of water in the Niagara and St. Lawrence Rivers is lowered it will mean less power to be generated by the Power Authority of the State of New York and Ontario Hydro.

In a statement to the subcommittee of the Committee on Public Works of the Senate, Robert Moses, chairman of the power authority, summarized his objections and those of the power authority to this diversion as follows:

I. It would deprive the power authority of legal and essential rights and put an unfair burden on the consumers of Niagara and St. Lawrence power.

II. It would set a precedent for actions which would unquestionably adversely affect the power authority's interest as well as those of the Nation.

III. It is unnecessary.

IV. It would nullify decisions of the International Joint Commission which have been approved by the Governments of the United States and Canada, and therefore is a matter which should be referred to that Commission pursuant to article IX of the Boundary Waters Treaty of 1909.

V. It is questionable whether Congress has the power to enrich as these bills would do, the Metropolitan Sanitary District of Greater Chicago at the expense of all other interests in the Great Lakes St. Lawrence system, including the interests of the Power Authority, its bondholders and its customers.

Under the agreements between Canada and the United States if this additional water is diverted at Chicago and there is a resultant loss of power produced—which of course there will be—the entire loss must be borne by the Power Authority. This is because the diversion is entirely in U.S. territory and is authorized by the United States. Mr. Moses has estimated that if this loss in power is not shared by Ontario Hydro it will cost the Power Authority over $1,038,000 a year. Over the term of the Federal Power Commission license the loss would be $51,400,000.

A lower water level will mean less power for Alcoa, Reynolds, General Motors, less power to be distributed to the rural and domestic customers of Niagara-Mohawk within 150 miles of Massena. It will mean a substantial loss of revenue to the Power Authority and to the bondholders of the Power Authority who have invested their money with the understanding that the Power Authority is entitled to the historic flow of the Niagara and St. Lawrence Rivers.

This is an issue on which the Congressmen and Senators of New York State should present a solid front. They should oppose this bill with all they have.

This is an unconscionable grab by Chicago, an attempted rape of our water, which should be resisted by the Representatives of every State touching on the Great Lakes. If Chicago gets away with this everyone else will lose and only Chicago will gain.

THE 49-STAR FLAG, AND PROPOSED CHANGES IN THE SKYLIGHT AND FRIEZE OF THE SENATE CHAMBER

Mr. GRUENING. Mr. President, now that a 49-star flag will shortly adorn the Senate Chamber and thereby recognize the fact that Alaska has become a State of the Union and is represented in this body, as the Constitution provides, by two U.S. Senators, I should like to urge two other modifications in this Chamber which, in the interest of historical accuracy and in recognition of patent facts, should be made.

I advert first to the fact that the border in the skylight over this Chamber includes only 48 stars. This fact was called to my attention and to that of my colleagues on the floor of the Senate on July 28 by the distinguished junior Senator from Arizona [Mr. GOLDWATER], after I had called attention to the presence of the 48-star flag in the Chamber behind the Vice President's chair, and urged its replacement by the 49-star flag. I urge that the appropriate change be made in the border of the skylight.

But there is another omission which strikes me as even more serious and conspicuous, correction of which seems to me far more important. For while in the interest of historical accuracy the change should be made in the skylight, its design is very inconspicuous and hardly noticeable even from the floor of the Senate. It was the eagle eye of the able junior Senator from Arizona which called it to my attention.

But in a frieze around the wall of this Chamber, which is far more conspicuous and visible than the design in the skylight, are stars which I had naturally assumed would number 48. I was about to propose that their number be increased not merely to 49, but to 50, in anticipation of the admission of Hawaii to statehood with the Presidential proclamation next Friday. The new 49-star flag will, I understand, be installed in the Senate Chamber tomorrow. On the day after, Hawaii will, by Presidential proclamation, become the 50th State. We shall be welcoming here our 99th and 100th colleagues.

However, Mr. President, upon counting the stars on the four walls surrounding this Chamber, I was profoundly startled to discover that their number is not 48 but only 46. Unrecorded, therefore, in that design are the admissions of those two great States of the Southwest—New Mexico and Arizona—admitted within a few weeks of each other 47 years ago in 1912. I therefore urge that to rectify this past omission and to signalize the admission of the 49th and 50th States, the number of stars on the walls of the Senate Chamber be increased by 4. The change can be made without detriment to architectural harmony and balance.

There are two very appropriate and obvious places for this increase. One of them is in back of and above the Vice President's chair, which I am happy to see is now occupied by my able and distinguished senior colleague from Alaska [Mr. BARTLETT].

Flanking the flag of the United States are two marble columns, above which are two rosettes which should be replaced by stars. These two stars would appropriately flank also the motto "E Pluribus Unum," which signalizes a truth again demonstrated by the admission of Alaska and Hawaii, as it indeed did 47 years ago by the admission of New Mexico and Arizona, that out of many States we have formed one great Union. Another equally appropriate place for the 2 more stars, which will bring the total number up to 50, is on the opposite side of the Chamber, flanking the motto "In God We Trust," which expresses the great faith inherent in the American people from the days of the founding of our Republic. It is a notable and coincidental fact that in these two locations also these new stars will be juxtaposed to the two clocks in the Senate Chamber, which record the passage of time and the great events which time brings. Certainly no clearer demonstration of the, in this instance, heartening and cheering fact that time marches on, could be adduced, than that after the two great States of New Mexico and Arizona were admitted 47 years ago, the Nation was not indefinitely static and permanently limited in respect to area, as many people believed, and that, quite to the contrary, Alaska and Hawaii have become members of the family of States.

It might be appropriate to record at this point that the entire delegations of both New Mexico and Arizona, both in the Senate and in the other body, warmly supported the admission of these two States, for which, I know the people of those former Territories are most grateful.

The admissions of the 49th and 50th States, which are being signalized by actions of recognition of these two historic events in the next 2 days, make clear to the world that the frontiers of democracy have been extended to America's farthest north and farthest west; that the United States is demonstrably thereby a living, growing, militant, dynamic entity, dedicated to the proposition that all men are created equal, that governments derive their just powers from the consent of the governed, and that our Nation continues to be, as it has been for over 180 years, the land of the free and the home of the brave.

I am hopeful that I can enlist the assistance in making these minor but symbolically important changes in our Senate physical environment of the able Senators from those two great southwestern States, the President pro tempore [Mr. HAYDEN], the beloved statesman with the longest service in Congress, who, by fortunate circumstance, is the chairman of the Committee on Appropriations, of the distinguished junior Senator from Arizona [Mr. GOLDWATER] who, as I said, called attention a few days ago to the obsoleteness of the design in the skylight, of the distinguished senior Senator from New Mexico [Mr. CHAVEZ], who is also chairman of the Public Works Committee, which would have the responsibility of authorizing the necessary appropriation for these changes, and of the distinguished junior Senator from New Mexico [Mr. ANDERSON], who with these colleagues from the 47th and 48th States, played such an important part in helping to achieve the statehood of the 49th and 50th States.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GRUENING. I am happy to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. The junior Senator from Arizona must express a sense of embarrassment at having sat in this distinguished Chamber for the past 7 years without noticing that there were only 46 stars around the perimeter of the room. I suppose I have spent too much time gazing off into space, and that that is probably the reason why I had not noticed the absence of two stars in the design.

We are deeply indebted to the distinguished junior Senator from Alaska for having noted this omission. This Chamber has been in use since 1859. I do not know when the stars were put up, but I am hopeful that the States of Arizona and New Mexico, along with Alaska and Hawaii, will be properly recognized.

There have been times in Arizona when we felt that we might be out of the Union; but in recent years we have felt a stronger and stronger tie.

As one who has long worked for the inclusion of Alaska and Hawaii in our great Union, I am deeply grateful to the distinguished junior Senator from Alaska for noticing these shortcomings. I am sure that with the assistance of my senior colleague [Mr. HAYDEN], and that of the senior Senator from New Mexico [Mr. CHAVEZ] and the junior Senator from New Mexico [Mr. ANDERSON], these inequities will be corrected.

Again I express my thanks to my friend the junior Senator from Alaska for having noted the shortcomings in the decor of our Chamber.

Mr. GRUENING. I thank the distinguished junior Senator from Arizona, not only for his kind words and warm support, but for being the codiscoverer of the fact that there were not a sufficient number of stars. Had he not called my attention to the two missing stars, I would not have pursued the matter further and discovered that four stars were missing on the frieze around the Chamber.

I hope the necessity for these changes will be appropriately recognized.

SEARCHING FOR A SETTLEMENT OF STEEL STRIKE

Mr. WILEY. Mr. President, as I understand it, the Secretary of Labor is expected to make public the results of his factfinding study in the steel strike this afternoon.

The study, I would hope, would provide a foundation for progress in settling the strike.

As we know, the adverse repercussions are spreading throughout the economy.

In many communities, far beyond the struck area, the impact is being felt in loss of jobs, industrial slowdowns, and other adverse economic repercussions.

In an industry of the magnitude of the steel industry, the interests go beyond the immediate concern of the strikers and the industry; in addition, the public interest and the overall economy are deeply involved.

Daily, people are writing to me asking whether both management and labor are not neglecting the rights of the public.

In addition, they ask other questions: "Why can't management agree to cut its price? And labor agree to cut its demands?"

My colleagues will recall that earlier in this session, I urged that, in view of the tremendous costs of strikes in major industries created for workers, the industry and the economy, the Congress could well afford to take a new look at the machinery for handling such problems and attempt to find new ways and means by which these can be dealt with more effectively without such large-scale loss to the people of this country.

Unfortunately, there has recently been an outcry for the President to take action to settle the steel strike.

Frankly, I believe the purpose may well be to create in the public mind the idea that the President can, or should, be responsible for settling the strike.

We are aware, of course, that under the Taft-Hartley law, the President does have authority to move for an injunction, which would send workers back to their jobs for 80 days, if it is determined that there is a national emergency.

Whenever the situation demands, I am confident the President will take such action.

Until then, politically motivated gestures to brand the President with either a "do-nothing" or "interference" attitude in labor-management negotiations, I feel, are wholly unjustifiable.

If Members of Congress feel that more effective machinery should be set up for dealing with such strikes, then such proposals should be submitted for the enactment of new laws.

The real challenge is for constructive action, not "passing the buck."

Editorials in the Evening Star and Washington Post of yesterday and today, respectively, contained thoughtful commentary which, I believe, reflect light on the problems involved in the steel strike.

I ask unanimous consent to have these editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 18, 1959]

LET'S KEEP HANDS OFF

Two Republican Senators—JAVITS, of New York, and AIKEN, of Vermont—have joined the chorus which is calling upon the President to "do something" about the steel strike. But the note which they have struck, it seems to us, is almost as sour as that which has been welling up from the Democratic side of the aisle.

The Democratic resolution, authored by Senator SYMINGTON and indorsed by 32 of his colleagues, calls upon the President to attempt to mediate the steel dispute himself, and, if this fails, to name a factfinding board empowered to propose contract terms. Senators JAVITS and AIKEN do not go this far. They are content to urge that the President make public the facts pertaining to the dispute which have been gathered for him by Labor Secretary Mitchell, and then let nature take its course.

We trust that the President will not let himself be pressured into doing either of these things at this time. And we feel this way for several reasons. For one thing, except perhaps in most unusual circumstances, the settlement of labor disputes is not a job for the President of the United States. He has other and more important things to do, and he should not allow political pressures to involve him as a kind of fixer in a steel strike today, a coal strike tomorrow, or an automobile strike some time later on.

If Congress wants to solve the strike problem by resort to factfinding reports, contract recommendations or even by compulsory arbitration it is perfectly free to adopt the necessary laws. But the legislators will not do this, and they should not be trying to pass the buck in the steel strike to the President. Nor should he let them do it.

There is, of course, a legislative procedure under which the President can and should take action if a prolonged steel strike produces a national emergency. This procedure is to invoke the emergency provisions of the Taft-Hartley Act, which contemplate appointment of a factfinding board and an 80-day injunction under which the strikers would have to go back to work.

David J. McDonald, president of the Steelworkers Union, says he is opposed to this, and the President has not invoked these provisions for the simple reason that, as yet, there is no national emergency. We think that the union and the industry will come to terms before a state of national emergency has been reached. If they do not, the President then will have to fall back upon the procedures prescribed by the law. If and when this happens there will be a factfinding board (the law requires it as a condition for seeking an injunction) and we trust that Mr. Eisenhower will enjoy the unwavering support of the 35 Senators on both sides of the aisle who now, in effect, are urging him to jump the gun.

[From the Washington Post and Times Herald, Aug. 18, 1959]

FACTS FOR A SETTLEMENT

President Eisenhower has read the public pulse accurately, we suspect, in asking Labor Secretary Mitchell to make public the fruits of his factfinding in the steel strike. There is growing impatience with the conflicting claims of management and labor in a debate which has been singularly unproductive of any areas of agreement on which a new wage contract might begin to be built. We hope that what Secretary Mitchell reports will at least serve to establish some accepted benchmarks on the central questions

of productivity, wages, profits and prices. Then there will be reason to hope that the confusion and exaggeration may give way to facts and reasonableness—both in the stalemated negotiations and in the public appraisal of the need, if any, for Government intervention of some sort.

At bottom the problem is, as Senator KEFAUVER has so ably summed it up, "how to bring about an equitable distribution of technological gains in noncompetitive industries." The emergence of a large segment of administered pricing in the country's "free" economy has created this problem, and it is probable that some novel answers must be found if the desirable and necessary sharing of the fruits of rising productivity in industries like steel is to come about. Insofar as we have been able to ascertain the facts in the controversy, we have felt that some reduction in steel prices as well as a modest wage improvement ought to be possible without sacrificing ample profits to sustain further capital improvements and reward investors.

Perhaps it is expecting the impossible, at this point, for the companies to contemplate seriously the $10- to $20-a-ton price reduction favored by many knowledgeable economists and industry observers. But would not such a move strongly reinforce the industry's claim that its first concern in the present conflict is to fight inflation? Would not the foregoing of some small measure of profits—which have risen from 8 to nearly 14 percent on invested capital in the past 5 years—insure for management both greater popular support and greater concessions by labor to the industry's proper demands for an end to certain wasteful labor practices? We believe this would surely be the result and that the strike might be brought to an early end if such a bold step were taken.

At the same time, would not labor enhance its public position by acknowledging more directly that the public claim on the economic benefits of technological progress is at least as great as labor's? Could not the union expect to reap greater long-term rewards by trimming its demands at this point and joining in a real fight for price stabilization through a settlement that permitted an immediate price rollback? Again, we believe that such statesmanship on the part of the Steelworkers would do more for labor's cause generally than anything else the unions conceivably could do in the present controversy.

Neither labor nor the steel companies have any need to prove their strength. Both sides know and the public also knows, that the industry can easily afford to ride out a strike of perhaps 3 months' duration. No one questions the ability of the Steelworkers to tighten their belts and sustain the hardships of a protracted tieup. But such an endurance test is something this country ought now to be mature enough to avoid. Let's have the Government's facts—and then let's have a rational settlement.

A TRIBUTE TO THE LATE DR. DUDLEY JACKSON, SR., OF SAN ANTONIO, TEX.

Mr. YARBOROUGH. Mr. President, the late Dr. Dudley Jackson, Sr., of San Antonio, Tex., spent his life trying to save the lives of others. The story of his life includes many outstanding instances of service.

Dr. Jackson served in France as a lieutenant in the First World War and then went to San Antonio to practice medicine. While working at the Robert B. Green Hospital in San Antonio he saw the dreadful results from the poor treatment of rattlesnake bites. He developed the suction cup treatment which is now known and used all over the world. Because of this, he was elected to the national board of the Boy Scouts of America and was a lifetime member.

In the early 1930's, he became intensely interested in cancer. The late Maury Maverick, Sr., was present in 1932 when Dr. Jackson was directing the cancer clinic at a charity hospital. They both pledged themselves to the idea of a cooperative national institute to combat the dreaded disease of cancer.

His leadership and inspiration led to the establishment of the National Cancer Institute.

Later, when Maury Maverick, Sr., was elected to Congress, he introduced the enabling bill for a National Cancer Institute. President Franklin D. Roosevelt signed this into law in 1937. The following year, Dr. Jackson and some other physicians and laymen led a successful campaign for a bond issue to build a tubercular hospital in San Antonio. Maury Maverick, Jr., of San Antonio, has paid eloquent tribute to Dr. Jackson's inspiration for his father's action.

But Dr. Jackson continued his interest in cancer, too. He and his associates worked on transplantable cancer in animals. In 1941, Dr. Jackson had some cancer from another individual put into his body as part of the experiments. For this heroic deed he received the Walter Reed Award in 1953.

In another facet of his war on cancer, Dr. Jackson went before the Texas State Legislature in 1939 favoring a bill for the establishment of a Texas State Cancer Hospital. Today the M. D. Anderson Hospital and Tumor Institute Research Center in Houston, a branch of the University of Texas, is a monument to his farsightedness.

His activities were many and varied. He organized the Pan American Cancer Foundation in 1948. This organization is still taking care of underpriviledged cancer patients of southwestern Texas and our good neighbors across the Rio Grande. He led the way into research into various other aspects of cancer and lectured abroad on his findings. He was still researching when he died. And he annually visited the National Cancer Institute in Bethesda and the Memorial Hospital in New York.

His friend and colleague, Dr. Frederick W. Steinberg, of San Antonio, has said:

Who was Dr. Jackson? Dr. Jackson was a man of small stature, but he was an idea man. He was unselfish and did not care for money. He was a loyal friend and a gay companion. He has dedicated all his life to the welfare of the sick. And I remember more than one time when he had a poor patient in the Nix Hospital that he went to his more fortunate patients to ask for contributions for the payment of the hospital bill without ever thinking of his own fee.

How great was Dr. Jackson? A group of his devoted patients gathered after his death to form a Dudley Jackson Memorial Cancer Foundation. Its purpose will be to raise about $500,000 for the advancement of knowledge in cancer.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article from the San Antonio Light for Monday, July 27, 1959, entitled "Last Rites Set for Cancer Expert," an editorial from the San Antonio Express for Thursday, July 30, 1959, entitled "Outstanding Record Left by Dr. Jackson," an editorial from the Light for Friday, July 31, 1959, entitled "Dr. Dudley Jackson," and an article from the Light for Thursday, August 6, 1959 entitled "New Foundation To Fight Cancer."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the San Antonio (Tex.) Light, July 27, 1959]

LAST RITES SET FOR CANCER EXPERT

Funeral services will be held at 10 a.m. Tuesday at Porter Loring Funeral Home for Dr. Dudley Jackson, Sr., 68, 208 Park Lane.

The cancer specialist died Saturday at the Nix Memorial Hospital.

Jackson entered the University of Texas Medical School at Galveston after graduating from Kansas City Veterinarian College in 1913.

WORLD WAR I VETERAN

Following his graduation from the university in 1917, he served as a Medical Corps officer with the Army Air Service in World War I. He returned to practice with his uncle, T. T. Jackson, pioneer San Antonio physician.

Researching extensively at the Robert B. Green Hospital in the treatment of rattlesnake bites, Jackson developed the suction method of treatment, adopted by the Armed Forces.

He served for many years as chief of surgical services at Green and became interested in the diagnosis and treatment of cancer and allied diseases.

REED AWARD

With the late Maury Maverick, Sr., Jackson helped found the National Cancer Institute at Bethesda, Md. He was a holder of the Walter Reed Society award for his experiments in cancer in which he transplanted living cancer cells into his own body for study, then removed them.

Jackson was instrumental in getting legislation which later resulted in operation of the M. D. Anderson Hospital and Tumor Institute in Houston.

He also was an organizer of the Pan American Cancer Foundation, dedicated to caring for cancer patients who cannot afford treatment.

OTHER HONORS

Past president of the Bexar County Medical Society, Jackson was a fellow of the American College of Surgeons, International College of Surgeons, and the Texas Surgical Society. He was honored 2 years ago by the American Cancer Society, Texas division, of which he was also a member.

Rev. George Mauze will officiate at the funeral.

Surviving are his widow, Dr. Martha Beal Jackson; a son, Dr. Dudley Jackson, Jr.; daughter, Mrs. John H. Hickman, Wichita, Kans.; sisters, Mrs. Joe Lawless, Leaky; Mrs. Mabel Hodges, Waco; Mrs. Edna McClendon, Brownwood.

[From the San Antonio (Tex.) Express, July 30, 1959]

OUTSTANDING RECORD LEFT BY DR. JACKSON

The death of Dr. Dudley Jackson, of San Antonio, removed one of the Nation's most ardent students of cancer.

Holder of a Walter Reed Society Award for experiments in which he transplanted living cancer cells into his own body and removed them after study, Dr. Jackson ceaselessly sought answers to the most baffling disease still afflicting mankind.

He had hoped for a cancer hospital in San Antonio, but the needs for general hospital services had to come first. Perhaps some day after a State medical school branch with a teaching hospital is established here, Dr. Jackson's dream might come true.

Dr. Jackson's medical interests were great. He sought to uncover other scientific facts which would increase man's desire to overcome disease.

His absence from this community will be greatly felt, but the ideas he left will stay as a reminder of his outstanding services.

[From the San Antonio (Tex.) Light, July 31, 1959]

DR. DUDLEY JACKSON

Cancer offers the same sort of challenge to a surgeon that Everest presents to a mountain climber.

It is not accurate to say that Everest has been conquered, but men have succeeded in standing briefly upon its summit.

Likewise, we may expect to penetrate the mystery of cancer, sooner or later, through the efforts of doctors as dedicated as the late Dudley Jackson.

Dr. Jackson would have been well known for his work in the treatment of rattlesnake bites alone.

He developed the suction method which was adopted by the Armed Forces.

But his interest in the diagnosis and treatment of cancer won him an international reputation.

With supreme courage, Dr. Jackson used himself as a guinea pig and for this he received the award of the Walter Reed Society.

He helped to found the National Cancer Institute, with the assistance of the late Maury Maverick.

He pushed the legislation which created the M. D. Anderson Hospital in Houston and he was an organizer of the Pan-American Cancer Foundation for charity patients.

Dudley Jackson never reached the summit, but others will get there by standing on his shoulders.

[From the San Antonio (Tex.) Light, Aug. 6, 1959]

NEW FOUNDATION TO FIGHT CANCER

A memorial fund and foundation was organized Thursday in San Antonio in honor of the late Dr. Dudley Jackson's work in cancer research.

A group met Wednesday at the St. Anthony Hotel to found the Dudley Jackson Memorial Cancer Foundation.

Its purpose will be to raise about $500,000 to be used for some purpose involving cancer research or treatment.

HONORED BY CONGRESS

Jackson senior died July 25. He was internationally famous in cancer research and last year toured Europe lecturing on his findings. When he died he was honored from the floor of the House and Senate in Washington.

E. J. Tiner, sporting goods store operator, was named president. Tiner and Attorney Maury Maverick, Jr., who will handle the group's legal matters ramrodded the foundation plan.

OTHER OFFICERS

Merchant Morris Kallison was named vice president while Mrs. Mercy Johnson is secretary-treasurer.

More than 30 persons, some from west and south Texas, attended the meeting. They included Mesdames Edgar Tobin, Hal Peterson, Carl Krueger, and Maury Maverick, Sr.

Several committees were appointed to study ways and means of fund raising. Another meeting will be held in about a month.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 1945) for the relief of Josef Jan Loukotka, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 47. An act to amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption;

H.R. 1455. An act conferring U.S. citizenship posthumously upon Gerardo Rafael Dobarganes y Torres;

H.R. 1499. An act for the relief of Gordon Langlands Johnston;

H.R. 1517. An act for the relief of Oerlikon Machine Tool Works Buehrle & Co.;

H.R. 1520. An act for the relief of Eva Gurman;

H.R. 1701. An act for the relief of Mrs. Ellen Leschner;

H.R. 1735. An act to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker;

H.R. 2077. An act for the relief of Bernard Barrett;

H.R. 2090. An act for the relief of Giuseppa Ferrante (Sister Candida);

H.R. 2301. An act for the relief of Mrs. Gladys M. Ellison;

H.R. 2302. An act for the relief of Agnes Lorraine Pank;

H.R. 2573. An act to amend the Internal Revenue Code of 1954 with respect to the application of the estate tax marital deduction to widow's allowance or award;

H.R. 2631. An act for the relief of the estate of Nathaniel H. Woods, deceased;

H.R. 3932. An act for the relief of Rabbi Chaim B. Fink;

H.R. 4029. An act to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machine guns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm;

H.R. 4384. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H.R. 7452. An act for the relief of William B. Jackson;

H.R. 7857. An act for the relief of Richard C. Long;

H.R. 8593. An act to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis; and

H.J. Res. 478. Joint resolution relating to permanent residence and deportation of certain aliens.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes, and it was signed by the Acting President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or placed on the calendar as indicated:

H.R. 47. An act to amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption;

H.R. 2573. An act to amend the Internal Revenue Code of 1954 with respect to the application of the estate tax marital deduction to widow's allowance or award;

H.R. 4029. An act to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; and

H.R. 4384. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes; to the Committee on Finance.

H.R. 1455. An act conferring U.S. citizenship posthumously upon Gerardo Rafael Dobarganes y Torres;

H.R. 1499. An act for the relief of Gordon Langlands Johnston;

H.R. 1517. An act for the relief of Oerlikon Machine Tool Works Buehrle & Co.;

H.R. 1520. An act for the relief of Eva Gurman;

H.R. 1701. An act for the relief of Mrs. Ellen Leschner;

H.R. 2077. An act for the relief of Bernard Barrett;

H.R. 2090. An act for the relief of Giuseppa Ferrante (Sister Candida);

H.R. 2301. An act for the relief of Mrs. Gladys M. Ellison;

H.R. 2302. An act for the relief of Agnes Lorraine Pank;

H.R. 2631. An act for the relief of the estate of Nathaniel H. Woods, deceased;

H.R. 3932. An act for the relief of Rabbi Chaim B. Fink;

H.R. 7452. An act for the relief of William B. Jackson;

H.R. 7857. An act for the relief of Richard C. Long; and

H.J. Res. 478. Joint resolution relating to permanent residence and deportation of certain aliens; to the Committee on the Judiciary.

H.R. 1735. An act to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker; to the Committee on Interior and Insular Affairs.

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; placed on the calendar.

H.R. 8593. An act to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis; to the Committee on Rules and Administration.

THE CALENDAR

The PRESIDING OFFICER. The additional time granted for morning

business having expired, the call of the calendar is now in order, in accordance with the order previously entered.

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEATING. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will proceed with the call of the calendar, beginning with Calendar No. 640.

BILL PASSED OVER

The bill (S. 1711) to promote the foreign policy of the United States and help to build essential world conditions of peace, by the more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries was announced as first in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

PIERRE BERTAGNOLIO

The bill (S. 1072) for the relief of Pierre Bertagnolio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Pierre Bertagnolio shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FRANK PODANY

The bill (S. 1856) for the relief of Frank Podany was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Frank Podany shall be deemed to have been born in Czechoslovakia.

ANTONINO MIOSI CASTRONOVO

The bill (S. 2190) for the relief of Antonino Miosi Castronovo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Antonino Miosi Castronovo, shall be held and considered to be the natural-born alien child of Mary Frances Castronovo, a citizen of the United States: *Provided,* That the natural parents of the said Antonino Miosi Castronovo shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

MAN-YEH CHOW

The Senate proceeded to consider the bill (S. 1865) for the relief of Man-Yeh Chow, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the word "Act", to strike out "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Man-Yeh Chow shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM JAMES HARKINS AND THOMAS LLOYD HARKINS

The Senate proceeded to consider the bill (S. 2027) for the relief of William James Harkins and Thomas Lloyd Harkins, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "natural", to strike out "parents" and insert "mother", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, William James Harkins and Thomas Lloyd Harkins, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Lewis James Harkins, citizens of the United States: *Provided,* That the natural mother of William James Harkins and Thomas Lloyd Harkins shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCETTA MARCELLA

The Senate proceeded to consider the bill (S. 1298) for the relief of Concetta Marcella, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Concetta", to strike out "Marcella," and insert "Meglio Meglio,", and in line 7, after the word "States", to insert a colon and "*Provided,* That the natural parents of Concetta Meglio Meglio shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27(A) and 205 of the Immigration and Nationality Act, the minor child, Concetta Meglio Meglio, shall be held and considered to be the natural-born alien child of Marianna Marcella, a citizen of the United States: *Provided,* That the natural parents of Concetta Meglio Meglio shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Concetta Meglio Meglio."

MARTHA UCHACZ, BARTOSZYCE

The Senate proceeded to consider the bill (S. 1836) for the relief of Martha Uchacz, Bartoszyce which had been reported from the Committee on the Judiciary with an amendment, in line 5, after the name "Uchacz", to strike out "Bartoszyce,", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Martha Uchacz, shall be held and considered to be the natural-born alien child of Anne Barras, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Martha Uchacz."

LEOKADIA GUZY

The Senate proceeded to consider the bill (S. 2050) for the relief of Leokadia Guzy, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Leokadia Jomboski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That the natural parents of Leokadia Jomboski shall not, by virtue of such parentage, be accorded any

right, privilege or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Leokadia Jomboski."

IRENE BURDA

The Senate proceeded to consider the bill (S. 2102) for the relief of Irene Burda, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Irene", to insert "Wladyslawa", and in line 8, after the name "Irene", to insert "Wladyslawa"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irene Wladyslawa Burda, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward Burda, citizens of the United States: *Provided,* That the natural parents of the said Irene Wladyslawa Burda shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Irene Wladyslawa Burda."

LOUIS J. DEWINTER AND SIMONE H. DEWINTER

The bill (H.R. 1705) for the relief of Louis J. DeWinter and Simone H. DeWinter was considered, ordered to a third reading, read the third time, and passed.

OATHER S. HALL

The bill (H.R. 1718) for the relief of Oather S. Hall was considered, ordered to a third reading, read the third time, and passed.

FELIP LEWENSZTEJN (HARRY LIPA LEVENSTEIN)

The bill (H.R. 7165) for the relief of Felip Lewensztejn (Harry Lipa Levenstein) was considered, ordered to a third reading, read the third time, and passed.

ADMISSION OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 406) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 3, after line 23, to strike out:

SEC. 9. For the purposes of section 101(a)(27)(C) of the Immigration and Nationality Act, the minor child, Anna Marina Marolo Rossiello, shall be held and considered to be the natural born accompanying alien child of Mrs. Anselmo Rossiello, a lawfully resident alien of the United States.

On page 4, at the beginning of line 5, to change the section number from "10" to "9"; at the beginning of line 10, to change the section number from "11" to "10"; at the beginning of line 16, to change the section number from "12" to "11"; at the beginning of line 24, to change the section number from "13" to "12"; on page 5, at the beginning of line 7, to change the section number from "14" to "13"; at the beginning of line 12, to change the section number from "15" to "14"; and after line 19, to insert a new section, as follows:

SEC. 15. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lewis Dosa, shall be held and considered to be the natural-born alien child of Mr. and Mrs. William Dosa, citizens of the United States: *Provided,* That the natural parents of Lewis Dosa shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

BILLS PASSED OVER

The bill (S. 861) to provide for the control of noxious plants on land under the control of the Federal Government was announced as next in order.

Mr. KEATING. Mr. President, let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 662) to amend section 8(b) of the Soil Conservation and Domestic Allotment Act to provide for administration of farm programs by democratically elected farmer committeemen was announced as next in order.

Mr. KEATING. Mr. President, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 4938) to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the definition of "peanuts" which is now in effect was announced as next in order.

Mr. KEATING. Mr. President, certain amendments to that bill have been submitted.

Mr. ERVIN. Mr. President, I object to the present consideration of the bill, and particularly the amendments.

Mr. KEATING. I felt sure there would be objection. I believe, in all fairness, that it is not proper business for transaction upon the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

EXEMPTION OF PRODUCTION OF DURUM WHEAT IN CERTAIN AREAS IN CALIFORNIA FROM THE ACREAGE ALLOTMENT AND MARKETING QUOTA PROVISIONS

The Senate proceeded to consider the bill (S. 623) to exempt the production of Durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That the first sentence of section 334(i) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334(i)), is amended by striking out "1958 and 1959" and inserting "1958 through 1961".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California."

DISTRIBUTION OF FUNDS TO CREEK TRIBE

The bill (S. 2339) to amend the law relating to the distribution of the funds of the Creek Tribe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of August 1, 1955 (69 Stat. 431), is amended by changing "$200,000" to "$325,000".

GRANTING OF MINERAL RIGHTS ON CERTAIN LANDS IN THE CROW INDIAN RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 1715) to grant minerals, including oil and gas on certain lands in the Crow Indian Reservation, Mont., which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 22, after the word "devisees", to insert "or successors in interest,", and in line 23, after the word "leases", to strike out the comma and "regardless of any prior conveyance by such allottee, heirs, or devisees of the lands overlying such minerals and regardless of the form of reference in such conveyance, or lack or reference, to the minerals reserved by this Act and made subject to further order of Congress"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of June 4, 1920 (41 Stat. 751), as amended by the Act of May 26, 1926 (44 Stat. 658), is hereby amended to read as follows:

"SEC. 6. (a) Any and all minerals, including oil and gas, on any of the lands to be allotted hereunder are reserved for the benefit of the members of the tribe in common and may, with the consent of the tribal council, be leased for mining purposes in accordance with the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396 A–f), under such rules, regulations, and conditions as the Secretary of the Interior may prescribe: *Provided,* That when any land is leased for mining purposes and development thereunder shall indicate the presence of minerals, including oil and gas, in paying quantities, the lessee or lessees shall proceed with all reasonable diligence to complete the development under said lease to extract the mineral, including oil and gas, from the

land leased and to bring the product mined or extracted into market as speedily as possible unless the extraction and sale thereof be withheld with the consent of the Crow Tribe of Indians: *Provided further*, That allotments hereunder may be made of lands classified as valuable chiefly for coal or other minerals which may be patented as herein provided with a reservation, set forth in the patent, of the coal, oil, gas, or other mineral deposits for the benefit of the Crow Tribe: *Provided, further*, That at the expiration of fifty years from the date of approval of this Act, unless otherwise ordered by Congress, the coal, oil, gas, or other mineral deposits upon or beneath the surface of said allotted lands shall become the property of the individual allottee or his heirs or devisees, or successors in interest, or their heirs or devisees, subject to any outstanding leases.

"(b) Title to the minerals so granted shall be held by the United States in trust for the Indian owners, except that if upon the expiration of said fifty years, the entire Indian interest in the minerals within any allotment or parcel thereof is granted by this Act to a person or persons who at that time hold an unrestricted title to the lands overlying such minerals, then the Secretary of the Interior shall by fee patent transfer to such person or persons the unrestricted fee simple title to such minerals, which title shall vest in such person or persons as of the date of the patent."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSITION OF AFFAIRS OF THE FIVE CIVILIZED TRIBES IN INDIAN TERRITORY

The bill (H.R. 2722) to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian territory and for other purposes" was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE KLAMATH TERMINATION ACT

The bill (S. 2421) to amend the Klamath Termination Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to permit an immediate payment of the purchase price of the Klamath Marsh, the title to which was taken by the United States by the Act of August 23, 1958 (72 Stat. 816), and thereby make possible partial distribution of funds to the Klamath Indians who have elected to withdraw from the tribe, which will lessen the need for making interim loans to such Indians, subsection 28(f) of the Act of August 13, 1954, as amended (72 Stat. 816), is hereby amended by changing the effective date for the taking of title by the United States from April 1, 1961, to the earliest date after September 30, 1959, when the Secretary of the Interior determines that funds for the payment of the purchase price are available from the sale of stamps under the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (16 U.S.C. 718).

TRUST STATUS OF CERTAIN LANDS ON THE WIND RIVER INDIAN RESERVATION IN WYOMING

The bill (S. 1751) to place in trust status certain land on the Wind River Indian Reservation in Wyoming was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all the right, title, and interest in and to the following described lands on the Wind River Reservation in Wyoming, shall hereafter be held by the United States in trust for the benefit of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Indian Reservation in Wyoming:

LAND DESCRIPTION

Section 32, Township 5 North, Range 4 West, Wind River Meridian

Tract 1: Beginning at a point 553.8 feet south of the corner of sections 29, 30, 31, and 32; said point being corner numbered 1; thence south 106.2 feet to corner numbered 2 which is identical with the southwest corner of northwest quarter northwest quarter northwest quarter, section 32; thence east 200 feet to corner numbered 3; thence north 106.2 feet to corner numbered 4; thence west 200 feet to corner numbered 1 and place of beginning, comprising 0.487 acres.

Tract 2: Beginning at a point 118.2 feet south of the corner of sections 29, 30, 31, and 32; said point being corner numbered 1; thence south 435.6 feet to corner numbered 2; thence east 200 feet to corner numbered 3; thence north 435.6 feet to corner numbered 4; thence west 200 feet to point of beginning, or described as a 2-acre tract in the northwest quarter northwest quarter, section 32.

Tract 3: West half southwest quarter northwest quarter northwest quarter, section 32, comprising 5.0 acres.

TRUST STATUS OF CERTAIN LANDS IN THE STANDING ROCK SIOUX RESERVATION, NORTH AND SOUTH DAKOTA

The bill (S. 417) to place in trust status certain lands in the Standing Rock Sioux Reservation in North Dakota and South Dakota was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all the right, title, and interest in and to the west half northeast quarter, section 23, township 130 north, range 80 west, fifth principal meridian, Sioux County, North Dakota, containing 80 acres, more or less, on the Standing Rock Sioux Reservation in North Dakota, purchased by the United States with funds derived from the "Indian Moneys, Proceeds of Labor, Standing Rock Boarding School" account, shall hereafter be held by the United States in trust for the benefit of the Standing Rock Sioux Tribe of North Dakota and South Dakota.

BILLS PASSED OVER

The bill (S. 2522) to provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food stamp allotment programs was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce was announced as next in order.

Mr. KEATING. Mr. President, this bill is the pending business of the Senate. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

APPORTIONMENT OF COMPENSATION OF VETERANS WHO DISAPPEAR

The bill (H.R. 255) to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear was considered, ordered to a third reading, read the third time, and passed.

PRESUMPTION OF SERVICE CONNECTION OF MULTIPLE SCLEROSIS

The bill (H.R. 267) to amend title 35 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected was announced as next in order.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in support of H.R. 267.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAMS OF NEW JERSEY

H.R. 267 increases the presumptive period for service connection of multiple sclerosis developing a 10 percent of disability from 2 to 3 years. At the present time a veteran must detect this disease within 2 years after his discharge from the armed services if he is to qualify for any of the veterans' health benefits programs. It has long been noted that multiple sclerosis should not come under such a hard and fast rule because it is extremely hard to detect in its early stages. The reasoning behind this bill is sound and apparent to all. It is the product of several years of investigation and testimony by leading medical authorities so that I don't wish to burden the Senate with a longer analysis of the bill.

I would like to mention that this bill is an example of the general concern with multiple sclerosis itself. This disease is one of the most devastating we have to fight today. It strikes people in their prime, about 20 to 40 years old. It is multiple both in the sense that it attacks several areas of the body at once, and that it frequently returns after a period of improvement. It is sclerotic because it leaves scars at the nerve endings.

Nowhere in the United States is there a State populated entirely by victims of multiple sclerosis and related diseases. But there could well be. The number of such patients and their families in this country is believed to be larger than the population of 19 States. A city inhabited solely by these patients and their families would be about the fifth largest in the country—big-

ger than Detroit, Boston, St. Louis, or San Francisco.

The fight against multiple sclerosis is not far removed from the Halls of this Congress, because in 1950 the Congress established the National Institute of Neurological Diseases and Blindness. The Institute, together with the Public Health Service and the National Multiple Sclerosis Society are currently waging a broad fight against this dreaded disease. The fight being waged is not a speedy one, it has none of the flair of many of the other fights we see around us, but its outcome is crucial. The national society is sponsoring research projects and fellowships to continue the basic research which is fundamental for an eventual cure. We have made great progress in health in the last few decades, with the real possibility of the elimination of polio and other unconquerable diseases. I am confident that with continued public support we will be able to meet the challenge of the countless people who are stricken with multiple sclerosis.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PRESUMPTION OF SERVICE CONNECTION OF HANSEN'S DISEASE

The Senate proceeded to consider the bill (H.R. 271) to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy), which had been reported from the Committee on Finance, with an amendment, in line 7, after the word "within", to strike out "five" and insert "three."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2282) to amend the act of July 17, 1952, was announced as next in order.

Mr. KEATING. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

FORFEITURE OF BENEFITS UNDER LAWS ADMINISTERED BY THE VETERANS' ADMINISTRATION

The Senate proceeded to consider the bill (H.R. 7106) to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration, which had been reported from the Committee on Finance, with an amendment to strike out all after the enacting clause and insert:

That section 3503 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) After the date of enactment of this subsection, no forfeiture of benefits may be imposed under this section or section 3504 of this title upon any individual who was a resident of, or domiciled in, a State at the time the act or acts occurred on account of which benefits would, but for this subsection, be forfeited unless such individual ceases to be a resident of, or domiciled in, a State before the expiration of the period during which criminal prosecution could be instituted. This subsection shall not apply with respect to (a), any forfeiture occurring before the date of enactment of this subsection, or (b) an act or acts which occurred in the Philippine Islands prior to July 4, 1946.

"(e) No apportionment award under subsection (b) of this section shall be made in any case after the date of enactment of this subsection."

SEC. 2. Section 3504 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) In the case of any forfeiture under this section there shall be no authority after the date of enactment of this subsection (1) to make an apportionment award pursuant to subsection (b) or (2) to make an award to any person of gratuitous benefits based on any period of military, naval, or air service commencing before the date of commission of the offense."

SEC. 3. (a) Chapter 61 of title 38, United States Code, is amended by adding at the end thereof the following:

"§ 3505. Forfeiture for subversive activities

"(a) Any individual who is convicted after the date of enactment of this section of any offense listed in subsection (b) of this section shall, from and after the date of commission of such offense, have no right to gratuitous benefits under laws administered by the Veterans' Administration based on periods of military, naval, or air service commencing before the date of the commission of such offense and no other person shall be entitled to such benefits on account of such individual. After receipt of notice of the return of an indictment for such an offense the Veterans' Administration shall suspend payment of such gratuitous benefits pending disposition of the criminal proceedings. If any individual whose right to benefits has been terminated pursuant to this section is granted a pardon of the offense by the President of the United States, the right to such benefits shall be restored as of the date of such pardon.

"(b) The offenses referred to in subsection (a) of this section are those offenses for which punishment is prescribed (1) in the following provisions of title 18, United States Code: sections 792, 793, 794, 798, 2381, 2382, 2383, 2384, 2385, 2387, 2388, 2389, 2390, and chapter 105; (2) in the Uniform Code of Military Justice, articles 94, 104, and 106; (3) in the following sections of the Atomic Energy Act of 1954: sections 222, 223, 224, 225, and 226; and (4) in the following sections of the Internal Security Act of 1950: sections 4, 112, and 113.

"(c) The Attorney General shall notify the Administrator in each case in which an individual is indicted or convicted of an offense listed in clauses (1), (3), or (4) of subsection (b) of this section. The Secretary of Defense or the Secretary of the Treasury, as may be appropriate, shall notify the Administrator in each case in which an individual is convicted of an offense listed in clause (2) of subsection (b) of this section."

(b) The table of sections for such chapter 61 is amended by adding at the end thereof the following:

"3505. Forfeiture for subversive activities."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

AMENDING DEFINITION OF THE TERM "CHILD" IN VETERANS' LAWS

The bill (H.R. 2405) to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death, was considered, ordered to a third reading, read the third time, and passed.

SETTING ASIDE CERTAIN LANDS IN WASHINGTON FOR THE QUINAULT TRIBE OF INDIANS

The bill (H.R. 2188) to set aside certain lands in Washington for Indians of the Quinault Tribe was considered, ordered to a third reading, read the third time, and passed.

TITLE TO CERTAIN LAND IN TRUST FOR THE WHITE MOUNTAIN APACHE TRIBE, ARIZONA

The Senate proceeded to consider the bill (S. 2268) to declare that the United States holds title to certain land in trust for the White Mountain Apache Tribe, Arizona, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, line 11, after the word "Apache", to strike out "Tribe: *Provided,* That the lands and improvements being used for administrative purposes as of the date of the Act shall continue to be so used until such time as the Secretary of the Interior may determine that they are no longer needed for such purposes." and, in lieu thereof, to insert "Tribe, subject to the right of the Secretary of the Interior to use any part of the land and improvements for administrative or school purposes for as long as they are needed for that purpose.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the lands, together with the improvements thereon, included in the former Fort Apache Military Reservation, created by Executive order of February 1, 1877, and subsequently set aside by the Act of January 24, 1923 (42 Stat. 1187), as a site for the Theodore Roosevelt School, located within the boundaries of the Fort Apache Indian Reservation, Arizona, are hereby declared to be held by the United States in trust for the White Mountain Apache Tribe, subject to the right of the Secretary of the Interior to use any part of the land and improvements for administrative or school purposes for as long as they are needed for that purpose.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF CERTAIN FUNDS TO THE CREDIT OF THE UTE MOUNTAIN TRIBE OF THE UTE MOUNTAIN RESERVATION, COLO.

The Senate proceeded to consider the bill (S. 2435) to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo., which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 2, line 3, after the word "Interior", to insert "Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal or State income tax.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the entire proceeds of the judgment in Court of Claims case numbered 47565 entitled "The Confederated Bands of Ute Indians against the United States of America", now on deposit in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians, together with all accrued interest thereon, be transferred and credited to the account of the Ute Mountain Tribe of the Ute Mountain Reservation, Colorado, to be used as directed by the Ute Mountain Tribal Council and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal or State income tax.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HANDLING OF EXCESS FUNDS OF THE PANAMA CANAL COMPANY

The bill (H.R. 4328) to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF UNIFORM NARCOTIC DRUG ACT OF THE DISTRICT OF COLUMBIA

The bill (H.R. 8225) to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF CERTAIN PENSION AND OTHER EMPLOYEE TRUST FUNDS FROM THE LAWS OF THE DISTRICT OF COLUMBIA

The bill (H.R. 8527) to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income was considered, ordered to a third reading, read the third time, and passed.

INCORPORATION OF ST. ANN'S INFANT ASYLUM IN THE DISTRICT OF COLUMBIA

The bill (H.R. 7907) to amend the act entitled "An Act to incorporate St. Ann's Infant Asylum, in the District of Columbia, approved March 3, 1863, as amended, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 4192) to prohibit the examination in District of Columbia courts of a minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications, was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN PROPERTY TO THE ASSOCIATION OF OLDEST INHABITANTS OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 303) to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia, which had been reported from the Committee on the District of Columbia, with amendments, on page 1, line 4, after the word "to", to strike out "convey, without monetary consideration," and insert "convey", and on page 3, after line 11, to insert a new section, as follows:

SEC. 3. The conveyance authorized by this Act shall be conditional upon the Association of the Oldest Inhabitants of the District of Columbia paying to the Commissioners of the District of Columbia as consideration for the property conveyed an amount equal to 50 per centum of its fair market value as determined by the Commissioners after appraisal of such property.

The amendments were agreed to.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement explaining how the bill conforms to the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

H.R. 303 authorizes and directs the Commissioners of the District of Columbia to convey to the Association of the Oldest Inhabitants of the District of Columbia at 50 percent of the fair market value certain property presently owned by the District of Columbia.

The Association of Oldest Inhabitants desire to obtain the property for use as a meeting place and for storage of antiques, historical fire engine equipment, and historical mementos. The District Commissioners indicate a willingness to convey the property to the association.

According to testimony before the Senate District of Columbia Committee, the land has been appraised by authorities for about $13,000. I understand the building is in need of extensive repairs and that no estimate of the value of the building has been made.

The Association of Oldest Inhabitants occupied a fire engine house building where the International Bank for Redevelopment and Construction building now stands. The association occupied the building under authority of an act of Congress. The International Bank, in order to encourage the association to vacate the building, paid $50,000 to the association so that it could obtain other quarters.

It is my understanding that the association, if permitted to occupy the building in question, proposes to use it not only as a meeting place but keep it open to the public during certain specified hours so that the public can view the antiques, historical fire engine equipment, and other historical mememtos in the possession of the association.

The bill contains a provision with a reverter clause to become operative in case the public use should terminate.

I have no objection, because the bill conforms to the Morse formula.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AUTHORIZING PERSONS MAINTAINING OR DEFENDING ACTIONS IN THE DISTRICT OF COLUMBIA ON BEHALF OF A MINOR TO GIVE RELEASES OF LIABILITY

The Senate proceeded to consider the bill (S. 2035) authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and for other purposes, which had been reported from the Committee on the District of Columbia, with an amendment on page 1, at the beginning of line 3, to strike out "That," and insert "That", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish a Code of Law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189, ch. 854), as amended, is amended by inserting immediately after section 153 the following new section:

"SEC. 153A. (1) Any person entitled to maintain or defend an action in behalf of a minor child, including actions relating to real estate, shall be competent to settle or compromise any action so brought and, upon settlement or compromise thereof or upon satisfaction of any judgment obtained therein, shall be competent to give a full acquittance and release of all liability in connection with such action, but no such settlement or compromise shall be valid unless the same shall be approved by a judge of the court in which such action is pending.

"(2) Before any person shall receive any money or other property on behalf of a minor in settlement or compromise of any action brought on behalf of or against such minor or in satisfaction of any judgment in any such action, where (after deduction of fees, costs and all other expenses incident to the matter) the net value of said money and property due the minor exceeds $3,000, such

person shall be duly appointed by a court of competent jurisdiction as guardian of the estate of such minor to receive such money or property, and shall have qualified as such."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor."

EXTENSION OF JURISDICTION OF DOMESTIC RELATIONS BRANCH OF MUNICIPAL COURT, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1372) to extend the jurisdiction of the domestic relations branch of the municipal court for the District of Columbia to cover the adjudication of the interests of husband and wife in personal and real property, which had been reported from the Committee on the District of Columbia, with an amendment to strike out all after the enacting clause and insert:

That section 105 of the Act entitled "An Act to establish a Domestic Relations Branch in the Municipal Court for the District of Columbia, and for other purposes", approved April 11, 1956 (70 Stat. 111), is amended by inserting immediately after "actions for annulments of marriage;" the following: "determinations and adjudications of property rights, both real and personal, in any action hereinabove referred to in this section, irrespective of any jurisdictional limitation imposed on the Municipal Court for the District of Columbia;".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia."

USE OF CERTAIN REAL ESTATE IN THE DISTRICT OF COLUMBIA AS THE NATIONAL HEADQUARTERS OF THE AMERICAN SOCIETY OF INTERNATIONAL LAW

The bill (H.R. 6378) to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society was considered, ordered to a third reading, read the third time, and passed.

LICENSING OF PUBLIC INSURANCE ADJUSTERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1966) to provide for the licensing of public insurance adjusters in the District of Columbia, which had been reported from the Committee on the District of Columbia, with amendments, on page 4, line 25, after the word "of", to strike out "five" and insert "three"; on page 5, at the beginning of line 2, to strike out "may" and insert "shall"; in line 14, after the word "revoke", to insert "or refuse to renew"; on page 7, at the beginning of line 14, to insert "knowingly or willfully"; on page 8, line 1, after the word "holder", to strike out the comma and "or (7) offer to pay a fee or commission to any individual for the purpose of procuring an assured as a client, to allow the public insurance adjuster to handle his or its claim"; on page 9, line 7, after the word "of", to strike out "any misstatement, misrepresentation, fraud, or deceit, or any" and insert "any misrepresentation, fraud, deceit, or any willful misstatement, or any"; on page 10, line 23, after the word "company", to insert "Such license shall be issued to any corporation of which any officer or director shall be licensed pursuant to this Act as a public insurance adjuster and to any association or partnership of which any officer, member, or partner shall be licensed pursuant to this Act as a public insurance adjuster.", and on page 11, line 7, after the word "or", to strike out "revoked. Such license shall be subject to suspension or revocation whenever the Superintendent suspends or revokes the license of any public insurance adjuster employed by such public insurance adjusting company or acting on its behalf or for its benefit: *Provided,* That the provisions of sections 8" and insert "revoked: *Provided,* That the provisions of section 8"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

(a) The term "public insurance adjuster" means (1) any individual regardless of whether he is self-employed or employed by a partnership, association, or corporation, who advertises, solicits business, or holds himself out to the public as an adjuster of claims for an assured for losses or damages covered by policies of fire and other kinds of insurance appertaining to property, or who receives any compensation or reward for the giving of advice or assistance to an assured in the adjustment of claims for any such losses, and (2) any individual who for compensation or reward, whether by way of salary, commission, or otherwise, directly or indirectly, solicits business, investigates, or adjusts losses on behalf of an assured covered by such policies, or advises an assured, with reference to claims for such losses, on behalf of any other individual, partnership, association, or corporation engaged in the business of adjusting losses or damages covered by such policies.

(b) The term "license" means a document issued by the Superintendent to an applicant therefor which authorizes such applicant to transact business as a public insurance adjuster, which license shall be denominated as an "insurance adjuster's license."

(c) The term "applicant" means any individual making application to the Superintendent for a license.

(d) The term "Superintendent" means the Superintendent of Insurance of the District of Columbia.

SEC. 2. No individual shall, directly or indirectly, act as a public insurance adjuster, or receive for or because of services rendered as a public insurance adjuster in the adjustment of any claim or claims for loss or damage by fire or other coverage under a policy or policies of insurance upon property within the District of Columbia any money or other thing of value, without first procuring from the Superintendent a license.

SEC. 3. The Superintendent shall issue a license to such applicants as he determines to be trustworthy and competent to transact business as public insurance adjusters in such manner as to safeguard the interest of the public.

SEC. 4. The fee to be paid to the District of Columbia by the applicant for a license at the time the application is made, and annually for the renewal thereof, shall be $25. If any such license shall be issued for a period less than a year, a ratable sum shall be charged for such license up to the 31st day of December next succeeding the date of the application.

SEC. 5. Every license shall expire on the thirty-first day of December of the calendar year in which such license shall have been issued, but if an application for the renewal of any such license shall have been filed with the Superintendent before January first of any year, the license sought to be renewed shall continue in full force and effect until the issuance by the Superintendent of the new license applied for, or until five days after he shall have refused to issue such new license and shall have served notice of such refusal on the applicant therefor. Service of such notice shall be made either personally or by registered or certified mail directed to the applicant at the place of business specified in the application.

SEC. 6. Before any license shall be issued by the Superintendent, there shall be filed in his office a written application therefor. Such application shall be in a form prescribed by the Superintendent and shall set forth (1) the name and address of the applicant; (2) whether the applicant has previously been licensed, and if so, when and for how long, and whether licensing has been withdrawn, suspended, or revoked; (3) the businesses in which the applicant has been engaged for ten years preceding the date of his application, and, if employed by another, the name or names and addresses of such employer or employers; (4) such other information as the Superintendent may require of the applicant to enable him to determine his trustworthiness and competency to transact the business of public insurance adjuster.

SEC. 7 (a) The Superintendent shall, in order to determine the trustworthiness and competency of any applicant for a license, require such applicant to submit to a written examination, to be prepared and given under the direction of the Superintendent; except that if any such applicant has engaged in public insurance adjusting in the District of Columbia as his principal occupation for a period of three years prior to January 1, 1959, then the Superintendent shall, if he is satisfied as to the trustworthiness and good character of such applicant waive the requirement of a written examination in the case of any such applicant.

(b) An application for a license shall be signed and sworn to by the applicant.

SEC. 8. Whenever the Superintendent is satisfied that a public insurance adjuster or an applicant for a public insurance adjuster's license (1) has violated any provision of this Act, or (2) has made a material misstatement in the application for such license, or (3) has engaged in fraudulent or dishonest practices, or (4) is not trustworthy or competent to transact the business of a public insurance adjuster, the Superintendent may reject the application or revoke or

refuse to renew the license, as the case may be, or he may suspend the license for such length of time as he may consider proper; except that before the Superintendent may revoke, suspend, or refuse to issue or renew the license of any such individual, he shall give such individual not less than 10 days' notice of the action proposed to be taken, and an opportunity to be fully heard and to introduce evidence in his behalf. The final action of the Superintendent in rejecting an application or in revoking or suspending such a license shall be evidenced by a written notice to the applicant or licensee. The notices herein required shall be served on the said applicant or licensee either personally or by registered or certified mail directed to the applicant or licensee, as the case may be, at the place of business specified in the application or license.

SEC. 9. The action of the Superintendent in refusing to grant or renew a license under this Act, or in revoking or suspending such a license, shall be subject to review, if proceedings for such review are initiated within 60 days after the date of the notice of rejection, revocation, or suspension as provided for in this Act. Any individual affected by an order, ruling, proceeding, or action of the Superintendent, or any individual acting in his behalf and at his instance, may contest the validity of the same in any court of competent jurisdiction by appeal or through any other appropriate proceedings. In said proceedings and appeals said Superintendent shall not be taxed with any costs, nor shall he be required to give any supersedeas bond or security for costs or damages on any appeal whatsoever. Said Superintendent shall not be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any individual on any appeal taken by said Superintendent in any case, nor shall said Superintendent be required in any case to make any deposit for costs or pay for any service to the clerks of any court or to any marshal of the United States.

SEC. 10. This act shall not apply (1) to any agent or employee of an insurance company which has issued a policy of insurance against loss or damage by fire or allied coverage upon property within the District of Columbia in adjusting any loss or damage under such policy, (2) to a broker acting as a public insurance adjuster without compensation for a client for whom he is acting as broker, or (3) to attorneys at law not regularly engaged in the services of a public insurance adjuster and who do not hold themselves out by sign, advertisement, or otherwise as offering such services to the general public.

SEC. 11. Any individual licensed pursuant to this Act shall be styled and known as a "Public Insurance Adjuster".

SEC. 12. No holder of a license under this Act shall (1) knowingly or willfully make or assist an assured in making any misrepresentations of facts, (2) advise any assured on any question of law, (3) advise any assured to refrain from retaining counsel to protect his or its interest, (4) undertake to adjust or collect a claim for or on account of any individual, association, or corporation except for an assured making a claim against his or its insurer or insurers, (5) own or acquire any direct or indirect financial interest in any property, real or personal, which is the subject of a loss adjusted by such holder, (6) have any direct or indirect financial interest in the sale of any salvage, or in the renovation, restoration, or repair of any property, real or personal, which is the subject of a loss adjusted by such holder. The word "assured" within the meaning of clause (4) of this section shall include the legal representative, guardian, or assignee of an assured, the executor or administrator of a deceased assured, any individual acting under the authority of a power of attorney executed by an assured, and a mortgagee or trustee under a deed of trust executed by an assured.

SEC. 13. Any individual, partnership, association, or corporation violating any provision of this Act shall be guilty of a misdemeanor, and shall be subject to a fine of not more than $300 for each such offense.

SEC. 14. No public insurance adjuster shall, directly or indirectly, act within the District of Columbia as a public insurance adjuster without having first entered into a contract, in writing, on a form previously filed and approved by the Superintendent, and executed in duplicate by the public insurance adjuster and the assured, or his duly authorized representative, one copy of which contract shall be kept on file in the District of Columbia by the public insurance adjuster, open at all times to inspection, without notice, by the Superintendent, his deputy, or his examiners.

SEC. 15. (a) Each individual partnership, association, and corporation, receiving a license under this Act, shall before transacting any business thereunder, execute and deliver to the Superintendent a corporate surety bond in the penal sum of $5,000. The bond shall be payable to the District of Columbia and shall be conditioned that the applicant for the license will comply with this Act and shall pay all damages occasioned to any person by reason of any misrepresentation, fraud, deceit, or any willful misstatement, or any unlawful act or omission of any licensee, made, committed, or omitted in the business conducted under such license, or caused by any other violation of this Act in carrying on the business for which such license is granted. One or more recoveries upon such bond shall not vitiate the same, but it shall remain in full force and effect: *Provided*, That the aggregate amount of all such recoveries shall not exceed the full amount of the bond. Upon the commencement of any action against the surety upon any such bond for a sum or sums aggregating or exceeding the amount of such bond the Superintendent may require a new and additional bond in like amount as the original one which shall be filed with the Superintendent within thirty days of the demand therefor. Failure to file such bond within the prescribed time shall constitute cause for the revocation of such license. Any suit or action against the surety on any such bond shall be commenced within one year from the accruing of the cause of action thereon. If at any time, in the opinion of the Superintendent, the surety shall become irresponsible, the holder of such license shall, upon notice from the Superintendent, give a new bond, and the failure to give a new bond within ten days after such notice, in the discretion of the Superintendent, shall operate as a revocation of such license.

(b) The Superintendent shall furnish to anyone applying therefor a certified copy of any such bond filed in his office upon the payment of a fee of $1, and such certified copy shall be prima facie evidence in any court that such bond was duly executed and delivered by the individual or corporation whose name appears therein.

SEC. 16. No corporation, association, or partnership shall permit any of its employees to perform the duties of a public insurance adjuster, nor shall any officer or director of a corporation or association, or member of a partnership or of an association, perform such duties, notwithstanding that such employee, officer, director, or member is licensed as a public insurance adjuster, unless such corporation, association, or partnership be licensed by the Superintendent as a public insurance adjusting company. Such license shall be issued to any corporation of which any officer or director shall be licensed pursuant to this Act as a public insurance adjuster and to any association or partnership of which any officer, member, or partner shall be licensed pursuant to this Act as a public insurance adjusted. Application for such license shall be made annually to the Superintendent on such form as he may prescribe. The fee for such license shall be $25 per annum, and such license shall be valid from January 1 through December 31, unless suspended or revoked: *Provided*, That the provisions of sections 8 and 9 of this Act shall be applicable to any such action by the Superintendent, in like manner as if the public insurance adjusting company were a licensed public insurance adjuster. Nothing contained in this section shall be applicable to any corporation, association, or partnership authorized by the Superintendent to do business in the District of Columbia under the provisions of other laws relating to insurance companies.

SEC. 17. This Act shall not be considered as affecting the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), and the performance of any function vested by said plan in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners shall continue to be subject to delegation by said Board of Commissioners in accordance with section 3 of such plan. Any function vested by this Act in any agency established pursuant to such plan shall be deemed to be vested in said Board of Commissioners and shall be subject to delegation in accordance with said plan.

SEC. 18. This Act shall take effect one hundred and twenty days after approval.

The amendments were agreed to.

Mr. MORSE. Mr. President, I submit amendments to correct certain clerical errors in the bill.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, at the beginning of line 22, it is proposed to strike out the word "of" and insert the word "or."

On page 11, line 13, strike out "section" and insert "sections."

The amendments were agreed to.

Mr. MORSE. Mr. President, I think it is important that there be an explanation of the bill in the RECORD. Therefore, I ask unanimous consent that the explanation I have prepared be printed at this point in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

The purpose of this bill as amended by the committee, is to provide for the licensing and bonding of public insurance adjusters in the District of Columbia. Provision is made for the machinery by which these professional insurance adjusters are to be licensed. Those persons to whom the bill applies shall be under the supervision of the Superintendent of Insurance of the District of Columbia. It shall be his duty to determine not only the competency of any applicant for a license under this bill, but also the trustworthiness of such applicant. When the Superintendent is satisfied that the licensing standards included in the bill have been met, he shall issue a license.

Standards are provided to be used by the Superintendent in order that he may either revoke, suspend, or not renew the license of an adjuster or an adjusting company, and any action taken in this regard by the Superintendent is subject not only to a public hearing requirement, but also for judicial review of the Superintendent's ruling.

The bill specifically exempts attorneys, employees of insurance companies, and brokers

acting as public insurance adjusters without compensation. Provision is also made that a holder of a license pursuant to this bill cannot make or assist an assured in making any misrepresentations of facts; advise any assured on any question of law; advise any assured to refrain from retaining counsel to protect his or its interest; undertake to adjust or collect a claim for or on account of any individual, association, or corporation except for an assured making a claim against his or its insurer or insurers; own or acquire any direct or indirect financial interest in any property, real, or personal, which is the subject of a loss adjusted by such holder; or have any direct or indirect financial interest in the sale of any salvage, or in the renovation, restoration, or repair of any property, real, or personal, which is the subject of a loss adjusted by such holder.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BONDING OF PERSONS LICENSED TO ENGAGE IN BUSINESS INVOLVING THE COLLECTION OF MONEY

The Senate proceeded to consider the bill (H.R. 2317) to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engaged in a business, trade, profession, or calling involving the collection of money for others, which had been reported from the Committee on the District of Columbia, with an amendment, on page 3, line 8, after the word "second", to strike out "third, fourth," and insert "third (except the last sentence thereof)".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

REGULATION OF CLOSING-OUT AND FIRE SALES IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 2318) to provide for the regulation of closing-out and fire sales in the District of Columbia, which had been reported from the Committee on the District of Columbia, with amendments, on page 2, line 12, after the word "the", to strike out "District Commissioners" and insert "Commissioners of the District of Columbia"; on page 4, at the beginning of line 8, to strike out "damaged"; in line 10, after the word "sold", to strike out "as damaged merchandise"; on page 5, line 9, after the word "Act", to insert "and regulations promulgated under the authority of this Act"; after line 21, to insert a new section, as follows:

SEC. 9. The Commissioners are authorized to promulgate regulations to carry out the purposes of this Act, including, without limitation, regulations limiting the period of time a closing-out sale or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise may be conducted, subject to extension as authorized by section 5: *Provided*, That no such regulation shall be put in effect until after a public hearing has been held thereon.

On page 6, at the beginning of line 5, to change the section number from "9" to "10", and at the beginning of line 7, to change the section number from "10" to "11".

The amendments were agreed to.

Mr. MORSE. Mr. President, I submit an amendment to correct a clerical error and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 4, line 25, after "SEC. 6" it is proposed to insert "(a)".

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE

The purpose of this bill is to provide for the regulation of closing-out and fire sales in the District of Columbia. The bill provides that no person shall advertise or offer for sale in the District of Columbia a stock of goods, wares, or merchandise under the description of closing-out sale, or a sale of goods, wares, or merchandise damaged by fire, smoke, water or otherwise, unless he shall have obtained a license to conduct such sale from the Commissioners of the District of Columbia.

Provision is made for the payment of a $100 license fee and for a bond in the amount of $1,000 conditioned upon compliance with this act. Merchants who have been in a location for at least a year prior to the date of any such sale shall be exempt from the payment of the prescribed license fee and the filing of the bond.

The bill has the approval of the Commissioners of the District of Columbia and the Better Business Bureau.

THREE-YEAR EXTENSION OF VALIDITY OF PASSPORTS

The bill (S. 1973) to extend the validity of the passport to 3 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to regulate the issue and validity of passports, and for other purposes", approved July 3, 1926 (44 Stat. 887), is amended (1) by striking out "of two years" and inserting in lieu thereof "of three years", and (2) by striking out "four years" and inserting in lieu thereof "five years".

Mr. JAVITS. Mr. President, I ask unanimous consent that a statement in regard to the bill may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JAVITS

I speak in behalf of S. 1973, the bill now before us to extend the validity of the passport to 3 years. Under present law a passport is issued for 2 years and may be renewed for an additional 2-year period; my bill would extend the original issuance period to 3 years and retain the 2-year renewal provision.

S. 1973 was introduced in consideration of the recommendations contained in the Report to the President of the United States on International Travel by the Honorable Clarence B. Randall, special assistant to the President. This report was submitted in accordance with an amendment to the Mutual Security Act of 1957 of which I was the sponsor. In his report, Mr. Randall stated:

"In my discussions with the travel industry, I found almost invariable dissatisfaction with the length of passport validity. Respectable authority has recommended extension of the passport life to 3 years, with a similar renewal period. Some urged a 5-year life and renewal. The argument advanced against a greater life than 3 years is that many naturalized citizens visiting the countries of their birth would lose their U.S. citizenship if they did not return to this country (or go on to a third country) within 3 years. The requirement to apply for a passport extension before this time provides an opportunity to instruct the applicant to return to the United States in order to retain his citizenship.

"I am convinced that an extension of the passport life would serve the cause of international travel by requiring less frequent applications and by reducing the workload of the Passport Office, which issued over 580,000 passports and renewals in the United States in fiscal year 1957. I see no reason why the life of the passport should not be extended to 3 years with a 3-year renewal, and I recommend that Congress be asked to amend the law accordingly."

In line with Mr. Randall's recommendation, I last year introduced S. 3998 which provided for a 3-year original issuance period and a 3-year renewal period. The Department of State, in a letter to this Committee dated July 23, 1958, objected to the 3-year renewal period on the grounds that the issuance of a passport for a period of validity of more than 5 years would lead to situations inconsistent with the provision in the Immigration and Nationality Act whereby a naturalized citizen may lose his U.S. citizenship by residing continuously for 5 years in any other foreign state or states.

The State Department did, however, state its support of "legislation which would make a passport valid for not more than 3 years initially, nor more than 5 years upon renewal" in order that a citizen would not lose his U.S. citizenship while holding a valid U.S. passport. In accord with this State Department report, I therefore revised my bill and reintroduced this year in its present form, the bill which the Senate now has before it, S. 1973.

Since Mr. Randall's original report, which was published last year, the number of passports and renewals has risen to 599,062 for the 1959 fiscal year; 14 percent of these were renewals. It is anticipated that as more and more Americans travel abroad in areas where passports are required, this figure will continue to increase. Thus, passage of S. 1973 would not only ease the growing burden of work carried by the efficiently managed Passport Office in the Department of State, but enactment of this bill would also lessen the personal inconvenience of the increasing

number of Americans who obtain passports and renew them. This bill would thus both increase departmental efficiency and add to the inconvenience of the more than half a million citizens who each year seek to obtain and renew passports. I urge upon the Senate its approval.

BILLS PASSED OVER

The bill (S. 2065) to amend Public Law 85–880, and for other purposes, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1734) to amend section 409(c) of the Communications Act of 1934, as amended, with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

ELIMINATION OF REQUIREMENT OF AN OATH OR AFFIRMATION ON CERTAIN DOCUMENTS

The bill (S. 1736) to amend the Communications Act of 1934, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 219 of the Communications Act of 1934, as amended (47 U.S.C. 219(a)), is amended by striking out from the first sentence thereof the words "under oath".

SEC. 2. That subsection (b) of section 219 of the Communications Act of 1934, as amended (47 U.S.C. 219(b)), is amended by striking out from the penultimate sentence thereof after the word "Act" the semicolon, adding a period thereafter and striking out the following: "and such periodical or special reports shall be under oath whenever the Commission so requires".

SEC. 3. That subsection (b) of section 308 of the Communications Act of 1934, as amended (47 U.S.C. 308(a)), is amended by striking out from the last sentence thereof the words "under oath or affirmation".

SEC. 4. That subsection (a) of section 319 of the Communications Act of 1934, as amended (47 U.S.C. 319(a)), is amended by striking out from the last sentence thereof the words "under oath or affirmation".

BILL PASSED OVER

The bill (S. 1737) to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

PROCEDURE IN OBTAINING LICENSE AND FOR HEARINGS UNDER THE COMMUNICATIONS ACT OF 1934

The Senate proceeded to consider the bill (S. 1898) to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act, which had been reported from the Committee on Commerce, with an amendment, on page 1, after line 4, to strike out:

ACTION UPON APPLICATION; FORM OF AND CONDITIONS ATTACHED TO LICENSES

SEC. 309. (a) (1) No application provided for in section 308 for an instrument of authorization for any station in the broadcasting of common carrier services or for any station within the scope of subsection (d) shall be granted by the Commission earlier than thirty days following issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof: *Provided,* That this requirement shall not apply to any minor amendment of any such application or to any application for (A) minor change in the facilities of an authorized station, (B) consent to an involuntary assignment or transfer under section 310(b) or to an assignment or transfer thereunder which does not involve a substantial change in ownership or control, (C) license under section 319(c) or, pending application for or grant of such license, any special or temporary authorization to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as would be authorized by such license, (D) extension of time to complete construction of authorized facilities, (E) authorization of facilities for remote pickups and studio links for use by the licensee or permittee of a broadcast station in the operation of such station or (F) authorization under any of the proviso clauses of section 308(a).

(2) Any party in interest may file a petition to deny any application or amendment thereof to which the requirement of paragraph (1) of this subsection applies at any time prior to the day of Commission grant thereof without hearing or formal designation thereof for hearing. Such petition shall be served on the applicant and shall contain specific allegations of fact sufficient to show that the petitioner is a party in interest and that a grant thereof would be prima facie inconsistent with subsection (b). Such allegations of fact shall, except for those of which official notice may be taken, be supported by affidavit of a person or persons with personal knowledge thereof. The applicant shall be given the opportunity to file a reply in which allegations of fact or denials thereof shall similarly be supported by affidavit. If the Commission, after oral argument if it deems oral argument appropriate, finds that there are no substantial and material questions of fact and that grant of the application would be consistent with subsection (b), it shall make the grant, deny the petition, and issue a concise statement of the reasons for denying the petition which shall dispose of each substantial question presented thereby. If a substantial and material question of fact is presented or if the Commission for any other reason is unable to find that grant of the application would be consistent with subsection (b), it shall proceed as provided in subsection (c).

(b) Whether or not a petition to deny is filed under subsection (a), the Commission shall examine each application provided for in section 308. If upon examination of any such application provided for in section 308 and upon consideration of any such petition and any reply thereto, the Commission shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application.

(c) If upon examination of any such application the Commission is unable to make the finding specified in subsection (b), it shall forthwith notify the applicant and all other known parties in interest of the grounds and reasons for its inability to make such finding other than the grounds and reasons specified in any petition to deny the application filed under subsection (a). Such notice, which shall precede formal designation for a hearing, shall advise the applicant and all other known parties in interest of all such other objections made to the application as well as the source and nature of such objections. Following such notice, the applicant shall be given an opportunity to reply. If the Commission, after considering such reply and any petition to deny the application filed under subsection (a) as well as any reply thereto, shall be unable to make the finding specified in subsection (b), it shall formally designate the application for hearing on the grounds or reasons then obtaining and shall notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor and shall specify the issues to be heard. Any party in interest who is not notified by the Commission of its action with respect to a particular application may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for its interest at any time not less than ten days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate. The burden of proceeding with the introduction of evidence and the burden of proof shall be upon the applicant, except that, with respect to any issue presented by a petition to deny or a petition to enlarge issues and specified by the Commission, both such burdens shall be as determined by the Commission.

(d) The stations other than in the broadcasting or common carrier service referred to in subsection (a) are (1) fixed point to point stations, but not including control and relay stations used as integral parts of mobile radio systems, (2) industrial radio positioning stations for which frequencies are assigned on an exclusive basis, (3) aeronautical en route stations, (4) aeronautical advisory stations, (5) airdrome control stations, (6) aeronautical fixed stations, and (7) such other stations or classes of stations as the Commission by rule provides.

(e) The Commission is authorized to adopt by rule reasonable classifications of applications and amendments in order to effectuate the purposes of this section.

(f) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject; (1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this Act; (3) every license issued under this Act shall be subject in terms to the right of use or control conferred by section 606 hereof.

SEC. 2. Section 319(c) of the Communications Act of 1934 (47 U.S.C. 319(c)) is amended by striking out "and (c)" and inserting in lieu thereof "(c), (d), and (e)".

SEC. 3. Section 405 of the Communications Act of 1934 (47 U.S.C. 405) is amended—

(1) by striking out "and party" in the first sentence and inserting in lieu thereof "any party", and

(2) by inserting after the fourth sentence a new sentence as follows: "The Commission shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided,* That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition."

And, in lieu thereof, to insert:

ACTION UPON APPLICATIONS; FORM OF AND CONDITIONS ATTACHED TO LICENSES

SEC. 309. (a)(1) No application provided for in sections 308, 310(b), and 325(b) for an instrument of authorization or any station in the broadcasting or common carrier services or for any station within the scope of subsection (e) shall be granted by the Commission earlier than thirty days following issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof: *Provided,* That this requirement shall not apply to any minor amendment of any such application or to any application for (A) minor change in the facilities of an authorized station, (B) consent to an involuntary assignment or transfer under section 310(b) or to an assignment or transfer thereunder which does not involve a substantial change in ownership or control, (C) license under section 319(c) or, pending application for or grant of such license, any special or temporary authorization to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as would be authorized by such license, (D) extension of time to complete construction of authorized facilities, (E) authorization of facilities for remote pickups, studio links and similar facilities for use in the operation of a broadcast station, or (F) authorizations pursuant to section 325(b) where the programs to be transmitted are special events not of a continuing nature, or (G) special temporary authorization for nonbroadcast operation not to exceed thirty days where no application for regular operation is contemplated to be filed or pending the filing of an application for such regular operation or (H) authorization under any of the proviso clauses of section 308(a).

(2) Any party in interest may file a petition to deny any application or amendment thereof to which the requirement of paragraph (1) of this subsection applies at any time prior to the day of Commission grant thereof without hearing or formal designation thereof for hearing: *Provided,* That, with respect to any classification of applications, the Commission from time to time by rule may specify a shorter period (no less than thirty days following the issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof), which shorter period shall be reasonably related to the time when the applications would normally be reached for processing. Such petition shall be served on the applicant and shall contain specific allegations of fact sufficient to show that the petitioner is a party in interest and that a grant thereof would be prima facie inconsistent with subsection (b). Such allegations of fact shall, except for those of which official notice may be taken, be supported by affidavit of a person or persons with personal knowledge thereof. The applicant shall be given the opportunity to file a reply in which allegations of fact or denials thereof shall similarly be supported by affidavit. If the Commission finds on the basis of the application, the pleadings filed, or other matters which it may officially notice that there are no substantial and material questions of fact and that a grant of the application would be consistent with subsection (b), it shall make the grant, deny the petition, and issue a concise statement of the reasons for denying the petition which shall dispose of each substantial question presented thereby. If a substantial and material question of fact is presented or if the Commission for any other reason is unable to find that grant of the application would be consistent with subsection (b), it shall proceed as provided in subsection (c).

(b) Whether or not a petition to deny is filed under subsection (a), the Commission shall examine each application provided for in section 308. If upon examination of any such application provided for in section 308 and upon consideration of any such petition and any reply thereto or such other matters as the Commission may officially notice the Commission shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application.

(c) If upon examination of any such application, petition to deny or reply thereto or such other matters as the Commission may officially notice the Commission is unable to make the finding specified in subsection (b), it shall formally designate the application for hearing on the ground or reasons then obtaining and shall forthwith notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor, specifying with particularity the matters and things in issue but not including issues or requirements phrased generally: *Provided,* That, if the Commission finds that by first giving the applicant and other known parties in interest notice of all objections to such application and an opportunity to reply thereto a determination of the application may be expedited, it shall forthwith give such notice and opportunity for reply before formally designating the application for hearing. The parties in interest, if any, who are not notified by the Commission of its action with respect to a particular application, may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for their interest at any time not less than ten days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate. The burden of proceeding with the introduction of evidence and the burden of proof shall be upon the applicant, except that with respect to any issue presented by a petition to deny or a petition to enlarge the issues, such burdens shall be as determined by the Commission.

(d) When an application subject to subsection (a) has been filed, the Commission, notwithstanding the requirements thereof, may, if otherwise authorized by law and if it finds that there are extraordinary circumstances requiring emergency operations in the public interest and that delay in the institution of such emergency operations would seriously prejudice the public interest, grant a temporary authorization, accompanied by a statement of its reasons therefor, to permit such emergency operations for a period not exceeding ninety days, and upon making like findings may extend such temporary authorization for one additional period not to exceed ninety days. When any such grant is made, the Commission shall give expeditious treatment to any timely filed petition to deny such application and to any petition for rehearing of such grant filed under section 405.

(e) The stations other than in the broadcasting or common carrier service referred to in subsection (a) are (1) fixed point-to-point microwave stations, but not including control and relay stations used as integral parts of mobile radio systems, (2) industrial radio positioning stations for which frequencies are assigned on an exclusive basis, (3) aeronautical en route stations, (4) aeronautical advisory stations, (5) airdrome control stations, (6) aeronautical fixed stations, and (7) such other stations or classes of stations as the Commission by rule provides.

(f) The Commission is authorized to adopt by rule reasonable classifications of applications and amendments in order to effectuate the purposes of this section.

(g) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject: (1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this Act; (3) every license issued under this Act shall be subject in terms to the right of use or control conferred by section 606 hereof.

SEC. 2. Section 319(c) of the Communications Act of 1934 (47 U.S.C. 319(c)) is amended by striking out "and (c)" and inserting in lieu thereof "(c), (d), and (e)".

SEC. 3. Section 405 of the Communications Act of 1934 (47 U.S.C. 405) is amended—

(1) by striking out "and party" in the first sentence and inserting in lieu thereof "any party", and

(2) by inserting after the fourth sentence a new sentence as follows: "The Commission shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided,* That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended to read as follows:

"ACTION UPON APPLICATIONS; FORM OF AND CONDITIONS ATTACHED TO LICENSES

"SEC. 309. (a)(1) No application provided for in sections 308, 310(b), and 325(b) for an instrument of authorization or any station in the broadcasting or common carrier services or for any station within the scope of subsection (e) shall be granted by the Commission earlier than thirty days following issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof: *Provided,* That this requirement shall not apply to any minor amendment of any such application or to any application for (A) minor change in the facilities of an authorized station, (B) consent to an involuntary assignment or transfer under section 310(b) or to an assignment or transfer thereunder which does not involve a substantial change in ownership or control, (C) license under section 319(c) or, pending application for or grant of such license, any special or temporary authorization to permit interim operation to facilitate completion of authorized construction or to provide substantially the same service as would be authorized by such license, (D) extension of time to complete construction of authorized facilities, (E) authorization of facilities for remote pickups, studio links and similar facilities for use in the operation of a broadcast station, or (F) authorizations pursuant to section 325(b) where the programs to be transmitted are special events

not of a continuing nature, or (G) special temporary authorization for nonbroadcast operation not to exceed thirty days where no application for regular operation is contemplated to be filed or pending the filing of an application for such regular operation or (H) authorization under any of the proviso clauses of section 308(a).

"(2) Any party in interest may file a petition to deny any application or amendment thereof to which the requirement of paragraph (1) of this subsection applies at any time prior to the day of Commission grant thereof without hearing or formal designation thereof for hearing: *Provided,* That, with respect to any classification of applications, the Commission from time to time by rule may specify a shorter period (no less than thirty days following the issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof), which shorter period shall be reasonably related to the time when the applications would normally be reached for processing. Such petition shall be served on the applicant and shall contain specific allegations of fact sufficient to show that the petitioner is a party in interest and that a grant thereof would be prima facie inconsistent with subsection (b). Such allegations of fact shall, except for those of which official notice may be taken, be supported by affidavit of a person or persons with personal knowledge thereof. The applicant shall be given the opportunity to file a reply in which allegations of fact or denials thereof shall similarly be supported by affidavit. If the Commission finds on the basis of the application, the pleadings filed, or other matters which it may officially notice that there are no substantial and material questions of fact and that a grant of the application would be consistent with subsection (b), it shall make the grant, deny the petition, and issue a concise statement of the reasons for denying the petition which shall dispose of each substantial question presented thereby. If a substantial and material question of fact is presented or if the Commission for any other reason is unable to find that grant of the application would be consistent with subsection (b), it shall proceed as provided in subsection (c).

"(b) Whether or not a petition to deny is filed under subsection (a), the Commission shall examine each application provided for in section 308. If upon examination of any such application provided for in section 308 and upon consideration of any such petition and any reply thereto or such other matters as the Commission may officially notice the Commission shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application.

"(c) If upon examination of any such application, petition to deny or reply thereto or such other matters as the Commission may officially notice the Commission is unable to make the finding specified in subsection (b), it shall formally designate the application for hearing on the ground or reasons then obtaining and shall forthwith notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor, specifying with particularity the matters and things in issue but not including issues or requirements phrased generally: *Provided,* That, if the Commission finds that by first giving the applicant and other known parties in interest notice of all objections to such application and an opportunity to reply thereto a determination of the application may be expedited, it shall forthwith give such notice and opportunity for reply before formally designating the application for hearing. The parties in interest, if any, who are not notified by the Commission of its action with respect to a particular application, may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for their interest at any time not less than ten days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate. The burden of proceeding with the introduction of evidence and the burden of proof shall be upon the applicant, except that with respect to any issue presented by a petition to deny or a petition to enlarge the issues, such burdens shall be as determined by the Commission.

"(d) When an application subject to subsection (a) has been filed, the Commission, notwithstanding the requirements thereof, may, if otherwise authorized by law and if it finds that there are extraordinary circumstances requiring emergency operations in the public interest and that delay in the institution of such emergency operations would seriously prejudice the public interest grant a temporary authorization, accompanied by a statement of its reasons therefor, to permit such emergency operations for a period not exceeding ninety days, and upon making like findings may extend such temporary authorization for one additional period not to exceed ninety days. When any such grant is made, the Commission shall give expeditious treatment to any timely filed petition to deny such application and to any petition for rehearing of such grant filed under section 405.

"(e) The stations other than in the broadcasting or common carrier service referred to in subsection (a) are (1) fixed point-to-point microwave stations, but not including control and relay stations used as integral parts of mobile radio systems, (2) industrial radio positioning stations for which frequencies are assigned on an exclusive basis, (3) aeronautical en route stations, (4) aeronautical advisory stations, (5) airdrome control stations, (6) aeronautical fixed stations, and (7) such other stations or classes of stations as the Commission by rule provides.

"(f) The Commission is authorized to adopt by rule reasonable classifications of applications and amendments in order to effectuate the purposes of this section.

"(g) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject: (1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this Act; (3) every license issued under this Act shall be subject in terms to the right of use or control conferred by section 606 hereof."

SEC. 2. Section 319(c) of the Communications Act of 1934 (47 U.S.C. 319(c)) is amended by striking out "and (c)" and inserting in lieu thereof "(c), (d), and (e)".

SEC. 3. Section 405 of the Communications Act of 1934 (47 U.S.C. 405) is amended—

(1) by striking out "and party" in the first sentence and inserting in lieu thereof "any party", and

(2) by inserting after the fourth sentence a new sentence as follows: "The Commission shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided,* That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXPANSION OF FEDERAL COMMUNICATIONS COMMISSION'S REGULATORY AUTHORITY

The bill (S. 1740) to amend section 202(b) of the Communications Act of 1934, in order to expand the Federal Communications Commission's regulatory authority under such section was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 202 of the Communications Act of 1934 (47 U.S.C. 202(b)) is amended to read as follows:

"(b) Charges or services, whenever referred to in this Act, include charges for, or services in connection with, the use of communication facilities of common carriers in chain broadcasting or incidental to radio communication of any kind."

REDEFINING DUTIES AND FUNCTIONS OF REVIEW STAFF, COMMUNICATIONS ACT OF 1934

The bill (S. 1738) to amend section 5(c) of the Communications Act of 1934, to redefine the duties and functions of the review staff, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the Communications Act of 1934, as amended (47 U.S.C. 155 (c)), is amended by striking out the fourth sentence thereof and inserting in lieu thereof the following two sentences: "The review staff shall perform no duties or functions other than those prescribed by the Commission to assist it, in cases of adjudication (as defined in the Administrative Procedure Act) which have been designated for hearing. It shall make no recommendations concerning the final disposition of any proceeding, and any document finally disposing of a proceeding shall be prepared in accordance with the specific directions of the Commission."

BILLS PASSED OVER

The bill (S. 1735) to repeal the honorarium provision of subsection (b) of section 4 of the Communications Act of 1934 was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1654) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes, was announced as next in order.

Mr. ENGLE. Over, Mr. President, as not being proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

ACQUISITION AND CONVEYANCE OF CERTAIN DISTRICT OF COLUMBIA PROPERTY TO THE PAN AMERICAN HEALTH ORGANIZATION

The joint resolution (S.J. Res. 115) authorizing the purchase of certain property in the District of Columbia and its conveyance to the Pan American Health Organization was announced as next in order.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in explanation of the bill, as meeting the requirements of the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

Senate Joint Resolution 115 authorizes an appropriation of funds necessary for the Administrator of General Services to acquire certain land, buildings, and improvements in the District of Columbia. In addition, the resolution authorizes the Administrator of General Services to convey the above-mentioned property to the Pan American Health Organization for use as a headquarters site without monetary consideration.

The United States as a member of the Organization has since the inception of the Health Organization taken the leadership in the health problems experienced by our friends of the Americas. The headquarters of the Organization are located in Washington and I understand it is crowded and inadequate. I also understand that it is imperative that much more adequate headquarters be found.

The Organization received invitations to establish its headquarters in several other countries which participate in its activities. The U.S. delegation to the Pan American Sanitary Conference in 1950 made assurances that it would like to have the Organization headquarters remain in this country and that action would be taken to make land available for a headquarters in the Washington area. Because of the offer to provide a suitable headquarters site on the part of the U.S. delegation, the offers to establish headquarters in other countries were not acted upon.

Because the United States is a leading participant in the Pan American Health Organization, and because of the substantial interest of the United States in the health of the people of the Americas, Senate Joint Resolution 115 does not appear to violate the Morse formula.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S.J. Res. 115) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the Administrator of General Services to acquire by purchase, condemnation, or otherwise, including any expenses of such acquisitions, the land in the northwest section of the District of Columbia, known as square 59, bounded on the north and south by Virginia Avenue and E Street, and on the east and west by Twenty-second and Twenty-third Streets, together with any building and improvements thereon.

SEC. 2. The Administrator of General Services is hereby authorized to convey, without consideration, the property acquired under section 1 of this Act to the Pan American Health Organization, formerly known as the Pan American Sanitary Bureau and the Pan American Sanitary Organization, for use as a headquarters site, subject to the condition that the site development plan be coordinated with the National Capital Planning Commission.

The preamble was agreed to.

JOHN W. FLANNAGAN DAM AND RESERVOIR

The bill (H.R. 109) to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Va., as the "John W. Flannagan Dam and Reservoir," was considered, ordered to a third reading, read the third time, and passed.

CONFIRMATION OF CONTRACT BETWEEN THE UNITED STATES AND THE TOWN OF BRIDGEPORT, WASH.

The bill (H.R. 802) to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash., was considered, ordered to a third reading, read the third time, and passed.

DESIGNATION OF STREAM IN CALIFORNIA AS THE "PETALUMA RIVER"

The bill (H.R. 2191) to designate a stream in California as the "Petaluma River," was considered, ordered to a third reading, read the third time, and passed.

DESIGNATION OF COYOTE VALLEY RESERVOIR, CALIF., AS LAKE MENDOCINO

The bill (H.R. 2193) to designate the Coyote Valley Reservoir in California as Lake Mendocino was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS IN ARLINGTON COUNTY, VA.

The bill (H.R. 2465) to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va., was announced as next in order.

Mr. MORSE. Mr. President, this bill conforms to the Morse formula. I ask unanimous consent to have printed in the RECORD a statement on that subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

H.R. 2465 authorizes the Secretary of Commerce to exchange certain real property in Arlington County, Va., owned by the Federal Government for certain parcels of real property in the same area owned by certain individuals.

The proposed exchange would have the beneficial effect of improving property lines for both the Federal Government and the private parties. The exchange would also benefit the United States should it decide in the future to widen a highway in the area.

The property in question has been appraised by the Bureau of Public Roads. The land owned by the United States is appraised at $14,500. The land proposed to be transferred to the Government has been appraised at $12,700. The private parties have agreed to pay the difference in the appraised value of the properties to be exchanged.

In view of the fact that the land is being exchanged for land of equal value, the bill does not violate the Morse formula.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 2465) was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF ACT CREATING THE LOUISIANA-VICKSBURG BRIDGE COMMISSION

The bill (H.R. 1074) to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission was considered, ordered to a third reading, read the third time, and passed.

DOUGLAS McKAY DAM AND RESERVOIR

The bill (S. 2440) to designate the Green Peter Dam and Reservoir in Middle Santiam River, Oreg., as the Douglas McKay Dam and Reservoir was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Green Peter Dam and Reservoir to be constructed on the Middle Santiam River near Albany, Oregon, authorized by the Flood Control Acts of June 28, 1938 (Public Law 761, 75th Congress), and September 3, 1954 (Public Law 780, 83d Congress), shall be known and designated hereafter as the Douglas McKay Dam and Reservoir. Any law, regulation, map, document, record, or other paper of the United States in which such dam and reservoir are referred to as the Green Peter Dam and Reservoir shall be held to refer to such dam and reservoir as the Douglas McKay Dam and Reservoir.

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 21) expressing the sense of the Senate concerning the making of loans by the Rural Electrification Administration was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2449) to extend the International Wheat Agreement Act of 1949 was announced as next in order.

Mr. KEATING. Over, Mr. President, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

INTERSTATE TRANSPORTATION OF FISH

The bill (H.R. 5854) to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes, was considered, ordered to a third meeting, read the third time, and passed.

USE OF CERTIFIED MAIL FOR SERVICE OF PROCESS

The bill (H.R. 7112) to amend sec. 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

RESEARCH PROGRAM FOR IMPROVING THE CONSERVATION OF GAME FISH

The Senate proceeded to consider the bill (S. 1262) to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game fish in dam reservoirs, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment on page 1, line 5, after the word "game", to insert "and food", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall establish a program of research and experimentation in order to determine means of improving the conservation of game and food fish in dam reservoirs.

SEC. 2. For the purpose of carrying out the provisions of this Act, the Secretary of the Interior is authorized (1) to acquire by purchase, condemnation, or otherwise such suitable lands, to construct such buildings, to acquire such equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate or contract with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research and experiments conducted pursuant to the first section of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game and food fish in dam reservoirs."

CONTINUED STUDIES OF EFFECTS OF INSECTICIDES, FUNGICIDES, AND OTHER PESTICIDES UPON FISH AND WILDLIFE

The Senate proceeded to consider the bill (S. 1575) to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 1, line 8, after "SEC. 2.", to strike out "The sum of $2,565,000 per annum is hereby authorized to be appropriated to carry out the objectives of this Act" and insert "There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 1, 1958, providing for continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources and for other purposes is amended to read as follows:

"SEC. 2. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2086) to provide for the establishment of a National Wildlife Disease Laboratory was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2053) to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN REAL PROPERTY TO THE CITY OF FORT WALTON BEACH, FLA.

The bill (H.R. 2934) to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla., was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, the bill conforms to the Morse formula; and I ask unanimous consent to have a statement on the subject printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

H.R. 2934 authorizes the Secretary of the Air Force to convey certain land which is presently a part of the Eglin Air Force Base to the city of Fort Walton Beach, Fla., at the fair market value. The city desires to purchase the 338.7549 acres of land from the Air Force for use as a municipal golf course and for other recreational purposes.

The conveyance provides that should the land cease to be used for the above mentioned purposes, the title shall revert to the United States. The Department of the Air Force states that it has no objection to the passage of the bill.

In view of the fact that fair market value would be paid for the land, the bill does not violate the Morse formula.

BILL PASSED OVER

The bill (H.R. 4656) to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN U.S. PROPERTY TO THE CITY OF VALPARAISO, FLA.

The bill (H.R. 6500) to amend Public Law 85–818 was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF CERTAIN LANDS TO THE MASSACHUSETTS PORT AUTHORITY IN EXCHANGE FOR OTHER LANDS—BILL PASSED OVER

The Senate proceeded to consider the bill (H.R. 5888) to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority certain lands in South Boston, Mass., in exchange for other lands, which had been reported from the Committee on Armed Services, with an amendment, on page 4, after line 18, to insert a new section, as follows:

SEC. 3. (a) As a condition of the exchange of land authorized by this Act the Secretary of the Navy shall require the Massachusetts Port Authority to pay an amount of money equal to the amount, if any, by which the fair market value of the property conveyed by the United States exceeds the fair market value of the property conveyed to the United States, as determined by the Secretary of the Navy.

(b) The Secretary of the Navy is authorized, with respect to any amount determined by him to be payable to the United States pursuant to the provisions of subsection (a), to waive such portion thereof as he deems equitable in consideration of the rent free use by the Department of the Navy in past years of the land conveyed hereunder by the Massachusetts Port Authority.

The amendment was agreed to.

Mr. MORSE. Mr. President, reserving the right to object to the further consideration of the bill, let me say that House bill 5888 would authorize the Secretary of the Navy to transfer certain Boston Naval Shipyard real estate and improvements to the Massachusetts Port Authority in exchange for certain lands owned by the Massachusetts Port Authority.

The property belonging to the United States has been declared excess to the needs of the Navy. The Massachusetts

Port Authority desires to obtain the Federal property for future port development.

The Navy would like to acquire the land belonging to the Massachusetts Port Authority for parking, recreational, and other uses.

According to Senate Report No. 714, the Federal property has been appraised by the Navy at $210,000. The port authority property has been appraised at $127,000. The Federal property consists of 15.9 acres; the port authority property, 3.88 acres.

A letter dated June 18, 1959, addressed to Chairman VINSON, of the House Committee on Armed Services, states in part:

> Staff appraisals have indicated a difference in valuation of the properties to be exchanged in favor of the Navy. It is therefore recommended that the bill be amended to provide for payment of an amount equal to the difference in value of the properties as determined by the Secretary of the Navy after fair market value appraisals (Rept. 714, p. 3).

Let me say, Mr. President, incidentally, that I thought that would have been a very sound and very fair way to dispose of the matter, and I am sorry that recommendation was not followed.

Nevertheless, H.R. 5888, as it passed the House, contained no provision requiring the Massachusetts Port Authority to pay "an amount equal to the difference in value of the properties as determined by the Secretary of the Navy after fair market value appraisals."

Mr. President, if the Federal property in question were to be exchanged for port authority property of equal value or if the House bill had provided for payment of the differential in value, as suggested by the Navy Department, no violation of the Morse formula would have been involved. Section 3(a) of the bill, as reported by the Senate committee, would correct this defect.

Section 3(b) of H.R. 5888, as reported by the Senate Armed Services Committee, involves a violation of the Morse formula, because it would allow a deduction of some unknown amount—to be determined in the future by the Secretary of the Navy—in determining the amount payable by the port authority. According to section 3(b), the Secretary, in determining the amount payable to the United States, would deduct the amount "he deems equitable in consideration of the rent-free use by the Department of the Navy in past years of the land conveyed hereunder by the Massachusetts Port Authority."

Mr. President, let me say that if that precedent were to be established by us, it would be very unfair as regards some transactions which already have taken place, as a result of the passage of certain bills during the call of the calendar. For instance, it was not so long ago that the city of Philadelphia was perfectly willing to pay for port facilities, in accordance with the Morse formula, in the case of property there with had been used for a long time by the Government. If we ever start to make any such arrangement when a city or a State had been giving the Federal Government rent-free use of such property, in order to induce the Government to establish there a Federal project which would bring many employees to that area, then we might just as well forget about trying to get the fair market value for the property; and I believe we should then face the fact that if the Federal Government had established in such a community a Federal project which brought great benefits to the community, and if, years later, the community wished to obtain that piece of property, we would have established a precedent which would permit the community to say, "We have been giving the Federal Government the use of the property, rent free, for many years; and now we should be allowed to deduct that amount, in the nature of free rent, from the purchase price of the property which we now want." Of course, it is perfectly obvious that if the community had wanted to charge such rent in the first place, the Federal Government would not have established the project there.

So that was an independent and separate transaction.

I do not think we should permit the people of Massachusetts, in this case, to proceed, after the fact—as they are attempting to do in this instance—to collect for such rent, which they never had any intention of collecting, in the first instance, inasmuch as if they had had declared such an intention, we have no way of knowing that the Federal Government would not have determined to develop the project in some other community.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The 5 minutes available to the Senator from Oregon, under the rule applicable during the call of the calendar, have expired.

Mr. MORSE. Mr. President, unless I am allowed to proceed further, I shall have to object to consideration of the bill at this time.

Mr. HOLLAND. Mr. President, I ask unanimous consent that at this time the Senator from Oregon may be recognized for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Oregon may proceed.

Mr. MORSE. I thank the Senator from Florida.

Mr. President, Senate Report No. 714 includes these comments concerning the deduction just mentioned:

> For the past 17 years the Navy has enjoyed free use of the port authority property. While this does not constitute consideration from a legal standpoint, it should be pointed out that had the Navy been required to pay rent it is estimated that the fair rental during this period of time would have amounted to between $75,000 to $90,000.

Senate Report No. 714 fails to indicate that there was any arrangement between the Navy Department and the port authority that the Navy at some future time would reimburse the port authority for the free use of the land in question. Therefore, it is only fair to assume that the free use arrangement was perfectly satisfactory to both parties, and that mutual benefits were involved.

In fact, Mr. President, knowing how these things usually take place, I am willing—in the absence of evidence to the contrary—to take judicial notice that Massachusetts was very desirous, in the first instance, of having this Navy project established in Massachusetts, and was perfectly willing to provide the use of the property, rent free, in order that Massachusetts might have the benefit of the employment of personnel and the payroll and the business which would flow from the establishment of that Federal activity.

Mr. President, in these land transfer cases if we were to permit deductions based upon considerations comparable to those involved in the proposed free land use arrangement, we might just as well forget the Morse formula requirement that the taxpayers of the United States are entitled to fair appraised market values of Federal lands to be sold or exchanged.

I am very desirous of going into the merits of this case with its sponsors and trying to see if there is any justification for passing this bill in violation of the Morse formula on the unanimous-consent calendar call; but there has been no showing, so far as the senior Senator from Oregon is concerned, up to this hour, that would justify the passage of this bill on the unanimous-consent call of the calendar, if I am going to follow—and I assure my colleagues I am going to follow—a consistent course in the application of the Morse formula on a unanimous-consent call of the calendar.

I remember in the last session of Congress the Senators from Pennsylvania had a somewhat similar problem, and after they went into the merits of the question, although they, too, would have liked to have port facilities which ran into the thousands of dollars turned over to the city of Philadelphia without cost, they recognized the merits of the position I had taken.

So, Mr. President, in view of the points I have made, I object to the consideration of the bill on this call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE. Mr. President, I submit amendments, intended to be proposed by me to this bill. I ask unanimous consent that the amendments be received, printed, and printed in the RECORD as a part of my remarks, so that they may be available for discussion the next time the bill is under discussion. I think the amendments ought to be accepted by the sponsor.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments submitted by Mr. MORSE are as follows:

On page 4, line 19, strike out "(a)."

On page 5, beginning with line 1, strike out all through line 7.

CONSTRUCTION OF SALT WATER RESEARCH LABORATORY AT SEATTLE, WASH.

The bill (S. 1576) to provide for the construction of a salt-water research laboratory at Seattle, Wash., was con-

sidered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to provide for the construction and equipping of a salt-water research laboratory in the Golden Gardens Beach area in Seattle, Washington, in conjunction with the construction of an aquarium in such area by the city of Seattle, and on a site contiguous to the site of such aquarium with respect to which the Secretary receives assurances satisfactory to him from the city of Seattle, by lease or otherwise, that the United States will be permitted to operate such laboratory thereon for such period of time as the Secretary may determine to be necessary to carry out the purposes of this Act. Such research laboratory shall be operated jointly by the State of Washington Department of Fisheries, the College of Fisheries of the University of Washington, the School of Oceanography of such university, and the Fish and Wildlife Service, United States Department of the Interior, for the purpose of conducing research on marine life.

ABANDONMENT OF FACILITIES AND SERVICE WITHOUT THE CONSENT OF THE FEDERAL POWER COMMISSION

The bill (S. 2264) to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Federal Power Act, as amended (16 U.S.C. 824a), is amended by adding at the end thereof a new subsection (g), as follows:

"(g) No public utility shall abandon or curtail any service subject to the jurisdiction of the Commission, or abandon all or any part of its facilities if it would thereby effect the abandonment, curtailment, or impairment of such service, without the permission and approval of the Commission first had and obtained, after notice and opportunity for hearing, upon a finding by the Commission that such abandonment or curtailment is consistent with the public interest."

PERFORMANCE OF CERTAIN COAST AND GEODETIC SURVEY AND WEATHER BUREAU FUNCTIONS

The bill (S. 2483) to provide flexibility in the performance of certain functions of the Coast and Geodetic Survey and of the Weather Bureau was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of July 22, 1947 (61 Stat. 400; 33 U.S.C. 873), is amended to read as follows:

"The Secretary of Commerce is hereby authorized to pay extra compensation to members of crews of vessels when assigned duties as instrument observer or recorder, and to employees of other Federal agencies while observing tides or currents, or tending seismographs or megnetographs, at such rates as may be specified from time to time by him."

SEC. 2. Section 3 of the Act of June 2, 1948 (62 Stat. 286, as amended; 15 U.S.C. 327), is hereby revised to read as follows:

"The Secretary of Commerce is hereby authorized to (a) appoint employees for the conduct of meteorological investigations in the Arctic region without regard to the civil service laws and fix their compensation without regard to the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), and titles II and III of the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 911 and the following), at base rates not to exceed the maximum scheduled rate for GS–12, and (b) grant extra compensation to employees of other Government agencies for taking and transmitting meteorological observations."

RECOGNITION OF THE GALLANT ACTION OF THE SS "MEREDITH VICTORY" IN EVACUATING HUNGNAM, KOREA

The Senate proceeded to consider the bill (S. 2185) to provide appropriate public recognition of the gallant action of the SS *Meredith Victory* in December 1950 evacuation of Hungnam, Korea, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 1, line 10, after the word "time", to strike out "under the authority of section 3" and insert "and shall award a Merchant Marine Meritorious Service Medal to the master of the vessel at the time of the action, under the authority of sections 1a and 3", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the gallant action of the steamship *Meredith Victory* in saving the lives of over fourteen thousand Korean civilians by transporting them in a single voyage from Hungnam to Pusan in December of 1950, the Secretary of Commerce shall issue a citation and award a plaque to the steamship *Meredith Victory,* and shall award an appropriate citation ribbon bar to each person serving on board her at that time, and shall award a Merchant Marine Meritorious Service Medal to the master of the vessel at the time of the action, under the authority of sections 1a and 3 of the Act entitled "An Act to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes", approved July 24, 1956 (46 U.S.C. 249b), notwithstanding that such Act was not then in effect.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 4329) to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly Airport site, Virginia, and for other purposes was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF SOIL BANK ACT

The bill (S. 2323) to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the producer to harvest hay on such acreage if, after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster".

Mr. YOUNG of North Dakota. I ask unanimous consent to have printed following passage of the bill a brief explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG OF NORTH DAKOTA

This bill authorizes the Secretary of Agriculture to permit the harvesting of hay from conservation reserve lands if the Governor of the State certifies the need therefor and the Secretary determines that such harvesting is necessary to alleviate damage, hardship, or suffering caused by a natural disaster. This authority would be similar to that which the Secretary now has to permit the grazing of conservation reserve lands, and is based upon the same considerations. The committee felt that it was not reasonable to provide Government assistance in the importation of hay into a drought area, as has been done in the past, and at the same time to prevent hay growing in the area from being harvested. The Department has indicated that necessary safeguards to prevent abuse of permission to harvest hay might be more difficult to enforce than those applicable to grazing permission. The committee felt, however, that such enforcement problems were not more serious than many imposed on the Department in connection with other programs and should not prevent enactment of this desirable measure. Section 485.163(b)(4) of the conservation reserve program regulations provides that no annual payment will be made if the land is grazed pursuant to permission from the Secretary. It is expected that if the Secretary finds it necessary to make no payment in the future where grazing is permitted that the same would apply to land where the hay is harvested.

BILL PASSED OVER

The bill (S. 2504) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes, was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

EXEMPTION OF SMALL HYDROELECTRIC PROJECTS FROM CERTAIN LICENSING PROVISIONS

The bill (S. 2263) to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (b), (e), and (i) of section 10 of the Federal Power Act, as amended (16 U.S.C. 803(b), 803(e), 803(i)), are amended by striking out the words "one hundred horsepower" in each such subsection and inserting in lieu thereof the words "two thousand horsepower".

REMOVAL OF GEOGRAPHICAL LIMITATIONS ON ACTIVITIES OF THE COAST AND GEODETIC SURVEY

The bill (S. 2482) to remove geographical limitations on activities of the Coast and Geodetic Survey, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 6, 1947 (ch. 504, 61 Stat. 787; 33 U.S.C. 883a–883i), is amended by adding at the end thereof a new section reading as follows:

"SEC. 11. The Secretary of Commerce may conduct activities authorized by this Act without regard to the geographical limitations set forth herein in connection with projects designated as essential to the national interest by the head of an executive department or agency."

CREDITING OF CERTAIN SERVICE FOR PURPOSE OF RETIRED PAY

The bill (H.R. 3365) to authorize the crediting of certain service for purpose of retired pay for nonregular service, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. HART. Mr. President, I ask unanimous consent that the calendar call be suspended at Calendar No. 732, H.R. 3365, to authorize the crediting of certain service for purpose of retired pay for nonregular service, and for other purposes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

GORGAS MEMORIAL LABORATORY

Mr. HILL. Mr. President, there is on the Calendar Order No. 735, the bill (S. 2219) to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, and for other purposes. This bill was unanimously reported by the Senate Committee on Labor and Public Welfare.

I may say I have conferred this morning with the distinguished minority leader [Mr. DIRKSEN], and also the distinguished assistant minority leader [Mr. KUCHEL]. They both join me in asking that this bill may be brought before the Senate for consideration at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2219) to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for fiscal years ending after June 30, 1960, section 1 of the Act of May 7, 1928 (22 U.S.C. 278), relating to the authorization of annual appropriations for maintenance and operation of the Gorgas Memorial Laboratory, is amended by striking out "$150,000" and inserting in lieu thereof "$250,000".

SEC. 2. Such Act is further amended by adding at the end thereof the following new section:

"SEC. 4. There are hereby authorized to be appropriated from time to time such sums as the Congress may find necessary for construction and equipment of facilities for the Gorgas Memorial Laboratory, including preparation of plans and specifications, acquisition, alteration, expansion, and remodeling of buildings, and site improvements; but excluding the cost of the acquisition of land."

ESTABLISHMENT OF FISH HATCHERY IN PENNSYLVANIA

Mr. JOHNSON of Texas. Mr. President, there were some bills passed over that we have been able to clear, and I should like to ask Senators to give their attention to them. One is Order No. 620, H.R. 2398.

I ask unanimous consent that the Senate proceed to the consideration of that bill.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 2398) to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the able junior Senator from Pennsylvania [Mr. SCOTT] has discussed this matter with me. If he cares to, I should like to ask him to explain it. As soon as his explanation is concluded, we shall act on the bill.

Mr. SCOTT. Mr. President, I appreciate very much the courtesy of the distinguished majority leader, and I am thankful to him for giving us an opportunity to bring up a bill which is important not only to Pennsylvania, but to the northern part of West Virginia, western New York, and part of Ohio.

The purpose of the bill is to authorize construction and equipment of a fish hatchery in the Kinzua Dam area of northwestern Pennsylvania, in connection with the Allegheny River Reservoir.

The hatchery cost is estimated at not more than $1 million. The annual operating cost is estimated at $90,000.

The Department of the Interior, Fish and Wildlife Service, has recommended the enactment of this bill.

It is consistent with the policy of the Federal Government to sponsor to the fullest extent recreational opportunities for our people, taking full advantage of our natural resources.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2398) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCOTT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHANGING OF NAME TO THEODORE ROOSEVELT DAM IN ARIZONA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 637, Senate Joint Resolution 25.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The CHIEF CLERK. A joint resolution (S.J. Res. 25) to change the name of Roosevelt Dam in Arizona to Theodore Roosevelt Dam.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the dam, reservoir, and power plant in Arizona, known as Roosevelt Dam, Reservoir, and Power Plant, shall hereafter be known as Theodore Roosevelt Dam, Lake, and Power Plant, and any law, regulation, document, or record of the United States in which such dam, reservoir, and power plant are designated or referred to under the name Roosevelt Dam, Reservoir, and Power Plant shall be held to refer to such dam, reservoir, and power plant under and by the name of Theodore Roosevelt Dam, Lake, and Power Plant.

Mr. JOHNSON of Texas. Mr. President, the joint resolution was introduced by the junior Senator from Arizona [Mr. GOLDWATER]. He had anticipated being present to explain it, but he is attending an important meeting of the conference committee on the labor bill, and he has asked me to act in his behalf.

The purpose of the resolution is to definitely identify the dam and accessory facilities with the name of Theodore Roosevelt, 26th President of the United States, who served from 1901 to 1909. It was during his incumbency that the dam and auxiliary works were authorized as major features of the Salt River project, one of the earliest reclamation develop-

ments under the Reclamation Act of 1902 This act was sponsored by Theodore Roosevelt and the major basic facility—Roosevelt Dam—was given his name on its completion in 1911. He also dedicated the dam on its completion on March 18, 1911.

Subsequently, by election to the Presidency in 1932, Franklin D. Roosevelt's name also became associated with reclamation, and his name has been linked with the reservoir behind Grand Coulee Dam in the State of Washington.

Under the substitute joint resolution, the name of Theodore Roosevelt is definitely associated with the dam and auxiliary works of the major structure of the Salt River project in Arizona.

I am informed that the Arizona Senators are very anxious to see that this resolution is passed, and I hope it will be adopted.

The PRESIDING OFFICER (Mr. Moss in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake and Power Plant."

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ACCEPTANCE BY THE UNITED STATES OF FISH HATCHERY IN THE STATE OF SOUTH CAROLINA

Mr. JOHNSON of Texas. Mr. President, objection was made when Calendar No. 716, S. 2053, was called. My colleagues the Senators from South Carolina [Mr. JOHNSTON and Mr. THURMOND] are anxious to have that measure acted on. Therefore, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 716, S. 2053.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2053) to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized, in his discretion and upon such terms and conditions as he shall consider to be in the public interest, to accept by donation on behalf of the United States, title to the Orangeburg County, South Carolina, fish hatchery, together with the right to take adequate water from Orangeburg County Lake therefor. The Secretary is authorized to rehabilitate and expand the rearing ponds and other hatchery facilities, to purchase lands adjoining such station in connection with the rehabilitation and expansion of such facilities, and to equip, operate, and maintain said fish hatchery.

SEC. 2. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 665.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unanimous-consent agreement relating to this bill not be placed in effect until a further order is made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

VISIT TO SENATE BY CHILEAN SENATORIAL DELEGATION

Mr. MANSFIELD. Mr. President, the presence here, today, of three distinguished colleagues from the Republic of Chile is particularly timely and appropriate. I say that in view of the successful inter-American conference of foreign ministers which has just concluded in Santiago de Chile.

The Government of Chile was host to what may prove to be one of the most significant meetings of the Organization of American States in many years. As host, the Chileans had much to do with the success of the conference. They dealt brilliantly with difficult problems of protocol, occasioned by the serious situation in the Caribbean. With great diplomatic skill, they set the tone of these meetings in the framework of the finest historic principles of inter-American cooperation. But, at the same time, with the other American States they brought the conference to grips with the very real problems of peace and justice as they are now reflected in the Caribbean region.

Mr. President, I may be wrong, but I believe that history will interpret the recent conference of the OAS and the Declaration of Santiago as a decisive moment in the common search of the Americas for peaceful progress in this hemisphere. There has emerged from their meeting an evolution, beyond the concept of the good neighbor, to another level of development in inter-American relations. There has emerged from the Fifth Consultation of Foreign Ministers a new principle of inter-American relations. The Declaration of Santiago, as I see it, unfolds a principle which may be termed the Conscience of the Americas. We have reaffirmed—all of the Republics—our concern with maintaining the forms of national independence, that is, the doctrine of nonintervention. But we have gone a step further. We have linked that doctrine with a clear recognition that no American nation, under the protection of that doctrine, can do violence to the fundamental rights of its own citizens without also doing violence to the conscience of the Americas. In time, I am confident that we shall find rational, inter-American ways—new ways—to express that conscience when it is outraged. It will take time, and it will take sober careful work. For the moment, however, it is enough to recognize the great achievement which has just been completed in Chile. It reflects the highest honor and distinction upon the homeland of our distinguished visitors, who are in the Chamber this afternoon.

Mr. President, it is with great pride that I introduce Senator Juan Antonio Coloma of the Province of O'Higgins; Senator Eduardo Frei, of Santiago; and Senator Guillermo Perez de Arce, of the Province of O'Higgins.

[As their names were stated, the distinguished visitors rose in their places, and were greeted with applause.]

Mr. MANSFIELD. Mr. President, we are delighted and honored to have our senatorial colleagues from the Republic of Chile with us in this Chamber this afternoon. They represent a proud, a dignified, and a great Nation. We are the ones who are being honored by their presence and by having them as our guests this afternoon.

Mr. President, I ask unanimous consent to have printed in the RECORD a background sketch of the three Senators with us in the Chamber this afternoon, and also of the two other Senators who will join this delegation either tomorrow or the next day.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

CHILEAN SENATORIAL DELEGATION—BIOGRAPHIC DIGEST—UNDER THE AUSPICES OF THE INTERNATIONAL EDUCATIONAL EXCHANGE SERVICE, U.S. DEPARTMENT OF STATE

Senator Juan Antonio Coloma Mellado: Born January 1, 1906, Los Angeles, Chile. Attended University of Chile and Catholic University Law School. Served as secretary of internal revenue, ministry of finance and as secretary-lawyer to the President of Chile. Was elected a deputy in 1932, and

became president of the chamber of deputies in 1941. Celebrated 25 years of continuous service in the Chilean congress in December 1957. Served for some years prior to 1957 as president of the United Conservative Party. At present, member of the national defense committee and the internal rules committee of the senate.

Senator Eduardo Frei Montalva: Born January 16, 1911, in Santiago, Chile. Graduated in 1933 with a degree in law from the Catholic University of Chile. In 1934, became president of the Chilean Catholic Youth Organization. Professor of labor law, Catholic University of Chile, 1939 to 1948. President of the National Falange Party (now the Christian Democratic Party), 1941 to 1948. Minister of public works and communications, 1945–46. Member of the senate since 1949. Chilean delegate to the United Nations General Assembly in New York in 1950 and 1951. Christian Democratic Party candidate for the presidency of Chile in 1958.

Senator Guillermo Perez de Arce Plummer: Born in 1906. Served for 12 years as attorney for the Chilean Mortgage Credit Bank. Formerly private secretary to the minister of the interior and member of the City Council of Rancagua. Member of the National Popular Party. Member of the senate since 1953. President of the senate during most of 1958. Chilean delegate to the United Nations General Assembly in New York in 1954 and 1955.

THE FOLLOWING SENATORS WILL JOIN THEIR COLLEAGUES AT A LATER DATE

Senator Ulises Correa Correa; Born September 9, 1893, in Talca, Chile. Studied at the Modern Institute in Santiago. Prior to election to the senate in 1941, engaged in business as a producer broker and operator of two large livestock ranches. Also served as Governor of Talco Province from 1938 to 1941. Former president of the Radical Party. At present, chairman of the senate foreign relations committee.

Senator Hugo Zepeda Barrios: Born June 4, 1907, in Ovalle, Chile. Studied law at the University of Chile, was admitted to the bar in 1928 and has worked as a lawyer since that time, specializing in mining and noncriminal law. Served in the Chamber of Deputies from 1933 until election to the senate in 1957. Also served as an adviser to the Chilean Mine Credit Bank and as a director of the National Smelter in Paipote. At present, is president of the Liberal Party of Chile, president of the Andacollo Mining Co., and a director of the Cerro Negro Mining Co. Was former president of the Rotary Club of Coquimbo.

Mr. KUCHEL. Mr. President, I felt highly honored to be invited by the distinguished majority whip [Mr. MANSFIELD] to be a guest at a luncheon given for the three distinguished Senators from our good neighbor, Chile. Certainly, the words which were uttered by them around the table, Mr. President, reflected what must be in the hearts of all Americans—amity, friendship, peace, good will, freedom, and democracy for all the nations of the Americas, and beyond that, for all the peoples of the world.

Mr. President, I was interested to note that the delegation from Chile will visit the State which my colleague [Mr. ENGLE] and I have the honor to represent. They are going to my home community of Anaheim, which is, incidentally, the home of Disneyland. I have taken the liberty of suggesting to the State Department that our fellow Senators from our neighboring Republic be given an opportunity to spend a couple of hours in one of the delightful, truly American institutions which has sprung up in my State, in my home community.

I say to our friends: Quiero, ahora, decirles, en español, "Bienvenidos." Todos los Miembros del Senado de Los Estados Unidos de Norte America tienen mucho placer en verles aqui. Esperamos que sue gran país, Chile, y nuestro país tendran en todo el futuro y siempre la misma amistad que tenemos hoy. Esperamos trabajar juntos con ustedes por la paz con justicia para todo el mundo. [Applause, Senators rising.]

REJECTION OF FUNDS FOR BALTIMORE HARBOR AND CHANNELS

Mr. BEALL. Mr. President the public works appropriation bill as approved by the Senate contained an item of $1½ million for deepening and widening the Baltimore harbor and channels.

The Port of Baltimore was dealt a serious blow when this item was deleted from the bill in conference. It is most disheartening to observe millions of dollars being pumped into the seaway while our domestic ports are denied even token assistance.

Mr. President, I ask unanimous consent that a statement by the chairman of the Maryland Port Authority be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MARYLAND PORT AUTHORITY CHAIRMAN ON REJECTION OF CHANNEL FUNDS

"The action of the Appropriations Committee in Congress in eliminating the one and one-half million dollar item that would have permitted Baltimore to deepen its main channel to 42 feet is most regrettable," John L. Kronau, chairman of the Maryland Port Authority said today. "It must be remembered that this is a project that has the highest ratio benefit in the country. The sum requested is minor when compared with the hundreds of millions of dollars that have been pumped into the seaway to aid marine traffic. The need for the deeper channel at Baltimore has been proven; it is urgent and it should be carried out as speedily as possible. The Maryland congressional delegation should lend every effort to getting this money appropriated and the project under way as speedily as possible for the best economic benefits to the entire State."

STEEL PROFITS AND WAGES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a letter to the editor which appeared in the Wall Street Journal of August 19, 1959, entitled "Steel Profits and Wages" be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STEEL PROFITS AND WAGES

EDITOR, THE WALL STREET JOURNAL:

I used to think that, though your editorial point of view was very conservative, you still managed to be fairly objective in your attitude toward labor-management disputes.

Your editorial of July 27, "One Answer to Mr. McDonald," has led me to revise my opinion. Your bias is showing.

It shows very badly when you say that the 12 years of continuous wage boosts (since 1946) "have inexorably forced up the price of steel."

Have you conveniently forgotten that the price rises set by the steel industry since 1946 were in the ratio of $3 for every $1 in labor costs?

In the interests of fairness, shouldn't you point out that the present soaring profits of the steel corporations would make possible a substantial boost in wages and benefits for steel employees, without requiring an increase in prices?

Recent figures of the Iron & Steel Institute, the steel industry's own bureau of facts and figures, show that man-hours of production and maintenance workers required, for each ton of steel shipped, declined to an all-time low of 10.7 in April. These same figures show that the labor costs per ton dropped from $37.92 in 1957 to $35.74 this April. It was during this same period, you remember, that the industry claimed it was granting wage increases costing more than 20 cents per hour per year. The union figures these increases at 15 cents per hour each year.

Don't these industry figures strongly support the union contention that noninflationary wage increases can be granted?

It's high time that an impartial factfinding group were set up with definite obligations to make a recommendation for a fair settlement of this most serious dispute.

If the union and the industry can agree on such an arrangement, fine. If they can't, the Federal Government has a definite responsibility to set up such a panel.

It would not be intervening in favor of one side or the other, but in the public interest. The unions and the industry would not be compelled to accept the recommendations, but they certainly would have to answer to public opinion—and more important, an informed opinion.

JOHN J. DRISCOLL.

BRIDGEPORT, CONN.

Mr. HUMPHREY. Mr. President, this letter is written in answer to an editorial which appeared in the Wall Street Journal recently, entitled "One Answer to Mr. McDonald." I think it is an excellent letter and deserves widespread attention.

OCEANOGRAPHIC RESEARCH

Mr. MAGNUSON. Mr. President, the Senate on July 15 approved Senate Resolution 136 recommending expansion of our oceanographic research, systematic oceanwide surveys, and intensified fisheries studies and exploration.

The chairman and all members of the Senate Committee on Interstate and Foreign Commerce, and my colleague from the State of Washington, joined in cosponsoring this resolution, which urges Government support of a comprehensive plan that will assure the United States permanent leadership in this field.

Need for such research has been emphasized by the Department of the Navy, which has pointed out the massive efforts being taken by Soviet Russia and other nations, and by the Committee on Oceanography of the National Academy of Sciences and National Research Council.

Our neighbors to the north, I am happy to report, already have embarked on a significant new program of oceanographic research, an account of which appears in the August 15 issue of the

Marine Digest, published at Seattle, Wash.

I ask unanimous consent to have printed in the RECORD the news article, titled "Canada To Study Oceanography," published in the Marine Digest on that date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CANADA TO STUDY OCEANOGRAPHY

VANCOUVER, BRITISH COLUMBIA.—The Canadian Government is going into the study of oceanography in a big way, with an expected expenditure of many millions of dollars, it was announced by Hon. Paul Comtois, minister of mines and technical surveys.

At a focal point for the new program, a $3 million oceanographic institute, to be called the Bedford Institute of Oceanography is being set up at Bedford Basin, near Halifax.

On completion, it will have a staff of 300 oceanographers, hydrographers, submarine geologists and other scientific personnel, and will control a fleet of 10 oceanographic vessels, in the Atlantic, Pacific, and Arctic.

LONGEST COASTLINE

Canada, which possesses the longest coastline of any country in the world, is thus waking up to its responsibilities to fill the need for data on our coastal waters for defense and for assessment of resources.

The oceanographic studies will concentrate on antisubmarine defense, navigation and potential resources in the Arctic and on the Continental Shelf.

The heart of the new project will lie in its fleet of oceanographic and hydrographic ships. A multimillion-dollar shipbuilding program is now underway on both coasts to provide the necessary fleet.

FIRST NEW SHIP

First of the new ships, the CGS *Huron*, will cost $7 million, and is expected to be commissioned in 1961.

She is a combined oceanographic and hydrographic ship, fully equipped with laboratory facilities for survey and research work, capable of working in any season of the year anywhere in the world. She will be strengthened for Arctic navigation.

The new Bedford Institute of Oceanography will work in close liaison with the Geological Survey of Canada, National Research Board, Fisheries Research Board and a new Institute of Oceanographical Studies which will be set up at Dalhousie University.

A similar institute is now set up at the University of British Columbia.

MAP OCEAN FLOOR

Under the new project, scientists will study and map the topography of the ocean floor, and measure the movements, temperature, density and chemical properties of the water at various depths.

Geologic studies will yield valuable data on the lift of the earth's crust, changes in climate, vegetation and volcanic activity.

This program will be the largest of its type ever undertaken in Canada.

CHANGE OF FORMAT IN REPORT ENTITLED "REPORT OF U.S. MILITARY ACADEMY ENTRANCE EXAMINATION"

Mr. GREEN. Mr. President, on July 30 I wrote to the Secretary of the Army and called to his attention the headings on "USMA Form 5–413" entitled "Report of U.S. Military Academy Entrance Examination," which was used by the Military Academy Section of the Department of the Army. I suggested a change in these headings and recommended that some other term be substituted for the heading entitled "Mental."

Today I am in receipt of a letter from Maj. Gen. R. E. Vittrup, Chief of Legislative Liaison, Office of the Secretary of the Army, reporting that the Department has thought well of my suggestion and that the format has been revised and the word "academic" will be substituted for "mental" in the revised form.

I desire to call this to the attention of the Members of the Senate, and I ask unanimous consent to have printed in the RECORD, my letter of July 30 and General Vittrup's reply dated August 17.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 30, 1959.

SECRETARY OF THE ARMY,
Department of the Army,
Washington, D.C.

MY DEAR MR. SECRETARY: It has been called to my attention by an eminent Rhode Island psychiatrist that the "USMA Form 5–413," entitled "Report of U.S. Military Academy Entrance Examination," which is used by the Military Academy section, should be changed in one particular.

The form in question is mailed from your office to each candidate who takes the entrance examination for admission to the Military Academy and the results appear under three separate headings, viz, "Mental," "Physical Aptitude," and "Medical." The use of the word "mental" in this connection is generally disapproved of today because of the adverse connotation which may be inferred. Failure of admission by reason of a "mental" test indicates to the average layman some innate deficiency of the mind, a certain lack of basic intelligence, rather than a mere insufficiency of scholastic or academic achievement. Colloquial usage has given the word "mental" many shaded meanings which cast doubt on the intent underlying its appearance and purpose on test forms.

I have been advised that for this reason leading colleges and universities no longer employ the word "mental" in their admission forms and notices, but have adopted instead such words as "scholastically" or "academically." These terms cannot be misconstrued and indicate only that the candidate possesses or does not possess the necessary scholastic qualifications for admission.

The Air Force Academy, the Naval Academy, and the Merchant Marine Academy also avoid the use of the word "mental" and notify their respective candidates that they have or have not met minimum standards or scholastic levels according to the scores achieved on the College Entrance Board tests.

It is my own opinion that the word "mental" ought not to be used in reporting the results of tests the purpose of which is to measure the level of learning or the acquisition of knowledge or skill. Therefore, I respectfully recommend that form 5–413 be changed to conform with the policy of those other service academies, colleges and universities, by deletion of the word "mental" and the substitution of a term or phrase which cannot be misinterpreted.

I believe that a change of this nature would greatly improve the tenor and effectiveness of your reports to candidates for admission to the U.S. Military Academy and thus avoid offense to them, their families and their sponsors.

With best wishes, I am,
Yours sincerely,
THEODORE FRANCIS GREEN.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., August 17, 1959.

Hon. THEODORE FRANCIS GREEN,
U.S. Senate

DEAR SENATOR GREEN: The Secretary of the Army has asked me to reply to your letter concerning the use of the word "mental" in reporting the results of the U.S. Military Academy entrance examinations.

The format of the "Report of USMA Entrance Examination" (USMA Form 5–413) has recently been under review by the Admissions Committee of the Military Academy. This group considered the possibility that misunderstandings might arise as the result of use of the word "mental" and adopted a revised format for next year. The word "academic" will be substituted for "mental" in the revised form.

This Department sincerely appreciates your helpful suggestion and the deep interest in the Military Academy that prompted it.

Sincerely,
R. E. VITTRUP,
Major General, GS,
Chief of Legislative Liaison.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the business before the Senate?

The PRESIDING OFFICER. Senate bill 2524 is before the Senate. There is a limitation of debate, by unanimous-consent agreement heretofore adopted by the Senate, in regard to the bill. The bill is now open to amendment.

Mr. MANSFIELD. Mr. President, the time limitation begins as of now?

The PRESIDING OFFICER. As of now.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SPARKMAN rose.

Mr. JOHNSON of Texas. I will yield to the Senator from Alabama, if he desires to have me do so.

Mr. SPARKMAN. I did not know what the procedure was to be. I desire to make a few remarks on the bill at some stage of the proceedings.

Mr. JOHNSON of Texas. We have a unanimous-consent agreement to limit debate on the bill. We are ready to start the discussion of the bill. The chairman of the committee which handled the bill is not on the floor. I asked our legislative assistant to notify the chairman of the committee we were about to consider the bill, and we would be under a time limitation.

If the Senator from Alabama desires to speak on the bill before the chairman does, I will yield to him now.

Mr. SPARKMAN. No. I certainly would not want to do so without clearing it with the chairman, because I do not know what his desires will be.

TRIBUTE TO SENATOR SPARKMAN

Mr. JOHNSON of Texas. Mr. President, before we go on limited time, I wish to say that on yesterday, due to the necessity of considering two or three conference reports, I was deprived of the opportunity of saying what I wanted to say about the Herculean efforts of the very able junior Senator from Alabama [Mr. SPARKMAN] in connection with the general subject of housing.

Mr. President, I know of no one who has given more freely or more generously of his time. I know of no public servant who is more dedicated in his efforts. I know of no other committee chairman who has knowledge of the subject any greater than the junior Senator from Alabama.

The people of my State, of my party, and I think of my country are deeply indebted to the Senator for his unselfish efforts in this field. I think we are all fortunate to have a person of the capacity of the junior Senator from Alabama handling this very complex subject and handling it so well. I should like for the RECORD to show that I personally feel very deeply in his debt for the contribution he has made.

Mr. SPARKMAN. Mr. President, if the Senator will yield to me, I should certainly like to express my gratitude for those words. It is a difficult job, but it nevertheless is one I enjoy greatly.

I want to say that we have an unusually good subcommittee and full committee, and I was very much pleased with the handling of the bill on the floor. As some Senators said to me yesterday, there was more discussion of housing with regard to this particular bill than we have had for several years. I think that is true. I think there was greater participation by members of the subcommittee and of the full committee. I think that is good for the Senate as a whole. I think perhaps we had a more thorough airing, and now probably have a better understanding of what is in the bill than we have had in a long time.

I thank the Senator.

Mr. SCOTT. Mr. President, I should like to say to the Senator from Alabama that we are all most grateful for the time and energy, as well as the patience and courtesy which the Senator from Alabama demonstrated at all times during the consideration of the bill.

I agree with him that by virtue of his effort the entire issue has become much better clarified. I hope that such thorny outcroppings as may still exist in the bill may be overcome in the other body or in conference. I sincerely hope that the bill will be approved by the President.

I compliment the distinguished Senator for a very fine job.

Mr. SPARKMAN. I am very grateful to the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, the order for the quorum call will be rescinded.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 5, 52, and 64 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 3, 11, 18, 27, 31, 32, 33, 39, 41, 54, 60, and 61 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn;

H.R. 4576. An act to suspend for a temporary period the duty on bookbindings and covers imported by certain institutions;

H.R. 4586. An act to amend section 4021 of the Internal Revenue Code of 1954;

H.R. 4825. An act for the relief of Jean K. Simmons;

H.R. 4839. An act for the relief of Peter F. de Ullmann;

H.R. 4857. An act to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students;

H.R. 5910. An act for the relief of Zelda Glick;

H.R. 6273. An act for the relief of Maksym Hrycyk;

H.R. 6368. An act to amend the Tariff Act of 1930 to place certain pumice stone on the free list;

H.R. 6405. An act for the relief of Vukasin Krtolica;

H.R. 6579. An act to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning;

H.R. 6884. An act for the relief of Mrs. Barbara May Boswell;

H.R. 7225. An act for the relief of Sylvester L. Gardner;

H.R. 7263. An act for the relief of Edward Ketchum;

H.R. 7456. An act to extend for 3 years the suspension of duty on imports of casein;

H.R. 7518. An act for the relief of Rudolph Rozman;

H.R. 7550. An act for the relief of Vartanouche Kalfayan;

H.R. 7588. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax;

H.R. 7744. An act for the relief of John I. Strong;

H.R. 8196. An act for the relief of Everet Bumgardner;

H.R. 8197. An act for the relief of Lawrence M. Furtado;

H.R. 8198. An act for the relief of Martin Ackerman;

H.R. 8199. An act for the relief of James J. Manning;

H.R. 8277. An act for the relief of Harold William Abbott and others;

H.R. 8310. An act for the relief of Joseph H. Cornell;

H.R. 8374. An act to amend Public Law 85–880, and for other purposes;

H.R. 8464. An act to amend the Act of October 24, 1951, to provide salary increases for the police for the National Zoological Park;

H.J. Res. 477. Joint resolution relating to the exclusion of certain aliens; and

H.J. Res. 479. Joint resolution relating to the entry of certain aliens.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 234. Concurrent resolution authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs"; and

H. Con. Res. 378. Concurrent resolution authorizing the printing of the 16th Report of the Commission of Fine Arts as a House document.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 196. An act for the relief of Grover J. Cole;

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.; and

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred or placed on the calendar as indicated:

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn;

H.R. 4586. An act to amend section 4021 of the Internal Revenue Code of 1954;

H.R. 4857. An act to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students;

H.R. 6368. An act to amend the Tariff Act of 1930 to place certain pumice stone on the free list;

H.R. 6579. An act to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning;

H.R. 7456. An act to extend for 3 years the suspension of duty on imports of casein; and

H.R. 7588. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax; to the Committee on Finance.

H.R. 4825. An act for the relief of Jean K. Simmons;

H.R. 4839. An act for the relief of Peter F. de Ullmann;

H.R. 5910. An act for the relief of Zelda Glick;

H.R. 6273. An act for the relief of Maksym Hrycyk;

H.R. 6405. An act for the relief of Vukasin Krtolica;

H.R. 6884. An act for the relief of Mrs. Barbara May Boswell;

H.R. 7225. An act for the relief of Sylvester L. Gardner;

H.R. 7263. An act for the relief of Edward Ketchum;

H.R. 7518. An act for the relief of Rudolph Rozman;

H.R. 7550. An act for the relief of Vartanouche Kalfayan;

H.R. 7744. An act for the relief of John I. Strong;

H.R. 8196. An act for the relief of Everet Bumgardner;

H.R. 8197. An act for the relief of Lawrence M. Furtado;

H.R. 8198. An act for the relief of Martin Ackerman;

H.R. 8199. An act for the relief of James J. Manning;

H.R. 8277. An act for the relief of Harold William Abbott and others;

H.R. 8310. An act for the relief of Joseph H. Cornell;

H.J. Res. 477. Joint resolution relating to the exclusion of certain aliens; and

H.J. Res. 479. Joint resolution relating to the entry of certain aliens; to the Committee on the Judiciary.

H.R. 8374. An act to amend Public Law 85-880, and for other purposes; placed on the Calendar.

H.R. 8464. An act to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 234) authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Government Operations two thousand additional copies of the hearing, entitled "Organization and Management of Missile Programs", held by that committee during the current session.

The concurrent resolution (H. Con. Res. 378) authorizing the printing of the 16th Report of the Commission of Fine Arts as a House document was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Sixteenth Report of the Commission of Fine Arts, transmitted by the President to the Congress of the United States on August 5, 1959, be printed as a House document with illustrations.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

The PRESIDING OFFICER. Senate bill 2524 is before the Senate and is open to amendment. The Senate is now operating under a unanimous-consent agreement, with a limitation of time.

Mr. BYRD of Virginia. I regard this bill as one of the most important pieces of legislation which the Senate will consider this year. The Constitution gives to the Congress the power to regulate commerce among the several States. However, Congress not having in the past attempted to regulate interstate commerce, the States have attempted to regulate its taxation. The whole matter is in a state of confusion, and the judicial application of constitutional principles to State taxation leaves much room for controversy and confusion and little guide to the States in exercising their taxing power. The Supreme Court has handed down some 300 cases dealing with this matter but the decisions have not always been clear, consistent and reconcilable. The confusion has been increased by two recent decisions of the Supreme Court in *Northwestern States Portland Cement Company* v. *State of Minnesota* and *T. V. Williams, State Revenue Commissioner* v. *Stockham Valves and Fittings, Inc.* (358 U.S. 450) February 24, 1959. In the Minnesota case the State statute reached out and taxed a part of the net income of an Iowa corporation engaged in the manufacture and sale of cement at its plant in Mason City, Iowa, some 40 miles from the Minnesota border. The activities in Minnesota consisted of a regular and systematic course of solicitation of orders for the sale of its products, each order being subject to acceptance, filing and delivery by it from its plant at Mason City. The company maintained a leased sales office in Minnesota. Two salesmen, including a district manager and a secretary occupied this office, and two additional salesmen used it as a clearinghouse. The taxpayer maintained no bank account in Minnesota, owned no real estate there, and warehoused no merchandise in that State. Orders received by the salesmen or at the Minnesota office were transmitted daily to the taxpayer in Mason City, Iowa, were approved there, and acknowledged directly to the purchaser with copies to the salesman. The salesmen also contacted potential customers and solicited orders, and would also receive and transmit claims against the company for loss or damage in shipments, informing the company of the nature thereof and requesting instructions concerning the same.

In the Stockham Valves and Fittings case, Georgia levied a net income tax on a Delaware corporation which had its principal office and plant in Birmingham, Ala. This company manufactures and sells valves and pipe fittings through wholesalers and jobbers, who handle products other than the taxpayer's. The company maintained no warehouse or storage facilities in Georgia. It did maintain a sales office in Atlanta, Ga., which served five States. This office was headquarters for one salesman, who devoted one-third of his time to solicitation of orders in Georgia. He was paid a salary plus commission, while a full-time woman secretary received a regular salary only. The salesman solicited orders, subject to approval of the home office and the products were shipped from the home office direct to customers. Other than office equipment, supplies and advertisement literature, and the like, the respondent had no property in Georgia, deposited no funds there and stored no merchandise in the State.

In both cases, the Court upheld the power of the States to levy a net income tax on the net income apportioned to the State under an apportionment formula. The decision contained some general language which indicated that a State might levy a tax on a corporation engaged exclusively in interstate commerce, even though it had no activity other than soliciting orders for sales within the State. I quote the following from the decision:

> We conclude that net income from the interstate operations of a foreign corporation may be subjected to State taxation provided the levy is not discriminatory and is properly apportioned to local activities within the taxing State forming sufficient nexus to support the same (358 U.S. 450 at 452).

In a dissenting opinion, Mr. Justice Frankfurter said:

> My objection is the policy that underlies the commerce clause; namely, whatever disadvantages may accrue to the separate States from making of the United States a free-trade territory are far outweighed by the advantages not only to the United States as a nation, but to the component States. I am assuming, of course, that today's decision will stimulate, if indeed it does not compel, every State of the Union, which has not already done so, to devise a formula of apportionment to tax the income of enterprises carrying on exclusively interstate commerce. As a result, interstate commerce will be burdened not hypothetically but practically, and we have been admonished again and again that taxation is a practical matter.
>
> I think that interstate commerce will be not merely augmentatively but actively burdened for two reasons:
>
> First. It will not, I believe, be gainsaid that there are thousands of relatively small or moderate size corporations doing exclusively interstate business spread over several States. To subject these corporations to a separate income tax in each of these States means that they will have to keep books, make returns, store records, and engage legal counsel, all to meet the divers and variegated tax laws of 49 States, with their different times for filing returns, different tax structures, different modes for determining net income, and, different, often conflicting, formulas of apportionment. This will involve large increases in bookkeeping, accounting, and legal paraphernalia to meet these new demands. The cost of such a far-flung scheme for complying with the taxing requirements of the different States may well exceed the burden of the taxes themselves, especially in the case of small companies doing a small volume of business in several States.
>
> Second. The extensive litigation in this Court which has challenged formulas of apportionment in the case of railroads and express companies—challenges addressed to the natural temptation of the States to absorb more than their fair share of interstate revenue—will be multiplied many times when such formulas are applied to the infinitely larger number of other businesses which are engaged in exclusively interstate commerce.

And then went on to state:

> The problem calls for solution by devising a congressional policy. Congress alone can provide for a full and thorough canvassing of the multitudinous and intricate factors which compose the problem of the taxing freedom of the States and the needed limits on such State taxing power. Congressional committees can make studies and

give the claims of the individual States adequate hearing before the ultimate legislative formulation of policy is made by the representatives of all the States. The solution to these problems ought not to rest on the self-serving determination of the States of what they are entitled to out of the Nation's resources. Congress alone can formulate policies founded upon economic realities, perhaps to be applied to the myriad situation involved by a properly constituted and duly informed administrative agency.

That, Mr. President, was the dissenting opinion of Justice Frankfurter, in part.

S. 2524. does not attempt to meet all of the problems which may arise in connection with the State taxation of interstate commerce. Your committee recognizes that the whole problem is a complex one which requires extensive and exhaustive study in arriving at a permanent solution which is fair both to the States and to the Nation. The bill now before the Senate, however, will serve as an effective stopgap or temporary solution while detailed studies are being made of this problem. Unless immediate action is taken at this time, it is feared that the States will amend their laws to further encroach upon interstate commerce as a result of the Supreme Court decisions handed down in February of this year. In fact, three of the States, Idaho, Tennessee, and Utah, have revised their laws since the February 1959 decisions and it is believed that these decisions will stimulate the States to devise methods to tax the income of businesses carrying on interstate commerce exclusively. The bill is designed to prevent this by definitely overruling the February 1959 decisions.

Under your committee's bill, no State or political subdivision thereof may impose, for any taxable year ending after the date of enactment of the bill, a tax on net income, or a tax measured by net income, on income derived within the State by a company—whether it be an individual proprietorship, partnership, or corporation—from interstate commerce if the only business activities within the State by or on behalf of such company are the minimum activities described in the bill. In general, these activities are, first, the solicitation of orders within the State for tangible personal property; and, second, the maintenance and operation within the State of a sales office, that is, an office, the primary purpose and use of which is to serve representatives of the company engaged in the solicitation of such orders. To qualify, however, all such orders must be sent outside the State for approval or rejection, and if approved, must be filled by shipment or delivery from a point outside the State.

In addition, your committee's bill provides that no State or political subdivision thereof may impose such a tax merely because a company uses one or more "independent contractors"—a term defined in the bill—making sales in such State, or soliciting orders in such State, for tangible personal property on its behalf.

Under your committee's bill no State or political subdivision thereof may assess, on or after the date of enactment of the bill, any such tax regardless of whether it is for a past year or the current year.

The immunity provided in the bill does not apply to any corporation which is incorporated under the laws of such State or to any individual who is domiciled in or is a resident of such State. There are some who fear that the bill will be construed by the States as giving them authority to tax income derived from interstate activities which do not fall within the immunity provisions of the bill. This is not the case. The bill does not give the States any power to tax income derived from interstate commerce. The power of the States in this respect will be determined with no inference from the bill. Whether business activities other than those described in the bill constitute a sufficient basis for the imposition by a State or political subdivision thereof of a net income tax on income derived from interstate commerce is left for future determination by the Congress, or in the absence of congressional action, by the courts.

The committee is contemplating legislation to establish a group designed to deal with the governmental functions involving overlapping areas of Federal and State taxation. This study will necessarily deal with the subject of how far the States should be permitted to go in levying net income taxes upon interstate activities. Nearly a hundred years ago the Congress, in the exercise of its powers to regulate money laid down rules under which the States could tax national banks which have been upheld by the Supreme Court. Similarly, Congress, in the exercise of its unquestioned powers of regulation of interstate commerce may lay down rules under which the State can tax the income of corporations engaged in interstate commerce. This may become a real necessity if the States, through their net income taxes, place a severe burden upon net income derived from engaging in interstate commerce. This may become necessary to protect the thousands of relatively small or moderate size corporations doing exclusively interstate business spread over the several States.

Mr. President, I hope this bill will be enacted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I am very glad to see that the Senate Finance Committee has reported this bill.

As I see it, it does two things: First, it accelerates the free commerce between the States which has always existed and which will exist now, whether the business is big or small, because some formulas will be laid down on which States can tax. Second, it permits a small industrial business to compete with a big industrial business because it will not be subject to taxation, or fear that it will be subject to taxation in every State.

We in our section of the country are very interested in this problem. I was one of those, under the leadership of the Senator from Alabama, who held hearings in Massachusetts in connection with this bill. Certainly there is a great interest in it in the New England section, where our geographical areas are fairly small and there are a number of States. We have a number of small industries, and we are happy to have a clarification of this problem.

I, for one, introduced a bill in connection with this subject, and I was glad to see that the committee adopted much of the language of my bill. What the bill does, in substance, is to put the matter in status quo until the Finance Committee, which, as I understand it, is going to study the subject, will know whether there should be any further changes in the law or not.

I hope that the bill will be passed, and I believe that what I have said is a correct understanding of the bill. Is that so?

Mr. BYRD of Virginia. I believe the Senator has very accurately described the purpose and the effect of this bill.

There were three bills before the Senate Finance Committee, one from the senior Senator from Massachusetts, one from the Senator from Connecticut [Mr. BUSH], and one from the Senator from Alabama [Mr. SPARKMAN]. The committee incorporated the main features of these three bills into a committee bill, resulting in the bill which is now pending.

Mr. SALTONSTALL. Would the Senator yield for a further question?

Mr. BYRD of Virginia. I yield.

Mr. SALTONSTALL. Primarily what the Senate committee bill does is to put the matter in status quo prior to the decision of the Supreme Court on the case in Georgia, and on another case.

Mr. BYRD of Virginia. That is correct.

Mr. SALTONSTALL. So that we can go forward with business as we have proceeded in the past, until and unless Congress should further amend the law.

Mr BYRD of Virginia. The primary effect of the bill is not to permit taxation by reason of solicitation of a salesman who would be in the State and who, under the terms of the bill, could not consummate a sale within the State, where the order is subject to the approval of the concern which ships into the State and which employs the salesman. Under the Supreme Court decision it is contended that States would have the right to tax the income of a company from sales of goods that come into a State merely by reason of the solicitation of a salesman, without any physical property being involved, and without the existence of any storehouse or warehouse or any other physical facilities.

Mr. SALTONSTALL. But if an owner is domiciled or a corporation is incorporate in the State, it is subject to taxation.

Mr. BYRD of Virginia. If it has physical property for sale within the State.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. BUTLER. Would that also hold true if the company employed a salesman who carried samples around the State or who had rented a hotel room

and had samples arranged on tables merely for display?

Mr. BYRD of Virginia. The bill provides for a sales office, but sales cannot be consummated in the State without being subject to taxation.

Mr. BUTLER. That is true; but may a company have some physical property in a State, even though it may not be for sale, merely to show customers the types of products which are for sale?

Mr. BYRD of Virginia. The company can have samples on display, but they cannot sell them in the State. In other words, a person could not buy a sample and take it out without its being subject to taxation.

Mr. BUTLER. But a company could have a sample on display, take an order, have the order processed, and then have the order sent to the home State of the company, there to be approved or disapproved, and there would be no tax?

Mr. BYRD of Virginia. The Senator is correct.

Mr. BUTLER. I heartily approve of the work of the Senator from Virginia and of the excellent work which has been done by the Committee on Finance.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. LAUSCHE. It is my understanding that the bill, if passed, will prohibit the imposition of the tax on the net income when the taxpayer is outside the State, as well as on his tangibles in a State foreign to his domicile.

Mr. BYRD of Virginia. That is correct as to a tax on net income.

Mr. LAUSCHE. I believe Ohio has a tax on insurance premiums collected by a foreign corporation on policies sold in Ohio. Would the proposed tax become invalid by force of the bill?

Mr. BYRD of Virginia. The activities describe in the bill relates to sales and solicitation of orders for sales of tangible personal property.

Mr. LAUSCHE. The bill provides for a tax only on tangibles?

Mr. BYRD of Virginia. The bill relates to taxes on net income or measured by net income.

Mr. LAUSCHE. The axle-mile tax imposed on trucks using the highways of a foreign State would not be affected?

Mr. BYRD of Virginia. That is correct.

Mr. LAUSCHE. Nor would the tax on premiums collected by insurance companies be taxable?

Mr. BYRD of Virginia. Insurance premiums are intangibles.

Mr. LAUSCHE. If the principle underlying the bill is advanced, would there not logically come within the principle a restriction against the collection of taxes on insurance premiums and the taxes collected on the axle-mile use of the highways? That is, if the principle were carried out, would it not eventually cover premiums collected in one State by an insurance company domiciled in another State?

Mr. BYRD of Virginia. The committee did not consider that feature. The Supreme Court decision, as the Senator well knows, related only to tangible property, and that is what the bill relates to.

Many witnesses came before the Committee on Finance and expressed the fear that the Supreme Court decision would permit a State to tax income of a company because of interstate commerce sales which were made in a State by salesmen, or rather because of orders which were solicited in a States by salesmen. The bill merely provides that orders solicited by a salesman, and subject to the approval of the main office, if the sale is not consummated in the State, will not then subject the out-of-State company to taxation. But this has no relation to the other matters the Senator mentioned.

The bill was designed to correct the decision of the Court, which many persons feared went so far as to hold that the solicitation of orders by salesmen would subject the income of the out-of-State company, derived from sales of tangible property in a State, to a tax of the State.

Mr. LAUSCHE. The phase which bothers me is that if the principle is sound that a tax can be collected on the net earnings of a foreign corporation doing business in a different State, that principle, if advanced, would definitely reach the tax imposed upon insurance premiums and might go so far as to reach the tax imposed on the right to use the highways.

The present purpose is to prohibit taxation on net income from the sale of tangibles. My fear is that insurance companies will later say, "We have no place of business in the State. We have only agents in the State, and under the theory of the bill, we cannot be taxed for the business we do when we merely have agents in the State." That is the phase of the bill which bothers me.

Mr. BYRD of Virginia. There is a great difference between the taxation of tangible property and the taxation of intangible things, such as insurance premiums.

The purpose of the bill is to prevent the taxation of companies which are in a State by reason of the solicitation by salesmen, who do not consummate sales in the State. The bill provides that sales must be consummated at the head office. It permits salesmen to make solicitations. It does not prohibit taxation if the company has a warehouse in the State or other physical facilities other than an office described in the bill, for the purpose of implementing the sale of the goods.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. BUTLER. Every insurance company which does business within a State must qualify in the State and have an office there for the adjustment of claims, for the proper accounting of its reserves, and in order to pay policy claims within the State. They are truly doing business within the State.

Mr. SPARKMAN. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. SPARKMAN. I wish to Senator from Maryland would listen to this, too.

I am a little disturbed over the questions propounded by the Senator from Ohio [Mr. LAUSCHE]. It seems to me that the tangible property situation is limited to subsection 1 and subsection 2.

Subsection 3, offhand, seems to me probably to be a thorn in the side of the Senator from Ohio, because it exempts from taxation under the following conditions—

> (3) the maintenance and operation by such person, or by his representative, in such State of an office the primary purpose and use of which is to serve representatives of such person who are engaged in the solicitation of orders described in paragraph (1) or (2), or both, and to receive, process, and forward such orders.

It may very well be that the limitation in paragraphs 1 and 2 is restricted to tangible assets. Of course, insurance companies are required to qualify in the States in order to do business. If subsection (3) is sufficiently tied into subsections (1) and (2), so as to apply only to tangible property, then it seems to me that the Senator from Ohio has no problem.

Mr. BYRD of Virginia. Subsection (3) is tied very closely to subsections (1) and (2).

Mr. LAUSCHE. I am glad to get the information from the Senator from Virginia that these two items would not be affected. But there remains, of course, the danger that at a subsequent session of Congress a request will be made to include in the act other items, upon the argument that if the principle applies to tangible property, it should apply also to other types of business.

Mr. BUTLER. I suggest to the Senator from Ohio that we consider the situation of a newspaper or a magazine which has a representative in Maryland, let us say, to gather news. The news is sent back to the home office, where it is printed and then shipped over State lines. From time immemorial, such a procedure has been free from all taxation. If the Senator's view is correct, the business of gathering news would be subject to taxation.

Mr. LAUSCHE. I am not declaring these views as a positive reflection of my judgment; I am merely posing them as the subject of future changes.

Mr. SPARKMAN. I should like to have the attention of the Senator from Ohio.

Let me say that when the bill which the Senator from Massachusetts [Mr. SALTONSTALL] and I joined in introducing was considered by the committee, we proposed that this be done on a temporary basis. In other words, the measure would be stop-gap legislation. We proposed, by means of the bill, that a commission be authorized to study this matter and to make a report. The House Judiciary Committee has reported a measure which almost exactly follows the bill which the Senator from Massachusetts [Mr. SALTONSTALL] and I joined in introducing, except, instead of providing for the establishment of a commission, it provides that the Judiciary Committee shall make the study and shall report, because many implications and complications are connected with this matter, and need to be looked into carefully before it is made permanent.

Mr. CARROLL. Mr. President, will the Senator from Virginia to me?

Mr. BYRD of Virginia. I yield.

Mr. CARROLL. I think we should understand what we shall be doing in this connection. This bill is a massive one. It seemed simple and innocuous, until I telephoned to Colorado and found what the bill would do to my own State.

In the State of Colorado, in 1958, the total taxable income from corporations amounted to $143,954,000. The taxable income from corporations in interstate commerce, with headquarters in some other State, but doing business in Colorado, amounted to $76,778,000, or approximately 50 percent of the total taxable income by Colorado from corporations.

One-sixth of all corporations doing business in Colorado would be affected by this so-called stopgap legislation. Mr. President, just think what such a measure would do to the revenue of the State of Colorado.

Mr. BUSH. Mr. President, will the Senator from Colorado state what it would do?

Mr. CARROLL. I cannot tell that now, because of the approximately 9,200 corporations in Colorado which are taxed, only 1,440 of them are engaged in interstate commerce—in other words, approximately one-sixth; and we cannot obtain a breakdown of the one-sixth now. We do not, at this time, know the categories into which they fall, that is, whether they maintain inventories, offices, warehousing, and so forth. Obviously those with inventories, warehouses, and so forth, are now covered by the law. We do not know at this time how many could escape taxation under this bill.

I warn my colleagues to consider what this measure would do to their States, before they vote in favor of passage of the bill.

I had no knowledge of this bill until it was reported to the Senate. Then I began to consider the situation of my own State, to see how the bill would affect it.

There are hundreds of court decisions in regard to taxation of this sort. A 1947 decision of the Colorado Supreme Court was, in effect, overturned by the Northwest Portland Cement decision of the Supreme Court of the United States. That Colorado Supreme Court decision cost the State millions of dollars until it was corrected by statute.

So I urge my colleagues to consider this matter very carefully and to proceed very cautiously. I recommend that no stopgap legislation be enacted until the congressional committees study the proposed law and its effect, for this matter involves more than a tax problem. If the bill were enacted, it would relate to decisions of the Supreme Court.

A manufacturer who was expanding his business into various States might or might not want such stopgap legislation enacted.

So I recommend that Senators consider the situation of their own States in such cases.

Mr. BUSH. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. BUSH. Let me ask whether the Senator from Colorado knows whether his State taxes net income which would be exempted by this bill?

Mr. CARROLL. There is not the slightest doubt in my mind that that is being done. That is why I have made this point.

Mr. BUSH. Is the Senator from Colorado certain that his State insists on such taxation?

Mr. CARROLL. In reply, let me point out that I hold in my hand an editorial published in the Denver Post, an independent newspaper. The editorial was published in the August 14 edition, and reads as follows:

CAUTION, GO SLOW ON TAX FAVORS

Colorado and the 34 other States which tax corporate incomes stand to lose substantial prospective revenues if a bill approved by the Senate Finance Committee in Washington should be enacted and found constitutional.

The bill provides that an interstate company would be immune from State income taxes, as in Colorado, for example, if its only business operations in the taxing State consisted of seeking orders for goods to be delivered from a point outside the State.

The purpose of the bill is to limit the effect of three U.S. Supreme Court decisions early this year.

In one of those cases the court held for the first time that a company selling goods in another State may be required to pay an income tax there even though it possesses no office, warehouse or property there.

The full effects of the court ruling has not yet been appraised.

However, some Senators are fearful that the decision will encourage States to get into a race to tax out-of-State corporations.

They say that because States use different formulas for determining the tax liability of out-of-State corporations, many corporations may be taxed in two or more States on the same income, and the net effect may be to require some corporations to pay State income taxes on more than 100 percent of their profits.

For example, Minnesota determines the income tax liability of an out-of-State corporation by proportioning its sales, tangible property and payroll in Minnesota to its total sales, tangible property and payroll in all States.

The Georgia income tax formula, however, is based on the ratio of a company's inventory of goods, its wages and its gross receipts in Georgia to its total inventory, wages and gross receipts in all States.

The Minnesota formula would give one tax figure, the Georgia formula another under similar circumstances.

The difference from State to State in income tax formulas certainly is a strong argument for working out a uniform system of allocating taxes on profits to the States where those profits are made.

But it is not in itself a justification for granting State tax immunity to certain types of business operations, as the Senate bill would attempt to do.

The U.S. Supreme Court decision apparently has reversed a 1947 decision of the Colorado Supreme Court in a case involving the American Can Co.

In that case the Colorado court said it had already ruled that all the profits of a Colorado corporation, whether earned in or outside the State were taxable in Colorado. So, to be consistent, it must hold that sales made in Colorado by out-of-State corporations were not subject to income taxes here.

The application of State incomes taxes to interstate commerce promises to pose many complex problems which deserve careful study before any action to grant tax immunity to anyone is taken.

I think the editorial gives pretty good advice. It says, "Caution, go slow on tax favors."

I say to the Senate that it should go slow in taking action on important legislative measures relating to such matters.

The bill we are now discussing might easily affect various States, to the extent of hundreds of millions of dollars of revenue, especially during a period when the Federal Government has preempted the tax field, and when the States are seeking to obtain revenue with which to run their educational institutions, their penal institutions, and so forth.

So I believe we should be very, very careful in the approach we make; and I believe this measure should be put over and should be studied for a year.

Mr. BUTLER. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. BUTLER. Mr. President, the Senator from Colorado is a lawyer. Let me ask him whether any decision by the Colorado courts results in taxation in connection with a transaction simply because a salesman solicited an order in Colorado and then sent it to his home office, for approval or disapproval, and it was shipped over the State line.

Mr. CARROLL. Our supreme court held that inasmuch as it had previously ruled that all the profits of Colorado corporations are taxable in Colorado, whether earned in or out of the State, a tax of the sort the Senator from Maryland has referred to should not be imposed if the court was to be consistent. The Supreme Court has in effect overruled that decision.

The Colorado Legislature, by corrective legislation, has remedied that statute.

I cannot say specifically that the Colorado taxing authorities would cover the situation described by the Senator from Maryland; but I can say that a corporation with a warehouse or an office or agency established in the State would be taxed proportionately, in my opinion.

Mr. BUTLER. But this bill would not do any of those things.

Mr. McCARTHY. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Viriginia. I yield.

Mr. McCARTHY. I should like to read into the record at this point—inasmuch as the Senator from Colorado has referred to this question, a resolution which was unanimously adopted at the annual meeting of the Association of Tax Administrators, at Buffalo, N.Y., July 8 to 11:

RESOLUTION UNANIMOUSLY ADOPTED AT THE ANNUAL MEETING OF THE NATIONAL ASSOCIATION OF TAX ADMINISTRATORS, STATLER-HILTON HOTEL, BUFFALO, N.Y., JULY 8–11, 1959

Whereas various States are confronted with problems of taxation of net income of corporations engaged in interstate commerce: Now, therefore, be it

Resolved, That the National Association of Tax Administrators urge the appropriate committee of the Congress of the United States to recommend deferral of congressional legislative attention in the matter of State taxation of net income of corporations engaged in interstate commerce until a study commission set up by the Congress and including appropriate State officials has had opportunity to examine the impact of the recent Supreme Court decision[1] with regard to State income taxation of interstate commerce.

The National Association of Tax Administrators urges that we not act on this proposed legislation.

Mr. FREAR. Mr. President, after the statement the Senator from Minnesota has made, let me state that I have discussed with the chairman of the Finance Committee an amendment to the bill which would do practically what the Senator from Minnesota has stated as a recommendation—mainly, establish a Commission. This proposal would be in the form of an amendment to this bill. The Commission would be composed of Members of the legislative body—that is, of the House and the Senate, members of the executive branch of the Federal Government, and members of the appropriate taxing authorities of the States.

Mr. McCARTHY. I would be glad to support such an amendment, if it also involved striking from the bill the tax provisions which are now being recommended.

The action recommended by the State tax administrators is, as the Senator from Delaware knows, almost the same, and in a sense it is the same, as the recommendation of the Treasury Department—namely, that we should not act on this matter at this time.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. If the Senator from Virginia has concluded, the Chair will recognize the Senator from Tennessee.

Mr. BUTLER. Mr. President, I yield 15 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 15 minutes.

Mr. GORE. Mr. President, I have listened with great interest to the able address made by the distinguished senior Senator from Virginia and to the questions and answers in the colloquy which followed his address.

I must say, in candor, but also with respect, that I do not agree with many of the answers which the distinguished senior Senator from Virginia has given to the questions which have been propounded to him.

For instance, the senior Senator from Massachusetts [Mr. SALTONSTALL] asked three questions, to each of which he received an affirmative answer. But I believe that the correct answer to each of those questions is in the negative.

Next, I should like to say this has been described as stopgap legislation. It is not stopgap legislation. It is permanent legislation. There is no termination date in the bill.

As the distinguished Senator from Colorado said, this is far-reaching legislation. Indeed, the distinguished chairman of the committee said, in his opening remarks, that it was one of the most important pieces of legislation to come before the current session of the Senate.

No responsible person will deny that a problem exists in the field of taxation of interstate commerce. It is a problem. I recognize that there is a very serious problem. But the bill now before us does not meet the problem. This bill offers no satisfactory solution. Enactment of the bill would, in my opinion, worsen the situation rather than improve it.

The distinguished senior Senator from Ohio observed that the enactment of the pending bill might lead to requests from other interstate businesses not covered by this bill for the extension of such a privilege by the Congress. As evidence of that fact, I hold in my hand now a memorandum which came to the Senate Finance Committee only yesterday from the Movers Conference of America, which includes a very important segment of our national transportation system, asking to be accorded the same treatment that the committee is undertaking to accord to certain segments of our economy by this bill.

That the Constitution gives the Congress the right to regulate interstate commerce is clear and indisputable. Article I, section 8, clause 3, states that the Congress shall have the power "to regulate commerce with foreign nations, and among the Several States, and with the Indian Tribes."

This power to regulate interstate commerce is one of the most important sources of power given to the Congress by the Constitution, and at the same time one of the most far-reaching restrictions placed upon the respective States of the Union. Should Congress lightly exercise that power? In my view, that power should be invoked by the Congress only after careful study and deliberation. I submit that that careful study and deliberation has not preceded the presentation of this bill to the U.S. Senate. Indeed, we hear now that the committee is going to propose a commission to study this problem. When? After we enact a permanent law on the subject, not before. It seems to me that is getting the cart slightly before the horse.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SPARKMAN. I may say to the Senator from Tennessee that one or both of my amendments now lying on the table contain a proposal to limit it to the calendar year beginning January 1, 1962.

Mr. GORE. Therefore, the bill, if passed, should have a termination date. It should not be enacted under the false label of stopgap legislation when it is permanent legislation.

I think the Senator's amendment would be an improvement on the bill. I think the better course would be to study the problem carefully before we enact any legislation at all.

Mr. SPARKMAN. I have no great quarrel with the position taken by the Senator from Tennessee. I have felt—and I may say this was the opinion of the Small Business Committee which studied this problem, held hearings, and made recommendations—that it would be better to have some kind of stopgap legislation to hold things more or less as they are now, but making it temporary and providing for a study commission. I regretted to note that the study commission was not provided for in the bill and that it proposes permanent legislation.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. I agree with the opinion of the Senator from Alabama. I think this is a very intricate legal problem. In the committee the Senator will remember that I suggested that a broader study be made; but to meet any such proposal, the Senator from Virginia very ably, in my opinion, restricted the scope of this bill. The sweep of the bill comes on page 2, lines 5 through 11. If Senators will read that restrictive language, they will see it is a very narrow bill and they will see from the report that the committee recommends that there be a study of this whole problem. But to hold the status quo, some legislation is necessary. I should like to read from the bill for the RECORD, with the permission of the Senator. I read from page 2 of the bill, lines 5 through 11:

(2) the solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective client or customer of such person, if orders by such client or customer to such person to enable such client or customer to fill orders resulting from such solicitation are orders described in paragraph (1).

That is very restrictive language. I do not know of a case in any State in the entire United States that has held the transaction of such business to be taxable. I am advised by one of the most able lawyers in the country that, in his opinion, there has been no such case and that there is not now any such case. It is a very restrictive transaction. It goes to a very small part of business activity, and it is a part of business activity that no State in the Union has ever undertaken to tax.

Mr. GORE. As the able Senator knows, there is a rule of construction described in Latin as, "Expressio unius est exclusio alterius," which means the expression of one thing is the exclusion of another. That maxim is applied to statutory interpretation.

Mr. BUTLER. That is exactly the proposal I made before the committee. That is exactly why I insisted, and obviously my insistence was necessary, that we write into the report that this was a stopgap bit of legislation. It was proposed legislation to cover only one small segment of business activity and that in addition a study would be made and a report would be made back to the Congress when that study was completed. I

[1] *Northwestern States Portland Cement Co.* v. *State of Minnesota, Williams* v. *Stockham Valves and Fittings, Inc.*, decided Feb. 24, 1959.

am willing to take the assurance of the Committee on Finance that that will be done.

Mr. GORE. I would not want to suggest that the Senator claims this is class legislation, but I submit he has made a rather strong case that it gives preferential treatment. I doubt very much if the legislation is justified on that basis.

Mr. BUTLER. If the Senator will yield further——

Mr. GORE. I yield.

Mr. BUTLER. I do not see how anything is preferential which corrects that which has never been done before, and this has never been done before by any State in the Union.

Mr. GORE. That is an interesting observation.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. GORE. In just a moment.

The Senator says we are trying to pass a law to stop something which has never been done.

Mr. BUTLER. It was never done prior to the Supreme Court decision.

Mr. GORE. Let me proceed for just a moment. That illustrates another fault with the bill. The bill does not propose to correct an existing and specific problem; rather, it is based upon general apprehensions. I should like to cite the committee report, which refers to the "general apprehension in the business community."

I submit, Mr. President, that vague apprehensions and general fears of the business community form no sound basis for the hasty enactment of bad legislation.

Mr. TALMADGE and Mr. SALTONSTALL addressed the Chair.

Mr. GORE. I yield to the Senator from Georgia.

Mr. TALMADGE. I thank the distinguished Senator from Tennessee for yielding to me.

My remarks are addressed primarily to the point made by the distinguished Senator from Maryland.

I find no objection to paragraph (2) on page 2 of the bill, which the distinguished Senator from Maryland pointed out, but I desire to proceed to consideration of paragraph (3).

First I want to read the paragraph, and then I should like to ask the distinguished Senator from Tennessee some questions about it, with his permission.

Mr. President, I think the bill prohibits the levying of certain taxes by all 50 States of the Union. The bill provides "that no State, or political subdivision thereof, shall have power to impose, for any taxable year."

The bill then sets out several things "if the only business activities within such State by or on behalf of such person during such taxable year are any, or all, of the following."

There are three paragraphs. Paragraph (3), on page 2, line 12, reads as follows:

> (3) the maintenance and operation by such person, or by his representative, in such State of an office the primary purpose and use of which is to serve representatives of such person who are engaged in the solicitation of orders described in paragraph (1) or (2), or both, and to receive, process, and forward such orders.

I say to the Senate that, prior to the decision a corporation could always be taxed if it did business in interstate commerce, provided there was a sufficient nexus with the particular State. The nexus was defined to be doing business in the State, maintaining an office in the State, having agents in the State, having a stock of goods within the State, and matters of that kind. Any corporation which maintains an office within a State historically has always been subject to taxation by that particular State.

Paragraph (3) goes beyond the maintaining of an office, and provides for the maintaining of an office "the primary purpose and use of which" is involved.

I ask the distinguished Senator from Tennessee, under the language in paragraph (3) on page 2 would it not be possible for a corporation, domiciled in any one of the 50 States in the Union, to maintain an office in every one of the 50 States in the Union, to have a sales office, to solicit business, to ship goods to the 50 States, to do $100 million worth of business, and yet not pay a thin dime in income tax to any State except the State in which the home office was located?

Mr. GORE. Under the terms of the bill, what is an office? In what form must the approval or disapproval be given at the head office? It could be given by a telephone call, or it could be given by a simple telegram or teletype.

I think the answer to the Senator's question must be in the affirmative. I will say, however, I am not able to give a full interpretation of the meaning of the language in the bill, nor do I think any member of the committee can do so.

To the question which the Senator has propounded I will give my view, which is an affirmative answer.

Mr. BUTLER and Mr. SPARKMAN addressed the Chair.

Mr. GORE. If the Senators will permit, I should like to continue to yield to the Senator from Georgia.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. BUTLER. How much additional time would the Senator from Tennessee like to have? Would the Senator like to have 15 minutes?

Mr. GORE. If the Senator will yield me 15 minutes I would appreciate it. Then we can all yield to each other.

Mr. BUTLER. Mr. President, I yield an additional 15 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for an additional 15 minutes.

Mr. GORE. Mr. President, I yield further to the Senator from Georgia.

Mr. TALMADGE. I ask the distinguished Senator from Tennessee if it would not be possible, under paragraph (3) on page 2 of the bill, for a corporation, domiciled in any one of the 50 States of the Union, to have salesmen doing business in Tennessee; to operate an office in Nashville, Tenn., the capital of the State of Tennessee; to sell $10 million worth of goods in the State of Tennessee; to make a profit of $3 million; and yet not pay a dime of taxes to the State of Tennessee?

Mr. GORE. I must answer that, in my opinion, it could be done.

Mr. BUTLER. Mr. President, will the Senator yield to me at that point?

Mr. TALMADGE. Mr. President, will the Senator yield further?

Mr. GORE. If the Senator from Maryland will permit, I should like to complete my colloquy with the Senator from Georgia.

Mr. TALMADGE. Mr. President, first I desire to thank the distinguished Senator from Tennessee for correcting the RECORD as to paragraph (3). The Senator from Tennessee will recall that I offered an amendment in the committee to strike paragraph (3). A subsequent paragraph, paragraph (4), was stricken.

Mr. GORE. I supported the Senator's amendment.

Mr. TALMADGE. I thank the Senator. The Senator did.

The effort to strike paragraph (3) lost by a vote of 6 to 9. I intend at a later date to offer an amendment to strike paragraph (3), because in my opinion under the terms of the bill we would be going far beyond the Northwestern States Portland Cement Co. case and far beyond the Stockham Valves & Fittings, Inc., case. We would be creating a new law, in which Congress would state that sovereign States cannot tax something which they have taxed historically.

I think we need some legislation to correct the dicta in the Stockham Valves & Fittings, Inc., case and the Northwestern States Portland Cement Co. case, but we need to correct the decision, not overrule all the body of existing law which was in existence prior to the decision.

I think our business people are apprehensive now that if they sell a crate of apples [laughter] or anything else in any of the 50 different States they may have to file 50 different income tax returns. Certainly that should not be the case, but we ought not say that 50 States in the Union cannot tax corporations which maintain offices in 50 different States and solicit business in all the different States.

Mr. BUTLER. Mr. President——

Mr. TALMADGE. Mr. President, I do not have the floor, but before I proceed further, I noticed some laughter on the part of certain Senators when I made the remark about apples. Let me say that I was not referring to the distinguished chairman of the Committee on Finance, who may be apprehensive about the sale of his apples. He is not the only one involved. The business people could become very apprehensive about this matter.

Mr. SPARKMAN. We in Alabama are apprehensive about hams.

Mr. TALMADGE. We should not overrule the entire body of law in taking action.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee has the floor. Does the Senator yield; and, if so, to whom?

Mr. GORE. First I should like to yield to a member of the committee to whom I have not yielded, the Senator from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, if the Senator from Georgia will permit, I should like to add, along with the apples, ham and eggs, and other commodities.

Mr. GORE. I will go along with no bill which would repeal the old adage that an apple a day keeps the doctor away.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SPARKMAN. In connection with paragraph (3) I wish the Senator would discuss the word "primary." It seems to me that might open up some possibilities for expansion.

Mr. GORE. Also, what is the definition of an office?

Mr. SPARKMAN. In other words, could there not be a primary purpose of doing one thing, but, casually or on the side, a purpose of doing other things, such as enlarging the business and expanding?

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. GORE. I yield.

Mr. McCARTHY. I should like to make a clarification, following the remarks of the Senator from Georgia, who I believe referred to correcting the decision in the State of Minnesota against the Northwestern States Portland Cement Company case.

It is not necessarily a matter of correcting it. The proposed action would in effect reverse that decision. What was involved in that case was a cement company, which did 48 percent of its business in the State of Minnesota. It happened that it manufactured its product over the line in Iowa. Half of its business was in Minnesota. All its sales might have been in Minnesota. If the proposed legislation were enacted, the State of Minnesota would not have a right to tax that business unless the cement company maintained what is defined as "an office."

Mr. GORE. Mr. President, I believe it should be said that if the bill becomes law the States may very well find businesses closing warehouses and curtailing their operations, except through "an office the primary purpose and use of which is to serve representatives of such person who are engaged in the solicitation of orders" and so forth.

This is no aid to small business, I will say to the senior Senator from Massachusetts. He asks if this measure would facilitate the operation of small business. This is antismall business. This means discouragement of small business.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McCARTHY. It is quite possible that businesses which now have warehouses and established offices which do more than serve salesmen might very well remove those warehouses and offices to another State.

Mr. GORE. I agree. This is a bill which would encourage centralization.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. At this point in the debate, I point out that the complaint of the Senator from Georgia has been met by the case of Stockham Valves and Fittings, a case which arose in Georgia. The Supreme Court of Georgia held that the State tax was unconstitutional, in a case in which the company had an office there to service the salesmen. So the Senator from Georgia is in opposition to his own supreme court.

Mr. GORE. That is not the only supreme court he is in opposition to. [Laughter.]

Mr. BUTLER. I have found myself in agreement with the Senator from Georgia in that respect, from time to time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SALTONSTALL. As I see it, what we want to do is to leave the situation so that people engaged in small business or big business may know what they will have to encounter in the way of taxation.

As I understand, the Senator from Georgia [Mr. TALMADGE] implies that he is in favor of what is set forth in paragraphs (1) and (2) if paragraph (3) is omitted. In other words, the solicitation of orders interstate would not subject a company to taxation, but the maintenance of an office might subject it to taxation.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. GORE. I yield.

Mr. TALMADGE. That is exactly what the House Judiciary Committee reported, and exactly the contention of the Senator from Georgia.

I believe that we need remedial legislation, to wipe out the apprehensions and fears as to what may happen. If a salesman goes into 50 States and solicits orders, the corporation or business may have to file income tax returns in 50 States. That ought not to be the law. The situation ought to be corrected. These decisions, however, leave the fear that such might be the law.

What we need to do is to wipe out the obiter dicta of those decisions, but we do not need to enlarge the law which existed prior to that time.

Mr. SALTONSTALL. That is my understanding.

Mr. TALMADGE. The traditional yardstick has always been that any State could tax a corporation if it maintained a warehouse or other place of business in the State. That is exactly the position of the junior Senator from Georgia. We ought to determine what the nexus is which gives the State authority to tax. If a company maintains an office in a State, we ought to give the State the power and authority to tax.

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. SALTONSTALL. I agree in substance with what the Senator from Georgia has said as to the purpose in what we are trying to do. I held a hearing in Boston. I was the only Senator present.

In New England, there are a great many comparatively small businesses. They may desire to make sales outside Massachusetts or New Hampshire. They may desire to sell in Rhode Island, Connecticut, Tennessee, or Georgia. What they cannot afford to do is to be taxed in all those States, as compared with a big business which, we might say, could afford to be taxed in those States, even though it might not desire to be taxed.

As I see it, the purpose of the proposed legislation is to quiet the apprehensions of the small businessmen particularly, as the Senator from Georgia says, as well as the big businessmen, as to what they are likely to encounter. What we wish to do is to make it clear that the law should remain in status quo until a commission or committee considers the question of changing the statutes. We do not want businessmen to worry about the two decisions to which reference has been made.

Mr. GORE. Let me say to the Senator from Massachusetts that the best way to make the meaning of a statute clear is to write clear language. The clear intent of the language of the bill, as the able junior Senator from Georgia has pointed out, goes much further than the objective which the able senior Senator from Massachusetts said he desired. The bill goes beyond that point.

I point out further that the bill might place a severe hardship on a business domiciled in a State, and thus clearly subject to the income tax of that State, but whose principal competitor is a corporation domiciled in an adjoining State, as described by the junior Senator from Minnesota [Mr. McCARTHY].

We are proceeding, not blindly, but pellmell, without careful study, into an area that may seriously affect not only many business institutions, but the economy of several States.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Ohio.

Mr. LAUSCHE. It seems to me that there is a consensus among Senators who have spoken today that something will have to be done to allay the anxiety of many operators of business enterprises. Every Senator who has spoken has indicated the belief that the present condition is not sound.

The sole query seems to be, What action should we take so as to remove this anxiety, and yet insure that there will be no radical dislocation of the tax collecting powers of the various States?

In my mind the query is this: In the present status of the bill, if it were enacted, is it likely that there would be danger in the future that the tax collecting power of the individual States with respect to interstate commerce would be completely dislocated?

Mr. GORE. As I stated earlier, I think it is clear that in this field the Congress has the constitutional power to repress State action, and to deny the exercise of certain powers by the States. The commerce clause is broad and sweeping.

The question that presents itself to the Senate today, it seems to me, is not whether Congress has the right to do

what the bill proposes, but whether it is wise to invoke the Federal powers without careful study and without certainty as to what we are doing.

I yield to the Senator from Ohio.

Mr. LAUSCHE. I subscribe to the thoughts expressed by the Senator from Tennessee. We have businessmen in Ohio who are disturbed. I shall desire to be of help, but while I am trying to be of help, I do not want to create a condition that might be worse than the condition we are trying to cure.

Mr. GORE. The committee had only 2 days of hearings. Only two States were represented by witnesses before the committee.

Although, as I have stated, it is clear that the Congress has the right to regulate interstate commerce, it is equally clear and undisputed that each State has an interest in that part of interstate business which is carried on within its borders. The mere fact that goods or services may be connected in some way with activities in two or more States does not necessarily put such activities in that area of control prohibited to the States by the Constitution.

It has been generally held that the States may not obstruct interstate commerce, but it has not been held that appropriate State taxation of interstate business constitutes such an obstruction. No testimony has been presented to the Finance Committee which would show that State income taxation is now obstructing interstate commerce. Some vague fears of future developments have been expressed. The report of the Finance Committee refers, as I have said, to the "general apprehension in the business community." I submit, Mr. President, that vague fears and general apprehension form no sound basis for the hasty enactment of bad legislation.

It should be borne in mind that the subject of this bill is a tax on net income or a tax measured by net income. We are not here considering licensing or franchise regulations or fees which might truly set up barriers to interstate commerce. Businesses will likely operate across State lines so long as a profit can be realized. If no profit is realized, there is no net income to be taxed.

While some may allege that the Federal Government has increased in importance and, conversly, that the States have been diminished in importance, it cannot be gainsaid that our 50 State governments have a vital role in our way of life. Some may feel that certain activities can best be carried out at the Federal level, while others feel that these activities should be left to the States. Regardless of the position which one may take on the appropriate level at which any given activity should be carried out, the Senate would not in my opinion, wish to move in the direction of the destruction of properly exercised State power and authority. I say this because this bill takes away from the States powers which they now have. This bill, if enacted into law, would constitute an unwise precedent of congressional action to curb the power and rights of States by curtailing the ability and choice of the States to raise sufficient revenue to carry out proper and necessary State functions.

This bill represents a part of the fight, which is even older than the Constitution, between the sections of our country principally engaged in manufacturing and the consuming areas. Two-thirds of the revenue collected by the various States from net income taxes on interstate business is collected by 10 manufacturing States. I do not desire to place any penalty upon the economy of any State. Neither do I want hastily to deprive other States of equitable nondiscriminatory action. Should this bill be enacted into law, these States will be able to collect additional revenue at the expense of the consuming States.

Attacks on the Supreme Court appear to have become popular with many people. This climate of opinion may tempt some interests to take advantage of it in order to gain economic advantages for themselves. Congress should examine this question with great care.

What specific circumstances have brought about the alleged necessity for this bill? Has the Supreme Court, indeed, reversed itself and handed down decisions which will do irreparable harm if not overruled by congressional action?

The Supreme Court has held, at least since 1920, that a tax levied on the proportion of the net profits of a foreign corporation earned by operations conducted within the taxing State is valid, if the method of allocation is not arbitrary or unreasonable.

There have been two recently decided cases, and a third case which the Supreme Court has refused to review, which appear to have caused the "general apprehension in the business community."

In the Northwest Portland Cement and Stockham Valves cases it was decided by the Court that each company carried on sufficient activity within the taxing State to give rise to that minimal activity necessary to form the necessary connection between the taxing State and the company. In each case there was a sales office located within the taxing State. In the Brown-Forman case, which the Court refused to review, the company employed "missionary men" to comb the State and help local distributors drum up business for the distillery. Certainly no reasonable man could say that there was not considerable physical activity on the part of the company taxed within the taxing State.

The Supreme Court has not said that States can levy a tax on, or measured by, net income for casual business, mail order business, radio broadcasting across State lines, or other types of business activity about which some of this general apprehension has been expressed.

Has the Supreme Court reversed itself as some have alleged? In 1946, Justice Frankfurter stated:

"The power of the States to tax and the limitations upon that power imposed by the commerce clause have necessitated a long, continuous process of judicial adjustment. The need for such adjustment is inherent in a Federal Government like ours, where the same transaction has aspects that may concern the interests and involve the authority of both the Central Government and the constituent States. The history of this problem is spread over hundreds of volumes of our reports. To attempt to harmonize all that has been said in the past would neither clarify what has gone before nor guide the future. Suffice it to say that especially in this field opinions must be read in the setting of the particular cases and as the product of preoccupation with their special facts (*Freeman* v. *Hewit*, 329 U.S. 249).

I think it is clear that the Court has not reversed itself in these recent cases. Each case must, indeed, be judged in the light of circumstances surrounding it. The Court has been criticized by some for not drawing a definite line beyond which the States may not go. This is not the nature of the judicial process. The Congress has the authority to draw such a line. I do not think the bill now before us has drawn a proper line.

Just what does this bill do? Briefly, it prevents the States from taxing companies which sell their products within the States so long as the companies limit their activities to maintaining a sales office and combing the State with salesmen. This means that a New York manufacturing company can go into Georgia and compete with Georgia manufacturers, or with companies which maintain branch plants or warehouses in Georgia, and pay no State income taxes. The Georgia company must pay taxes for both, or else the individual citizens of Georgia must make up the difference.

The short-range effects of this bill will be felt by the consuming States of the South and West. Small businesses in these areas will suffer unfair competition from out-of-State companies. Warehouses and branch plants will be closed in these areas as the larger companies consolidate their activities.

Now this will be all right with New York and Massachusetts and Ohio, but let us see what the long-range effects may be on those States. As I said, the tendency will be for manufacturers to consolidate all but their sales activities. Suppose a manufacturer in Massachusetts, after having consolidated all his production and warehousing activities in that State, gets a good offer from a southern or western locality. Suppose he is offered a choice piece of ground on which to construct a new, larger and more modern plant and larger warehouses. Suppose further that he is offered tax concessions for a number of years if he will move to this southern or western locality. Having consolidated his activities, it will be mighty easy for him to move out of Massachusetts lock, stock, and barrel.

Mr. President, I think this is a bad bill for all the States. There will be some manufacturers who will profit from it. There will be many thousands of small businessmen and many millions of individuals who will be hurt by it.

This bill goes well beyond the Supreme Court decisions. When bills were introduced in this field, they were described as being intended to hold the line temporarily. This bill, S. 2524, specifically overrules the Supreme Court decisions, and yet, at the same time, fails to meet the problem.

This bill is described in the committee report as being a temporary measure. I fail to see any cutoff date in the bill. It is certainly in the form of permanent legislation.

This bill is premature. There has been shown no need for hasty action. Who is pushing the bill? On August 7 the Wall Street Journal reported that it is "considered unlikely Congress will approve any such legislation this year." On August 12 this same paper reported "the House Judiciary Committee, in a surprise action, approved a bill that would limit the States' power to tax the income of interstate companies." I fail to see the need for precipitous action by either body. Indeed, the National Association of Tax Administrators at its meeting in Buffalo, July 8–11 of this year, adopted a resolution urging Congress to defer action in this field.

There is no need for precipitous action in this area. The Finance Committee report states that "your committee is contemplating legislation to establish a committee designed to deal solely with the intergovernmental problems attendant to taxation." I think such action is entirely appropriate. I see no reason why such a provision should not be included in this bill. It appears to me that the committee should spend more time contemplating cutting off specified State revenues, as this bill would do, and less time contemplating setting up a staff to study the problem and work out a real solution. This bill attempts to offer a solution before the problem is understood.

In summary, then, Mr. President, a competent staff should be appointed to make a study. After this study has been carefully made, it should be reviewed by the Interstate and Foreign Commerce Committee, the Judiciary Committee, and the Finance Committee. This is a field in which all three committees have an interest, if not actual jurisdiction.

The staff making such a study should, after proper coordination with the States and interested agencies of the Federal Government, prepare a draft of legislation which will accomplish, but not necessarily be limited to, two specific purposes:

First. "Doing business" for purposes of State taxation of interstate commerce should be defined. This definition should be comprehensive and should lay down rules covering all fields of interstate commerce.

Second. An allocation formula should be developed which will equitably determine the amount of net income attributable to activities in any given State. This formula should be so devised as to eliminate the possibility of subjecting any company to State income tax liability on more than 100 percent of its net income.

There does exist a problem in the field of State taxation of interstate commerce. This problem cannot be properly resolved by denying, piecemeal, the right of the States to tax certain types of activities. This bill is such a measure. It would not solve the problem, but, instead, may well compound existing difficulties.

Mr. BUSH. I should like to ask the chairman of the committee if he will yield me 5 minutes.

Mr. BYRD of Virginia. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Virginia. I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, this has been an interesting experience, listening to a group of lawyers discuss a problem which is a very practical one for a man who has been in business. They presented it from the larger point of view. I should like to discuss it from the businessman's point of view.

I am referring to paragraph (2) and paragraph (3) of the bill.

Paragraph (2) gives a company the right to solicit orders directly or by representative. Nobody has challenged that.

Let us take a specific example. A company in the State of Utah decides that it can get some business in the State of Idaho, so it decides to solicit business in that State. It can do that under paragraph (2) through a representative.

If the representative from Utah lives in Utah, crosses the line, solicits business in Idaho, and, of course, forwards the business to the home office to be accepted and filled, nobody questions it.

Mr. CLARK. Will the Senator yield?

Mr. BENNETT. Let me finish my example. But if the company decides that it wants to employ an Idaho citizen to solicit its orders in Idaho, that Idaho citizen must have a location, perhaps in his own home, or it may be a desk rented in an office of somebody, a real-estate office, for instance, or some other office to which his mail can come. Maybe he needs the help of a stenographer occasionally to handle his mail.

That situation, in the understanding of the Senator from Utah, is covered by paragraph (3):

> The maintenance and operation by such person, or by his representative, in such State of an office the primary purpose of which is to serve representatives of such person who are engaged in the solicitation of such orders.

That does not mean an office in which the corporation does its normal business. It does not receive and accept the order. That is done at the home office. It does not collect money. It is simply there to serve the salesmen.

In fact, if the salesman lives away from the home office, is in a different State, he has to have some kind of office facilities where he has stationery, where he has stamps, where he has an opportunity to write up his orders, and therefore section (3) goes on to say where he can "receive, process, and forward such orders."

If that is taken out of the bill, we will in effect be saying to the companies of the United States, "If you want to handle interstate commerce, you had better do it all from your home State, because the minute you put a salesman in another State and supply him with the minimum equipment necessary for him to handle your business, you make your business subject to income tax in the State in which he lives."

That is the practical application of paragraph (3).

Mr. CLARK. Will the Senator yield?

Mr. BENNETT. I yield.

Mr. CLARK. Will the Senator explain to me why he thinks a State should be prohibited from taxing the income from business emanating from such situations as he last described? Why is not the junior Senator from Georgia correct in suggesting that if large sums of money are made out of business in Idaho, obtained through the solicitations of a Utah corporation, the Utah corporation should pay some part of the tax to Idaho for the privilege of having earned a lot of money in the State of Idaho?

Mr. BENNETT. What we are discussing now is not that question. Paragraph (2) allows the company to have a representative solicit business in Idaho.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BENNETT. Let me finish.

Paragraph (2) permits the company to have a representative come into Idaho to solicit business. To me the only difference between paragraph (2) and paragraph (3) is that paragraph (3) allows the company to choose a representative who is domiciled in the second State and allows him to have an office to serve him as a salesman.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BENNETT. Will the Senator from Virginia yield me 2 minutes more?

Mr. BYRD of Virginia. I yield 2 minutes more to the Senator from Utah.

Mr. BENNETT. I think it is an open question, but if we want to say that any State should have the right to tax the income made in that State on business which originates outside the State, then we will have to get rid of paragraph (2) as well as paragraph (3).

Mr. CLARK. I may be wrong, but as I understand, the Senator accepts the argument that paragraph (2) is not required by the holding of the Supreme Court, in the Northwestern States case, to which objection has been taken, because the fifth headnote in that case reads:

> A State cannot impose taxes on persons passing through the State, or coming into it merely for a temporary purpose, such as itinerant drummers—

Which would be to write up business.

Therefore paragraph (2) is unnecessary. Paragraph (3), I suggest, is subject to the objections stated by the junior Senator from Georgia.

I wonder if the Senator would comment.

Mr. BENNETT. The Senator from Pennsylvania feels that the privilege conveyed by paragraph (2) exists whether paragraph (2) is in the bill or not. Is that correct?

Mr. CLARK. That is my understanding.

Mr. BENNETT. First, if paragraph (3) is wrong, then nobody can solicit business except across State lines without going into intrastate commerce. The only way he can continue in interstate commerce is to solicit across State lines, either send a representative who

lives in one State into another, or send a catalog or a letter. The minute he domiciles a salesman in a State, then under my interpretation, my point of view, that makes the business in that State subject to tax.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. Will the Senator yield 2 additional minutes?

Mr. BYRD of Virginia. I yield.

Mr. BUSH. I should like to ask the Senator a question. The question deals with the net income tax on income derived within the State, and so forth. The illustration the Senator from Georgia gave is one of a corporation which does a tremendous business in the State and does not pay any tax. Is it not true that this bill does not in any way inhibit a State from imposing sales taxes, for instance, upon goods sold in the State by a corporation from without the State?

Mr. BENNETT. This bill does not affect in any way the power of a State to impose sales taxes, property taxes, licenses, any form of tax, except a tax on the income of the foreign corporation.

Mr. BUSH. So is it not true, then, that it is hardly fair to say that a company is getting off scot free because of the situation the Senator from Georgia described, a hypothetical situation?

In other words, the business done in a State may, indeed, be taxed, and may well be taxed, through the other forms of taxation available to the State. The bill merely seeks to provide that an income tax at the State level shall not be imposed. It is very difficult for a corporation to assess the proper share of its business which should be subject to that tax. In fact, it presents companies, particularly small companies, as Senators have emphasized, with a practically impossible situation. That is why they are so afraid of it.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BYRD of Virginia. Does the Senator from Connecticut desire more time?

Mr. BUSH. I should like to have a little more time.

Mr. BYRD of Virginia. I yield 3 minutes more to the Senator from Connecticut.

Mr. BENNETT. If the Senator from Connecticut will yield, the question as to how the States will decide how much tax to impose on a given business conducted by a foreign corporation in a State is outside the present discussion. The question we face right now is: Up to what point is business which is done with a supplier resident outside the State interstate commerce and free from tax, and at what point does it become intrastate commerce and subject to tax?

Mr. BUSH. The tax which is prohibited is a tax on net income. If it were not prohibited, it might be possible for a large company to do a large amount of business in various States—let us say 40 States—but due to adverse circumstances affecting the company, or bad management, they might not have any net income. Therefore, it would be impossible for the State to collect the tax. On the other hand, a small company, well managed, efficiently managed, might go into a smaller number of States and yet be taxed on its net income because it made a profit. So the big fellow, who was doing business in many States, but was not so efficient, might get off scot free, while the smaller fellow, who was more efficient, might bear the burden.

Mr. BENNETT. That would be true of any tax.

Mr. McCARTHY. That situation probably exists under the law which is now in effect.

Mr. BENNETT. Yes. It does not relate to the problem under discussion. I come back to the problem: How shall we define the point at which business ceases to be interstate and subject to taxation?

Mr. BUSH. I believe it has a bearing, because if the bill is not passed, then the condition which I have described might easily obtain, and it would be unfair to the smaller company. Is that not so?

Mr. McCARTHY. It would not be any more unfair to them than the law which remained in effect, even though the bill were not passed.

Mr. BENNETT. A problem exists. The States are beginning to move into the field.

Mr. BUSH. The question is how to avoid that problem.

Mr. BENNETT. The purpose of the bill is not so much to avoid it as to regularize it.

Mr. BUSH. Unless the bill shall be passed, a very good chance would be afforded a State to impose taxes on a successful corporation doing a small business, whereas an unsuccessful corporation, so far as earnings were concerned, might do many times more business within that State, or in several States, and get off tax free.

This is an argument, I believe, in favor of the bill, and also in favor of the position that if a State wants to impose a tax based on a company's interstate business, then that should be done through other media rather than through taxes on net income.

Mr. KEATING. Mr. President, will the Senator from Virginia yield time to me?

Mr. BYRD of Virginia. I yield 5 minutes to the Senator from New York.

Mr. KEATING. Mr. President, I support the bill. It is recommended by the distinguished chairman of the committee and by a bipartisan majority of the committee. It will go a long way toward removing the serious hazards inherent in the Portland Cement and Stockham decisions of the Supreme Court. I commend the committee for its prompt action and excellent report on this problem.

The Supreme Court's decision in the Portland Cement and Stockham Valves Company cases in February of this year stimulated great interest in the problem of State taxation of multistate business activities. They resulted in widespread consternation in the business community and my study of the subject convinced me that this consternation was justified.

The language of the Court's decisions invited efforts by the States to levy taxes directly on interstate commerce. This could have led to the erection of tariff walls at each State's boundary and ultimately could have caused great harm to the free flow of goods and services. The administrative problems and potentially confiscatory burdens with which these decisions confronted small business alone made relief imperative.

I have received hundreds of letters on this subject, almost all of them from small business firms in my State, urging action to remedy the present situation. These letters have emphasized the tremendous administrative and economic hardship which these decisions could cause. They have pointed out that the lack of a uniform basis for assessing such taxes makes it possible for some firms to be taxed on more than 100 percent of their interstate business. In some industries, such as the dress industry in New York, the cost of compliance with these decisions if fully enforced would be the difference between operations at a profit and bankruptcy.

The committee's bill carries out fully the basic purpose of Senator BUSH's bill, S. 2213, of which I was pleased to be a cosponsor. It makes it clear that no State may impose a tax on interstate commerce solely because of the delivery of goods to its residents. On the other hand, it in no way interferes with efforts by the State to levy any legitimate taxes on enterprises enjoying the protection or using the facilities of the States.

I believe that such a concept is equitable. A corporation which employs capital and labor and operates facilities within a State is an integral part of that State's economy and receives a variety of protective and other services for which the State should be compensated. Since these services directly relate to the income-producing activities of the company, a tax on income allocated to these activities is reasonable.

On the other hand, a company which does not have a place of business in a State does not receive any benefits from the State which relate to its income-producing activities. Such a State does not put out a fire on the company's premises, it does not insure its employees against injury on the job, it does not protect its warehouses, it does not maintain the streets and highways or subways and utilities needed for the company's functioning. It provides nothing which would justify the exaction of an income tax from out-of-State firms.

The requirement that there be the equivalent of a business presence to justify such taxes greatly simplifies the administrative burdens on both the taxing authorities and the taxpayer. It is true that the question of when a company is doing business in a State even under such a concept is not always free from doubt. But on a comparative basis, this is infinitely simpler than pursuing every sale destined for a State and analyzing it in terms of the particular sales factor in vogue.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. KEATING. Mr. President, will the Senator from Virginia yield me 3 minutes more?

Mr. BYRD of Virginia. I yield 3 minutes more to the Senator from New York.

Mr. KEATING. This would require the taxing authority to check post offices, railway express offices, air-freight and truck deliveries and to investigate such questions as to where the sale was negotiated, and it will require the taxpayer to classify every invoice. Small firms simply cannot afford the electronic gadgets now used by giant corporations for such purposes. The tax collectors can rarely afford the tremendous cost of catching the little fellow under such all-encompassing systems. The result will be widespread tax evasion with all the serious moral and practical consequences which such practices entail.

I believe that prior to these decisions, it was assumed that due process required a business presence in the taxing State to justify a tax on net income. The establishment of such a requirement will halt a trend in the other direction.

Although the legal ramifications of these cases are important, the primary objection to them rests on their harmful long-range economic consequences. As was said by one commentator on the subject:

> Taxation of this kind seems to be largely no more than the reaching out by some States into the fiscal resources of other States.

This development could lead to a retrenchment of industrial activities by firms unable to risk the consequences of multi-State taxes. The result would be a restriction on interstate commerce, with a consequent curtailment of interregional competition. The whole process of developing national markets for goods would be impeded.

I should like to comment briefly on the minority views submitted by the junior Senator from Tennessee [Mr. GORE] and the junior Senator from Minnesota [Mr. MCCARTHY]. They suggest, first of all, that fears as to the effects of the Supreme Court decisions are vague and speculative. But let me assure them that there is nothing vague and speculative about the deep concern expressed in the hundreds of letters I have received on the subject. Three States already have revised their laws since these decisions were handed down. At least 30 others have laws on the subject. Do my distinguished friends suggest that we should wait until crippling penalties ruin interstate operations, before we act? I, for one, do not believe we are acting a moment too soon.

The minority views further suggest that the committee bill will discriminate against small business. This view is entirely contrary to the views of small businessmen in my State who overwhelmingly support this bill. The fact is that the burdens of State taxation in this field fall most heavily on small business, since they are least able to afford the expenses necessary to properly allocate sales and income under the varying and inconsistent State laws. In many situations it will be the easier course for small business to stay out of certain States, rather than to incur the expense of doing business there. Such a course as that recommended by the minority would hurt small business and would serve to stifle real competition in many areas.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The time yielded to the Senator from New York has expired.

Only 1 minute remains for further debate on the bill.

Mr. BYRD of Virginia. Mr. President, is no more time than that available at this time?

The PRESIDING OFFICER. No; inasmuch as no amendment is pending.

Mr. KEATING. Mr. President, later I shall speak further on this subject.

Mr. FREAR. Mr. President, I submit an amendment which I send to the desk and ask to have stated. Inasmuch as the amendment is lengthy, I ask unanimous consent that it be printed at this point in the RECORD, without being read, except to be read by title.

The PRESIDING OFFICER. Without objection, it is so ordered; and the title of the amendment will be read.

The CHIEF CLERK. At the end of the bill it is proposed to insert an amendment identified as "Title II—Commission on State Taxation of Interstate Commerce and Intergovernmental Taxation Problems."

The PRESIDING OFFICER. Without objection, the amendment will be printed at this point in the RECORD.

The amendment submitted by Mr. FREAR is as follows:

At the end of the bill insert the following:

"TITLE II—COMMISSION ON STATE TAXATION OF INTERSTATE COMMERCE AND INTERGOVERNMENTAL TAXATION PROBLEMS

"Establishment of Commission

"SEC. 201. There is hereby established a commission to be known as the Commission on State Taxation of Interstate Commerce and Intergovernmental Taxation Problems (hereinafter referred to as the 'Commission').

"Membership of the Commission

"SEC. 202. (a) The Commission shall be composed of fourteen members as follows:

"(1) Three who are members of the Committee on Finance of the Senate to be appointed by the President of the Senate;

"(2) Three who are members of the Committee on Ways and Means of the House of Representatives to be appointed by the Speaker of the House of Representatives;

"(3) Three who are officers in the executive branch of the Government to be appointed by the President; and

"(4) Five to be appointed by the conference of Governors.

"(b) The members of the Commission shall select a Chairman and a Vice Chairman.

"(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(d) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(e) Service of an indivdual as a member of the Commission or employment of an individual by the Commission on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 109 of the Revised Statutes (5 U.S.C. sec. 99).

"Duties of the Commission

"SEC. 203. (a) The Commission shall make a full and complete study of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce for the purpose of recommending to the Congress proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived. Such standards shall be designed to permit a State to require businesses which are engaged in interstate commerce within such State to assume an equitable share of the tax burden imposed by such State and shall, at the same time, be designed to protect such businesses from being obsrtucted in their interstate activities by reason of being subjected to a multiplicity of State income tax laws which are not uniform in theory, substance, application, and administration. In particular, but without limitation, the Commission shall endeavor to recommend uniform standards for determining—

"(1) what proceeds from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce constitute income which is subject to taxation by the States;

"(2) the total taxable income of a business engaged in interstate commerce which is subject to taxation by the States in which the business conducts its activities; and

"(3) the portion of the total taxable income of a business engaged in interstate commerce which each State in which such business conducts business activities may subject to taxation.

"(b) The Commission shall make a full and complete study of the problems arising from the exercise of the taxing power at the Federal, State, and local levels of government for the purpose of recommending methods to—

"(1) eliminate overlapping areas of taxation at the various levels of government;

"(2) avoid competition for revenue by the various levels of government;

"(3) improve tax administration and collection practices at all levels of government;

"(4) coordinate and simplify tax laws at all levels of government; and

"(5) ease the burden of compliance by taxpayers with the tax laws of all levels of government.

"(c) The Commission shall make a report to the Congress and the President, not later than March 31, 1961, of the results of its study under subsection (a) together with its recommendations for proposed legislation. The Commission shall make a final report to the Congress and the President, not later than March 31, 1962. Such final report shall contain the results of its studies under subsection (b) together with any recommendations for proposed legislation, and any supplemental results of its study under subsection (a), together with any supplemental recommendations for proposed legislation.

"(d) The Commission shall cease to exist at the close of June 30, 1962.

"Powers of the Commission

"SEC. 204. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the

Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C., secs 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or the Vice Chairman when acting as Chairman.

"Appropriations, expenses, and personnel

"SEC. 205. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this title.

"(b) The members of the Commission shall serve without compensation, but each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

"(c) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

"(d) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions."

On page 1, after line 2, insert the following:

"TITLE I—IMPOSITION OF MINIMUM STANDARD"

On page 1, line 3, strike out "That (a) no" and insert "SECTION 101. (a) No".

On page 3, line 15, strike out "SEC. 2" and insert "SEC. 102".

On page 3, lines 22 and 23, strike out "the first section of this Act" and insert "section 101".

On page 4, line 9, strike out "SEC. 3" and insert "SEC. 103".

On page 4, line 9, strike out "Act" and insert "title".

On page 4, line 11, strike out "SEC. 4" and insert "SEC. 104".

On page 4, line 11, strike out "Act" and insert "title".

On page 4, line 13, strike out "Act" and insert "title".

Amend the title so as to read: "A bill relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Intergovernmental Taxation Problems."

Mr. BUTLER. Mr. President, is a copy of the amendment available?

Mr. FREAR. Yes; and I now hand a copy of it to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 15 minutes, on the amendment.

Mr. FREAR. Mr. President, this amendment to Senate bill 2524, which relates to the power of the States to impose net income taxes on income derived from interstate commerce, would—briefly stated—establish a Commission to study matters pertaining to taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or are a part of interstate commerce. The Commission's findings would serve as recommendations to the Congress for proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived.

In addition, the Commission proposed by this amendment would make a full and complete study of the problems arising from the exercise of the taxing power at the Federal, State, and local levels of government, for the purpose of recommending methods to:

First. Eliminate overlapping areas of taxation at the various levels of government;

Second. Avoid competition for revenue by the various levels of government;

Third. Improve tax administration and collection practices at all levels of government;

Fourth. Coordinate and simplify tax laws at all levels of government; and

Fifth. Ease the burden of compliance by taxpayers with the tax laws of all levels of government.

Mr. President, I am sure all will agree that some effort, such as that contemplated by this amendment, is urgently needed if we are to attempt realistically to meet our obligations in this vital area of governmental responsibility.

Mr. President, if the Senator from New York would like me to yield several minutes to him at this time, so that he may finish his statement, I shall be glad to do so.

Mr. KEATING. I shall appreciate that very much, Mr. President.

Mr. FREAR. Very well, Mr. President; I yield now to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. Mr. President, I had really completed my remarks on the bill itself. However, I would like to observe—and this observation is really covered by the amendment which has been submitted by the distinguished Senator from Delaware—that in only one respect do I find myself in some agreement with the minority members of the committee—namely, in regard to the recommendations for study of other aspects of the problem. But on this issue there can be universal agreement. No one can correctly claim that the present bill will solve all the problems of multi-State taxation or the even more perplexing problem of Federal-State taxation.

Senate bill 2524 is an interim measure, but one which will afford substantial relief during the time which will be required to thoroughly explore all aspects of this subject. It is important to proceed with caution in regard to every such matter, but we must also be cautious not to permit the ruination of segments of the American economy while we carry on our deliberations.

Mr. President, a few days ago I submitted Senate Concurrent Resolution 70, on behalf of myself, the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Wisconsin [Mr. WILEY], and the Senator from Delaware [Mr. WILLIAMS]. The concurrent resolution calls for the establishment of a joint congressional committee on Federal-State economic relations. I had entertained the idea that the study now under consideration by us could well be made by such a joint congressional committee or by the presently existing Joint Committee on Internal Revenue Taxation. However, I understand that the distinguished senior Senator from Virginia [Mr. BYRD], the chairman of the committee, is in agreement with the proposal of the Senator from Delaware [Mr. FREAR] for the establishment of a commission; and certainly I would yield my views to theirs.

I had intended to offer, as a substitute for the amendment which calls for the establishment of such a commission, a proposal for the establishment of a joint legislative committee. But I believe I should withhold that amendment, in view of the proposals which have been made by two distinguished Members who have studied this matter.

Furthermore, as I understand, the members of the Finance Committee, on both sides of the aisle, are in accord with the proposal that a study of this problem be made by a commission, rather than by a joint legislative committee.

I may say to the Senator from Virginia [Mr. BYRD] and the Senator from Delaware [Mr. FREAR] that it is because of my high regard for the members of the Senate Finance Committee, as well as for the House Committee on Ways and Means, that I feel that a study by those committees, which have the problem of presenting tax measures to us, could well do the job.

I appreciate very much the courtesy of the Senator from Delaware [Mr. FREAR] in yielding to me.

Mr. FREAR. Mr. President, I hope the Senator from New York will find his confidence well founded.

I wonder whether the Senator from Virginia has had an opportunity to study my amendment. Certainly I should like to hear his views in regard to it.

Mr. BYRD of Virginia. Mr. President, I have studied the amendment, which was considered by the Finance Committee.

So far as I am aware, the majority of the committee favors the amendment of the Senator from Delaware. We think it is the best type of study commission we could devise. I think it would be very effective in forming an understanding of this most intricate question that confronts us.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is in control of the time.

Mr. SPARKMAN. Mr. President, I wonder if the Senator from Delaware will yield, and I should like very much for the distinguished chairman of the committee to listen to what I have to say.

Mr. FREAR. I yield.

Mr. SPARKMAN. I think there is merit in the proposal of the Senator from Delaware. The Senator may recall that in the resolution I introduced I proposed a study commission of a some-

what different makeup; but I think the proposal of the Senator from Delaware is very good. However, it seems to me that there ought to be coupled with it a cutoff date, in order to make certain the study will be completed within the time specified. I intend to propose an amendment fixing the date January 1, 1962.

Mr. FREAR. There is a cutoff date in my proposal.

Mr. SPARKMAN. I have not seen it.

Mr. FREAR. On page 3 it is provided that the Commission shall make a report to the Congress and the President not later than March 31, 1961.

Mr. SPARKMAN. Of course, we want to be certain that the matter will be reconsidered by the Congress, so I wonder if the Senator from Delaware and the Senator from Virginia would agree to accept a very simple amendment I have prepared. It is one of the printed amendments lying on the desk, and provides that on page 4, after line 10, there be inserted a new section 4, as follows:

SEC. 4. The provisions of this Act shall apply only with respect to taxable years which begin before January 1, 1962.

That would be a prod, not only to the Commission but to the Congress, to review this question.

Mr. BYRD of Virginia. Mr. President, I hope that amendment will not be agreed to. It would leave a great deal of uncertainty as to how the taxation should be arrived at. I do not think we should tax orders that result from solicitation by salesmen. That is disturbing businessmen all over the country. We should work out a formula that is just, but that principle should be continued. It is not just or fair for a business corporation to employ salesmen and have the orders taken by those salesmen taxed by the States in which the sales are made. I think the Senator will agree with me.

Mr. SPARKMAN. I agree completely.

Mr. BYRD of Virginia. I would much rather shorten the time for the report than put a time limit in this bill, which is designed only to meet that one particular proposition.

Mr. SPARKMAN. Mr. President, a good many of us are disturbed, and I was one of the first advocates of this kind of legislation, and yet I have been disturbed by some provisions of the bill, because it seems to me to go beyond perhaps the simple statement which the Senator from Virginia has made.

I have always considered that sales made through orders handled in interstate commerce were not taxable by the States. I have always gone by that principle. I have always felt that was a good principle of law, and I think everybody else did until the Supreme Court rendered its decision on the question. The Supreme Court did not actually dip that far down, but it certainly left the threat hanging over us.

I agree with the statement of the Senator from Virginia, but there are a good many of us who are not certain that the provisions of this bill limit it to that extent. We are not certain what the ultimate cure really is, but we believe that a commission, such as the Senator's amendment proposes, can arrive at it.

I think it would create much uneasiness if word were to go out over the country that Congress had enacted a permanent law to do these things without knowing for certain that they are limited to the statement the Senator from Virginia, the chairman of the committee, has made.

I think it would create a much easier feeling if a termination date were provided, so that the States would know that between now and that date the Congress was going to reappraise the situation, and do it in the light of the study made by the Commission. It would give the States an opportunity to make recommendations to the Congress, which I hope they will do.

Mr. FREAR. May I state to the Senator from Alabama that the amendment offered by the junior Senator from Delaware establishes a title II to the proposed piece of legislation; and, as I understand the amendment which the Senator from Alabama would like to offer, it would be language addressed to what is now a part of the bill.

Mr. SPARKMAN. That is true, and it actually belongs to title I.

Mr. FREAR. If the amendment of the junior Senator from Delaware is adopted, and the Senator from Alabama wishes to propose his amendment, I think it would apply to title I of the bill; and if he wished to change the date of the Commission's report I think that could be provided for in his amendment also, if he so desired.

Mr. SPARKMAN. I am fully aware of that. I think the Commission proposal would command a great deal more support if the Senate felt the whole thing was to have a cutoff date, and that it was not permanent legislation.

Mr. GORE. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. GORE. The Senator is moving in the right direction, in my opinion. He has proposed a 5-page mimeographed amendment, technically well drawn. It has taken me some few moments to grasp its full meaning. Essentially, it proposes a study commission, but it in no way affects the proposed bill except in the renumbering of sections and paragraphs. Is that statement not essentially correct?

Mr. FREAR. It in no way affects the proposed bill. It adds title 2 to the proposed bill.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. FREAR. I think whoever controls the time in opposition controls 15 minutes, does he not?

Mr. BUTLER. I have been representing the leader, and he is present. I would be willing to yield 5 minutes.

The PRESIDING OFFICER. The majority leader controls the time in opposition, unless he is in favor of the amendment, in which case the time is controlled by the minority leader.

Mr. JOHNSON of Texas. I yield to the acting minority leader.

Mr. BUTLER. I yield 5 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. GORE. I agree with the Senator that this problem needs study. With the Senator from Alabama, I doubt very much the advisability of acting before that study, and surely it would be unwise to enact a permanent law before we study it.

At the appropriate time I shall offer a substitute for the amendment presented by the distinguished junior Senator from Delaware and will have further remarks to make, but I do not want to infringe upon the time of the Senator from Minnesota, who has an address to make on the bill.

Mr. BUTLER. Mr. President, I yield 5 minutes to the Senator from North Carolina [Mr. ERVIN], from the time on the bill.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 5 minutes.

Mr. ERVIN. Mr. President, it seems to me the people who need the proposed legislation are the small businessmen who do business in interstate commerce. The big businessmen who do such business have legal staffs and accountants who can handle their problems in this respect. The small businessman is not able to have a legal staff and accountants to enable him to protect himself in this field.

It seems to me that the amendment of the able and distinguished Senator from Delaware ought to be agreed to. This would make it certain that the Congress would have an opportunity to take a second look at the legislation.

I disagree with the able and distinguished junior Senator from Alabama, in regard to the suggestion that the legislation itself ought to be made temporary. That would do nothing to quiet the apprehension which prevails throughout the country as the result of the Supreme Court decisions. It seems to me that any legislation which we pass should be made permanent, subject to such future changes as the Congress might see fit to make.

I think the objection that there should be a review is well taken care of by the amendment of the able and distinguished Senator from Delaware, and that the Senate would do well to adopt some legislation to protect the small businessmen who are not able to have the tremendous legal and accounting staffs which will be required if they do business in interstate commerce.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ERVIN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I agree entirely with what the Senator has said. The time limitation will really come when the Commission makes its report. Then we will have suggestions before us.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. GORE. How will the time limitation apply after the Commission makes its report?

Mr. ERVIN. My answer to that question is this: The Senator from Tennessee or any other Member of the Senate, or any Member of the House of Representatives, could take action when the report is filed or at any other time.

Mr. GORE. He could introduce a bill?

Mr. ERVIN. Yes.

Mr. BUTLER. Mr. President, I yield 15 minutes to the Senator from Minnesota.

Mr. KERR. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. From what time is the time yielded?

Mr. BUTLER. From the time on the bill.

Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. The Senator has 27 minutes remaining.

Mr. BUTLER. I yield 15 minutes to the Senator from Minnesota, but first I yield 3 minutes to the Senator from Alaska [Mr. GRUENING].

The PRESIDING OFFICER. The Senator from Alaska [Mr. GRUENING] is recognized for 3 minutes.

Mr. GRUENING. Mr. President, I am opposed to the passage of S. 2524 and shall so cast my vote.

As the able and distinguished Senators from Tennessee [Mr. GORE] and Minnesota [Mr. MCCARTHY] have so clearly pointed out in their minority views, this bill is but a part of an old fight between producing and consuming sections of the Nation. I commend those views to my colleagues since they embody much of my own thinking that this legislation needs much further study, especially as to its specific effects upon all the States and their varying tax structures.

As presented to us this bill would most certainly discriminate against the small, one-State business in favor of the large, multi-State businesses. It would do this in addition to discriminating against the consuming sections of the Nation. May I remind my colleagues from the producing States that it is exactly because we have consuming States that their mills and factories are prosperous. Without our consumption there would be far fewer markets.

But maintaining our services costs money.

When the salesman comes to the consuming State from the producing State, he is provided with all the usual State and local public services—police protection, for example. These services the States must provide even though he maintains no permament domicile in the State and is transient. The costs of these services must be paid, and the State must obtain the funds therefor from some of the very businesses located in the State with which the salesman's concern is competing. That firm in the producing State may very well be located in a State having no income tax and therefore competing on advantageous terms with the firm in the consuming State.

This does not seem equitable to me. It places firms in producing States at great competitive advantage, especially in States having no income taxes.

This approach overlooks the fact that those firms who would benefit from the enactment of this proposed legislation must rely upon expenditures in the States in which they sell—expenditures for road maintenance, for example—to make possible the completion of their sales.

I urge the defeat of this bill, or, at the very least, its recommittal to the proper committee for a thorough study of this entire complex matter.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 15 minutes.

Mr. MCCARTHY. Mr. President, I joined the Senator from Tennessee [Mr. GORE] and the Senator from Louisiana [Mr. LONG] in expressing minority opposition to the passage of S. 2524.

All of us in the minority, as well as the whole committee, agreed that there does exist a problem in the field of taxation of the profits of companies engaged in interstate commerce, but this is not a new problem. It is a problem which has existed, and which has been recognized by the courts at least since 1920. In that year, in the case of Underwood Typewriter Company against Chamberlain, I think the Court established a very clear rule. The Court held that a tax levied upon the proportion of the net profits of a foreign corporation earned by operations conducted within the taxing State is valid, if the method of allocation is not arbitrary or unreasonable. This is a clear rule of law. The State has a right to levy a tax on that proportion of the net profits of a foreign corporation which is earned by operations conducted within the taxing State itself, if the method of allocation is not arbitrary or unreasonable.

In the two cases to which reference is made most often today, the Minnesota case and the Georgia case, there was no question of any kind regarding the arbitrary imposition of the tax or any unreasonableness in regard to the tax.

Writing in 1946, in the case of Freeman against Hewit, Justice Frankfurter enlarged upon the decision of 1920. He stated:

> The power of the States to tax and the limitations upon that power imposed by the commerce clause have necessitated a long continuous process of judicial adjustment.

We are still engaged in that process of judicial adjustment.

Justice Frankfurter continued:

> The need for such adjustment is inherent in a Federal Government like ours, where the same transaction has aspects that may concern the interests and involve the authority of both the Central Government and the constituent States. The history of this problem is spread over hundreds of volumes of our reports. To attempt to harmonize all that has been said in the past would neither clarify what has gone before nor guide the future. Suffice it to say that especially in this field opinions must be read in the setting of the particular cases and as the product of preoccupation with their special facts.

Mr. President, the committee bill ignores this warning. It disregards it. It attempts to grant an exclusion through vague and general language not related to special facts and not in the setting of the particular facts.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MCCARTHY. I yield to the Senator from Oklahoma.

Mr. KERR. Can the Congress pass a law with reference to specific facts as applied to specific taxpayers?

Mr. MCCARTHY. No. I was making the point that we cannot. I have read what Justice Frankfurther said. The Court must act in these cases. Justice Frankfurter said that this particular problem has been one which has necessitated a long, continuous process of judicial review.

Mr. KERR. Does the Court act with reference to its concept of what the tax ought to be, or with reference to the general provision of the Constitution which places in the Congress the sole authority and responsibility in connection with the regulation of interstate commerce?

Mr. MCCARTHY. I think the Court would act on both. The Court would take into consideration the facts in the particular case, as well as its interpretation of the Constitution, and it would also act in terms of the statutes which the Congress had approved.

Mr. KERR. But the Court would act under the limitation contained in the Constitution.

Mr. MCCARTHY. That is correct; under the limitation.

I will say that in the Minnesota case and in the Georgia case there was no question of constitutionality involved. There was no disagreement with regard to the facts. The decisions in both cases supported the actions of the States in imposing taxes. The decisions upheld the State taxes. In a 6 to 3 decision the Court held that net income from interstate operations of a foreign corporation may be subjected to State taxation provided the levy is not discriminatory and is properly apportioned to local activities within the taxing States.

The facts in the two cases were not in dispute; nor was the judgment that the commerce involved was exclusively interstate in character. There is no question of constitutionality. The Court held that the taxes were fair, and had been properly imposed; also that there was nothing unreasonable. Therefore the Court held that the State, acting under the Constitution, with full consideration of the commerce clause, had the right to impose such taxes.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MCCARTHY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I am in sympathy with much of the argument my friend is making; but as I read the heading of the decision in the Northwestern States Portland Cement case, there were two questions of constitutionality involved.

Mr. MCCARTHY. They were raised.

Mr. CLARK. They were raised by those who opposed the tax on the ground that the tax was unconstitutional.

Mr. McCARTHY. That is correct.

Mr. CLARK. However, the Court held that the tax was constitutional, because the activities within the State were such as to give this famous nexus, which permitted the State to tax, because a great deal of money was being made inside the State by the foreign corporation.

This brings me back to the argument of the distinguished Senator from Georgia, that if a corporation or individual is making a great deal of money by his activities within a State, the State should be permitted to tax.

Mr. McCARTHY. If he had an office or warehouse in the State, the fact that he transported hundreds of tons of cement into the State would establish a real nexus, would it not?

Mr. CLARK. When the cement gets there, it is the buyer's cement.

Mr. McCARTHY. That is correct. It is quite probable that this particular cement could not have been sold in Iowa.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. GORE. In the instant case, I believe the Senator said that the corporation did 48 percent of its total business in the State of Minnesota.

Mr. McCARTHY. That is correct.

Mr. GORE. The State of Minnesota has a State income tax, has it not?

Mr. McCARTHY. That is correct.

Mr. GORE. Suppose that two concerns did most of the cement business in the State of Minnesota, one a Minnesota corporation clearly subject to the income tax of the State of Minnesota, and the other operating only an office—whatever that means under the terms of the bill—and thereby exempt from income taxation by the State of Minnesota. Does not the Senator believe that a competitive disadvantage would be suffered by the Minnesota corporation?

Mr. McCARTHY. In relation to the firm which was a Minnesota firm, it would have been taxed in the amount of $102,000, whereas if the Court had ruled other than it did, the Iowa firm would have escaped $102,000 in taxation.

Mr. GORE. So in that case, all other things being equal, the out-of-State corporation would have a $102,000 advantage over the State corporation?

Mr. McCARTHY. So far as the State of Minnesota is concerned, that is correct.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CARROLL. Would not the Senator say that the difficulty today, in both the Senate and the House does not especially arise from the decisions in the Northwestern States Portland Cement case and the case involving Stockham Valves & Fittings, Inc.

In my opinion a very careful reading of those cases merely establishes the legal proposition that a tax may be imposed when the out-of-State business maintains at least an office, or a fixed business activity within the taxing State. Does the Senator agree?

Mr. McCARTHY. The Senator is correct.

Mr. CARROLL. After that decision, there were a couple of other decisions. The truth is that they are really not decisions. There was denial of a writ of certiorari in two cases, namely, *Brown-Forman Distillers Corporation* v. *Director of Internal Revenue,* 359 U.S. 28 (1959); and *International Shoe Company* v. *Fontenot,* 359 U.S. 984 (1949).

I believe we agree that denial of a writ of certiorari does not have the same merits as a decision of the Supreme Court; but a certain amount of confusion has been created.

I believe the Senator from Minnesota will agree with me that the principle established in those cases was that there was no office or salable inventory or warehouse in the place of business which was maintained in the taxing State. The Supreme Court denied the writ of certiorari. This has disturbed some businessmen.

I say to the distinguished chairman of the Senate Committee on Finance that the House of Representatives is working on this problem, and I believe has a sensible solution of the problem in House Joint Resolution 450. What is desired with respect to the small businessmen of the Nation is not to overrule the decisions in the Northwestern States Portland Cement case and the Stockham Valves & Fittings case, but to say clearly at this point—and Congress can say this—"We will not permit State taxation unless there is an office, warehouse, or inventory within the State."

I believe that has always been the law. Why can we not achieve that result without opening up the laws and overturning existing decisions? As the distinguished junior Senator from Georgia [Mr. TALMADGE] has said, we may disrupt the revenue of the States. We may do great harm to existing decisions, when there is a very simple treatment available.

Mr. McCARTHY. A good case could be made for the amendment which the Senator from Georgia proposes to offer, and which he offered in committee. It is my opinion that there are other parts of the bill which we should not act upon at this time. What is needed is a special study and recommendation to Congress.

Let me give a number of reasons for postponing any action which would change the statute in any way.

The National Association of Tax Administration, in convention from July 8 to July 11, passed unanimously a resolution in which they urged that the appropriate committees of the Congress of the United States defer any legislative attention in the matter of State taxation of net income of corporations engaged in interstate commerce until a proper study can be made. This was the position taken sometime between July 8 and July 11 of this year by the National Association of Tax Administrators of the United States.

Secondly, I point out that the Treasury Department is opposed to action at this time. Making reference to Senate bill 2213, and Senate bill 2281, which are essentially, in substance, what is in the pending bill, the Treasury Department, in a memorandum to the chairman of the committee, signed by David A. Lindsay, Assistant to the Secretary, summarizes its position in these words:

> The Department does not support enactment at this time of legislation to proscribe State tax jurisdiction over income derived from interstate commerce. It reserves its position on the need for such legislation and on its content to afford the States adequate opportunity to reexamine the problem in light of the recent Court decision and to consider the possibility of developing a solution for it without congressional assistance. While the Department would interpose no objection to the creation of a temporary Commission on State Taxation of Interstate Commerce along the lines provided by title II of Senate Joint Resolution 113, it believes that this problem can be resolved without the creation of a Presidential Commission for this specific purpose.
>
> The Bureau of the Budget has advised the Treasury Department that there is no objection to the presentation of this report.
>
> Sincerely yours,
>
> ——— ———.

So here we have the Treasury Department and the National Association of Tax Administrators asking us to take no action, beyond the possibility of setting up, not a Presidential Commission, but a congressional committee of some kind, if need be, to study the problem.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. McCARTHY. I yield.

Mr. CARROLL. The very able argument of the distinguished Senator from Minnesota has convinced me, as did the language in the minority views, and the comments of the distinguished Senator from Tennessee [Mr. GORE], that we ought to take it easy. As the distinguished Senator from Tennessee has said, we cannot legislate the fears of people out of existence. We should postpone action on this issue.

I listened very closely to the arguments of the distinguished Senator from Ohio [Mr. LAUSCHE]. The bill attempts to deal with tangibles. Some States—I do not thing it is true of Colorado—have a tax on intangibles. Can we eliminate the tax on tangibles without, at some time in the future, being called upon to eliminate the tax on intangibles? We are dealing with the revenue of States. This is a vital question. We do not know what we are doing. No report I have yet read tells us what we are doing.

Two days ago I received information from Colorado to the effect that there would be a prospective loss of revenue to the State of Colorado running possibly into millions of dollars.

That is why I commend the Senator from Minnesota for his statements here. No wonder the Treasury Department will not state a clear position. They do not know what their position can be. No wonder the taxing authorities cannot make a recommendation. They do not know what the situation is. No wonder this committee cannot give us a clear report because they do not know exactly how the respective States will be affected in terms of revenue loss.

We know pretty clearly what the situation is if there is a nexus, as we call it, but we do not know what the situation is under the existing law.

I should think, and I commend the Senator for his observation and his thinking, that the bill should come from the Judiciary Committee. This bill ought to originate in the Judiciary Committee. Over in the House it is my information that the Ways and Means Committee has yielded jurisdiction to the House Judiciary Committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Does the Senator from Minnesota have additional time?

Mr. BUTLER. I do not think we have additional time.

Mr. JOHNSON of Texas. Mr. President, I should be glad to ask for additional time, but the distinguished chairman of the Appropriations Committee [Mr. HAYDEN] has left a committee hearing for the purpose of presenting a conference report, which is privileged.

I wonder if my friend will allow us, before he yields additional time, to call it up.

Mr. McCARTHY. Certainly.

Mr. JOHNSON of Texas. It is noncontroversial. Mr. President, I ask that the Senator from Arizona be recognized so that he may submit the conference report on the supplemental appropriation bill.

The PRESIDING OFFICER. The Senator from Arizona may proceed.

SUPPLEMENTAL APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, p. 16396, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. JAVITS. Mr. President, does this have anything to do with the civil defense controversy, or is that in the independent offices bill?

Mr. HAYDEN. That is in the independent offices appropriation bill.

Mr. JOHNSON of Texas. Mr. President, I regret to inform the Senate that two Senators who are not present would like to be present when this is considered. I just received that information. So if the Chair will indulge me, I will ask the Senate to withhold action until they arrive. They are out of the Chamber now.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without charging the time to either side.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I asked unanimous consent that further proceeding under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Arizona may be recognized for not to exceed 10 minutes to speak on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the amount of the bill as passed by the House was $609,843,545.

The amount of the bill as amended by the Senate is $1,076,186,000.

The amount of increase was $466,342,263.

The amount agreed upon by the conferees is $977,345,000.

The reduction from the budget estimates as considered by the Senate is $240,744,000.

I move the adoption of the conference report.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Oklahoma.

Mr. MONRONEY. I wish to speak not in opposition to the conference report, but to express my disagreement with what I consider to be a very erroneous statement made by the managers on the part of the House. If this statement is not corrected in the RECORD of the Senate, I fear great damage will be done to the efforts which are being made by the Senate Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce, of which I have the honor to be the head; by Gen. Elwood Quesada, Federal Aviation Administrator, and by the airlines of America, which have been trying to assist in providing an adequate airlift for our military forces.

I am certain we all know and realize that today our airlift is absolutely inadequate. It hardly exists at all. We have only a fine military passenger airline. It is competing everywhere in the world with the private scheduled airlines. It is hauling persons and some cargo at tremendous expense and is tying up large numbers of servicemen to duplicate commercial services.

This haulage could well be shared, at a saving to the Government, by having some of the traffic carried by the private airlines in the aviation industry.

The statement on the part of the managers of the House reads:

> It appears that the Air Transport Association of America is opposed to anything affecting the modernization or strengthening of the Military Air Transport Service. It also appears the Air Force is not ready to purchase new planes, but wants funds instead for further development of the turboprop T–61 engine which it has supported for several years and says requires about $20 million in 1960. To confuse the matter more, the Administrator of the Federal Aviation Agency, who is advocating a program of Government-insured loans for commercial carriers, states that those requested funds should be denied; that private industry should develop its own cargo plane, and intimates that the Military Air Transport Service should be on its way out.
>
> It is suggested that any step which weakens or tends to weaken the Military Air Transport Service would be a serious matter. MATS has an important national defense function and must be preserved. It must be modernized, and its costs of operation reduced to a minimum through efficient and economical operation. To be caught in a national emergency without a working unit of MATS would be like not having guns or planes or ammunition under the same circumstances.
>
> It is disturbing that the Air Transport Association actively enters into the MATS picture every year, and on every other phase of aviation that even remotely affects its interests. Civilian aviation has grown by virtue of the generous subsidy it has received from the Government. It is now a giant grown fat by Government subsidies and high rate charges.

Mr. President, that statement is in error. The Air Transport Association, which represents all the private enterprise airlines, including feeders and cargo carriers, has been interested in trying to develop, at no cost to the Government, a merchant marine of the air, so that the United States will have an adequate and reliable reserve airlift. We do not have such a reserve now.

What I cannot understand is why MATS, which is a branch of the Air Force, wishes to maintain its own transport system and does not desire to help promote a reserve auxiliary transport system to be available to the Nation in the event of a brush-fire war.

If MATS is operating an airline, it does not have the planes necessary to carry the troops or the necessary equipment to any far distant spot where a limited war may break out. We have been trying our level best throughout the past year to devise a program which will give MATS such a reserve airlift. However, the Air Force has been dragging its heels.

It has not been possible to get giant cargo planes under plans advocated by General Quesada, which have been considered by the President, and which have been approved by many departments of the Government. This plan would create a reserve airlift through Government underwriters loan guarantee insurance of 75 percent of the cost of a new type of cargo aircraft. Such planes will reduce by one-half the cost of carrying cargo and passengers by air.

Congress has been reluctant to appropriate money to buy more jet planes when the Air Force has not developed its program to provide a genuinely new type of cargo plane. It appears that the position of the Air Force is that it does not want the commercial carriers to have modern cargo planes procured through a loan guarantee program and thus equip themselves for reserve service with new cargo planes. This massive reserve airlift would cost the Government no money. The Air Force on the other hand wants millions in Government money to provide development of

a plan which only the Air Force would buy.

Yet the record clearly shows that MATS—the Air Force—has never produced a good low operational cost cargo plane. Certainly if private industry is willing to put its own money up, helped only, perhaps, by the Government-insured loan they should be encouraged to do it. On this particular type of new aircraft, such loans would be on cargo plane types approved by the Secretary of the Air Force, as to its military usefulness, and approved by the head of the Federal Aviation Agency, General Quesada, for its civilian usefulness. This then would be an airplane that could be used by both. The development costs would be shared by private industry and the military. Those who would wish to buy the plane thus would help to reduce the final cost of the planes to the Government.

Congress does not have to provide separate transport service for the Army or the Navy. The Navy has a merchant marine. The Government relies on the railroads to provide much of the transport for the Army. Certainly the Army would not insist on using its trucks to replace the surface transportation facilities throughout the United States to the detriment of sufficient railroad carrying capacity to haul cargoes in time of war.

Yet MATS seems to resent the efforts which are being made to provide a reserve airlift, something which they do not have now. The Government needs a real airlift in order to have power and speed to move our fighting men anywhere in the world with guns and other equipment, and be ready to fight on a few hours notice.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. SALTONSTALL. I was a member of the committee of conference, as were the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arizona [Mr. HAYDEN], who are here. I think they will support me when I say we did everything we could in conference yesterday to include the $30 million, which we argued to the House conferees was needed to try to develop the T–61 turboprop engines or jet prop engines for commercial cargo-carrying planes, planes which would help the Air Force in time of an emergency, and would also be suitable for use commercially.

The House conferees were adamant in their stand against appropriating money for this purpose. That is why the suggestion of the Senate was not adopted by the House, when the matter came up in conference.

Mr. MONRONEY. The junior Senator from Oklahoma recommended that this money be appropriated for the development of turbo prop motors. No motor of this size and capability is produced in America. We urged that that sum be included in the appropriation.

I think this type of plane should be developed, so that private industry can share a part of the developmental cost. I do not think the United States is so rich in money that we can throw away $25 million, $30 million, or $40 million, or whatever the development cost will be, when private industry is perfectly willing to participate in the cost of developing the plane and to pay its share of the developmental cost.

Mr. SALTONSTALL. That argument was made yesterday. There was no criticism made of the Federal Aviation Agency, or, necessarily, of the amount. We wanted the $20 million to be included, because we thought it could be wisely spent.

Mr. MONRONEY. I think it is a shame that such an erroneous statement on the part of the management of the House should be sent here. I am sure that the Senate does not concur in the statement. That is why I wanted to make the RECORD clear that the House statement is not necessarily the sense of the Senate.

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. Mr. President I yield 2 minutes to the Senator from Nevada.

Mr. CANNON. Mr. President, I am inclined to agree with the managers on the part of the House in their analysis of the situation so far as the Military Air Transport Association is concerned. I believe we are allowing the MATS to deteriorate through a very sad state of affairs at a time when we need to be upholding MATS, so that it can carry out its principal mission.

I have debated this matter with the Senator from Oklahoma on numerous occasions previous to this time. I believe the position stated in the conference report that the Air Transport Association of America is opposed to anything affecting the modernization or experimentation—I believe that the position stated in the conference report—namely, that the Air Transport Association of America is opposed to anything affecting the modernization or strengthening of the Military Air Transport Service—appears to be a fact.

I respectfully refer my colleagues to an insertion made in the CONGRESSIONAL RECORD for August 17, 1959, by the Honorable L. MENDEL RIVERS, in which we find inserted an article entitled "MATS and the Mission," written by Bill Borklund. I should like to comment briefly on that, and in that connection I shall read a short paragraph of it:

> False charges are not MATS' only headache. Attracted by the mushrooming market, MATS' bidders list has jumped from 41 carriers in 1957 to 86 this year, is expected to reach 122 in 1960. Most of the additions are briefcase operators with one or two obsolescent aircraft, at most, purchased solely to get MATS business.
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> Operating under a part 45 certification (called one of the great rackets in the aviation industry by Oklahoma's Senator MIKE MONRONEY) and not subject to Civil Aeronautics Board control, these "tissue paper" firms come under the benevolent protection of a Small Business Administration umbrella—and most of the unreliable outfits spotted by the contract survey committee are in this category.

Mr. President, I say that unless we take steps to modernize MATS, so that it can carry out its principal mission of supporting the Strategic Air Command in its mission, we shall not be carrying out our responsibility.

I believe that the language contained in the conference report indicates that the committee had this matter very well in mind, and that we are being outlobbied, to the detriment of establishing and maintaining the capabilities of the Military Air Transport Service, as required by the Strategic Air Command.

Mr. CHAVEZ. Mr. President, I have participated in conferences on appropriation bills for many years; but never yet have I attended a conference which has given the Senate conferees more trouble than we had on yesterday. The five men who were as adamant as any men could possibly be gathered together, downstairs, and discussed this measure. We tried our best, and argued practically all the afternoon, in order to sustain the position of the Senate. But when they said "no," they meant "no."

I am glad this statement has been inserted, not because I agree with the report set forth in it, but because even they admit that something should be done in order to keep the Military Air Transport Service of the country ready and able. We do not know when we may need it. It is true that civilian aviation is available. However, we cannot always depend on it. I believe it is the duty of both the Congress and the Nation to see to it that a proper and adequate airlift is always ready, inasmuch as an emergency could develop at any moment.

Mr. THURMOND. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina [Mr. THURMOND]. If other Senators wish to speak on this matter, inasmuch as I do not wish to have action on this measure postponed any further, I hope they will permit the action to be taken without further delay.

I ask unanimous consent that at this time I may yield 2 minutes to the Senator from South Carolina [Mr. THURMOND], in connection with the report.

The PRESIDING OFFICER (Mr. Moss in the chair). Is there objection? Without objection, it is so ordered; and the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I have the highest regard for the distinguished Senator from Oklahoma [Mr. MONRONEY], but I do not agree with the statement he has made.

I am in accord with the statement which has been made by the junior Senator from Nevada [Mr. CANNON].

It is my firm conviction, as I stated a few weeks ago when this matter was then before the Senate, that it is highly important for us to maintain MATS in a high degree of readiness. If our country were to become involved in war, we would have to send our troops quickly; and I remind the Senate that the commercial airlines cannot operate in combat zones. So if an emergency developed, we would need our Air Force planes to transport the troops where they would have to fight.

I believe it essential that the Congress take steps to see that MATS is maintained at a high degree of readiness and

capability; and I believe we shall be jeopardizing the security of the Nation if we do not meet our responsibility in that respect.

Mr. CARROLL. Mr. President, I should like to respond in regard to the matter of cargo planes. May I have some time?

Mr. JOHNSON of Texas. How much time does the Senator from Colorado wish to have?

Mr. CARROLL. About 2 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Colorado may be recognized for 2 minutes.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there objection? Without objection, it is so ordered; and the Senator from Colorado is recognized for 2 minutes.

Mr. CARROLL. Mr. President, as the Senator from Oklahoma [Mr. MONRONEY] knows, I took a very active part in the debate on this matter when this measure was previously before the Senate. The vote taken at that time was a very close one.

At that time I wished to know whether such action by us would help the airlift, and I wished to know about the cargo planes.

The statistics which I had received showed that the commercial airlines under MATS contracts were carrying passengers, for the most part. I thought it was nonsense for us to spend the taxpayers' money in order to take care of military passenger traffic by carrying them by two different systems. I favored development of cargo transportation. In that connection, I believe the debate which occurred was quite helpful.

In the Wall Street Journal of July 31 I read a statement to the effect that Pan American has ordered 12 long-range Lockheed turboprop air freighters, at a cost of $60 million, for the 1962 transatlantic run.

I also read that the Flying Tiger line has ordered 10 planes and the Seaboard & Western Line has ordered 5 planes, at a cost of $80 million; and they are to be turboprop planes, to be obtained through the Canadair Division of the General Dynamics Corp.

I also read that Slick Airlines has ordered six shorter range Lockheeds, at a cost of $22 million.

Mr. President, if the planes obtained by those lines, as a result of the expenditure of that money, will be used for development of an auxiliary cargo airlift then I am in favor of it. This information has come since the debate the Senate held recently on this subject.

If the expenditure of Government funds in this fashion stimulates the ordering and the building of cargo planes, then I would say we are making a substantial contribution to the airlift.

The Senator from Oklahoma [Mr. MONRONEY] knows that I was very vigorous in trying to hold down this item of the bill to $80 million. Let me ask what the conferees have reported.

Mr. MONRONEY. Eighty-five million dollars.

Mr. CARROLL. Then that is a step in the right direction. If this sum helps with the further development of a cargo airlift, I am in favor of it.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

Mr. HAYDEN. Mr. President, will the Chair put the pending question?

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7978, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
August 19, 1959.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 5, 52, and 64 to the bill (H.R. 7978) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$3,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$16,675,000."

That the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$21,825,000."

That the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$175,000."

That the House recede from its disagreement to the amendment of the Senate numbered 32, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$425,000."

That the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment, as follows:

"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

"Department of the Army

"Rivers and Harbors and Flood Control

"Construction, general

"Not to exceed $180,000 of the funds heretofore provided under this heading shall be available to complete riprap protection of the Saint Joseph Indian School property located along the Fort Randall Reservoir, South Dakota pool."

That the House recede from its disagreement to the amendment of the Senate No. 39, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$2,000,000."

That the House recede from its disagreement to the amendment of the Senate No. 41, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$6,000,000."

That the House recede from its disagreement to the amendment of the Senate No. 54, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$750,000."

That the House recede from its disagreement to the amendment of the Senate No. 60, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"HOUSE OF REPRESENTATIVES

"North Atlantic Treaty Parliamentary Conference for 1959

"For salaries and expenses necessary for the annual meeting of the North Atlantic Treaty Parliamentary Conference for 1959 to be held in Washington, District of Columbia, as authorized by section 702 of the Mutual Security Act of 1959, $80,000, to be disbursed by the Clerk of the House."

That the House recede from its disagreement to the amendment of the Senate No. 61, and concur therein with an amendment, as follows: Change line 1 of said amendment to read as follows:

"ADMINISTRATIVE PROVISIONS—SENATE"

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 3, 11, 18, 27, 31, 32, 33, 39, 41, 54, 60, and 61.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table on the supplemental appropriation bill for 1960 which reflects by appropriation item the budget estimates, the amount approved by the House, the amount approved by the Senate, and the amount agreed to in conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The supplemental appropriation bill, 1960 (H.R. 7978)

Document No.	Department or activity	Budget estimate	House bill	Senate bill	Conference action
	FUNDS APPROPRIATED TO THE PRESIDENT				
	TITLE I				
H. 170	Transitional grants to Alaska	$10, 500, 000	$10, 500, 000	$10, 500, 000	$10, 500, 000
	EXPANSION OF DEFENSE PRODUCTION				
H. 169	Revolving fund, Defense Production Act, 1959	287, 285, 072	100, 000, 000	116, 000, 000	108, 000, 000
	Total, funds appropriated to the President	297, 785, 072	110, 500, 000	126, 500, 000	118, 500, 000

The supplemental appropriation bill, 1960 (H.R. 7978)—Continued

Document No.	Department or activity	Budget estimate	House bill	Senate bill	Conference action
	EXECUTIVE OFFICE OF THE PRESIDENT				
	TITLE I				
	OFFICE OF CIVIL AND DEFENSE MOBILIZATION				
H. 169	Salaries and expenses	$12,000,000		$3,650,000	$3,000,000
H. 182	Construction of facilities	2,700,000		2,700,000	2,400,000
	Total, Office of Civil and Defense Mobilization	14,700,000		6,350,000	5,400,000
	INDEPENDENT OFFICES				
	TITLE I				
	ALASKA RAIL AND HIGHWAY COMMISSION				
--------	Salaries and expenses			Language	Language
S. 44	BOSTON NATIONAL HISTORIC SITES COMMISSION	20,000		20,000	20,000
	COMMISSION OF FINE ARTS				
H. 169	Salaries and expenses	5,000	$4,500	4,500	4,500
	FEDERAL AVIATION AGENCY				
H. 169	Construction and development, additional Washington airport	27,500,000	22,470,000	27,500,000	22,470,000
	FOREIGN CLAIMS SETTLEMENT COMMISSION				
H. 169	Payment of Korean claims	5,670	5,670	5,670	5,670
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
H. 173	Salaries and expenses	94,430,000	91,400,000	94,430,000	91,400,000
H. 114	Research and development, 1959	20,750,000		20,750,000	16,675,000
H. 173	Research and development	333,070,000	318,675,000	333,070,000	318,675,000
H. 114	Construction and equipment, 1959	24,250,000		24,250,000	21,825,000
H. 173	Construction and equipment	57,800,000	52,000,000	57,800,000	52,000,000
	General provisions		Language	Language	Language
	Total, National Aeronautics and Space Administration	530,300,000	462,075,000	530,300,000	500,575,000
	NATIONAL MEDIATION BOARD				
H. 169	Salaries and expenses	85,000	80,000	80,000	80,000
	OUTDOOR RECREATION RESOURCES REVIEW COMMISSION				
H. 169	Salaries and expenses	1,050,000	850,000	850,000	850,000
	RIVER BASIN STUDY COMMISSION FOR SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA				
H. 169	Salaries and expenses	740,000	666,000	740,000	740,000
	RIVER BASIN STUDY COMMISSION FOR TEXAS				
H. 169	Salaries and expenses	800,000	720,000	800,000	800,000
	HOUSING AND HOME FINANCE AGENCY, PUBLIC HOUSING ADMINISTRATION				
H. 169	Annual contributions, 1959	8,000,000	8,000,000	8,000,000	8,000,000
	TITLE II				
	NATIONAL SCIENCE FOUNDATION				
S. 38	Scientific information activities overseas	2,000,000			
	Total, independent offices	570,505,670	494,871,170	568,300,170	533,545,170
	DEPARTMENT OF AGRICULTURE				
	TITLE I				
	FOREST SERVICE				
--------	Forest land management			15,000,000	4,000,000
--------	Forest research			4,500,000	500,000
--------	Forest roads and trails			2,000,000	2,000,000
--------	Access roads			5,000,000	1,000,000
--------	Acquisition of lands for Superior National Forest			500,000	
	TITLE II				
	AGRICULTURAL RESEARCH SERVICE				
S. 38	Salaries and expenses	8,000,000			
	Total, Department of Agriculture	8,000,000		27,000,000	7,500,000
	DEPARTMENT OF COMMERCE				
	TITLE I				
	BUREAU OF THE CENSUS				
H. 169	Salaries and expenses	Language			
	BUSINESS AND DEFENSE SERVICES ADMINISTRATION				
S. —	Salaries and expenses	(200,000)		(200,000)	(175,000)
	MARITIME ADMINISTRATION				
H. 169	Vessel operations revolving fund	Language			
	NATIONAL BUREAU OF STANDARDS				
H. 169	Plant and facilities	500,000		500,000	425,000

The supplemental appropriation bill, 1960 (H.R. 7978)—Continued

Document No.	Department or activity	Budget estimate	House bill	Senate bill	Conference action
	TITLE II				
	NATIONAL BUREAU OF STANDARDS				
S. 38	Research and technical services	$5,174,000			
	Total, Department of Commerce	5,674,000		$500,000	$425,000
	TITLE I				
	DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS				
	DEPARTMENT OF THE ARMY				
	RIVERS AND HARBORS AND FLOOD CONTROL				
-------	Construction, general			200,000	Language
	DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS				
	TITLE I				
	DEPARTMENT OF THE AIR FORCE				
S. 40	Military personnel	Language			
-------	Aircraft procurement	[1]		30,000,000	
	DISTRICT OF COLUMBIA				
	TITLE I				
S. 37	Metropolitan Police	(70,000)		(70,000)	
S. 37	Miscellaneous: Settlement of claims and suits	(10,602)		(10,602)	(10,602)
	Total, District of Columbia	(80,602)		(80,602)	(10,602)
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
	TITLE I				
	PUBLIC HEALTH SERVICE				
S. 42	Assistance to States, general	2,026,000		2,026,000	2,000,000
-------	Communicable disease activities			100,000	
H. 182	Grants for waste treatment works construction, 1958–59	657,000	$657,000	657,000	657,000
S. 42	Hospitals and medical care	6,089,500		6,089,500	6,000,000
	TITLE II				
	OFFICE OF VOCATIONAL REHABILITATION				
S. 38	Research and training	395,000			
	PUBLIC HEALTH SERVICE				
S. 38	Scientific activities overseas	3,707,000			
	Total, Department of Health, Education, and Welfare	12,874,500	657,000	8,872,500	8,657,000
	DEPARTMENT OF THE INTERIOR				
	TITLE I				
	DEPARTMENTAL OFFICES				
	OFFICE OF SALINE WATER				
-------	Salaries and expenses			400,000	400,000
S. 37	Construction	1,550,000		2,550,000	1,550,000
	OFFICE OF OIL AND GAS				
H. 169	Salaries and expenses	100,000	90,000	90,000	90,000
	BUREAU OF LAND MANAGEMENT				
H. 182	Management of lands and resources	525,000	425,000	775,000	775,000
	BUREAU OF INDIAN AFFAIRS				
S. 42	Education and welfare services	2,225,000		2,225,000	2,225,000
	BUREAU OF RECLAMATION				
-------	Loan program			5,147,000	5,147,000
	VIRGIN ISLANDS CORPORATION				
S. 42	Loans to operating fund	1,235,000		1,235,000	
S. 42	Revolving fund	1,240,000		1,240,000	
	TITLE II				
	DEPARTMENTAL OFFICES				
	OFFICE OF SALINE WATER				
S. 38	Salaries and expenses	50,000			
	BUREAU OF RECLAMATION				
S. 38	General investigations	2,210,000			
	BUREAU OF MINES				
S. 38	Conservation and development of mineral resources	2,792,000			
S. 38	Health and safety	125,000			
	Total, Department of the Interior	12,052,000	515,000	13,662,000	10,187,000

[1] $53,500,000 requested in original budget submission for 10 jet cargo aircraft.

The supplemental appropriation bill, 1960 (H.R. 7978)—Continued

Document No.	Department or activity	Budget estimate	House bill	Senate bill	Conference action
	THE JUDICIARY				
	TITLE I				
	SUPREME COURT OF THE UNITED STATES				
S. 37	Miscellaneous expenses	Language		Language	Language
	CUSTOMS COURT				
S. 37	Salaries and expenses	$18,000		$18,000	$18,000
	Total, The Judiciary	18,000		18,000	18,000
	DEPARTMENT OF JUSTICE				
	TITLE I				
	FEDERAL PRISON SYSTEM				
H. 169	Salaries and expenses, Bureau of Prisons	Language		Language	Language
	DEPARTMENT OF LABOR				
	TITLE I				
	BUREAU OF LABOR STATISTICS				
S. 37	Salaries and expenses	1,050,000		1,050,000	1,000,000
	LEGISLATIVE BRANCH				
	TITLE I				
	SENATE				
	CONTINGENT EXPENSES OF THE SENATE				
S. 37	Furniture, 1959	12,500		12,500	12,500
S. 37	Inquiries and investigations, 1959	450,000		450,000	450,000
S. 37	Miscellaneous items, 1959	222,500		222,500	222,500
	HOUSE OF REPRESENTATIVES				
	NORTH ATLANTIC TREATY ORGANIZATION				
	PARLIAMENTARY CONFERENCE FOR 1959				
S. 45	Salaries and expenses	100,000		100,000	80,000
	SENATE				
	ADMINISTRATIVE PROVISIONS				
-------	Office of the Secretary			Language	Language
-------	Clerical assistants to Senators			Language	Language
	TITLE II				
	LIBRARY OF CONGRESS				
S. 38	Collection and distribution of foreign library materials (appropriation)	182,875			
	(Authorization to use foreign currency)	(2,464,050)			
	Total, legislative branch	967,875		785,000	765,000
	POST OFFICE DEPARTMENT				
	TITLE I				
S. 42	Transportation	7,200,000		7,200,000	7,000,000
	DEPARTMENT OF STATE				
	TITLE I				
	ADMINISTRATION OF FOREIGN AFFAIRS				
H. 169	Extension and remodeling, State Department Building	5,000,000	$2,500,000	3,500,000	3,000,000
	INTERNATIONAL ORGANIZATIONS AND CONFERENCES				
-------	Contributions to international organizations			3,000	3,000
H. 182	Missions to international organizations	30,000	27,000	27,000	27,000
	INTERNATIONAL COMMISSIONS				
	INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO				
H. 182	Operation and maintenance	500,000	450,000	500,000	450,000
H. 182	Construction	450,000	125,000	450,000	400,000
	TITLE II				
	ADMINISTRATION OF FOREIGN AFFAIRS				
S. 38	Acquisition, operation and maintenance of buildings abroad	(3,475,000)			
	EDUCATIONAL EXCHANGE				
S. 38	International educational exchange activities	(1,984,100)			
	Total, Department of State	5,980,000	3,102,000	4,480,000	3,880,000
	TREASURY DEPARTMENT				
	TITLE I				
	OFFICE OF THE SECRETARY				
S. 39	Investment in Inter-American Development Bank	280,000,000		280,000,000	280,000,000

The supplemental appropriation bill, 1960 (H.R. 7978)—Continued

Document No.	Department or activity	Budget estimate	House bill	Senate bill	Conference action
	BUREAU OF ACCOUNTS				
S. 37	Salaries and expenses	$35,000		$25,000	$25,000
	COAST GUARD				
S. 37	Operating expenses	800,000		800,000	
	Total, Treasury Department	280,835,000		280,825,000	280,025,000
H. 185 S. 42	Claims for damages and judgments	448,438	$198,675	443,438	443,438
	Total for title I	1,193,454,680	609,843,845	1,076,186,108	977,345,608
	Total for title II	24,635,875			
	Grand total	1,218,090,555	609,843,845	1,076,186,108	977,345,608

H.R. 7978, the supplemental appropriation bill, fiscal year 1960

Amount of bill as passed by House	$609,843,845
Amount of bill as amended by Senate	1,076,186,108
Amount of increase by Senate	466,342,263
Amount agreed upon in conference	977,345,608
Reduction from budget estimates as considered by the Senate	240,744,947

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to have Senators be on notice of the possibility that the following measures may be brought up by motion:

Calendar No. 518, Senate bill 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Calendar No. 559, Senate Joint Resolution 39, to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives.

Calendar No. 531, Senate Resolution 130, to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds. In that connection let me say that I should like to have all Senators be on notice of the possibility that the resolution will be brought up; and I shall seek a unanimous-consent agreement before having it brought up.

Calendar No. 606, House bill 968, to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon.

Calendar No. 607, Senate bill 1221, to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands.

Calendar No. 608, Senate bill 1216, to approve an order of the Secretary of the Interior adjusting certain irrigation charges against Indian-owned lands under the Wind River Indian irrigation project, Wyoming.

Calendar No. 610, Senate bill 1514, to amend the act of August 9, 1955 (69 Stat. 618).

Calendar No. 611, Senate bill 1136, to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof.

Calendar No. 654, Senate bill 861, to provide for the control of noxious plants on land under the control of the Federal Government.

Calendar No. 655, Senate bill 662, to amend section 8(b) of the Soil Conservation and Domestic Allotment Act to provide for administration of farm programs by democratically elected farmer committeemen.

Calendar No. 692, Senate bill 2065, to amend Public Law 85–880, and for other purposes.

Calendar No. 709, Senate Resolution 21, expressing the sense of the Senate concerning the making of loans by the Rural Electrification Administration.

Calendar No. 695, Senate bill 1737, to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission.

Calendar No. 699, Senate bill 1735, to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SPARKMAN. The majority leader has announced a great string of measures. Over what period of time are they to be considered? Tonight, tomorrow, or when?

Mr. JOHNSON of Texas. They will be brought up between now and the end of the session. It will not be tonight. I do not expect to bring them up until we finish the bill now before the Senate.

Mr. SPARKMAN. I did not know whether the majority leader was announcing that list for the weekend or not.

Mr. JOHNSON of Texas. No. They are to follow the pending bill. How long this bill will take, I do not know.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. Will the majority leader advise us as to what his expectations are as to the length of the present session, before we shall recess or adjourn tonight?

Mr. JOHNSON of Texas. I hope that will be done when we complete action on the bill.

Will the Senator from Virginia give me an estimate as to when consideration of the bill will be completed?

Mr. BYRD of Virginia. I wish I could. I do not know. I hope it will not take very long.

Mr. HOLLAND. Several Members of the Senate have tentative plans for tonight, which we, of course, can throw overboard if we have to, but I wondered whether it was the intention of the majority leader to hold the Senate in session tonight.

Mr. JOHNSON of Texas. I myself have two engagements tonight. I want to attend both of them. However, if we can conclude action on this bill by remaining in session until 8 or 8:30, I should like to do that. I am afraid that if I shall make that announcement, we might continue that long. Let us see how we get along, and I will have a better feel of the situation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. Would the Senator add to the list of measures Senate Resolution 130?

Mr. JOHNSON of Texas. I have added that resolution to the list. If the Senator had been on the floor I would have asked if he wanted to enter into a unanimous-consent agreement on it. It is unlikely that there will be amendments to it. I have already announced we would bring it up. When we bring it up will depend on the arrangement as to time. If we could agree on it now, perhaps we could settle it now.

Mr. GORE. So far as I am concerned, the customary limitation of 1 hour would be satisfactory to me.

Mr. JOHNSON of Texas. Let us assume a limitation of 3 hours, to be equally divided. That would be 1½ hours on a side.

Mr. President, I ask unanimous consent that when Senate Resolution 130, Order No. 531, is before the Senate, we have not to exceed 3 hours on the resolution, to be equally divided, and 30 minutes on amendments, to be equally divided.

Mr. JAVITS. Mr. President, reserving the right to object, I hope the Senator will not press that request. We have not consulted with the minority.

Mr. JOHNSON of Texas. Mr. President, I withdraw my request.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. There is on the calendar Order No. 228, S. 1474, relating to the extension of the Reorganization Act, which bill was reported by the Committee on Government Operations.

The title of the bill indicates that it is a permanent extension, which is not the case. The bill was brought up on the Consent Calendar, and it was objected to. The authority runs out this year. I wondered when the bill was going to be brought up for debate and discussion.

Mr. JOHNSON of Texas. I will try to determine that after the policy committee meets. The policy committee has not agreed to schedule it as yet. We have so much scheduled I do not know when we can take that up. We shall have to consider the roads bill, the civil rights bill, and the labor bill. The bill the Senator mentions is something that will have to be taken up by the policy committee. We did have some measures that were cleared, but we did not clear this one.

Mr. HUMPHREY. I am not personally interested in it, but I was curious.

Mr. JOHNSON of Texas. I understand. I am answering the Senator's question as best I can.

Mr. HUMPHREY. The other bill I wanted to ask the Senator about was Calendar No. 655, Senate bill 662, to amend section 8(b) of the Soil Conservation and Domestic Allotment Act, which was passed last year by the Senate.

Mr. JOHNSON of Texas. I just announced to the Senate that bill will be taken up.

Mr. HUMPHREY. I appreciate the Senator's accommodation.

How about Calendar No. 664, Senate bill 2522, to provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food stamp allotment programs?

Mr. JOHNSON of Texas. That bill was reported on August 11, and the policy committee has not acted on it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I should like to inquire with respect to Order No. 133, S. 91, a bill reported on March 24 unanimously by the Post Office and Civil Service Committee. Is there any prospect of that bill being called up?

Mr. JOHNSON of Texas. Yes. It has been cleared. If we can stop Senators from making speeches, perhaps we can get some of these bills up for consideration. I do not think that bill will be taken up this week. I am informed the Senator from Delaware has some questions to ask about it. He has asked to be notified. But we have cleared the bill.

I hope Senators will understand that in view of all of these bills that have been enumerated and others, like the roads bill, the labor conference report, the housing bill, on which there will probably be a conference report, and the civil rights bill, when we get to that, we are going to have to come in early and stay late if we expect to recess any time in the foreseeable future.

Mr. CLARK. I should like to have the majority leader seek a unanimous-consent agreement at a relatively early date on S. 91.

Mr. JOHNSON of Texas. If the Senator from Delaware were present, I would propose it now.

Mr. RUSSELL. Mr. President, I would be constrained to object.

Mr. JOHNSON of Texas. I may say to the Senator I was making no such request. I was pointing out that the Senator from Delaware wanted to be notified.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO EQUAL-TIME PROVISIONS TO CANDIDATES FOR PUBLIC OFFICE

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House on Senate bill 2424, to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, which was, to strike out all after the enacting clause and insert:

That section 315(a) of the Federal Communications Act is amended to read as follows:

"SEC. 315. (a) If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided,* That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate. Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a broadcasting station within the meaning of this subsection."

Mr. PASTORE. Mr. President, I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

Mr. BRIDGES. Mr. President, will the Senator from Rhode Island explain the amendment?

Mr. PASTORE. The House amendment is much more restrictive than the bill as passed by the Senate. However, I do not think the two bodies are too far apart; and I believe that in a conference we shall be able to resolve the differences between the two Houses, and then to submit to the Senate a report which will be satisfactory.

Mr. BRIDGES. Very well.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. MONRONEY, Mr. THURMOND, Mr. CASE of New Jersey, and Mr. SCOTT the conferees on the part of the Senate.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. What is the business now pending before the Senate?

The PRESIDING OFFICER. The bill now before the Senate is Senate bill 2524. The question is on agreeing to the amendment offered by the Senator from Delaware. The Senator from Minnesota has the floor.

Mr. McCARTHY. Mr. President, how much time do I have left?

The PRESIDING OFFICER. One minute remains to the Senator from Minnesota.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield without losing any of my time.

Mr. CARROLL. May I ask who is in charge of the opposition time?

Mr. JAVITS. I am.

Mr. CARROLL. Will the Senator yield me a few minutes?

Mr. JAVITS. I cannot. There are solicitations for time on this side of the aisle, and I cannot yield time to the Senator.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from Minnesota may have an additional 5 minutes, chargeable to neither side.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that 10 additional minutes, 5 minutes to each side, be granted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARTHY. Mr. President, I yield to the Senator from Colorado.

Mr. CARROLL. We were engaged in a discussion as to the effect of the Supreme Court's decisions. In my opinion, if we can we should have the matter clarified, by relating it to page 2, line 12, of S. 2524.

May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CARROLL. Mr. President, I hope this time is not being charged to the time of the Senator from Minnesota.

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

The Senator may proceed.

Mr. CARROLL. On page 2, line 12, there is the so-called paragraph (3). Would the Senator agree with me that if paragraph (3) is included in the bill and is approved by the Senate, it will overcome the decisions of the Supreme Court in the Northwestern States Portland Cement Company case and the Stockham Valves and Fittings, Inc., case?

Mr. McCARTHY. In my opinion, it would.

Mr. CARROLL. It would therefore seem to me that the issue is very clear. Do we really want to give relief to the small businessmen, whom some think are being harmed? We might give consideration to House Joint Resolution 450, which deals only with those businesses which do not maintain an office or an inventory, or an agent of which is not established within a State.

As I understand those two decisions, those things were not really passed upon by the Supreme Court.

The Senator from Minnesota would agree with me, would he not, in any event, we really do not know the effect of the decisions at this time? Is there anything in the hearings, which came from representatives of the States themselves, as to the effects of the decisions on the raising of revenue in the States?

Mr. McCARTHY. I think the clearest case was made by the tax administrators of those States, who said they did not know what the effect of the decision will be, and who asked us to defer any action on this proposed legislation.

Mr. CARROLL. I shold like to refer again to page 2 of the House report, report No. 936, in which there is expressed a deep concern about the number of businessmen who have to file income tax returns. It is not a question of being worried about the decisions in the Northwestern States Portland Cement Company case and the Stockham Valves and Fittings, Inc., case, but it is more a question of worry about decisions which result from the Brown-Forman Distillers Corporation case and the International Shoe case.

I conclude with one last suggestion. It is my information that the House of Representatives has not handled this matter through the Committee on Ways and Means, but has left it to the Committee on the Judiciary. In the resolution, House Joint Resolution 450, title II calls for a study of the matter by the Senate and House Judiciary Committees. I suggest the reading of House Joint Resolution 450, because I think it contains a very comprehensive treatment of this matter.

I think, if we cannot set the matter over for study, we should seriously consider taking action in this body on House Joint Resolution 450.

I thank the Senator from Minnesota.

Mr. McCARTHY. I will say to the Senator from Colorado that he has stated the case properly. This is essentially a judicial question. So far as it involves taxation, it is an action recommended by the Committee on Finance to repeal certain taxes in the face of the Supreme Court decisions saying that the taxes are constitutional and in keeping with the statutes.

The bill, in my opinion, constitutes an invasion of the taxing rights of the States, and could well prepare the way for forcing the abandonment of the corporate profits taxes by the States.

I believe it was indicated—or at least implied—by one of the men who spoke in favor of the proposed legislation, that the only tax which really ought to be imposed on anything which is involved in interstate commerce, by the States, at least, is a sales tax.

We can say that there is involved in this matter—though perhaps remotely—a choice between the corporate profits tax imposed by the States and, eventually, a State sales tax on goods which move in interstate commerce.

The proposed legislation will discriminate against many small businesses. Presented in the name of a bill to protect small business, it will establish a situation in which a foreign corporation—that is, a corporation established in another State from that State which attempts to impose the tax—may very well have an advantage by way of tax differential.

In my opinion, the bill will not solve the problem which concerns us all. It will not even clarify it. It will, instead, cause new obscurities.

I would not say that the bill is premature. I should like to disassociate myself from the use of that word in the minority report. I think this is a problem which we should have anticipated. We should have done something about it. It is really not a premature bill. It is really too late for action.

The fact is, this is an inadequate approach to the problem which faces us. Therefore, in my opinion the matter needs more study. Action on this bill ought to be postponed until we have adequate information.

Mr. JAVITS. Mr. President, I yield 3 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 3 minutes.

Mr. COTTON. Mr. President, I have asked for time to enable me to interrogate the distinguished Senator from Delaware [Mr. FREAR], the author of the amendment which is the pending business of the Senate, as to the scope, or the intended scope, of his amendment.

I invite the Senator's attention to page 3 of the amendment, where it is stated:

> The Commission shall make a full and complete study of the problems arising from the exercise of the taxing power at the Federal, State, and local levels of government for the purpose of recommending methods to—
>
> (1) eliminate overlapping areas of taxation at the various levels of government.

Although the particular bill under consideration today involves taxation by the States of business income derived from interstate commerce, I am sure every Member of the Senate knows there are increasing problems among the States involving the matter of one State taxing the income of individual citizens or residents of another State. This tax may involve a part or the whole of the income earned within the taxing State. There is an acute problem presented and many inequities have arisen. There are bills pending before the committees of the Senate to submit a constitutional amendment on the question.

I wish to ask the distinguished Senator from Delaware if it is his intent to include in the amendment, in the language I have read or in any other language, the direction that the Commission, if created, shall consider questions involving taxation of personal income as well as questions involving business income derived from interstate commerce?

Mr. FREAR. Yes.

Mr. COTTON. I also invite the attention of the distinguished Senator to the last paragraph of his amendment, which states:

> Amend the title so as to read: "A bill relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Intergovernmental Taxation Problems."

The title might indicate that the study would be restricted to income derived from interstate commerce. I ask the Senator if he would consider modifying the amendment, in the very last line, where it now states, "Interstate Commerce and Intergovernmental Taxation Problems."

After the word "and" in the very last line, would the Senator be willing to insert the words "Interstate and" so that the wording would read "State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems"?

That would make it more general.

Mr. FREAR. The sponsor of the amendment will accept the modification suggested by the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. COTTON. I thank the Senator from Delaware. I feel that his amendment is a worthy amendment. It ought to be agreed to, because this field is presenting increasing difficulties and vexations to the States and to the citizens of several States.

Mr. JAVITS. Mr. President, I yield 2 minutes to the Senator from Pennsylvania [Mr. CLARK] out of the time in opposition to the amendment.

Mr. CLARK. Mr. President, Mr. Charles M. Dougherty, Secretary of Revenue of the Commonwealth of Pennsylvania, has sent me a telegram expressing his concern over the bill in its present form, and the possible loss of revenue to the Commonwealth of Pennsylvania. I ask unanimous consent that the telegram

be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AUGUST 18.

JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.:

Our preliminary analysis of Senate bill 2524 indicates probable impingement of a substantive nature on basic Pennsylvania corporation income tax, corporate net income, and franchise tax revenues through provisions of section 1. With many other States, Pennsylvania certainly requires opportunity to determine full impact of revenue loss engendered by this bill. Further public hearings are required since copies of proposed bill have not been available to us to date. Any orderly communication between the Federal and State Governments makes this present speeded legislative procedure highly undesirable and unfair to all States levying corporate taxes.

CHARLES M. DOUGHERTY,
Secretary of Revenue,
Commonwealth of Pennsylvania.

Mr. CLARK. I have also received a great deal of mail from small businessmen throughout the State, expressing their concern over decisions of the Supreme Court and their fear that they may be unjustly and improperly taxed as a result of such decisions.

Personally I do not share that concern. On the other hand, it seems to me that there are objectionable features in the present bill, of which subparagraph 3 of section 1 is most objectionable. I hope the Senate will strike that provision and then, in order to allay the fears of small businessmen—whether justified or not—will pass the bill as thus amended, feeling that this would do no particular harm, and would make it possible to allay such fears.

It seems to me most important that a thorough study be made. Whether the amendment of the Senator from Delaware [Mr. FREAR], or the amendment which the Senator from Tennessee [Mr. GORE] proposes to offer as a substitute for the Frear amendment is the proper approach to such a study, I do not know.

I make these brief comments in order that my subsequent votes may be clear to my constituents.

Mr. GORE. Mr. President, on behalf of the Senator from Minnesota [Mr. MCCARTHY] and myself, I offer the amendment which I send to the desk and ask to have stated, as a substitute for the amendment of the junior Senator from Delaware.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Is not the business before the Senate the amendment of the Senator from Delaware?

The PRESIDING OFFICER. The Senator is correct.

Mr. GORE. Mr. President, I call up my amendment, which I offer as a substitute for the amendment of the junior Senator from Delaware.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is there not time still left on the amendment of the Senator from Delaware, which would require that the Senator from Tennessee wait until that time is used up?

The PRESIDING OFFICER. The Senator is correct. There is time remaining on the Frear amendment.

Mr. GORE. Mr. President, I shall withhold my amendment until Senators who wish to speak on the amendment of the Senator from Delaware have had an opportunity to do so.

Mr. JAVITS. Mr. President, I yield myself 5 minutes out of the time in opposition to the amendment of the Senator from Delaware.

If I may have the attention of the Senator from Tennessee, let me say that our time seems to be so short that we do not wish to offer amendments which are not serious. If the Senator from Tennessee feels that he can present his case better by doing now what he wishes to do, I shall be glad to propound a unanimous-consent request to enable him to do so.

Mr. GORE. No; I shall wait.

Mr. JAVITS. Mr. President, I yield myself 5 minutes out of the time in opposition to the amendment of the Senator from Delaware.

I believe the amendment offered by the Senator from Delaware is an affirmative and constructive contribution to the bill. It represents the views—I believe in major part—of the Small Business Committee; and I hope it will be agreed to.

This still does not advance us beyond the point of a commission to study the problem, in the terms of the bill before us. Therefore I believe we are constrained to approve the measure which has been reported by the Committee on Finance, for this reason: I believe we must make up our minds which is more important—solicitude about the taxing power of the States, or the capability for doing business in the United States.

What the Supreme Court has decided in respect to the Northwestern case is, for all practical purposes, a decision which places the doing of interstate business, especially by small business concerns, in such a state of doubt and uncertainty as, in fact, to have a material effect upon the amount of it which is done.

I believe—and I think the proponents of the measure must believe—that it is more important to encourage the commerce of the United States than to be solicitous about the taxing power of the States. It is important not to stop the commerce of the United States while we worry about who is to take the tax bites out of it. Therefore I believe this measure is a fair effort to meet that situation, because it sets only minimal standards.

Let us understand what that means. The language of the bill, on page 1, line 5, reads:

> A net income tax on income derived within such State if the only business activities within such State by or on behalf of such person during such taxable year are any, or all, of the following.

In short, if there are other business activities, they are still left within the realm of decided cases under State and Federal law, so far as the taxing power of the State is concerned. This is a very minimal standard, in order to insure that business may be conducted while a study takes place and more of these questions are resolved.

I point out that one of the major things which is not incorporated in this minimal standard is servicing and maintenance, which is a very essential element of operation in a particular State, and which calls upon the use of the State facilities in a way very different from the solicitation of orders.

So it must be emphasized, first, that the bill seeks to apply only a minimal, and not a maximal, standard, and that there is an enormous range of factual situations between the minimal standards set by the bill and the maximal, involving the direct taxing power of the State.

It seems to me that both the majority and minority opinions in the Northwestern case bear out the fact that this is exactly the thing to do. In the majority opinion we find the following statement of the Court, speaking of the vast number of cases which have arisen and the problem of the State taxing power with respect to interstate commerce:

> A few have been specifically overruled, while others no longer fully represent the present state of the law.

The Court goes on to say that the problem is within an enormous range of different factual situations, very clearly indicating that what the Court is looking toward is minimizing the number of factual situations with which it must deal.

We find the same idea carried out in Judge Frankfurter's minority opinion:

> In fact, relying on the courts to solve these problems only aggravates the difficulties and retards proper legislative solution.
>
> At best, this Court can only act negatively; it can determine whether a specific State tax is imposed in violation of the commerce clause. Such decisions must necessarily depend on the application of rough-and-ready legal concepts.

It seems to me that what we are doing in connection with this particular measure is minimizing the area of conflict by setting certain very basic minimal standards which we, as a legislature, will construe as not representing doing business within a State.

From a study of the cases it is my opinion, and the opinion of my staff, that, taking the cases throughout the United States, these are true minimums. Based upon decided cases, these are the very bare-bone elements of exemption from State taxes on the ground of doing business within a State. Therefore I believe the committee is doing us a service in minimizing the area of controversy in terms of the facts. It is not transgressing fundamental and established law, because it is taking the broad lines of decision, the very minimum; and at the same time the committee is not throttling the right of any State to tax within an area where there can be doubt and difference of opinion based upon different states of fact.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. I yield myself 1 more minute.

Finally, in terms of limiting this action to 1961 or 1962, I point out that we could limit it to 6 months. We shall be back in session in January. What we are doing by making the legislation ostensibly permanent law is giving a sense of security to people who do business, which they would not have if the period were temporary. It seems to me that coupling the findings of a commission with legislation providing security is the proper way to go at the problem.

I hope the amendment of the Senator from Delaware will be agreed to, and that the Senate will pass the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. All time has been yielded back.

Mr. JAVITS. I yield back our time.

Mr. GORE. Mr. President, I wish to offer a substitute for the amendment of the Senator from Delaware, and seek recognition of the Chair.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. What will be the situation as to time if the Senator from Tennessee offers an amendment as a substitute for the amendment of the Senator from Delaware?

The PRESIDING OFFICER. The time will be 30 minutes, equally divided.

Mr. GORE. I call up my amendment, which I offer as a substitute for the amendment of the senior Senator from Delaware.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. The Senator from Tennessee [Mr. GORE] proposes an amendment for himself and for Mr. MCCARTHY in the nature of a substitute for the Frear amendment, as follows: At the end of the bill insert the following:

SEC. 5. The Finance Committee of the Senate shall make a study of the problem involved in State taxation of interstate commerce. The committee shall, prior to June 1, 1960, submit a report on its study to the Committee on Interstate and Foreign Commerce and the Judiciary Committee. This report shall indicate ways and means to accomplish, but not necessarily be limited to, the following:

(1) Define "doing business" for purposes of State taxation of interstate commerce. This definition shall be comprehensive and shall lay down rules covering all fields of interstate commerce.

(2) Prescribe an allocation formula which will equitably determine the amount of net income attributable to activities in any given State. This formula shall be so devised as to eliminate the possibility of subjecting any person to State tax liability on more than 100 percent of his net income.

SEC. 6. The Committee on Interstate and Foreign Commerce and the Judiciary Committee of the Senate shall communicate, not later than March 31, 1961, their views on this report to the Finance Committee of the Senate. The Finance Committee shall subsequently introduce appropriate legislation.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee is recognized. How much time does the Senator yield himself?

Mr. GORE. Such time as I may desire.

This amendment would keep the study of this problem by the Senate within the Senate. This is subject matter that is clearly, at least in part, within the jurisdiction of three Senate committees. This amendment would direct a study by the Senate Finance Committee.

Mr. President, I insist upon order.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until the Senate is in order. The Senator may proceed.

Mr. GORE. Mr. President, the junior Senator from Delaware has offered an amendment to create a special commission composed of some Members from the Senate, some from the House, some from the executive branch of the Government, and some from the public. The question to be studied is clearly a legislative matter, clearly within the jurisdiction of the U.S. Congress.

I have offered a substitute for the amendment of the distinguished Senator from Delaware. I agree with him that the problem needs study. It should have been studied before legislation was recommended. I agree thoroughly that it needs study now. I think further, though the Senator from Delaware may not agree with me, that we should yet study it before we pass a bill.

This amendment and substitute concern the question of the kind of study to be made. The amendment which the junior Senator from Minnesota and I have offered would direct a study by the Senate Finance Committee and a report to be completed by June 30, 1960. This report would be referred to the other two Senate committees clearly having jurisdiction, in part, or at least having a vital interest, in this field, the Judiciary Committee and the Committee on Interstate and Foreign Commerce.

Those committees would be directed to submit comments upon the report, together with such recommendations as those committees might desire to make to the Senate Finance Committee, and thereupon the Senate Finance Committee would be directed to submit its recommendation on legislation by March 31, 1961.

I submit, Mr. President, that when we have a question in which three committees of the U.S. Senate have an interest, and have at least divided jurisdiction, the proper course, and the course with better promise of good legislation, is to have a study made by the three committees. I have suggested the mode and the manner by which the study could be made.

I should advise the Senate that after this amendment is voted upon, whether adopted or not adopted, and after the amendment of the junior Senator from Delaware is voted upon, whether adopted or not adopted, there will be a substitute offered for the whole bill, but it does seem to me that my amendment offers the best method for conducting a study. Do Senators desire to have a study made by some outside commission, or by three committees of the U.S. Senate? That is the question.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator for yielding to permit me at this point in his argument to read a copy of a letter I have received just today from the attorney general of the State of Minnesota.

Mr. GORE. I yield for that purpose.

Mr. HUMPHREY. This letter was addressed to me by Miles Lord, attorney general of the State of Minnesota, and it reads as follows:

DEAR SENATOR HUMPHREY: As you well know, I litigated the case of *Northwestern States Portland Cement Co.* v. *State of Minnesota* as the attorney general of Minnesota. In view of my familiarity with the complex issues involved in this case and the subject matter relating thereto, I have felt compelled to urge you to oppose S. 2524. In my opinion, this bill will, in effect, not only repeal the law of the Portland Cement Co. case but also law that existed for many years prior to that case.

Although I am not able to state accurately the tax loss resulting from S. 2524 to the State of Minnesota because of the shortness of time in which to appraise its effects, I have been advised by State tax officials that it will eliminate a very substantial portion of the tax base which Minnesota uses to support its educational facilities.

I also want to point out to you that in view of the fact not all States have a corporate income tax there is a very distinct possibility that this bill will encourage interstate concerns to locate in the non-income-tax States even though the bulk of their business is elsewhere.

There is no doubt that the Portland Cement Co. case has given new emphasis to problems that have long existed. For this a study commission set up by the Congress is long overdue to reconcile the differences in State allocation formulas. But I want to caution you that in no case can the State of Minnesota sustain the loss of a large portion of its tax base.

Yours very truly,

MILES LORD,
Attorney General.

That is the position of our State administration, as expressed by the attorney general. The position has been expressed in much more comprehensive detail by the junior Senator from Minnesota [Mr. MCCARTHY], who has joined with the Senator from Tennessee in offering an amendment or a proposal on S. 2524. I am not familiar with all the details. All I know is that the revenue base of Minnesota, according to our tax officials and our attorney general, and according to those who have studied it from the point of view of the interest of the State of Minnesota, would be severely affected if the bill became law.

In other words, I happen to believe that some of the Western States—and I may say States in other areas of the Nation where corporate development is not quite so extensive as it is on the eastern seaboard—may suffer very grievously from the bill.

Mr. GORE. The letter which the senior Senator from Minnesota has read goes to the substance of the bill. The amendment under consideration, offered by the junior Senator from Minnesota [Mr. MCCARTHY] and myself, proposes

that a study be made by three committees of the Senate. I point out to the senior Senator from Minnesota that in the other body a bill introduced on this subject was referred to the Committee on the Judiciary. I have even heard it discussed among Senators that this bill properly should be recalled and referred to the Senate Committee on the Judiciary. But at least before we act in this delicate and important field, we should have the recommendations of the Senate Committee on the Judiciary.

The bill deals with the constitutional relationships between the States and the Federal Government in the field of commerce, with Congress clearly having the right to invoke the commerce clause and to deny to the States the latitude and the privileges with respect to certain rights they now exercise.

I now ask the Senate to vote upon the amendment calling for a study, and later to vote upon the substance of the bill. I think we should study before we act. Here we have the cart before the horse. The first part of the bill proposes the passage of permanent legislation. Then the bill, if amended, would provide for the making of a study. In other words, we are asked to pass a bill to take care of certain people; then we are asked to wash our hands of the matter by having a commission make a study.

Mr. HUMPHREY. The Senator from Tennessee may recall that the concluding paragraph of the attorney general's letter related to a study commission. I am not at all certain that the attorney general of Minnesota was familiar with the exact language of the amendment offered by the junior Senator from Minnesota [Mr. McCARTHY], but I believe the attorney general, who handled the Northwestern States Portland Cement case in the courts, was endorsing or supporting the kind of proposal which the junior Senator from Minnesota and the junior Senator from Tennessee have joined together in sponsoring. I join with them in their support of this proposal.

I am rather surprised, considering all the talk we hear about States rights, that the Senate has before it a bill which would actually cut right into the heart of the right of a State to sustain itself. If the bill becomes law, the only right the State of Minnesota will have will be to go broke.

Mr. GORE. Or to levy additional sales taxes.

Mr. HUMPHREY. Or to go into some form of taxation which is repugnant to the social well-being of our State. I think States rights require a modicum of revenue to sustain State services.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CARROLL. I may say to the Senator from Minnesota that this statement has not been made heretofore about the bill, unless the junior Senator from Minnesota made it. I heard some of the remarks which were made by the distinguished senior Senator from New York. In my humble opinion, unless there is a burden upon interstate commerce, I do not think this body can pass a bill which will interfere with the taxing powers of the States, under the Federal system of government. I do not believe that statement has been made heretofore. The attorney general of Minnesota is correct. The purpose of part 3 of the bill is to overcome two Supreme Court decisions based on a rule of law which has been unchallenged since the old case of Gibbons against Ogden.

The senior Senator from Minnesota was not on the floor when I stated that within the last 24 hours I had received information from my State on this subject. I think I can repeat it for the benefit of Senators who may have come to the floor recently.

The total taxable income from corporations in Colorado last year were $144 million. The taxable income from corporations operating in interstate commerce totaled almost $77 million. This comes from one-sixth of the total corporations taxed.

I am told by experts in my State that under existing law, the State is now taxing corporations which would be exempted by part 3 of the bill. I wanted to find out what the position of my State was because there had been subsequent decisions which, we must be honest enough to say, have created some confusion. Colorado is taxing these under the Supreme Court decisions. I have learned that Minnesota, I believe, is taxing under those decisions.

Mr. HUMPHREY. It is.

Mr. CARROLL. Coming back to the statement of the Senator from Tennessee, we must pursue a policy of common sense. We cannot act against the interests of our own States. What do the Senator from Tennessee and the junior Senator from Minnesota [Mr. McCARTHY] ask in the amendment? A study. By whom? By the Committee on Finance, for a period of 6 months. When the study has been finished, the Committee on Finance will make a recommendation to the Committee on the Judiciary and to another very important committee, the Committee on Interstate and Foreign Commerce. What is wrong with that?

In the meantime, we will have gone home. We will examine into our taxing laws and into our tax revenue sources. We will find out where we are. That is all we are asking.

Suppose I had fallen asleep on this bill. Suppose the import of it had been missed in my State, and the bill were passed. My State would have been deprived of millions of dollars of revenue at the very time when it is in need of revenue to support its educational, penal and other institutions. If this bill deprived Colorado of $76 million of tax income the burden of replacing that revenue would be thrown onto either Colorado individuals or Colorado small business.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. GORE. Has the junior Senator from Tennessee consumed 30 minutes?

The PRESIDING OFFICER. The time available on the amendment is 30 minutes, to be equally divided. The Senator from Tennessee has used 15 minutes.

Mr. CARROLL. Mr. President, I ask unanimous consent that the Senator from Tennessee may have an additional 5 minutes. I understood that the time on the amendment would be 30 minutes to each side.

Mr. KERR. Why not ask for 5 minutes for each side?

Mr. CARROLL. I make that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CARROLL. I commend the Senator from Tennessee for his very able presentation. I think that, as a matter of common sense, we ought to adopt the amendment rather than pass the bill which is now before the Senate.

Mr. GORE. I thank the Senator from Colorado.

Mr. McCARTHY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McCARTHY. I think the Senator from Tennessee has made a good point. This is a kind of Alice-in-Wonderland procedure. First we have the verdict; then we have the trial.

The Senator from Tennessee has proposed a time schedule which is vitally important. The report will be due in June 1960; then final action is called for before March 31, 1961.

Mr. GORE. The Committee on the Judiciary and the Committee on Interstate and Foreign Commerce would be afforded 9 months in which to make their study and report their views.

Mr. McCARTHY. The Senator is correct. The impression has been created that the State legislatures will rush legislation with respect to the Supreme Court decision. Not more than 17 or 18 State legislatures will be in session next year—1960. Most State legislatures will not be in session.

The next year will be 1961. At that time we will be ready to act on the recommendations. Therefore, the committees of Congress need not rush. The time schedule which the Senator from Tennessee has proposed is exactly in order and should be observed.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator from Kansas, who wishes to speak in opposition to the amendment of the Senator from Tennessee.

Mr. CARLSON. Mr. President, I oppose the amendment of the Senator from Tennessee. I sincerely regret having to do so. I support the amendment of the Senator from Delaware [Mr. FREAR]. I do so for three reasons.

First, the National Association of Tax Administrators, at their annual meeting in New York State, passed a resolution requesting Congress to create a commission to study this problem. This is a very delicate problem, as Senators who

are present this afternoon and we who are members of the Committee on Finance well know from the hearings we held.

The second reason why I am opposed to his amendment, and why I am in favor of the amendment of the Senator from Delaware [Mr. FREAR], is that others in addition to the Congress are interested in this matter. Many ex-Governors are today serving in this body, and they know about these problems of the States.

The amendment of the Senator from Delaware provides that five of the members of the Commission shall be appointed by the conference of Governors. I think that provision is an important one.

The third reason why I think such a tax study is so important—and so important that I believe we need what might be termed a Hoover Commission study of it—is that this amendment provides for the establishment of what practically would be a Hoover Commission. As I have already stated, the study would be more than a congressional committee study.

I had the honor of serving on one of the task forces of the Hoover Commission on Reorganization of the Government. While I served on the task force on Federal-State affairs, I studied those matters under the very able leadership of a distinguished citizen of Massachusetts, the late Jefferson Coolidge. We spent a great deal of time on that work, and I believe we brought in some very valuable reports.

So this matter is of concern to many groups and persons, in addition to the Members of Congress. For 20 years, private organizations, as well as the Congress, have been studying this problem.

I could take a great deal of time to discuss the pending bill. I have some very important questions in regard to it, because this bill will not meet all of the problems involved. But I believe what is now proposed is the minimum we can do in regard to the problem, this evening.

Therefore, I believe the Senate should pass the bill, including the amendment of the Senator from Delaware [Mr. FREAR]; and when the study is made—and certainly it is very badly needed—I believe we can then take intelligent action on this problem.

Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with my remarks, a letter which I have received from the Kansas Director of Revenue, Mr. J. E. Kirchner.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF KANSAS,
DEPARTMENT OF REVENUE,
Topeka Kans., July 17, 1959.

HON. FRANK CARLSON,
Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR CARLSON: It has come to our attention that the Committee on Finance of the U.S. Senate will hold hearings on July 21, on several resolutions which would restrict State taxation of income derived exclusively from business in interstate commerce.

We understand that one of the resolutions is S. 2213, by Mr. BUSH which provides that no State shall have the power to impose a net income tax on income derived exclusively from interstate commerce solely by reason of the solicitation of orders within the State if the taxpayer maintains no stock of goods, plant, office, warehouse, or other place of business within the State.

We also understand that S. 2281, by Mr. SALTONSTALL, is to the same general effect.

It appears that the interest in this matter was brought about primarily by recent Supreme Court decisions in the case of *Northwestern States Portland Cement Co.* v. *State of Minnesota*, and *Williams* v. *Stockham Valves and Fittings, Inc.*, decided February 24, 1959, and other cases which virtually removed restrictions on taxing, for income tax purposes, income derived from interstate commerce.

In view of these decisions it would appear that in administering the Kansas Income Tax Act we should attempt to enforce income tax reporting of all business transacted in Kansas by out-of-State firms, including isolated or occasional transactions. If this were the case, we would require each firm doing business in Kansas to file a return with this department showing the business done in Kansas in proportion to the total business of the firm, and to pay Kansas income tax accordingly. This would apply even if only one action transpired in Kansas.

Such a procedure would be virtually impossible to enforce and would seem impractical administratively.

Conversely, should S. 2213 or action similar thereto become effective, it would have the effect of permitting many out-of-State firms to do a tremendous volume of business in Kansas without being liable for any Kansas tax. Or a firm could locate in Nebraska, which has no income tax, do business in every State in the Union and escape income tax in each State.

It seems that either extreme described above would be undesirable in Kansas, but that some solution should be prescribed. For that reason we wish to endorse and call to your attention the resolution passed at the annual meeting of the National Association of Tax Administrators, Buffalo, N.Y., July 8–11, 1959. The resolution reads as follows:

"Whereas various States are confronted with problems of taxation of net income of corporations engaged in interstate commerce: Now, therefore, be it

"*Resolved*, That the National Association of Tax Administrators urge the appropriate committee of the Congress of the United States to recommend deferral of congressional legislative attention in the matter of State taxation of net income of corporations engaged in interstate commerce until a study commission set up by the Congress and including appropriate State officials has had opportunity to examine the impact of the recent Supreme Court decisions with regard to State income taxation of interstate commerce."

We will appreciate your consideration of the above problem and wish to offer you any possible assistance in your deliberation.

Sincerely yours,

J. E. KIRCHNER,
Director of Revenue.

Mr. FREAR. Mr. President, will the Senator from New York yield time to me?

Mr. JAVITS. I yield 1 minute to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 1 minute.

Mr. FREAR. Mr. President, I have received one great revelation this afternoon—one which I have been seeking many years, since I have been in the Senate. It is that the two Senators from Minnesota recognize that States rights constitute one of the responsibilities they have to the people they represent in the Senate.

Second, Mr. President, I wish to pay a high compliment to the amendment submitted by the Senator from Tennessee [Mr. GORE], because I think it is a very good one, but I believe the amendment I have submitted is even better.

Mr. JAVITS. Mr. President, I yield to the senior Senator from Oklahoma [Mr. KERR] 5 minutes of the time available to the opposition.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. KERR. Mr. President, I am glad that the Senator from Tennessee [Mr. GORE] and the Senator from Minnesota [Mr. MCCARTHY] have submitted their amendment. It includes a variety of provisions which exceed any other legislative proposal that I have ever seen since I have served in the Senate, and their amendment is an evidence of the versatility of operations that is possible under the rules of the Senate.

One of the provisions of their amendment calls for a study by the Finance Committee of the problems involved in State taxation of interstate commerce.

Mr. President, the Finance Committee has been doing just that during the 10 years that I have been a member of the committee; and it will continue to do so for as long as it serves the Senate.

However, simply because I happen to be a member of the Finance Committee, I do not take unto myself the prerogative of directing the whole future of the committee's course of operations. As a member of the committee, I have not been silent in making my position known. Neither do I believe, Mr. President, that I have ever taken the position that I, alone, shall prescribe what the committee shall do.

However, I wish to say to my good friends, the Senator from Tennessee [Mr. GORE] and the Senator from Minnesota [Mr. MCCARTHY] that they have not limited their proposal to directing what the Senate Finance Committee shall do. They also wish to direct what the Senate Committee on Interstate and Foreign Commerce and the Senate Committee on the Judiciary shall do. I do not know whether they are members of both of those committees. If not, I think those committees are indebted to them for being so concerned about what they shall do over the period of the next 18 to 20 months. However, they are not seeking to provide a limited diversion for the Finance Committee, the Interstate and Foreign Commerce Committee, and the Judiciary Committee; they are seeking to direct the course of procedure of those three committees until March 31, 1961, and beyond that.

Mr. MCCARTHY. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. MCCARTHY. Is the Senator from Oklahoma supporting the Frear amendment?

Mr. KERR. Yes.

Mr. McCARTHY. The Frear amendment calls for giving instructions not only to the Senate Finance Committee, but also to the Ways and Means Committee, to the officers of the executive branch of the Government, and to the conference of Governors.

So the Frear amendment goes far beyond the amendment submitted by the Senator from Tennessee, on behalf of himself and myself.

Mr. KERR. Well, Mr. President, I doubt that the Senator from Minnesota is serious about that.

I wish to say that I would support nearly anything in preference to what I am looking at now. [Laughter.]

If the Senator from Minnesota wishes to take time to speak in opposition to this amendment, I think it would be appropriate for him to do so. Otherwise, I think he has taken his time to speak in support of this amendment, whatever it is.

Mr. McCARTHY. I have not yet taken time to speak in support of it.

Mr. KERR. Well, Mr. President, the amendment has the name of the Senator from Minnesota [Mr. McCARTHY] on it.

Mr. President, I should like to have 2 more minutes; and if I am yielded that much more time, I will state that I remember a story that was told when Harry Truman was running for election to the Vice Presidency. At that time he was using a special Pullman car. One night, when he went to go to bed in his special Pullman car, he found that the porter had already made up the berth and had turned back the covers. Senator Truman looked on the bed, and saw a dark spot. He called the porter, and asked him, "What is that spot, right there?"

The porter said, "You know what it is, Senator. It's a bedbug."

Senator Truman said, "That's what I thought, but I didn't know the Pullman Co. had any."

The porter said, "We ain't got none, Senator. If that thing belonged to us, it would have our name on it." [Laughter.]

So, Mr. President, the Senator from Minnesota may not be supporting this amendment; but it has his name on it. [Laughter.]

Mr. McCARTHY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I do not yield, Mr. President, inasmuch as the time available to me is limited; and the remaining things I have to say are too choice to be interrupted by dilatory remarks by my friend, no matter how fond I am of him. [Laughter.]

Mr. McCARTHY. Then, Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield 2 minutes to the Senator from Minnesota.

Mr. KERR. Then, Mr. President, I yield to my friend, the Senator from Minnesota. [Laughter.]

Mr. McCARTHY. Mr. President, I have not yet spoken in support of the amendment—contrary to what the Senator from Oklahoma has said.

But in reading further the Frear amendment, I am surprised to observe how far the amendment of the Senator from Delaware would go by way of instructing all these groups. He is concerned not only with dealing with this question and this problem, but also with dealing with the overlapping jurisdiction at various levels of Government. I assume that in that connection his amendment would include a study of county taxation and of some of the special taxing authorities. Is that the intention in connection with his amendment?

Mr. KERR. Mr. President, the Senator from Minnesota is entirely mistaken. The Frear amendment does not direct that. It would provide an opportunity for those studies.

But I say to the Senator from Minnesota that his amendment directs the Senate Finance Committee to make a study of the problems involved in State taxation of interstate commerce. I now read, in part, the Gore-McCarthy amendment:

> The committee shall, prior to June 1, 1960, submit a report on its study—

To whom? To the Senate of the United States, of which body it is a creature?

The PRESIDING OFFICER. The Chair regrets to state that the time yielded to the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I should like to have 3 more minutes.

Mr. JAVITS. Mr. President, I yield 3 additional minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 additional minutes.

Mr. KERR. Mr. President, as I was in the process of stating, the Gore-McCarthy amendment calls for a study to be made by the Senate Finance Committee, and directs the committee to report on its study—and to do so prior to June 1, 1960—but not to report to the Senate. Instead, the amendment directs the Senate Finance Committee to report to the Interstate and Foreign Commerce Committee and to the Judiciary Committee of the Senate; and that is not a recommendation, as stated by the Senator from Colorado, but is a direction to report.

Their amendment also provides that—

> This report shall indicate ways and means to accomplish, but not necessarily be limited to—

Certain things.

Mr. President, I will buy a Stetson hat for any Senator on this floor who, after this debate is over, and after reading this amendment, will tell me what these two Senators are seeking to accomplish.

I read further from the Gore-McCarthy amendment:

> SEC. 6. The Committee on Interstate and Foreign Commerce and the Judiciary Committee of the Senate shall communicate, not later than March 31, 1961—

When many Members of this body think this body will no longer be in existence [laughter]—

> their views on this report—

To whom? To the Senate? No, Mr. President. To the Congress? No, Mr. President—

> to the Finance Committee.

We report to them. Nine months later, they report to us. The Finance Committee shall subsequently introduce appropriate legislation? On what? To whom? About what?

Mr. President, I have seen many things designated an amendment, but I have never seen such a whirligig and merry-go-round of fantasy and imagination as I have here in this thing that I hold in my hand, designated an amendment.

Mr. GORE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes remaining.

Mr. GORE. Mr. President, the distinguished senior Senator from Oklahoma has said that the junior Senator from Minnesota and the junior Senator from Tennessee seek to direct Senate committees. That is not correct. We have offered an amendment for the consideration of the Senate which affords the U.S. Senate an opportunity to direct its creatures—three committees of the Senate.

The senior Senator from Oklahoma said another thing, that the Frear amendment directed nothing; that if offered an opportunity for a study. Yet we propose to enact permanent legislation in this field, taking rights away from our States which they now enjoy and exercise, and then afford somebody an opportunity to make a study. Anyone can make a study without the Senate's affording that opportunity.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. GORE. Yes.

Mr. PASTORE. I understood the Frear amendment was an appendage to the bill which has been reported to the Senate by the Finance Committee. The amendment of the Senator from Tennessee is a substitute for that amendment. Does not that mean that section 101 persists even with the substitute of the Senator from Tennessee?

Mr. GORE. That is correct. But I propose, after this amendment has been acted on, to deal with that section.

Mr. PASTORE. Then the Senator proposes to strike out section 101?

Mr. GORE. Yes.

Mr. PASTORE. But the Senator does not do it with his substitute?

Mr. GORE. I want to make it plain this amendment presents to the Senate a choice as to what kind of study it wants—in the one case to direct a study, and in the other case to afford the opportunity for a study.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of my time.

Mr. McNAMARA. Mr. President, will the Senator yield 5 seconds to me to make a brief statement on the subject?

Mr. JAVITS. I yield to the Senator from Michigan.

Mr. McNAMARA. Mr. President, I have noted with interest that a number of State governments have expressed their strong disapproval of this bill. In this regard, I should like to add to the

record the position of my State of Michigan as contained in a letter from Clarence W. Lock, Deputy Commissioner of Revenue. It explains my support of the substitute amendment offered by the Senators from Tennessee and Minnesota.

I ask unanimous conesnt to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MICHIGAN DEPARTMENT OF REVENUE,
Lansing, Mich., August 12, 1959.

Hon. PATRICK V. MCNAMARA,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR MR. MCNAMARA: In this week's issue of the State Tax Review, a publication of Commerce Clearing House, it is stated that the Senate Finance Committee is reporting out a bill this week which would prohibit State taxes on corporations having only a sales office in the State. This legislation has been brought about because of the alarm of certain business interests of the possible effect of the decision of the U.S. Supreme Court in the Northwestern Cement and Stockham Valve cases which were decided earlier this year. Unfortunately the State Tax Review did not give the Senate bill number, consequently, I am unable to advise you with respect to the specific bill.

It occurs to us in the Michigan Department of Revenue that Congress should move rather slowly before completely overturning these decisions. I can readily understand why business may be worried about the decisions and possibly some legislation may be necessary to protect these larger corporations doing business in several States from overzealousness on the part of some State legislatures and tax officials. However, it is our opinion that these businesses can be protected from excessive State taxation without completely tying the hands of the States, and in many cases, creating a situation in which interstate commerce is carried on in a tax free atmosphere, thus creating a competitive disadvantage for local industry. I think possibly I can illustrate what we are concerned about by giving you the details of a case which we are currently litigating involving the Armco Steel Corp.

Armco is an Ohio corporation with no manufacturing plants in Michigan. It does, however, have a sales office in Detroit and another in Grand Rapids with about 14 full-time employees in these offices. Primarily, these employees are sales representatives and sales engineers.

Under a State income tax or a business activities tax such as we have in Michigan the State in which such offices are located usually attempts to assess some tax against such a corporation. In our case Armco insisted that it owed no taxes to the State of Michigan despite the fact that it has two sales offices here, obviously for the purpose of exploiting the Michigan market. In so doing they were competing with local steel companies like Great Lakes Steel and McLouth Steel Corp.

We assessed approximately $90,000 in tax against Armco covering a 3-year period during which time they had made sales in Michigan in excess of $108 million. This tax was computed in accordance with a standard three-factor formula which is used in many States. These factors are:

1. Michigan physical property to total property;

2. Michigan payroll to total payroll; and

3. Sales with a Michigan destination to total sales.

The percentage of each of the three factors is determined and the three are added together and divided by three to get a simple arithmetical average. The tax is then computed by using that percentage of the net income in the case of a State imposing a State income tax or in our case the adjusted receipts under the provisions of our business activities tax act. This formula is one which has been upheld in the U.S. Supreme Court as a fair method and most national business organizations accept this type of formula without question.

If the Senate bill referred to in the State tax review were enacted, then Michigan would be barred from assessing any tax against the Armco Steel Corp. and hundreds of other similar businesses. This would tend to further aggravate the situation involving competition between States and certainly there would be a tendency to overtax our local industry while at the same time permitting out-of-State corporations to exploit the Michigan market without creating any tax liability.

I am fearful that some business interests, in their haste to overrule the Court's decision by subsequent legislation, have tried to influence Congress to move too far and too fast with the result that the larger interstate corporations may benefit with resultant adverse effect upon their smaller competitors.

The National Association of Tax Administrators considered this matter in their annual convention in July. It is the belief of the various State administrators that any dangers inherent in the Supreme Court's decision can be corrected without going as far as is being suggested in some proposed legislation. I am certain that virtually all State tax administrators are unanimous in the belief that the large interstate operators should not be penalized because of their interstate operations but at the same time the States should not be barred from a reasonable tax exaction from such business.

Therefore, I would urge that you use your influence that action on this matter might be delayed until a careful study is made of the problem so that the rights and privileges of both the individual States and the corporations involved may be reasonably protected.

Yours very respectfully,
CLARENCE W. LOCK,
Deputy Commissioner.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I understand the Senator from New York has yielded back the remainder of his time. I do likewise.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. GORE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state his parliamentary inquiry.

Mr. KERR. What is the question before the Senate?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from Tennessee for himself and the Senator from Minnesota as a substitute amendment for that offered by the Senator from Delaware.

Mr. KERR. Mr. President, is a motion to table that substitute in order?

The PRESIDING OFFICER. A motion to table is in order.

Mr. GORE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. GORE. The yeas and nays have been ordered.

The PRESIDING OFFICER. An order for the yeas and nays does not preclude a motion to table.

Mr. KERR. Mr. President, I move that the substitute amendment offered by the Senator from Tennessee be tabled.

Mr. GORE. Mr. President, I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. A yea vote will be to table the amendment. A nay vote will be a vote not to table. If the latter succeeds, the vote will then recur on the amendment itself. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion to table. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 46, nays 47, as follows:

YEAS—46

Aiken	Dworshak	Kuchel
Allott	Eastland	Martin
Anderson	Ervin	Morton
Beall	Frear	Mundt
Bennett	Goldwater	Pastore
Bridges	Green	Prouty
Bush	Hartke	Randolph
Butler	Hickenlooper	Robertson
Byrd, Va.	Holland	Saltonstall
Carlson	Hruska	Schoeppel
Case, N.J.	Jackson	Scott
Case, S. Dak.	Javits	Smith
Cooper	Johnson, Tex.	Williams, Del.
Cotton	Jordan	Young, N. Dak.
Curtis	Keating	
Dirksen	Kerr	

NAYS—47

Bartlett	Gore	McCarthy
Bible	Gruening	McClellan
Byrd, W. Va.	Hart	McGee
Cannon	Hayden	McNamara
Carroll	Hennings	Magnuson
Chavez	Hill	Mansfield
Church	Humphrey	Monroney
Clark	Johnston, S.C.	Morse
Dodd	Kennedy	Moss
Douglas	Langer	Muskie
Engle	Lausche	Neuberger
Fulbright	Long	Proxmire

Russell	Symington	Williams, N.J.
Smathers	Talmadge	Yarborough
Sparkman	Thurmond	Young, Ohio
Stennis	Wiley	

NOT VOTING—5

Capehart	Kefauver	O'Mahoney
Ellender	Murray	

So Mr. KERR's motion to table the Gore amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the Kerr motion to table the Gore substitute was rejected, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, what are we voting on—a motion to reconsider, a motion to table, or the Gore amendment?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider the vote by which the motion of the Senator from Oklahoma [Mr. KERR] to table the Gore substitute was rejected.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Would a vote of "yea" put the Kerr motion again before the Senate? Is this vote on the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider the vote by which the Kerr motion to lay on the table the Gore substitute was rejected?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider the vote by which the motion of the Senator from Oklahoma [Mr. KERR] to lay on the table the Gore amendment in the nature of a substitute was rejected.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Again I inquire whether we are voting on a motion to reconsider or on a motion to table a motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider the vote by which the motion of the Senator from Oklahoma [Mr. KERR] to table the Gore amendment in the nature of a substitute was rejected.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Would a vote against the motion to reconsider be, in effect, a vote for the Gore amendment?

Mr. DIRKSEN. Mr. President, that is not a parliamentary inquiry.

The PRESIDING OFFICER. That is not a parliamentary inquiry.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 48, nays 46, as follows:

YEAS—48

Aiken	Dworshak	Kerr
Allott	Eastland	Kuchel
Anderson	Ellender	Martin
Beall	Ervin	Morton
Bennett	Frear	Mundt
Bridges	Goldwater	Pastore
Bush	Green	Prouty
Butler	Hartke	Randolph
Byrd, Va.	Hickenlooper	Robertson
Carlson	Holland	Saltonstall
Case, N.J.	Hruska	Schoeppel
Case, S. Dak.	Jackson	Scott
Cooper	Javits	Smith
Cotton	Johnson, Tex.	Wiley
Curtis	Jordan	Williams, Del.
Dirksen	Keating	Young, N. Dak.

NAYS—46

Bartlett	Hennings	Moss
Bible	Hill	Muskie
Byrd, W. Va.	Humphrey	Neuberger
Cannon	Johnston, S.C.	Proxmire
Carroll	Kennedy	Russell
Chavez	Langer	Smathers
Church	Lausche	Sparkman
Clark	Long	Stennis
Dodd	McCarthy	Symington
Douglas	McClellan	Talmadge
Engle	McGee	Thurmond
Fulbright	McNamara	Williams, N.J.
Gore	Magnuson	Yarborough
Gruening	Mansfield	Young, Ohio
Hart	Monroney	
Hayden	Morse	

NOT VOTING—4

Capehart	Murray	O'Mahoney
Kefauver		

So Mr. DIRKSEN's motion to reconsider was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. KERR] to lay on the table the amendment in the nature of a substitute offered by the Senator from Tennessee [Mr. GORE].

Mr. CARLSON. Mr. President, I move to lay the motion on the table.

The PRESIDING OFFICER. Only one motion to lay on the table is in order.

Mr. KERR. A parliamentary inquiry.

The PRESIDING OFFICER. The Senate will be in order so that the Chair can hear the parliamentary inquiry.

Mr. KERR. Is the motion now before the Senate the motion of the Senator from Oklahoma to table the substitute of the Senator from Tennessee?

The PRESIDING OFFICER. The Senator is correct.

Mr. KERR. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GORE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. Is it not correct that the vote now is upon the motion of the senior Senator from Oklahoma to table the amendment of the Senator from Tennessee?

The PRESIDING OFFICER. The Senator is correct. The clerk will proceed to call the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business and, if present and voting, would vote "yea."

The result was announced—yeas 49, nays 45, as follows:

YEAS—49

Aiken	Eastland	Magnuson
Allott	Ellender	Martin
Anderson	Ervin	Morton
Beall	Frear	Mundt
Bennett	Goldwater	Pastore
Bridges	Green	Prouty
Bush	Hartke	Randolph
Butler	Hickenlooper	Robertson
Byrd, Va.	Holland	Saltonstall
Carlson	Hruska	Schoeppel
Case, N.J.	Jackson	Scott
Case, S. Dak.	Javits	Smith
Cooper	Johnson, Tex.	Wiley
Cotton	Jordan	Williams, Del.
Curtis	Keating	Young, N. Dak.
Dirksen	Kerr	
Dworshak	Kuchel	

NAYS—45

Bartlett	Hayden	Morse
Bible	Hennings	Moss
Byrd, W. Va.	Hill	Muskie
Cannon	Humphrey	Neuberger
Carroll	Johnston, S.C.	Proxmire
Chavez	Kennedy	Russell
Church	Langer	Smathers
Clark	Lausche	Sparkman
Dodd	Long	Stennis
Douglas	McCarthy	Symington
Engle	McClellan	Talmadge
Fulbright	McGee	Thurmond
Gore	McNamara	Williams, N.J.
Gruening	Mansfield	Yarborough
Hart	Monroney	Young, Ohio

NOT VOTING—4

Capehart	Murray	O'Mahoney
Kefauver		

So Mr. KERR's motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. The Frear amendment adds title II to the bill, as I understand. I have at the desk an amendment which would be a substitute for the entire bill, including title I and title II. Should my amendment in the nature of a substitute be offered before the Senate votes on the Frear amendment, or will it be in order to offer my amendment after the vote on the Frear amendment?

The PRESIDING OFFICER. The vote on the Frear amendment takes precedence over the vote on any subsequent amendment.

Mr. SPARKMAN. Then a substitute for the entire bill, regardless of the outcome of the vote on the Frear amendment, would be in order?

The PRESIDING OFFICER. It would be in order following the vote on the Frear amendment.

Mr. SPARKMAN. I thank the Chair.

Mr. CARROLL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. If I am permitted to yield, I will do so.

Mr. CARROLL. Does the Senator from Alabama have in mind an amendment which is similar to House Joint Resolution 450?

Mr. SPARKMAN. A very similar amendment is lying at the desk. It is the same proposal as that which I presented in the Committee on Finance. It is quite similar to House Joint Resolution 450. It has been reported by the House Committee on the Judiciary.

The PRESIDING OFFICER. The Chair will state that no time is available for colloquy.

Mr. CARROLL. Is any time at all available for discussion of the proposal?

The PRESIDING OFFICER. All time on the Frear amendment has been exhausted. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

Mr. DOUGLAS. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. FREAR] to S. 2524.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the Frear amendment was agreed to.

Mr. BYRD of Virginia. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I offer an amendment on page 2 line 14, to strike out "primary" and substitute in lieu thereof "sole."

I yield myself 3 minutes.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 14, it is proposed to strike out "primary" and insert in lieu thereof "sole."

Mr. KERR. Mr. President, a good deal of fear has been expressed about this bill, as regards the exemptions, particularly as they would result if the bill, including paragraph (3) of section 1, were enacted. The purpose of this amendment is to eliminate the basis for that fear.

Mr. President, this is not a big-business bill. It is a small-business bill. I think probably the biggest privilege any small business has is the opportunity to do business to get a start and to be a part of the economic community of our country.

If the decision of the Supreme Court in the case of Northwestern Company versus Minnesota stands unchanged, it would usher in a new day which would permit any State to act, in reference to business done in that State, as though our Constitution did not contain, in section 8, article I, which relates to the powers of the Congress, the words "to regulate commerce with foreign nations, and among the several States."

I should like to read one sentence in that decision:

> We conclude that net income from the interstate operations of a foreign corporation—

And that means a person or a partnership, Mr. President—

> may be subjected to State taxation, provided the levy is not discriminatory and is properly apportioned to local activities within the taxing State, forming sufficient nexus to support the same.

If that language is permitted to go unchallenged and unchanged, then whenever a farmer shipped his wheat to Kansas City, from a wheat-producing State, for sale by a commission company, the State in which the sale was consummated could levy an income tax on the profit the farmer made on the wheat; or whenever a farmer shipped cotton from one of the Southern States to a terminal, for sale, when the cotton was sold there, the State in which it was sold could levy an income tax on the profit the farmer made from that sale—and on what basis, under the language of that decision of the Supreme Court? On the basis that the tax was not discriminatory and was properly apportioned to local activities.

Who would determine that? It would be determined by the State in which the property was sold, and which thereby sought to impose the tax.

Or whenever a cattle producer shipped cattle from his production area to Omaha, Minneapolis, Chicago, or any other market, when the cattle were sold there for him by a commission agent, that would constitute a sale in that State; and, under the language of that decision, Mr. President, the farmer's profit on that sale would be taxable by the State in which the cattle were sold.

The same would apply to the sale of pecans or hogs.

Mr. President, unless some action is taken in connection with that decision of the Court, as it has been rendered, the States—not the Federal Government—will become the arbiters of the regulation of interstate commerce, although the Constitution provides that that shall be done only by the Federal Government.

I believe I am as strongly in favor of States rights as are some of the Members who are fighting against this bill; and I believe that one of the rights of a State is the right of its citizens to sell their property in interstate commerce, and not be subject to the income-taxing powers of the State in which the property is sold, and to which it is delivered, and when the interstate sale is the only basis of taxation by the State in which it is sold.

How can any small business have the privilege of operating anywhere, except in its own State——

The PRESIDING OFFICER. The time the Senator from Oklahoma has yielded to himself has expired.

Mr. KERR. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 additional minutes.

Mr. KERR. Mr. President, so long as that threat is hanging over them, unless the bill with this amendment included in it is enacted into law, we must remember that the Court has held, and the States have said, that they can go back for 25 years and can levy such taxes on profits made on such sales in the several States at any time in the past, if taxes on those sales have not been paid to those States.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. PASTORE. I quite agree with the logic expressed by the distinguished Senator from Oklahoma. But will he please explain what the word "sole", instead of the word "primary," actually will do?

Mr. KERR. The only reason for this amendment is that those who oppose the bill on the basis of paragraph 3 have expressed the fear that if the bill with that provision included is enacted, then, although the office of the person or of his representative might be for the primary purpose and use of serving the representatives of such person, who was engaged in the solicitation of orders, the office could be used for other purposes sufficient to cause it to be designated as a branch or a local part of the business; and it is not the purpose of this bill to provide any such exemption. Therefore, I seek to remedy the basis for that fear, by substituting the word "sole" for the word "primary."

Mr. PASTORE. Let me now ask a question of the chairman of the committee, through the courtesy of the distinguished Senator from Oklahoma, if he will permit me to do so.

Mr. KERR. Certainly; I yield for that purpose.

Mr. PASTORE. Does the distinguished chairman of the committee agree with that conclusion?

Mr. BYRD of Virginia. Yes; the chairman does agree, and he is willing to accept the amendment.

Mr. JAVITS. Mr. President, will the Senator from Oklahoma yield to me for a question?

Mr. KERR. I yield.

Mr. JAVITS. I am with the Senator, as he knows, as regards this bill. But I am worried about the word "sole," although not for the same reason as that indicated by my colleague. I am worried about it for this reason: Suppose a man went to a particular State in which the company had a sales office, and did so to hire a new salesman. If the word "sole" were used in the law, I would be afraid of it.

Mr. KERR. That activity would not come under the provisions of this bill, because it would not amount to the establishment of a business or an office or an activity in connection with sales.

Mr. JAVITS. But suppose the firm had an office there, and suppose the man went there to hire a new salesman. Let me make a suggestion——

The PRESIDING OFFICER. The additional time to the Senator from Oklahoma has yielded to himself has expired.

Mr. KERR. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 additional minutes.

Mr. KERR. Now I yield further to the Senator from New York.

Mr. JAVITS. Perhaps the thing to do is to strike out both the word "primary" and also the words "purpose and use of which is."

I think the Senator from Oklahoma might find such a provision less restrictive on that particular situation, in terms of any office ancillary to the man's office, rather than the present language of the bill.

Mr. KERR. But I do not think sufficient votes are available in this body to pass the bill unless the word "primary" is changed to the word "sole"; in fact, I do not even know that sufficient votes are available in the Senate to pass the bill with the substitution of the word "sole."

But I think it most important that the salesman be able to fill in the orders and send them out of the State, to his place of business, where the product will be sold, and then have the orders approved, and then have the products shipped in interstate commerce. I believe all those are so important that in my opinion this amendment should be accepted.

Then, inasmuch as the Frear amendment has already been adopted, and inasmuch as it calls for a study to be made, if the study results in a recommendation which will enlarge the scope of the ensuing legislation, I think the enactment of this bill with this amendment included, will be desirable and will constitute a desirable aid in that connection. I say to the Senator I am trying to save this paragraph in the bill and the bill, and I think this would help to do it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GORE. Will the Senator be so good as to give to the Senate a legal definition, if he has one, of the term "office" as used in this bill?

Mr. KERR. I think the term as used in this bill, with the amendment which has just been proposed by the Senator from Oklahoma, would be a cover over the head, a place where mail could be brought in and processed and sent out of the State to the home office; and if the purpose of it is solely to serve representatives of such persons who are engaged in the solicitation of orders as described in paragraph (1) or (2), then I think the definition of the term "office" is not too material.

If there is doubt in the minds of Senators as to what the word "office" means, if they give effect to the language in the bill, they understand it would only be a vehicle of service or availability for the sales representatives to use in processing and sending their orders out to their home office, where it would be decided upon as whether or not the goods would be shipped.

Mr. GORE. Will the Senator yield further?

Mr. KERR. Will the minority leader yield me time in which to answer further questions by the Senator from Tennessee? Will the Senator yield me 3 minutes?

Mr. JAVITS. I yield 3 minutes to the Senator from Oklahoma.

Mr. GORE. Since the bill contains no definition of the word "office" for use in construction of the bill, it would be interpreted, from the Senator's definition, as a place of business. Let us assume that a corporation has an office, no matter how big or how little, in Memphis, Tenn., with teletype communication to New York, with businessmen coming in and transactions being made. Let us assume, further, that final approval or disapproval of orders is to be made in the home office. Under the terms of this subsection, even if the Senator's amendment is adopted, would not this corporation be able to do $100 million worth of business in the State of Tennessee and avoid the tax?

Mr. KERR. The answer to the Senator's question is, "No, it would not."

Mr. CASE of South Dakota. Mr. President, will the Senator yield.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. May I have some additional time so that I may answer the question of the Senator from South Dakota?

Mr. JAVITS. Mr. President, I yield 2 additional minutes to the Senator from Oklahoma.

Mr. CASE of South Dakota. Would the Senator find it possible to strike out the word "primary" so the provision would merely read, "purpose and use of which is"?

Mr. KERR. I think that would be less restrictive than the substitute word "sole."

Mr. CASE of South Dakota. I merely wonder if the word "sole" is not too restrictive. That is an all-inclusive term, and incidental or accidental use of it might defeat the intent.

Mr. KERR. I do not believe the word "sole" would defeat the intent of the paragraph, but I think if I did not use it, then I would have to answer the question of the Senator from Tennessee "Yes," and I do not want to get into that embarrassing position. [Laughter.]

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I have no further time.

Mr. President, I ask unanimous consent that I may have 3 minutes in which to answer the question of the Senator from Tennessee.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. GORE. I was seeking to be sufficiently precise so as to be able to put the Senator in a position, though I am sure it would not be embarrassing to him, to answer the question.

Mr. KERR. Let me say to the Senator I guarantee he could not embarrass the Senator from Oklahoma. [Laughter.]

Mr. GORE. Would it be possible, if this section stays in the bill, with the Senator's amendment, for a corporation domiciled in Delaware——

Mr. FREAR. That is a good illustration. [Laughter.]

Mr. GORE. To have an office in the State of Tennessee and there have constant telephone communication between that office and the headquarters of the corporation in Delaware, where the approval or disapproval of the orders would be made, for the agents of the corporation in said office to conduct an unlimited amount of business, by the terms of the bill, within the State of Tennessee, and avoid a State tax on income or a State tax measured by net income?

Mr. KERR. I want to say to the Senator that he has asked about four questions.

Let me say it would permit the person to have a telephone, and it would permit him to serve representatives of that foreign corporation, person, or partnership who was engaged in the solicitation of orders, as described in paragraphs 1 and 2. If the Senator will read that provision, and I know he has, because he was present in the committee when it was adopted, he will realize that those solicitations are for orders which must be forwarded out of the State to the home office of the corporation in whatever State it may be, where they will be subject to approval or acceptance, and if approved, or accepted, the goods will then be shipped back into the States for delivery, payment for which will be made in interstate commerce by the customer sending the money to that office out of the State.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. KERR. If I have time on those 3 minutes.

Mr. GORE. The Senator has now confirmed a set of circumstances in which orders could be forwarded by telephone or teletype, unlimited amounts of business could be transacted, under terms which the Senator has described, and under the terms of this bill, and the corporation could avoid State income taxes, or a State tax measured by net income.

Mr. KERR. I must say this, Mr. President: I can see no difference in whether the order is shipped out by U.S. mail, or communicated out of the State by telephone or telegraph. If there is such a difference and it is evil of a sufficient force to be used to defeat the bill, then I think the bill should be defeated.

Mr. GORE. I did not imply it was evil. I was showing a method by which State income taxes could be avoided.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, I yield 1 minute out of my time to answer that comment. It would make no difference whether the order was mailed out, telegraphed out, telephoned out, radioed out, or sent by mental telepathy—which is one of the operations that has been invoked here in the Senate today [laughter]—or sent out by carrier pigeon, as my great friend from Tennessee has said.

Mr. JAVITS. Mr. President, I wish to state that I am in favor of the amendment, though technically, and very temporarily, I am acting as minority leader in control of the time in opposition. I therefore yield 4 minutes to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, I wish to speak on this amendment because I believe we may as well start trying to understand what the bill is all about. In my judgment, any Senator who votes for the bill who has not read the Supreme Court case of Northwestern States Portland Cement against State of Minnesota, and the Georgia case, T. V. Williams, Commissioner against Stockham Valves and Fittings, Inc., will be doing his State an injustice, the Nation an injustice, and the Supreme Court an injustice by voting to overrule a very fundamental decision without having read it.

We should not overrule a very fundamental decision without reading it. I am one of those Southern Senators who finds that, regrettably, the only time the Supreme Court seems to recognize there are States rights, somebody wants to overrule the decision before it can even be bound into a permanent volume.

We have been complaining about the decisions of the Supreme Court, and we have been wanting to overrule the decisions of the Supreme Court for a long time, yet the one time in 30 years when the Supreme Court says we do have a right in the States, some people who speak for States rights want to overrule that decision. It upsets me.

I have in my hand the Northwestern States Portland Cement Co. case, which some Senators want to overrule. In that case a cement company in Iowa was making 48 percent of its sales into Minnesota, and undertaking to do so without paying any income tax in Minnesota. Minnesota said, "We want to tax you on a nondiscriminatory formula, to be fair to you and also to be fair to anyone who may be making cement in our State, so that we do not discriminate either way. We will base the tax one-third on the amount of property you have in our State, which is practically none; one-third upon your payroll, which is very, very small; and one-third upon your sales, which is 48 percent. If we add those three items together and divide by three, we come up with a factor of 16 percent. Therefore, we want you to pay taxes on 16 percent of your net income, after you pay your Federal taxes. You may go ahead and pay for the rest of it in Iowa, if Iowa wants to tax you. Iowa has no income tax, but in our State we think you ought to pay taxes on 16 percent of your net income, because 48 percent of your sales are in Minnesota."

Then the Supreme Court, "That is a fair way to approach the matter."

Let us consider the same facts. Let us suppose that this operation is close to the Iowa line, producing all of the products in Iowa, and making all of the sales in Minnesota. Would Minnesota have any right to levy an income tax at all? The proposal involved in the bill before us is one to say that under the facts of that case, even though all of the sales are in Minnesota, and all of the manufacturing is in Iowa, Minnesota could levy no tax whatever upon the net income derived from those sales.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG. If we pass this bill as it stands, and if we reverse the Supreme Court decision, we will say that a State with an income tax—and there are 35 of them—can put no tax whatever upon the income of such corporations, even though they make all of their sales in the State.

Mr. President, the bill simply goes too far.

Mr. GORE and Mr. HUMPHREY addressed the Chair.

Mr. LONG. It has been argued that the wording and the verbiage of the decisions might be stretched to apply to cases where a company does not even have a salesman stationed within a State. That is not what was stated in the decisions.

In the decisions it was ruled that when a company has an office and a group of salesmen in a State, and when a major portion of the business of the company is in that State, if the State works out a fair and reasonable and nondiscriminatory way of applying income tax to the company, the company has to pay income tax in that State.

That is not simply a matter of restricting the interpretation of loose verbiage.

This proposed action will not simply strike at the obiter dicta. This proposed action will say, "Throw the whole thing out the window; overrule the Minnesota case and the Georgia case, where the Supreme Court upheld the right of States to tax under similar conditions."

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. JAVITS. Mr. President, may I inquire how much time remains in opposition?

The PRESIDING OFFICER. Six minutes remain in opposition.

Mr. LONG. Mr. President, will the Senator yield me 3 more minutes?

Mr. JAVITS. Mr. President, I yield 3 minutes more to the Senator, in opposition.

Would the Senator from Tennessee like to have some time in opposition?

Mr. GORE. I would like to ask a question of the Senator from Louisiana. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, I frankly state I was not present when the unanimous-consent agreement to limit debate was agreed to. It seems to me, on matters of this sort, when an effort is made to strike at the fundamental rights of States; when the committee report itself says that the matter should be studied—"We do not know the answers; this is not a permanent solution"—when the Senate is asked to override two Supreme Court decisions, without even a reading of the decisions; and when there is an attempt to very seriously reduce the powers and rights of the States, we ought to know what we are doing. We should not be doing it under a 15-minute limitation, when we cannot tell from one minute to the next upon what we are voting.

Every Senator owes it to himself to read these two Supreme Court decisions, before he takes action to destroy and to undermine the rights of his State, by writing into law a definition which says that one is not doing business when the Supreme Court has said that he is doing business.

Mr. GORE, Mr. CARROLL, and Mr. HUMPHREY addressed the Chair.

Mr. LONG. I yield to the Senator from Tennessee.

Mr. GORE. Suppose that the corporation which the Senator has described as being a short distace across the State line and doing all its business within the taxing State is in competition with a corporation which is domiciled within the taxing State. Would that not create an unfair competitive situation?

Mr. LONG. Of course. It is a very bad situation. The company located within the taxing State will be in a discriminatory situation in any event, because under the facts I have given the foreign companies are only to be taxed on one-sixth of the income by Minnesota, even though making 48 percent of the sales there. It would only be taxed on one-third of its income in the Minnesota case if all of its sales had been in Minnesota.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HUMPHREY. The point has been raised about what would happen with regard to some of the local transactions. It has been indicated in the argument that if the bill is not passed the decision in the case of the Northwestern States Portland Cement Co. against Minnesota, as new law, would bring into being a whole new concept of State taxation. Of course, that is not a fact, because in that case, as well as in the Georgia case, in the West case, and in other cases, a standard was established for a State to meet to be able to levy taxes. The net income from the operations of a foreign corporation may be subjected to State taxation only if the levy is not discriminatory and is properly apportioned to local activities within the taxing State, forming a sufficient nexus to support the same. When a farmer moves a load of wheat across the border of a State, that does not provide a sufficient nexus, within the terms of the Court's opinion.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I will say to the Senator, if ever there was a blow at the right of a State to sustain itself, at the right of a State to provide services——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. If there ever was a blow, it is provided in the bill under consideration.

Mr. CARROLL. Mr. President, how much time is available to each side?

Mr. JAVITS. There are 3 minutes available in opposition.

Mr. NEUBERGER. Mr. President, may I may a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. Mr. President, may we have order? May I make a parliamentary inquiry?

Mr. CARROLL. Mr. President, may I get into the discussion?

The PRESIDING OFFICER. The Senator from Oregon will state his inquiry.

Mr. NEUBERGER. Is it within the rules of the Senate to make a motion that the limitation of debate as to time be rescinded? Can a Senator ask unanimous consent that the limitation as to the time for debate be rescinded?

The PRESIDING OFFICER. A unanimous-consent request for that purpose would be in order.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. What does the Senator from Oregon have in mind?

Mr. NEUBERGER. The only reason I suggested the procedure is, I was uninformed as to this highly technical matter until I came to the Senate floor this afternoon. I would appreciate additional time so that I may read the pertinent documents and obtain the necessary information, because my State is one of those which will perhaps be heavily affected by this particular bill. I trust this is a reasonable request.

Mr. JOHNSON of Texas. The Senator can ask for any specific amount of time.

Mr. CARROLL. Mr. President, unless the Senator from Oregon persists in his own unanimous-consent request, I ask unanimous consent that we have an additional 10 minutes on each side for this amendment.

Mr. COTTON. Mr. President, I object.

Mr. CARROLL. I think the distinguished Senator from Louisiana has made a good point.

Mr. COTTON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 10 A.M.

Mr. JOHNSON of Texas. Mr. President, if Senators are desirous of going over until tomorrow, to continue discussion of the bill, I will say it is obviously impossible for us to complete action on the bill tonight. While many bills are beginning to "stack up" on us, I think perhaps it would be the better part of wisdom to adjourn until 10 o'clock tomorrow morning, to have an hour or an hour and a half for morning business, and then to proceed to discuss the bill when Senators are refreshed and will be rested. Then we can obtain whatever unanimous-consent agreement is necessary, on the additional amendments.

I therefore ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 10 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I desire to inform the Senate that there will be no further yea-and-nay votes this evening, so far as I am aware.

At the conclusion of morning business tomorrow we will continue to consider the bill, and the pending amendment.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON SENATE RESOLUTION 130, EXPRESSING THE SENSE OF THE SENATE IN AN EXCHANGE OF MORTGAGES HELD BY FNMA FOR GOVERNMENT BONDS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the consideration of Calendar No. 531 there be 3 hours of debate on the bill and 30 minutes on the amendments, the time to be equally divided.

Mr. MORSE. Mr. President, I cannot hear the majority leader.

The PRESIDING OFFICER. Let the Senate be in order.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the consideration of Calendar No 531, Senate Resolution 130, to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds, there be a limitation of debate of 3 hours on the resolution and 30 minutes on amendments, the time to be equally divided, with the usual stipulations.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as reduced to writing is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of the resolution (S. Res. 130) to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of the final passage of the said resolution debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said resolution, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, I yield to the minority leader.

Mr. DIRKSEN. Mr. President, I was about to ask the majority leader what the program will be after the pending business shall have been disposed of.

Mr. JOHNSON of Texas. Today I announced a list of 11 bills. Some of them are minor bills which will require very little discussion. I do not expect to move to take them up necessarily in the order announced, but all of them will appear in the RECORD. In addition, Calendar No. 531, Senate Resolution 130, to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds, will be called up on motion, but I suspect that will be in the latter part of the afternoon.

If there are no further motions or speeches to be made tonight, I should like to move to adjourn.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I have an amendment at the desk, designated "8–13–59—C." My amendment was prepared as a substitute for the bill. Since the adoption of the Frear amendment, it becomes necessary to change the wording of my amendment, which is very brief. I ask unanimous consent that it may be printed, with the necessary changes, in order that it may be on the desks of Senators tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will be printed and will lie on the table.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Do I correctly understand that the pending question is the amendment offered by the Senator from Oklahoma [Mr. KERR]?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. Mr. President, I have listened with great interest to the debate on the bill today. I thought the Senator from Louisiana [Mr. LONG] made one of the most cogent arguments that have been made in this debate, with regard to the effect of the bill upon the Supreme Court decisions which have been rendered. I believe that the Senator from Tennessee [Mr. GORE] and the Senator from Minnesota [Mr. McCARTHY], as well as other Senators, deserve great credit for running up a flag of warning as to what is involved in the bill with regard to the rights of our States in the whole field of taxation.

Mr. President, I much prefer to take my constitutional law from the U.S. Supreme Court rather than from the U.S. Senate. I have listened to some rather novel theories of constitutional law this afternoon, which, in my judgment, cannot be reconciled either with the Constitution or with the decisions of the Supreme Court.

I believe that the Senator from Louisiana [Mr. LONG] placed his finger on the important point, in a very effective way, when he pointed out what the effect of the bill would be if we were hastily to proceed to act upon it without

much more consideration than can possibly be given to it under the unanimous-consent agreement.

This afternoon I received a telegram, which was handed to me only about 30 minutes ago, because I have been in conference committee sessions with the House conferees on the pending labor bill——

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. SPARKMAN. I should like to ask a question pertaining to the Senator's remarks in connection with the bill.

Mr. MORSE. I should like to read this telegram.

Mr. MANSFIELD. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MORSE. I yield.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Am I correct in stating that, while the question is the amendment offered by the Senator from Oklahoma [Mr. KERR], it will not be acted upon until tomorrow after the morning hour?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. MORSE. Mr. President, I have just received the following telegram from Dean Ellis, chairman of the Oregon State Tax Commission:

Earnestly suggest action on Senate bill 2524 is too hasty. We should have right to tax all corporations with place of business in Oregon.

I have received another communication from the chairman of the State tax commission, dated August 7, 1959, to which I wish to refer briefly, and then I will yield to the Senator from Alabama.

Mr. SPARKMAN. I was interested in the remarks of the Senator from Oregon regarding the bill.

My own personal feeling is that we need some kind of expression from the Congress. I have been disturbed about some of the features of the bill as reported by the committee. However, I wish the Senator from Oregon would examine my amendment—I do not mean at the present time, but some time before tomorrow. It is my intention to offer it. That amendment defines "doing business" as the Supreme Court decision did. It is not necessarily what the Supreme Court decision held. Because of some of the implications and threats which the people have feared, I am seeking to hold the definition to that given by the Supreme Court, until a study can be made of all the implications and complications of this problem in the hope that the States may be able to arrive at some kind of uniform program, so that there will not be a multiplicity of regulations, requiring many small businesses doing business in a number of States to maintain a force and keep their records in compliance with the different systems. If there could be a uniform system throughout the country, the problem would be solved.

Mr. MORSE. I shall certainly study the proposed amendment very carefully. The plea I wish to make tonight is a plea to the Senate to go slow and not, in the closing days of the session, proceed to pass the pending legislation, which, it is admitted by all, would in effect overrule both the Minnesota and the Georgia cases.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. There is another provision in my amendment to which I invite the attention of the Senator from Oregon. I provide a cutoff date. I would make the proposed legislation a stop-gap measure, with a cutoff date, whereas the bill in its present form would amount to permanent legislation.

I agree with the Senator from Oregon that we should not hastily rush into permanent legislation.

Mr. MORSE. I appreciate the remarks of the Senator from Alabama, and I shall consider his amendment very carefully. But I repeat that I have heard nothing here today that would justify me in voting to overrule the U.S. Supreme Court in either the Minnesota case or the Georgia case.

On the contrary, I have heard arguments, both by the opponents of the bill and by the proponents of the bill, which convince me that the last thing I should vote for would be a bill which would overrule the Supreme Court in these two landmark decisions.

I have just read a telegram which I have received from Dean Ellis, chairman of the Oregon State Tax Commission. Let me read it again:

SALEM, OREG., *August 19, 1959.*

Hon. WAYNE MORSE,
U.S. Senator,
Washington, D.C.:

Earnestly suggest action on Senate bill 2524 is too hasty. We should have right to tax all corporations with place of business in Oregon.

OREGON STATE TAX COMMISSION,
DEAN ELLIS, *Chairman.*

I received a previous communication from the chairman of our State tax commission which I wish to discuss briefly.

In connection with the bill, I invite the attention of my colleagues to a letter addressed to me, dated August 7, 1959, from Dean Ellis, chairman of the Oregon State Tax Commission. Although Mr. Ellis' comments relate to Senate bill 2213 and Senate bill 2281, his views are equally germane to the bill now under consideration. He presents very excellent reasons for such views.

So that the record may be perfectly clear, I should point out that Mr. Ellis was incorrectly advised that I am a cosponsor of the Bush bill, S. 2213, or the Saltonstall bill, S. 2281, I believe those who reported to Mr. Ellis on this matter probably had in mind Senate Joint Resolution 113, of which I am pleased to be a cosponsor.

Mr. President, I ask unanimous consent that the letter addressed to me under date of August 7, 1959, by Chairman Dean Ellis, of the Oregon State Tax Commission, be set forth in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

OREGON STATE TAX COMMISSION,
Salem, August 7, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: It has been reported to me indirectly (by way of California) that you are a coauthor or, at least, a supporter of a resolution which would favor immediate enactment of S. 2213 or S. 2281 pertaining to the income tax jurisdiction of the several States upon businesses engaged in interstate commerce.

You are no doubt aware that the National Association of Tax Administrators has recommended that action of the nature contemplated by either of the foregoing bills be deferred until a study of the problem is completed so that any action taken will have a better chance of representing the considered opinion of experts in the field rather than hasty action in response to pressure from business concerns.

Actually, as pointed out in the recent summary statement by the national association, which I am enclosing for your information, there is nothing new enough in the recent Supreme Court decisions to call for emergency action. On the west coast, both California and Oregon have had income tax laws supplementing their corporation excise and franchise tax laws for a number of years. We have been quite successful in collecting taxes over these years where there is substantial business activity within the State, but activity of a character which would fall outside the permissive taxation of either of the proposed Senate bills.

It would be a particular disadvantage to Oregon were this hasty legislation adopted. First, because of our extremely competitive position with the State of Washington which has no income tax but does have adequate warehousing facilities within easy reach of the Portland metropolitan area. It seems fairly obvious that this legislation could cause a substantial shift of warehousing activity from Portland across the river to Vancouver. At the present time, Oregon would tax the business activities of the distributor concerned whether the stock of goods was maintained in Oregon or in Washington.

In the second place, this legislation would, in my opinion, largely render noneffective the free port law which was passed by the last Oregon Legislature offering an incentive to manufacturers or distributors to use Oregon for warehousing purposes without rendering themselves liable for property taxes upon such property as might be stored in the State on the property assessment date.

I feel that some legislation is undoubtedly desirable to eliminate the troublesome problems which some businesses might face in complying with the income tax laws of many jurisdictions where business activities within any particular State may be very slight. At the same time, I am convinced that many business interests are using the current furor in an attempt to get through unduly restrictive legislation.

If more detailed information concerning our practices in Oregon will be of assistance to you, please let me know.

With best personal regards.

Sincerely,

DEAN ELLIS, *Chairman.*

Mr. MORSE. Mr. President, on the basis of that letter I believe we have further evidence, may I say to the Members of the Senate, that we should not pass the pending bill. This is certainly a

matter which should go over until next January.

The courts will continue in session. The courts will continue to apply the principles of the Constitution to the taxing rights of the States, and I think it would be most unfortunate to give no more consideration than we will be able to give to it under this pressure of time that is being thrust upon us through these various unanimous-consent agreements.

We should consider this bill with the adequacy that our respective States are entitled to expect from their Senators, and we should consider it in the light of protection of State interest.

Therefore I serve notice now that I shall vote against the pending amendment and I shall vote against the bill.

THE DISASTER IN ROSEBURG OREG.

Mr. MORSE. I turn to another matter, Mr. President, and I wish to discuss briefly a very serious emergency which exists in my State. It may very well arise in any State tonight anywhere in this country.

I am very sad about the fact that the horrible disaster in Roseburg, Oreg., has put us on notice that we owe it to the people throughout the whole country to take action, and take action quickly, on a piece of legislation that has been pending before the Interstate and Foreign Commerce Committee of the Senate for some time. I refer to S. 1806, introduced on April 27, 1959, by the Senator from Washington [Mr. MAGNUSON]. It is a bill to revise title 18, chapter 39, of the United States Code, entitled "Explosives and Combustibles"; a bill which seeks to regulate the handling of explosives and combustibles by interstate carriers which are not common carriers; a bill which seeks to regulate the handling of explosives or combustibles by private carriers or contract carriers, which are transporting combustibles or explosives in interstate commerce.

Mr. President, my Oregon office has been in frequent communication with me since this horrible disaster occurred in Roseburg, Oreg. There are known to be at least 16 killed, and more than 52 severely injured. We still do not know how many people in fact were killed, because the latest reports indicate that the coroner is finding fragments of human bodies that have not as yet been specifically identified and related to bodies that have been identified.

A huge area of Roseburg, Oreg., has been demolished. In the neighborhood of eight city blocks in the central business area were completely destroyed. Great damage was done to 20 other city blocks. The total loss will probably exceed $12 million.

There will be a thorough public hearing on the disaster, I am advised, starting September 1. Investigations by various Federal agencies and departments and officials have been in progress since the disaster occurred, as well as investigations by State officials and State agencies and departments.

Mr. President, there is a lesson to be learned from this horrible disaster. Certainly we know enough about it to know that we cannot delay taking action on S. 1806.

Before I make the points which I think ought to be made a matter of record tonight as part of my plea for immediate action by the Interstate and Foreign Commerce Committee, I wish to report that I talked to the chairman of that committee this afternoon, and I am authorized to say on behalf of the Senator from Washington [Mr. MAGNUSON] that he shares my view that there should be quick action on S. 1806, and he assures me that I will have his complete cooperation to that end.

Before I discuss the points I wish to make in regard to the facts about this disaster as they are believed to be at the present moment, I want to say that I am deeply impressed by the wonderful and heroic response of many of the people of Roseburg, Oreg., to this terrible emergency. There were enough incidents of heroism of people growing out of the incident to bring tears to the eyes of even the most nonsentimental person.

For instance, immediately after this horrible explosion of this truck loaded with dynamite and combustible material, there was great concern in the hospitals in Roseburg as to where they could possibly get the blood plasma with which to treat the injured who were being brought in in large numbers. The following is a true story of one of the incidents. As one of the head nurses at one of the hospitals was expressing her concern about where they were to get blood for transfusions, another nurse said, "Look out the window." There, Mr. President, without any public appeal having been made; without any radio announcement; without any call for volunteers, already a considerable number of people had come to the hospital voluntarily and had formed a line, waiting to donate their blood. They did this because they, on their own volition, recognized that one of the first needs would be for blood.

This was putting into being in the form of a human demonstration the Christian principles that characterize us as a people. The cooperation and fortitude and willingness to accept directions from those in charge and the eagerness of the people of Roseburg, Oreg., to help the officials in any way possible, are matters of which all of us can be very proud.

There were responses from all over the State of Oregon, not only on the part of municipalities which sent doctors and nurses and medical supplies and fire equipment, but also financial contributions that were raised immediately and sent to Roseburg to try to bring at least some help to the people who were suffering from this horrible catastrophe.

Moved as one is bound to be by those acts of Christian love and recognition that we are our brother's keeper, nevertheless we have to deal with some of the ugly facts as to why this catastrophe happened, in the hope that out of this horrible disaster in my State the Senate and the House may see the lesson so that we will take that legislative action which would be helpful in preventing a repetition of this type of disaster elsewhere.

Mr. President, I honestly believe, on the basis of such information as has been made available to me, that the statements I now make about this accident are factual. They will be checked at the hearings which will be held starting on September 1. But there is no doubt that we know enough about the background and the circumstances leading up to this accident to justify our taking action on S. 1806 as an emergency measure—and quickly.

I am glad that the Democratic whip is in his seat as I am speaking, because I know him to be a man who never hesitates to support emergency action when it can be demonstrated that emergency action is needed. I hope the Democratic whip will call my plea tonight to the attention of the party leaders on both sides of the aisle in the Senate, to the members of the Committee on Interstate and Foreign Commerce, and to the Democratic Policy Committee, because I think we simply cannot, on moral grounds, even think of adjourning the Senate or this session of Congress without passing a bill which is designed to seek, at least, to prevent this type of action or catastrophe.

In fact, the Interstate Commerce Commission, so I have found this afternoon, has been urging this type of preventive measure for some time. I would be derelict in my duty as a Senator from Oregon if I did not do all in my power to try to impress upon the Senate the importance of our proceeding without delay to pass the bill to which I have referred.

I have been advised this afternoon that the proposed legislation might very well have been applicable to a situation in Kansas City, where there was an explosion yesterday. Although we do not know all the facts about that explosion as yet, I have been advised by one Government official that, in his opinion, the safety measures which are called for by S. 1806 probably would have been very helpful in preventing the type of accident which occurred in Kansas City yesterday.

The factors contributing to the accident at Roseburg, Oreg., are matters of public record, and I shall enumerate them. First, the truck in question was loaded with something over 6 tons of high explosives, consisting of dynamite and ammonium nitrate.

Second, the truck, which was owned by the Pacific Powder Co., of Tenino, Wash., was operating in interstate commerce. The Pacific Powder Co., of Tenino, Wash., was not operating the truck as a common carrier; therefore, it was not subject to the safety regulations of common carriers. But what difference does that make? What difference does it make to every man, woman, and child who at any second of time was in such proximity to this truck from the time it left Tenino, Wash., and arrived in Roseburg, Oreg., that it was a private carrier and not a common carrier? Wherever that truck went, the

safety regulations which have been found to be essential and required of common carriers should certainly have been equally applied to this private carrier.

The sad fact that this horrible disaster occurred is the proof of my statement, because no common carrier truck could possibly have been where this truck was when it exploded under the circumstances which caused the explosion, as I shall point out before I finish these remarks.

It may be cheaper to transport a truckload of dangerous dynamite and ammonium nitrate by private contractor, by a private truck, than by a common carrier. But Congress cannot justify any such exception in interstate commerce. That is what the Interstate Commerce Commission has been trying to get us to see, I find upon investigation this afternoon. The Commission has been warning us that unless the so-called private trucks are brought under the safety rules and regulations with respect to explosives and combustibles, we migh very well expect to have happen again what happened in Roseburg, Oreg.

I am talking to the RECORD tonight, for future reference, because I do not intend, as a Senator from Oregon, to remain silent, now that I know what the facts are, now that I know what the position of the Interstate Commerce Commission is. I shall not permit any plea which may be used in opposition to this type of regulation to go unanswered in Congress, because profit dollars and money considerations are of no importance when it comes to the matter of protecting human life. I am not interested in the argument that such action as I am proposing might put many little companies out of business. I am for putting them out of business right now, if letting them remain in business means that they will be allowed to endanger the lives of thousands upon thousands of people who are within proximity of their trucks, trucks which do not meet what are recognized as the minimum safety regulations which are imposed upon common carriers that transport explosives and combustibles. I hope we are not at the point in America where we are placing even the existence of any business above the value of human lives. The sooner we get that kind of business out of business, the better.

But it is an old argument, one which is always made. It has been made throughout the history of legislation on safety regulations. As chairman of a subcommittee on railroad legislation, as one who has been familiar, for many, many years, with the great struggle we have had to make in the railroad industry to obtain safety regulations, I can remember that one of the arguments always was: The railroads could not afford to pay the cost of safety regulations and appliances which would protect human lives.

Mr. President, we have done a fairly good job in regard to regulation of the railroad industry, but we have done an extremely poor job in the regulation of trucks in interstate transport, except as regards trucks which are common carriers.

It is only plain, commonsense that if a dynamite-loaded truck operated by a common carrier cannot be driven through a congested area, then certainly, a private truck similarly loaded should not be allowed to be driven through any city, either; and if a common carrier's driver is not allowed to park such a truck alongside a building in the heart of a city, then lock it up, and go to a hotel, and go to bed for the rest of the night, leaving the truck unguarded and unattended, the driver of a private truck should not be permitted to do so, either, because the purpose of the regulation is to protect human lives; and it matters not whether a person is killed as the result of an explosion of a common carrier truck or an explosion of a private truck; in either case, he will be dead.

So, Mr. President, in connection with this matter we have some unfinished business—namely, to proceed without delay to enact some uniform regulatory and safety measures in regard to trucks—either common carriers, contract carriers, or private carriers; and I care not one whit which—because there can be no difference in regard to the objective we have, which is to protect human lives.

Another fact which one can obtain from reading the public record to date on the investigations which have been made in regard to the accident is that the truck was driven into Roseburg, Oreg., about 9 o'clock in the evening of Thursday, August 6, and was parked by its driver in the center of the congested business area of the town. I say that could not have happened if the truck had been operated by an interstate common carrier, without constituting a violation of Federal law which involves serious penalties.

The next fact to which I wish to call the attention of the Senate is that it appears, from reliable reports, that the brakes of the truck were set, that the cab of the truck was locked, and therefore, it could not be moved, except by the driver.

The next fact which the public record already discloses is that the driver left the vehicle unattended, and went to a hotel. That leads me to the point to which I have already referred—namely, that any such action is strictly prohibited by the Federal law which is applicable to common carriers; and, under that law, the truck would also have been prohibited from passing through that congested area or from being parked on a street or a public way or from being parked near a building or any other place where people might be assembled, or from being left unattended or unguarded.

In the case of a common carrier truck carrying explosives or combustibles, the Federal law requires that the truck go around all towns. Even during the war, when tons and tons and tons of explosives were transported by truck in the area of Portland, Oreg., it was necessary for the trucks transporting the explosives to be met by inspectors, by whom they were guided around the city, to their places of delivery.

Yet, Mr. President, we are now permitting these private trucks, operated by companies that are transporting their own explosives with their own trucks, to go right through our towns, to be parked wherever the drivers please, to be locked up, to have the brakes set, and to be left unguarded; while the drivers are otherwise occupied.

What happened in the disaster at Roseburg, Oreg., was that the building alongside which the truck was parked—and I understand it was parked very close to the building—caught fire. The fire department was called; and the firemen immediately recognized the great danger because of the explosives loaded in the truck which was parked next to the building, and tried to move it, but could not get into the cab. Because the brakes of the truck were set, one of the fireman ran about 150 feet in the direction of a jeep which had a winch on it; and no doubt he hoped that he could hook a line to the truck, and pull it away from the burning building. But before he even reached the jeep, the heat from the burning building caused the dynamite to explode.

Mr. President, it is sad to have to discuss what we call human error; but one of the reasons for these safety rules is to protect the public from errors in human judgment. One of the reasons why we have such strict rules applicable to common-carrier trucks is our recognition that human frailty is common to all of us. Therefore, as regards common carriers, it is recognized that we wisely apply the "safety first" slogan when we require such trucks to go around towns, and when we require that they not be left unattended, and when we require that they be constantly guarded, and when we require that they be subjected to very strict safety regulations in regard to their loading, their transport, and their unloading.

Mr. President, at this time I ask unanimous consent that Senate bill 1806 be printed in the RECORD at the conclusion of my remarks, so the bill will be available to those who read this RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, I think it is clearly an understatement to say that if Senate bill 1806 has been on the statute books, the accident at Roseburg, Oreg., would not have occurred, because the truck would not have been near the burning building—for the simple reason that it would not have been legal for the driver of the truck even to have driven the truck into that area of Roseburg, let alone park it there and leave it.

I wish to stress the point that what happened at Roseburg, Oreg., on the night of August 6, could happen tonight, not only in any other town in Oregon, but also in any town in any other State of the Union.

Mr. President, this is a constant danger, so long as we permit private trucks loaded with explosives to go wherever the owners wish or wherever the drivers

wish to drive them, and be parked wherever the drivers decide to park them, and be left unattended and unguarded, and thus create the great risk to human life that the Roseburg disaster shows is created when such trucks are not placed under proper regulations.

Now, what would S. 1806 do? It would make applicable to private and contract carriers the Federal safety regulations applicable to common motor carriers and railroads hauling high explosives.

I ask the commonsense question, Why not? Can any Senator think of any reason why this should not be done? Does any Senator really think that there is less danger in shipping a load of explosives by a contract carrier or a private truck than in shipping it by common carrier?

In fact, Mr. President, quite an argument can be made that there are many other regulations which are imposed upon common carriers, which make it much safer, even through the same road is traveled, to use the services of the common carriers than those of unregulated carriers.

In fact, Mr. President, I think a great concession is made when explosives are even permitted to be shipped at all by private carriers or contract carriers. But certainly there is no justification at all for not requiring the private carrier or the contract carrier to comply with the same safety regulations that apply to common carriers. Remember, Mr. President, I am talking about shipments in interstate commerce.

The Committee on Interstate and Foreign Commerce should take up this bill immediately, and on an emergency basis, in the interest of protecting thousands of American lives against terrible disasters such as that which was experienced in Roseburg, in my State of Oregon.

Mr. President, I do not know enough about the facts of the Kansas City disaster of yesterday to say whether or not S. 1806 would have been applicable to it; but I know plenty about the Roseburg, Oreg., case. There is no doubt in my mind that if S. 1806, had been on the books and had been complied with it would have prevented the Roseburg explosion.

So I have taken these few minutes tonight to call the Senate's attention to this matter, and I have not talked tonight just to make a record. I have talked tonight to start this record.

I want to say to the leadership of my party here in the Senate that it behooves us to find out, and find out immediately, whether the senior Senator from Oregon is right when the senior Senator from Oregon says to the Senate now, "If you will call in the officials of the Interstate Commerce Commission for testimony on S. 1806, you will get all the testimony and all the evidence you need in support of the contention of the senior Senator from Oregon that S. 1806 is of emergency importance, in order to protect the safety of the American people in any town where the lives of those people are constantly being endangered by the failure of the Congress to pass safety regulations applicable to contract trucks and private trucks carrying explosives and combustibles."

Mr. President, if I am right in that contention, then let me say to the leadership of the Senate on both sides of the aisle, and to the leadership of the House on both sides of its aisle, we cannot justify, on moral grounds, nor on grounds of the public trust that we owe as elected officials, to delay for one moment the fastest possible expediting of the provisions of S. 1806.

If we have not learned our lesson now by the horrible disaster in Roseburg, Oreg., what does it take to get legislation to protect the American people?

Mr. President, I want to say, to his everlasting credit, that the Senator from Washington [Mr. MAGNUSON] this afternoon, when I discussed this question with him, said, "WAYNE, I am very glad you are going to discuss this before we adjourn today, and you can speak for me in respect to the point that this is an urgent matter and that the Interstate Commerce Commission has recommended this type of legislation."

In fact, it is my understanding, Mr. President, that this proposed legislation was introduced on request because of the position taken by the Interstate Commerce Commission.

May I say to the Senate staff once again that I am sorry to have delayed you so long, after what we had reason to believe earlier today would have been an earlier adjournment hour.

I want to say to the staff I have detained you in order to make a case in support of a great humane cause, and I think you will agree with me if this delay in adjournment and if what I have said here tonight may be the least bit helpful in getting action on S. 1806, this time will have been spent in support of a good cause.

Mr. President, I yield the floor.

EXHIBIT 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code, chapter 39, sections 831–835, inclusive, entitled "Explosives and Combustibles", as amended, is hereby amended to read as follows:

"CHAPTER 39—EXPLOSIVES AND OTHER DANGEROUS ARTICLES

"Sec.
831. Definitions.
832. Transportation of explosives, radioactive materials, etiologic agents and other dangerous articles.
833. Marking packages containing explosives and other dangerous articles.
834. Regulation by Interstate Commerce Commission.
835. Administration.

"§ 831. Definitions

"As used in this chapter—

"Unless otherwise indicated, carrier means any person engaged in the transportation of passengers or property, by land, other than pipelines, as a common, contract, or private carrier, or freight forwarder as defined in the Interstate Commerce Act, as amended, and officers, agents, and employees of such carriers.

" 'Person' means any individual, firm, copartnership, corporation, company, association, or joint-stock association, and includes any trustee, receiver, assignee, or personal representative thereof.

" 'For-hire carrier' includes common and contract carriers.

" 'Shipper' shall be construed to include officers, agents, and employees of shippers.

" 'Interstate and foreign commerce' means commerce between a point in one State and a point in another State, between points in the same State through another State or through a foreign country, between points in a foreign country or countries through the United States, and commerce between a point in the United States and a point in a foreign country or in a Territorial possession of the United States, but only insofar as such commerce takes place in the United States. The term 'United States', as used herein means all the States and the District of Columbia. For the purpose of this Act, the District of Columbia shall be deemed to be a State.

" 'Detonating fuzes' means fuzes used in military service to detonate the explosive charges of military projectiles, mines, bombs, or torpedoes.

" 'Fuzes' means devices used in igniting the explosive charges of projectiles.

" 'Fuses' means the slow-burning fuses used commercially to convey fire to an explosive combustible mass.

" 'Fusees' means the fusees ordinarily used on steamboats, railroads, and motor carriers as night signals.

" 'Radioactive materials' means any materials or combination of materials that spontaneously emit ionizing radiation.

" 'Etiologic agents' means the causative agent of such diseases as may from time to time be listed in regulations governing etiologic agents prescribed by the Commission under section 834 of this chapter.

"§ 832. Transportation of explosives, radioactive materials, etiologic agents, and other dangerous articles

"(a) Any person who knowingly transports, carries, or conveys within the United States, any dangerous explosives, such as and including, dynamite, blasting caps, detonating fuzes, black powder, gunpowder, or other like explosive, or any radioactive materials, or etiologic agents, on or in any passenger car or passenger vehicle of any description operated in the transportation of passengers by any for-hire carrier engaged in interstate or foreign commerce, by land, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from a violation of this section, shall be fined not more than $10,000 or imprisoned not more than ten years, or both: *Provided, however,* That such explosives, radioactive materials, or etiologic agents may be transported on or in such car or vehicle whenever the Interstate Commerce Commission finds that an emergency requires an expedited movement, in which case such emergency movements shall be made subject to such regulations as the Commission may deem necessary or desirable in the public interest in each instance: *Provided further,* That under this section it shall be lawful to transport on or in any such car or vehicle, small quantities of explosives, radioactive materials, etiologic agents, or other dangerous commodities of the kinds, in such amounts, and under such conditions as may be determined by the Interstate Commerce Commission to involve no appreciable danger to persons or property: *And provided further,* That it shall be lawful to transport on or in any such car or vehicle such fusees, torpedoes, rockets, or other signal devices as may be essential to promote safety in the operation of any such car or vehicle on or in which transported. This section shall not prevent the transportation of military forces with their accompanying munitions of war on passenger-equipment cars or vehicles.

"(b) No person shall knowingly transport, carry or convey within the United States liquid nitroglycerin, fulminate in bulk in

dry condition, or other similarly dangerous explosives, or radioactive materials, or etiologic agents, on or in any car or vehicle of any description operated in the transportation of passengers or property by any carrier engaged in interstate or foreign commerce, by land, except under such rules and regulations as the Commission shall specifically prescribe with respect to the safe transportation of such commodities. The Commission shall from time to time determine and prescribe what explosives are 'other similarly dangerous explosives', and may prescribe the route or routes over which such explosives, radioactive materials, or etiologic agents shall be transported. Any person who violates this provision, or any regulation prescribed hereunder by the Interstate Commerce Commission, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from a violation of this section, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(c) Any shipment of radioactive materials made by or under the direction or supervision of the Atomic Energy Commission or the Department of Defense which is escorted by personnel specially designated by or under the authority of the Atomic Energy Commission or the Department of Defense, as the case may be, for the purpose of national security, shall be exempt from the requirements of sections 831–835 of this chapter and the rules and regulations prescribed thereunder. In the case of any shipment of radioactive materials made by or under the direction or supervision of the Atomic Energy Commission or the Department of Defense, which is not so escorted by specially designated personnel, certification upon the bill of lading by or under the authority of the Atomic Energy Commission or the Department of Defense, as the case may be, that the shipment contains radioactive materials shall be conclusive as to content, and no further description shall be necessary or required; but each package, receptacle, or other container in such unescorted shipment shall on the outside thereof be plainly marked 'radioactive materials', and shall not be opened for inspection by the carrier.

"§ 833. Marking packages containing explosives and other dangerous articles

"Any person who knowingly delivers to any carrier engaged in interstate or foreign commerce by land or water, and any person who knowingly carries on or in any car or vehicle of any description operated in the transportation of passengers or property by any carrier engaged in interstate or foreign commerce, by land, any explosive, or other dangerous article, specified in or designated by the Interstate Commerce Commission pursuant to section 834 of this chapter, under any false or deceptive marking, description, invoice, shipping order, or other declaration, or any person who so delivers any such article without informing such carrier in writing of the true character thereof, at the time such delivery is made, or without plainly marking on the outside of every package containing explosives or other dangerous articles the contents thereof, if such marking is required by regulations prescribed by the Interstate Commerce Commission, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from the violation of this section, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"§ 834. Regulations by Interstate Commerce Commission

"(a) The Interstate Commerce Commission shall formulate regulations for the safe transportation within the United States of explosives and other dangerous articles, including radioactive materials, etiologic agents, flammable liquids, flammable solids, oxidizing materials, corrosive liquids, compressed gases, and poisonous substances, which shall be binding upon all carriers engaged in interstate or foreign commerce which transport explosives or other dangerous articles by land, and upon all shippers making shipments of explosives or other dangerous articles via any carrier engaged in interstate or foreign commerce by land or water.

"(b) The Commission, of its own motion, or upon application made by any interested party, may make changes or modifications in such regulations, made desirable by new information or altered conditions. Before adopting any regulations relating to radioactive materials the Interstate Commerce Commission shall advise and consult with the Atomic Energy Commission.

"(c) Such regulations shall be in accord with the best-known practicable means for securing safety in transit, covering the packing, marking, loading, handling while in transit, and the precautions necessary to determine whether the material when offered is in proper condition to transport.

"(d) Such regulations, as well as all changes or modifications thereof, shall, unless a shorter time is specified by the Commission, take effect ninety days after their formulation and publication by the Commission and shall be in effect until reversed, set aside, or modified.

"(e) In the execution of sections 831–835, inclusive of this chapter the Commission may utilize the services of carrier and shipper associations and may avail itself of the advice and assistance of any department, commission, or board of the Federal Government, and of State and local governments, but no official or employee of the United States shall receive any additional compensation for such service except as now permitted by law.

"(f) Any person who, being aware that the Interstate Commerce Commission has formulated regulations for the safe transportation of explosives and other dangerous articles, violates any such regulation shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from such violation, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"§ 835. Administration

"(a) The Interstate Commerce Commission is authorized and directed to administer, execute, and enforce all provisions of sections 831–835, inclusive, of this chapter, to make all necessary orders in connection therewith, and to prescribe rules, regulations, and procedure for such administration, and to employ such officers and employees as may be necessary to carry out these functions.

"(b) The Commission is authorized to make such studies and conduct such investigations, obtain such information, and hold such hearings as it may deem necessary or proper to assist it in exercising any authority provided in sections 831–835, inclusive, of this chapter. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirement under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U.S.C. 46), shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(c) In administering and enforcing the provisions of sections 831–835, inclusive, of this chapter and the regulations prescribed thereunder the Commission shall have and exercise all the powers conferred upon it by the Interstate Commerce Act, including procedural and investigative powers and the power to examine and inspect records and properties of carriers engaged in transporting explosives and other dangerous articles in interstate or foreign commerce and the records and properties of shippers to the extent that such records and properties pertain to the packing and shipping of explosives and other dangerous articles and the nature of such commodities."

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, August 19, 1959, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes;

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958;

S. 1590. An act for the relief of the Government of the Republic of Iceland;

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State;

S. 2210. An act to provide for the disposition of the Philadelphia Army Base, Philadelphia, Pa.;

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake";

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand; and

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 20 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Thursday, August 20, 1959, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 19 (legislative day of August 18), 1959:

THE RAILROAD RETIREMENT BOARD

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1959.

THE NATIONAL LABOR RELATIONS BOARD

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1964.

U.S. PUBLIC HEALTH SERVICE

The following candidates for appointment in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

Billie E. Jones, to be senior assistant scientist.

Patricia M. Jacobson, to be senior assistant nurse officer.

To be assistant nurse officers

Jennifer Boondas
Kathryn G. Ames
Marie Herold
Myra E. Payne

To be junior assistant nurse officers

Elizabeth L. Cooper
Janet M. Cormier
Sidney S. Louis

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 19, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Deuteronomy 33: 27: *The eternal God is thy refuge, and underneath are the everlasting arms.*

God of all grace, as we now turn our minds and hearts unto Thee, may we have that spirit of sincerity and humility which assures us that Thou wilt hear and answer our prayers.

May a sense of Thy presence and power rescue and redeem us from those fears and anxieties which weaken our morale and unfit us to discharge faithfully our tasks and responsibilities.

Grant that we may be sustained by a faith in those eternal values and verities which no change of events or conspiracy of adverse circumstances can ever touch or take away.

Help us to cultivate a capacity and love for whatsoever things are noble and true and inspire us with a trust and courage that will make us equal to that which Thou dost desire and demand.

In Christ's name we offer our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on August 18, 1959, the President approved and signed bills of the House of the following titles:

H.R. 451. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable;

H.R. 3682. An act to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests by the act of August 14, 1958;

H.R. 4243. An act for the relief of Peter Sergeevich Deryabin, also known as Theodore Stanley Orel;

H.R. 4405. An act to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork and the Prairie Dog Town Fork of the Red River in the State of Texas;

H.R. 4644. An act to credit to postal revenues certain amounts in connection with postal activities, and for other purposes;

H.R. 5138. An act to extend the grounds of the Custis-Lee mansion in Arlington National Cemetery;

H.R. 5849. An act to amend the act of July 7, 1958, providing for the admission of the State of Alaska into the Union, relating to selection by the State of Alaska of certain lands made subject to lease, permit, license, or contract;

H.R. 7454. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes;

H.R. 7508. An act to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance; and

H.R. 8283. An act making appropriations for the Atomic Energy Commission for the fiscal year ending June 30, 1960, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2539. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6939) entitled "An act to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GRUENING, Mr. Moss, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1958) entitled "An act to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of United States seamen," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. PASTORE, Mr. ENGLE, Mr. BARTLETT, Mr. BUTLER, Mr. MORTON, and Mr. SCOTT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7453) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate recedes from its amendment No. 11 to the bill (H.R. 7650) entitled "An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children."

NATIONAL ORDER OF SCIENCE

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6288) to establish a National Order of Science to provide recognition for individuals who make outstanding contributions in science and engineering.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established the National Order of Science (hereinafter referred to as the "Order"), which shall consist at any given time of all individuals then living who have been appointed as provided in section 2 of this Act.

(b) Each individual appointed to the Order shall at the time of appointment receive an award consisting of (1) a gold medal, to be known as the National Medal of Science, of such design and bearing such inscriptions as the President, on the basis of recommendations submitted by the National Science Foundation, may prescribe, and (2) a lump-sum payment of such amount, not to exceed $10,000, as the President may prescribe in the case of each individual nominated for appointment to the Order.

SEC. 2. (a) The President shall from time to time nominate for appointment to the Order, on the basis of recommendations received from Government agencies and public or private organizations and other persons whose activities involve or are related to science and engineering or on the basis of such other information and evidence as he deems appropriate, living individuals who in his judgment are deserving of special recognition by reason of their outstanding contributions in the field of science and engineering to the security of the United States or the progress of mankind.

(b) Not more than twenty individuals may be nominated for appointment to the Order in any one calendar year.

(c) An individual may not be nominated for appointment to the Order unless at the time such nomination is made he—

(1) is a citizen of the United States; or

(2) is an alien lawfully admitted to the United States for permanent residence who (A) has filed an application for petition for naturalization in the manner prescribed by section 334(b) of the Immigration and Nationality Act and (B) is not permanently ineligible to become a citizen of the United States.

(d) Each nomination made by the President under this section shall be transmitted to the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate; and each such committee, after such hearings and investigations as it deems appropriate, shall either approve (by the affirmative vote of a majority of

its total membership) or reject the nomination as so transmitted. Notice of the approval of any nomination as provided in the preceding sentence shall be furnished the President by each such committee without delay, and upon receipt of such notice from both such committees the President shall appoint the nominee to the Order (and confer the award described in subsection (b) of the first section of this Act) in such manner and with such ceremonies as he may deem appropriate.

SEC. 3. As used in this Act, the term "science" means the physical sciences and mathematics.

SEC. 4. Nothwithstanding any other law of the United States, or any law of a State, Territory, Commonwealth, or possession of the United States, no part of the sum referred to in clause (2) of subsection (b) of the first section of this Act, or of the sum referred to in section 5, shall be assignable, or be subject to any tax or to garnishment, attachment, or other legal process, under any circumstances whatsoever, nor shall the payment thereof be anticipated.

SEC. 5. As a special award and an incentive to the development of space travel, there shall be paid to the first living human being who travels in space at orbital velocity (and who at the time of such travel satisfies paragraph (1) or (2) of section 2(c) of this Act), the sum of $100,000. If two or more individuals qualify for the special award described in the preceding sentence, such sum shall be equally divided among them; and if any individual qualifies for such award but dies before he can receive payment, such sum or his share thereof shall be paid to his next of kin as determined in accordance with the laws of the place where he was domiciled at the time of his death. The Administrator of the National Aeronautics and Space Administration shall determine the individual or individuals entitled to receive the special award described in the first sentence of this section and shall without delay transmit such determination to the President, who shall confer the award upon such individual or individuals in such manner and with such ceremonies as he may deem appropriate.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That (a) there is hereby established the National Medal of Science (hereinafter referred to as the 'medal'), to be awarded as provided in section 2 of this Act.

"(b) Each individual awarded the medal shall receive an award consisting of (1) an appropriate medal, to be known as the National Medal of Science, of such design and bearing such inscriptions as the President, on the basis of recommendations submitted by the National Science Foundation, may prescribe, and (2) a lump-sum payment of such amount, not to exceed $10,000, as the President may prescribe in the case of each individual awarded the medal.

"SEC. 2. (a) The President shall from time to time award the medal, on the basis of recommendations received from the National Academy of Sciences or on the basis of such other information and evidence as he deems appropriate, to individuals who in his judgment are deserving of special recognition by reason of their outstanding contributions to knowledge in the physical, biological, mathematical, or engineering sciences.

"(b) Not more than twenty individuals may be awarded the medal in any one calendar year.

"(c) An individual may not be awarded the medal unless at the time such award is made he—

"(1) is a citizen or other national of the United States; or

"(2) is an alien lawfully admitted to the United States for permanent residence who (A) has filed an application for petition for naturalization in the manner prescribed by section 334(b) of the Immigration and Nationality Act and (B) is not permanently ineligible to become a citizen of the United States.

"(d) The presentation of the award shall be made by the President with such ceremonies as he may deem proper, including attendance by appropriate Members of Congress.

"SEC. 3. Notwithstanding any other law of the United States, or any law of a State, Territory, Commonwealth, or possession of the United States, no part of the sum referred to in clause (2) of subsection (b) of the first section of this Act shall be assignable, or be subject to any tax or to garnishment, attachment, or other legal process, under any circumstances, whatsoever, nor shall the payment thereof be anticipated.

"SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out this Act."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Iowa.

Mr. GROSS. This strikes out the $10,000 award?

Mr. ANFUSO. It does, very definitely.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Illinois.

Mr. ARENDS. This has been cleared completely, I understand, on this side of the aisle?

Mr. ANFUSO. It has, and I thank the gentleman.

Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ANFUSO to the committee amendment: Page 5, strike out lines 1 through 11, and insert in lieu thereof the following: "That there is hereby established a National Medal of Science (hereinafter referred to as the 'medal'), which shall be of such design and materials and bear such inscriptions as the President, on the basis of recommendations submitted by the National Science Foundation, may prescribe, and shall be awarded as provided in section 2 of this Act,"

Page 6, strike out lines 10 through 19.

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences."

FORTIETH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS, CALENDAR YEAR 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 160)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with illustrations:

To the Congress of the United States:

I am transmitting herewith the 40th report to Congress on lend-lease operations for the calendar year 1958.

Most of the governments continued to make payments on their lend-lease accounts as called for by the terms of the settlement agreements. Collections and credits realized during 1958 on these accounts amounted to $30,430,424.54. This comprised payments of $9,592,831.68 on principal and $20,837,592.86 on interest.

As reported heretofore, 409,782,670.64 fine troy ounces of silver bullion were transferred to various countries under lend-lease. The silver was to be returned to the United States by April 27, 1957. As of December 31, 1958, 309,748,836.25 fine troy ounces had been returned and assayed. However, this figure does not include shipments reported to contain 59,566,964.38 fine troy ounces which were received during 1957 and 1958 and not assayed by the close of 1958.

Information on these and other items of lend-lease interest is provided in the report.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 19, 1959.*

ACID ATTACK ON REPRESENTATIVE FRANK THOMPSON

Mr. CHELF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHELF. Mr. Speaker, we were shocked to the quick to learn that our good friend and colleague, FRANK THOMPSON, JR., that courageous and able Representative from New Jersey, early yesterday morning had been sprayed by acid by an unknown hoodlum as FRANK drove his car through downtown Washington on his way to the Hill.

This is a dastardly and cowardly act—it is one of the most reprehensible and contemptible things that has happened to a Member of Congress since five of our colleagues were shot down from the House gallery. Thank God he was not injured.

In my opinion, the very foundation of representative government has not only been challenged but insulted. Was this done because an elected official dared to sponsor legislation that was highly controversial or was it the work of a crank with a sick and diseased mind? Whatever the reason, this thing has to be stopped now.

To throw, or attempt to throw, acid or any other dangerous chemical into the face or upon the head or the body of a living thing—human or animal—is despicable. Such a desire to do such a thing is bound to emanate from a criminal mind completely devoid of all common

decency—one who has absolutely no respect for law or anything else.

In order to better control and punish this heinous act in the future, I am today introducing a bill that will make acid throwing upon any person—a specific felony—punishable by a fine up to $10,000 and up to 20 years in the penitentiary—either or both.

Mr. Speaker, I sincerely trust that this bill will be promptly referred to the House Judiciary Committee so that immediate action may be taken.

HOODLUMISM IN WASHINGTON

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, what the gentleman said is all right, it is all true, but I do not know why, just because they got after a Member of Congress, we should make particular note of that. Maybe the other folks here in Washington are entitled to just as much protection as are Members, and I think it is about time we did something about it. I know and I live over here just next door to the Supreme Court, the good wife could not go up to the Library after sunset because they were hauling people off the steps and beating them.

Mr. CHELF. Mr. Speaker, if the gentleman will yield, my bill says not only a Member of Congress, but anybody. Does that satisfy the gentleman?

Mr. HOFFMAN of Michigan. Maybe we need a bill, maybe we do not. Maybe we should not spend as much money as we do in cases that the gentleman from Iowa [Mr. GROSS] refers to.

Mr. CHELF. Maybe we need to appropriate more money to help the Police Commissioner employ more policemen.

Mr. HOFFMAN of Michigan. Does the gentleman want to include that as a part of his remarks? If he does I wish to agree.

The situation here is wrong—can only lead, if it continues, to the carrying of guns by citizens who are in danger when they walk the streets. Fine example we set for other nations.

ERECTION OF MONUMENT TO THE FOUR CHAPLAINS WHO DIED DURING THE SINKING OF THE U.S.S. "DORCHESTER"

Mr. GRANT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT. Mr. Speaker, I have today introduced a joint resolution calling for the establishment of a commission to consider and formulate plans for the construction of a permanent memorial in the Nation's Capital to the four chaplains who gave their lives during the sinking of the U.S.S. *Dorchester* off the coast of Greenland in February 1943.

Memorials have been erected to great statesmen, great military leaders, and other distinguished citizens, and justly so; however, to my mind, the erection of a memorial here in our Nation's Capital to the four chaplains, Rev. George L. Fox and Rev. Clark V. Poling, Protestants; Rabbi Alexander D. Goode, Jewish; and Father John P. Washington, Roman Catholic; would be one of the finest things this Congress could do. It would show not only our own people but those of the world how patriotism and self-sacrifice can be exemplified by our religious leaders regardless of faith or creed.

The inspiration of these four men who aided and comforted their shipmates on that ill-fated troopship after it was struck by a Nazi torpedo, and who deliberately placed their own life jackets on four others knowing full well that such a move meant death to themselves would be perpetuated by this memorial as a permanent reminder to all of interfaith brotherhood, and perhaps would help to heal the wounds of this demoralized world through the realization of the need for guidance of a common Creator.

These four men did not pause to ask, "Are you Protestant?" "Are you Catholic?" "Are you a Jew?" as they ministered to their shipmates. They demonstrated the true meaning of the words, "Greater love hath no man than this, that a man lay down his life for his friend." For their heroic sacrifice, these four men were awarded the Distinguished Service Cross posthumously. A United States postage stamp was issued in their honor in 1948, and several other gestures have been made in recognition.

Now, a permanent memorial, erected where the millions of visitors to our Nation's shrines could pause and reflect on this deed that will live forever in the pages of American history, would aid in encouraging their spirit of brotherhood above individual belief and sacrifice above self.

HON. JOHN A. BURNS

Mr. PORTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, our esteemed colleague, JACK BURNS, the Delegate from the Territory of Hawaii, has worked himself out of a job. On Friday Hawaii becomes the 50th State with a full-fledged Representative in this House. On tomorrow, Thursday, Delegate BURNS has a 30-minute special order for his farewell address. I intend to be on hand to hear him. I hope it may be convenient for many of his other friends and admirers to be here also.

No one did more for Hawaiian statehood than JACK BURNS. No one could have done more for this cause, with its far-reaching international implications and its simple justice to able, loyal, and patient American citizens, then JACK BURNS. He was the right man in the right place at the right time.

We all know that, had he wanted to avoid the tough race for Governor, JACK would have been sworn in tomorrow as a Member of the other body. We admire him for his ability, his courage, his geniality, his persistence. We know that his State and his Nation will call him again, soon, to public office.

To the Delegate from Hawaii, we say goodby, but to JACK BURNS we say "aloha."

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say a worthy amen to all the gentleman has said. I think everybody on the floor feels as the gentleman does. He is a fine, decent, wonderful, sweet individual. He will come back; do not worry.

Mr. PORTER. I thank the gentleman.

FORTHCOMING VISIT OF KHRUSHCHEV

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, I take this occasion merely briefly to advise the Members of the House that I have a special order for tomorrow at which time I intend to discuss the forthcoming visit of Prime Minister Khrushchev to this country and certain aspects in connection with his visit. I invite all interested Members to be present and to contribute whatever comments or remarks they may feel called upon to make.

COMMITTEE ON BANKING AND CURRENCY AND COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H.R. 8599.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file several reports.

The SPEAKER. Without objection it is so ordered.

There was no objection.

LABOR BILL POLITICS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, in today's Washington Post, there appears a letter to the editor by Lewis Ferrell, which seems to me has an important message for all Members of the House:

LABOR BILL POLITICS

As I listened to President Eisenhower's appeal for support for the Griffin-Landrum bill, I thought how effective it would be if Eisenhower would make such an appeal for human rights and for civil rights.

At a time when the world watches America to see what we shall do about the plight of minorities in this country, President Eisenhower remains silent except for occasional platitudes. He insists that you cannot legislate a change in men's hearts.

Apparently that is not true where the property and profitmaking ability of his golfing partners and former Cabinet members are concerned. He can speak boldly on legislation to protect their interests.

If the President is not more interested in property than he is in civil rights and human rights, let him go on television to plead for the rights of downtrodden and abused minorities. Let him plead for the rights of the Department of Justice to initiate actions to protect the minorities in the South and for the extension of the life of the Civil Rights Commission.

E. LEWIS FERRELL,
Washington.

Surely violence, bombings, deprivation of a citizen's right to any ballot, interference, coercion, and restraint of persons who try to exercise their constitutional rights, are equally as evil when they occur outside of a labor union as when they occur in a union.

A Presidential address on the urgent need for civil rights reform legislation might have a beneficial effect on putting to rest the rumors about a civil rights fly in the labor bill ointment.

SUPPLEMENTAL APPROPRIATION BILL, 1960

Mr. THOMAS. Mr Speaker, I call up the conference report on the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BONNER. Mr. Speaker, will the gentleman yield to me?

Mr. THOMAS. I yield to the gentleman.

Mr. BONNER. Mr. Speaker, amendment No. 70 in the supplemental appropriation bill for 1960 will cause great confusion in the Coast Guard. I always go along with the Committee on Appropriations on their bills and I am certain that proper consideration has not been given to the situation that is going to arise if amendment No. 70 is approved in this conference report. Amendment No. 70 strikes out an appropriation of $800,000 for operating expenses of the U.S. Coast Guard in setting up and implementing the provisions that are necessary to carry out the Small Boat Act which becomes effective April 1, 1960. In the passage of the Small Boat Act we rescinded the existing law of numbering small boats throughout the United States.

There are already 37 States that have acted on the Small Boat Act. Four of these States have already been approved by the Secretary of the Treasury. Without this money there would be no place for the States to report to the Treasury on the activity under the Small Boat Act.

Amendment No. 7 says to the Coast Guard, "You take $100,000 from moneys already appropriated to you and start this operation." Anybody in the Congress who has had an opportunity to study the various assignments that are delegated to the Coast Guard will find that the Coast Guard is just hanging on by a string. They do not get enough money to carry out their delegated functions. You can go anywhere and see Coast Guard vessels that are required to go out when other vessels are inshore and it takes half of the time of the crew to keep the vessel afloat which they are using for rescue purposes. That is another matter, but to take $100,000 from their operating fund for another purpose, is not right.

Here is another thing that will happen, and many Members are interested in this. You do not want these permanent agencies setting up new establishments within their agencies. In this case you are directing the Coast Guard to set up a new agency. The Coast Guard and the Treasury propose in this instance to employ a private agency to do this work for the first 3 years and then abandon it because it will be self-perpetuating then. The $800,000 that is provided here is merely a loan to start this functioning. This money will be paid back to the Treasury, and in all probability they will collect more from licensing and numbering fees than the amount of $800,000. So I just think this matter has been overlooked. The Treasury tells me in this supplemental, they did not have an opportunity to explain this to the Committee on Appropriations of the House. But they did appear before the other body, and the other body put this item in. Now they tell them to take $100,000 that has already been delegated to the other functions of the Coast Guard and use it for this purpose.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JENSEN. The other body has been piling stuff into these supplemental bills no end. We are getting a little sick of it. I do not blame our good colleague, the gentleman from North Carolina [Mr. BONNER]. But I do not think the gentleman needs to worry because the bill does not become operative until April 1. One hundred thousand dollars will carry them through until that time at least. By that time the House will have an opportunity to listen to gentlemen like the gentleman from North Carolina [Mr. BONNER] and others who are sponsoring this legislation. The gentleman from North Carolina knows there is not a Member of this House who would not lean over backward to do the things that the gentleman would like us to do.

Mr. BONNER. I have the greatest respect for my colleague, the gentleman from Iowa.

Mr. JENSEN. But, my friend, until the people of America, these people who are asking for these millions and billions of dollars finally wake up to the fact that the House of Representatives should be told about these things before we are bypassed and they go to the other body where they think they can get everything and anything they request.

Mr. BONNER. I am today introducing a bill to change the effective date of the Small Boat Act so as to meet the situation amendment 70 caused.

The SPEAKER. The Chair must inform the gentleman from North Carolina that the gentleman from Texas has asked unanimous consent that the statement of the managers on the part of the House be read in lieu of the report, and the unanimous-consent request is pending.

Mr. BONNER. Mr. Speaker, I thought I had offered a motion that the conference report on the supplemental appropriation bill be voted down, and that is what I am speaking on.

The SPEAKER. We do not have anything up yet to which a motion may be offered.

Mr. BONNER. I thank the Speaker. I will speak to this matter at the appropriate time.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMAS] that the statement of the managers on the part of the House be read in lieu of the report?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 943)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7978) "making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 9, 10, 12, 13, 14, 15, 16, 17, 19, 20, 21, 28, 34, 36, 40, 48, 49, 50, 65, and 70.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 22, 23, 24, 29, 30, 35, 37, 38, 42, 43, 45, 46, 51, 53, 56, 57, 58, 59, 67, 69, 71, and 72, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$108,000,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree

to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$2,400,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$450,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"FOREST PROTECTION AND UTILIZATION

"For an additional amount for 'Forest protection and utilization', as follows:

" 'Forest land management', $4,000,000, and 'Forest Research', $500,000."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"FOREST ROADS AND TRAILS

"For an additional amount for 'Forest roads and trails', $2,000,000."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION

"For an additional amount for 'Construction', $1,550,000."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"BUREAU OF RECLAMATION

"Loan program

"For an additional amount for 'Loan Program', $5,147,000."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$7,000,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$400,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"OFFICE OF THE SECRETARY

"Investment in Inter-American Development Bank

"To finance the participation of the United States in the Inter-American Development Bank, to remain available until expended, $280,000,000, of which $230,000,000 is for the purchase of capital stock in said bank (including $200,000,000 for callable capital stock and $30,000,000 for the first installment on the paid-in capital stock) and the $50,000,000 is for payment of the first installment of the subscription of the United States to the fund for special operations of said bank."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 11, 18, 27, 31, 32, 33, 39, 41, 52, 54, 60, 61, and 64.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
JOHN C. STENNIS,
LYNDON JOHNSON,
CLINTON P. ANDERSON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
KARL E. MUNDT,
MARGARET CHASE SMITH,
HENRY C. DWORSHAK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7978) making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

EXPANSION OF DEFENSE PRODUCTION

Amendment No. 1. Appropriates $108,000,000 for the revolving fund, Defense Production Act, instead of $100,000,000 as proposed by the House and $116,000,000 as proposed by the Senate.

Amendment No. 2: Inserts heading as proposed by the Senate.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

Amendment No. 3: Reported in disagreement. A motion will be offered to appropriate $3,000,000 for salaries and expenses, of which a total of $1,900,000 is for the Department of Commerce which shall include $1,700,000 for the Business and Defense Services Administration and $50,000 shall be for the Defense Air Transportation Administration.

Amendment No. 4: Appropriates $2,400,000 for construction of facilities instead of $2,700,000 as proposed by the Senate.

INDEPENDENT OFFICES

Alaska International Rail and Highway Commission

Amendment No. 5: Reported in disagreement.

Boston National Historic Sites Commission

Amendment No. 6: Appropriates $20,000 as proposed by the Senate.

Federal Aviation Agency

Amendment No. 7: Appropriates $22,470,000 for construction and development, additional Washington airport, as proposed by the House instead of $27,500,000 as proposed by the Senate.

Amendment No. 8: Authorizes $450,000 for an access road instead of $400,000 as proposed by the House and $500,000 as proposed by the Senate.

National Aeronautics and Space Administration

Amendment No. 9: Authorizes not to exceed $2,885,000 for expenses of travel as proposed by the House instead of $3,181,000 as proposed by the Senate.

Amendment No. 10: Appropriates $91,400,000 for salaries and expenses as proposed by the House instead of $94,430,000 as proposed by the Senate.

Amendment No. 11: Reported in disagreement.

Amendments No. 12 and 13: Delete Senate provisions relating to administration.

Amendments No. 14 and 15: Authorizes purchase of 32 passenger motor vehicles of which 19 shall be for replacement, as proposed by the House instead of 65 and 38, respectively, as proposed by the Senate.

Amendment No. 16: Appropriates $318,675,000 for contractual research, development, etc., as proposed by the House instead of $333,070,000 as proposed by the Senate.

Amendment No. 17: Restores House language relating to expenditures of a capital nature.

Amendment No. 18: Reported in disagreement.

Amendment No. 19: Restores House provision relating to the condemnation of real property at Cleveland, Ohio.

Amendment No. 20: Appropriates $52,000,000 for construction and equipment as proposed by the House instead of $57,800,000 as proposed by the Senate.

Amendment No. 21: Restores House provision relating to notification of intention to construct or modify laboratories.

River Basin Study Commission for South Carolina, Georgia, Alabama, and Florida

Amendment No. 22: Appropriates $740,000 as proposed by the Senate instead of $666,000 as proposed by the House.

River Basin Study Commission for Texas

Amendment No. 23: Appropriates $800,000 as proposed by the Senate instead of $720,000 as proposed by the House.

Department of Agriculture

Amendment No. 24: Inserts heading as proposed by the Senate.

Forest Service

Amendment No. 25: Appropriates $4,000,000 for "Forest land management" and $500,000 for "Forest research," which may be used for small research facilities, if desired, instead of $19,500,000 as proposed by the Senate.

Amendment No. 26: Appropriates $2,000,000 for "Forest roads and trails" as proposed by the Senate.

Amendment No. 27: Reported in disagreement.

Amendment No. 28: Deletes Senate proposal to appropriate $500,000 for acquisition of lands for the Superior National Forest.

Department of Commerce

Amendment Nos. 29 and 30: Provide headings as proposed by the Senate.

Amendment No. 31: Reported in disagreement.

Amendment No. 32: Reported in disagreement.

Department of Defense—Civil Functions

Amendment No. 33: Reported in disagreement.

Department of Defense—Military Functions

Amendment No. 34: Deletes Senate proposal to appropriate $30,000,000 for aircraft procurement.

The Senate and House of Representatives in considering the Department of Defense appropriation bill for 1960 have previously refused funds for the Military Air Transport Service to purchase ten new swing-tailed jet airplanes. However, it is evident that the denial of funds turned on the purchase of new planes which were essentially passenger vehicles, and not on the present request for funds to develop an advanced cargo aircraft and powerplant. The item in this bill before us is being passed over pending a further study by the Committees on Appropriations of the issues and interests involved before next year when regular annual estimates for the Department of Defense are considered for fiscal year 1961.

It appears that the Air Transport Association of America is opposed to anything affecting the modernization or strengthening of the Military Air Transport Service. It also appears the Air Force is not ready to purchase new planes, but wants funds instead for further development of the turbo-prop T-61 engine which it has supported for several years and says requires about $20 million in 1960. To confuse the matter more, the Administrator of the Federal Aviation Agency, who is advocating a program of Government-insured loans for commercial carriers, states that these requested funds should be denied; that private industry should develop its own cargo plane, and intimates that the Military Air Transport Service should be on its way out.

It is suggested that any step which weakens or tends to weaken the Military Air Transport Service would be a serious matter. MATS has an important national defense function and must be preserved. It must be modernized, and its costs of operation reduced to a minimum through efficient and economical operation. To be caught in a national emergency without a working unit of MATS would be like not having guns or planes or ammunition under the same circumstances.

It is disturbing that the Air Transport Association actively enters into the MATS picture every year, and on every other phase of aviation that even remotely affects its interests. Civilian aviation has grown by virtue of the generous subsidy it has received from the Government. It is now a giant grown fat by Government subsidies and high rate charges.

The new Federal Aviation Act continues to promote its progress. The Act is extremely broad and a careful reading will disclose that authority exists therein for the Administrator of the Federal Aviation Agency to do practically everything to support and promote air commerce. This is indicated by Sec. 312(b) which even authorizes him to undertake research, development, and service testing of aircraft, aircraft engines, propellers, and other appliances, whether these be civilian or military. No funds have been provided for such purposes yet, and the inclination is to withhold any such funds from the Federal Aviation Agency. If the FAA were to enter into this field, it would appear to be an unnecessary duplication and expense in view of the fact that the Air Force, Navy and National Aeronautics and Space Administration, the successor agency to the National Advisory Committee for Aeronautics, have been given that specific job through the years.

District of Columbia

Amendment No. 35: Inserts heading as proposed by the Senate.

Amendment No. 36: Deletes Senate proposal to appropriate $70,000 for the "Metropolitan Police."

Amendment No. 37: Appropriates $10,602 for settlement of claims and suits as proposed by the Senate.

Amendment No. 38: Inserts Senate language relating to payments from the general fund of the District of Columbia.

Department of Health, Education, and Welfare

Public Health Service

Amendment No. 39: Reported in disagreement.

Amendment No. 40: Deletes Senate proposal to appropriate $100,000 for "Communicable disease activities."

Hospitals and Mental Care

Amendment No. 41: Reported in disagreement.

Department of the Interior

Amendments No. 42 and 43: Insert heading and appropriate $400,000 for salaries and expenses of the Office of Saline Water, as proposed by the Senate.

Amendment No. 44: Appropriates $1,550,000 for "Construction," Office of Saline Water, instead of $2,550,000 as proposed by the Senate.

Bureau of Land Management

Amendment No. 45: Appropriates $775,000 for "Management of lands and resources" as proposed by the Senate instead of $425,000 as proposed by the House.

Bureau of Indian Affairs

Amendment No. 46: Appropriates $2,225,000 for "Education and welfare services" as proposed by the Senate.

Bureau of Reclamation

Amendment No. 47: Appropriates $5,147,000 for "Loan program" as proposed by the Senate.

Virgin Islands Corporation

Amendments No. 48, 49, and 50: Delete Senate proposals to appropriate $1,235,000 for loans to operating fund and $1,240,000 to the revolving fund.

THE JUDICIARY

Amendment No. 51: Inserts heading as proposed by the Senate.

Amendment No. 52: Reported in disagreement.

Amendment No. 53: Appropriates $18,000 for salaries and expenses of the "Customs Court" as proposed by the Senate.

Department of Justice

Amendment No. 54: Reported in disagreement.

Department of Labor

Amendment No. 55: Appropriates $1,000,000 for salaries and expenses of the Bureau of Labor Statistics instead of $1,050,000 as proposed by the Senate.

Legislative Branch—Senate

Amendment No. 56: Inserts headings as proposed by the Senate.

Amendment No. 57: Appropriates $12,500 for furniture as proposed by the Senate.

Amendment No. 58: Appropriates $450,000 for inquiries and investigations as proposed by the Senate.

Amendment No. 59: Appropriates $222,500 for miscellaneous items as proposed by the Senate.

Legislative branch—House of Representatives

Amendment No. 60: Reported in disagreement.

Legislative branch—Senate

Amendment No. 61: Reported in disagreement.

Post Office Department

Amendment No. 62: Appropriates $7,000,000 for "Transportation" instead of $7,200,000 as proposed by the Senate.

Department of State

Amendment No. 63: Appropriates $3,000,000 additional for extension and remodeling, State Department Building, instead of $2,500,000 as proposed by the House and $3,500,000 as proposed by the Senate. The amount allowed is to complete the funding for this building.

Amendment No. 64: Reported in disagreement.

Amendment No. 65: Appropriates $450,000 for "Operation and maintenance," International Boundary and Water Commission, United States and Mexico, as proposed by the House instead of $500,000 as proposed by the Senate.

Amendment No. 66: Appropriates $400,000 for "Construction" instead of $125,000 as proposed by the House and $450,000 as proposed by the Senate.

Treasury Department

Amendment No. 67: Inserts heading as proposed by the Senate.

Amendment No. 68: Appropriates $280,000,000 for "Investment in Inter-American Development Bank" as proposed by the Senate.

Amendment No. 69: Appropriates $25,000 for salaries and expenses of the Bureau of Accounts as proposed by the Senate.

Amendment No. 70: Deletes Senate proposal to appropriate $800,000 for operating expenses of the U.S. Coast Guard. This additional appropriation was proposed to implement registration and numbering provisions for small boats; the conferees are agreed that the Coast Guard may use $100,000 of funds already appropriated to carry out this program.

Claims for damages and judgments

Amendments Nos. 71 and 72: Appropriate $443,438 as proposed by the Senate instead of $198,675 as proposed by the House and include the items set forth in Senate Document No. 42.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,

Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may require, first to talk with our distinguished and able colleague, the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. BONNER]. Then I will explain the conference report.

Mr. Speaker, there is not the slightest disposition on the part of the committee to prevent this act from being put into effect. It was passed last September. A budget estimate was never sent to the House. It was finally sent to the other body last month after the bill had passed the House. The act is a new program and would not go into effect until April, and we directed that the Coast Guard go ahead and spend $100,000 of their present operating money to get it started and come back in January for another review. Of course, that action was taken not with any idea of killing the gentleman's act but to get it into operation for you. That was the intention of the conferees, and I think that is about what the gentleman wanted.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I am delighted to yield to my friend.

Mr. BONNER. It is a fact that you cannot get this to operate unless you set up the operating machinery.

Mr. THOMAS. There is $100,000 for it to get operating so far as the Federal Government is concerned. So far as what the States do, the Federal Government cannot tell the States what they can or cannot do.

Mr. BONNER. The States have nothing to do with the funds that were requested. It was requested to put this in operation.

Mr. THOMAS. But there is $100,000 they can use in there.

Mr. BONNER. That $100,000 must come from moneys that are now requested for the operation of the Coast Guard.

Mr. THOMAS. For "Operating expenses." It is as broad as a barn door. They could do anything on earth they want with it under this act, and when it is gone they can come back and ask for more.

Mr. BONNER. Would the gentleman want the Coast Guard to set up a new agency in their department, spend this $100,000, and then have to get rid of the agency?

Mr. THOMAS. Why should they do that? They will not have to get rid of it.

Mr. BONNER. It is difficult to talk to the gentleman because I do not think he understands what has really got to be done in this matter.

Mr. THOMAS. They register boats.

Mr. BONNER. The Coast Guard has to number boats in those States where the State does not take charge of the registration. And unless these funds are provided you will have in certain areas boats running around with no registration or number whatsoever.

Mr. THOMAS. That is entirely possible under your act; you can certainly have some of them registered by the State and some by the Federal Government; but we are not criticizing the act, we are going to try to implement it for you and get it started; and this will do it. There is not the slightest disposition to do anything to hinder the operation of the act.

Mr. BONNER. The amount of money there was originally requested in the Senate. They will need $800,000 to operate this.

Mr. THOMAS. We understand the gentleman's position.

Mr. BONNER. I agree with the gentleman from Iowa [Mr. JENSEN]. I can understand your position.

Mr. THOMAS. I wonder if the gentleman will let me explain the conference report? Then if he wants a few minutes we will give the time to him.

Mr. BONNER. I thank the gentleman.

Mr. DINGELL. Will the gentleman also yield to me at that time?

Mr. THOMAS. I yield to the gentleman now, if he so desires.

Mr. DINGELL. Only to say that the committee is meeting soon and will go over this matter and will see to it that the Coast Guard is provided with funds for personnel.

CALL OF THE HOUSE

Mr. BONNER. Mr. Speaker, I make the point of order that a quorum is not present. This is the first time since I have been in Congress that I have made such a motion.

The SPEAKER. The gentleman from North Carolina makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 138]

Alford	Holifield	Rivers, S.C.
Ashley	Horan	Rooney
Ayres	Jackson	Shelley
Barden	Johnson, Colo.	Sheppard
Blitch	Kilburn	Simpson, Pa.
Bolton	Kilday	Smith, Calif.
Boykin	McSween	Spence
Canfield	Martin	Steed
Collier	Mason	Teller
Dawson	Merrow	Thompson, La.
Dooley	Miller, N.Y.	Udall
Elliott	Minshall	Van Pelt
Farbstein	Morgan	Wainwright
Flynt	Morrison	Westland
Gray	Moulder	Wharton
Hall	Osmers	Williams
Halleck	Pilcher	Zelenko
Hays	Powell	

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATION BILL, 1960

Mr. THOMAS. Mr. Speaker, let me briefly explain this conference report which is the last supplemental appropriation bill for the year, and I know the House is anxious to hear that, too. When this bill left the House, it carried about $609 million. That was a reduction of about $256 million under the budget estimates. When it went to the other body, the other body added some 35 or 38 amendments, which totaled over and above the House figure to the extent of about $466 million. When we went into conference, there were 72 items in disagreement. We bring back to you a conference report on which there are 15 technical points of disagreement. However, Mr. Speaker, in truth and in fact, there is not a single item in disagreement. We cut down the Senate figure by about $99 million. But, in fairness, it should be stated that of that $466 million increase over the House figure, there is one item of $280 million to set up the Central and South American Bank. So with that explanation, I submit the other body did not do too badly. But even at that, it was trimmed down about $99 million in conference, but the entire $280 million was supplied for the bank. The Treasury thought it was absolutely necessary and the State Department apparently joined with them on it for good will purposes.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. GROSS. The gentleman is now speaking of the new Inter-American Bank?

Mr. THOMAS. Yes.

Mr. GROSS. For which you provide in this bill $280 million?

Mr. THOMAS. Yes.

Mr. GROSS. $50 million of that is for soft loans which are the same as development loans—loans that are never designed to be collected. I find this language on page 20, dealing with the appropriation for this bank:

Provided, That this paragraph shall become effective only upon enactment into law during the first session of the Eighty-sixth Congress of H.R. 7072 or similar legislation.

In other words, the appropriation committee has provided $280 million to finance an international lending agency that was never needed because we have them all over the lot here in Washington. You not only provided $280 million, but you approved the money even before the legislation enacted by the Congress was signed into law.

Mr. THOMAS. No; may I say to my distinguished friend, the law has been enacted and that is the reason the money was held off until the last minute.

Mr. GROSS. Then why is this language in the bill?

Mr. THOMAS. It has been stricken.

Mr. GROSS. I beg the gentleman's pardon.

Mr. THOMAS. It has been stricken by the conference committee because the authorizing act has been signed into law since the other body passed this appropriation bill. It is Public Law 86–147.

Mr. GROSS. I am glad to hear that there is one saving thing about this bill, but I still insist the $280 million was agreed to before the law actually became effective.

Mr. THOMAS. The gentleman may be right.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. TEAGUE of Texas. Mr. Speaker, I am very much interested in the appropriation for the National Aeronautics and Space Administration. This is a new agency. Our committee held extended hearings. We came to the conclusion that the gentlemen who appeared before our committee to testify were good, honest Americans who were doing a fine job of preparing their budget. There is no legislative history on this agency. I hoped the gentleman would tell us something about the basis for the cuts. Also because of the fact that this is a new agency and there is no legislative history, and the fact that the research is most difficult to justify, would the gentleman tell us whether or not the agency was told that they might come back and talk with the committee again or whether the committee was convinced that this would be the final appropriation?

Mr. THOMAS. I would say to my friend from Texas I am glad he has made those observations. In the first place, in my humble judgment the committee has given this agency all the

funds it could use or that it justified. The gentleman is right that it came in as a brand-new agency with round figures, about 10,000 employees, and asking about $530 million. Frankly, the big money in the bill was purely and simply for the Space Agency, which has succeeded the old National Advisory Committee on Aeronautics, which had about 9,000 employees.

All that was out for research and development was $33 million, and in conference $16,675,000 was put back. Therefore, as far as research and development are concerned there is a reduction of about $16 million. That is a very trivial amount of money out of $530 million.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield for one further question?

Mr. THOMAS. I yield.

Mr. TEAGUE of Texas. The gentleman from Texas certainly realizes, of course, that this program cannot be on a stop, start, and go basis, but has got to proceed uninterruptedly once it is started. May I ask the gentleman from the Committee on Appropriations whether in their planning, this being a new agency, they could go back to the committee for further consideration?

Mr. THOMAS. I am sure the gentleman knows the rules of the administration. They go to the Bureau of the Budget, and if the Bureau of the Budget sends an estimate up here for a supplemental we are certainly going to look at it; and my guess is that if the Bureau of the Budget would not consider it and they came to the committee that the committee itself would hear them. I do not think that should be considered, however, as a blanket invitation for them to do so.

I am reminded of something our President said the other day. He said he was reluctantly signing the appropriation bill for Health, Education, and Welfare. He said he thought it was tremendously too large, but he was going to sign it anyway. Then he went on to say that maybe in the matter of some items for research the money was too much. And he said this of an agency that was established, 10, 12, or 15 years ago, one of the outstanding agencies of the Government with many well-established health programs. I think maybe those words might have been a little bit too severe, but certainly on the general research proposition we ought not to force these new agencies to go beyond their capability, because the result of it is pure and simple waste. I hope this program is operated with vigor and vitality. But I think we have not been unfair in the cut we have made. We know that their program is bound to be changed by 40 percent before they go very far.

Mr. TEAGUE of Texas. One further observation, if the gentleman will permit. The gentleman is aware that this money has been approved by the Bureau of the Budget and was in the President's budget.

Mr. THOMAS. That is true. Now I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. In the matter of research and development, I believe the gentleman said the total cut was $16 million or $16,500,000. Under Public Law 12 of the 86th Congress for the fiscal year 1959 the authorization was $20,750,000. It was cut to $16,675,000 by the conference report. On the 1960 authorization for $333,070,000 the conference report allows $318,675,000. The total in the bill for research and development is $335,350,000. This is $18,470,000 less than the total authorizations for 1959 and 1960.

Mr. THOMAS. I think that is about right.

Now I yield to the gentleman from Iowa [Mr. JENSEN], a member of the committee.

Mr. JENSEN. I just want to say that if this bill had called for half a billion, a billion, or a billion and a half for this Space Agency and the conferees had reduced that figure by $20 million or $30 million you could bet your life some Member of Congress would have stood on the floor and asked, "How did you do it?"

This goes on constantly. We on the Appropriations Committee, especially the House committee, do our level best to try to stop waste in every agency, commission, and part of the Government; and who can say that the amount of money provided in this bill is not sufficient for the Space Agency? Who can say it is not twice too much for the Space Agency? I am getting just a little bit provoked at some of the performances we see here on the floor when we in hearings before the Committee on Appropriations for weeks and weeks have been doing our level best to have a meeting of the minds and to appropriate what we feel deep down in our hearts is adequate for every agency of Government, then come to the floor of the House and have someone talk tweedledee and tweedledum when no one is sure whether it is enough or away too much. Three hundred and some million dollars is not hay. If this Agency, young as it is, cannot operate to the fullest extent and in a very efficient manner with that amount of money, there is something wrong with the Agency.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Mr. Speaker, I am certain that members of our committee appreciate the high type of service which the Subcommittee on Appropriations handling this matter has given, but I know that our committee has put in 300 hours this year in hearings on this particular business. It so happens that my colleague, the gentleman from Texas [Mr. TEAGUE], was chairman of the subcommittee that handled this research and development program. I hope the chairman and the committee generally will maintain an open mind if this Agency comes back and really needs the money, and it will cripple the program if they do not have the money, that your committee will reopen the matter and give them a chance to show that they do need additional money.

Mr. THOMAS. We will cooperate with the gentleman and with members of the committee.

Mr. BROOKS of Louisiana. Amendment No. 11 reported in disagreement, and Amendment No. 18 reported in disagreement, I do not believe the gentleman has explained.

Mr. THOMAS. It will be recalled that Amendment No. 11 was stricken out in the House on a point of order. The committee, in order to help the legislative committee in its effort, turned around and offered an amendment, and we tucked it in for the 1960 program. No. 11 dealt with 1959 money. No. 18 is about the same. It inserts money for construction and equipment which went out on a point of order.

Does that answer the question?

Mr. BROOKS of Louisiana. Yes.

Mr. THOMAS. And the other body restored the 1959 money.

Mr. FULTON. That is correct.

Mr. BROOKS of Louisiana. To some extent it does, but it represents the loss of a certain percentage there of the original authorization.

Mr. THOMAS. You have to take 11 and 16 together, and what it does is restore 50 percent of the House cut.

Mr. BROOKS of Louisiana. Then it is a 50 percent loss in the authorization.

Mr. THOMAS. It was 50 percent of the cut, and it adds up to a loss of $17 million.

Mr. BROOKS of Louisiana. Mr. Chairman, I feel I must make very clear to my colleagues of the Appropriations Committee how I feel about the actions taken on the appropriations for the National Aeronautics and Space Administration. I am confident that I express the thoughts of the members of the Committee on Science and Astronautics, too.

Fundamentally, I am very conscious that the committee of which I am chairman wants to cooperate fully with our colleagues on the Appropriations Committee. We all work together toward a common goal—the most conscientious discharge of our responsibilities to the Congress and to the Nation. We weigh the needs of agencies of Government, and the limited finances which can be provided must be distributed to the most important uses and highest priorities of our Nation. You will understand therefore that the remarks I make are suggestions, offered in a spirit of cooperation, and collaboration, and not intended to fight the decision the Appropriations Committee has reached after its own earnest deliberations.

The record should show that both committees, the Science and Astronautics Committee and the Appropriations Committee, have been diligent, hard working, and thorough in their review and study of the needs of the National Aeronautics and Space Administration. In the case of my committee, our members held some 300 hours of hearings largely on the problems of outer space and the NASA itself. We put in many weeks of study. Not only did the full committee conduct such hearings, but our study of proposed NASA authorizations was assigned to individual sub-

committees as well, and to the staff. As a result of these extensive and intensive studies, and the building of a voluminous record of testimony and documentation, this committee came forth with a series of unanimous recommendations. These recommendations were supported by the subcommittees, and they were supported by the full committee, and they were reported out to the House, which then enacted these recommendations in the authorization bill.

Let me also remind my colleagues that the National Aeronautics and Space Administration did not find our committee an easy pushover for whatever sums they wanted. Searching questions were asked, and justifications were demanded. In the end, this committee somewhat reluctantly even cut one important budget request on the grounds that specific sums were sought for work at a site not yet selected for construction. This cut was made even though we knew the NASA would have to come back just as soon as a site for this work had been picked, because the purpose was so essential to our further progress in outer space development.

There are two specific kinds of cuts which the Appropriations Committee is supporting which I believe deserve some further discussion. I do so not in the spirit of derogation of their efforts, but rather to reflect the earnest work and results of the study and thinking by my committee. One of these relates to research and development; the other relates to personnel.

Outer space research is a new field. It is one where new discoveries in nature and new breakthroughs in inventions are coming every month. Things are changing so fast that it is extremely difficult to predict even a year in advance what needs will be. We came away from our hearings and studies convinced that the scientists and engineers of the NASA had made the best estimates possible in a very difficult situation. Indeed, many of our committee members wondered whether the NASA really had asked for enough support from the Congress in budget requests. I will say this: When so much is at stake, if there is a zone of uncertainty, I would rather err a little on the side of overprovision. We do not know what new shocks lie in the months ahead, considered the momentum of the Soviet program. I do not want us to be "too little, too late." To be realistic, we must regard the work of NASA as having all the urgency of the efforts of the Department of Defense. The battleground is partly in the political and psychological arena; but it is also in the area of providing the technological base for the critical weapons of tomorrow—including antimissile systems of defense. I am sure I reflect the sorrow of my colleague the gentleman from Texas [Mr. TEAGUE], chairman of our Subcommittee on Research and Development, who worked so diligently to insure a full and adequate program of research and development for NASA, to find that others have not agreed with this judgment based on such long study.

The personnel situation of NASA also deserves some specific mention. I think it is most important to recognize that something like eight-ninths of the total personnel of NASA came on transfer from the abolished NACA, the predecessor agency which built a long record of accomplishment in aeronautical research. We are not at the end of aeronautical development, and the work these people do in that field must go on. What this means is that in actuality, only a thousand or so people have been added to NASA who are truly newly available in the program whose goal should be to insure United States supremacy in space capabilities. It is in the light of this small number that the modest requests of NASA for higher personnel ceilings should be viewed.

So, as I have indicated throughout this discussion, I express full understanding and sympathy for the difficult job the Appropriations Committee must undertake, and I am sure the decisions they have reached are based upon the most conscientious efforts. But I also hope that the Appropriations Committee will afford equal respect to the painstaking efforts of the authorizing committee to consider the needs of the national space program in the broadest context. We want to work with you. We hope the solid record of study which we have provided and can provide in the future will help you in your deliberations.

I also hope that the Appropriations Committee will view with an open mind the further requests of the National Aeronautics and Space Administration when it comes in for a supplemental appropriation for fiscal year 1960. It is almost certain that it will have to do so. In view of the cuts being made now, presumably based upon the inability of anyone to predict exact needs in a rapidly changing field, we can expect a fresh list of requests within a few months. And I would not be surprised if these requests had to be made higher than those we have already considered, particularly if any new breakthroughs appear. When such requests come, I pledge the careful consideration of them with proper scrutiny by the Committee on Science and Astronautics. I hope the Committee on Appropriations will undertake a similar effort in the common national interest.

I appreciate the fine statement of my colleague from Texas [Mr. THOMAS], chairman of the Subcommittee on Appropriations, that he and his subcommittee will keep an open mind on the needs of NASA in the event that NASA comes back to us on the Hill showing it is hurt by these cuts. I know we all appreciate his fine statement that these people will get a fair and sympathetic opportunity to show their full needs and, if the case is made, will get the money.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Michigan.

Mr. FORD. Amendments Nos. 17 and 21 are approximately the same and involve language which the House put in the appropriation bill. The language of amendment No. 17 reads as follows:

> That no part of the foregoing appropriation shall be available for other items of a capital nature which exceed $250,000 until 14 days have elapsed after notification as required by law to the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate.

What did the conferees do with that language in amendment No. 17 and amendment No. 21?

Mr. THOMAS. May I say to my longtime friend that he is familiar with that. That is the weakest thing in the whole bill. That is the 2-week notice matter. The original committee language that put some stability in it should have stayed in, but it was stricken out on a point of order. I will be very frank and say it was suggested in conference that the original House language, the sensible language, language that puts fiscal responsibility in the Agency, should be reinserted, but we said no, not at this time, we will consider it next year. So the other body receded on their own motion.

Mr. FORD. May I say to the gentleman from Texas that I have felt consistently we have tried to hamstring this Agency with a lot of duplication and reports they had to submit.

Mr. THOMAS. I know my good friend is one of the ablest men, young, old, or middle age, in this House. You are not going to hamstring any agency when you give them a blank check to spend any amount of money, and that is what we did, on merely notifying the committee that they were going to spend it.

Mr. FORD. My good friend from Texas will realize that although this language requires simple notification for a ridiculously short period of time, there are changes in basic law which requires specific authorization every year. This is only an added problem for the Agency to overcome and, personally, I am opposed to this language or to the necessity for an annual authorization.

Mr. THOMAS. Mr. Speaker, I now yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. I would like to address myself very briefly to amendment No. 70. The Coast Guard asked for $800,000 to implement the small-boat bill which the Congress passed last year. That program had not been worked out when the bill was under consideration by the House subcommittee, and therefore the $800,000 was added in the Senate.

Now, I know the subcommittee of the House insisted on the deletion of this item because they felt the new program should be reviewed by the House committee, and I think in that particular the committee was absolutely correct. There is this situation, however. The law requires that these small boats be numbered by April 1 of next year. It will be absolutely impossible to carry out that law unless this $800,000 is appropriated at this time.

It is my understanding that the legislative committee is not going to request that this conference report be sent back

to conference, but it will be necessary for them to secure the passage of a joint resolution to postpone the effective date of that provision of the small-boat law between now and the time the Congress adjourns, because the new law rescinds the law under which small boats are presently numbered. Therefore, if the Coast Guard cannot make the new law effective by April 1, we will have chaos because the boats will be without any numbers at all.

I am advised by the chairman of the legislative committee that he is going to ask that the date of April 1 be changed. I hope that this appropriation can be handled immediately after the next session of the Congress convenes, the first thing in January. Even if it is done at that time, however, it will still be necessary to move back this effective date of the numbering provision of the new law.

Mr. THOMAS. May I make this observation. In the first place, we are going to cooperate with our distinguished friend from North Carolina and our distinguished friend from Virginia who handles the money for the Coast Guard. There is no disposition to hamstring or slow down or anything else. Come January, if you need more than this $100,000, we will cooperate with you.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. BONNER. I merely want to take this time to ascertain, if I can, what would be the additional time that would be necessary to set back the effective date of the Boating Act so that we would then have the money available?

Mr. GARY. Well, I think the Coast Guard itself would have to supply that information. The Coast Guard has taken very wise action in this matter. Under the boat law these boats have to be numbered either by the States or by the Federal Government. They do not know how many States are going to take advantage of the new law and, therefore, they do not want to set up a huge organization here in Washington for numbering these boats and then have to dissolve that organization as the States take over. Consequently, they are handling this entire program on a contract basis. They have arranged with the Post Office Department to handle the applications for the numbers. Then they have contracted with one of the electronic machine companies to process these applications. In that way it will not be necessary for the Coast Guard to build up a large organization, and they can gradually drop out of the scene as the States take over the numbering process. Remember, also, this program will bring into the Treasury more money than is spent.

Mr. BONNER. I might say to the gentleman that I have talked to the leadership of the House, and it is the intention of the chairman of the Committee on Merchant Marine and Fisheries to ask for a House joint resolution so that we can change this date to meet this situation. I realize the responsibility and the great task that my friend from Texas and the gentleman from Iowa have with a bill like this, so therefore I hope that when the House joint resolution comes in, I will have your full cooperation.

Mr. THOMAS. We will cooperate with you.

Mr. Speaker, I now yield to the gentlewoman from Oregon [Mrs. GREEN].

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, I want to say to the gentleman who is now in the well of the House that I should hope the gentleman will suggest that they do not again bypass the House. The authorizing bill for this purpose was passed by the Congress last August. They had plenty of time to come to the House Committee on Appropriations of which the gentleman himself is a member, but they did not choose to do that, as many other agencies of the Government do not choose to come before our committee with their requests for supplementals. They go to the other body. They bypass us completely. As I said a little while ago we are beginning to get sick of it, as the gentleman knows, as I have heard him speak on the same subject.

Mr. GARY. Mr. Speaker, I agree with the gentleman thoroughly, except in this case I do not believe there was any attempt, certainly not any deliberate attempt, to bypass the House. But the program had not been worked out until after the bill had passed the House.

Mr. JENSEN. They all say that; every agency of the Government says that.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, there are several items in this bill I should like to mention. I notice $100,000 for the NATO Parliamentary Conference. That is one of those newly organized international outfits that started out with a few thousand dollars and is now up to $100,000.

Then I notice $3,000, not for the Secretary of the Interparliamentary Union but the Secretariat. Apparently world language is now being adopted in appropriation bills.

I notice $1,500,000 increase for the State Department building program. I wonder if, among other things, that is to be used to take care of the new dining room, the $265,000 dining room.

Mr. THOMAS. Mr. Speaker, my friend is carrying me along a little too fast. Let us take these up one at a time.

Mr. GROSS. Fine.

Mr. THOMAS. The gentleman is right. The gentlemen of the other body and gentlemen on the floor here were in favor of this. Whether it is worth the money or not I am not in a position to say, but a good many Members think it is. They wanted $100,000. We gave it a rather severe cut of $20,000. I hope they get along with it. Now, with reference to the State Department building, I believe it was a half a million dollars increase?

Mr. GROSS. No, $1½ million.

Mr. THOMAS. No. They wanted $5 million. We cut it half in two and the other body put it up to $3.5 million. We split the difference and gave $3 million. We hope this is sufficient to complete the building. I hope it is, and the gentleman does, too, I know.

Mr. GROSS. In view of these increased appropriations and the purposes for which the money is to be spent, I want the RECORD to show clearly that I am opposed to this bill.

Mr. THOMAS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 18, insert:

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and Expenses,' to be allocated for expenses necessary to discharge such civil defense and defense mobilization functions performed by other Federal agencies as may be designated by the Office of Civil and Defense Mobilization, $3,650,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$3,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 7, insert:

"ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

"Salaries and expenses

"Funds available under this heading shall remain available until June 30, 1961."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 5, line 2, insert the following:

"For an additional amount for 'Research and Development', as authorized by Public Law 86–12, $20,750,000, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$16,675,000."

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the distinguished gentleman.

Mr. FULTON. That is a cut of about $4 million, is it not, from the $30 million authorized previously?

Mr. THOMAS. No. This deals with an item that was stricken. This was for construction in 1959. It is a separate item.

Mr. FULTON. I thank the gentleman.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 6, line 5, insert "For an additional amount of 'Construction and equipment', as authorized by Public Law 86–12, $24,250,000, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$21,825,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 9, line 6, insert:

"ACCESS ROADS

"For acquiring by condemnation or otherwise additional roads needed for access to national-forest lands in carrying out the act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $5,000,000 to remain available until expended."

Mr. THOMAS. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,000,000."

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. McINTIRE. Mr. Speaker, the supplemental appropriation bill, 1960, as approved by the other body contained an appropriation of $22 million to the Forest Service, Department of Agriculture. These funds were to provide funds in 1960 to implement the national forest program prepared after long and careful study. This is an essential program if we are to fully prepare for forest, water, and recreational needs of the future especially as related to national forests.

I regret that the conferees have cut this figure so drastically. I think it especially unfortunate that forest research funds have been cut from $4,500,000 to $500,000.

I sincerely express the hope that this program will be fully implemented by adequate funds in appropriations for fiscal 1961.

This program has had full hearings and approval by the House and Senate Committees on Agriculture and Forestry.

It should have full support of the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 10, line 5, insert:

"BUSINESS AND DEFENSE SERVICES ADMINISTRATION

"Salaries and expenses

"For an additional amount for 'Salaries and expenses', $200,000, to be derived by transfer from the appropriation for '1958 Censuses of Business, Manufacturers, and Mineral Industries' for fiscal year 1960: *Provided*, That during the current fiscal year the Bureau of the Census may collect statistics relating to the textile industry upon the request of the Business and Defense Services Administration."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$175,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 10, line 15, insert:

"NATIONAL BUREAU OF STANDARDS

"Plant and facilities

"For an additional amount for 'Plant and facilities', including purchase and improvement of a radio propagation field site, without regard to the monetary limitation in the Act of September 2, 1958 (15 U.S.C. 278d), acquisition of rights-of-way and construction of necessary access roads, and expenses of relocating equipment to such site, $500,000, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 32, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$425,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: Page 11, line 1, insert:

"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

"Department of the Army

"Rivers and Harbors and Flood Control Construction, General

"For 'Construction, general', an additional amount of $200,000, to remain available until expended, for Fort Randall Reservoir, South Dakota, to complete riprap protection of the Saint Joseph Indian School property located along the pool."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

"Department of the Army

"Rivers and Harbors and Flood Control Construction, General

"Not to exceed $180,000 of the funds heretofore provided under this heading shall be available to complete riprap protection of the Saint Joseph Indian School property located along the Fort Randall Reservoir, South Dakota pool."

The motion was agreed to.

The SPEAKER. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 12, line 16, insert:

"ASSISTANCE TO STATES, GENERAL

"For an additional amount for 'Assistance to States, general', $2,026,000; and the purposes for which appropriations under this head are available during the fiscal year 1960 shall include traineeships pursuant to section 306 of the Public Health Service Act, as amended."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 39, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$2,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 13, line 5, insert:

"HOSPITALS AND MENTAL CARE

"For an additional amount for 'Hospitals and medical care', $6,089,500; and the purposes for which appropriations under this head are available during the fiscal year 1960 shall include traineeships pursuant to section 307 of the Public Health Service Act, as amended."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 41, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$6,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 15, line 8, insert:

"SUPREME COURT OF THE UNITED STATES

"Miscellaneous expenses

"Not more than $5,000 of the appropriation under this head in the Judiciary Appropriation Act, 1959, shall remain available for obligation during the fiscal year 1960 for the purchase of a portrait of the late Chief Justice Vinson as provided for by Public Law 85–20, approved April 20, 1957."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 52, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 54: Page 15, line 20, insert:

"DEPARTMENT OF JUSTICE

"Bureau of Prisons

"Salaries and Expenses

"There may be transferred from the appropriation to the Department of Defense for 'Operation and maintenance, Army,' fiscal year 1960, an amount, to be determined by the Bureau of the Budget, but not to exceed $1,500,000, to the appropriation for the current fiscal year for 'Salaries and expenses, Bureau of Prisons'."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 54, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$750,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: Page 16, line 21, insert:

"NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE FOR 1959

"For salaries and expenses necessary for the annual meeting of the North Atlantic Treaty Parliamentary Conference for 1959 to be held in Washington, District of Columbia, as authorized by section 604 of the Mutual Security Act of 1959, $100,000, to be disbursed by the Secretary of the Senate, who hereby is authorized to advance to the Chairman of the Senate delegation such sums within the appropriation as may be necessary to defray incidental expenses, sums so advanced to be accounted for in the same manner as provided by law for Senate committees."

Mr. THOMAS. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 60, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"HOUSE OF REPRESENTATIVES

"North Atlantic Treaty Parliamentary Conference for 1959

"For salaries and expenses necessary for the annual meeting of the North Atlantic Treaty Parliamentary Conference for 1959 to be held in Washington, District of Columbia, as authorized by section 702 of the Mutual Security Act of 1959, $80,000, to be disbursed by the Clerk of the House."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 9, insert:

"ADMINISTRATIVE PROVISIONS

"The Secretary of the Senate may hereafter fix the compensation of the assistant parliamentarian, the legislative clerk, and the journal clerk at not to exceed $7,620 basic per annum each.

"(a) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f), is amended to read as follows: *"Provided further,* That no salary shall be fixed under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate of not more than $8,040 per annum, (2) the salary of one employee may be fixed at a basic rate of not more than $8,460 per annum, and (3) the salary of one employee may be fixed at a basic rate of not more than $8,880 per annum.

"(b) Such paragraph is further amended by adding at the end thereof a new sentence as follows: 'A Senator may establish such titles for positions in his office as he may desire to designate, by written notification to the disbursing office of the Senate.'

"(c) The first paragraph under the heading 'Administrative Provisions' in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 60f–1) is repealed."

Mr. THOMAS. Mr. Speaker, I move that the House concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 61, and concur therein with an amendment, as follows: Change line 1 of said amendment to read as follows:

"ADMINISTRATIVE PROVISIONS—SENATE"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 17, line 4, insert:

"CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

"For an additional amount for 'Contributions to international organizations' for the expenses of the Secretariat of the Interparliamentary Union, $3,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The motion to reconsider the votes to which action was taken on the several motions was laid on the table.

EXTENSION AND AMENDMENT OF PUBLIC LAW 480

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 346 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may use; and at the conclusion of my remarks I will yield to the gentleman from Illinois [Mr. ALLEN] 30 minutes.

Mr. Speaker, House Resolution 346 makes in order the consideration of H.R. 8609, which would amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) as amended, by extending the authorities of titles I and II, and adding the program of disposals through barter, and for other purposes. The resolution provides for an open rule and 2 hours of general debate.

Public Law 480 provides the legal basis for disposal abroad of U.S. agricultural surpluses other than those sold for cash and those financed (essentially on a grant basis) under the mutual security program.

Title I authorizes the sale of surplus agricultural commodities into export for the local currency of the purchasing country and stipulates the uses to which such local currencies may be put, pursuant to agreements with the recipient countries entered into by the President.

Title II of the act authorizes donations of surplus agricultural commodities on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements.

Title III authorizes principally the barter of surplus agricultural commodities for strategic and other materials of value to the United States.

Mr. Speaker, during the consideration of this bill by the Committee on Rules the chairman of the Committee on Agriculture neglected to ask that points of order against the bill be waived. This is an open rule that provides for 2 hours of debate. It will be recalled that a similar situation happened last year, points of order were raised against the bill; the bill went back to the Rules Committee and a new rule had to be reported.

There are many instances in the bill made in order by this rule where points of order would lie, for instance, section 1, section 12, and section 15 would be subject to points of order.

Mr. Speaker, on behalf of the Committee on Rules, I offer an amendment waiving points of order.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: Page 1, line 8, after "purposes" strike out the period, insert a comma, and the following: "and all points of order against said bill are hereby waived."

The amendment was agreed to.

Mr. O'NEILL. As I have said, this is an open rule. I believe some amendments will be offered from the floor. I believe the gentleman from Texas will offer an amendment providing that all of the surplus must be shipped out of American ports. Personally, I am in agreement with the amendment.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Illinois.

Mr. YATES. The effect of that amendment, however, if carried, would be to deprive all of the inland ports on the Great Lakes from participating in this program?

Mr. O'NEILL. No; I think the gentleman is wrong as far as the amendment is concerned.

Mr. YATES. As I understand it, this amendment will read that shipments are to be made exclusively from American ports. The effect of such a provision will be to prevent shipments from Chicago, Cleveland, and the inland cities which travel up the Great Lakes through the St. Lawrence Seaway now for additional loading at Montreal from being able to use those ports. I am quite sure I am exactly right in connection with this point.

Mr. O'NEILL. That is not the way the gentleman from Texas [Mr. CASEY] explained it.

Mr. CASEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. CASEY. This language will not interfere with the Great Lakes ports. The grain shipments through the Great Lakes ports have increased over last year. Here is the reason for my proposing this amendment: You probably know of an order of the Department of Agriculture made on the 27th of July that effective September 1, this coming September 1, inspectors, grain inspectors of the Department of Agriculture, will be put in Montreal. To you who are interested in the Great Lakes ports, and I am just as interested in the Great Lakes ports as I am in any other American port, let me say the only reason right now that you cannot have the larger ocean-going vessels come into your ports is because you have not gotten all of the bugs out of the St. Lawrence Seaway. You do not have some of your docks in adequate condition. You are soon going to have them, I do not know when, but you are going to have them because you are interested, and the Members of Congress are interested in seeing that your ports are developed to their fullest extent. But if you allow Montreal to become the marshaling point for grain, and they are building big elevators for this purpose, you are going to find that the horse is out of the barn, they have built a new stable, and you are never going to get it back.

Mr. YATES. Until the bugs are cleared out of the St. Lawrence Seaway, however, will not the gentleman's amendment have the effect that I declared it would have? Certainly at that time in the future as the bugs are cleared from the St. Lawrence Seaway, the gentleman can offer his amendment, an amendment which would require shipping from American ports. However, until this is done the inland ports which must still transship through Montreal will be very hard hit from the effect of the gentleman's amendment. It would effectively prevent lake cities—anybody who uses the St. Lawrence Seaway now—from participating in this program.

Mr. CASEY. I have a statement from the Department of Agriculture made before the Committee on Merchant Marine and Fisheries in which it was stated there are now some direct shipments from the Great Lakes ports in some of the smaller ships. I am telling you, and you can mark it down, that your Great Lakes storage warehouses and ports are going to suffer if they continue to lean over backwards for Montreal where they can build large storage facilities and everyone have an inspection service. You are not going to have the ships making the longer trip through the Seaway to pick up your grain. They are not going to do it. You know every ocean vessel that calls at your ports buys supplies and spends about $80,000 per ship in the port. That will all go to Montreal, you will find, and you will find your dockworkers and your business in general suffering from that. These primarily are foreign ships.

Mr. O'NEILL. You gentlemen can go on with your discussion in general debate.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question comes up why does not the sponsor of the amendment put in the reservation suggested by the gentleman from Illinois [Mr. YATES]? Why not put that restriction in so that we do not get into the problem of the rest of us of voting against the Great Lakes ports because there is no restriction on that?

Second, has this been cleared with the State Department, because we may slap our neighbors to the north with the back of our hand. I think there are international implications. How does the administration stand on that?

Mr. O'NEILL. The gentleman from Texas [Mr. CASEY] will answer that after the rule is adopted.

I have been asked if there would be an amendment with regard to whether 50 percent of American shipping would be used for this purpose, and it was reported before our committee that it is in the basic law. I know another amendment is going to be offered to strike out the barter section of the bill. Personally, after reading and studying this bill, I am opposed to the barter provisions of H.R. 8609.

These provisions at least delegate—in my opinion they abdicate—to the executive branch, particularly to the Secretary of Agriculture, important responsibilities of Congress.

If we approve these mandatory barter provisions, and make no mistake they are mandatory, we rewrite our rules for we grant to the Department of Agriculture and the Committees on Agriculture authority and responsibilities now lodged with the House Committee on Appropriations and its subcommittees, with the Committees on Armed Services and with the Joint Committee on Atomic Energy.

The pending measure requires the Secretary of Agriculture to use $350 million worth of Government property obtained under programs within the jurisdiction of the Committee on Agriculture, to carry out programs which should be considered, authorized, and supervised by other standing committees. The pending measure does not require that these programs be considered, authorized, and supervised by the appropriate standing committees.

Mr. Speaker, the pending measure does not require that the use of any portion of this $350 million be authorized in appropriations acts or in acts within the jurisdiction of the Committee on Armed Services or the Joint Committee on Atomic Energy.

Mr. YATES. Mr. Speaker, will the gentleman yield at that point?

Mr. O'NEILL. I yield.

Mr. YATES. I agree with the gentleman's views on the barter provisions. I have one further question. In the event that this bill is voted down could the agricultural surpluses, which may be disposed of in accordance with the procedures set up in this bill, be distributed comparably under the foreign-aid program?

Mr. O'NEILL. You mean, under the present public law?

Mr. YATES. Under the foreign-aid program, yes. Cannot the surpluses be distributed to the needy peoples of the world through the foreign-aid program if this bill is voted down?

Mr. O'NEILL. I would say yes. My answer to that would be in the affirmative, section 402 of the Mutual Security Act.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Essentially the barter program concerns the disposal of surplus commodities to a foreign nation in exchange for strategic material and equipment necessary for the national stockpile. I agree with the stand of the gentleman from Massachusetts in respect to the barter program, because there is not a question of a doubt that the national stockpile now has reached its objective, its maximum objective, and away beyond its maximum objective as concerns practically every strategic material, with the exception, I think, of asbestos. I think it is absolutely a waste of the American taxpayers' money. We are only compounding an evil which was started some years ago in adding to to the stockpile. The stockpile is now

loaded. All of this critical and strategic material is running out of our ears, and one of the big reasons for it is this particular barter program. I think we ought to stop it, and I think the amendment which the gentleman from Massachusetts supports will do precisely that.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentlewoman from New York.

Mrs. KELLY. In answer to the question of the gentleman from Illinois [Mr. YATES] I would like to state that under section 402 of the Mutual Security Act we are able to give, loan, or sell agricultural surpluses to foreign nations. It is included in the mutual security program. I would also like to compliment the gentleman from Massachusetts on his statement on the barter provision whereby too much ores and minerals material under this act is being stockpiled. We are already overstocked with those minerals, and I hope that that section will be stricken from this bill. At present time we are importing into the United States under Public Law 480 minerals and ores which are in excess of maximum objectives. In brief, we are bringing into the United States under barter arrangements minerals and ores which are already literally coming out of our ears. We are giving agricultural products in return for minerals and ores we no longer need under the stockpiling program.

Mr. O'NEILL. Mr. Speaker, I believe that the members of these committees will, as they study the effects of sections 1, 12, and 15 of the pending measure, agree with me that the Commodity Credit Corporation, encumbered as it already is managing billions of dollars of Government property, should not be appointed purchasing agent for other Government departments.

To suggest that this price stabilizing corporation, created to carry out price-support programs for agriculture, should be a purchasing agent in fields outside of agriculture, is on the surface, an implausible suggestion. The suggestion that these purchases, totaling $350 million be made on a purely negotiated basis in areas where that agency's personnel is admittedly inexperienced, is unthinkable.

I am impressed with the Department of Agriculture's position on the barter proposals of the pending measure. I am particularly impressed with the observation attributed to a Department official at page 55 of the committee's report on the pending measure. This observation is as follows:

> The reason your committee had no complaints concerning the operations of the barter program then was because no one suffered except the taxpayer and he didn't know what was going on. * * *
>
> If I may speak very frankly, gentlemen, the Congress gave the minerals importers a blank appropriation account and guaranteed them complete immunity of any price-depressing effect on their cash market. This, in simple unvarnished terms, is what unrestricted barter means when it is stripped of all the romantic and exotic propaganda about trading something we have in surplus for something of lasting value.

Congress, in my opinion, should not grant additional barter authority to the Department of Agriculture and require that this unwarranted authority be exercised.

Except for limited purposes we should not encourage barter transactions by this Government or by any Government agency. Under Government barter programs materials received by us go into a stockpile and are there locked up. There these locked up materials are removed from the available world supply. To release these materials requires congressional approval. And when congressional approval is sought, I suspect that to the extent a free world market in these materials exists, the dollar value of these materials will decrease. I therefore question the validity of the observation that materials received by us for barter transactions increase in value while these materials are held locked up in our stockpile.

For these reasons I will vote to strike the barter provisions from the pending measure.

I expect an amendment will be offered by one of the gentlemen who appeared before the Committee on Rules the gentleman from Iowa [Mr. HOEVEN] to strike out the barter provision. I concur in the minority amendment. In any event, I hope the rule is adopted.

Mr. Speaker, at this time I yield to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, it is my understanding that there are many Members who are opposed to several provisions in this bill. An amendment will be offered to attempt to correct the bill. As far as I know, there is no one who is opposed to the rule. I yield back the balance of my time.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8609, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I should like to say at the outset that our Committee on Agriculture reviewed more thoroughly the programs authorized by Public Law 480 on this occasion than on any former occasion. We conducted extensive hearings, mornings and afternoons, for approximately 2 weeks. I think we heard more than 50 witnesses. At the outset of the hearings I stated to those attending that we were conducting the hearings for the purpose of providing everyone an opportunity to present their views and to be heard fully concerning these important programs. I especially invited criticism. I was mindful of the fact that when this bill was presented here a year ago I stated to the House that these programs of such great magnitude have been carried on in a highly satisfactory manner, so much so that I had not received a single complaint from a single source. The complaints that we heard during our hearings were very few. One was to the effect that barter transactions had displaced dollar sales in some parts of the world. I asked for specific information concerning any particular transaction and we were cited only one instance. Then we called upon the officials of the Department, the person administering the program. We were advised that he, himself, had scrutinized and had approved the program or the transaction which was then and there being criticized.

We heard another criticism to the effect that in some of these transactions, our Government had been paying for metals and materials a price that was too high. We inquired into that phase of the matter and we were advised that the prices were not fixed by any one individual in the Department, but were fixed by the stockpile experts of the General Services Administration. So the bill, as presented here, which was adopted in our committee by a vote of 30 to 2 is presented with a minority report because of the barter sections.

I think all Members are familiar with the Agricultural Trade Development and Assistance Act. It first became a law on July 10, 1954, with an authorization of $700 million. That amount has been increased from time to time and the commitments now amount to $6,250 million. Of this authorization, somewhat over $5 billion has been committed in agreements signed to June 30, 1959.

To give you some idea about the popularity of this law, when the vote was taken in 1957, the record indicates on a rollcall vote 345 Members voted for the bill and only 7 voted against the bill.

In 1958, the last time Public Law 480 was extended, there was not a rollcall vote, but on a division, 195 Members voted for the bill and there were 52 "noes."

Mr. Chairman, I do not know what has happened in the last year to bring these programs into disrepute. Certainly, our committee has not been provided with any evidence that would reflect unfavorably upon any person who is responsible for administering these programs. Nor, have we been able to find any evidence which would indicate exhorbitant profits had been made by any of the private businessmen who have been engaged in negotiating and consummating these contracts. Actually, the situation is, perhaps, so complicated that no one can definitely determine what profits have been made. We even asked the representative of the General Accounting Office if he could

follow through on any particular transaction and tell us the amount of profits that had been made by any of the dealers. His answer was that he was not in a position to provide that information. We asked officials of the Department of Agriculture if they could tell us anything about the margin of profits involved. Unfortunately, no one has been able to give us any information.

Mr. Chairman, I shall refer to a report filed by the special stockpile advisory committee, known as the Peltikone committee, and quote some excerpts from this report.

The report, I may say, was submitted by a very distinguished committee and these following Government agencies assisted the committee with presentations or documents: The State Department, the Department of Defense, the Department of the Interior, the Department of Agriculture, the Atomic Energy Commission, the Federal Civil Defense Administration, the General Services Administration, the National Advisory Committee for Aeronautics, the Materials Advisory Board of the National Academy of Science.

And here is an excerpt that I think is pertinent to a consideration of the barter section, and I might say before quoting these excerpts, that under the unlimited barter programs we bartered away in round numbers a billion dollars worth of surplus agricultural commodities which we did not need and did not want, and exchanged those commodities for strategic materials which we did need and which we did want.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. COOLEY. I yield.

Mr. GROSS. Could any part of those strategic materials have been the $265 million worth of cocoanut oil covered in legislation the other day, the purpose of such legislation being to dispose of such oil by dumping it on the American market?

Mr. COOLEY. I am sorry, I do not have before me at the moment a list of the materials for which we have been bartering, but I am quite certain that cocoanut oil is not one of them. There has been no barter for cocoanut oil. I will, during the course of the debate, place in the RECORD a list of strategic materials.

I have been advised that these materials we have acquired by barter are now worth $50 million more than they were at the time we acquired them. The storage cost compares to our surpluses we gave in exchange has decreased by $105 million annually.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. YATES. In the report of the Independent Offices Subcommittee on Appropriations for the fiscal year 1960 this statement is made, and it was substantiated in the hearings as follows:

> The total inventory of raw materials in various Government stockpiles on December 31, 1958, was $8,082,000,000, and of that amount $4,212,000,000 of material is excess to stockpile objectives.

Roughly 50 percent of the material in the stockpile is in excess of the stockpile objectives.

Mr. COOLEY. I am sure the gentleman realizes that our committee had nothing whatever to do with making up the list of strategic materials.

When we extended this law before, we provided clearly that the President should make up the list of strategic materials for which we should barter. We must trust someone, and certainly Congress itself is not prepared to make up a list of strategic materials. I am not prepared to do it, but I assume that the President or the Secretary of Agriculture, acting with the advice and approval of other officials of the administrative branch of Government made up the list.

Mr. YATES. One further observation, if the gentleman will permit: I spoke to the officials of the General Services Administration this morning on the question as to the status of our stockpile. I was told that we were above the maximum objective for every metal in the stockpile except asbestos.

Mr. COOLEY. If we are, then I assume that we will not barter for any further materials. But we contemplate by these barter transactions acquiring not only the things we need in defense, but also certain things in which we are in short supply in our own economy.

This $350 million objective we have in the bill for bartering only takes precedence over title I transactions, and title I transactions are transactions for foreign currencies. We have millions and hundreds of millions of dollars worth of foreign currencies piled up in every part of the earth.

What good is that money to us? We considered this thing and we determined that we would rather have strategic or short-supply materials in this country, in our own country, than have bundles and bales of foreign currency which would ultimately end up in some sort of giveaway program. It is a question. Would you rather have rupees? Or would you rather have diamonds? Would you rather have paper money from Baghdad to Shanghai? It is just that simple. When the Secretary can barter for something that is of value then we want him to do it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. YATES. But are we not actually providing the money? We have to appropriate money to the CCC which does the bartering; we have to appropriate money to reestablish the credit of the CCC.

Mr. COOLEY. We already have the money invested in the commodities; the money has already been spent. We now have $3.5 billions invested in wheat and approximately $9 billion invested in surplus commodities, things we do not need.

Mr. YATES. We do not need the metals either.

Mr. COOLEY. Certainly we do.

Mr. YATES. Not according to GSA.

Mr. COOLEY. If we do not need them, then clearly somebody is guilty of misfeasance or malfeasance in office.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Is not the effect of the proposed amendment to section 303 which begins on page 6 of the bill to enlarge the right and duty of the Secretary of Agriculture and the amount of strategic materials that he may purchase? Under the old law for him to make the purchase he had to find, that is the President had to designate, that they were not being produced domestically in this country? That is the old law, as I understand it.

Now, under the proposed amendment, the Secretary of Agriculture is scot-free to go ahead and trade anything he wants to that is indicated in the Strategic and Critical Materials Stock Piling Act.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, let me read a provision, and it is as plain as it can be:

> SEC. 303. The Secretary shall, unless he determines that any such action is not in the best interest of the United States, barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) any materials included within the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) which entail less risk of loss through deterioration or substantially less storage charges——

Mr. ROGERS of Colorado. The gentleman is reading from page 33.

Mr. COOLEY. I am reading from the bill before the House.

Mr. ROGERS of Colorado. All right. Now, let us read what is in the bill that you are changing. You say under section 303 that the Secretary shall, when he determines that any such action is not in the best interest of the United States and to the maximum extent, "barter or exchange agricultural commodities owned by the Commodity Credit Corporation for"—here is the thing that I am trying to get at—"strategic and other materials of which the United States does not produce its requirements."

Mr. COOLEY. Let me read you the law before us.

Mr. ROGERS of Colorado. I am reading from it.

Mr. COOLEY. The gentleman is not reading from the act.

(b) says this: "raw materials of which the United States does not produce its requirements and strategic and other materials, goods, or equipment important to the economy or the security programs of the United States, as designated by the Secretary."

Now, what is wrong with that?

Mr. ROGERS of Colorado. You are talking about the present law?

Mr. COOLEY. I am talking about this bill we have before us now.

Mr. ROGERS of Colorado. First of all, you include and bring in all of the strategic and critical materials under a certain act passed by the 79th Congress. That authority is not given in the previous law as it now stands. That is No. 1.

No. 2. Why should the Secretary of Agriculture determine whether or not this is strategic material that we need? Why is it not a function of the General Services Administration?

Mr. COOLEY. My time is running out. The gentleman knows that the Secretary does not do this all by himself. He acts through the GSA and with the advice of all relevant Government agencies. He fixes the prices of material he buys and he fixes the price of the commodities bought or sold.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from New York.

Mrs. KELLY. Would the gentleman accept an amendment reading like this:

Provided, That no barter contracts, agreements, or arrangements may be agreed to, entered in or executed, which calls for receipt into the national stockpile program of these categories of commodities which have reached or are in excess of the maximum stockpiling objectives for such categories as determined by the Director, Office of Civilian Defense Mobilization, and so reported by the Administrator of General Services.

This would cure both problems.

Mr. COOLEY. I see no objection to the amendment, but I do not think it strengthens the situation at all or makes us any more secure. I think that is exactly what happens now.

Mrs. KELLY. As I understand, it does not, and this would correct it.

Mr. COOLEY. I see no objection to the amendment, but I am not in position to accept it at this time.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to say that I have serious misgivings about one important aspect of this matter. I had earlier asked for time, but it is rather short and perhaps I will not get any.

In the first place, these materials that we need would be purchased and would generate dollars. I think in effect that could be handled through the committee of which I happen to be chairman. In bartering, we find that in many cases these people go in and buy strategic materials below the average price, take them in and buy our export commodities. I am advised many American interests have gone into Hong Kong and into the big manufacturing districts and have opened up textile mills in Hong Kong and other places, then they have gone into the barter program on the Hong Kong market buying strategic materials cheaper than normal. Then they buy cotton at our price, and prior to that they have contracts with American chainstores and ship the goods back to this country. I am also told that through barter being available it has seriously affected our regaining a real market. Therefore, I hate to see this program increased.

Mr. COOLEY. The evidence before our committee was to this effect: When the Secretary restricted bartering, stopped bartering, in the hard currency countries, we lost in exports direct to those countries approximately one-half billion dollars.

Now, it seems to me that if any textile manufacturer is being imposed upon by these programs, he would be interested enough to have his representative come to our committee room and express his views. May I say this, they have a matter before the Tariff Commission right now, and under section 22 of the law as written by this Congress the President has the right to protect our foreign program.

Mr. WHITTEN. And the Department of Agriculture at the present time is taking the view, since this is American cotton——

Mr. COOLEY. Oh, I do not know of any industry in the country that has more champions here on the floor of the House than the cotton textile industry. Certainly, it is important to me, and I would not want my friends and businessmen in my district to suffer on account of this program, and I have not had a letter from one of them.

Mr. WHITTEN. I am quoting your report.

Mr. COOLEY. Maybe, but not members of the industry.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. SPRINGER. I hope that the Members of the House will listen a little later on on this question of barter, especially those who have raised it from the Committee on Foreign Affairs. I know they are greatly interested in this problem, but there is a whole lot more to barter than has been discussed yet. Part of that is in the field of foreign affairs, especially as regards the stockpile, and I want to get a chance to talk on this later on, insofar as Public Law 480 is concerned.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ALGER. I would like to ask the distinguished gentleman from North Carolina if he or any one member of the committee has ever thought of the possibility that the problems that we are confronted with on this important bill might stem from the fact that this distribution of food is not actually the role of the Federal Government.

Mr. COOLEY. It is the policy of the Federal Government and it is the policy of this Congress decided by a vote of 390-and-some Members voting for it, and 7 against.

Mr. ALGER. That is precisely what prompted my asking the question, because there are still some people left in the country, at least one Member of the House, that does not feel it is the role of the Federal Government to supply food and fiber and other necessities.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I would like to ask the distinguished gentleman from North Carolina, the able chairman of the Agriculture Committee, to what extent were rumors of excessive profit in the barter program investigated? What steps are being taken to investigate these charges of excessive profit. In the Committee on Foreign Affairs we take steps to investigate rumors of waste in the foreign aid program.

Mr. COOLEY. We spent 2 weeks investigating the proposition, and we have not found any evidence yet that anybody has made any exorbitant profits. I am sure profits have been made, but to the extent that they have been exorbitant, we do not have any information. We had one man who was fair about it in the committee room, who said, "I am perfectly willing to show my books to the committee in executive session." But, he was sure he had not made any outrageously large profit, and I did not think it was up to us to look into his books.

Mr. ZABLOCKI. Perhaps the gentleman from Illinois will advise the committee whether the rumors are true. I suggest that where there is smoke there is fire. The rumors should be investigated.

Mr. SPRINGER. Mr. Chairman, if the gentleman will yield, I think that if the gentleman will have an opportunity to read the hearings, especially the testimony given by the gentleman from North Carolina [Mr. FOUNTAIN] and his Subcommittee on Government Operations on what he found, it will reflect a portion of it. On the other hand, it is somewhat nebulous. It is a question of what could be proved.

Mr. COOLEY. I would like to quote from the Pettibone report:

Raw material consuming facilities are generally more vulnerable bombing targets than are raw material producing facilities and inventories. This lessens the probability of serious material shortage problems in nuclear war.

Therefore, the need for strategic and critical materials would be greater in a limited war, or in an economic or political conflict, than in a nuclear war.

A further quote:

Quantities of any metals and minerals in excess of defense needs, to be obtained in exchange for agricultural surpluses, should be judged on a transaction-by-transaction basis, rather than under a rigid formula. Consideration should also be given to acquiring survival and relief items in exchange for agricultural surpluses.

One further quote:

SUPPLEMENTAL STOCKPILE

With respect to the supplemental stockpile created by the Agricultural Trade Development and Assistance Act of 1954, as amended, the committee concurs in the existing practice of acquiring metals and minerals, beyond the quantities considered essential for defense purposes, when they can be obtained in exchange for U.S. stocks of agricultural surpluses. However, the Commodity Credit Corporation's request for appropriations to cover such transactions should not be designated as applicable to a defense activity.

Instead of following rigid formulas the committee recommends that quantities of materials suitable for inclusion in the supplemental stockpile be judged on a transaction-by-transaction basis. Consideration should also be given to acquiring survival

and relief items in exchange for agricultural surpluses.

It seems to me that this report should have some influence with the Members of this House.

Mr. Chairman, we have disposed of enormous amounts of surpluses under these programs. I cannot see any reason to curtail any part of the program at this time. I do know that we have accumulated surplus money in foreign currencies in many parts of the world and we cannot find any need for it. Certainly it will never benefit our own economy. Here we have a program through which we are selling surplus commodities for dollars, foreign currencies, bartering commodities for strategic materials and other materials we need, and we have not been able to give away our food as fast as we have been producing it.

In 1953 we had less than $2.5 billion invested in commodities and commodity loans. Since that time we have lost gigantic sums of money and now we have an investment of almost $9 billion in surpluses. This year we will have the largest corn crop in all history. The wheat problem will be aggravated again this fall. So there seems to be no solution for the surplus problem that we have. But at least through these programs we are sharing our abundance with other people in other parts of the world.

This program has been popular with both Houses of the Congress. There is nothing mandatory about the barter section. It says that the Secretary shall have as his goal $350 million in barter transactions, but it does not tell him what to barter for, it does not tell him where to barter, except we say that he may not restrict this bartering to a limited area of the world, to wit: the undeveloped areas of the world. We want him to feel free to barter in the hard currency countries and to sell on long-term commitments for dollars.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. EDMONDSON. Mr. Chairman, I want my good friend from North Carolina to explain to me if he will the reason why the Secretary of Agriculture rather than the President of the United States is given discretion in determining what materials are acceptable in the United States.

Mr. COOLEY. In making those selections the Secretary is now acting under delegation of authority from the President. Certainly the President himself at the White House would not make these selections or fix up this list. It is done after conference with all the interested agencies of the Government.

Mr. EDMONDSON. Is it the feeling of the gentleman that the Secretary of Agriculture is well advised as to the situation concerning minerals, for example; and the mineral producers are very much concerned?

Mr. COOLEY. In my opinion he would be far better advised than would be the President. Why would he not be? He works in the Department, in constant touch with these matters.

Mr. EDMONDSON. My only question is that I do not think the Department of Agriculture has any responsibilities in connection with the stable mineral industries of the United States.

Mr. COOLEY. They have an interagency committee; GSA comes into the picture, as well as ODM, the AEC, and all the other agencies.

Let me now present an analysis of what this bill contains and what it does:

SURPLUS DISPOSAL POLICY

The central issue developed at the hearings was whether the disposal of agricultural surpluses under Public Law 480 should tend more and more in the direction of donations and semidonations as a tool of foreign policy, or whether the emphasis should be on the export of agricultural surpluses on as nearly a businesslike basis as possible. As exemplified in the provisions of the bill herewith reported, the committee believes that it is entirely possible to move along both these roads at once. It has liberalized provisions providing for outright donation of surplus commodities abroad and at the same time it is insisting that those export operations which are conducted on a sales basis be carried out in such manner as to bring the largest possible return to the American taxpayer. It has included: (1) a provision requiring "maintenance of value" in repayment of foreign currency loans made under title I; (2) an entirely new provision authorizing sales of surplus commodities on long-term credit to be repaid in dollars, which will replace some sales for foreign currencies and substantially expand market possibilities; and (3) the requirement that where a country's needs for surplus commodities can be met by barter, under which the United States receives full value for its surplus, rather than under a title I sale for which it receives only depreciable foreign currency, the requirements shall be filled through barter.

Our agricultural abundance is indeed a tremendous weapon for peace stability, and development throughout the world, but it can be used for such purposes only so long as the American taxpayer is willing to foot the bill. All other reasons aside, and there are many of them including the dignity and national independence of recipient countries, the committee believes that the long-range benefit of programs such as those authorized by Public Law 480 will best be served by carrying out those programs which are designated as sales or commercial transactions in a manner calculated to keep them on a businesslike basis and return the greatest possible value to the American taxpayer.

EXTENSION OF TITLE I

Sections 1 and 2 extend title I of the act for 1 additional year (through December 31, 1960) and provide an additional authorization of $1.5 billion for title I operations during this extended period. The authorization is in terms of reimbursement of CCC for its operations under title I. Such reimbursement is based on the total cost of the transferred commodities to CCC, not on the amount of foreign currency CCC receives in return for these commodities. These costs, other than the redemption of foreign currencies, include CCC's original investment in the commodity, storage, handling, and interest charges while in inventory, selling costs, and ocean transportation to the extent that this is not included in foreign currency receipts.

EXTENSION OF TITLE II

Sections 10 and 11 extend for 1 year (through December 31, 1960) the authority conferred in title II of the act on the President to donate surplus agricultural commodities abroad under certain circumstances and for certain purposes. Section 10 also increases by $300 million the amount of funds (based on CCC costs) which the President may commit for this purpose.

MARKET DEVELOPMENT

Section 3 of the bill is designed to make certain that greater emphasis will be given to the development of new and expanded markets for U.S. agricultural products—one of the major objectives of the act—in both hard currency and underdeveloped areas. Despite the clear intent of Congress, adequate foreign currencies are not being made available in the principal commercial market areas for this important work. To insure that sufficient amounts of these foreign currencies are used for market development as authorized under section 104(a) of title I, this section directs that the equivalent of not less than 5 percent of the total sales under title I be made available for this purpose. This will eliminate the delays and difficulties which have been involved in the process of allocation by making this minimum amount available to the Secretary of Agriculture for this activity. It is not intended that a sum equivalent to 5 percent be set aside in each country but that an amount equivalent to 5 percent of the total sales be made available in the currency of the countries in which market development activity is to be conducted.

PURCHASE OF VITAL MATERIALS

Section 4 of the bill revises section 104(b) of Public Law 480 to authorize the acquisition with foreign currencies of materials and products which should be stockpiled as essential to the survival of the civilian population in the event of nuclear attack on this country. In its present form the section authorizes the use of foreign currencies accruing from the sale of surplus agricultural commodities for the acquisition only of strategic and critical materials within the applicable terms of the Strategic and Critical Materials Stockpiling Act. Survival items required for civil defense stockpiling do not qualify within the meaning of this language.

The Office of Civil and Defense Mobilization has the responsibility under the Federal Civil Defense Act of 1950 for stockpiling items of this type. To the limited extent which this responsibility has been carried out, it has involved the expenditure of dollars appropriated by the Congress. To the extent that foreign currencies owned by the Government could be used for this purpose, the proposed amendment of section 104(b) of the act contained in section 4 of the bill will provide such authority.

LOANS TO PRIVATE INDUSTRY

One of the most successful aspects of the Public Law 480 operation has been the provision for using local currencies for loans to private industry for commercial development and trade expansion in foreign countries. Known as the Cooley amendment, this provision was added to section 104(e) in the 1957 extension of the act. It provides that not more than 25 percent of the currencies received under title I sales shall be made available to the Export-Import Bank for loans (a) "to U.S. business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries" and (b) "for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribuition, or otherwise increasing the consumption of, and markets for, U.S. agricultural products."

Table 16 shows by countries the foreign currencies which have been set aside for this purpose and the commitments which have been made by the Export-Import Bank through July 15, 1959. It will be noted that in some countries commitments are already

up to the maximum (shown in the last column on the table), while in others there are substantial amounts of local currencies against which no commitments have been made. In general, this program has proved to be an acceptable and constructive part of the 480 program. In eight countries, eligible applications for the funds exceed the maximum amount of funds expected to be available. These countries are shown in table 17.

Section 104(e) makes no provision as to the disposition of the Cooley amendment funds when they are repaid and the amendment to that subsection made by section 5 of this bill will provide that such funds shall remain with and be available to the Export-Import Bank for additional loans under the subsection.

MAINTENANCE OF VALUE ON LOAN REPAYMENTS

Section 6 requires that foreign currency loans made back to purchasing countries under the provisions of section 104(g) shall have a maintenance-of-value provision which will require that repayments be on an equivalent dollar basis. Most of these loans have been made on this basis up to April 1959, when a reversal of the policy was announced. In accordance with the new policy, there will be no maintenance-of-value provision in loans made after July 1, 1958.

One of the major uses of the foreign currency accruing to the United States under title I agreements is for "loans to promote multilateral trade and economic development" in the purchasing country. As will be noted by reference to table 4 of the appendix, 47.7 percent of the money scheduled to be received under existing agreements is planned to be used for such loans.

This amendment, requiring maintenance of value in the repayment of these loans, is another action by the committee to place the 480 programs on a more businesslike basis. The importance of the provision is seen particularly in reference to the whole matter of currency valuation as employed in sales for foreign currency under title I.

It is likely that in the up to 40 years in which many of these foreign currency loans are repayable, the currencies involved will suffer even further depreciation. The amendment made in section 6 will automatically offset that depreciation and require that the amount of currencies repaid on these loans shall be the equivalent of the obligation expressed in dollars, regardless of the then current exchange value of the foreign currency.

USE OF FOREIGN CURRENCY FOR EMERGENCY RELIEF PURPOSES

Section 7 adds a new subsection to section 104 of the act which will authorize, where the agreement with the country permits such action, the use of not to exceed $2 million per year to be used in such countries to procure locally food or other emergency supplies not available under our own surplus distribution programs. It is understood that this authority will be exercised only on the direct authorization of the President and will be used only under emergency relief conditions which would warrant donation of our own surplus commodities under title II of this act.

As proposed to the committee by the Department of Agriculture, this new provision would have authorized a total of only $2 million of foreign currencies to be used for this purpose throughout the world in any fiscal year. To the committee, it seemed that this is a good and proper use which may be made of foreign currencies accruing under the act and that the limitations suggested by the Department might be such as to make it virtually ineffective. It has, therefore, liberalized the Department's proposal to provide that the $2 million limit shall apply only to any one country.

FOREIGN STOCKPILES

Section 8 of the bill was also proposed by the Department of Agriculture in its testimony. It will authorize the inclusion in title I agreements of provisions for a relatively small stockpile of surplus commodities to be established in recipient countries, under the ownership and control of the recipient country, to be later used either for emergency relief donations or for sale under the regular provisions of Public Law 480. The phrase beginning on page 5, line 7 "and that the recipient country shall assume full responsibility for the storage, preservation, and delivery of such commodities" was added to the Department language by the committee to make it clear that full responsibility for the condition of the commodities, and for handling and storage charges, shall be assumed by the recipient country upon transfer of title and the placing of the commodities in storage. In this phrase the word "delivery" means the delivery of the commodity from its storage in the foreign country and the domestic distribution thereof.

USE OF DONATED COMMODITIES FOR ECONOMIC DEVELOPMENT

Section 9 of the bill was also proposed by the Department of Agriculture in its testimony. It would amend title II of the act to permit agricultural commodities donated by Presidential order to foreign countries to be used "in meeting the requirements of needy peoples and in order to promote economic development in underdeveloped areas." Following is the statement made by the Department of Agriculture witness in support of this proposal:

"We also recommend an amendment to title II to authorize grants of CCC commodities to countries for use in economic development work projects. We believe that considerable expansion is possible in the use of commodities for funding work projects. In Tunisia, for example, U.S. wheat is being used to pay part of the wages of workers on public works projects to relieve severe unemployment and famine conditions. About 40,000 workers have been employed to construct and renovate earth dams, firebreaks, cisterns, wells, and for other projects. Workers are paid in a combination of U.S. wheat and cash supplied by the Tunisian Government."

BARTER

Section 12, section 15, and the proviso in section 1 reexpress the policy of Congress that the CCC should accept strategic and other valuable materials in exchange for surplus agricultural commodities, that this method of surplus disposal should be given a preference second only to cash sale for dollars and that no greater restrictions should be placed on the disposal of surpluses exchanged in this manner than on surpluses sold by CCC for dollars.

While authority for barter existed prior to 1954, it was not until the enactment of Public Law 480 that the Congress gave a clear legislative directive to the Secretary of Agriculture to carry on such a program. The language of the law was clear, and the committee report said "establishes barter as a priority disposal method."

Until May 1957, this program was carried out by the Department of Agriculture in accordance with the policy enunciated by Congress and on a highly successful basis. Almost $1 billion worth of surpluses were exchanged for strategic and other materials which are today worth more than we paid for them. In describing the program as it was then administered, the spokesman for the Department of Agriculture frankly admitted its successful operation in his testimony before the committee:

"In the days of unrestricted barter * * * the U.S. exporter of agricultural commodities had his regular export outlets. When he was offered a million bushels of wheat delivered shipside by CCC as a result of a barter transaction, he was willing to accept that wheat and dispose of it in the normal course of his business for a very nominal brokerage fee. This brokerage fee was a discount but since it merely covered services rendered and did not become a factor in the export price, no one complained. It has been reported to us that on occasion, when free stocks of U.S. agricultural commodities were temporarily in short supply, exporters of agricultural commodities actually competed for bartered commodities because of the ready access it gave to Government stocks * * *. The foreign importer bought his U.S. agricultural commodity needs as usual and in many instances was completely unaware that they had ever been a part of a barter transaction."

Starting in 1957, when the program was virtually killed by administrative regulations, the Congress initiated steps to reestablish the program on the basis set out in Public Law 480. The Department of Agriculture opposed any changes being made to reestablish the program and actively worked against any change being made in the law, but in 1958 it was amended to reestablish a program of the type carried out before 1957. Under the impact of this new legislation, the volume of barter business increased from below $50 million annually to approximately $150 million annually, but it is still far below the level envisioned and intended by the Congress.

It has been held to this low volume by restrictions on the disposal of the surplus commodities exchanged for the bartered materials. These restrictions have limited the countries of the world into which surpluses moving under the barter program may be disposed of, chiefly blocking off the major hard currency markets of the world and preventing the free movement of bartered surpluses into these markets. This has been done although the legislation itself and the statement of managers on the part of the House which accompanied the conference report appeared to be clear in directing that "no restrictions should be placed on the countries of the free world into which surplus agricultural commodities may be sold" under barter. These restrictions have not only drastically curtailed the export of surpluses under the barter program but have created the conditions which are disturbing to world markets and were complained of in testimony before the committee. The spokesman for the Department of Agriculture, in his testimony, best described this situation in the following words:

"(Under the barter program as now administered) the U.S. exporter of agricultural commodities finds his usual sales outlet at least partially closed to bartered commodities. He has to expend energy, time, and money to find other outlets which he can convince the CCC give hope of being additional. * * * So the U.S. exporter exacts from the materials importer not a nominal brokerage fee as he did (under the old program), but that plus compensation for finding a market that is over and above normal movement, and an amount necessary to permit him to cut the price enough to create that market. So there you have the discounts that are deplored so much."

It is apparent, therefore, that if our disposal program is to compete successfully with Soviet trade expansion in the hard-currency areas of the world and the United States is to get an equivalent return for surplus commodities in the form of materials needed in our future economy or during national emergency, the philosophy existing in certain parts of the Department of Agriculture must be changed and the regulations implementing that philosophy set aside.

Every effort has been made by the Committee on Agriculture and by others in the

Congress to accomplish this without legislation. Those representations have been ineffective in improving this situation and the Department of Agriculture has served notice on the Congress during the recent hearings that it contemplates making these restrictions even more stringent. Therefore, legislation is necessary and the present law is amended in several significant parts by the proviso to section 1, section 12, and section 15.

Following are the major changes made by the committee bill:

First. The new language is not mandatory. The Secretary is not required to make any specific barter transactions and he is directed by the provisions of the bill not to enter into barter or exchange agreements which are not in the best interest of the United States. Everything else in the amendments to existing law must be considered in the light of this latitude given the Secretary.

Second. The proviso in section 1 does not require the Secretary to carry out a barter program of the size envisioned in section 12 before he can enter into any title I agreements to sell surpluses for local currency. This proviso merely requires that where the Secretary has a choice between disposing of surpluses into a country under the barter program or by sales for foreign currency, with respect to that country and to the extent the choice exists, he shall give a clear preference to disposals by the barter method rather than by sales for local currency.

Third. In order to break the logjam having to do with the designation of materials which can be taken through barter, where the objection or failure to act of one member of an interdepartmental committee can prevent a material from being designated, the bill provides that any of the materials of the type presently in the strategic stockpile shall be taken if they are cheaper to store and do not deteriorate. No further studies of these particular materials need to be made.

Other materials that can be taken in payment for surplus commodities include raw materials of which the United States does not produce its requirements (not processed materials), and strategic and other materials, goods, or equipment that are important to the economy of the United States, such as high-temperature metals needed for the missile program, or the various security programs of the United States. In these instances, the Secretary of Agriculture has the authority and the duty to determine which materials, goods, or equipment will be taken.

By interpretation, under the present law the Atomic Energy Commission cannot secure through the barter program certain needed materials even though they are prepared to pay the CCC dollars for them. Nor can the Department of Defense secure needed materials or services through barter, nor can end items for survival purposes be acquired by the Office of Civil and Defense Mobilization to be held in the supplemental stockpile. Therefore, the amendments concerning materials are designed to make it possible for the Secretary, if he determines that it is not against the best interests of the United States to do so and that the items should be included among those eligible for barter, to include materials and items required by these agencies.

Fourth. The next significant change in the present law is absolutely essential if any reasonable barter program is to be carried out. It removes the restrictions on the movement of bartered surplus agricultural commodities into the countries of the free world. It would permit the Secretary to make the same restrictions with respect to surplus commodities which CCC sells for strategic and other materials that it places on surplus commodities sold for cash—this much and no more. It is these administrative restrictions which have been so disruptive to normal marketings and which are preventing the United States from using the device of barter as a means of competing with Soviet bloc exports in the hard-currency countries of the free world. Without this prohibition against such restrictions, the disposal program through barter can never approach its optimum; such disposals as will be made will continue to disrupt normal trade, and the other amendments made by this bill will be meaningless.

Fifth. The next significant change is that within the discretion given the Secretary to reject transactions not in the best interests of the United States, a goal of $350 million is established for each fiscal year. This is not a mandatory goal but merely an objective which the bill says the Secretary "shall endeavor" to reach. This rate, if achieved is approximately one-fifth of the volume authorized for each fiscal year for foreign-currency sales under title I and is less than one-eleventh of our normal agricultural exports of about $4 billion annually.

Sixth. Another significant change requires the encouragement of barter for materials on the barter list processed in the United States, whether the raw materials are of foreign or domestic origin, providing that the agricultural commodities exchanged for such materials are exported to friendly countries. Although the Secretary has had the authority to permit the domestic processing of materials accepted in barter, he has been reluctant to do so. The committee can see no reason why domestic processors and domestic producers of materials eligible for barter should not be permitted to compete on even terms with foreign processors and raw materials of foreign origin. This provision does not change the basic eligibility requirements and would not serve to make eligible for barter any material of which the United States does produce from indigenous sources adequate quantities to meet its needs.

IDENTIFICATION OF DONATIONS

Section 13 of the bill amends section 305 of the act to require that, in addition to a mark of identification (such as the American flag), each package or container of surplus commodities donated under the authority of this act or of section 416 of the Agricultural Act of 1949 be identified also insofar as practicable by a statement in the language of the locality where the stocks are to be distributed that the commodity is being furnished by the people of the United States. The section also provides, for the first time, that where available, funds accruing from sales for foreign currency under title I of this act shall be used for the purpose of applying such identifying language.

LONG-TERM SUPPLY CONTRACTS

Section 14 adds to Public Law 480 a new title IV authorizing the Secretary to enter into long-term supply contracts. This new authorization has been discussed generally earlier in this report. Its purpose is to increase the sale of surplus agricultural commodities for dollars to friendly nations through long-term supply agreements and through the extension of credit. This credit will serve to assist in the economic development of such friendly nations. Under this title, surplus agricultural commodities may be sold through supply agreements over periods not to exceed 10 years. Payment for such commodities may be made over periods not to exceed 20 years in approximately equal installments. Payments would be in dollars. Therefore, sales may be made to any friendly country and will make possible greater sales into commercial market areas as well as into the so-called underdeveloped areas. Since sales of surplus agricultural commodities under this title will return dollars to the United States the sales are not subject to the limitations applicable to title I sales for local currencies.

Interest would be paid on the unpaid balances. The rate of interest could not exceed the cost of money to the United States as determined by the Secretary of the Treasury. The rate of interest to be paid would actually be determined by the Secretary of Agriculture through negotiations for the sale of the commodities with the purchasers. The rate of interest is of secondary importance. The objective is to increase sales of surplus agricultural commodities for dollars and to encourage sales for dollars into hard currency markets where exports have been declining. Not only will these sales return dollars but they will also return many indirect benefits such as savings on storage costs where the commodities are owned or controlled by the Commodity Credit Corporation, removal of surpluses which depress domestic market prices, and assist in increasing consumption and in the development of markets.

Section 402 authorizes the President to enter into agreements to carry out the purposes of this title. Under such agreements the U.S. Government would not undertake the physical delivery of any agricultural commodities but would merely agree to finance exports of such commodities, in stipulated amounts and providing the commodities are actually in surplus at the time they are to be delivered, by accepting notes of the recipient country to pay for such commodities in dollars in periods of not to exceed 20 years.

Section 404 of this title makes it clear that the Secretary is to endeavor to maximize sales under this title, but in so doing reasonable precautions are to be taken to avoid replacing sales which the Secretary finds and determines would otherwise be made for cash dollars. It is intended that such precautions established shall be reasonable and not arbitrary. It is intended that the Secretary should have a substantial basis to support a finding and determination that sales would otherwise be made for cash. Sales under this title should be made upon such terms and rates of interest as may be necessary to the end that maximum quantities of surplus agricultural commodities will be sold for dollars.

Section 405 authorizes the Secretary of Agriculture to permit other exporting nations to participate in the sales agreements entered into under this title on a proportionate and equitable basis if other historic supplying nations are willing to make sales on the same terms. This provision gives ample protection to other friendly nations. It is intended by this section to assure other friendly exporting nations of equitable treatment and at the same time, however, not permit sales to be delayed or market opportunities to be lost.

Section 406 provides that certain provisions of title I shall be applicable to operations under the new title IV including: The carrying out of such operations through private trade channels, the authority for the CCC to finance operations under the title, the definition of "surplus agricultural commodity," the definition of "friendly nation," and the requirement for the President to report to Congress on the program each 6 months.

LONG-STAPLE COTTON

Section 16 provides that the national marketing quota for the 1960 crop of long-staple cotton shall be not less than 90 percent of the 1959 marketing quota, which amounts to approximately 70,000 acres. This country produces only about 50 percent of its requirements for long-staple cotton but the

producers thereof are nevertheless faced at this time with a serious and peculiar problem. In recent years, Egypt, the world's largest producer of this type of cotton, has been selling the major portion of its crop to the Soviet bloc. Within the past year or so, however, Egyptian imports have been coming into the United States in increasing quantity until they have now taken over approximately 85 percent of our domestic market at prices with which domestic producers cannot compete, although at their own request the support level for this cotton has been reduced to 65 percent of parity. With the administration understandably reluctant to take any restrictive action with respect to imports of Egyptian cotton at this time, producers of this crop in the United States appeared to be the victims of a diplomatic situation over which they have no control. Under the marketing quota law, their acreage allotment for 1960 would probably be reduced, because of the large Egyptian supplies in this country, from approximately 70,000 acres in 1959 to less than 40,000 acres in 1960.

The producers proposed an amendment to Public Law 480 which they believed would improve their situation but that proposed amendment was rejected by the committee in favor of the provision appearing in section 16. This is, admittedly, a temporary palliative but it will at least keep the long-staple cotton producers of the United States from being put out of business until further consideration of their problems can work out a more permanent solution.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Chairman, Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, is one of the most helpful and far-reaching pieces of legislation in behalf of agriculture that has been passed by the Congress in over a quarter of a century.

This is the only legislation on agriculture which has become famous and well known outside the continental limits of the United States. This is true because this law provides for disposal abroad of U.S. agricultural surpluses other than those that are sold for cash dollars.

I consider my efforts in the enactment of this law in 1954 to have been thus far the best legislative contribution I have made since I have been in the Congress. Because of the impact of this law upon agriculture, I have traveled in its behalf in some 27 countries and in excess of 35,000 miles. I believe I understand not only what the law has meant to agriculture in the United States, but also its effect upon needy and hungry people in every part of the world.

We have sold in excess of $8 billion in American agricultural surpluses in the 5 years the program has been in operation. These sales have been made in 28 countries, from Japan to Spain and from Iceland to Argentina.

The act now consists of three titles. Title I authorizes the sale of surplus agricultural commodities overseas for local currency of the purchasing country. By the end of this year we will have sold $6,250 million in surplus produce overseas under this title.

Title II of the act authorizes donations of surplus agricultural commodities "on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements." Under this title the United States will have contributed over $800 million in surplus commodities through the year ending December 31, 1959. Some of these donations have met the needs of countries where conditions near famine have existed. No greater act of mercy has been shown in history than in some of the donations made under this title.

Title III authorizes principally the barter of surplus agricultural commodities for strategic and other materials of value to the United States. We have disposed of approximately $1,165 million in surplus under this program. Of special significance at this time are the records which show first that the materials acquired under barter are worth more today than the price the United States paid for them in surplus commodities and second that the annual cost of storing these materials is $105 million less than the annual cost of storing the surpluses given in exchange.

PROVISIONS OF THE BILL FOR 1959

Under the 1959 extension now under consideration by the House, we hope to sell in the coming year $1,150 million worth of surplus agricultural produce outside the continental limits of the United States. This is an ambitious program but one which can be achieved.

LONG-TERM SUPPLY CONTRACTS

For several years after the enactment of the law in 1954, I appeared regularly to testify before the House Committee on Agriculture for authorization in this bill to include long-term supply contracts. I am happy to see a provision for long-term supply contracts contained in the 1959 bill for the first time. I consider this provision to be the major step in the last 5 years in improvement of Public Law 480.

Under the provision of this new title which would be added to Public Law 480, the President would be authorized to make agreements with foreign nations under which the United States would undertake to finance the export of surplus commodities over periods of up to 10 years and to accept from the country payment in dollars over periods of up to 20 years at an interest equivalent to the cost of money to the U.S. Treasury. I believe that such a program will fill a major gap in our existing export operations and result in a substantial increase in our agricultural exports.

It has been my observation in studying Public Law 480 operations and agricultural exports in many parts of the world that as a nation concentrates its efforts on industrial and economic development, its demands for food and agricultural products almost always overload the ability of its domestic agriculture to produce. This is for two major reasons: First, increased individual purchasing power from commercial and industrial development creates a greater demand for food and agricultural products and, second, capital, labor, and management are drawn from agriculture into industry and commerce, and in many instances agricultural production actually declines, at least for a temporary period.

In numerous instances, officials of countries which are experiencing these "growing pains" of economic and industrial development have expressed their urgent need for some long-term assurance of adequate agricultural supplies during their development period. These nations expect to be able to pay for these commodities, and they are willing to pay in dollars, but they need all their existing resources, and particularly their foreign exchange, to carry out the industrial and commercial development programs they have planned. It is with this type of situation particularly in mind that the committee has included the provisions for long-term supply contracts in this bill.

In addition, this new program will open up markets that are not now available on other than a strictly cash basis. I feel sure many nations which are now buying surplus commodities under title I would prefer to take advantage of the extended dollar credit authorized in the new long-term supply contract provision.

A new section 8 has been proposed by the Department of Agriculture and adopted by the committee. It will authorize inclusion of agreements for a relatively small stockpile of surplus commodities to be established in recipient countries, under the ownership and control of the recipient country, to be later used for emergency relief donations or for sale under the regular provisions of Public Law 480. Definite language was added to make it clear that full responsibility for the condition of the commodities and for handling and storage charges shall be assumed by the recipient country upon transfer of title and the placing of the commodities in storage.

Two points I would like to make fully clear. First, we make no claim to perfection in this program. We have done and will continue to do our best to reduce a large portion of the accumulated surplus of farm products by disposal overseas. Second, the U.S. surplus disposal program is not entirely altruistic. We believe it to be just as much in the interest of the American farmer to reduce accumulated stocks. In this we hope to improve the economic position of the American farmers. I realize full well that an economically strong and progressive agriculture is vital to the United States. This program is strengthening agriculture and providing a market beyond our borders for the food surpluses of this country. It is a practical program geared to 1959. It is a program that deserves not only the commendation of the farmers of this country but the approval of every Member of this House who is genuinely interested in the future of American agriculture.

Mr. HOEVEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I think most Members of the House are in favor of the extension of Public Law 480. This law provides for the orderly disposal of surplus agricultural commodities. The law as it is now operating has worked very successfully. It is a record of which we may all be proud. In my book Public Law 480 is one of the best mediums for the disposal of surplus agricultural commodities. I think the law should be perfected and it should not be restricted as is being attempted in this bill by inserting certain mandatory provisions as to barter. It is true that this bill, as reported to the House, was reported out of the Committee on Agriculture by a vote of 30 to 2. But that is not indicative that the minority members of the committee support the barter provisions of the bill. We voted for the bill in committee on order that the House might work its will on one of the most important pieces of legislation confronting the Congress today. The extension of Public Law 480 is "must" legislation. It must be enacted before the Congress adjourns. I know we are anxious to get away from a very rugged and long session, but in my humble judgment, this Congress is not going to leave Washington before extending Public Law 480 for another year, as the other body has done. They have reported such a bill, which I think is sensible.

Mr. Chairman, the minority report speaks for itself. It is my purpose at the proper time to submit two amendments to strike the so-called barter provisions. If you are interested, the first amendment will be on page 2, line 6, commencing with the word "Provided" and striking out all the language from line 6 to line 15 inclusive. The second amendment will be to strike the language on page 6, line 17, the remainder of page 6, all of page 7 down through line 13 on page 8.

Mr. Chairman, the provisions of H.R. 8609 which deal with barter would, if enacted into law, make four major changes in the present barter provisions of Public Law 480. So I shall direct my remarks to the barter provisions which are the most controversial. We believe all these changes are undesirable. First of all, barter would have specific priority over sales for foreign currencies, and sales for foreign currencies would only be made after a determination by the Secretary of Agriculture that the country could not meet its requirements through barter.

Now if that is not a mandatory provision, I do not know the English language.

This change completely ignores the basic purpose of the Agricultural Trade Development and Assistance Act which is to expand trade and increase exports of U.S. surplus agricultural commodities. The problem today is to find countries willing to buy additional agricultural surpluses even for their foreign currencies. There is no long waiting line of countries clamoring for our surpluses on any terms. This provision can have only one effect, and that is to prolong and make more difficult, if not impossible, the development of title I agreements and thereby reduce the total amount of agricultural exports.

Secondly, the bill, H.R. 8609, greatly expands the list of materials eligible for acceptance under barter, and places on the Secretary of Agriculture rather than the President of the United States responsibility for determination of acceptable materials.

The question was raised why of all persons should the Secretary of Agriculture determine what strategic materials we need. That is a job for the President of the United States or the head of Defense Mobilization or the Defense Department rather than the Secretary of Agriculture who is not an expert in that line.

Other committees of Congress which have made a much more exhaustive study and analysis of our stockpiling program than has the Committee on Agriculture have indicated that the present level of stockpiled materials is excessive. So it is absolute folly to build up these stockpiles.

We frankly do not believe that our committee should attempt to legislate on materials for the stockpile nor do we believe the Secretary of Agriculture should be authorized to determine what materials are in the best interests of the United States to stockpile.

Further, the bill, H.R. 8609, removes any authority to place restrictions on the free countries of the world into which surplus agricultural commodities may be exported under the barter program.

Fourth, H.R. 8609, directs the Secretary of Agriculture to endeavor to barter at a rate of $350 million each fiscal year.

We are now doing a very good business to the tune of $160 million per year, which is very acceptable, and we are not displacing cash sales.

It is interesting in considering this type of legislation to know who is for it and who is against it. There is no clamor from the agricultural interests of this country for the barter provisions.

The Farm Bureau is against it.

The Department of Agriculture is against it.

The State Department is against it.

The National Cotton Council is against it.

The American Cotton Shippers Association is against it.

The National Foreign Trade Council is against it.

The Foreign Marketing Committee is against it.

The National Council of Farm Cooperatives is against it.

Who is for it? A small group of very aggressive and interested importers in one of our large cities. They are very vocal and working hard to get the barter provisions written into the bill.

Why are they so interested? I do not know, but it gives us food for thought.

So I hope that the amendments I propose to offer to strike out the barter provisions will have your support.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, Public Law 480 is one of the finest statutes we have. It is imperative that the law be extended. I am for it; I surely believe in it. But I believe in the version which the other body has passed which does not have this barter provision in it.

Mr. Speaker, I respectfully urge every House Member to support Representative HOEVEN'S amendment to strike out of H.R. 8609 the features changing the present barter program. I urge this for the following reasons:

First. There is virtually unanimous agreement on the need to extend Public Law 480 immediately. This will enable us to dispose of another $1½ billion worth of our farm surplus products by selling them for foreign currencies. It is nearly midnight of this congressional session and we cannot run the risk of torpedoing the desirable features of this bill by cluttering it with the unsatisfactory and controversial provision to direct the Secretary to increase bartering. If this barter section goes through it will require an extended conference between the House and Senate conferees because the Senate bill to extend Public Law 480 does not alter the existing barter program. Last year the Senate conferees showed that they were unwilling to accept this kind of a barter change.

However, if the barter feature were in the final bill which passed the House and Senate it would subject this bill to the possibility of a veto, so late that Congress would have difficulty and further delay in extending Public Law 480 on a satisfactory basis.

Second. There is no evidence that it will increase exports of our agricultural surpluses by giving priority to the barter program. The probability is that our present sales for cash would be replaced by sales for foreign minerals, many of which we do not need.

Third. Not only would this program fail to increase materially our agricultural exports but it would create a serious hazard for our mineral industry.

Our existing mineral stockpiles already amount to $8.1 billion. There are some groups which indicate that this stockpile is already sufficient if not excessive. Therefore, there is no justification for directing the Secretary to endeavor to barter at a rate of $350 million each fiscal year thereby further expanding these stockpiles.

These minerals stockpiles overhang the market even more seriously than does the agricultural surplus. This was displayed by the fact that merely talk of selling a part of the copper stockpile brought the world price in copper down by 5 cents. Even though no copper was actually sold from the stockpile, this was the result of the rumor.

However, the major reason that stepped up barter is opposed by most of the members of the America mining congress is the fact that barter stimulates foreign metals production and the opening of more foreign mines. Then when the barter stops, increased foreign production is competing for the American

markets thereby lowering the metals price to a point where our mines are driven out of business.

In Utah, for example, two-thirds of the lead-zinc miners have lost their jobs during a little more than the past decade.

We can nowise afford, therefore, a program which without solving the agricultural problem will seriously aggravate our mining problem.

In conclusion, I would like to insert a brief statement prepared by Mr. Charles Schwab, president of the Emergency Lead-Zinc Committee, explaining their opposition to this proposal to force the USDA to expand barter:

AUGUST 19, 1959.

To: Congressman DIXON, of Utah.

From: C. E. Schwab, chairman, Emergency Lead-Zinc Committee.

Subject: Extension of Public Law 480, with particular reference to the proposed barter provision.

1. In the case of lead and zinc, in lieu of accepting a unanimous recommendation by the Tariff Commission for increasing dues in 1954 the President, on August 20, 1954, initiated defense stockpile purchases and very substantial acquisitions by barter transactions.

2. The flood of imports which had caused distressed conditions in the U.S. lead-zinc mining industries were, by means of barter transactions diverted to the U.S. supplemental stockpile.

3. During this interval of time, however, foreign mining production increased substantially under the impetus of large barter acquisitions.

4. On May 28, 1957, the Department of Agriculture essentially stopped barter in lead and zinc, and nothing short of catastrophe followed. U.S. prices plummeted forcing many U.S. mines to close as lead and zinc previously acquired by barter flooded the U.S. commercial markets in unneeded and excessive amounts.

5. Thus the lead-zinc mining industries' experience with barter, in lieu of adequate import controls, has been a sad one. This program stimulated foreign production and, ceased—practically wrecked our domestic industry.

6. After a second unanimous decision by the Tariff Commission in 1958, the President finally imposed import quotas October 1, 1958. These quotas have proven woefully inadequate during the 11 months they have been in effect and the domestic lead-zinc mining industry remains seriously depressed.

7. It has long been the position of the domestic lead-zinc industry that adequate import controls must first be initiated, before any acquisitions by barter should be used to firm-up world market prices, which in turn reflect improvement in U.S. prices.

8. Of growing concern to commodities, such as lead and zinc, is the recent attitude in many quarters that the U.S. stocks of various minerals and metals are excessive and some plan of disposal should be initiated. If this ever happens, it will serve only to compound the present difficulties. Thus, any program to step up barter transactions can only have the net result of further increasing minerals and metals in stockpile control by the U.S. Government. If it is now considered that stocks of various minerals and metals, acquired by outright purchase contracts for the defense stockpile and barter acquisitions for the supplemental stockpile, are in excess of U.S. needs, in event of an emergency, to continue to add to these stockpiles by means of barter will serve only to further increase metal and mineral stocks which in any instance are now said to be far in excess of defense needs. It will create an even greater specter to haunt domestic producing mineral industries if pressure continues to grow to liquidate and dispose through normal commercial channels quantities of any metal or mineral in these stockpiles.

9. It is also of major importance of lead and zinc that these two metals have been the subject of three United Nations meetings. At the third meeting during April and May of this year, foreign companies and foreign countries voluntarily made certain commitments to reduce their production in an effort to bring production and consumption outside the United States into better balance during the last half of 1959. Although these commitments are voluntary, and despite that they are not adequate, nonetheless a major step forward has been taken in prevailing on foreign companies and foreign countries not to overproduce. If barter were again initiated for lead and zinc, unquestionably these commitments would be abrogated and overproduction outside the United States would again occur. When a renewed barter program would again cease, the situation would be similar, if not worse, than that which occurred when barter ceased in early 1957.

There are several objectionable provisions concerning barter in this bill. Time will permit my commenting on only a few. The bill places on the Secretary of Agriculture the full responsibility for determining the best interests of the United States in accepting materials under the barter program. The ramifications of artificially interfering with the normal world and domestic trade in metals and minerals is far beyond the abilities of the Department of Agriculture to analyze and appraise. This responsibility is now shared by the entire executive branch by Presidential designation of acceptable materials. The best interests of the United States can be better served by no change in this provision.

The removal of the authority to place any restrictions on the countries of the free world into which surplus agricultural commodities may be exported completely ignores two basic concepts of the act. Section 2 of Public Law 480, 83d Congress, declares as "the policy of Congress to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States." The foreign policy of the United States encompasses other agricultural exporting nations as well as importing nations. To completely ignore the traditional and historical markets of friendly exporting nations and permit U.S. exports to supplant them through the discounts in price which seem to inevitably accompany the movement of agricultural commodities under barter would do irreparable damage to our foreign relations. It furthermore would not alter the necessity of our friendly competitors finding a market for their exports which they would be forced to find in either our or others' traditional markets by further price concession. Ample evidence exists of disruption of normal trading and chaotic world market conditions created by U.S. bartered commodities even with diligent efforts to avoid such under existing authority to limit the disposal of agricultural commodities through the barter program.

The same section of the basic act declares as "the policy of Congress providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor." I subscribe wholeheartedly to the policy that movement of surplus agricultural commodities under this act should be in excess of the usual marketings of such commodities. It is inconsistent to require the President, in connection with title I sales for foreign currency to "take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this act will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries" and in an amendment to the same act remove from the Secretary of Agriculture any authority to exercise judgment as to similar effects of the movement of agricultural commodities through the barter program.

The bill virtually establishes a mandatory level for barter activity of not less than $350 million each fiscal year. It is impossible to state in advance the magnitude of barter proposals which can be accepted within a given period of time on a basis which will give reasonable assurance of not replacing dollar sales and disrupting world markets. The establishment of a mandatory goal of $350 million per year, or any other mandatory level for a barter program serves to establish for the importers and exporters of materials a market of that magnitude for surplus world materials which have no more lucrative outlet through normal channels of trade. It completely ignores the effect of movement of agricultural commodities in that magnitude on normal patterns of trade and world prices. This puts the cart before the horse. The additional movement of agricultural surpluses is the only justification for a barter program. Providing a surplus removal program for world production of so-called strategic and critical materials at a profit to a few importers should not be the responsibility of the Department of Agriculture.

I have no quarrel with domestic processors but I believe the inclusion of this provision is evidence of the concern of domestic processors over the artificial stimulation afforded by the barter program to foreign production of materials. The dissipation and disruption of normal cash dollar markets for U.S. agricultural exports should not be required in order to maintain profitable outlets for either foreign or domestic processors of so-called strategic and critical materials of which some Members of Congress contend we now have twice as much as needed.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. ASPINALL. I wish to associate myself with my distinguished friend from Utah in the statement he has just made.

It is most difficult for the metal and nonmetal domestic mining industry at the present time to operate with any economic success in conformity with the present program that is permitted under the existing law. If the amendment which is in the bill as reported out of committee should happen to prevail, I am sure it would be the death blow to the domestic mining industry.

Mr. DIXON. The gentleman is correct.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I wish to speak in opposition to the provisions of this bill dealing with priority of barter over title I agreements.

It appears desirable to review the purpose of Public Law 480, 83d Congress, to which this bill is proposed as an amendment, "An act to increase the consumption of United States agricultural commodities, to improve the foreign relations of the United States, and for other purposes." This amendment would include provisions under the other purposes which would nullify the basic objectives of the act in that no assurance could be had of increased exports of agricultural commodities and the foreign relations of the United States would be damaged.

The provision of section 1 which requires a determination by the Secretary that the requirements of a country for agricultural commodities cannot be met through barter before a title I agreement can be considered is objectionable for several reasons.

First, it implies that the Agricultural Trade Development and Assistance Act is primarily a foreign relief act and ignores the market development features which we believe have great value. It minimizes the value of section 104(e) under which United States firms benefit from the availability of up to 25 percent of foreign currencies generated for loans to establish facilities to aid in the utilization, distribution, or otherwise increase the consumption of, and markets for, United States agricultural products.

Second, the inclusion of such a provision in law would impair rather than further our foreign relations. Title I agreements can now be negotiated with foreign countries on a basis of mutual benefit which permits the foreign country to retain their pride and self-respect and increase their acceptance of the United States as a leader in the free world. This provision if written into the law could serve to make beggars of the foreign countries coming to the United States for assistance with their hat in hand. The United States through the Secretary of Agriculture would be required to further insult their pride and self-respect by making a determination that they had nothing of value to offer in exchange before he would consider accepting their currency for agricultural commodities. There is ample authority to do what is proposed without legislation.

Third, this provision would delay operations and slow down the movement of agricultural exports. Instead of the United States being able to explore, propose and discuss potential agreements under title I which gave promise of mutual benefit we would be compelled to sit and wait until a foreign country's needs became sufficiently acute to compel them to seek assistance under the terms of this provision. Each case would then have to be analyzed in the terms of materials now or potentially available in that country which we would accept in lieu of their currency. Interminable negotiations would result with respect to availability of materials, exchange value of the materials, diversion of the materials from existing outlets in the world market and other factors before a determination could be made by the Secretary opening the door to where negotiations now begin leading to a title I agreement. Classic examples of this type of delay exist in the Department's files now. It required 18 months to finally consummate an exchange of Turkish chrome for wool. Nineteen months have been spent in attempting to develop an exchange of Indian manganese for wheat, and it has still not been completed.

Fifth, this provision would foster State trading and subordinate free enterprise to the role of middlemen between the United States and the foreign countries. The physical location of acceptable materials within a foreign country does not necessarily mean that that country can automatically make that material available for exchange with the United States for agricultural commodities. The deposits of the materials as well as the production facilities are in most instances controlled by private capital and in many instances by foreign capital. Making such materials available at acceptable exchange values would force a degree of Government control over free enterprise in these foreign countries which does not now exist and the growth of which we deplore in the free world.

Sixth, this provision would tend to increase world production of surplus materials. To the extent that the production is now in line with world demand the only alternative to diverting these materials from existing exchange producing outlets would be to increase the production. The primary impetus for the barter approach now stems from the outlet it provides for materials which are now surplus to the cash market and further production stimulus would be economically unsound. It is a fallacy that the United States can obtain through barter materials which are truly critical and needed. The U.S. dollar is still a more attractive medium of exchange than our surplus agricultural commodities.

Title I agreements have been negotiated for over $5 billion worth of agricultural surpluses. This is over five times as much as barter has moved since its inception. Why jeopardize a larger program for the sake of a smaller program. We need to move agricultural surpluses into export without playing favorites with barter as a means of doing so.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, one of the most far-reaching and important laws on the books today is Public Law 480—legislation which truly has been working for the benefit of America, for our people, our agriculture, and our relations with other people in friendly lands.

Thanks to Public Law 480 our country has been able to remove much of its surplus of food from Government bins—with a resultant saving to the taxpayers. Thanks to this beneficial legislation, we have been able to sell our food for foreign currencies, barter it for strategic materials, and feed not only famine-stricken people in friendly nations throughout the world, but millions of Americans right here at home.

The genius of Public Law 480 is its ability to put our overabundance of food to work for us. As a result of its operation, more than 5 million needy Americans in family units are fed every month. As a result of this law, we are strengthening our neighbor nations who we need to have on our side in this cold war. As a result of this law, we are helping them help themselves—enabling them to develop new industries and improve the health and nutrition stands of their people.

The benefits of this law come churning back to us. Because other nations conquer famine, they remain strong to the threat of communism. Because they grow more economically strong, they develop new tastes and markets for America.

The manifold benefits of Public Law 480 have been pointed out before—and are apparent. But it is good to pause here and take note of the success this legislation has achieved.

Now, with this wonderful record of Public Law 480 I hope we will not allow this program to go into a state of disrepute because we hang onto it a compulsory mandatory barter provision, and so I hope when the time comes that we vote on the amendment to be offered by the gentleman from Iowa [Mr. HOEVEN] to strike out the mandatory barter section, that we will support it.

Under this provision of mandatory barter we give the Secretary of Agriculture the authority to decide what materials we barter for. When I came to this Congress a year ago, the law provided that OCDM made the decision as to which strategic materials should be bartered, but then it was decided that this did not open up a large enough variety of materials for barter, so we put the authority in the hands of the President, and let the President decide which materials could come into this country. Now, evidently the proponents of mandatory barter have decided that the President will not allow enough in, so they want to turn it over to the Secretary of Agriculture. The President is in a position to make this decision, because all the other departments of the Government are responsible to him. But, I do not know another department of this Government that is responsible to the Secretary of Agriculture. So, he would not be able to obtain the help and assistance as is presently

the case when the President makes that decision. These programs have enabled the State Department to pave the way toward expanded health and nutrition in other countries of the world, helping them in their economic development, but the program would be curtailed by this mandatory barter provision, because barter would have priority over title I sales. Since it takes so long to work out a barter agreement, these would be greatly reduced and, in effect, this may slow down a great deal of the disposal of surplus commodities through Public Law 480.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. POAGE. Is the gentleman going to offer an amendment to insert "President" in lieu of "Secretary of Agriculture"?

Mr. QUIE. I am supporting the amendment to be offered by the gentleman from Iowa, which would in effect do that, yes.

Mr. POAGE. If the gentleman will offer that amendment, it is certainly in order. I did not know the gentleman was going to offer it.

Mr. QUIE. That is what the gentleman of Iowa's amendment will do. You see, if we are successful in knocking out this mandatory barter provision in this bill, it will not eliminate barter, but it will keep us under the present law in which the President makes the decision on which materials should be added to the stockpile.

One of the most important parts of Public Law 480 is developing markets. Now, under this mandatory barter provision the Secretary will not have to take into consideration whether this will replace dollar sales. But, if we replace dollar sales it will not do anything but replace the dollars that we could have received for our agricultural commodities and it will not in those cases increase the amount that will be exported under Public Law 480. So, I think that this mandatory barter provision definitely ought to be eliminated. It is a simple thing to show how we want this program to operate by simply eliminating this provision of the bill. That will give a straight extension of Public Law 480 for 1 year. Title I and title II need extension. Title III providing for barter of surplus agricultural commodities presently exists in the law and does not need extension. It will carry on even though we do not take any action here, and will allow the President of the United States and the Secretary of Agriculture to control the program in the best interests of the taxpaying public in our country. With this type of control over the program, I believe we will continue to have the type of Public Law 480 program which will be of benefit to the farmers and the taxpayers of this country and the needy people overseas and will not put it in jeopardy as this provision would do.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Chairman, we have no alternative except to extend Public Law 480 and to keep on extending it, year after year, until the people of the United States rise up and force a carefree, innocent Congress to protect American agriculture from complete destruction through the importation of foreign agricultural products.

Mr. Chairman, any person who has the ability to add a column of figures knows that the imports of foreign agricultural products, either directly or indirectly, supplant the production of more millions of acres than are today producing surplus crops in America.

The greatest task of the Department of Agriculture today is in taking out of production domestic acres displaced by foreign imports.

The purpose of Public Law 480 and all of these other giveaway food-for-peace plans and schemes is simply to get rid of crops raised on acres supplanted by the imports of agricultural products from abroad.

The sad part of it is, my friends, that we cannot give it away as fast as they import it.

I say to you: Repeal the Reciprocal Trade Act, place protective tariffs and quotas on agricultural imports, and we do not have enough acres in these United States to produce the food and fiber we actually consume and use.

We have no surplus. The bushels that are in storage today, that are causing the Department of Agriculture and this Congress such headaches, and which Public Law 480 was enacted to try to give away, are nothing more than the production of the millions of acres supplanted by foreign imports.

Let us take a look at the records:

Beef imports is a good example. In 1958 we imported 1,152,407 head of live cattle. In addition to that, we imported the carcass equivalent of 909,049 head, or a total of 2,061,456 head.

In my congressional district, which is typical of much of the midwestern wheat area, we produce wheat and cattle. When we turn the prairie upside down we produce wheat. When we leave it in its natural state, we produce beef. The Indian Department and the Department of Agriculture require 30 acres of that land to produce 1 beef. In other words, the 2 million head of beef imported in 1958 supplanted more than 60 million domestic crop acres. These acres are similar to the 55 million total wheat base acres that are causing the Department of Agriculture and this Congress so many headaches and yet more than the entire national wheat allotment was supplanted by imported beef alone.

Another example is wool and lamb. While the lamb and mutton imports last year probably did not displace more than 325,000 acres the wool imports displaced upward of 75 million acres. If the American farmer were permitted to produce only 90 percent of the wool that is used domestically it would require more than 75 million acres of land that are now producing some other crop—crops, if you please, which are in surplus, and crops, if you please, which we are trying to give away under Public Law 480 and these other programs.

Let us take another example:

In 1958 we imported 9,094 head of live hogs and the carcass equivalent of 193,091 head in processed meats, or a total, if you please, of 202,185 head. I am unable to give you the figures of the acreage displacement of this imported pork but I say to you it would have taken a good many thousands of bushels of surplus corn to have produced this pork supplanted, if you please, by imports.

In January of 1959 the Department of Agriculture was warning the American farmers that there would be a serious overproduction of pork in this country and urged them to drastically cut down production. Yet while they were warning the domestic farmer to cut down on production between January and May of 1959 we imported, either in live hogs or the carcass equivalent of 88,484 head of hogs.

Last week the Department of Agriculture announced that it was going to buy pork to alleviate the surplus situation, using it for the school lunch program, and so forth, in order to bolster the pork market. It is impossible to obtain the figures on pork imports since May, but I do know this. The Department will not be able to purchase, in its pork buying program, as many pounds of domestically produced pork as is imported in 1959.

Our annual sugar imports, which amount to approximately 50 percent of all the sugar used domestically, displaces more than 1 million acres of the very finest cropland in America—acres which are forced into the production of crops which we now consider in surplus.

I would point out to you that while the Secretary of Agriculture reduced the support price on feed grains on the basis that we have in surplus today 200 million bushels of barley and 375 million bushels of oats, which costs the taxpayers the tidy sum of $26 million annually for storage, we find that nearly every bushel of that surplus has been imported. During the past 10 years we imported 224 million bushels of barley and 344 million bushels of oats; in other words, 24 million bushels of barley more than there is in storage and almost as much oats. The picture in rye is even worse. We have in storage today 4½ million bushels of rye, and yet in not 1 single year in the past 10 years have we produced as much rye as our annual disappearance. Actually, our disappearance in rye includes 5½ million bushels of imported rye.

It is time, my friends, that Congress tackle this problem at its source. The source of the difficulty in agriculture is not domestic production but foreign imports. The solution is not Public Law 480, the International Wheat Agreement and all of these other interna-

tional agreements by which we subsidize the sale of agricultural production, but the solution lies in stopping the importation of competitive agricultural imports, which is supplying the food and fiber to the domestic consumer, while the production of our domestic farmer is being sold to the Government to be given away all over the world where we can just get the people to accept it.

Congress does not have the will or the courage to attack the problem at its source. Paying subsidies to keep the farm industry from being put out of business with cheap foreign imports is like attempting to cure a cancer by putting a Band-aid over the open sore. The cheap foreign imports is the cancer. The sore is only the place where the cancer is draining. Sooner or later the American people must make their choice—either they remove the cancer and save the patient or continue to treat the cancer with Band-aids at the open sores and let the patient die.

The patient is sorely sick. When $2.4 billion of our agricultural exports are either given away, or sold only with export subsidies, running from 8 cents a pound on cotton to as much as 50 cents per bushel on wheat, then I say to you my friends the end is not far away.

No—we must extend Public Law 480 today. We must put another Band-aid over this open sore. We must continue to patch up this old body politic that we call America, until we gain sufficient courage and stamina and determination to attack the problem at its source and remove the import cancer that has already eaten away most of the vitals of American agriculture, mining, and industry.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, I rise to oppose that portion of the proposed extension of Public Law 480 which invokes mandatory barter provisions.

The barter program has been a part of Public Law 480 since the act was passed in 1954. Five years of operating the barter program has not proven that it helps the American farmer dispose of any additional agricultural surpluses as claimed by the importers of minerals. In fact, it gives these importers a blanket appropriation account and guarantees them complete immunity from any price depressing effect on the cash market for materials. To say it another way, this program takes minerals and metals that are produced in world surplus and isolates them from the market until an act of Congress puts them out in the market again. On the other side of the transaction, it takes surplus agricultural commodities and pushes them into the marketplace in full competition with all our sales for dollars.

During 1958 the Congress recognized this situation and changed the law to protect more adequately our dollar markets for agricultural commodities. This action placed some restrictions on these importers of minerals and now they are asking that these restrictions be removed.

The proposed legislation contains eight major changes to effect this purpose. Let me pinpoint them for you. Under the measure before us:

First. Barter transactions would have specific priority over sales for foreign currencies.

Second. Sales for foreign currencies would be allowed only and to the extent that the Secretary of Agriculture determined that the countries could not meet their requirements through barter.

Third. The present provision limiting barters to materials of which the United States does not domestically produce its requirements is eliminated. In other words, we would barter for items of which we produce more than our domestic needs.

Fourth. Responsibility for determining which materials are to be acquired by barter would be placed upon the Secretary of Agriculture rather than upon the President of the United States.

Fifth. The current authority of the Secretary to take reasonable precautions to safeguard usual marketing and to assure that barters will not unduly disrupt world prices of agricultural commodities is eliminated.

Sixth. The existing authority of the Secretary to take reasonable precautions to assure that barter will not replace cash sales for dollars is eliminated.

Seventh. The present directive that the Secretary cooperate with other exporting countries to preserve normal patterns of commercial trade in commodities covered by international agreements is eliminated.

Eighth. The Secretary would be directed to endeavor to barter at a rate of $350 million for each fiscal year.

I am opposed to these changes because I believe they impose an unnecessary burden on the taxpayer, they are detrimental to our foreign relations and are not helpful to the American farmer.

Testimony presented to the committee by the representatives of the trade for both cotton and grain showed that the barter program has been disrupting world prices for agricultural commodities and displacing sales for dollars. Responsible farm representatives have recommended that the barter program should not be extended and be given preference over title I sales.

The proposed legislative changes in the barter program take away from the President and place with the Secretary of Agriculture the responsibility for determining the materials to be acquired by barter. The Department of Agriculture does not have material specialists on its staff and would have to rely upon the other agencies in the executive branch of the Government for this information.

At present, the imports of materials by the Commodity Credit Corporation are restricted to such strategic or other materials of which the United States does not domestically produce its requirements, but the proposed amendment would extend this range to any materials included in the strategic stockpile, whether or not they are produced in this country, and further would include any materials, goods or equipment important to the economy and including but not limited to various defense needs. Thus it would appear that virtually anything could be imported for use by any branch of Government, whether or not detrimental to U.S. industry, labor, and agriculture. Can we justify that to the American people?

Even the present nominal use of barter, involving approximately $150 million has had some undesirable effects in the world markets. If we direct the Secretary of Agriculture to consummate barter agreements at a rate of $350 million for each fiscal year, over double the present rate, we would be forcing him to approve agreements that will replace sales for dollars and to take metals and minerals in excess of our needs. Other committees of Congress which have made a much more exhaustive study and analysis of our stockpiling program than has the House Agriculture Committee, have indicated that the present level of stockpiled materials is already excessive. The warning signals are up and have been for some time.

In addition, many of us have noted the numerous reports from friendly foreign countries that the U.S. barter program is depressing their markets for agricultural commodities. Some reports indicate the disturbing possibility of retaliatory action by such governments.

There is a danger in overestimating the value to us of a stockpile insulated from the market yet supporting the world price of surplus metals. If we make any attempt to dispose of the stockpile, we will be charged with ruining our domestic market and of disrupting the world market.

It is another frozen asset in a world of make-believe.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, at the beginning of my remarks I would like to say I am going to support this bill with some amendments. I feel Public Law 480 has done a good job of disposing of some of our agricultural surpluses and should be continued. I will, however, support the Hoeven amendment to take out the mandatory barter provisions of this bill, which is presented to us today.

I wish to point out the inconsistency of the report from the Committee on Agriculture with respect to the treatment of "usual marketings" in dealing with title I and in dealing with barter.

It was basic in the original concept of Public Law 480 that usual marketings should be protected. By "usual marketings" was meant the trade which we had enjoyed without the added export incentive of Public Law 480. Great stress was made of the fact that it was not the intent of the Congress for the exports that came about as a result of Public Law 480 to interfere with or replace export sales that would be made anyway. This was sound because after all the main justification for this legislation was to move more of our agricultural surpluses into export.

The present provisions of the law require all agreements entered into with

respect to title I foreign currency sales to contain guarantees of that country maintaining its "usual marketings" of the commodities made available for foreign currency.

The present provisions of the law also authorize the Secretary of Agriculture to place restrictions on countries into which bartered agricultural commodities may be exported in order to protect the usual marketings of the United States in those countries.

This protection of what we already have in the way of export trade seems to me to be so clearly desirable as to leave no possible question in anyone's mind. However, we find the Committee on Agriculture to be completely inconsistent in its treatment of this principle in the proposed legislation.

In talking about exports of dairy commodities under title I, the committee says:

> It is repugnant to the whole intent and purpose of Public Law 480 that commodities exported to another country under the subsidies provided in title I should be used in such country in such a manner as to compete with and reduce exports from the United States to the same country of similar commodities on a commercial basis. The committee believes it is the clear intent of the law that the Department of Agriculture in making its "usual marketings" determinations (which are used as a guide in determining eligibility of a country to receive products under title I) the "usual marketings" not only of the particular products (in this case nonfat dry milk) but of similar or related products (such as evaporated whole milk) should be taken into consideration.

Here we find the committee taking the position that "usual marketing" is a sacred point to be observed when the interests of a few exporters of condensed milk are concerned.

However, when the committee deals with the subject of barter, they have this to say:

> Because the currencies of Western Europe and Japan are stable, they are virtually ineligible for a local currency transaction under title I. For this same reason, our traders are not permitted to export freely to them surplus commodities exchanged by CCC under the barter program. The technique is to set up a "usual marketing quota" of commodity exports from the United States to each country and until this usual marketing quota has been filled, our officials will not permit bartered commodities to move into that country.
>
> In carrying out this absurd policy of "usual marketings" the Department of Agriculture has rejected, during the fiscal year 1959, 90 firm offers to barter $137.5 million worth of agricultural surpluses into six major hard-currency countries.

Apparently "usual marketings" is sacred when the export of dairy commodities is concerned under title I, but when the application of the same principle interferes with the opportunity of a few international traders in mineral and metals to convert our surplus agricultural commodities into dollars for their own benefit at the expense of our normal export trade, it becomes an absurd principle.

I say the protection of our "usual marketings" is, was, and should continue to be a sound principle in the administration of all aspects of Public Law 480. The Hoeven amendment would insure the continuation of this sound approach to expanding our agricultural exports.

Mr. POAGE. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, the President of the United States has often expressed himself in favor of barter and so has the Secretary of Agriculture and many in the Department who administer the program. Congressional leaders of both parties have told the President and the Secretary of Agriculture that we should do more bartering.

Where then is the opposition which has been so effective as to make those rugged American pioneers, who braved all sorts of dangers to bring strategic materials to this country in furtherance of our national security and defense, look almost like criminals engaged in a nefarious occupation? It comes from those men in very high places in Government who sincerely, but nevertheless misguidedly, believe that it is wrong for this country to engage in honest-to-goodness competition with our allies; that whenever our competition interferes with the foreign trade of any of our allies, we alone should back down and let their products through even though what they are doing always hurts our taxpayers and many times helps our enemies.

The question then should be asked these well-intentioned men: Is it right for our competitors to undersell us and make use of barter, and wrong for us to do the very same thing?

Mr. Chairman, this barter program is a good one. If properly administered, not only will it dispose of surpluses equaling the value of the needed materials which we acquire, but we have had ample testimony before the committee from competent exporters of agricultural commodities to the effect that disposals through barter materially assist in their disposals for cash. And, as the distinguished chairman of the House Agriculture Committee has very eloquently demonstrated time and time again, there has never been one single instance where a barter transaction prevented a cash sale for dollars. In other words, our total disposals have been increased by the barter program operating before the Department of Agriculture decided to curtail it.

Mr. Chairman, I cannot honestly find any logic or justification in the arguments advanced against barter. I know that the record shows that as the sales through barter increased, our total exports increased and so did our cash sales. I know that as the barter program decreased, so did our total exports and our cash sales until they have sunk to their present low levels. I know that the storage costs for our surplus agricultural commodities now cost approximately $2 million per day, and the Department estimates a considerable increase in the next few years. I know that the materials that we have been receiving in exchange for our surpluses are not only a valuable insurance against a national emergency, but more importantly they are materials which we will urgently need in our future economy, and are, therefore, valuable national assets. I know that the value of the materials that we have taken in exchange for the deteriorating and expensive-to-store surplus commodities have increased significantly since their acquisition. I know that barter, and barter alone, has permitted us to acquire materials from many of the underprivileged nations of the world which they could not privately sell for dollars to the United States. And, Mr. Chairman, I know that since we have curtailed our barter sales the Soviet bloc has moved into the vacuum and increased their exports to the very nations to which the Department of Agriculture and our State Department will not permit us to export through the barter program.

Mr. Chairman, for about 2½ years, until May 1957, the Department of Agriculture carried out a barter program as intended by Congress. During this period it exchanged more than $900 million of surplus agricultural commodities for an equivalent amount of foreign minerals and other materials of permanent value. These materials went into the strategic or supplemental stockpile from which they can be released only by Presidential proclamation or joint resolution of Congress. These materials cannot be a threat to the market, nor do they affect adversely any domestic minerals market or production and in fact support domestic prices by drawing surplus materials from world markets.

This is the best business we have ever done in disposing of surpluses. As shown in the extremely well-prepared staff study of the House Committee on Agriculture during the years 1954–58 we exchanged $979.6 million in essentially worthless farm surpluses for barter materials. On March 27, 1959, these materials were worth $1,035.2 million or $55.6 million more than we paid for them. At the same time, we have been saving more than $100 million a year in storage costs. The Department of Agriculture estimates the annual cost of storing the farm surpluses we have exchanged by barter would be $109.1 million, while the annual storage cost of the materials we have received in exchange is only $4.4 million.

Why in May 1957 the Department of Agriculture suddenly brought this highly successful program to a halt is still a mystery.

In spite of the clear intention of Congress, this program has continued to be hedged about by restrictions and obstacles which will prevent it from attaining more than one-third of the volume Congress had in mind.

For 3 months the Department refused to accept any offers to barter cotton, although U.S. cotton exports are running 51 percent below last year and American cotton has virtually ceased to move on the world market because of our export pricing policies. Listen to this: It refused to approve the barter of soybeans into West Germany although that country is increasing its purchase of soybeans from Communist China. It refused to approve barter of feed grains

into the Benelux countries although their purchases of feed grains from the Soviet bloc are increasing. It refused to approve a barter of cotton and tobacco to France, entering instead into a sale of these commodities for French currency, although the French were willing to pay for the commodities by valuable materials instead of with soft currency, which as time goes on will be reduced in value. It refused to approve a multilateral transaction involving movement of American cotton to Japan, although Japan was negotiating and has since entered into its first barter deal with Russia for Soviet-controlled cotton.

While our Department of Agriculture is preventing surplus agricultural commodities from moving into European markets under the barter program, while our agricultural exports are at the lowest point since 1955, agricultural commodities from the Soviet bloc are moving into the West European market in steadily increasing quantities. Numerous new trade agreements with the Soviet bloc involving agricultural commodities have been signed by West European countries within the past year.

Under these trade agreements alone, more than an estimated 1.5 million metric tons of wheat, feed grains, tobacco, cotton, and rice will move during the calendar year 1959 from the Soviet bloc into countries where the Department of Agriculture will not permit our surpluses to move under barter.

To me, Mr. Chairman, the collateral benefits arising from a barter program such as that carried on by the Department before May 1957 are even more important to the United States than is the primary benefit of disposal of essentially worthless surpluses for valuable minerals. Among these collateral benefits are the following:

First. Resistence to Soviet trade expansion. Many of the materials acquired under the barter program come from economically underdeveloped countries of Africa, Asia, the Near East, and South America. With the curtailment of the barter program, we have cut off this trade relationship with many of these countries and in so doing are aiding and abetting the efforts of the Soviet bloc to extend their sphere of economic influence.

Second. Barter is an effective form of foreign aid. In the case of many of the countries listed in the committee staff study, the commodities obtained by the United States under the barter program are substantially the only products those countries have to sell to this country and in many instances they are extremely important to the economy of the country involved. Without one dollar of cost to the taxpayers of the United States we were providing these countries with millions of dollars worth of purchasing power and providing it in the place where it does their economic development the most good—in the direct channels of trade and commerce.

Third. Barter stabilized our own minerals industry. Under the barter program, the world price of lead and zinc was stabilized at a level satisfactory to virtually all concerned. Only after the Department of Agriculture discontinued the barter program and acquisitions of these metals under that program ceased, did the world price of lead and zinc drop to the point where assistance had to be provided for the domestic mining industry.

Fourth. Barter is good foreign relations. A large part of the unpleasantness which the Vice President encountered in South America was the outgrowth of the curtailment of the barter program. Although the quantity of materials which had been obtained from South American countries was not large, it had been sufficient to provide an important prop to their economy, not only through direct sales but through stabilization of world minerals prices. In the opinion of competent observers, unrest and hardship related directly to termination of the barter program provided the environment which made possible organization of the demonstrations against the Vice President. It is probable that this situation is being repeated in other countries and other parts of the world.

Fifth. Barter is good business. No other form of surplus disposal gives the United States as much in return for its surplus commodities as barter. Under barter, surpluses are exchanged at their full export value for strategic and other materials which—considering the effects of inflation—are actually worth more than dollars, and the exporter pays the ocean freight. Even cash sales take dollars out of the importing countries, while barter transactions put dollars or their equivalent into the countries from which the materials are acquired, and the record is convincing that these dollars are immediately spent in the United States—thus giving us two full-rate commercial transactions for our surplus commodities.

In conclusion, Mr. Chairman, I want to state most emphatically that barter is the best proven method of increasing our agricultural exports, reducing our surpluses, assisting friendly nations, and building our economic resources—a method which has strengthened the United States to wage economic war against the Soviet and enabled us to better protect the very Allies who are complaining.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, first, I would like to say that Mr. COOLEY, the chairman, deserves to be commended for the very extensive hearings that were held on this legislation before reporting it to this floor for consideration. I honestly believe that since the act has gone into effect, there has not been a more complete discussion of the program than that which appears in the record developed from these hearings.

In making an examination of the program's operation, one finds that it is conspicuous in its complexity. Certainly nobody expected the program to be less than intricate, but on the other hand I do not think that anyone believed it could or would become so complicated.

Of course, it is not possible to know all the details related to the program, but we do know that it is a king-size surplus removal program which, since the beginning of operations under the act in July of 1954, has involved a total value in exchanged commodities of well over $8 billion.

I have had the opportunity of attending hearings on this program both here and abroad, and these hearings have given evidence that Public Law 480 has been superbly managed. In the light of this, I want to pay special compliment to the Department of Agriculture, the Department's officials here in Washington and those abroad who are carrying out various aspects of the program and handling many of the negotiations and follow-up so essential to a well-administered operation.

Mr. Clarence D. Palmby, Vice President of the Commodity Credit Corporation, has presented us with a very clear and competent report, and other officials of the Corporation have provided enlightening and helpful information. And from these reports it becomes eminently clear that Mr. Myer, Administrator of Foreign Agriculture Service, his associates, and the agricultural attachés abroad deserve a great deal of credit for the vital part they are playing in moving our agricultural commodities into export markets and developing new outlets abroad.

The record proves that a good job has been done under this act in the face of a multitude of problems related to the handling of commodities, negotiating with foreign officials, protecting our normal marketing procedures, and many other intricate details associated with the program's operation. However, in spite of this, this bill before us today sets forth to impair what has proved to be efficient administrative procedure by insisting that barter transactions be broadened and by denying the Secretary of Agriculture the authority to impose such restrictions as are essential in providing a well-managed barter program.

It is recognized that the barter program moves surplus agricultural commodities into export, but by the same token we must realize that the barter aspect functions only to bring minerals and metals into this country, with these heading only for one place—our Nation's stockpile.

The gentleman from New York [Mr. ANFUSO] emphasized that barter should be continued, and those of us who will support the proposed amendments are in complete accord that barter be continued. There is no issue involved here in removing barter transactions. It was stated by the gentleman from New York [Mr. ANFUSO] that barter is good if properly administered. Well, let me say not only to the gentleman from New York but to this committee that that is exactly the issue that is involved here, and we are anxious that barter be properly administered. We are concerned that the amendments proposed in this legislation will make it most difficult for the Department to properly administer the barter program. While it can be said that these amendments are not mandatory in their language, let me say that they are very definitely mandatory in their purpose.

Mr. Chairman, there have been a number of our colleagues who have expressed concern relative to the accumulations in the stockpile. I am sure that those who come from metal producing areas in this country have a valid reason to be very much concerned. This stockpile has reached the proportion of approximately $8 billion, and certainly anyone with any degree of realism in relation to this stockpile knows full well there will come the day when some of the items have got to be moved out because of the high inventory. The barter program has but one end product—materials into the stockpile. It performs as a world price support program on the materials which are eligible for placing into the stockpile. This heavy inventory of these materials is a threat hanging over our metal producers in this country. And, what will happen in relation to these items when they are moved out into use? Well, reference was made to the situation in connection with coconut oil. Let me say to you that coconut oil is in the strategic stockpile. On June 23 the announcement was made that coconut oil would be offered into channels of trade. On June 5 coconut oil sold for 21 cents a pound. The rumor got out that some discussion was being had relative to the release from the stockpile, and the price has broken from 21 cents to 15.75 cents as of today, and that is a program, as you can well see, that is terrifically important to those who are interested in coconut oil.

The point has been made that if barter transactions decline, the cash sales decline. I would like to refer my colleagues to page 65 of the committee report which is a part of the minority report, chart 5, and you will see that that statement does not hold, because cash transactions increased on coarse grains exported from the United States while barter transactions were decreasing. I think the challenge before us as we consider this legislation is, Shall we have a constructive, orderly program, or shall we let those who are interested in an expanded barter program supersede our good, sound judgment?

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Chairman, while the discussion on the rule was had, there was reference made to a proposed amendment to be offered to this bill. It is a simple amendment, and yet it is going to create some controversy. The amendment requires that all commodities shipped under titles, I, II, and III of this act must be shipped from a U.S. port. I think it is time that we started thinking of what is good for the United States as well as what is good for foreign countries. The reason for this amendment is this. The U.S. Department of Agriculture announced on July 27 that effective the 1st of September they would place inspectors to inspect grain for overseas shipment under this program at the port of Montreal. That means that Montreal will become a marshaling point for overseas commodities shipped under this program. You are going to develop the port of Montreal at the expense of the taxpayers of the United States.

The opposition is going to come from our friends on the Great Lakes. They want to see the St. Lawrence Seaway used, and I do, too. But I want to ask my friends on the Great Lakes to remember this. You are trving to become deep water oceangoing ports. But if you allow the Department of Agriculture to develop the port in Montreal you are going to continue to be just lake ports, you are going to be just hand-maidens to the port of Montreal.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman.

Mr. HOEVEN. How is the United States going to contribute to improve the port facilities at Montreal?

Mr. CASEY. When you allow inspectors to inspect the grain at Montreal, and there is now under construction in anticipation of this, two enormous grain elevators; they will use the lake ports merely to transport the grain to Montreal and from there it will be loaded for overseas shipment.

Mr. HOEVEN. The gentleman does not mean to say that the U.S. Government is paying for the storage facilities? I understand that the individual grain companies provided for such storage.

Mr. CASEY. You certainly are, because whenever the exporter buys that grain he takes that into consideration and he makes his bid accordingly. He makes his bid and the bids are accepted by the Department of Agriculture from day to day. They make them on the basis of the difference between the U.S. market price and the foreign market price. When he makes his bid he takes into consideration the cost of transshipment, storage and transportation to the foreign country. He has to be competitive in the foreign market and they give him that difference in additional grain. That additional grain comes out of the Commodity Credit Corporation stockpile and you and I pay for it.

I trust that answers the gentleman's question, because what we are doing is subsidizing the port of Montreal in that respect. That means a cost to every port in the United States including Great Lakes ports, because all the Great Lakes ports will get out of this is what returns they get for loading the grain for transshipment. They will have no oceangoing vessels calling at their ports and buying supplies; and incidentally that amounts to about $80,000 a ship. They will not have new grain facilities, new elevators built. You will be penalizing your dock workers, your port workers and in every respect your business and industry as a whole. Be a little farsighted. Do not be penny wise and pound foolish. In 2 years you are going to be deep sea ports, there is no question about it, and you will have those ships coming directly to you and not stopping at Montreal to load up.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, there is no issue here today as far as Public Law 480 is concerned. I think every Member of the House is in agreement that Public Law 480 should be extended. The only controversy here today is over the provision in the present bill before us in regard to barter.

The statement has been made many times that there are no complaints as far as the barter program is concerned. I think that is practically true because the Secretary of Agriculture has had great discretion in whether or not to accept barter transactions. I think he has done a good job in making sure that barter transactions did not replace cash sales. If the present program is continued as it is now upon the statute books, I believe the barter program will continue to be a practical and profitable program. But, for a number of years, there has been a constant pressure on the Committee on Agriculture to step up barter. Every time the Secretary of Agriculture or the director of this program has appeared before the Committee on Agriculture, he has been constantly criticized for not stepping up the barter program or he has been criticized because there were not more barter transactions. The barter program at the present time is going at the rate of $160 million a year.

The proponents of the amendment to this bill want to increase that to $350 million. It is my opinion, and it is my position that any time we can make a profitable barter transaction with any nation, which does not replace cash sales and is in the best interests of the United States and of all the people and not just necessarily agriculture, I think the Secretary of Agriculture should make that transaction. But for this Congress to attempt to say that regardless of how he feels that the Secretary should make barter transactions and that the barter program should be stepped up $200 million only means that there will not be any more agricultural products exported, but it means that more metals will be imported.

Now I do not know anything about the profits. There have been charges made that excess profits have been made in this program. I do not know anything about that. But, if profits have been made, they are strictly legitimate under the law. I do know one thing—that the only pressure that I have found for the stepping up of the barter program has been from a group of importers and not from anybody in America connected with agriculture or connected with the exporting of agricultural products. I have no objection to these importers making a profit out of these transactions because they do take the risks and perform a legitimate service, which is necessary if we are going to have a barter program. The only thing I object to is their using the Congress of the United States to increase their profits to the extent that they can make a profit on over $200 million a year in additional barter transactions regardless of whether or not those transactions are good for the American people. I really cannot understand why the Committee on Foreign Affairs and the Committee on Interstate and Foreign Commerce have not said a word today

about the Committee on Agriculture taking over the foreign affairs of this Government as well as the foreign commerce of this country. If the Secretary of Agriculture is in complete charge of this program, he supersedes the Department of State and regardless of whether or not it interferes with our foreign relations with friendly nations all over the world, he can go ahead and it also puts him in charge so far as foreign commerce is concerned. Now where those two great committees are today, and I have not heard a word out of either one of them, I cannot entirely understand the fact that you are permitting us to take over your responsibilities and your prerogatives. Another thing I cannot understand is why we should trade one surplus program for another surplus program. We have surplus agricultural commodities, why should we export our surplus agricultural commodities and bring in another surplus commodity right back into the United States to interfere with the legitimate industry that now exists. If we have to get rid of the agricultural surpluses, and I suppose we have to, let us do it without putting other men in the United States out of work, and I say that as a member of the great Committee on Agriculture.

There has been no attempt to stop the barter program. Those of us who signed the minority report and those of us who are going to support the Hoeven amendment to strike out the barter provisions in this bill have no desire to change the present barter program. We want the Secretary of Agriculture to barter at every opportunity that he has to make a practical and profitable trade. We want that type of program to continue.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, the gentleman from Texas [Mr. CASEY] said he proposed to offer a very simple amendment. His amendment is not a simple amendment at all. As a matter of fact, it is a killer amendment. It is an amendment that is a dagger aimed at the heart of every city on the Great Lakes—Chicago, Milwaukee, Duluth, Detroit, Cleveland—yes, every city on the Great Lakes that hopes to use the St. Lawrence Seaway to open its pathway to the trading centers of the world.

His amendment will dynamite the St. Lawrence Seaway as far as the grain trade is concerned as effectively as if explosives were touched off in the locks and dams.

His amendment goes further than that, his amendment will hurt every farmer in the Middle West and in the Great Plains region who grows the commodities that are the subject of this bill, let alone the taxpayers, because the cost of transportation will be upped considerably as a result of his amendment.

If his amendment is adopted the farmers will have to ship their products by rail to seaport cities of this country and then load their grain on the ships in order to reach its foreign destination.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. HOEVEN. The gentleman from Illinois has made a splendid farm speech. I congratulate him and want him to know I agree with him 100 percent.

Mr. YATES. I thank the gentleman. I urge the House not to be confused by the Trojan horse of patriotic language that is being used by the gentleman from Texas who advances his proposed amendment as a buy-American amendment. Let us not build up the Canadian ports, he says. But American ports are involved, too. During debate under the 5-minute rule we will have an opportunity to explain that this amendment is not a buy-American amendment. It affects all the American communities on the Great Lakes to their detriment. It affects the entire center of this country. It is a very bad amendment.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Illinois [Mr. SPRINGER] 2 minutes.

Mr. DIXON. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. SPRINGER. Mr. Chairman, I cannot say much in the 4 minutes that have been yielded to me, but I hope that under the 5-minute rule I can cover some parts I am not able to cover at this time.

First of all I would like to say this has been a good program for 5 years. I personally was happy to have been a part of the origin of it. You know there were five in the House, Mr. HARRISON, Mr. BURLESON, Mr. JUDD, Mr. POAGE, and myself, who introduced identical bills which finally turned out to be Public Law 480. I might say that I have traveled today in 27 countries over 35,000 miles in behalf of Public Law 480. Back in 1954 when the bill was first introduced I remember some of the opposition that I received from the State Department, and in the first countries I visited there was considerable resistance to the initiation of the program. After the lapse of 3 years visiting those countries again, 1957, particularly in the case of Spain regarding transactions involving $69 million the Ambassador to Spain told me this was the best thing that could have been done in behalf of furthering Spanish-American relations.

I would like to talk to you about barter for just a moment because in some of the countries I have visited this matter of barter has been a serious problem. Why?

I think for this reason: The Soviets seeing the kind of program that we have had where we have been selling for native currencies have not been able to put into effect a similar program of their own. They simply could not spare the rubles from their own budget in order to make it possible to transfer goods, so they stepped up their barter program tremendously all over the world. Prior to 1954 their barter program was pretty much restricted to eastern Europe. I am talking about the Soviet bloc with the exception of Denmark, Sweden, and Norway.

Since then their barter program has become tremendously important in other countries, especially in the South American countries. You cannot step into a South American country but what the first thing the minister of trade or commerce asks you is why they should deal with you under Public Law 480 when they can get such favorable terms from the Russians under barter. This is the way the Russians operate: They go to a country and ask: "What do you want? Put the items down on a sheet of paper. If you want 18 or 20 items put them down. We will give them to you, and all we ask from you in return is that you give us what you have." In Brazil they will take coffee. Then they will barter that coffee all over their bloc wherever a need for it or a market for it happens to be and dispose of the coffee in some three or four-way trade agreement.

So you can see this kind of program is of tremendous importance. This competition is very real and we must meet it in some way.

During the last 2 years we have seen the success of this program even in competition with the Soviets, the Communists and the communist bloc in Europe. I am not sure that this is perhaps the final version that should be written into law. At the present time I am inclined to support the first amendment, and I am inclined to oppose the second and I do so for a very good reason.

The first amendment does restrict the Secretary's ability to maneuver.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SPRINGER. Mr. Chairman, the first amendment does restrict the ability of the Secretary of Agriculture to maneuver. In other words, it puts upon him certain handicaps with reference to negotiation for barter before he can enter into sales under title I. In my estimation, that is a restriction.

As to the second amendment, I am inclined to oppose it because I believe it is a proper expansion of our barter program in accordance with what I have pointed out and will make it possible in this area of Public Law 480 to barter.

Now, there has been some talk with reference to the amount of money that could be saved. I am not sure there would be a lot of money saved, but it would be a program wherein we would not be giving it away. We receive something in return. I realize there is a serious question here with reference to the import of strategic materials that are in good supply in this country. However, I am encouraged by page 7 of the bill, beginning at line 3, which states:

> Raw materials of which the United States does not produce its requirements and strategic and other materials, goods or equipment important to the economy or the security programs of the United States, as designated by the Secretary.

I take it in these instances, unless it was needed and unless there was a shortage of supply in this country, the Secretary would not be able to barter.

The third problem I want to cover is the long-term supply contracts. I should like to congratulate the chairman of the committee, the committee itself, as well as the ranking Republican member, the gentleman from Iowa [Mr. HOEVEN], for putting in this additional title which I think has been needed for

a long time. I testified in 1955, 1956, and 1957 before the Committee on Agriculture of the House attempting to get this kind of title into the program because I felt over a long period of time it was most important to have this in the act.

Mr. ALGER. Mr. Chairman, I have asked permission to revise and extend my remarks in order to expand on the viewpoint expressed earlier when I had the opportunity to question the gentleman from North Carolina [Mr. COOLEY], the chairman of the committee.

As expressed then, and on further reflection, I am constantly reminded of the fact that everyone accepts this program which quite possibly is neither constitutional nor by definition the role of Federal Government. Rather, the program is accepted, amended, and continued more by habit than by the earlier necessity. True, it was something of an emergency program at the outset. As is so often the case, the emergency program to dispose of surpluses is continued and made permanent. Now, it might well be questioned whether it is not necessary to build the surpluses in order to have the food available for distribution under Public Law 480. On sober reflection, I cannot accept the principle that it is the role of Federal Government to provide food and clothing; not in this bill nor the school milk bill nor through any other welfare program. This is not the role of Federal Government as I interpret the Constitution.

If this is accepted as a fact, then the complicated, bewildering, even self-defeating situation in which the United States finds itself, as reflected by the complicated provisions of the bill and the explanation of the report can be understood. In that sense a bad bill cannot be corrected just by amendment. It must be repealed.

Since the basic situation has changed so little since the similar debate in July of 1958, I shall include at this point my remarks made at that time. The objectives contained therein need little editing since I have pointed out the basic wrong; namely, that of Government distributing food has not changed:

[From the CONGRESSIONAL RECORD, July 21, 1958, pp. 13194–13195]

Mr. ALGER. Under the foreign disposal of food, we have not correlated this program with our foreign-aid program, and, of course, it is foreign aid. There is no policy to guide this hodgepodge giveaway. Sure, we get foreign currency, but it must be spent in the recipient country. So we continue to manipulate or mastermind other nations or attempt to do so. And without an overall policy. It is not enough to just get rid of our surpluses. It is a question of the best way to do so. Faulty programs should not be continued. * * * Our improper handling of foreign currency within the respective foreign nations can gain us enemies, not win friends.

Here in the United States we do not believe in socialism, the Government's feeding, clothing, or housing us. Yet, in this bill last year the Federal Government gave away 621 million pounds of food. I am confident, further, that others than the needy got this food. Besides, we have local and State means to provide for our needy. The heavy income taxes from all States, if part were kept at home, could provide the necessary funds. What we are doing, and it is readily recognizable, is providing a permanent, not temporary, program for surplus disposal. We are assuring the continuance of agricultural surpluses, with the resultant heavy drain on the taxpayers, who must support high farm prices, and pay higher prices in the stores as food consumers. * * *

Some say the administration of the law is bad. I say what else can you expect from such all-comprehensive, socialistic, foreign-benevolent legislative wording?

Finally, how proud can we be of helping atheistic Yugoslavia, our dedicated enemy? Yugoslovia has received $432 million of our food under this program. What do we do with the local currency paid for our products? We arm them with our best military weapons. We are our enemy. * * *

It is time we had a policy study of Public Law 480. How does it relate to the foreign-aid program? Should United States objectives in this bill be reevaluated as to their effects on friends and foes? We should do this before continuing the program.

Mr. Chairman, during debate I questioned the propriety of the Government's undertaking to distribute food. I was told that it is the law. All right, right or wrong, we are doing it. How well are we doing it? In Texas we produce a lot of cotton. I have heard some maintain that the support price of cotton is too high while others hold that it is too low. But at any rate it has been sufficiently high to encourage the production of a lot more cotton in recent years than we can use—surplus cotton.

One of the means by which the Government has undertaken to market this cotton is under the barter provision, of Public Law 480. What has been the result?

The American Cotton Shippers Association is the national trade association whose members, I am told, handle about 90 percent of all the cotton sold to mills here and abroad. In testifying before the Agriculture Committee in July, this Association's representative pointed out in chapter and verse how our barter program has proven useless, costly and demoralizing to the cotton trade here and abroad. He pointed out how a bartered bale of cotton does not increase our exports but merely replaces a bale which could have been exported for dollars. He pointed out how the program increases the price disadvantage of our domestic mills and how it is peculiarly unfair to small American cotton exporters. The whole story was laid before the committee and appears in the RECORD—of how these same barter sales, while competing with dollar sales, are at the same time saddling the taxpayer with the cost of so-called strategic materials imported exquota and tariff free, at higher than normal prices and added to our stockpile, about half of which has already been declared surplus to our needs.

To sum up, it was the considered judgment of this trade association representing a vast majority of exporters and merchants in the cotton trade, that, and I quote: "The present barter program, as it applies to cotton exports, stifles competition among cotton merchants, impairs the selling ability of U.S. cotton at normal prices in the most important foreign markets, undermines confidence in world cotton prices and increases substantially the cost to the taxpayer of the minerals stockpile program. It does not help agriculture and it has added to Government-held stocks of minerals which have been declared recently to be in surplus supply themselves to the extent of about half the total holdings. Economically, barter is a backward step and the program, as applied to cotton, is not in the interest of the taxpayer."

All this in the avowed aim of marketing our agricultural surpluses. Even if one were to concede that the Federal Government should have undertaken this program to begin with—and I am not prepared to concede that at all—this is but one example of how well we are doing the job.

Mr. HOEVEN. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I have supported the extension of Public Law 480 in each of the last Congresses. I have taken the floor and reviewed the progress made since its enactment on several occasions. I do not feel it is necessary for me to go into the various operations of Public Law 480 again this afternoon.

The debate today has been largely centered around enactment of the new barter provisions which are included in H.R. 8609. Public Law 480 should most certainly be extended. It has proven to be good legislation for America and for the American farmer. It should be extended without the inclusion of the new mandatory barter provisions. I wish to vigorously protest against the enactment of the new barter provisions of H.R. 8609.

What I have to say is directed at the proposed unbridled type of program which H.R. 8609 with the new barter provisions would bring into being. I believe barter has a legitimate place in our overall surplus disposal program. I believe the present legislation and the regulations now in existence concerning barter places barter where it belongs in the overall efforts to expand exports of agricultural commodities. It assures that we get worthwhile materials in exchange for our agricultural commodities and gives at least some assurance that the agricultural commodities moved under barter are not merely replacing sales for dollars that would have been made anyway. This bill however is an entirely different matter and it is high time for frank talk on this problem of barter. It is time to unmask the beneficiaries of this new program and reveal it for what it is. It is a most blatant attempt to force the Department of Agriculture to carry out a $350 million dollar program for the profit of a handful of international traders in metals and minerals. This attempt is being made in spite of vigorous protests from farm organizations, the regular grain export trade, the national cotton council, the Cotton Export Shippers, and the Department of Agriculture.

This business of bartering surplus agricultural commodities for so-called strategic materials has been sugar-coated so as to have a great deal of false appeal

for those who are not familiar with the true aspects of the program.

It has fallaciously been made to appear as a foolproof panacea for the problem of disposing of our agricultural surpluses. A picture has been painted of countries hungering for our agricultural surpluses but without money to buy them. We have been led to believe that those countries have materials which they are eager to exchange for additional quantities of our agricultural surpluses. The utopia supposedly created by barter, we are told, is one where we get rid of our agricultural surpluses, receive valuable materials which are less costly to store and the poor underfed and poorly clothed people of the world eat well, dress better, and everybody is happy.

This is pure unadulterated hokum and it is time to speak bluntly about what happens, who benefits, and who suffers.

In the world today we have surpluses of agricultural commodities and surpluses of so-called strategic materials in the form of certain metals and minerals. If barter was providing a useful outlet for a portion of both the agricultural surpluses and the surplus metals and minerals without interfering with the normal trade of either, I would be for it. But it is not.

The surplus foreign-produced metals and minerals we acquire under this program are also surplus to any stockpiling needs of this country. The bona fide materials stockpiling program authorized by Congress under the National Stockpiling Act has been criticized by this Congress for piling up twice as much materials as we need. But here we are asked, under the guise of barter, to pile up even more of those same materials in a supplemental stockpile.

The few powerful international traders in metals and minerals, who are the advocates of this program, have seen to it that the additional surplus materials that they can unload on this country through barter are securely locked up in the supplemental stockpile and thoroughly insulated from their normal dollar market in this country. Through this bill of goods they hope to sell this Congress that through barter they will be able to create an additional market for themselves for surplus foreign-produced materials. Many of the foreign producers of these materials are desperate for an outlet. These traders roam the world hunting for distress sellers who are willing to sell below the market in order to move their materials. They then dump them into the locked up supplemental stockpile at prices based on the normal market with a good fat profit for themselves.

Do not misunderstand me, I am not against profit or the opportunity for good businessmen to make a profit. But I am against the Congress of the United States legislating, over the protest of agricultural interests, to create an opportunity for a handful of international traders in metals and minerals to profit at the expense of the American farmer and the American taxpayer.

I have explained to you how the surplus foreign produced metals and minerals are swept under the rug by being locked up in the supplemental stockpile. Let us look at what happens to the surplus agricultural commodities that make up the other half of a barter transaction.

Of course, these traders would rather receive dollars direct from the Government for their metals and minerals as they did while we built up the over $8 billion strategic stockpile. But we, wisely, are not appropriating any more money for that purpose. So they are forced to take agricultural commodities out of Commodity Credit Corporation inventory equal in value to the materials they dumped in the supplemental stockpile.

Do they propose to ship these commodities to the country from which they get the materials in payment for those materials? That is what barter would imply. But that is a far cry from what happens. Just as they roam the world hunting for materials to buy at distress prices, they then start roaming the U.S. agricultural export trade hunting for the lowest offer in the form of a discount to take those agricultural commodities off their hands for dollars and cause them to be exported.

What does the grain exporter or cotton exporter do with those agricultural commodities? Except to the extent that the Department of Agriculture limits where they can be disposed of in an attempt to prevent replacing cash dollar sales, replace usual marketings, or unduly depress world prices, the commodity exporter sells them in the world market as he would any other commodity. The bartered wheat or cotton loses its identity as such and becomes an integral part of the world trade in that commodity. Contrary to the surplus material wihch is isolated from the U.S. market by being locked up in the stockpile, the agricultural commodity must find a home in the world market. It does not take a professor of economics to figure out that a home in the world market is found in one of two ways. Either by replacing an equal quantity of that commodity which the exporter would have to buy from the American farmer in the free market or by price cutting create an additional demand.

To the extent that the current law is successful in limiting the outright replacement of the farmer's normal export market, the exporters have been forced to resort to price cutting to find an export outlet. The cotton export trade testified before the Agriculture Committee that discounts of 10 to 20 percent below world prices had become common in order to move cotton originating from barter.

It again does not take a professor of economics to figure out the result of such action. We have all seen what happens if a filling station operator decides to cut the price on his gasoline in an effort to get more trade. All his competitors follow suit and between them they do not sell any more gasoline than they did before, they just get less money for it. The same thing will happen in the world market and the man who takes the rap for depressed world prices is the American farmer.

This small powerful group of international traders are not easily daunted. First they lost their captive market for surplus metals and minerals when the Congress cut off the appropriations to buy for the national stockpile. Then they fostered the barter program to keep that outlet. Under the present law the somewhat successful efforts to keep them from merely replacing normal cash dollar trade have led to larger discounts out of their profits in order to cut world prices on the agricultural commodities involved. In addition to reducing their profits somewhat they have incurred the displeasure of the real exporters of agricultural commodities who have finally realized that they were being taken for a ride too.

So what do they now propose? It is simple and innocuous looking. Merely, and I quote from line 20, page 7 of H.R. 8609:

> In carrying out barters or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be exported.

The advocates of barter would have you believe this will result in the export of more of our agricultural surpluses. They proclaim loudly and vociferously that no one has ever proved that a barter sale replaced a cash sale. Granted that it is hard to prove what would have happened in as fluid a medium as world trade if something else had not happened. But even if something cannot be proved in black and white, is that any reason for throwing commonsense and logic out the window. Just put yourself in the shoes of a U.S. grain exporter who has negotiated a deal with a minerals importer to take a million dollars worth of wheat off his hands and export it for say a 2 percent discount in price. The grain exporter pays the barter contractor $980,000 and would be free to sell this anywhere in the free world. Is he going to scour the world for a new market for this wheat so it would be in addition to what he ordinarily sells in export? Let us not be stupid. He would move that wheat into the easiest and quickest dollar market he could find. Having satisfied that market demand there would be no need for him to enter the competitive domestic market to buy wheat so that market would lose the strengthening effect of that purchase. The farmer gets a lower price for his wheat or turns it over to the Government under the price support program. The minerals importer gets the dollars, the Government gets some more materials to lock up, of which it already has too much, and the taxpayer gets it in the neck.

I frankly am amazed and baffled as to why the Committee on Agriculture has ignored the protests of the National Cotton Council, the American Cotton Shippers Association, the National Grain Trade Council, the Grain Marketing Committee, the American Farm Bureau Federation, the National Council of Farmer Cooperatives in addition to the vigorous objections of the Department of Agriculture and chosen to sponsor legislation advocated solely by a small

handful of international traders in metals and minerals. I would not discount for a minute the aggressiveness and persuasiveness of their representatives who have haunted these halls persistently and diligently. I do maintain, however, that this handful of international traders in metals and minerals have never, do not now, and never will have a genuine interest in the constructive expansion of export trade in our agricultural commodities. Why should we listen to their blandishments rather than the protests of recognized leaders of the trade and spokesmen of farmers who have always had, do now, and will continue to have a deep and sincere interest in the expansion of our agricultural exports on a sound basis?

Stripped of all its romance and false appeal the proposed barter program is merely a circumvention of the appropriating authority of Congress. The Congress has already decided that no more money should be appropriated for acquiring metals and minerals and in fact grave doubts have been raised as to whether we have not accumulated twice as much as we should have already. Then why should we let a small powerful group of international traders circumvent the appropriation route and give them access to the U.S. Treasury by the back door under the cover of a fallacious barter program to export agricultural commodities. What this group wants and would get from this legislation is access to our agricultural commodities and an unhampered opportunity to convert them into dollars for their own sole benefit at the expense of the American farmer and taxpayer. This legislation is not for the commonweal but is blatantly preferential for a very few at the expense of many. I honestly hope that this House will see through the false facade that has been so carefully erected around barter and vote overwhelmingly for the amendment which will delete from H.R. 8609 those provisions which make mandatory a new barter program.

Mr. COOLEY. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I think we are in a rather unusual situation. Here is a program of great magnitude which has been in operation for several years. I thought that the Republican Party took great pride in this program. No member of the Democratic Party on the floor of this House has indicted the administrators and those responsible for the programs that are being operated under Public Law 480.

No one appeared before our committee as a witness to criticize those responsible for administering the law. Yet here today we are faced with an unusual situation in that the President of the United States, the Secretary of Agriculture, and those associated with him administering this program are bitterly and severely indicted by members of the Republican Party.

I made a statement previously on the floor that this program was not entirely the responsibility of Mr. Benson. The present law charges the President of the United States with responsibilities connected with the administration of this barter program. Why did we change it from the President to the Secretary of Agriculture?

I should like our lovely colleague from New York [Mrs. KELLY]—and she is a lovely colleague—to listen. The question was asked a moment ago, Who is responsible for selecting this list and providing the list of strategic materials to be brought in under the barter program? The present law vests that authority and responsibility in the President. But knowing what the President has done and knowing what the President will do, the bill before the House now strikes out "President" and inserts "Secretary of Agriculture." If you want to change it back to the President, I have no objection and I shall introduce an amendment to change it back to "President," if that will help any Member of the House.

I see the lady from New York is about to ask a question, but before she interrupts me—and I am looking forward to a discussion with her—let me make this point. On November 11, 1958, Mr. Eisenhower wrote Mr. Benson:

> Since you retain responsibility for actual barter transactions, I request that you continue to take the lead in recommending materials to be designated and that you continue to consult the appropriate agencies in order to assure a broad and flexible consideration of the problems inherent in this program.

That was the letter from the President to the Secretary making the Secretary of Agriculture the head of the Barter Committee.

The agencies of the Government that collaborate with the Secretary of Agriculture are these—and those representing those agencies:

> U.S. Department of Agriculture: Clarence D. Palmby.
> U.S. Department of Agriculture: T. R. Rawlings.
> Atomic Energy Commission: James P. Gerety.
> Bureau of the Budget: Bartlett Harvey.
> Commerce Department: Thomas Curtis.
> Office of Civil and Defense Mobilization Wilbert G. Fritz; William G. Smith, alternate.
> Council on Foreign Economic Policy: Paul G. Cullen.
> General Services Administration: W. M. B. Freeman.
> Interior Department: Spencer S. Shannon.
> International Cooperation Administration: Theodore L. Sweet.
> State Department: Sydney L. W. Mellen; Howard R. Brandon, alternate.
> Treasury Department: Robert W. Benner.

This list is headed "Agency, Members, and Alternates." It is a list of the current membership of the Supplemental Stockpile Advisory Committee for Barter.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman.

Mrs. KELLY. The gentleman has read so many names, that I feel the administration or the gentleman's Committee on Agriculture is diversifying the administration of this act to the point where nobody knows who is doing what or where. Will the gentleman agree with me that there are too many making the decision? The President can delegate authority to any one if you again give him that right but that is not the answer. My suggestion had been to give this authority to the Director of the Office of Civilian Defense and the Administrator of General Services in the hope that they would control that which you would permit to be bartered under this program. But, I do feel this does not go far enough and I feel that the amendment which may be offered by the other side will be the one that I must vote for.

Mr. COOLEY. The Office of Defense and Civilian Mobilization is represented on the interagency committee.

Mrs. KELLY. But you have quite a list of names there. You must have at least 20 names.

Mr. COOLEY. Yes. Why not have these agencies of the Government since they are vitally interested in the problems?

Mrs. KELLY. I think my amendment does not go far enough. But, I think it is a perfecting amendment to the language that you have in the bill.

Mr. COOLEY. I said a moment ago I do not have any right to accept it on behalf of the committee, but I have no objection to the gentlewoman's amendment.

Mrs. KELLY. I hope the committee will accept the amendment.

Mr. COOLEY. But, I do object to restricting it as your amendment does restrict it. I do not see how the President or the Secretary of Agriculture could have provided a better committee.

Mrs. KELLY. Since the General Services Administration has to purchase these commodities——

Mr. COOLEY. Yes; they are listed here.

Mrs. KELLY. That is right. Since they would have to purchase them and since the Office of Civilian Defense would have to decide how much they need, then they would have to agree with the contract. In that way I am sure the Administrator and the Director would make a proper decision.

Mr. COOLEY. Mr. Chairman, I just want to conclude this debate by saying this, the only indictment of the President of the United States and his Inter-Agency Committee comes from the Republicans on the floor of this House. I have not indicted them and I have not criticized them. I am willing to trust them with this program and I want the RECORD to show that. If there is anything corrupt or any misdeals or charges of malfeasance or wrongdoings, then the Republicans on this floor should be interested and should call upon this committee to correct and remedy the situation.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BELCHER. Is the chairman thoroughly satisfied with the barter program as it is now being carried on?

Mr. COOLEY. I am satisfied with it as it is being carried on except with regard to the volume. I have not complained about a transaction, but I do

complain when the Secretary has reduced the volume of barter to a mere trickle and to an inconsequential amount.

Mr. BELCHER. Then as I understand it, the chairman is indicting the Secretary of Agriculture; is he not?

Mr. COOLEY. Oh, no, no—except as to the size of the program.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. HOEVEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended to read as follows:

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1960, and ending December 31, 1960, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $1,500,000,000, plus any amount by which agreements entered into in prior fiscal years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years by this Act as in effect during such fiscal years: *Providing, however,* That it is specifically directed that disposals resulting from transactions authorized by section 303 of this Act shall have priority over disposals under this title and that agreements under this title shall be entered into only in those cases and to the extent that the Secretary shall determine that countries requesting assistance under the provisions of this title are unable to meet their requirements through commodities made available for export under section 303 of this Act."

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call the attention of the Committee to some of the wonderful programs that have been made possible because of Public Law 480, but programs that have not been given the emphasis they should have been today, not because we did not have them in mind but because the barter debate has of necessity taken so much of our attention.

I call attention, Mr. Chairman, to the Public Law 480 programs, particularly insofar as titles II and III are concerned in their relationship to the food that we give to hungry people at home and abroad.

As you know, title II is the title which makes it possible for us to give food to friendly governments, friendly nations, whose countries are suffering some catastrophe. You will recall the tragic incident of Hungary just a few short months ago, and I know each one of you will have a feeling of genuine pride and satisfaction in your country to realize that thousands in Hungary were given of our food and our surplus, not because we expected to make any selfish material gain, Mr. Chairman, but because that was America's way of showing our concern for suffering humanity.

I have been told that under the provisions of these programs here at home last year we fed more than 20 million Americans, indicating that this program is first of all a program to help people at home. Some of my friends who are not on the Committee on Agriculture ask: Why do you not get a program for the hungry people at home? Mr. Chairman, we have such a program through title III of Public Law 480. May I repeat again that last year we fed more than 20 million Americans here in this country. Included in that number were 5 million members of needy families. There were a million and a half children in charitable institutions. Also you may recall we fed about 14 million schoolchildren through the school lunch program.

This program at home is administered by our State agencies. If any of you are wondering whether or not your State is receiving its share of the program that they ought to receive, we start first of all with the Governor of the State. Each State and properly so, has to have charge of the distribution of the food, but the food is here for hungry Americans and there is no reason for any man, woman, or child in America to be hungry. I am proud of America's humanity toward its own people, and I am proud, let me repeat again, proud of America's humanity toward suffering people abroad.

I have been told, for example, Mr. Chairman, that 60 million people in 85 countries have received food through the great voluntary agencies. These agencies during the last several years have distributed, as I understand, billions of dollars worth of food. If you will look at the report of the committee on this particular bill you will find in tables 5 and 6, an outline of the amount of money that has been spent to provide suffering people abroad with the food that they need.

As we talked to these wonderful people, these missionaries, people representing all the various faiths and denominations, as we talked to them about their program they said it needed enrichment, that they needed to be able to give some fats and oils to these people, that they wanted to be able to embark on a long-range program, but that they must work on a year-to-year basis. We did not try to recommend any change in the basic law to accommodate their fine views, but I am hopeful that the Department of Agriculture—and they have been very helpful in doing just as much as was possible—we are hopeful that they will take the present law with the authority that it contains and make some of the changes that would enable us to carry out a better program. I do not know what can be done about it, Mr. Chairman, but I think we can do more to win this cold war by feeding hungry people than by doing some of the other things we have found it necessary to do, and I think that so long as we have a cold war we have got to have a food for peace program for the benefit of friendly peoples throughout the world.

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

Mr. CASEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Alford	Holifield	Powell
Barden	Horan	Preston
Blitch	Jackson	Rains
Bolton	Johnson, Colo.	Rivers, S.C.
Bow	Kasem	Rooney
Boykin	Kilburn	Shelley
Buckley	Kilday	Simpson, Pa.
Canfield	Lipscomb	Smith, Calif.
Cederberg	McSween	Spence
Celler	Magnuson	Steed
Collier	Martin	Taylor
Davis, Tenn.	Mason	Teague, Calif.
Dawson	Merrow	Teller
Dooley	Miller, N.Y.	Thompson, La.
Elliott	Minshall	Udall
Farbstein	Morgan	Van Pelt
Flynt	Morrison	Wainwright
Gubser	Moulder	Westland
Hall	Multer	Wharton
Halleck	Osmers	Williams
Hays	Pilcher	Willis
Hébert	Pillion	Withrow

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8609, and finding itself without a quorum, he had directed the roll to be called, when 368 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: On page 2, line 6, substitute a period for the colon and strike out the remainder of the sentence through line 15.

Mr. HOEVEN. Mr. Chairman, most of the general debate has been taken up with a discussion of the barter provisions of the bill, to which this amendment pertains, and also a second amendment which I will propose at the proper time. Let it be understood that this amendment does not repeal barter. We are doing $160 million a year business in barter right now. The amendment simply allows the present program to continue as set out by Public Law 85–935, passed by the Congress last year. In other words, we continue bartering. The present law protects cash sales for dollars. The present law preserves the usual marketings of the United States and friendly foreign countries. The present law provides a reasonable and sound program based upon experience and study. So the present program should be continued rather than opening the doors wide open for an unrestricted barter program.

In my general remarks, I tried to point out who is for and who is against the barter provisions of the bill. The

National Cotton Council is against the barter provisions. The American Cotton Shippers Association is against the barter provisions. The National Grain Trade Council, the Grain Marketing Committee, the American Farm Bureau Federation, and the National Council of Farm Cooperatives are all against the barter provisions of the bill. So is the State Department, and in that connection may I read a letter which I just received pursuant to my request from Mr. Douglas Dillon, Acting Secretary of State.

AUGUST 19, 1959.

The Honorable CHARLES B. HOEVEN,
House of Representatives.

DEAR MR. HOEVEN: While Public Law 480 is an important adjunct to our foreign assistance programs, we hope it will be extended in a manner which will permit the administration of the program in an orderly way.

The Department of State does not oppose barter in principle. There are cases where American farm surpluses can be exchanged advantageously for stockpiling materials which are actually needed by the United States.

This Department is, however, firmly opposed to any barter provisions which would result in displacement of commercial sales and the disruption of commercial trade.

The minority report of the House Agriculture Committee specifies the provisions which would be harmful. These provisions, if adopted, would not only be injurious to U.S. export trade but would create serious foreign relations problems with a number of our allies who have no objection to fair competition but whose economies would be injured by an expanded program of quasi-mandatory character without essential safeguards.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

I believe I can also say to the House that the President of the United States is opposed to the barter provisions. My good friend and colleague, the chairman of the Agriculture Committee read to you only a portion of the letter which was addressed to the Secretary of Agriculture by the President of the United States on November 11, 1958. He did not read the last paragraph. I would like to read it to you:

Unless there is a net gain to the United States from the exchange of surplus domestic agricultural commodities for these foreign materials, the national interest does not lie in the accumulation of additional amounts of commercially available materials on the attached list for which there is no current or prospective governmental need. Therefore, the practice of approving only those barter transactions that will expand total exports of surplus agricultural commodities without disrupting world markets should be continued.

This should make the opposition imposing indeed.

I hope the amendment will be adopted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the author of the amendment has indicated, this amendment even if adopted would not do away with the barter program. The purpose of this amendment in plain language is to say to the Secretary or those in charge of the barter program that if they have an opportunity to acquire valuable strategic materials they shall not take foreign currencies. If you want to build up foreign currencies around the world then vote for the pending amendment.

For the life of me it is difficult to understand why anyone would prefer taking the money of India, Pakistan, Brazil, or many of the other countries of the world, rather than bringing into our economy strategic materials or materials that are needed here.

This does not mean that the Secretary or the President, whoever is finally vested with the authority, has to do $350 million worth of barter before he can effect a title I transaction. It means that where he has a choice of accepting valuable or vital materials that he shall accept vital materials up to the extent of $350 million. I cannot see anything wrong with that.

If you want more foreign currency built up all around the world, vote for the amendment. If you vote against the amendment you are in effect saying that you prefer to have strategic materials brought into America.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would like to ask the distinguished gentleman two questions: First, the definition of "friendly country." Would Poland be included under that definition? In other words, I want to know whether the definition of "friendly country" may eventually describe the captive satellite nations that are dominated and controlled by the Soviet Union through Moscow?

Mr. COOLEY. I think the answer is that it includes all of those nations that have been designated by the State Department as friendly nations.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SPRINGER. It does include Poland.

Mr. COOLEY. Here is the definition as used in the act:

"Friendly nation" means any country other than the U.S.S.R.; or, second, any nation or area dominated or controlled by a foreign government or foreign organization controlling the world Communist movement.

Mr. FEIGHAN. Under that definition I think all the satellite nations would be excluded from the category of "friendly nations"—North Vietnam, North Korea, East Germany, Inner and Outer Mongolia, Tibet, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, and Poland also. These countries certainly come under the second definition of nonfriendly nations, which you just read, clearly because all of them are dominated or controlled by the Kremlin which controls the world Communist movement.

Mr. COOLEY. They would not be eligible according to this definition.

Mr. FEIGHAN. I believe we all recognize that we are in an economic war with the international Communist conspiracy. If we are going to buy and barter strategic materials from the enemy, the international Communist conspiracy, I am wondering how much thought has been given to the fact that if we accept strategic materials, from our enemy and, of course, by that same token we would not be mining strategic materials within our own country, whether, therefore, we would be in the position of becoming economically dependent upon the Russians for strategic materials and, if so, the Russians would be winning not only an economic victory, but at any moment the Russians could cut off our sources of supply of strategic materials, particularly in case of a war, thereby endangering our national security.

Mr. COOLEY. Mr. Chairman, I hope that the pending amendment will be rejected.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after listening to the distinguished chairman and the distinguished ranking minority member of the Committee on Agriculture, in my opinion neither one of them has pinpointed the problem. If you really want to vote against barter, wait for the second amendment. In my opinion, this amendment is not the one that determines barter. The second amendment, beginning on page 6, line 7, is the one that has to do with the fundamental question of barter.

Here is the reason I am supporting this amendment. As I said here a few moments ago, I do not want to support this amendment. I am not saying anything about the second. The reason I am supporting it is this: All of you who are familiar with this program know that in bartering we have had a hard time, both in the State Department and in the Department of Agriculture, in getting agreements with other countries. Some of these negotiations have gone as long as 22 months. If you put language in here on the Secretary on top of what he already has, it will add to the difficulty. And here is what it says:

It is specifically directed that disposals resulting from transactions authorized by section 303 of this Act shall have priority over disposals under this title and that agreements under this title shall be entered into only in those cases and to the extent that the Secretary shall determine that countries requesting assistance under the provisions of this title are unable to meet their requirements through commodities made available for export under section 303 of this Act.

May I say that the Secretary before he can make a sale would have to make in fact an administrative determination after sufficient investigation that no barter could be made. I do not think that any Secretary, whether he is Republican or Democrat, ought to have that put upon him before he has any authority to make a sale.

That is my reason for supporting this amendment to strike this particular language. We certainly had enough trouble getting these sales made without again putting up a roadblock in front of the Secretary in the determination of an entirely different thing before he can say we are ready to make a sale. That is the only reason for striking that out.

I do not believe the argument made by either the gentleman from North Carolina or the gentleman from Iowa has pinpointed the problem involved.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from North Carolina.

Mr. COOLEY. I agree with the gentleman's statement, but I do think this section can be easily administered by the Secretary, because all he would have to do is determine whether or not the country he is dealing with had available any metals or materials that we needed and have on the barter list.

Mr. SPRINGER. That is correct. But let me say he has to make an investigation of the country with whom he is going to make a barter. Suppose one country says no, in September we do not have it, but we think we are going to have the material in December. That is exactly the situation.

Mr. COOLEY. That is not the purpose of this language. It does not force him to make an investigation into any transaction. He has to consider the barter transactions that are then pending.

Mr. SPRINGER. I disagree with the gentleman. I do not believe that is the duty that is put on the Secretary by the language contained in these lines. He has to make an investigation and come to a real sound administrative determination that no barter can be made. I do not believe he can do that without an investigation.

Mr. COOLEY. Unless there is a barter transaction pending, it is not up to him to go into the country and ascertain whether or not there are any materials available. That is the purpose of the language.

Mr. SPRINGER. That may be, but I do not believe that is his duty. I think he would have to make an investigation to determine the question.

Mr. COOLEY. That is precisely the intent of the committee, and the report indicates that is the intention of the committee.

Mr. SPRINGER. I do not read this language that way. I will have to disagree with the gentleman.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield further.

The proviso in section 1 does not require the Secretary to carry out a barter program of the size envisioned in section 12 before he can enter into any title I agreements to sell surpluses for local currency. This proviso merely requires that where the Secretary has a choice between disposing of surpluses into a country under the barter program or by sales for foreign currency, with respect to that country and to the extent the choice exists, he shall give a clear preference to disposals by the barter method rather than by sales for local currency. That is the language.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have an amendment at the desk which would reduce the amount authorized in this bill from $1,500 million to $1,250 million. If it is adopted it should be taken by the Secretary of Agriculture as a directive to sell that much more for dollars. I rise at the moment to address myself to the pending amendment, which I think should be adopted.

Now, in the first place, for us to ever straighten out this agricultural situation, we are going to have to do it by sales through normal channels and by pulling domestic production down to domestic and world markets. As I have pointed out to this House many, many times, the law has always authorized and contemplated competitive sales. It has authorized the Secretary of Agriculture to sell CCC stocks for what they will bring in the world market. Unfortunately, for years our Government would not use that authority and this year is not fully using it. Now, with reference to Public Law 480—though it might have been esesntial at the start—as long as we constantly increase this means of thinking we are sweeping our overproduction under the rug we are kidding ourselves, for it shows up in the losses of the Commodity Credit Corporation, which my committee has to come in here and recommend that you restore. And, as this report shows, it has now reached something over $6 billion. Well, I agree that Public Law 480 to a degree was essential at the start, but I think we should begin to dry up this approach. It is beginning to do damage to us in the long run, at home with the American people and it is playing havoc with our real markets abroad.

Now, I am not talking on the amendment at this moment, except to this extent. As long as we have Public Law 480, nearly every country is going to see if they can get commodities under 480 before you can sell them anything for dollars. Now, under this barter provision in effect, you are leading them to say if they cannot get it under barter they will take it under 480. Then if not under 480 they will buy. In the hearings before another committee of this Congress, headed by the gentleman from North Carolina [Mr. FOUNTAIN], the record shows that metal importing firms have been getting discounts ranging from 6 to 25 percent. What does that mean? It means that while we offer wheat and cotton and other commodities on the world market at competitive prices, these firms, by going to the proper place and buying strategic materials at reduced prices, can, in effect, buy the American commodity at a reduced price and make it that much worse for people buying under Public Law 480 and Public Law 480 tends to lessen demand through regular channels for dollars.

Now, I am advised by the Department of Agriculture that certain financial interests in this country have invested American capital at Hong Kong where they have set up machinery to manufacture textiles. Through this means of barter they are getting American cotton for about 5 cents a pound cheaper than we even sell it competitively. Then, by reason of contracts with American chainstores, they are sending their finished goods produced with 5 or 6 cents an hour labor back into this country.

Now, if domestic mills go to the Secretary of Agriculture for relief, and they have under section 22 of the AAA Act, which authorizes the Tariff Commission, or rather the President on the Tariff Commission's recommendation to limit imports into this country if it endangers the price support programs we have for any commodity, faced with the fact that this is American cotton that these American interests abroad are manufacturing, and since they are using American cotton, it will be hard to show that it endangers our farm program though it plays havoc with our domestic mills.

May I say again, we were geared up to a necessity to continue 480 for a limited time, but as long as you try to solve the problems by expanding 480 you are just making it that much harder to sell competitively, as we have the right to do, which after all restores markets, and if you push on top of 480, barter and make it worse, these dollars, whatever you may term barter or 480, show up in the recommendation our committee has to make for money to restore the capital of the Commodity Credit Corporation. And all the time Fortune and Time magazines and others use these dollars to attack all farm programs.

I am later going to ask you to reduce the amount authorized in this bill and ask you to join with me in saying to the Secretary, "Mr. Secretary, if you will just sell these commodities for dollars, we will lose something, but we will get back something like 60 or 80 cents on the dollar and we will be back in the market."

Frankly there is nothing better you can do for needy people in foreign countries or foreign governments than to make our production available to them in the market at truly competitive prices, year in and year out, as authorized by law. And you will help the American taxpayer as well.

Remember, foreign governments sell these commodities to their people, with so much markup as 70 percent.

Under such conditions whether marking it "American" will do us any good, I do not know.

At any rate, I hope you will adopt the pending amendment.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to address myself to section 13 of the bill which may be found on page 8 of the bill and on page 22 of the report. During the discussion in the committee on this bill we amended the act to require that the commodities given away under title II of Public Law 480 should be labeled in the language of the country in which they are donated.

During a trip to Europe last fall I was in several countries where English was not understood to any degree and found that the only labels on the commodities we were giving away under this section were labeled in English, "Donated by the American people."

Only a very small percentage of the people in those countries could speak the English language. I would say a great majority of them even were illiterate. So I introduced an amendment which was accepted by the committee to require that the merchandise be labeled in

the language of the country in which it is donated. Certainly, if we are going to give these products away, the recipients of our food products should know that Uncle Sam is furnishing the food for their tables. In many cases they are distributed through local charities and local religious organizations, and most of the time the people are of the opinion that the charitable or religious group which is doing the distributing of the products is actually the donor of the products.

I am speaking on this section because of one phrase which was inserted later over my objection, which says "insofar as practicable." This was done because in many of the countries where the food is now being distributed there are so many different dialects that it would become a very difficult matter to label them in those local dialects. But I would like for the RECORD to show that "insofar as practicable" is not an escape clause for the Department or for the people who are distributing these products.

I should like to ask the chairman of the committee if it is not his intent and the intent of the committee that the language "insofar as practicable" shall be taken to mean this: To keep it from becoming impossible for them to distribute the goods in some of these areas where the language is not a national language, but to obviate the necessity of having to label in so many dialects as to make it impossible to deliver the merchandise?

Mr. COOLEY. Mr. Chairman, the gentleman is correct. I think every member of the committee agreed with the purpose of the gentleman's amendment. I call attention to the fact that this is set out at page 22 of the report. There it says:

> Section 13 of the bill amends section 305 of the act to require that, in addition to a mark of identification (such as the American flag), each package or container of surplus commodities donated under the authority of this act or of section 416 of the Agricultural Act of 1949 be identified also insofar as practicable by a statement in the language of the locality where the stocks are to be distributed that the commodity is being furnished by the people of the United States.

As the gentleman points out, in some countries they may have so many dialects it would not be practicable to identify each package by the language of the locality. We put that language in to impress upon those administering the program that it was the intent of the committee that adequate identification be made.

Mr. BASS of Tennessee. I appreciate the gentleman's statement. I should like to ask the same question of the ranking Republican member on the committee, if that is not his opinion also, that we do not mean this to be a loophole for those who are administering the program?

Mr. HOEVEN. Most certainly it is not intended to be a loophole. We are just trying to face realities. It has been pointed out, for instance, that there are about 200 different dialects in India alone, that about 95 percent of the people in Libya are illiterate, so it would be practically impossible to label all of the packages in the respective languages including all the different dialects. But certainly it is not proposed as a loophole.

Mr. BASS of Tennessee. I appreciate the gentleman's statement. I have made this statement primarily for the legislative history to show that it is the clear intent of the Congress and of the committee that these products that we are giving away shall be labeled, if it is at all possible, in the language of the locality in which they are being distributed.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Chairman, I rise in opposition to the amendment and in support of the committee position on the barter program.

Mr. Chairman, The fear has been expressed by some—and sincerely, I am sure—that by reopening a barter program of the type that the committee recommends we would be in danger of stockpiling too large a quantity of some of the vital and essential materials which would be brought into the United States under that program. In brief answer to that, let me ask a question: How can we have within the United States too large a supply of nonrenewable natural resources, such as minerals, particularly of those minerals which are a vital necessity to our future economy and which are scarce or which do not occur at all in the United States?

In seeking the answer to this question, the committee consulted the highest authorities available to it. There appeared before the committee Dr. John D. Morgan, Jr., a minerals expert who has served in his capacity as a minerals expert with the National Security Resources Board, the Defense Production Administration, and the Office of Civil and Defense Mobilization. Dr. Morgan strongly and without reservation endorsed the barter program advocated by the committee and reported in this bill.

He pointed out that with respect to minerals—particularly those rare and unusual metals which are becoming so vital to industry and to defense in the atomic and missile age upon which we have now embarked—the United States is a "have not" nation. We must depend on sources outside the United States for approximately 85 percent of all of these minerals which are so urgently needed today and which will be even more vital tomorrow to our economy and perhaps even to our national existence. Most of these materials occur in only limited quantities and many of them entirely outside the United States. How can it possibly be feared that we can acquire too much of these vital natural resources?

Dr. Morgan's testimony will be found beginning on page 674 of the printed hearing and it is well worth the serious reading and consideration of every Member of this House.

As Dr. Morgan points out, the national stockpile established under the Critical and Strategic Materials Stockpiling Act is solely and specifically a national defense stockpile. It includes only those materials which the responsible officials of the Government have determined will be needed in the event of a 3-year war for war purposes. It does not include those materials which might be just as urgently needed for reconstruction and rehabilitation in the United States in the event of an attack on this country. It does not include, as such, any of the new and rare metals which are becoming every day more indispensable to the adequate development of our missile and space age programs.

The reason why some of the materials formerly acquired for this national defense stockpile are now considered surplus is for the same reason that other weapons and materials of war are declared surplus. They have become obsolete or obsolescent as military techniques have developed.

The materials which this bill would authorize for acquisition under the barter program would include only those materials which the OCDM still determines to be necessary for our national defense stockpile. There are, I understand, relatively few of these and if they can be purchased for surplus commodities, instead of with directly appropriated dollars, it seems to me good sense to purchase them in this manner.

The great bulk of the materials which would be authorized for acquisition under the barter program recommended by our committee would be for the supplemental stockpile, which is the one established, not for war purposes, but for purposes of rehabilitating and rebuilding this country in the case it is attacked and for the manifold purposes of our development in the missile and space age. They are rare materials that occur in only limited quantities throughout the world and which are not found at all in the United States—or are found here only in insufficient quantities—to meet our requirements. Otherwise they are not eligible for barter under this program.

To assume that we would take under the barter program any of these materials which we do not need and may not need in our future development work is to assume utter incompetence on the part of the Secretary of Agriculture, and of those Government officials, in the OCDM, the Department of Defense, the Atomic Energy Commission, the Department of Interior, and the Department of Commerce, who will be advising the Secretary on the materials which should be included. The bill leaves this decision entirely up to the Secretary.

Now to conclude that these materials would be released from the supplemental stockpile in such a manner as to destroy or impair the commercial market for such materials is to credit both the Congress of the United States and the executive branch with very little sense or discretion. Once in the stockpile, the materials may be released only by joint reso-

lution of Congress by the President. The manner and method of their release may be stipulated in such resolution.

To assume that they would be released in a haphazard manner injurious to private industry or normal commercial trade is to assume that neither the Congress nor the executive branch are capable of managing our natural resources. That this is not true is demonstrated every day in our management of our petroleum resources. There are enough oil wells in production in the United States to wreck the petroleum market in one day if they are allowed to produce at capacity. They are not allowed to produce in this manner, however, and their flow is so regulated that it is a most stabilizing, rather an upsetting, factor in world petroleum markets.

If Government can handle the extremely complicated problem of allocating release of our oil reserves in such a manner as not to upset world and domestic markets, it seems abundantly clear that Congress and the executive branch can regulate the release of materials from the supplemental stockpile so as to have the same beneficial effect.

I have such a high regard for the opinions of the gentleman from Mississippi [Mr. WHITTEN] on the matters relating to agriculture that I hesitate to take exception with him. But, he has made the point that the barter program ought to be restricted and, as a matter of fact, that the entire Public Law 480 program ought to be stopped because it makes the budget of the Commodity Credit Corporation look bad. Actually, I can appreciate the gentleman's concern at that point because we all know the Department of Agriculture has been given a lot of unjustified criticism for the cost of programs that more properly should be charged up to some other branch of the Government. But this has nothing to do with the merits of the programs at stake. As a matter of fact, most of the public criticism that has been directed against the CCC costs has been directed at the storage costs of agriculture surpluses. The barter program and the Public Law 480 program in general provides a perfect opportunity to cut down some of these unpopular storage costs that are jeopardizing our entire farm program by replacing these commodities with needed strategic material.

It will be much cheaper for the taxpayer and better for the farmer for us to exchange some of our farm surpluses for needed minerals and other strategic materials. These metals can be stored much more cheaply than can farm commodities and they do not deteriorate in storage.

Furthermore, we are confronted by an aggressive Soviet trade policy which uses barter and other devices to secure markets for Soviet goods. Why should we not make all reasonable use of this trade device in expanding markets for our farmers.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I inserted in the RECORD today a letter from Mr. Charles Schwab, representing the lead and zinc mining industries of the United States in which he stated unequivocally that to pass this mandatory barter provision would practically destroy what is left of our lead and zinc industry in the United States.

This stockpiling of the lead and zinc has already created a 5 years' supply on hand. Now zinc is down to 11 cents and lead is 12 cents and two-thirds of the mines in Utah have been forced to close. The barter program encouraged foreign countries to open up new mines and expand production of operating mines and now there is such a world oversupply that our mines cannot compete under existing prices. The mining industry pleads with you to take this barter section out by supporting the Hoeven amendment.

Furthermore, the Secretary of Agriculture should not be the one to decide on strategic minerals. It should still be the President of the United States and the military who should say what strategic minerals should be stockpiled. As our colleague, the gentleman from Mississippi [Mr. WHITTEN] said this mandatory barter section just displaces our cash market. It will force out the cash sales just as poor currency forces out good currency. I think this barter provision is in every way wrong. We had a similar provision last year which was taken out in conference. I urge the support of the Hoeven amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from Missouri [Mr. JONES].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Chairman, you will recall that I introduced a bill, H.R. 7146, which would have added a new section to Public Law 480, which, among other things, would have prohibited any dairy commodity produced in the United States being sold or disposed of under Public Law 480 for use outside the United States for filled milk or filled cheese.

My bill also provided that export assistance under any other law could not be granted by the Secretary of Agriculture for the purpose of subsidizing the exportation of nonfat dry milk to be used in the manufacture of filled milk products abroad.

First, I wish to commend the committee in its report in which it states that the operation which my bill sought to correct "is repugnant to the whole intent and purpose of Public Law 480 that commodities exported to another country under the subsidies provided in title I should be used in such country in such a manner as to compete with and reduce exports from the United States to the same country of similar commodities on a commercial basis."

Secondly, it is noted that the committee stated that while it did not include this bill, H.R. 7146, in its amendments to Public Law 480, "it is in full accord with the objectives of the proposal and has omitted it because it believes this reminder will accomplish the purpose."

Testimony before the House Committee on Agriculture and the Dairy Subcommittee of the House Committee on Agriculture showed that, while the Public Law 480 agreement under which the exportations of which we complained in our bill, is now concluded, yet exactly the same type of subsidization is being carried on under authority of other laws, such as the Agricultural Act of 1949, as amended, the Commodity Credit Corporation Charter Act, and the like.

I feel that the same considerations in expanding or maintaining export markets for U.S. agricultural products under Public Law 480, namely, that the authorities of such law should not be used to interfere with commercial export marketings of similar commodities, should also govern in respect to export subsidization carried out under other laws, even though such consideration is not specifically stated in the laws.

It makes no sense to subsidize one commodity at the expense of the regular export market of another commodity, irrespective of the authority used to accomplish such exportation.

Now to my question: Does your committee agree that the restrictions as to noninterference with regular commercial export markets by subsidies authorized pursuant to Public Law 480 should also guide the Department in respect to subsidization of exports carried out under authority of any other law?

Mr. POAGE. The committee agrees entirely. Certainly, we intended that our surplus commodities should be used to develop, not to destroy American trade, and we surely feel that the same goal should be applicable to all of our export subsidy programs.

The CHAIRMAN. The gentleman from Missouri [Mr. JONES] is recognized.

Mr. JONES of Missouri. Mr. Chairman, I think we need to understand exactly what this amendment does and to understand that it applies to these sales for foreign currency. They would be restricted, or section 303 would have priority over the sale for foreign currency. In my opinion, I would rather have something—anything of value which could be stored in the United States without deterioration rather than to have further foreign currencies added to the billions of dollars which we now have, and which in all probability will never be utilized. That is one of the main things you are facing with this amendment, and it is one of the reasons why it should be defeated.

I have been of the opinion that we have not yet opened up this barter provision as wide as it should be. I realize that there are a lot of people who think that under the present program it goes too far; and I admit that the wording in this bill that we have before us opens it up still farther for barter,

but my goodness alive, if we have got the abundance of agricultural commodities that we can trade for anything of value it is better than selling it for foreign currencies which will never be used.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. GROSS. If we can just get Congress adjourned that will take care of a good deal of these counterpart funds.

Mr. JONES of Missouri. Even if every Member of Congress went abroad and spent just as much money as he could every day until Congress meets next January, we would still have more money left than we would know what to do with, and I say to my colleague from Iowa that I do not want to get any more than we have to take.

A lot of charges have been made about abuse and extraordinary and excessive profits in the present program, but there was not any testimony, there was not any evidence, not anyone who came before the committee to point out where this has taken place, and I say to you that there will be no more abuses, no more excess problems if we continue section 303 as written in the bill than there would be as proposed to be amended. We will still have the problem of foreign currencies.

Then there is another thing. I did not speak during general debate, but I want to say again to you that the transferring of this authority from the Secretary to the President does not make any difference. I do not think it makes a bit of difference who has the authority or who makes the recommendations, it is going to be the same people who make the recommendations, who approve the sales and purchases. We can say that it should be the President, the Secretary, the Director, or somebody else, but in actual practice it is going to be the same people. It is just as the President pointed out in his letter which was written to the Secretary of Agriculture wherein he made the following statement:

> Since you retain responsibility for actual barter transactions, I request that you continue to take the lead in recommending materials to be designated and that you continue to consult the appropriate agencies in order to assure a broad and flexible consideration of the problems inherent in this program.

I say to you that there is nothing wrong with the bill as it is presented to us by the committee. I say to you we would be better off to adopt the bill without amendment than we would be to try to amend it here.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I believe the main reason the American people support Public Law 480 is because we have got rid of surplus agricultural commodities in exchange for foreign currencies. By adopting the amendment offered by the gentleman from Iowa [Mr. HOEVEN], we will continue that support. If we do not adopt Mr. HOEVEN'S amendment I am sure the American people will repudiate some of the support that they give this program, because by this provision that is in this bill we are putting barter sales ahead of title I sales.

I would like to say that these barter provisions contained in this bill are for the big fellows. I happen to be for the little fellow.

I would like to refer to testimony before our committee on page 518, the testimony of Mr. Lawson, of the National Cotton Council of America. He makes the following statement on page 519:

> In the main, the barter program has resulted in a shift of business in American cotton among the various U.S. firms. Since these are complicated transactions, most small firms with low capital and small staffs have not been able to participate and the result has been to shift this business from the small to a few large firms. Expansion of the barter program as proposed would accentuate this shift.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, much has been said today, and I think the speakers have emphasized the fact that the barter program does affect the national stockpile program, and so it does. The national stockpile as of March 31 this year amounted to $8,156 million; and it was in excess to the tune of $4,200 million. Thus Public Law 480 acquisition under the barter program has cost the taxpayers $621,770,700; and the excess of the objective of the program is $601 million, or all the taxpayers have realized is $21 million with respect to Public Law 480.

Much has been said about the fact that we have been acquiring much needed strategic materials and large stocks of material that are not essential to the national stockpile. Do you know how much the Commodity Credit Corporation under Public Law 480 has purchased of strategic materials in excess to the maximum need of the military, minerals and metals that have been bought by the CCC under this program? I will read this to you. It is from a secret document. I cannot read anything more than the percentage of the excess of the maximum stockpile over the total needs. Antimony alone, in excess of what we actually need, we have 154 percent in excess of what we need. We have for abrasives 154 percent, asbestos 174 percent, bauxite 189 percent.

There is not a single metal or mineral on this list, with the exception of mica, that is not in excess of the national stockpile needs.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, I am very much in favor of the principle of Public Law 480. It makes sense, it makes common sense, that we should barter and receive materials that we need in exchange for our surpluses.

I do have a couple of questions, however, I would like to ask the chairman, if I may have his attention.

According to the bill, as I read it, under section 303 we have four places into which we can bring the so-called materials of which we are in need, strategic critical material stockpile, equipment important to the security or for the defense or for atomic energy, for foreign aid, or for off-shore construction.

What is the chairman's opinion as to the repository of most of the proposed added barter materials? Where would it go—mostly to the Federal stockpile?

Mr. COOLEY. To the stockpile.

Mr. HIESTAND. I understand then that they cannot be sold under the law?

Mr. COOLEY. Not without an act of Congress. It is taken out of the market completely.

Mr. HIESTAND. It cannot be turned into dollars?

Mr. COOLEY. That is correct.

Mr. HIESTAND. Yesterday afternoon we had a session of the Joint Committee on Defense Production. I asked the question, What of all these items we still want were we buying? There are only three tiny little items. We are in vast surplus with the others.

The gentleman from Massachusetts [Mr. BOLAND] made a very effective statement. We have these materials running out of our ears. We cannot turn them into dollars. Expansion of the present program would worsen our overstocks.

The present program I believe is satisfactory and I would heartily recommend adoption of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I want to ask the gentleman if it is not a fact that throughout all of the discussion we have heard of the effect this program has on minerals, it has apparently been overlooked until just the last moment that what we are actually doing through this stockpiling is providing the only safeguard, the only possible support that the market for American mineral production has? Is it not true that when we buy these commodities for the stockpile we reduce the pressure on the world mineral market and that we hold up the price of these minerals all over the world, including in the United States?

Mr. COOLEY. I think the gentleman is exactly right, and I think the evidence before our committee justifies the statement he has made.

Mr. POAGE. We have just heard this discussion about how the lead and zinc market broke. Did not the lead and zinc market break only after the Department of Agriculture reduced the barter program from $1 billion a year down to $50 million a year?

Mr. COOLEY. I am not sure about the reduction the gentleman just mentioned, but I know they did restrict the program and after the restriction the situation became as the gentleman has indicated.

Mr. POAGE. After the restriction the lead and zinc producers found themselves in a desperate condition because the U.S. Government was not taking the surplus lead and zinc that was being produced all over the world; but as long as we were bartering these commodities for

which we did not have any use and which are costing close to $2 billion a year, just to store something that we could store cheaply, we were maintaining the mineral market as well as the agricultural market all over the country. It seems to me that it makes sense to trade perishable agricultural commodities for lasting minerals if there is even a chance that we will ever need the minerals. It seems to me to make sense to stop the fantastic storage costs we are presently incurring. And it makes especially good sense to do this when by doing so we can stabilize the market for minerals at the same time.

If we provide this afternoon for a slowdown of the barter program will it not result in more of these minerals coming on the market than ever before? Has 1 pound of any mineral which has been bought with any American agricultural product ever been sold on the American market in competition with American produced minerals?

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 143, noes 52.

So the amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The remainder of the bill is as follows:

SEC. 2. Section 109 of such Act is amended by striking out "December 31, 1959" and inserting "December 31, 1960".

SEC. 3. Subsection (a) of section 104 of such Act is amended by inserting a period in lieu of the semicolon at the end thereof, and adding the following:

"From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made under this title after the date of this amendment shall be made available in advance for use over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this subsection and particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, agreements may be entered into with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection;"

SEC. 4. Subsection (b) of section 104 of such Act is amended to read as follows:

"(b) To purchase or contract to purchase strategic or other materials for a supplemental United States stockpile of such materials as the President may determine from time to time. Such strategic or other materials acquired under this subsection shall be placed in the above named supplemental stockpile and shall be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act;"

SEC. 5. Subsection (e) of section 104 of such Act is amended by adding at the end thereof the following new sentence: "Interest and principal payments received on such loans shall remain with and be available to the Export-Import Bank for additional loans under this subsection;"

SEC. 6. Subsection (g) of section 104 of such Act is amended by changing the semicolon at the end thereof to a colon and adding the following: *"Provided,* That such loans shall be denominated in United States dollars and payments in foreign currencies shall be in amounts calculated at the time of payment to be equivalent to the United States dollar obligation in accordance with the applicable rate of exchange;"

SEC. 7. Section 104 of such Act is amended by inserting after subsection (o) the following new subsection:

"(p) where such agreements permit such action, for assistance to meet emergency relief requirements other than requirements for surplus food commodities: *Provided,* That not more than an amount equivalent to $2,000,000 may be made available in any one country for this purpose during any fiscal year."

SEC. 8. Title I of such Act is amended—

(a) by adding at the end thereof a new section, as follows:

"SEC. 110. In order to facilitate the establishment of national food reserves in underdeveloped countries, surplus agricultural commodities may be made available by the President on a grant basis for such reserve purposes pursuant to an agreement with the recipient country requiring that payment shall be made when such commodities are withdrawn from the reserve and that the recipient country shall assume full responsibility for the storage, preservation, and delivery of such commodities: *Provided,* That no payment shall be required for any quantities of such commodities which are used by agreement of the President and the government of the recipient country for purposes provided for in section 201 of this Act. Agreements under which commodities are provided pursuant to this section shall specify whether any payment made thereunder shall be in foreign currency or in dollars, and the purposes authorized under section 104 of this Act for which any such foreign currency payments may be used. In negotiating agreements under this section the President shall give effect to the requirements prescribed in section 101 for agreements entered into under that section."

(b) By inserting the words "or for grant" after the words "domestic exporters" in item (1) of subsection (a) of section 102, and by inserting the words "or grant" after the word "sale" in item (2) of subsection (a) of section 102.

SEC. 9. Section 202 of such Act is amended by striking out "The" at the beginning thereof and inserting "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

SEC. 10. Section 203 of such Act is amended by striking out "$800,000,000" and inserting in lieu thereof "$1,100,000,000," and by inserting before the period at the end of the third sentence "and charge for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto, may be paid from such funds".

SEC. 11. Section 204 of such Act is amended by striking out "1959" and substituting in lieu thereof "1960".

SEC. 12. Section 303 of such Act is amended to read as follows:

"SEC. 303. The Secretary shall, unless he determines that any such action is not in the best interest of the United States, barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) any materials included within the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) which entail less risk of loss through deterioration or substantially less storage charges, or (b) raw materials of which the United States does not produce its requirements and strategic and other materials, goods, or equipment important to the economy or the security programs of the United States, as designated by the Secretary, including but not limited to those requested by the Atomic Energy Commission, the Department of Defense, and the Office of Civil and Defense Mobilization, or (c) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (d) materials or equipment required in substantial quantities for offshore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barters or exchanges or to utilize the authority conferred on him by section 4(h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges. In carrying out barters or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be exported. The Secretary shall endeavor to consummate agreements for disposals authorized herein at a rate of $350,000,000 for each fiscal year. The Secretary shall permit and encourage the barter for materials processed in the United States providing the agricultural commodities to be bartered for such materials be exported to friendly foreign countries. Agencies of the United States Government procuring such materials, goods, or equipment contemplated herein are hereby directed to endeavor to obtain such materials, goods, or equipment through the Commodity Credit Corporation by means of barter or exchanges as directed by this section. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchanges of agricultural commodities in their possession for such materials, goods, or equipment."

SEC. 13. Section 305 of such Act is amended to read as follows:

"All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by appropriate marking on each package or container and insofar as practical in the language of the locality where such stocks are distributed as being furnished by the people of the United States of America and where available funds accruing under title I shall be used for this purpose."

SEC. 14. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding thereto the following new title:

"TITLE IV—LONG-TERM SUPPLY CONTRACTS

"SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by assuring such nations a stable supply of agricultural commodities on long-term credit for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile

adequate supplies of agricultural commodities for domestic use.

"SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made.

"SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in approximately equal annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement and interest shall be computed from the date of such last delivery.

"SEC. 404. In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

"SEC. 405. In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

"SEC. 406. In carrying out this title, the provisions of sections 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title."

SEC. 15. Section 206(a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a comma and the following: "or strategic or other materials required by other Government agencies".

SEC. 16. Section 347(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following:

"*Provided, however,* That the national marketing quota for the 1960 crop of such cotton shall not be less than 90 per centum of the 1959 marketing quota for such cotton."

SEC. 17. This Act may be cited as the "Food for Peace Act of 1959".

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: On page 6, line 19, strike out line 19 and all thereafter down through line 13 on page 8.

Mr. HOEVEN. Mr. Chairman, this is the second amendment which would strike the mandatory barter provision from the bill. It strikes out the authority of the Secretary of Agriculture to place any restrictions on the countries of the free world into which surplus agricultural commodities may be exported.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I was just going to say, in view of the action taken on the amendment just voted on, I certainly would not object, if the House indicates its approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The amendment was agreed to.

Mr. KEOGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEOGH: On page 8, following line 23, insert a new section 14 reading as follows, and renumber succeeding sections to conform:

"SEC. 14. Such Act is further amended by adding at the end of title III the following new section:

" 'SEC. 306. Shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, or III of this Act, shall be delivered directly to the export vessel at a United States port. For the purpose of this section "export vessel" shall mean the ocean vessel transporting the surplus agricultural commodities from the United States port of loading to foreign port of discharge.' "

Mr. KEOGH. Mr. Chairman, I submit that reading of this amendment is perhaps the clearest and the quickest way to explain it.

I realize, as all of us do, that the development along the St. Lawrence Seaway would, of necessity, have its impact on all the coastal ports of the United States. But, I submit, Mr. Chairman, and it is my opinion, that the House, in enacting that law, never intended that the impact should come prior to the completion of the Seaway.

The Department of Agriculture has recently announced that beginning on September 1 of this year it will modify its long-established policy with respect to the shipment of the surplus commodities under this existing law and indicated that it would permit the exportation through Canadian ports of grain moving under this law.

It is quite simple to realize that that will ultimately be detrimental to all of the ports of the United States, including those of the Great Lakes.

Mr. Chairman, all this amendment seeks to do is to legislate into law that which has been standard administrative procedure, and which procedure has been followed not only with respect to the shipment of grains under Public Law 480, but I am reliably informed that this amendment would conform to the administrative policy followed in connection with the shipment of dairy products.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield at that point?

Mr. KEOGH. I yield.

Mr. ASHLEY. Is it not true that under all of our surplus commodity programs where grain has been shipped via the Great Lakes in years past, transshipment has been allowed?

Mr. KEOGH. I do not know.

Mr. ASHLEY. This is the established policy of the U.S. Department of Agriculture.

Mr. KEOGH. I do not know. But let us concede the gentleman to state the fact, as he usually does. This amendment is not directed at the discontinuance of any established policy. Rather it is directed to a change in the policy which has been announced by the Department of Agriculture. And I say to the gentleman that if he is really interested in the ports of the Great Lakes, and I assume he is, he should be the first to support this particular amendment.

Mr. ASHLEY. Can the gentleman tell me how the Department of Agriculture directive changes established policy?

Mr. KEOGH. It simply permits of the transshipment of these grains out of a Canadian port. It is perfectly possible under that announced program that those grains will never touch a port on the Great Lakes or anywhere else in the United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield to the distinguished chairman of the committee.

Mr. COOLEY. It is a fact that the directive to which the gentleman refers goes into effect September 1.

Mr. KEOGH. That is right.

Mr. COOLEY. And it has caused great concern all up and down the east coast and the gulf coast. We are now providing U.S. Department of Agriculture inspectors in a foreign port for the purpose of inspecting outgoing cargo; that is, we would be under this new provision.

Mr. KEOGH. Precisely.

Mr. COOLEY. Heretofore U.S. Department of Agriculture inspectors have been used to inspect incoming cargoes in foreign ports, but I know of no authority to inspect outgoing cargoes.

Mr. KEOGH. I agree with the gentleman that there is grave doubt as to the legality of the suggested change.

Mr. YATES. Mr. Chairman, will the gentleman yield at that point?

Mr. KEOGH. I yield.

Mr. YATES. I would ask the distinguished chairman of the committee if the hearings do not disclose that there were discrepancies in gradings on the cargoes that go out under this act, and if that might not be one of the reasons for placing inspectors at a point where they could supervise outgoing cargoes. There is a reason for putting inspectors at a point where they can supervise outgoing cargoes.

Mr. KEOGH. That may very well be, but I point out that we have for years adopted a policy of insuring transportation in American bottoms 50–50. The proposed change would remove control of that.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEOGH] has expired.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. HOEVEN. Mr. Chairman, this is the anti-St. Lawrence Seaway amendment, the anti-Corn Belt amendment, the antiwheat amendment, it adversely affects the entire Midwest section of the country.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield at that point?

Mr. HOEVEN. Just for a question.

Mr. DORN of New York. On the "anti" point. Is it not true that what this amendment seeks to do is build

up U.S. ports and not build up Montreal? It has been the long-standing policy——

Mr. HOEVEN. Mr. Chairman, I do not yield further.

This amendment seeks to build up the ports on the eastern seaboard and the gulf at the expense of the Midwest section of the country. It is just that simple.

I refer you to the last sentence of the amendment, which says:

> For the purpose of this section "export vessel" shall mean the ocean vessel transporting the surplus agricultural commodities from the U.S. port of loading to foreign port of discharge.

You cannot transfer cargo anywhere along the way. Everyone knows that the locks in the St. Lawrence Seaway today cannot carry the heavy loaded ocean ships. They have to unload part of their cargo, in order to get through the locks which they call topping.

We have spent millions of dollars on the St. Lawrence Seaway and even before we get it actually completed this amendment would seriously restrict its operation.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. The effect of this amendment would be to take away from the Midwest the greater portion of the benefits of the St. Lawrence Seaway, would it not?

Mr. HOEVEN. There is no question about it. The amendment speaks for itself, and I hope it is defeated.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, earlier in the debate this amendment was known as the Casey amendment. It was to be offered by the gentleman from Texas [Mr. CASEY]. But after a colloquy earlier in the debate, the forces behind this amendment changed their mind and they brought up a more powerful proponent to represent the sponsors of this amendment, that proponent being the gentleman from New York [Mr. KEOGH].

It is natural that they should do so because they are trying a power play here. They are trying by this amendment to start a new War Between the States—a war between the seacoast cities of this country and the great urban communities on the Great Lakes. It is a power play to move the centers of transportation for farm commodities from the middle of the country to Galveston, Houston, New Orleans, New York, and Boston.

As a matter of fact, this is the traditional fight in another form against the St. Lawrence Seaway. It is the fight that took place for a period of 30 years which prevented for 30 years the building of the Seaway all during that time. Now that the Seaway has been completed at a cost of over a half billion dollars to the taxpayers of America, we find the antiseaway forces reviving their opposition.

But this is only the first step. This is only the first skirmish in the war. What will the next battleground be? When will the next crippling blow come? If we are to bar from the St. Lawrence Seaway, as a result of this amendment, farm commodities that are in surplus, what products will next be forbidden to use the Seaway? Will the foreign-aid bill be the next vehicle to be used to prevent the products of American farms and American manufacturers from using the St. Lawrence Seaway? Will every agricultural bill that is brought to the floor be the target for a similar amendment? Will every appropriation bill that comes to the floor be limited in the expenditure of the funds so that the transportation of American goods will be forbidden on the St. Lawrence Seaway?

Are we going to close down the Seaway now? Because that is exactly what this amendment does. A vote for this amendment is a vote to dynamite the St. Lawrence Seaway because this amendment will shut it down as effectively as though an atomic bomb were placed in its channel. I urge the committee not to accept this subterfuge. That is exactly what this amendment is. It is a subterfuge to hide the real purpose of the amendment. I urge the Committee to vote this amendment down.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JUDD. The gentleman correctly said this is a regional amendment requiring discrimination against one part of our country. But further than that it is a discrimination against one of our strongest and best allies to the north of us, namely, Canada. Canada went along with us in building the Seaway and put more money into it than we did. Now we would deny them the benefits of the Seaway by this amendment.

Mr. YATES. Of course, that is the Trojan horse form this amendment takes. It is argued that this is a "Buy American" amendment. They say, "we want to stop Canada—Canadian cities, not American cities." "Beware of Montreal," they say, when actually, they propose to destroy the trade not only of Montreal, but of Chicago, Cleveland, Detroit, Buffalo—every American metropolis on the Great Lakes. What they actually want us to do is not only to discriminate against Canada, but against every city in the northern part of this country.

This is a destructive amendment. I urge the House to vote it down.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes, had come to no resolution thereon.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HEATING GOVERNMENT BUILDINGS WITH COAL

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, recently the distinguished senior Senator from Kentucky, the Honorable JOHN SHERMAN COOPER, brought to light some little known facts about the heating of Federal buildings in the District of Columbia area. I refer to Senator COOPER'S speech of August 6 concerning the saving of nearly half a million dollars annually through the use of bituminous coal to power local Government heating plants.

As a representative of a coal-producing area and as an advocate of economy in Government operations, I took particular interest in Senator COOPER'S remarks, and just a few days ago personally toured the Government's central heating plant.

The central plant is one of four local Federal heating installations. It serves Washington's downtown Government buildings, including the Nation's No. 1 residence, the White House. Operated by the General Services Administration and supervised by Supt. Carl Johnson, this plant is the largest boiler plant supplying steam for space heating in the country.

Senator COOPER commented that the economy features of modern bituminous coal would come as a revelation to those under the mistaken impression that coal is an old-fashioned fuel, unable to meet the demands of the mid-20th century energy market. I am now equally convinced that a tour of the coal-burning facilities at the central heating plant would be an even greater revelation to those uninformed on the subject.

I found a clean, efficient operation, proof that modern technology makes coal as equipped to meet the fueling needs of today as it was a half century ago, when the Nation's Capital first converted from wood-burning as a primary source of heat. For the bituminous coal industry has not stood still. It has kept pace with the times, investing large sums and thousands of man-hours in technological research and development.

As a result, the industry has nearly doubled its productive capacity at the mine in the past decade, a factor which has led to coal's remarkable economy in an era of rising costs and inflation. The operation of the central heating plant and similar installations is still another result of these great technological strides.

Let me point out that the central plant has been in operation for over 20 years. Much of the equipment it uses is not the most modern now available, for during these two decades coal equipment has been developed, which makes today's coal use even more streamlined, automatic and up-to-date. Nevertheless, central's operation is modern in every sense of the word. Those who think of coal-burning in 19th century terms, visualizing hand shoveling and ash disposal problems, would benefit by a tour of this plant. They would see, firsthand, how one basic American industry has met the challenge of a changing market and has reshaped its thinking and its product to answer the growing energy needs of the Nation.

By taking advantage of this technological progress, the General Services Administration and engineers of the Capitol Architect's office are saving our taxpayers over $413,000 a year in heating bills for our Government installations. Federal buildings in this area consume over 315,000 tons of coal annually. To supply an equivalent amount of heat with No. 6 oil, the lowest priced industrial oil on the market, would cost $3,440,630. The bituminous coal used costs only $3,027,360.

Another point made by Senator COOPER was that the Washington area remains the cleanest, most beautiful metropolitan area in the country, thereby refuting the notion that coal burning is a dirty process. The fact is that modern coal utilization, as exemplified by the operation of the four local central heating plants, is not only one of the cleanest, but is the safest and most reliable method of modern space heating.

I can only agree with Senator COOPER that all of this must come as a revelation to those not familiar with the modern fuel market. But as we know, popular notions, however ill-founded in fact, die hard. The coal industry would be the first to admit that the public impression of its product is based on vague and spurious dictums handed down from a former day. Many persons, including officials, journalists, educators, and engineers simply do not know the facts about modern coal fueling. They do not consider its advantages in formulating heating plans for schools, hospitals, and other government and tax-supported institutions. As a result, the coal industry suffers, but it is not the only victim.

Perhaps the greatest victim is the taxpayer, who must pay higher Government heating bills as a result of this ignorance of today's bituminous coal market. The taxpayer is now saving over $400,000 a year in the operation of our local Federal heating operation. How much more could be saved if Federal installations, both civilian and military, investigated the fueling situation in their particular areas and arrived at fueling decisions from facts rather than preconceived notions? Considering the importance of the Nation's defense dollar, this is particularly important in the case of our military installations.

I join Senator COOPER in his commendation of those officials of the General Services Administration who are saving the taxpayers' hard-earned dollar through the efficient, modern, and economical use of bituminous coal to heat local Government installations. I congratulate these officials for their recognition of the fact that coal is a fossil fuel only in the geological sense of the word. In all other ways, it is truly the modern fuel for a modern market.

LOAN PROGRAM ADMINISTERED BY THE BUREAU OF RECLAMATION

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAGEN. Mr. Speaker, I am greatly pleased at the action of the managers on the part of the House in accepting in conference the item included by the Senate making an appropriation of $5,147,000 for the loan program administered by the Bureau of Reclamation.

This item is of particular importance to me since $3,034,000 of the total amount is earmarked for use in making a loan to the Sausalito Irrigation District, located in Tulare County, Calif., for purposes of construction of an irrigation distribution system pursuant to the provisions of Public Law 130.

A recitation of the history of the project would appear to be in order.

Funds originally were requested for the loan last year by the Bureau of Reclamation. At that time the Bureau officials were instructed by the members of our Appropriations Committee to take all necessary steps prior to execution of the repayment contract. After this was done, said the committee, the funds would be made available.

This year, unfortunately, the Budget Bureau steadfastly refused to recommend the appropriation which would permit either the Sausalito loan or a similar loan to the Chowchilla Water District, located in the district of my friend and colleague, the gentleman from California [Mr. SISK].

Despite this administration opposition, the House Appropriations Committee honored its pledge and included $4,384,000 for the Sausalito loan and $2,633,000 for the Chowchilla loan in the public works appropriation bill for fiscal year 1960. This action subsequently was ratified by the House.

In the Senate, however, the Appropriations Committee saw fit to reduce the appropriation for Sausalito to $1,350,000, for Chowchilla to $910,000. This action permitted the appropriation of money for certain projects which had only recently qualified for assistance under the Small Projects Act and at the same time kept the total amount of the appropriation bill at a figure near that recommended by the administration.

This action, had it prevailed, would have caused a considerable problem for the Sausalito and Chowchilla districts because Bureau of Reclamation attorneys had ruled that piecemeal appropriations were not permissible in the instance of Public Law 130 projects—that all of the money had to be available when the contract was executed.

The Senate Appropriations Committee then rectified the situation by including the $5,147,000 item in H.R. 7978, the supplemental appropriations bill on which we now are considering the conference report. The Senate report specifies that the item will be divided in this fashion: Sausalito, $3,034,000; Chowchilla, $1,723,000, and Jackson Valley Irrigation District, $390,000.

The House conferees have agreed to the Senate action in this instance and in that connection I wish to commend Mr. THOMAS, Mr. KIRWAN, Mr. CANNON, Mr. JENSEN, and Mr. TABER.

For the purpose of legislative history, I would like to state that it is my understanding that approval of the appropriation of the $5,147,000 item will fully resolve the problem and will permit the execution of the Sausalito and Chowchilla contracts and the grant of the loans. It is evident that it is the feeling of the Appropriations Committees of both the House and the Senate and of the full House and Senate that these projects should proceed forthwith. I am sure that the Bureau of Reclamation will execute the contracts as soon as possible now that the problem has been resolved in such a satisfactory fashion.

WOULD YOU INVITE "KILLER" KHRUSHCHEV INTO YOUR HOME?

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, does anyone—not under hypnosis—really believe the fantasy that begins September 15?

The power of the spirit is great, but the administration would have us believe that the power of material things is infinitely greater. For it maintains that the sight of our electrical gadgets and voting machines is going "to work a miracle." Steel mills, automobile factories, scientific farms, defense installations, public housing—all these are part of the treatment that is supposed to transform the murderous "Mr. Hyde" into the benevolent "Dr. Jekyll." It might be just the reverse.

For what has caused the abrupt change in policy and in personality within the administration itself?

Khrushchev.

Using the well-known Communist pressures and brainwashing techniques, he has succeeded in "thawing" the ideals and the principles which have heretofore inspired the U.S. Government. He has forced this administration into "moral surrender" of those principles as evidenced by the obsequi-

ous invitation sent to the determined enemy of our freedoms, begging him to enjoy the hospitality of our "national home." It wants us to fawn, applaud, and crawl before the Communist tyrant right here in our own country.

"Be courteous to the dictator who is your potential executioner," it says, insulting the majority of Americans who believe in God and who oppose this destroyer of all religions.

Ignoring the millions whose relatives in Lithuania, Latvia, Estonia, and in the satellite nations of Poland, Hungary, Ukraine, Czechoslovakia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others, are held in bondage due to the direct and indirect aggression of Communist Russia.

Tens of thousands of young Americans gave their lives in Korea to halt the aggression that was provoked and supported by Communist Russia.

Has the administration such little regard for these "facts of life and death," the faith, the human loyalties, and the sacrifices of the American people that it now proposes we should forget about them, and should further betray our birthright by paying homage to the "Red dictator"?

No President has the right to trifle with the sanctity of the American homeland.

While the House Committee on Un-American Activities, the FBI, and the Immigration Service, are working hard to protect us from infiltration by Communists, the President is inviting them in.

If the President wants to visit Soviet Russia that is something that can be arranged between himself and Khrushchev. But Khrushchev's desire to come here is not something that can be arranged only between these two. In a free country like ours, the people must have a voice in such matters. Any effort to confuse the difference by saying that it is entirely up to the respective heads of these two states, violates the rights of public opinion under our representative form of government.

The American people do not want Khrushchev foisted upon them.

To rationalize that we should "let bygones be bygones" and overlook the tens of thousands of people who have been murdered by his orders, and the millions who are kept in slave labor camps by his authority, is to be guilty of callous moral indifference to human rights.

Fraternizing with Khrushchev would proclaim to the world that we are a nation of materialists, who have lost our ability to distinguish between right and wrong, and who don't care what outlaws are entertained in our homes, as long as we can make a "deal" with them.

If the administration does not value the self-respect of our Nation, the people do. They protest, and will continue to protest against the "illegal entry" of Khrushchev into the United States.

Would you invite "killer" Khrushchev into your home?

UNJUSTIFIED DELAY IN CONFIRMING OF PRESIDENTIAL APPOINTEES TO THE FEDERAL BENCH

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, the distinguished Senator from New York [Mr. KEATING] performed a service when he spoke out in protest against the continuing delay on the part of the majority side of the Senate in respect of the confirmation of 19 Presidential appointees to the Federal bench.

The protracted and wholly unjustifiable delay in the southern district of New York is particularly outrageous. President Eisenhower has nominated three outstanding members of the legal profession to the Federal bench in New York. To the U.S. Court of Appeals, Second Circuit, he nominated Henry Friendly, one of New York's most distinguished lawyers. Incidentally, the Senate subcommittee has not even seen fit to call a hearing for Mr. Friendly. This particular court, because of the volume and type of appellate cases it hears, is not exceeded in importance by any other.

Two other distinguished lawyers, Charles M. Metzner and Lloyd McMahon await confirmation to the Federal District Court for the Southern District of New York. This court is the busiest Federal trial court in the country. As of June 30 of this year there were 10,937 civil cases pending in this court as yet untried. Under present circumstances it will take 2 years for any one of these cases to reach the top of the trial calendar. This is a condition which has existed for a long time and which everyone agree requires immediate attention. Everyone agrees that justice delayed is justice denied. Everyone agrees that not only should these vacancies be filled, but that additional Federal judges are needed. Nor, is it disputed, even by those who share in the responsibility for feet-dragging on these confirmations, that the nominees for this court, as in the case of Mr. Friendly for the court of appeals, are eminently qualified.

I may say, Mr. Speaker, that these remarks are directed toward the hardship caused the public by this inordinate delay. It is worth noting, however the personal and professional hardships caused these distinguished gentlemen who have been nominated for these posts.

Mr. Speaker, it is beginning to look as if those Senators on the majority side who are in a position to push the buttons which would spring loose these nominations from the political web in which they are ensnarled are satisfied to let the matter drift as long as there is an absence of outraged public indignations. If public pressure and indignation are necessary to make the powers that be bestir themselves, then let us start generating it. The public—and that includes me—has had enough "politicking" with the administration of justice.

THE LABOR REFORM BILL

The SPEAKER. Under the previous order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, on yesterday, Mr. Miltich, the press representative who reports to the Booth newspapers, Michigan, including several in my district, came to me out in the corridor, and he said: "You know, you talk too much."

I said: "Yes; I know that, but it is a habit that I cannot break." I asked: "What is the matter now?"

"Well," he said, "if you had not talked the other day after the House passed that labor legislation you would have been one of the conferees."

I replied: "No; you are just as mistaken as mistaken can be. The fellows in charge, the gentlemen in charge had made up their minds long, long ago"—they being the Republican leadership—"that I was not going to be one of those conferees." Because I voted for JOE MARTIN and for other reasons he was sure to see to it that no good publicity should come to me.

Well, his statement did not make me feel too bad, because I was one of the conferees on the Taft-Hartley bill and was doublecrossed on that and I know that it is a very, very hard job, a disagreeable job that conferees have to do. You cannot please anyone. You are out of step with everybody when you get through, no matter what you do.

So I said: "I know what I am talking about. You go back and tell those folks that they have done me a very, very fine favor." Of course, I do not have to be sitting here with my nose to the grindstone like the Speaker listening to everyone's chatter until after the dinner hour; I do not have to do that, as so often happens to some other people around here. When anyone tries to do you dirt—I do not think that is an improper word under the circumstances—when anyone tries to do you dirt it all turns out for your own good and usually the fellow that is mad when he gets through is the fellow that did the dirty work.

He said—this reporter—said: "I understand you are jealous because you do not have your name on the bill."

I said: "No, I met with the Republicans, the 10 members of the committee time and again and worked with some representatives from the White House and when the question came up of whose name was to go on the substitute bill I said 'I do not expect my name to go on there because it has always been said that I was antilabor and if my name was on a bill it would be labeled as a bad bill.'"

Then he said: "You requested a reading of the engrossed copy."

I said, "Sure"; and I said, "This Congress"—and I will say the same about the conferees—"they will come up when

they get through with this job with a bill that will be fair to everyone, including the general public, and will promote the general welfare and safety of the public at large."

I am not worrying about not being one of the conferees or about anything else. But I said this, and I said it in part before when the bill was under consideration. I have been for 20 years in favor of just legislation on the labor issue and was told several times I might have some part in it. But what griped me was that some of these fellows who want labor legislation, just and equitable labor legislation, would not even let me take a look at it while it was being written. From the way they acted a stranger would have assumed I was Hoffa and Reuther rolled into one. I got most of the provisions that were finally in it from the minority over in the Senate, from their counsel, a mighty good man, Mr. Bernstein, from what the Chamber of Commerce sent up, from what the NAM sent up. I was trying to get those drafts into some legislation. But the coalition members of the committee and the gentleman from Indiana [Mr. HALLECK] had this thing hid off someplace, just as though it was the first baby ever born, they would not let me take a look at it. I did not like that very well. I thought, being an old member and having seniority over every member on it, unless it was the gentleman from North Carolina [Mr. BARDEN]—I went on in 1940—that I might at least look at it as I had to vote on it. But the first I knew what was in it was when they brought it out. That might have been overlooked because of the superior knowledge of labor legislation possessed by the gentlemen from Georgia and Michigan [Mr. LANDRUM and Mr. GRIFFIN] and by the further fact that in criticizing Reuther, Hoffa, or corruption—both until the tide turned had been as tight lipped as a healthy clam or silent as the tombstone over the grave of a deaf mute. But when the bill came to the floor here, I had two amendments later pending on the desk, one having to do with preventing the unions from exercising monopolistic power and the other one preventing strikes in public utilities, both introduced as bills some time ago.

I left the amendments up there with the clerk and I went to the chairman, the gentleman from Pennsylvania [Mr. WALTER] who was in the chair and I said: "Now there are folks here who want to talk who are not on the committee and I do not wish to deprive them of a chance to talk."

You are all familiar with that procedure where the members of the committee monopolize the time.

I said: "If someone wants to get in I will hold off, but I would like to know when to bring these amendments up."

Debate ran along into the afternoon. The gentleman from Pennsylvania [Mr. WALTER] left the chair for a few moments, or was about to leave, and the gentleman from Oklahoma [Mr. ALBERT] was called up.

I said to the gentleman from Pennsylvania [Mr. WALTER] as he started to walk away, "When shall I bring up those amendments that are here? Do you want me to bring them up now or wait until you come back?"

He said, "Wait until I come back." He came back pretty quickly. I called up the amendments.

In the meantime some of the coalition—and our boss man—had gotten their heads together, and the chairman, of the committee, the gentleman from North Carolina [Mr. BARDEN], and over here, our fellows who are on the holy side and say they believe in everything that is fair and square, they got their heads together and cut off my opportunity to present those two amendments, except I was allowed 54 seconds on each. What sweet colleagues they are.

Somebody said I was mad. I was not mad. I was just hurt and disgusted to think that these people who are so much for fair dealing and who want charity spread all over the world and especially fair dealing in unions, figuratively speaking, try to cut my political throat. I do not like it and I do not pretend to like it.

When this Chicago reporter came on and said I called the gentleman from Michigan [Mr. GRIFFIN] an upstart, he is just using his own interpretation of my words. The gentleman from Michigan [Mr. GRIFFIN], is in no way an upstart. He is a good, fine, legislative representative of his people. He does a magnificent job. Maybe we can elect him Governor of Michigan and get rid of "Soapy" Williams. Maybe we can send him to the Senate. But I do not like this idea of having my friends kick me around nor do I like the idea of stealing legislation I have offered time and again and pretending it is something new which they just discovered. Here is my friend, the gentleman from Kentucky [Mr. PERKINS], in front of me. He is on the Labor Committee. We have had many battles over in that committee. I have been there since 1940. But we never have any of these petty knifing-in-the-back deals, and I am sure the gentleman agrees with me. We are the best of friends, though our ideas on legislation do not always run parallel.

Now, Mr. Speaker, I am not jealous of anybody. Of course, I would like to have had my name on a bill, but I told our Republican members on the committee long ago that I realized the Republican leadership would not let my name on a bill any more than they would that of the gentleman from North Carolina [Mr. BARDEN]. So there had to be some other label on the bottle. The contents of the bottle were all right except too weak.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I want to congratulate the efforts the gentleman has made. Few of the Members have worked as hard and as diligently as has the gentleman from Michigan. When it appeared that the Labor Committee was unable to agree on a bill that they could report to the floor of this House, it was the gentleman from Michigan who moved that we report the bill out as sent over here by the Senate. I was very happy to join in supporting that move because certainly we all wanted to bring a bill to the floor that would cure some of the evils.

Mr. HOFFMAN of Michigan. If the gentleman will remember, if he was there, at the very second meeting of that committee I moved to report out the Kennedy-Ervin bill. I got two Members in support of it, the gentleman from Pennsylvania [Mr. DENT] and the gentleman from California [Mr. HIESTAND]. That is all I got.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield, I wish to correct the gentleman only to this extent. While his memory is correct, and I congratulate him for his——

Mr. HOFFMAN of Michigan. Oh, well, they say the old folks forget everything.

Mr. PUCINSKI. You will recall that it was the gentleman from Pennsylvania [Mr. DENT] and the gentleman from Illinois [Mr. PUCINSKI] that supported the move to report the Kennedy-Ervin bill as adopted by the Senate forthwith to the floor of this House so that we could proceed in an orderly fashion to adopt the legislation. And I agreed with the gentleman's remarks. I wonder if the gentleman noticed in the press this morning this UPI story:

TEAMSTERS LAWYERS DOUBT BILL'S HARM

WHITE SULPHUR SPRINGS, W. VA., August 18—Attorneys for the Teamsters Union decided today that their organization would be hurt less than any other union by the passage of a tough labor reform bill like the House Landrum-Griffin measure.

David Previant of Milwaukee, Wis., head of the labor division of the union's legal staff, made this appraisal after he and more than 100 other Teamsters attorneys went over the Landrum-Griffin bill section by section at the union's eighth annual legal conference here.

Mr. HOFFMAN of Michigan. No I did not see it. The gentleman cannot get me in a position where I am going along with the Teamsters. We have the Hobbs Act, and it is a good one, and if you read the definition of "extortion" and "robbery" in that act you will see that it covers practically all of the corruption disclosed by the McClellan committee. Hoffa does not do anything when he knocks them down in a meeting any worse, in principle, than these gentlemen on the floor, my beloved colleagues, did to me when they shut me off from my right to talk on those two amendments. Hoffa says, "Shut up," and if they do not shut up, he hits them on the head. They told me just for a few moments when I had control—to shut up, and under the rules of the House I had to shut up, and that was all there was to that.

Mr. PUCINSKI. I would agree that it was lamentable that the gentleman was not a member of the conference committee, because of his knowledge of the labor law, and it is regrettable that so many men wrote the labor bill when they really do not understand the dynamics of the labor-management relations field.

Mr. HOFFMAN of Michigan. That is all fine. I do not want to yield any more though I wish I could. But, I am happy, indeed, even if you do not believe it, that I am not one of those conferees. My equipment for fishing, Mr. Speaker, all my flies and rods and spinning tackle, and the old, old bamboo rods I had refinished, they are all going to be ready the first opportunity I have when Congress adjourns to get up into Canada and associate with those trout, some of which I have thought better off in the days gone by than—well, I will not finish that sentence. I will just let it go.

Now, that is the way it is, and everything has worked out, as we used to say, for the good of those who love the Lord.

My request for the reading of an engrossed copy of the bill gave some Members a chance to think and knowing the substitute was in the bill they decided as had earlier some now claiming credit to get in the parade with the result that instead of a majority of 28 the bill had a majority of 178 which again shows that Members vote as their constituents desire when the chips are down.

Just to show I am no recent convert, here is a list of bills the member from the Fourth District of Michigan has introduced. Some are still needed and will be offered again and perhaps the chairman of the committee and his fellow-now-ardent warriors will see fit to give them consideration.

LABOR LEGISLATION INTRODUCED BY CLARE E. HOFFMAN

Number of labor bills introduced by Clare E. Hoffman (and/or resolutions) (by Congresses)

75th (1937–38)	12
76th (1939–40)	8
77th (1941–42)	27
78th (1943–44)	19
79th (1945–46)	23
80th (1947–48)	14
81st (1949–50)	4
82d (1951–52)	3
83d (1953–54)	5
84th (1955–56)	5
85th (1957–58)	7
86th (1959)	8
Total	135

SEVENTY-FIFTH CONGRESS, 1937–38

First session

House Resolution 96, January 29, 1937: Requesting the Secretary of Labor to furnish the House of Representatives with all information available on the automobile strike.

House Resolution 112, February 8, 1937: Requesting the Secretary of Labor to furnish the House of Representatives with certain information in regard to the current automobile industry strike.

House Resolution 114, February 9, 1937: Requesting the President of the United States to protect the people of Flint, Mich.

H.R. 6148, April 5, 1937: To provide for the registration of labor organizations having members engaged in interstate or foreign commerce and to impose duties upon such labor organizations and the members thereof and to impose liability for unlawful acts upon such organizations and the members thereof, and for other purposes.

(NOTE.—Superseded by H.R. 6456, April 15, 1937, which is identical, except later bill enlarges definition of "affecting commerce".)

H.R. 6456, April 15, 1937: To provide for the registration of labor organizations having members engaged in interstate or foreign commerce and to impose duties upon such labor organizations and the members thereof and to impose liability for unlawful acts upon such organizations and the members thereof, and for other purposes. (See note under H.R. 6148.) (Reintroduced on August 5, 1959, 86th Cong., 1st sess., H.R. 8539.)

House Resolution 248, June 21, 1937: Requesting the Secretary of Labor to furnish the House of Representatives with information. (Re Labor Board members; Department of Labor agreements, etc.)

H.R. 7598, June 21, 1937: To amend an act of June 24, 1936, the same being chapter 746, United States Statutes at Large, entitled "An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies," by adding four new sections thereto. (Unlawful to transport strikers.)

House Resolution 253, June 22, 1937: Calling upon the President of the United States to issue a proclamation. (Armed Forces to enforce right to work.)

H.R. 7831, July 12, 1937: To prevent interference with Government employees and officials and the transaction of Government business.

Second session

H.R. 8911, January 11, 1938: To amend the National Labor Relations Act.

H.R. 10545, May 5, 1938: To define welfare and relief funds and to prohibit the improper diversion thereof.

House Resolution 496, May 10, 1938: To determine the effectiveness of the Wagner Act and the manner of its enforcement.

SEVENTY-SIXTH CONGRESS, 1939–40

First session

H.R. 4906, March 9, 1939: To amend an act of June 24, 1936, the same being chapter 746, United States Statutes at Large, entitled "An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies," by adding four new sections thereto. (To prohibit transporting, etc., those who would engage in strikes, etc.)

H.R. 4910, March 9, 1939: To provide for the registration of labor organizations having members engaged in interstate or foreign commerce and to impose duties upon such labor organizations and the members thereof and to impose liability for unlawful acts upon such organizations and the members thereof, and for other purposes. (First introduced on April 15, 1937, 75th, H.R. 6456. Reintroduced June 10, 1941, 77th, H.R. 5015; August 5, 1959, 86th, H.R. 8539.)

H.R. 4990, March 13, 1939: To repeal the National Labor Relations Act and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes. (Reintroduced January 6, 1941, 77th Cong., H.R. 1405; April 13, 1943, 78th Cong., H.R. 2488; February 1, 1946, 79th Cong., H.R. 5334.)

H.R. 7440, August 1, 1939: Making it a criminal offense to, by force or show of force, delay, hinder, or prevent the production of goods destined for shipment in interstate or foreign commerce.

Second session

H.R. 7582, October 12, 1939: To define, to prevent, and to punish interference with interstate and foreign commerce.

Third session

H.R. 9978, May 31, 1940: To promote the national defense and to eliminate certain oppressive labor practices affecting the national-defense program, and for other purposes.

House Resolution 614, September 24, 1940: Requesting certain information from the Secretary of the Navy. (Re any Navy contracts requiring union workers only.)

H.R. 10708, November 28, 1940: To promote the national defense and to eliminate certain oppressive labor practices affecting the national defense program, and for other purposes. (Noninterference with National Defense Act of 1940). (Reintroduced January 6, 1941, 77th Cong., H.R. 1407.)

SEVENTY-SEVENTH CONGRESS, 1941–42

First session

House Resolution 36, January 6, 1941: Requesting certain information from the Secretary of War. (Re wages, union and nonunion workers, etc., at Camp Dix and Fort Belvoir.)

House Resolution 38, January 6, 1941: For an investigation to ascertain if the national-defense program is being delayed by the methods used by certain persons and officials. (Nonunion discrimination on defense work.)

House Resolution 39, January 6, 1941: Requesting certain information from the Secretary of War. (Re wages, union and nonunion workers, etc., at Camp Dix and Fort Belvoir.)

House Resolution 40, January 6, 1941: Requesting information from the Secretary of War. (Discrimination against nonunion or union workers in national defense program.)

House Resolution 41, January 6, 1941: Requesting certain information from the Secretary of War. (Re union and nonunion workers on projects, etc.)

H.R. 1403, January 6, 1941: To render effective the right to work and to prevent interference with the Government defense program. (Right To Work Defense Act of 1941.)

H.R. 1405, January 6, 1941: To repeal the National Labor Relations Act and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes. (Repeal NLRA and to reenact it.) (First introduced March 13, 1939, 76th Cong., H.R. 4990; reintroduced April 13, 1943, 78th Cong., H.R. 2488; Feb. 1, 1946, 79th Cong., H.R. 5334.)

H.R. 1407, January 6, 1941: To promote the national defense and to eliminate certain oppressive labor practices affecting the national-defense program, and for other purposes. (Noninterference with National Defense Act of 1941.) (First introduced Nov. 28, 1940, 76th Cong., H.R. 10708.)

H.R. 1814, January 10, 1941: To render effective the right to work and to provide for the common defense. (Right To Work Act of 1941.)

H.R. 4966, June 5, 1941: To amend the National Labor Relations Act. (Strikes out sec. 7; inserts "or not to join," and etc.)

H.R. 5015, June 10, 1941: To provide for the registration of labor organizations having members engaged in interstate or foreign commerce and to impose duties upon such labor organizations and the members thereof and to impose liability for unlawful acts upon such organizations and the members thereof, and for other purposes. (First introduced on April 15, 1937, 75th Cong., H.R. 6456; reintroduced March 9, 1939, 76th Cong., H.R. 4910; August 5, 1959, 86th Cong., H.R. 8539.)

H.R. 5696, September 19, 1941: To protect the right of American citizens to earn a livelihood and to restore to American citizens freedom from fear and equality under law. (Restoration of right to work.)

H.R. 5738, October 2, 1941: To promote national defense. (To prevent awarding or refusing contract or work because of membership in or no membership in any organization.)

House Resolution 307, October 2, 1941: For appointment of investigation committee. (Whether any Government department or agency has denied contract because of union or nonunion affiliation.)

House Resolution 330, October 30, 1941: Requesting certain information from the Secretary of the Navy. (Re any discrimination because of union or nonunion affiliation.)

H.R. 5923, October 30, 1941: To amend the National Labor Relations Act. (By striking closed-shop provision.)

H.R. 5924, October 30, 1941: To amend the Selective Training and Service Act of 1940. (Induct for other work if unqualified for service.)

H.R. 6039, November 17, 1941: To protect the right to work. (Follows in part, language of Michigan Labor Act, P. A. 176 of 1939.) (H.R. 4344, October 10, 1945, 79th Cong., contains same provisions plus findings and policy.)

H.R. 6040, November 17, 1941: To lessen the number of strikes and to prevent violence in connection therewith. (Reintroduced January 25, 1943, 78th Cong., H.R. 1487, with slight addition.)

H.R. 6068, November 19, 1941: To promote the free flow of interstate and foreign commerce and to expedite national defense by protecting the members of labor organizations, by establishing democratic standards in the conduct of the affairs of labor organizations, and by encouraging able and responsible leadership in labor organizations, and for other purposes. (Unions Registration and Election Act of 1941.)

House Resolution 346, November 21, 1941: Seeking to determine the form of government under which we are living. (John L. Lewis' decree—no man shall work in mines unless joined United Mine Workers—should determine whether rights guaranteed by Constitution shall be exercised.)

House Resolution 349, November 28, 1941: Requesting the presence of Westbrook Pegler before the Committee on Labor of the House of Representatives. (Explain his statement that Congress is afraid to pass law placing restraints on organized mob of racketeers and dictators.)

Second session

H.R. 6743, March 6, 1942: To amend section 420(a) of title 18, United States Code (48 Stat. 479), and section 420(d) of title 18, United States Code (48 Stat. 980). (To amend Antiracketeering Act of June 18, 1934.) (Reintroduced January 25, 1943, 78th Cong., H.R. 1474; October 10, 1945, 79th Cong., H.R. 4345.)

H.R. 6808, March 18, 1942: To in part compensate the men in the Armed Forces of the United States who are serving in combat units in combat areas. (To equalize compensation of men in Armed Forces serving in combat areas with those employed in industrial plants.)

H.R. 7441, July 27, 1942: To restore one of the four freedoms, the freedom of expression. (Prevent interference with transmission, etc., of music.) (Reintroduced July 6, 1943, 78th Cong., H.R. 3143; February 12, 1945, 79th Cong., H.R. 2118; February 6, 1947, 80th Cong., H.R. 1766.)

H.R. 7457, August 3, 1942: To aid in national defense and to protect union employees. (Reintroduced January 24, 1943, 78th Cong., H.R. 1472.)

House Resolution 574, November 19, 1942: Requesting the Secretary of Labor to furnish certain information. (Re employees in labor organizations.)

SEVENTY-EIGHTH CONGRESS, 1943–44

First session

H.R. 1173, January 14, 1943: To aid in the preservation of constitutional government in the United States of America. (To prohibit requirement of joining union.)

House Resolution 78, January 25, 1943: To end practices which are interfering with the success of our Armed Forces. (Strikes, etc.)

H.R. 1472, January 25, 1943: To aid in national defense and to protect union employees. (No requirement to join union; pay more than one initiation fee, etc.)

H.R. 1473, January 25, 1943: To preserve employment for, and seniority rights of, persons enlisting or inducted into the military services of the United States of America.

H.R. 1474, January 25, 1943: To amend section 420(a) of title 18, United States Code (48 Stat. 479), and section 420(d) of title 18, United States Code (48 Stat. 980). (To amend Anti-Racketeering Act of June 18, 1934.) (First introduced March 6, 1942, 77th Cong., H.R. 6743; reintroduced October 10, 1945, 79th Cong., H.R. 4345.)

H.R. 1486, January 25, 1943: To amend the Selective Training and Service Act of 1940 by providing a method whereby the services of those interfering with war production may be made available.

H.R. 1487, January 25, 1943: To lessen the number of strikes and to prevent violence in connection therewith. (First introduced on November 17, 1941, 77th Cong., H.R. 6040, except that, in this bill, one phrase inserted.)

H.R. 2032, March 1, 1943: To protect employees engaged in war production. (Reintroduced January 3, 1945, 79th Cong., H.R. 428, based on Michigan statute.)

H.R. 2033, March 1, 1943: To amend section 251 of title 2 of the United States Code (February 28, 1925, ch. 368, title III, sec. 313, 43 Stat. 1074). (To prohibit political contributions by labor unions.)

H.R. 2220, March 17, 1943: To amend the Selective Training and Service Act of 1940 by providing a method whereby the services of those interfering with war production may be made available on the home front. (Strikers to other jobs or inducted.) (Reintroduced January 10, 1945, 79th Cong., H.R. 1338 (which is a combination of this bill and H.R. 429, introduced on January 3, 1945, 79th Cong.).)

H.R. 2463, April 12, 1943: To restrain pernicious political activities. (To prohibit political contributions by labor unions and chambers of commerce.)

H.R. 2488, April 13, 1943: To repeal the National Labor Relations Act and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes. (To repeal NLRA and to reenact.) (First introduced March 13, 1939, 76th Cong., H.R. 4990; reintroduced January 6, 1941, 77th Cong., H.R. 1405; February 1, 1946, 79th Cong., H.R. 5334.)

H.R. 2681, May 11, 1943: To protect employees engaged in war production.

H.R. 3143, July 6, 1943: To restore one of the four freedoms, the freedom of expression. (Prevent interference with transmission, etc. of music.) (First introduced July 27, 1942, 77th Cong., H.R. 7441; reintroduced Feb. 12, 1945, 79th Cong., H.R. 2118; Feb. 6, 1947, 80th Cong., H.R. 1766.)

Second session

H.R. 3989, January 17, 1944: To amend section 113 of chapter VI of title 29 of the United States Code (47 Stat. 70) (lawful to enjoin picketing).

House Resolution 478, March 20, 1944: Declaring policy for National War Labor Board. (re labor practices, etc.)

H.R. 4748, May 4, 1944: To amend section 251 of chapter 8 of title 2 of the United States Code. (Prevent political activity by labor unions or labor officials.)

H.R. 5006, June 12, 1944: To aid in national defense and to protect union employees. (To protect union employees—prohibiting discharge or keeping from employment of veterans in arrears on dues, etc.)

House Resolution 640, September 14, 1944: Requesting information from the Secretary of labor as to number, and so forth, of plants taken over by Government departments under Executive order.

SEVENTY-NINTH CONGRESS, 1945–46

First session

H.R. 428, January 3, 1945: To protect employees engaged in war production. (Based on Michigan statute—unlawful to force anyone to be, become, or remain member of labor organization, or to interfere with employment, or employee on way to or from work.) (First introduced March 1, 1943, 78th Cong., H.R. 2032.)

H.R. 429, January 3, 1945: To aid in the preservation of constitutional government in the United States of America (to prohibit any government agency, et al., from requiring employee to join union). (First introduced January 14, 1943, 78th Cong., H.R. 1173.)

H.R. 1337, January 10, 1945: To protect employees engaged in war production. (Prohibit requirement of joining union.) (First introduced May 11, 1943, 78th Cong., H.R. 2681. H.R. 2681 was a combination of H.R. 1173 and H.R. 2032, 78th Cong.)

H.R. 1338, January 10, 1945: To amend the Selective Training and Service Act of 1940 by providing a method whereby the services of those interfering with war production may be made available on the home front. (Strikers to other jobs or be inducted, and prohibiting requirement of joining union.) (Combination of H.R. 429, introduced Jan. 3, 1945, and H.R. 2220, introduced March 17, 1943, 78th Cong.)

H.R. 1339, January 10, 1945: To amend Public Law 89, 78th Congress, 1st session, known as the War Labor Disputes Act. (Prevent taking over of plant unless at least 50 percent in war production.)

H.R. 2118, February 12, 1945: To restore one of the four freedoms, the freedom of expression. (Prevent interference with transmission, etc. of music.) (Previously introduced July 27, 1942, 77th Cong., H.R. 7441; July 6, 1943, 78th Cong., H.R. 3143; reintroduced Feb. 6, 1947, 80th Cong., H.R. 1766.)

House Resolution 179, March 12, 1945: Requesting certain information from the National Labor Relations Board. (Re examiner Craig and her inquiries re Labor Digest.)

H.R. 3705, July 6, 1945: To amend the Selective Training and Service Act of 1940. (Induct strikers into war industries.)

H.R. 4344, October 10, 1945: To diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy and to protect the right to work. (No discrimination because of membership or nonmembership, restricting picketing, etc.) (Contains same provisions as H.R. 6039, introduced Nov. 17, 1941, 77th Cong., plus findings and policy. H.R. 6039 contained language, in part, of Michigan Labor Act, No. 176 of P.A. of 1939.)

H.R. 4345, October 10, 1945: To amend section 420(a) of title 18, United States Code (48 Stat. 479), and section 420(d) of title 18, United States Code (48 Stat. 980). (Amend Anti-Racketeering Act of June 18, 1934, to include racketeering by labor unions.) (First introduced March 6, 1942, 77th Cong., H.R. 6743; reintroduced January 25, 1943, 78th Cong., H.R. 1474.)

H.R. 4612, November 7, 1945: To enable and to expedite the business of the Federal Government. (Re Capital Transit Co. strike.) (Reintroduced July 7, 1955, 84th Cong., H.R. 7211, with some changes.)

H.R. 4934, December 10, 1945: To amend the National Labor Relations Act of July 5, 1935, as amended (to prohibit coercion; permitting employer and employees to discuss problems).

H.R. 4935, December 10, 1945: To amend section 6 of an act entitled "An act to protect trade and commerce against interference by violence, threats, coercion or intimidation." (48 Stat. 980; title 18, sec. 420(d), U.S.C.) (Amend Antiracketeering Act, pros-

ecute in any district where offense committed.)

H.R. 4936, December 10, 1945: To amend the National Labor Relations Act of July 5, 1935, as amended. (Right to join "or not to join.")

H.R. 4937, December 10, 1945: To amend the National Labor Relations Act of July 5, 1935, as amended. (Board empowered to prevent unfair labor practices affecting commerce, but not to be exercised in behalf of any union or union member which has engaged in any unfair labor practice.)

H.R. 4951, December 11, 1945: To make certain labor practices and boycotts unlawful. (Outlawing secondary strikes in interstate commerce.) (Reintroduced January 3, 1947, 80th Cong., H.R. 87.)

Second session

H.R. 5114, January 14, 1946: To aid in maintaining essential public services by public utilities by requiring collective bargaining contracts to include provision for adequate notice of intention to strike. (H.R. 5571 introduced on February 25, 1946, identical to this, except as to title.)

House Resolution 489, January 21, 1946: Calling for law-enforcement and protection of civil rights within the District of Columbia. (Re meat strike.)

H.R. 5202, January 22, 1946: To protect employees and employers engaged in interstate and foreign commerce. (Unlawful to intimidate, coerce, etc., by force or show of force.)

H.R. 5320, January 31, 1946: To diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy and to protect the right to work. (No violence in interstate or foreign commerce.) (Contained no time limit, so superseded by H.R. 5570, introduced on Feb. 25, 1946. Only change: Six words added at end, "for a period of ninety days.")

H.R. 5334, February 1, 1946: To repeal the National Labor Relations Act and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes. (To repeal NLRA, and to reenact.) (Previously introduced March 13, 1939, 76th Cong., H.R. 4990; Jan. 6, 1941, 77th Cong., H.R. 1405; April 13, 1943, 78th Cong., H.R. 2488.)

H.R. 5570, February 25, 1946: To diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy; and to protect the right to work (no violence in interstate or foreign commerce). (Supersedes H.R. 5320, introduced on Jan. 31, 1946, which contained no time limit. This bill adds six words at end: "For a period of 90 days.") (Reintroduced on January 3, 1947, 80th Cong., H.R. 86.)

H.R. 5571, February 25, 1946: To prevent interference with interstate or foreign commerce and to prevent interference with public utilities serving communities engaged in interstate and foreign commerce (requiring collective bargaining contracts in public utilities to include notice of intention to strike). (This bill is identical to H.R. 5114, introduced January 14, 1946, except as to title.) (Reintroduced January 3, 1947, 80th Cong., H.R. 85.)

EIGHTIETH CONGRESS, 1947–48

First session

H.R. 85, January 3, 1947: To prevent interference with interstate or foreign commerce and to prevent interference with public utilities serving communities engaged in interstate and foreign commerce. (Notice of intention to strike in public utilities.) (First introduced February 25, 1946, 79th Cong., H.R. 5571.)

H.R. 86, January 3, 1947: To diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy; and to protect the right to work. (Outlawing violence, etc.) (First introduced February 25, 1946, 79th Cong., H.R. 5570.)

H.R. 87, January 3, 1947: To make certain labor practices and boycotts unlawful (outlawing boycotts and secondary strikes.) (First introduced December 11, 1945, 79th Cong., H.R. 4951.)

H.R. 89, January 3, 1947: To amend sections 203 (52 Stat. 1060), 207(b) (52 Stat. 1063), and 216(b) (52 Stat. 1069) of title 29 of the United States Code, the same being the Fair Labor Standards Act of 1938 (portal to portal pay bill).

H.R. 90, January 3, 1947: To protect the public welfare when injuriously affected by strikes in public utilities (depriving strikers in public utilities of rights under NLRA). (Reintroduced July 7, 1955, 84th Cong., H.R. 7212.)

H.R. 880, January 13, 1947: To repeal the National Labor Relations Act, approved July 5, 1935, and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to create a National Labor Mediation Board to protect the public health, safety, and welfare; and for other purposes.

H.R. 1046, January 16, 1947: To amend section 203 (52 Stat. 1060) and 216 (52 Stat. 1069) of title 29 of the United States Code, the same being the Fair Labor Standards Act of 1938 (portal to portal pay bill).

H.R. 1194, January 21, 1947: To amend section 216(b) of title 29 of the United States Code, the same being the Fair Labor Standards Act of 1938 (portal to portal pay bill).

H.R. 1766, February 6, 1947: To restore one of the four freedoms, and to prevent interference with freedom of speech and a free press (prevents interference with transmission, etc., of music, etc.). (Previously introduced July 27, 1942, 77th Cong., H.R. 7441; July 6, 1943, 78th Cong., H.R. 3143; Feb. 12, 1945, 79th Cong., H.R. 2118.)

H.R. 2367, March 4, 1947: To amend section 203 (52 Stat. 1060) of title 29 of the U.S. Code, the same being the Fair Labor Standards Act of 1938 (portal to portal pay bill defining work).

H.R. 2862, March 31, 1947: To protect the public health, safety, and interest from the cessation, as a result of certain labor disputes, of interstate or foreign commerce in essential public services injuriously affecting the public health, safety, or welfare, and for other purposes (to prevent strikes in public utilities).

H.R. 2949, April 3, 1947: To prohibit certain interferences with interstate commerce in connection with the transportation of property by motor vehicle. (Banning interference with transportation of quantity of goods by motor vehicle.)

H.R. 3211, April 25, 1947: To make unlawful certain acts in connection with picketing in the District of Columbia. (Restricting picketing in the District of Columbia.)

Second session

H.R. 6914, June 14, 1948: To forbid certain interferences with interstate or foreign commerce.

EIGHTY-FIRST CONGRESS, 1949–50

First session

H.R. 987. January 6, 1949: To amend an act of June 24, 1936, the same being chapter 746, United States Statutes at Large, entitled "An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies," by adding four new sections thereto. (Prohibiting transportation in interstate or foreign commerce of strikers.)

Second session

H.R. 7466. February 28, 1950: To protect trade and commerce against interference or restraints by labor organizations.

H.R. 7565. March 6, 1950: To protect the public health, safety, and welfare and the national security. (Against strikes threatening public health, safety, welfare, or national security.)

H.R. 8507. May 15, 1950: To protect the public health and economic welfare of the States and the subdivisions thereof and of the people thereof. (Against strikes impairing or threatening to impair public health, safety or economic welfare.) (Similar bill, H.R. 2428, introduced February 6, 1951, 83d Cong.)

EIGHTY-SECOND CONGRESS, 1951–52

First session

H.R. 2428, February 6, 1951: To protect the public health and economic welfare of the States and the subdivisions thereof and of the people thereof. (Strikes affecting the public welfare.) (Similar to H.R. 8507, introduced May 15, 1950, 81st Cong.)

Second session

H.R. 7716, May 5, 1952: To promote the national defense and protect the public welfare. (To amend NLRA, re labor disputes, bargaining.)

House Joint Resolution 475, June 4, 1952: Advising the President of his duty to aid in the national defense program and the preservation of civil rights. (Takes note of steel strike, seizure of industry by President, Presidential power; sense of Congress that President should use Taft-Hartley Act, etc.)

EIGHTY-THIRD CONGRESS, 1953–54

First session

House Resolution 393, August 3, 1953: Authorizing the special committee to continue hearings on the Antiracketeering Act until December 31, 1953. (Authorizing committee which held hearings at Detroit and Kansas City in connection with violations of Antiracketeering Act to continue such hearings until December 31, 1953, and report to House.)

Second session

H.R. 7116, January 11, 1954: To encourage State supervision of labor union health and welfare funds, to promote the honest administration thereof, and to protect employees and employers from racketeering.

H.R. 7437, January 21, 1954: To amend section 302, title III, of the act of June 23, 1947, known as the Labor Management Relations Act, 1947 (61 Stat. 157; 29 U.S.C. 186). (Amending Taft-Hartley Act.)

H.R. 7438, January 21, 1954: To protect and conserve labor union health and welfare funds. (Reintroduced January 5, 1955, 84th Cong., H.R. 39.)

H.R. 8765, April 8, 1954: To amend section 302, title III, of the act of June 23, 1947, known as the Labor Management Relations Act, 1947 (61 Stat. 157; 29 U.S.C. 186). (Amending Taft-Hartley Act.) (Reintroduced January 11, 1955, 84th Cong., H.R. 2013.)

EIGHTY-FOURTH CONGRESS, 1955–56

First session

H.R. 39, January 5, 1955: To protect and conserve labor union health and welfare funds. (First introduced January 21, 1954, 83d Cong., H.R. 7438.)

H.R. 2013, January 11, 1955: To amend section 302, title III, of the act of June 23, 1947, known as the Labor-Management Relations Act, 1947 (61 Stat. 157; 29 U.S.C. 186). (To amend Taft-Hartley Act.) (First introduced Apr. 8, 1954, 83d Cong., H.R. 8765.)

H.R. 7211, July 7, 1955: To enable and to expedite the business of the Federal Government. (Re Capital Transit Co. strike.)

H.R. 7212, July 7, 1955: To protect the public welfare when injuriously affected by strikes in public utilities. (In strikes in public utilities, depriving strikers of NLRA rights.) (First introduced January 3, 1947, 80th Cong., H.R. 90.)

Second session

House Resolution 525, June 6, 1955: Requesting the Secretary of Labor to furnish certain information to the House of Representatives. (Re wages in industry and cost-of living index for past 10 years.)

EIGHTY-FIFTH CONGRESS—1957–58

First session

H.R. 6473, March 28, 1957: To amend the Labor Management Relations Act, 1947, to prohibit labor organizations from paying, without authority from the members, the legal fees of officers accused of illegal acts allegedly committed otherwise than in the performance of their duties. (To amend Taft-Hartley Act as indicated.)

Second session

House Resolution 454, January 27, 1958: Requesting certain information from the Secretary of Labor. (Re number of strikes wherein deaths by violence occurred.)

H.R. 10322, January 28, 1958: To amend the National Labor Relations Act (title 29, U.S.C.), as amended, for the purpose of prohibiting compulsory unionism, and for other purposes.

H.R. 12330, May 5, 1958: To amend the National Labor Relations Act, as amended. (To amend NLRA so as to not exempt labor unions from antitrust laws.) (Reintroduced May 21, 1959, 86th Cong., H.R. 7332.)

H.R. 12501, May 14, 1958: To amend the Labor-Management Relations Act of 1947. (To amend Taft-Hartley Act to permit employee to bring suit to recover lost wages as result of unfair labor practice.)

H.R. 12611, May 21, 1958: To protect trade and commerce against unreasonable restraints by labor organizations. (To amend Sherman antitrust law to protect trade and commerce against unreasonable restraints by labor organizations.) (Reintroduced May 21, 1959, 86th Cong., H.R. 7331.)

House Resolution 612, June 30, 1958: Requesting certain information from the Secretary of Labor. (Re activities of employee of Wage and Hour Division of the Department of Labor.)

EIGHTY-SIXTH CONGRESS—1959–60

First session

H.R. 4275, February 9, 1959: To amend title 29 of the United States Code by the addition of a new section following section 187. (Against strikes in public utilities.) (From Hutchinson Michigan Act.)

H.R. 7331, May 21, 1959: To protect trade and commerce against unreasonable restraints by labor organizations. (To amend Sherman antitrust law to protect trade and commerce against unreasonable restraints by labor organizations.) (First introduced May 21, 1958, 85th Cong., H.R. 12611.)

H.R. 7332, May 21, 1959: To amend the National Labor Relations Act, as amended. (To amend NLRA so as to not exempt labor unions from antitrust laws.) (First introduced May 5, 1958, 85th Cong., H.R. 12330.)

House Resolution 290, June 8, 1959: Requesting certain information from the Secretary of Labor. (Re amounts of initiation fees, dues and special assessments paid to certain unions.)

H.R. 7918, June 23, 1959: To limit and prevent certain concerted activities by labor organizations which interfere with or obstruct or impede the free production of goods for commerce or the free flow thereof in commerce, and for other purposes.

H.R. 8062, July 1, 1959: To protect the members of labor organizations. (To establish machinery for free secret election of union officials.)

H.R. 8063, July 1, 1959: To amend section 9 of the Labor-Management Relations Act of 1947. (To amend Taft-Hartley to guarantee proper handling of strike vote.)

H.R. 8539, August 5, 1959: To provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses by labor organizations, and for other purposes. (Previously introduced: April 15, 1937, 75th Cong., H.R. 6456; March 9, 1939, 76th Cong., H.R. 4910; June 10, 1941, 77th Cong., H.R. 5015.)

(NOTE.—H.R. 6456 superseded H.R. 6148, introduced on April 5, 1937, 75th Cong., and is identical to H.R. 6148, except that definition of "affecting commerce"—section 1(d)—is enlarged upon.)

THE HOUSE WAYS AND MEANS COMMITTEE HAS GIVEN THE AMERICAN PEOPLE A GREAT VICTORY

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.)

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday we received the wonderful news that the Ways and Means Committee of the House rejected, insofar as this session of Congress is concerned, the administration's proposal to take the interest rate ceiling off Government bonds. The great majority of people of this country have, whether they fully appreciate it or not, won a tremendous victory. All of the small business firms of the country won a tremendous victory. All of the farmers won a tremendous victory. In fact, the well-being of our whole Nation, and the welfare of all nations in the Western World has been greatly enhanced by this action.

In reaching their decision to cast their great prestige on the side of the plain people, against the increasing greed and irresponsibility of the Wall Street bankers and the moneylenders and the very small minority of families of great wealth, the majority members of the Ways and Means Committee have resisted the pressures of one of the largest and most determined campaigns of all times. I know of no proposal, no attempted raid on the public interest, which has been more widely supported by all the press and other organs of propaganda, nor one more valiantly worked for by all the high officials of an administration. Members of the Ways and Means Committee who voted to stand firm against this onslaught—they are all Democrats—are to be warmly congratulated.

ATTACK ON SPEAKER OF HOUSE RESENTED

Let me say another word of a personal nature.

The great and beloved Speaker of the House of Representatives, the Honorable SAM RAYBURN, has for so many years now been stepping into the breach where tremendous matters of public interest are at stake, placing his great wisdom, prestige, and influence on the side of the common man, that such performance on his part seems only expected routine. Yet even so, whenever the occasion arises he comes forward with new actions that increase his heroic dimensions. I think, personally, I was never more filled with pride at the privilege of serving in this body under his leadership than when he took occasion to strike out at the unjustifiable political manipulations that were being used to try to put across this unconscionable legislation.

I might add that when it comes to being wise in the ways of the money trust and its constant efforts at manipulating the Government to its special advantage, our distinguished Speaker has no peer. Nor is there any Member of Congress who has as long and as militant a record of fighting for the public interest against the greed and irresponsible policymaking of the great money manipulators. He came to this body in 1913, when Woodrow Wilson was inaugurated. That was the year Woodrow Wilson wrote in "The New Freedom":

> I am not so uninstructed and misinformed as to suppose that there is a deliberate and malevolent combination somewhere to dominate the Government of the United States. I merely say that, by certain processes, now well known, and perhaps natural in themselves, there has come about an extraordinary and very sinister concentration in the control of business in the country.
>
> However it has come about, it is more important still that the control of credit also has become dangerously centralized. It is the mere truth to say that the financial resources of the country are not at the command of those who do not submit to the direction and domination of small groups of capitalists who wish to keep the economic development of the country under their own eye and guidance. The great monopoly in this country is the monopoly of big credits. So long as that exists, our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is privately concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their action be honest and intended for the public interest, are necessarily concentrated upon the great understakings in which their own money is involved and who necessarily, by very reason of their own limitations, chill and check and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men (pp. 184–185).

To my personal knowledge Speaker RAYBURN has for 47 years now addressed himself to this greatest question of all, and his earnest determination to win the true liberties of men from the money power has never faltered.

HIGH INTEREST CAMPAIGN WILL CONTINUE

Does this mean now that the action which the Ways and Means Committee took yesterday will put an end to these

demands for higher and still higher interest rates? Does this mean that the Congress can now devote its full attention to public-interest legislation, free of official demands that it give its attention to high-interest legislation?

No. We can be sure that the campaign will continue, and continue without rest. And we can be sure, if we can be sure of anything, that no later than January all of the forces of this administration and all of the forces of Wall Street will again be drawn into the effort at removing the last vestige of restraint on the appetites of the moneylenders.

REPUBLICANS LOOKING BACKWARD HOPING FOR HIGHEST INTEREST RATES SUFFERED BY THE PEOPLE IN THE PAST

The one thing which has distinguished this forward-looking administration more than anything else has been its policy of looking further and further back into the past for its interest rate goals. During the first 4 years the administration was in power it raised interest rates successively, back to the levels of the Hoover and Coolidge administrations. At the present point the administration has raised interest rates to the levels of the Harding administration, and what it has now asked is that Congress repeal the ceiling which was enacted in Woodrow Wilson's administration, in 1918, and which never in all these 40 years has been violated, even during the crisis of the great depression—a depression which these same money policies brought on—nor even in the most devastating World War of all times.

Let us ask why it is that interest rates are now up to a 40-year record. We have heard the administration's reasons, of course, many, many times. They were repeated yesterday in a very lengthy document which the gentleman from Pennsylvania [Mr. SIMPSON] put into the RECORD following his expression of deep regret that the administration's request had not been complied with. According to the statement of the gentleman from Pennsylvania, this document was intended to be the views of the minority members of the Ways and Means Committee on a bill which the committee considered, but did not adopt.

And what are the reasons given for the ceiling-breaking interest rates?

HIGH INTEREST NOT CAUSED BY THE DEFICIT OR THE SIZE OF THE DEBT

First, "the enormous size of the Federal debt."

Yes, Secretary Anderson made this argument in his appearance before the Ways and Means Committee. He pointed out that the Federal debt now amounts to about $1,600 per capita.

Yet the fact is that the Federal debt was a great deal higher per capita in each of the years 1949 through 1956—to name only some of the peacetime years. So, obviously, considering the growth in the population, to say nothing of the growth in incomes, the size of the debt today does not explain why interest rates are now sky high, but were low when the per capita debt was a great deal higher.

HIGH INTEREST NOT CAUSED BY INCREASED DEMAND FOR SAVINGS

We are also told, with constant repetition that the demand for savings to finance a great investment boom and meet the deficits of Federal, State and local governments has caused the tremendous rise in interest rates.

Well, the total demand for savings today is a smaller percentage of the national income that it was in 1952. In no year since 1952 has the demand for savings been as large a percentage of the national income as it was in 1952. Similarly, in no year since 1953 has the demand for savings been so large a percentage of the national income as it was in that year.

Yet in these later years interest rates have been as much as twice the rates that prevailed in 1952 or 1953. How could it be then that the demand for savings has pushed interest rates up, when the demand for savings has gone down relative to income?

Whatever the excuses given, the fact remains that the management of the Federal debt under this administration has been sadly deficient compared to the management in earlier years when the difficulties of management were much greater.

By demand for savings, incidentally, we mean the gross private domestic investment, plus the net foreign investment—which includes foreign aid—plus or minus the net deficit or surplus of all the Governments, Federal, State, and local. In other words, this is the total amount of money invested both at home and abroad and in Government debt obligations. Total investments, which equal total demand for savings, may of course include newly created money, as well as savings from the previous money supply.

HIGH INTEREST HAS NOT CAUSED PEOPLE TO SAVE MORE

Now there is a related argument constantly being repeated which is equally phony. This is the argument that high interest rates cause people to save more. Chairman Martin loves this one. He is always saying that interest is a wage to the saver as it is a cost to the borrower. Yet the record shows that people have saved no larger percentage of their incomes in years when interest rates were low than they have in years when interest rates were fantastically high. In fact, when the interest rates were raised, people often as not have saved a lesser percentage of their incomes.

PREVIOUS HIGH INTEREST NOT CAUSED BY LONG-TERM DEBT

A third reason which has been given for high interest rates is the short average maturity of the Federal debt. For 6 years now we have been hearing the repeated statement that this administration inherited a short-term debt.

Furthermore, every time interest rates have been raised, the excuse has been given that it was for the purpose of issuing more long-term debt—which normally draws a high rate—and canceling some of the short-term debt.

Well, at the end of 1952, the marketable debt had an average maturity of 5 years and 8 months, and the average maturity has been shortened almost steadily since. At the end of May of 1959, according to the Treasury Bulletin, the average maturity of the debt was down to 4 years and 7 months. Obviously then, if the purpose of raising interest rates was to lengthen the average maturity of the debt, the purpose has not been carried out.

PRESENT HIGH INTEREST NOT CAUSED BY SHORT-TERM DEBT

Now after being subjected to a 6-year barrage of propaganda that long-term debt requires higher interest rates than short-term debt, we are now treated to one of these unexplainable switches. The minority views of the Ways and Means Committee now argue that one of the reasons for the high interest rates is that so much of the debt is short-term debt. So we can take our choice now whether the answer is that short-term debt justifies higher interest or that long-term debt justifies higher interest. But since the moneylenders have shown that they want higher interest on both kinds of debt, I think we can also conclude that they simply want higher interest wherever and however they can get it.

HIGH INTEREST NOT CAUSED BY THE LEGAL CEILING

Finally, the fourth reason which the minority of the Ways and Means Committee has given for higher interest is the presence of the interest-rate ceiling. Chairman Martin has made a similar argument, even suggesting that taking the legal ceiling off interest rates would probably cause interest rates to go down. It would be a rather humorous argument if it were not being made about such a serious matter.

In any case, I would point out that the interest rate ceiling has been in evidence for 40 years, and in this time there have been periods when interest rates were very low, much lower than the bankers like them. I would suggest, therefore, that if the administration puts its mind to it, it can find ways and means, as previous Democratic administrations have found, for keeping interest rates low despite the existence of the ceiling.

EFFECTS OF 2.5 PERCENT BOND RATE MOST UNIVERSALLY MISREPRESENTED

I come now to a fact which has been misrepresented more than any other. This refers to the period prior to 1951, when the Federal Reserve was committed to a policy of supporting Government bonds in the market at par, and at a top interest rate of 2½ percent.

Early in 1951 the Federal Reserve dropped this policy, with the so-called accord, and embarked on the program of raising interest rates, the end of which we have not seen yet—unless no way is found to overcome the difficulty of the present legal ceiling on Government bonds. The argument then made for unpegging bond prices was that in order to keep bond rates at no more than 2½ percent, the Federal Reserve was required to buy these bonds in wholesale quantities, because of what was called the artificially low interest rate. And since this buying of Government bonds

automatically increases bank reserves, the great hue and cry was that the Federal Reserve was expanding the money supply too fast. This policy of maintaining low interest rates if we could believe the propaganda then—and now—caused a tremendous inflation of the money supply.

We are still hearing that propaganda on all sides today. The views of the Republican members of the Ways and Means Committee repeats it many times. For example, this statement refers to the discredited practice of pegging the prices of Government bonds. To launch once more on such a venture would have the same inflationary and damaging effect as the late and unlamented bond-support program that served as an "engine of inflation" until it was fortunately and wisely ended in 1951. The amendment would expose monetary management to the pressures of political expediency. Any savings that might be achieved, through lower interest rates, would be lost many times over through inflation.

Such statements are today still standard fare in the press and financial journals. For example, the August 15 issue of Business Week, which is edited by a distinguished monetary authority, said it this way:

> Before the Fed-Treasury accord of 1951, the money managers pegged the price of Government bonds. * * * But pegging entailed pumping credit into the economy on a wholesale basis, which made the Fed an "engine of inflation."

We have heard the propaganda with dreary monotony. Now what are the facts? I suspect that these will come as a surprise to many Members of the House.

THE MONEY SUPPLY HAS BEEN INFLATED SINCE ADOPTION OF HIGH INTEREST—NOT BEFORE

Reconversion of plants from wartime to peacetime production was largely completed in 1946. During the following 4 years, through 1950, the money supply—under the horrible low-interest policy—was increased a great deal less than the real increase in the gross national product. Actually, the gross national product, in 1954 prices, increased by 13 percent, while the total money supply was increased by only 9 percent, which is hardly a record that could be called inflationary.

Yet in the first 4 years following the "accord"—and I suspect that this will come as a tremendous surprise to most of the Members—the total money supply was increased at a much greater rate than the rate of growth in the economy. This despite the fact that interest rates have been steadily raised.

And now what do you suppose was the record of these past 4 years from 1954 through 1958, when interest rates were then boosted with a vengeance? This was the worst record of inflating the money supply of all. The real output of goods and services increased by only 10 percent, while the total money supply was increased by 15 percent—a rate half again as large.

Going back now to the period just before the "accord," let us ask this question. Had a bad trend set in? Were there developments just prior to the "accord," which were causing the Federal Reserve to increase the money supply much more rapidly than in the earlier postwar years? No, in the year 1950, the year just prior to the "accord," the GNP showed a real increase of 9 percent, while the money supply was increased only 2 percent.

We get this same general picture whether we include in the measure of "money supply," in addition to currency, (a) all deposits, including deposits in savings banks and postal savings accounts, (b) only demand and time deposits in commercial banks, or (c) only demand deposits in commercial banks. In each of the 4-year periods I have mentioned, increases in the money supply—for each of the alternative measures in accepted use—are shown as a percentage of the real increase in GNP as follows:

Increase in money supply as a ratio of real increase in GNP

[In percent]

	Total money supply	Time and demand deposits in commercial banks	Demand deposits in commercial banks
1946–50	67	57	44
1950–54	126	89	104
1954–58	151	94	67

Now is this not an amazing picture of the so-called engine of inflation that is said to have been pumping out money under a policy of maintaining a top yield of 2½ percent on Government bonds? Let me repeat, in the 4 years immediately preceding the abandonment of this policy, the money supply was increased only 67 percent as much as the real increase in the output of goods and services. In the first 4 years following the "accord," the money supply was increased by an amount of 126 percent of the increase in the real output of goods and services. And during these past 4 years when the administration and the Federal Reserve were raising interest rates to new records for modern times, and burning up the airwaves with their massive verbal attack on inflation, the money supply was actually being increased by half again as much as the real output in goods and services. Wouldn't it be a wonderful thing if we had some means of communication by which we could get these facts out to the people of this country. I think if the people knew the facts, it would not be the policy of low interest rates which would be discredited. It would be the administration, the Federal Reserve officials, the Republican orators, the financial community, and the press—in short, all parties who have been treating the American people to the grossest kind of misstatements and misinterpretations of these facts.

At the end of my remarks I will insert tables showing these facts in more detail. I hope that Members of Congress at least will have an opportunity to acquaint themselves with these facts.

INTEREST RATES ARE SET BY THE GOVERNMENT, NOT BY MAKE-BELIEVE "FREE MARKET"

No, the usurious level of interest rates which have now been imposed on the country have not been caused by any of the things suggested. They have not been caused by the size of the debt; they have not been caused by the Federal deficit of this past fiscal year; they have not been caused by an increase in the total demand for savings; and they have not been caused by the fact that we have a law which places a ceiling on the height to which they can be pushed, at least in the case of bonds issued for 5 years or more. Nor does the rosy make-believe world of free competitive markets and unhampered supply and demand forces, which has been painted as a backdrop before which all of these alleged causes operate back and forth, exist other than in the imaginations of the public relations experts.

The fact is that interest rates are determined by the Federal Government, and I include in this all-embracing term the new fourth branch of the Government sometimes known as the Federal Reserve System. Interest rates are made as a matter of Government policy, not accidentally, but by deliberate, calculated, and purposeful policy. There is no other way they can be made.

ADMINISTRATION HAS REPEATEDLY PAID HIGHER RATES THAN NECESSARY

Here we might note that the views of the minority members of the Ways and Means Committee which appeared in the RECORD yesterday were highly indignant over a "sense of Congress" amendment which the Ways and Means Committee considered calling upon the Government to manage the debt economy. They say:

> It is unthinkable to presume that any President or any Secretary of the Treasury, regardless of party affiliation, would pay more than the absolute minimum for borrowed money.

Unthinkable? I am afraid the authors of this statement have not been reading the financial journals over the past 6 years. Indeed, one of the first and most notable actions of this administration, almost as soon as it took office, was to issue a bond in February of 1953 at a 3¼ percent interest rate which was more than one-half percent above market yields on bonds of comparable maturity at the time. Naturally this bond was reselling in the market at a premium within hours after it was issued. And this was only the first of a long series of similar financing practices. And in those early days when the administration was young and more self-assured, it made no bones about its deliberate intention to raise interest rates. In fact, Secretary Humphrey and other administration spokesmen made a great sales pitch about the administration's deliberate, high-interest policy.

And the record shows that until this day almost every long-term security issued by the Treasury during this administration has gone to a premium immediately after it was issued. The only difference between now and the early days is that now the Treasury is working out a different argument as to why it must set interest rates on new issues above current market yields. And it is no longer considered good public relations to admit that high interest rates are the administration's goal.

INTEREST RATES ARE COLLECTIVELY BARGAINED

For many years now, the U.S. Treasury has supplied about three-fourths of all the debt issues—corporate, State and local—offered for sale in the so-called securities market. And this does not count the short-term Treasury bills which, if they were counted, would raise the Treasury's proportion of the total a great deal higher. The Federal Government is, in short, a near monopoly supplier of debt securities, and because it is so, the price, or interest rate, which it is persuaded to place on these securities, is the dog which genuinely wags the tail. If it chooses to offer high interest rates, it drives up all interest rates; or if it chooses to insist upon low interest rates, it drives down all interest rates. And if it chooses to abandon its bargaining position and allow the Federal Reserve and the highly concentrated, close-knit community of financial institutions to decide what interest rates it should pay, then it is simply inviting exploitation.

GROUPS WHO PROFIT BY HIGH INTEREST THINK IT'S PATRIOTIC

I do not suggest that the small group of men who control the preponderance of private credit resources in this country today are themselves motivated only by greed, or that they think their policies are bad for the country. President Wilson said it this way:

> Let me say again that I am not impugning the motives of the men in Wall Street. They may think that that is the best way to create prosperity for the country. When you have got the market in your hand, does honesty oblige you to turn the palm upside down and empty it? If you have got the market in your hand and believe that you understand the interest of the country better than anybody else, is it patriotic to let it go? (p. 186).

No, but I would add this: When a group of powerful men hit upon a theory of what is good for the country, and this theory happily coincides with their self-interest, they are likely to become patriotic with a vengeance, particularly when they are fortified in their beliefs by having their theory universally espoused and proclaimed by the highest officials of Government. The Wall Street crowd have such a theory today. They have a theory that high interest is good for the country, and they are fortified in their beliefs by the fact that the theory is espoused by the highest authorities in the administration and in the Federal Reserve Board.

WORLD'S BIGGEST "MARKET" BY TELEPHONE

Those members who may be overly impressed with such phrases as the "free-play of supply and demand" in the money market might do well to look into some of the facts about this so-called market which have been developed during the recent investigations of the Joint Economic Committee. Let me outline a few of the factual situations which have unfolded during the committee's hearings.

The so-called market in U.S. Government securities involves trading which has now been conservatively estimated, by some of the dealers themselves, as amounting to about $200 billion a year. This is about twice the volume of trading in all the stock markets and in all of the securities markets of the country combined. This so-called market is a happy preserve of only 17 Government securities dealers. Twelve of these dealers are nonbanking firms, and five are the big money-market banks of New York and Chicago—banks which do in fact largely finance the other dealers.

The largest dealer is owned by five of the top Wall Street banks, although three of these banks are themselves dealers, presumably operating in combination with their jointly owned dealer combine.

This so-called market is said to be an over-the-counter market. It is a telephone market. All of the dealers have direct telephone lines in and among themselves. They also trade in Government securities with the Federal Reserve Open Market Account, located in the Federal Reserve Bank of New York, by telephone.

SECURITY BUYERS TELL THE GOVERNMENT WHAT RATES TO OFFER

These dealers are also the expert advisers to all of the big financial corporations on the state of the market, the amount of bids that will be made to the Treasury on a new issue, and so on.

How does the Treasury decide what interest rate to fix on a new issue, what maturity to set, and what quantity to offer? The Treasury has several committees which advise it on these matters. It has committees in the American Bankers Association; it has a committee from the Investment Bankers Association; it has a committee from the Life Insurance Association, and so on. And should we ask whether the directors of the big financial institutions in these respective fields are all strangers to one another. It only happens that the same men are directors of the life insurance companies, the commercial banks, mutual savings banks, and so on, and that the boards of these great financial institutions are so interlocked and interchanged with differing combinations of the same group of men that it is practically impossible to tell where one of these great companies in the financial field ends and another begins.

And—perhaps by now the Members will not be too surprised to hear—many of these same men are on the advisory committee to the Treasury, and others are on the boards of the Federal Reserve banks, recommending Federal Reserve discount rates and electing presidents of the Federal Reserve banks, which presidents are members of the Federal Open Market Committee. And the Federal Open Market Committee determines the money, credit, and interest rate policies of the Nation.

In addition, to these realistic causes of high interest, there is one additional factor which I must admit has strongly influenced the high interest rates. The factor is that the intense and prolonged propaganda campaign about inflation has caused a great many people to believe that the inflation which the administration and the Federal Reserve Board have seemed to be able to see over the horizon would eventually become visible to ordinary mortals. This has caused a great many people of moderate and small means to take their savings out of bonds and other fixed-return investments and put them into the stock market. And, of course, this development has not been discouraged in all quarters, since it has increased stock sales, run up stock prices, and enabled the big money boys to make a "killing." Yet it has also had the admitted effect of making people reluctant to invest in Government bonds and other fixed-return securities.

I think we can all be pleased to note that the views of the minority members on the Ways and Means Committee now, at long last, proclaim that prices have been stable over this past year, during which the administration was most vigorously predicting inflation. This is a most wholesome development and should be encouraged. If the high opinion-makers in the Republican Party will now see the light and inform the American people accordingly, I believe that most of the unwanted difficulties to obtaining low interest, if there are any unwanted difficulties, can be overcome.

APPENDIX TABLE I.—*Changes in the money supply, real changes in gross national product, and average interest rates, 1947–58*

Year	Percent increase in real GNP (1954 dollars) [1]	Percent increase in money supply			Interest yield on long-term Government bonds, R_1 (percent)	Average rate on short-term bank loans to business—selected cities, R_2 (percent)
		M^1	M^2	M^3		
1947	−0.1	4.8	4.4	3.5	2.25	2.1
1948	3.8	1.3	1.0	.5	2.44	2.5
1949	−.1		−.5	−1.0	2.31	2.7
1950	8.7	2.2	2.1	2.5	2.32	2.7
1946–50	12.6	8.5	7.2	5.6		
1951	7.5	3.8	4.2	9.1	2.57	3.1
1952	3.4	5.4	5.4	5.1	2.68	3.5
1953	4.4	4.1	3.6	2.4	2.94	3.7
1954	−1.6	3.4	3.0	1.3	2.55	3.6
1950–54	14.1	17.7	12.5	14.7		

Footnotes at end of table.

APPENDIX TABLE I.—*Changes in the money supply, real changes in gross national product, and average interest rates, 1947–58*—Continued

Year	Percent increase in real GNP (1954 dollars) [1]	Percent increase in money supply			Interest yield on long-term Government bonds, R_1 (percent)	Average rate on short-term bank loans to business—selected cities, R_2 (percent)
		M_1	M_2	M_3		
1955	8.2	4.2	3.9	3.5	2.84	3.7
1956	2.1	2.4	1.9	1.4	3.08	4.2
1957	1.8	3.0	2.8	.5	3.47	4.6
1958	−2.3	4.5	4.3	1.0	3.43	4.3
1954–58	9.9	14.9	9.3	6.6	----------	----------

[1] Data for GNP of 13-month averages.

NOTES

M_1. Money supply as measured by total deposits plus currency in circulation outside of banks. (Bank deposits include both demand and time deposits in the commercial banks and time deposits in mutual savings, in the savings banks, and in the postal savings system. Interbank deposits are excluded.)

M_2. Money supply as measured by demand and time deposits in commercial banks, plus currency in circulation outside of banks (interbank deposits are excluded).

M_3. Money supply as measured by demand deposits plus currency in circulation outside of banks (excluding interbank deposits, U.S. Government deposits, and cash items in process of collection).

R_1. The series showing long-term interest rates is not a constant series. The securities included are: 1946 to March 1952, bonds or callable after 15 years; April 1952 to March 1953, bonds due or callable after 12 yearis; April 1953 to date, bonds due or callable 10 years and after.

R_2. Annual averages of rates of interest (percent per annum) charged on commercial loans maturing in 1 year or less made by banks in 19 large cities.

Source: Federal Reserve Bulletins.

APPENDIX TABLE II.—*Gross national product in 1954 prices, and 3 measures of money supply, 1946–58*

[In billions of dollars]

Date	Real GNP (1954 dollars)	Money supply		
		M_1	M_2	M_3
1946	$282.5	$157.2	$137.9	$105.7
1947	282.3	164.8	144.0	109.4
1948	293.1	166.9	145.5	109.9
1949	292.7	166.9	144.8	108.8
1950	318.1	170.6	147.8	111.5
1951	341.8	177.1	154.0	117.2
1952	353.5	186.6	162.3	123.2
1953	369.0	194.2	168.2	126.2
1954	363.1	200.8	173.3	127.9
1955	392.7	209.2	180.0	132.4
1956	400.9	214.3	183.5	134.2
1957	408.3	220.8	188.6	134.9
1958	399.0	230.8	196.8	136.3

See table 1 for explanatory notes.

MORE VERTICAL INTEGRATION, MORE CONCENTRATION, MORE MONOPOLY

Mr. LEVERING. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PATMAN. Mr. Speaker, the members of the House Small Business Committee—and, indeed, all the Members of the Congress—are concerned with the survival of the little man, the small businessman, the family farmer, the retailers, the little poultry producers, all of the people of our Nation who spend their lives working, the people who are the vital links in our American way of life. From time to time we have heard these good citizens, one by one, as they come to put before us their fears that the growing giant of big business is dooming their free enterprise. We have delved into their problems and, believe me, gentlemen, there is today vital cause for concern.

Now comes a story from Ed Wimmer, vice president of the National Federation of Independent Business, author of a column that appears in the Cincinnati Enquirer, showing that the giant of big business is looming over another of our free enterprises—the small shoestores. I believe that the material contained in this column should be read by all Members of the House and ask unanimous consent that it be printed in the RECORD, as follows:

UNION BRANDS MERGER TREND "CANNIBALISTIC"—TEXANS UNEASY OVER LOSS OF INDEPENDENTS

(By Ed Wimmer)

The stepped-up battle against corporate integration of the American economy, via merger and cutthroat competition, received a nuclear "shot in the arm" when the General Executive Board of the Boot and Shoe Workers' Union said in a recent statement:

"The eating habits of cannibals in the jungle are no more revolting in principle than the actions of the shoe industry's big manufacturers in gobbling up the shoestore business. In each instance the justification for such savagery is that the eater becomes stronger by the absorption of the strength of the eaten.

"Cannibals acceded to the teachings of the missionaries. The big shoemakers apparently listen to no one, least of all to missionaries from their own industry * * *. The result is a dictatorship of big business pointing to seizure of control of all American shoe distribution. Independent stores, small chains, and leased shoe departments are feeling the goad of pressure as giant manufacturers persuade, cajole, and force them into this or that franchise, group—or buy them outright.

"It is an unhealthy atmosphere, and our union is not opposed to big business. We are opposed to the design of shoe industry bigness which would own or otherwise control, all shoe industry channels * * *. No good can come to the country's economy in allowing the retailing of any consumer commodity to be controlled by a few huge corporations."

So spoke a union that must increase its own monopolistic hold on a great industry, if it is to match the corporate power it must deal with, but where have the union leaders been hiding these past years when almost every industry has been going in the same direction as shoes?

In 10 years, 500 shoemaking firms have been forced out of business, and at a time when production of shoes have gone up and up, leaving 900 firms out of 1,400 who were in business at the end of the war. Of the 900 remaining, 700 produce less than 25 percent of the shoes. Continues the union:

"Organized labor is deeply concerned about this dangerous trend. There are serious indications that time is running out for the independent operators. About 10,000 shoe outlets are now owned or controlled by large manufacturers, big shoe chains, and distributors * * *. The natural outgrowth could be fixed monopoly prices as a result of unfree enterprise growing up in our industry."

John J. Mara, a respected union leader, is President of the Boot and Shoe Workers Union, and W. N. Scanlan, a proven friend of the independent, is in public relations. We'd like to ask these men, "How many of your own workers are busily building up the shoe monopolies (and other giants) by their daily purchases?"

"Unfree" enterprise has also reduced the number of ice cream plants from 3,766 to about 1,300 since 1947. In spite of 25-million increase in our population, 17,000 independent dairy plants went down to 9,225 from 1952 to 1958, with the bigs now moving swiftly toward control of the entire dairy industry—from farm to baby crib. Since 1952, the total number of independents in the automotive and allied fields went down by 49,383; 10,000 fewer auto dealers since 1952 in a period of tremendous population and industrial growth, and so it goes—from industry to industry.

Last month I made some more talks in Texas, and Col. Robert Castorr, our hard-hitting division manager who lives in Dallas, drove me over a wide area in which no up-to-date independent food store could be found. Following my remarks before the Waco Rotary Club, the president said: "Every week in the past year, a Texas-controlled corporation went to outside control."

Texas, however, is an awakening giant, for Texans are beginning to realize that, if the Battle of the Alamo was fought to make Texas safe for monopoly, then a terrible sacrifice was made in vain.

DR. WILLIAM E. DUNN, NOTED TEXAS SCHOLAR ON INTER-AMERICAN AFFAIRS, RETIRES AS DIRECTOR, INTER-AMERICAN SCHOOLS SERVICE, AMERICAN COUNCIL ON EDUCATION

Mr. PATMAN. Mr. Speaker, I should like to call to the attention of my colleagues a news story circulated to the Latin American press by Harry W. Frantz of United Press International about the retirement of Dr. William E. Dunn as Director of the Inter-American Schools Service Committee of the American Council of Education.

Dr. Dunn is a distinguished Texan, born in Sulphur Springs in my congressional district on Texas Independence Day, March 2, 1888.

Dr. Dunn's father, Prof. J. M. Dunn, was a well-known educator and in his later years served in the Texas Legislature from Hopkins County. Dr. Dunn and his brother, J. L. Dunn, of Houston,

are the only survivors of 10 children born to Professor and Mrs. Dunn.

Under leave to extend my remarks, I am glad to give credit to Mr. Harry W. Frantz, United Press International, for the following news story about Dr. Dunn:

DR. WILLIAM E. DUNN RETIRES FROM INTER-AMERICAN SCHOOLS SERVICE COMMITTEE

(By Harry W. Frantz)

WASHINGTON, July 19.—Dr. William E. Dunn is completing this month a half-century of inter-American activities which have extended to the capital of every American republic.

Some diplomatic observers estimate him to be the North American best informed about Latin America, due to the number and range of his diplomatic, economic, educational and journalistic posts.

He will resign July 31 as director of the Inter-American Schools Service of the American Council on Education, a post which he assumed in October 1955, succeeding Roy Tasco Davis.

In earlier decades, Dunn was best known as a commercial and financial adviser, in both official and unofficial capacities. At various times his work was of special significance to Argentina, Colombia, Peru, Haiti, and the Dominican Republic.

Dunn started his career as a printer's devil on the Sulphur Springs (Tex.) Gazette when he was 12 years old. He was educated in Latin American history in the Universities of Texas, Stanford, and Columbia.

He did much research work in archives of Mexico City and later in the Spanish Colonial Archives at Sevilla, Cadiz, and Simanca.

In 1919 the celebrated publisher, Frank Munsey, sensed the rising importance of Inter-American relations and made Dunn Latin American editor of the New York Sun-Herald.

After a few years in journalistic, merchantile and banking activities pertaining to Latin America, Dunn went to Peru with an educational mission to help plan a school of commerce. He remained in Lima as United States Trade Commissioner.

He served as Director General of Internal Revenue for Haiti in the period of 1924-27. Returning to Wall Street, he worked on arrangements for bond issues of numerous Latin American countries. Next he served as financial adviser to the Dominican Republic, 1931 through 1933.

He then became Assistant Director of the United States Bureau of Foreign and Domestic Commerce. Thereafter he served as United States Commercial Attaché in Buenos Aires and a combined post as Commercial Attaché for Guatemala, El Salvador and Honduras.

In 1942 he worked on defense materials projects in the State Department in relation to Spain and Portugal. In 1943 he became Counsellor for Economic Affairs in the Embassy of Bogotá and 2 years later was assigned to a similar post in Santiago, Chile.

In various years he served with unofficial financial and commercial missions engaged by Colombia, Venezuela and Peru, and gained reputation as one of the preeminent "experts" of the United States in inter-American relations.

After his retirement from the State Department, Dunn returned to his first love, education, in 1953 as Director of the Inter-American Schools Service of the American Council on Education. Under his direction there has been a large increase in financial aid to 300 American-type schools throughout the hemisphere, most of which are attended by nationals as well as United States children in the various republics. Technical counsel to educators, providing teachers and equipment and bilingual instruction have been widely extended in the 300-odd schools.

Asked for a net conclusion about his hemisphere-wide experience, Dunn said:

"I believe that inter-American educational cooperation is one of the most effective and acceptable approaches for a betterment of Western Hemisphere relations. It is helpful to the people of both the United States and Latin America. Bilingual instruction has made it much easier for Latin American students to qualify for entrance in United States universities.

"We have not tried to replace any Latin American educational system, but have tried to supplement the opportunities for children of all countries."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Bow (at the request of Mr. ARENDS), from August 19 through August 25, on account of official business outside the United States.

Mr. CEDERBERG (at the request of Mr. ARENDS), for 6 days, on account of official business outside the United States.

Mr. PRESTON, for 6 days, to August 25, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, to vacate her special order for today and to address the House for 10 minutes on August 20.

Mr. PATMAN, for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. PUCINSKI, for 45 minutes, on Monday, August 24.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CURTIS of Massachusetts and include extraneous matter.

(At the request of Mr. MOORE, and to include extraneous matter, the following:)

Mr. CANFIELD.

(At the request of Mr. LEVERING, and to include extraneous matter, the following:)

Mr. BARR.
Mr. DENT.
Mr. SHIPLEY.
Mr. MOELLER.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 196. An act for the relief of Grover J. Cole;

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.; and

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

ADJOURNMENT

Mr. LEVERING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Thursday, August 20, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1318. A letter from the Comptroller General of the United States, transmitting a report on examination of the pricing of Department of the Air Force contract AF 33(600)31174 with Convair, a division of General Dynamics Corp., San Diego, Calif.; to the Committee on Government Operations.

1319. A letter from the Acting Secretary of the Interior, relative to an application for a loan of $4,067,000 for the Donna Irrigation District, Hidalgo County No. 1, of Donna, Tex., pursuant to the Small Reclamation Projects Act of 1956, as amended June 5, 1957 (71 Stat. 48); to the Committee on Interior and Insular Affairs.

1320. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order granting an application for permanent residence filed by Jonas Beno Linker and his wife, Estera Idesa Linker, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1321. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting a report stating that no claims were paid by the Office of Civil and Defense Mobilization during the fiscal year 1959, pursuant to section 2673 of the Federal Tort Claims Act of 1946, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes; without

amendment (Rept. No. 944). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 7379. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; with amendment (Rept. No. 945). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 8599. A bill to amend the Small Business Act, and for other purposes; without amendment (Rept. No. 946). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 8591. A bill to amend section 7 of the Federal Home Loan Bank Act so as to authorize additional directors for Federal home loan banks under certain circumstances; without amendment (Rept. No. 947). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 5711. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; with amendment (Rept. No. 948). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 6817. A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended; without amendment (Rept. No. 949). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. House Joint Resolution 465. Joint resolution approving certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois; with amendments (Rept. No. 950). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 348. Resolution for the consideration of H.R. 2236, a bill to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy; without amendment (Rept. No. 951). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 349. Resolution for consideration of H.R. 5421, a bill to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes; without amendment (Rept. No. 952). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 350. Resolution for consideration of H.R. 7242, a bill to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes; without amendment (Rept. No. 953). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRISON:

H.R. 8725. A bill to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of Montana:

H.R. 8726. A bill to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.; to the Committee on Interior and Insular Affairs.

By Mr. BARR:

H.R. 8727. A bill to amend section 2 of the act of May 13, 1954, so as to provide for the appointment of one additional member to the Advisory Board of the St. Lawrence Seaway Development Corporation; to the Committee on Public Works.

By Mr. BONNER:

H.R. 8728. A bill to amend the Federal Boating Act of 1958 to extend for an additional year the period when certain provisions of that act will take effect; to the Committee on Merchant Marine and Fisheries.

By Mr. CHELF:

H.R. 8729. A bill to amend sections 111 and 1114 of title 18, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. DENT:

H.R. 8730. A bill to provide for the donation of surplus commodities to the States for distribution to needy persons; to the Committee on Agriculture.

By Mr. FOGARTY:

H.R. 8731. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

By Mr. FORAND:

H.R. 8732. A bill to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 8733. A bill to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 8734. A bill to prohibit, within the District of Columbia, unjust discrimination in employment because of age; to the Committee on the District of Columbia.

By Mr. HARRIS:

H.R. 8735. A bill to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H.R. 8736. A bill to provide for the donation of surplus commodities to the States for distribution to needy persons; to the Committee on Agriculture.

By Mr. JUDD:

H.R. 8737. A bill to amend title II of the Social Security Act to permit a State or local employee who left his position in a coverage group, but returns to employment as a member of the same group after it has been extended social security coverage under State agreement, to make certain elections with respect to his coverage as a member of such group; to the Committee on Ways and Means.

By Mr. MURRAY:

H.R. 8738. A bill to improve work of Federal employees through evaluation of work performance and to amend the Performance Rating Act of 1950; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 8739. A bill to improve the work of Federal employees through evaluation of work performance and to amend the Performance Rating Act of 1950; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Texas:

H.R. 8740. A bill to provide for the leasing of oil and gas interests in certain lands owned by the United States in the State of Texas; to the Committee on Interior and Insular Affairs.

By Mr. TUCK:

H.R. 8741. A bill to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals; to the Committee on Education and Labor.

By Mr. FULTON:

H.R. 8742. A bill relating to the power of the States to impose net income taxes on income derived from interstate commerce; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8743. A bill to provide that the permanent membership of the House of Representatives shall be 438 Members in the 88th Congress and each Congress thereafter; to the Committee on the Judiciary.

By Mr. BOLAND:

H.J. Res. 503. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. GRANT:

H.J. Res. 504. Joint resolution creating a commission for the purpose of planning and constructing a memorial in the District of Columbia in honor of the four Army chaplains who lost their lives in the sinking of the Army transport *Dorchester* on February 3, 1943; to the Committee on House Administration.

By Mr. BRAY:

H. Con. Res. 394. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. DENT:

H. Con. Res. 395. Concurrent resolution establishing a Joint Committee on National Fuel Policy; to the Committee on Rules.

By Mr. FULTON:

H. Con. Res. 396. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H.R. 8744. A bill to provide for the crediting for retirement purposes of certain service performed by John R. Richardson; to the Committee on the Judiciary.

By Mr. BRAY:

H.R. 8745. A bill for the relief of Burt Elgin; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 8746. A bill for the relief of Mrs. Elizabeth Chiyo Weed; to the Committee on the Judiciary.

H.R. 8747. A bill for the relief of Moussa Shafaghat; to the Committee on the Judiciary.

By Mr. BAUMHART:

H. Res. 351. Resolution providing for sending the bill (H.R. 7694) and accompanying papers to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

258. By Mr. CANFIELD: Resolution adopted by the governing body of the city of Clifton, N.J., opposing any change in the income tax law which would discontinue the exclusion of interest on State and local bonds as tax exempt income; to the Committee on Ways and Means.

259. By the SPEAKER: Petition of the city manager, Anchorage, Alaska, relative to urging adoption of home rule legislation for the District of Columbia; to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

Americans Should Know the Answers to Communists' False Claims

EXTENSION OF REMARKS
OF
HON. LAURENCE CURTIS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 19, 1959

Mr. CURTIS of Massachusetts. Mr. Speaker, leading citizens have called attention to the need for more teaching in our schools about the differences between communism and democracy.

It is shocking to read a news report, under a Los Angeles dateline, stating that a majority of high school seniors, when asked to choose a statement best representing their ideas of an economic system, quoted Marxist dogma: "From each according to his ability, and to each according to his need." What kind of teaching have they received?

I include as part of these remarks my newsletter of August 12, 1959, which comments on the above, and cites other examples which indicate the need for better teaching about communism and about our heritage of freedom and democracy, as follows:

"Half the Americans over here in Europe have not the slightest idea of why they are Americans or what a democracy actually is. Most of them cannot say a word against communism. * * * The American schools * * * have missed the basic issues with those civics courses. * * * We are told over here that the only person the Communists fear is the one who thoroughly understands the system."

So wrote a chaplain in the U.S. Armed Forces stationed in Berlin. He was expressing his support of Cardinal Cushing's proposal that young people should be taught about communism and the answers to its false doctrines. A previous newsletter quoted from the Cardinal's television address on the subject.

A news story from Los Angeles published here gives striking confirmation of the need. Under the headline, "Students' Attitudes Called Shocking," it said:

"In a survey of 86 high schools, members of the senior classes were asked to indicate their preferences for various statements descriptive of economic systems. Fifty-five percent selected the old socialist slogan, "From each according to his ability and to each according to his need."

This slogan is Marxist dogma, and could be enforced only by police state methods. Who would determine whether people were contributing according to their abilities, or what their needs were? Imposition of such a system would require a Communist form of government. Apparently these students did not have the background of information necessary to figure that out.

Further confirmation of the need for teaching about the answers to communism was given by Mr. Lloyd Wright of California, former president of the American Bar Association, and recently chairman of the President's Commission on Government Security. Testifying this spring before a Senate Subcommittee on Internal Security, he said:

"Our children are not being taught in the schools sufficiently the true philosophy of our Government. They have been brainwashed with infiltrated textbooks, some of which go so far as to advocate that it is wrong to be proud to be an American citizen, but rather you should consider yourself a citizen of the world."

Patriotic Americans will surely support and applaud the timely suggestion that young people should be taught about communism.

The cost of living was recently reported at a new high. At his news conference, the President said that even a tiny increase could bring about "a new high," but that since 1953 "the curve of increase has been so much less."

High prices and dollar devaluation are two sides of the same coin. Taking the 1939 dollar as 100 cents, the course of its devaluation has run as follows: 1942, 85.2 cents; 1945, 77.2 cents; 1948, 57.8 cents; 1953—under Eisenhower—51.9 cents; 1957, January, 50.3 cents; 1958, January, 48.6; 1959, January, 48 cents; 1959, June, 47.7 cents—the most recent figure and the publicized "new high."

In other words, during the 14 years before Eisenhower became President the value of the dollar dropped about 48 cents, and during nearly 7 years since he became President, it has dropped about 4½ cents. The President is fighting to stop this drift and maintain a sound and stable dollar.

The heat is really on Members of Congress in connection with labor legislation. We have to remember former President Truman's warning: "If you can't stand the heat, you had better get out of the kitchen."

Walter Lee

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 19, 1959

Mr. CANFIELD. Mr. Speaker, along with my colleagues and many friends of Walter Lee, I am sorry to learn of his retirement at the end of this session of Congress as legislative assistant to the House Subcommittee on Claims.

I have known Walter Lee ever since his arrival on Capitol Hill some 21 years ago. I have always found him to be most affable, most friendly, and most helpful to Members and their staffs. His straightforward advice with regard to the merits of any proposed legislation was always appreciated. I will miss Walter from the Capitol Hill scene, and I know it will be so with many others, but in his well-earned retirement I wish for him and his family many years of good health and happiness.

A Bill To Expand the Advisory Board of the St. Lawrence Seaway Corporation From Five to Six Members

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BARR
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 19, 1959

Mr. BARR. Mr. Speaker, when the St. Lawrence Seaway Act was approved on May 13, 1954, it provided for certain administrative officers and an Advisory Board consisting of five men. There are eight States which are directly affected by the St. Lawrence Seaway—New York, Pennsylvania, Ohio, Wisconsin, Michigan, Illinois, Minnesota and Indiana. Every one of these States fronts either on the Great Lakes or on the seaway. When the Seaway Corporation was put together the Advisory Board was made up of men from Michigan, Wisconsin, Ohio, Pennsylvania, and New York. Illinois was represented by the Administrator and Minnesota was represented by the Deputy Administrator. Of all the States having a direct interest in the seaway, only Indiana was omitted.

I have this date introduced a bill which expands the Advisory Board of the St. Lawrence Seaway Corporation from five to six members. I am advocating this expansion in the hope that the sixth man will be chosen from the State of Indiana, so that Indiana can be represented in the development of this enormously significant undertaking.

The St. Lawrence Seaway still faces a tremendous number of problems. The locks are probably not as large as they should have been; the Welland Canal is proving a bottleneck that only permits a maximum of 28 ships a day to pass through its locks; and the canal itself is too narrow to permit the safe

passage of ocean vessels moving in opposite directions. No one knows for certain whether or not the seaway will turn out to be as successful as we all hope.

The State of Indiana has a vital stake in making this seaway successful. I believe that it deserves to be represented on the Advisory Board.

Aid to Federally Impacted School Districts

EXTENSION OF REMARKS

OF

HON. WALTER H. MOELLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 19, 1959

Mr. MOELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made this morning before the Subcommittee on General Education of the House Committee on Education and Labor. That subcommittee is now considering administration proposals to weaken the benefits presently available to school districts with a school-age population which includes a substantial number of children of employees of Federal installations. I believe that the effect of these damaging proposals in my district is of sufficient interest to warrant publication in the RECORD as a means of helping to forestall approval of the proposed legislation.

The statement follows:

FEDERAL AID TO IMPACTED SCHOOLS

Mr. Chairman and members of the subcommittee, thank you for the privilege of appearing before you this morning and testifying in behalf of the school systems in my district with respect to proposed changes in Public Laws 874 and 875. I know that you have received a great deal of testimony on this most important problem and I do not wish to take up too much of your time. However, because of the adverse effect the proposals made by the administration to reduce benefits would have on the schools in my district, I do wish to make this brief statement.

Approximately 20 separate school systems in my district have been receiving Federal funds to help support their schools because of the increased school enrollments caused by the influx of people employed by Federal establishments or firms having defense contracts with the Federal Government. These include schools operated by cities, by local school districts, and by certain of our counties. The total amount involved each year, about $102,000 according to the figures I have at hand, is not large by the standards of many areas or when compared to the total amount of such assistance rendered to all the schools in the United States. However, it bulks extremely large in the tax structure of our local areas which are not among the most prosperous in this country.

Approximately 1,200 school-age children of parents employed directly or indirectly by the Federal Government provide the basis for this aid to our schools. By far the largest percentage of these are the children of parents who work in Federal installations not actually located in the school district. The few others are the children of people employed by defense contractors. In any event, they are all so-called B category cases.

Thus, the effect of the administration proposals embodied in the Kearns bill, H.R. 7140, would be to cut the funds our schools are receiving almost exactly in half—from $102,000 to $51,000 per year. To impose such an additional tax burden on these 20 school districts would be extremely difficult. I fear that the net result would be a lowering of the standards of education instead. This penalty would apply to all of the children alike, whether their parents were or were not newcomers to the district or were or were not employees of the Federal Government. It is manifestly unfair to ask the citizens of my district or of any area to assume such a penalty, or to shoulder an additional burden of taxes to maintain the standard of education in their schools, when the increased cost of operating the schools can be traced directly to a Federal activity, which must be the case under the present terms of Public Law 874 to make them eligible for the aid they are now getting.

The problem is similar with respect to funds for equipping new school buildings in these areas under Public Law 815. It is expected that increased school enrollments will require abandoning some of our smaller schools and the construction of new consolidated schools to accommodate to the changing conditions. At least a part of such increased enrollments are traceable to the Federal activities of which I have been speaking. I strongly oppose any changes in the present law which would deprive us of the minimum amount of Federal aid in financing this new construction to which we are entitled under the present law.

To address myself for a moment to the philosophy behind Public Laws 874 and 815. It seems to me self evident that when the Federal Government engages in an activity which has among its results the addition of an appreciable number of children to the school rolls in an area, then the citizens of that area have every right to expect that they shall not be required to bear alone the cost of providing for the education of such children. After a great many years, when all the effects of this radical change in the community structure have worn off; when the employment at the Federal activity has been stabilized for a long period of time; when the newly arrived Federal employees have become property owners and have been absorbed into the community completely, with particular respect to their bearing a full share of the tax load; and when the costs of expanded school operations have been completely amortized; then we may think of reducing the amount of Federal aid required. At present, however, the funds we have received from the Government do not begin to pay the fair share of the additional cost which might be expected.

Certainly the time has not yet come when school districts located adjacent to or near other districts in which a Federal installation is actually located should be discriminated against. Where large installations are involved particularly, such as Lockbourne Air Force Base and Whitehall Army Depot near my district, the problem raised is actually greater than that for a school district which may have a part of the installation within its geographic area. These establishments are of such size and employ so many persons that it would be physically impossible for any large percentage of their employees to live in a school district which at the same time overlaps the installation's boundaries. Thus, the heavier burden is thrown on those nearby communities which house the employees. This is the case for communities in Fairfield County in my district and in Lancaster, the county seat where I reside. To a lesser extent it involves also school districts in Hocking, Jackson, and Athens Counties.

For that reason I am particularly opposed to the aspects of the Kearns bill which give preferential treatment to school districts within whose bounds a Federal property is located.

As a supplement to these remarks I wish to introduce for the record of these hearings two letters I have received from Mr. J. E. Brown, Superintendent of Schools in Lancaster, Ohio, and from Mr. Paul R. Cummins, Superintendent of the Fairfield County Schools, which give more explicit details with respect to the situation in their jurisdictions.

Thank you, Mr. Chairman, for your courtesy in hearing me this morning.

Liquor on Airplanes

EXTENSION OF REMARKS

OF

HON. GEORGE E. SHIPLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 19, 1959

Mr. SHIPLEY. Mr. Speaker, there has been a considerable amount of discussion in regard to the serving of liquor on the airlines, and I would like to take this opportunity to let my colleagues know my feelings on this matter.

Effective regulation of the consumption of alcoholic beverages on domestic airplane flights has become increasingly difficult since the practice has become more prevalent. This fact has been attested to by those who should know best, namely, the Airline Pilots Association and the Airline Stewards and Stewardesses Association. It is their contention that the practice of serving alcoholic beverages on airplanes is a deterrent to the efficient operation of the crew and that it creates a potential safety hazard.

There are also many passengers who object to the serving of alcoholic beverages in the close confines of an airplane where they can neither avoid the obnoxious inebriate nor can they be certain that the disgusting "drunk" will not be a danger in the event of an emergency. He may, in fact, even create an emergency.

Strict regulation, or curtailment, of the practice of selling or serving alcoholic beverages on airplanes has been urged by these groups, then, not on moral grounds as a prohibition measure, but because the practice causes unnecessary discomfort to other passengers, interferes with the efficient operation of a flight, and constitutes a potential safety hazard.

In hearings held by the 85th Congress about this same problem, the testimony of many witnesses supports the view that self-regulation by airlines has not appreciably remedied the situation. The airlines usually adopt one of two codes in an effort to control alcoholic consumption on flights. One code specifies that only two drinks may be sold or served to any one passenger. The other code places no specific limitation on the number of drinks which may be sold or

served to any one passenger except that only two may be sold to any passenger who appears to have become intoxicated. In all codes, however, the airline crew is cautioned to be careful never to imply to a passenger that he is intoxicated. According to the testimony of airline crew members, this latter stipulation has rendered the administration of most rules controlling the consumption and sale of alcoholic beverages on flights virtually impracticable. For instance, the present regulations which allow the serving and sale of alcoholic beverages on flights have left effective control of the passenger who brings his own alcohol on board in a virtual "no man's land." When alcoholic beverages are sold on a plane it is also very difficult, if not impossible, to refuse to allow a passenger on board who has obviously been drinking unless he is intoxicated. Two drinks for this passenger may be too many.

It is true that the captain of a plane has the authority to deplane an obnoxious or unruly imbiber. But the physical operation of this rule makes it a "last resort" in that obviously, it is not always possible to land a plane immediately. The very fact that alcohol is served on airplanes make such rules ambiguous, and, of necessity, the crew is more lax in invoking the measure of either deplaning an inebriated passenger or refusing him aboard the plane.

According to pilots', stewards', and stewardesses' testimony, the present regulations do not afford them a truly practicable means of controlling alcohol in the air. For instance, in one of the few incidents cited in which an inebriated passenger was deplaned, this procedure was invoked because the man was waving a gun and had become violent. Another inebriated passenger removed himself voluntarily when he mistook the main cabin exit for another door.

The problem of controlling the unpleasant or even potentially dangerous results of allowing the consumption of alcoholic beverages on flights is uniquely related to compact size of an airplane. There can be no separated club car or an isolated lounge as there can be on a train or an ocean liner. Only one obnoxious drinker may cause extreme embarrassment and difficulty on an airplane, whereas on an ocean liner or a train, the situation may be remedied more readily as there are more facilities for separating such a passenger from others.

An airplane is built and manned with a view toward maximum efficiency and safety. Yet the actions of one inebriate may even require that the pilot leave the controls to cope with him. This clearly is neither safe nor efficient, but it has occurred on those flights which serve alcoholic beverages. Although there has been no airplane accident which was conclusively attributed to the actions of an inebriate, it was pointed out by many qualified witnesses during the hearings that it hardly seems necessary to wait for an accident before we make any provisions to prevent one.

I share the opinion of many, including the majority of airline pilots, stewards, and stewardesses, that the only effective way to control the unique problems resulting from the consumption of alcohol by passengers on airplanes is to completely prohibit it. It is, I am convinced, the responsibility of this Congress to provide the necessary legislation to prevent a practice which affects the safety and well-being of many Americans and their families.

Visit of Premier Khrushchev to the United States

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, August 19, 1959

Mr. DODD. Mr. President, a few days ago I received a letter from the mayor of Bristol, Conn., the Honorable James P. Casey, a letter which was characterized in the Connecticut press as an attempt to dissuade me from my opposition to the visit of Nikita Khrushchev to this country.

Mayor Casey's letter is an illustrative example of the widespread misunderstanding of the position of those who oppose this visit, and it is representative of what I consider to be the confused thinking of many well-meaning and influential Americans.

Mr. President, I ask unanimous consent that Mayor Casey's letter and my reply be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY OF BRISTOL,
OFFICE OF THE MAYOR,
Bristol, Conn., August 11, 1958.

The Honorable THOMAS J. DODD,
Senate Office Building,
Washington, D.C.

MY DEAR TOM: Remember when Harry Truman in 1948 was counted out by the political wiseacres and Tom Dewey enshrined in the White House even before voters went to the polls? In a "give 'em hell" campaign the former President got up off the deck and proceeded to knock the stuffings out of Dewey with a total disregard for the Marquis of Queensbury rules.

It was a grand, rough and tumble brawl. The American people responded with cheers and hurrahs for the little guy who took on the Republican behemoth, then Governor of New York State. As I recall, you were the only politician in Connecticut who gave Truman a chance in the elections, and, in fact, seconded his nomination at Philadelphia. The rest of the Connecticut delegation floundered around ready to throw its support to any one but the man who made it—even to one man name of Dwight David Eisenhower.

It seems to me that, lacking a crystal ball, no one can predict the results of Nikita Khrushchev's grand tour of the United States. The Communists after 40 years of intensive propaganda, brainwashing, and wholesale butchery have failed conspicuously to convert the people in the satellite countries to the joys to be had in the workers paradise.

Consequently, I don't think that at this point the American people are going to be infected by the Communist virus if Nikita in the Kremlin shows his face in America. A look at the greatness, the power and the glory of the United States and a realization of the spiritual forces which inspire men and women here may deter him from throwing his Sunday punch. After all, a talkathon between President Eisenhower and the Russian Premier is preferable to extermination by a hydrogen bomb.

This brings us to DICK NIXON and the union of the United States and Poland, and Lord knows how many more of the enslaved peoples of Europe and Asia. NIXON took on Khrushchev in the latter's own back yard, on the home grounds so to speak, not in a contest of haughty words and stinging phrases, with 5,000 miles separating the combatants. NIXON slugged it out toe-to-toe with Nikita and the "you-don't-know-everything" retort was a crack heard round the world.

NIXON'S tumultuous reception in Poland was also a startling revelation. Americans have always felt confident and sure that, in an abstract way, the people in that benighted country were on our side. The instant, spontaneous expression of love and friendship, in the face of their oppressors, I believe, however, to be unprecedented in the whole history of mankind. The Poles love the United States and its people. They want to identify themselves with us and this in defiance of the Kremlin gangsters. NIXON was a symbol of America and, while it truthfully may be said that any other man, officially representing the United States as Vice President, would have been received in like manner, the fact is that it was he who brought it off.

Poland, like Ireland during the massacres in the mid-17th century, has through history suffered one terrifying blood bath after another and, in each instance, has emerged more than ever determined to fight for a freedom that is so essential to man's salvation.

In the Warsaw demonstration there has been unveiled a secret weapon on the Communist front that scientific research or inventiveness can neither create nor destroy; namely, the spiritual fire which consumes a devout people in its fight for peace, freedom and justice. It is as though the old and neglected Christian virtues had taken on new life and vigor in an age wherein materialistic values have seemed to be transcendent.

Americans cannot help but rejoice with the Polish people in their collective, bulldog resistance to the power and barbaric tyranny of the Communists. Newsmen with NIXON have reported that, with the exception of Moscow, the American entourage was warmly and enthusiastically received in cities throughout Russia and this in itself should give pause to the more reckless impulses of Nikita and the bureaucrats in the Kremlin.

Khrushchev had better take another look into the mind and soul of his Russian subjects and those in adjacent areas before he embarks on further adventures in his quest for other worlds to conquer.

Your many friends in Bristol hope and pray that you have recovered from the food poisoning which recently caused you to be hospitalized and that as of now you are well.

Sincerely yours,

JAMES P. CASEY.

AUGUST 14, 1959.

The Honorable JAMES P. CASEY,
Mayor of Bristol, Conn.

DEAR JIM: I have received your letter after already reading the published version of it in the Connecticut press.

You say that you don't think "the American people are going to be infected by the Communist virus if Nikita in the Kremlin shows his face in America." Apparently you are suggesting that this is my view. If that

is your inference, then I must say that it is an absurd caricature of the position which many of us hold concerning Khrushchev's visit. I do not believe the American people will be infected or converted by Khrushchev, but I do feel that they will be disarmed and put off their guard.

I oppose the visit for a number of reasons.

First, a White House summit meeting with Khrushchev represents a major diplomatic defeat. Our Government, which has insisted that there could be no such meeting without prior concessions by the Communists, has backed down, and the world knows it.

Second, it is a major moral defeat. Our people are asked to welcome to our shores as an honored guest an infamous dictator who was personally responsible for the murder of countless thousands and who is the embodiment of the system of atheistic tyranny which is the mortal enemy of all decent people.

Third, it is a major propaganda defeat. Khrushchev's visit will be made to appear as a great personal triumph which will discourage our friends in the satellite nations, confuse and soften up the people of the free world, and signify to the people of uncommitted nations that communism is legitimate, accepted, and in the ascendancy.

Fourth, it is a major ideological defeat. Our response to the challenge of communism has been ineffective because so many of the world's people do not understand the essential evil of communism and the inherent good of freedom. Visits by Khrushchev to the United States and other non-Communist nations will further blur understanding of the fundamental antithesis between communism and freedom.

Fifth, it will have the effect of a major military defeat. It will help delude the free world into thinking that all is well and that there is no need for the heavy sacrifices required to build up military strength.

I do not share your admiration for the conduct of Vice President NIXON in Russia. I thought that far too many of the Vice President's statements were superficial and weak.

He told the Russian people that Khrushchev was "a self-made man who worked himself up from the bottom," as if it were unimportant that he had done so through mass murder, treachery and the betrayal of his own people. He placed primary emphasis on the luxuries and conveniences which our people enjoy, when he should have been talking about our freedom and our faith in God.

I am surprised that you should consider the pro-American reception which NIXON received in Poland as a startling revelation. Anyone who has followed conditions in Poland should have expected it. Approval for the United States was one way in which the Polish people could publicly express their hatred for the Communist system which has enslaved them. The NIXON reception was merely a verification of what many of us have been trying to bring home to the American people for many years. I am sure that our act of welcoming Khrushchev to the United States will dishearten the Polish patriots who greeted NIXON.

This morning's Washington Post carried an account of the arrangements which our Government is now making to procure Communist flags which will be flown all over Washington during Khrushchev's visit. You perhaps regard this sort of thing as a step forward but I do not share your enthusiasm.

I know that you must have spent some time in preparing your letter and I have, therefore, tried to answer it in detail.

Sincerely yours,

THOMAS J. DODD.

Momentous Question of Labor Reform Laws

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 19, 1959

Mr. DENT. Mr. Speaker, under leave to extend my remarks, I am inserting in the RECORD a copy of my Newsletter because of its relationship to the momentous question of labor reform laws:

HOMESTRETCH

As we enter the homestretch in this session of Congress, many thoughts cross the mind of a Member of Congress.

He wonders sometimes whether, with all of the conflicts, special interests, greed, envy, and sometimes even hate, that we are able to get anything done at all.

It's strange, but true, that the American public only gets the surface news and little of the real background and reasons for some of the actions of Congress and Government in general.

If I would attempt as a Congressman to give you only my views you would still be getting a single viewpoint.

However, during the session, I've tried to keep you informed on as many subjects as time and space would allow.

Behind the headlines and news, there are many angles that just can't be given the coverage they deserve. With your interest at heart, I want to cover our last remaining days and some of the highlights of the actions of Congress.

STRIKES

For many years, since man first discovered he could hire some other person to work and make a profit on his efforts, there has been a continuing economic fight.

One of the weapons used by the working masses in this warfare has been the use of the strike.

There's no question that strikes have at times created havoc with loss of life, injuries, destruction of property, want and hunger as part of the picture.

Strikes haven't always been called for the purpose of gaining wage increases. Sometimes men have had to strike to protect their jobs, especially the older workers who for years were discarded and tossed out to make room for younger and faster producers.

There have been times when strikes were called for overtime pay, vacations with pay, recognition of unions, insurance and welfare benefits, safety devices and almost anything you can think of.

It wasn't always a pretty picture and those of us who come from industrial and mining communities have very vivid memories of cold winter days and barren tables.

It was from this kind of a situation that the Wagner Act emerged and labor found itself blessed with new powers and privileges.

During the next generation, unions grew, wages and fringe benefits climbed and the American economy became the envy of the world.

Much water has gone over the dam since the passage of that act commonly called the Magna Carta for laboring men and women.

It was material for a growing antagonism to crop up on the part of employers and the first major attempt to curb labor ended up in the famous Taft-Hartley Act passed in 1947.

During the years that have intervened from that day to this, new and stronger demands have come forth for more stringent labor legislation, aided and abetted by the strange, illegal, and sometimes outright dishonest records of some of labor's officials.

A distortion of the facts seems to have resulted from the backdrop of Senate hearings by the McClellan committee and the personal political ambitions of Senator JACK KENNEDY, ballooned and favored by the antics of his younger brother on TV, etc.

All of these so-called labor-management control bills are purported to be in the interest of labor peace.

Recently, the Public Affairs Institute, conducted by Dewey Anderson and Associates sent out a timely observation entitled, "Labor Peace?"

I am passing it on to you with the hope that you too will stop and wonder about the facts behind today's events and issues.

"All the time that Congress is feverishly debating what kind of legislation we ought to have to bring an end to labor-management malpractices and to curb the power of alleged union bosses what may be an infinitely more important story is going unnoticed.

That is the story of the steady increase in labor-management practices before the National Labor Relations Board.

Month after month the Board's business mounts. Month after month the bitterness of strife between union workers and their employers mounts.

Instead of labor peace as the authors of our labor-management legislation tell us is their goal, we are getting industrial warfare.

With 500,000 steelworkers out on strike and another 100,000 workers laid off in related industries in what is obviously one of the sharpest labor-management disputes we have had in many years, it might be a good time to look at the more general picture and see what is happening on the labor front.

Here are some of the recordbreaking highlights:

The General Counsel issued 297 unfair labor practices complaints—the greatest number ever issued in any one quarter.

Unfair labor practice cases filed by employers numbered 563; an increase of 126 percent over those filed during the same quarter a year ago.

Unions filed 1,021 unfair labor practice cases for an increase of 41 percent over those filed by unions during the corresponding period of 1958.

These increases are not something new. They are part of a pattern of increasing tensions and disputes that has shown itself clearly for at least the past year and a half. Why?

Any objective study of the attitude of many segments of industry during the past few years will show an obvious determination to crack down on organized labor.

Both the National Association of Manufacturers and the U.S. Chamber of Commerce have been conducting a never-ceasing campaign against labor, constantly using the timeworn cliches of "labor bossism," "labor monopoly," and "labor corruption."

In this the McClellan committee hearings have been a never-failing and convenient source of citable evidence to be used against all unions whether they are among those which have been investigated or not.

Right-to-work supporters, despite the setbacks suffered at the polls last November, have never ceased to press for harsher States rights legislation to weaken and perhaps even destroy unionism in the name of protecting it.

In Congress itself there is a group of Senators and Representatives who spend much of their time in the fight to enact leg-

islation that would further restrict union activities and discredit labor.

The drive of business to enter the political field more actively and more openly is a reflection of business hatred of labor strength.

It's all very well to keep pounding away on corruption within the labor movement. But how about a little investigation into the reasons for the recordbreaking charges and countercharges that are overburdening an already overburdened NLRB?

One of the amusing remarks that helped to break the tension when the labor bill was voted upon centered around the fact that the Speaker SAM RAYBURN lost all of the southern bloc except a scattered dozen or so and was supported almost to the man by the northern group of Congressmen.

One House Member was heard to remark "How do you expect to win the fight with a Yankee Army and a Confederate general?"

While mentioning the beloved Speaker, it might be well to note that SAM is no anti-union advocate by any stretch of the imagination.

The Speaker wanted and fought for labor reform and opposed labor annihilation.

Lost in the shuffle apparently are the real issues: minimum wage extension, social security improvements, reduction of income taxes in the lower income brackets, industrial and area redevelopment, decent housing legislation, reexamination of our trade and aid programs recognized now by many as inimical to our economic well-being, Federal standards for unemployment compensation, aid from the Federal Treasury for our hard pressed educational system, military influence peddling in war contracts and the other field of endeavor where the effect upon our daily lives touches all of us in and out of labor.

One wonders whether it wasn't planned that way. By hammering at Hoffa, Beck and unions, the people were made to forget the problems that loomed so high on the horizon in January.

Winter passed, spring has come and gone—summer is in its twilight, fall is waiting in the bullpen, and winter's icy fingers are reaching for our economic throats, yet all that's happened is that Congress has passed a bill curbing the economy of the country, moving completely into the orbit of the corporate semimilitary state and the President has caused Joe McCarthy to roll over in his grave by inviting Khrushchev to visit the White House.

It's been said often that consistency is the hobgoblin of small minds—there are few small minds in Washington.

Sincerely yours,

JOHN H. DENT,
Member of Congress.

Our Responsibilities and America's Future

EXTENSION OF REMARKS
OF

HON. ANDREW F. SCHOEPPEL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, August 19, 1959

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very fine address entitled "Our Responsibilities and America's Future," delivered by the Postmaster General in the city of Washington, D.C., on August 12 of this year, wherein he addressed himself to our responsibilities and America's future.

The address was delivered before the 55th Annual Convention of the National Rural Letter Carriers Association, in Washington, D.C., on August 12, 1959.

It is such a fine address that I am sure many people in the country would like to have the benefit of it in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR RESPONSIBILITIES AND AMERICA'S FUTURE

(Address by the Honorable Arthur E. Summerfield, Postmaster General of the United States, on occasion of the 55th National Convention of the National Rural Letter Carriers Association, Washington, D.C., August 12, 1959)

It is a real pleasure to be with you tonight. I know that you have been amply welcomed before, but let me just say again that we are very happy for this opportunity to get together with you.

The rural letter carriers of the U.S. Post Office Department are a vitally important part of the great service we are proud to render to our Nation.

Over the years, your faithful performance of your duties, your very warm and neighborly relationships with the people on your mail routes, and your leadership as outstanding citizens in your community's affairs, have added greatly to the prestige and traditions of the Post Office Department.

And may I also express our admiration and respect to your splendid ladies auxiliary, which over the years has contributed so much to better civic life.

The presence here tonight of so many Members of the Congress is a well deserved tribute to your organizations. I join with these distinguished leaders of the Congress in saluting you as good Americans and outstanding public servants.

We are delighted that you have come here to your great Nation's Capital for your convention. I know that your stay has been inspiring as well as most pleasant and highly informative.

I am well aware of the fact that you are citizens in the fullest meaning of that word. I know that you maintain a deep interest in matters of importance not only to the postal service, but to the strength and progress of our Nation.

It is for this reason that I should like to discuss with you tonight three subjects that go beyond their immediate concern to us, to be of utmost significance to all our people.

These are, first, the Department's crusade against the most insidious racket of our time—the sending of obscene materials through the mails, especially to the children of America.

Secondly, I should like to discuss with you briefly the critical problem of inflation, and the means of successfully meeting it.

And third, I believe this evening you would like me to touch upon the future of the U.S. Post Office Department, the world's greatest communication system, of which you are so much a part.

You are familiar, I know, with the war we have declared on the use of the U.S. mail for the conduct of mail-order business in obscene and pornographic material. Many of you have taken an active part in this campaign in your communities.

This vicious business—the mailing of filth to children—is a challenge to every decent-minded American citizen. And it can be met only by the firm, positive action of our people, in all parts of the country.

It gives me some satisfaction to report that our efforts against this racket have made encouraging progress. This progress is due, in large part, to the broad support we have received from the Members of Congress, from the Nation's newspapers, radio and television commentators, civic-minded organizations and the public.

Congress has intensified its serious study of the problem, and many Members have taken active leadership in bringing this matter to the attention of their constituents.

Throughout the country, the press has not only described the growing menace of mail-order obscenity in the news columns, but has urged the public to action in editorial columns as well.

Civil and religious organizations, deeply shocked by the concentration of this racket on children, have mobilized their members for programs to help meet the challenge.

Within just the past 2 months, I have had determined verbal expressions from the leaders of many of these organizations. I have received copies of resolutions adopted by many groups which pledge their vigorous assistance in this effort.

We are deeply gratified by this support.

I think you will agree that this, indeed, is a good start. But I cannot emphasize too greatly the importance of conducting this war to the finish. Persistent, intelligent, intensive action on a nationwide scale will be absolutely necessary for a long time to come, to cope with the determined plans of the filth racketeers to continue expanding their operations.

Even as we are striving to rally the American people to put them out of business, these vicious racketeers are continuing to violate the homes of the Nation with complete arrogance.

Our inspection service estimates that as many as 1 million children will receive obscene material in the family mailbox during this year. This is 1 out of every 35 school-age children in America.

In large part, this smut will be sent to children without their advance knowledge or consent, in the form of lewd solicitation literature seeking to sell them even more obscene trash.

The volume of business done by these racketeers has tripled since World War II; it has doubled in just the last 5 years; and unless we put a stop to it, it can double again over just the next 4 years. In that event, it would amount to over $1 billion a year.

In due time, if we do not fight to rid ourselves of this blight, we may expect that organized crime will take over the obscenity racket, with its vast revenue, to a far greater and more vicious extent.

It will victimize more and more of our children, adding to the already swollen rolls of juvenile delinquency. The undermining of the moral fiber of our young people will spread, with the poisoning of increasing millions of minds.

Sex crimes will become far more prevalent than they are even today.

And overall, as the effects spread throughout our society, we could expect an ultimate breakdown in moral strength and order and decency in this country.

My friends, this monstrous crime has got to be stopped.

How can we do it? What do we need to meet this problem?

We need legislation adequate to deal effectively with these vile criminals.

We need the conscientious support of law enforcement authorities and courts.

We need the dedicated efforts of you who make up our postal service.

And, of course, we need the support and cooperation of parents and decent-minded citizens throughout our country.

To this end, we are carrying forward a continuing program that is fourfold:

1. To draw maximum public attention to the menace of this racket;

2. To urge parents to help us apprehend the mailers of filth to their children;

3. To help mobilize community support behind adequate law enforcement of local ordinances or State laws when these purveyors are apprehended and brought to court;

4. To rally public opinion behind new and stiffer legislation on obscenity.

With respect to this fourth point, I should point out that Congress last year passed legislation which has been extremely helpful, and that the current Congress is giving earnest and sympathetic attention to proposed legislation which can close loopholes and help further to bring the mail-order obscenity racketeers to account.

In the past, these smut merchants have had little difficulty evading punishment.

In certain large cities, the courts set a pattern of soft rulings which established virtual sanctuaries for them.

Usually, even those few offenders who were convicted were let off with a slap on the wrist—a light fine or a brief jail term. To racketeers operating on a big scale, this kind of sentence is nothing more than a minor discomfort.

If we are to drive these vultures out of business, we must convince them that they are no longer going to be tolerated or coddled anywhere. A consistent pattern of stiff sentences, wherever they are convicted, is the one sure way to meet their defiant challenge.

I would ask that all the members of this organization continue to take part actively in this crusade, working in your own communities to further the four points of this program. I know that the ladies auxiliary has been active in this effort. I want to compliment all of you on what you are doing, and to urge you to continue your good and most essential work. We dare not fail.

May I turn now to another problem which also demands the attention and earnest effort of all of us.

Over the past year, I have taken every opportunity afforded me to urge that every American serve in the battleline against inflation.

I feel that especially I should not neglect the opportunity to discuss this vital subject with you.

I know I do not have to persuade this audience that the American people must maintain a sound economic philosophy, within which the Government must provide sound economic policies.

But I do want to emphasize the utter importance of keeping these convictions foremost in our minds, and in the minds of all our fellow citizens.

We know how inflation has wrecked other nations in the past.

We have seen what the ravages of this deadly force can do here in our own country.

We have seen it make our money worth less and the things we have to buy cost more.

We have found it boosting our cost of living by 100 percent in a period of 20 years.

We have seen it rob our dollars of their real value—and rob every American of that value in the process.

We have seen inflation feed on the incomes and savings of every individual, every family and every enterprise in America.

We have observed how it deals most cruelly with those who can least protect themselves.

I suspect almost everyone in this room knows of someone whose savings, insurance, social security, or retirement income—carefully nurtured through half a lifetime—now is tragically inadequate to meet his needs.

As rural community leaders, you are only too well aware of what inflation brings in rising costs and taxes.

And finally, I would point out that the problem affects in equal measure the cost of maintaining the operations of our Government.

Never have the American people faced a greater challenge than this one of bringing a rampant inflationary momentum under control.

Over recent months, our people have rallied vigorously to the fight to do all that must be done.

There is now a vast public consciousness of the scope of the menace that inflation presents. There is ever-increasing expression of the desire for fiscal policies, on the part of our people and our Government, that will keep our country on a sound, strong, and progressive economic course.

At present, our Nation has reached the highest level of prosperity in our history. We have the healthiest, strongest economy America has yet known.

Our people are enjoying higher wages and better living standards than ever before.

Overall output is at record levels, and rising steadily.

Employment is rising steeply. Unemployment is falling snarply.

For more than a year, the cost of living has remained generally stable.

The battle for a sound dollar is closer to success than at any time in the past two decades.

These are bright and encouraging facts, but we cannot allow them to mislead us.

They do not mean that our battle against inflation is over. Rather, they mean that we have gained a strong vantage point from which to carry on the offensive.

We face constant, heavy pressures for a continuation of the inflationary process. As a people, we must be sure to move together along courses that we know will surmount these pressures.

I believe our people are in wide agreement as to our Government's role. Our Government must maintain sound fiscal policies, with respect to spending, balancing the budget, taxation, financing, debt management—in short, throughout its vast economic operations.

This applies every bit as much to local and State governments as to our Federal Government.

Our governments must meet all the legitimate needs of our people. But this must be done within the framework of prudent spending, on a pay-as-you-go basis, without extravagance, without incurring deficits which add to the already staggering public debts that exist.

We must, in fact, maintain as one of our prime goals the reduction of the national debt.

It is vital, also, that we practice good sense in our civilian economy—our business economy—to keep prices from spiraling upward.

We must insist upon real statesmanship by all who are in position to influence the factors that bear on prices, and thus the cost of living.

I urge you to keep these matters in mind as you go about your activities at home. As good citizens, building your own future and the future of our country, stand up strongly for fiscal wisdom—for the same sound financial practice in Government that you follow in your own economic affairs.

In this you will contribute to the strong and steady growth of our country. And we are indeed a fast-growing nation. We can see this fact quite clearly in the demands upon the postal service.

With this in mind, let me devote the remaining time to my final subject—a brief look into the future of the Post Office Department and the better mail service it can, and should, render in the years ahead.

In any consideration of the future, one paramount fact overshadows all others: our constantly growing volume of mail is expected, in 25 years, to double today's enormous annual load of over 61 billion pieces of mail, and more than a billion parcels.

Any plans for the future must, in my judgment, be based on this fact—that adequate facilities, post offices, terminals, and other means, must be available to handle twice as much mail by 1985. And it must be done with the efficiency that the American people well know and deserve in the years ahead.

As you know, some 3,000 new post offices have been built in the past 6½ years, financed by private industry and leased to the Department.

Many of you are now working out of these new post offices, and you know intimately how much better and more efficient they are than the obsolete structures they replaced. You are also familiar with the greatly improved working conditions in these new facilities.

This program, of course, is on a nationwide basis. To meet the needs that face us, it will be necessary to modernize, replace or build in new communities, from 12,000 to 15,000 post offices in the years immediately ahead.

Not only do we need to replace obsolete post offices in expanding communities, in every State of the Union, but we must mechanize the sorting and distribution of the mails—especially in the large gateway post offices, which handle such a large proportion of our volume.

Fortunately, we have reached and moved beyond the breakthrough stage in mechanizing postal operations.

The essential first step was the development of modern methods, comparable to those so effectively used by industry.

This has been done to an impressive degree, as I believe anyone will agree who visits our post office here in Washington, D.C. This is now the world's most mechanized post office, but even it does not represent a plateau in our program. In that same building you will find even more advanced machines under test in our new laboratory operations.

If there are any of you who have not visited the post office here, I would urge you to do so. I am sure it would be one of the most important and enlightening highlights of your visit.

From the development of these modern methods, the next step is to apply them in key post offices throughout the country.

This, of necessity, will take time and funds.

But the important fact is that, after many years of neglect in research, engineering, and equipment development, a responsive Congress is cooperating with the Post Office Department in launching a major long-range program.

The time has come when we have put a full-scale effort underway to provide the best, most modern and most efficient service of which the Post Office should be capable.

Many people do not fully realize how important this development is to the provision of better mail service to people who do not live in the large metropolitan areas.

In Michigan, for example, nearly two-thirds of all the mail going into that State passes through the postal facilities in Detroit.

In Oregon, about one-half of the State's mail goes through the postal facilities of Portland.

In Pennsylvania, approximately three-fifths of the State's mail flows through the postal facilities of Philadelphia and Pittsburgh.

It is readily apparent that any improvement in the handling of mail in these gateway facilities will result in better and speedier service in the smallest communities.

Modern mechanization of mail handling is so vital to better service that our Department now has under contract, for completion by the fall of next year, a completely new working-laboratory post office in Providence, R.I.

Serious consideration is being given to another laboratory post office, using different concepts and techniques, in another part of the country.

Engineers and postal experts in these two post offices, as well as those in our laboratory here, will be constantly developing and checking mail handling machines and methods—so that the U.S. Post Office, the world's greatest communication system, will keep abreast of the opportunities provided by modern science and industry.

As you know, the ultimate goal of your Post Office is the next day delivery of letter mail.

The Nation is now nearly blanketed with our new metropolitan plan, which assures next day delivery of letter mail in the large metropolitan areas.

By next June, we estimate that 85 metropolitan areas, serving some 125 million people, will be providing next day delivery.

We are confident that we have established the know-how to provide next day delivery throughout our service. We feel certain that, with the help of a cooperative Congress, ways will be found to finance the necessary expenditures to assure this service to the American people.

My good colleagues in the Post Office Department, let me sum up now by saying just this:

All of us believe that our people will continue to build the strongest, freest way of life the world will know.

We are determined that our grandchildren will inherit this way of life, and no other.

To assure this future, we must keep our Nation morally and economically strong.

We must give our children a wholesome climate, of dignity and decency, in which to mature into tomorrow's citizens.

We must continue to build a sound and solid economy, free of inflation, which assures the greatest opportunities for all our people.

We must continue to advance in science and technology, in Government operations as well as industry—an advance in which our postal progress will be an important part.

Communications are the soil in which knowledge is rooted, and we who operate this great communications system have a high responsibility indeed.

Let us make certain we uphold this trust. Let us continue to add luster to the proud traditions of the U.S. Post Office Department.

I know you will do your part—and more. And in the doing, you will have the gratitude of 175 million fellow Americans you help to serve so well.

SENATE

THURSDAY, AUGUST 20, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of all grace, among Thy manifold gifts to us, we rejoice in friendship and in the glory of a summer day.

Open our eyes, we pray, to simple beauty all around us, and open our hearts to the nobility men often hide from us, because, alas, we do not try enough to understand them.

Strengthen and refresh us, that we may seek Thee eagerly, find Thee surely, and serve Thee faithfully. Keep us at tasks too hard for us, that constantly we may be driven to Thee for strength. Set our eyes on far-off goals, many of which cannot be reached in our brief day. Save us from ourselves, from the sin that doth so easily beset us. Even amid the contentions and confusions of these days, keep steady our feet by the assurance that Thou, our God, hath the whole world in Thy hand, and that the gates of hell cannot revoke Thy decree, "Behold, I make all things new."

We ask it in the Name that is above every name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 19, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 6288) to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 4576) to suspend for a temporary period the duty on bookbindings and covers imported by certain institutions was read twice by its title and placed on the calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committee and subcommittees were authorized to meet during the session of the Senate today:

Committee on Interior and Insular Affairs, to hear testimony on the Columbia Basin power problems.

Permanent Subcommittee on Investigations of the Committee on Government Operations.

Subcommittee on Small Business of the Committee on Banking and Currency.

Business and Commerce Subcommittee of the Committee on the District of Columbia.

On request of Mr. MANSFIELD, and by unanimous consent, the Antitrust Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

FINAL REPORT OF PRESIDENT'S COMMITTEE TO STUDY THE U.S. MILITARY ASSISTANCE PROGRAM

A communication from the President of the United States, transmitting, for the consideration of the Congress, the final report of the President's Committee To Study the U.S. Military Assistance Program, dated August 17, 1959 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there were no significant developments for the month of July 1959 relating to the cooperative program of the United States with Mexico in the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

REPORT ON APPLICATION FOR LOAN UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, an application for a loan of $4,067,000 by the Donna Irrigation District, Donna, Tex., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON TORT CLAIMS PAID BY OFFICE OF CIVIL AND DEFENSE MOBILIZATION

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, reporting, pursuant to law, that no tort claims were paid by that Office during the fiscal year 1959; to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order granting the application for permanent residence filed by Jones Beno Linker and his wife, Estera Idesa Linker, together with a statement of the facts and pertinent provisions of law as to the subject, and the reason for granting the application (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition, signed by Abe Ribicoff, Governor of Connecticut, as chairman of the New Governors' Conference Committee on Highways and Highway Safety, Hartford, Conn., praying for the enactment of legislation to continue the Federal-aid highway program; to the Committee on Finance.

A resolution adopted by the American Legion Department of Alabama, Montgomery, Ala., favoring the enactment of House bill 6671, to amend title II of the Social Security Act to provide that the child of an insured individual, after attaining the age of 18, may receive child's insurance benefits until they attain the age of 22 if he is a student attending full time school and making satisfactory grades; to the Committee on Finance.

A resolution adopted by the National Association of Postmasters of the United States, Puerto Rico Chapter, San Juan, P.R., protesting against the enactment of any legislation which will affect the Federal relations with Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the City Council of the City of Anchorage, Alaska, favoring the enactment of legislation to provide home rule in the District of Columbia; ordered to lie on the table.

A telegram in the nature of a petition, signed by Lewis Howard, president, Kentucky Mountain Coal Co., London, Ky., praying for the enactment of the so-called Landrum-Griffin labor-management relations bill; ordered to lie on the table.

RESOLUTION OF THE AMERICAN LEGION, DEPARTMENT OF NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by the 41st annual convention, the American Legion, Department of North Dakota, at Bismarck, N. Dak., relating to the program for the development of the water and land resources of the Missouri River Basin.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 9

Whereas the original program for the development of the water and land resources of the Missouri River Basin, as set forth in the Flood Control Act of 1944 and related documents, authorized diversion of water from the Missouri River for irrigation and other beneficial uses in North Dakota; and

Whereas those portions of the basin program which will serve such beneficial uses as flood control, production of hydroelectric power and navigation, among others, which are of value mainly to other downriver States of the basin, and now well along the road to completion; and

Whereas successive studies have incontrovertibly proved that the Missouri River carries adequate water to serve all purposes set forth in the Flood Control Act of 1944, including irrigation, so that no part of the basin and no part of its economy need fear that fulfillment of the total plan, including irrigation, will deprive it of an adequate and fair share of the river's flow; and

Whereas North Dakota has sacrificed some 450,000 acres of land for Oahe and Garrison Dam Reservoirs, and was given to understand that the irrigation portion of the project in North Dakota would be compensation for this sacrifice; and

Whereas already the development of the Garrison diversion portion of the basin project has been delayed several years beyond the originally contemplated starting date; and

Whereas economical and orderly development demands that there be no more delay and that a start of construction on Garrison diversion be launched at the earliest possible date, certainly no later than fiscal year 1963, in keeping with the original program as set forth in the aforesaid Flood Control Act of 1944, and in keeping with the understood bargain with the State of North Dakota and its people: Now, therefore, be it

Resolved, That the Department of North Dakota of the American Legion hereby urges that the Congress of the United States take such action as is necessary to speed investigations preliminary to actual construction and also as is necessary to actually begin construction no later than fiscal year 1963; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the chairman of the Senate and House Appropriations Committees of the U.S. Congress, to members of the North Dakota congressional delegation, to the secretary of the North Dakota Water Conservation Commission, to Gov. John E. Davis, of North Dakota, to the Secretary of the Interior, and to the national legislative chairman of the American Legion, and to such other parties as may be deemed advisable.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services, with amendments:

S. 2500. A bill to authorize the President to reappoint Elwood R. Quesada, formerly lieutenant general, U.S. Air Force, retired, to the grade of major general and to retire him in the grade of lieutenant general, and for other purposes (Rept. No. 748).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1712. A bill to extend the application of the Motorboat Act of 1940 to certain possessions of the United States (Rept. No. 749);

H.R. 5067. An act to repeal section 217 of the Merchant Marine Act, 1936, as amended (Rept. No. 750); and

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago in the State of Illinois, as hereinafter described (Rept. No. 751).

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 752).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 2181. A bill to amend the Mineral Leasing Act of February 25, 1920 (Rept. No. 754); and

S. 2390. A bill to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park, and to add certain donated lands to such park (Rept. No. 753).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LAUSCHE:

S. 2570. A bill for the relief of Djordje Djelic; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 2571. A bill to amend the act entitled "An act for the relief of Karl Ullstein"; to the Committee on the Judiciary.

By Mrs. SMITH (by request):

S. 2572. A bill for the relief of Godefridus H. Tebbenhoff; to the Committee on the Judiciary.

By Mr. DODD:

S. 2573. A bill for the relief of Benjamin Esteves Miranda; and

S. 2574. A bill for the relief of Sima Dubitzky; to the Committee on the Judiciary.

RULE TO ELIMINATE SUBSTANTIVE ALTERATION OF CONGRESSIONAL RECORD

Mr. NEUBERGER. Mr. President, many men would like to rewrite history. Few get the chance. Among the elite are U.S. Senators. Their vehicle is the CONGRESSIONAL RECORD.

It is common practice for Senators, or their assistants, to edit the official transcript of Senate debate prepared by Senate reporters. These changes may be extensive and involve additions, deletions, or revisions which affect the substance of floor statements or colloquies.

Padding or pruning by pencil can improve the remarks of almost any speaker. Senators have a rare opportunity. Few persons can say, "I wish I'd said that," and then actually say it.

The practice has become part of senatorial custom. It is virtually second nature for a Senator to revise remarks which he made on the floor. Every Senator does it. I have done so myself—although I hope that I did so with some degree of circumspection.

RECORD SHOULD BE A GENUINE RECORD

The only way to end the habit is by a rule which cuts off the privilege for all Senators simultaneously.

Mr. President, the distinguished senior Senator from Colorado [Mr. ALLOTT] and I submitted in the last Congress a Senate resolution to amend Senate rules so as to add a new rule prohibiting substantive changes in the recording of remarks made on the Senate floor. The resolution provided that changes would be permissible only to correct grammar and syntax and to eliminate errors made in the transcribing of such remarks. Today we resubmit that proposal, for appropriate reference.

I think that adoption of this rule would result in these benefits:

First. The CONGRESSIONAL RECORD would become more nearly what it purports to be—a record of congressional proceedings and debates as they in fact take place.

Second. Personal abuse on the Senate floor would be discouraged as it was realized that the official RECORD would hold accountable, for all time, the individual who engaged in such tactics.

Third. Delivery during debate of off-the-cuff remarks and "horseback" opinions would be retarded since there would be no opportunity to make massive alterations or even additions following debate in order to replace fantasy with fact.

Mr. President, when President Eisenhower's press conference responses are published verbatim in American newspapers, some persons scoff and speak of a lack of clarity exhibited by his answers. Yet I doubt if any U.S. Senator has the right to engage in such ridicule.

PRESIDENT AND SENATORS OUGHT TO BE ON SAME BASIS

Members of the Senate may rigorously revise their remarks before they appear in the CONGRESSIONAL RECORD. It is my understanding that the President of the United States, Mr. Eisenhower, takes advantage of no such privilege before his press conferences are released for publication.

Yet the President's statements are of international significance and the replies he makes to reporters' questions are broadcast and published throughout the world within a few hours after their utterance. Are the comments made in the Senate of greater importance? I doubt it. We all, in our hearts, doubt it.

Mr. President, I hope that the Senate Committee on Rules and Administration will give the proposal submitted by the senior Senator from Colorado [Mr. ALLOTT] and me serious consideration during the 86th Congress.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 168) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLI. REPORTING OF PROCEEDINGS IN THE SENATE IN THE CONGRESSIONAL RECORD

"Except as provided herein, the remarks of Senators in proceedings of the Senate shall be recorded in the CONGRESSIONAL RECORD as actually made. Changes in the recording of such remarks shall be permissible only to correct grammar and syntax, and to correct actual errors made in the reporting of such remarks. No changes of a substantive nature or changes concerning remarks of another Senator made in the proceedings shall be permitted."

RESOURCES AND CONSERVATION ACT OF 1960—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of August 17, 1959, the name of the Senator from South Dakota [Mr. CASE] was added as an additional cosponsor of the bill, (S. 2549) to declare a national policy on conservation, development, and utilization of natural resources, and for other purposes, introduced by Mr. MURRAY (for himself and other Senators) on August 17, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Telegram signed by Mr. B. F. Hillenbrand, executive director of the National Association of County Officials, favoring the enactment of Senate bill 910.

PROPOSED YOUTH CONSERVATION CORPS

Mr. RANDOLPH. Mr. President, the Washington Post and Times Herald this morning carries an editorial entitled "Youth and the Land." The language embraces an endorsement of the Youth Conservation Corps legislation pending in the Congress.

Mr. President, I ask unanimous consent that the editorial be included at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

YOUTH AND THE LAND

The plan approved by the Senate to establish a Youth Conservation Corps similar to the depression-born Civilian Conservation Corps deserves to be judged in broader terms than its opponents, including the President, have apparently employed so far. Their objections to the cost of the venture need to be considered, of course, but we cannot for a moment believe that the expense would be anything like the astronomical scare figures cited by Senate Republicans. Indeed, is it not possible that the plan would result in some real—if not bookkeeping—economies?

The proposal is to enlist volunteer boys from 16 to 21 years of age for work in the national parks, forests, and wildlife refuges at basic pay of $60 a month. "Make work" ought, of course, to be avoided—but considering the enormous public land holdings and the growing public demands upon national park facilities this ought not to be difficult. An efficiently administered program should increase the value of the parks and refuges in a most economical way, at the same time affording exceptional opportunities for young men to learn useful skills and to round out their own mental and physical development in a wholesome atmosphere. We think the plan could be a happy blending of two of the country's greatest assets—its land and its youth—and that the measure ought to be enacted.

Mr. RANDOLPH. Mr. President, on the same subject, I call attention to the column on the editorial page of the same newspaper of this morning written by Malvina Lindsay. Certain portions of that article indicate an approval of the action of this body in the passage of Youth Conservation Corps legislation.

I ask unanimous consent that a part of the column be included at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

A national measure to prevent increase of the army of idle youth has been passed by the Senate but faces administration opposition. This is a bill sponsored by Senator HUBERT H. HUMPHREY to establish a Youth Conservation Corps to work on public conservation projects. Health and educational programs for the enrollees would prepare them to be useful when they left the corps.

Opponents of this bill say it is costly and that it is not needed now that employment is picking up. Yet, no matter how much prosperity returns, this country, and much of the world, will continue to have large numbers of "hard to place" youngsters—the flotsam of a mobile industrial age. While few of these can be fitted for skilled labor, many can be prepared for efficient roles in the semiskilled and unskilled labor force.

A SUGGESTION FOR THE KHRUSHCHEV VISIT

Mr. KEATING. Mr. President, everyone seems to have a suggestion these days as to what Nikita Khrushchev should see while he is in this country. One of the best suggestions I have heard comes to me from a constituent, Mr. Gustave Wiedeman, of Bluff Point, Yates County, N.Y. This is what he writes:

There is one spot in the United States which Mr. Khrushchev should not fail to visit. If he inspects steel mills, automotive plants or agricultural operations, he will have seen those in the U.S.S.R.

If, however, Mr. Khrushchev visits one spot in your own district—

He refers, Mr. President, to my former congressional district in upstate New York—

he will see something he cannot see in all of the U.S.S.R.

I suggest you have Mr. Khrushchev start at Quebec or Montreal and in a helicopter make a leisurely run along the United States-Canadian border to Ontario Lake.

Challenge Mr. Khrushchev to find one soldier, one gun, or one piece of barbed wire along this boundary line.

Then remind him that the great seaway along the same boundary line is a joint venture of the two border nations, jointly operated through mutual good will.

This exhibition of friendship and mutual effort along the entire 3,000-mile borderline is what we in the United States mean by the word "peace." In view of the fact that Mr. Khrushchev frequently uses the word "peace" in his public statements, he should not neglect in his American journey to visit a location where in 30 minutes he may learn the true meaning of a word he has used but never really understood.

Mr. President, I feel that all Americans owe Mr. Wiedeman a debt of gratitude for this most excellent suggestion. It is a proposal of such simplicity and soundness and potential effectiveness that I am calling it to President Eisenhower's personal attention.

THE COTTON MARKET

Mr. KEATING. Mr. President, I should like to call attention to a feature article which appeared in the Wall Street Journal on August 12. The article describes the impact of Federal subsidies to cottongrowers on the once bustling cotton exchanges in New York City and New Orleans. The hum and hustle of the Nation's cotton marketplace are for the present a thing of the past. On August 5 of this year, for the first time in 88 years, not one single business transaction took place on the New Orleans cotton exchange.

This article demonstrates a well-known fact, namely, that Government agricultural commodity price-support programs tend to destroy the free flow of trade. In a word, it demonstrates the need to get Government off the farmer's back. It is widely recognized that Congress must find a way to do this, thereby restoring to the farmer his independence of action and at the same time bringing about savings to every one of us, both as taxpayers and as consumers.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COTTON MARKET CORNER

There was a time when the Nation's cotton exchanges in New Orleans and New York were about as busy as any market in the world. They hummed with the trading that provided the fiber for mills in New England and old England's Manchester.

The service the cotton futures market supplied was a necessary link between the farmer and the manufacturer, for one thing. By buying or selling futures—delivery of cotton at a later date—both could arrange insurance. The manufacturer could guarantee delivery at a certain price and the farmer could to considerable extent secure his crop prices against fluctuations in the market.

Now, one day last week, the New Orleans Cotton Exchange recorded not one sale in the futures market. On August 5 not one business transaction took place for the first time in the exchange's 88-year history. The New York Cotton Exchange is in the same fix. Recently the business the whole exchange did in 1 week amounted to just what one trader would do in 1 day in busier years.

What's happened? What's happened is that under the Federal price-supported program, the Government buys and sells most of the cotton crop at legally fixed prices known well in advance. And through subsidies paid to cotton shippers, the Government also fixes the general level of U.S. export prices.

Both the New Orleans and the New York exchanges' officers have brought their problem to the Agriculture Department, which they didn't need to do since the Agriculture Department knows all about it. Uncle Sam's officials hold out little hope for any help; the law would have to be changed.

So far as the cotton futures market goes, it's just too bad; as Mr. Marvin McLain, assistant secretary for agricultural stabilization says, "When you have a fixed price, there just isn't much need for using the exchange."

Well, maybe nobody will want to weep many tears for the cotton futures traders on the ground that they no longer provide a necessary service. But that's what fixed prices always do—drive out of the market the men who made the free market work.

And the toll includes much more than the loss of money to the cotton futures buyers and sellers, or the loss of some liberty in our free enterprise economy. The toll includes what the cotton program has cost the taxpayer.

As of May 31, the Government had invested in cotton loans a total of $1,077 million on 6,200,000 bales of the 1958 cotton crop alone. This represents more than half the total U.S. crop. And the taxpayers' investment in 1959 will be even bigger because the crop is bigger this year—a total of 14.8 million bales is predicted.

In the old days, a man who engaged in trying to corner the cotton market was in a dangerous business. The Government might be on his neck, for one thing; for another, if he failed he might find himself out of business. But whatever happened, it didn't cost the taxpayer one thin dime.

Now the Government is driving out of business all the futures traders because the Government has a permanent corner on the cotton market. And ironical as it is to find the Government blithely doing things it would frown on a man doing, the irony is further compounded when one totes up the cost to all the taxpayers the Government's forced into the cotton business.

With Uncle Sam doing the trading, the cotton business has cost the taxpayer a loss of $121 million in less than a year and a loss of $1,068 million in 6 short years.

PRO BASKETBALL'S VIEWS ON SPORTS LEGISLATION

Mr. KEATING. Mr. President, one of the important sports to be covered by Congress in sports legislation is professional basketball. This fast, hard game, which has grown by leaps and bounds in recent years, has not made a great deal of noise about its views on the pending bills, but its stand is clear and emphatic.

In a recent letter to the chairman of the Senate Subcommittee on Antitrust and Monopoly, Mr. Maurice Podoloff, president of the National Basketball Association, stated emphatically that he and his associates favor the proposal I have introduced with the Senator from Illinois [Mr. DIRKSEN] and the Senator from Missouri [Mr. HENNINGS], S. 616. In the interim, a new measure, S. 2545, authored by the Senator from Tennessee [Mr. KEFAUVER], and cosponsored by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Missouri [Mr. HENNINGS], has been introduced. It covers professional basketball, and judging from Mr. Podoloff's comments, he would approve of this new proposal, since, as far as basketball is concerned, it largely parallels the provisions of S. 616.

The great fault in the new measure, of course, is that it does not come to grips with the problem of spelling out by legislation the status of professional baseball under the antitrust laws. I intend to try to correct that by amending the bill when it comes before the Judiciary Committee to include baseball. That is the only fair and just way to do the complete job which ought to be done to correct inequities arising out of various rulings of the Supreme Court.

Mr. President, although the views of professional basketball are to some extent outdated because of the changed picture with regard to sports legislation, they are still pertinent to a consideration of the pending bills. I therefore ask unanimous consent to have printed in the RECORD the text of Mr. Podoloff's letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL BASKETBALL ASSOCIATION,
New York, N.Y., August 7, 1959.

Senator ESTES KEFAUVER,
Chairman, Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, Senate Office Building, Washington, D.C.

MY DEAR SENATOR: Mr. Paul Rand Dixon, your counsel and staff director, suggested that I furnish your committee with a statement in connection with proposed legislation to limit the applicability of antitrust laws, so as to exempt certain aspects of designated professional team sports and for other purposes, in lieu of a personal appearance before your committee.

I have before me S. 616 and S. 886.

I note in S. 886, paragraph No. 1 indicates as an objective of the bill "the equalization of competitive playing strength." There could be no plan proposed better calculated to make it impossible to achieve the principal objective than the second part of paragraph No. 2, which starts "and provided further," and ends with the word "assignment."

The growth of the National Basketball Association has, in my opinion, and the opinion of my governors, been due almost entirely to the unlimited exercise of the right to draft, and I can furnish your committee with evidence which would prove without any peradventure of a doubt that without free draft, we not only could not have succeeded as well as we did, but couldn't hope to carry on in the future.

I would prefer the opportunity of having some of my governors testify before your committee, if that can be arranged, but if it cannot, I can have statements filed with you which would set forth in detail why the draft system is vital to the National Basketball Association.

In my opinion S. 616 will permit us not only to survive, but to continue our growth, and under the circumstances I must indicate that we approve S. 616 and are opposed to S. 886.

S. 616 will, in our opinion, permit professional basketball to grow. S. 886, if passed in its present form, will, in our opinion, ultimately destroy professional basketball.

Sincerely,

MAURICE PODOLOFF,
President.

THE STEEL STRIKE

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from New York.

Mr. JAVITS. Mr. President, I rise this morning to make some comments upon the report issued by the Secretary of Labor with respect to the steel strike. First let me say that I am much gratified to have been able to join with my distinguished colleague, the Senator from Vermont [Mr. AIKEN], in the suggestion that these statistics be published. I think it should be very gratifying to us that action ensued so promptly upon our making this suggestion.

I have studied the statistics which have been released, and, Mr. President, I have reached the distinct conclusion that the controversy is ripe for settlement, that the public has the right to demand that it should be settled, and, as is true of American public opinion, if it is adequately expressed, it will have the necessary results.

In the first place, Mr. President, based upon steel profits, which is one of the very important elements of this report, it is very clear that steel profits, in terms of net worth, which is the standard gage, have been running very well, right in the forefront of the average of all industrial profits; and in the first 6 months of 1959 have been running even better than very well, and that there is, therefore, latitude for the steel companies to do something with their employees which will not call for a rise in prices. That, after all, is the big argument in terms of the public interest—that a rise in the price of steel could hurt us in the fight against inflation, and that if we do not have a rise in the steel prices it would help very materially in the fight against inflation—very much more so, I might say, than many things to which we give so much emphasis in the Congress.

This is one of the really basic elements of inflation or noninflation. First, the findings as to earning show that something can be done for the steel workers without a rise in prices. As to the workers themselves, it is true, as the report shows, they are in the forefront of earnings on a per hour basis. They stand pretty much at the top of the list, when one figures earnings on a per hour basis. However, when one considers the uncertainties of employment and production in the steel industry, on an annual basis those workers do not do as well as employees in certain other of the leading heavy industries. Hence, there is some room for an adjustment of their compensation, within the limitations which I have described.

So, Mr. President, there is very clearly on both sides an opportunity for "give." The question is, Will it be availed of, or will both parties sit on their hands until late September or early October, when the Secretary of Labor predicts that steel will begin to run short and we will begin to run into a situation where the Taft-Hartley procedures may look like they are necessary in order to deal with a national emergency? It seems to me, Mr. President, that the public can prevent this from happening, by using the facts and figures which are now before us.

The public has a way of expressing itself by massive letterwriting. The public is doing that right now, for example, with respect to the labor reform bill. As every Senator knows, our offices are full of letters on that subject. The public expressed itself recently with respect to inflation. We heard what the public thought had to be done about inflation.

There can be letters to us, letters to the steel companies, letters to the steel union, letters to newspapers, and newspaper editorials, as well as editorials over the radio and television networks, and resolutions of individuals, civic and community organizations. In these ways citizens may begin to manifest their will, that there has been shown a very clear basis for settlement of the strike and that there must be a settlement in respect to the steel strike. The figures support and fortify us in seeking to bring about such a settlement.

Mr. President, I think this can be done. It is dictated. It is right in the cards. It seems to me it should be done.

Finally, Mr. President, Mr. Khrushchev is to be in the United States in the middle of September. The forecast of Secretary of Labor Mitchell on the steel strike—and I now quote from his press conference of yesterday—is:

> If this strike is not settled by the latter part of September or by the early part of October very serious shortages in steel may begin to appear.

Mr. President, I should like to have Mr. Khrushchev, when he is in the United States in the middle of next month, see working steel mills.

We all appreciate what the President has said with regard to the continuation of the strike, if it has to continue. The President certainly does not want the strike to continue, if it can be settled, but we recognize it is an evidence of the freedom and vitality and dignity of the individual which characterizes our society. However, I think every American would agree that we would rather have Mr. Khrushchev see working steel mills.

Settlement of the strike is within reach, if the public will work its will.

An inestimable service has been rendered to the people by giving them the figures. The public is like a jury. They have the facts. The case is submitted to them. They can bring in the verdict.

I think the verdict must be that heads must be knocked together and the strike must be settled, because the materials for settlement are present.

First, there is a certain amount of equity in the position of the workers. Second, there is a certain amount available to satisfy the equity on the part of the employers.

Neither side can have all of what it wants. As the Secretary of Labor clearly indicated, the materials for settlement are present, and we in the Congress, as well as the people, have to demand action by both parties on the highest level.

Mr. AIKEN. Mr. President, I also am very much gratified by the release by Secretary Mitchell of the report on the facts in the steel strike case. While it is impossible from a perusal of the release to state that one side or the other in the controversy is all right or all wrong, there are certain deductions which can be readily drawn from the release.

It is clearly apparent that the earnings of the companies have been very good, even during the years which were considered to be poor years. It is also apparent that the earnings of the employees of the steel companies have compared very favorably with the earnings of employees in other highly skilled industrial operations of our economy. That is not to say that some employees are not overpaid and some employees are not underpaid.

As I looked through the fact book, it appeared that the lower third, or lower 25 percent, of the steel company employees have not had earnings in the past which could be considered exorbitantly high, but on the whole the earnings have been favorable compared to those of people who have been engaged in other comparable industries.

It appears from the report of the facts as released by Secretary Mitchell yesterday that there is an ample area for compromise and settlement between the employers and the employees.

It also appears from, I will not say a "casual reading" of the release, because I gave it a little more than a casual reading, that the strike should be settled at an early date and should be settled without an increase in the price of steel to the consumers.

After all, a large number of men who are employed by the steel companies are concerned in the matter of wages. A considerable number of large companies also are concerned, from the standpoint of profits. But more than either of these groups is the public concerned. I feel that both the steel companies and the unions have a duty to this country and to the public, because it is this country and the system under which we operate which has given both sides in the controversy the opportunity to make good earnings from the investments and, comparably, good incomes from wages.

Mr. President, I sincerely hope that the American public will read and study the book of facts and make itself heard, because public opinion can go a long way toward settling the steel strike or any other strike. If either side loses favor with the public it is bound to have to operate under a handicap for a long time to come. I hope both sides will take notice of the facts and will do everything humanly possibly to bring about an early settlement—and they can, if they will—before serious damage is done and before we are actually involved in a national crisis. I do not think we should wait for a national crisis. I think we should do everything we can to avert one.

Mr. JAVITS. Mr. President, I thank my colleague from Vermont.

THE BOOKMOBILE AT THE MOSCOW FAIR

Mr. JAVITS. Mr. President, I should like to invite the attention of the Senate to a very interesting problem which

has arisen at our fair in Moscow, concerning the bookmobile. Apparently the Soviet men and women, starved for a look at America's intellectual life, have gradually, in a quasi-profit practice, been extracting individual American books from the bookmobile until we have run so short that the shelves are bare. The idea has been stated that we should close it down.

We still have 17 days to go at the Moscow fair. The New York Times in an excellent editorial today suggests a book airlift to Moscow.

Mr. President, I have initiated inquiries upon this subject with Mr. George Allen, the Director of the USIA. I hope to have a report on the matter soon. Perhaps Mr. Allen will make the report public, so that we may all know the facts.

In the meantime, I think our interest is so great in the idea of communicating directly to the Russian people what we believe in, in terms of the books which are public and which are available at the bookmobile, that I ask unanimous consent to have the editorial from the New York Times, together with news stories out of Moscow of August 6 and August 17, printed in the RECORD as a part of these remarks. I hope to make a report to the Senate later, unless Mr. Allen makes one directly as to the factual outcome of the matter.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 20, 1959]

A BOOK AIRLIFT TO MOSCOW

From Moscow comes the disturbing news that the bookmobile, a major attraction at the American National Exhibition there, has been closed down because too many books have been removed by spiritually starved Soviet men and women hungry for a look at America's intellectual life. We do not condone this kind of book-borrowing, although it certainly merits the plea of ameliorating circumstances. But the shelves at the exhibition should not be left bare of the best America can offer to make an important and lasting impression on Soviet minds. The exhibition has more than 2 weeks still to run. That is enough time to make it worth while to rush new books to the exhibition by airlift. The cost of books and airlift should be minor compared with the great good that could reward the effort.

[From the New York (N.Y.) Times, Aug. 19, 1959]

UNITED STATES CLOSES BOOKMOBILE AT FAIR AFTER MASSIVE LOSS OF VOLUMES—A MAJOR ATTRACTION IN MOSCOW ENDS WHEN CROWDS SHOW DISAPPOINTMENT AT MEAGERNESS OF DISPLAY

(By Osgood Caruthers)

Moscow, August 17—The bookmobile, a major attraction for tens of thousands of Soviet visitors, was closed down today at the American National Exhibition here because there were not enough books left.

The bookmobile here is similar to those used in American towns and suburban areas.

Since the first big display in Moscow on the American way of life opened in Sokolniki Park July 25, thousands of persons have lined up daily to press their way through the rolling library's narrow aisle.

Obviously they found many—one might say most—of the books irresistibly attractive.

Paperbacks were the first to be swept up in the crush of crowds. Then small hard-cover books on lower shelves began to disappear.

Remarks such as the following were heard recently from visitors who had waited up to an hour to enter the bookmobile:

"You mean this is all the books you show? There seems to be a very limited choice here."

REMAINING BOOKS MOVED

When the fair opened this morning, attendants looked ruefully at the barren shelves.

After a hurried conference with Harold C. McClellan, general manager of the fair, the bookmobile was closed. What volumes were left were being transferred today to the big exhibit of books in the fair's glass pavilion.

The transfer was a healthy transfusion for the main book exhibit, which also had been diminishing in size.

In the fair's early days, officials were inclined to look the other way when books were removed. Now, however, they are taking wide precautions so that the exhibit will last for the remaining 18 days of the fair.

This has required alertness and some fleet-footed athletics.

A volume of cartoons from the New Yorker had been nailed to a shelf with 6-inch nails. Yet today it was seen being carried away. It was retrieved by a swift and watchful attendant just before it reached a pavilion door.

MORE TICKETS OFFERED

The problem has become more acute because Soviet authorities have increased the daily distribution of tickets to the fair. A record crowd of more than 100,000 persons appeared yesterday. The average up to now has been about 70,000 a day.

Some of the more expensive and rare volumes on exhibit have been placed under plexiglas. Most books are on open shelves or tables, however, where thousands of visitors a day can leaf through them. Among the more popular books are mail-order catalogs and encyclopedias.

A volume of reproductions on Salvador Dali's works has been unexpectedly popular as have most of other books on art. Visitors have shown major interest in books by authors who have long been familiar to them—Ernest Hemingway, William Faulkner, John Steinbeck, and others.

In the bookmobile, Shakespeare and Shaw were so popular that, volume by volume, whole sets of their works disappeared.

The bookmobile will remain on fairgrounds for visitors to see. But it will be only locked testimony to how Americans have got the Muses rolling.

[From the New York Times, Aug. 6, 1959]

U.S. NEWSPAPERS A HIT IN MOSCOW—BUT NEWEST EXHIBIT AT FAIR MUST REMAIN IN CASES

(By Osgood Caruthers)

Moscow, August 6.—Thousands of Soviet citizens pored over American newspapers that were displayed for the first time today at the American National Exhibition in Moscow. For most of them it was their first view of the Western non-Communist press.

Newspapers from cities all over the United States went on display after a 2-week delay while exhibition authorities prepared closed plastic cases for them. The original plan had been for the papers to be shown in the open at kiosks in Sokolniki Park, the site of the exhibition. Soviet authorities vetoed this.

The encased newspapers are now a modest display near the entrance of the popular show of American books.

Soviet visitors, avid readers of their official newspapers, seemed quietly fascinated by the unfamiliar handling of news, classified advertisements offering jobs to engineers, full-page ads showing houses similar to the one being shown at the fair for sale at $13,000 to $19,000. They studied banner headlines about the dethroning of heavyweight boxing champion Floyd Patterson and articles about their own leaders.

One serious-minded elder studied carefully a front page of the New York Times. Then he asked a Russian-speaking American guide if it had the same status and readership as the Soviet Union's biggest newspaper, the official Communist Party journal Pravda.

By tomorrow the exhibitors plan to put up an entire Sunday edition of the Times. A number of visitors today said they had heard of the size of the Times' Sunday edition, but did not believe that was possible.

The display is not large enough to give a comprehensive, representative view of American newspapers. No more than 20 or 30 copies from as many cities are shown, folded in half, some of them overlapping with others in a case about the size of a large bookcase.

Within these limitations the exhibitors have tried to give some variety by opening some of the papers to full-page ads for food sales, classified sections, and other features of a typical daily in the United States. One comic section was shown, and today many questioners wanted to know, "Where are your funny papers?"

Most of the papers are a month old. There are no arrangements to have fresh copies flown in regularly.

The problem of keeping the exhibition fresh and well stocked is one of the major headaches of fair officials. Little has been done to solve this problem. The big book section is fast becoming a display of barren shelves and dog-eared, torn volumes.

Books on architecture, mechanics, engineering, and allied subjects are so popular that they are being worn out from handling. Picture books have lost many of their pictures. So far nothing has been done to replace them with new copies.

Bibles are being zealously guarded by the attendants in the hope that they will last until the end of the fair next month. One harassed exhibitor said:

"What we need is to break administrative redtape and get a planeload of new books in here fast before we have to close down."

BOOKLIFTING NOT CENSURED

"Booklifting" at the American exhibition in Moscow was looked on benignly here today by the man in charge of the exhibit.

Thomas J. McLaughlin, who is back in New York after some rigorous weeks in Moscow, said the first book taken from the exhibit was a Russian-language Bible.

There is not one case of "moral theft" among the hundreds of books that have disappeared, Mr. McLaughlin believes. No one, he said, has taken books to commit a crime. He believes the Russians are hungry for foreign books.

One fair visitor offered the equivalent of $150 for a $6.95 English dictionary, Mr. McLaughlin said.

Discussing the selection of books for display, Mr. McLaughlin said the U.S. Information Agency had told the experts to select books freely without fear of censorship. In Helsinki, on the way to Moscow, exhibition officials removed 250 they deemed not suitable, according to Mr. McLaughlin.

The Russians then requested removal of more than 100 more. Harold C. McClellan, general manager of the exhibition, removed them to avoid trouble, Mr. McLaughlin said. Seventy volumes have since been restored. All Yiddish and Hebrew books received were on display, according to Mr. McLaughlin.

CIVIL AERONAUTICS BOARD'S REFUSAL TO GRANT CERTIFICATE TO SOUTHEAST AIRLINES

Mr. GORE. Mr. President, in my view the Civil Aeronautics Board has made an unwise and indefensible decision. It has denied a petition for a Federal certificate as a local air service carrier to Southeast Airlines, which operates in Tennessee. Tennessee is a long State geographically. It is more than 600 miles long. It is a State of mountains, with the Tennessee River crossing the State twice.

We need this local air service. As evidence of the need, since Southeast Airlines began, in February 1957, more than 100,000 passengers have used this airline within the State of Tennessee; and yet the Civil Aeronautics Board has refused a certificate to this airline as a local air service carrier. Instead, it has handed over a certificate to an out-of-State airline which had not even requested the franchise for such service.

I hope that the Board will quickly correct this error. I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "CAB'S Odd Decision Calls for Some Tall Explaining," published in the Nashville Tennessean of August 17, 1959, and also an article entitled "Southeast Airlines' Bumpy Road," written by Gene Graham, and published in the Nashville Tennessean of August 16, 1959.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Nashville Tennessean, Aug. 16, 1959]

SOUTHEAST AIRLINES' BUMPY ROAD—PUZZLING CASE RAISES SOME WEIRD QUESTIONS OVER AIR SERVICE TO TENNESSEE'S CITIES

(By Gene Graham)

Southeast Airlines, a Tennessee babe caught in the woods of Federal bureaucracy, girded last week for a life-or-death battle.

It was preparing to go to court, if necessary, to upset a puzzling decision of the Civil Aeronautics Board.

That decision:

Denied Southeast's petition for a Federal certificate as a local air service carrier.

Handed over to an Atlanta airline which had not requested it, a franchise to fly routes in east Tennessee which Southeast pioneered 2½ years ago.

Southeast, Kingsport based, has provided local service to more than 100,000 passengers since it made its maiden flight February 7, 1957. But that service has been costly to Southeast.

It has lost approximately $1,100,000. It has invested more than $1,500,000 in equipment. If the tentative 3-to-2 decision stands, all could be swept away.

E. Ward King, the east Tennessee trucker-turned-airline-executive who heads Southeast, won't admit he is licked, even if the CAB refuses to reverse its decision. Tenaciously, he borrows the words of John Paul Jones and insists "Southeast has just begun to fight."

But King's friends and advisers are not so sure. Many familiar with the aviation business feel Southeast is doomed without the financial benefits which accompany the Federal certification of a local service carrier. These are a Government subsidy without which most such airlines in America would go under, and the right to exchange tickets with other carriers.

Aviation experts raise the question of how long King's fortune, made in his Mason-Dixon trucking firm, can stretch over airlanes longer—Kingsport to Memphis—than the distance from Tennessee to Canada, without financial assistance.

WEIRD RULING

And due to the strange nature of the CAB ruling—weird, some term it—other questions have been raised privately, both in Washington and Tennessee: Is someone out to get Southeast? Did someone pull a string for Southern Airways, the Atlanta line which won CAB favor?

To the latter question, President Frank Hulse of Southern is quick to reply: "Southern has never pulled strings with the CAB. It has never found this necessary, and doesn't expect to. We don't do business that way."

And while Hulse concedes Southern did not ask for the lines it got, he says his company "has a long history of interest in Tennessee territory. We've been in Memphis 10 years. We have requested territory in the State (in cases docketed 6925, 7038, 8163, 8547). We are very pleased with the Board's ruling and are anxious to serve Tennessee. We consider it logical that these lines be combined with Southern's routes."

Hulse explained "Southern did not aggressively support its desire to serve some of this Tennessee territory because we knew a good bit of subsidy was involved."

The docket cases cited by Hulse involved, respectively, routes from Jackson, Miss., to Nashville; Memphis-Jackson, Tenn.-Nashville; Atlanta-Huntsville-Muscle Shoals-Memphis; and Knoxville into the Carolinas.

Whether or not influence played a hand, here is the background of a case which has led many Tennesseans to wonder:

When King put his first DC–3 aloft in early 1957, he filed a petition for a Federal certificate with the CAB. The Board, noted for its foot-dragging, didn't get around to making even its tentative ruling until July 20, this year.

In the interim, there were hearings in Atlanta and hearings in Washington. All the while, Southeast was logging red ink in monthly amounts ranging from $15,000 to $60,000, dependent upon conditions.

QUESTION AND ANSWER

Because it will continue to suffer these losses while the CAB decides whether it is going to make its decision final, Members of the Tennessee congressional delegation called upon the Board to say when it might hand down a final opinion. The Board's reply, delivered over the signature of Chairman James R. Durfee, was typically ambiguous, evasive and wordy.

"We cannot give you a release date for our opinion. The Board is aware of the necessity of authorizing new air services as promptly as possible * * *" etc., etc. And "The press release announcement of the Board's tentative vote does not constitute the Board's decision, which will be entered and issued at a later date. Final decision on all the issues is made only at the time the formal opinion is issued."

CAB has refused, too, to offer any explanation for its bizarre decision.

Aside from the enigma of a Board decision generously extending an out-of-State line Tennessee franchises which it had not asked, there were other puzzling aspects.

For example, early in the hearing Southeast petitioned the Board to consider Tennessee as a whole instead of splitting it down the middle at Nashville with the west-State service considered in one hearing, east-State in another. The Board agreed.

STRANGE REVERSAL

Then, in what appeared to be a major reversal, it ruled out consideration of any west Tennessee service in the case and said it would think about west Tennessee when it got around to considering another airline's application, which is docketed with the Piedmont local service area investigation. What the Piedmont (North and South Carolina, Virginia) and west Tennessee have in common was a puzzler.

Moreover, CAB's ruling was at odds with both the insistence of its own legal staff, which favored no more local service in Tennessee, and its own examiner's report. Examiner Paul N. Pheiffer, who heard the case in its entirety, recommended Southeast without subsidy.

Another minor puzzler was CAB's decision to toss in a stop for Southern at Rockwood, which doesn't even have an airport capable of handling the traffic.

And though the Board's legal staff argued there was not sufficient business between Tri-Cities (Johnson City, Kingsport, Bristol) and Huntsville, Ala., to justify Southeast's request for such a line, the CAB went right ahead, gave such a route to Southern.

PARTISAN LINES

Many observers were struck, too, by the way the vote was split along partisan lines, Hector and Member Joseph Minetti are Democrats. Both favored Southeast. Chairman Durfee, Vice Chairman Chan Gurney, and member Harmar D. Denney are Republicans. All three favored Southern.

Washington sources said the vote initially was split 2 to 2 with Durfee not present. Durfee, who had not attended any of the sessions leading up to the decision, voted with his Republican colleagues to break the tie.

HOW IT WORKS

A Federal subsidy for local service lines is strictly a break-even affair. It is granted on the theory that such subsidies are justified to encourage service to small and medium sized cities passed over by the trunk carriers. The local carrier, once certified, files a monthly financial statement setting forth its income against its outgo. The Government chunks in enough to make the airline break even. When it begins earning money, subsidies are cut off.

Not a single local line, however, has reached the black ink status. Local lines surrounding Tennessee—Ozark to the north, Trans-Texas to the west, Southern to the south, Piedmont to the east—all are subsidized in amounts ranging from $2.3 million a year (Southern) to $2.9 million (Trans-Texas).

Southeast claimed it could operate with a subsidy of about $500,000 annually. It offered its actual losses as proof. Southeast also claimed it can operate for 85 cents per mile flown, 22 cents cheaper than TTA; 40 cents cheaper than Southern and Ozark.

THREE DENIALS

Trans-Texas and Piedmont had both requested extension of their lines into Tennessee in the same case involving Southeast. Both were denied. Thus three local lines which were asking to serve got the thumbs down; a carrier which expressed no interest picked up the marbles.

Will the CAB decision stand? Did someone pull a string somewhere along the way for Southern?

"We aren't guessing about that," said James Bomar, of Shelbyville, attorney for Southeast. "And we aren't guessing about whether we intend to fight this thing through. The people of Tennessee can be assured Southeast will exhaust every legal remedy before it surrenders."

But if it eventually fails, will it surrender? he was asked.

Bomar shrugged, and replied with a question. "Can a man be expected to toss a lifetime's work away?" E. Ward King started as a mechanic, combined his skill and business acumen to create a trucking empire (which his sons now run) rolling 1,500 pieces of equipment.

But King wouldn't look that far into the future. He would only say, "We haven't begun to fight."

[From the Nashville Tennessean, Aug. 17, 1959]

CAB'S ODD DECISION CALLS FOR SOME TALL EXPLAINING

One can hardly examine the known facts concerning the latest bizarre ruling of the Civil Aeronautics Board, reviewed in this newspaper yesterday, without suspecting one of two things:

1. Someone in a place of high influence put to practice the ancient art of political string pulling, or,

2. CAB has goofed down one of the oddest tentative decisions of its not entirely unodd history.

The term "known facts" is used advisedly. For it is just possible there were legitimate reasons behind the CAB's decision to turn thumbs down on three local service air carriers which had asked service recognition in Tennessee, and its gratuitous award of a similar franchise to another airline which had expressed—publicly—no great interest in serving this territory.

That, however, is giving the board the benefit of many doubts, and its past record does not indicate it is entitled to them. Besides, it is noteworthy that the board members have refused for more than a month now to offer any explanation for a ruling which it says is really not one at all. It has even refused to estimate how long it might be before it gets around to deciding whether it has ruled.

The sympathies of this newspaper are with Southeast Airlines, a Tennessee firm. Tennessee owned and based in Kingsport. Perhaps part of this feeling is based on a natural one for the underdog; perhaps, in part, it springs from the fact that Southeast is run by homefolks. But our conviction goes beyond raw feeling.

For, as many other Tennesseans, we know this elongated State frequently referred to as a 3-in-1 commonwealth was an island unserved by local lines until Southeast risked its capital and took a dare 2½ years ago.

Before Southeast started operating, three local service lines touched Tennessee, via the north, west, and east. All were interested in the big cities where business is good and not a one crossed the State in any direction to link our small and medium-sized cities. Moreover, little interest in this virgin territory was manifest by any of the surrounding local carriers until Southeast went to work and demonstrated—with 100,000 passengers—the potential of the Volunteer State.

Then, at least from outward appearances, everyone wanted in on the act.

One which did not even then seem aggressively interested was Southern Airways of Atlanta, although it had done some probing around. But this local service carrier serving territory south of Tennessee was the one selected by CAB to run the lush east-State lines, almost paralleling those served by Southeast under an intrastate certificate. Southern had not formally petitioned for the routes it was awarded. West Tennessee, by the way, drew a goose egg.

There are thus many mysterious aspects of this case—too many, possibly, to explore in detail before the CAB has its formal chance to explain. When that may be, the plodding CAB alone presumably knows.

There is, as we have stated previously, no excuse for this sort of dillydallying. One has the feeling, from checking CAB's mountain of press releases since the beginning of the year, that the "very heavy workload" of which it frequently complains would be lightened to no little degree if the Board members stopped by their offices in Washington once in a while between junkets. Stopped to do some work, we mean.

During one of those stops, we can only presume, the Board will squeeze in time between shirt changes to make a final decision. If the interest of Tennessee air travelers is worth considering, that decision should be different from the tentative one. If it is not, CAB has some tall explaining to do. Perhaps even Congress will give it an opportunity to do so.

NATIONAL MEDAL OF SCIENCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of House bill 6288, to establish a medal of science, which has just come over from the House of Representatives.

There being no objection, the Presiding Officer laid before the Senate the bill (H.R. 6288) to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, my delightful friend, Representative VICTOR L. ANFUSO, of New York, is the author of this very fine bill, which would establish a medal of science, to bear such inscription as the President, on the basis of recommendations submitted by the National Science Foundation, may prescribe.

The House acted unanimously on the bill. I am informed by the distinguished Parliamentarian that, inasmuch as the bill would authorize the Administrator of the National Aeronautics and Space Administration to determine the individual entitled to receive the special award, it would properly be within the jurisdiction of the Aeronautical and Space Sciences Committee of the Senate. I have conferred with the ranking minority member and the distinguished minority leader, as well as the acting minority leader, who believe that this is very desirable legislation.

I congratulate the very able Representative from New York [Mr. ANFUSO] on his vision and foresight, and very fine motives. I hope the bill will be passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and pasasge of the bill.

The bill (H.R. 6288) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROCLAMATION OF HAWAIIAN STATEHOOD—SWEARING IN OF HAWAIIAN SENATORS

Mr. JOHNSON of Texas. Mr. President, the White House has announced that the President will proclaim statehood for Hawaii Friday afternoon.

For the information of the Senate I desire to announce that the newly elected Senators from Hawaii will be sworn in after the convening of the Senate on Monday next at noon.

I am informed by the distinguished and able Secretary of the Senate, Mr. Felton M. Johnston, that this is agreeable to the Senators concerned and to the minority leader. It is certainly agreeable to the majority leader.

I hope that all Senators will arrange to be present on this occasion.

Mr. President, I desire to suggest the absence of a quorum, with the understanding that the time will not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

Mr. JOHNSON of Texas. Mr. President, when it is desired to resume the consideration of Senate bill 2524, relating to the power of the States to impose net income taxes on income derived from interstate commerce, I ask unanimous consent that the bill be laid before the Senate, notwithstanding the fact that the hour of 12 o'clock noon, the expiration of the morning hour may not have arrived, and that the Senate then resume it consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

SUPPLEMENTAL APPROPRIATIONS—AMENDMENT PROVIDING FOR DISARMAMENT STUDIES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Minnesota [Mr. HUMPHREY] may be recognized for not to exceed 3 minutes, on various subjects.

The PRESIDING OFFICER. Without objection, it is so ordered, and the senior Senator from Minnesota is recognized for not to exceed 3 minutes.

Mr. HUMPHREY. Mr. President, I shall attempt to utilize my full allotment.

I send to the desk an amendment to the mutual security appropriation bill, and ask that it be printed and lie on the desk.

The PRESIDING OFFICER. The amendment will be printed and lie on the desk.

Mr. HUMPHREY. Mr. President, this amendment relates to an item included in the State Department's budget request for 1960 under the title "Special Foreign Policy Studies." The amendment I have sent to the desk carries an appropriation of $400,000 to conduct certain basic studies in the field of the technical aspects of disarmament.

Regrettably, in the supplemental appropriation bill the Appropriations Committees of both Houses disallowed this program of study; but now, in the light of the mutual security appropriations bill, I feel that this is a very fundamental part of our national security program, and that this amendment would be relevant and germane to the subject matter.

First. Eighty percent of the funds under this project were to be used for contracting out technical studies on various aspects of the disarmament problem to private research organizations. In my amendments previously offered to include this item in other appropriation bills, the figure was set at $500,000. It has now been reduced to $400,000 for two reasons. This lower figure, while less than requested, will permit the Department of State to conduct the most important of the studies projected for 1960. Secondly, the amount was reduced to insure that a point of order would not be lodged against this amendment on the grounds that it was not a budgeted item. This figure is well below the amount requested for technical disarmament studies in the 1960 State Department budget.

Second. The Appropriations Committees of both Houses disallowed this item on the grounds that the information was available in other agencies of the Government. Investigations have shown that this information is not available elsewhere. The State Department has primary responsibility within the executive branch to conduct disarmament policy. Acting Assistant Secretary of Defense, Mr. Charles Shuff, and Mr. Kistiakowsky, Special Assistant to the President for Science and Technology have both stated that these studies are necessary for the Department of State to effectively carry out its responsibilities in the field of disarmament.

Third. Last month I proposed an amendment to the Defense Department appropriations bill. It was ruled out of order on the objections of Senators CHAVEZ and SALTONSTALL. These Senators promised that it would receive serious consideration in the supplemental appropriations bill. I submitted the amendment and testimony to the committee considering the supplemental appropriations bill, but the item was again disallowed. The committee gave no grounds for rejecting the amendment. In fact, it was not even mentioned in the committee report.

Fourth. It is easy to talk about disarmament, but we are not going to get anywhere unless our position is well considered and based on sound technical information. The Soviet Union is spending ten times as much as we in certain phases of seismological research, one of the most important aspects of a detection system. The Congress can vote a $39 billion defense budget, but it hesitates to vote $400,000 for disarmament studies.

Fifth. The Congress has urged the executive branch to make better preparations to conduct a disarmament policy. In the 1957 and 1958 reports of the Disarmament Subcommittee, the Department of State was advised to employ the knowledge and talents of private organizations in devising imaginative and scientifically sound disarmament proposals. The 1958 report was signed by Senators Byrd, Sparkman, Long, Pastore, Symington, Bridges, Wiley, Hickenlooper, Saltonstall, Knowland, Bricker, and Humphrey.

Sixth. I am not fighting an administration battle with this amendment. The State Department, while proposing this item, has been less than ardent in defending it, perhaps for fear of compensatory cuts elsewhere in its budget. Last August in a supplemental appropriations bill the State Department was allowed $70,000 to initiate technical disarmament studies. But when the additional funds requested this year were rejected, the Department decided to utilize the $70,000 for other purposes. I deplore this action, and I indicated this to the Department. I do not think that the Department of State and the administration have given proper priority to disarmament policy. If they had, it would be on a higher par than remodeling the State Department Building which the Department so vigorously defended in the recently passed supplemental appropriations bill.

I have proposed this amendment because of its intrinsic merit. We must be prepared to wage a positive disarmament program, and we can only do this with proper preparation.

Mr. President, I ask that this amendment to the mutual security appropriation bill lie on the table for a week so that other Senators may cosponsor this amendment with me.

The PRESIDING OFFICER. The amendment will be received and printed; and, without objection, the amendment will lie on the table as requested by the Senator from Minnesota.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, I am delighted that the administration is planning to recommend the establishment of a new international lending agency to be known as the International Development Association. I also welcome the news that our Government proposes that the new agency be underwritten with an initial capitalization of $1 billion for a 5-year period and that the United States share be $320 million.

This is good news and I commend the administration for acting on an idea which had its origin in the U.S. Senate. I wish to pay high tribute to the distinguished Senator from Oklahoma [Mr. MONRONEY], who first conceived of this idea several years ago, after he had made a trip to Southeast Asia. The conception of an International Development Association represents Senate initiative at its best. At first the administration was cool to the Monroney idea, but after the Senate Banking and Currency Committee held a series of hearings, strong support developed in the Senate. Recognizing this support, the administration took a more favorable view.

I am proud to say that I have supported the International Development Association from the beginning, and I support it now with a whole heart.

The main purpose of this new lending institution is to provide long-term, low-interest loans to underdeveloped nations on terms more favorable than those of any existing free world agency. I am glad that the new Association will be affiliated with the International Bank for Reconstruction and Development, commonly known as the World Bank. The World Bank has itself made an important contribution to development, but it is not equipped to make the type of loans most needed in less developed areas.

The lending institution, with a capital of $1 billion, can make only a token effort. The Senator from Oklahoma himself has said that the International Development Association should have at least $2 billion in hard currencies.

The creation of the International Development Association does not mean that regional development associations will become obsolete. The need for development capital is great and no one agency alone can provide all the investment capital required.

In the past I have favored the establishment of regional development associations for the Middle East, for Latin America, and for the continent of Africa. It should also be clear that the establishment of an International Development Association does not take the place of our own Development Loan Fund. The Development Loan Fund is a bilateral operation. The International Development Association is a multilateral operation. Both have their special roles to play in a well balanced development program. They do not compete with one another. They complement one another.

In meeting the challenges of Soviet expansion, especially in the underdeveloped areas, the International Development Association is a most welcome addition to the existing agencies for providing long-term, low-interest development loans to many nations whose political future may depend upon economic viability.

As an editorial in the New York Times said, the International Development Association is indeed "a fund for freedom." Mr. President, I ask unanimous consent to have this editorial, "A Fund for Freedom," from the August 18, 1959, New York Times printed in the RECORD at this point, together with two other news articles on the International Development Association: "Program of Loans, Not Aid, Key Point of International Development Bank," by Carroll Kilpatrick, Washington Post and Times Herald, August 19, 1959; "United States Will Propose New World Bank for Poor Nations," by E. W.

Kenworthy, August 15, 1959, New York Times.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 15, 1959]

UNITED STATES WILL PROPOSE NEW WORLD BANK FOR POOR NATIONS—AGENCY WOULD SUPPLEMENT PRESENT BODY BY LENDING AT LOW COST FOR LONG TERM—$1 BILLION TO BEGIN—ANDERSON ASKS VIEW OF U.N. UNIT AND SEEKS EARLY PACT—IDEA WAS MONRONEY'S

(By E. W. Kenworthy)

WASHINGTON, August 15.—The United States has decided to propose the establishment of an international lending agency to make long-term, low-interest loans to underdeveloped nations.

The agency, to be known as the International Development Association, would be an affiliate of the International Bank for Reconstruction and Development, familiarly known as the World Bank, which is a specialized agency of the United Nations. The new agency would be able to make loans on terms that the present organization cannot meet under regulations designed to insure its solvency.

The United States will propose that the initial capitalization for the new agency over a 5-year period be $1 billion, with subscriptions proportional to those that member nations now pay to the World Bank. The U.S. share would amount to $320 million.

Secretary of the Treasury Robert B. Anderson, U.S. member of the World Bank's Board of Governors, announced today that a "guideline paper" setting forth Washington's ideas on the proposed agency were sent to the Bank's 67 other member governments a week ago.

The idea of a World Bank affiliate that would make loans on terms the Bank cannot meet began with a resolution introduced in the Senate February 24, 1958, by Senator A. S. MIKE MONRONEY, Democrat, of Oklahoma. For months prior to the introduction of his resolution, Senator MONRONEY discussed such an agency with Eugene R. Black, President of the World Bank, whose thinking had been running along similar lines.

Mr. Anderson also said that the United States would introduce a resolution at the annual meeting of the Board of Governors here September 28 calling on the Bank's executive directors to study the question of establishing a second international lending organization.

It is the U.S. hope that the executive directors can formulate articles of agreement within a few weeks so that the administration can include the initial U.S. subscription in next year's budget and prepare legislation for congressional action in 1960.

Senator MONRONEY had three principal objectives: To achieve more flexibility in loans to less developed countries, to put more development loans on a multilateral, international basis, and to find a way to use some of the local currencies being amassed by the United States from sales of surplus agricultural products.

There are three principal sources for development loans now, each of which has limiting factors.

First, the World Bank makes so-called bankable loans; that is, loans that carry interest rates comparable to those of commercial banks and that are repayable in the currencies borrowed, which are almost invariably hard.

The ability of many less developed countries to service such loans is limited because of their small dollar reserves. Often a country has been judged able to swing only part of a project loan. Mr. Black has estimated that the Bank could have from 50 to 60 loans if there had been a secondary institution to extend part of the credit or softer terms than the Bank's rules allow.

Second, the U.S. Import-Export Bank makes loans, also on a bankable basis, for the purchase of U.S. goods and services. It operates under the same limitations as the World Bank and the borrower must have a sufficient dollar-earning capacity to service the loans.

Third, the U.S. Development Loan Fund was established to meet the credit needs of less developed countries without imposing a heavy foreign-exchange burden. The fund makes long-term loans that usually are repayable in the borrower's currency.

Senator MONRONEY'S principal complaint about the Fund was that a bilateral arrangement made the borrower feel like an object of charity and encouraged the idea in the United States that foreign aid was a handout.

After a somewhat chilly initial reception, the Treasury began to warm to the Monroney-Black idea.

CURRENCIES AN OBSTACLE

The Treasury discouraged the Senator's belief that his proposal could make much use of the local currencies owned by the United States. It pointed out that since most of the less developed countries had little to sell, loans in these currencies would have little use except to pay for labor costs and locally produced materials in the country of origin.

But the Treasury liked the idea of an international agency to make soft loans because it had long felt that Japan and some of the industrial nations of Western Europe, particularly West Germany, could do more to help the underdeveloped areas than they had. These countries have strong economies, and large and growing reserves.

At the World Bank meeting in New Delhi last autumn, Mr. Anderson and Douglas Dillon, then a Deputy Under Secretary of State and now Under Secretary, discussed the concept informally with financial leaders of the other nations. Since then there have been frequent conversations between T. Graydon Upton, the U.S. Executive Director of the Bank, and the other directors. Secretary Anderson has also had talks with financial ministers of the countries that would have to make the largest subscriptions.

DOUBTS ARE REMOVED

According to officials, much of the initial opposition and doubt in some of those countries has been removed, and the idea has gained considerable support.

Under the United States proposal, the members would pay 50 percent of their subscriptions initially and the rest in equal installments over 5 years. Twenty percent of each payment would be in gold or dollars and 80 percent in national currencies.

The 20 percent in gold and dollars could be used for loans without restriction. The 80 percent in national currencies would be usable for procurement of nationally produced goods and services for use in connection with development projects within the country concerned, or for procurement of nationally produced goods for export and use elsewhere in connection with projects financed by the new agency.

Moreover, with respect to the 80-percent subscription in national currencies, the industrialized countries would be obligated to make 30 percent convertible. The purpose of this is to insure that purchases are distributed among the world's principal producers and that the producers with cheaper labor costs do not get most of the business from the loans.

Senator Monroney said today that he was delighted that the executive branch had approved his proposal. However, he expressed fear that the fund would be underfinanced at the outset unless payments were accelerated.

[From the New York Times, Aug. 18, 1959]

A FUND FOR FREEDOM

While the Senate still wrestles with mutual security appropriations, cut by the House below safety levels, the Eisenhower administration has launched another major project designed to enlist the whole free world in helping its underdeveloped members to develop their full potential in freedom while at the same time relieving the United States of some of the increasingly onerous burden of foreign aid.

The project calls for an International Development Association with a capital of $1 billion provided by some three score nations to make to the underdeveloped countries so-called soft long-term, low-interest loans largely repayable in local currencies.

Such loans involve risks which orthodox banking institutions cannot assume. But they are essential for two reasons. One is to meet competition from the Communist bloc, which last year provided $1 billion worth of credits and grants to 18 underdeveloped countries. The other is to help capital-poor countries raise money for industrialization, thus feeding their rapidly rising populations without resorting to dictatorial methods or sweating their labor, as early European capitalism did in the 19th century—or as Communist state capitalism does today.

In that respect the new association is designed not only to supplement but to go beyond the aid already being extended by the $10 billion World Bank, a specialized United Nations agency with which it will be affiliated, or the Monetary Fund, the American Export-Import Bank, the United Nations technical assistance program, or its special fund for underdeveloped countries, the American aid programs that include a larger than half-a-billion-dollar Development Loan Fund, and a food-for-peace plan, and the Colombo plan for southeast Asia. It is to do for the free world at large what the projected billion dollar Inter-American Development Bank is to do for Latin America.

At the same time, it is intended to spread the burden of such aid by enrolling among the subscribers all 69 members of the World Bank, in particular West European countries such as Germany, and also Japan, whom American aid has helped to rise to new prosperity. With the United States beginning to show a deficit in its balance of payments, leading to an outflow of gold, this is both proper and necessary. And with such widespread participation the aid would become both more flexible and multinational, thereby contributing to its effectiveness in sensitive areas.

The project, first suggested by Senator MONRONEY, is strongly backed by Treasury Secretary Anderson, and West Germany has already expressed full support of it. There is hope, therefore, that it can be launched soon, and it must be expected that underdeveloped countries wishing to benefit from it will provide the proper climate for it.

[From the Washington Post and Times Herald, Aug. 19, 1959]

PROGRAM OF LOANS, NOT AID, KEY POINT OF INTERNATIONAL DEVELOPMENT BANK

(By Carroll Kilpatrick)

Secretary of the Treasury Robert A. Anderson's proposal for a billion-dollar International Development Association (IDA), which will be the chief subject of debate at the annual meeting of the World Bank here next month, has three principal objectives:

1. To provide a new source of Free World funds for the underdeveloped countries.

2. To persuade Western European countries and Japan to put more capital into these development programs.

3. To make fuller use of the so-called "soft" currencies which the United States is accumulating at an increasing rate every year.

IDA is the brain-child of Senator A. S. MIKE MONRONEY, Democrat, of Oklahoma, who first conceived the idea several years ago after a trip to southeast Asia.

FROM AID TO LOANS

MONRONEY thought it was important to shift from a program of aid to one of loans. At the same time, he was impressed by the growing accumulation by the United States of foreign currencies, mainly from the sale of surplus commodities.

If these currencies could be used, MONRONEY argued, they would help promote American foreign policy without in any way hurting the American taxpayer. The United States is now holding about $2 billion in soft currencies. MONRONEY has estimated that in another year the total may reach $5 billion.

"A valuable new source of development funds may be opened," MONRONEY said. "With 30 or 40 local currencies to choose from, borrowers can work out ways to use larger quantities of these currencies by shopping in the world market for items they require for their development projects."

At first, the administration was cool to the Monroney idea. It began to take it seriously after the Senate Banking and Currency Committee held a series of hearings and strong support developed in the Senate.

Anderson's acceptance of the idea has drawn considerable criticism, however, mainly along these lines:

Most of the foreign currencies which the United States has accumulated really are of very little value, particularly when it comes to using them for purchases to help develop the backward countries.

The Europeans and Japanese won't put up enough capital for long-term, low-interest loans to have much effect on the tremendous need for capital that exists in Africa, Asia, and Latin America.

A lending institution with a capital of only $1 billion can make only a token effort. MONRONEY himself is on record as saying IDA should have $2 billion or more in hard currencies.

It is misleading to contend that a loan repaid in a soft currency is in fact fully repaid. It would be more honest to call the loan a giveaway in the first place.

All these questions have been argued back and forth for almost a year between Treasury officials and representatives of foreign countries. The debate will be continued when the annual World Bank meeting convenes here September 28.

AGENCY OF BANK

Anderson has sent a guidelines paper setting forth this country's views to the 67 other members of the Bank. Under the proposal, IDA would be established as an agency of the Bank to be administered by President Eugene R. Black, who has the full confidence not only of American officials but of many foreign financial authorities as well.

The World Bank makes loans on a strictly bankable basis. They must be repaid in 20 or 25 years at 5¼ percent interest, and repayments must be in hard currency.

IDA would be authorized to make loans repayable perhaps over 40 years at rates as low as 2 percent in a mixture of hard and soft currencies. According to MONRONEY, the World Bank needs this secondary institution. It would serve to supplement hard loans with second mortgage financing, he said.

"The borrowing nation might be short on dollar or other hard currency earnings and thus unable to repay 100 percent of the project cost in these scarce currencies over the short repayment time," MONRONEY said. "It would be permitted to repay IDA's second mortgage loan over a longer time at lower interest, partly in hard currency and partly in its own or other local currencies.

"An important part of this proposal is the IDA would mix hard and soft currencies when necessary in its loans and be repaid in a similar ratio."

Some of the sharpest critics of IDA are found in the World Bank's sister institution, the International Monetary Fund. Their criticisms may be reflected in the debates at the Fund and Bank annual meetings next month. But apparently Anderson believes that he has overcome the major resistance both in Europe and Japan and in the soft currency countries.

ORDER OF BUSINESS

Mr. KUCHEL. Mr. President, I ask unanimous consent that the able senior Senator from Pennsylvania [Mr. CLARK] be accorded the same courtesy recently granted the senior Senator from Minnesota, namely, that, notwithstanding the unanimous-consent agreement, the Senator from Pennsylvania be allowed to address the Senate for not to exceed 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, does the Senator from Minnesota desire to continue?

Mr. HUMPHREY. I do.

NUCLEAR WEAPONS TESTING

Mr. HUMPHREY. Mr. President, yesterday the distinguished senior Senator from Utah [Mr. BENNETT] called for the resumption of nuclear weapons testing this fall to develop, as he put it, cleaner types of nuclear weapons, and to round out the arsenal for national defense.

I addressed the Senate on this subject day before yesterday. It is my view that the resumption of nuclear weapons tests at this time would not be advantageous to our country from a foreign policy point of view or from a national security point of view.

It is my view that the conference at Geneva has made progress. This morning's press cites the fact that the Soviet Union has now agreed upon the principle of on-site inspection, which was the major stumbling block in the Geneva nuclear weapons testing conference. I do not say that this conference will succeed. I simply say that for the United States to take the initiative in lifting the moratorium on nuclear weapons testing would be a definite disadvantage to our foreign policy and to our image in the world as a nation seeking peace, disarmament, and justice.

I myself would oppose most vigorously any statement on the part of our Government which called for the resumption of nuclear weapons tests until we had exhausted every possibility to reach an agreement at Geneva. Let the responsibility for the failure of the conference rest upon the Soviet Union.

The PRESIDING OFFICER. Without objection, the time consumed by the Senator from Minnesota will not be charged to either side; and, without objection, the time to be used by the Senator from Pennsylvania will not be charged to either side.

Mr. HUMPHREY. Mr. President, under the rule, I am entitled to 3 minutes on any item on which I wish to speak.

The PRESIDING OFFICER. The Chair did not so understand. The time is running on the pending amendment.

Mr. HUMPHREY. I shall utilize time on amendments, as I present them, for the purpose of speaking on other subjects. The morning hour did not last 1 hour.

The PRESIDING OFFICER. The Chair does not understand that the morning hour is required to last a full hour.

INTEREST RATE ON GOVERNMENT BONDS

Mr. CLARK. Mr. President, the gracious suggestion of the distinguished acting minority leader that the Senator from Pennsylvania be accorded equal courtesy with the senior Senator from Minnesota has indeed invoked a warm feeling in my heart toward the senior Senator from California, even warmer than usual.

I point out that the Senator from Minnesota talked for quite a long while, and spoke rather rapidly. I hope the Parliamentarian and the present distinguished occupant of the chair will be equally indulgent with me as to how long 3 minutes may last.

Mr. President, one of the things which I found most encouraging and heartwarming in this whole session of Congress occurred in the House Committee on Ways and Means 2 days ago when, by a vote of 14 to 11, the request of the administration for an increase in the interest rate on Government bonds was rejected.

This morning the Washington Post and Times Herald has published an eminently fine editorial entitled "Sense and Nonsense," commenting on the action of the Committee on Ways and Means in this regard.

Mr. President, I ask unanimous consent that this editorial may be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 20, 1959]

SENSE AND NONSENSE

It is hardly surprising that the House Ways and Means Committee has refused to go along with the new compromise bill to lift the limit on Treasury interest rates. We still think that the limit should be removed to allow more realistic and economical debt management and believe Congress ought to reconsider next year. But we also believe that Congress ought to have been allowed to voice its judgment on the closely related question of Federal Reserve Board support for the Treasury bond market, so long as it did not attempt actually to dictate the Board's policies.

Regrettably, the "Fed" and the Treasury found it impossible to let the "sense of Congress" be freely expressed. Not content with registering a dissent from the proposal that the Reserve Board ought to lend some

support to the long-term bond market, Secretary Anderson and Board Chairman Martin apparently insisted on having nothing stronger than this vague and meaningless substitute statement of the congressional recommendation on monetary and debt policy:

"It is the sense of Congress that monetary and debt management officials of the Government shall, in discharging their responsibilities, take fully into account the importance of promoting a continuity of employment opportunities, achieving the maximum sustainable rate of economic growth, maintaining reasonable stability of the dollar and assuring that the cost of managing the public debt is kept to the minimum consistent with these vital objectives."

Obviously, if Congress cannot be more specific than this, it might as well be silent, and we presume that the committee majority felt that way, too. The overzealous guardians of the integrity of the "Fed" and the Treasury seem to have added insult to injury by suggesting a statement of the congressional "sense" that is more akin to nonsense. The unfortunate price of this unbending righteousness has now been paid in the defeat of the badly needed interest-rate bill.

Mr. CLARK. Mr. President, somewhat to my surprise the good and grey New York Times, which ordinarily reports things so objectively, has been engaged in a series of diatribes, the latest of which was published on August 19, in an editorial entitled "Inviting Inflation."

I ask unanimous consent that the editorial be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the New York Times, Aug. 19, 1959]

INVITING INFLATION

The House Ways and Means Committee acted yesterday to pigeonhole the request of President Eisenhower that it authorize him to raise the prevailing ceiling on Government bond interest rates, which are 4¼ percent in the case of marketable securities and 3.26 percent for savings bonds.

This move, which reverses the committee's approval of such a request only last week, comes not only as a complete surprise but as an extraordinary example of fiscal irresponsibility. It makes strange reading, indeed, when one considers it against the background of the general directive the committee included in last week's approval of the President's request.

"It is the sense of Congress," declared that directive, "that the Government shall take into account * * * the importance of achieving the maximum sustainable rate of economic growth, maintaining reasonable stability of the purchasing power of the dollar, and assuring that the cost of managing the public debt is kept to the minimum consistent with these vital objectives."

In the early postwar years, when the Treasury was insisting on the maintenance of pegged rates on Government securities, at least it confined its arguments to (1) the low cost at which the Treasury was able to raise its money, and (2) the bugaboo of a possible collapse of the Government bond market if the peg should be removed. Its policies were indefensible in terms of fiscal policy, but at least the Government was not hypocritical enough to argue that it was pursuing this program in the knowledge and belief that it was furthering the policy of "achieving the maximum of sustainable rates of economic growth" coincident with "the maintenance of reasonable stability in the purchasing power of the dollar."

What yesterday's action by the Ways and Means Committee means is that, by denying the Treasury the authority to liberalize the terms under which it can raise the funds it has to raise in the months ahead through the sale of long or medium long securities, thus tapping to that extent the savings of the people, it has compelled it to raise such funds through the sale of short-term paper. Since such paper finds its way largely into the commercial banking system, it is "purchased" by credit created for the purpose—that is, by an inflation of the supply of credit.

Mr. CLARK. Mr. President, in the editorial the New York Times refers to the action taken by the House Ways and Means Committee as "an extraordinary example of fiscal irresponsibility."

Frankly, Mr. President, this series of editorials and the financial alleged news reports under the byline of Mr. Edward Collins, which have been appearing for the last several weeks in the New York Times, are in my opinion, examples of the kind of reporting and editorializing which one would have expected to find a few years ago in the Chicago Tribune, rather than in the New York Times.

I am particularly incensed by the attack made in the New York Times on that fine public servant, Representative REUSS, of Wisconsin. I know of no finer public servant than Representative REUSS, who is learned in the economic field, and also serves with distinction on the Joint Economic Committee. The New York Times has distorted in an unconscionable way the position taken by Representative REUSS on the bond-interest issue.

Representative REUSS has replied twice, once in the CONGRESSIONAL RECORD of August 10, where his remarks appear on pages 15386 and the following; and again in the CONGRESSIONAL RECORD of August 17, on page 16100. In those speeches, which are printed in the RECORD, Representative REUSS has made abundantly clear that the charges made against him in the New York Times are entirely unfounded.

Mr. President, I ask unanimous consent that I may proceed for an additional minute, without having that time charged to the time available to either side under the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER (Mr. GORE in the chair). Is there objection? Without objection, it is so ordered; and the Senator from Pennsylvania is recognized for an additional minute.

Mr. CLARK. Mr. President, in letter after letter to the New York Times Representative REUSS has protested the published views of that paper distorting and attacking his position, yet the Times has refused to publish his replies.

I commend to all Senators a reading of Representative REUSS' defense of his own sound position, as it is set forth in the CONGRESSIONAL RECORD; and I make this speech merely in order to indicate my own view that the Washington Post is a far better guide, on its editorial page, in regard to these matters of high interest rates and bond interest rates than is the New York Times, which appears to have gone completely overboard in support of the banking interests of New York City.

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

The PRESIDING OFFICER. The additional time made available to the Senator from Pennsylvania has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Pennsylvania may have 2 additional minutes, without having that time charged to the time available to either side under the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Pennsylvania is recognized for 2 additional minutes.

Mr. CLARK. I thank the Senator from Montana.

Mr. President, at this time I yield to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Pennsylvania for yielding to me.

I merely wish to associate myself with the remarks the Senator from Pennsylvania has made. He is rendering a great service today to objective reporting and freedom of the press. When some newspapers forget that the words "freedom of the press" likewise involve a responsibility, it is a distinct contribution to the public interest and is a real public service to have one speak up in the way the Senator from Pennsylvania is doing today.

Representative REUSS is of great service to the Congress, and he is not given to demagoguery or radical economic philosophy. This remarks should be judged on the basis of those of a student of economics, rather than those of one merely trying to play politics with a vital issue.

Mr. CLARK. I thank the Senator from Minnesota.

Mr. President, it occurs to me that when a great newspaper such as the New York Times attempts to destroy the reputation of so valuable a Member of Congress as Representative REUSS, he should be entitled to receive equal time treatment, as in the case of programs going over the airwaves.

Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

RESPONSIBILITY OF THE BUREAU OF CUSTOMS IN MAKING FOREIGN VISITORS FEEL WELCOME

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "A Letter to Eisenhower," which was published in the Pittsburgh Post-Gazette of Friday, August 14, 1959. The editorial was written by the publisher of that journal, Mr. William Block, an able and distinguished citizen of our Commonwealth, and I desire to have the editorial printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A LETTER TO EISENHOWER

DEAR MR. PRESIDENT. Suppose you were a European, or any other foreigner, making your first visit to the United States. Your ship has just passed Miss Liberty on Bedloe Island, lifting her lamp "beside the golden door" and then, aglow with excitement and anticipation, you reach the door itself.

At approximately that point a voice from the ship's public address system announces that Americans will leave the ship first and all aliens must wait behind. Suddenly the glow fades; you feel as if you had been slapped across the face with a wet fish.

Then comes the ordeal with customs. Your bags are ransacked to satisfy the demands of some 20 U.S. agencies checking on the smuggling of narcotics, undeclared valuables, plant or animal material (we are morbidly sensitive to hoof-and-mouth disease), forbidden publications, etc. The immigration service must be satisfied that you aren't entering illegally. Health authorities must determine that you have been properly vaccinated. Chances are that you will also be caught up in a spot check prescribed by the Atomic Energy Commission and a Geiger counter will be run over your luggage. If it detects a radium-dialed clock, Katie bar the door; there will be another delay.

Finally, after all the privileged Americans have been accommodated and you have satisfied all the Federal agencies, you are permitted to begin your visit. Some of your more sensitive foreign shipmates may have begun to wonder, by this time, if it is really worth all the trouble.

This sort of welcome contrasts sharply with that accorded American visitors to foreign shores. Travelers just back from abroad will tell you that they cross checkpoints between countries without having to open a bag. Customs at most points of entry in Europe are a mere formality. Visitors are given priority as part of the red-carpet treatment. Americans are made to feel welcome.

It may be argued, of course, that foreign countries encourage American visitors to promote tourism for commercial reasons only, that they want our dollars. While that undoubtedly is a factor in the situation, there are loftier considerations than cash in an exchange of visitors. We like to believe that the cause of international amity would be much better served if we stopped treating foreign visitors as if they were all footless immigrants fresh out of steerage, circa 1905.

In proclaiming 1960 as "Visit America Year," you have praised travel as an instrument of international peace. You are rightly anxious to have Americans share the adventure and beauty of their country with foreigners. Your proclamation urges that all agencies, public and private, exert their utmost to facilitate travel next year.

We couldn't agree more. But what about all those agencies you refer to, and particularly the Federal ones? Will they drop their steerage image of foreign visitors at least to the extent of not requiring them to remain aboard ship, as if there were something undesirable about them, until Americans have been cleared? Could foreign visitors not, as a very minimum of courtesy and hospitality, be permitted to debark simultaneously through separate channels?

We appreciate the difficulties confronting the Bureau of Customs. It must comply with endless rules and regulations in the interest of public safety and order. We wonder, though, if its efforts aren't overdone to the Nation's disservice. This great country should find ways to make foreign visitors feel welcome without in the least imperiling its security.

Yes, Mr. President, we agree with you that the Soviet Premier, Nikita Khrushchev, and others should be encouraged to visit these shores. But it surely is tough on the great unfavored majority who aren't as celebrated as Mr. Khrushchev. Does it really need to be that way?

Sincerely yours,

PA PITT.

Mr. CLARK. Mr. President, I call the attention of all Members of the Senate to the editorial, because it indicates the very unfortunate impression which foreign visitors to our country receive as a result of the treatment accorded them at ports of entry. Mr. Block writes from his personal experiences as a result of a recent trip abroad. I hope the editorial receives the attention it deserves.

Mr. President, I thank the Chair for his courtesy.

EDUCATIONAL FACILITIES — ARTICLE BY DR. ELDON L. JOHNSON

Mr. BRIDGES. Mr. President, today, when there is an awakened national concern about this Nation's educational facilities in the face of the Soviet challenge, I think it more than ever imperative that we have full and complete information. Out of the national concern, a good deal of well intentioned but somewhat misleading articles have been written by those who are somewhat misguided in outlook. It seems that everybody, whether an educator or a layman, seems to have an answer. It is particularly important, therefore, that careful objective thinking of the most eminently qualified people should be brought to bear in a solution of educational problems. That type of thinking was never better demonstrated than in an article entitled "Is the Low-Tuition Principle Outmoded?" written by Dr. Eldon L. Johnson, president of the University of New Hampshire, which appeared in a recent edition of the College Board Review. Dr. Johnson is widely recognized as one of the Nation's leaders in the field of education and his article embodying views on academic freedom and the matter of making higher education readily available to those who can qualify should be a challenge to the thinking of all of us who are interested in this vital field.

Mr. President, I ask unanimous consent that Dr. Johnson's article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THE LOW-TUITION PRINCIPLE OUTMODED?

(By Eldon L. Johnson)

America has always been full of paradoxes. American education is no exception. Now that we have built a nation, a government, an economy, and a culture on equality of opportunity, some among us yearn to abandon the means by which we arrived.

We are arguing some of the fundamentals of public education all over again, particularly as applied to higher education. While some are trying to bring racial barriers down, others are trying to put economic barriers up. While we attribute Soviet successes to the quantity and quality of freely available education, some of us conclude that education fit for the challenge must be not only hard but hard to get. Hence titles appear like "Education Is Too Cheap," "Low Tuition Is Outmoded," and "Let the Beneficiary Pay."

What sometimes seems to be a fullscale campaign is now aimed at discrediting the conventional means of financing public higher education—low tuition, or indeed no tuition at all, with public appropriations to assure both acceptable quality and accessible opportunity. To those of us in public higher education, these attacks are at worse ill-conceived schemes for making somebody else better by making us worse and at best a serious threat to freely available educational opportunity for all young people regardless of economic means. Much has been said and is being said in a spirit of mutual recrimination, bringing discredit to all education in the public mind. Most of the recriminations flow from the frustrations of inadequate finance felt by all kinds of institutions and from desperate solutions based on a partial approach to the total problem.

TO MEET SOCIETY'S NEEDS

Every individual has a stake in his own education, but society has a stake in everybody's education. Both interests must be served, partly privately and partly publicly. What is good for one institution, with its special and even exemplary objectives, is not necessarily what is good for general application to all institutions, all youth, and all society. Indeed it might leave out most youth and speak with contempt of "social needs."

It should be made clear to avoid misunderstanding, therefore, that this article is written from the point of view of public higher education. It is solely in defense of a principle essential for such education with its broad, equalitarian obligations imposed by the public. Nothing said here is in derogation of any other kind of education, either its methods of financing or its social contributions. Society gains not only from institutions with fixed public obligations but also from institutions which are selective, which combine high cost with high quality, and which are restrictive in purpose.

The contention here is that in a democratic society with diverse institutions, the generally accepted social ideals will not be fully met without the preservation of low-cost public education. The shocking thing is not that somebody will defend this principle, but that anybody needs to. If anyone wants to see how far we have wandered from the founding philosophy, which James Bryce long ago recorded with some distrust, let him observe expressions when he suggests that instruction should be tuition-free.

The low-tuition principle is not outmoded in the sense of having failed. Its purpose has been that of giving educational opportunity to all according to their talents and in step with the needs of society. Like all ideals, this one has not been fully realized, but its approximation has yielded both opportunities and socially significant results which no other country can equal. The Soviet Union is on its way, with its characteristic taunts about passing us by.

Whoever contends the low-tuition principle is outmoded is taking on a heavy burden of proof if he holds its historical results have been bad, or that it would have been better not to educate so many on such favorable economic terms. Surely no one who looks at the relation between low-tuition opportunities and the rising proportion of youth who became college educated, or at the tremendous contribtuion of low-tuition education to the Nation's supply of scholars and specialists, even through the doctor of philosophy level, can think the principle has

failed. It has failed neither by quantitative nor qualitative standards.

It is true, however, that the low-tuition principle has provided a quantitative as well as a qualitative factor which, for all the criticism, is now envied and emulated abroad wherever the forces of democratization are at work. The less developed and underdeveloped countries know what we once learned but now tend to forget—that trained manpower at intermediate levels, to say nothing of trained intelligence for citizenship, is indispensable and that attention to the requirements of scholarship does not preclude attention to the needs of society.

BROAD OPPORTUNITY IGNORED

The low-tuition principle is not outmoded by the discovery of any alternative which will widen rather than restrict educational opportunity. The alternatives suggested are more concerned with who pays the bill than with what the bill is for, not whether more or less and not whether public welfare or private gain. The objective is far more likely to be institutional aid than student opportunity. The net effect on the supply of trained intelligence for the Nation is almost never explored, but the result can be surmised when one considers that an economic elite will pay the full costs, an intellectual elite will earn scholarships, and the educable masses, seeking loans, will be indentured for many years. How this is to open new educational vistas either for society or for the individual is obscure. The existing low-tuition principle already provides, as President James L. Morrill of the University of Minnesota has pointed out, "the most generous scholarship-assistance program of any nation in the world."

All that can be said for the high tuition principle for those institutions publicly responsible for broadening and equalizing educational opportunity is that it will raise money. Except as a substitute for support from the public which imposed the social obligation, nothing can be said for high tuition. There is no philosophical defense, whatever the practical economic temptations. If there is virtue in making the student bear part of the cost as one of the beneficiaries, remember the major costs which are left even after tuition is wiped out. If there is some manly recompense which must be preserved by student sacrifice made painfully conscious, then self-support should replace parental subsidy—and for everybody. This is more egalitarian than that which the critics are seeking to escape. Surely no one would contend, despite some current utterances seemingly to the contrary, that what the poor boy learns by hard work the more fortunate boy can learn by the excruciating knowledge that his father paid the bill.

The low-tuition principle is not outmoded by some new means test which allegedly will do more for society. This scheme is indeed splendid for some institutions in a pluralistic democratic society, but it would be much less than that kind of society if all public institutions adopted it, too. Somewhere in a democracy, education ought to be available to the full extent of talents without artificial barriers of any kind—no more economic barriers than racial or religious barriers. This is the eminently proper place where the rich boy and poor boy should be stripped down to equality, deliberately made evident to both, with no superiority gained by the former in carrying a poor boy on his back and no stigma borne by the latter in having to receive public payment proportioned to his poverty. There are some things money can't buy. Is this tenet of an open society outmoded?

The low-tuition principle is not outmoded by the much-publicized system proposed by Seymour E. Harris, professor of political economy at Harvard University—the system of educational installment buying, "learn now, pay later," with its appalling consequences. Education is treated as a consumer commodity which everybody steps to the counter to buy according to his means. Each gets education for what education gets him. A new kind of indentured service is established in which the poor pay for 20 years (or indeed 40) while the better off start life debt-free.

WOULD BOLSTER CLASS LINES

The process which acts to distinguish man from the beast is reduced to the terms of the market place. Whoever can pay the investment in his own future will have a future. Whoever can't will be offered a mortgaged future. Whoever won't, society doesn't care. This is "un-American" in James Bryce's sense of the word. Apparently he used it only once in "The American Commonwealth" to describe that which preserves and fosters class distinctions. This is the social price we find on the back of the new "bargain" tag.

The low-tuition principle is not outmoded by public inability to bear the burden, although this is usually taken for granted without examination. As implied above, unless such inability can be shown, the case for high tuition is lost because its sole purpose is to raise money. To assume that the richest Nation in the world cannot pay its public education bills takes a dim view of public intelligence and public sacrifice as compared with our Communist competitors and also gives education an indefensibly low priority for public support.

One example will suffice. When we consider that the several States put into their land-grant universities an average of more than $4 for every dollar contributed by students, but that some States put in less than $2 in comparison, while others put in as high as $20, increased public support in most of our States seems to be neither unbearable nor unprecedented, leaving Federal ability entirely out of account for the moment. But more than that, who are we in higher education—or at least some among us—to be going around persuading people that they can put more in highways, bombs, armies, and subsidies, but that education is something they can't afford?

CONVICTION, NOT MONEY, LACKING

Taxes are a very ancient device. They are hardly outmoded. Only by assuming that they are outmoded or that they are inherently regressive can anyone get an emotional charge, as he is supposed to, out of Professor Harris' statement that the poor man is paying for the education of the rich boy. Let the man step forward who wants to explain where the public, in this kind of a world, can better put its money than on education. The problem is not lack of dollars but lack of conviction. Whoever undermines the conviction takes money from all education, and through all sources.

The low-tuition principle is not outmoded by any diminution of the public's stake in public education. Low tuition is predicated on society's gains as well as the individual's. Who would say this dependence is less than before—or outmoded? Is this our answer to sputnik? To get more specialized manpower, to say nothing of thinking citizens, are we to put turnstiles on the classrooms?

Economic studies show that education does not get priced anywhere by the normal economic laws; charges are not based on costs. Why is this? The "why" tells us something of the special nature of this function. It is in large part social, like national security. There can be no escaping the fact that some significant part of it is in the public domain. How else do high-tuition advocates now justify their usual concession that no student, even if his father could buy the college, should pay the full costs of his education? It is tacitly recognized that somebody else must pay because somebody else benefits. Endowment income is accepted as a subsidy, as in some public appropriation. The mystery is why an increase in endowment is good but an increase in appropriation bad.

The folly of turning our backs on the public's stake in education for some self-serving, capacity-to-pay principle is shown in current developments in graduate education. Here is surely where the student can pay his way, and ought to if he is ever to do so. But here is also precisely where public subsidies are being heaped on, as in the new National Defense Education Act (and, incidentally, without any outcry from outraged institutional beneficiaries). Why? Because society so desperately needs this kind of manpower. Society needs it; society will pay for it. In other words, the ability of a young man to earn $200,000 more by going to college does not prove that he should pay the bill personally; rather it suggests that society cannot remain indifferent to whether his potentiality will be converted into services worth that amount.

In summary, the low-tuition principle is outmoded only for persons who have never been able to embrace the equalitarian ideals and social gains of public higher education. Next to the teacher shortage, the greatest danger to the quality of education in the publicly supported college or university is the effort to combine a democratic devotion to numbers with an economic determination of equality. This meets the standard of most but not the standard of best. The public university can be happy with its two worlds of quantity and quality, but not if it has to take the worst of both worlds. To force on it the obligations of a public institution and the economics of a private institution is to foredoom it to a second-class status.

So unfortunately, a minor but exasperating task for the public educator nowadays is defending his institution against those who would remake it in the image of their own experience. That such a change is in the interest of American youth as a whole has by no means been proved. Would they have broader opportunity? Would they have fewer obstacles to the development of their talents? Would their accident of parentage and economic status mean less rather than more? Would society have more trained intelligence and specialized manpower? The answers are disturbingly clear.

Fortunately for the Nation, some institutions can meet their responsibilities without low tuition, and some can stick to superb quality whatever the tuition. Others, charged with inescapable public obligations under a particular level of public support, must strike a workable balance between the desire to push quality up and to keep tuition down, with ready student access to educational opportunities as the determining factor. Many gradations fall in between. Those educators who are vaguely of the impression that the abandonment of low tuition would somehow solve their problem should stop to ask whether it would also solve society's problem.

If we really believe what we keep saying, that America is stronger because of its diversity of collegiate institutions, some publicly supported and some privately endowed, some operated on low tuition and some not, then why not stop trying to make them alike?

ADDITIONAL TIME FOR MODIFICATION OF CERTAIN STATE AGREEMENTS UNDER SOCIAL SECURITY ACT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagree-

ment to the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the senior Senator from Oklahoma [Mr. KERR]. On this question, 5 minutes remain under the control of those in support of the amendment, and 3 minutes remain under the control of those in opposition to the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at this time I may suggest the absence of a quorum, without having the time required therefor charged to the time available to either side under the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Then, Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that further proceedings in connection with the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

Mr. KERR. I yield 3 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, yesterday the Senator from Oklahoma explained, in offering his amendment, that there were those who were trying to defeat the bill and might use this as one of the methods. As a matter of fact, I had made reference to the word "primary" in the bill, and I suggested that it ought to be removed, but that I did not mean that I was opposed to legislation.

The Senator from Oklahoma will remember that I was the first witness to appear before the committee to urge that some action be taken.

I do believe, though, that there are corrective measures that ought to be taken with reference to this bill. I may say to the Senator from Oklahoma that I am supporting his amendment because I think it is better to leave the bill open, simply with the word "primary" in it.

All of us are concerned over the possibilities of multiple State taxation of the income from interstate businesses that may arise under the Northwestern States and Stockham Valve decisions of the Supreme Court. We are also concerned over the administrative burdens which may be imposed upon interstate businesses by the filing of State tax returns based on a wide variety of formulas of allocation of income among the States. However, I am sure Senators will agree we must not let the concern over the possible multiple taxation and administrative difficulties stampede us into enacting legislation that will rob the States of perfectly proper sources of tax revenues.

I may say, Mr. President, that very soon after this decision was handed down the Small Business Committee of the Senate was importuned by a great many small businesses all over the country which were confronted by the decision, and we held hearings here in Washington and out in the field. We got many communications from small business with reference to the damage which might be caused to small business under these Supreme Court decisions.

It is a difficult problem, Mr. President. It is one that is not to be solved without the most careful consideration, first, of the right of the Government to step in in the case of interstate commerce, and at the same time the inherent right that goes to the States to levy taxes on money that is earned in the respective States.

I do not believe it can be said that any Members of Congress feel greater concern over the possibility of multiple State taxation of the income from interstate business than members of the Senate Small Business Committee, of which I am privileged to serve as chairman. The Small Business Committee was the first committee of Congress to take steps toward seeking a solution to the problem that was given a new sense of urgency by the decisions in the Northwestern and Stockham cases.

The Senate Small Business Committee was quick to act in this area when the need for early action was clearly called for. The committee at once held hearings here in Washington and in the field to gain the best advice that could be secured as to ways and means to alleviate the problem.

The testimony of many, many witnesses before the committee made two points crystal clear: First, that stopgap relief was needed promptly to prevent hardships upon businesses and the States; and second, that an abundance of caution was called for so as to prevent precipitous action that would create more hardships than would be alleviated by pursuit of a too hasty course.

As a result of the hearings and the advice which the Senate Small Business Committee received from businessmen and State tax officials, 16 members of the Senate Small Business Committee joined in introducing Senate Joint Resolution 113 which incorporated criteria established by the weight of the testimony at our hearings.

Senate Joint Resolution 113 and the bill before us today are at sharp variance with respect to what they provide. I shall attempt to explain the differences as simply as I can.

Senate Joint Resolution 113 did not undertake to decide whether the Supreme Court was right or wrong in the two cases which gave rise to the legislation before us. To have attempted to do so would have been to decide the issue on its merits; an issue which was considered by the Senate Small Business Committee to be far too complicated and fraught with problems and dangers for a hasty decision. On the other hand, S. 2524, before us today, does just the opposite of Senate Joint Resolution 113 and does, in fact, decide on its merits the major issues raised in the Northwestern and Stockham decisions.

Senate Joint Resolution 113 was truly a stopgap measure in that it held the line temporarily where the Northwestern and Stockham decisions drew it. S. 2524 does just the opposite and reverses the Supreme Court in those two cases. In other words, Senate Joint Resolution 113 did not attempt to make the taxing powers of the States more restrictive than the Northwestern and Stockham decisions intended them to be. On the other hand, the bill before us definitely makes the taxing powers of the States more restrictive than the Court found in the Stockham and Northwestern cases. S. 2524 narrows distinctly the limits of State taxing power.

I believe the next most important point that should be mentioned is the fact that Senate Joint Resolution 113, by its precise terms, was temporary in nature. It offered stopgap relief only, with a definite cutoff date set forth in the resolution.

On the other hand, while the proponents of the bill before us speak of the bill as in the nature of a stopgap measure, there is no cutoff date set forth in the bill. It is true that the report of the Finance Committee speaks of the need for intensive further study of this question, but there is no time element set forth as to when such a study will be made or when the results of such a study shall be effectuated.

Senators know that when legislation is placed on the statute books without any cutoff date, it is permanent legislation in any true sense and the fact that committees or individual Senators speak of the need for possible changes in the law at some future date does not alter the character of the legislation nor the fact that it is permanent legislation until changed.

Senators should be made very much aware of the fact that, as drawn, S. 2524 violates the rights of the States.

We know that the Constitution gives to the Congress the right to regulate interstate commerce. This right is clear and undisputed. Article I, section 8, clause 3 states that the Congress shall have power to "regulate commerce with

foreign nations, and among the several States, and with the Indian tribes."

This power vested in the Congress is one of the most important sources of power given to the Federal Government and, at the same time, one of the most far-reaching restrictions on the States. This power should not be invoked by the Congress without due study and deliberation.

On the other hand, we must not forget the rights of the States. In this connection, I wish to read from the minority views filed by the junior Senator from Tennessee and the junior Senator from Minnesota to the report of the Finance Committee accompanying S. 2524. I quote:

Equally clear and undisputed is the fact that each State has an interest in that part of interstate business which is carried on within its borders. The mere fact that goods or services may be connected in some way with activities in two or more States does not necessarily put such activities in that area of control prohibited to the States by the above section of the Constitution.

It has been generally held that the various States may not obstruct interstate commerce. It has not been held that appropriate State taxation constitutes such an obstruction. Testimony heard by the Finance Committee on this bill does not indicate that State taxation is obstructing interstate commerce. Vague fears of future developments have been expressed, but they remain more in the speculative field rather than being based upon well-founded practice or actual problems.

It should be borne in mind that the subject of this bill is a tax on net income or a tax measured by net income. We are not here considering licensing or franchise regulations or fees which might truly set up barriers to interstate commerce. Businesses will likely operate across State lines so long as a profit can be realized. If no profit is made, there is no net income to be taxed.

Ours is a Federal type of government. While some may allege that the National Government has increased in importance and the States have diminished in importance, it cannot be gainsaid that the States still have a vital role in our total government. Some may feel that certain activities can best be carried out at the Federal level, while others may feel that more activities should be left to the States. Regardless of the position which one may take on the appropriate level at which any given activity should be carried out, certainly no one could wish to move in the direction of the destruction of properly exercised State power and authority. This bill takes away from the States powers which they now have. This bill, if enacted into law, would constitute an unwise precedent of congressional action to curb the power and statutory rights of States by curtailing the ability and choice of the States to raise sufficient revenue to carry out proper and necessary State functions.

I may say that it is not simply a one-sided question. One of the best witnesses appearing before our committee, who also appeared before the Senate Finance Committee, was Mr. Fred L. Cox, representing the Revenue Department of the State of Georgia. Mr. Cox is a recognized leader among State tax administrators who are seeking a uniform and equitable allocation formula for State taxation of profits from interstate business. I refer the Senators to his statements in the hearings on this proposed legislation, and particularly his presentation to the Small Business Committee and his statement in the hearings contained in the printed copy that is on the desk of each Senator.

On this vital point the Senate Small Business Committee had the benefit of the advice and counsel of Mr. Fred L. Cox, representing the Revenue Department of the State of Georgia. Mr. Cox is a recognized leader among State tax administrators who are seeking a uniform and equitable allocation formula for State taxation of profits from interstate business. Let me read from the statement of Mr. Cox before the Senate Small Business Committee, as follows:

The most controversial factor of the formula is the sales factor. This is no new fact. It has always been so. In the use of the property and payroll factors, great weight has been reflected to the place of manufacturing. To define a sale for purposes of the formula so as to reflect its weight at the point of shipment, grossly distorts the apportionment of income from where it was earned and captured. It is now generally recognized that the market for goods, the place of the customer where the profit from the sale of goods is captured, should have and must have if uniformity is to be achieved, a greater consideration in apportionments than has heretofore been given it.

Since the inception of apportionment laws, manufacturing has been recognized as a major taxable event and accordingly in apportioning income its weight has been reflected to the State where the manufacturing was done. If this recognition is justifiable, and it is, then in giving proper value of a sale, its weight must be reflected to the place of market, where the profit was captured. The place of market is stable, cannot be moved or shifted, and without which there is no profit.

When a corporation invests large sums of money in manufacturing facilities in a State, it has contributed to the economic and general welfare of the State as well as the State's contribution to the corporation. It may well be said that the corporation's contribution to the State exceeds the State's contribution to it. But for a corporation to market its products in a State, it has only to exploit the market. No large investments in facilities are needed, no substantial payrolls are created within the State, and the State receives little or no budgetary gain for having furnished the market.

The differential in benefits and values furnished by the State to manufacturers within the State who compensate in kind, over that furnished by the State to the exploiter of State markets for little or no compensation in kind, greatly favors the market as a major factor in apportioning income for State tax purposes.

It is abundantly clear that the bill before us will have the effect of strongly favoring the manufacturing States at the expense of the consuming States. Let me repeat that the bill favors the point of manufacture or shipment as the locus for taxation. Of course, it can be argued that the bill doesn't do this if a company office outside the State of manufacture carries on activities other than sales solicitation and representation. But the catch in this and the loophole that may well be utilized with success is that the bill would exempt an office where a variety of functions were carried on so long as the office was conducted primarily for sales solicitation.

The reason the Senate Small Business Committee took the lead in trying to do something in this area was out of an interest in protecting small business and out of its deep interest in seeing equity done as among the States. The interest of small business being of such great concern to each of us, I suggest that Senators should seriously consider how small business may be threatened by the committee bill that is before us.

It seems clear that since the committee bill removed certain interstate business from the realm of taxation by State authorities, lost State revenues will likely be made up by raising the rate on intrastate business, including small business.

The bill will not only have the immediate effect of causing some out-of-State corporations to withdraw some of their activities presently carried on in other States, such as manufacturing plants and warehouses; the bill will have another effect. The bill will bring about a situation where a State, being no longer able to reach, for tax purposes, activities of some foreign corporations, will have to raise the rate on activities of those foreign corporations that they are able to reach under the bill. This will result in raising the out-of-State tax structure and further discouraging the entry of foreign corporations or the establishment of branch manufacturing plants and warehouses.

This same point has been underscored in the minority report on the bill. The minority report declares:

How can the typical small business, domiciled in and taxed upon its profits by a State, compete with a large multistate operator who pays no State income taxes where he sells his products? The local company must, if this bill becomes law, carry the tax burden for both.

The minority report goes further in these words:

Many small business enterprises will surely suffer if this bill is enacted into law. Local warehousemen, for example, will certainly lose much of their business as multistate operators concentrate their warehouse activities in order to escape certain State taxes by terms of the pending bill.

The minority views of the junior Senator from Tennessee and the junior Senator from Minnesota, who I remind the Senate, are members of the Finance Committee and are thoroughly familiar with each of the bills that was before the committee dealing with this subject and who studied the subject intensively, make another vital point. Again I quote from the minority views:

The practical effect of the bill reported by the Finance Committee, if enacted, will be to assist in the reconcentration of wealth in fewer and fewer hands in fewer and fewer States. It may well force States to adopt new methods of taxation.

The minority report makes a further point in the following language:

This bill does not meet the problem, if such exists, created by the Court's decisions which are the alleged basis for the hasty enactment of this bill. Fears have been expressed that, because the Court has set down no guidelines for a determination of what constitutes "sufficient nexus," no limits on

State taxation in this field have been defined.

This is true. Decisions in this field have been more specific than sweeping in nature.

But this bill goes beyond the Court decisions and at the same time fails to attack the problem positively. What this bill does is to deny to States the power to tax net income from certain types of transactions. There are no solutions in this bill for the problems faced by trucking companies, railroads, newspapers, pipelines, or radio and television stations, just to name a few. What is needed is proper allocation of taxes among the various States, not a prohibition against certain State taxes.

Even in the restricted field with which it deals, this bill may well create more problems than it will solve. As it stands, it is nothing more than a protective measure for a few manufacturing States and a few companies which do a multistate business of a specified type.

Let me conclude by saying that while the bill before us is spoken of as being in the nature of stopgap legislation until all the complicated questions involved can be thoroughly studied and resolved, there is nothing in the bill that renders its terms truly stopgap or temporary because there is no cutoff date in the bill. Equally important, there is nothing in the bill to insure that subsequent events will operate to make the bill temporary in nature. This is true for the simple reason that there is no time element whatever recognized in the bill.

In other words, there is nothing in the bill that makes it mandatory for any committee or any study group to undertake to resolve the issues within any particular time limit. In fact, the study commission which was provided for in Senate Joint Resolution 113 and even the idea of a study commission was rejected and nothing in the nature of a study group was substituted.

The effect of such an omission is that the bill, if enacted without any time limit, and without any obligatory responsibility on any study group or committee or committees of Congress to undertake and come up with a solution within a given time will be that we will have on the statute books a permanent piece of legislation at least until the two or more committees of Congress which have an interest in this subject have the disposition and the time to come to grips with the problems posed in this complex area.

The very least we can do is to incorporate a time limit in the bill so as to give a sense of urgency for seeking a permanent solution and to diminish the possibility of delay. No harm whatever can come from the inclusion of a time factor in whatever bill the Senate decides to pass.

I think, Mr. President, that the situation does call for corrective measures.

I have one important amendment I propose to offer at the very first opportunity.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. KERR. Mr. President, I ask unanimous consent that there may be an additional 5 minutes allotted to each side on this amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none. Without objection, it is ordered that 5 additional minutes be allotted to each side.

Mr. KERR. I yield 2 minutes to the distinguished Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I should like to use my time to make a brief legislative record with the Senator from Oklahoma.

The pending amendment replaces the word "primary" with the word "sole." The fear of the Senator from Utah is that that might be so narrowly interpreted that it would not even permit another employee of a company coming into the office to use the telephone for business not related to sales. Does the Senator feel that it can be so narrowly construed?

Mr. KERR. I think that it could be that narrowly construed, Mr. President, if another employee were there engaged in other than servicing representatives who were engaged in the solicitation of orders. Certainly if he was there for that purpose and used the telephone, the language would not be so narrow in a situation of that kind as to warrant taking it out.

Mr. BENNETT. Suppose the general manager, whose office is in another State, is coming around on an inspection trip or a supervision trip, and decides he wants to call the home office while he is in the particular State he is visiting.

Mr. KERR. The use of this word would certainly not prevent that.

Mr. BENNETT. It would not prevent what might be called minimal or incidental and accidental use of the office, in the opinion of the Senator from Oklahoma?

Mr. KERR. That is correct.

Mr. BENNETT. I thank the Senator for clearing up that situation in my mind.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. KERR. I yield back my remaining time.

The PRESIDING OFFICER. Do any of the Members of the opposition to the amendment desire the floor?

Mr. KERR. I wonder if the distinguished chairman of the Finance Committee would be willing to accept the amendment of the Senator from Oklahoma.

Mr. BYRD of Virginia. For the substitution of the word "sole"?

Mr. KERR. Yes.

Mr. BYRD of Virginia. Yes; I would be willing to accept it. I stated so.

Mr. KERR. I yield back the balance of my time if the other side will do likewise.

The PRESIDING OFFICER. The amendment is accepted by the chairman of the Finance Committee and, without objection, it is agreed to by the Senate.

The bill is open to further amendment.

Mr. TALMADGE. Mr. President, I call up my amendment designated "8-19-59—K," and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be stated.

The LEGISLATIVE CLERK. It is proposed on page 2, beginning with line 12, to strike out all down through line 17.

Mr. GORE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from Tennessee.

The PRESIDING OFFICER. How much time does the Senator from Georgia desire to take?

Mr. TALMADGE. The Senator from Tennessee desires to request a quorum call. I ask unanimous consent that I may yield to the Senator from Tennessee in order that he may suggest the absence of a quorum, and that the time be charged to neither side.

The PRESIDING OFFICER. Is there objection to the request of the Senator? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Martin
Allott	Gore	Monroney
Anderson	Green	Morse
Bartlett	Gruening	Morton
Beall	Hart	Moss
Bennett	Hartke	Mundt
Bible	Hayden	Murray
Bridges	Hennings	Muskie
Butler	Hickenlooper	Neuberger
Byrd, Va.	Hill	Pastore
Byrd, W. Va.	Holland	Prouty
Cannon	Hruska	Proxmire
Carlson	Humphrey	Randolph
Carroll	Jackson	Robertson
Case, N.J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S.C.	Saltonstall
Chavez	Jordan	Schoeppel
Clark	Keating	Scott
Cooper	Kefauver	Smathers
Cotton	Kennedy	Smith
Curtis	Kerr	Sparkman
Dirksen	Kuchel	Stennis
Dodd	Langer	Symington
Douglas	Lausche	Talmadge
Dworshak	Long	Thurmond
Eastland	McCarthy	Wiley
Ellender	McClellan	Williams, N.J.
Engle	McGee	Williams, Del.
Ervin	McNamara	Young, N. Dak.
Frear	Magnuson	Young, Ohio
Fulbright	Mansfield	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. YARBOROUGH] is absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Connecticut [Mr. BUSH] is detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. TALMADGE].

Mr. TALMADGE. Mr. President——

The PRESIDING OFFICER. How much time does the Senator allot himself?

Mr. TALMADGE. I yield myself as much time as I may need.

Mr. President, the bill pending before the Senate today is one of the most important pieces of legislation ever to come

before this body. I make that statement advisedly, because for the first time within my knowledge—at least since I have been a Member of the U.S. Senate—the Congress of the United States seeks to say to 50 States, "You cannot levy taxes under certain conditions."

I think we need some legislation in the general area which this bill purports to touch. We need legislation because four decisions of the U.S. Supreme Court have put fear into the hearts of business people of the Nation, large and small. Fear that any sale of any commodity, any time, anywhere, in any State, may subject the particular corporation or business to an income tax.

In my judgment we need legislation, but the proposed legislation which has been reported by the Senate Finance Committee goes far beyond the bounds of legislation needed to correct the Supreme Court decisions.

Why do I say that? Because historically the States of this Union have been permitted to tax the income of foreign corporations, provided there was a sufficient nexus with the State to tax such corporations.

What has that nexus been? It has been defined by the Court time after time. That nexus has been an office, an agency, a warehouse, or a stock of salable goods within the State.

However, the bill reported by the Senate Finance Committee goes far beyond that. Subparagraph (3), beginning with line 12 on page 2, reads as follows:

(3) the maintenance and operation by such person, or by his representative, in such State of an office the primary purpose and use of which is to serve representatives of such person who are engaged in the solicitation of orders described in paragraph (1) or (2), or both, and to receive, process, and forward such orders.

If that language were adopted, it would say to 50 States of the Union, "You cannot tax a corporation which maintains an office in your State solely for sales purposes, even if that corporation sells $50 million worth of goods in your State and makes a profit of $5 million on such sale of goods in your particular State."

It would mean that a large liquor distillery could maintain a sales office within a State, sell $25 million worth of liquor, and make a profit of $5 million, and not one dime of taxes could be levied against that particular distillery.

It would mean that if a corporation which had a manufacturing plant in any one of the 50 States of the Union, had 49 sales offices in the other 49 States, solicited and received orders in those States, and sent them to the home office of the corporation to be processed, that corporation might sell $100 million worth of goods, and make a profit of $10 million, yet it would be subjected to an income tax solely in the home State, where the manufacturing plant was located.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my good friend from Louisiana, who is a member of the Finance Committee.

Mr. LONG. Does the Senator know that a Louisiana corporation, the International Shoe Co., is doing more than $5 million worth of business in the State, with 17 salesmen and an office, and that under the terms of the bill, it could not be charged 5 cents in income taxes even on $100 million worth of business.

Mr. TALMADGE. I am aware of that fact. As the Senator well knows, only two States were represented at the hearings, namely, Louisiana and Georgia.

The representatives of business from many States were present and testified during the 2 days of hearings. I feel certain that many Senators have heard from the revenue commissioners in their home States, as I have. I am advised that if the bill is passed in its present form, it will cost the people of Georgia $2 million in revenue which is now being collected from foreign corporations. If the bill is passed in its present form, the citizens of Georgia will have to make up the revenue which is lost.

The House Judiciary Committee has already held hearings on a similar measure. They have reported to the House a joint resolution. What does the House joint resolution provide? Under date of August 12, 1959, a news release issued by the House Committee on the Judiciary stated:

The House Committee on the Judiciary has approved a bill to exempt from State taxation income which is derived from the solicitation of orders by out of State businesses.

It provides that a State, or political subdivision thereof, may not impose a tax upon the income of a business unless it maintains an office, salable inventory, warehouse, or other place of business in that State.

That is the type of measure which was approved by a unanimous vote of the House Judiciary Committee. There were no minority views filed with the report. The House measure would restore the situation to exactly what it was before the decisions were rendered by the Supreme Court in the Stockham Valves and Portland Cement cases.

Mr. President, I ask unanimous consent that the text of House Joint Resolution 450, an excerpt from House Report No. 936, which accompanied House Joint Resolution 450, and the news release dated August 12, 1959, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Whereas the recent decision of the United States Supreme Court in Northwestern States Portland Cement Co. against Minnesota, and T. V. Williams, as State Revenue Commissioner, against Stockham Valves and Fittings, Inc. (358 U.S. 450), held that a State has power to tax income derived from the sale of goods within the taxing State even though the sales were in interstate commerce; and that said taxation did not constitute an undue burden on interstate commerce provided the tax is applied on a properly apportioned basis; and

Whereas it can be implied from the Supreme Court decision that a State has the right to tax income derived from the sale of goods moving in interstate commerce even though the person making the sale has no office, inventory, warehouse, or other place of business in the taxing State; and

Whereas the decision of the Supreme Court raised serious questions with respect to the exclusive power of Congress under article I, section 8, of the Constitution to regulate interstate commerce; and

Whereas the free and unimpeded flow of commerce between the several States is vital to the economy and well-being of the Nation; and

Whereas in order to insure the free and uninterrupted flow of commerce between the States it is imperative that the State's power to tax income derived solely from interstate commerce be limited in accordance with reasonable and uniform standards: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TEMPORARY MINIMUM STANDARDS

SEC. 101. A State or political subdivision thereof may not impose a tax upon the income of any business engaged in interstate commerce for any taxable year unless, during that year, the business has maintained an office, salable inventory, warehouse, or other place of business in that State or has had an officer, agent, or representative who has maintained an office or other place of business in the State.

SEC. 102. The provisions of section 101 shall apply only with respect to taxable years which end after December 31, 1958, and which begin before January 1, 1961.

TITLE II—STUDY AND REPORT BY CONGRESSIONAL COMMITTEES

SEC. 201. The Committee on the Judiciary of the Senate and House of Representatives shall conduct studies and investigations of pertinent State revenue laws and the effects and implications of the Supreme Court decision in Northwestern States Portland Cement Co. against Minnesota, and T. V. Williams, as State Revenue Commissioner, against Stockham Valves and Fittings, Inc. (358 U.S. 450), as well as other decisions in the Federal courts with respect to the authority of States to tax income derived exclusively from interstate commerce and shall report to Congress with their proposals for permanent legislation on or before February 1, 1961.

GENERAL STATEMENT

The recent decision of the U.S. Supreme Court in *Northwestern States Portland Cement Co.* v. *Minnesota* and *Williams* v. *Stockham Valves & Fittings, Inc.*[1] has caused serious apprehension in the commercial community over the scope of State power to tax income derived from interstate commerce. Although a majority of the Court maintained that the decision in those cases was entirely consistent with the standards established in earlier cases, the breadth of the language in the opinion raises considerable uncertainty as to the kind and amount of local activity within a State which will be considered sufficient to support the imposition of a tax on income derived from interstate commerce.

A strict reading of the Northwestern and Stockham cases indicates that those cases are authority only for the proposition that a tax may be imposed when the out-of-State business maintains at least an office or other fixed business activity within the taxing State. However, shortly after the Northwestern and Stockham decision was handed down, the Supreme Court denied certiorari in two cases in which the activities of the out-of-State business were limited to the solicitation of orders within the taxing State.[2] No office, salable inventory, ware-

[1] 358 U.S. 450 (1959).

[2] *Brown-Forman Distillers Corp.* v. *Collector of Internal Revenue*, 359 U.S. 28 (1959); *International Shoe Co.* v. *Fontenot*, 359 U.S. 984 (1949).

house, or other place of business was maintained in the taxing State. In denying certiorari, the Court left undisturbed the decision of the State court upholding a State tax on income derived from solicitation alone. While it is true that the denial of certiorari is not a decision on the merits, and although grounds other than the precedents of the Northwestern and Stockham cases were advanced as a basis for sustaining the Brown-Forman and International Shoe decisions, the fact that a tax was successfully imposed in those cases has given strength to the apprehensions which had already been generated among small and moderate size businesses.

The Committee on the Judiciary and many Members of Congress have received hundreds of letters from such firms expressing their consternation at the prospect of having to file tax returns in what may eventually be each of the 50 States as well as an unpredictable number of cities, even where the firm maintains no fixed establishment in those States and cities. These businesses are concerned not only with the costs of taxation, but also with the inescapable fact that compliance with the diverse tax laws of every jurisdiction in which income is produced will require the maintenance of records for each jurisdiction and the retention of legal counsel and accountants who are familiar with the tax practice of each jurisdiction. This will mean increases in overhead charges, in some cases to an extent that will make it uneconomical for a small business to sell at all in areas where volume is small.

Although it may be argued that the Supreme Court has not yet decisively disposed of the precise question of whether solicitation alone is a sufficient activity for the imposition of a State income tax upon an out-of-State business, the very fact that this question is unresolved is perhaps the strongest argument for Congress to act at this time. Businessmen should not be forced to guess about their tax liability. Nor should they be subject to the kind of State taxation which would Balkanize the American economy. The committee recognizes that the problems raised by State taxation of interstate commerce are numerous and complex. Involved are such basic but conflicting interests as, on the one hand, the demand of the States for greater revenue and, on the other, the necessity that we keep our economy free from the kind of taxation that will impede the flow of commerce.

In an effort to meet both the current situation and to provide for a permanent solution, this bill does two things. First, it provides a temporary minimum standard applicable only with respect to the taxable years ending after December 31, 1958, and beginning before January 1, 1961. This standard would prohibit a State or political subdivision thereof from imposing a tax upon the income of any business engaged in interstate commerce unless during the taxable year that business has maintained an office, salable inventory, warehouse, or other place of business in that State or has had an officer, agent, or representative who has maintained an office or other place of business in that State.

By this standard, the simple solicitation of orders by an out-of-State business would not subject it to income taxation in the market State. In terms of case law, this bill would not affect fact situations such as those in the Northwestern and Stockham cases. In both of those cases the out-of-State business maintained an office in the market State and under the standard in this bill they would remain subject to taxation. The bill would, however, alter the result in situations like Brown-Forman and International Shoe so far as the taxable years covered by the bill are concerned.

Secondly, the bill provides that the Committees on the Judiciary of the Senate and the House of Representatives shall study the entire problem of State taxation of income from interstate commerce and shall present proposals for permanent legislation to the Congress by February 1, 1961. A special subcommittee of the House Judiciary Committee has already been created for this purpose and has scheduled hearings for October of this year.

HOUSE COMMITTEE ON JUDICIARY APPROVES BILL LIMITING STATE TAXATION OF INTERSTATE COMMERCE

The House Committee on the Judiciary has approved a bill to exempt from State taxation income which is derived from the solicitation of orders by out of State businesses.

The bill is House Joint Resolution 450, introduced by Congressman WALTER, of Pennsylvania. It provides that a State, or political subdivision thereof, may not impose a tax upon the income of a business unless it maintains an office, salable inventory, warehouse, or other place of business in that State.

The committee recognizes that this bill alone cannot provide a complete solution to the complex problems raised by the conflicting demands of a free flow of commerce on the one hand and the requirements for State revenue on the other. In order to deal with the entire problem on a permanent basis, the bill requires committees of both the House and the Senate to study the matter and to present proposals for permanent legislation to the Congress. Accordingly, the limitations on State taxation contained in the bill are restricted to taxable years 1959 and 1960.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I am glad to yield.

Mr. SALTONSTALL. Do I correctly understand that the Senator's amendment is on page 2 of the bill reported by the Committee on Finance, and proposes to strike subparagraph (3) of subsection (a)?

Mr. TALMADGE. The Senator from Massachusetts is correct.

Mr. SALTONSTALL. The purpose of the Senator's amendment is to permit the solicitation of orders in a State. If a man comes into a State and merely solicits orders, he is not subject to taxation by that State.

Mr. TALMADGE. He would not be subject to taxation under the provisions of paragraphs 1 and 2 of the bill. What I am seeking to do is to preserve the entire body of decisions relating to the collection of income taxes which have been in existence for 30 years before the decisions in the Stockham Valves and Portland Cement cases were ever handed down.

Mr. SALTONSTALL. What the Senator from Georgia is seeking to do is exactly what small businesses in my State want to have done. They want to make it possible for them to go into other States. They feel that small business, not having too many assets, should be permitted to go into other States and solicit orders without the fear of being taxed in those States.

If a company sends a man into another State to solicit orders, and those orders come back into Massachusetts to produce the goods, then the bill of the Committee on Finance together with the amendment of the Senator from Georgia would cover the situation.

Mr. TALMADGE. That is correct. Those conditions would be cared for by the remaining sections of the bill. I am seeking to strike subparagraph 3, on page 2, which would deny to 50 States in the Union the right to tax nonresident corporations which are maintaining offices and doing business within the States.

Mr. SALTONSTALL. There is some question as to whether the sale of services is left out of the bill. Am I correct in my understanding that the sale of services was omitted by the Committee on Finance in considering the subject, because the sale of services was not included in the Supreme Court decisions?

Mr. TALMADGE. The Senator is entirely correct. The decisions of the Supreme Court dealt only with the sale of commodities. For that reason, the sale of services was not included in the bill.

Mr. SALTONSTALL. Is that why the Committee on Finance omitted a provision for the taxation of the sale of services?

Mr. TALMADGE. The Committee on Finance did not report a provision in that field because the Supreme Court did not make decisions in that field.

Mr. SALTONSTALL. I thank the Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Massachusetts. I now yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, has the Senator from Georgia seen the amendment which I proposed to offer?

Mr. TALMADGE. I have. The Senator's amendment seeks to accomplish exactly the same purpose which I seek to accomplish.

Mr. SPARKMAN. The Senator's amendment proposes to do what mine proposed to do, with one exception, namely, to provide a cutoff date. The Senator from Georgia does not have a cutoff date in his amendment, does he?

Mr. TALMADGE. No.

Mr. SPARKMAN. Will the Senator comment on the desirability of having a cutoff date?

Mr. TALMADGE. I think it is well that there be a cutoff date. I think it might be well for us to provide for the consideration at a later time of any legislation we may enact in this field now.

It has been customary in recent years for Congress to extend the time of various tax obligations for a certain period and then to review the law at the later time and to take action accordingly. I would not object to any such action being taken with respect to this bill.

Mr. SPARKMAN. Would not that be quite appropriate, in view of the establishment of a study commission under the amendment of the Senator from Delaware [Mr. FREAR]?

Mr. TALMADGE. I think it would. I point out that the measure reported by the House Committee on the Judiciary has a cutoff date.

Mr. SPARKMAN. The Senator is correct. The joint resolution reported by the House Committee on the Judiciary is in line with what the Senator's amendment provides and what my proposed amendment would have done with

respect to the study provision. In fact, it is almost exactly the same as the measure I introduced on behalf of the membership of the Select Committee on Small Business, on which a presentation was made before the Committee on Finance.

I should like to remind the Senator from Georgia and all other Senators that the Committee on Small Business held extensive hearings on the question and then presented to the Committee on Finance a bill which is in keeping with the Senator's amendment.

Mr. TALMADGE. The Senator from Alabama made that presentation. I congratulate the Senator and his committee for having done so. I think they did an excellent job in that regard.

Mr. SPARKMAN. Simply as a suggestion, would the Senator from Georgia accept as an amendment to his proposal the form of section 2 of my proposed amendment, which contains a cutoff date?

Mr. TALMADGE. I point out to the Senator from Alabama that my amendment strikes language; it does not insert any. I think the amendment of the Senator from Alabama could well be offered to follow the body of the bill.

Mr. SPARKMAN. The Senator is correct.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the amendment to which I have referred—namely, the amendment identified as "8–19–59—J."

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike title one and insert in lieu thereof the following:

"That no State or political subdivision thereof shall impose a tax upon the income of any business engaged in interstate commerce for any taxable year unless, during such year, such business has maintained a stock of goods, an office, warehouse, or other place of business in such State or has had an officer, agent, or representative who has maintained an office or other place of business in such State.

"SEC. 2. The provisions of this Act shall apply only with respect to taxable years which end after December 31, 1958, and which begin before January 1, 1962."

Mr. TALMADGE. Mr. President, I now yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, recently I have had called to my attention two types of business being conducted by corporations which are not residents of any State of the United States. I call them to the attention of the distinguished Senator from Georgia and shall ask him a question with reference to those types of business.

One business is located in Cuba. It manufactures rum and distributes that product in all the States which permit the sale of that commodity. Another of the corporations is located in Venezuela. It produces liquified propane gas which it sells in as many States as its production justifies and where that product is needed.

Do I understand from the Senator from Georgia that, notwithstanding the lack of the maintenance of a State office or several State offices by those two corporations, or similar corporations, organized outside our country, in a State or in any number of States, the business of those corporations, and others like them, carried on with the citizens of the States where offices are located for the purpose of serving their sales representatives in those States, and notwithstanding the heavy volume of business which might be produced thereby, such organizations could completely escape liability for State income taxes under those conditions?

Mr. TALMADGE. In my opinion, if those foreign corporations maintained only sales offices in Florida, regardless of the amount of business they did there, they would not be subject to the tax.

As the Senator from Florida knows, we sometimes enter into treaties with foreign countries relating to taxation. If we had a treaty with Cuba or Venezuela, such a treaty would take precedence over legislation of Congress. But if my amendment were adopted, and a Venezuelan corporation did business in Florida and maintained an office there, that corporation would be subject to paying the Florida income tax.

Mr. HOLLAND. I thank my distinguished friend.

The State of Florida has a constitutional prohibition against the levying of a State income tax; but that does not affect the principle involved, at least insofar as I see it, which is the principle of the right of a State, according to its own decision, to levy or not to levy an income tax on lawful business conducted within the State.

It seems to me that the Senator from Georgia not only has the correct idea in offering his amendment, but that his idea is in the interest of the preservation of the right of States to decide, according to their own sovereign pleasure, whether they wish to resort to State income taxation.

Mr. TALMADGE. That is exactly the point I am trying to make.

Mr. HOLLAND. And that anything that destroys that right is inadvisable and would result in the further destruction of States rights in the Nation.

Mr. TALMADGE. I agree on that point.

Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, at this time I am delighted to yield to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I have listened with a good deal of interest to the questions of the Senator from Florida with reference to shipments into a State from Venezuela or from Cuba. Would not such shipments constitute foreign commerce, rather than interstate commerce?

Mr. TALMADGE. Yes; foreign commerce, although of course, as the Senator well knows, they would be subject to a treaty.

Mr. KERR. Is not this bill limited to interstate commerce?

Mr. TALMADGE. Yes.

Mr. KERR. Therefore, the situation described by the Senator from Florida would not be affected by this bill.

Mr. TALMADGE. The Senator's point is well taken, in my opinion, because the bill relates to interstate commerce.

Mr. KERR. Only.

Mr. TALMADGE. Not to foreign commerce.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield further to me?

Mr. TALMADGE. I yield.

Mr. HOLLAND. The point made by the Senator from Oklahoma has validity; but I call attention to the fact—with respect to both of the businesses I have mentioned—that they have warehouses located at critical points of distribution.

Mr. TALMADGE. That would certainly establish the principle to which the Senator from Florida has referred.

Mr. HOLLAND. And from those warehouses they distribute to other States of the Nation, generally, in which they have sales and service offices; and the final distribution of their product does come, in my opinion, within interstate commerce, and would be so protected by means of the provisions of this bill as to prevent the States from exercising—according to their own judgment, which is the point I am trying to make and the right I am trying to preserve—their sovereign authority and right to decide what type of business done within their borders shall contribute to their tax revenues.

Mr. TALMADGE. The Senator from Florida is entirely correct.

Mr. HOLLAND. The Senator from Florida will never cast a vote which would result in destruction of such a lawful right now existing. On the contrary, the Senator from Florida wishes to uphold that lawful right, regardless of whether his own State sees fit to exercise it.

Mr. TALMADGE. I thank the Senator from Florida.

The PRESIDING OFFICER. The time available to the Senator from Georgia has expired.

Mr. CARROLL. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I am sorry to say that I believe that all the time available to me has expired.

Mr. President, let me ask whether all time available on the bill has expired.

Mr. CARLSON. Mr. President, some time remains under the control of those in opposition to the amendment; and I am glad to yield 2 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 2 additional minutes.

Mr. TALMADGE. Mr. President, I thank the distinguished acting minority leader for his courtesy.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that an additional 20 minutes—10 minutes to a side—may be available on the pending question.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TALMADGE. I thank the majority leader.

I now yield to the Senator from Colorado.

Mr. CARROLL. Mr. President, let me say to the Senator from Georgia that I am in complete agreement with his amendment and his interpretation of its effect.

Does not the Senator from Georgia agree with me that by the adoption of his amendment, we shall preserve at least the landmark cases in constitutional law, going back at least 75 or 100 years?

Mr. TALMADGE. The Senator from Colorado is entirely correct. Not only that, but, as he knows—distinguished lawyer that he is—nonresident corporations can be sued in the courts of Colorado for breach of contract and for torts; provided they maintain an office in Colorado. These situations have occurred over the years, as the Senator so plainly points out.

Mr. CARROLL. Mr. President, will the Senator from Georgia yield further to me?

Mr. TALMADGE. I yield.

Mr. CARROLL. I should like to have the opinion of the Senator from Georgia in regard to the effect of section 2, on page 3. Let us assume that this amendment is accepted by both the Senate and the House. What will be the effect of section 2, in that event? Will it be retroactive? What will be the situation with reference to the collection of taxes?

Mr. TALMADGE. Mr. President, the distinguished senior Senator from Oklahoma [Mr. KERR] is the author of section 2, and is better qualified to answer in regard to what it will do than I am. However, in my opinion, it would cancel the collection of any taxes which have been made in accordance with the dicta of the two decisions referred to—namely, the Northwestern States Portland Cement Company case and the Stockham Valves and Fittings Corporation case.

However, the senior Senator from Oklahoma is more conversant with that provision than I am; and I shall be delighted to yield to him on that point, in the event the Senator from Colorado desires to propound his question to him.

Mr. CARROLL. I thank the Senator from Georgia.

Let me state that I have asked what would be the effect of section 2, on page 3, if the amendment of the Senator from Georgia were adopted and became law.

Mr. KERR. If the amendment of the Senator from Georgia is adopted, it will not affect in any way section 2, on page 3.

Mr. CARROLL. How would it affect the States, as regards the collection of taxes? Would it be retroactive?

Mr. KERR. Section 2 will make the bill retroactive as regards preventing the collection of any tax which has not been assessed prior to the enactment of this bill, which tax would be prohibited by this bill.

Under subparagraph (a) of the bill, beginning on page 1, and including both paragraph (1) and paragraph (2), if salesmen come in and solicit orders and send them out of the State, and if that is the only activity, the income of such person or corporation making the sale, if the product is shipped in interstate commerce, would not be taxable within the State where the product was bought.

Paragraph (3) would still prohibit that taxation if an office were kept there for the sole purpose of serving those salesmen.

Then section 2, to which the Senator from Colorado has referred—it is on page 3 — not only would prevent the imposition of those taxes in the future; but, if they have not been assessed when this bill is enacted—if it is enacted—then the State cannot go back and assess taxes for sales and profits made in the past. That is the purpose of section 2.

Mr. CARROLL. I thank the Senator from Oklahoma.

Mr. President, will the Senator from Georgia yield further on this point?

Mr. TALMADGE. First, Mr. President, let me ask how much time remains available to the proponents of the amendment, under the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER. Twelve minutes.

Mr. TALMADGE. Twelve minutes remain available to the proponents?

The PRESIDING OFFICER. Yes, 12 minutes.

Mr. TALMADGE. I thank the Chair.

At this time I yield further to the Senator from Colorado.

Mr. CARROLL. I favor the amendment; and I think it is very valuable, because, as I have said, it preserves the precedent of cases which have been controlling for almost 100 years.

Mr. TALMADGE. I thank the Senator from Colorado.

Mr. CARROLL. There is another category of cases however which this amendment may knock out; and I think Senators should each examine the situation in their own States.

For example, on yesterday, I learned that my State is now taxing, under this latter category of cases and, thus, some revenue which my State is now obtaining will be cut off. I do not know what revenue other States will lose by adopting this amendment.

Mr. TALMADGE. It has been estimated that Georgia will lose $2 million of revenue, annually, if the amendment which I propose is not adopted.

Mr. CARROLL. In the case of Colorado, it probably will lose approximately $3 million.

But even if the amendment of the distinguished junior Senator from Georgia is adopted, I know Colorado will still lose some revenue, although we do not now have estimates in regard to the exact amount.

However, I think we can live with this amendment. That is why I said, on yesterday, that we ought to consider the desirability of the approach made by the House bill, because I believe it is a sensible approach.

But I would still prefer to have the study made and have no other action by the Congress at this time. However, I shall vote for this amendment, which has been very clearly presented by the junior Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Colorado.

Mr. CARROLL. And I thank the Senator from Oklahoma for his explanation of the retroactive feature.

Mr. TALMADGE. I yield now to the distinguished Senator from Alabama.

Mr. SPARKMAN. Mr. President, a few minutes ago we had an exchange regarding the amendment I was proposing to offer, and the Senator from Georgia said that his amendment would have practically the same effect. I am supporting the amendment of the Senator from Georgia, and if it shall be agreed to, I shall not offer all of my amendment. I still plan to offer the provision for a cutoff date.

Mr. TALMADGE. It is the opinion of the junior Senator from Georgia that the bill as reported to the House, the substitute provision of the Senator from Alabama, and the amendment offered by the Senator from Georgia, accomplish substantially the same thing.

Mr. SPARKMAN. That is correct. There is one other remark I wish to make with reference to section 2. For the life of me, I cannot see how section 2 can be constitutional.

The term used by the distinguished Senator from Oklahoma was "assess," but it also uses the term "impose." If the right has accrued to the State, whether the actual assessment has been made or not, it is a right that cannot be taken away by a simple act of Congress. I think we ought to give most careful consideration to the question of the constitutionality of section 2. I am not referring to subsection 2, but to section 2 of the bill.

Mr. GRUENING rose.

Mr. TALMADGE. If the Senator from Alaska will bear with me a moment, the senior Senator from Ohio has been seeking recognition for some time. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I contemplated asking the Senator from Alabama what terminal date he has in mind.

Mr. TALMADGE. I ask unanimous consent that I may yield for that purpose without losing the floor.

Mr. SPARKMAN. I think the simplest thing is just to read it. Section 2 of my proposed amendment says this:

> The provisions of this Act shall apply only with respect to taxable years which begin after December 31, 1958, and which begin before January 1, 1962.

In effect, it is a 2-year proposition.

Mr. LAUSCHE. It ends on January 31?

Mr. SPARKMAN. January 1, 1962.

Mr. LAUSCHE. Does the Senator feel that that time is reasonable?

Mr. SPARKMAN. I think it is ample. The study commission, I believe, would report sometime in the spring of next year. That would give the congressional

committees a full year within which to take action.

Mr. LAUSCHE. Will the Senator yield a bit further?

Mr. TALMADGE. I am delighted to yield to the Senator from Ohio.

Mr. LAUSCHE. Since yesterday I again contacted the Ohio Tax Commission; I should like to describe the position of Ohio for the purpose of showing how complicated this entire problem is.

Ohio is an export State, I would say, in the main. Ohio has no income tax. Ohio does collect an axle-mile tax from foreign corporations using our highways, and collects a premium tax from foreign insurance companies selling policies in Ohio.

On the one hand we do not want our sales to the citizens of sister States to be taxed, because it would be harmful. On the other hand we do not want taken from us the right to tax foreign truckers and foreign insurance companies. The incompatibility of these positions is self-evident.

Mr. TALMADGE. I may say to the Senator that this amendment does not relate to the use of the highways in any way. The State of Ohio, as he well knows, has authority to levy taxes on the use of the highways in the State of Ohio. This relates only to income tax.

Mr. LAUSCHE. It relates to the sale only of tangibles.

Mr. TALMADGE. That is correct.

Mr. LAUSCHE. The point I am trying to make is that a rather extensive study must be made to ascertain what the impacts will be, beneficially and detrimentally, to the separate States.

I favor the amendment offered by the Senator from Georgia.

Mr. TALMADGE. I thank the Senator.

Mr. LAUSCHE. But I do think that we ought to have some study, not hasty, but reasonably timed, so that we can take some final action that will be just and right to all the States.

Mr. TALMADGE. I thank the Senator from Ohio. I yield now to the distinguished junior Senator from Colorado.

Mr. CARROLL. Just one fast closing word. May I say to the Senator from Georgia that I think the observation of the Senator from Alabama that the bill in section 2, on page 3, is unconstitutional and should be considered.

If the State of Colorado or the State of Georgia has a right to impose a tax under existing law, that becomes a vested right, and I do not think it can be divested by any action of this body. I think all the enactment of this bill will do is create greater confusion.

That is why I end on this note. While I am going to vote for the amendment, what we ought to do, what we should have done in the beginning, is refer this whole matter for study so that we can bring it up next year or a year and a half from now and act on the subject in an intelligent way.

Mr. TALMADGE. I thank the Senator. I yield to the Senator from Alaska.

Mr. GRUENING. I rise first to commend the Senator for his amendment, which I am happy to support.

Mr. TALMADGE. I thank the Senator.

Mr. GRUENING. It would improve a bill which seems to be full of peril. I think we are embarking on a very dangerous adventure when with so little preparation we try to impose restrictions on the taxing powers of our States.

We know that many States are in financial difficulty. They are seeking new methods of taxation to raise revenue to support their public services, and what is proposed seems to me to be an invasion of States rights which we ought to be very cautious about entering into, and I hope that the bill will be recommitted for further study on this highly complicated matter.

Mr. TALMADGE. I thank the Senator from Alaska. I yield to the Senator from Oregon.

Mr. MORSE. While I shall vote for the Senator's amendment, and I compliment him for a very fine legal argument which he has made in support of his amendment——

Mr. TALMADGE. I thank the Senator.

Mr. MORSE. I shall vote against the bill, because I do not think we should pass any measure at the present time until we have had an opportunity to study the effects of the proposal.

I have heard, as I said yesterday, from the Oregon State Tax Commission. It makes a very cogent argument, in my opinion, in opposition to the bill. I think there should be a thorough investigation, as suggested by the Senator from Alaska, before we act on the bill.

I associate myself with the argument of the Senator from Alabama and the Senator from Alaska with regard to what I consider to be the unconstitutionality of section 2. In fact, I do not think under the Constitution it is possible to take away from a State the power to determine for itself what property is subject to taxation within the State.

Mr. TALMADGE. I thank the Senator.

Mr. President, how much time do the opponents have on the amendment?

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr CARLSON. I yield 5 minutes to the Senator from New Hampshire.

Mr. COTTON. Mr. President, as a member of the Committee on Finance, I intend to oppose the amendment offered by my good and esteemed friend and colleague on that committee, the Senator from Georgia.

I think a word should be said about a point of view which has not been referred to too much in the Senate in the past 2 or 3 days.

It seems to me that a lot of us are looking at this through distorted lenses. I think some of the Governors who, with perfect sincerity and solicitude for their States, are sending telegrams to their Senators, are overlooking some important aspect of this picture.

So far as some of us are concerned, when we think of our own States, we do not want—I know I do not want—to see the rights of any State in this Union impinged on. I also, however, do not want to see business put in a straitjacket and concentrated in a few States, at the expense of the others.

Mr. President, the citizens of any State get little economic nourishment out of a letter which goes out of the State with an order for goods, where the goods in return are shipped in. They do not get too much nourishment out of a traveling salesman who comes into a State, puts up at a hotel for a couple of days or nights, walks up and down the street, takes orders, and pulls money out of that State. He has left what? He has left only the cost of the hotel room and a few meals.

The subsection that my friend from Georgia seeks to strike out would permit corporations to set up sales organizations in the various States. It means that there could be offices in which the salesman could write their orders. It is a little ridiculous to insist that corporations pay traveling expenses for trips all over this country to escape State tax liability, but subject them to a new tax just for setting up a sales office. When a corporation sets up even a simple office in a State in which to write orders its employees rent or buy homes. They pay real estate taxes, and all the other State and local taxes. They trade with local merchants. They join one of the churches, we hope. They join a political party—we hope the right one. They become part of the community. Their children grow up there and stay there. The traveling salesman does none of these things, brings none of these benefits to the State. I do not believe we shall be doing any great favor in trying to throw a broad mantle of protection around the States, if we start building such walls against business activities, because tax walls can have just as bad an effect as a tariff wall around the States, which our Constitution was written to protect us against.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. COTTON. I yield.

Mr. PASTORE. What does the Senator from New Hampshire have to say to the argument which has just been made by the Senator from Georgia? It is to the effect that before the recent decision which gave rise to this type of proposed legislation precisely the situation the Senator from New Hampshire is criticizing was subject to a tax, and that we lived with it.

Mr. COTTON. While in theory the Senator from Georgia may be perfectly correct, I doubt very much if State income taxes can be properly levied upon corporations purely because they have salesmen located in a particular State. I question very much if there is such a right as the Senator from Georgia asserts it has ever been used or utilized.

Mr. PASTORE and Mr. BUTLER addressed the Chair.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator yield; and, if so, to whom?

Mr. COTTON. Mr. President, how much time do I have remaining at this time?

Mr. PASTORE. I merely want the Senator from New Hampshire to understand that the junior Senator from Rhode Island is very much in sympathy with his argument. He is for a strong bill. But he has been listening to the debate as well. He heard the distinguished Senator from Georgia say that his amendment is intended to restore the status quo existing before the recent decision. Therefore, if his amendment carries, we shall be in a position no different than we were in up to the time of the recent court decision. If that is not so, I would like to be told so.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. COTTON. Yes.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. CARLSON. Mr. President, I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is yielded 2 additional minutes.

Mr. BUTLER. The supreme court of the State of Georgia held that if a corporation had an office in the State it was not taxable. They held the Georgia tax unconstitutional.

Mr. TALMADGE. No court is infallible.

Mr. COTTON. Mr. President, I tried all day yesterday to get 5 minutes. I heard Senator after Senator on the floor of the Senate get an extension of 5 minutes. I would like additional time and I hope Senators will not think I am discourteous if I do not yield to them.

Mr. PASTORE. Mr. President, practically every Senator has been asking for more time. I ask unanimous consent that the Senator from New Hampshire be allowed an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. CARLSON. Mr. President, I shall have to object, because we have additional time available here.

The PRESIDING OFFICER. Objection is heard.

Mr. COTTON. The point the Senator from New Hampshire wishes to emphasize is this: In the first place, the Senator from New Hampshire must disagree respectfully with the Senator from Georgia as to his interpretation.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. COTTON. Yes. I must yield. I have mentioned the Senator.

Mr. TALMADGE. Will the Senator agree that nonresident corporations have had to pay income taxes when those corporations had nexus within the State?

Mr. COTTON. That is true. The Senator from New Hampshire has no doubt that if a corporation opened a branch office and did business in the State on a large scale, it would have to pay taxes.

Mr. TALMADGE. The Senator has substantiated my point. Will he yield further?

Mr. COTTON. I will yield once more.

Mr. TALMADGE. Will the Senator agree with me that sufficient nexus historically has been defined as a stock of goods, warehouse, agent or representative, office or offices in the State?

Mr. COTTON. The Senator from New Hampshire does not agree that all of those elements have been historically included. Warehouse, yes. Stock of goods, yes.

Mr. TALMADGE. Office?

Mr. COTTON. Administrative offices; yes. The Senator from New Hampshire does not agree it has been the custom or theory of taxation that mere presence of a simple sales office will subject the corporation to State income taxation.

Mr. KERR. Mr. President, will the Senator yield?

Mr. COTTON. Mr. President, I cannot yield any further. I must have the last minute, if the Senator will permit me.

The PRESIDING OFFICER. The Senator from New Hampshire refuses to yield.

Mr. COTTON. So far as this bill is concerned, the Senator from New Hampshire, from a selfish standpoint, would not care particularly if it were killed, and if these two unfortunate decisions of the Supreme Court should result in a mad scramble on the part of States of this Union to tax corporations, because the Senator from New Hampshire would like to proclaim to the Senate and to the country that New Hampshire is one State that does not levy income taxes. So we would love to have corporations come to a State which is wise enough to realize there are other things to be gained from people besides taxes.

But from the standpoint of the welfare of this country—and the Senator cannot see why the question of States rights is involved—the welfare of the States of this Union will be better served if business in this country is spread out and can be extended, unhampered and unfettered, into all communities, and if representatives of those corporations could live there, pay their taxes there, and be a part of the community.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COTTON. May I have one-half minute more?

Mr. CARLSON. I yield one-half minute more to the Senator from New Hampshire.

Mr. COTTON. This is a good and essential bill. It must not be emasculated. I hope the amendment of the Senator from Georgia will be defeated.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. CARLSON. Mr. President, I yield 2 minutes to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I oppose the amendment which has been offered by the distinguished Senator from Georgia. I make the point that if the amendment is adopted, then we will have done very little toward correcting the situation raised by the Supreme Court decisions in the Minnesota and Georgia cases.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. COOPER. Let me make my point. Then I shall be glad to yield.

The purpose of the bill is undoubtedly to assure that in at least two situations—and they are closely related—nonresident businesses, engaged in interstate commerce shall not be subject to State income taxation, as approved by several decisions rendered by the Supreme Court. A careful reading of the Northwestern States Portland Cement Co.; Stockham Valve and Brown Forman decisions show that one of the points upon which State taxation was approved was that the out of State business maintained an office in the taxing State. If the pending amendment shall be agreed to—and we strike that section of the bill which provides that the maintenance of office shall not be ground for taxation, what is left in the bill? There will be left in the bill provision for a commission to make a study of local taxation of interstate commerce. That is a good provision and, quite important, that part of section 1, providing that a State cannot levy an income tax upon net profits earned by out of State businesses in interstate commerce and arising from mere solicitation of orders, will be maintained.

But, while this last provision will prevent further extensions by the Supreme Court, there has never been any serious question about taxation of out-of-State business profits secured by "itinerant drummers," as it was called in the Robbins against Taxing District, Supreme Court decision in 1887.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. COOPER. Mr. President, will the Senator yield me 1 more minute?

Mr. CARLSON. I yield 1 additional minute to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 additional minute.

Mr. COOPER. In voting on the Talmadge and other amendments, we should look at the basic principles involved. What is the distinction the Supreme Court, until recently at least, tried to make between those situations where State income taxes could be imposed, and where it was improper to do so? We start out with the first principle that a State cannot lay a burden upon business which is exclusively in interstate commerce. If the imposition of State taxes has been affirmed from time to time, it has been because it has found that a part of interstate commerce is peculiarly intrastate. I say that the maintenance of an office for the sole purpose of receiving, transmitting, and guiding the solicitation of orders is not in any way an intrastate business. I argue this matter upon the lines laid down by Justices Frankfurter and Whittaker—the basic principle that a State cannot burden interstate commerce by taxes unless the business is because of the circumstance peculiarly intrastate.

The PRESIDING OFFICER. The time of the Senator from Kentucky has again expired.

Mr. COOPER. Mr. President, will the Senator yield me one-half minute?

Mr. CARLSON. I yield one-half minute to the Senator from Kentucky.

Mr. COOPER. Is there any way we can say that the maintenance of an office to guide the solicitation of orders, which is outside the purview of the taxing power, is an intrastate business? I do not think so. In addition to contravening legal principles, we will be laying upon small business, rather than upon large business, a burden which is costly, and unjust. And we will help establish trade walls around every State. I oppose this amendment.

The PRESIDING OFFICER. The time of the Senator from Kentucky has again expired.

Mr. SALTONSTALL. Mr. President, will the Senator yield more time, so that I may ask a question?

The PRESIDING OFFICER. Does the Senator from Kansas yield?

Mr. CARLSON. Mr. President, my time is pretty well allotted. I believe I had best yield the time as I had promised.

I yield 7 minutes to the Senator from Oklahoma [Mr. KERR].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 7 minutes.

Mr. KERR. Mr. President, I oppose the amendment offered by the Senator from Georgia, much as I regret the necessity.

The Senator has told us that his amendment is in accordance with the unanimous holdings of the courts for 30, for 40, or for 50 years, yet the fact is that his own Supreme Court of Georgia held that the situation which provoked the legislation arose by reason of the State seeking to impose a tax which was unconstitutional. I refer to the case of Stockham Valve and Fittings against Williams, which is found in volume 101, Southeastern Reporter, second series, page 197.

Mr. President, I ask unanimous consent that the syllabus by the court be printed in the RECORD at this point.

There being no objection, the syllabus was ordered to be printed in the RECORD, as follows:

SYLLABUS BY THE COURT

The Georgia income tax statute (Code Ann. Supp. sec. 92–3113) as applied to the plaintiff, a nonresident corporation with its home office and manufacturing plant outside of the State of Georgia—which maintained only a sales service office in this State, which was used as headquarters by one of its sales representatives who spent about one-third of his time in that office or traveling within this State, and in which office a small amount of office furniture, valued at approximately $1,000, was maintained, and one woman secretary was employed, and where the sales representative carried on the ordinary duties of a salesman in Georgia calling on customers and prospective customers, but no orders were accepted within the State of Georgia, and all sales were made on an "f.o.b. warehouse" basis and were completed at warehouses outside of the State by deliveries to customers or to common carriers consigned to customers, violates both the commerce and due process clauses of the Federal Constitution, article 1, section 8, clause 3, amended 14 (Code secs. 1–125(3), 1–815), and the trial court erred in sustaining its validity as against such attacks.

Mr. KERR. Mr. President, it states that the Georgia income tax statute as applied to the plaintiff, a nonresident corporation with its home office and manufacturing plant outside the State of Georgia—which maintained only a sales service office in the State, which was used as headquarters by one of its sales representatives who spent about one-third of his time in that office or traveling within the State, in which office there was a small amount of furniture, valued at approximately $1,000, with one woman secretary employed, where the sales representative carried on the ordinary duties of a salesman, calling on customers and prospective customers, but no orders were accepted within the State of Georgia, and all sales were made on an "f.o.b. warehouse" basis and were completed at warehouses outside the State by deliveries to customers or to common carriers consigned to customers—violates both the commerce and due process clauses of the Federal Constitution.

So that has not been an unlimited holding of the Court, because the Supreme Court of Georgia, in what I consider to be an accurate interpretation of the law, says that such a situation does not take the transaction out of the sanctuary of the mandate that Congress shall regulate interstate commerce and not the several States.

Mr. PASTORE and Mr. TALMADGE addressed the Chair.

Mr. KERR. I cannot yield until I have made a few more remarks, and then I shall be glad to yield to the Senators. I do not have enough time to yield.

My good friend from Georgia says that he is in favor of the exemption for the outside person, corporation, or partnership who sends a representative into the State to take an order. The Senator says he is for the exemption if that person takes the order and writes it up in the home of the customer, or in his own home, or in his hotel room, or in a privy, or simply anywhere except in an office. The Senator is against the man having an office, because he says the office is a nexus. In other words, he wants to exempt the salesman without a nexus, but if the salesman has a nexus he must not be exempted.

I looked up what "nexus" means, to see what there is about a nexus, so that if a man has it he cannot be exempt. I am glad to find it is spelled "n-e-x" instead of "n-e-c-k." It is simply a matter of what we are talking about. Imagine denying the man an exemption only if he has a nexus. If a man wants an exemption he has to denexus himself. [Laughter.]

The dictionary says that "nexus" means "connection or interconnection; tie; link."

Then the dictionary quotes De Quincey. I do not know who De Quincey was. It might have been John De Quincey. He says:

Man is doubtless one by some subtile nexus extending from the newborn infant to the superannuated dotard.

[Laughter.]

That is what the Senator wants to be the differentiation as to whether a man shall have an exemption or not. Let us bring him in and look him over. If he has a nexus, no exemption. If he has no nexus, give him an exemption. [Laughter.]

That is all there is to the amendment.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. KERR. I will yield in just a minute.

The bill which the Senator favors—and I am glad he does—would provide an exemption if the salesman is simply sent into the State, and if he takes the orders, sends them out of the State, and has them filled in another State and delivered on an f.o.b. basis. However, if the man has an office, that is considered a nexus, and he would be given no exemption.

In the Georgia case, all that there was was a small amount of office furniture and property, yet the Supreme Court of Georgia said it violated the Constitution in two places to impose the income tax. That is all the bill would do.

There has been talk about the amount of selling. It would be possible to sell $1 million worth, $1 worth, $5 worth, whether it is pecans, apples, cheese, cattle, hogs, corn, cotton, or wheat; but if the man has a nexus, we must cut him off. [Laughter.]

Mr. PASTORE rose.

Mr. KERR. I yield to the Senator from Rhode Island.

Mr. PASTORE. Do I correctly understand the Senator from Oklahoma to reach a conclusion that because of the Georgia decision, which was overruled by the Supreme Court, we have included this exemption in the bill which was reported by the committee?

Mr. KERR. The Senator is entirely correct.

Mr. PASTORE. Therefore, the amendment by the Senator from Georgia would not restore us to a status quo, but actually would reaffirm the decision of the Supreme Court which we are trying to redefine by the bill?

Mr. KERR. The Senator is correct. What is sought by the amendment is validation of the decision of the Supreme Court of Georgia.

Mr. PASTORE. That is correct.

Mr. KERR. That is what we are asked to do. We say that if there is a salesman in the State, the salesman does not have to go to a hotel room, or to the home of the customer, or to the city park, or to a privy somewhere, to make out the orders and send them in. The salesman can go to the office and send the orders in. That will not be so terrible as to constitute a nexus and, therefore, to make him ineligible for an exemption.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. CARLSON. Mr. President, I yield 1 minute to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, I am supporting the Talmadge amend-

ment, because I believe it is a step in advance. In the very few seconds I have, I invite attention to the report of the House Judiciary Committee on this same subject. It contains the following language:

> No office, salable inventory, warehouse, or other place of business was maintained in the taxing State. In denying certiorari, the Court left undisturbed the decision of the State court upholding a State tax on income derived from solicitation alone.

I believe we shall be making a step in advance if we adopt the Talmadge amendment. I should like to support the Finance Committee, but I believe the Talmadge amendment would help the bill.

Mr. CARLSON. Mr. President, I understand I have 3 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. CARLSON. I yield myself 3 minutes.

Personally, I feel that it is imperative that we get some action in this field at this session of Congress. I followed the hearings before the committee very closely. I participated in the executive sessions. I have listened to the debate on the floor, and I have reached the conclusion that if we want legislation which will give us a study—which I suggested in committee—and some start on a program of legislation, in my opinion we should support the Talmadge amendment. I supported it in committee.

I am concerned about the field with which we are dealing. I think we should have the proposed study. I stressed in committee, and I stressed yesterday on the floor of the Senate, that there are others involved besides the Congress. The States are involved.

Therefore the study, which I trust will be finally consummated under the terms of the bill, will be concluded and carried out, and a report will be made to Congress.

Being practical from a legislative standpoint, I think it is important that we support the Talmadge amendment. Therefore I urge that the Senate take that action, in order that we may complete action on legislation, which I think we need, to hold the situation in status quo until the Congress meets next year.

There is great confusion in the States. That is not surprising, in view of all the Supreme Court decisions.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been exhausted.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. TALMADGE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. YARBOROUGH] is absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Connecticut would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business, and if present and voting would vote "nay."

The Senator from Connecticut [Mr. BUSH] is detained on official business.

On this vote, the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Texas would vote "yea."

The result was announced—yeas 65, nays 29, as follows:

YEAS—65

Aiken	Hennings	Mundt
Allott	Hill	Murray
Bartlett	Holland	Neuberger
Bible	Humphrey	Prouty
Byrd, W.Va.	Johnson, Tex.	Proxmire
Cannon	Johnston, S.C.	Randolph
Carlson	Kefauver	Robertson
Carroll	Kennedy	Russell
Case, S. Dak.	Kuchel	Saltonstall
Church	Langer	Schoeppel
Clark	Lausche	Smathers
Dodd	Long	Sparkman
Douglas	McCarthy	Stennis
Dworshak	McClellan	Symington
Eastland	McGee	Talmadge
Ellender	McNamara	Thurmond
Engle	Magnuson	Wiley
Fulbright	Mansfield	Williams, N.J.
Gore	Martin	Williams, Del.
Gruening	Monroney	Young, N.Dak.
Hart	Morse	Young, Ohio
Hayden	Moss	

NAYS—29

Anderson	Curtis	Javits
Beall	Dirksen	Jordan
Bennett	Ervin	Keating
Bridges	Frear	Kerr
Butler	Goldwater	Morton
Byrd, Va.	Green	Muskie
Case, N.J.	Hartke	Pastore
Chavez	Hickenlooper	Scott
Cooper	Hruska	Smith
Cotton	Jackson	

NOT VOTING—4

Bush	O'Mahoney	Yarborough
Capehart		

So Mr. TALMADGE'S amendment was agreed to.

Mr. CARLSON. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I offer an amendment, on page 3, to strike out lines 13 and 14.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 13, it is proposed to strike out:

> (2) the term "representative" does not include an independent contractor.

MONTANA UNDAUNTED BY TRAGEDY

Mr. MANSFIELD. Mr. President, I shall withdraw the amendment at the conclusion of my statement. I desire to speak about a subject which is of vital interest to my State.

Mr. President, the early morning hours of Monday, August 17, 1959, were a nightmare to people living in Montana and the neighboring States in the Northwest. As all of us know, eastern dailies have been publishing grim stories of the havoc created by one of the worst earthquakes in this country since the San Francisco earthquke.

The intensity of the earthquake centered largely in southwestern Montana and Yellowstone National Park. However, intense tremors were felt throughout the entire Northwest. Because Montanans are generally unfamiliar with this phenomenon, the most treacherous of the forces released by nature, it instilled in them a fear never before experienced; but the people of Montana did not panic, and they now have the situation well in hand.

The earthquake moved a mountain, disrupted the flow of one of the larger rivers, tilted a lake, and caused excessive damage to a hydroelectric power dam, and also dislocated and upheaved many miles of our highways. This strange act of Mother Nature has taken eight lives, and possibly many more. In addition, many were injured. It is indeed difficult to express our deepest sympathy to the survivors and their families, at this time of shock and distress. It is indeed impossible to comprehend the forces that control such acts.

The major damage is generally confined to an area which is not densely populated. It is a beautiful and scenic part of Montana which is devoted largely to ranching and recreation. Had the center of the 'quake been farther to the north, it would have created destruction and havoc beyond comprehension. But, by some act of God, we were spared this.

As I have said, the people of Montana have risen to the situation; and I am informed that all those who were marooned and isolated have now been rescued. Various agencies of the State and of the Federal Government have gone into immediate action; they have opened the roads and have provided every precaution. Also, the facilities of the neighboring States have been made available—for which we are very thankful. Montanans have now settled back into their daily routines. The earthquake has done little to alter the many treasures that can be found in my State. Yellowstone National Park is now open again, and I understand that tourists are entering the park at the usual summer rate. In fact, the Montana State Press Association is going ahead with its annual convention, which I understand opens today in the park.

The loss in the immediate area of the 'quake has been great; but Montana is a large and wonderful State. We still have an abundance of scenic wonders and recreational resources which attract tourists from around the world. The wonderful fishing streams, the majestic beauty of our mountains, and the spirit of the old West are still there. Above all, the spirit of the friendly Montanan is still there to greet one and all.

Montana was stunned, but the Treasure State is recovering in its true Western spirit. I certainly hope that

recent events will not discourage anyone from coming to visit and to live in this spectacular land of treasures.

Mr. President, I wish to say that the senior Senator from Montana [Mr. MURRAY] and I have constantly been in contact with the Governor of Montana, the Honorable J. Hugo Aronson; and we have stated that we are ready, willing, and able to support him in any measure which he may see fit to undertake; and that if, by chance, the damage which has been done is such as to make it advisable to have the area designated a disaster area, we are ready to take the necessary steps, and that the full Montana congressional delegation will give him its full support.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

Mr. MANSFIELD. Mr. President, I withdraw the amendment I have submitted.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The amendment submitted by the Senator from Montana has been withdrawn.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out title I of the bill.

Mr. McCARTHY. Mr. President, how much time is available to me on my amendment?

The PRESIDING OFFICER. Fifteen minutes.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. I do not find a title I in the bill. Does the Senator from Minnesota mean section 1?

Mr. McCARTHY. I believe that the bill, as now amended, has both a title I and a title II. Title II provides for the establishment of the commission. This amendment will strike out title I.

Mr. JAVITS. I thank the Senator from Minnesota.

The PRESIDING OFFICER. Title I appears in the bill as now amended.

Mr. McCARTHY. This amendment would strike out all of title I, not of the bill as heretofore printed, but of the bill as amended.

Mr. President, the amendment relates only to the taxation provisions, and would leave in the bill only the provisions for the establishment of a commission to study this problem.

I remind the Senate that during the past 2 days, the proponents of the bill have accepted the provisions for the establishment of a commission to study the problem which the bill, as reported, had at least the declared intention of solving partially, if not totally. Furthermore, the sponsors themselves believe that the bill is inadequate to deal completely with the problem.

In addition, the Senate has in the last few minutes taken action to strike out what was considered to be a major section of the bill; and that action itself was supported by, I believe, a majority of the members of the Finance Committee which originally ordered the bill reported.

It is my opinion that the bill, even as now amended, is still a dangerous piece of proposed legislation, and that therefore all of title I should be eliminated, so as to leave in the bill only the provisions for the establishment of the commission to make a study of this problem and then to make recommendations to the Congress.

I have been somewhat surprised to see how almost unanimous has been the support of Republican Senators of this proposed legislation — particularly in view of the fact that the Treasury Department is opposed to the bill, and on occasion has asked that action on the bill be postponed. In fact, it asked the Congress itself to study the problem, and not even to establish such a commission.

The support of the bill by the Republican Senators is particularly surprising in view of the fact that the President has agreed to proposals to place on the States the responsibility for many governmental activities.

Only a few weeks ago the administration spokesmen opposed the passage of the bill to control water pollution; and their argument was that they wanted the States to take care of that problem. They made reference to earlier recommendations by the President, to the effect that the Federal communications tax should be eliminated, so that the States might then impose a similar tax and might use the revenue obtained from it to take steps to alleviate water pollution, to aid vocational education, to provide for additional welfare programs, and so forth, down the list.

The same position has been taken a number of times by the President himself, who has recommended that such responsibilities be assumed by the States. Also, in that connection he has recommended that certain tax areas be left open to the States, so they may raise revenue with which to meet the cost of these programs, which the President has said should be returned to the States, or, if they relate to new problems, should be assumed, as he has said, by the States.

For example, on May 13, 1958, President Eisenhower sent to the Speaker of the House of Representatives a letter in which the President stated:

> On numerous occasions I have warned against the dangers of overcentralizing the power and authority in the National Government. Similarly, I have made clear my conviction that in order to avoid these dangers, State and local governments must be strengthened.

Obviously, Mr. President, if the State and local governments are to assume additional responsibilities, they must have available to them the necessary revenue.

Last year, after the Congress adjourned, the President vetoed a number of bills. In his veto message accompanying the bill to "amend the Federal Airport Act," the President stated:

> Now, however, I am convinced that the time has come for the Federal Government to begin an orderly withdrawal from the airport grant program.

It is generally acknowledged that we need an airport program. I suggest that we raise the question of how this program is to be developed by the States. If the Congress takes action—as now proposed—to set limits on the taxing power of the respective States, how are they to proceed with such programs?

Let me also point out that the President said, in his veto of the area redevelopment bill, last September 2:

> The repeated recommendations of the administration recognized that the major responsibility for planning and financing the economic development of communities of chronic unemployment must remain with local citizens if Federal programs are to be effective.

Note that the President used the words "financing the economic development of communities of chronic unemployment."

The speech the President made to the conference of Governors at Williamsburg on June 24, 1957, lists a series of programs which the President wants the States to initiate, or wants them to enlarge on their own. In that speech he had this to say:

> Four years ago at your Seattle conference I expressed the conviction that unless we preserve the traditional power and responsibilities of State government, with revenues necessary to exercise that power and discharge those responsibilities, then we will not preserve the kind of America we have known; eventually, we will, instead, have another form of government and, therefore, quite another kind of America.

I must say that, speaking through the Treasury Department, the President has been consistent, and he has warned Congress not to move hurriedly into this field.

As a letter from Mr. Lindsay, Assistant to the Secretary, says:

> The Department does not support enactment at this time of legislation to prescribe State tax jurisdiction over income derived from interstate commerce. It reserves its position on the need for such legislation and on its content to afford the States adequate opportunity to reexamine the problem in light of recent court decision and to consider the possibility of their developing a solution for it without congressional assistance.

That is the position of the administration. It is the position of the Treasury Department of the Federal Government against any legislation on this subject at this time, with the exception, they say, of provision for some kind of study committee.

Even with the changes which have been made through the amendment of the Senator from Georgia, so far as I can determine the position of all of the State tax administrators remains the same as it was yesterday and the day before, and I quote to the Senate the resolution which was adopted unanimously at the annual meeting of the National Association of Tax Administrators, which met in Buffalo, N.Y., between

July 8 and July 11. Their resolution reads as follows:

Whereas various States are confronted with problems of taxation of net income of corporations engaged in interstate commerce: Now, therefore, be it

Resolved, That the National Association of Tax Administrators urge the appropriate committee of the Congress of the United States to recommend deferral of congressional legislative attention in the matter of State taxation of net income of corporations engaged in interstate commerce until a study commission set up by the Congress and including appropriate State officials has had opportunity to examine the impact of the recent Supreme Court decisions with regard to State income taxation of interstate commerce.

Mr. President, as more and more demands are placed upon the States to build schools and to provide for education of our children, to take care of water pollution, to take care of other welfare needs and construction needs, we here in the Senate are preparing to say, "You cannot impose this particular kind of tax even though the Supreme Court has said that it is completely constitutional."

In effect, what we are doing is setting a limit upon the power of States to tax and to raise revenue to meet new obligations, obligations which the administration in some cases, with the cooperation and the support of Congress, is putting back upon the States.

Mr. President, it is my opinion that the bill, even as amended, constitutes a serious invasion of the taxing rights of the States.

Mr. GORE. Will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Tennessee.

Mr. GORE. In the light of the statement the able Senator has just made, I should like to ask him if the striking of subsection (3), which has just been accomplished through adoption of the Talmadge amendment, would in any way obviate the hurt to the State of Minnesota. Would not subsections (1) and (2) strip from the State of Minnesota revenue which it now receives and enjoys from taxation of out-of-State corporations? Would this be done in the State of Minnesota?

Mr. McCARTHY. It is my opinion that by the simple device of removing one small office, which they obviously do not need very badly to conduct their business, the cement company could escape entirely any payment of taxes in Minnesota even though it does 48 percent of its business in that State. As was pointed out by the Senator from Louisiana yesterday, even under existing law the cement company is taxed on only 18 percent of its profits, despite the fact it does 48 percent of its business in the State of Minnesota. This very limited amount of taxation, which I think is clearly in order on the basis of the volume of business done in Minnesota, would be removed from the taxing power of the State of Minnesota if the present bill is approved.

The problem therefore would remain essentially the same for us with the removal of section 3 as it was before the amendment which was recently adopted.

It is my opinion that the bill as amended will have the effect of discriminating against small business, and particularly small businesses which engage only in intrastate commerce.

As was pointed out in the Cement case, a local corporation, engaged only in intrastate commerce, would have been subjected to corporate taxes on its full corporate income, not on 18 percent of it, but on 100 percent of it. The amendment which has been adopted does little or nothing to change that situation. As a matter of fact, it might result in changes in industries and business practices by which the small businesses might be hurt even more than they would if that section had remained.

It is my opinion that this question should have been left to the courts. As Justice Frankfurter stated in his opinion in the Hewitt case, written in 1946, there was a long history of judicial determination, volume after volume of reports, on this problem. It was his opinion that the matter could not be settled by any kind of sweeping ruling, and could not be settled by any kind of sweeping legislation.

That report pointed out that business practices and industry practices in the United States change every year, and it would seem that some kind of orderly and progressive court determination and court decision is the right and proper place to make the judgments that need to be made.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Alaska.

Mr. GRUENING. Does not the distinguished Senator from Minnesota feel that in view of the far-reaching nature of this proposed legislation, and the obvious haste in which it has been brought before the Senate, and the many unsettled issues which it raises, it would be advisable to recommit the bill for further study until the Senate would have a chance to explore all the far-reaching possibilities it raises?

Mr. McCARTHY. The effect of the adoption of my amendment to strike all of title I would leave only the provision for the commission, which would be directed to make a study of the problem. This would have the same effect, I assume, as a recommittal, except that the study would be conducted outside the Congress, and would involve State officials, as I recall the amendment of the Senator from Delaware [Mr. FREAR]. People from private industry would also be invited, as well as people from the executive branch of the Government. So the effect of my amendment essentially is to recommit, insofar as the tax issue itself is concerned, but it would continue the commission provision.

Mr. GRUENING. I thank the Senator.

Mr. NEUBERGER. I wonder if I might have a little time yielded to me to speak.

Mr. McCARTHY. How much time is there remaining?

The PRESIDING OFFICER. The Senator has a half a minute left.

Mr. NEUBERGER. I expect to be brief, but not that brief. I would like to have about 3 minutes, if I may.

Mr. GORE. Will the Senator yield for a unanimous-consent request?

Mr. McCARTHY. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, I ask unanimous consent that 20 minutes, to be equally divided between the two sides, be allowed for further debate on this amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARTHY. I yield 3 minutes to the Senator from Oregon.

STATE TAXATION OF INTERSTATE COMMERCE

Mr. NEUBERGER. Mr. President, two primary issues are involved in S. 2524: equity and effect.

Economists have long pointed to the inequities inherent in State taxation of interstate commerce. Discrimination results from the great diversity as point of origin, destination, and sales penalizes some businesses and rewards others on the basis of location, markets, and selling practices.

Recent Supreme Court decisions have stimulated new concern over this situation. A number of persons in Oregon have written me to urge congressional action to aid in clarifying this situation. In the main, the writers represent Oregon firms doing business out of State.

COURT DECISIONS CONCERN ECONOMISTS

Recently I received a letter from William Bade, manager of Oregon Tax Research, a private research organization. Mr. Blade discusses the views of Dr. Paul Studenski, New York University economist, with regard to State taxation of interstate commerce. The arguments cited summarize those advanced by Oregon businessmen who have contacted me. His letter reads:

Dr. Paul Studenski, of New York University, a well-known national consultant on fiscal affairs, and whom I had the privilege of working with as a New York University tax fellow many years ago, stresses that a continuation of the present situation unchecked by congressional action would present innumerable problems, including arbitrary and discriminatory enforcement; would make compliance extremely difficult, especially for businesses with diffused markets, would compel many small and moderate-size businesses to give up selling in States because of uncertain tax liability; would greatly multiply the opportunities for double taxation; and would, for the first time in 170 years, impede the free flow of interstate commerce, and impair the long-standing unity of the national market.

I ask unanimous consent that the entire text of Mr. Bade's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NEUBERGER. Mr. President, concern with these facts stimulated the Senate Select Committee on Small Business to investigate the ramifications of recent Supreme Court decisions on the subject with a view to clarifying this

situation. The committee issued a comprehensive report on the matter on June 30, 1959.

The committee examined a number of possible solutions and recommended one. It urged the passage of general and temporary standard for doing business and establishment of a commission to study all phases of State taxation of interstate commerce. Legislation embodying these suggestions was introduced by the distinguished Senator from Alabama [Mr. SPARKMAN] and cosponsored by 15 of the committee's 16 other members.

SENATE HEARINGS HELD

On July 21 and 22, hearings on this question were held by the Senate Finance Committee. Testimony was taken on three bills—Senate Joint Resolution 113 by Senator SPARKMAN, S. 2213 by Senator BUSH, and S. 2281 by Senator SALTONSTALL. The latter two bills are considerably more comprehensive than Senate Joint Resolution 113.

On August 11, the Senate Finance Committee reported its own bill, S. 2524. This is the measure now under consideration. The committee's proposal would prohibit the imposition by a State of a tax on net income, on income derived within the State by a company from interstate commerce if the only business activity within the State is solicitation of orders and maintenance and operation of a sales office.

Mr. President, the effect of this bill, if enacted, even as amended, would be far reaching. This fact is amply demonstrated in the minority views presented by the able Senators from Tennessee [Mr. GORE] and Minnesota [Mr. MCCARTHY] in the Senate Finance Committee report. It was here pointed out the bill involves serious questions of Federal-State relations, possible creation of new inequities among firms doing business across State lines, and a premature attempt to deal with an ill-defined problem.

FEW STATES WOULD BENEFIT

While a few States would benefit from its enactment, provisions of S. 2524 would directly and adversely affect the revenue resources of my State and many others.

Hon. Dean Ellis, chairman of the Oregon State Tax Commission has wired me that Oregon stands to lose $1 million annually in tax receipts if S. 2524 is made law. Mr. Ellis states:

Loss of this corporation income tax money would be a severe blow. The Oregon State Tax Commission recognizes the desirability of some practical limitation of the State-taxing power in the income tax field. But S. 2524 would permit activities of a substantial nature to escape taxation in some areas which Oregon was successfully taxing even prior to enactment of present corporation income tax law. We urge that this legislation is too quick and too drastic.

I ask unanimous consent that the text of Mr. Ellis' telegram appear at the conclusion of my remarks. He also cites that Oregon faces a fiscal crisis.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. NEUBERGER. Mr. President, during the hearings held by the Senate Finance Committee, I indicated my support for the approach to the problem of State taxation of interstate commerce contained in Senate Joint Resolution 113. I believe that creation of a study commission to review, report, and recommend possible solutions to this problem would be a desirable and beneficial undertaking.

But S. 2524 unless modified, represents a cure which is worse than the disease.

I also desire to stress, for the Republican side of the aisle, that State Tax Commission Chairman Ellis is a Republican and the appointee of a Republican Governor. I believe the position of Chairman Ellis is essentially the same as that of the Secretary of the Treasury, Hon. Robert B. Anderson.

Mr. President, in conclusion, I stress what the able Senator from Minnesota has said. We have an administration which is supporting States rights. I believe there is a great deal to be said for States rights, but the States cannot exercise those rights and responsibilities unless they have the financial resources with which to undertake them. Today many States are in a financial vise. I do not know about the other 48 States as I do about the State of Oregon, but Oregon confronts one of its greatest fiscal crises. We have had to get along in this biennium by breaking open every piggy bank in the State's treasury. The State's revenue surpluses are exhausted. If Oregon's right and legal ability to tax is further restricted, I do not know how my State can undertake its obligations with respect to elementary and high schools, with respect to higher education, with respect to welfare, and with respect to many obligations which the President of the United States believes should be transferred from the Federal Government to State governments.

Furthermore, the States do not have the ability which the Government has at the Federal level to run up a huge deficit of $12 or $13 billion. Many States have sharp limitations in their State constitutions on their ability to borrow or to levy bonds. Often they have to go to the people and put the issue before them, and these plebicites and referendums are often turned down. I believe many other States will be in the same situation as the State of Oregon if we restrict further their taxing power. I realize taxes are not popular, but neither is the suspension of school and college services and public welfare programs.

EXHIBIT 1

OREGON TAX RESEARCH,
Portland, Oreg., August 14, 1959.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: We have been increasingly concerned about the confusion resulting from recent Supreme Court cases confirming the constitutionality (but not necessarily the economic wisdom) of certain State laws granting wide latitude in the taxation of the income of out-of-State corporations.

As you know, the basic problem has arisen from a tendency in certain States to amend State tax laws in order to permit taxation of out-of-State corporations that did no more than solicit orders in the State through resident or nonresident salesmen.

The urgency of this situation is indicated by the fact that several States have already amended their State tax laws subsequent to the Supreme Court decisions in the Northwestern States Cement case, and the Stockham Valves case.

Dr. Paul Studenski, of NYU, a well-known national consultant on fiscal affairs, and whom I had the privilege of working with as a NYU tax fellow many years ago, stresses that a continuation of the present situation unchecked by congressional action would present innumerable problems, including arbitrary and discriminatory enforcement; would make compliance extremely difficult, especially for business with diffused markets; would compel many small and moderate-size businesses to give up selling in States because of uncertain tax liability; would greatly multiply the opportunities for double taxation; and would, for the first time in 170 years, impede the free flow of interstate commerce, and impair the long-standing unity of the national market.

As Studenski points out, this type of tax extension is no more than the reaching out by some States into the fiscal resources of other States.

Here in Oregon, we detect increasing apprehensions on the part of those home companies doing business outside our State's boundaries; as well as outside corporations doing business in Oregon.

Accordingly, we respectfully urge that you give favorable support to current congressional moves to correct and clarify this situation, including possible support of the bill recently approved by the Senate Finance Committee, or those resting in the House Judiciary Committee.

Respectfully yours,

WILLIAM BADE,
Manager.

EXHIBIT 2

SALEM, OREG., *August 19, 1959.*

Hon. RICHARD NEUBERGER,
U.S. Senator, Washington, D.C.:

The State of Oregon is seriously concerned over possible approval of S. 2524. Oregon has had corporation income tax law for some years. Collections for each of the past 2 years about $325,000. Experience shows numerous corporations file regular corporation excise tax return by virtue of the income tax law; hence, actual fiscal effect on Oregon would approach $1 million per year estimated. Oregon has severely tight budget for this biennium. Referendum of personal income tax increase renders it doubtful that we can operate without a deficit. Loss of this corporation income tax money would be a severe blow. The Oregon State Tax Commission recognizes the desirability of some practical limitation of the State taxing power in the income tax field but S. 2524 would permit activities of a substantial nature to escape taxation, would prevent taxation in some areas which Oregon was successfully taxing even prior to enactment of present corporation income tax law.

We urge that this legislation is too quick and too drastic.

OREGON STATE TAX COMMISSION,
DEAN ELLIS, *Chairman.*

Mr. MCCARTHY. Mr. President, the Senator has reiterated a point which has been made several times in the last few days in the Senate and it has been emphasized in statements received from Governors and State tax administrators. As the Senator knows, the State of Minnesota has a revenue problem. The State of Michigan has a revenue problem. Tax problems are characteristic of most State governments today.

Mr. NEUBERGER. That is true of a great number of them. I just want to

cite the fact that our neighbor to the north, Canada, which borders on the State of the Senator from Minnesota, not only does not undertake to put her Provinces in a straitjacket, but actually has a program in effect, now, whereby 5 percent of all national income tax collections levied by the Dominion of Canada are rebated to the various Provinces so they can carry out their responsibilities.

Mr. McCARTHY. I may point out that the same practice is carried out in Australia. This is the kind of inquiry we should be making. That is the kind of legislation we should be considering.

Mr. President, I reserve the remainder of my time.

Mr. ERVIN. Mr. President, will the Senator yield me 5 minutes?

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I favor the proposed legislation for several reasons. The first is this: When the Founding Fathers provided in the Constitution that Congress should have the power to regulate interstate commerce, they did so because they wanted to establish throughout the United States a free trade area.

The decisions of the Supreme Court in the Northwestern States Portland Cement Co. and the Stockham Valves and Fittings, Inc., cases thwart in large measure the purpose of the Founding Fathers to establish completely free trade among all of the States of the United States.

So I favor this proposed legislation because it conforms to the purpose of the Founding Fathers, and because it undertakes to restore an interpretation placed upon the commerce clause by virtually all prior decisions of the Supreme Court of the United States. That interpretation is that the income of a nonresident which is derived exclusively from sales in interstate commerce of products from outside the State is not taxable. The two decisions to which I have referred repudiate that interpretation, which had been placed upon the commerce clause by the Supreme Court of the United States in scores upon scores of previous decisions.

Furthermore, those two decisions have a direct tendency to thwart the purpose of the Founding Fathers that this should be a nation in which there would be free trade among all the States unfettered by such barriers as import taxes or export taxes or tariffs.

Next, Mr. President, I support the proposed legislation for the reason that the decisions of the Supreme Court in the Northwestern States Portland Cement case and the Stockham Valves and Fittings case permit gross injustices to taxpayers. This is true because under sound decisions of the Court, and under the powers reserved to the States by the 10th amendment, a State containing the plant of a company which manufactures and sells tangible personal property has the undoubted power to place an income tax upon 100 percent of the net income of that company, regardless of whether it is derived from intrastate business in that State, or whether it is derived from business in interstate commerce. And under the Constitution, the Federal Government has the undoubted power to lay a Federal income tax upon 100 percent of the net profit of such a business.

The Portland Cement Co. and the Stockham cases, as Justice Frankfurter says, permit for the first time in American history, other States to tax portions of this same income, namely, the portions derived exclusively from sales in interstate commerce. It is manifestly unfair to subject the same income, which is subject to taxation by the Federal Government and by the State of the situs of the business, to income taxation for the third time by other States merely because some of the citizens of such other States may purchase some of the products of the business in what are undoubtedly interstate transactions.

If we are to be faithful to the purpose of our Constitution to make this whole country a free trade area and to prevent the erection of barriers to commerce by the several States against one another, we must pass the bill. And if we are to be fair to taxpayers and prevent them from being subjected to three or more income taxes on the same income, we must pass the proposed legislation.

I simply do not see how small businesses, which cannot maintain large legal staffs and many accountants, can possibly transact business in interstate commerce under these decisions.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield, if I have any time remaining.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. BYRD of Virginia. Mr. President, I yield 2 minutes to the Senator from North Carolina.

Mr. ERVIN. I yield to the Senator from Tennessee.

Mr. GORE. The distinguished and able senior Senator from North Carolina, with whom I have had the honor of voting very frequently and with whom I have had a warm personal relationship, having served with him a number of years in the other body as well as in this body, has sought to draw an analogy between the imposition of income taxes by a State on the proportion of net profits earned through commerce within the State, on the one hand, with an import duty or tariff on the other. I hope the Senator will not insist this is a proper analogy.

Mr. ERVIN. The Senator does insist. If a corporation or an individual businessman in Tennessee has his entire plant in Tennessee, where he manufactures tangible products for sale in interstate commerce, he can be made to pay income tax upon 100 percent of his income, by the State of Tennessee; and then if he ships all of his products in interstate commerce to North Carolina, under the holdings of the courts, which the bill seeks to correct, North Carolina can impose a second income tax upon the income derived from the interstate sales to its citizens. The income tax imposed by North Carolina would be the equivalent, for all practical intents and purposes, to an import tax on the product of the Tennessee businessman.

Whether we call it an income tax or whether we call it an import tax, the effect on the business is precisely the same. It takes the same amount of dollars to pay the tax whatever we may choose to call it.

Mr. GORE. Will the Senator yield further?

Mr. ERVIN. I will yield further to the Senator, if I have any time remaining.

Mr. GORE. I respectfully suggest that the analogy is not a correct and proper one, because the import tax, duty, or tariff is a levy upon the entrance of a commodity into a political subdivision, into a country, whereas the imposition of an income tax by a State on profits earned within the State is not an impost upon the entrance of such commodity or commerce into the State, but rather is a tax upon the net profits realized as a result of the sale thereof.

Mr. ERVIN. In any event, the North Carolina income tax in the case stated by me would be, in essence, a tax upon the right of the Tennessee businessman to have articles manufactured in Tennessee shipped into North Carolina.

The PRESIDING OFFICER. The time of the Senator from North Carolina has again expired.

The Senator from Virginia has control over the remaining time. Seventeen minutes remain.

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from New Hampshire [Mr. COTTON].

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. COTTON. Mr. President, I can understand and sympathize with the motives of the distinguished Senator from Minnesota in regard to the amendment. This is a complicated bill. Any bill which we attempt to enact to deal with the results of, or the feared results of, a decision of the courts is a delicate matter, and a dangerous pathway to follow. Therefore, I can with complete comprehension say that I have every respect and regard for the opinions of those who want to change the bill into a simple study.

However, Mr. President, I think we are all practical men. Any Member of the U.S. Senate who has served here for any appreciable time, or any Member who has served in the House of Representatives or in his own State legislature for any appreciable time, knows that as a practical matter the way to kill a bill, the way to defer action on it until it finally disappears into the mists of the future, is to simply refer the bill to a study group.

It was my privilege to serve on a commission to study the problems of internal security. We worked for 2 years. The report we produced is buried in the Archives. Nothing has ever happened as the result of this work.

There was a remark attributed to President Grant, who was not always noted for his analytical mind in the matter of government, which is pertinent. President Grant is quoted as having said

that the way to get rid of an unjust law is to enforce it.

The way to perfect a law is to enact a bill and to put it to the practical test of application. We are facing a situation today, Mr. President, which is a grave situation and which requires action.

Justice Frankfurter said, in his dissenting opinion:

> There are thousands of relatively small or moderate-size corporations doing exclusively interstate business spread over several States. To subject these corporations to a separate income tax in each of these States means that they will have to keep books, make returns, store records, and engage legal counsel, all to meet the divers and variegated tax laws of 49 States, with their different times for filing returns, different tax structures, different modes for determining net income and, different, often conflicting, formulas of apportionment.

Relief is needed. We grant that the bill is not perfect, even though it has had the conscientious attention of my colleagues—and I am one of the very junior members of the committee—on one of the greatest committees of this Senate. It may not be perfect, and its application may disclose defects as to which there must be correction, but we will never correct the defects by killing the entire bill and by simply having an anemic, lifeless, bloodless, useless study.

Those of us who have passed middle life have every reason to fear we will not live long enough to see anything tangible come out of these multitudinous studies which are created from time to time, to make beautiful reports which repose in the Archives.

Mr. President, the way to learn to swim is to get in the water. If we did not have a serious situation, we could kill the bill. But we have a serious situation. Let us pass a bill. Let us try to remedy the difficulty.

Congress is not going to disappear.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. COTTON. Will the Senator yield me another minute?

Mr. BYRD of Virginia. Mr. President, I yield 5 additional minutes to the Senator from New Hampshire.

Mr. COTTON. Congress is not going to terminate its activities when we adjourn sometime in the next few weeks. Congress will not cease to exist when the 86th Congress comes to an end.

We are here to enact legislation. We are here to study problems. We are here to correct legislation. We have on the committees in the Senate and in the House of Representatives experienced, reasonable men of both political parties who know how to detect the problems. We must try to take care of these situations.

We know that we cannot develop a bill in an instant which will spring like a Minerva from the forehead of Jove, and which will be perfect, but, Mr. President, if we pass the bill, we will be doing something. We will be making the attempt. If we emasculate the bill, if we content ourselves with one of those feeble gestures encompassed in "let us refer this to a study group," then we will be up against the situation which has been characterized by one of the most able men on the Supreme Court and characterized by others as a situation in which we are putting the businesses of this country in a straitjacket. If we ever needed to have an economic surge of growth in this country to show that our capitalistic system is a success, we need it now.

Mr. President, I would rather see the bill killed. I would rather live with the decisions of the Supreme Court. I would rather wait and see what dire results are to occur than to refer this problem to a study group, even though I have great respect for the motives behind the amendment, and great respect for the opinions of my distinguished colleague on the committee. Let us either do something or do nothing. If we are to do something, let us pass a bill which is the result of the study of one of the committees of the Senate. Time will show, and show quickly, whether or not the bill is effective.

I have enough confidence in the ability and integrity of Congress to believe that problems which might arise will be corrected. Let us do it practically, and not idealistically by retiring to an ivory tower and studying the problem for a few years, while the damage is being done.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. McCARTHY. If my amendment is adopted, I shall then be glad to support an amendment by the Senator from Connecticut to kill the commission also. I was not in favor of setting it up in the first place. I think the study can be handled by the proper committees of the Congress.

Mr. COTTON. I do not wish to be obstinate with my dear friend, but if we are to have a study, let us give everyone a chance. The States are interested, as well as the Federal Government.

Mr. McCARTHY. The Senator stated a moment ago that he would rather kill the bill than to send the problem to a commission.

Mr. COTTON. That is what I believe. If there must be a commission, let the States be represented on it.

Mr. McCARTHY. I would rather have neither.

Mr. COTTON. The Senator would rather kill the bill.

Mr. McCARTHY. I prefer to kill the bill. If we are to have a study, then I would prefer to have it made by a committee of Congress, and not by a commission.

Mr. COTTON. The motives and intent of the distinguished Senator from Minnesota have been revealed to us perfectly. The purpose of the amendment is to kill the bill. I respect him for his frankness. That is what I have been saying for the last 8 minutes.

Mr. McCARTHY. The Senator is no great detective. I have been saying this for 2 days. The Senator has not exposed anything.

Mr. KERR. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. KERR. It is perfectly apparent that the purpose of the proponents of the measure is to kill it from continually offering amendments.

Mr. COTTON. Every possible concession has been made in order to enact legislation. I hope legislation will be enacted, and that we will be given a chance to try it, rather than to merely refer the problem to a study commission.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CARROLL. I have listened carefully to the debate. I think it should be crystal clear that when section (3) was placed in the bill, it was for the purpose of overturning important Supreme Court decisions. The Senate met that issue headon, and preserved at least the line of decisions which go back for almost 100 years.

As I understand the position of the Senator from Minnesota, it is not that he is against a study of the subject, but that he is not in favor of a commission. He wants the committees of Congress which have jurisdiction over the subject to study it.

Mr. McCARTHY. The Senator is correct.

In the exchange with the Senator from Oregon, reference was made to the practice in Canada, of having a general profits tax assessed, with a portion allocated to the Provinces. The same practice is followed in Australia. I think it might be well to consider something of the same kind in the United States.

Mr. CARROLL. Does the Senator agree that the reference to Justice Frankfurter's opinion merely emphasizes the great need for study in this complicated field, with an expanding economy, and with 3 million Americans being born every year? There has been a tremendous increase in business. Of course we have many problems. This was true years ago, when the Uniform Sales Act was proposed because of the great economic complexities confronting the States. Now, as a result of some increased complexities, we must find out how the States are taxing. We do not wish to curb or destroy business. We do not wish to create extra burdens; but it seems to me the time has come to give study to the subject.

Mr. McCARTHY. There has been reference to a commission to study the problem. At this moment there are two bills on the calendar of the Senate, each of which proposes to establish a commission to study intergovernmental relations. One of the relations between the States and the Federal Government is the relationship of tax powers. So while it is now proposed here to establish a commission, it is being done at the very time when the proper committees of the Senate have acted and placed on the calendar proposals to establish two such commissions.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CARROLL. I invite the attention of able members of the Finance Committee to House joint resolution 450,

which sets out in simple terms some of the problems. What does it provide in the way of a study? It provides that the Committees on the Judiciary of the Senate and the House of Representatives shall study the entire problem of State taxation of income from interstate commerce and present proposals for permanent legislation to the Congress.

I assume the distinguished Senator from Minnesota is in favor of such a step.

Mr. McCARTHY. The Senator is correct.

Mr. CARROLL. I do not believe the distinguished Senator from New Hampshire [Mr. COTTON] did it purposely, but he left the impression that the Senator from Minnesota was not in favor of any study.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BYRD of Virginia. Mr. President, I yield back all my remaining time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the American Paper & Pulp Association which was inadvertently omitted in the printing of the hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE AMERICAN PAPER & PULP ASSOCIATION, IN SUPPORT OF SENATE JOINT RESOLUTION 113, A JOINT RESOLUTION TO BRING ABOUT GREATER UNIFORMITY IN STATE TAXATION, AND TO ESTABLISH A COMMISSION ON TAXATION OF INTERSTATE COMMERCE, SUBMITTED TO THE SENATE FINANCE COMMITTEE

This statement is submitted in lieu of personal appearance by the American Paper & Pulp Association to the Senate Finance Committee, in support of Senate Joint Resolution 113. The American Paper & Pulp Association is the overall national association of the paper and pulp industry. The paper and pulp industry operates in some 38 States. There are 815 paper and pulp mills owned and operated by approximately 500 companies, small, medium, and large in size. In addition, there are upward of 5,000 manufacturers of converted paper products, with more than 500,000 employees in the paper and allied products industry. Payrolls in the industry approximate $3 billion a year, and last year's sales amounted to $10.5 billion. Companies in the paper industry are substantial taxpayers, both at national and local levels. In 1958, companies in the industry paid $600 million in taxes to the United States, and State and local taxes amounted to $200 million.

The American Paper & Pulp Association is understandably concerned by the tax problems which may have been generated by such recent decisions of the U.S. Supreme Court as *Northwestern States Portland Cement Co.* v. *Minnesota*, and *Williams* v. *Stockham Valves and Fittings, Inc.* The Supreme Court held that "net income from the interstate operations of a foreign corporation may be subjected to State taxation provided the levy is not discriminatory and is properly apportioned to local activities within the taxing State forming sufficient nexus to support the same."

At the present time, there are 35 States plus the District of Columbia which levy a direct net income tax or a privilege or franchise tax measured by net income. As pointed out by Mr. Justice Frankfurter, dissenting in both of the foregoing cases, "Today's decision will stimulate, if indeed it does not compel, every State of the Union, which has not already done so, to devise a formula of apportionment to tax the income of enterprises carrying on exclusively interstate commerce."

Mr. Frankfurter suggested that "the problem calls for solution by devising a congressional policy. Congress alone can provide for a full and thorough canvassing of the multitudinous and intricate factors which compose the problem of the taxing freedom of the States and the needed limits on such State taxing power. Congressional committees can make studies and give the claims of the individual States adequate hearing before the ultimate legislative formulation of policy is made by the representatives of all the States. The solution to these problems ought not to rest on the self-serving determination of the States of what they are entitled to out of the Nation's resources. Congress alone can formulate policies founded upon economic realities."

The American Paper and Pulp Association commends the distinguished Senate Finance Committee for its concern with the problem, and supports the attempts made to deal with the problem constructively evidenced by Senate Joint Resolution 113, S. 2213, and S. 2281. Senate Joint Resolution 113 which has such able bipartisan support, would, in title I, prohibit the imposition of income taxes upon the income of any business engaged in interstate commerce for any taxable year ending after December 31, 1958, and beginning before January 1, 1961, unless during such year the business has maintained a stock of goods, an office, warehouse or other place of business in such State, or has had an officer, agent, or representative who has maintained an office or other place of business in such State. While it is recognized that Senate Joint Resolution 113 by its terms establishes a temporary minimum standard, nevertheless since the Commission on State Taxation of Interstate Commerce provided by title II is not required to report to the Congress concerning the results of its investigation and study together with proposals for legislation, prior to February 1, 1961, we would therefore recommend that the temporary minimum standard apply at least to taxable years ending after December 31, 1958, and beginning before February 1, 1962.

We would also recommend that at line 10 of page 2, of Senate Joint Resolution 113, a new sentence be added reading substantially as follows: "For purposes of the preceding sentence, the terms 'agent' and 'representative' do not include an independent broker or contractor who is engaged independently in soliciting orders in the State for more than one seller, and who holds himself out as such." The effect of this addition would be to make it perfectly clear that any firm doing business in a State only through an independent broker or contractor (and there are many of them, including many small businesses), would not be subject to taxation nor would firms doing only a mail order business or merely sending traveling salesmen or shipping merchandise into the State.

One economic fact is recognized widely but perhaps not sufficiently: The present diversity of State allocation formulas creates avoidable waste. Businesses are put to compliance costs and governments to administrative expenses which can serve no useful purpose for the economy. The varied, tedious, and frequently skilled man-hours needed to comply with different State laws is sheer waste. The public as a whole gains absolutely nothing for the real costs which diversity of State rules forces on business. We would point out, in addition, that since these costs are expenses deducted in computing Federal tax, the Treasury bears anywhere from 30 to 52 percent of the cost.

As a result of the confusion now generally rampant in the State tax field, wastes are certain to increase without the provident intervention of the Congress. Many more businesses will have to comply with many more laws. It is impossible to imagine the cases in which minuscule tax liabilities will require significant expense—new accounting, recordkeeping and storage, legal counsel in many States, negotiation and costly, unnecessary litigation. Wise public policy will seek to forestall the waste which otherwise would be involved.

It is recognized that business—large, medium, and small—should bear its just burden in supplying the revenues necessary for the proper functioning of State government. Similiarly, it is recognized that the subjection of business to taxation in States where it has no property or permanent establishment has serious implications.

Another serious problem presented in this area of the power of States to impose income taxes on corporations is the possibility that there may be a plethora of retroactive claims asserted against corporations that in goood faith thought they were not liable for taxes. Senator SALTONSTALL has undertaken to deal with this problem in his bill S. 2281, at section 2, which would make the bill's limitation on the taxing power of States and their political subdivisions operate retroactively as well as for the future, by barring any State from assessing or collecting any tax prohibited by the bill after its enactment.

The American Paper and Pulp Association is cognizant that S.J. Res. 113, for practical purposes, is a stopgap measure, and that permanent legislation is contemplated following the report by the Commission. At the same time, it would seem desirable to suspend at least until January 1, 1962, the right of any State to assert liability for incomes taxes based solely upon the prohibited jurisdiction of section 101 of the resolution.

While none of the bills before the Senate Finance Committee deals with the problem as such, another area which has been conducive to economic waste and provides multiple problems is that of the State and local sales and use taxes. It is urged that it would be desirable to include in the Senate joint resolution a prohibition making any business firm liable to taxation by any State or any of its political subdivisions, on sales made in interstate commerce within the jurisdictional limitations outlined in section 101, and that the Commisson on State Taxation of Interstate Commerce should also consider his problem as well as the problem of the income tax.

In conclusion, the American Paper and Pulp Association urges the Senate Finance Committee to report favorably and promptly Senate Joint Resolution 113, with the suggested amendments. As pointed out by Mr. Justice Frankfurter, "There are thousands of relatively small or moderate-size corporations doing exclusively interstate business spread over several States. To subject these

corporations to a separate income tax in each of these States means that they will have to keep books, make returns, store records, and engage legal counsel, all to meet the diverse and variegated tax laws of 49 States, with their different times of filing returns, different tax structures, different modes for determining 'net income' and different, often conflicting, formulas of apportionment. This will involve large increases in bookkeeping, accounting, and burdensome legal paraphernalia to meet these new demands. The cost of such a far-flung scheme for complying with the taxing requirements of the different States may well exceed the burden of the taxes themselves, especially in the case of small companies doing a small volume of business in several States."

We strongly recommend, therefore, that this committee and the present Congress take favorable action on this sorely needed legislation, to the end that interstate commerce in goods and/or services continue to be encouraged and fostered, rather than frustrated and obstructed, under our free competitive economy.

Respectfully submitted.

ROBERT E. O'CONNOR,
Executive Secretary.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed at this point in the RECORD comments by me concerning the minority views in the report on S. 2524.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR BYRD OF VIRGINIA

I wish to make the following comments on the minority views to S. 2524, which has been made a part of the record before the Senate:

The first point made by the minority is that the bill fosters a direct invasion of the statutory rights of the States and that, therefore, it will affect many States hard pressed for revenue. This argument overlooks the fact that the power to regulate interstate commerce is a power granted under the Constitution to the Federal Government. While the committee recognizes that this bill will have effect on some State revenues, nevertheless whatever disadvantages may accrue to the separate States by such action will be far outweighed by the advantages accruing not only to the United States as a Nation but also to the component States. It should be remembered that the businesses of each individual State will be adversely affected by the action taken by the other States in levying taxes against outside State business.

The minority views suggest that Congress should not interfere with State assessment of taxes on profits realized within a State in the absence of absolute proof that State assessment of such taxes were in fact interfering with or obstructing interstate commerce. The minority views conclude in this respect that sufficient justification for Congress to interfere with State assessment of such taxes is lacking.

The committee, of course, agrees that Congress should not impose limitations on the power of the States to tax income derived from interstate commerce unless such limitations are warranted in carrying out the responsibilities vested by the Constitution in Congress to regulate commerce among the several States. The committee however, believes that the information presented to it in connection with the recent hearings it held on July 21 and 22 contain ample evidence that the mere burdens of compliance with all the taxing requirements of all the States in which a business sells its goods may force many small businesses to withdraw from existing markets in some States if the mere solicitation of orders within a State should subject the business to taxation by that State on income derived from interstate commerce and apportioned to that State under an apportionment formula in vogue at the time by that State. Testimony to this effect will be found on the following pages, among others, in the committee's hearings:

(1) Page 93–94: American Book Publishers Council.

(2) Page 96: New England Council for Economic Development.

(3) Page 98: American Association of Nurserymen, Inc.

(4) Page 120: Manufacturers Association of the city of Bridgeport, Conn.

The committee believes this result would be a very unfortunate one—and that Congress should not wait until this interference with the flow of commerce occurs. The committee believes that congressional action of a temporary or stopgap nature is necessary now in order to present further intensification of the problem.

The second objection in the minority views is that the bill will discriminate against many small businesses. In this connection it is stated that the typical small business domiciled in and taxed upon its profits by the State will be forced to compete with a large multistate operator who pays no State income taxes where he sells his products. This argument overlooks the fact that an out-of-State company may, by reason of the apportionment formula in use by another State and the lack of uniformity in such formulas in use by the various States, be required to pay a tax on the income derived from those same sales to the State of domicile of that interstate company or to another State in which it has business activities. Further, there is no immunity granted by the bill to an out-of-State business which has for example, a local warehouse located in a particular State where the goods are sold or which engages in business activities in the State other than those described in your committee's bill. The committee leaves the determination of the tax liability of such businesses to future congressional action, and, absent such action, to the courts.

The minority views suggest that local warehousemen will, for example, certainly lose much of their business as multistate operators concentrate their warehouse activities in order to escape certain State taxes by terms of the pending bill. Since the committee's bill, as suggested above, does not grant immunity to an out-of-State company for a warehouse in the State, the problem faced by local warehousemen is neither increased nor decreased by the action taken.

It is the small businessmen themselves who have expressed fears about the cost of compliance with the many vagaries of the income tax laws of the several States. Attention is directed to the hearings conducted by your committee where estimates of specific costs of compliance have been submitted to your committee by many concerns.

The Manufacturers Association of the City of Bridgeport, Conn., Inc. (hearings, p. 118 at p. 119), a voluntary association of some 100 manufacturers domiciled in the Bridgeport labor market area, advised the committee that a careful estimate of costs incurred by a medium-sized manufacturer incident to the preparing and filing of forms required by State tax departments in the collection of taxes on interstate commerce reveals the following conclusion: "It is evident that this manufacturer would pay compliance costs of $8.25 for every $1 paid in actual taxes." The committee was also advised by the same association that if all States followed the edict of the Supreme Court and adopt corporate income tax laws the particular medium-sized manufacturer who made a careful estimate of such costs will pay an additional $14,000 in taxes to 36 States and its compliance costs will increase by $115,200.

The National Wooden Box Association advised the committee that estimates of additional costs in administrative time alone ran from $3,000 to $8,000 per year in a survey made of 12 representative manufacturers having a total sales volume in 1958 varying from $100,000 to $5 million. These figures on the additional cost in administrative time alone do not include the cost of additional professional assistance which would be required in many cases (hearings, p. 124 at p. 125).

The American Book Publishers Council advised the committee through its representative that in some States a small book publisher may frequently have less than $100 of annual sales and a net profit after taxes on such sales of $2 or $3 or less and that the filing of State income reports in such cases would cost as much in staff time as the gross amount of sales in such States (hearings, p. 92, at 94).

One witness advised the committee of knowledge of a manufacturer in New Haven, Conn., who has about 1,000 employees and has to file a return now in the State of Utah, one of the States that apparently has revised its tax laws since the Supreme Court decision in February. The committee was advised that this manufacturer estimated he will have to pay $5 to the State of Utah but it is going to cost him $300 to do the analysis to prepare the return (hearings, p. 40 at p. 41).

A member of the staff of the National Shoe Manufacturers Association in his statement to the committee gave the following specific examples of costs of compliance that companies are presently experiencing:

"One company paid $749.50 to its auditors to calculate its California tax. The company showed a loss in its California operations and there was no tax.

"A second company was assessed over $2,000 in taxes, penalties, and interest. An order to withhold was issued on an account receivable; after months of legal negotiation, the tax was determined to be $144 and was paid. Legal fees alone exceeded $400.

"A third company paid a State tax for a 3-year period averaging $75 a year. The auditor's fee was $150 per return.

"A fourth company, over a 6-year period, paid less than $20 a year. The auditor charged $150 for each return.

"A fifth company filed 12 returns at one time with an average of $46 a return. The average cost per return was $100.

"The auditors involved in these cases were the regular retained auditors of the taxpayers. The work involved in collecting information and preparing the returns exceeded the fees charged" (hearings, p. 125 at p. 127).

The American Brass Co. advised the committee that a recent study made by it indicated an average cost of $200 per individual State income tax return, while the average tax where no plant or warehouse existed was less than $100 (hearings, p. 151).

In the minority views the third objection to the bill is that it does not meet the problem, if any, created by the Supreme Court decisions prompting such legislation. It was suggested in the minority views that there are no solutions in the committee's bill for the problems faced by trucking companies, railroads, newspapers, pipelines, and radio and television stations, just to name a few. As stated in the committee report at pages 4 and 5, the committee recognizes that the bill it has reported is not a permanent solution to the problem that exists. It was not intended to be. The committee recognizes that the problem is a complex one which requires extensive and exhaustive study in arriving at a permanent solution fair alike to the States and the Nation. The committee believes, however, that the bill it has reported will serve as an effective stopgap

or temporary solution while further studies are made of the problem.

It was also suggested in the minority views that as it now stands the committee's bill is nothing more than a protective measure for a few manufacturing States and a few companies which do a multistate business of a specified type.

The following represents a partial list of the organizations urging the Congress to take favorable action on legislation providing for some minimum activities approach—an approach adopted by the committee in its bill. This list demonstrates that a large number of companies believe such a minimum activities approach to be desirable at this time:

American Cotton Manufacturers Institute: The Federal trade association for the cotton, manmade fiber, and silk textile mill products manufacturing industries. This industry is basically an industry of small intensely competitive plants. The industry operates over 8,000 plants, no one company representing more than 4 percent of the total. The membership of the American Cotton Manufacturers Institute operate about 85 percent of the industry's total spindles (hearings, p. 48 at p. 49).

National Fisheries Institute, Inc.: The principal trade association of the commercial fisheries industries. Membership of the institute includes some 500 employers engaged in the producing, processing, distributing, and canning of fishery products (hearings, p. 48 at p. 50).

National Association of Wholesalers: A federation of 18 national wholesale associations representing 8,000 independent wholesale businesses in the United States (hearings, p. 54 at p. 57).

Automotive Service Industry Association: A trade association with a membership composed of approximately 400 manufacturers and 4,500 wholesalers of automotive parts, accessories, supplies, and equipment located in the 49 States (hearings, p. 61).

National Coal Association, American Coal Sales Association, Anthracite Institute, and Southern Coal Producers Association: The coal industry apparently has 5,000 to 7,500 separate producing economic units; that is, either corporations, or partnerships or something of that sort producing and selling coal from more than 8,000 mines. The industry could be characterized as being small business; the largest single unit in the industry produces less than 10 percent of the national production (hearings, p. 78 at p. 84).

American Book Publishers Council: The general association of book publishers in the United States. It has 154 member firms including almost all general or "trade" book publishers; almost all university presses; publishing houses of many of the major religious denominations; the larger book clubs and the major publishers of inexpensive paperbound books (hearings, p. 92 at p. 94).

American Textbook Publishers Institute: A similar organization representing substantially all major publishers of elementary, high school, and college textbooks end encyclopedias and other similar works of reference. Together members of the association and the prior association publish perhaps 90 percent of the books appearing in the United States (hearings, p. 92 at p. 94).

New England Council for Economic Development: An organization supported by business, industry, and commerce, in the 6-State area. It has approximately 3,100 members representing all segments of its economy. Ninety-two percent of the business in New England is apparently in the small business category (hearings, p. 95 at p. 96).

American Association of Nurserymen, Inc.: It is composed of approximately 1,575 members located in 47 of the 50 States and doing business in all of them. Firms making up its membership are small businesses, averaging less than 10 permanent employees, frequently with only 1 or 2, and are generally family owned (hearings, p. 98).

Thirty-five trade associations in the apparel industry set forth on page 105 of the hearings: It is estimated there are 34,500 employers in the apparel and the apparel accessories industry, and that the average establishment employs less than 40 persons (hearings, p. 103).

National Paint, Varnish & Lacquer Association: Representing 1,500 manufacturers who produce 94 percent of the total domestic output of paints, varnishes, and lacquers. The overwhelming percentage of members are in the small business category who cannot afford business locations in States other than those in which their plants are located (hearings, p. 117).

Manufacturers Association of the City of Bridgeport, Conn.: A voluntary association of some 100 manufacturers domiciled in the Bridgeport labor market area (hearings, p. 118).

The minority views also claim that the bill is premature and there is no necessity for hasty, premature and possible hurtful action. The bill was not designed to be a cure for all situations. The immediate problem before us was to overcome the effect of the February 1959 Supreme Court decisions which created such uncertainty and concern among our small businessmen. I believe that if the bill will remove much of uncertainty in the field of sales of tangible property sold in one State and produced in another State it will be of immeasurable value to our small producers and independent contractors. The committee recognizes the need for further study before attempt is made at an overall solution of the problem. The committee believes that the bill it has reported will serve as a temporary stopgap solution while further studies are made of the problem. The committee believes that such a stopgap, or temporary solution, is necessary at this time to prevent further inroads into interstate commerce taxation while further studies are made. It has been reported that at least three of the States have revised their laws since the February 1959 decision of the Supreme Court. These States the committee understands are Idaho, Tennessee and Utah. The committee believes that the February 1959 decision of the U.S. Supreme Court could well stimulate States which have not already done so to devise a formula of apportionment to tax the income of businesses carrying on interstate commerce exclusively.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Minnesota [Mr. MCCARTHY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH] and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On the vote the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Connecticut would vote "nay."

I further announce that if present and voting the Senator from Idaho [Mr. CHURCH] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business and if present and voting would vote "nay."

The Senator from Connecticut [Mr. BUSH] is detained on official business.

On this vote the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Texas would vote "yea."

The result was announced—yeas 31, nays 62, as follows:

YEAS—31

Allott	Hill	Moss
Bartlett	Humphrey	Murray
Carroll	Kefauver	Neuberger
Douglas	Lange	Proxmire
Ellender	Long	Russell
Engle	McCarthy	Smathers
Fulbright	McGee	Sparkman
Gore	McNamara	Williams, N.J.
Gruening	Mansfield	Young, Ohio
Hart	Monroney	
Hennings	Morse	

NAYS—62

Aiken	Eastland	Magnuson
Anderson	Ervin	Martin
Beall	Frear	Morton
Bennett	Goldwater	Mundt
Bible	Green	Muskie
Bridges	Hartke	Pastore
Butler	Hayden	Prouty
Byrd, Va.	Hickenlooper	Randolph
Byrd, W. Va.	Holland	Robertson
Cannon	Hruska	Saltonstall
Carlson	Jackson	Schoeppel
Case, N.J.	Javits	Scott
Case, S. Dak.	Johnson, Tex.	Smith
Chavez	Johnston, S.C.	Stennis
Clark	Jordan	Symington
Cooper	Keating	Talmadge
Cotton	Kennedy	Thurmond
Curtis	Kerr	Wiley
Dirksen	Kuchel	Williams, Del.
Dodd	Lausche	Young, N. Dak.
Dworshak	McClellan	

NOT VOTING—5

Bush	Church	Yarborough
Capehart	O'Mahoney	

So Mr. MCCARTHY's amendment was rejected.

Mr. GOLDWATER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. CANNON in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, in line 9, it is proposed to strike out the words "or all,".

The PRESIDING OFFICER. How much time does the Senator from Arizona yield to himself?

Mr. GOLDWATER. Five minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

UNIONIZATION OF THE SOUTH

Mr. GOLDWATER. Mr. President, one of the charges being made around the country by politicians, columnists, and others against Members of the House of Representatives who voted for the Landrum-Griffin bill and against those who want really effective legislation in the field of labor reform is that they are interested in stopping the unionization of the South.

Only yesterday, there appeared in the Washington Post an article, written by the distinguished columnist, Joseph Alsop, which stated in part:

> Barden wants the labor reform bill to be as severe as possible, and is far from adverse to impeding the unionization of the South.

Mr. President, I think it is time for us to look at that accusation and at the facts.

Labor statistics are not up to date. So the comparisons I gathered are from the years 1939 through 1953. They are the latest figures I am able to obtain.

Mr. President, I picked 16 States which I would term "Southern States." They were Texas, West Virginia, Tennessee, Alabama, Virginia, Kentucky, Florida, Georgia, Louisiana, Oklahoma, North Carolina, Arkansas, Arizona, Mississippi, South Carolina and New Mexico, and I include New Mexico, Oklahoma and South Carolina because the charge is leveled at these people in that general area who want better legislation.

Mr. President, in the period of time I have mentioned, 1939 through 1953, the percentage increase of union members in this country was 148.8 percent. In these 16 States the average was 210.2 percent.

In fact, Mr. President, there are 13 of these 16 States, so-called Southern States, that are above the national average. Only three fall below it.

Trying to be fair, I took 16 States of the area we generally think of as industrial States, New York, Pennsylvania, California, Illinois, Ohio, Michigan, New Jersey, Indiana, Massachusetts, Connecticut, Rhode Island, Delaware, Minnesota, Washington, Oregon, and Wisconsin. I found that the average increase in that area from 1939 to 1953 was only 190 percent.

Mr. President, I think that those who say that the South, and I include my own State in that group, are trying to stop unionism, should look at the statistics. The South has increased 210 percent over that period and the North has increased only 190 percent.

Mr. President, to further bear this out, under a general study of membership of American unions by geographic regions from 1939 to 1953 we find the regions of New England, the Middle Atlantic, East North Central, and West North Central increasing in the period from 1939 to 1953 in union membership 164 percent, and in the South Atlantic, East South Atlantic, and West South Atlantic increasing at the rate of 166 percent in the same time.

So, taking another study, we find again that the South is not only not lagging in unionism; it is ahead of those areas which historically we have considered as industrial areas.

Mr. President, in States where the growth in employment exceeded the growth in the country as a whole, the rise in union membership likewise exceeded the national average, and among the leading six States we find Florida, Arizona, and Texas. We also find California, Delaware, and Michigan. So three of the six States that are leading are from the southern region.

The States that lag behind the national growth of employment also lagged in growth of membership, and we find only one Southern State in this group, and that is the State of West Virginia. Others that lagged are Montana, New York, Pennsylvania, Illinois, and the District of Columbia.

Mr. President, I wanted to introduce these statistics into the RECORD because, as I said at the outset, I think it is high time that we scotched the rumor and the accusation that the people who are interested in effective labor reform legislation are actually interested in stymieing or stopping the unionization of the South.

To make these figures more readily available to my colleagues, I am taking a table from a book entitled "Occasional Paper 56: Distribution of Union Membership Among the States; 1939 and 1953," published by the National Bureau of Economic Research, Inc., and I ask unanimous consent that there appear at this point in my remarks table I, which appears on pages 4 and 5, and table 2, which appears on page 8, and the two tables to which I have referred, appearing on page 9.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Membership of American unions by affiliation and State, 1939 and 1953*

[In thousands, except rank and growth rate]

Rank		State	1939				1953				Percentage increase 1939–53
1939	1953		A.F. of L.	CIO	Unaffiliated	Total	A.F. of L.	CIO	Unaffiliated	Total	
1	1	New York	531.6	255.0	173.2	959.8	1,378.4	529.4	144.0	2,051.8	113.8
2	2	Pennsylvania	251.3	424.2	63.1	738.6	717.2	536.0	287.5	1,540.7	108.6
5	3	California	334.2	52.0	37.8	424.0	1,147.9	173.0	71.6	1,392.5	228.4
3	4	Illinois	447.7	85.3	57.7	590.7	985.4	254.9	118.4	1,358.7	130.0
4	5	Ohio	272.9	122.0	34.4	429.3	551.4	530.1	81.1	1,162.6	170.8
6	6	Michigan	124.4	127.2	17.5	269.1	327.4	690.5	44.1	1,062.0	294.6
8	7	New Jersey	122.8	44.3	33.5	200.6	397.8	201.6	46.0	645.4	221.7
11	8	Indiana	104.9	52.8	19.0	176.7	261.7	249.6	58.3	569.6	222.4
7	9	Massachusetts	135.9	45.3	27.7	208.9	327.4	164.4	54.3	546.1	161.4
10	10	Missouri	139.0	23.4	17.6	180.0	388.6	98.5	23.4	510.5	183.6
9	11	Wisconsin	138.8	36.5	18.6	193.9	284.4	105.4	28.9	418.7	115.9
12	12	Washington	142.5	24.4	8.4	175.3	336.8	33.1	23.7	393.6	124.5
15	13	Texas	76.0	8.5	26.0	110.5	223.9	104.5	46.4	374.8	239.2
14	14	Minnesota	108.4	13.6	11.5	133.5	243.8	64.2	19.6	327.6	145.4
23	15	Connecticut	38.8	13.9	10.5	63.2	127.4	92.4	12.3	232.1	267.2
13	16	West Virginia	22.8	123.5	7.2	153.5	70.1	32.1	121.7	223.9	45.9
24	17	Maryland	33.0	12.6	12.9	58.5	99.1	86.9	17.6	203.6	248.0
17	18	Oregon	59.1	13.5	4.8	77.4	165.3	24.5	11.7	201.5	160.3
20	19	Tennessee	41.9	19.6	9.5	71.0	113.5	47.5	26.3	187.3	163.8
22	20	Alabama	30.9	28.6	4.4	63.9	82.5	59.6	26.2	168.3	163.4
18	21	Iowa	46.8	15.0	12.1	73.9	101.8	38.0	19.4	159.2	115.4
21	22	Virginia	40.7	17.8	9.9	68.4	94.2	33.1	28.8	156.1	128.2
16	23	Kentucky	36.2	41.2	7.3	84.7	103.6	27.5	24.0	155.1	83.1
25	24	Florida	39.5	1.1	3.0	43.6	117.4	12.5	6.0	135.9	211.7
30	25	Georgia	26.5	3.1	6.1	35.7	100.6	25.5	9.7	135.8	280.4
29	26	Louisiana	28.7	4.1	5.0	37.8	95.6	27.9	12.3	135.8	259.3
28	27	Kansas	25.0	4.0	10.3	39.3	95.5	20.7	14.6	130.8	232.8
26	28	Colorado	26.5	7.0	6.7	40.2	78.5	22.9	12.8	114.2	184.1
19	29	District of Columbia	54.4	4.3	12.4	71.1	90.9	8.1	8.8	107.8	51.6
31	30	Oklahoma	19.6	8.5	5.6	33.7	53.4	21.3	12.0	86.7	157.3
33	31	North Carolina	17.1	4.4	4.2	25.7	53.7	22.4	7.7	83.8	226.1
35	32	Rhode Island	15.5	3.2	6.0	24.7	47.3	29.5	6.0	82.8	235.2
27	33	Montana	22.4	10.4	7.0	39.8	50.8	1.5	20.2	72.5	82.2
32	34	Nebraska	20.1	.4	6.6	27.1	47.5	12.7	8.4	68.6	153.1
34	35	Arkansas	14.6	5.4	5.0	25.0	41.9	18.2	7.8	67.9	171.6
38	36	Maine	11.8	1.2	2.2	15.2	35.5	13.9	9.5	58.9	287.5
36	37	Utah	11.3	6.8	3.2	21.3	32.9	12.5	11.5	56.9	167.1
37	38	Arizona	9.6	.3	5.7	15.6	43.4	5.0	7.3	55.7	257.1
40	39	Mississippi	8.8	.1	4.1	13.0	33.7	10.5	5.8	50.0	284.6
41	40	South Carolina	8.2	1.2	2.8	12.2	34.1	11.3	4.3	49.7	307.4
43	41	New Hampshire	7.7	1.7	1.2	10.6	21.7	18.9	2.5	43.1	306.6
42	42	Idaho	5.7	.6	5.2	11.5	21.2	3.4	4.5	29.1	153.0
49	43	Delaware	3.8	.4	1.6	5.8	14.6	9.1	2.1	25.8	344.8
44	44	New Mexico	5.5	.2	3.1	8.8	17.7	1.4	5.9	25.0	184.1
39	45	Wyoming	6.6	5.3	2.5	14.4	16.5	1.6	6.1	24.2	68.1
47	46	Nevada	3.9	.5	1.9	6.3	18.1	.7	3.0	21.8	246.0
45	47	Vermont	5.1	1.7	1.7	8.5	9.9	6.0	3.7	19.6	130.6
48	48	South Dakota	4.4	----------	1.7	6.1	14.4	.9	2.1	17.4	185.2
46	49	North Dakota	5.4	----------	2.5	7.9	11.5	1.2	4.6	17.3	119.0
----------	----------	Not distributed	162.9	120.8	127.7	411.4	244.1	64.0	150.4	458.5	----------
----------	----------	United States	3,851.2	1,796.9	869.6	6,517.7	9,972.0	4,560.4	1,684.9	16,217.3	148.8

Source: Membership of American Trade Unions, by Affiliation, State, Territory and Canada, 1939 and 1953, mimeographed, National Bureau of Economic Research, 1956. All membership figures reported in subsequent tables are also derived from that table.

TABLE 2.—*Membership of American unions by geographic region, 1939 and 1953*

Region	1939		1953		Increase, 1939–53	
	Membership (thousands)	Percent of total	Membership (thousands)	Percent of total	Thousands	Percent
New England	331.1	5.1	982.6	6.1	651.5	196.8
Middle Atlantic	1,899.0	29.1	4,237.9	26.1	2,338.9	123.2
East North Central	1,659.7	25.4	4,571.6	28.2	2,911.9	175.4
West North Central	467.8	7.2	1,231.4	7.6	763.6	163.2
South Atlantic	474.5	7.3	1,122.4	6.9	647.9	136.5
East South Central	232.6	3.6	560.7	3.5	328.1	141.1
West South Central	207.0	3.2	665.2	4.1	458.2	221.4
Mountain	157.9	2.4	399.4	2.5	241.5	152.9
Pacific	676.7	10.4	1,987.6	12.2	1,310.9	193.7
Not distributed	411.4	6.3	458.5	2.8	47.1	
United States	6,517.7	100.0	16,217.3	100.0	9,699.6	148.8

In States where the growth in employment exceeded the growth in the country as a whole, as shown below, the rise in union membership, likewise, exceeded the national average

	Percentage increase, 1939–53, in—	
	Nonagricultural employment	Union membership
Florida	117.4	211.7
California	115.0	228.4
Arizona	113.7	257.1
Texas	109.4	239.2
Delaware	87.3	344.8
Michigan	82.1	294.6
Average, United States	63.4	148.8

States that lagged behind the national growth of employment also lagged in the growth of membership

	Percentage increase, 1939–53, in—	
	Nonagricultural employment	Union membership
West Virginia	37.7	45.9
Montana	42.4	82.2
New York	42.7	113.8
Pennsylvania	47.4	108.6
Illinois	50.2	130.0
District of Columbia	55.0	51.6
Average, United States	63.4	148.8

Mr. GOLDWATER. Mr. President, because we are approaching the time when the Senate is going to have to act on the labor bill, I do not want anyone to be misled by the accusations which have been made by columnists who should know better, and by politicians who are naturally interested in stopping any effective reform legislation by making some of the Members hesitate with the thought that they might actually be voting to do something that would be harmful to the union movement in the South or any other place in this country.

Before I finish my discussion on the amendment that I have submitted, I shall comment on what many of my colleagues have asked me, particularly on this side of the aisle, if I might prepare for them a short brief that would show the differences between the House labor bill and the Senate labor bill, S. 1555. My staff has completed such a comparison. It has a list of the differences, and comments on these differences. I ask unanimous consent that this information be inserted at this point in my remarks.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

LIST OF DIFFERENCES, AND COMMENT THEREON, BETWEEN SENATE-PASSED AND HOUSE-PASSED LABOR REFORM BILL, S. 1555 (LISTED IN THE ORDER OF THE SECTIONS OF THE HOUSE BILL)

DEFINITIONS (SEC. 3 OF THE HOUSE BILL; SEC. 601 OF THE SENATE BILL)

Comment: The application of provisions in the first six titles of the bill is substantially dependent on the definitions provided. The definitions in the House bill would avoid some problems not resolved by the Senate bill and are preferable technically.

Differences: The House bill makes a number of technical modifications in the definitions contained in the Senate bill and also defines several additional terms.

TITLE I—BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

General comparison

The bill of rights in both bills is substantially the same, although the House bill incorporates in this title several provisions found in other titles of the Senate bill.

Responsibilities of the Secretary: The Secretary generally has no direct responsibilities for enforcing title I under either bill. However (1) under the House bill, the Secretary may bring suits to enforce section 104, relating to the duty of unions to make copies of collective bargaining agreements available to affected members (this provision appears in title III of the Senate bill and is also subject to enforcement by the Secretary, although on somewhat more restricted terms); (2) under the Senate bill, unlike the bill passed by the House, the Secretary's investigatory power (but not general enforcement power) extends to title I; and (3) under both bills, the subject matter of the reporting requirements of title II overlap with the subject matter of title I in that matters required to be contained in reports may indicate compliance or noncompliance with the provisions of title I.

Criminal penalties: The House bill restricts criminal penalties which might be applicable to title I to the use of force or violence or the threat of their use to interfere with member rights. (See sec. 609 below.) The criminal penalties of the Senate bill apply to any interference.

Section by section differences and comment

Section 101(a)(3): "Freedom from Arbitrary Financial Exactions" (in the Senate bill), "Dues, Fees, and Assessments" (in the bill as passed by the House).

Comment: The House version of this section appears technically preferable.

Differences: (1) The House bill applies only to "increases" in dues, fees, and assessments rather than to "changes" as in the Senate bill; (2) the House bill permits national and international unions to increase dues and fees through member referendums; (3) the House bill permits the executive boards of national and international unions to increase dues and fees temporarily pending convention action.

Section 101(a)(4): "Protection of the Right to Sue."

Comment: It is not clear whether the exhaustion of remedies requirement of this section (101(a)(4)) is intended to apply to several specific causes of action in favor of union members provided by the House bill (but not by the Senate bill) in other titles of the bill; i.e., section 201 providing for member suits to obtain access to union records to verify information contained in financial reports and section 304(a) providing for member suits to enforce the trusteeship provisions of the bill.

Differences: (1) the Senate bill sets a 6-month limit on the time members can be required to pursue internal remedies prior to instituting an action against the union or its officers while the House bill contains a 4-month limit; (2) the Senate bill extends protection of the right to sue expressly to union officers.

Section 104: Unions to make copies of collective bargaining agreements available to members directly affected (sec. 307 of Senate bill).

Comment: The enforcement provisions of this section as they appear in the House bill appear technically preferable and more appropriate, although further clarification would be desirable.

Differences: Under the Senate bill, the Secretary shall bring suit to enforce this requirement if, after written complaint and investigation, he finds probable cause to believe it has been violated and the violation has not been remedied; criminal penalties are provided for willful violations. Under the House bill, there are no criminal penalties and the Secretary may bring suit whenever it appears any person has violated or is about to violate this provision. It is not clear whether this is intended as an exclusive remedy, or whether members whose rights have been infringed may also sue as provided in section 102.

Section 105: Unions to inform members concerning the provisions of the act (sec. 609 of the Senate bill).

Comment: Variations in the manner and degree of union compliance with this provision may develop under the House bill. Neither bill provides a means of enforcement, except House bill provision that member whose rights have been infringed may sue for appropriate relief.

Differences: Unlike the bill passed by the House, the Senate bill provides that the manner of compliance with this section is to be prescribed by the Secretary.

TITLE II—REPORTING BY LABOR ORGANIZATIONS, OFFICERS AND EMPLOYEES OF LABOR ORGANIZATIONS, AND EMPLOYERS

Section 201: Report of labor organizations. Subsection (a).

Comment: None.

Differences: The section of the House bill requiring union organizational reports differs from the Senate version in (1) requiring the adoption of a constitution and bylaws and (2) requiring information as to the amounts of fees established for work permits and the procedures followed in the issuance of work permits.

Subsection (b): The provisions of the two bills on union financial reports are the same.

Subsection (c).

Comment: The Senate bill provision with respect to access of union members to reports and records is more consistent with the administration approach.

Differences: The House bill requires unions to make only the required information available to the members, and conditions the

members' right to examine the books and records necessary to verify the union reports upon just cause. Members may sue to enforce the right to examine books and records. The Senate bill requires the union to make copies of its reports available to members and authorizes the Secretary to prescribe the conditions under which members may examine books and records necessary to verify the reports. Through an apparent misplacement of a phrase, the providing of copies rather than the examination of books is conditioned upon proper cause.

Subsections (d) and (e).

Comment: None.

Differences: The House bill like the Senate bill repeals 9 (f), (g), and (h) of the Taft-Hartley Act. However, the Senate bill retains a non-Communist affidavit (sec. 212) and makes it applicable to certain employers as well as union officers. The House bill has eliminated the non-Communist affidavit entirely and prefers, instead, to bar Communists from union office.

NOTE.—Exemption: The House bill's dropping of any exemption provision is preferable to the Senate bill which authorizes the Secretary to exempt certain size unions from the financial reporting requirements.

Section 202: Report of officers and employees of labor organizations.

Comment: The House bill is technically preferable to the Senate bill in this area and more nearly conforms to the administration approach. Neither bill provides for labor organization officers and employees to report for the same fiscal year as the labor organization, which is necessary if information is to be compared.

Differences: The House bill provision requiring reports of officers and employees of labor organizations differs from the Senate bill in (1) requiring reports of all employees, rather than only those who receive more than $5,000 per year as in the Senate bill, and (2) expressly including reimbursable expenses as a benefit to be reported (the Senate bill does not).

Section 203: Report of employers.

Comment: The language of neither bill is as satisfactory as the administration bill in insuring that all, and only, pertinent information will be reported. The approach of the House bill, insofar as it speaks in terms of "to interfere with, restrain, or coerce" is more consistent with the administration bill than is the language of the Senate bill. However, the House provision is so drafted that an employer cannot file a required report without admitting unlawful payments or payments for the purpose of committing an unfair labor practice or payments to persons engaged in the business of committing such practices. Any reported payment therefore becomes a confession by the employer of wrongdoing or subjects him to the risk of a libel action by a consultant or other person whom he must identify as being engaged in the business of interfering with, restraining, or coercing employees in the exercise of rights guaranteed by Federal law.

Differences: The reporting requirements for employers and labor relations consultants in the House bill are geared to payments designed to interfere with, restrain, or coerce employees in the exercise of their right to organize and bargain collectively while the reporting requirements of the Senate bill (sec. 203) are geared to payments designed to persuade employees in the exercise of these rights.

Section 204: Attorney-client communications exempted.

Comment: None.

Differences: The House bill provides that no attorney or client need include in any report required by this act information which is confidential between the attorney and client and which arose in the course of a legitimate attorney-client relationship. The Senate bill (sec. 611) exempts attorneys, but not their clients from the requirement that such matter be included in reports required by this act.

Section 205: Reports made public information.

Comment: The Senate bill (sec. 204) conforms to the approach of the administration.

Differences: The only differences between the House and Senate versions of this provision are that the Senate bill is more detailed in specifying the Secretary's authority to publish the information, permits instead of requires the Secretary to provide copies on payment of a charge, and requires fees for copies of reports furnished by the Secretary to be credited to the agency appropriation rather than deposited in the Treasury general funds as required by the House bill.

Section 206: Retention of records.

Comments: The House provision conforms with the approach of the administration and is a considerable improvement over the Senate provision (sec. 205).

Differences: The recordkeeping provision of the House bill requires the keeping for 5 years (the period in which criminal prosecutions may be brought) of basic records sufficient to verify information required to be reported under this title. The Senate bill requires records only to verify the financial reports and does not provide a firm period for keeping these records.

Section 207: Effective date.

Comment: Neither the Senate nor the House provision is wholly satisfactory from the standpoint of putting the reporting program into operation. The House provision represents some improvement over the Senate version since some of the partial reports that would be required by the Senate bill are eliminated. Neither bill provides time periods for reporting comparable to those provided by the Welfare and Pension Plans Disclosure Act, and no period is provided by the House bill for adoption of the constitution and bylaws which is required of labor organizations that have not done so. Neither bill provides for transition from present reporting under the Taft-Hartley Act to reporting under this act by allowing interim use of the same forms, which would appear to be desirable in getting the new program under way.

A possible approach to meeting the problem of putting the legislation into effect would be to provide an initial date of January 1, 1960 (as does the Senate bill), or 90 days after first becoming subject to the act, whichever is later, for labor organization reports under section 201(a) and for adoption of constitutions and bylaws (or modifications thereof as required elsewhere in the act, subject, however, to some leeway in the situations referred to in section 404); and January 1, 1960, or 120 days after the end of the applicable fiscal year, whichever is later, for filing reports under section 201(b), 202, or 203 (conforming to the periods allowed under the Welfare and Pension Plans Disclosure Act). Initial reports, as provided in both bills, could exclude information on matters occurring prior to enactment of the act, except that there would seem to be no reason for this in the case of labor organizations which have been filing annual reports under the Taft-Hartley Act if such organizations were permitted to use the same reporting forms for their initial report.

Differences: The House bill has eliminated the Senate bill's January 1, 1960 date for filing initial reports, as well as one of the partial financial reports required, that covering the period from January 1, 1960, to the close of the first fiscal year after January 1, 1960. The House bill requires reports on union organizational matters to be filed within 90 days after the union first becomes subject to the act; all other reports within 90 days after the close of the fiscal year of the person who must report. The initial report need cover only that portion of the fiscal year of a person which passes after a person has become subject to the act.

Section 208: Rules and regulations.

Comment: The House provision is technically preferable to the Senate version but would be substantially improved by restoration of the Senate language authorizing regulations on time of filing and relating to all reports required by the act (not merely by this title).

Differences: The House bill has made the provision applicable only to reports under title II instead of under the act, has eliminated the authority contained in the Senate provision (sec. 206(b)) to prescribe the time for filing reports, and has added a requirement (not contained in the Senate provision) that the Secretary give notice and an opportunity for a hearing before he may revoke the right to a union or employer to report on a simplified form. The House bill does not contain the provision included in the Senate bill which would permit the Secretary to exempt from the bill's reporting requirements for a definite or indefinite period, any union or class of union temporarily convened for the sole purpose of negotiating a collective bargaining agreement or for carrying out educational activity.

Section 210: Civil enforcement.

Comment: The Senate bill's inclusion of provisions for personnel as well as procedures for enforcement is in accord with the administration's proposals. These provisions should be in the legislation. Although they are substantially the same, the House bill provision which authorizes the Secretary to bring civil actions to enforce violations or threatened violations of this title is technically superior to the language of the comparable Senate provision (sec. 210 (c)), but lacks provisions for personnel.

Differences: The House bill does not contain the provisions of the Senate bill authorizing a Commissioner of Labor Reports and omits the express language of the Senate provision which clearly states the Secretary's authority to make necessary expenditures and appoint personnel, including attorneys who may represent him in court.

TITLE III—TRUSTEESHIPS

Comment on title as a whole

Comment: The House and Senate bills contain substantially the same provisions concerning reporting and other requirements with respect to union trusteeships except with respect to enforcement and certain technicalities. The House version is technically preferable and substantially more in line with the administration's proposals in this area.

Differences:

Section 301: Reports (enforcement of requirement for). The House bill provides for civil enforcement by the Secretary of the reporting provisions of the trusteeship title. The Senate bill makes no provision for such enforcement. The House bill, also, requires the parent organization to make the required financial reports on behalf of the local during the period of trusteeship. The Senate bill has no such requirement.

Section 304: Enforcement (of other requirements):

(a) The House bill provides for civil enforcement of the trusteeship provisions, other than those relating to reports, both by the Secretary upon complaint, and by aggrieved members. The Senate bill makes suit by the Secretary the exclusive remedy.

(b) The bills differ with respect to the period of time during which a trusteeship is presumed valid; 18 months in the House bill, 12 months in the Senate. The House also requires a greater quantum of proof in order to attack the validity of a trusteeship during such period.

TITLE IV—ELECTIONS

Section 401: Terms of office; election procedures.

Subsections (a) through (f).

Comment: The language of the House bill, including its definition of "officer," is technically preferable to that of the Senate bill, but substantively some provisions of the Senate bill may be more effective than the House bill. Neither bill requires periodic elections of officers of federations of labor organizations, and both bills confine their safeguards to insure a fair election largely to local unions and secret ballot elections. Elections by delegates in conventions are generally unaffected by the statutory standards.

Differences: The House bill does not provide for a teller at the counting of ballots as does the Senate bill. The House bill eliminates the Senate provision requiring the union to comply with reasonable requests of a candidate to distribute campaign literature at the candidate's expense. The House bill restricts the right conferred by the Senate bill upon a union candidate for office to inspect and copy lists of all members, to lists of members subject to a collective bargaining agreement which requires union membership as a condition of employment. In right-to-work States there will be no such lists and a candidate will not have access to any list. While the Senate bill requires notice of the time and manner and of the place and date of elections to be mailed to every member at his last known address, the House bill merely requires notice in a manner reasonably calculated to inform substantially all the members entitled to vote.

Comment: The house provisions for holding elections on removal of officers in situations where adequate procedures are not provided by the constitution and bylaws for serious misconduct are technically and substantively preferable to the Senate provisions. Neither bill provides any statutory standards for adequacy of union removal procedures, and neither is effective to meet situations where members may need to enlist the help of Government on a confidential basis in obtaining an election to remove from office a gangster or racketeer willing to use criminal means to prevent individual members from taking action to remove him. A procedure such as that in section 304 of the House bill for enforcement of trusteeship standards could be adapted to meet this situation, and would strengthen the legislation.

Differences: The House removal provision applies to all elected officers, while the Senate provision applies only to officers of locals. The House removal provision eliminates the Secretary as the person to determine the adequacy of removal procedures provided in union constitutions and bylaws and places this function in the courts. It also authorizes court orders to bring about removal elections.

Section 402: Enforcement.

Comment: Although the technical language of both bills could be improved, and their enforcement provisions would be weakest in the situations where they are most needed—where criminals have entrenched themselves in office—the approach of the Senate bill is substantively preferable in its reliance on Government, rather than exclusively individual, enforcement action. Since the election standards are designed to insure honest elections for the benefit of all union members as a matter of public policy, their violation is a matter of public rather than exclusively individual concern, and should be enforcible in the same way as the trusteeship standards of the bill. The provision of both bills which requires a member to exhaust remedies available under the union constitution and bylaws before action may be instituted to enforce the election standards can subject the member to just the sort of pressure which makes the election safeguards necessary. This exhaustion of remedy requirement is not imposed with respect to violations of the trusteeship provisions and should not be included in the election provisions. A complaining member's identity can never be concealed if he is required to exhaust internal procedures and in those unions where violations are most likely members may have good reason to fear making complaint if their identity will be revealed. The jurisdiction of the court to grant relief in cases of violations which do not affect the outcome of an election is not clear under either bill, nor is the authority of a court to grant injunctions. Considerable revision of either bill would be necessary to make the enforcement provisions effective and workable.

Differences: The House bill, unlike the Senate bill, gives no authority to any Government official to institute court action to enforce the election requirements. The House bill places reliance solely upon private suits by members. In addition, the House bill requires that before a court can grant relief for any violation of the election standards in an election already held it must find that the violation affected the outcome of the election instead of "may have affected the outcome" as in the Senate bill.

Section 404: Effective date.

Comment: This section, which is identical in both bills, should be eliminated, and the question of required modifications of union constitutions and bylaws dealt with in a manner more effective for meeting the problems. This section as now drafted makes it possible for a union to postpone for as long as 2 years putting into effect the standards for conducting elections required by title IV. It is not apparent why the vitally important standards in title IV should not be complied with on their effective date, whether or not they can be incorporated into a union's constitution or bylaws immediately. Section 404 postpones the applicability of all the provisions of title IV for as long as 2 years if the required modification of the union's constitution and bylaws can lawfully be accomplished by the union only by a constitutional convention. To protect unions which can show that they lack the authority to incorporate any required standards into their constitution and bylaws immediately, provision would be made (appropriately in the effective date provision in sec. 207) to relieve a labor union of liability or punishment for failure to do this (but not failure to live up to the standards) during an appropriate period such as that now provided in section 404.

TITLE V—CODES OF ETHICAL PRACTICES

Comment: If this subject, which appears only in the Senate bill, is incorporated into the legislation, the provisions for an advisory committee would be improved by providing for designation of a chairman from the public members and by eliminating the authority of a minority of the committee to call meetings at Government expense. Also, it is not apparent why a committee on ethical practices should advise on the administration of the entire act, rather than confining its functions to the ethical practices codes provisions.

Differences: The House bill deleted the entire title on ethical practices codes which appears as title V of the Senate bill, and substituted the following new title V, containing provisions on matters dealt with in various other parts of the Senate bill.

TITLE V—SAFEGUARDS FOR LABOR ORGANIZATIONS

Section 501: Fiduciary responsibility.

Comment: The House bill's fiduciary provisions are a revision and improvement of the two provisions of the Senate bill on fiduciaries (secs. 209 and 610 of the Senate-passed bill). Although the duties and responsibilities which both Houses seek to fix do not differ, from a technical view, the House version more aptly carries out the apparent intention of both Houses. Where differences do exist, the House provision is more nearly in line with the administration's proposal in this area. Both bills, however, condition the payment of costs of actions under the fiduciary provisions by the defendant upon "recovery" by the plaintiff. Since under the House bill the recovery of misused funds is not the only relief which may be appropriate under that provision, limitations on payments of costs of defense to instances in which there is a recovery may defeat one of the purposes of the provision, namely, to facilitate member actions to enforce the duties and responsibilities imposed by the bill. The use of the same language as in other comparable provisions (of secs. 401(g), 402(b) of the House bill) would avoid this problem.

Differences:

Subsection (a): The House bill covers "unauthorized expenditures of union funds" as well as other violations of fiduciary duties. It also limits the reach of the prohibition on "exculpatory provisions" to a ban on "general exculpatory" provisions. This limitation avoids a constitutional question which is raised by the attempt to ban all "exculpatory action" made in the Senate bill.

Subsection (b): The House bill makes it clear that members may sue for violations of all of the fiduciary duties imposed by the bill, not just theft, embezzlement, and unlawful conversion, as provided in the Senate bill.

Section 502: Bonding (sec. 308 of Senate bill).

Comment: The bonding provisions of the House bill are technically preferable to those of the Senate bill. However, the bill creates a problem with respect to possible conflict between an action to enforce fiduciary responsibilities under section 501 and action on the bond under 502. Courts may hold that suit must be brought on the bond, rather than for recovery or for an accounting under section 501. Legislative history to the effect that the bonding provisions are not intended to in any way limit actions to enforce the fiduciary responsibilities might be desirable.

Differences:

Subsection (a): The House bill improves the Senate bill by specifying the form and surety of the bond, and by setting the bond at a more reasonable sum in accordance with the responsibility of the particular officer, rather than the size of the organization. The House bill requires that the surety must be a corporate surety company which holds a grant of authority from the Secretary of the Treasury, and one in which the union has no interest. It prohibits the placing of a bond through an agent or broker in which union has an interest. The Senate bill has no such precise requirements.

Subsection (b): The House bill makes violations of the bonding provisions a criminal offense. The Senate bill contains no provisions for enforcement.

Section 503: Loans to Officers of Labor Organizations (sec. 207 in Senate bill).

Comment: The Senate bill imposes broader prohibitions than the House bill. The administration bill has no prohibitory provision on this subject, but relies on reporting provisions for disclosure of these transactions.

Differences: The House and Senate bills differ with respect to the amounts of the loans permitted, $2,500 in House bill, $1,500 in Senate. The Senate bill prohibits the payment of fines or cost of defense by unions

of officers convicted or indicted for any violation of the act. The House bill merely prohibits payment of fines for convictions of "willful" violations of the act.

Section 504: Prohibitions against Communists and convicted felons from holding certain offices and employment (sec. 405 of the Senate bill).

Comments: Both the Senate and House provisions in this area raise certain problems. The House provisions although differing materially from the administration's proposals, are more comprehensive than the Senate's and appear preferable in some respects as between the House and Senate bill for technical reasons. The administration's proposals would be preferable to either.

Differences: The House bill's provision with respect to the period of disqualification is preferable, and it provides for an administrative determination of suitability of an ex-felon to serve by the Federal Parole Board, while the Senate provides for a determination by the Secretary of Labor. The Parole Board is a more appropriate agency for the performance of this function.

The House bill bars Communists, as well as persons convicted of certain enumerated felonies, from serving as union officers. The Senate bill bars certain felons, but does not bar Communists, although it retains an amended version of non-Communist affidavits which applies to both unions and employers.

The House bill also disqualifies convicted felons and Communists from acting as a labor consultant to any person engaged in an industry affecting commerce, or as an officer, agent, director, or employee (except clerical or custodial) of any employer association dealing with any labor organization. The Senate has no comparable provision.

The Senate bill (like the administration bill) makes it a crime for the union to permit ineligible persons to serve. The House bill contains no such prohibition.

Section 505: Amendment to section 302 of the Taft-Hartley Act (sec. 211 of the Senate bill).

Comment: The provisions of the two bills are substantially the same, except that the Senate bill includes permission to checkoff not only dues, but also "other periodic payments to a labor organization in lieu of dues." Both bills raise a problem in their amendments to section 302. Payments for the purpose of "influencing" officers or employees of unions or employee committees are made criminal. In view of the criminal nature of these prohibited payments, it would avoid the possibility of this provision being declared invalid as a basis for prosecution because of its vagueness if this phrase were changed to "coerce, interfere with, or restrain." This latter phrase has a body of interpretive law which defines its metes and bounds. "Influencing" has such breadth of possible interpretation that it might be virtually impossible for a person to know in advance what he is prohibited from doing.

TITLE VI—MISCELLANEOUS PROVISIONS (DEFINITIONS IN THE HOUSE BILL ARE IN SEC. 3, BEFORE TITLE I)

Section 601: Power and duty of Secretary to investigate violations of the act (secs. 206(c) and 604 of the Senate bill).

Comment: The provisions in the Senate bill do not hamper the investigatory power by requiring probable cause, avoid technical problems presented by the House bill, and are more in line with the administration bill.

Differences: (1) The House bill restricts the Secretary's power to investigate, to situations where he has probable cause to believe a violation has occurred or is about to occur; (2) the House bill does not except from the investigatory power amendments made by the act to other statutes; (3) the House bill excludes title I from the investigatory power; (4) the House bill contains no provision allowing the Secretary to make results of investigations known to interested persons and officials; (5) the House bill does not apply expressly to violations of rules and regulations issued under the act.

Section 609: Discipline, use of threat of force or economic reprisal to interfere with exercise of rights by members (sec. 607 of Senate bill).

Comment: The House bill provision for suits by union members where they are disciplined for exercising rights under the act does not allow relief against threatened discipline. Also, it might be desirable if the Secretary were empowered to protect members who are threatened with discipline because of complaints filed with him under the act.

Differences: (1) The Senate bill provides criminal penalties for willful violations against unions and their officers or agents who discipline members for exercising rights; the House bill provides only for private suits by the affected members. (2) The Senate bill provides for criminal penalties for willful violations against persons who use or threaten force or economic reprisal to interfere with the exercise of member rights; the House bill's criminal provision applies only to use or threat of force or violence and reduces the penalties.

TITLE VII—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT

Section 701: Federal-State jurisdiction.

Comment: The House provision with respect to the no man's land question is technically and administratively more feasible, and more nearly in line with the administration's proposal in this area.

Differences: The House bill permits the States to exercise jurisdiction in cases over which the NLRB declines to exercise its jurisdiction. The Senate bill permits only State agencies and not State courts to exert jurisdiction over cases declined by the Board. The States must apply Federal law, and appeal is to Federal court.

Section 702: Building and construction industry.

Comment: The House provision more nearly follows the administration's proposals in this area than does the Senate bill.

Differences: The Senate bill permits employers and unions in the construction industry to enter into prehire agreements, permits 7-day union shop provisions, and permits union security agreements which require employer notice to unions of openings, and permits union referrals and priority in employment on the basis of seniority or experience. The House bill permits the NLRB to certify a union upon joint petition, in a unit normally represented by such union, if there is a prior history of collective bargaining.

Section 703: Voting by economic strikers.

Comment: The Senate provision on voting by economic strikers is substantially identical to the administration's proposal on this issue.

Differences: The Senate provision merely strikes from the present act the prohibition on voting by economic strikers and directs that they shall vote under regulations prescribed by the Board. The House bill contains the present prohibition on voting by such strikers, but prohibits the holding of an election on a petition by another union for 6 months, if recognition was not an issue when the strike began. If the petition for an election is by an employer, the prohibition is for 12 months.

Section 705(a): Secondary boycotts.

Comment: The House provisions follow substantially the administration's proposals in this area, except that they do not provide any special treatment for activities at the site of construction work engaged in by several joint venturers or contractors and subcontractors. However, the "farmed-out struck work" provision in the House bill restricts present law with respect to farmed-out struck work, while the administration's proposals would merely expressly write into the statute the existing interpretations.

Differences: The Senate bill contains no provision on this subject.

Section 705(b): Hot cargo (comparable to sec. 707 of Senate bill).

Comment: A literal interpretation of the language in the hot cargo provisions of the House bill might invalidate agreements respecting the rights of employees to refuse to handle "farmed-out struck work," or to use unsafe equipment. If this provision should be accepted by the conferees, it might be desirable to make some clear legislative history that there is no intention in section 705(b) to affect the rights of employees with respect to farmed-out struck work, unsafe equipment, and matters of that nature. Similarly, if the Senate provision limited to motor common carriers subject to part I of the Interstate Commerce Act should be accepted, it might be desirable to make clear in the legislative history that this is not intended to change existing law with respect to hot cargo agreements between other parties.

Differences: The provision of the House bill makes the execution or inducement to perform any hot cargo agreement an unfair labor practice by unions and employers. Such conduct is subject to the mandatory injunction procedures of the Taft-Hartley Act. All such agreements are void and unenforcible. The Senate bill has a limited ban on hot cargo agreements applicable only to certain classes of motor carriers.

Section 705(c): Organizational and recognition picketing.

Comment: The provisions of the House bill are more nearly in line with the administration's proposals in this area than are those in the Senate bill. They are, however, broader in their scope and more restrictive on picketing than the administration proposal. Also, they contain a provision opening up unions to damage suits for such picketing, no matter how peaceful.

Making peaceful picketing subject to actions for damages in Federal as well as State courts is a serious departure from present labor policy. The impact of this change on uniformity in labor law is particularly serious in view of the fact that such picketing is prohibited if an object is recognition or organization. Few instances of picketing will be found where at least a remote objective of the union cannot be found to be related to recognition. The result of this departure from existing labor policy could well be upsetting to the balance between the rights of employees and unions and the rights of employers. In addition, in the absence of clear legislative history showing a contrary intention, this provision might make it an unfair labor practice to picket against an employer's unfair labor practices in many instances, since frequently it may be found that organization is also an object.

Most serious consideration should be given to eliminating the authorization of suits for damages for peaceful picketing.

The prohibitions on picketing during the 12-month period after an election where no union was certified and where a sufficient interest among the employees cannot be shown, may suggest that there are no circumstances under present law under which such picketing is prohibited. It might be desirable to create some legislative history to show that adding of these specific prohibitions is not evidence that all such practices are permitted under present law.

Differences: The House bill bans such picketing for 12 months after an election where "no union" is certified. The Senate bill bans it for 9 months after such election

and an employer unfair labor practice is a defense to a charge filed under this provision.

The House bill bans such picketing unless the union can show interest on the part of the employees sufficient to support a petition for an election (30 percent), and where such picketing has been engaged in for a reasonable period of time (not exceeding 30 days) and an election petition has not been filed. The Senate bill contains no such provisions at all.

The House prohibitions apply to picketing where an object, rather than the object, is for recognition or organizational purposes. The administration bill left the determination of "sufficient interest" and "reasonable time" to the NLRB, and, like the Senate bill, make the prohibitions applicable where the object is for organization or recognition.

The House bill makes injuries resulting from such picketing a cause of action in damages under section 303 of the Taft-Hartley Act.

Section 707: Effective date of amendments.

Differences: Amendments to the Labor Management Relations Act by the House bill are made effective 60 days from date of enactment. In the absence of a similar provision, the Senate bill would make its amendments effective on the date of enactment.

ADDITIONAL PROVISIONS OF SENATE BILL

Section 704 (of S. 1555): Definition of "supervisor."

Differences: The Senate bill excludes service assistants in the communications industry from the definition of supervisor in the National Labor Relations Act. The House bill contains no comparable provision.

Section 705 (of S. 1555): Prehearing elections.

Comment: The administration's bill provided for prehearing elections where no substantial issues are in dispute.

Differences: The House bill contains no provisions in this area. The Senate bill authorizes such elections 45 days after filing of a petition and there are no susbtantial issues in dispute.

Mr. GOLDWATER. Mr. President, I withdraw my amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. GEORGE P. MILLER of California, Mr. ZELENKO, Mr. TOLLEFSON, and Mr. RAY were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy); and

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 4242. An act for the relief of certain aliens;

H.R. 7650. An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

The Senate resumed the consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I call up my amendment designated "8–13–59—D," and ask the clerk to report it.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 4, after line 10, it is proposed to insert a new section 4, as follows:

SEC. 4. The provisions of this Act shall apply only with respect to taxable years which begin before January 1, 1962.

Renumber section 4 as section 5.

Mr. SPARKMAN. Mr. President, I wish to modify the amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. SPARKMAN. I yield myself 5 minutes. I wish to modify the amendment by changing the word "January" to "July".

The PRESIDING OFFICER. It is so modified.

Mr. SPARKMAN. My reason for doing that is because the Frear amendment setting up the Study Commission provides for a final report by that Commission by March 31, 1962. This would give 3 months within which the proper legislative committees could consider the reports and recommendations and come in with permanent legislation.

The sole purpose of the amendment is to make certain that the pending bill is temporary legislation. It is hold-the-line legislation until a thorough study can be made and recommendations can be offered for a permanent solution.

I hope, personally, that a solution may rest in a uniform practice agreed upon among the States, but we do not know whether anything like that is possible or not. It could come.

I believe that this matter needs much more testing, trying out, through consideration and work, than we have been able to give it. I think it is apparent from the amount of discussion we have had on it here on the Senate floor that many Senators are in doubt with reference to many provisions of the bill. The adoption of the Talmadge amendment improved it greatly, but it seems to me that there are other provisions in the bill which even yet we do not understand. All my proposal would do would be to hold the line right where it is and give us an opportunity to study the subject and work out a new program.

I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I have some amendments at the desk which I believe it is necessary to add to the bill. I was planning to offer them, but I am willing to withhold my amendments if the Senator's amendment shall be agreed to.

My amendments would exempt all small concerns, and those which have more than a million dollars of sales in a State would not be able to gain the exemption provided by this legislation.

It seems to me this exemption should go no further. The exemption should not take in all the blue-chip corporations listed on the New York Stock Exchange, and take that taxation away from the 49 States.

However, if the Senator's amendment is agreed to, providing for a 2-year cutoff date, making sure there is an opportunity to study this matter and have recommendations made to Congress, then I shall be willing to withhold my amendment and wait and see what the Study Commission comes up with. I feel the bill as presently drafted has too broad an exemption. Nevertheless, if the Senator's amendment is agreed to, I shall withhold my amendment.

Mr. SPARKMAN. I thank the Senator. His statement bears out my comment that there are many of us who are not happy with the bill, even after the adoption of the Talmadge amendment. I have heard comments relating to independent contractors. Many Senators have expressed doubts as to what it would mean to them. I think we need legislation, but I believe it ought to be temporary, until a more thorough study can be made than has as yet been made.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from North Dakota.

Mr. LANGER. I have a telegram in my hand from the tax commissioner of North Dakota. He asks that further time be given to a study of the question. That is why I shall support the proposal of the Senator from Alabama.

Mr. President, I ask unanimous consent that the telegram be printed in the RECORD at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *August 19, 1959.*

Senator WILLIAM LANGER,
Senate Building, Washington, D.C.:

I urge you to vote against S. 2524 because there has not been enough time since the U.S. Supreme Court decisions to give this problem sufficient study. S. 2524 would restrict the authority of the States under the

Supreme Court decision to tax income from interstate commerce. I believe a no vote would be to the best interests of the State of North Dakota.

J. ARTHUR ENGEN,
State Tax Commissioner.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Pennsylvania.

Mr. CLARK. I hope the Senator from Virginia will accept the amendment of the Senator from Alabama. I have great doubt about the desirability of the bill, even after paragraph (3) has been stricken. I have some concern about the constitutionality of section 2, which point was raised earlier today by the Senator from Alabama; but if this is to be a temporary bill, merely to reassure small businessmen and large businessmen who, to my way of thinking, have been unfairly and unjustly aroused about the situation, then I think we should allay their fears if we can legitimately do so.

I would be very much inclined to support the bill as a temporary law, because if we are doing anything wrong, we are doing it on a temporary basis, and we are doing something which, by and large, the businessmen of this country would like to have done. So I hope the chairman and the other members of the committee will be willing to accept the Senator's amendment.

Mr. SPARKMAN. May I say, along the same lines, that I am hopeful the distinguished Senator from Virginia will accept the cutoff date provision. I know he expressed himself yesterday as not being in favor of it, but it seems to me, since the Study Commission has been provided for and the Talmadge amendment has been adopted, the Senator from Virginia may have tended to change his mind. I shall cling to the hope that he may be willing to accept the amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Kansas.

Mr. CARLSON. I should like very much to support the amendment of the Senator from Alabama, but I have some questions about it. If we write that provision into the bill and no action is taken, what will happen? What situation will a businessman be in if no action is taken?

Mr. SPARKMAN. On the other hand, does not the Senator think a great many businessmen are going to ask, if this is to be permanent legislation, what is going to happen to them? If what we have had here today is a sample of the confusion which may result, I think we ought to have some concern as to what is going to happen over the country if this bill is to be regarded as a piece of permanent legislation. I think if the amendment is adopted it will insure action being taken. I certainly hope, when the Study Commission goes to work on the problem, that action will be taken, anyhow; but if this proposal will prompt us to take action, I believe it is a good provision.

Mr. CARLSON. I was concerned about the situation that is developing and which no doubt will continue to develop, as the Senator from Alabama has said; but I do not want to get ourselves, and I do not think the country wants to get, into a situation where businessmen will stop all transactions until we take action. I would be in favor of an open-end proposal, with the hope that we would get action soon. We need action.

Mr. SPARKMAN. I, too, hope action will be taken soon. Under the Frear amendment, this Commission is supposed to make its first report in 1960.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARLSON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Virginia controls the opposition time.

Mr. SPARKMAN. Mr. President, I yield myself 3 additional minutes.

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. I merely desired to explore this question, because I am hopeful we can get legislation before the date mentioned.

Mr. SPARKMAN. I agree with the Senator. As I said before, I think legislation is necessary, but I think the legislation we want is what we might call hold-the-line or stopgap legislation. In other words, let us take this proposal exactly as it is today and leave the final solution to the time when the Commission shall make its report and recommendations to Congress. Let us have it as an open-end provision. That is what I am arguing for.

Mr. CARLSON. As I understand the amendment, as it has been modified, the date would be July 1, 1962.

Mr. SPARKMAN. July 1, 1962, which gives us plenty of time within which to act. It is not one of these hurry-up propositions at all. It gives the Commission plenty of time to make a study and report, and it gives the Congress, after that time, plenty of time to act.

Mr. CARLSON. This matter has been before this Nation for 20 years. It is not new to this particular Congress, but it has been brought to our attention because of the Supreme Court decision. Private agencies, State governments, and Congress to some extent have been studying this problem.

The business people of this Nation cannot act on this question. The decision must be made by the Congress. I think we need the study sought. In fact, I would have been happy if the committee had directed only that a study commission make a study of the problem. But the Nation demands more. I am happy we are making progress, but I do not want to do something that may haunt us and disrupt business in the Nation. I would like to leave this matter open so there would be a feeling that we were compelled to take action. When we reach the date in 1962, if we have not acted, I can see that a great deal of confusion will result.

Mr. SPARKMAN. The Senator from Kansas serves on the Finance Committee, and he also served on the Ways and Means Committee of the House. We are confronted with exactly that same situation on tax bills. Tax bills run only for a certain length of time. The Senator has never hesitated, for the approximately third of a century that he has been in Congress, to act on tax bills that have cutoff dates. The study made by the Small Business Committee was made at the insistence of business across the country, small business and big business. We had representatives before the committee of some of the biggest corporations in the country.

The U.S. Chamber of Commerce took an active interest. The American Bar Association and other organizations did the same.

In my recollection, in the hearings we held I believe everyone, without exception, recommended temporary legislation until a thorough study could be made. In other words, the recommendation was, "Hold the situation as it is until the people of this country can determine the best way to proceed."

That is all my amendment seeks to do.

Mr. CARLSON. In fact, I hesitate to even speak against the Senator's amendment.

Mr. SPARKMAN. I do not want the Senator to speak against it. I want the Senator to vote for it.

Mr. CARLSON. I should like to help the Senator. I should like to get some legislation on the books.

As the distinguished Senator said, I have served as a member of the House Committee on Ways and Means and as a member of the Senate Finance Committee. I have served on coordinating committees, between the State and Federal Governments. We have held extensive hearings and have made a large number of recommendations. Some of the recommendations were adopted. However, the process takes a great deal of time, and the States are involved in this problem.

Mr. SPARKMAN. Yes, the States are involved. That is one reason the solution to the problem will require a lot of study and work.

Mr. CARLSON. It will take some time.

Mr. SPARKMAN. As a matter of fact, as I said a while ago, I am hopeful that the States themselves will take the initiative and perhaps set up some kind of uniform practice. If they do that, we will not be worried.

Mr. CARLSON. I should like to say to the distinguished Senator from Alabama that if we could do this in 6 months I would be happy about it.

Mr. SPARKMAN. So would I.

Mr. CARLSON. But I am greatly concerned about setting an exact date. When we reach the date, we may not have the details solved.

Mr. SPARKMAN. The amendment would set a date 3 years off. Certainly, that ought to be enough time.

Mr. CARLSON. I wish I could agree with the distinguished Senator. I regret that I cannot.

Mr. SPARKMAN. Mr. President, I yield myself 3 additional minutes, and I yield to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 3 additional minutes.

Mr. GORE. Mr. President, the members of the Committee on Finance said in the majority report:

> Your committee recognizes that the bill it has reported is not a permanent solution to the problem that exists.

In presenting the bill yesterday, the distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD], called it a stopgap bill. Only if we provide a termination date can we be assured it will be temporary legislation.

Mr. SPARKMAN. The Senator is correct. That is all I am trying to do. I am trying to provide something which will prod us into action.

Mr. GORE. I think it would be the better part of wisdom to study first, and then act. However, since the Senate seems determined to do both—that is, to provide for a study and to act in some way—surely, after we have provided a study group, we should have a termination date.

If the Senator will yield further, I should like to point out that the single most dangerous provision remaining in the bill, in my opinion, is one to which the Senator has already referred. It concerns the independent contractor. I do not wish to read the entire sentence, but what I read is from the bill:

> For purposes of subsection (a), a person shall not be considered to have engaged in business activities within a State during any taxable year merely by reason of sales in such State * * * of tangible personal property on behalf of such person by one or more independent contractors.

I should now like to read to the able Senator and to the Senate the interesting definition of an "independent contractor" which is written into the bill:

> The term "independent contractor" means a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities;

In other words, an independent contractor, who could represent a company having a vast spread of business, could represent some other small concern for a minutia of business and thereby qualify as an independent contractor. The company could have as many of these men as it desired within a State, taking orders and selling and delivering goods, and yet avoid State income taxes.

I think the bill should have a termination date.

Mr. SPARKMAN. I agree with the Senator that there ought to be a termination date. I am not prepared to argue the section regarding the independent contractor. I said a few minutes ago that I had heard several Senators express doubts about the matter. I am not prepared to argue the matter, but I am willing to try if we have a cutoff date. We should have a date certain by which we will know we will act toward getting a permanent solution to the problem. I believe it is highly important to have that cutoff date.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the point the Senator has made is well taken. At least we go too far in the exemption for taxation which would be given.

I should like to refer again to the case in Louisiana involving International Shoe Co. which had about $5 million of sales from its national sales or about $150 million in the State. It would appear that the amount of profit being made on the sales in Louisiana would be about $500,000 a year. In regard to that amount, the State only asked in taxes about $1,700. Although that company had 15 salesmen operating in the State on a full-time basis, and although the State only wanted the small amount of $1,700 in taxes, or about $100 per salesman in that State, in which State the company was making a profit of $500,000, under the provisions of the bill, if I interpret them correctly, the company would be exempted, provided its salesman operated out of homes or out of hotel rooms rather than out of an office.

That is a very broad exemption to give a corporation, and that exemption would apply on a nationwide basis.

I suspect we are going too far in the provisions in the bill, even with the Talmadge amendment which was adopted. The amendment of the Senator from Alabama would give us an opportunity to study the matter and to find a better answer than that which the committee has found. The committee answer is not one which resulted from a great deal of study. The committee acted on short notice.

I know there were a great number of tax collectors who wanted to appear to testify and give their ideas in regard to this measure. The committee was able to hear only two, who came from Louisiana and Georgia, and I assume these two men were heard because Louisiana and Georgia were represented by Senators on the committee. I think all of these men who are interested should have a right to be heard before we enact permanent legislation on this subject.

Of course, the Senator knows that if we agree to even temporary legislation those who want exemption from taxes will get great advantages, because of the tendency to carry on these stopgap measures, once they are started.

Mr. SPARKMAN. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, may I inquire if I have any time remaining?

The PRESIDING OFFICER. The Senator from Alabama has 2 minutes remaining

Mr. SPARKMAN. I thank the Presiding Officer.

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] has 10 minutes remaining.

Mr. BYRD of Virginia. Mr. President, I am very sorry to say to the Senator from Alabama that I cannot accept his amendment. It seems to me that if there is anything wrong with what is being done in the bill it can be corrected by legislation. It would be very confusing to have a termination date.

Especially, I will say to the Senator from Alabama, it would be confusing to have the date he has selected, because he has selected the middle of the calendar year. The taxes with which I am familiar, as they relate to the government of Virginia and other places, are assessed on a yearly basis, for the whole calendar year. The Senator from Alabama has selected the fiscal year.

Mr. President, all in the world the bill would do is to say that business which originates from the solicitation of a traveling salesman, who does not have an office and who does not have any facilities whatever, except perahaps his own automobile or his own legs, which business originates in one State when title is transferred in another State, since the sale is not consummated in the State involved, is business which shall not be taxed, as interstate commerce, in regard to income taxes. That is all the bill would do. It has been stripped down to the point that that is the only thing the bill would do.

I simply cannot conceive that this nation will ever come to the point of providing that this type of business, solicited by these traveling salesmen, should be subject to the income taxes of 50 States in the Union, if the States have income taxes. Some States do not have income taxes.

I think the confusion would be terrific. The cost of keeping records would be very great. The various States do not have a uniform formula, as the Senator from Alabama knows, for assessing these taxes. I have had some experience with them. It is necessary to select employees who know the formulas of the various States. One must employ auditors to make out reports. In many instances the cost of making the returns would be greater than the taxes.

I have outlined all that the bill does. If anything is wrong with it, it can be corrected after the study is made.

Let me say to the Senator that the hearings were fairly extensive, running to 278 pages. We heard 30 or 40 witnesses. I believe those hearings were sufficiently adequate to inform the committee as to the proposed legislation.

Let me say a word about small business. The Senator from Alabama is interested in the protection of small business. Big business can get orders by advertising over the television and in the newspapers. Big business concerns spend millions of dollars advertising on the television and in newspapers. Frequently the small businessman must send a salesman in to get the business.

What about the orders which are obtained by mail order houses? Should such transactions be taxed? The mail order houses send a booklet into the State, and the recipient notes from that book what he wants to buy. All that the small businesses can do is to send in

salesmen. They have no office. They do no business in the State, except to solicit orders. The title is transferred in the State where the home office is located. If the title were transferred in the State in which the order was taken, it would become taxable. The salesmen cannot consummate a sale. That is done at the home office.

What we are doing is a matter of justice and common sense. The business of the country could not operate if all 50 States started taxing one another merely because there are traveling salesmen.

I hope the amendment providing for a termination date will be defeated. If there is anything wrong with the bill, it can be corrected. Any Member of the Senate who thinks it is unwise has the privilege of voting against it.

I hope the amendment will not be adopted, and that the bill will be enacted as it now stands.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. COTTON. Is it not the opinion of the distinguished chairman of the committee that if there were some feature in the bill that proved undesirable in practice, it would not be likely to be corrected much more promptly by the Congress if there were no termination date than it would be if the people were conscious of the fact that the law would expire in 3 years anyway?

Mr. BYRD of Virginia. I think the Senator is entirely correct. We can amend our tax laws at any time.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. NEUBERGER. I am sure the Senator from Virginia knows that I have great respect for his views and for his sincerity.

This is what troubles me about the bill: Most of the correspondence I have received from my own State in favor of the bill has been from firms which seem to feel that they will pay lower taxes to our State if the bill is passed. About the only correspondence I have received against the bill has been from the chairman of our State Tax Commission. He has said that it could cost our State a great deal of revenue each year.

Mr. BYRD of Virginia. Is he referring to the bill as amended, as it now stands?

Mr. NEUBERGER. I suppose he was referring to the bill in its original form. He could not be expected to keep abreast of all the amendments that were made on the floor of the Senate.

Mr. BYRD of Virginia. Does the State of Oregon tax a transaction which originates with a traveling salesman when the sale is not consummated in that State, when the salesman has no office, and there is no warehouse or other facility in the State?

Mr. NEUBERGER. I cannot go into detail as to the exact nature of Oregon's fiscal structure, but Oregon is more dependent than almost any other State in the Union, in terms of percentages, on both personal income taxes and corporate income and excise taxes. Our State has extensive corporate income and corporate excise taxes.

Mr. BYRD of Virginia. Excise taxes are not involved.

Mr. NEUBERGER. But the corporate income tax is.

Mr. BYRD of Virginia. I think there is only one State which attempts to tax business of this character, business which is originated by traveling salesmen. If there is a warehouse in the State, the business is clearly taxable. We have now stricken out the provision with regard to an office. A business firm cannot even have an office to write orders. It is only when a traveling salesman goes in and sells goods subject to consummation at the home office that an exception is made. The sale is not consummated in the State. Title is not transferred in the State. It is transferred in the State which originates the shipment.

Mr. NEUBERGER. Would this provision be subject to avoidance by reason of any loopholes?

Mr. BYRD of Virginia. I do not see how it could be, unless the Senator thinks that what a traveling salesman does should be taxable in his State. If that were done, there would be reprisals. If such transactions are taxed in one State, the other States will levy taxes against Oregon businesses. Under such a system, 50 States would be taxing one another under different formulas. So far as I know, there are no two States which have the same formula by which such taxes are imposed. I do not know of any.

Mr. NEUBERGER. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired. The Senator from Alabama has 2 minutes remaining.

Mr. CARLSON. Mr. President, I ask unanimous consent that the chairman of the committee and the Senator from Alabama each be allowed an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. As the Senator knows, the Supreme Court decision brought about a situation in which such taxation would be legalized.

Mr. SPARKMAN. Mr. President, I think the Senator from Virginia has made a very fine presentation of what the bill does. I remind the Senator from Virginia that I was not attacking the bill on the merits. I said that I believe legislation is needed. I believe that the Talmadge amendment improves the bill. Legislation is needed; but when we take it, we take it on an experimental basis. The Senator from Tennessee read from the report a while ago something to the effect that this was recognized as temporary legislation. I believe the Senator from Virginia referred to it yesterday as stopgap legislation.

Mr. BYRD of Virginia. I think there is a difference between "stopgap" and "temporary." "Stopgap" does not necessarily mean "temporary."

Mr. SPARKMAN. The Senator says that the legislation will be reviewed. All I am trying to make certain is that it is reviewed.

I agree with the Senator as to the need for legislation. I think the Senator from Virginia has made a fine presentation as to the terrible condition which will exist unless some kind of holding action is taken.

Mr. BYRD of Virginia. That is all the bill does.

Mr. SPARKMAN. All I am trying to do is to make certain that it will be reviewed, to the end that some permanent legislation may be enacted, either by way of ratifying a compact among several States for uniform practice, or by way of enactment of further legislation.

Mr. BYRD of Virginia. When the report is made by the Commission to be appointed, naturally the whole subject will come under review.

Mr. SPARKMAN. That is all I am asking for. All I wish to do is to make certain that that is done. I have suggested a cutoff date, which would almost certainly require us to do it, and at the same time would serve notice—and I think this is important—to businesses throughout the country that this is temporary legislation, and that it is a holding action.

Mr. BYRD of Virginia. I hope the Senator will be a Member of the Senate—as I feel certain he will—when the report is submitted. I hope I shall still be a Member of the Senate.

Mr. SPARKMAN. So do I. The only difference is that I must run again. The Senator from Virginia does not have to run again. [Laughter.]

Mr. BYRD of Virginia. I will associate myself with the Senator from Alabama in an effort to see that a thorough review is made when the report is submitted.

Mr. SPARKMAN. On page 5 of the report the terms "stopgap" and "temporary" are both used.

It reads:

> Your committee believes, however, that the bill it has reported will serve as an effective stopgap or temporary solution while further studies are made of the problem.

Mr. BYRD of Virginia. The emphasis was put more on "stopgap"; that is admitted.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. GORE. The Senator has stated that the bill now deals only with salesmen. I am certain the Senator wants to give the Senate correct information. Will he not refer to the language that begins at the bottom of page 2? It provides, in effect, that a person shall not be considered as engaging in business and subject to State income taxes if he operates through an independent contractor.

Mr. BYRD of Virginia. That is true.

Mr. GORE. So more than a salesman is involved.

Mr. BYRD of Virginia. But an independent contractor is a resident of the State. He is not an employee of the company which makes the shipment. He makes a sale for the company, as has been done since time immemorial. Companies have commission agents; and a definition of a commission agent is one who is an independent contractor.

Mr. GORE. Would it be possible for General Motors to distribute its products in every State in the Union through a so-called independent contractor, if such contractor met the definition of "independent contractor" under the terms of the bill?

Mr. BYRD of Virginia. An independent contractor would be subject to State taxes.

Mr. GORE. What about General Motors?

Mr. BYRD of Virginia. General Motors, of course, would pay income taxes in the State, if the State has an income tax law, where the business originated.

If the Senator will notice the definition of "independent contractor," it means:

* * * a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities; * * *

Mr. GORE. I read the definition and found it very interesting. Would it not be possible for a subsidiary corporation to act as, or to be, an independent contractor under the terms of the definition?

Mr. BYRD of Virginia. Mr. Stam says he does not think it would be possible.

Mr. GORE. I do not know upon what Mr. Stam bases his judgment.

Mr. BYRD of Virginia. If that were done, the subsidiary would be subject to the taxes of the State in which it resided.

Mr. GORE. But the business of the subsidiary corporation might be so managed that the subsidiary would show little profit, whereas all the profit would go to the parent corporation.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. SPARKMAN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 5 minutes remaining.

Mr. SPARKMAN. I yield 2 minutes to the Senator from Virginia.

Mr. KERR. Mr. President, the Senator from Minnesota [Mr. MCCARTHY] desires the Senator from Virginia to yield to him.

Mr. BYRD of Virginia. I yield to the Senator from Minnesota.

Mr. MCCARTHY. I simply wish to support the position of the chairman. If this were a bill involving the imposition of a tax, I think I would favor a cutoff date; but since it is more or less a declaration of policy, and Congress is committed to review the policy within a reasonable time, I see no particular merit in providing for a cutoff date. I believe it might constitute a real problem in terms of State legislation dealing with this question.

Mr. KERR. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. I yield.

Mr. KERR. In my judgment, the provisions of the bill merely reiterate what is the law in this country under the Constitution. It seems to me that the effort to provide for a cutoff date in the bill is an effort to put a cutoff date on the provisions not only of the bill but of the Constitution, as well.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call to be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I suggested the absence of a quorum in order to call a sufficient number of Senators to the Chamber to enable me to ask for the yeas and nays on my amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Alabama.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Texas [Mr. YARBOROUGH] is absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that on this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

I also announce that if present and voting the Senator from Louisiana [Mr. ELLENDER] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Texas would vote "yea."

The result was announced—yeas 37, nays 57, as follows:

YEAS—37

Bartlett	Hart	Moss
Carroll	Hennings	Murray
Case, S. Dak.	Hill	Neuberger
Chavez	Humphrey	Proxmire
Church	Johnston, S.C.	Russell
Clark	Kefauver	Smathers
Dodd	Langer	Sparkman
Douglas	Long	Symington
Dworshak	McClellan	Williams, N.J.
Engle	McNamara	Young, N. Dak.
Fulbright	Mansfield	Young, Ohio
Gore	Monroney	
Gruening	Morse	

NAYS—57

Aiken	Ervin	McGee
Allott	Frear	Magnuson
Anderson	Goldwater	Martin
Beall	Green	Morton
Bennett	Hartke	Mundt
Bible	Hayden	Muskie
Bridges	Hickenlooper	Pastore
Bush	Holland	Prouty
Butler	Hruska	Randolph
Byrd, Va.	Jackson	Robertson
Byrd, W. Va.	Javits	Saltonstall
Cannon	Johnson, Tex.	Schoeppel
Carlson	Jordan	Scott
Case, N.J.	Keating	Smith
Cooper	Kennedy	Stennis
Cotton	Kerr	Talmadge
Curtis	Kuchel	Thurmond
Dirksen	Lausche	Wiley
Eastland	McCarthy	Williams, Del.

NOT VOTING—4

Capehart	O'Mahoney	Yarborough
Ellender		

So Mr. SPARKMAN's amendment was rejected.

Mr. LONG. Mr. President, I call up my amendment designated "8–19–59–H."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 14, it is proposed to insert:

(e) The provisions of subsection (a) shall not apply to the imposition of a net income tax by any State, or political subdivision thereof, for any taxable year with respect to any person who has sales in such State during such taxable year equal to, or in excess of, an amount determined by multiplying the population of such State (according to the last decennial census) by 50 cents. This subsection shall not apply with respect to any person for any taxable year, if the sales of such person in such State during such taxable year are less than $250,000.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. LONG. I yield myself 6 minutes at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana.

Mr. LONG. The purpose of this amendment is to make it clear that the exemptions from State income taxes proposed by the bill would apply to those concerns that are relatively small in size, The blanket exemption that this bill provides would not be granted to the large concerns which have hundreds of millions of dollars of sales in interstate commerce.

Under the terms of the amendment, any amount of business less than $250,000 could be exempted from any State income tax if there was a crew of salesmen working the State.

If the State were of average size, as Louisiana happens to be, the company could sell approximately $1,500,000 of commodities in the State on an annual basis and would not be subject to tax because of sending salesmen in to seek business. If it were a large State with a population of 5 million, multiply 5 million by 50 cents and you see that they could do $2,500,000 business in the State and still have the benefits of the exemptions provided by the terms of the bill.

The reason why I think the amendment is necessary is that I do not feel that the bill as now drafted is a bill to

protect small business. I never thought small business needed such protection.

The testimony of tax collectors, in the main, and I know this is true of the Louisiana tax collector, was that they were not seeking to tax small merchants. What they had in mind was the large concerns doing large amounts of business, many millions of dollars of business.

Mr. CARROLL. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CARROLL. Would the Senator from Louisiana yield for a question? There has been considerable confusion in the Chamber. Will he restate the formula he has been discussing?

Mr. LONG. The formula would be a declaration that the provisions of the bill would not apply if a company does less than a certain amount of business in a State.

If a company did less than $250,000 annual business in a State, it would gain the complete protection of the bill now before the Senate.

On the other hand, if the State, let us say, has a population of 5 million, the company could do $2,500,000 business in that State and still have the benefit of the proposed law, if they had any salesmen operating within the State.

In a State with 10 million population, a company could sell $5 million worth of commodities in that State and have as many salesmen there as they wanted, and still the company would not be subject to any income tax.

This amendment would exempt all small concerns from the taxes to which they would be liable if they should send in salesmen to solicit the State on a systematic basis. It would not exempt the giant blue-chip companies engaged in interstate commerce.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CARROLL. Let us assume that a small wheat farmer, or, for that matter, a medium-sized wheat farmer, desires to send his wheat across the State line into two or three States, or let us take a small cannery, or let us take any sort of small business which is shipping goods into another area. Within the limits according to the population of the State, if the operator were a small operator, he would be getting the exemption from the application of any State income tax. Is that the purpose of the proposal?

Mr. LONG. Yes; that is the object. The amendment would take care of all the small businesses to which reference has been made. If they were shipping into the average-sized State of 3 million population, they would have an exemption of $1,500,000. If they were shipping into Alaska or another of our smaller States, they would still have an exemption of $250,000. In that case they would have the protection afforded by the law. Congress can then take a look and see if we want to exempt all the big companies listed on the national stock exchanges.

I believe it is fair to collect the kind of taxes the States have proposed to collect from the major corporations that are doing millions of dollars worth of business. In Louisiana no effort has been made to tax small business. The State is trying to tax companies such as the International Shoe Co. That company is selling about $5 million worth of shoes in Louisiana. It has 15 salesmen on a steady basis.

Regardless of whether a corporation has an office or operates out of a hotel room, if it is making a half million dollars profit in my State, the State should be able to levy some tax. In this case Louisiana would collect only $1,700 in taxes, which amounts to a little over $100 for every full-time salesman it has in my State.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CASE of South Dakota. What is the effect of the final sentence of the amendment of the Senator from Louisiana?

Mr. LONG. The effect is to guarantee that a company doing $250,000 or less of business in any one State is assured of being protected from taxes and that a salesman for that company can go into that State and do all the selling he wants to.

Mr. CASE of South Dakota. Does not the first part of the amendment of the Senator from Louisiana give that protection if the State population is less than 500,000?

Mr. LONG. Yes. The first part of the amendment would give protection in connection with any State which has a population of under 500,000.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, I yield myself 3 additional minutes.

Mr. CASE of South Dakota. Does the Senator refer to subsection (a) or (e) when he uses the words "this subsection"?

Mr. LONG. It refers to subsection (a).

Mr. CASE of South Dakota. The first sentence refers to subsection (a), but the second sentence seems to do again what has been done in the first. Either it does that or it negatives the first part of the amendment with respect to States under 500,000.

Mr. LONG. I do not believe it does. If it should be necessary, I believe that difficulty can be worked out. The intention is that if a State has a population of less than half a million, a company can still do $250,000 worth of business in that State and enjoy the exemptions of the act.

Mr. CASE of South Dakota. If the Senator should find that his intention is not carried out by his language, I presume he would be willing to change it.

Mr. LONG. If that proves to be so, I shall be glad to modify my amendment. But the purpose is to have the protection of this act in all States. Further, if the State has a population larger than half a million, for instance, if the population of a State were 5 million, it could have $2,500,000 worth of business and that company would still be exempted from the provisions of the act so long as it was merely sending salesmen in there.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MONRONEY. As I read the amendment, any firm making over these limitations would be subject to a taxation on the entire amount.

Mr. LONG. That is correct.

Mr. MONRONEY. It does not work as the Federal tax does, so that the first $250,000 would be exempt from taxation; but the entire amount would be taxed. Is that correct?

Mr. LONG. Yes; the entire amount would be taxed if they exceeded the limitation.

Mr. MONRONEY. This is a cutoff of minimums which would not apply to any company going over the minimums. It would be subject to the full tax if it exceeded the minimums. Is that correct?

Mr. LONG. But it should be pointed out that when a company goes above the minimum, the tax is very small. For example in Louisiana, on $5 million worth of business, which would give the corporation large profits, it would be subject to only $1,700 in taxes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. I yield myself 2 additional minutes.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. COTTON. If the Senator's amendment being based, as it is, on the population of a State, is adopted the same firm could send the same type of shipments into New York and it would be interstate commerce, but if it sent those shipments into New Hampshire, it would not be considered interstate commerce. Is that correct?

Mr. LONG. The company would be considered as doing business in one State, whereas it would not be considered as doing it in another State, even though it did the same amount of business. Of course, the logic of that was developed before the committee. In New York State, or other large States, $1 million worth of business might not be considered large business, but it would be considered large business in the State of Arizona, the State of New Mexico, or the State of Alaska.

Mr. KEATING. May I say that $1 million worth of business is a lot of business even in New York, and we are glad to get it.

Mr. COTTON. My question was not intended to be frivolous, but it seems to me that business is either business in interstate commerce or it is not. If we attempt to enact a law which bases business on the population of a State, a concern shipping the same commodity in the same amount to one State would be considered as doing interstate business, while shipping the same quantity of goods to another State would not be considered as interstate business. That being so, the amendment seems to fall of its own weight. I say that with all due respect to the Senator.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll——

Mr. CARLSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kansas will state his parliamentary inquiry.

Mr. CARLSON. May I inquire if the time for calling a quorum is being taken out of the time of either side?

The PRESIDING OFFICER. The time will be taken out of the time of the Senator from Louisiana.

Mr. LONG. Mr. President, I must first inquire whether the opponents wish to use some of their time. If they do, I think they should do so. It would not be appropriate to suggest the absence of a quorum.

Mr. BYRD of Virginia. Mr. President, I should like to have the Senator from Louisiana explain what the population would be based on.

Mr. LONG. It would relate to the last census. It would be based on the 1950 census up to 1960, and then on the 1960 census from then on.

Mr. BYRD of Virginia. How would the exemption be arrived at?

Mr. LONG. It would depend on the size of the State. If a State had a population of 2 million at the last census, a company could sell $1 million worth of commodities in that State and yet enjoy the exemptions this act would confer.

Mr. BYRD of Virginia. The amendment states that the provisions of subsection (a) shall not apply to the imposition of a net income tax by any State, and so forth, that has a population of 5 million. Is that correct?

Mr. LONG. No. I am referring to my amendment identified as "H." Is that the amendment the Senator is referring to? There is no 5 million figure in the amendment.

Mr. BYRD of Virginia. I thought the Senator got the $5 million by multiplying the population of a State by 50 cents.

Mr. LONG. No. This amendment provides that, in any event, if the amount of business being done is less than $250,000 in any State, the exemptions conferred by the legislation will apply. The exemptions would apply if the annual sales did not exceed 50 cents per person in the population.

Let us consider, as an example, the State of Virginia. Let us assume that the population of the State is about 4 million. A person could do $2 million worth of business in Virginia and still enjoy the exemptions conferred by the provisions. The exemption would depend upon the size of the State, recognizing the fact that a small amount of revenue might mean a lot more to a small State than a larger amount would mean to a large State.

Mr. BYRD of Virginia. There are two factors involved. The first is the population, and the second is the amount of business done in each State; is that correct?

Mr. LONG. Yes. A person could start out with an understanding that if he were doing less than $250,000 worth of business he would enjoy all the exemptions conferred in the proposed legislation. If he were dealing with a larger State, he could have a larger exemption. In a State with a population of 4 million, he could do $2 million worth of business and enjoy all the exemptions which the bill would confer, which would include the right to have as many salesmen as he wanted, so long as he did not have an office, since the Talmadge amendment has been agreed to.

Mr. BYRD of Virginia. I assume the Senator has looked into the constitutionality of the amendment.

Mr. LONG. Yes, I have. I have a memorandum in that regard.

Mr. BYRD of Virginia. I have never known of taxation based upon those two factors.

Mr. LONG. This matter came up, and the same constitutional point was raised, when the Senator from Illinois offered his proposal in regard to the gas bill, when he wanted to exempt the small producers and wanted the larger producers not to have an exemption. The Senator submitted two memorandums prepared by the Library of Congress, and each memorandum stated that in the judgment of the writer the provision was constitutional. In those memorandums there was reference to the railroad cases, where railroads would be regulated or not regulated depending upon the amount of business done.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I ask unanimous consent to have the memorandums printed in the RECORD.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

MEMORANDUM ON CONSTITUTIONALITY OF CLASSIFICATION IN DOUGLAS AMENDMENT TO EXEMPT SMALL PRODUCERS—I

MEMORANDUM FOR THE COMMISSION

JUNE 3, 1949.

Re constitutionality of proposed exemption of producers.

This memorandum is prepared in response to an assignment from the general counsel. It discusses the question of whether the proposed exemption from the jurisdiction of the Commission of sales of natural gas in interstate commerce at the conclusion of production and gathering where such sales, individually or in the aggregate with affiliated producers, do not exceed 2 billion cubic feet during the calendar year, would be constitutional as involving a permissible classification of natural gas companies.

Such an exemption, in my opinion, would be constitutional since it is based upon a reasonable classification of regulated and nonregulated companies for legitimate regulatory purposes. While it is estimated that the provision would exempt 97 percent of the 2,300 producers in the country who made sales to interstate pipelines in 1947 and 530 of the 600 producers in the 7 Southwestern States, the remaining 70 producers in the Southwestern States who would not be exempt sold 83.96 percent of the gas sold to interstate pipelines in the year 1947. Those producers, therefore, would be exempt whom it is not important to regulate.

Such reasonable classification and exemption based thereon has been repeatedly upheld by the U.S. Supreme Court. In *Wilson* v. *New* (243 U.S. 332), a similar classification and exemption was upheld. The rule was stated in the majority opinion on page 354 as follows:

"The want of equality is based upon two considerations. The one is the exemption of certain short-line and electric railroads. We dismiss it because it has been adversely disposed of by many previous decisions. The second rests upon the charge that unlawful inequality results because the statute deals not with all, but only with the wages of employees engaged in the movement of trains. But such employees were those concerning whom the dispute as to wages existed growing out of which the threat of interruption of interstate commerce arose, a consideration which establishes an adequate basis for the statutory classification.

Similarly in the case of *Chicago, Rock Island & Pacific Railway Co.* v. *United States* (284 U.S. 80), the Supreme Court said on page 93:

"The classification which results in exempting railroads less than 100 miles in length from the necessity of making reports of per diem accruals separately to each of the numerous car owners throughout the country is attacked as arbitrary and unreasonable. We think it is neither. It is of a kind frequently made and frequently upheld by this Court. *St. Louis & I. M. Ry. Co.* v. *Arkansas* (240 U.S. 518, 520); *Wilson* v. *New* (243 U.S. 332, 354), and authorities cited. Moreover, the car equipment of the country is substantially in the hands of the trunklines, that owned by the short lines being almost a negligible proportion of the whole. And this fact affords some additional ground for the classification."

To the same effect, in the case of *Dow* v. *Beidelman* (125 U.S. 680), the U.S. Supreme Court said, on page 691:

"The legislature, in the exercise of its power of regulating fares and freights, may classify the railroads according to the amount of the business which they have done or appear likely to do. Whether the classification shall be according to the amount of passengers and freight carried, or of gross or net earnings, during a previous year, or according to the simpler and more constant test of the length of the line of the railroad, is a matter within the discretion of the legislature. If the same rule is applied to all railroads of the same class, there is no violation of the constitutional provision securing to all the equal protection of the laws."

See also *New York, New Haven and Hartford Railroad Company* v. *New York* (165 U.S. 628 (1897)); *Chesapeake and Ohio Railway Company* v. *Conley* (230 U.S. 513 (1913)); *Great Atlantic & Pacific Tea Co.* v. *Grosjean* (301 U.S. 412 (1937)); and *Carmichael* v. *Southern Coal & Coke Co.* (301 U.S. 495 (1937)).

For other authorities see dissenting opinion by Mr. Justice Brandeis in which Mr. Justice Holmes and Mr. Justice Stone concurred, in *Louisville Gas & Electric Co.* v. *Coleman* (277 U.S. 32), at pages 42 to 44, and dissenting opinion by Mr. Justice Cardozo in *Stewart Dry Goods Co.* v. *Lewis* (294 U.S. 550), at page 579, both of which gave broad application to the doctrine.

LOUIS W. MCKERNAN,
Chief, Division of Interpretation and Research, Bureau of Law.

Approved:

BRADFORD ROSS,
General Counsel.

MEMORANDUM ON CONSTITUTIONALITY OF CLASSIFICATION IN DOUGLAS AMENDMENT TO EXEMPT SMALL PRODUCERS—II

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., April 5, 1955.

To: Hon. JOHN W. HESELTON.
From: American Law Division.
Subject: Constitutionality of H.R. 4924.

The above bill would amend section 1 of the Natural Gas Act, to make it inapplicable to "any sale of natural gas in interstate commerce at or prior to the conclusion of production or gathering by a person whose total sales of natural gas in interstate commerce individually or in the aggregate with affiliated producers and gatherers do not exceed on an annual basis 2 billion cubic feet computed at 14.65 pounds per square inch absolute at 60° F. provided such person is neither a natural-gas company by reason of other activities nor affiliated with a natural-gas company."

We are of the opinion that a statute of this character would be constitutional. Exclusions based on differences of degree, stated in terms of differences in numbers, are commonplace in the law. For example, the Fair Labor Standards Act exempts employees of certain newspapers which have a circulation of less than 4,000 (U.S.C. 29: 213). The SEC is authorized to exempt from the Securities Act of 1933, as amended, issues of securities which do not exceed $300,000 (U.S.C. 15: 77(c)). The Trust Indenture Act of 1939 does not apply, in stated circumstances, to securities issued pursuant to an indenture which limits the aggregate principal amount outstanding thereunder to $1 million or less (U.S.C. 15: 77ddd). A similar exemption is granted from the provisions governing the issuance of securities by motor-vehicle carriers (U.S.C. 49: 314). Stockyards in which the area normally available for handling livestock, exclusive of runs, alleys, or passageways, is less than 20,000 feet, are exempt from the Packers and Stockyards Act (U.S.C.: 202). The Adamson Act, which established the 8-hour day for railroad employees, exempted certain independently owned lines not more than 100 miles in length (U.S.C. 45: 65). The Federal Unemployment Tax is imposed only on employers of eight or more (U.S.C. 26: 3306).

Occasionally, the objection is raised that a statute is invalid because of exclusions of this character. But the Supreme Court has consistently rejected these arguments. In *Wilson* v. *New* (1917) 243 U.S. 332, 354), it dismissed the contention that the exemption of short-line railroads made the Adamson Act invalid, with the brief comment that this point "has been adversely disposed of by many previous decisions." In support of this statement is cited a series of cases in which State statutes which exempted small enterprises were sustained against the charge that they violated the equal-protection clause.

"To hold that Congress in establishing its regulation is restricted to the making of uniform rules," wrote Mr. Chief Justice Hughes in *Currin* v. *Wallace* (1939) 306 U.S. 1, 14) "would be to impose a limitation which the Constitution does not prescribe. There is no requirement of uniformity in connection with the commerce power * * *." In *Mabee* v. *White Plains Publishing Co.* ((1946) 327 U.S. 178, 184) the Court held that the exemption of certain small newspapers from the Fair Labor Standards Act did not constitute an unconstitutional discrimination against other newspapers. It declared:

"The fifth amendment does not require full and uniform exercise of the commerce power. Congress may weigh relative needs and restrict the application of a legislative policy to less than the entire field."

Administrative convenience and the expense of enforcing a law against persons engaged in small-scale operations have been deemed to be adequate reasons for the exclusion of such persons, *Steward Machine Co.* v. *Davis* ((1937) 301 U.S. 548, 584).

MARY LOUISE RAMSEY,
American Law Division.

Mr. ERVIN. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield 5 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, it seems to me there is a wide distinction between the question of the constitutionality of the amendment offered by the able and distinguished junior Senator from Louisiana, which would make the liability for tax depend upon the amount of sales, and the constitutionality of a provision which exempts small producers from regulation. There is a fundamental principle of American law that all tax legislation shall be uniform and that one taxpayer shall not be disadvantaged as compared to another.

The amendment we are considering provides that although a person may do $250,000 worth of business in interstate commerce with the citizens of a States and be exempted from taxation by the State, other persons who do more business than that have to pay taxes, including taxes on the first $250,000 of sales. This being so, there is a lack of uniformity which in my opinion is repugnant to any sound system of taxation.

The amendment not only lacks uniformity in that respect, but it also would establish a different tax basis for each of the 50 States in the American Union. The amount of the exemption in each State would be different from the amount of the exemption in every other of the 50 States, because it would be based upon the population in the State and not upon the amount of business done.

I respectfully submit that this proposal would create the possibility of having 50 different tax systems in the United States in 50 different States. I respectfully submit that no legislation of that character, which provides for such a lack of uniformity, ought to be passed by the Congress.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. ERVIN. I yield.

Mr. LONG. If the proposal provided a flat exemption of $1 million in all the States, would the Senator vote for it?

Mr. ERVIN. No, I would not vote for it even then. I shall vote for the bill in its present form with the object of restoring the very sound principle that the interstate commerce clause was put into the Constitution for the purpose of having free trade among all the States of the American Union.

Mr. KERR. Mr. President, will the Senator yield?

Mr. LONG. I do not have time.

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, the countries of Western Europe are engaged in a mighty effort to get together in what they call a Common Market, to enable them to build the economy of Western Europe, which will make those countries strong enough to stand up and resist the increasing, expanding strength of Soviet Russia.

We have now in our country a common market. That is the economic basis for the growth of our Nation. The amendment of the Senator from Louisiana would put a ceiling on that. It would provide that we have a common market up until someone sells products worth as much as 50 cents per capita in another State, following which the State into which the products go would have the right to erect a tariff barrier around itself against the shipment into it by the residents of another State of those goods.

If the provisions of the Constitution are effective, in that State barriers in the form of adversely affecting interstate commerce cannot be raised by the several States, and if they are effective in that the Congress has sole regulatory power over interstate commerce, then the bill before us is a valid bill, should be enacted into law, and should not be in part destroyed by an amendment which says, in effect, "We will abide by the Constitution up to a certain point, beyond which we will disregard it and let the regulation and control of interstate commerce be subject to the wishes of the several States, including the right to provide tariff barriers between or among the States."

Mr. President, it therefore seems to me that the amendment should be rejected. Our country is going to grow bigger, not smaller. I do not think we would want to do anything which would put a ceiling on the growth of the economic structure of our country. I believe that our strength will depend upon our unlimited ability to grow, rather than upon the basis of putting a ceiling over us, which would be the result of agreeing to the amendment offered by the Senator from Louisiana.

Mr. HOLLAND and Mr. CASE of South Dakota addressed the Chair.

Mr. KERR. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I invite the attention of the distinguished Senator to the amendment XVI to the Constitution, under which income taxation is permitted, which reads as follows:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

I wonder if the proposed amendment does not run squarely into the philosophy of that constitutional amendment, which seems to definitely provide that the size of a State, the population of a State, as determined by census or enumeration, shall have no reference whatever to income taxation?

Mr. KERR. The Senator is correct. That would be the third feature in the Constitution which the amendment would either sidetrack, bypass, or contravene.

Mr. President, I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the able Senator from Oklahoma

has raised an issue in connection with this whole matter which has disturbed me somewhat; that is, whether we would be entering a field of discriminatory tariffs or barriers between States by reason of varying income tax rates.

Many of us have felt that one reason the country has grown has been that we did not have tariffs or trade barriers between States. There has been a great common market in this country, and some of us have thought that has had a great deal to do with the growth of this country. I should like to ask the Senator's opinion as to the effect of the bill, irrespective of this amendment, on that point. If we pass this bill, will we be protecting the common market which the States have had within the United States, or will we be injuring it?

Mr. KERR. We will be protecting it. The sole purpose of the bill is to protect the common market within the United States, and freedom of trade between the States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, how much time has the Senator from Virginia remaining?

The PRESIDING OFFICER. The Senator from Virginia has 7 minutes.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that each side be allowed 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. I yield 3 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, I have but one further thing to say. The amendment would be unconstitutional in another way, in my estimation. I do not believe it would be permissible to fix one basis of taxation for a citizen of one State doing business in another State, and another basis for citizens of the other State. The effect of the amendment of the Senator from Louisiana would be to do just that.

Mr. BYRD of Virginia. Mr. President, I yield 2 minutes to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I wish to make a very brief statement.

The distinguished Senator from Louisiana means very well by offering this amendment. I think I know what he has in mind, but I cannot conceive that we would want to enact legislation which would result in a differential among the various States in the matter of net income taxation. That is what the amendment would do. I sincerely hope that the Senate will not adopt it.

Mr. LAUSCHE. Mr. President, will the Senator from Virginia yield me 2 minutes?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I subscribe to the argument made by the Senator from North Carolina [Mr. ERVIN]. He has pointed out that under the pending amendment there would be two classifications. In no event, when the volume of business done was less than $250,000, would a tax be levied.

In another State, when the product of the population times 50 cents was less than $500,000, again there would be an immunity.

The Senator from North Carolina has pointed out that there would be a disparity of treatment accorded to various taxpayers, the result of which would be that the ability to compete would be destroyed. He emphasized that not only would one taxpayer be spared the responsibility of paying taxes on $250,000 or more, but another taxpayer would have to pay a tax on the $250,000 plus the surplus. I have never heard of an attempt to classify income taxes in two ways, one on the basis of minimum income, and the other on the basis of population.

I think a careful analysis will show that there definitely results a nonuniformity which becomes discriminatory against the competitive ability of a taxpayer to engage in business in competition with those who are trying to undersell him.

Mr. LONG. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 5 minutes.

Mr. BYRD of Virginia. Mr. President, how much time remains to the Senator from Virginia?

The PRESIDING OFFICER. The Senator from Virginia has 10 minutes.

Mr. LONG. What was the unanimous-consent agreement which was entered into some time ago at the request of the Senator from Virginia? I am sorry I did not hear it.

The PRESIDING OFFICER. Each side was allowed an additional 5 minutes.

Mr. LONG. Had my time expired previous to that?

The PRESIDING OFFICER. The Senator's time had expired previous to that. He now has 5 minutes.

Mr. LONG. Mr. President, I modify my amendment to make it read as follows:

On page 3, after line 14, insert the following:

"(e) The provisions of subsection (a) shall not apply with respect to any person for any taxable year, if the sales of such person in such State during such taxable year are less than $250,000."

That is simple enough.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ERVIN. Under the Senator's amendment, as modified, is it not true that a person whose gross sales were only $250,000 would be exempt from taxation?

Mr. LONG. Yes.

Mr. ERVIN. But a person whose gross sales were $250,000 and one cent would be subject to whatever the proper amount of the income tax might be on sales of $250,000 and one cent.

Mr. LONG. That is correct. The Securities and Exchange Act is a good illustration of that type of distinction, as is the Small Business Act. We make that type of distinction in other cases with regard to regulations; and if we can do it with regard to regulations, we can do it with regard to taxes.

Mr. ERVIN. The acts to which the Senator has referred, involving a classification based upon the amount of business done, are acts dealing with the regulation of certain businesses, rather than the taxation of such businesses. I ask the Senator if it is not true that under every income-tax law enacted by the Congress or the States the same exemption, whatever it may be, is given to all persons in like status, regardless of the size of their income?

Mr. LONG. I have not analyzed all the laws, but I believe the statement of the Senator from North Carolina is in error. There have been situations in which there was a "notch" in the income-tax law. There have been situations in which corporations could be charged more taxes when they were making less money. Otherwise the "notch" in the tax laws would not have existed.

Mr. ERVIN. I am satisfied that the Senator from North Carolina is not in error. I ask the Senator if it is not true under the Federal income-tax law that all taxpayers in like status are accorded the same exemption from taxes, regardless of whether their net incomes amount to $700 or $70 million?

Mr. LONG. That is correct, so far as I know.

Mr. ERVIN. Yet the Senator's amendment would allow an exemption from all income taxation on net income arising out of gross sales up to $250,000, whereas a man whose gross sales amount to $250,000 and 1 cent would have to pay an income tax on the entire net income derived from sales totaling $250,000 and 1 cent.

Mr. LONG. Yes; and a person could very well determine whether or not he was going to be subject to taxation, and could keep his sales below that point, if he so desired.

This problem can still be solved in conference, if it is so desired. I do not believe in leaving the door wide open, without regard to size, and allowing a corporation to send an unlimited number of salesmen into a State, to do as much business as they please—either the whisky business or the shoe business or any other business—up to $75 million a year, without being subject to the State income tax. A company operating in such a State should pay taxes. Such an exemption is too broad.

I believe this amendment should be agreed to, until some satisfactory formula can be arrived at which will treat all alike, and be fair as between producing and consuming States.

Mr. CARROLL. Mr. President, I commend the distinguished Senator from Louisiana for trying to help small business—the wheat farmer, the cattle feeder, and other small businessmen who are shipping to adjoining State markets.

We hear the argument that such a proposal is unconstitutional, that it cannot work, that we cannot establish a ceiling.

What is the answer? This is a national problem of major economic importance. That is why we should have a study, and not enact the bill until we have an opportunity to study the situation in each State, and the effect of tax laws on small business.

I think the Senator from Louisiana has performed a worthwhile service. However, I want to be quite frank with him. I do not know that his proposal is constitutional, but I appreciate his objective. What does he propose? He proposes to clarify the confusion which exists with respect to this important bill.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. NEUBERGER. I desire to second one thing which was pointed out by the Senator from Colorado, I talked on the telephone yesterday afternoon with the chairman of the Oregon State Tax Commission. He told me that he had not even had the opportunity to see the bill and the committee report. He said our State could be very seriously affected, because Oregon relies more, proportionately, on the imposition of income taxes on corporate incomes and on corporate excise taxes for a share of its revenue than does almost any other State in the Union.

Yet the chairman of the Oregon State Tax Commission, upon whom I, as a Senator, would rely for advice and counsel in this technical matter, had seen neither the bill nor the committee report.

It seems to me that if States rights are to mean anything, they ought to mean that, when the States are so heavily involved, their major fiscal and revenue authorities ought to have, at least, the pertinent documents on their desks to advise us before the Senate passes the bill.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. CARROLL. Just since the debate this morning, this thought has come to my mind: What about protection for the cattle feeders, who ship into other markets? What about the shippers of produce and fruits, such as watermelons?

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. CARROLL. Mr. President, will the Senator from Virginia yield me 2 minutes?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Colorado.

Mr. CARROLL. These are problems which confront each State. They are the problems of the small canner, for instance, moving into Kansas or Wyoming. Obviously, we do not want to require those small-business people to keep records. They do not have legal staffs. Are they to be called upon to examine the laws? They do not retain lawyers or accountants. This is a problem to be considered by each and every one of us representing our States.

I do not want to impose hardships on manufacturing establishments located in other States who come into Colorado to do business. I want them to come in and do business. But if they do, in this period of tremendous economic concentration; if they can move into local areas and, by means of gigantic TV programs, legal staffs, and sale staffs, and put the squeeze on the small businessmen of the communities, those local small businessmen are entitled to some protection.

Great wisdom and patience will be required on the part of the States to work out the equitable, uniform tax laws. That is why I favor the study which has has been proposed and shall vote against the bill if it contains anything else except the proposal for a study.

Mr. LONG. Mr. President, I ask unanimous consent that 5 additional minutes be granted on both sides of the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, what was the request of the Senator from Louisiana?

The PRESIDING OFFICER. The Senator from Louisiana has asked unanimous consent that 5 minutes be granted on each side of the amendment. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. JOHNSTON of South Carolina. The officials of my State have examined into the provisions of the pending bill; that is, before it was amended. They are very much opposed to it. They say it would throw the taxation of South Carolina out of gear. For that reason, I shall vote against the bill, even with the amendment of the Senator from Georgia [Mr. TALMADGE] included. I think the matter should be studied very, very carefully before we pass a bill such as this, which affects so many States.

Mr. LONG. I thank the Senator from South Carolina.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. LONG. In a moment; I wish to speak about my amendment and explain why I have offered it. I would be willing to agree to a higher figure, or would agree to provide for a limitation instead of an exemption, or whatever else it took to modify the bill in order to make our purpose clear. We do not want to see large industries coming into States in the guise of small businessmen—as wolves in sheeps' clothing.

There is a company in Louisiana which does $5 million worth of business. The part of its profit which is a result of business in Louisiana amounts to about $500,000. Louisiana feels that it is entitled to collect about $1,700 in income taxes on that profit. That works out to about $100 in income tax for every full-time salesman stationed in the State. Nevertheless, such companies as this are willing to spend 10 times this amount to deny the State the right to collect the small amount of taxes, rather than to pay the tax.

All we are saying is that we are completely willing to exempt all small concerns. So far as Louisiana is concerned, I would be willing to make the figure $1 million. But companies which are selling $20 million worth of whisky or $5 million worth of shoes, and I do not know how many millions of dollars worth of something else, ought to be required to pay taxes, just as their local competitors are required to pay taxes. That is the only fair way in which to operate.

If Senators want to work out some kind of formula based upon which a State may or may not tax each industry, that would be agreeable to me. So far as I am concerned, I am quite content that the industries whose headquarters are in Louisiana but who do business in other States should pay taxes in those States.

The International Shoe Co. had 15 employees in Louisiana who sold $5 million worth of goods in Louisiana. A little Louisana concern would have to pay more than $1,700 in income taxes; yet that large company, doing a business of half a million dollars a year in Louisiana, would be exempted from the tax.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CURTIS. Is it not true that under the Senator's amendment a person in the State of Nebraska could make sales in the State of Wyoming in the amount of, say, $300,000, and be denied the benefits of subsection (a)? On the other hand, another company, a resident of Pennsylvania, could have sales in the State of New York amounting to $5 million, and the $5 million would be exempt.

Mr. LONG. I have modified my amendment in the hope that it might attract the support of the Senator by providing a $250,000 exemption in either event.

Mr. CURTIS. In either event?

Mr. LONG. Yes. Or, if it would attract the Senator's support more readily, I would be willing to make the amount $1 million. But I think there ought to be some limit as to the amount of business which can be done in a State with no income taxes being paid to that State. A local company having 15 employees located within a State would be subject to an income tax. Yet an outside company can send in 15 salesmen, do a business of $500,000, and not be subject to the same tax.

Mr. CURTIS. Has the population scale been removed?

Mr. LONG. Yes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LAUSCHE. It seems to me that under the Senator's proposal the outside corporation would be granted an exemption of tax on a volume of business of $250,000 or less. What about the domestic producer?

Mr. LONG. He is paying those taxes.

Mr. LAUSCHE. He would pay the full tax?

Mr. LONG. He is paying now, and would continue to pay, the full tax. If a State has an income tax, the local concerns are paying the income tax. They may be competing with a company outside the State which pays no income tax because its own State has none. They may be paying a tax in the State in which they are selling.

Mr. LAUSCHE. The foreign corporation would be exempt up to $250,000?

Mr. LONG. Yes.

Mr. LAUSCHE. The domestic producer would not be exempt at all, because Congress can make no law which

will control the power of taxation in intrastate commerce. Is that correct?

Mr. LONG. That is correct.

Mr. LAUSCHE. That would be a handicap to the producers within a State and would give an advantage to the foreign producers.

Mr. LONG. Not at all, because under the tax laws at present, all of the local producers are subject to the income tax of that State. The foreign producers selling in that State are subject to the taxation on income in the State only if they have sufficient connection with that State to make them subject to that State's income tax.

What I say is that if we are to provide for additional exemptions beyond those which foreign producers already enjoy, then the exemption should apply only up to, perhaps $250,000. Beyond that point the foreign producers should pay some income tax.

As a practical matter, the income tax they would pay would be approximately one-third or one-fourth of the income tax the domestic producers would pay, because the facilities would be located outside the taxing State. But at the same time, they would pay some income tax.

Mr. LAUSCHE. My own analysis is that in order to be fair to the domestic taxpayers, on the basis of the Louisiana laws, it would be necessary for Louisiana to grant to such producers an exemption on the first $250,000 of business. Otherwise, the foreign producers would have an advantage over the domestic producers.

Mr. LONG. The foreign producers already have an advantage over our domestic producers. We are not seeking to do anything about that; we are simply proposing that the foreign producers pay some income tax to our State.

Mr. BYRD of Virginia. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. JORDAN in the chair). All remaining time on the amendment has been yielded back.

The question is on agreeing to the modified amendment of the Senator from Louisiana. [Putting the question.]

The "noes" appear to have it, the "noes" have it, and the amendment, as modified, is rejected.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. CARROLL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. CARROLL. Is any amendment pending at this time?

The PRESIDING OFFICER. No. The bill has been read the third time; and no further amendment is now in order.

Mr. CARROLL. Mr. President, I seek recognition for the purpose of making a motion.

From all the debate during the last 2 days, in regard to this bill, which is one of the most important measures to be considered by us during this session, it is very obvious to me, that there is serious question whether even one Member of this body knows what will be the application of the pending measure to the tax laws of his own State.

Rather than attempt to meet this issue headon at this time, Mr. President——

The PRESIDING OFFICER. If the Senator from Colorado intends to make a motion, he should make it at this time; and after the motion is made, he will be allowed 15 minutes to address the Senate on his motion.

Mr. CARROLL. Mr. President, the motion I make is under rule XXII: I move that further action on the bill be postponed to a time certain in the next session, and I am perfectly willing that it be a reasonable time. I designate March 1 or any other date that seems reasonable to the committee, which I realize has done excellent work. I am willing to have January 15 designated.

At this time I so move, and designate the date March 1, 1960; and I reserve the right to amend or modify my motion.

Mr. President, if my motion is adopted by the Senate, the Members of this body will have a chance, before final action is taken on the bill, to return to their homes and ascertain what the revenue commissioners and the Governors of their States believe will be the effects of the bill, and to familiarize themselves with the tax procedures of their own States, not only as regards big business, but also as regards small business in their States. Then, 4 or 5 months from now, Senators, following their return here for the next session, will be able to give more intelligent treatment either to a study of the problem or to existing law in connection with the bill.

Mr. President, my motion is not a motion to kill or a motion to lay on the table. In the case of the latter, I understand that, under the procedure of the Senate, such a motion would be tantamount to a motion to kill the bill. But my motion is made under rule XXII. I believe my motion is a sensible one.

As the Senator from Oregon and other Senators have stated, many Senators do not really know what the effects of the bill would be; and the tax authorities of their States have not had a chance to familiarize themselves with this proposed legislation.

So I think we would do a serious injustice to our constituents if we were to take final action on the bill at this time. Likewise, I believe we would also be doing a serious disservice to the Nation as a whole by taking final action on the bill at this time, inasmuch as we realize how much confusion has existed here on the floor of the Senate during the consideration of the bill.

Mr. PROXMIRE. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I yield.

Mr. PROXMIRE. Mr. President, I enthusiastically support the motion of the Senator from Colorado, which I believe is a very sensible one.

I think the points which have been made by the Senator from Oregon [Mr. NEUBERGER] and the senior Senator from South Carolina [Mr. JOHNSTON] support the position taken by the Senator from Colorado. There is no question that we have not had a chance to consult the tax authorities of our States, who would be most directly and immediately affected.

For instance, I hold in my hand a telegram from the Governor of Wisconsin, who urges me to do all I can to delay action on the bill, so it can be studied further.

His telegram reads as follows:

MADISON, WIS., *August 19, 1959.*

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.:

We have reason to fear that bill S. 2524 reported up in the Senate today will have adverse effects on Wisconsin's tax base. We suggest delay on this and related bills on interstate tax conflicts until further studies can be made.

GAYLORD A. NELSON,
Governor of Wisconsin.

So I believe that the motion the Senator from Colorado has made is a moderate and a sensible one. If the motion is agreed to, the bill will not be killed. Instead, the motion, if agreed to, will give the Senate an opportunity to consider the bill further, after—as the Senator from Colorado has said—the State taxing authorities have an opportunity to be heard in regard to how the bill will affect their States.

Mr. CARROLL. I thank the Senator from Wisconsin.

Mr. NEUBERGER. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I yield.

Mr. NEUBERGER. I wish to supplement and endorse what the Senator from Wisconsin has said in regard to the pending motion.

I want to emphasize how bipartisan is the attitude in regard to the desire to have the bill considered further, not only by the Senate, but also by the State tax authorities. Such an opportunity will be afforded if the Senate agrees to the pending motion to postpone until the next session its further action on the bill.

The Senator from Wisconsin has called attention to a telegram which he has received from the Governor of his State; and in the telegram the Governor urges delay in the taking of final action on this bill. I believe that the Governor of his State of Wisconsin is a Democrat.

The telegram which I received this morning from the Oregon Tax Commission states that the action taken on the bill has been too hasty and too quick; and that telegram has come from a Republican, the chairman of the Oregon Tax Commission, who was appointed by a Republican Governor.

In other words, we find that throughout the country both Democrats and Republicans who are responsible for levying the State revenue which must

be raised in order to keep State governments in operation, are urging us to delay our final action on the bill, so that the revenue or tax authorities of the States will be able to study and review the impact of the bill on the respective States.

It certainly seems to me that the motion of the Senator from Colorado is not only reasonable but also is bipartisan, inasmuch as the requests for delay have come from the revenue or tax officials of a large number of the States; and that group includes members of both great political parties.

Mr. CARROLL. I thank the Senator from Oregon.

Mr. GRUENING. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I yield to the Senator from Alaska.

Mr. GRUENING. Mr. President, I warmly support the motion of the Senator from Colorado. Since the bill has been reported and since the information in regard to the bill has been available, there has literally not been time to get copies of the bill and copies of that information to the tax authorities of Alaska and permit them to have time to study both carefully and to make careful and intelligent recommendations regarding this bill to the two Senators from Alaska, and inform them what the consequences of enactment of the bill would be to the tax revenues and consequently to the economy of Alaska.

If as it is said that the Senate is the greatest deliberative body in the world, certainly this is a time to provide for a little deliberation; and the motion of the Senator from Colorado provides for exactly that.

The pending motion is not a motion to kill the legislation. Instead, it is a motion to allow us time to check with our tax departments back home, and time to learn what the bill will do and what its consequences will be.

As the Senator has said, if the pending motion is agreed to, Senators will have an opportunity to ascertain the effect of the bill, if enacted, on their own States.

Mr. CARROLL. I thank the Senator from Alaska.

Mr. LONG. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I yield.

Mr. LONG. I subscribe to the motion the Senator from Colorado has made, Mr. President.

As a member of the Finance Committee, I must say that the hearings on the pending bill began on July 21; and during the last few days, while the Senate has been considering the bill, we have found that this measure is opposed by almost all the tax and revenue officials of the various States of the Union.

As a matter of fact, only two tax collection officials even had an opportunity to appear before the committee and have their views on this measure heard by it. I know that I requested an opportunity for the tax collector of Louisiana to appear before the committee and be heard by it; but originally I was told that he could not be heard since it was desired to limit the hearings to 2 days. I understand that the Senator from Georgia had difficulty in arranging for the tax collector of Georgia to be heard by the committee. It was only because we insisted that the tax collectors of our States be heard, that they were finally heard.

Now we find that the tax-collection officials of practically all the States are opposed to this measure.

Furthermore, the bill as reported to the Senate is not the same as the bills on which the hearings were held; it was a new bill; neither is the bill now before us the one which was introduced.

Mr. President, when I first came to the Senate, I found that usually such bills were allowed to remain on the calendar until the views of all those concerned could be ascertained at the hearings.

So it seems to me that we should at least wait long enough before we strip the States of their taxing jurisdiction. We should find out what the States think about it. We certainly are not going to have their views or even know what they said in these hearings. We have not had time to read the statement and to digest the hearings.

Mr. CARROLL. Mr. President, I ask for the yeas and nays on this motion.

The yeas and nays were ordered.

Mr. CARROLL. I now yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I just have one further thought about this bill. My tax commissioner said in his telegram, while he did not know exactly what it would cost the State of Oregon, it could cost at least $1 million in revenue if the bill should be passed, and I trust it is not, today.

I wonder if it might not be reasonable to include, in the bill, a direction that the Federal Treasury should make up to each State the revenue that that State will lose under the operation of the bill?

Mr. CARROLL. The Senator from Oregon knows very well that we cannot unbalance the budget in that fashion. We have to balance the budget. We cannot spend money in that fashion.

I desire to say, Mr. President, and I say this in all fairness and with proper deference and respect to this very powerful committee which has been described here today by the Senator from New Hampshire when he said it was one of the biggest Finance Committees of the Senate, that they have done excellent work. They have given us a great deal of information and, may I add, some misinformation.

We have had the brilliant legal arguments of the distinguished Senator from North Carolina on the Constitution, and he has impressed me, at least in some respects. I say the time has come now when we can go home and get information from the fountainhead, and then we can return in March and will know what we are talking about. Only a few months will have elapsed. I think our constituents will appreciate that.

I thank the Senator from Oklahoma. His remarks in debate have been very educational and instructive, but I think the time has come now when we can accomplish what is desired.

This measure is no attempt to kill anything. We will study it a little bit more at home, and when we come back I think we will have a better bill.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Is the pending motion open to amendment?

The PRESIDING OFFICER. The pending motion is open only to amendment to change the date specified in the motion.

Mr. KERR. Then it would not be in order for me to move to amend it by means of language to limit to the author of the motion the privilege he seeks?

The PRESIDING OFFICER. The parliamentarian informs the Chair that he does not understand what the Senator from Oklahoma means, and the Chair is certain that he does not understand it either. [Laughter.]

Mr. KERR. Another parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Who is in control of the time in opposition to the motion?

The PRESIDING OFFICER. If the majority leader is in favor of the motion, the time in opposition to the motion will be in control of the minority leader.

Mr. KERR. I would not want to interrupt the majority leader when he is engaged in as important a mission as apparently concerns him.

Mr. CARLSON. How much time does the Senator from Oklahoma want?

Mr. KERR. Three minutes.

Mr. CARLSON. I yield 3 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. Mr. President, if the Senator from Colorado needs time to study this bill, he ought to have it. I do not think, though, that he ought to have the privilege of denying to the rest of the Senate, the majority of whom I believe understand the bill, the right to vote on it until he has had the time he wants to study it.

If a Member of the Senate could do that, there would have been many times when the Senator from Oklahoma would have liked to take advantage of that privilege. I would have liked to postpone action on the amendment of the great Senator from Georgia, taking out paragraph 3. Had I thought that it would have been in order to ask that, I could have waited until next March the 1st to study that, if that is the date the Senator from Colorado wants fixed. I would have asked for that.

I am sure, however, I would have gotten no further in that request than I hope the Senator from Colorado will get in his request.

We have had the third reading of the bill. It is not open to amendment. So we would come back next March the 1st and then decide on whether or not we should pass it.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Is a motion to recommit in order?

The PRESIDING OFFICER. The motion to change the date has precedence over a motion to recommit.

Mr. KERR. I did not mean to make one, Mr. President. I was of the opinion that had the Senator from Colorado thought he had the votes to recommit the bill, he would have made that motion instead of the one he is making.

I was interested in the remarks of the Senator from Louisiana who joined in seeking time to study the bill. I pay tribute to the Senator from Louisiana. He understands this bill as well as any man on this floor. He took a leading part in the study of it in the committee. He was very lucid and enlightening in his analysis and in his remarks about it.

If I am in error I would like to have him tell me so, but my recollection is that he told us in the committee that if we would accept the amendment in the committee which he offered here on the floor, he would be glad to support the bill.

Mr. LONG. The Senator is correct about that, but I believe he will find much about this subject I do not know. Let me ask the Senator, has he read the statement about the tax collector opposing this bill? I am reading it now for the first time.

Mr. KERR. I am sorry that the Senator from Louisiana waited to this late date to find out what the tax collector thought about it. The Senator from Oklahoma talked with the tax commissioner in Oklahoma before he went to the committee the time we first considered the bill. He thought that rather than wait until the third reading of the bill to talk to him he ought to talk to him ahead of the time it was considered by the committee, and he did so.

Mr. LONG. Has the Senator read the bill?

Mr. KERR. It is interesting to me to know, Mr. President, that the Senator from Louisiana knew the bill well enough to state that if he could have his amendment adopted he would be for it; but since he did not get his amendment adopted, he is not sufficiently familiar with it to let the Senate vote on it.

May I have an additional 2 minutes?

Mr. CARLSON. I yield the Senator from Oklahoma 2 additional minutes.

Mr. KERR. It would seem to me, Mr. President, that we have considered this bill long enough.

I remember a verse in the Bible. I cannot quote it, but I have a hope that whoever takes these remarks down will look it up and get it accurate. I am not uneasy that any misquotation here would be discernible to too great a number on the floor—my colleagues if you understand what I mean—but I would not want it to go into the RECORD inaccurately.

The children of Israel were going into the Promised Land. They had been encamped near a mountain for quite some time, contemplating the troubles and the problems and the difficulties ahead. One of their spokesmen said to them, "Ye have compassed this mountain long enough. Turn you northward."

I want to say to the distinguished Senator from Colorado and the distinguished Senator from Louisiana that I think we have compassed this mountain long enough, and rather than now, as an anticlimax, postpone action to some date in the future, I believe we should now get back to the business of passing on the bill.

Mr. CARROLL. How much time is there remaining to us?

The PRESIDING OFFICER. The Senator has 7 minutes left.

Mr. CARROLL. I desire to say to the distinguished Senator from Oklahoma that the reason why I did not make the motion to recommit was that I did not want to offend the tender sensibilities of this very powerful, important committee. Nor did I ask, under rule XXVIII, to refer it to the Judiciary Committee, as has been done in the House.

Actually I suggested what I thought was the fairest thing to do under the circumstances, because I have been impressed by some of the points made by the distinguished Senator from Oklahoma, and, as I have indicated before, by the distinguished Senator from North Carolina, on matters of law. I thought this was not an attempt to sidetrack, to kill, but to afford opportunity for us to study the subject after returning home; and that is the sole purpose of my motion.

I have no desire to be dilatory or delaying. I merely desired to state that I felt, as I have listened to the discussion among the Senators, that we just do not know what is going on at home in our State taxing departments, and, as I said to the Senator from Oklahoma on another occasion, what I have suggested is what I want to have done, and not have us come here in March and say we have not had the proper information. I want Senators to be able to go home to find out what the situation is, and we will know in 6 months. That is the sole purpose of this motion. The people in the States have been living under these taxing laws for a long time. Another 6 months will do no harm in my opinion.

Mr. KERR. Mr. President, may I have an additional 2 minutes?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, I am touched deeply by the sentiments of the Senator from Colorado and his tender regard of my situation with respect to my constituency. But I have a like feeling for him. He is going home shortly to one of the great States of the Union, where, in the evening time, he can see the sun go down behind magnificent hills, and where in the morning he can view the magnificent verdure of the eternal hills. Who would I be to place upon him blinders and a bridle so that, when he could go home to the wonders of nature, which could console him and give him the time he needs to refresh himself and come back to Washington with a new vim and vigor for his duties, he would have to labor those weeks and months under the awful burden of understanding this legislation? [Laughter.]

I will not vote to put such a yoke on my friend from Colorado. I believe in letting him go yonder to the mile-high city where some of the finest atmosphere under heaven's ozone is to be found, letting him lift his head and breathe it deeply, without the oppressive task of spending his time poring through the tomes of this very intricate legislation, and feeling that he could not come back here until he understood it. I will not vote for such a thing, Mr. President. [Laughter.]

Mr. BYRD of Virginia. Mr. President, I yield back the remainder of my time.

Mr. LONG. Mr. President, I believe it is fair to say that the people who have the responsibility of collecting these taxes in the 49 States probably know better than does any Member on the floor of the Senate of the United States what is involved in this measure.

I happen to be a member of the Small Business Committee as well as a member of the Finance Committee. The Small Business Committee spent a lot more time studying the question than did the Finance Committee. The Small Business Committee recommended a commission study before Congress acts on the question. What do the tax collectors recommend? Let us look at page 14 of the hearings and see what the resolution states:

Resolved, That the National Association of Tax Administrators urge the appropriate committee of the Congress of the United States to recommend deferral of congressional legislative attention in the matter of State taxation of net income of corporations engaged in interstate commerce until a study commission set up by the Congress and including appropriate State officials has had opportunity to examine the impact of the recent Supreme Court decisions with regard to State income taxation of interstate commerce.

That is what those who understand the question best recommend to us. They say, "Please do not act." These are our tax collectors saying that.

Mr. President, hearings were commenced by the Finance Committee on July 21. The hearings lasted 2 days. Now we are asked to pass a bill which, as it came out of the committee, has already been amended by members of the committee who voted to report it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Is it not also true that the U.S. Treasury opposes the present enactment of the bill?

Mr. LONG. I was not familiar with that fact; but I am not surprised.

Mr. CLARK. There was a copy of the U.S. Treasury's opposition to the enactment of the bill at the present time on every Senator's desk yesterday.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FREAR. Can the motion made by the Senator from Colorado be modified or amended so as not to include title II of the bill?

The PRESIDING OFFICER. A motion to postpone a part of a bill is not in order. It has to be acted upon in its entirety.

Mr. FREAR. Will the acting minority leader yield 1 minute to me?

Mr. CARLSON. I yield 1 minute to the Senator from Delaware.

Mr. FREAR. It would seem quite obvious to me that title II of the bill does express the idea of having a commission to study that which I think the Senator from Colorado would like to have studied, as well as that which the tax authorities would like to have studied. It certainly would appear to me that if the motion made by the Senator from Colorado is agreed to, it counteracts that which he wants to do, which is to have a study, as title II pertains only to the formation of a commission to study the very problems which the Senator from Colorado is suggesting be given further study.

Mr. CARROLL. Mr. President, as the Senator from New Hampshire so ably pointed out, the way to accomplish what is desired is to have a Commission study the question. In other words, we are going to put teeth in the forepart of the bill, and then study it to death in the second part of the bill.

All I want, as the distinguished Senator from Oklahoma said, is to be able to go back and breathe the beautiful air of my home State, go back to the city that glistens like a jewel on the throat of the Rocky Mountains, and talk to my people and find out what it is about. When we return we shall all be refreshed. It can be studied in the meantime. Senators can read the record we have been making here the last 2 days. They can read the record of the taxing association. They can study why the Treasury does not want this bill. But, more important, they can learn, when they go home, what their own Governors and their own taxing authorities think about the bill. Then we shall all come back refreshed, and that will be ample time to determine whether it should go to the Judiciary Committee, the Interstate and Foreign Commerce Committee, or the U.S. Senate direct.

Mr. LONG. Mr. President, I now have before me the memorandum stating the position of the Treasury Department. The Treasury Department is against the bill. It wants time to study the problem. But Congress, which should get advice from the tax collectors of the States, is rushing the bill through.

I ask unanimous consent that this memorandum be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON STATE TAXATION OF INTERSTATE COMMERCE

The Department of the Treasury, through Mr. David A. Lindsay, Assistant to the Secretary, reported their opposition to the State taxation of interstate commerce to the Senate Committee on Finance. The Department's report was on the bills (S.J. Res. 113, S. 2213, S. 2281) then before the committee. These bills are substantially the same as S. 2524, now being considered on the Senate floor.

The Treasury position, as communicated to the Committee on Finance, follows:

"POSITION OF THE TREASURY DEPARTMENT

"The Department does not support enactment at this time of legislation to prescribe State tax jurisdiction over income derived from interstate commerce. It reserves its position on the need for such legislation and on its content to afford the States adequate opportunity to reexamine the problem in light of the recent Court decision and to consider the possibility of developing a solution for it without congressional assistance. While the Department would interpose no objection to the creation of a temporary Commission on State Taxation of Interstate Commerce along the lines provided by title II of Senate Joint Resolution 113, it believes that this problem can be resolved without the creation of a Presidential commission for this specific purpose.

"The Bureau of the Budget has advised the Treasury Department that there is no objection to the presentation of this report.

"Sincerely yours,

"DAVID A. LINDSAY,
"Assistant to the Secretary."

Mr. CARROLL. Mr. President, I yield back the remainder of my time.

Mr. BYRD of Virginia. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the motion has been yielded back. The question is on agreeing to the motion to postpone to a day certain. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH] If present and voting, the Senator from Indiana would vote "nay," and the Senator from Texas would vote "yea."

The result was announced—yeas 32, nays 62, as follows:

YEAS—32

Allott	Gruening	McNamara
Bartlett	Hennings	Monroney
Carroll	Hill	Morse
Chavez	Humphrey	Neuberger
Church	Johnston, S.C.	Proxmire
Clark	Kefauver	Russell
Douglas	Langer	Sparkman
Ellender	Long	Symington
Engle	McCarthy	Williams, N.J.
Fulbright	McClellan	Young, Ohio
Gore	McGee	

NAYS—62

Aiken	Ervin	Martin
Anderson	Frear	Morton
Beall	Goldwater	Moss
Bennett	Green	Mundt
Bible	Hart	Muskie
Bridges	Hartke	Pastore
Bush	Hayden	Prouty
Butler	Hickenlooper	Randolph
Byrd, Va.	Holland	Robertson
Byrd, W.Va.	Hruska	Saltonstall
Cannon	Jackson	Schoeppel
Carlson	Javits	Scott
Case, N.J.	Johnson, Tex.	Smathers
Case, S. Dak.	Jordan	Smith
Cooper	Keating	Stennis
Cotton	Kennedy	Talmadge
Curtis	Kerr	Thurmond
Dirksen	Kuchel	Wiley
Dodd	Lausche	Williams, Del.
Dworshak	Magnuson	Young, N. Dak.
Eastland	Mansfield	

NOT VOTING—4

Capehart	O'Mahoney	Yarborough
Murray		

So Mr. CARROLL's motion was rejected.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of our time, on condition that the other side does likewise.

Mr. KUCHEL. Mr. President, we yield back any time remaining on our side.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2524) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—IMPOSITION OF MINIMUM STANDARD

SECTION 101. (a) No State, or political subdivision thereof, shall have power to impose, for any taxable year ending after the date of the enactment of this Act, a net income tax on the income derived within such State by any person from interstate commerce if the only business activities within such State by or on behalf of such person during such taxable year are any, or all, of the following:

(1) the solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State; and

(2) the solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective client or customer of such person, if orders by such client or customer to such person to enable such client or customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(b) The provisions of subsection (a) shall not apply to the imposition of a net income tax by any State, or political subdivision thereof, with respect to—

(1) any corporation which is incorporated under the law of such State; or

(2) any individual who, under the laws of such State, is domiciled in, or a resident of, such State.

(c) For purposes of subsection (a), a person shall not be considered to have engaged in business activities within a State during any taxable year merely by reason of sales in such State, or the solicitation of orders for sales in such State, of tangible personal property on behalf of such person by one or more independent contractors.

(d) For purposes of this section—

(1) the term "independent contractor" means a commission agent, broker, or other independent contractor who is engaged in

selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities; and

(2) the term "representative" does not include an independent contractor.

SEC. 102. (a) No State, or political subdivision thereof, shall have power to assess, after the date of the enactment of this Act, any net income which was imposed by such State or political subdivision, as the case may be, for any taxable year ending on or before such date, on the income derived within such State by any person from interstate commerce, if the imposition of such tax for a taxable year ending after such date is prohibited by section 101.

(b) The provisions of subsection (a) shall not be construed—

(1) to invalidate the collection, on or before the date of the enactment of this Act, or any net income tax imposed for a taxable year ending on or before such date, or

(2) to prohibit the collection, after the date of the enactment of this Act, of any net income tax which was assessed on or before such date for a taxable year ending on or before such date.

SEC. 103. For purposes of this title, the term "net income tax" means any tax imposed on, or measured by, net income.

SEC. 104. If any provision of this title or the application of such provision to any person or circumstance is held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

TITLE II—COMMISSION ON STATE TAXATION OF INTERSTATE COMMERCE AND INTERSTATE AND INTERGOVERNMENTAL TAXATION PROBLEMS

Establishment of Commission

SEC. 201. There is hereby established a commission to be known as the Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems (hereinafter referred to as the "Commission").

Membership of the Commission

SEC. 202. (a) The Commission shall be composed of fourteen members as follows:

(1) Three who are members of the Committee on Finance of the Senate to be appointed by the President of the Senate;

(2) Three who are members of the Committee on Ways and Means of the House of Representatives to be appointed by the Speaker of the House of Representatives;

(3) Three who are officers in the executive branch of the Government to be appointed by the President; and

(4) Five to be appointed by the Conference of Governors.

(b) The members of the Commission shall select a Chairman and a Vice Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 109 of the Revised Statutes (5 U.S.C. sec. 99).

Duties of the Commission

SEC. 203. (a) The Commission shall make a full and complete study of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce for the purpose of recommending to the Congress proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived. Such standards shall be designed to permit a State to require businesses which are engaged in interstate commerce within such State to assume an equitable share of the tax burden imposed by such State and shall, at the same time, be designed to protect such businesses from being obstructed in their interstate activities by reason of being subjected to a multiplicity of State income-tax laws which are not uniform in theory, substance, application, and administration. In particular, but without limitation, the Commission shall endeavor to recommend uniform standards for determining—

(1) what proceeds from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce constitute income which is subject to taxation by the States;

(2) the total taxable income of a business engaged in interstate commerce which is subject to taxation by the States in which the business conducts its activities; and

(3) the portion of the total taxable income of a business engaged in interstate commerce which each State in which such business conducts business activities may subject to taxation.

(b) The Commission shall make a full and complete study of the problems arising from the exercise of the taxing power at the Federal, State, and local levels of government for the purpose of recommending methods to—

(1) eliminate overlapping areas of taxation at the various levels of government;

(2) avoid competition for revenue by the various levels of government;

(3) improve tax administration and collection practices at all levels of government;

(4) coordinate and simplify tax laws at all levels of government; and

(5) ease the burden of compliance by taxpayers with the tax laws of all levels of government.

(c) The Commission shall make a report to the Congress and the President, not later than March 31, 1961, of the results of its study under subsection (a) together with its recommendations for proposed legislation. The Commission shall make a final report to the Congress and the President, not later than March 31, 1962. Such final report shall contain the results of its studies under subsection (b) together with any recommendations for proposed legislation, and any supplemental results of its study under subsection (a), together with any supplemental recommendations for proposed legislation.

(d) The Commission shall cease to exist at the close of June 30, 1962.

Powers of the Commission

SEC. 204. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C., secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the chairman or the vice chairman when acting as chairman.

Appropriations, expenses, and personnel

SEC. 205. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this title.

(b) The members of the Commission shall serve without compensation, but each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(c) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(d) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. BYRD of Virginia. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that in engrossing the bill, S. 2524, the Secretary of the Senate be authorized to make such clerical corrections as may be necessary by reason of the adoption of the amendments to the bill as reported by the Finance Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 255. An act to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear;

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree disability within 3 years after separation from active service shall be presumed to be service connected;

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as Lake Mendocino;

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3365. An act to authorize the crediting of certain service for purpose of retired pay for nonregular service, and for other purposes;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Co., and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85–818;

H.R. 7112. An act to amend section 1005 (c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

H.R. 7165. An act for the relief of Filip Lewensztejn (Harry Lipa Levenstein);

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; and

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

EXCHANGE OF CERTAIN MORTGAGES FOR GOVERNMENT BONDS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 531, Senate Resolution 130.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 130) to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. There is in effect a unanimous-consent agreement with respect to the resolution, which will be read.

The unanimous-consent agreement was read, as follows:

Ordered, That during the consideration of the resolution, Senate Resolution 130, to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of the final passage of the said resolution debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said resolution, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. The resolution is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the Senator from Pennsylvania [Mr. CLARK] has control of an hour and a half on the resolution. A total of 3 hours are allotted, an hour and a half to be controlled by the Senator from Pennsylvania, and an hour and a half by the minority leader.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. It is my understanding that one of the members of the minority desires to offer an amendment in the nature of a substitute. Will that right be available to him under the unanimous-consent agreement?

The PRESIDING OFFICER. That right will be available to the minority.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. What is the status of the resolution at the moment? Has it merely been taken up on motion?

Mr. JOHNSON of Texas. It has just been taken up on motion. Time has been allotted. The Senator controls an hour and a half, and the minority leader an hour and a half. Thirty minutes are allotted on any motion, appeal, or amendment, to be equally divided.

Mr. MANSFIELD. Mr. President, could the majority leader tell us, for the benefit of the Senate, how long the Senate may be in session this evening?

Mr. JOHNSON of Texas. No; I cannot. If both sides use all their time, 3 hours from 4:45 would be 7:45. If a yea-and-nay vote were demanded on the resolution, I assume that would take until approximately until 8:15. If all the time were not used, final disposition would be at 8:15, less whatever time is not used.

Mr. CLARK. Mr. President, as one of the proponents of the resolution, I will say, on behalf of the proponents, that I am very hopeful that we will not consume all the time allotted. At present I know of no amendments to be offered. Personally, I should like to get away from here at no later than 7:30. Whether the other side is in the same mood, I have no way of knowing.

Mr. President, I yield 5 minutes to the distinguished junior Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, Senate Resolution 130 would express the sense of the Senate that the proposal to exchange mortgages held by the Federal National Mortgage Association for Government bonds, as planned by the President in his budget message for fiscal year 1960, is not in the national interest and should not be carried out because of first, loss of income from the mortgage loans; second, loss of tax revenues; and third, adverse effect upon the home mortgage market.

Senate Resolution 130 was introduced in the Senate following a hearing before the Banking and Currency Committee on the proposed exchange, at which time testimony was received from representatives of the Treasury Department and the Federal National Mortgage Association. Members of the committee were impressed that the facts presented indicated that the proposed exchange was of a questionable nature. Subsequently, the committee had further meetings to consider the proposal, and concluded that the proposal is not in the best interest of the American people.

To give the Senate a little background, let me explain the proposal and why the committee feels that it is unwise. The President's budget message, submitted to the Congress in January, contains the following statement:

> For the fiscal year 1960, the Association will endeavor to cover its expenditure for mortgages purchased by receipts from mortgage sales and other sources. To make this possible without diverting the flow of new funds from the mortgage market, an estimated $335 million in Government-owned mortgages will be offered to investors in exchange for certain Government bonds which will then be retired.

One of the functions of the Federal National Mortgage Association is to manage and liquidate an existing portfolio of mortgages. Existing law states that this liquidation must be carried out in an orderly manner with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government. In accordance with this provision of the law, the Federal National Mortgage Association proposes to liquidate $335 million of mortgages by exchanging them for an equal amount of 2¾ percent Treasury bonds, investment series B, which are due in 1980, callable after 1975.

The mortgages contained in the management and liquidation portfolio were acquired by the Association prior to 1954. At that time, $5 billion of mortgages had been acquired; but since then a total of $2.9 billion have either been repaid or have been sold, leaving a balance today of $2.1 billion. About one-half of this $2.1 billion are in 4 percent VA-guaranteed mortgages. It is from this latter group, amounting to about $1 billion, that the President's message proposes to sell $335 million of mortgages. In fact, the representatives of the Treasury Department stated in the hearings that the entire portfolio of a billion dollars may be exchanged in this manner if the initial transaction works out satisfactorily.

The Treasury bonds which the FNMA proposes to accept in exchange for its mortgages are 2¾ percent nonmarketable bonds issued in 1951 and 1952 to mature in 1980 unless the Treasury calls them in 1975 or later. These bonds, of which $5 billion are outstanding, are exchangeable for 1½ percent, 5-year Treasury marketable notes, which at the present time have a market value of between 87 and 88 percent of par.

It is impossible to make a direct comparison of the market value of the bonds with the market value of the mortgages because the mortgages are not readily salable in today's market. However, using the yield as a basis for an estimate of value, the FNMA tells us that the mortgages are worth about 87 cents on the dollar. So, on the face of it, it appears that the market value of the bonds would be somewhat equivalent to the market value of the mortgages.

The Federal National Mortgage Association has authority under existing law to dispose of the mortgages in its portfolio without further action or sanction by the Congress. However, after careful consideration of the proposal, the committee cannot agree that this exchange would be compatible with the FNMA Charter Act or in the interests of the public for several reasons.

The first reason involves the loss of potential income to the Federal Government. According to testimony received from officials of the FNMA and the Treasury Department, the loss of income to the Federal Government by this proposal would amount to as much as $13.4 million based on an exchange of $335 million of mortgages, or $40 million if the entire portfolio of a billion dollars of such mortgages were exchanged. This loss of income represents the difference in interest return on the 4 percent mortgages and the interest paid out by the Federal Government on the 2¾ percent bonds. Because of operating expenses the net return on the 4 percent mortgages to the Federal Government amounts to about 3.36 percent. So the net difference between the two types of investments amounts to 0.63 percent per year. The loss of income would amount to about $40,000 for each million dollars of mortgages exchanged.

The second reason involves the potential loss of tax revenue. The Under Secretary of the Treasury, who appeared before our committee, stated that the magnitude of the possible tax losses resulting from the proposed exchange could be as much as $8.4 million based on $335 million; or, if the entire billion dollars of the mortgage portfolio are exchanged, the tax loss could amount to as much as $24 million. This amount assumes that all purchasers of the mortgages would be fully subject to Federal income tax. However, many investors who are likely to be interested in acquiring the mortgages, such as mutual savings banks, often have little or no tax liability and to the extent that such institutions buy the mortgages the total tax loss could be considerably less. Most of the tax loss would probably be recovered by tax payments in future years, but the impact of the loss would be felt in fiscal year 1960—a year in which revenue losses would be most unfortunate.

The third reason involves possible effects upon the mortgage market. Information received by the committee pointed up the fact that many investors in mortgages would reduce their purchases of mortgages in the current year, if they were to accept mortgages under the proposed exchange. Mortgage investors often establish limits upon their holdings of VA and FHA mortgages. If they were to accept large quantities of the 4 percent VA mortgages, this would reduce their activity in the current mortgage market for the period following the exchange. We have received letters that the proposal is already having a serious effect on the mortgage market which has been depressed for some time. The committee believes that the proposed exchange would not be in accord with the FNMA Charter which requires liquidation of the portfolio with a minimum of adverse effect upon the home mortgage market.

Mr. President, I believe that for the three reasons mentioned above this transaction would not be in the best interest of the Federal Government. I believe that the plan could reduce Federal income by as much as $40 million, that it could cause an internal revenue loss during fiscal year 1960 by as much as $24 million, and that it would have an adverse effect upon the home mortgage market. I recommend that the Senate express its opposition to the proposed exchange by approving the resolution.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, while a large number of Senators are on the floor, I ask for the yeas and nays on agreeing to the resolution.

The yeas and nays were ordered.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK TOMORROW, AND FOR CONSIDERATION OF MILITARY CONSTRUCTION APPROPRIATON BILL

Mr. JOHNSON of Texas. Mr. President, the military construction appropriation bill has been reported to the Senate. I have cleared this matter with the distinguished Senator from Arizona [Mr. HAYDEN], chairman of the Committee on Appropriations; the ranking minority member of the committee, the distinguished Senator from New Hampshire [Mr. BRIDGES]; the distinguished minority leader [Mr. DIRKSEN], the distinguished Senator from Delaware [Mr. WILLIAMS] the distinguished Senator from Illinois [Mr. DOUGLAS], and other Senators who are interested in measures of this kind.

Mr. President, I first ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I now ask unanimous consent that when the Senate convenes at 10 o'clock tomorrow, it may be in order to move that the Senate proceed to consider the military construction appropriation bill. The committee has filed a unanimous report. Copies of the report are now available to Senators.

I also ask unanimous consent that there may be a limitation of debate of 1 hour and a half on the appropriation bill and 30 minutes on each amendment, the time to be equally divided.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That it be in order on August 21, 1959, to move that the Senate proceed to the consideration of H.R. 8575, the military construction appropriation bill; that during its consideration debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1½ hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

EXCHANGE OF CERTAIN MORTGAGES FOR GOVERNMENT BONDS

The Senate resumed the consideration of the resolution (S. Res. 130) to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds.

Mr. CLARK. Mr. President, I yield myself as much time as may be necessary.

The resolution results from the fact that the President in his budget message for the current fiscal year indicated his intention——

Mr. GORE. Mr. President, a point of order. The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, the Senate is not yet in order.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Pennsylvania may proceed.

Mr. CLARK. Mr. President, the resolution arises from the fact that the President in his budget message proposed a rather complicated exchange of mortgages held by the Federal National Mortgage Association — FNMA — which carry interest at the rate of 4 percent per annum, for Government bonds which have no present marketability and bear interest at the rate of 2¾ percent per annum.

This, the President indicated in the budget message, would be helpful in balancing the budget for the current fiscal year. In other words, it was proposed to sell capital assets or bonds carrying an interest rate of 4 percent per annum, but presently saleable only at a loss to the Government because of the high interest rates of the present administration. It is proposed to get rid of that national asset in return for Government bonds bearing a gross interest rate of 2¾ percent.

This would enable the accountants for the Government who prepare the budget, under our uniquely obsolete forms of financing and fiscal control, to show that they have reduced the national debt by the amount of the Government bonds which were turned in, and that they had reduced the expenditures of the Government by the interest payments which otherwise would have to be made on the 2¾ percent bonds.

Since the 4-percent mortgage bonds are held by FNMA in a revolving fund, the interest on those bonds would not appear in the budget. So from a strictly accounting point of view it would be possible to tell the American people that the national debt had been cut, and the expenditures of the Government had been reduced. But at what cost? At the cost of selling equitable assets far below their ultimate worth, and carrying a rate of interest substantially in excess of bonds it was intended to redeem.

Mr. President, this transaction was deemed by many members of the Committee on Banking and Currency to be not in the public interest, so this resolution was submitted on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from West Virginia [Mr. BYRD], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Maine [Mr. MUSKIE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Texas [Mr. YARBOROUGH], the junior Senator from Minnesota [Mr. MCCARTHY], the Senator from Alaska [Mr. GRUENING], the Senator from Colorado [Mr. CARROLL] and the senior Senator from Minnesota [Mr. HUMPHREY]. The resolution states that it is not in the national interest to proceed further with this transaction because of the obvious loss to the Federal Government from the loss of income on mortgage loans, the accounting legerdemain to the contrary; because of a perceptible loss of tax revenue to the Government; and finally because of the adverse effect the transaction would have on the home mortgage market.

The resolution was the subject of hearings before the Committee on Banking and Currency, at which both the president of the Federal National Mortgage Association and an Assistant Secretary of the Treasury attempted to justify the procedure which they intended to follow. That hearing convinced a large majority of the members of the Committee on Banking and Currency that the resolution was sound, and it was reported to the Senate by a vote of 12 to 3. It is true that one additional Republican member of the committee, while he voted to report the resolution to the Senate, indicated some doubt as to the validity of the resolution. In any event, by a vote of more than 2 to 1, the bill was reported favorably to the Senate. It is now before the Senate for action.

I should like to state in support of the resolution a few arguments dealing with why the Committee on Banking and Currency felt that the proposal was unsound. First, it will result in a loss of income to the Government. FNMA holds in its portfolio $1 billion of mortgage bonds acquired before the present high interest rate of the Federal Government became effective, and therefore salable now only at a discount.

It was proposed in this fiscal year to trade $335 million worth of the $1 billion in FNMA bonds, or approximately one-third, still bearing 4 percent interest, or the 2¾-percent interest Government bonds. What was the status of those Government bonds? Obviously, it can be seen why those who held them would want to pick up a 4-percent investment in return for turning in 2¾-percent interest bonds. But there is another reason why they would be appealing to the holders of 2¾-percent bonds. That is because those bonds are not marketable. They were issued some years ago as refunding bonds for outstanding 2½-percent bonds, in the happy, happy days of the previous administration, when low interest rates were in effect. They are not marketable, but they can be exchanged for 1½-percent 5-year notes.

To be sure, if an exchange is made, the holder of the bond will get a marketable security instead of one which is not marketable. But he will have his interest rate cut from 2¾ percent to 1½ percent, and this is something which not too many persons would want to do, although in the interest of maintaining a liquid portfolio I will admit it is true that these exchanges are being made at the rate of about $1 billion a year, and there still is a billion dollars more of 2¾-percent bonds outstanding.

Mr. GORE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am happy to yield to my friend, the Senator from Tennessee.

Mr. GORE. That being true, is not this one measure of the benefit which would be bestowed upon the holders of the long-term bonds—and, incidentally, one reason why they would like to exchange them? The Senator has said the 2¾-percent bonds are not marketable and they are also long term. Is not that one reason why the holders of the bonds would be inclined to exchange them for mortgages?

Mr. CLARK. I think that is correct.

Mr. President, I believe there is a tendency on the part of Senators, when speaking in this Chamber, to use the term "windfall" a little more than I believe it should be used. I see on the floor at this time my friend, the Senator from Connecticut [Mr. BUSH]. He accused some of us, who favored the inclusion in the housing bill of certain provisions which we thought in the public interest, of trying to provide a windfall—in that case, for the institutions which would be affected.

In this case, I do not charge that the proposal we are now considering would result in a windfall to the insurance companies and the banks which own these bonds; but I will say that they would make a nice profit as a result. [Laughter.]

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. MONRONEY. I do not wish to engage in a discussion of semantics; but if such a transaction would not result in a "windfall," at least, in Oklahoma language, it would certainly result in a "bailout." If it would not, I certainly do not know the meaning of that term.

Mr. CLARK. Mr. President, I wish to be fair about this matter. Our friends on the other side of the aisle—who, incidentally, have gone to great lengths in order to prepare an elaborate defense against this resolution, for I understand that the Republican senatorial campaign committee has prepared a 14-page brochure in which we find summarized whatever arguments they may be able to bring to bear against the resolution——

Mr. BENNETT. Mr. President, will the Senator from Pennsylvania yield? He has made an inaccurate statement, and I believe he would wish to have the inaccuracy corrected.

Mr. CLARK. Of course. However, I hold the document in my hand.

Mr. BENNETT. I shall read the title. It has been prepared under the direction of the Republican policy committee. Let me point out that there is also a Democratic policy committee, as well as a Republican campaign committee and a Democratic campaign committee.

Mr. CLARK. I apologize for my inadvertent inaccuracy—although it seems to me that in the long run there is very little difference between the two groups.

Mr. BENNETT. Does the Senator agree that that comment applies to both sides?

Mr. CLARK. Yes.

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield further to me?

Mr. CLARK. I yield.

Mr. MONRONEY. I am glad to have that correction made, because I think the fact that the document was prepared at the direction of the Republican policy comimttee attaches to it a great deal more responsibility for this bail-out—the fact that it is a matter of Republican policy, rather than Republican campaign propaganda.

As I understand, the FNMA owns approximately $1 billion worth of 4-percent, well-seasoned GI and FHA mortgages. Is that correct?

Mr. CLARK. Yes.

Mr. MONRONEY. Those mortgages are several years old, and the payments on them are being made regularly. They are prime mortgage paper, and they pay 4 percent interest; is not that correct?

Mr. CLARK. Yes. But they cannot be sold at par, because of the high interest rate policy——

Mr. MONRONEY. Which has been instituted by the same Republican administration which now proposes this bailout; is that correct?

Mr. CLARK. Yes.

Mr. MONRONEY. As I have stated, these mortgages are gilt-edged, seasoned paper, paying 4 percent. The report states that they have an average maturity of 16 years. But because the mortgages are amortized, the Government is getting back not only the 4 percent but also the amortization payments. As a result, the average mortgage, which today is in the amount of $5,600, in the next few years will be reduced so that much less will still be outstanding.

Mr. CLARK. Not only that; but the experience shows that as the mortgages become older, they tend to be refinanced or paid off—for instance, when someone else buys the home; and the experience also is that the mortgages will be paid off in 7 or 8 years, on the average, according to the testimony adduced before our committee.

Mr. MONRONEY. The Republicans' policy of forcing interest rates up and up—which has created confusion twice confounded in connection with the public debt—is now coupled with a proposal that the Government bestow upon the insurance companies, the banks, and the other institutional holders of the bonds, additional favors by permitting them to exchange them for securities half of which will be paid off in a few years and the other half of which will be paid off over the remainder of the term. So that the banks who hold the frozen bonds, which have a 21-year maturity, and on which the Government is paying only 2¾ percent interest, as a result of this Operation Horse Trade, will have forced on them these 4-percent securities, and they will be out of their money for a much shorter period of time; and that proposal is made in an effort, so we are told, to reduce the public debt.

Mr. CLARK. The long-term public debt.

Mr. MONRONEY. The nonmarketable public debt.

Mr. CLARK. Yes.

Mr. MONRONEY. I compliment the majority of the Banking and Currency Committee for its good sense in nailing down this issue and pointing out just what this proposal amounts to. I think that action on the part of the committee is of benefit not only to the Senate but also to the country as a whole.

If this proposal is an example of the policies of this administration—namely, a proposal to dispose of good securities which pay a high rate of interest in order to retire obligations paying a much smaller amount of interest—then we had better look out, because no doubt it would be likely that the administration would attempt to conduct a land sale on the White House grounds, in an effort to liquidate the Government's investment in the Ellipse, in order to reduce the public debt. Both would be a liquidation of the capital assets of the Nation.

Mr. CLARK. Mr. President, I thank the Senator from Oklahoma for his contribution to the debate.

When this matter was first presented, there was considerable evidence of an intent on the part of the administration to reduce the size of the public debt. But I believe that effort has largely been dissipated, for now the administration has gone along with the increase in the public debt, which evidently the administration now regards as inevitable.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. PROXMIRE. I should like to point to a facet of this matter which I think is distressing—namely, that although almost all economists recognize that it is deflationary to put as much of the Government debt as possible into long-term Government bonds and keep it there, we are retiring bonds which mature in 1980—they can be called by the Treasury in 1965, but their ordinary maturity, at the option of the purchaser, is in 1980, so they are 20-year bonds.

Mr. CLARK. Of course, we must admit——

Mr. PROXMIRE. Of course, Mr. President, when I use the word "we," I mean the Treasury.

Mr. CLARK. Those of us who sponsor this resolution will have to admit that those bonds do carry this conversion.

Mr. PROXMIRE. I recognize that, and I will come to that in a minute.

Mr. CLARK. I do not think that eliminates the Senator's argument, but I want to be fair about it.

Mr. PROXMIRE. That is right. The point is that the Treasury would retire, under the proposal of the President, long-term obligations which contain an option, however, that they may be retired in 5 years.

Mr. CLARK. Be converted.

Mr. PROXMIRE. To be converted into notes which can be retired in 5 years, but at a very great saving to the Treasury and at a substantial loss to the holder of the security.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. As a matter of fact, at an interest rate of 1½ percent as compared to the 4 percent, and if we want to assume that the people who own these securities are going to convert them wholesale to the 1½-percent notes, then the loss to the Treasury and to the Federal Government in making this transaction would be very substantial indeed. It would be well over a hundred million dollars, several hundred million dollars, as I recall the testimony, and it would be a very, very great loss to the Treasury and the American taxpayer.

Mr. CLARK. The short-term loss would be increased in one way; and in another way, since the Government had to pay only 1½ percent instead of 2¾ percent, there would be a gain to the Treasury from the conversion.

Mr. PROXMIRE. My argument is that if we exchange 4-percent mortgages for 1½-percent notes, then the exchange would constitute a very great loss to the Treasury.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. A very great loss. I think that the Senator from Illinois brought it out during the appearance of Mr. Baughman and Mr. Baird, and as I recall, it is more than several hundred million dollars; and I shall refresh my memory on that in a moment. If the Treasury does not have this astronomical loss, then it has a substantial loss, a clear loss, a measurable loss, and at the same time we retire a long-term debt, I stress "long-term," for obligations which will come due. The retirement of long-term debt and its replacement with short-term debt would be inflationary, in the judgment of most economists.

Mr. CLARK. I think the Senator is correct.

Mr. JAVITS. Will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from New York, although I am not too sure I can hear him at this distance.

Mr. JAVITS. I merely desired to get across what was the real issue. I am sure my colleagues do not wish to be unfair, but I rather think the connotations of the debate, the remarks made by the Senator from Oklahoma particularly, are not fair to those in the Treasury.

Mr. CLARK. Let me say I am happy to answer any question of the Senator from New York, but I hope he will not make a speech on my time.

Mr. JAVITS. I will get 5 minutes now, so that I can engage in a colloquy, because I think we can be helpful to everybody by getting this issue before us.

Mr. CARLSON. I yield 5 minutes to the able Senator from New York.

Mr. JAVITS. Is there anything illegal about this?

Mr. CLARK. Absolutely not.

Mr. JAVITS. Is there anything crooked about it?

Mr. CLARK. Absolutely not.

Mr. JAVITS. Does anyone charge anybody with getting any favors, or making inside deals, or that anyone is being seduced or traduced in this matter?

Mr. CLARK. Let me answer that question this way. The Senator and I are members of a noble profession, the practice of the law, and I know that our profession has about as much folklore connected with it as any profession in

the world. The only possible profession that has more is the certified public accounting profession.

While I agree what is proposed is not dishonest, there is nothing tricky, I think it is very close to the edge—and I want to choose my words very carefully indeed—of being not quite candid with the American people in all of the things the measure would accomplish. I think that we ought to base the resolution on the national interest. I think it is going to be very helpful indeed to the insurance companies and to the mercantile banks who hold these unmarketable 2¾-percent bonds. I think the Senator from New York and I have established a rapport on the motivations which go into this matter.

Mr. JAVITS. It is a fact, too, is it not, not, that the Congress could by changing the substantive law completely prevent the occurrence of any future situation of this kind?

Mr. CLARK. Yes; but I think that would be extremely unwise. The Senator made that point in committee. It does not seem to me that that is the kind of thing we ought to be asked to do. I do think the Congress has the right, and perhaps the obligation, when any public document receiving as much public attention as the President's budget message suggests a financial transaction which seems to us to be unsound, to state the sense of the Senate, that it is not in the national interest, and I for one have never agreed with my good friend from New York that we ought to pass a lot of laws. I think that this is within administrative discretion, and the Senator very well knows that even if we pass this resolution, they can go ahead anyway.

Mr. JAVITS. That is correct, but if we change the law, they cannot, and if Senators were serious and were really showing good faith on their side, they would change the law, because they would say this is something which should not be done. They say they want to stop it. Change the law and stop it. Why does the Senate need a "sense" resolution?

Mr. CLARK. Let us not charge each other with lack of good faith. Let us not charge each other with lack of seriousness. My good friend and I are too good friends to get into an argument about our motives.

Mr. JAVITS. I asked a question.

Mr. CLARK. Let us ask the question, then, in some form other than by charging bad faith.

Mr. JAVITS. I will withdraw the question and ask the Senator another. Would it not be more effective in preventing what is proposed to change the law than to pass a "sense" resolution?

Mr. CLARK. I do not think so, and I will state why. In the first place, I do not think we could change the law. In the second place, having been an executive myself, I am in favor of a wide amount of executive discretion. I did not like it when the city council attempted to meddle with what I thought I had a right to do, but I also thought it proper for the city council to tell me whenever they thought I was proposing to do something which it thought would not be in the public interest.

Mr. JAVITS. Does the Senator believe that the Congress would rather meddle in the executive portion of this program than change the law, which is its prerogative?

Mr. CLARK. The Senator has used the word "meddle."

Mr. JAVITS. I only took the Senator's word as to that.

Mr. CLARK. My own view is that this resolution is just the right way to handle the problem.

Mr. JAVITS. Is it not a fact that the FNMA is under an obligation to liquidate these mortgages rather than to keep them as a permanent investment? Whether the Senator agrees with this particular transaction or not, is it not a fact that the law imposes an obligation on FNMA to liquidate its mortgage portfolio?

Mr. CLARK. I can best answer my friend's question by reading to him from the basic law, which is as follows:

> (c) Manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government.

And they should not do it.

Mr. JAVITS. Let me raise one further question. I know that we are good friends just the same, but I will tell the Senator frankly what bothers me. Whether the Senator likes it or not, in the sense of whether he intended it that way or not, this strikes me as being a resolution of censure upon the executive department.

Mr. CLARK. The Senator is correct; that is just what it is. It is a resolution of censure.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. CLARK. I yield the Senator 3 minutes from my time because I have been talking on his.

Mr. JAVITS. That is what bothers me about this, for this reason. In our system of government we do not have the parliamentary system which recognizes a motion of censure and has the people who are being censured present so that they can argue and defend themselves, and if they fail the government falls; and governments have fallen on questions like this in a parliamentary country.

On the other hand, we are a Congress to legislate and pass laws, and we are here faced with the choice of facing the issue, which can be done by changing the law. The Treasury has not done this at all, and as far as I know they have no intention of doing it until this matter is decided.

We are here faced with an issue of going into a procedure which is a totally different form of government. Congress has a right to change the situation substantively, to change the law.

I say to myself the principle of the executive running the department where he is not accused of any dishonesty or any illegality, the principle of the executive running his department, is more important than my particular judgment on a particular transaction. If we had a different form of government, the other practice might be all right. So I have stated what I think is the essential weakness of this whole proposition.

Mr. CLARK. I regret to find myself in complete disagreement with the Senator from New York, because when we brought this resolution to committee we called in the Assistant Secretary of the Treasury. We called in the Chairman of FNMA, and at the request of the Director of the Budget I went up and saw him in his office. The executive government's feeling on this resolution is spread on the record before all the Senators. Senators can make up their minds. I see nothing wrong with what is proposed.

Mr. JAVITS. May I ask this further question?

Mr. CLARK. Yes.

Mr. JAVITS. I have expressed myself as to what I think is the essential issue here. But is it not a fact that these mortgages have been sold before at substantial losses, to the extent of $500 million, and no motion of objection or anything else was made? It was just accepted as the way in which they had to raise the money.

Mr. CLARK. The answer is that all the losses have been made during the incumbency of the Eisenhower administration, and we thought it was about time to put a stop to it.

Mr. JAVITS. The Senator knows that there have been losses and no such action was taken previously, though they were widely advertised.

Mr. CLARK. At some time the straw breaks the camel's back, and I think this is it.

Mr. President, the distinguished Senator from West Virginia [Mr. RANDOLPH] has a concurrent resolution which he thinks is important to put before the Senate at this time, in the form of a unanimous-consent request.

I ask unanimous consent that I may yield to the Senator from West Virginia without losing my right to the floor and without the time being charged to either side. I ask the Senator how long it will take him.

Mr. RANDOLPH. Ten seconds.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NATIONAL FUELS POLICY—EXTENSION OF TIME FOR CONCURRENT RESOLUTION TO LIE ON THE DESK

Mr. RANDOLPH. Mr. President, I am grateful to my colleague.

I ask unanimous consent that Senate Concurrent Resolution 73, to create a Joint Committee on a National Fuels Policy, which is at the desk, be allowed to remain at the desk until Tuesday of next week for additional signatures.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCHANGE OF CERTAIN MORTGAGES FOR GOVERNMENT BONDS

The Senate resumed the consideration of the resolution (S. Res. 130) to express the sense of the Senate in an exchange of mortgages held by FNMA for Government bonds.

Mr. CLARK. Mr. President, I am happy to yield to the Senator from Tennessee.

Mr. GORE. I fear the senior Senator from Pennsylvania has been, to say the least, unusually generous in his interpretation of this proposal. When he quoted the law which required that these mortgages be managed "with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government," he raised in the mind of one lawyer in this body doubts as to the legality of this proposal, because, if I can secure a few moments to address the Senate, I shall say that, if consummated, this would result not in a minimum loss, but in a gross loss of several million dollars, and the conferring of a benefit of even more millions upon the holders of the 2¾-percent bonds, to which benefit, in my opinion, they have no entitlement.

Mr. CLARK. Mr. President, I shall be only too glad to yield to the Senator from Tennessee such time as he may desire to pursue this subject.

Mr. MONRONEY. Mr. President, before the Senate does so, will he yield for a question?

Mr. CLARK. Yes.

Mr. MONRONEY. The question of the loss in the mortgage portfolio was brought up by the distinguished Senator from New York. The Senator from Pennsylvania pointed out that most of it has occurred in the administration of President Eisenhower.

Mr. CLARK. All of it.

Mr. MONRONEY. Is it not a fact that this loss would not have occurred had it not been for an affirmative Government policy, instituted by the former Secretary of the Treasury, Mr. Humphrey, and followed through by the affirmative action of the Republican administration, by its Housing and Home Finance Administrators, and by the Republican leaders in the Congress, to force higher and higher the interest rates that these Government-insured mortgages carried?

I remember three or four instances of when these interest rates were increased. I have had the privilege of being associated with my distinguished colleagues, the Senator from Pennsylvania, the Senator from Tennessee, the Senator from Wisconsin, the Senator from Illinois, all of whom are here, and who have fought this very escalation of mortgage interest rates. But when those interest rates are forced up by legislative action, which has occurred, then the market value of the older mortgages held in the FNMA portfolio or in the banks are also forced down.

So the loss which has been incurred, which the Senator from New York has mentioned, is a loss entirely created as a result of the high interest rate policy of this administration. Certainly, if we start tinkering and swapping capital assets for outstanding bonds, I do not know what this administration will try to sell off next in order that the books will not show an increase in the public debt.

Let it be borne in mind, that the $12½ billion worth of new debt financing which the Treasury Department complains about is another deficit that was written on the books by this fine, economy-minded administration of President Eisenhower, which has had the most staggering peacetime debt in history.

Mr. CLARK. I thank my friend for his comment.

Mr. President, I should like to develop briefly each of the three reasons why the resolution states that this public debt transaction is not in the public interest.

The first is the loss of income from the mortgage bonds. How much would that be? There are $1 billion worth of those bonds in the portfolio, and the testimony of the President of FNMA and the Assistant Secretary of the Treasury was that there would be a $40,000 loss for each $1 million worth of bonds. So if they were to sell off the whole billion dollars worth, the loss of revenue to the Government—not tax revenues, but the difference between the two interest rates—would be $40 million.

Now, our friends on the other side of the aisle will say, "Oh, but we do not propose to do that. We are only going to sell $335 million." So, to be fair, we cut that figure down to roughly one-third of $40 million, and the loss would be $15 million.

Let me read from the testimony of Mr. Baughman, President of the FNMA Corp.:

> With respect to each million dollars worth of mortgages exchanged, it represents a possible reduction in future income of less than $40,000 over the remaining term of such mortgages, assuming the exchange to be on an even basis.

Mr. KUCHEL. Mr. President, may I ask the Senator where he is reading from?

Mr. CLARK. I am reading from page 24 of the hearings.

The Senator from Alabama asked a question:

> But taking your figure of $40,000 per million, then, if you exchanged the full billion, that would represent a loss of $40 million, would it not?
>
> Mr. BAUGHMAN. That is correct.

So that if they sold only one-third of them, the loss would be one-third of $40 million.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. Is it not true that the Secretary of the Treasury, in a letter to Representative PATMAN, had declared, and this appears on page 30 of the hearings:

> There is no compelling reason to limit the sale or exchange to $335 million.

There was no compelling reason why they should stop there.

Mr. Baird said they intended at this time to sell only $335 million worth, but he also said they might go above that amount later. So there is an immediate loss of $13 million, and a probable loss of $40 million in interest alone.

Mr. CLARK. The Senator is correct. I think, in all candor, I should say to my colleague that, at his request, I conferred with Mr. Stans, Director of the Budget. He indicated if we did not force the resolution, he would be happy to agree that they would market only $335 million worth before Congress came back in January, and then we would have an opportunity to take another look at this question and see whether, as he thought, it would be in the public interest. Because he is a man of honor, we could rely on the fact that it would not be more than $335 million worth before January. This, however, to me is simply $335 million too much.

Mr. DOUGLAS. I will say that I do not know about the private conversations which the Senator from Pennsylvania has had with the Director of the Bureau of the Budget.

Mr. CLARK. Let me assure my friend from Illinois that I made no deal.

Mr. DOUGLAS. I should also like to point out that the Under Secretary of the Treasury, as is shown on page 31 of the hearings, also said that he would not necessarily stop at $335 million. So, so far as the public record is concerned, there has been no pledge on the part of the Treasury Department that it will stop with only $335 million. The Treasury could go up to a billion dollars. In that event the interest loss, on the Treasury's own estimates, would be $40 million. In my opinion, that is a minimum figure.

Mr. CLARK. The Senator is quite correct.

However, let me point out that we cannot stop the Treasury Department from doing this, by passing the resolution.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. The Senator is a practical man. If this bailout is extended to the barefoot boys of Wall Street, up to $335 million between now and January, does the Senator not believe others will be before us, after January, asking us to spread the benefits of this deal to other underprivileged bankers? There is a billion dollars worth of these choice mortgages which these people would love to get their hands on. This is about the best trade since Father Knickerbocker bought Manhattan Island for $24.

Mr. CLARK. I thank my friend from Oklahoma. I think his prognosis is probably correct.

Mr. MONRONEY. I also understand that there is outstanding $7.8 billion or more of these nonmarketable bonds. After we get through spreading the largess of the $335 million on the first sale, and they come back to take up the rest of the $1 billion of mortgages we have to trade, then we will have to find something else to swap out for the rest of these bonds, because all of these people ought to be treated fairly. Whatever pattern we set for the $335 million of mortgages we must set for the rest of the

$1 billion we have in mortgages. Then we can go on to the $7.8 billion plus, for the people will be waiting in line for a handout, wanting the same kind of deal we set up for the first ones who came in.

Mr. CLARK. Mr. President, I should like to summarize.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CLARK. I will be happy to yield in just a minute.

To summarize, Mr. President, the maximum loss from this proposal would be $40 million, spread over a period of years. The initial loss, if the Treasury Department sold only $335 million worth of these mortgages, would be in the neighborhood of $13 million plus, also spread over a number of years.

I am now happy to yield to my friend from California.

Mr. KUCHEL. It may be that the Senator has answered my question earlier in the debate.

My question is, Why has not the Senator sponsored a bill to change the present law, if he objects so vigorously and so violently to what the administration has indicated it desires to do under the present law?

Mr. CLARK. I answered that question at considerable length earlier in the debate, when my friend from New York asked me the same question. If my friend from California does not mind, I would prefer not to try to answer at such length again.

Mr. KUCHEL. Will the Senator give me the short answer to the question?

Mr. CLARK. Thse short answer is that I have been an executive, and I think we ought to give wide discretion to administrative officials. I do not think the legislative body ought to try to tie the executive down with a lot of laws, but I firmly believe that the legislature has the right and also has the duty, when a transaction of this sort is involved, when it thinks it is not in the public interest, to say so and to say so in no uncertain terms.

Mr. GORE. Mr. President, will the Senator yield at that point?

Mr. KUCHEL. When the Senator uses the word "legislature" he refers to the legislative branch. This body constitutes only one House, and the resolution is a resolution of only one House; is that not true?

Mr. CLARK. Yes, that is true. I think, frankly, that the other House feels more strongly about the matter than we do, but I simply want to put the Senate on record.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Tennessee.

Mr. GORE. One very good reason there is no effort to change the law is that the law is all right as it reads. The proposed action is contrary to the intent of the law. If the Senator will read the law, I think he will agree with the statement.

Mr. KUCHEL. That is the Senator's opinion. Presumably—and I speak as one who knows very little about this subject—that certainly cannot be the opinion of the Secretary of the Treasury; is that not true?

Mr. GORE. I would not agree to that statement, no.

Mr. KUCHEL. Is the Senator suggesting that the Secretary of the Treasury is willfully doing something which he believes he cannot do under the law?

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. GORE. In reply I should like to read the law itself.

Mr. KUCHEL. That would not help to indicate what is the opinion of the law held in the mind of the Secretary of the Treasury.

Mr. CLARK. It is a question of minimum loss, I will say to the Senator from California.

Mr. GORE. I cannot understand how any sensible man could read the law and reach the conclusion, upon analysis of the proposed deal, that the intent of the law was being complied with.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. KUCHEL. If the Senator will permit, let me say that constitutes a very grave charge. Surely if there were merit in the charge of my friend from Tennessee something more than a resolution, which its author admits cannot accomplish anything, ought to be in order.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Tennessee.

Mr. GORE. It is clear from the testimony, I believe, that the purpose here is twofold. First, there is a desire to achieve a fictitious balance of the budget at a severe loss to the Government, rather than at a benefit. Second, there is a desire to confer an unjustified benefit on the holders of the bonds.

Mr. CLARK. Mr. President——

Mr. BUSH. Mr. President, will the Senator permit the Senator from Tennessee to tell us wherein this action proposed is in violation of the law? The Senator said he was going to read the law. I defy him to show that the action is in violation of the law.

Mr. CLARK. May I say, on behalf of the Senator from Tennessee, who said this four times to other Senators while the Senator from Connecticut was out of the Chamber——

Mr. BUSH. I withdraw the request, if that is in the RECORD.

Mr. CLARK. I thank my friend for his courtesy. I really do.

Mr. PROXMIRE. Mr. President, will the Senator yield to me for a minute?

Mr. CLARK. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. The Senator from Oklahoma asked the Senator about the maximum loss. The Senator was talking about the $7.8 billion worth of bonds, and what would happen if all were traded. The Senator from Pennsylvania very properly, and I thought conservatively and moderately, stated that the loss would be a modest $13.3 million but might go up to $40 million.

I want to state the conceivable limits of loss, because this was brought out in the hearings in a colloquy between Mr. Baird and the Senator from Illinois [Mr. DOUGLAS]. I should like to point out that it is conceivable, if the holders of the bonds convert them, and if we assume they convert them at 1½ percent, that the loss, as the Senator from Illinois [Mr. DOUGLAS] said, would be as follows:

> The loss in interest each year by your policy would be $12.5 million on each billion. That is 1¼ percent multiplied by $7.8 billion, which comes to approximately $98 million a year for 5 years or $490 million. So that, if you stop this conversion you are losing 1¼ percent on $7.8 billion, which is approximately $98 million and you are losing this for 5 years, or a total of $490 million in interest payments. This is a pretty high price to pay.

I admit this is an unlikely situation, but I wanted to be sure we had in the RECORD, in the debate on the floor, the facts. This is the maximum, and this is a conceivable loss, if not a likely loss.

Mr. CLARK. I think what the Senator says is correct.

Mr. President, I should like to pursue my principal argument by turning to the second reason why the results of this proposed transaction will not be in the national interest, and that is because of the loss of tax revenues. Before this we have been talking about the loss of interest revenues. Now we shall talk about the loss of tax revenues.

I desire to quote the testimony of Under Secretary Baird, as shown on page 26 of the hearings.

> If $335 million of mortgages are exchanged for equal amounts of Treasury 2¾-percent bonds, the maximum loss is about 10 percent, or $33.5 million, with an approximate tax loss of $8.4 million, assuming a full 25-percent tax effect.

In elaboration, I may say that this would give those who made the transaction an opportunity to take a capital loss, which, in turn, would result in reducing their income tax.

Referring to this same question, the Senator from Illinois [Mr. DOUGLAS] said, as shown on page 29 of the hearings:

> And this in addition to the $15 million or the $40 million?
>
> Mr. BAIRD. It is a loss in the initial year.

Let us be fair. The Government does bring forth evidence which indicates two things: First, that in all likelihood the loss would not be that great, because many of these bonds are held by pension funds, mutual savings banks, and other institutions which do not ordinarily have to pay an income tax, and therefore would not have an opportunity to take a capital loss and cut the taxes the Government collects.

Secondly, because perhaps in the long run the loss would be recouped when the 4 percent mortgage bonds which were acquired on the exchange were paid off at par, and a capital gain was created in a subsequent taxable year; but I think the important thing to note, in connection with the loss of revenue, is that it is in connection with the fiscal year 1960, when we are having trouble balancing the budget, which our friends on the other side of the aisle wish to do as much as we on this side of the aisle wish to do. The subsequent recoupment is somewhat speculative, and might not come

for 6 or 8 or 10 years, at which time, who knows what the state of the Federal Treasury will be if the unsound fiscal policies of this administration are continued as a result of the election of 1960?

So I repeat this in summary, on that point: There will be a not insignificant loss of tax revenue, but such loss, the Government can correctly say, is not as high as the testimony of Mr. Baird indicated at the hearing.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. Mr. Baird admitted, did he not, that the loss on the exchange of $335 million in the initial year would be $8,400,000?

Mr. CLARK. If the Senator will permit a correction, he said this would be the case if all of those who exchanged were individuals or corporations who had to pay Federal taxes. He went on to say that he thought many of the holders were not in that category, so he thought the loss would be somewhat less.

Mr. DOUGLAS. This was on the assumption that only $335 million would be exchanged. If the full $1 billion were exchanged, the loss would be approximately three times that amount, would it not?

Mr. CLARK. The Senator is correct. It would be more than $25 million.

Mr. DOUGLAS. Assuming that the loss would be $8.4 million in the initial year, and that the entire $1 billion were exchanged, the total loss would be $65 million on the exchange of $1 billion of mortgages.

Mr. CLARK. That is the total loss.

Mr. DOUGLAS. Yes.

Mr. CLARK. The Senator is correct.

In order to get some fair estimate of what the loss might be, I asked the legislative counsel, on the basis of the record, to see if they could determine what percentage of those who presently hold these bonds—and they are largely insurance companies, mutual savings banks, commercial and industrial banks, the Federal Reserve System, and Government investment accounts—would be in a taxable category in which this loss would occur. The answer I received was between 40 and 50 percent. So while there is a perceptible—and, in terms of the average individual or taxpayer corporation, a substantial—tax loss, it is not as big as the loss on interest to which I previously referred.

Mr. DOUGLAS. The loss is considerable, and the Senator is concerned about it, is he not?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. The Senator will note that I asked Mr. Baird several questions in this connection. I read from page 28 of the hearings:

Senator DOUGLAS. You are not frightened by this loss of $40 million?

Mr. BAIRD. No, sir; we are not frightened about that.

Senator DOUGLAS. You do not care about it?

Mr. BAIRD. We do not think it is $40 million. We think it is $15 million. We are talking $335 million, Senator.

Senator DOUGLAS. All right. You admit there will be a loss of $15 million?

Mr. BAIRD. We admit there will be a loss of $15 million.

Still, he did not seem to care very much about the loss of $15 million.

Mr. CLARK. The Senator will have to remember how terribly important it is to have an accountant's balanced budget, whether the budget is really in any sensible way balanced or not.

Mr. DOUGLAS. Would not the Senator call this a planned loss of income on the part of the Treasury?

Mr. CLARK. I think that is a fair summary of the situation.

Mr. DOUGLAS. Would not the Senator call it a back-door balancing of the budget, at the expense of the American taxpayer?

Mr. CLARK. The expression "back door" has unjustly acquired such an evil connotation on the floor recently that I should not like to charge any member of the administration with indulging in back-door tactics. But I believe, except for that, the Senator is eminently correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Alabama, whom I am glad to see back in the Chamber.

Mr. SPARKMAN. The thing that rather amused me was that at the time this proposal was being made, which Mr. Baird estimated would cost, if the whole amount were transferred, something like $50 million, the administration proposed to do that without blinking an eye. Yet recently we had before us a housing bill which would have provided a program to insure probably 1,300,000 units for American families over the next few years. It would have had an impact of $20 million on the budget, but the administration officials threw up their hands in holy horror at such a proposal to unbalance the budget. That is the thing I could not understand.

With reference to the Federal National Mortgage Association, I respect the organization. I respect Mr. Baughman, the head of it. He was present and testified as to the plan. He did not seem to be an enthusiastic witness. However, I am rather surprised that FNMA, operating as it does, would go along with the idea of taking this loss.

I wonder if the Senator saw in the Wall Street Journal a couple of days ago two articles, one above the other, the first one being headed "FNMA Again Cuts Prices It Pays for Insured Mortgages."

That is, it increased the discount rate. Underneath that article is another article headed: "Fannie Mae Dividend Up."

I am not condemning Mr. Baughman. I suppose if anyone should be condemned, it is Congress, because in 1954 Congress converted the Federal National Mortgage Association from a service organization into a profitmaking organization. I have often said that it is more concerned with maintaining dividends to its stockholders and increasing dividends, even if it means increasing the amount of money the home purchaser must pay.

When there are discounts, even though it is said those discounts are not passed on, remember that in the long run it is the consuming public which pays for them.

If the Senator will permit me, I ask unanimous consent to have printed in the RECORD at this point the two articles to which I have referred.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FANNIE MAE AGAIN CUTS PRICES IT PAYS FOR INSURED MORTGAGES—AGENCY SAYS MOVE IS IN LINE WITH MARKET PRICES; REDUCTION IS SECOND IN 4 MONTHS

WASHINGTON.—The Federal National Mortgage Association again cut the prices it will pay in the secondary market for Government-backed mortgages.

FNMA officials said the price cut, which means that sellers will get less for the mortgages they peddle to Fannie Mae, was in line with market prices and reflected a further tightening of the mortgage money market. The cut is in effect now.

The agency buys and sells in the secondary, or resale, market mortgages which are insured by the Federal Housing Administration or guaranteed by the Veterans' Administration. Each of the mortgages can't exceed a value of $15,0000. Fannie Mae from time to time fixes purchase prices for these mortgages at what it considers market rates. The new price cut is the second in the last 4 months.

The new purchase prices are one-half point below prices previously in effect. Under the new schedule, the buying price for a Government-backed mortgage with a 5¼ percent interest rate would range from 98½ down to 96½. This means that, on a mortgage with a face value of $10,000 and carrying a 5¼ percent interest rate, Fannie Mae would pay from $9,850 down to $9,650.

Prices on 5 percent mortgages will range from 96½ to 94½, and on 4¾ percent mortgages from 94½ to 92½. Officials said that, in accordance with usual mortgage practices, these prices vary by areas and by the amount of the mortgagor's equity.

Officials said Fannie Mae no longer would accept mortgage offerings on 4½ percent FHA and VA-backed mortgages, but added that this was merely a technicality because the agency hadn't been offered such mortgages for years.

FANNIE MAE DIVIDEND UP

WASHINGTON.—The Federal National Mortgage Association announced it is boosting the monthly dividend it pays on common stock to 23 cents a share from the 20 cents it has been paying since January. Officials said the new dividend will apply to August, and will be paid September 15 to stockholders of record August 31.

Mr. CLARK. I thank my friend for his most helpful interjection in this regard, and point out only that the unfortunate change in the status of FNMA was made during one of those brief periods in recent history when our friends across the aisle controlled both branches of Congress.

Mr. SPARKMAN. I thought the Senator was about to say a period in which the people of the country were guilty of forgetfulness.

Mr. CLARK. That is a very good description.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. MONRONEY. Is it not a fact that FNMA, by its own action in lowering the prices at which it will buy mortgages on the open market, is further diminishing the very mortgage portfolio it has, and that with respect to the mortgages it now has, $1 billion of mortgages, as it diminishes the prices it pays on the open market for new mortgages, all Government-insured, all backed by the credit and good faith of the U.S. Government, FNMA is scalping the very paper we are insuring, and setting the low market discounts by that very action?

Mr. CLARK. I think my friend is correct.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. CLARK. I yield.

Mr. SPARKMAN. There was one humorous feature in the course of the hearings and conversations. The administration officials said, "You ought not to count this expense against us, because it is spread over a period of years."

I said, "Do you remember, when the housing bill was vetoed, what was said about public housing? You counted it over 40 years."

Mr. CLARK. Up to 1999.

Mr. SPARKMAN. Yes.

Mr. CLARK. Mr. President, I should like to conclude quickly this part of my presentation.

I turn to the third reason given in the resolution as to why the proposed transaction is not in the national interest; namely, the adverse effect on the home mortgage market. This is a situation in which the administration witnesses are in complete disagreement with those of us on the committee who voted to report the resolution. They say the transaction will have no adverse effect on the home mortgage market. We say it will.

I think all fairminded people will agree that again, as a result of the tight money policies of the Federal Reserve Board, mortgage money is tight today. There is some indication that the number of starts is about to decline. Housing is the first industry hit by tight money, and the administration's extravagant fears of inflation and the attitude of my good friend, the Governor of the Federal Reserve Board, is such that I am afraid mortgage money for housing will be hit even worse in the next few months in what I consider to be an entirely misguided effort to control a nonexisting inflation by restricting the amount of money which is available, even though the gross national product is increasing substantially.

I wish to read into the RECORD three comments from persons who should know how badly this transaction will hurt the mortgage market. The first one came to me personally from the chairman of the board of the South Jersey Mortgage Co., of Camden, N.J., Mr. Philip Zinman. He said:

> We believe that such a swap—
>
> Referring to this transaction—
>
> would hurt the mortgage credit market. As a matter of fact, it not only would hurt the market, but has already done incalculable harm. We can give you the names of dozens of institutions in the national market, and many in the local market, which are holding up any further mortgage acquisition until this program is disposed of one way or the other.
>
> The reason is that most of these institutions are loaned up within short range of the amounts of their investments allocated to mortgages. If they exchange their bonds for mortgages, in most cases, this will put them over the percentage which they have set up, and will take them out of the market for an extended period.

Mr. President, I ask unanimous consent that this letter and one other letter which I have received from a real estate firm in Philadelphia be printed at this point in the RECORD. I shall first read one paragraph from the second letter, which is addressed to the Senator from Alabama [Mr. SPARKMAN], and is dated July 11, 1959:

> It was Mr. Baughman's opinion that the swap would not affect the mortgage credit market. I heartily disagree with Mr. Baughman. Any exchange of Government securities will tend to fill up the mortgage portfolio of the banks, and will result in their taking fewer mortgages through their normal sources.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SOUTH JERSEY MORTGAGE CO.,
Camden, N.J., June 17, 1959.

The Honorable JOSEPH S. CLARK,
Senator from Pennsylvania,
Senate Building, Washington, D.C.

DEAR SENATOR CLARK: I noted in the Wall Street Journal, that a resolution has been introduced in the Senate opposing the administration's sponsorship of the movement of the Federal National Mortgage Association to exchange loans for Government bonds.

We believe that such a swap would hurt the mortgage credit market. As a matter of fact, it not only would hurt the market, but has already done incalculable harm. We can give you the names of dozens of institutions in the national market, and many in the local market, which are holding up any further mortgage acquisition until this program is disposed of one way or the other.

The reason is that most of these institutions are loaned up within short range of the amounts of their investments allocated to mortgages. If they exchange their bonds for mortgages, in most cases, this will put them over the percentage which they have set up, and will take them out of the market for an extended period.

It is even more important in the period of tight money which we are experiencing that the matter be disposed of quickly, and if the program is not to be followed through, then an announcement should be forthcoming from FNMA to eliminate the indecision of a substantial number of investors in the secondary market.

Very truly yours,

PHILIP ZINMAN,
Chairman of the Board.

P.S.—I reside in the Elkins Park House, Elkins Park, Pa.

STROUSE, GREENBERG & CO.,
Philadelphia, Pa., July 11, 1959.

The Honorable JOHN J. SPARKMAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR SPARKMAN: I read with interest an article in the Wall Street Journal relating to the trading of FNMA mortgages for certain Government bonds.

It was Mr. Baughman's opinion that the swap would not affect the mortgage credit market. I heartily disagree with Mr. Baughman. Any exchange of Government securities for mortgages will tend to fill up the mortgage portfolio of the banks, and will result in their taking fewer mortgages through their normal sources.

This firm has been active in the FHA mortgage market, and I know of one specific case where a savings bank has gone out of the mortgage market in order to take advantage of this "swap."

Very truly yours,

SYDNEY N. GREENBERG, Jr.

Mr. CLARK. Mr. President, to the same effect is a letter from the National Association of Home Builders, addressed to the Senator from Alabama [Mr. SPARKMAN] which appears on pages 5 and 6 of the hearings, and from which I will quote only two sentences:

> Apart from the substantive advantages or disadvantages of such a proposal, this action at this time would, in our opinion, be most unwise.
>
> We believe that any such action should be postponed until a time when its effect on the mortgage market would be less drastic than would result in the light of today's rapidly worsening home financing situation.

While I shall not read the entire letter into the RECORD, I refer Senators to the letter from Housing Securities, Inc., addressed to the Senator from Alabama [Mr. SPARKMAN] which appears on page 6 of the hearings. The final sentence of the letter reads:

> It would be very helpful if the bond swap with FNMA could be postponed for at least this year and a public announcement made to this effect.

Mr. President, those are the three reasons why we on the Committee on Banking and Currency feel that the proposed transaction is not in the national interest.

In summary, and finally, there is an additional reason why the proposed exchange will give an utterly unwarranted break to holders, mostly large corporations, insurance companies, and banks, which presently have the 2¾ percent mortgage bonds, which they cannot get rid of except in exchange for 1½ percent notes. This, to me, does not seem to be in the national interest either.

Finally, to summarize, the proposal is to sell capital assets at a loss in order to retire long-term, low-interest Government bonds, a fiscal suggestion which to me seems to be so patently unsound I hope the Senate will vote favorably on the resolution.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. MONRONEY. I compliment the distinguished Senator from Pennsylvania on his statement of the case. May I ask him what the vote was on Senate Resolution 130 when it was reported from the Committee on Banking and Currency?

Mr. CLARK. It was reported by a vote of 12 to 3, but that is a little deceptive, because the Senator from Indiana [Mr. CAPEHART], who voted to report the resolution, did so indicating that he would probably oppose it on the floor. So in reality the vote was probably 11 to 4.

Mr. MONRONEY. Some of the 11 Senators who voted to report the resolution must have included members of the minority party.

Mr. CLARK. I am not certain about that. I wish I could be. I have the feeling that perhaps they simply were not there that day.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 28 minutes remaining.

Mr. CLARK. I reserve the balance of my time.

Mr. SALTONSTALL. Mr. President, I offer an amendment in the nature of a substitute resolution and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the word "resolved", and on page 1, line 1, insert the following in lieu thereof:

That it is the sense of the Senate that the Federal Government should pursue policies (1) To balance the budget of the Federal Government whenever possible, (2) To reduce the debt of the United States without endangering the national security or interrupting essential domestic services, (3) To promote and encourage the real economic growth of the U.S.A., (4) To liquidate the Federal National Mortgage Association's portfolio of existing mortgages in its management and liquidating account wherever possible without adverse effect on the home mortgage market and with minimum loss to the Federal Government (5) To provide the Federal National Mortgage Association with the means to carry out its obligations under its special assistance account, (6) To preserve the integrity of the dollar and the credit of the United States.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield.

Mr. CLARK. Is the Senator in a position to tell us how much time he expects to take, and whether, under the unanimous-consent agreement, he and the acting minority leader would perhaps agree to telescope this time in the interest of giving the Senator from Massachusetts ample time to present his case, but with the hope that perhaps in another hour or hour and 15 minutes we may be out of here, one way or the other?

Mr. SALTONSTALL. I myself will take comparatively little time, because the proposed substitute resolution speaks very clearly for itself.

Mr. CLARK. I hope the acting minority leader will agree to cooperate, not with the intention of curtailing debate, but nevertheless in presenting the case and then taking action on the matter.

The PRESIDING OFFICER. The Chair will state that under the terms of the unanimous-consent agreement 1 hour on the resolution and 15 minutes on an amendment are available to the Senator from Massachusetts.

Mr. CLARK. Yes. My suggestion is an informal one.

Mr. BENNETT. Mr. President, will the Senator from Massachusetts yield for one observation?

Mr. SALTONSTALL. I yield.

Mr. BENNETT. The Senator from Utah has been interested to hear the Senator from Pennsylvania, in his efforts, consume a full hour. But when a Senator on the Republican side rises, he is asked if he will please be brief.

Mr. CLARK. Mr. President, if the Senator from Massachusetts, in all fairness, will yield to me, I may say that my thought had been that we each have an hour and a half on the substitute; then we will be about through. The Senator from Utah could have an hour and a half, which is time and one-half.

Mr. BENNETT. That is correct. Under the unanimous-consent agreement, each proposer of an amendment has 15 minutes.

Mr. CLARK. The Senator from Utah is correct. If he wants to stay all night, I will stay with him. I was trying to handle the matter in a reasonably friendly manner.

Mr. SALTONSTALL. Mr. President, the proposed substitute resolution is in the affirmative and not in the negative. It tries to express what the responsible Government administration should do, rather than what it should not do.

We all believe the Federal Government should aim at certain broad economic policy objectives—and, generally speaking, we are all in agreement on these objectives.

Within the framework of these broad objectives, Congress in 1954 instructed FNMA to manage and liquidate its portfolio of mortgages whenever it could do so advantageously.

Now it is proposed that FNMA liquidate part of this account by an exchange of bonds instead of outright sale—a method considered to constitute the minimum burden to the Federal Government while still preserving the purposes of the FNMA.

The opponents of this exchange—the authors of Senate Resolution 130—are concerned that the exchange may conflict with the broad economic policy objectives of the Federal Government.

In my judgment the stated reasons for this concern are without foundation—but I respect their right to be concerned.

The substitute amendment which I have offered to Senate Resolution 130 expresses the sense of the Senate that this exchange should be undertaken only in the context of these broad policy objectives of the Federal Government. The substitute amendment recognizes the concern which has been expressed here, but sets forth affirmative guidelines, rather than merely a negative policy, as in Senate Resolution 130.

Moreover, it would not tie the hands of FNMA and the Treasury whenever the proposed liquidation can be undertaken advantageously. The substitute would grant the Treasury the degree of flexibility necessary to manage wisely the enormous obligations of the Federal Government, while still meeting the policy objectives of the Congress.

This approach seems to me to be a sensible and sound solution to the problem. It enables us to avoid going further into debt, and still enables FNMA to carry out special assistance functions this year. This is the important point.

Mr. President, as I view the situation, the FNMA has three responsibilities, as stated by the majority of the committee. This amendment relates to the effort to carry out one of those responsibilities—namely, that of proper management and liquidation of this account, whenever possible, without having adverse effects on the home mortgage market and without having adverse effects on the Government.

The argument to which I have listened during the past hour has been to the effect that if the proposed voluntary exchange is made by banks, insurance companies, and other holders of the bonds, the assets and the obligations of the FNMA will be reduced by a like amount, the public debt will be reduced by $335 million, there will be a possibility of balancing the budget, and there will not be an increase in the public debt, even if the Government cannot balance its budget, and has to borrow more money in order to meet its obligations to the FNMA.

As I understand, the FNMA estimated its expenditures at $335 million, which is why that amount has been used in the references to this responsibility and this effort on the part of the Federal Government. That amount is not $1 billion or $500 million; it is $335 million.

If this policy is carried out and if no further funds are required by the FNMA in order to fulfill its obligations this year, then the debt of the Federal Government will have been reduced by that amount.

If the FNMA requires more funds from the Federal Treasury during the coming year, the Treasury can provide them in cash, if there is a surplus. If there is not a surplus, the FNMA can borrow the money, without increasing the public debt, because by means of this undertaking the obligations of the FNMA will have been reduced to the extent of $335 million.

As I view the matter, it is highly desirable for the Federal Government to reduce its debt in this way. The undertaking will be a voluntary one; and if there is no desire to exchange the mortgages held by the FNMA for the Government bonds, no such transactions will occur. If there is a desire to participate voluntarily in such an undertaking, then it will become a reality.

Mr. President, in conclusion, let me state that my amendment is submitted in an attempt to express affirmatively, rather than negatively, what we believe the Government should do and what we believe to be the responsibility of the executive branch of the Government, not the Congress, in carrying out this policy in the proper way.

Mr. President, I have concluded my presentation in connection with my amendment. I hope my amendment in the nature of a substitute will be agreed to.

Mr. BENNETT. Mr. President, will the Senator from Massachusetts yield, so that I may ask about his amendment?

Mr. SALTONSTALL. I yield.

Mr. BENNETT. The amendment of the Senator from Massachusetts has six parts. I should like to inquire about each of the six, in turn.

Would the President's proposal against which the pending resolution of censure is directed, or at which it is aimed, serve to satisfy the first of the objectives listed in the amendment of the Senator from Massachusetts?

Mr. SALTONSTALL. Is the Senator from Utah referring to my amendment in the nature of a substitute, or to the original resolution?

Mr. BENNETT. I am referring to the amendment in the nature of a substitute which the Senator from Massachusetts has submitted. His amendment provides, in part, "That it is the sense of the Senate that the Federal Government should pursue policies (1) To balance the budget of the Federal Government whenever possible."

Mr. SALTONSTALL. Of course, we have been talking about that all year; and I think every Senator is in accord with it.

Mr. BENNETT. If the proposal made in the President's budget message were carried out, is it the impression of the Senator from Massachusetts that that would aid in the accomplishment of the first objective set forth in the Senator's amendment in the nature of a substitute?

Mr. SALTONSTALL. Yes; because we hope it would eliminate the addition of $335 million to the expenditures.

Mr. BENNETT. The second part of the amendment in the nature of a substitute is "to reduce the debt of the United States without endangering the national security or interrupting essential domestic services."

Does the Senator from Massachusetts feel that this proposal would meet the third part of his amendment?

Mr. SALTONSTALL. I believe it would, because it would reduce the debt of the United States by the amount of the mortgages which would be traded for the bonds. Thus it would make it more possible to have smaller amounts of interest payments, and also to fund an additional part of the debt.

Mr. BENNETT. Does the Senator from Massachusetts believe that the national security is involved in this proposal?

Mr. SALTONSTALL. I believe it is helped in a very small way.

Mr. BENNETT. Does the Senator from Massachusetts believe that if the FNMA went through with the President's proposal, it would interrupt any essential domestic services?

Mr. SALTONSTALL. I cannot see how it would hurt them in any way. Instead, it would help them, by reducing the debt and making it more possible to balance the budget.

Mr. BENNETT. And the fact that we asked the FNMA to sell some of the mortgages in its portfolio, in exchange for bonds, would not, in the opinion of the Senator from Massachusetts, interfere too seriously with its ability to handle such mortgages, would it?

Mr. SALTONSTALL. I do not think so. We want more houses to be built and more houses to be sold, and we want the mortgage market to continue.

I do not believe such an arrangement in regard to $335 million of the mortgages would be harmful in that connection. Many of the insurance companies and other investors in the country are crying for mortgages, today.

This practice has been going on for some time. It began in 1939. In 1950, it reached $311,292,000. In 1951, it was $272,405,000. In 1954, it was $575 million. So it is not a new practice.

Mr. BENNETT. The chart the Senator has before him, which has been referred to also by the sponsors of the resolution, shows that sales of mortgages prior to 1950 were at a premium, but that those since 1950 were at a discount. Does not that reflect the difference between the interest rate at which the mortgages were created and the current interest rate for prime paper or for Government bonds at the time they were disposed of?

Mr. SALTONSTALL. The Senator is correct.

Mr. BENNETT. Is not that an accident of the currently existing financial situation?

Mr. SALTONSTALL. I would interpret it to mean that the country has been growing more prosperous, business is demanding more of the capital funds of the country, and that therefore the interest rates, as the Senator so well knows, naturally will tend to go up.

Mr. BENNETT. The fourth suggestion is that the Government should pursue policies to liquidate the Federal National Mortgage Association portfolio of existing mortgages without. Well, let us stop at that point. Is not this program exactly in line with the proposal to liquidate the investment of FNMA in its existing mortgage portfolio?

Mr. SALTONSTALL. Yes; and the expression I put in the substitute resolution contains the exact words in the law.

Mr. BENNETT. That is correct. Does the Senator feel that the proposal made by the President would have an adverse effect on the home mortgage market?

Mr. SALTONSTALL. My personal judgment would be no, because I do not think that these institutions would make this trade if they felt that they were handicapping themselves in buying more favorable investments.

Mr. BENNETT. Does the Senator feel that this would be within the scope of the phrase, "with minimum loss to the Federal Government"?

Mr. SALTONSTALL. I personally think so. I listened to the discourse of the Senator from Pennsylvania and others. There is one thing that is forgotten, that when the debt is reduced, the interest rates on the future debt become less, and if we balance the budget the whole spirit of the financing of the Federal Government will be better.

Mr. BENNETT. The Senator has made it clear, at least to the Senator from Utah, that he feels that one of the purposes of this proposal is to provide FNMA with means to carry out its obligations under the special assistance account.

Mr. SALTONSTALL. I am not a member of the Banking Committee, but as I understand, we have authorized FNMA to buy up a billion dollars worth of mortgages in a special account as they were requested, and they estimate the amount this year at $335 million, and that is why that figure was chosen.

Mr. BENNETT. If FNMA does not sell $335 million worth of mortgages, then it must either borrow the money or raise it by taxes in order to meet this particular obligation?

Mr. SALTONSTALL. That is correct.

Mr. BENNETT. I thank the Senator for going step by step through his proposed amendment, and I certainly agree that this is an excellent statement of a sound policy for the Federal Government.

Mr. SALTONSTALL. I appreciate the Senator's comment. I merely desire to add that the Senator did not take up paragraph 6, to preserve the integrity of the dollar, which means keeping the value of the dollar and avoiding inflation, and I think, psychologically, it will be very helpful to reduce the debt.

Mr. CLARK. Will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with great interest to the eloquent exposition of the substitute amendment which my dear friend from Massachusetts has just made. I find nothing in the amendment which is objectionable in any way. In fact, it reiterates the three sound principles on which all political careers are founded. One must always be for the flag. One must always be for the Bible. One must always be for mother.

I offer now to accept the Senator's amendment as a second section to this resolution so that we can vote and go home.

Mr. SALTONSTALL. Mr. President, I appreciate what the Senator from Pennsylvania has said, but I will not accept it as a second section because I believe it is an affirmative statement; I do not want anything negative. I do not want to have the Senate pass in a negative way any resolution that gives its opinion to the administration which has the responsibility for carrying out its duty.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I have read the Senator's substitute, and I hoped the authors of the resolution would perfect their resolution by offering it as a perfecting amendment, because if the purpose of the Senator's substitute resolution is to express the sense of the Senate, I am sure that we can do it with unanimity, because most of us share the same views that the Senator holds and there is no difference of opinion so far as the Senator's substitute is concerned. I hope the Senator from Pennsylvania and the Senator from Tennessee will take the same position.

If the substitute is offered just for the purpose of killing the pending resolution, which I hope it would not do, of course we would not want to adopt it, but I think we could all very well embrace what is presented.

I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, upon a careful reading of the Senator's substitute amendment, I would doubt seriously that the Senator would want it adopted. If he will take his amendment and read the fourth point, he will find that it varies from language of the law. The Senate would be memorializing the Government to disregard part of the direction in the law.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. CLARK. I yield to the Senator such time as he may require in opposition to the Senator's amendment.

Mr. SALTONSTALL. Has the Senator finished this question?

Mr. CLARK. It is my understanding that the time of the Senator from Massachusetts has expired.

Mr. SALTONSTALL. That is correct.

Mr. GORE. I yield if the Senator wishes to answer the question.

Mr. SALTONSTALL. I am reading from page 7 of the committee report:

(c) Manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government.

That was the language I used. I quoted that language again.

Mr. GORE. I see that the Senator has inadvertently made an error. I offer an amendment to the pending resolution and ask the clerk to report it.

Mr. SALTONSTALL. I agree. Has the Senator added the words "in an orderly manner"?

Mr. GORE. I copied the law.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. It is proposed by the Senator from Tennessee:

At the end of the resolution, add a new section as follows:

"SEC. 2. That it is the sense of the Senate that the Federal Government should pursue policies (1) to balance the budget of the Federal Government whenever possible, (2) to reduce the debt of the United States without endangering the national security or interrupting essential domestic services, (3) to promote and encourage the real economic growth of the United States of America, (4) to manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government, (5) to provide the Federal National Mortgage Association with the means to carry out its obligations under its special assistance account, (6) to preserve the integrity of the dollar and the credit of the United States."

Mr. KUCHEL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state his inquiry.

Mr. KUCHEL. Mr. President, the Senator from Massachusetts has offered an amendment to strike out all the language of the resolution. My parliamentary inquiry is: Does the Senator from Tennessee have the right, by way of amendment, to provide that language which is encompassed in the proposed amendment in the nature of a substitute on the part of the Senator from Massachusetts may be added as the second section?

The PRESIDING OFFICER. The Chair will state that, in his judgment, the Senator from Tennessee may offer his amendment at the proper time, since it is being offered as a perfecting amendment to the resolution; otherwise, if the Saltonstall substitute should be adopted the Senate would be prohibited from combining the two propositions in the same resolution, as no further amendments are in order after the adoption of a substitute for the resolution.

Mr. JOHNSON of Texas. Mr. President, all time has not been consumed on the Saltonstall substitute. Is that not correct?

The PRESIDING OFFICER. That is correct, and the Gore amendment may not be offered until all time on the Saltonstall substitute has been consumed or yielded back.

Mr. GORE. Mr. President, I want to speak on my own amendment.

Mr. JOHNSON of Texas. I ask the Senator to yield back his time on the Saltonstall amendment.

Mr. CLARK. I yield back the time on the Saltonstall amendment.

The PRESIDING OFFICER. All time has been yielded back on the Saltonstall amendment.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Gore amendment.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. We are asking for the yeas and nays on what?

Mr. JOHNSON of Texas. On the Gore amendment to the Clark resolution.

The PRESIDING OFFICER. The yeas and nays have been requested on the Gore amendment.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from California will state his parliamentary inquiry.

Mr. KUCHEL. Am I correct in assuming——

Mr. GORE. Mr. President, does this come out of my time? I did not yield for a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will state the Senator from Tennessee does not have to yield for a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from California may propound a parliamentary inquiry without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. I thank the Senator from Texas.

Is it correct to state that the pending question, so far as the proposal of the Senator from Tennessee is concerned, is that the original language of Senate Resolution 130 remains, plus, as the proposal of the Senator from Tennessee requests, the language of the proposal of the Senator from Massachusetts as the Senator from Tennessee modifies it?

The PRESIDING OFFICER. The Chair will state that, in his judgment, the pending question is the Gore perfecting amendment to the resolution.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. Do I correctly understand, then, that is a substitute to my substitute to the Clark resolution, or is it an amendment to the Clark resolution?

The PRESIDING OFFICER. The Chair will state that the Gore amendment is a perfecting amendment to the original text of the resolution.

Mr. JAVITS. Mr. President, will the Senator yield to me for a parliamentary inquiry?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator may propound a parliamentary inquiry without the time being charged to either side.

The PRESIDING OFFICER. The Chair will state further that when the Gore amendment is disposed of, then the vote would come on the Saltonstall substitute for the resolution, as amended, if the Gore amendment had been agreed to.

Mr. LAUSCHE. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. As I understand the parliamentary situation at the present time, the Gore amendment is a perfecting amendment to the Clark resolution. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SALTONSTALL. That will be the first question, and then the question will be, Shall the Saltonstall resolution be substituted for the Clark resolution, as amended? Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays on my substitute.

The PRESIDING OFFICER. Is there a sufficient second? The request is for the yeas and nays on the Saltonstall amendment. There is not a sufficient second——

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. JAVITS. Mr. President, a parliamentary inquiry, if the Senator will allow me to put it. I ask unanimous consent that I may make a parliamentary inquiry.

The PRESIDING OFFICER. Is there objection? The Chairs hears none, and it is so ordered.

Mr. JAVITS. If the Gore amendment is adopted, will that preclude a further amendment to the first section of the resolution?

The PRESIDING OFFICER. The Chair will state that that section will be open to amendment.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, I should like briefly to discuss my amendment, and I acknowledge and accord credit to the Senator from Massachusetts for his coauthorship.

The error, if it was an inadvertent error, in the substitute which had previously been offered, is a serious one. If it were intentional, then it calls attention to the fact that not only has the administration looked the other way——

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GORE. Just let me finish my sentence, and I will.

Not only has the administration looked the other way on the requirement in the law for orderly management of the FNMA mortgage portfolio with minimum loss, but the senior Senator from Massachusetts offers a resolution to have the Senate memorialize the Government to proceed to ignore that provision of the law.

Now I yield.

Mr. SALTONSTALL. I will say to the Senator from Tennessee that I took what I thought were the two most important points in the law and paraphrased them. So far as I am concerned, I will accept the Senator's suggestion to include No. 4 in my resolution, and have no objection to doing so. If he wants the whole matter in, I am glad to have it in. I tried to hit what I thought were the high spots of the law, and I paraphrased them.

Mr. GORE. Mr. President, the whole point of this proposed deal—perhaps I should not call it a deal—the whole point of the proposal to transfer to the bankers' mortgages bearing 4 percent interest, and taking in turn long-term bonds bearing only 2¾ percent interest, is that it requires the ignoring of the section of the law which requires that the portfolio be managed in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government.

I take the Senator's word without question that he paraphrased the law. That is the mistake the administration seems to have made.

Mr. SALTONSTALL. No.

Mr. GORE. It has paraphrased the law in its administrative discretion. The law requires that the portfolios be liquidated and managed in an orderly way, with a minimum loss to the Government, and it is upon that basis that I say the proposed arrangement would be of questionable legality.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. The Senator from Tennessee is well learned in modern psychology. Is it not a fact that Dr. Freud, Dr. Jung, and Dr. Adler—that is Alfred, not Mortimer—have all said we tend to forget those things we want to forget? Is it not interesting that the administration and the "brain trust" on the other side of the aisle have forgotten this provision that FNMA should be managed with a minimum loss to the Government? That is not anything they are concerned about. Would it not be well if the Senator sent them a copy of Dr. Freud's "Introduction to Psychoanalysis" and marked the passages in question, so that they would have some degree of self-knowledge?

Mr. GORE. I appreciate the contribution of the able and distinguished senior Senator from Illinois.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Minnesota.

Mr. McCARTHY. I was going to inquire of the Senator from Illinois whether he thought the introductory course would be adequate to enable them to really comprehend the psychopathic tendencies we see evidences of in this administration.

Mr. DOUGLAS. I know that abnormal psychology is difficult to analyze at times.

Mr. GORE. Mr. President, the law does not prescribe as one of the methods of orderly management a fictitious balance of the budget, yet it is plain that is the principal purpose of the proposed arrangement.

Another purpose—perhaps I should not say "purpose"—is to confer a benefit. I say, one of the inescapable results of the deal is to convey to people great monetary benefit to which they are not entitled. I will discuss the details of the proposal a little later.

I wish to say—and I shall not speak at length—this proposed transaction will cause a substantial loss to the Treasury of the United States. That has already been spelled out. It will cause a real loss in income and a real loss in tax revenue.

I should like to bring to the attention of the Senate some of the benefits that those who hold the bonds would receive.

For one thing, it is rather strange that the study of the Republican policy committee, to which the senior Senator from Pennsylvania referred, makes reference to the complexity of the proposed operation. In the fourth sentence of the introduction, it is said, "It is an exceedingly complex financial operation."

In other words, my fellow Republican Senators received this note which says, "Do not try to understand this; simply accept it and support it. It is exceedingly complex."

Later on I notice that when the individual who wrote it runs into difficulty again, he says, "This is a technical matter."

Mr. President, this matter is not so complicated that an ordinary man will have difficulty in understanding it. It is rather simple. The Government has $4 billion worth of mortgages.

Mr. CLARK. There is $1 billion of mortgages in FNMA.

Mr. GORE. There are different categories.

In the particular category under consideration, there are $1 billion worth of mortgages on American homes. These mortgages are guaranteed by the Government of the United States; they are as good as gold. These mortgages have been paid down until they will be paid off in a period which will average only 8 to 9 years.

I can understand that when a new FHA mortgage is insured or when a new mortgage on a veteran's home is executed, there is some servicing charge and there may be some question as to its value. A foreclosure might, in some instances, be considered a probability. However, that is not the case with regard to these mortgages. These mortgages have been amortized for years until now they will be paid off, on the average, within 8 to 9 years. And these mortgages bear 4 percent interest.

What is proposed in this deal. It is proposed to transfer those mortgages to the bankers. In exchange for what? In exchange for long-term bonds which will be due in 1980, which bear an interest rate of only 2¾ percent.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. GORE. Not at this time. I will yield later.

Furthermore, those bonds are nonmarketable. To show to what low levels of worth the bonds have been driven by the policies of this administration, the only way the holders can now dispose of those bonds is to exchange them for 5-year bonds at 1½ percent interest—unless this deal goes through. Then what will they get? They will get mortgages guaranteed by the United States Government, mortgages on American homes, on which a large proportion of the principal has been paid, bearing 4 percent interest, and on which monthly payments will be made until they are fully paid.

It does not take a mathematician and it does not take an accountant to understand that procedure. I ask each Senator to ask himself the question, "Suppose I had one of these bonds, bearing only 2¾ percent interest, due in 1980, and some person offered to swap me 'even-stephen' a mortgage maturing much sooner, guaranteed by the Government, bearing 4 percent interest". I do not think it would take any Senator long to decide to make that exchange.

Yet what does the distinguished Senator from New Hampshire say? Let me read exactly what he says in the memorandum from the Republican policy committee, "It is an exceedingly complex financial operation."

Not only will the holders of these bonds receive a benefit by swapping the long-term, low interest rate bonds for the short-term, high interest rate mortgages, but as a result they will also get a reduction of taxes in the calendar year in which the swap is made. This is a real "dilly."

Someone asked earlier in debate if this were a "crooked deal." I shall not charge that. I would not like to debate whether it is scurvy or shabby or shady. I simply prefer to state the facts as this is proposed.

Upon investigation, the Senate Committee on Banking and Currency voted 12 to 3 that this proposed action was not in the public interest.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Cannot it be described accurately and with restraint as a planned loss of income for the Government?

Mr. GORE. Of course it is a planned loss of income. It is a peculiar and a curious way to claim that the budget is being balanced. By this deal it is hoped to make a fictitious claim as to balancing the budget by losing money for the people. That is how fictitious we sometimes can become.

Mr. President, I shall not take much longer. I want to discuss other provisions of the amendment. I am genuinely in favor of the amendment I have offered.

What is the first point?

(1) To balance the budget of the Federal Government whenever possible.

I am for that.

(2) To reduce the debt of the United States without endangering the national security or interrupting essential domestic services.

I am for that. Is any Senator here present not for that?

(3) To promote and encourage the real economic growth of the U.S.A.

Are we not all for that? I have been speaking for that all the year.

(4) To manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Govenent.

I have already referred to that.

(5) To provide the Federal National Mortgage Association with the means to carry out its obligations under its special assistance account.

I am for that.

6. To preserve the integrity of the dollar and the credit of the United States.

This is the first time I have had the privilege and opportunity of offering an amendment to this end. I thank the senior Senator from Massachusetts, the original author of that language. He has put the last point in words which I applaud.

The PRESIDING OFFICER. The minority leader has 15 minutes on the amendment.

Mr. KUCHEL. Mr. President, I yield 15 minutes to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I shall discuss the Clark resolution, S. Res. 130, rather than the pending amendment. I believe that a "sense of the Senate" resolution on a very important economic and fiscal matter of this kind is a very bad form of resolution for the Senate to make. It is an attempt to dodge the issue. As I have said before, it resembles the grandstand quarterback, who, without any responsibility for playing the game, having already given the responsibility to the coach and players, then attempts to run the show from the grandstand.

I classify the Clark resolution as purely a political attack upon the Eisenhower administration. I believe that the resolution is purely a political attack. It fits into the same tired old argument about a tight money policy and high interest rates.

The purpose of the amendment is to give Senators a chance to talk about that subject. But when it comes to actually doing anything about that subject, Senators who have been most eloquent in attacking the so-called tight money policy have actually offered no legislation which would come to grips with what they consider to be a problem.

As I have said repeatedly when they have attacked the policies of the Federal Reserve Board, if they want the Federal Reserve Board to act differently, they should put into law the precepts by which they wish to control the actions of the Federal Reserve Board, and stop hooting at it from the grandstand.

My good friend the distinguished Senator from New York [Mr. JAVITS] made this same point a little while ago. He said that instead of offering what is certainly a censure resolution against this administration, the proponents of the resolution should introduce a bill which would prevent the administration from doing what the Congress has already very clearly stated it wanted the administration to do.

In making this deal of exchanging mortgages for Government bonds, the administration is only following a policy which the Congress specifically laid down in the law and ordered it to do. I deny that in making this trade the administration is in any way acting at variance with the clear intent of the law enacted by the Congress some 5 years ago.

So I say to my friends who are so critical, if they have such confidence in their position, why do they not legislate? Why do they not introduce a bill which would prevent the thing with respect to which they now say it is the sense of the Senate that it should not be done.

I assert, as I have done before, that this trade is in line with what I call the sound money policy of the administration. I say, as I have said before, and in answer to what I have heard from the other side this evening with reference to the so-called tight money policy, that there has never been a tight money policy on the part of this administration; but there has been a sound money policy. I hope that sound money policy will remain, and I know it will remain so long as this administration is in power.

The trade which is under discussion is a move to balance the budget of the United States, and that is why it is a part of the sound money policy. That is one of the purposes of it. Let us call it the principal purpose if it, if you will.

I say that a vote for Senate Resolution 130 is a vote for a $335 million hole in the budget. That is what the resolution would do if the administration paid any attention to it. If the resolution should by any chance be agreed to, I hope the administration will ignore it and pay no attention to it, because it is not fair, in my judgment, for the Congress to enact a law saying, "Do thus and so," and then for the Senate to say, "It is the sense of the Senate that you should not do what the law which we enacted so clearly gives you the power to do, and, indeed, admonishes you to do."

Mr. MONRONEY. Mr. President, will the Senator yield for a clarification?

Mr. BUSH. I will yield very briefly for a question.

Mr. MONRONEY. Can the Senator show, in the law or in the report, where the Congress ever gave FNMA the right to trade mortgages for securities or bonds?

Mr. BUSH. I will come to that.

Mr. MONRONEY. It was authorized to liquidate the portfolio. I believe that in the Committee on Banking and Currency we are still talking about dealing with money, and not about horse trades.

Mr. BUSH. If we cannot consider Government bonds as a good payment for a mortgage, we have come to a sorry plight. Any time anyone wishes to give a Government bond in exchange for goods, it is a good payment. The Senator is not asserting that in giving Government bonds in exchange for mortgages the Government is making a bad deal, is he?

Mr. MONRONEY. No; but I say FNMA is getting a bad deal, when the Government tries to get it to take over bonds which do not come due until 1980. It wants to receive in exchange mortgages which come due in 8 or 9 years, bearing 4 percent interest, as against 2¾ percent.

Mr. BUSH. These bonds are convertible into 5-year 1½-percent notes. I tried to make that point when the Senator from Tennessee was speaking about long-term bonds. It is perfectly clear that the bonds are convertible into short-term notes.

Senate Resolution 130 asserts that the proposed exchange is not in the national interest and should not be carried out, first, because of a loss of income from the mortgage loans. I wish to speak about the question of the alleged loss of income. Much has been said regarding the so-called loss of income to the Government by reason of the proposal to exchange 2¾ percent Government bonds for FNMA 4-percent mortgages.

The supporters of the resolution now being debated conveniently overlook the fact that whenever a mortgage holder sells mortgages, whether in exchange for cash or bonds, it also gives up all claim to future income from such mortgages. No one can dispute that.

The law provides that FNMA's purchasing authority should revolve. This objective is achieved, in part, by the sale of mortgages from its portfolio.

That fact cannot be challenged. Nevertheless, not one word has been said by the proponents of the resolution about the loss of potential future income which results from sales of mortgages for cash. But such losses—if they can be called losses, since they do not involve sacrifices of principal—are in no wise different from so-called losses about which the supporters of this resolution are now making such an issue.

Let me illustrate how preposterous is their argument. Since 1938 sales from the old FNMA portfolio have aggregated $1,634 million—of which about 30 percent were the consequence of a specific directive by the Congress. On the basis of the foregoing proposition, spurious though it may be, the loss of potential future income on account of these sales would have been very substantial. For example, in fiscal year 1950 under a former administration, FNMA sold some $311 million of mortgages—approximately the same volume now proposed to be exchanged—for all cash, including premiums of about $4 million. The average net interest return to the Association on these mortgages—most of the 4 percent variety—would have been approximately 3.48 percent per annum, after payment of servicing costs of 0.5 percent and administrative costs of 0.1 percent, based on average outstanding principal balances. No one ever spoke of loss of future income.

The mortgages sold in fiscal year 1950 had been purchased during fiscal years 1949 and 1950. If the net return from these mortgages is related to the average rate of interest which the Government would have had to pay at that time for Government bonds with comparable maturities to provide funds for the acquisition of these mortgages, aproximately 2.5 percent per annum, the difference in return would amount to approximately 0.98 percent per annum. With respect to each $1 million of mortgages sold, it represents a reduction in future income of about $80,000 over a period of 25 years during which these mortgages would have been repaid, or a total of about $25 million in relation to the $311 million sale. This compares with an alleged loss of about $13 million involved in the $335 million exchange now under consideration. Even if the $4 million of premiums resulting from these sales were to be deducted, the remaining reduction in future income would still be $21 million.

If the 1950 sales had aggregated $1 billion of mortgages on the same basis, the so-called loss would have been $80 million.

I submit that this type of argument on behalf of the resolution is ridiculous.

Mr. President, if there is anything to the argument about loss of income, then it must follow what ought to be done that is to borrow a lot more money and go out and buy mortgages for the Federal Government. If this business is so good, and if the proponents of the resolution are correct in the position which they take, then why do they not advocate the buying of more mortgages as quickly as they can possibly be bought, and the borrowing of money to do it. I think that is just as ridiculous a proposition as the argument which they make now against our selling mortgages.

I do not believe the Federal Government should own mortgages at all, unless it is in connection with the promotion of home building in this country. That was the original purpose of the FHA program. The original purpose of FNMA was to provide a secondary mortgage market. From that we have grown to the point where now the Federal Government is the proud possessor of about $5 billion in mortgages. It is getting to be very much like the farm program.

So to discourage the Government, which tries to reduce its holdings of mortgages, as it has been directed to do by Congress, seems to me to be the very height of folly.

When this administration took office, one of the principles in the Republican platform, one of the issues in the 1952 election, was to get the Government out of business as much as possible and as rapidly as possible, and steps were taken to do that. I shall not go into a long list, tonight, of the various liquidations which were made of Government-owned business enterprises. But certainly the country has not suffered from the fact that Uncle Sam has sold artificial rubber factories and various other manufacturing businesses which were Government-owned business operations.

So this move is in line with a broad policy which I believe the people of the Nation support.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 30 seconds remaining.

Mr. BUSH. Mr. President, will the Senator from California yield me 10 minutes from the time on the bill?

Mr. KUCHEL. Mr. President, I yield 10 minutes to the Senator from Connecticut from the time on the bill.

Mr. BUSH. I submit that the argument about loss of income is absolutely fallacious. It means nothing at all. There will be no loss of income.

Furthermore, Congress, instead of cautioning the administration about not selling assets, should encourage it to do so. By virtue of the fact that the assets will be sold, the Government will make a very big move, in the amount of $335 million, toward balancing the budget. This, as has been said on both sides of the aisle, is a very desirable objective, indeed. But if the Senate votes for the resolution, it will blow a $335 million hole in the budget.

In connection with this deal, the taking of $335 million from the institutions which hold these mortgages and turning them over to the Treasury will result in a reduction of the debt in the amount of $335 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from Ohio.

Mr. LAUSCHE. It is my understanding that these mortgages, in the aggregate, have a value of $335 million.

Mr. BUSH. Approximately.

Mr. LAUSCHE. And that they bear a 4-percent interest rate.

Mr. BUSH. I believe that is correct.

Mr. LAUSCHE. What interest rate do the mortgages bear which FNMA is now buying? Is the Senator able to answer that question?

Mr. BUSH. I do not have the exact information to answer the Senator's question, but I should say it would be more than 5 percent. Whether it would be 5¼, 5⅓, or 5¾ percent, I do not know; but I should say it would be more than 5 percent.

Mr. LAUSCHE. I heard someone say 5¼ percent. If the $335 million in mortgages were converted into cash, that cash could be used to buy the 5¼ percent mortgages; is that correct?

Mr. BUSH. That is correct.

Mr. LAUSCHE. So by changing the character of the investment, an improved return could be obtained, and that would be about 1¼ percent.

Mr. BUSH. That is correct; but the proponents of the resolution have not admitted that the Government will do that. I wonder why.

Mr. LAUSCHE. Is it possible to include in the resolution which is before the Senate an amendment which will prohibit the administration from in any way exercising judgment in the disposition of the mortgages which it holds?

I ask the Presiding Officer if it is possible to convert the resolution which is now before the Senate into a bill.

The PRESIDING OFFICER. By unanimous consent, the resolution could be changed to a bill.

Mr. LAUSCHE. That is the only way in which it could be changed. Is that correct?

Mr. BUSH. Unanimous consent for that purpose would be a little hard to obtain tonight, if the Senator will permit me to make that observation.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield.

Mr. LAUSCHE. From whom did the thought emerge about converting $335 million in mortgages into bonds?

Mr. BUSH. Does the Senator mean who was the original proponent of the idea?

Mr. LAUSCHE. Yes.

Mr. BUSH. The President made the suggestion, the first time I heard of it, in connection with his budget message. He recommended that that be done. But the idea must have originated in the Treasury or in the Federal National Mortgage Association, or between them, or perhaps in the Bureau of the Budget.

Mr. LAUSCHE. That is, the President, in calculating the fiscal problems confronting the country——

Mr. BUSH. Recommended it.

Mr. LAUSCHE. Recommended that this be done?

Mr. BUSH. That is true.

Mr. LAUSCHE. He did so in a message which was read to Congress and published throughout the country.

Mr. BUSH. That is correct.

Mr. LAUSCHE. That is, all of us, whether in Congress or not, were told by the President that, in his opinion, this was the sound thing to do, considering all the factors involved.

Mr. BUSH. That is true. That is correct.

Mr. LAUSCHE. I ask that question because I do not want to be one to imply baseness and, in effect, dishonesty on the part of the Chief Executive of the Nation when he speaks to the 170 million American people and openly expresses his judgment in regard to what will be best.

Mr. BUSH. I thank the Senator from Ohio for his remarks, which I believe to be absolutely sound.

Mr. LAUSCHE. I do not wish to be one to tell the 2 billion, 800 million people of the world that the President of the United States had any purpose to be on the brink of dishonesty in stating what he believed should be done.

Mr. BUSH. Mr. President, I thank the Senator from Ohio for his observations, with which I am proud to associate myself.

Mr. BENNETT. Mr. President, will the Senator from Connecticut yield to me?

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BUSH. I yield to my friend, the Senator from Utah.

Mr. BENNETT. Is it not true that the fundamental reason behind this whole exchange is that this year the FNMA is under obligation to acquire $335 million worth of special assistance mortgages, and the President was anxious to turn over the present investment in the FNMA and get the money out of its present portfolio, so that agency could replace its present holdings with the holdings it is required to buy, without drawing on the Treasury?

Mr. BUSH. That is correct; that is the history of this matter.

Mr. BENNETT. Does the Senator from Connecticut know whether the special assistance mortgages which the FNMA is required to buy will pay a higher rate of interest than 4 percent?

Mr. BUSH. I believe they will.

Mr. BENNETT. So the Senator from Ohio has made a very fine point—namely, that the FNMA is under obligation to acquire the new mortgages, at a higher interest rate, and therefore it is good business for it to replace some of the mortgages it now holds, which pay at a lower interest rate, with the new ones.

Mr. BUSH. Yes; and that is a very excellent point, and one which the opposition has not brought out. In fact, I do not know that the opposition has thought of it.

Mr. President, the second point which I make in connection with the pending resolution, which states that it is the sense of the Senate that the proposed exchange "is not in the national interest" is that in the resolution it is alleged that the exchange will result in a "loss of tax revenues" to the Treasury. The alleged loss would result from the lower tax revenues to the Treasury as a result of capital losses incurred. The loss is estimated at a maximum of $8,400 million in the fiscal year 1960, or up to approximately $25 million if the full $1 billion of 4 percent Veterans' Administration portfolio were similarly swapped.

Mr. President, this charge is erroneous, for the following reasons:

First. The $25 million figure is out, again because the present proposal involves only the $335 million, not the full portfolio.

Second. The $8.4 million figure is again not an estimate of cost, but a maximum from which indeterminate deductions must be allowed. One significant deduction is the fact that many eligible investors are not taxed as assumed in the $8.4 million figure, that is to say, mutual savings banks and pension funds.

Third. Most important, any tax loss in the fiscal year 1960 would be fully matched by a tax gain in later years as the mortgages matured. So there is no net tax gain or loss whatsoever. Only if we take the narrow and fiscally shortsighted view of 1960 is there any loss at all.

So the second charge on which Senate Resolution 130 is based is erroneous.

My next point—and I shall be brief—has to do with the alleged "adverse effect upon the home mortgage market."

Mr. President, this operation would cause less disturbance to the home mortgage market than would outright sale. If the FNMA sold the $335 million, they would be purchased by investors whose funds otherwise would have been available for the purchase of other mortgages. In other words, the FNMA would be in competition with new home mortgages, to the full extent of the $335 million.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, I should like to have 5 more minutes.

Mr. KUCHEL. Mr. President, I yield 5 more minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for an additional 5 minutes.

Mr. BUSH. Mr. President, under the administration's proposal, the FNMA would swap the mortgages for funds which are not now in the mortgage market. This way the FNMA's liquidation is most in accord with the congressional directive to minimize the adverse effect on the private home mortgage market.

Mr. President, I believe that the Senators have heard enough debate on this matter, although a great deal more could be said. But probably very few votes would be changed by engaging in further debate.

So I conclude my remarks by saying that I hope the Senate will reach a vote on the clear issue of whether Senate Resolution 130 should be adopted. I hope that tonight the Senate will vote the resolution down.

I yield back the remainder of the time which has been made available to me.

Mr. BENNETT. Mr. President, I should like to have 3 minutes, if I may.

Mr. KUCHEL. I yield 3 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. BENNETT. Mr. President, in the best of good feeling in the world, I should like to say to my friends who sponsor the resolution and who have spoken so eloquently this afternoon in favor of its adoption, that last night the Bennetts went to see the Russian performers in the theater, downtown. In the course of the evening's entertainment, and as part of the ballet, there was an act in which a number of small Mongolian men mounted hobbyhorses—sticks with papier mache horses' heads attached—and played a mock game of polo.

Mr. President, in connection with the debate which has been occurring in the Senate this afternoon, it seems that we have seen our friends on the other side of this issue mount political hobbyhorses and play what must be regarded as a mock game, because I do not think they really intend to break through the pattern of our Government and establish a precedent under which, if any group of Members of the Senate found itself at variance with a proposal or a program of the administration—regardless of which party happened to be in power at the time—it would attempt to have the Senate adopt a resolution of censure.

As the Senator from New York has pointed out, the resolution is brought before us in an attempt to develop as part of our system a kind of half-baked effect developed out of the European system.

I believe that as a matter of principle and as a matter of respect for the threefold division of the responsibilities of our Government, the Senate should not take definite, official action in such a situation.

I recognize the right of my friends on the other side to ride their hobbyhorses on the floor of the Senate and to express themselves as they may please in regard to the programs or the proposals of the administration.

But I believe we are beginning to tread on very unsafe ground if we now presume to establish a precedent under which we would use the Senate as a device to censure the President officially.

Many things could be said about the arguments which these gentlemen have made in the course of their little game. In fact, it was quite a ballet, and they performed it very well; first one of them came to the help of another one of the group, then another did likewise, and there was backing and filing and sashaying and bowing and scraping, and, all in all, a very interesting little dance.

But the matter involved in this case is too serious for any action by the Senate on the basis of such a performance as that.

So, Mr. President, now that our friends have had an opportunity to put on their little dance, I think it is wise for the Senate to bring this matter to a head, and to return to the business of being the Senate of the United States, not an imitation of some European parliament.

Mr. KUCHEL. Mr. President, I yield 3 minutes to the able senior Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. I shall address myself only to one point, because I think there is a question of legislative responsibility here.

Why press for the adoption of a resolution which is a resolution of censure of the U.S. Government when illegality or partiality or impropriety is not even alleged? On the contrary, it is disclaimed. The only excuse would be if there is no other way.

The Senate has the absolute authority to amend the law, which says:

> Manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner—

And so forth. We can write into this law a requirement that mortgages may be sold only for cash, that they may not be sold for anything but cash. We have the absolute authority to do that. That ends this controversy immediately, because we have sold mortgages for cash before, since 1953, $500 million worth upon which we suffered a loss of $18 million in cash.

If the proponents of this matter prefer that we take out losses in cash in order to keep our mortgage portfolio fluid and not be in the mortgage business, that is all right, too, but we can do that by amending the law and not by this "sense" resolution.

That is what made me suspicious about this resolution. Even though I was not inclined to agree that this was the kind of business judgment I would exercise, I got suspicious about it.

I think the Senator from Utah [Mr. BENNETT] is right. We are playing a game of pirouette, which is all very well if one wishes to have a little fun, but we must realize that this matter is of much more serious import than that, because, as I say, without any dishonesty or illegality being alleged or proven, not even charged or alleged, we are asked to pass a resolution of censure against the U.S. Government.

This is very unwise for us, Mr. President, and let me point out, too, that the Treasury is not doing what is proposed. They say that as long as this resolution is pending, they will not do it. If the resolution were permitted to stay on the calendar, that would be the most effective thing the proponents of the resolution could do. The Treasury Department has promised to do nothing about it, so long as it is pending.

Mr. President, it just seems to me that if the proponents insist on bringing this up, and if they will not do it in a legislative way, the Senate of the United States would be doing a disservice by handling the matter in the way proposed. It seems to me they should bear in mind the fact that at another time when a member of the majority may be in the White House, the tables could be turned. That has happened before, and it may happen again, and we Republicans might have a majority in the Senate and in the House.

I hope very much that the better judgment of the Senate will prevail and that the proponents will abjure the political byplay and get down to cases and reject this whole proposition.

Mr. KUCHEL. I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

Mr. MONRONEY. Does the Senator yield back all time remaining?

Mr. BENNETT. There is no time remaining on the pending amendment.

Mr. CLARK. Will the Senator yield for a question? Is it the intent of the Senator from California to continue the debate on the resolution after the quorum call is had?

Mr. KUCHEL. Not for any great length of time; no.

Mr. CLARK. Very well.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I submit a motion to recommit the resolution to the Committee on Banking and Currency.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit.

Mr. DIRKSEN. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The senator has 15 minutes.

Mr. DIRKSEN. Mr. President, I do not know whether to characterize this performance as a little silly or a little serious, and frankly I use advised words when I do so.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. To what performance does the Senator refer?

Mr. DIRKSEN. Well, perhaps the word "performance" is not quite the word to use. Perhaps it ought to be withdrawn. I ought to refer, rather, to the contents of the resolution itself.

Mr. JOHNSON of Texas. Which resolution? The Saltonstall resolution?

Mr. DIRKSEN. I make reference first to the Clark resolution; then the fact that all this has been tied together until it makes an impossible parliamentary snarl.

I have given a good deal of attention to it. I want to remind the Senate that involved here this evening, at this late hour, is a precedent which may rise to haunt the Senate in future days, for what the resolution says, in effect, is that the President's proposal in the budget which he submitted to the Congress is not in the national interest.

The President is one of the only two national officers under our form of Government, and the idea of submitting that the President has sent up a proposal that is not in the national interest is going to be, in my judgment, a very haunting experience before we get through.

There is no time and I have no disposition to belabor the three reasons that were assigned for it. I merely point out that the President of the United States is a man of good will, who is presumed in every case to have the national interest in mind. And that is why I said, some weeks ago, that this was a sort of implied censure of the President of the United States for suggesting a proposal or a policy that was not in the national interest.

At most, it would be a mild resolution of censure. At the least, it would be a proposal to scold the President for what he has done, notwithstanding the fact that the policy that has been involved in this matter has been used heretofore for nearly 22 years.

There has been no complaint about the liquidation of these mortgages in the portfolio. Over $300 million of these mortgages were disposed of under the Truman administration. There were no voices raised at that time. There were no complaints made. Why should there be a complaint now when there can be taken mortgages of the 1954 vintage and before, at 4 percent, when the market is presently about 86 percent of par, and swap them in order to improve the budget situation and ultimately make possible the money that is necessary for FNMA to carry on its special assistance program?

So I point out there is a precedent involved here. If it can be used now in expressing the sense of the Senate, there can also be obtained resolutions expressing the sense of the Senate that the President, in another day, has submitted a policy that is not in the national interest.

So I am willing to stand on that case in the hope that this resolution can be recommitted to the committee for, not only further consideration, but no consideration at all.

I regret extremely that this resolution ever came out of the committee, but here is a chance now to send it back, and not to establish a precedent that can be extremely dangerous and can develop that fractious spirit and that sense of friction between the legislative and the executive branches that can do no good for this country, when we are expected to operate as a team.

That is all I have to say, Mr. President. I earnestly hope the motion to recommit the resolution will prevail.

SEVERAL SENATORS. Vote! Vote!

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may I be recognized in opposition to the motion to recommit?

The PRESIDING OFFICER. The majority leader has 15 minutes.

Mr. JOHNSON of Texas. Mr. President, I oppose the motion to recommit, and I want to say in the very beginning that I do not rise to scold anyone, nor to censure anyone. I think I should point out, however, in the light of the veto messages that we have received from the other end of the Avenue from

time to time, expressing a viewpoint different from our own, that we should stop, look, listen, and recall the old saying that people who live in glass houses should not throw stones.

This is a question of judgment. This is a question of what represents the public interest. This is a question of what is best for the Treasury.

When I came into the Chamber this evening I heard a very eloquent statement being made by a very outstanding Member of this body. He occupies a position of high respect among all of us, and I do not think there is a Member of the Senate who does not have great affection for him. He had proposed a resolution expressing the sense of the Senate, and although I do not go too strongly for resolutions expressing the sense of the Senate, because we have a lot to do besides express the sense of the Senate, I nevertheless listened to him with great interest.

The first sense of the Senate was to balance the budget.

The second sense of the Senate was to reduce the debt.

The third sense of the Senate was to promote and encourage the real economic growth of the United States.

The fourth sense of the Senate was to liquidate the Federal National Mortgage Association's portfolio of existing mortgages.

The fifth sense of the Senate was to provide the Federal National Mortgage Association with the means to carry out its obligations under its special assistance account.

The sixth sense of the Senate was to preserve the integrity of the dollar and the credit of the United States.

I found myself in general agreement with that expression. Then I read the very brief conclusion reached by 12 good and true and able Members of this body who are specialists in the field of banking and currency legislation. I now repeat to the Senate their conclusion:

> The committee believes that this plan would reduce Federal income from the FNMA mortgages by as much as $40 million; it would cause an internal revenue loss during fiscal year 1960 of as much as $24 million; it would have an adverse effect upon the home mortgage market; and it would retire, needlessly, a portion of the national debt now in low-interest bonds. The committee believes that this exchange would be contrary to the intent of those provisions of law which contemplate the liquidation of the FNMA portfolio in an orderly manner, with a minimum of adverse effect upon the home mortgage market, and a minimum loss to the Federal Government.
>
> For these reasons the committee does not condone or concur in the wisdom of the proposed exchange of FNMA mortgages for Treasury bonds. The committee recommends that the Senate express its opposition to the proposed exchange by approving this resolution.

Mr. President, I hope we have not reached the point in this country when the Senate must be reprimanded or the Senate must be silenced. If the Senate feels this proposal is not in the public interest, the Senate should say so.

I personally feel that the perfecting amendment offered first by the Senator from Massachusetts [Mr. SALTONSTALL] as a substitute could serve one of two purposes. It could express the real sense of the Senate. If it did that, I could do nothing but embrace it. If its purpose is to defeat the resolution which has been reported by the Committee on Banking and Currency, I do not think that would be wise.

The amendment has been offered as a perfecting amendment. We will have no chance to pass upon it, if we engage in parliamentary semantics.

I think the Senate should always have an opportunity to permit a majority to work its will. Senators may or may not agree with the 12 men on the committee who felt this exchange is not in the public interest. If so, they can express themselves.

I, like the Senator from Massachusetts, agree that the budget ought to be balanced. I agree with all the laudable objectives of his resolution. And I want to vote for them.

Therefore, Mr. President, I do not want to see the Senate silenced. I do not want to see the Senate refused an opportunity to work its will. I therefore move that the motion of the distinguished, able, and beloved minority leader be laid on the table, and on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The roll is being called for a vote on my motion to table the motion to recommit?

The PRESIDING OFFICER. The Senator is correct. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Texas would vote "yea."

The result was announced—yeas 51, nays 38, as follows:

YEAS—51

Anderson	Hart	Magnuson
Bartlett	Hartke	Mansfield
Bible	Hayden	Monroney
Byrd, W.Va.	Hennings	Morse
Cannon	Hill	Moss
Carroll	Humphrey	Muskie
Church	Jackson	Neuberger
Clark	Johnson, Tex.	Pastore
Douglas	Johnston, S.C.	Proxmire
Ellender	Jordan	Randolph
Engle	Kefauver	Smathers
Ervin	Kennedy	Stennis
Frear	Kerr	Symington
Fulbright	McCarthy	Talmadge
Gore	McClellan	Thurmond
Green	McGee	Williams, N.J.
Gruening	McNamara	Young, Ohio

NAYS—38

Aiken	Curtis	Martin
Allott	Dirksen	Morton
Beall	Dworshak	Mundt
Bennett	Eastland	Prouty
Bridges	Goldwater	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Keating	Wiley
Case, S. Dak.	Kuchel	Williams, Del.
Cooper	Langer	Young, N. Dak.
Cotton	Lausche	

NOT VOTING—9

Capehart	Long	Russell
Chavez	Murray	Sparkman
Dodd	O'Mahoney	Yarborough

So the motion of Mr. JOHNSON of Texas to lay on the table Mr. DIRKSEN's motion to recommit was agreed to.

Mr. DIRKSEN. Mr. President, I move to table the resolution.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the resolution.

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Sen-

ator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Indiana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 34, nays 54, as follows:

YEAS—34

Aiken	Curtis	Morton
Allott	Dirksen	Mundt
Beall	Dworshak	Prouty
Bennett	Eastland	Saltonstall
Bridges	Goldwater	Schoeppel
Bush	Hickenlooper	Scott
Butler	Hruska	Smith
Carlson	Javits	Wiley
Case, N.J.	Keating	Williams, Del.
Case, S. Dak.	Kuchel	Young, N. Dak.
Cooper	Lausche	
Cotton	Martin	

NAYS—54

Anderson	Hartke	Magnuson
Bartlett	Hayden	Mansfield
Bible	Hennings	Monroney
Byrd, W.Va.	Hill	Morse
Cannon	Holland	Moss
Carroll	Humphrey	Muskie
Church	Jackson	Neuberger
Clark	Johnson, Tex.	Pastore
Douglas	Johnston, S.C.	Proxmire
Ellender	Jordan	Randolph
Engle	Kefauver	Robertson
Ervin	Kennedy	Smathers
Frear	Kerr	Stennis
Fulbright	Langer	Symington
Gore	McCarthy	Talmadge
Green	McClellan	Thurmond
Gruening	McGee	Williams, N.J.
Hart	McNamara	Young, Ohio

NOT VOTING—10

Byrd, Va.	Long	Russell
Capehart	Murray	Sparkman
Chavez	O'Mahoney	Yarborough
Dodd		

So Mr. DIRKSEN's motion to table the resolution was rejected.

Mr. BENNETT. Mr. President, I move that the further consideration of the pending resolution be delayed to February 15, 1960; and on that motion I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Utah has 15 minutes in which to speak on his motion.

Mr. BENNETT. Mr. President, it seems to me that the motion is perfectly plain. The only risk we are running is that February 15, 1960, might come on a Sunday. However, I have just now been informed that it will come on a Monday.

I reserve the remainder of the time available to me.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I yield back the time available to me on the motion, if the Senator from Utah will yield back the remainder of the time under his control.

Mr. BENNETT. I do so, Mr. President.

Mr. JOHNSON of Texas. Mr. President, I hope Senators will check the dates involved, before they make any more impulsive motions.

The PRESIDING OFFICER. All remaining time on the motion of the Senator from Utah has been yielded back.

The question is on agreeing to the motion of the Senator from Utah. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Indiana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 33, nays 55, as follows:

YEAS—33

Aiken	Cotton	Martin
Allott	Curtis	Morton
Beall	Dirksen	Mundt
Bennett	Dworshak	Prouty
Bridges	Goldwater	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Keating	Wiley
Case, S. Dak.	Kuchel	Williams, Del.
Cooper	Lausche	Young, N. Dak.

NAYS—55

Anderson	Hartke	Mansfield
Bartlett	Hayden	Monroney
Bible	Hennings	Morse
Byrd, W.Va.	Hill	Moss
Cannon	Holland	Muskie
Carroll	Humphrey	Neuberger
Church	Jackson	Pastore
Clark	Johnson, Tex.	Proxmire
Douglas	Johnston, S.C.	Randolph
Eastland	Jordan	Robertson
Ellender	Kefauver	Smathers
Engle	Kennedy	Stennis
Ervin	Kerr	Symington
Frear	Langer	Talmadge
Fulbright	McCarthy	Thurmond
Gore	McClellan	Williams, N.J.
Green	McGee	Young, Ohio
Gruening	McNamara	
Hart	Magnuson	

NOT VOTING—10

Byrd, Va.	Long	Russell
Capehart	Murray	Sparkman
Chavez	O'Mahoney	Yarborough
Dodd		

So Mr. BENNETT's motion was rejected.

Mr. SALTONSTALL. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. Is the question now before the Senate on agreeing to the amendment submitted by the Senator from Tennessee [Mr. GORE] to the resolution of the Senator from Pennsylvania [Mr. CLARK]?

The PRESIDING OFFICER. That is correct.

Mr. SALTONSTALL. On that question, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been.

Mr. SALTONSTALL. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. After the pending amendment of the Senator from Tennessee is voted on, will the next question be on agreeing to my amendment in the nature of a substitute?

The PRESIDING OFFICER. Yes, if no further amendment is offered.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota permit me to obtain recognition? If so, I will yield to him, if he wishes me to do so.

Mr. CASE of South Dakota. Very well.

Mr. JOHNSON of Texas. Mr. President, I should like to have the perfecting amendment reported to the Senate, since it is practically identical to the Saltonstall amendment in the nature of a substitute.

The PRESIDING OFFICER. Without objection, the perfecting amendment will be read.

Mr. JOHNSON of Texas. As I understand, this is the perfecting amendment of the Senator from Tennessee on which we are about to vote.

The CHIEF CLERK. The Senator from Tennessee has offered an amendment as follows:

At the end of the resolution, add a new section, as follows:

"SEC. 2. That it is the sense of the Senate that the Federal Government should pursue policies (1) to balance the budget of the Federal Government whenever possible, (2) to reduce the debt of the United States without endangering the national security or interrupting essential domestic services, (3) to promote and encourage the real economic growth of the United States of America, (4) to manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government, (5) to provide the Federal National Mortgage Association with the means to carry out its obligations under its special assistance account, (6) to preserve the integrity of the dollar and the credit of the United States."

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Is the Gore amendment an amendment in the first degree?

The PRESIDING OFFICER. The Saltonstall amendment being a substitute for the entire resolution, it is treated as original text for the purpose of amendment, and therefore the Gore amendment is an amendment in the first degree.

Mr. CASE of South Dakota. Then, as an amendment in the first degree, is it open to amendment?

The PRESIDING OFFICER. It is open to amendment.

Mr. CASE of South Dakota. Then I offer an amendment to the Gore amendment to strike out the language of the resolution after the word "Senate" in line 1.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The clerk will read the amendment as now proposed.

The LEGISLATIVE CLERK. The Senator from South Dakota——

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CLARK. Before we vote on this, I should like to say in one sentence if this amendment is agreed to, the resolution is dead, and I think it might be better to try to kill the resolution directly rather than indirectly.

Mr. CASE of South Dakota. Mr. President, I modify my amendment to strike out section 1 of the resolution as it would be with the Gore amendment.

The PRESIDING OFFICER. The amendment is modified.

SEVERAL SENATORS. Vote! Vote!

Mr. GORE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. GORE. The amendment now offered by the Senator from South Dakota is an amendment to the resolution, not to the amendment offered by the junior Senator from Tennessee. Therefore, I make the point of order that the amendment is not in order.

Mr. CASE of South Dakota. Mr. President, I move to amend the Gore amendment.

Mr. ANDERSON. Mr. President, can we have a ruling on the point of order, first?

Mr. JOHNSON of Texas. Mr. President, could we have a ruling on the point of order?

The PRESIDING OFFICER. The Chair rules that the point of order of the Senator from Tennessee is well taken.

Mr. JOHNSON of Texas. Mr. President, if Senators want to filibuster this proposal tonight, they can do so, but if they want to vote, we are prepared to vote on the merits of the question, if the Senator will state what he wants.

Mr. CASE of South Dakota. Mr. President, because of not having the amendment before us, and having had to get it from the desk, it is necessary to see how the Gore amendment may be amended. It states, "At the end of the resolution add a new section as follows: 'Section 2.' "

My amendment to the Gore amendment is, in lieu of the words "at the end of the resolution," to strike out the text of the resolution, leaving the remainder of the Gore amendment.

Mr. JOHNSON of Texas. Does the Senator desire time on it?

Mr. CASE of South Dakota. Yes.

The PRESIDING OFFICER. The amendment is not in order.

Mr. MCNAMARA. Mr. President, a parliamentary inquiry.

Mr. CASE of South Dakota. Mr. President, what did the Chair rule?

The PRESIDING OFFICER. That the amendment is not in order.

Mr. DIRKSEN. Mr. President, will the Chair assign reasons for the ruling?

Mr. MCNAMARA. Mr. President, a point of order.

I move we adjourn, Mr. President.

Several Senators asked for the yeas and nays on the motion.

SEVERAL SENATORS. Vote! Vote!

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, a motion to adjourn is not debatable. Is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD and other Senators. Vote! Vote!

The PRESIDING OFFICER. All those in favor of the motion to adjourn——

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I ask for a reshowing of hands on the request for the yeas and nays on the motion to adjourn.

Mr. JOHNSON of Texas. Mr. President, how many hands are required?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senate will be in order. The majority leader is propounding a parliamentary inquiry.

Mr. JOHNSON of Texas. I ask for a verification of the second on the request for the yeas and nays.

The PRESIDING OFFICER. Is the demand for the yeas and nays seconded? All those in favor of seconding the yeas and nays will signify——

Mr. DIRKSEN. Mr. President, a parliamentary inquiry. What is the pending question?

Mr. JOHNSON of Texas. The Chair is asking if the yeas and nays have been ordered. They are not going to be ordered, if the Senator will wait 1 minute.

The PRESIDING OFFICER. There is not a sufficient number.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Now I ask unanimous consent that the Senator from Michigan be permitted to withdraw his motion.

Mr. MCNAMARA. Mr. President, I withdraw my motion.

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, and the Senator from South Dakota is recognized.

The Senator from South Dakota will suspend until the Senate comes to order.

The business of the Senate will be expedited if Members will please refrain from talking.

Mr. CASE of South Dakota. Mr. President, the Gore amendment starts out as follows:

> At the end of the resolution, add a new section, as follows:

I move to amend the Gore amendment with these words:

> Strike out the text of the resolution and at the end of the resolution insert a new section.

Mr. GORE. Mr. President, a point of order.

The PRESIDING OFFICER. The Parliamentarian advises that the amendment is not in order. It strikes out more than the text of the amendment of the Senator from Tennessee.

Mr. JOHNSON of Texas. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the perfecting amendment of the Senator from Tennessee, on which the yeas and nays have been ordered.

Mr. JOHNSON of Texas. Mr. President, unless there is some desire not to face up to this issue, why do we not have a vote on it? In the meantime the Senator can find a way to amend it, because the Saltonstall motion is going to be acted on just as soon as there is action on the Gore amendment. The Saltonstall amendment is a proposal to balance the budget. Nobody is opposed to that. We embrace it. Now apparently the Senate does not want to vote on it. All time has been consumed on it, and if they permit us to vote on it, then we shall have the Saltonstall motion to vote on. If someone wants to amend it, he can find a way to amend it while the roll is being called.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is an amendment in order to the Gore amendment to strike out certain words from the Gore amendment and insert other words?

The PRESIDING OFFICER. That would be in order. The amendment of the Senator from South Dakota attempted to strike out language that was in the committee resolution. The Gore perfecting amendment did not deal with the language. Therefore, an amendment to strike out words not in the Gore amendment would not be in order.

Mr. CURTIS. As I heard the amendment of the Senator from South Dakota, he moved to strike out certain words from the Gore amendment and insert other words.

The PRESIDING OFFICER. The Senator moved to strike out words first from the Senate resolution that was reported by the Banking and Currency Committee. They were not the words of the Gore amendment. The Gore

amendment modifies and adds to the language of the Senate resolution reported to the Senate by the Senate Banking and Currency Committee.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The yeas and nays have been ordered on the Gore amendment.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator rise?

Mr. DIRKSEN. To propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. As I understand, the distinguished Senator from Massachusetts offered a substitute for the committee resolution.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. I understand also that the distinguished Senator from Tennessee took the language, the identic language——

Mr. JOHNSON of Texas. There were some changes.

Mr. DIRKSEN. For practical purposes, it took the language of the distinguished Senator from Massachusetts and, instead of letting it stand as a substitute, under the rule he offered it as an amendment to the committee resolution.

The PRESIDING OFFICER. The Senator offered section 2 to the resolution, not modifying in any way the earlier part of the resolution, but modifying the language of the Senator from Massachusetts.

Mr. DIRKSEN. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The matter now pending before the Senate is the Gore amendment, which is in fact identic Saltonstall language?

The PRESIDING OFFICER. It is not identical to the Saltonstall language.

Mr. DIRKSEN. Mr. President, let us find out what is the difference.

The PRESIDING OFFICER. The Senator from Massachusetts will advise the distinguished minority leader that it is not.

Mr. DIRKSEN. If I may inquire, under the limitations of a parliamentary inquiry, I ask the Senator from Massachusetts, what are the differences?

Mr. MAGNUSON. The regular order, Mr. President.

Mr. DIRKSEN. I ask the Senator whether or not the language is substantially identic?

Mr. SALTONSTALL. Mr. President, I shall be glad to answer the inquiry.

The difference originally came in subparagraph (4), relative to the full language of subparagraph (4). I told the Senator from Tennessee that I would be glad to adopt his language for my language in subparagraph (4). So for all practical purposes at the moment it is identical language.

The PRESIDING OFFICER. From a parliamentary standpoint, the distinguished Senator from Massachusetts did not ask permission or notify the Chair he was modifying his language. Therefore, the language has been changed by the Gore amendment. The yeas and nays have been ordered. If there are no further parliamentary inquiries——

Mr. CASE of South Dakota. Mr. President.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. CASE of South Dakota. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. Would it be in order to add to the Gore amendment an amendment which would modify the language of section 1 of the resolution?

The PRESIDING OFFICER. That would be more properly done when the Senate votes on the resolution as amended. The pending question is on the Gore amendment, which does not affect the language reported to the Senate by the Senate Committee on Banking and Currency.

Mr. CASE of South Dakota. Mr. President, I offer an amendment to the Gore amendment to strike out the word "not" in line 4, to strike out the word "not" in line 5, and to strike the balance of lines 5, 6, 7, and 8, after the words "be carried out."

Then the section would read:

That it is the sense of the Senate that the policy to exchange mortgages held by the Federal National Mortgage Association for Government bonds, as proposed by the President in the budget for the fiscal year 1960, is in the national interest and should be carried out.

The PRESIDING OFFICER. That would be the subject of a later amendment. The Gore amendment does not modify the language or affect the matter before the Senate as reported in Senate Resolution 130. The Gore amendment modifies the language of the Saltonstall substitute, by incorporating it as a perfecting amendment, adding it as section 2 to the language of the resolution reported to the Senate.

SEVERAL SENATORS. Vote! Vote!

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. My substitute is pending. After the question on the Gore amendment is voted up or down, then the question will come on substituting my substitute for the resolution as amended.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The Chair sees no further need for parliamentary inquiries.

Mr. CASE of South Dakota. Mr. President, would the Presiding Officer rule——

The PRESIDING OFFICER. All the questions to be properly raised can be met in a parliamentary manner, and the Senate will have a chance to vote on the Gore perfecting amendment.

Mr. GORE. Mr President, I demand the regular order.

Mr. JAVITS. Mr. President——

Mr. CASE of South Dakota. Mr. President, what did the Presiding Officer rule?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, a final parliamentary inquiry? Is there a rule in the Senate against the use of dilatory tactics?

The PRESIDING OFFICER. There is no such rule. [Laughter.]

Mr. CASE of South Dakota. Mr. President, will the Presiding Officer make a positive ruling one way or the other? The Presiding Officer said that the amendment might more properly be offered at another time. Did the Presiding Officer rule the amendment out of order?

The PRESIDING OFFICER. The amendment is out of order.

Mr. DIRKSEN. Mr. President, one further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The vote now recurs on the Gore amendment, which is substantially the Saltonstall amendment?

The PRESIDING OFFICER. As amended, incorporating the law and the language of the law, as discussed earlier.

Mr. DIRKSEN. It is in fact, if this is a proper parliamentary inquiry, the Saltonstall language, interlined by pencil, as submitted by the distinguished Senator from Massachusetts in mimeographed form earlier in the day?

The PRESIDING OFFICER. That is not a proper parliamentary inquiry.

The Chair is not permitted to comment on the contents of the amendment.

Mr. DIRKSEN. One further parliamentary inquiry, Mr. President, and I hope it will be proper and within the rules.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. After disposition of the Gore amendment it will still be in order to offer an amendment to strike section 1 of the pending resolution, which would be the language as submitted and reported by the committee?

The PRESIDING OFFICER. That would be in order.

Mr. JAVITS. Mr. President, Mr. President——

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JAVITS. Mr. President, I offer an amendment to the Gore amendment.

Mr. President, in line 9——

The PRESIDING OFFICER. Is the amendment in writing? Will the Senator submit it to the desk?

The amendment will be stated for the information of the Senate.

The CHIEF CLERK. In line 9 of the Gore amendment, after the word "Government", it is proposed to insert the following: "may be carried out if it is based on competitive offers of cash or Government bonds with a right of rejection by the Association and giving consideration to the foregoing factors."

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, the clerk did not read all of the words on the copy. The amendment reads:

Provided, however, That the transaction referred to in section 1 above may be carried out if it is based on competitive offers of cash or Government bonds with a right of rejection by the Association and giving consideration to the foregoing factors.

Mr. President, I had intended to propose this amendment very seriously to section 1 of the resolution, but in view of the fact that we find ourselves in the embarrassing situation of Members desiring to consult and consider what they might next do best, in a rather odd way—if I may use my own word—I thought it would relieve the pressure for everybody if a little time were afforded in which that might be done, during which time I can discuss, with so many Senators present—which is rather unusual—this particular matter which I shall bring up at the proper time and in the proper place.

Mr. President, my purpose in proposing the amendment is this: The real problem we face is that the resolution which is before us is, in effect, a resolution of censure upon the Government of the United States in the handling of its financial affairs. Any fair reading of this measure, it seems to me, makes that very clear. The resolution says "that it is the sense of the Senate that the policy to exchange mortgages" and so on "as proposed by the President in the budget for the fiscal year 1960, is not in the national interest and should not be carried out"—and so on.

This is pretty strong and drastic stuff. This is pretty strong and drastic language. It caused me concern in the committee. I am a member of the committee. I am not an interloper in the debate. I heard the whole story.

This language caused me to be deeply concerned about what we are doing as a Congress in seeking, in our parliamentary form of government, to pass what is in practical effect a resolution of censure.

What I argued was that if we did not like the scheme which FNMA was going to use, under executive direction, for the purpose of getting rid of some mortgages out of its portfolio, which it had theretofore done, by selling them for cash and taking a loss, which was roughly analogous to the loss computed to occur in this particular transaction, we should permit them to maintain the status quo.

In 1953, FNMA sold a half billion dollars' worth of mortgages, of the very same kind of mortgages, and took a loss of $18 million. The estimated loss in regard to this transaction, taking the maximum without arguing about a minimum, is $15 million. It is a transaction of $335 million in mortgages. It is roughly proportionate to the previous experience.

If we do not like the idea that FNMA should sell this particular tranche or block of mortgages for Government bonds, let us at least leave the operations of Government untrammeled, without a vote of censure, and put them back where they were.

I thought we should amend the law. If we do not like the exchanges for bonds, let us make the exchanges for cash. That can be done by amending the law. The committee did not choose to do that. The committee chose the path of a "sense" resolution.

So, Mr. President, in order to avoid what I consider would be a great mistake in the American Government, the passing of a resolution of censure upon the executive department with a "sense" resolution, I am stating my position. I predict, Mr. President, if the Senate follows this course of action, it is one which will never end. Whoever may be in power and whoever may have a majority of the Congress will be given a tool which can be used with devastating effect upon our Government in regard to its position internally and its position internationally, without the respective ministers, as is true in the parliamentary governments, being on the floor to defend themselves.

Mr. President, I therefore make this proposal which, as I say, I intended to make at the proper place. It gives a breather, because apparently Senators want a little time to think.

I make the proposal to let the Government go ahead and perform its duties as would be normally done. I propose that we give them freedom of action in a business way, but that we inhibit this transaction. If the Senate agrees to the amendment and adds it to the Gore addition, then we would in the first section inhibit this particular transaction.

I do not like the language. I think it is very unwise. And it is. We face a realistic situation.

We could then make some generalized statements about all of our ambitions and our desires, which are fine, with which we all agree. Then we would give the Treasury Department the opportunity to go ahead and do its business; to wit, in the normal course to get rid of these mortgages, as they have done time and again, except that they could not do so in this transaction for this particular type of Government bond issue and under these particular circumstances.

Another thing I should like to point out, Mr. President—and I shall be through in a minute—is that what has not come out in this discussion, in fairness to the Treasury, is that they have kept their word, as I would think they would. They gave it before the whole committee. I think it is in the RECORD. They said that so long as the resolution remained pending they would not consummate this transaction. Secondly, they represented to us——

Mr. CLARK. Mr. President, will the Senator yield at this point?

Mr. JAVITS. I yield.

Mr. CLARK. I wonder by what authority the Senator says if the resolution is pending they will not consummate the transaction, because I have information directly to the contrary from high Government officials?

Mr. JAVITS. The Senator said no such thing. The Senator only said that the Treasury Department, when it appeared before us, in accordance with my recollection, told us that they did not intend to consummate this transaction so long as the resolution remained pending.

Mr. CLARK. The Senator's recollection may be accurate. I honor the Senator for it. It is directly contrary to my recollection and it is not in accord with my understanding of what I was told by the Director of the Bureau of the Budget less than a week ago.

Mr. JAVITS. The Senator's understanding from the Director of the Bureau of the Budget is that they would go through with this?

Mr. CLARK. It is my understanding that they would intend to go through with this transaction, unless this resolution were brought up and passed by the Senate.

Let me be perfectly candid with my friends. This was the clear implication I got from what I thought was a frank conversation with the Director of the Bureau of the Budget. I cannot put the quotation marks on what he said. I feel confident about it.

Mr. JAVITS. As a matter of fact, they have not acted in all this time that the resolution has been pending and on the calendar?

Mr. CLARK. The Director of the Bureau of the Budget told me candidly that they could go ahead and do this, anyway, whether we pass the resolution or not—and perhaps they would.

Mr. JAVITS. But they have not done so. That fact is ascertained.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GORE. The Senator realizes, I am sure, that the effect of his amendment—and I presume that was his purpose—would be to vitiate the resolution reported from the committee by a vote of 12 to 3.

Mr. JAVITS. I do not think my amendment would vitiate it, but, as I stated a moment ago, I intended to propose my amendment very directly at the proper time and place, by striking out the necessary words in section 1. But when I saw the Senate in a hassle to get a little more time to think about the Gore amendment, I decided to propose it at this time, so that such time might be afforded in a dignified way, so far as the Senate is concerned, rather than in a give-and-take fashion.

Mr. GORE. Am I correct in understanding that the Senator does not intend to insist upon his amendment now?

Mr. JAVITS. I intend to withdraw it. I intend to present it, however, at the appropriate time, in the appropriate place, when we can have further discussion about it. I present it at this time for the reason that I have just stated. If any Senators desire further time to discuss the existing situation with respect to the Gore amendment, my amendment affords an adequate opportunity for that purpose. With such a large attendance of Senators I was afforded an opportunity to explain the purpose of the amendment at a time when it might not necessarily be pressed

to a vote, but at a time when Senators could still understand what it was all about.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question recurs on the amendment offered by the Senator from Tennessee [Mr. GORE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business and, if present and voting, would vote "yea."

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The result was announced—yeas 88, nays 0, as follows:

YEAS—88

Aiken	Goldwater	Magnuson
Allott	Gore	Mansfield
Anderson	Green	Martin
Bartlett	Gruening	Monroney
Beall	Hart	Morse
Bennett	Hartke	Morton
Bible	Hayden	Moss
Bridges	Hennings	Mundt
Bush	Hickenlooper	Muskie
Butler	Hill	Neuberger
Byrd, W.Va.	Holland	Pastore
Cannon	Hruska	Prouty
Carlson	Humphrey	Proxmire
Carroll	Jackson	Randolph
Case, N.J.	Javits	Robertson
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Johnston, S.C.	Schoeppel
Clark	Jordan	Scott
Cooper	Keating	Smathers
Cotton	Kefauver	Smith
Curtis	Kennedy	Stennis
Dirksen	Kerr	Symington
Douglas	Kuchel	Talmadge
Dworshak	Langer	Thurmond
Eastland	Lausche	Wiley
Ellender	Long	Williams, N.J.
Engle	McCarthy	Williams, Del.
Ervin	McClellan	Young, Ohio
Frear	McGee	
Fulbright	McNamara	

NAYS—0

NOT VOTING—10

Byrd, Va.	Murray	Sparkman
Capehart	O'Mahoney	Yarborough
Chavez	Russell	Young, N. Dak.
Dodd		

So Mr. GORE'S amendment was agreed to.

Mr. SALTONSTALL. Mr. President, it is my understanding that my amendment in the nature of a substitute is now the pending question.

The PRESIDING OFFICER. That is correct.

Mr. SALTONSTALL. Instead of offering it as a substitute, I move that title I of the resolution be stricken.

The PRESIDING OFFICER. Will the Senator repeat his statement?

Mr. SALTONSTALL. I move that section 1 of the resolution as it is now pending be stricken from the bill, and on that question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Massachusetts moves that section 1 be stricken.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator from Pennsylvania rise?

Mr. CLARK. To speak on the Saltonstall amendment.

SEVERAL SENATORS. No, no.

Mr. CLARK. Mr. President, my suggestion was greeted with such enthusiasm all over the floor that I will take my seat. [Laughter.]

The PRESIDING OFFICER. The yeas and the nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Indiana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 33, nays 55, as follows:

YEAS—33

Aiken	Carlson	Dworshak
Allott	Case, N.J.	Goldwater
Beall	Case, S. Dak.	Hickenlooper
Bennett	Cooper	Holland
Bridges	Cotton	Hruska
Bush	Curtis	Javits
Butler	Dirksen	Keating
Kuchel	Mundt	Scott
Lausche	Prouty	Smith
Martin	Saltonstall	Wiley
Morton	Schoeppel	Williams, Del.

NAYS—55

Anderson	Hartke	Mansfield
Bartlett	Hayden	Monroney
Bible	Hennings	Morse
Byrd, W.Va.	Hill	Moss
Cannon	Humphrey	Muskie
Carroll	Jackson	Neuberger
Church	Johnson, Tex.	Pastore
Clark	Johnston, S.C.	Proxmire
Douglas	Jordan	Randolph
Eastland	Kefauver	Robertson
Ellender	Kennedy	Smathers
Engle	Kerr	Stennis
Ervin	Langer	Symington
Frear	Long	Talmadge
Fulbright	McCarthy	Thurmond
Gore	McClellan	Williams, N.J.
Green	McGee	Young, Ohio
Gruening	McNamara	
Hart	Magnuson	

NOT VOTING—10

Byrd, Va.	Murray	Sparkman
Capehart	O'Mahoney	Yarborough
Chavez	Russell	Young, N. Dak.
Dodd		

So Mr. SALTONSTALL'S amendment in the nature of a substitute was rejected.

Mr. COOPER. Mr. President, I offer an amendment for myself and the Senator from New York [Mr. JAVITS] which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add subsection (7) to section 2, as follows:

To assure that every person shall have equal protection of the laws and shall not be discriminated against on account of race, color, creed, or national origin.

Mr. JOHNSON of Texas. I yield the Senator from Florida 5 minutes.

Mr. COOPER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator had the floor. I did not see the Senator seeking recognition.

Mr. JOHNSON of Texas. I was seeking to be recognized. When the amendment was reported, I sought recognition. Simply because a Senator offers an amendment and it is reported——

Mr. COOPER. I did not yield the floor.

Mr. JOHNSON of Texas. The Senator yields the floor when his amendment is reported.

Mr. SCOTT. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, the Senator from Kentucky was seeking recognition, and I sought recognition. The Senator from Kentucky was recognized, and offered his amendment. After he offered it, the amendment was reported; and when the amendment was reported, he lost the floor.

After the amendment was reported, I sought recognition, and I received recognition. So I am within my rights in stating that I have been recognized and have the floor.

I now yield 5 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. COOPER. Mr. President, a parliamentary inquiry.

Mr. SCOTT. Mr. President, a parliamentary inquiry.

Mr. COOPER. Mr. President, when I offered my amendment, and had my amendment read, I did not relinquish the floor.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Parliamentarian informs the Chair that when a Senator has the clerk read an amendment which the Senator submits, he relinquishes the floor, just as if he had taken his seat.

After the amendment of the Senator from Kentucky was read, the Senator from Texas [Mr. JOHNSON] was recognized by the Chair.

Mr. JOHNSON of Texas. Certainly, Mr. President. Any Senator who is familiar with the rules of the Senate knows that when he submits an amendment, and then has the amendment read by the clerk, from the desk, that Senator loses the floor. Otherwise, his amendment could not be reported by the clerk.

Mr. CASE of New Jersey. Mr. President, I rise to a parliamentary inquiry, and I insist on propounding my parliamentary inquiry. Mr. President, I rise to a parliamentary inquiry—namely, do not I have the right to obtain the floor, for the purpose of propounding a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from Florida [Mr. HOLLAND] has been recognized for 5 minutes. A parliamentary inquiry can be propounded at this time only if the Senator from Florida chooses to yield for that purpose.

Mr. ALLOTT. Mr. President, a point of order.

Mr. HUMPHREY. Mr. President, I call for the regular order.

The PRESIDING OFFICER. Does the Senator from Florida yield?

Mr. HOLLAND. Mr. President, I do not yield at this time—not because I wish to be discourteous, but because I wish to make my statement, following which I shall yield the floor.

Mr. President, I have not voted for any motion which would serve to cause delay in connection with the matter before the Senate. I have voted against each of the dilatory motions and each of the dilatory proposals.

I voted for the Gore amendment to the original resolution, and I voted for the Saltonstall motion to strike out section I of the original resolution.

In connection with a matter of this kind, I believe it better to have the Senate vote on the merits of the original proposal—which for sometime I have been willing to do. That is the reason why I voted against all the dilatory proposals or motions.

Mr. President, the move now being made is, in effect, an attempt to censure—as has been freely stated on the floor of the Senate by Senators on both sides. I think it worth while to consider that matter for a moment.

The Senate now has before it a Senate resolution, which always results in an exercise in futility, except in the two or three cases which I shall mention—and particularly so tonight, when, after all the procedures which have been engaged in here, I think it will be agreed, unquestionably, that regardless of whether the resolution is thus regarded by the Members of the Senate, certainly the resolution will be regarded both by the persons directly affected and by the general public as censorious.

Mr. President, Senate resolutions are appropriate either in reference to internal matters of the Senate or in reference to matters relating to the advice or consent of the Senate. But this resolution does not relate to either of those classes of matters. The pending resolution would be without any legal force or effect; and when the resolution was drawn, it was admitted that it would be in the nature of a resolution of censure.

Mr. President, inasmuch as I am not willing to vote in favor of this resolution of censure—which, as I have stated, is nothing but an exercise in futility—I believe I have a right to state for the RECORD my reasons for taking that position:

In the first place, I note that the brief prepared by the staff of the committee, which appears on pages 3 and 4 of the record of the hearings, shows very completely, from that impartial source, that the two classes of securities involved in the proposed exchange are equal in value. At the bottom of page 3, the statement by the staff is:

> On a yield basis, these mortgages have a current value between 86 and 90 percent of par—

This depends on the time they have to run, on an average, I hear, of approximately 87 percent.

On page 4 of the staff brief it is shown that at that time the bonds will have a market value of from 87 to 89 percent.

So there is no question about the fact that the values involved are comparatively equal.

The next point which I wish the Senator to understand and which I wish the RECORD to show is that both the Treasury Department and the Chairman of the FNMA—and I respect very highly both of those agencies and both of the men who head them, and the nomination of each one of them was confirmed by the Senate, I believe, without a dissenting vote—have made clear statements of their reasons for supporting the proposed exchange.

I read now from the testimony of Mr. Baird, Under Secretary of the Treasury, as it appears at the bottom of page 24 of the hearings. In speaking for the Treasury Department, he said:

> I am pleased to have this opportunity to present the views of the Treasury Department—

And a little later he said:

> The Treasury supports the proposal because the basic objective of the proposed exchange of FNMA mortgages for 2¾-percent bonds is to carry out one of FNMA's primary statutory purposes. This purpose, whose importance must not be lost sight of, is to manage and liquidate FNMA mortgages "in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government."

The benefits to be realized were then recited; but I shall not take the time to state them now for the RECORD.

Mr. President, I have a great deal of respect for Mr. Robert Anderson, the Secretary of the Treasury; and I have a great deal of respect for Mr. Baird, the Under Secretary of the Treasury, who was testifying at that time.

I am not prepared to say——

The PRESIDING OFFICER. The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, I should like to have further time yielded to me by the majority leader, if he will be so kind as to do so.

Mr. DIRKSEN. Mr. President, I yield time to the Senator from Florida.

Mr. HOLLAND. Mr. President, I would prefer to have time yielded to me by the majority leader, if he will be so kind as to do so.

Mr. MANSFIELD. Mr. President, the Senator from Florida should accept time yielded by the Senator from Illinois, because no time now available has yet been used by the other side.

Mr. HOLLAND. Very well; I am very happy to accept time from the other side.

Mr. DIRKSEN. Very well, Mr. President; I yield 2 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 more minutes.

Mr. HOLLAND. Mr. President, as I have stated, I have very high respect for both Mr. Anderson and Mr. Baird and for Mr. Baughman, the head of the Federal National Mortgage Association.

Question arose as to why they did not want to sell for cash, as they had done in many cases in connection with the liquidation of $1,600 million worth of these securities in the years before this particular year.

Incidentially, now they propose to sell only $355 million worth of mortgages.

Mr. President, when question arose as to why they did not sell for cash, as they had done in most of the other cases—and for losses much greater than the losses of interest shown in this instance—this statement was made by Mr. Baird:

> As I said earlier, we think anything, any proper means, by which we can liquidate assets to help us balance the budget in the present state of things in this country is a very desirable thing. We think that is a positive thing to do, not a negative thing that we ought to be afraid of.
>
> We are trying to balance this budget in any legitimate way, and we think the liquidation of assets at a fair price is worthwhile.
>
> Now, if we had to sell these mortgages for cash, Senator, we would not recommend it for two reasons. We think the discount is too large, and the other reason is that it would take money out of the mortgage market that is otherwise available.

Mr. President, I am about to conclude.

It seems to me that if what Senators are complaining about is the terms of the law under which these officials are operating, Senators should have made a proposal here either to change the law or to repeal it. I believe that an approach as futile and as meaningless as the one now taken is not quite worthy of this fine body of men and one very wonderful woman.

Mr. FULBRIGHT. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I do not have time to yield now. Let me conclude my statement, and then I shall be very glad to yield.

Mr. President, insofar as the Senator from Florida is concerned, he will of course vote against the pending resolution, as now worded, for the reasons he has stated. He thinks that this kind of exercise in futility is not only bad for the health and temper of the Senate, but is destructive of the high reputation of this very fine institution with the public and in our own minds.

So far as the Senator from Florida is concerned, he does not propose to vote for this resolution. I yield to the Senator from Kentucky.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from Florida.

Mr. HOLLAND. I will be glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator stated that these securities, the 2¾ percent bonds due in 1980 and the 4 percent mortgages with an average maturity at that time of 6 to 8 years, are of equal value. I wonder what the Senator means by that, what authority he has for saying they are of equal value.

Mr. HOLLAND. Mr. President, it appears various times in the record, and I read from the brief prepared by the staff of the committee for the guidance of the committee. The Senator will find it at the bottom of page 3, the last 2 lines stating that the mortgages "on a yield basis have a current value between 86 percent and 90 percent of par," and I understand the average is about 87 percent. On page 4, if the Senator will turn the page in the same brief prepared for the committee, he will find the statement that "These bonds are exchangeable for 1½ percent, 5-year Treasury marketable notes which have a current market value for the current issues of between 87 and 89 percent of par."

The point I am making is when we appoint and confirm men to a job and when we pass the law directing them how to do that job and when they come in frankly and fearlessly and tell us that they are trying to do it, so far as I am concerned I do not think it appropriate to indulge in a censorious statement against men like Mr. Baughman or Mr. Anderson or Mr. Baird, or indeed the President of the United States, who of course was acting upon the advice given him by these officials.

Mr. President, not only are the values comparable——

Mr. FULBRIGHT. Mr. President, if the Senator will permit me, having gotten this time, I merely state for the record that I do not believe they are of equal value.

The Senator does not read the paragraph on page 4 entitled, "Loss of Potential Income from Mortgage Loans," and I do not think he equates these mortgages to the value of 1½ percent 5-year Treasury notes.

These bonds, the mortgage bonds, are guaranteed by the U.S. Government. They bear 4 percent, and they are for an average length of 6 to 8 years.

It is against common sense to say, in my view, that a mortgage guaranteed by the same Federal Government bearing 4 percent is equivalent in value to the 5-year note bearing 1½ percent. It does not make any sense.

This statement of estimate here is the language in the opinion of the Treasury, saying they are of equal value. I do not accept it, and I do not think that they are of equal value to any reasonable investor.

There is a distinct advantage here to the holders of the 2¾ percent bonds. That is why they want to do it. I am not saying that that is necessarily terribly awful, but it is not so, in my view, to say they are of equal value.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield the Senator 1 additional minute.

Mr. HOLLAND. The Senator of course has a right to his own opinion, and I respect him for it and I know that he has opinions and holds to them.

My own feeling is that the opinion of the staff of the committee is a credible one and that the similar opinions voiced in the RECORD in other places as to the similarity in value of the assets concerned are completely trustworthy, and I am quite willing to accept the statement of the Treasury that it would have been a worse deal for the Government to sell in cash under the circumstances, and I am also willing to accept what I know is the requirement of the law as being such that it was their duty and is their duty now to keep disposing of these mortgages as fast as they can do so, in order to make it possible for our Government to do a better and bigger job in this field.

Mr. President, whether any other Senator agrees with me or not is beside the case. Because of the various votes I have cast in this matter, I have insisted upon the right to state my position in the RECORD openly.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. COOPER. Mr. President, I offer an amendment, and in doing so, may surprise some of this body, and I would like to give my reasons for so doing.

I have been sitting here all day listening to this debate. At the beginning of the debate I must say that I thought the merits of this case were being argued. But I know that if the Congress desires to take away from the President the discretion that he has, it could do so by legislation. I must say that I have agreed with the clear and dispassionate statement that has just been made by the Senator from Florida. I understood him to say that he thought that the judgment of the Treasury in this matter was correct.

Mr. HOLLAND. I thank the Senator.

Mr. COOPER. The Senator went on to say that the proceedings of the Senate today and tonight did not speak in the best sense of this body and I agree with him. I have come to the conclusion which my colleague from New York [Mr. JAVITS] expressed some time ago, that this is in the nature of a motion of censure against the President of the United States and against his party. It is very clear from the lineup today that it is a political motion.

So therefore I have done something I have not often done in the Senate. I have offered an amendment which clearly has political implications, to call attention to the fact that I believe this resolution is political.

My amendment is to add to this fine statement of policy which expresses the sense of the Senate to balance the budget, to reduce the debt, to promote and encourage the real economic growth of the United States, all noble purposes, I have added another with a human purpose, "to assure the protection of the laws to all the people of this country and to assure against discrimination by reason of race, color, creed, or national origin." Perhaps it will bring the Senate to its senses.

Mr. JOHNSON of Texas. Mr. President, I want to repeat what I have stated earlier, that when I came into the Chamber today the Senator from Massachusetts [Mr. SALTONSTALL] had offered a substitute resolution with which I am in complete agreement.

For several hours I have been attempting to get the Senate to agree to that resolution. I do not intend that the resolution on which the Senate is to act, as reported by the Banking and Currency Committee, shall mean or be accepted as a censure of any individual, particularly the President of the United States. I am not voting for it with that in mind at all.

I do not think the President, when he expresses his viewpoint and gives his opinion, censures the Senate.

I hope we have not arrived at a point where the Senate cannot express its judgment without being charged with censuring somebody. Did we censure the President when we passed the China resolution? Did we censure the President when we passed the Captive Nations resolution?

What are we? Are we a silent, spineless group of men who cannot express an opinion without someone slapping us in the face with the charge that we are censuring somebody?

I thought the committee was rather reserved in its judgment and rather judicious in its approach and rather mild in its statement when it expressed its judgment that this transaction would not be in the public interest. It did not censure the conduct of anyone. It did not point out the profits that had resulted from the management policies of the Government for a period of years. It expressed it as the sense of the committee by a 12 to 3 vote, and I must say that some of those votes must have come from the minority side. We agreed on a time to debate the resolution. The Senator from Massachusetts offered his amendment. We tried to embrace it. We are met with all kinds of dilatory motions.

When everything else fails, when one cannot convince the majority, someone always comes up with some civil rights amendment. That is the old story. We anticipate those things sometimes. We expect some men will resort to that kind of an attempt to divide the Senate and divide the parties in the Senate, at a time when I do not think we ought to be divided.

Therefore, Mr. President, I make the point of order that the amendment is out of order; that, as the Senator from Kentucky must know, and must realize, it is not germane to the pending resolution. It is offered, I think, as the Senator announced it, solely for a political purpose, and I think it will meet with the same judgment that all political things should meet with.

I ask the Chair to read the unanimous-consent agreement that has been agreed upon. It states the amendment must be germane.

I make the point of order that the Senator's amendment is not in order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DIRKSEN. Mr. President, I am not disposed to continue this discussion much further, but I think some things must be noted for the RECORD, and probably they can be ascertained and set forth in the RECORD by a question.

First, I was given to understand there was to be no action on this resolution unless and until the FNMA organization was prepared to consummate this arrangement, this exchange of pre-1954 mortgages, for Treasury bonds. If I am wrong I would like to have an answer from the distinguished Senator from Pennsylvania as to whether that understanding was correct or not when this resolution came out of the Banking and Currency Committee.

Mr. CLARK. I will be happy to respond to my friend from Illinois. I regret to inform him he is quite incorrect.

When the resolution first came up it was the thought of all concerned that the Federal Government would not move without giving us further adequate notice.

Therefore, the Director of the Budget, the Director of FNMA, came to call on the junior Senator from Alabama, who referred them to me. They told us they were strongly of the view they wanted to exchange $335 million within this fiscal year. At the request of the Director of the Bureau of the Budget, I went and called on him and had a long talk. He told me then that was his intent. I told him I had no desire to hasten the matter whatever or press him further. They gave me to understand even if this resolution were passed they might go ahead, anyway.

I was not the one who initiated bringing the resolution to the floor, although I was happy to have it brought to the floor. This was done by the majority leader and the distinguished Senator from Tennessee.

I am still of the view that if this resolution is not passed tonight there is a very good likelihood that the Treasury will go forward with the $335 million exchange.

Mr. DIRKSEN. I ask the Senator whether in recent days he personally discussed the matter with the Director of the Budget in the office of the Director of the Budget.

Mr. CLARK. I did.

Mr. DIRKSEN. I ask the Senator from Pennsylvania whether he said to the Director of the Budget this could be well deferred until next year.

Mr. CLARK. It is the best of my recollection I said no such thing. I said to the Director of the Budget I had a great many colleagues whom I had to consult. I mentioned to him, since we are talking, as we should be, on the RECORD, that the distinguished Senator from Oklahoma and the distinguished Senator from Tennessee were both strongly of the view that this resolution should be brought up, that it had been cleared by the policy committee; that there had been a colloquy on the floor about it, in which the majority leader had talked about it.

I felt that if the Director of the Budget wanted to put this in limbo he should talk to the Senator from Tennessee and the Senator from Oklahoma. He notified me he could not get in touch with the Senator from Oklahoma. I later told the Senator from Oklahoma, who is in the chair at the present time, and who will confirm whether this is correct or not. The Senator from Oklahoma said he would be glad to talk with the Director of the Budget. The Director of the Budget called him.

The Director of the Budget said, "Senator CLARK, you have cleared every commitment you have made. You are at liberty to do what you think is best."

Mr. DIRKSEN. I say on my own responsibility as a Member of the Senate I was informed the Senator from Pennsylvania made that statement to the Director of the Budget, and I was so informed in person, that it could go over until next year.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DIRKSEN. It is rather singular—we have had this whole discussion during the day and during the evening—that it could go over, and now some special point is made that this resolution has got to be enacted tonight.

I share the feeling expressed by the distinguished Senator from Kentucky that there is an implication of censure here. When the Senator talks about a China resolution, the President has not asked us about a China resolution. He has not sent anything up here. But this alludes to the President's budget proposal. That is what the resolution is.

The President is responsible for the budget, under the General Accounting Act. The Director of the Budget and those associated with him send that budget here, and he assumes the responsibility for it. So because he did so in exercising his responsibility and his authority, it is undertaken to make out that it is not in the national interest; and, if it is not an express censure, at least the implication of censure is there.

In 1950, under the Truman administration, and I will ask the Senator from Pennsylvania to verify it, the predecessor administration sold $311 million worth of these bonds. There was a loss of $25 million. We never came forward with the resolution to impeach the interest of the President and make it appear he was doing something not in the national interest.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DIRKSEN. Up to $600 million of those bonds have been peddled, and up to this good hour, for 22 years, no one has come up here with a resolution to that effect. It is singularly strange to me, unless the political implications are there, why it should come at this time.

I yield to my friend.

Mr. CLARK. I would like to call to the attention of my friend from Illinois who was, I am sure, away on official business, during the debate this afternoon——

Mr. DIRKSEN. Now, let me say for the record I have been in the labor-management bill conference all day, and I will never let that kind of implication stand in the RECORD. All too frequently Members will say that a Member was away from the floor, and when one's constituents read that, they wonder where. Be a little on guard in your statements. I was absent. Had the Senator said that when I was not present, I could not have defended my absence, and told the whole wide world what I was doing today, notwithstanding my responsibilities as minority leader.

Mr. CLARK. The Senator from Pennsylvania is not accustomed to making comments about his colleagues when they are not on the floor, without calling attention to the possibility that he may do so.

I said in the beginning of my statement I was sure he was absent on official business. I will say it again. I know he was. While he was not on the floor, the point was made time after time that losses from sales of FNMA bonds never began until the Eisenhower administration took over.

Mr. President, I ask unanimous consent that there may be placed in the RECORD at this point a table which shows those figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal National Mortgage Association management and liquidating functions—Sales from portfolio

[In thousands of dollars]

Fiscal year	Amount of sales	Premiums earned	Discounts
1938			
1939	345	3	
1940	7		
1941	8		
1942			
1943	126,694	4,793	
1944	(41)		
1945	38,416	1,351	
1946	213		
1947	11		
1948			
1949			
1950	311,292	4,448	
1951	272,405	15	
1952	39,866	51	
1953	60,000	10	
1954	575,067	6	15,337
1955	201,097		2,753
1956	4,506		143
1957			
1958			
1959 (11 months)	3,964		
Total	1,633,850	10,677	18,233

Mr. DIRKSEN. Mr. President, I ask unanimous consent to amplify my remarks and put in the RECORD the official data with respect to this matter as it relates to the three reasons assigned in the resolution as to why this was not in the public interest.

The PRESIDING OFFICER. Is there objection?

Mr. FULBRIGHT. Mr. President——

Mr. DIRKSEN. We can go ahead and vote now. I think we have made our case before the country.

The PRESIDING OFFICER. Several Senators addressed the Chair.

Mr. DIRKSEN. I yield to the Senator from Ohio——

Mr. FULBRIGHT. Mr. President, reserving the right to object, if this is done I would insist, before I would agree, that the report of the committee be put in the RECORD at the same time, giving the data as the committee saw it, because I think it would be pertinent to what the Senator wishes to put in the RECORD in this matter.

Mr. DIRKSEN. And I ask unanimous consent to include all of Mr. Baird's testimony before the committee, too.

Mr. FULBRIGHT. That is quite all right. I believe Mr. Baird distinctly testified. A point was made awhile ago by the Senator from Florida, when he talked about the effects of the procedure. I invite the attention of Senators to page 29 of the hearings, where Mr. Baird very honestly admitted a loss to the Government of $15 million. How anyone can say it is quibbling and there is not anything involved is beyond my comprehension. That is shown on page 29.

Mr. DIRKSEN. Mr. President, nobody is quibbling about the loss. I simply say that in Mr. Truman's administration there was a transaction involving $311 million and the loss was $25 million.

The PRESIDING OFFICER. The Senator will suspend until we complete action on the unanimous-consent request.

The Senator from Illinois asked unanimous consent to have printed in the RECORD certain data. The Senator from Arkansas, the chairman of the committee, asked unanimous consent to have printed in the RECORD also the committee report. The Senator from Illinois then asked unanimous consent to have printed in the RECORD the testimony of Under Secretary Baird.

Is there a further unanimous-consent request?

Mr. HUMPHREY. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. How much other testimony is there that ought to be printed in the RECORD?

Mr. BENNETT. Mr. President——

The PRESIDING OFFICER. The Senator reserves the right to object. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I should like to ask the distinguished Senator from Arkansas how much other material there is which ought to be printed in the RECORD, if we are going to start to spread the testimony before the committee in the CONGRESSIONAL RECORD? I think that, within itself, is an unusual procedure. I want to know whether all the testimony will be placed in the RECORD.

Mr. BENNETT. Mr. President, I hope the minority views will be included with the majority report.

Mr. HUMPHREY. May I add, it will be a rather lengthy CONGRESSIONAL RECORD.

The PRESIDING OFFICER. The report referred to would include, since it is printed in one booklet, the minority views, under the request of the Senator from Arkansas.

Is there any further request to have anything printed in the RECORD? The Chair hears none. If there is no objection——

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. BRIDGES. I reserve the right to object.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. BRIDGES. It seems to me we are carrying this to a very remote conclusion when we start including everything which has been asked to be printed in the RECORD. We are making it sort of absurd. The records stands for themselves. I think everybody has gone a little overboard on this, and for that reason I object.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from New Hampshire objects to the unanimous-consent request.

The Senator from Illinois has the floor.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. Mr. President, in my opinion the resolution should only be agreed to in the event the Senate finds that there has been bad faith exercised by those men who are vested with the responsibility of liquidating these bonds. A mere difference of judgment between us and those in charge does not constitute a justification for placing upon those men the odium which is implicit in the language of this resolution.

Senators can argue to the contrary all they please.

The Senator from Illinois may not have been on the floor earlier today, but I have been on the floor throughout the whole debate, except possibly for a period of 10 minutes, and I can say to Senators, approaching the matter objectively, approaching it from the standpoint of trying to reach a judicial determination, no one who listened to the arguments made here could deny that they pointed the finger of practically criminal misconduct upon everyone involved. I was present for the first one hour and a half of the debate. The language used then was of the type implying corruption, although that implication was denied.

Now, I ask Senators a question. If by chance someone in the Senate should become the President of the United States in 1961, and if he should find himself vested with a discretion to do certain things, and he approached that discretionary responsibility in good faith, desiring to serve the country, but in the exercise of it engaged in bad judgment, acting in good faith, would he want the Senate to come along and, by words on the Senate floor and by words in the resolution, announce to the world that he, as President, demeaned himself in a manner which was inimical to the interests of 170 million people?

Senators can vote for the resolution, but I will not. I will not debase my character by indulging in this type of conduct, when the reputation and the dignity of the President of the United States are involved.

Moreover, the same is true with regard to Mr. Baird and the other men. What I said about the President can be said for them. They acted in good faith.

The Senator should only pass the resolution if it decides these men did not act in good faith. Then it can censure them.

Mr. JOHNSON of Texas. Mr. President——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry——

Mr. FULBRIGHT and Mr. HUMPHREY rose.

Mr. JOHNSON of Texas. Mr. President, first I yield 1 minute to the Senator from Montana. Then I wish to yield to the Senator from Arkansas and the Senator from Minnesota.

Mr. MANSFIELD. Mr. President, in view of the remarks made by the distinguished Senator from Ohio, I should like to know for the RECORD by what vote this resolution was reported from the Banking and Currency Committee, and on what basis that vote differentiated between Democrats and Republicans on

the committee. Can the former chairman of the committee give me the answer?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. It happened to be my resolution, so I am thoroughly familiar with it. The actual vote was 12 to 3 in favor of reporting the resolution. However, in justice to the Senator from Indiana [Mr. CAPEHART], it must be said that while he voted to report the resolution, he indicated that he might oppose it on the floor. So in reality the vote was 11 to 4.

The PRESIDING OFFICER. Does the Senator from Texas yield time to the Senator from Pennsylvania?

Mr. JOHNSON of Texas. Yes.

I point out that the report itself shows that the Senator from Utah [Mr. BENNETT] and the Senator from Connecticut [Mr. BUSH] filed minority views. The Senator from Indiana [Mr. CAPEHART] filed individual views; and the Senator from New York [Mr. JAVITS] filed individual views. That is what I have been informed. I thought the Senator from Tennessee said the other day, in discussing this matter on the floor, that the vote was 12 to 3.

Mr. CLARK. That is right. It was.

Mr. JOHNSON of Texas. That is my information. I have never seen the rollcall, but I note from the report that two Senators filed minority views, and two filed individual views.

Mr. CLARK. The Senator from Indiana [Mr. CAPEHART] voted to report the bill, but he indicated that he might oppose it on the floor. I shall be glad to call the roll of the committee.

Mr. JOHNSON of Texas. I shall be glad to have the Senator do so.

Mr. CLARK. I hope Senators who were present will check me.

Those voting in favor were: The Senator from Virginia [Mr. ROBERTSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Delaware [Mr. FREAR], the Senator from Illinois [Mr. DOUGLAS], the Senator from Pennsylvania [Mr. CLARK], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from West Virginia [Mr. BYRD], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Maine [Mr. MUSKIE]. The Senator from Indiana [Mr. CAPEHART] voted to report the resolution, with the reservation which I have indicated. The Senator from Maryland [Mr. BEALL] and the Senator from New York [Mr. JAVITS] voted to report the resolution, but reserved the right to object on the floor.

Mr. JAVITS. I voted against it. The Senator from Connecticut [Mr. BUSH] voted my proxy.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. I do not wish to take long, but I think the RECORD should be made clear.

I hold in my hand tables drawn up by the Federal National Mortgage Association, showing the results of sales from the portfolio, beginning in the year 1938 and extending through 1958.

In my other hand I have a balance sheet, a comparative statement of income and expense. These figures are consistent.

Premiums on the sale of mortgages similar to the ones involved here, prior to 1954, were $10,676,992; since 1954, the loss, which is carried here as sales discounts, amounts to $18,233,074. These are official figures. The only losses which have accrued from the sale of FNMA mortgages have accrued since 1954, in these amounts.

One further observation regarding the comments of the Senator from Ohio. I do not see that there is any reason whatever to assume that we are attacking the motives, the loyalty, or the patriotism of the administration. In my view this is entirely a difference of opinion as to the wisdom of the proposed action.

The action in this case has not been taken. It is proposed action. All in the world we are saying is that this action would not be in the public interest. What in the world can one criticize about that? Members of the committee have a difference of view as to the wisdom of the proposed action. We are pointing out that there will be loss which we need not take in this exchange. Mr. Baird very clearly agreed to the loss in his testimony. It is as simple as that. There is no doubt as to the figures, and as to what the losses in the past have been.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield 1 minute to me?

Mr. ALLOTT. Mr. President, I call for the regular order.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Ohio.

The PRESIDING OFFICER. The time is controlled. The majority leader and the minority leader have control of the time. The majority leader has yielded time to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, as I said before, a difference in judgment does not warrant this type of resolution. I differ in judgment from others, but that does not mean that I am going to put the label of bad faith upon these men.

The Senator from Arkansas was not in the room——

Mr. FULBRIGHT. We do not put the label of bad faith on them in the resolution.

Mr. LAUSCHE. If the Senator had been in the Chamber he would have found that the language used went beyond bad faith.

Mr. FULBRIGHT. Not in the resolution.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, just a moment ago I inquired of our able and distinguished Parliamentarian as to the difference between a resolution relating to an expression of the view or the sense of the Senate and a resolution of censure. I am sure every Senator knows it without the Senator from Minnesota having to detail it by explanation.

Anyone who wishes to call this a resolution of censure has given the wildest and most radical interpretation of what a resolution of censure is in this body.

A resolution of censure in this body is one of the most serious things this body can do to any person on any issue. It is not to be taken lightly. It has been used very selectively—exceedingly so. This resolution is but an expression of a view, an expression of policy on the part of the majority of a committee; and the majority is asking for the support of the full body of the Senate.

If we want to talk about the seriousness of criticisms let me refer to some matters which are a little more serious than interest on mortgages.

When the President of the United States presents his message on mutual security and says, "This is the very life of our Nation," and the President of the United States says, "You cannot cut this program without jeopardizing the security of the Nation," do Senators stand in awe and say, "Oh, we must not touch a dime"? Some of the finest Members of this body stand up and dispute the President, who is Commander in Chief. The President has never claimed to be a banker, but he is a general; and I have seen many self-appointed generals in this body dispute the President's military judgment. I think it is perfectly in order for them to do so. I do not think they are censuring the President. I think they are being good U.S. Senators, even if I disagree with their point of view.

I have seen a President of the United States send to Congress policies which related to such a matter, for example, as aid to Yugoslavia. Some of the same Senators who are complaining tonight that we are censuring the President because someone will make a little money from exchanging bonds and debentures rose and opposed the President's view on national security. No one accuses them of censuring the President. They simply have a different point of view.

I do not accuse people when they have a different point of view from that of the President. Many times I hail them.

Let us consider another matter, namely, reciprocal trade. The President of the United States has said that reciprocal trade is the lifeblood of the Nation; yet many Members of this body have offered amendments which would have cut the heart out of reciprocal trade. Did we condemn them? No. All we said was that we disagreed.

What the committee has done is to consider an issue on which there are vital differences between certain Members of this body. I for one do not approve of the high interest rate policy of this Government, but I do not think that is any censure of the President. I do not approve of electing a Republican President. We do not call that censure. We call that the expression of one man's point of view, and that is all it is worth.

The facts have been entered in the RECORD. The facts speak for themselves.

The distinguished Senator from Arkansas placed in the RECORD the facts as the committee developed them. The distinguished Senator from Florida [Mr. HOLLAND] entered into the RECORD the facts as he saw them developed. It is the right of Members of this body to reach a judgment based upon those facts.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 1 additional minute to the Senator from Minnesota.

Mr. HUMPHREY. It is the right of Members of this body to express their point of view about such material things—not holy things—as the budget message. I am perfectly willing to spend a good deal of my time reading the Good Book, and accepting the Bible as Holy Scripture; but I do not accept a budget message as Holy Scripture. I do not believe that it was written by a high priest. When any Senator expresses a contrary view to the budget, some Senator rises and says, "you are touching the sacred document of the Republic." Nonsense.

A budget message should be looked over with a careful eye, in terms of whether or not the national interest is being served. Some of us disagree with that budget message. I am one of them.

Mr. President, I believe that the resolution is an excellent one. It is moderate and reasonable, and ought to be adopted.

Mr. BUSH. Mr. President, will the Senator yield to me?

Mr. ALLOTT. Mr. President, will the Senator from Illinois yield me 2 minutes?

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut [Mr. BUSH], a member of the Committee on Banking and Currency.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 minutes.

Mr. BUSH. Apropos the statement made a moment ago by the distinguished Senator from Arkansas and the material which he placed in the RECORD, if I understand that material correctly—I think I have seen a copy of it—it shows that in connection with some of the sales which were made in 1954 and in subsequent years were at a discount.

Mr. FULBRIGHT. That is correct.

Mr. BUSH. That has no bearing upon this particular operation, because this would not cause a loss to the Federal Government. If FNMA sold mortgages outright, it would have to be done at a discount. Under the administration proposal, FNMA will exchange mortgages at par for Treasury bonds. Specifically, FNMA will receive $335 million under the administration proposal. It could not receive $335 million by the sale of mortgages in the mortgage market. I see nothing wrong with selling property at a loss from time to time.

I cannot imagine any business organization which would inhibit itself from selling property at a loss at some time if it was in the best interests of the company to do it at that time. So it is necessary for the Federal Government to have that freedom from time to time. Even if a small loss were to be taken, which it will not be in connection with this transaction, I would not think there was anything so terrible about that.

Mr. FULBRIGHT. I placed this material in the RECORD in response to the minority leader's contention that under the Truman administration there had been a loss. He stated it in such a way as to imply that it was relevant. The Senator from Illinois brought it up; I was simply trying to make the RECORD clear.

The truth is that under the Truman administration there was a gain; there was not a discount. Whether it is relevant or not is another matter. The Senator from Illinois brought this in as an illustration in justification for this criticism.

Mr. BUSH. I accept the Senator's assurance as to why he put it in. I do not question his right to put it in. I simply say that the transaction which is proposed tonight is not a transaction which would cause any capital loss to the U.S. Government. For that reason, it should not be condemned on that basis. Even if a small loss were involved, it would still be a good idea to go ahead with the transaction, because I do not believe that this Government should continue to own mortgages forever and forever. The purpose of buying mortgages, so far as the Federal Government is concerned, is to sell them.

Mr. ALLOTT. Mr. President, while we are discussing these matters, I think it is time we take a look at the regular procedures of the Senate. I have felt that they have been violated many times in the past 3 or 4 years.

I wish to read into the RECORD, before it is changed in the Office of the Official Reporters, the following:

> The CHIEF CLERK. It is proposed to add subsection 7 to section 2, as follows:
>
> "To assure that every person shall have equal protection of the laws and shall not be discriminated against on account of race, creed, color, or national origin."
>
> Mr. JOHNSON of Texas. I yield the Senator from Florida 5 minutes.
>
> Mr. COOPER. Mr. President, a point of order.
>
> The PRESIDING OFFICER. The Senator has the floor. I did not see the Senator seeking recognition.

And the Chair was speaking to the Senator from Texas at that time—

> Mr. JOHNSON of Texas. I was seeking to be recognized. When the amendment was reported, I sought recognition. Simply because a Senator offers an amendment and it is reported——
>
> Mr. COOPER. I did not yield the floor.
>
> Mr. JOHNSON of Texas. The Senator yields the floor when his amendment is reported.

Mr. President, I submit that the RECORD shows conclusively that not only did the Senator from Kentucky [Mr. COOPER] have the floor, but that the Chair had recognized him, and the right to the floor was taken away from him.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). In answer to the charge made by the Senator from Colorado, the rule permitting that a Senator introducing an amendment or making a motion loses the floor at that time was unknown to the present Presiding Officer of the Senate. If there is fault, the present occupant of the chair is at fault, because that is the rule. He had never observed it in practice before. It is plainly written in the rules of the Senate and was explained to the Presiding Officer by the Parliamentarian, whose advice all of us who occupy the chair temporarily follow.

Mr. ALLOTT. I do not accuse the Chair of bad faith. The Chair had, however, as disclosed by these minutes, recognized the Senator from Kentucky [Mr. COOPER], and he was entitled to the floor, and he should have been entitled to retain it.

The PRESIDING OFFICER. The Chair recognized the Senator from Kentucky after the presentation of the amendment, thinking he maintained the floor.

Mr. ALLOTT. It does not matter whether the Chair thought the Senator from Kentucky, and the Senator had a right to the floor. I ask for a parliamentary ruling upon that point, if that is not so.

If the Chair had recognized him, he had a right to the floor, and the minutes or the record of the Senate show that he did have the floor and had been recognized after he presented his amendment.

The PRESIDING OFFICER. The Chair continued to believe that the Senator from Kentucky had the floor after the presentation of his amendment.

Until he was informed by the Parliamentarian that there is a Senate rule, based on long precedent, that a Senator presenting an amendment loses the floor temporarily, until someone else gains recognition, or he himself is recognized in his own right, not through the presentation of an amendment, the Chair felt the Senator from Kentucky held the floor.

Mr. ALLOTT. Is it not true that, according to the minutes, not only was the Senator from Kentucky on his feet and continuing to seek the floor, but that the Chair had recognized him? How could any other Senator have taken the floor away from him after the Chair had recognized him?

The PRESIDING OFFICER. The rules of the Senate, which I believe the majority leader would like to read to the Senate, will explain that point.

Mr. ALLOTT. I am certain that that can be done, but I am also certain that I can read the rules, too. I know that, when a Senator is recognized and gains the floor, he may retain the floor.

The practice, which has grown up in the Senate, of a Senator taking the floor away from a Senator who has been recognized, is one which should cease. It is not a practice which leads to good conduct and good procedure in the Senate of the United States.

The PRESIDING OFFICER. The Chair will say to the Senator from Colorado that, the Chair being unaware of the rule that a Senator loses the floor temporarily when he presents an amendment or a motion, the Senator from

Kentucky was recognized as having held the floor. But, being presented with the ruling of the Parliamentarian that the Senator from Kentucky having lost the floor temporarily, and the Senator from Texas having sought recognition, the Senator from Texas was accorded recognition, upon presentation of this rule to the Chair by the Parliamentarian.

The Chair desires that the rule be read by the distinguished majority leader. Incidentally, the time of the Senator from Colorado has expired.

Mr. JOHNSON of Texas. Mr. President, first I read from page 17 of Senate Procedure:

> Any Senator recognized is entitled to offer an amendment, but he cannot offer an amendment unless he has been recognized or has the floor.

I want to emphasize this:

> When a Senator offers an amendment, another may be recognized.

I was aware of the fact that the Senator from Kentucky was offering an amendment. I was seeking recognition at the same time the Senator from Kentucky was seeking it, because I had promised the Senator from Florida [Mr. HOLLAND] that I would yield him 5 minutes.

The Chair recognized the Senator from Kentucky. So I stayed on my feet until the amendment had been reported. Under the precedent that, when a Senator offers an amendment, another may be recognized.

I now refer to page 468 of Senate Procedure, which relates to rule XIX, paragraph 1:

> A Senator is not entitled to the floor until he is recognized by the Chair, and technically he loses the floor when he makes a motion or offers an amendment.

I submit that the Senator from Kentucky lost the floor when he submitted his amendment. I was seeking recognition at the same time the Senator from Kentucky offered his amendment. The moment the amendment was reported, I sought recognition, in a voice loud enough to be heard. I was entitled to recognition. I made the point of order that I was entitled to recognition; that the Senator from Kentucky had lost the floor. I submit I was within my rights. The Parliamentarian was certainly acting within the rules of the Senate, and the Chair made a correct ruling, once he was informed that a Senator is not entitled to the floor until he is recognized, and that technically he loses the floor when he makes a motion or offers an amendment.

I submit that the Senator from Kentucky lost the floor when he submitted his amendment, and that the Chair acted properly in recognizing me when he did.

Mr. ALLOTT. Mr. President, I ask the minority leader to yield 1 minute to me.

Mr. DIRKSEN. I yield 1 minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 1 minute.

Mr. ALLOTT. Mr. President, in response to what the majority leader has said, I should like to point out that although what he has said is correct, he has not stated all that is applicable, because the Senate record shows that the Presiding Officer turned to the Senator from Kentucky [Mr. COOPER] and said that the Senator from Kentucky had the floor; and then the Presiding Officer turned to the Senator from Texas, and said that the Chair did not see the Senator from Texas seeking recognition.

So the Chair had recognized the Senator from Kentucky [Mr. COOPER].

Therefore, Mr. President, when the Senator from Texas [Mr. JOHNSON] took the floor, he took the floor away from the Senator from Kentucky.

I think we should avoid such procedure if we are to observe the proper procedure, in conformity with maintenance of the dignity of the Senate.

Mr. JAVITS. Mr. President, I desire to submit an amendment to the resolution. I submit the amendment, and send it to the desk.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the words "fiscal year 1960" in line 4, and to insert in lieu thereof: "should not be carried out unless it is based on competitive offers of cash or Government bonds, with a right of rejection by the Association and gives consideration to the following factors: (1) loss of income from the mortgage loans, (2) loss of tax revenues, and (3) adverse effect upon the home mortgage market."

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, if this amendment is adopted, it will provide the Senate with an opportunity, in my opinion——

Mr. CLARK. Mr. President, will the Senator from New York yield for a point of order?

Mr. JAVITS. I yield for a point of order.

Mr. CLARK. I ask the Chair to rule whether the same amendment, in substance, was offered previously. Or. Mr. President, did the Senator from New York subsequently withdraw it?

The PRESIDING OFFICER. Yes, the Senator from New York withdrew it.

Mr. CLARK. Very well.

Mr. JAVITS. Mr. President, if I may continue, I desire to state that I believe that this amendment, if adopted, will give the Senate an opportunity to make a business judgment without adopting a resolution which and this is what makes this "sense of the Senate" resolution unusual—states that this "is not in the national interest."

Mr. President, the Senate adopts resolutions stating the sense of the Senate, but not if such resolutions would censure someone—and in this case, the resolution speaks of the President of the United States—and includes a statement that what is sought to be done "is not in the national interest."

My amendment, if it is adopted, will result in permitting the FNMA to return to operations in the normal stream of business, but will bar that Association from engaging in the transaction to which exception is taken, and will require it to do what it has been doing for years, even long before this administration—namely, sell these mortgages, as it has done many times before, for proper consideration, based upon whatever it can do as regards the open market.

Mr. BUSH. Mr. President, will the Senator from New York yield for a question?

Mr. JAVITS. I yield.

Mr. BUSH. Would this amendment actually bar the pending transaction?

Mr. JAVITS. No, neither the pending transaction nor any other; but it would require competition.

Mr. BUSH. Mr. President, I wish to make that point clear, because I think the Senator stated that his amendment would bar this particular transaction. However, my understanding is that it is not intended to do that, at all.

Mr. JAVITS. My point is that this is a specially designed transaction in the President's budget. My amendment would replace this transaction with the normal freedom of action which the FNMA has constantly had; and, in addition, the amendment, if agreed to, would require competitive offers.

Mr. President, what has been occurring has been going on for a long time; and now I refer to page 44 of the hearings, where Mr. Baird, who has been referred to here in a complimentary way, made the following statement:

> There has been $1.6 billion liquidation of these mortgages out of FNMA over a period of years, quite a little before this administration.

Then he gave figures in regard to losses and profits. He pointed out:

> There were $10,677,000 in profits and $18,233,000 in losses.

Let us also remember that the overall housing activities of the Federal Government result in a considerable profit, and that no one wants the FNMA to go into the business of owning all the mortgages in the country or keeping on its shelves all the mortgages it buys. On the contrary, we want that stream to be constantly renewed, because that is the function of the FNMA.

Furthermore, that is the proper procedure, unless there is a desire to change the fundamental law in regard to the operations of the FNMA; and there is no such desire.

Mr. President, my amendment, if agreed to, would put the FNMA back into competitive business, and would require it to take competitive offers, for its mortgages—as it has done for many, many years—of cash or Government bonds, with the right of rejection.

One other thing, which I wish to say in fairness to those who are subjected to the particular implications of the resolution, is that they stated to us, as the hearings developed, that they would seek competitive offers on the even exchange proposal which is sought to be inhibited by means of the resolution. So the idea that they would just make the exchange on the basis of par for par, or would

average better than that, as regards getting competition for the offers, is not valid. I believe that all of us must recognize that as the discussion in the hearings developed, they agreed they would obtain tenders for the mortgages—to be in the form of bonds, of course, as referred to in the resolution.

Mr. CLARK. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. CLARK. The Senator from New York is substantially correct in the statement he has made. Yet it seems to me that the obtaining of competitive bids would cure this deficiency.

I should like to try, particularly at this late date, to see whether we can bring the two sides a little closer together. But I could not conscientiously ask my colleagues on the committee to accept the amendment of the Senator from New York.

A short time ago the Senator from South Dakota [Mr. CASE] approached me, and discussed with me, and also discussed with the majority leader, a substitute for the resolution. I would be happy to propose that substitute as a substitute for the amendment of the Senator from New York, in the hope that that would eliminate some of what we might refer to as the hard feelings which have developed.

Let me say—and I regret that the Senator from South Dakota [Mr. CASE] has temporarily left the floor; I wish he were here now, because he is entitled to credit for thinking of this substitute—that, if the majority leader consents, I would be prepared to accept an amendment which would strike out of the resolution the words, in lines 4 and 5 of the original resolution—and I suggest this compromise in the hope that in this way we shall be able to take care of this matter—"is not in the national interest."

In that way, any implication—although I think it would be quite unjustified—of censure will be removed. In fact, I never thought there was any, of any effect.

If we eliminate those words, then the resolution will merely read: *"Resolved,* That it is the sense of the Senate that the" proposed "exchange" "should not be carried out, because of" (1), (2), and (3) reasons.

That will eliminate any thought of censure—which I do not think is included, anyway.

Mr. JAVITS. If the Senator will join with me in doing that, I shall be glad to accept his amendment in lieu of my own.

Mr. CLARK. I am very grateful to my friend from New York, and I ask the majority leader if that is satisfactory.

Mr. JOHNSON of Texas. I think that is a very constructive suggestion. The Senator from South Dakota discussed it with me, and I discussed it with the Senator from Pennsylvania before. I join in that suggestion; and I hope that amendment will be adopted without objection.

The PRESIDING OFFICER. Will the Senator from Texas state the amendment?

Mr. JOHNSON of Texas. The amendment now proposed is to strike out, after the comma on the fourth line, the words "is not in the national interest."

The PRESIDING OFFICER. The Senator is requesting unanimous consent that the words "is not in the national interest" be stricken out.

Mr. CLARK. Mr. President, it is my understanding that the Senator from New York——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry: Without casting any aspersions on the Senator from New York or the Senator from Pennsylvania or any other Senator, I ask the Chair to state the rule as it applies to a Senator when he is recognized and has the floor.

The PRESIDING OFFICER. A Senator is recognized and has the floor until the expiration of time when the time has been fixed, or until he yields the floor to some other Senator.

Mr. MANSFIELD. Does he have the right to wander all over the Chamber, or is he confined to an area in back of his desk?

The PRESIDING OFFICER. He is confined, under the strict rules of the Senate, to the area back of his desk.

Mr. MANSFIELD. I thank the Presiding Officer.

Mr. JAVITS. I yield to the Senator from South Dakota who suggested this idea.

Mr. CASE of South Dakota. Mr. President, I would like, if I may, to be associated with the Senator from New York and the Senator from Pennsylvania in proposing the amendment. I did suggest the idea to 2 or 3 Senators.

Mr. JAVITS. I wish to state that I accept the suggestion of the Senator from Pennsylvania that I modify my amendment in accordance with the statement of the Senator from Pennsylvania, so that the words "is not in the national interest and" on lines 4 and 5 will be stricken, and that I associate myself in that with the distinguished Senator from South Dakota [Mr. CASE], who first suggested this idea.

The PRESIDING OFFICER. Does the Senator include the balance of his amendment?

Mr. JAVITS. My amendment would be replaced by this particular modification. My amendment would be entirely replaced by the modification I have just suggested.

The PRESIDING OFFICER. The Senator is entitled to modify his own amendment, and he now strikes all of the substance of the first amendment and moves to strike on line 4 "is not in" and on line 5 "the national interest and." Is that correct?

Mr. JAVITS. Yes. And I associate in the amendment the Senator from Pennsylvania [Mr. CLARK] and the Senator from South Dakota [Mr. CASE].

Mr. BUSH. I would like to speak in opposition or concerning the amendment.

Mr. JAVITS. I yield 5 minutes of my time to the Senator from Connecticut.

Mr. BUSH. Mr. President, I will not use 5 minutes. I would like to say that I will certainly support this amendment because it does improve the resolution, but, frankly as far as I am concerned, it does not change the issue involved here at all.

This amendment is still a resolution which directs the Government to do something that the Congress has already told it to do, and then attempts to inhibit it from carrying out the clear intent of the law. Therefore while I think the amendment is an improvement, it, in my humble opinion, does not in any way improve the situation so far as changing the substance of Senate Resolution 130.

Mr. CLARK. I would like to associate myself with the Senator's comments. I think everything he has said is absolutely correct.

Mr. JOHNSON of Texas. Mr. President, I yield back all my time on condition the Senator does likewise.

Mr. JAVITS. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from New York.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. Does the minority leader yield back his time?

Mr. DIRKSEN. I yield back all time except 1 minute.

Mr. JOHNSON of Texas. I yield back all but 1 minute.

Mr. HOLLAND. Will the Senator yield?

Mr. DIRKSEN. If the Chair rules that I have only 1 minute, then I cannot yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator have an additional minute.

Mr. HOLLAND. Mr. President, I wish to state my appreciation for the very gracious position taken by the Senator from Pennsylvania, which I think takes the sting out of this resolution. I want to say also that I appreciate the position taken by other Senators. So far as I am concerned, this changes the situation very largely, the open position taken by the author of the resolution to the effect that no censure was involved in spite of things that have been spoken, not by him, but by others.

Mr. DIRKSEN. I shall not vote for the resolution notwithstanding the modification. Had we done the right thing, we would have come in with a bill that would have given effect to the liquidating authority the FNMA organization has enjoyed and which its predecessor organization has enjoyed for nearly 22 years. They are now in the unconscionable position of having the Senate express the sense of the Senate, which has no legal effect, and yet what shall they do when one arm of the lawmaking branch undertakes to give them direction in this fashion with respect to a matter of policy? It is a dangerous precedent, in my judgment, and notwithstanding the change, the resolution should still be defeated.

The PRESIDING OFFICER. Will the Senator yield back his time?

Mr. DIRKSEN. I yield back all time remaining.

Mr. JOHNSON of Texas. Mr. President, I merely want to repeat what I

have said a number of times this evening. I have never intended that this resolution be a censure of any individual. We have three separate, independent, coordinate branches of Government. The Supreme Court can issue its decisions, and frequently approval or disapproval is expressed of those decisions. Congress makes its decisions, and at least four or five times this year the President has expressed his disapproval of those decisions.

The Senate is perfectly within its rights in expressing the viewpoint it does express in this resolution, and I am grateful for the suggestion of the Senator from South Dakota, and I am pleased that the Senator from Pennsylvania has accepted this suggestion, so that any indication that there is any personality involved in this resolution would be completely removed.

I urge the adoption of the resolution.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Texas would vote "yea."

The result was announced—yeas 56, nays 29, as follows:

YEAS—56

Anderson	Case, S. Dak.	Ervin
Bartlett	Church	Frear
Bible	Clark	Fulbright
Byrd, W.Va.	Douglas	Gore
Cannon	Eastland	Green
Carroll	Engle	Gruening
Hart	Kerr	Pastore
Hartke	Langer	Proxmire
Hayden	Lausche	Randolph
Hennings	Long	Robertson
Hill	McCarthy	Smathers
Holland	McGee	Stennis
Humphrey	Magnuson	Symington
Jackson	Mansfield	Talmadge
Johnson, Tex.	Monroney	Thurmond
Johnston, S.C.	Morse	Williams, N.J.
Jordan	Moss	Williams, Del.
Kefauver	Muskie	Young, Ohio
Kennedy	Neuberger	

NAYS—29

Aiken	Cotton	Martin
Allott	Curtis	Morton
Beall	Dirksen	Mundt
Bennett	Dworshak	Prouty
Bridges	Goldwater	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Keating	Wiley
Cooper	Kuchel	

NOT VOTING—13

Byrd, Va.	McClellan	Sparkman
Capehart	McNamara	Yarborough
Chavez	Murray	Young, N. Dak.
Dodd	O'Mahoney	
Ellender	Russell	

So the resolution (S. Res. 130) was agreed to.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the resolution was adopted.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make all necessary clerical and technical changes in the resolution (S. Res. 130) expressing the sense of the Senate on an exchange of mortgages held by FNMA for Government bonds.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY CONSTRUCTION APPROPRIATIONS, 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8575, the military construction appropriation bill, so we will have some pending business. We will not discuss it until tomorrow.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8575) making appropriations for military construction for the fiscal year 1960, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, after the morning hour tomorrow, we will proceed to the consideration of this bill.

RACE RIOT IN BOSTON, MASS.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate an article appearing in the Washington Post and Times Herald this morning regarding a race riot which occurred in Boston, Mass. The article, which is entitled "Nine in Boston Brawl Get Jail Terms," states that this race riot involved rival gangs of whites and Negroes, and 16 of these people were held for court. This, according to other reports, was the third such race riot in Boston in 3 nights.

The Washington Post and Times Herald, which carried tremendous headlines over the Little Rock incident, has given the Boston race riot incident one of the smallest possible headlines in one of the most insignificant positions in the paper. Had this been a race riot in some southern city, the Washington Post and Times Herald would have made an eight-column front-page streamer out of the article, and would probably have swarmed its reporters down into whatever southern city was involved to get firsthand stories of terror and prejudice, and so on. But because this occurred in Boston, one of the large cities of the North where integration has been forced upon the people, they are content with the short, concise report of the Associated Press.

Mr. President, I ask unanimous consent that this article be printed in the body of the RECORD, together with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NINE IN BOSTON BRAWL GET JAIL TERMS

BOSTON, August 19.—Jail sentences were imposed today upon nine youths arrested last night as rival gangs of whites and Negroes squared off for a street battle. Weapons included sticks, fence pickets, broomsticks, boards with nails and sidewalk bricks.

Police said the Negro gang fled as 30 officers moved in with drawn guns. They broke windows in a Polish-American citizens club, slashed tires and damaged hoods on a dozen automobiles.

Detectives said none arrested could be persuaded to explain their motives.

Last night's disturbance, in an 8-block area of the racially mixed Roxbury district, was the third outbreak in as many nights. Twenty-six youths were taken into custody and 16, all Negroes, were held for court.

Judge Thomas J. Spring imposed a 9-month sentence on Sheridan Brewer, 18, and 3-month sentences on eight others. Seven juveniles, 13 to 16, were remanded to custody of the Massachusetts Youth Service Board.

All pleaded innocent and later appealed their sentences.

ONE THOUSAND NEGROES HALT ARREST OF PURSE SNATCHER IN ST. LOUIS, MO.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate an article from the News and Courier of Charleston, S.C., of August 18, 1959, entitled "One Thousand Negroes Halt Arrest of Purse Snatcher."

This is an Associated Press dispatch relating how an unruly mob of 1,000 Negroes surrounded 2 white police officers to prevent their arresting the purse snatcher.

I would like to quote from this article:

The thief escaped when members of the mob, screaming and cursing, surrounded the officers.

Mr. President, it is regretful that this incident occurred, but this is what can be expected to happen in any city in the United States where integration is forced upon people. I particularly bring to the attention of the Senate this mob violence, this racial unrest, since it occurs in St. Louis, Mo., the native city of the distinguished senior Senator from Missouri, who is chairman of the Constitutional Rights Subcommittee of the Senate, and who has announced his intention of pressing one of the worst civil rights bill to be presented in the history of the Senate.

I hope the senior Senator from Missouri will reconsider his plans and devote his tremendous energies and brilliant abilities toward solving the problems of cities such as St. Louis, where integration has been forced on people, rather than to continue directing these energies and abilities toward promoting similar troubles upon other areas of the Nation which do not want such problems.

Mr. President, I ask that this article be printed in the body of the RECORD immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE THOUSAND NEGROES HALT ARREST OF PURSE SNATCHER

ST. LOUIS.—An unruly mob of 1,000 Negroes surrounded 2 white plainclothes officers chasing a Negro purse snatcher Monday night. They dispersed only after the arrival of reinforcements armed with riot guns and accompanied by trained but vicious dogs.

The thief escaped when members of the mob, screaming and cursing, surrounded the officers.

Three snarling, barking dogs of the police department's canine corps—restrained on leashes—were used to force back the crowd when some 20 uniformed reinforcements arrived.

A shout arose from the milling crowd: "There are the dogs."

Some of the Negroes stumbled over each other in their haste to get away. No shots were fired during the disturbance. The two officers were roughed up, but otherwise uninjured.

Police Chief Jeremiah O'Connell said it was the third time in a month that St. Louis policemen have been forced to deal with an angry crowd of Negroes. One white officer was stabbed 10 days ago when a group of 25 Negroes gathered as he was arresting a Negro man for being drunk.

Patrolmen Richard Jones and Donald Strate chased the thief into the predominantly Negro Igoe and Pruitt public housing developments. He had snatched a purse from a woman passenger on a bus the officers were riding in an effort to solve a recent series of bus holdups.

Mr. JOHNSTON of South Carolina. Mr. President, I personally believe the Communists in this country have received orders from the Kremlin to instigate mob violence, insurrection, and to create disturbances all across the United States between races. Of course, they could not do this in the South, where we practice segregation, and where whites and Negroes live peacefully together. They can only promote this disorder and violence in the large northern cities where people have been forced to integrate against their will.

Be that as it may, I believe the plans of the Communists are to increasingly bring about tension and climax their campaign of hate with a terrible race riot to coincide with the visit of the Russian Premier to this country. For this reason, it is obviously necessary for responsible Members of the U.S. Senate to see that no more civil rights legislation is enacted, which would only foster more hatred and give Communists more opportunity to stir up racial disorder at this time.

RESUMPTION OF NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to insert into the RECORD resolutions on disarmament and arms control, adopted by the General Assembly of the United Nations at its 13th session in 1958.

One of these resolutions, which the United States introduced and which the United States voted for, along with a large majority of the U.N., "urges parties involved in the test ban negotiations not to undertake further testing of nuclear weapons while these negotiations are in progress." If the United States resumes its tests of nuclear weapons before the outcome of the Geneva Test Ban Conference is known, the United States will be deliberately ignoring a resolution of the United Nations, a resolution, may I emphasize, that we introduced and that we voted for.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

GENERAL ASSEMBLY'S RESOLUTIONS ON DISARMAMENT

RESOLUTION A

The General Assembly:

Reaffirming the continuing interest and responsibility of the United Nations in the field of disarmament, which have found expression in the Charter of the United Nations and in previous resolutions of the General Assembly;

Welcoming the agreement which has been achieved in the Conference of Experts To Study the Possibility of Detecting Violations of a Possible Agreement on the Suspension of Nuclear Tests;

Noting that negotiations on the suspension of nuclear weapons tests and on the actual establishment of an international control system on the basis of the report of the Conference of Experts began on October 31, 1959;

Noting further that qualified persons are expected to meet soon to study the technical aspects of measures against the possibility of surprise attack;

Recognizing that these developments are encouraging steps in the direction of progressive openness of information concerning technologies and armaments, which may assist in promoting the fundamental aims of the United Nations in the field of disarmament.

I

1. Urges that in the negotiations between states that have tested nuclear weapons the parties make every effort to reach early agreement on the suspension of nuclear weapons tests under effective international control;

2. Urges the parties involved in these negotiations not to undertake further testing of nuclear weapons while these negotiations are in progress;

II

3. Calls attention to the importance and urgency of achieving the widest possible measure of agreement in the forthcoming study of the technical aspects of measures against the possibility of surprise attack;

III

4. Expresses determination that the trend of the recent encouraging initiatives, including the technical approach, should continue with a view to contributing to a balanced and effectively controlled worldwide system of disarmament;

IV

5. Invites the conferences on nuclear weapons tests and on surprise attack to avail themselves of the assistance and services of the Secretary General and requests them to keep the United Nations informed;

6. Invites the Secretary General, in consultation with the governments concerned, to render whatever advice and assistance may seem appropriate to facilitate current developments or any further initiatives related to problems of disarmament;

7. Requests that the records of the meetings of the first committee at which various aspects of disarmament were discussed be transmitted by the Secretary General to the participants in the conferences on nuclear weapons tests and on surprise attack;

V

8. Reiterates to the states concerned the invitation, made in General Assembly Resolution 1148 (XII) of November 14, 1957, to devote, out of the funds made available as a result of disarmament, as and when sufficient progress is made, additional resources to the improvement of living conditions throughout the world and especially in the less developed countries.

RESOLUTION B

The General Assembly:

Welcoming the report of the Conference of Experts To Study the Possibility of Detecting Violations of a Possible Agreement on the Suspension of Nuclear Tests.

Welcoming further the decision of the states which have tested nuclear weapons to meet in a conference at Geneva, commencing October 31, 1958, concerning the question of nuclear weapons tests,

1. Expresses the hope that the Conference will be successful and lead to an agreement acceptable to all;

2. Requests the parties concerned to report to the General Assembly the agreement that may be the result of their negotiations;

3. Requests the Secretary General to render such assistance and provide such services as may be asked for by the Conference commencing at Geneva on October 31, 1958.

RESOLUTION C

The General Assembly:

Noting the agreement among certain states to meet to study the technical aspects of measures against the possibility of surprise attack,

1. Expresses the hope that the widest possible measure of agreement will be achieved in the forthcoming study;

2. Requests the Secretary General to render such assistance and provide such services as may be asked for and required by this Conference;

3. Requests the states participating in the study to inform the United Nations of the progress achieved.

RESOLUTION D

The General Assembly:

Having regard to the universal desire for the establishment of genuinely peaceful conditions in the world and therefore for taking steps to avoid the destruction that would result from a major armed conflict,

Reaffirming the responsibility of the United Nations for seeking a solution of the disarmament problem,

Expressing its determination that all members of the United Nations should be in a position to contribute to a solution of this problem on a continuing basis,

1. Decides that the Disarmament Commission shall, for 1959 and on an ad hoc basis, be composed of all the members of the United Nations;

2. Transmits to the Disarmament Commission all the documents, proposals, and records of discussions relating to disarmament at the 13th session of the General Assembly;

3. Requests the Disarmament Commission to convene as appropriate and to submit to the Security Council and to the General Assembly, at a special session if necessary, constructive proposals and recommendations in the field of disarmament;

4. Decides that the first meeting of the Disarmament Commission shall be convened by the Secretary General after consultation with the member states and that the Commission, having begun its activities under rule 162 of the rules of procedure of the General Assembly and taking that rule into account, shall adopt its own rules of procedure.

INTEREST RATES AND CREDIT

Mr. HUMPHREY. Mr. President, in recent weeks I have been receiving more and more mail from constituents complaining about increasing interest rates and the growing lack of credit. Each day in the paper we seem to see new evidence of the serious consequences of the administration's tight money policy.

In the Wall Street Journal of August 19, there appear two such articles. One is a front page story entitled "Credit Squeeze: Home, Auto Loans Are Harder To Get—Many Lenders Lift Charges." This article goes on to say that not only is it becoming increasingly difficult to borrow money to build a house or to buy a car, or even to obtain a loan to pay your past-due bills, but the cost of such loans is moving upward.

I invite the Senate's attention to one particular quote in this excellent article from a vice president of a savings and loan association in Chicago. He said that in his 20 years with the loan association "the money situation is tighter right now than at any time I know of."

What is disturbing to me, Mr. President, is that although interest rates are now at the highest point since the early thirties, there is every indication that they will soar even higher.

I ask unanimous consent that this article to which I have referred and another article from the same issue of the Wall Street Journal, noting that commercial paper rates moved up one-eighth point, be inserted in the RECORD at the conclusion of my remarks.

I intend to continue inserting in the RECORD from time to time articles such as these telling of the results of the tight money policy and the effects of such policy on the average American. Not only is tight money raising the cost of living but it is jeopardizing the economic growth and development of the country which is so necessary at this crucial time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Minnesota to insert articles in the RECORD?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 19, 1959]

CREDIT SQUEEZE: HOME, AUTO LOANS ARE HARDER TO GET—MANY LENDERS LIFT CHARGES—BANKS, OTHERS CHECK CLOSER ON BORROWERS, BOOST RATES ON ADVANCES TO RETAILERS—A CAUSE: SAVINGS SLOWDOWN

If you're planning to borrow money to build a house, buy a car, or merely to pay an old doctor bill, chances are you will find the loan a little harder to get—and in some cases a bit more expensive—than you would have 2 or 3 months ago. If you wait a few months, loans are likely to be even less freely available and more costly.

Those are the conclusions that emerge from a Wall Street Journal 15-city survey of banks, life insurance companies, savings and loan associations, finance companies, and others who extend credit to consumers. Among the survey's more specific findings:

Mortgage loan interest rates, which have climbed briskly in recent months, seem headed higher still. And lenders increasingly are insisting on bigger downpayments and checking more closely on borrowers' ability to repay.

Charges on loans to buy autos, appliances, and other consumer goods so far show few changes. But some lenders and retailers, who themselves are finding funds both more expensive and less available than they were earlier this year, are talking of passing on these higher costs to consumers. And, like mortgage lenders, they're generally taking a harder look at borrowers.

But it's an ill wind that blows nobody good: With demands for funds so heavy, banks and savings and loan associations are continuing to boost rewards offered savers.

MORTGAGE RATES RISE

Evidence of higher mortgage loan interest rates is widespread.

"Demand is high and money is tight, so the trend of rates is up," says Edmond Dagnino, president of Boston Federal Savings & Loan Association. Boston Federal now is making conventional loans—those not underwritten by either the Federal Housing Administration or the Veterans' Administration—at 5¼ to 5½ percent, compared with 5 to 5¼ percent 2 months ago.

"We raised our rate on top-grade conventional loans from 5½ to 5¾ percent on June 8 and increased it to 6 percent on July 27," says V. S. Kiskadden, vice president in charge of lending for Talman Federal Savings & Loan Association of Chicago. "I've been with Talman for 20 years and the money situation is tighter right now than at any time I know of."

"The bulk of our home loans is going for 5½ percent," reports an official of Equitable Life Assurance Society of the United States in San Francisco, adding that this represents an increase of one-quarter of a point in the past few months.

Several facors underlie the higher rate trend, but they all boil down to this: The demand for mortgage funds is outstripping the supply. Savings generally are flowing into savings institutions, which make the bulk of home loans, at a somewhat slower pace than a year ago. Demand for mortgage loans, on the other hand, is running well ahead of the 1958 pace. To try to step up the inflow of savings, banks and savings and loan associations are offering higher yields to savers; this boosts their costs, encouraging increases in mortgage interest rates.

Savings and loan associations invest 80 percent or more of their funds in home loans and thus are concerned almost entirely with the mortgage market. With banks and insurance companies, another factor plays a major role: Competition from other investments. These institutions are big buyers of Treasury securities and heavy lenders to corporations—and both types of credit have been in growing demand.

CONTRIBUTING TO TIGHTER MONEY

Business has been stepping up borrowing to finance expanding operations amid growing economic recovery; the Treasury has had to borrow more to finance its deficit. Rising business and Government loan demand is an even more important cause of tighter money than the savings slowdown. This heavy demand has tended to push up interest rates not only on Treasury securities and corporate loans, but on mortgages as well.

Businessmen and the Treasury, while contributing greatly to the tighter money trend, have been feeling its impact on their operations. This pressure led the Treasury to ask Congress for permission to pay higher interest rates on its bonds, a request that was rejected, for this year at least, by the House Ways and Means Committee yesterday.

Businessmen, who have been paying higher interest charges both on bank loans and on bond-market borrowing, seem likely to face still higher rates if the steel strike ends before long. Some New York bankers say it's chiefly the strike that's barring another increase in the "prime" rate, the fee charged the biggest borrowers with the best credit ratings. The strike is limiting inventory borrowing and clouding the outlook for business. The prime rate was boosted in May from 4 percent to the current 4½ percent.

The growing selectivty of mortgage lenders assumes several forms.

"We're picking and choosing our loan customers more than we were a few months ago," says Donald W. Mitchell, vice president of San Francisco Federal Savings & Loan Association. He explains the association is screening out the least desirable loan applications and checking more carefully on the location of loan properties. "In general," he says, "we've got a higher class of business that we had last year."

"When we raised our minimum conventional mortgage rate to 6.6 percent from 6 percent on August 6, we cut out loans on multiple dwellings," says Moseley Jones, president of Pacific Savings & Loan Association of Los Angeles. "There's too much risk in such loans," he claims.

Many lenders confirm that new loan restrictions—and higher rates—may be in the offing.

"We are swamped with loan applications from brokers and builders we haven't done business with before or haven't heard from for 5 or 10 years," says Mr. Kiskadden of Chicago's Talman Federal. "We've been loaning up to 80 percent of the property value, but if demand keeps up, we will have to lower the limit to 70 percent or even 65 percent."

"I wouldn't be surprised to see our interest rate go higher," says an official of a Denver savings and loan association which boosted its conventional mortgage lending rates in June from a range of 5½ to 6¼ percent to a range of 5¾ to 6½ percent. "The trend is definitely upward."

What of mortgages insured by FHA or VA? Many lenders would prefer to have nothing to do with them. The maximum rate on VA loans is fixed by the Government at 4¾ percent; the FHA top is 5¼ percent. Both rates are below those lenders generally can get on other types of loans. Where lenders will make Government-underwritten loans, they're insisting on "discounts." Here's how the discounts work:

Suppose a borrower wants a $10,000 VA loan. The lender may agree to make a loan, but may advance the borrower only $9,500, that's a discount of five "points," in mortgage loan terminology. The borrower agrees to repay the full $10,000, plus interest, over the term of the loan, so the lender's actual return on the $9,500 he advanced is well above the Government-fixed 4¾ percent.

VA and FHA discounts, like conventional mortgage interest rates, vary widely around the nation, depending on the supply of and the demand for money in local areas. The Denver savings and loan official says VA and FHA discounts in his area vary from 5½ to 8 points, compared with 4½ to 6½ points 3 months ago. In Boston, where money is relatively more plentiful, the discounts are about one point, but even there such loans are far from popular.

"They're not attractive enough for us," sums up an official of Boston's First Federal Savings & Loan Association. "We're getting offerings from California and other States to lend at 6 percent, so why should we do business at the Government-fixed rates?"

AUTO AND APPLIANCE LOANS

The situation in auto, appliance and other consumer loans is more complex than the mortgage loan picture. Take commercial banks. Consumer loans generally represent a relatively small part of their total loan portfolios, so the supply of money seldom is a problem. But the costs of operating consumer loan departments—the cost of money along with salaries and other factors—has been climbing, and some banks indicate an eagerness to pass on some of these increased costs to borrowers.

In New York City, commercial banks generally charge a minimum of $3.75—discounted in advance—on a $100, 1-year consumer loan. Since such loans are repaid in monthly installments, the borrower has the use of the full amount only briefly. So his actual interest rate on the average amount outstanding on the loan over the course of the year is more than 7 percent. Some New York bankers have been saying this minimum rate may be increased before long.

Installment finance companies, which specialize in auto loans and compete briskly with the banks for this business, are more affected by the rising cost of funds, because they borrow much of their money from banks or in the open market—and have been paying more both places. But competition in most cases has up to now led them to avoid boosts on rates charged consumers. Both banks and installment finance companies are passing on some of the higher money costs, however, by raising charges on loans to auto dealers and other retailers.

"In view of the trend toward higher interest rates, which increases the cost of new borrowings, we have made some upward adjustments in our charges and are continuing to review our current rate structures," says Arthur O. Dietz, president of New York's CIT Financial Corp., one of the biggest installment finance firms. CIT, along with General Motors Acceptance Corp., Commercial Credit Co., Associates Investment Co., and Pacific Finance Corp., in late June and early July, raised the rate they charge auto dealers on loans to finance inventories to 5 percent from 4½ percent.

IMPACT ON DEALERS

Banks have made similar increases. What effect is this having on auto dealers? "We've had to absorb the increase in most cases," says a St. Louis auto dealer. "The competition is just too tough. Each deal stands on its own feet and passing on such charges depends on the customer and the circumstances of each deal."

Other retailers also are generally absorbing the higher costs on money they borrow from banks to finance inventories and the extension of credit to customers. Here and there, however, some retailers are pushing up rates a bit, and others seem likely to follow if interest rates generally continue to trend upward. Bill Ardiss, credit manager of Harold Kelley's Appliances of Portland, Oreg., for example, says his company recently raised rates slightly on transactions over $300 and found no consumer resistance.

Consumer finance companies, which specialize in making small loans for debt consolidation, vacations, taxes, and a wide variety of other purposes, in most cases can do nothing on their own about raising charges to borrowers; their maximum rates are fixed by State law and most companies are at the legal ceilings. In most cases where such companies are pushing for State law changes, they're seeking to boost ceilings on maximum amounts they can lend, rather than maximum rates.

One reason for this tack is a highly practical one: It's more likely to succeed. Maximum rates on consumer finance loans range up to 42 percent. Although the finance firms argue these rates are fully justified by the high costs involved in making large numbers of very small loans, it's hard to convince legislators that such rate ceilings should be lifted.

EASES THE SQUEEZE

Boosting the maximum size of consumer finance loans would ease the squeeze on the finance firms, they say, by increasing the average size of their loans. It costs no more to handle the paperwork on a $1,000 loan than on a $10 loan, so the potential profit on the bigger loan is much greater.

The consumer finance companies in Pennsylvania are trying to raise the loan limit to $800 from $600. In New Jersey, where the ceiling is $500, they're also seeking an $800 limit. And in Maryland, where the present top is $300, the lenders would like to raise the limit to $1,000.

Most consumer lenders, whatever their plans on charges to consumers, are becoming more selective in extending credit. And they're being joined by some retailers. The latter, however, in most cases still are pushing credit hard as a sales tool and are less inclined to tighten up.

"Our six offices are actually in the red for this year for the first time in the 25 years we've been operating," says J. Owen Eubank, secretary-treasurer and general manager of Florida Loan Service, who also is mayor of Daytona Beach. "If we could raise our volume a little we could break even. But we have to be more careful on loans because we can't afford the expense of delinquencies or nonpayment." In an effort to boost volume without also raising delinquencies, Florida Loan is stepping up solicitation of its present customers who are paying off on time.

HE'S ELIMINATED

"We don't want the slow-paying man at all any more," says Ben McCroskey, manager of Doug Gerow Finance, of Portland. "He's eliminated."

John McDowell, senior vice president of Philadelphia National Bank, says his bank is getting more selective on loans to consumers, watching such things as length of residence and job stability to eliminate job hoppers.

If a consumer is saving money instead of borrowing it, of course, he's benefiting from tighter money. Many banks and savings and loan associations boosted rates on July 1; Jacksonville savings and loan associations, for example, generally moved to 4 percent from 3½ percent on that date.

In New York, the State banking board recently set a limit of 3½ percent on rates that can be paid by mutual savings banks in the State but said such banks could pay an extra one-quarter of 1 percent special dividend beginning next January 1 on savings which have been on deposit for at least 2 years. Most New York City mutual savings banks now pay 3¼ percent and had notified the board they planned to go to 3½ percent for the final quarter of this year.

[From the Wall Street Journal, Aug. 19, 1959]

DEALERS INCREASE COMMERCIAL PAPER RATES ONE-EIGHTH POINT—BANKERS' ACCEPTANCE RATES ALSO UP FOLLOWING RISE IN TREASURY BILL YIELDS—THREE DEALERS HOLD LINE

NEW YORK.—Some short-term money rates moved up by one-eighth percentage point yesterday, in the wake of a rise in Treasury bill yields.

Commercial paper dealers boosted their rates one-eighth point, erasing a reduction of that amount on this type of open-market paper which took effect July 31.

Two dealers in bankers' acceptances also raised their rates by one-eighth point, but three others made no immediate change.

The new scale on so-called open-market commercial paper ranges from 4 percent on 4- to 6-month notes of leading industrial concerns to 4½ percent on those of lesser known companies and smaller sales finance firms.

Higher rates on bankers' acceptances, put into effect by Briggs, Schaedle & Co., Inc., and Salomon Bros. & Hutzler, are: For bills maturing in 30 to 90 days, 3¾ percent bid, 3⅝ percent offered; 91 to 120 days, 3⅞ percent bid, 3¾ percent offered; 121 to 180 days, 4 percent bid, 3⅞ percent offered.

Other bankers' acceptance dealers, including First Boston Corp., Discount Corp. of New York, and M. & T. Discount Corp., said they were leaving their rates unchanged for the time being.

Before the one-eighth-point cut in the open-market commercial paper rate at the end of July, there had been six successive one-eighth-point increases since early March. The new increase in the bankers' acceptance scale was the sixth one-eighth-point rise on that class of paper in a row since mid-April, the latest of which came July 14.

Both of these forms of short-term paper are competitive in the money market with U.S. Treasury bills, and the fluctuations of those bill yields tend to influence other short-term rates. In Monday's Treasury auction, the weekly issue of 91-day bills sold at a price equivalent to an average yield of 3.417 percent, up from a week-earlier figure of 3.150 percent. That was the highest level reached in the Treasury's short-term borrowing costs since early November 1957.

Commercial paper is the money market term for two types of short-term borrowings, largely for seasonal needs. One type—the kind on which rates were raised yesterday—is so-called open-market paper, sold by dealers for industrial "names" and smaller sales finance companies, usually to banks outside New York City.

The other type, on which there is no new rate change, consists of notes of large sales finance companies, which these firms sell directly to investors, often other corporations.

Bankers' acceptances generally are bills to finance the export, import and domestic storage or shipment of goods. A bank lends money in return for a note which it accepts, thus placing its credit behind that of the borrower. These bills then can be sold through dealers in the open market.

YOUTH CONSERVATION

Mr. HUMPHREY. Mr. President, I know that my colleagues who joined me in passing the Youth Conservation Corps bill last week, will be pleased to note the enthusiastic editorial comments which have greeted this constructive action by the Senate.

For example, in today's Washington Post three separate editorial comments support the Youth Conservation Corps.

An article entitled "Youthful Misfits Stalk the Streets," by Malvina Lindsay, is a most closely reasoned and persuasive documentation pointing out the obvious benefits in the field of juvenile delinquency prevention contained in this legislation.

An editorial entitled "Youth and the Land," emphasizes the value of this legislation not only to the young men who would serve in the corps but also to our natural resources.

Finally, Drew Pearson, in his column of this morning, points out the splendid leadership given to the passage of the bill by my esteemed and distinguished colleague from West Virginia, Senator JENNINGS RANDOLPH, without whose untiring efforts and inspiration, it would have been impossible to secure passage of S. 812.

Mr. President, I ask unanimous consent to have entered at this point in the RECORD the three articles or editorial comments to which I have just referred.

There being no objection, the articles or editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 20, 1959]

YOUTHFUL MISFITS STALK THE STREETS

(By Malvina Lindsay)

Today's robberies and assaults by adolescents on the loose make a trip down the block after dark sometimes as perilous as a medieval journey.

Cities throughout the country, but particularly on the Eastern seaboard, have increasing numbers of idle, unschooled, untrained fifth-wheel teenagers looking for easy money and escape from boredom. They are in part a backwash of the technological age and the mass migration to cities.

Washington, where about 2,000 youth under 21 are neither working nor in school, is particularly handicapped in dealing with this problem. It has a deficiency of unskilled jobs, yet a high migration of unskilled people with meager education.

Children of these families are often school dropouts at 16. They are unprepared to get and hold jobs. They leave school before vocational guidance—generally restricted to high schools—can reach them.

Better police protection, also the social rehabilitation programs the District sponsors, are the most immediate steps that can be taken to handle this situation. One longer range measure that may help prepare such juveniles for the world they will face is the experimental introduction of the four-track system of instruction into elementary schools this fall. This system has reduced tensions and disciplinary problems in the high schools. If elementary schools were better geared to offer programs to all children according to the potentials of each, those who do not go on to high school might make better adjustment in the workaday world.

A national measure to prevent increase of the army of idle youth has been passed by the Senate but faces administration opposition. This is a bill sponsored by Senator HUBERT H. HUMPHREY to establish a Youth Conservation Corps to work on public conservation projects. Health and educational programs for the enrollees would prepare them to be useful when they left the corps.

Opponents of this bill say it is costly and that it is not needed now that employment is picking up. Yet, no matter how much prosperity returns, this country, and much of the world, will continue to have large numbers of hard-to-place youngsters—the flotsam of a mobile industrial age. While few of these can be fitted for skilled labor, many can be prepared for efficient roles in the semiskilled and unskilled labor force.

Some projects in this field, sponsored by the U.S. Employment Service, have shown encouraging results. In the most recent one, in Philadelphia, two additional counselors were assigned to an area of great poverty and instability. Fifty percent of the youth for whom job placement was sought had low IQ's. Some had juvenile court and reform school records. All had multiple social problems.

Yet in the first year 117 out of 434 hard-to-place youths were put in jobs—after receiving counseling. That is regarded as a high percentage. Most of those placed have held their jobs. Followup letters from them reveal their emotional deprivation. Echoing through the letters are such expressions as "everyone here is nice to me." "I have nice people to work with." "It is a nice place to work." "The machines are nice." "I am treated nice."

Workers in these projects believe most hard-to-place young people desperately want jobs and the status jobs bring. What they especially need is job-readiness training—the development of responsible work habits. Some cities have workshops to provide this. Some schools have work transition programs.

More jobs will not alone free the streets of youthful loiterers and purse snatchers. Many complex factors are involved in juvenile crime. Yet for all the talk of getting at the roots of these, delinquency legislation has been at a standstill in Congress. Proponents of the Elliott-Hill-Clark bill, which is the simplest of the measures before Congress, and which provides for grants for delinquency study projects, believe it has some chance at this session.

Unless more economic and social action is taken to prevent delinquency in the bumper crops of teenagers ahead, cities may expect their streets to become ever more like those of the London of Dickens "Oliver Twist."

[From the Washington Post, Aug. 20, 1959]

YOUTH AND THE LAND

The plan approved by the Senate to establish a Youth Conservation Corps similar to the depression-born Civilian Conservation Corps deserves to be judged in broader terms than its opponents, including the President, have apparently employed so far. Their objections to the cost of the venture need to be considered, of course, but we cannot for a moment believe that the expense would be anything like the astronomical scare figures cited by Senate Republicans. Indeed, is it not possible that the plan would result in some real—if not bookkeeping—economies?

The proposal is to enlist volunteer boys from 16 to 21 years of age for work in the national parks, forests, and wildlife refuges at basic pay of $60 a month. "Make work" ought, of course, to be avoided—but considering the enormous public land holdings and the growing public demands upon national park facilities this ought not to be difficult. An efficiently administered program should increase the value of the parks and refuges in a most economical way, at the same time affording exceptional opportunities for young men to learn useful skills and to round out their own mental and physical development in a wholesome atmosphere. We think the plan could be a happy blending of two of the country's greatest assets—its land and its youth—and that the measure ought to be enacted.

[From the Washington Post, Aug. 20, 1959]

YOUTH CORPS REVIVAL

(By Drew Pearson)

Two Senators who came to Washington during the first year of the New Deal, 26 years ago, lined up last week on opposite sides of the same measure for which they both voted as freshmen Congressmen.

They are: Senator EVERETT DIRKSEN, of Illinois, now Republican leader of the Senate, and Senator JENNINGS RANDOLPH, West Virginia Democrat. The question on which they once agreed, now differed, was youth conservation camps.

RANDOLPH, more than any other Senator, is given credit for piloting the youth conservation bill through the Senate by a narrow 47 to 45. Senator HUBERT HUMPHREY, of Minnesota, introduced the bill with RANDOLPH among the cosponsors, and battled for its passage. But when it come to the legislative footwork, he gives credit to the Senator from West Virginia for getting a favorable vote.

RANDOLPH quietly went from Senator to Senator making sure he had the margin to win. He knew it would be close. Almost every Republican was lined up against the bill, which provided for a revival of Roosevelt's Civilian Conservation Corps to get youngsters off city streets and at the same time preserve natural resources. But Republicans claimed it increased the budget.

DIRKSEN, the Republican leader told RANDOLPH: "Your bill is a dead duck. We've got the votes to beat it."

"You and I voted for the old CCC bill when we first came to Congress under the New Deal," RANDOLPH argued, "I'm sorry that after a quarter of a century you can't do so again."

"I've learned some things in the interim," DIRKSEN replied.

"But in 1937," RANDOLPH reminded him, "you voted for the CCC camps again. This is propeople legislation which deserves your support."

DIRKSEN remained unmoved, was confident he had the votes to block his old colleague. But when the votes were counted, the Senator from West Virginia had outmaneuvered the veteran Republican leader from Illinois.

BACKGROUND STATISTICS BEARING ON THE STEEL DISPUTE

Mr. KEFAUVER. Mr. President, yesterday Secretary of Labor Mitchell issued a report "Background Statistics Bearing on the Steel Dispute." At the time I complimented the Secretary for having issued the report, which contains many useful pieces of information. I also noted that the report contained three principal deficiencies which I said I would discuss in the near future.

One of these deficiencies concerns the treatment of the productivity issue. It is to this matter that my remarks of today are addressed. The importance of sound and reliable information on the rate of productivity change can hardly be overstressed. Fundamentally, it is the persistent advance in productivity that gives rise to the problem now plaguing us in the steel industry—one which will increasingly confront us in other industries in years to come. This is the problem of how to effect an equitable distribution of productivity gains made possible by scientific progress in noncompetitive industries. Both labor and management lay claim to these gains. But the consumer also has a rightful claim to at least part of the benefits made possible by technological progress. In competitive industries the function of distributing the gains is solved automatically by the free play of competitive forces. But where there is no price competition, as in the steel industry, the

dividing up of the gains is likely to be resolved as a compromise between two great organized groups—big business and organized labor—with the consumer occupying the unhappy role of the forgotten man. How to achieve an orderly and equitable method of distributing these gains in such a way that the consumer will not be left out in the cold is a problem for which there is no existing public policy and one which the Congress must face up to in the not too distant future.

More than anything else, it is the rate of productivity advance which determines whether an industry, such as steel, can make a price reduction or grant a wage increase without requiring a price increase or reducing its profit level—which, in steel, seems highly satisfactory. The more rapid the increase in productivity, the greater will be the intensity of the struggle between labor and management to preempt the gains, and the greater the loss to the consumer if they are not translated, at least in part, into lower prices.

Mr. President, a succinct statement of the issues, which to a considerable extent represents my own thinking, appeared in the form of an editorial in today's Baltimore Sun, which I ask unanimous consent to have printed in the RECORD at the end of my remarks. I also ask unanimous consent to have printed at the conclusion of my remarks an editorial from the Washington Post and Times Herald of August 19, 1959.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. KEFAUVER. Mr. President, what facts does Secretary Mitchell have to present on this important issue of productivity? Of most interest to those concerned with the present steel dispute is the extent to which productivity has risen in the first half of this year. Here, the Secretary's presentation leaves much to be desired. From the way in which he has presented his findings, it is impossible to determine what in fact did happen in the first half of 1959. What he has done is to present his facts for prior years on a calendar year basis, but for 1959 on a fiscal year basis. Since the rate of productivity advance was relatively low in the recession year of 1958, the combining of the last half of 1958 with the first half of 1959 makes it impossible to compare this latest period against past years with similar operating rates.

Mr. President, in order that we can have a comparison of the first half of this year against past years I have had prepared a rough index of labor productivity based on data published by the American Iron and Steel Institute. This series differs from the more refined series of the Bureau of Labor Statistics in that it is what the statisticians refer to as an "unweighted" series, that is, the relative importance of the different steel products is not weighted by the amount of labor required to produce them. However, as I shall bring out later, its movements over a period of years correspond very closely to the weighted Bureau of Labor Statistics index.

According to this measure, between 1958 and the first 6 months of 1959, shipments of finished steel products per thousand man-hours increased 19.9 percent in terms of production and maintenance worker man-hours worked, and 26.4 percent in terms of all employee man-hours worked.

Of course, as Mr. Roger Blough and others have pointed out, changes in productivity between two periods of substantially different operating rates are not too significant since productivity itself varies with the level of operations. But even when the comparison is between two periods of relatively similar operating rates, the increase in productivity, as revealed by this measure, is substantial.

Thus the 6-month operating rate in 1959 of 87.8 percent of capacity is quite close to the 84.5 percent rate for the year 1957. Shipments per 1,000 production and maintenance hours worked, however, were 90.1 tons in the current period as compared with 76.8 tons in the earlier period. This represents a gain of 17.3 percent in less than 2 years. Or, in comparison with 1956 when the operating rate was slightly higher (89.8 percent), shipments per 1,000 man-hours rose from 75.7 tons to 90.1 tons. This is a gain of 19 percent in less than 3 years. With the first half of 1959 included the annual rate of increase is over 4 percent for any period beginning with 1951 or later.

Of course, with buyers eager to get on the order books before the steel strike, the mills were in an enviable position to pick and choose their orders in such a way as to result in the most economical and profitable use of their facilities. The argument might therefore be made that, at least to some extent, the apparent increase in productivity in the first half of the year was due to special circumstances not likely to be repeated in the near future. But these circumstances exist whenever the industry has enough orders to support operations at a high level of capacity, as was true in both 1956 and 1957. Moreover, the extent of the increase in the first half of this year was too great to be explained away by any possible special circumstances.

How does this index of shipments per 1,000 man-hours compare with the official Bureau of Labor Statistics index of productivity? With both expressed in terms of 1947 equaling 100, the two indexes have moved together 9 times out of 11. They were about the same for the first 3 years, showing increasingly sharp rises each year to 1950. From 1951 to 1953, they rose, and then both fell to 1954. The following year, they both showed major percentage gains, which put them back on rising trends. In 1956 they rose again. Divergences appear only twice, in 1951, when the BLS index rose slightly and the shipment index declined slightly. In 1957 the BLS index declined while the shipment index rose. In 1958 they declined together. In general, the pattern has thus been very similar. Also, the shipments index has consistently been below the BLS productivity index.

The increase in labor productivity reflected by these figures, plus the highly satisfactory profits for the first half of the year recently announced by the steel companies, strengthens my conclusion that the steel industry can well afford to make a price reduction and perhaps a modest increase in wages without impairing their ability to make what reasonable men would call reasonable profits.

The trend of labor productivity since 1947, as reflected by this shipments index, is shown in the attached table, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Shipments of finished steel per 1,000 man-hours worked in the steel industry, compared with operating rate, 1947–59

[1947=100]

Year	Production and maintenance workers		All employees		Operating rate (percent of capacity)
	Tons	Index	Tons	Index	
1947	59.57	100.0	50.23	100.0	93.0
1948	59.65	100.1	50.31	100.2	94.1
1949	61.08	102.5	50.35	100.2	81.1
1950	65.66	110.2	55.32	110.1	96.9
1951	64.83	108.8	54.59	108.7	100.9
1952	65.15	109.4	53.15	105.8	85.8
1953	66.60	111.8	55.46	110.4	94.9
1954	65.21	109.4	52.58	104.7	71.0
1955	74.16	124.4	61.30	122.0	93.0
1956	75.65	127.0	61.40	122.2	89.8
1957	76.77	128.9	61.94	123.3	84.5
1958	75.17	126.2	57.92	115.3	60.6
1959 [1]	90.10	151.3	73.24	145.8	87.8
Percentage increases:					
1958–59	19.9		26.4		
1957–59	17.4		18.2		
1956–59	19.1		19.3		

[1] 6-month average.

Source: Computed from data published by the American Iron & Steel Institute: Shipments, as reported for the entire industry on AIS forms 10 and 16; man-hour figures as reported on AIS form 1, adjusted upward by the coverage factor published by the institute; operating rate, percentage of ingot and casting capacity as reported on AIS form 7.

EXHIBIT 1

[From the Baltimore Sun, Aug. 20, 1959]

A PLAGUE ON BOTH

The information on the steel situation supplied by Secretary Mitchell illustrates the difference between factfinding and Fact Finding.

The latter (with capital letters) is a gag that dates back to the late thirties. A commission is appointed to make a Fact Finding Report on a labor dispute. It recommends a solution; and it garnishes its recommendations with some facts chosen to support its recommendations. In effect it substitutes a public solution for private bargaining.

Secretary Mitchell, on the other hand, has merely found facts—and offered them without recommendation. Today both labor and management will begin to pick and choose from his information those facts—and only those facts—which appear to support their particular self-interest.

The Sun papers are not supporting labor, and they are not supporting steel management. We speak for a third party, the general public, which is to say the consumer. What the facts show from the public's point of view, and taken all together, is that both labor and management in this

industry have been getting away with murder for the past decade and a half.

Taken together, these supposed antagonists—a monopolistic industry and a monopolistic union—have since the war staged a series of mock labor controversies each of which has had the effect of (a) pushing and keeping steel wages well above the industrial average, while (b) assuring an unbroken level of good profits for the steel industry, and (c) passing on the bill to the general public by way of price inflation.

This may not have been a conspiracy in the legal sense. But it has been a conspiracy in every other sense—a conspiracy by steel labor and steel management, in which the general public, which is to say the consumer, which is to say the United States of America, has been the innocent victim.

Secretary Mitchell's facts show this with great clarity. At no time since the war, and long before, has any part of the gains in productivity in the steel industry been passed on to the public in the form of reduced prices. In every one of the half-dozen negotiations since the war, a monopolistic union has held a pistol to the head of the industry—and a monopolistic industry has forked over knowing that, because it is a monopoly, it could pass on the cost of this hold-up to a helpless public in the form of inflationary increases in steel prices. Thus together steel labor and steel management have been one of the principal agents of our post-war inflation.

This informal conspiracy—for that is what it is, though both parties will deny it—has gone far enough. In this key industry, the public with its vital interest in halting inflation is entitled to wage stability and is entitled to share once in awhile in the fruits of improved productivity through lower prices.

Unless labor and industry find a way of achieving this end through free collective bargaining, the drive for the regulation of both wages and prices in such monopolistic industries will prove irresistible. Let both parties take warning—and take the public into account as they resume their bargaining.

[From the Washington Post, Aug. 19, 1959]

FACTS FOR A SETTLEMENT

President Eisenhower has read the public pulse accurately, we suspect, in asking Labor Secretary Mitchell to make public the fruits of his factfinding in the steel strike. There is growing impatience with the conflicting claims of management and labor in a debate which has been singularly unproductive of any areas of agreement on which a new wage contract might begin to be built. We hope that what Secretary Mitchell reports will at least serve to establish some accepted benchmarks on the central questions of productivity, wages, profits, and prices. Then there will be reason to hope that the confusion and exaggeration may give way to facts and reasonableness—both in the stalemated negotiations and in the public appraisal of the need, if any, for Government intervention of some sort.

At bottom the problem is, as Senator KEFAUVER has so ably summed it up, "how to bring about an equitable distribution of technological gains in noncompetitive industries." The emergence of a large segment of administered pricing in the country's free economy has created this problem, and it is probable that some novel answers must be found if the desirable and necessary sharing of the fruits of rising productivity in industries like steel is to come about. Insofar as we have been able to ascertain the facts in the controversy, we have felt that some reduction in steel prices as well as a modest wage improvement ought to be possible without sacrificing ample profits to sustain further capital improvements and reward investors.

Perhaps it is expecting the impossible, at this point, for the companies to contemplate seriously the $10- to $20-a-ton price reduction favored by many knowledgeable economists and industry observers. But would not such a move strongly reinforce the industry's claim that its first concern in the present conflict is to fight inflation? Would not the foregoing of some small measure of profits—which have risen from 8 to nearly 14 percent on invested capital in the past 5 years—insure for management both greater popular support and greater concessions by labor to the industry's proper demands for an end to certain wasteful labor practices? We believe this would surely be the result and that the strike might be brought to an early end if such a bold step were taken.

At the same time, would not labor enhance its public position by acknowledging more directly that the public claim on the economic benefits of technological progress is at least as great as labors? Could not the union expect to reap greater long-term rewards by trimming its demands at this point and joining in a real fight for price stabilization through a settlement that permitted an immediate price rollback? Again, we believe that such statesmanship on the part of the steelworkers would do more for labor's cause generally than anything else the unions conceivably could do in the present controversy.

Neither labor nor the steel companies have any need to prove their strength. Both sides know and the public also knows, that the industry can easily afford to ride out a strike of perhaps 3 months' duration. No one questions the ability of the steelworkers to tighten their belts and sustain the hardships of a protracted tie-up. But such an endurance test is something this country ought now to be mature enough to avoid. Let's have the Government's facts—and then let's have a rational settlement.

PROCEDURES UNDER UNANIMOUS-CONSENT AGREEMENTS

Mr. COTTON rose.

Mr. MORSE. Does the Senator from New Hampshire wish the floor in his own right? I was about ready to move that the Senate adjourn.

Mr. COTTON. The Senator from New Hampshire does desire the floor in his own right.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COTTON. What is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is House bill 8575, the military construction appropriation bill.

Mr. COTTON. I should like to propound a further inquiry, as to whether or not a unanimous-consent agreement has already been entered into by the Senate controlling the manner in which the pending business shall be disposed of.

The PRESIDING OFFICER. The Senator is correct.

Mr. COTTON. I should like to inquire if that unanimous-consent agreement contains a provision requiring germaneness for all amendments offered to the pending measure.

The PRESIDING OFFICER. The agreement does contain such a provision.

Mr. COTTON. Mr. President, I should like to have it appear in the RECORD that the Senator from New Hampshire is serving notice that he wishes the leadership to see that he is notified before any other unanimous-consent agreement is entered into, in order that he may have the opportunity to object if he sees fit to do so.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. COTTON. Certainly.

Mr. MORSE. I am very much interested in the comment which the Senator from New Hampshire has just made.

Would I be wrong in inferring that the Senator from New Hampshire is coming to feel, as the senior Senator from Oregon has felt for a long time, that we transact too much business in the U.S. Senate on the basis of unanimous-consent agreements limiting debate and fixing the time to vote?

Mr. COTTON. I am very willing, of course, to answer the question of the distinguished Senator from Oregon.

The Senator from New Hampshire, without any feeling of rancor whatsoever, has been impressed during the past few hours with the feeling that the rules of the Senate were designed to guarantee to minorities, no matter how small they may be, certain rights and privileges.

It seems to me that when we carelessly barter away the protection which the rules of the Senate have thrown around individual Senators and minorities, we are remiss in discharging our responsibility as Senators.

During the past few hours—and I shall not go into this subject at great length in the absence of the leadership—agreements have been made to conclude debate; questions have arisen about yielding the floor; and the situation has developed to the point where the Senator from New Hampshire feels that we should be much more careful in the future than in the past in agreeing to relinquish the protections, the privileges, and the responsibilities placed upon us by the rules of the Senate, which may not be perfect, but which have been built up through the years for the purpose of preserving, in this body, at least, individual rights of Senators and Representatives of States.

The Senator from New Hampshire has not made up his mind that he will necessarily object to all such agreements in the future. However, he feels inclined to start by objecting to the agreement respecting germaneness of amendments, not because he has any idea of offering any frivolous or prejudicial amendments but because situations do arise in which it is very easy for a presiding officer, sincere and fair though he may be, to take a Senator from the floor, or to rule against him on amendments which are questionable. The Senator from New Hampshire is beginning to feel that it would be wise not to relinquish the protection of the rules of the Senate.

Does that answer the Senator's question?

Mr. MORSE. The Senator has answered my question with his usual clarity, which I have always admired.

This is too late an hour to discuss this subject adequately. It ought to be discussed with the leadership present. If we are to have a common practice of transacting the business of the Senate almost entirely by unanimous-consent agreements—which has pretty much come to be the practice—I do not know of any leader I would rather have administer that practice than our present majority leader. So my views on this question are quite impersonal. They bear no relation to the personality of any majority leader; but I will say to the Senator from New Hampshire that I suspect the Senator from Oregon has probably studied the history of unanimous-consent agreements in the Senate during the history of the Senate as much as has any other Member of this body.

In recent years we have followed a course of action with regard to unanimous-consent agreements which I think has been very unfortunate. I should like to see the Senate go back to the historic use of unanimous-consent agreements on debate limitations, which was to use them on rare occasions, rather than as a matter of common practice.

I agree with the Senator from New Hampshire that they are pregnant with many limitations upon the parliamentary rights of Members. I think they tend to destroy the deliberative purposes of the body.

Let me say to the Senator that if he has not made up his mind as to what his policy course of action will be, I want him to know that if he decides to object as a matter of policy, he will be subjected to a considerable amount of criticism and unkind reactions.

I believe that the policy which the Senator from New Hampshire is suggesting would be most effective. It would require only 10 of us to say, "We ain't goin' to do it no more," except on rare occasions. If we did that, we would perform a great service to the Senate.

I think we should go back to the historic practice of full debate in the Senate, without so many unanimous-consent agreements. But I feel that we should also change some of the procedures of the Senate.

We could not operate a kindergarten under the procedures followed in the Senate. We could not operate a business under the procedures followed in the Senate. We talk about waste of the taxpayers' money. Take a look at the procedure followed in the Senate, and try to add up those wastes on a ledger sheet, and see what they amount to. We cannot do it at the tail end of the session. We cannot do it at 10 minutes to 11 at night on the floor of the Senate.

But, come next January, I should be very much interested in sitting down with the Senator from New Hampshire and other Senators who might wish to join us on a nonpartisan basis, to give some consideration to what should be done to improve the rules of the Senate, including what we should do as a matter of policy with regard to unanimous-consent agreements.

Mr. COTTON. Mr. President, I appreciate the comments of the distinguished Senator from Oregon.

I can only say that the notice which the Senator from New Hampshire desired to get into the RECORD was not with any idea of proclaiming the fact that he expected to act as a pioneer or carry the torch or make a martyr of himself in any particular case, nor rebel against the leadership, both majority and minority, for whom the Senator from New Hampshire has the most profound respect and esteem. The Senator from New Hampshire simply wanted the opportunity to be here when unanimous-consent agreements were entered into, for the reasons stated.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. KUCHEL. There is much merit in what the able junior Senator from New Hampshire and the able senior Senator from Oregon have said.

Speaking as one of the minority, I suggest that the Senator from New Hampshire, at the next Republican policy luncheon, make the request, which I think is very much in order, that we on this side of the aisle be notified in advance of any requests for so-called unanimous-consent agreements.

While I am on my feet I also wish to say——

Mr. COTTON. Is the Senator about to speak on another subject?

Mr. KUCHEL. No.

Mr. COTTON. I wish to make a comment on what he has just said.

Mr. KUCHEL. I shall be but a moment. While I do not wish to foreclose the right of any Senator, even at the very last moment, to offer an amendment to whatever measure may pend, I point out also that it is exceedingly difficult for a Senator to offer an amendment in writing at the very last minute. I think that type of procedure ought to be resorted to only in extremis. In that connection, I am sure the Senator from Oregon and the Senator from New Hampshire, able lawyers that they are, will agree with me that we in Congress all too often are guilty of inelegant English in the language which is used in passing legislation to govern 170 million people. All too often it is Congress—both Houses—which is intellectually lazy in what it does. I suggest we might very well give attention, when rule changes are considered, to such rules as would help to embrace and fashion the desires which occur in our minds, and place them on paper, in plain English, so that the courts and laymen may together know very clearly what the intention of Congress was.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. COTTON. If the distinguished Senator from California, who is the assistant minority leader, has the feeling, because of this colloquy, that the junior Senator from New Hampshire was in any manner arrogating to himself any element which belongs properly in the hands of the leadership, the Senator from New Hampshire would like to say that the notice he gave was given with the knowledge and consent of the minority leader. I do not mean that the minority leader authorized it or agreed with it, but my remarks were made after due notice to him.

It is not necessary for the junior Senator from New Hampshire to attend a luncheon of his party to ask permission to exercise his privileges as a Senator representing, in part, a sovereign State. The Senator from New Hampshire has no particular course of conduct in mind other than to try to have the opportunity to be here; and he intends to be on the floor as much as possible when unanimous-consent agreements are entered into.

I regret very much the fact that the colloquy which has ensued has given undue emphasis to this incident. All I desired to do was to make my statement for the RECORD, so that I would be given an opportunity to be present. Thirty-five years ago I served the Senate as a clerk of a committee. I spent 4 years on the floor of the Senate in those days, and have followed the history of the Senate through the years. My feeling is that the rules of the Senate, while they might be improved, and undoubtedly should be improved, should be changed only with great care and after careful consideration. I do not enjoy long, drawn-out, repetitious debates and late hours any more than anyone else. But if one thing is necessary, not simply for the glory of the Senate, but for the preservation of the liberties of the American people, it is the jealous, careful, and vigilant guarding of the rights of a minority. I do not necessarily speak of a political party minority; I speak of the rights of minorities in this body. This is one body where such care has been a keynote. When some of these agreements are entered into, the way is opened for minorities to be kicked around. So far as I am concerned, I simply feel that this is a matter which requires some careful attention. I may not object to anything, but I want the privilege of doing so.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. ALLOTT. Will the Senator agree that included in his remarks is an opportunity to object to unanimous-consent agreements, particularly in the latter days of the session, when committees are allowed to meet, and when Senators are not forewarned to appear or to be prepared to object upon the floor of the Senate? Frequently committees are meeting when measures are being debated or are being scheduled for debate upon the Senate floor, which precludes either one of two things: First, attendance upon a committee meeting, which is very vital to a Senator either as a member of the committee or as a representative of a section of the country; or second, attendance upon the floor to debate proposed legislation, which is just as vital.

Mr. COTTON. I most certainly agree to that. I know that there is no such intent on the part of anyone in authority or leadership. I try to spend as much time on the floor as possible, but there have been times when the bells have rung for quorum calls, and Senators have learned by telephone that a warning is being given because a unanimous-consent agreement is about to be offered. I have had the experience of

starting to come to the Chamber as fast as I could, but before I could get here the unanimous-consent agreement had been entered. The order for the quorum call had been rescinded after a few names had been called.

I do not reproach anyone. I do not, even for a moment, assert or even think that that sort of thing is done purposely. But if we permit it to be done, it is our own fault, not the fault of anyone else. That is what I had in mind.

Mr. ALLOTT. I appreciate the Senator's remark's, particularly because I think that in the last few days of a session all of us are faced with attendance at committee meetings, which are authorized under unanimous-consent agreements, and which involve very great personal interest to us. We are also confronted with the obligation of attendance on the floor of the Senate to take part in debates on matters which are very important to the people whom we represent.

Mr. President——

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Colorado is recognized.

LEGISLATION BY INACTION ON THE INTEREST RATE CEILINGS ON GOVERNMENT LONG-TERM BONDS

Mr. ALLOTT. Mr. President, on Tuesday of this week the House Ways and Means Committee "tabled" until next year the administration's request for elimination of the present interest rate ceilings on Government long-term bonds. This reversed the committee's encouraging action of last week, whereby it tentatively adopted a compromise proposal.

This is most unfortunate, Mr. President. Many of the distinguished gentlemen on the other side of the aisle have themselves indicated the gravity of the interest rate question by fervent speeches on the subject. Yet we are now right back where we started. It is not that the President's request was rejected; even the Democratic majority of the House committee sees enough clear merit in the proposal not to do that. But, rather, the whole business has been postponed.

The Secretary of the Treasury has called this a matter of grave concern which might well bring about both the fact and the fear of future inflation. This legislation by inaction on an issue which so directly and powerfully affects the health of our national economy, Mr. President, is deplorable. It was the clear responsibility of the Democratic majority to reach a constructive answer to the problem, and it failed to do so.

What will happen now, Mr. President?

The Treasury will be forced to finance the national debt almost exclusively through shorter-term securities—on which, let me emphasize, there is no interest rate ceiling. Short-term interest rates, already increased by the delayed action on the President's request, will skyrocket.

When the Treasury is confined to the short-term money market, it faces stiff competition from other borrowers after the available funds, such as small businessmen and consumers. The inevitable result of this demand is the moving up of short-term rates, and eventually this might tend to boost interest rates charged by banks.

Eventually, these price rises—and they are prices, because here money is a commodity—are liable to bring about increases in the long-term debt area. We can expect that the interest rates for short-term borrowing will be pushed even higher than those for long-term loans. This, in turn, will attract long-term investors into the short-term market; and, since the supply of long-term money will be reduced, its cost will rise.

The U.S. Treasury argues that this concentration is inflationary, since short-term securities are sooner or later held by banks, and therefore would act to swell the money supply as would a printing press.

One effect on the American taxpayer will be increased consumer installment debt on such items as TV sets, electric washing machines, and automobiles. Another would be diminished purchasing power—through the ravages of inflation—of his savings, insurance policies, pensions, and even wage increases. Are those Democrats who avoid action in favor of these results, these losses to the American taxpayer?

This is the situation that Democratic inaction has put us in: Increasingly rising money costs, a diminished purchasing power of the invested dollar, real inflation.

The President of the United States has tried to make clear the situation which the Treasury is in. It seems completely understandable to me.

The Treasury must be able to pay competitive long-term interest rates. Otherwise it simply cannot attract the funds. This seems to be a matter of elementary economics. The long-term market investors have other opportunities for investment—corporation bonds, the stock market, State or city bonds, and so forth. These buyers will simply go elsewhere if Government bonds do not give them a "going return."

This is the situation. Interest rates have gone up beyond the 4¼ percent limit on Treasury bonds of over 5-year maturity, largely because this is a time of prosperity and there is great interest in investment and development. The demand for money is higher than in a time of recession when no one is interested, and therefore the cost is higher. Because of its limit, which the President seeks to repeal, the Treasury cannot offer attractive rates. Investors turn elsewhere, and the Treasury faces real difficulty in financing the public debt.

It should be made clear, some Democratic outcries to the contrary notwithstanding, that the President's request is not a request to raise interest rates, but is a request to allow the Treasury, an unprivileged competitor in the free money market, to follow prevailing long-term interest rates—interest rates which have already risen under the pressure of healthy economic activity.

Mr. President, I must repeat that the Treasury is an unwilling and an unprivileged competitor in the free money market.

The problem is clear, and the President's answer to it is obviously in the best interests of the American people. It is received, however, with legislation by inaction.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which deals most effectively with this matter. The editorial, which is entitled "The Scarlet O'Hara Complex," was printed on yesterday in the Wall Street Journal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SCARLETT O'HARA COMPLEX

Whenever she was faced with unpleasant problems, Miss Scarlett used to pout her pretty lips and shrug, "I'll think about that tomorrow."

The House Ways and Means Committee, like that imaginary minx of "Gone With the Wind," seems to share the romantic view that if you just won't think about unpleasant things they'll somehow go away. And on the morrow you can awake to find it was all only an unhappy dream.

At any rate the committee prefers right now to think no more about the ways and means of financing the Government's $285 billion debt. This week it "tabled" President Eisenhower's proposal to eliminate the present legal limits on the interest rate the Government can pay on its long-term bonds. The committee did not, you note, reflect upon the proposal and then reject it. It just decided to postpone its reflection until next year.

So that leaves the problem exactly where it was—which is a very unpleasant place indeed.

Put in its simplest terms, the U.S. Treasury cannot now sell its long-term bonds to the public. Some U.S. savings bonds, it is true, are still being bought by people, but the number of outstanding bonds being redeemed by people far outnumbers those sold, so that the net result is not an inflow but an outflow of money from the Treasury. The public market for new Government bonds of larger denominations is for all practical purposes now nonexistent.

This is not because people have lost faith in the promise of the U.S. Government to repay the money. The difficulty is simply a practical one of everyday life. A man with savings to lend can get a higher interest rate by buying the bonds of first-class corporations, or even by buying outstanding bonds of the U.S. Treasury on the open market where they now sell at a discount.

One reason for this is the sheer volume of Treasury borrowing. The deficit last fiscal year alone was $12 billion; this means new demand for money in addition to all the billions of reborrowing the Treasury must do in juggling the old debt, most of which is in short-term notes. Moreover, there is also the private demand for capital funds and the borrowing of all the State and local governments. With such a demand for a commodity, the relentless law of supply and demand has forced up the price.

Another is the lack of confidence that the dollars the Treasury pays back 10 or 20 years from now will equal the dollars the saver lends the Treasury now. This point need not be labored; everybody knows what happened to U.S. savings bonds bought 10 years ago, in 1949.

In short, the Government of the United States—which includes the House Ways and Means Committee—must now pay the piper for its past spending dances. It can no longer get money cheap. It must pay dear for it, one way or another.

The President's proposal, you may concede, opens no pleasant prospect. The Government would have to pay more than 4¼ percent (the present legal limit) to borrow long-term money. This is never a happy circumstance for any borrower. From the political viewpoint, which was not absent from the committee's mind, rising interest rates may not be very palatable.

But, then, what other ways and means are there?

Well, the Treasury can try to do what it has been doing, juggle its short-term debts in the air in the hopes it can keep them there. But in a year's time, when the committee may again "think about it," that problem will be far worse. The cost of short-term credit, already rising, will rise more, and the total amount to be handled by the harassed and debt-ridden Treasury will be larger. It is not at all inconceivable that in 12 months' time the Treasury will be paying more for short-term money (no limit on interest rates) than it would have for long-term money if Congress approved the President's proposal.

Another way the Treasury can get money is to have the Federal Reserve print it up—that is, sell its bonds directly to the Reserve System, not to the public. It should be obvious that this will compound the problem; it would spin at a dizzy pace the inflation that is one of the prime causes of the problem in the first place.

Or, of course, the Government could raise taxes so that the Government would not have to borrow so much. It would have to be a mammoth tax rise to make any dent in the problem, and even then it might aggravate it by throwing a brake upon the economy from which the Government derives its only money.

But the Ways and Means Committee proposed no alternatives, good or bad. It has simply pouted, shrugged its shoulders, and said it will think about it some tomorrow.

Irresponsibility may be charming in a minx, but not in grown men. And even Scarlett O'Hara found out in the end, that tomorrow was too late.

THE YOUTH CONSERVATION CORPS—TRIBUTE TO SENATOR RANDOLPH

Mr. GRUENING. Mr. President, several days ago the Senate passed the bill to establish the Youth Conservation Corps. That excellent measure was sponsored by the senior Senator from Minnesota [Mr. HUMPHREY], with approximately 20 cosponsors, of whom I was happy to be one.

Mr. President, at this time I shall not repeat the statements made then in regard to the many values the bill has in terms of giving young people useful employment and in helping to conserve our many natural resources which have been so sadly neglected in recent years.

At this time, I wish to pay particular tribute to the senior Senator from West Virginia [Mr. RANDOLPH], who actually carried the brunt of putting the bill through and achieving its passage—even though by a very small margin.

Mr. President, in that connection I ask unanimous consent to have printed in the RECORD a portion of an article written by Drew Pearson, a well-known columnist whose articles are nationally syndicated. In the article, which was published this morning in the Washington Post, he pays tribute to the Senator from West Virginia [Mr. RANDOLPH].

Mr. President, today the Senator from West Virginia [Mr. RANDOLPH] had printed in the RECORD an excellent editorial, also published in the Post, which commented favorably upon that proposed legislation. However, obviously the Senator from West Virginia was too modest to ask to have printed in the RECORD the article to which I now refer, which was published in the same newspaper, because it accords him so much credit in connection with the passage of that bill. So, Mr. President, I am very glad to make this request.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

YOUTH CORPS REVIVAL

Two Senators who came to Washington during the first year of the New Deal, 26 years ago, lined up last week on opposite sides of the same measure for which they both voted as freshmen Congressmen.

They are Senator EVERETT DIRKSEN, of Illinois, now Republican leader in the Senate, and Senator JENNINGS RANDOLPH, West Virginia Democrat. The question on which they once agreed, now differed, was youth conservation camps.

RANDOLPH, more than any other Senator, is given credit for piloting the youth conservation bill through the Senate by a narrow 47 to 45. Senator HUBERT HUMPHREY, of Minnesota, introduced the bill with RANDOLPH among the cosponsors, and battled for its passage. But when it came to the legislative footwork, he gives credit to the Senator from West Virginia for getting a favorable vote.

RANDOLPH quietly went from Senator to Senator making sure he had the margin to win. He knew it would be close. Almost every Republican was lined up against the bill, which provided for a revival of Roosevelt's Civilian Conservation Corps to get youngsters off city streets and at the same time preserve natural resources. But Republicans claimed it increased the budget.

DIRKSEN, the Republican leader, told RANDOLPH: "Your bill is a dead duck. We've got the votes to beat it."

"You and I voted for the old CCC bill when we first came to Congress under the New Deal," RANDOLPH argued. "I'm sorry that after a quarter of a century you can't do so again."

"I've learned some things in the interim," DIRKSEN replied.

"But in 1937," RANDOLPH reminded him, "you voted for the CCC camps again. This is pro-people legislation which deserves your support."

DIRKSEN remained unmoved, was confident he had the votes to block his old colleague. But when the votes were counted, the Senator from West Virginia had outmaneuvered the veteran Republican leader from Illinois.

EFFECT ON THE STOCK MARKET OF REDUCTION OF SPENDING FOR ARMS AND THE LIKELIHOOD OF PEACE

Mr. HART. Mr. President, when the question is asked "What do you think would happen if America disarmed?" many of us have heard an answer which goes something like this: "We would have the darndest depression you ever saw." The person making such answer would have in mind the sometimes dramatic and always evident ripple of troubles in a town which suddenly find that the plant which has been turning out a tool of war for the Government has its contract terminated. Even if the plant has excellent management, and even if its labor force is skilled and productive, and even if the product meets all specifications and performance tests, suddenly the product then is useless; space-age warfare has no place for it; a different product is required.

Another ring to this ripple of trouble when a defense contract is terminated can be found set forth right in the pages of the CONGRESSIONAL RECORD. The Representatives in Congress of the town which suddenly loses its warwork usually address themselves to the subject. The printed page of the RECORD will not show it, but I suspect these strong words many times are spoken by troubled, uncertain, wondering public servants. We want to protect the people who have been good enough to send us here, but we want to act responsibly in relation to the whole Nation, too.

I wish there were at hand a blueprint which, if followed, would insure the doing of all which properly could be done to avoid the dislocation which would occur in the town when the company lost the contract. If we had such a blueprint and if a step had been omitted, we could confidently challenge the contract cancellation, without having the recurring worry that our "localism" might harm the national strength.

If we have this difficulty, how much more uncertain will be the man who is working for a defense supplier?

To get back to the fellow who fears a deep depression if we disarm—and to him this comment might suggest the possibility that all defense production would be canceled—one can appreciate exactly his concern. We should be busy developing a blueprint which will dramatize the ability of our economy to make the transition from a $40 billion defense expenditure to an expenditure substantially less. We must convince the most apprehensive American that we can indeed afford peace; that we can afford to disarm.

It is to move in some of these directions that I introduced, some days ago, Senate Resolution 150. Maybe a special select committee is not the most desirable form. My request is that we do move, and move with purpose, to recognize this as one of our very highest responsibilities in the days ahead.

Mr. President, no more effective expression of awareness and concern in this area has come to my attention than that evidenced in the writing of Sylvia Porter, whose syndicated articles, published on Tuesday and Wednesday, August 18 and 19, in the Washington Star, deserve the widest possible circulation. For this reason, I now ask unanimous consent to have both of the articles printed at this point in the RECORD, as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Aug. 18, 1959]

"FEAR OF PEACE" HITS STOCKS

(By Sylvia Porter)

Since the announcement of plans for the Eisenhower-Khrushchev visits, the stock markets have suffered several severe tumbles.

The hardest hit have been "war babies"—airplane, missile, electronics stocks. But the weakness also has spread to nondefense issues, too.

Why?

No matter how much the brokers talk about "overdue corrections," the fact is the breaks were triggered by fear that the talks might lead to lessening of world tensions, a cut in our military spending and therefore, a slump in the economy. The fact is that "fear of peace" has been an excuse for unloading of stocks.

Actually, an analysis of this fear can be most reassuring. For instance:

(1) The fear is most premature.

There is no basis for anticipating that these talks will lead to quick reductions in defense spending. Federal spending on national defense is at an annual rate of around $41 billion and a leveling off is logical. A spending ceiling is, in fact, being eagerly sought by the administration to help ease the strain on the budget. But a cutback of 25 or 50 percent in military spending in the near future? Hardly.

(2) The fear is uninformed.

The impression is widespread that national defense spending is the crux of our economy. It isn't. Specifically:

Consumer spending on soft goods alone—food, clothing, etc.—is running at $148 billion a year.

Spending on services alone—haircuts, laundry, etc.—is running at $119 billion.

Spending on hard goods—autos, appliances—is running at $44.5 billion.

Spending by State and local governments is running close to $44 billion a year.

Spending by business on new plants and equipment is running at over $33 billion a year.

(3) The fear is a propaganda gift to the Communists.

The Soviet rulers have repeatedly denounced us as warmongers and Wall Street's "peace scare" hasn't helped to counter the propaganda. Understandably, Moscow Radio has explained the August 10 stock break as a "panic among arms race profiteers" due to the approaching meetings.

(4) The fear is appalling defeatism.

To imply that we have neither the brains nor the foresight to offset defense spending cuts with tax cuts and/or increases in desirable nondefense spending is to condemn ourselves even more harshly than the Kremlin's leaders do. To imply that we have nothing better to do with our materials and money than to put them into military output is to suggest that we have perfect housing, perfect schools, perfect roads, cities, hospitals, parks, etc. This is worse than defeatism. It is close to madness.

Yet the fact is the fear exists. What, then, might be done if the talks do lead to arms cuts? A simple program will appear tomorrow.

[From the Washington Star, Aug. 19, 1959]

IF ARMS SPENDING IS CUT

(By Sylvia Porter)

Unlikely though this is, imagine that the Eisenhower-Khrushchev talks and new disarmament negotiations by the Big Four pave the way for a reduction in military spending by both sides—and for the first time in the 13-year cold war, the West and the Soviets not only reach an acceptable agreement on arms control but also actually schedule spending cuts.

Of course this would be spectacularly good news for the world.

But, if the President just announced the spending reductions without simultaneously announcing a program to offset their impact on business, the probability is that the economy would shudder.

The stock market well might go into a tailspin, apprehensions of layoffs might understandably grip communities heavily dependent on military contracts. The news might spur a slump.

We have a precedent for this in the arms cutbacks after the Korean war.

In the 18 months between the second quarter of 1953 and the end of 1954 Federal spending on defense was slashed about one-quarter—from an annual rate of $54.3 billion to $40.6 billion—and during the same period Armed Forces manpower was cut about one-fifth.

A direct result was the recession of 1953–54.

That recession, though, was the mildest, and one of the shortest in our history—because in 1954 a massive tax cut was voted which released billions of dollars. We, as individuals, got the benefit of the reduction in arms spending; business got tax relief too. The tax slashes offset the arms spending slashes, and by 1955 increased private spending was spending the economy into an unprecedented boom.

The lesson of Korea is fundamental.

In all humility, therefore, I suggest that even though there is only the dimmest—if there is any—hope for any arms spending cut in the near future, the White House and the leaders of Congress should now be preparing a program to be put into effect—just in case. * * * To prevent the possibility of a destructive peace scare in Wall Street, the President himself should now be making it unmistakably clear that we will translate a defense cut into immediate benefits for civilians.

There are so many welcome, desirable policies that might be part of this program, so many. * * * As an illustration:

(1) Tax cuts. A tax reduction would release huge amounts of cash that would be spent in the stores and on new plants, machinery, etc.

(2) Immediate moves to liberalize credit. An easy money policy would stimulate housing and would encourage people to borrow to go ahead with long-postponed projects.

(3) Dramatic expansion of public and private programs to redevelop cities, clear slums, raise housing standards, improve our streets, parks, playgrounds. So much should be and could be done along these lines if money and materials were released from arms spending.

(4) Equally dramatic expansion of programs to improve schools, highways, hospitals, etc.

(5) A stepped-up program, sponsored both by public and private sources, for investment in the economies of other countries.

(6) Development of commerce with Russia. This would naturally follow any basic understanding with the Soviets.

(7) Specific programs to aid communities, industries, and workers directly hit by defense cutbacks and needing short-run assistance.

The key point is that there be assurance by the Government that a program will be ready when needed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROGERS of Texas, Mr. FLYNT, Mr. Moss, Mr. BENNETT of Michigan, Mr. YOUNGER, and Mr. AVERY were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENT

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was ordered to lie on the table and to be printed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 20, 1959, he presented to the President of the United States the following enrolled bills:

S. 196. An act for the relief of Grover J. Cole;

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.; and

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto.

ADJOURNMENT UNTIL TOMORROW, AT 10 A.M.

Mr. MORSE. Mr. President, in accordance with the order previously entered, I now move that the Senate adjourn.

The motion was agreed to; and (at 11 o'clock and 10 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, August 21, 1959, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 20, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalms 100: 5: *The Lord is good; His mercy is everlasting; and His truth endureth to all generations.*

O Thou God of all goodness, this new day is challenging us with the task of contributing to the blessedness of needy humanity.

It is our humble testimony that we are greatly amazed when we see the heroism and patience of many whose daily life is sorely beset by heavy burdens, bitter sorrows, and grievous handicaps.

May we never withhold the word of encouragement and the hand of helpfulness from those who are weary and finding it hard to carry on.

Grant that in all our plans and purposes we may seek to emulate the spirit of the Master who came to bring peace on earth and good will among men.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 255. An act to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear;

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as Lake Mendocino;

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3365. An act to authorize the crediting of certain services for purposes of retired pay for nonregular service, and for other purposes;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85–818;

H.R. 7112. An act to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

H.R. 7165. An act for the relief of Filip Lewensztejn (Harry Lipa Levenstein);

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; and

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 2317. An act to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration; and

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 417. An act to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota;

S. 623. An act to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California;

S. 1072. An act for the relief of Pierre Bertagnolio;

S. 1262. An act to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game and food fish in dam reservoirs;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1372. An act to extend the jurisdiction of the domestic relations branch in the municipal court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia;

S. 1575. An act to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies on the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes;

S. 1576. An act to provide for the construction of a salt-water research laboratory at Seattle, Wash.;

S. 1715. An act to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 1736. An act to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission;

S. 1738. An act to amend section 5(c) of the Communications Act of 1934, as amended, to redefine the duties and functions of the review staff;

S. 1740. An act to amend section 202(b) of the Communications Act of 1934, in order to expand the Federal Communication Commission's regulatory authority under such section;

S. 1751. An act to place in trust status certain lands on the Wind River Indian Reservation in Wyoming;

S. 1836. An act for the relief of Martha Uchacz;

S. 1856. An act for the relief of Frank Podany;

S. 1865. An act for the relief of Man-Yeh Chow;

S. 1898. An act to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act;

S. 1966. An act to provide for the licensing of public insurance adjusters in the District of Columbia;

S. 1973. An act to extend the validity of the passport to 3 years;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2053. An act to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina;

S. 2102. An act for the relief of Irene Wladyslawa Burda;

S. 2185. An act to provide appropriate public recognition of the gallant action of the SS *Meredith Victory* in the December 1950 evacuation of Hungnam, Korea;

S. 2190. An act for the relief of Antonino Miosi Castronovo;

S. 2219. An act to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes;

S. 2263. An act to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act;

S. 2264. An act to amend the Federal Power Act to prohibit abandonment of fa-

cilities and service without the consent of the Federal Power Commission;

S. 2268. An act to declare that the United States holds title to certain land in trust for the White Mountain Apache Tribe, Arizona;

S. 2323. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions;

S. 2339. An act to amend the law relating to the distribution of the funds of the Creek Tribe;

S. 2421. An act to amend the Klamath Termination Act;

S. 2435. An act to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.;

S. 2440. An act to designate the Green Peter Dam and Reservoir on Middle Santiam River, Oreg., as the Douglas McKay Dam and Reservoir;

S. 2482. An act to remove geographical limitations on activities of the Coast and Geodetic Survey, and for other purposes;

S. 2483. An act to provide flexibility in the performance of certain functions of the Coast and Geodetic Survey and of the Weather Bureau;

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant; and

S.J. Res. 115. Joint resolution authorizing the purchase of certain property in the District of Columbia and its conveyance to the Pan American Health Organization for use as a headquarters site.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2424) entitled "An act to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. MONRONEY, Mr. THURMOND, Mr. CASE of New Jersey, and Mr. SCOTT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7978) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 3, 11, 18, 27, 31, 32, 33, 39, 41, 54, 60, and 61 to the above-entitled bill.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 213) entitled "An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

PROVIDING FURTHER PERIOD FOR PRESUMING SERVICE IN CASE OF VETERANS SUFFERING FROM HANSEN'S DISEASE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 271) to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease—leprosy—with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, strike out "five" and insert "three".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not object, this has been cleared with the ranking member on the committee on this side; has it not?

Mr. TEAGUE of Texas. That is correct.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7106) to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That section 3503 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"'(d) After the date of enactment of this subsection, no forfeiture of benefits may be imposed under this section or section 3504 of this title upon any individual who was a resident of, or domiciled in, a State at the time the act or acts occurred on account of which benefits would, but for this subsection, be forfeited unless such individual ceases to be a resident of, or domiciled in, a State before the expiration of the period during which criminal prosecution could be instituted. This subsection shall not apply with respect to (a), any forfeiture occurring before the date of enactment of this subsection, or (b) an act or acts which occurred in the Philippine Islands prior to July 4, 1946.

"'(e) No apportionment award under subsection (b) of this section shall be made in any case after the date of enactment of this subsection.'

"SEC. 2. Section 3504 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"'(c) In the case of any forfeiture under this section there shall be no authority after the date of enactment of this subsection (1) to make an apportionment award pursuant to subsection (b) or (2) to make an award to any person of gratuitous benefits based on any period of military, naval, or air service commencing before the date of commission of the offense.'

"SEC. 3. (a) Chapter 61 of title 38, United States Code, is amended by adding at the end thereof the following:

"'§ 3505. Forfeiture for subversive activities

"'(a) Any individual who is convicted after the date of enactment of this section of any offense listed in subsection (b) of this section shall, from and after the date of commission of such offense, have no right to gratuitous benefits under laws administered by the Veterans' Administration based on periods of military, naval, or air service commencing before the date of the commission of such offense and no other person shall be entitled to such benefits on account of such individual. After receipt of notice of the return of an indictment for such an offense the Veterans' Administration shall suspend payment of such gratuitous benefits pending disposition of the criminal proceedings. If any individual whose right to benefits has been terminated pursuant to this section is granted a pardon of the offense by the President of the United States, the right to such benefits shall be restored as of the date of such pardon.

"'(b) The offenses referred to in subsection (a) of this section are those offenses for which punishment is prescribed (1) in the following provisions of title 18, United States Code: sections 792, 793, 794, 798, 2381, 2382, 2383, 2384, 2385, 2387, 2388, 2389, 2390, and chapter 105; (2) in the Uniform Code of Military Justice articles 94, 104, and 106; (3) in the following sections of the Atomic Energy Act of 1954: sections 222, 223, 224, 225, and 226; and (4) in the following sections of the Internal Security Act of 1950: sections 4, 112, and 113.

"'(c) The Attorney General shall notify the Administrator in each case in which an individual is indicted or convicted of an offense listed in clauses (1), (3), or (4) of subsection (b) of this section. The Secretary of Defense or the Secretary of the Treasury, as may be appropriate, shall notify the Administrator in each case in which an individual is convicted of an offense listed in clause (2) of subsection (b) of this section.'

"(b) The table of sections for such chapter 61 is amended by adding at the end thereof the following:

"'3505. Forfeiture for subversive activities.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE LATE HONORABLE CYRUS MAFFET PALMER

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Speaker, it is with sadness that I announce the sudden passing of the Honorable Cyrus M.

Palmer, 1915 Mahantongo Street, Pottsville, Pa., at 6:30 a.m., Sunday, August 16, 1959.

He was a Member of the House of Representatives in the 70th Congress and represented the district that I have the honor to represent from March 4, 1927, to March 3, 1929, and during those 2 years served with distinction.

Born in Pottsville on February 12, 1887, he was the son of Frank Cameron Palmer and Anna M. Sheetz Palmer. His mother was the daughter of Cyrus M. Sheetz, captain of the First Defenders, famous in Civil War annals.

Judge Palmer graduated from the Pottsville High School in 1904.

In school he earned the reputation of being a fine orator and a debater, an art he used throughout his highly successful political career.

After his graduation from high school he became a teacher in the Landingville schools. Later he studied law and entered the University of Pennsylvania Law School.

He was admitted to the bar on February 13, 1911, and established law offices in Pottsville, Pa.

In 1915 Mr. Palmer began his political career when he was elected to the State Legislature of Pennsylvania. He was reelected in 1917 and 1919.

In 1920 he became district attorney of Schuylkill County, my home county, and was reelected for a second term. He served in that office until 1927 when he resigned to become a Member of the Congress of the United States.

In November 1931 he was elected judge of the court of common pleas of Schuylkill County and assumed his duties as such in January 1932.

Judge Palmer became president judge of the 21st judicial district on January 1, 1940.

He was reelected as judge for a second term in 1941 and a third term in 1951.

During Judge Palmer's brilliant career on the bench, he was recognized as one of the outstanding trial judges in the Commonwealth of Pennsylvania. Time after time his decisions were upheld by the higher courts.

Judge Palmer was the fifth generation born in Pottsville, Pa. His paternal ancestors in every generation occupied an important place in the affairs of their time. Some achieved success in professions, especially law; others were poets and men of business, while several ranked with the great statesmen, even back in colonial days. Walter Palmer, the American founder of the family, came to Massachusetts in early colonial times and in 1629 settled in Stonington, Conn.

Nathan Palmer, the sixth-generation descendant of Walter Palmer, married Jerusha Barstow, great-great-granddaughter of William Bradford, first Governor of Plymouth Colony. The fourth-generation descendant from Walter Palmer, Elihu Palmer, married Lois Foster, great-granddaughter of Capt. Miles Standish.

Judge Palmer's great-grandfather, Strange N. Palmer, settled in Pottsville in 1830 and became the owner of the Pottsville Emporium, one of the city's newspapers of that day, and was associate judge of the Schuylkill County courts. Robert M. Palmer, Judge Palmer's grandfather, was speaker of the Senate of Pennsylvania during the time of Governor Curtin. He served as Minister Plenipotentiary to the Argentine Confederation. His commission bears the signatures of the then Secretary of State William Seward and the President of the United States Abraham Lincoln.

Frank C. Palmer, father of Judge Palmer, was born in Pottsville in 1861 and was a treasurer of Schuylkill County.

As stated before, Judge Palmer was born February 12, 1887. Because of this fact and the historical background of the close association between his grandfather and President Lincoln that he became an ardent student and an authority on the life of the great Lincoln.

Mr. Speaker, it was my great privilege to hear Judge Palmer make an address on February 14, 1959, at the annual Lincoln Day dinner sponsored by the Schuylkill County Republicans in Pottsville. It was one of the finest speeches that I ever heard and certainly reflected Judge Palmer's faith in and admiration for the great Emancipator.

Judge Palmer shared with his hero, Lincoln, an affection for the common man. He conducted his court with stern decorum but to everyone who met him in the courthouse corridor or on the street he was "Cy."

His audiences, and they were many and varied, were always responsive to the wit and wisdom of one of the most colorful men ever to grace the political arena in Schuylkill County.

Judge Palmer always felt that to err was human and he admitted he was very human.

In addition to his wife he is survived by two daughters and five grandchildren.

In the passing of Judge Palmer our country, our State and our county has lost one of the most beloved persons in our history and I lost a fine, personal friend.

The sympathy of myself and my family goes out to his loved ones.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FENTON. I yield.

Mrs. ROGERS of Massachusetts. Together with the gentleman from Pennsylvania and the Pennsylvania delegation, the Congress, and the country, I mourn the passing of a very great jurist, Judge Cyrus Maffet Palmer of Pottsville, Pa. We who served with him in the House of Representatives knew his fine mind, his kindness, his great knowledge of human nature and of the needs of the country. When he came to the Congress he had already had a life of great training and accomplishment in the law. He had a background that was invaluable in legislation. It was a rare privilege to serve with him.

Judge Palmer was a great admirer of Lincoln and had many of Lincoln's qualities. He had an especial interest in the so-called average man. He had Lincoln's patience. No problem was too great or too small to have his assistance.

We in Massachusetts are very proud that his forebears came from our State. We feel we have a little claim to him also.

I ask unanimous consent, Mr. Speaker, to extend my remarks and add further approval and adulation of the splendid Congressman and statesman.

I extend my sympathy to his family and to his countless friends.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, when I first came to Congress it was to fill the unexpired term of my predecessor. Judge Palmer was a member of that particular Congress, and I served for the last 4 months in that Congress. One of the pleasures of that 4 months was the opportunity I had of meeting Judge Palmer. In a short period of time there developed a very strong feeling of friendship between us.

He was a dedicated gentleman, a great American, and an outstanding legislator. His associations with his fellow men and his fellow beings were on an understanding level. He was a man of broadness and a man of very fine understanding mind.

I am very sorry to hear of his death, and I join with my colleague from Pennsylvania, Mr. FENTON, with the gentlewoman from Massachusetts, Mrs. ROGERS, and my other colleagues in extending to Mrs. Palmer and her loved ones my deep sympathy in their bereavement.

Mr. WALTER. Mr. Speaker, I join with those who have expressed sympathy to the family of Judge Palmer on account of his death. Those of us who practiced law actively in the eastern part of the Commonwealth of Pennsylvania recognized in Justice Palmer those fine characteristics that we like to see in a man who is on the bench.

Judge Palmer was a great American who understood the basic philosophy of our Republic. In his passing the citizens of Pennsylvania have lost one of their most able public statesmen.

Mr. FENTON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD on the life and service of our distinguished excolleague, Judge Palmer of Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUMMA. Mr. Speaker, I want to take advantage of this opportunity to join with Congressman FENTON in his sorrow over the passing of Judge Cyrus Palmer, president judge of the Schuylkill County courts in Pottsville. Judge Palmer was a Member of this body long before I had any intention or thought of running for the Congress. There is one qualification I would like to credit Judge Palmer as having—he had a very good sense of humor along with his sound judgment in the administration of the law. I considered him a close friend, who, like many of us, we do not see too often.

I am sure the people of Schuylkill County will miss him, and his place in

the community will be hard to fill. I wish to extend this message of sympathy to his family.

THE LATE HONORABLE VICTOR S. K. HOUSTON, A DELEGATE FROM HAWAII

Mr. BURNS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, it is my sad duty to announce to the House the recent passing of one of the former Delegates from Hawaii.

Victor Stewart Kaleoloha Houston, who was a Delegate to the 70th, 71st, and 72d Congress from 1927–33, passed away last July 31, in Honolulu. Though in failing health he had been in the hospital only 1 day before his death.

Mr. Houston was born in San Francisco on July 22, 1876. His mother was Mrs. Caroline Poor Kahikiola Houston, a member of an old Hawaiian family. Educated in schools in this country and Europe, Mr. Houston was a graduate of the U.S. Naval Academy, class of 1897.

In 1910 he married Pinao G. Brickwood who died in 1936. An adopted daughter, Gwendolyn, survives.

Victor S. K. Houston spent 32 years in the U.S. Navy. In World War I he commanded the cruiser *St. Louis*. Retiring as commander in 1926, Mr. Houston was recalled to active duty on March 7, 1941, and served until March 1, 1945, being advanced to the grade of captain on the retired list in 1943.

Following his retirement from the Navy he immediately entered Hawaiian politics, being a successful candidate for election to the Congress in 1926, defeating the incumbent, the Honorable William B. Jarrett, Democrat. In the depression election of 1932, he was defeated by Lincoln L. McCandless, Democrat.

Mr. Houston was the first Delegate to introduce a statehood enabling act in the Congress, though the illustrious Jonah Kuhio Kalanianaole had, in 1919, introduced legislation seeking statehood.

Passage of legislation to admit Hawaii as a State into the Union on March 12, brought Mr. Houston a feeling of triumph and real tears of joy. He commented, "It's not a time for whooping it up. It's time for sober happiness, for really enjoying the situation. We have the same rights as citizens on the mainland."

It is worthy of note that three of Hawaii's outstanding Republican leaders sincerely dedicated to the achievement of statehood and substantial contributors, the Honorable Samuel Wilder King and Col. Farrant L. Turner, lived to see the day of favorable congressional action permitting Hawaii to become a State.

From 1909, Mr. Houston made his home in Hawaii, becoming an expert in Hawaiiana and well versed in the Hawaiian language. He is the author of many articles on Hawaiiana.

Victor Houston was sincerely dedicated to the advancement of Hawaiians of Polynesian ancestry. Every available opportunity to stimulate their pride in themselves and their traditions and to encourage the Hawaiians to hold and work for the highest possible aspirations was made by him. In this endeavor he made a substantial contribution to the recognition of Hawaiian traditions and their preservation.

Mr. Houston served for some years as the chairman of the Hawaiian Homes Commission, was a member of the Board of trustees of the Liliuokalani Trust, a Mason, and an alli—chief—of the Order of Kamehameha.

It was my privilege to know Mr. Houston personally. He was a man of the finest character and highest integrity, devoted to the cause of justice, particularly for the people of the Polynesian race. He was truly a great Hawaiian and a great American—an inspiration to those of Polynesian ancestry as well as to all Americans.

His contributions to the institutions of Hawaii were substantial and material. Hawaii is a better place for his having lived and worked. To his survivors—his adopted daughter and his people—I extend my deepest condolences.

The Almighty has received a good and faithful servant with his just reward. Those of us who had the privilege of knowing him and his love of Hawaii have been provided an outstanding example of a Hawaiian-American well deserving our emulation.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD immediately following mine on the late Victor S. K. Houston, a Delegate from Hawaii.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

LEGISLATIVE PROGRAM FOR BALANCE OF THE WEEK AND NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, may I ask the majority leader if he will advise us as to the program for the balance of the week, and what he has for next week.

Mr. McCORMACK. Mr. Speaker, if consideration of the bill involving extension of Public Law 480 is terminated in time today, we will take up the other bill on the program, H.R. 1341. I hope there will be sufficient time left to consider that bill today. If not, I will program it for next week.

With completion of consideration of the pending bill, and I hope the other one, we will go over until Monday.

Monday next is District Day, but there is no business, I am informed from the Committee on the District of Columbia, to be considered.

House Concurrent Resolution 177, sense of Congress on domestic mining and mineral industries, will be taken up on Monday.

On Tuesday there will be the bill H.R. 2236, limiting taxes and bankruptcy; and H.R. 7242, the Bankruptcy Act—statutory liens.

If there are any rollcalls on Monday and Tuesday, except on rules, they will go over until Wednesday, due to the fact there is a primary in Mississippi on Tuesday.

For Wednesday and the balance of the week, there is the bill H.R. 5421, assistance for construction of fishing vessels.

I have no further program to announce at this time, but if the housing bill comes out and we can bring it up next week, I shall do so; and if the bill relating to the Federal Highway System comes out of committee, we will bring that up, because those are two must bills.

Mr. ARENDS. Those are possibilities for next week?

Mr. McCORMACK. I hope they are probabilities, but at least they are possibilities.

In the program announced there is nothing except based on hope which will make any contribution toward adjournment sine die.

There is the usual reservation that any further program will be announced later, and conference reports may be brought up at any time.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I would like to ask the gentleman from Massachusetts if on Monday next it will be possible for me to discuss two bills I have, one having to do with strikes in connection with public utilities and the other the monopolistic power of the unions in connection with next year's program.

Mr. McCORMACK. I would say that next Monday would be a very good day for special orders.

Mr. HOFFMAN of Michigan. You mean, no one else will want to talk?

Mr. McCORMACK. No; I would not say that. No; I do not want the RECORD to show that I agree to that statement. But, I have profound respect for my friend.

Mr. HOFFMAN of Michigan. Well, I thank the gentleman anyway.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. So that we can be assured that the New England fishing fleet bill will not come up until Wednesday; is that correct?

Mr. McCORMACK. No; and I am hopeful my friend will support it.

Mr. GROSS. Well, that is a vain hope, I will say to the gentleman.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have just placed upon the Clerk's desk and signed discharge petition No. 2, to bring before the House, House Resolution 339, introduced on August 10, 1959, by the distinguished gentleman from Maryland [Mr. FOLEY], which will make in order for consideration by the House his bill, H.R. 4633, to provide for the District of Columbia an appointed Governor and secretary and an elected legislative assembly and a nonvoting Delegate to the House of Representatives.

This is the most liberal discharge petition that has ever been placed upon the Clerk's desk. It provides for 2 days of general debate on the bill itself. It permits the chairman of the District of Columbia Committee to offer a substitute and permits 4 hours of general debate on that substitute. It also permits the offering of a motion to recommit, with or without instructions.

This petition removes the cloud that was sought to be cast around discharge petition No. 1 by the opponents of home rule.

When they opposed the earlier rule, on the ground that it was too restrictive, I challenged them to come forth with any reasonable compromise that would bring a home rule bill before the House for consideration. I believed then, and now know, that they would never offer any compromise but would continue to do everything within their power to obstruct House consideration of any home rule bill.

The proponents of home rule have now waited more than a reasonable length of time for any compromise to be offered. It has not been forthcoming.

We now demonstrate our good faith by calling for a very liberal rule.

Those who have attended the hearings before the Subcommittee on the District of Columbia must agree that the committee has no intention of reporting any kind of a home rule bill. Those who have talked to the chairman of our Rules Committee about the matter tell me that he has assured them that he has no intention of having his committee conduct a hearing on the rule or of reporting a rule.

Let me assure our colleagues, Mr. Speaker, that this discharge petition is in accordance with the rules of the House and in accordance with parliamentary procedure. This discharge petition is not an attempt to short circuit the regular procedure of the House nor it is an attempt to bypass the committees of the House. Those committees have amply demonstrated that they will prevent the House from working its will on home rule legislation. The only alternative left to Members of the House it to follow its rules and bring the matter before the House in this manner.

I urge all Members, regardless of how they will vote on final enactment of the home rule bill, to sign this petition so that the House can finally work its will in connection therewith.

LEAVE OF ABSENCE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that beginning at the close of business today I may have a leave of absence on account of, although not directly connected with, Government business.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POLITICS AND INFLATION

Mr. RAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Speaker, I present for the attention of the House an editorial that appeared in this morning's issue of the New York Daily News entitled "Politics and Inflation." From all I can learn, the editorial presents an accurate analysis:

POLITICS AND INFLATION

The House Ways and Means Committee suddenly reversed itself Tuesday, and pigeonholed President Eisenhower's request for legislation enabling the Treasury to pay attractive interest on new Government bonds.

It seems the Democrats on the committee feared to split their party on the issue of tight money v. loose money—the latter being supposedly a vote-getter for Democrats.

BOND PROPOSAL PUT ON SHELF

This was a proposal to let the Treasury fight inflation by converting a lot of short-term paper held by banks into long-term paper held by investors. The former is inflationary; the latter isn't.

All of which goes to show how some politicians put politics above the financial stability of the country and the soundness of the dollar.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Alford	Bowles	Dawson
Aspinall	Boykin	Dollinger
Baker	Canfield	Dooley
Barr	Cannon	Elliott
Becker	Cederberg	Evins
Blatnik	Collier	Farbstein
Bolton	Colmer	Fascell
Bow	Dague	Feighan
Fisher	Michel	Shipley
Fogarty	Miller, N.Y.	Simpson, Pa.
Gray	Minshall	Steed
Hall	Monagan	Taylor
Halleck	Morgan	Teague, Calif.
Hardy	Morrison	Teague, Tex.
Hays	O'Brien, N.Y.	Teller
Horan	O'Neill	Thomas
Jackson	Osmers	Thompson, La.
Johnson, Colo.	Pilcher	Thompson, N.J.
Kilburn	Pillion	Udall
Kilday	Powell	Van Pelt
Kirwan	Preston	Wainwright
Lipscomb	Reece, Tenn.	Wampler
McSween	Rivers, S.C.	Wharton
Magnuson	Rodino	Williams
Martin	Rooney	Winstead
Mason	Rostenkowski	Wolf
Merrow	Shelley	

The SPEAKER. On this rollcall 354 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ROLLCALLS ON MONDAY AND TUESDAY OF NEXT WEEK POSTPONED UNTIL WEDNESDAY OF NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that in the event of any rollcall being demanded on Monday or Tuesday of next week, with the exception of rollcalls on rules, further consideration of the bill or bills and rollcalls will be postponed until Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT

Mr. FOUNTAIN. Mr. Speaker, on rollcall No. 117 on July 27 on the passage of the bill (H.R. 7072), to provide for the participation of the United States in the Inter-American Development Bank, I was on official leave of absence. Had I been present and voting I would have voted "yea."

CLARIFYING TYPES OF ARRESTMENT PROHIBITED WITH RESPECT TO WAGES OF U.S. SEAMEN

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen, with House amendment thereto, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BONNER, GEORGE P. MILLER, ZELENKO, TOLLEFSON, and RAY.

EXTENSION AND AMENDMENT OF PUBLIC LAW 480

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8609) to

amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8609, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from New York [Mr. KEOGH].

Without objection, the Clerk will report the amendment offered by the gentleman from New York.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KEOGH: On page 8, following line 23, insert a new section 14 reading as follows, and renumber succeeding sections to conform:

"SEC. 14. Such Act is further amended by adding at the end of title III the following new section:

" 'SEC. 306. Shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, or III of this Act, shall be delivered directly to the export vessel at a United States port. For the purpose of this section "export vessel" shall mean the ocean vessel transporting the surplus agricultural commodities from the United States port of landing to foreign port of discharge.' "

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my hope to make it plain that this amendment is not a committee amendment. This amendment is not directly a part of the legislation that is before you. The legislation before you does involve however the shipment of substantial quantities of agricultural commodities.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. KEOGH. Your opening remarks, I trust, were not predicated on any representation by me or anyone else that this was a committee amendment?

Mr. POAGE. No. And I want to make it plain that I am for the amendment. I want the gentleman from New York to understand that I am for the amendment, not as a member of the Committee on Agriculture, but as a Member of the Congress charged with the responsibility of trying to do substantial justice to all sections of our country. This amendment simply seeks to see that all sections of the country are treated equitably.

Mr. Chairman, I want to make it clear that my reason for rising is to try to explain that this is not being done to help any agricultural product. It has no bearing upon agricultural products as such except as to the cost that is involved on the part of the United States of America. The taxpayers pay the bill.

We want to see every section treated fairly. There were those yesterday who said, "Why, you don't want the Great Lakes to carry their share of the shipping." I want the Great Lakes to ship anything in the world they can. I want the Great Lakes, I want the Pacific coast, I want the gulf coast and the Atlantic coast to ship anything in the world they can. I want these commodities to move just as cheaply as they can, because by doing so we save the taxpayers of America extra cost. But, I want the cost to be equitably spread between each section of this country.

Now, we have on the books, and our committee is not seeking to take it off, what is known as the 50–50 shipping clause. Fifty percent of all the commodities that are bought by the Government must be shipped in American bottoms. The Congress passed that law some years ago. It adds tremendously to the cost, but we did it with the idea that we were benefiting an American industry, one which America needed. We did it to subsidize American shipping, because we think we need American shipping. But, it costs the taxpayers that much more money, there is no getting around that. It costs two to three times as much to ship in American bottoms as it costs to ship in some foreign tramp ship. Some of those ships are now going into the Great Lakes. There are no American ships going into the Great Lakes to load out with wheat or other agricultural products, moving them to destination at a European port. It is the foreign ships that are moving that grain.

It is also insisted that we should not only allow the foreign ships to move out of the Great Lakes, but that we should ship down to Montreal, either by rail or by lake steamer or by oxcart or any way you want, to Montreal; and then reload the grain on a ship which may or may not have ever been in the Great Lakes. This ship would probably be a foreign ship. There is no substantial American shipping in Montreal. Practically all of the ships going into Montreal are of foreign registry. If this grain, which is the primary thing that is involved, is all shipped out of Montreal or from the lake ports, it is practically all going to be shipped in foreign bottoms. About one-half of the grain of the United States might be expected to move through the Great Lakes. I have not any objection at all to its so moving. I want it to move through the Great Lakes if that is the cheapest way of moving it and complying with the 50–50 Shipping Act. But, if they are going to move half of the grain moving from the United States in foreign bottoms through the Great Lakes, that means that every other bushel that moves from an Atlantic port, a gulf port or a Pacific port has got to move in American bottoms.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Let me repeat. If half of the grain of the United States moves through the Great Lakes in foreign bottoms, every other bushel that moves from an Atlantic port, a gulf port, or a Pacific port has got to move in American bottoms. That is the only way you can apply the 50–50 clause. That means that shipping through Atlantic ports, through Pacific ports and gulf ports is going to cost 2½ to 3 times what it is going to cost through the Great Lakes. This is true because the shipment through the Great Lakes will be in foreign ships while that through the other ports will of necessity all be in American ships.

Are you willing to put the burden of this extra cost on the Atlantic, Pacific, and gulf ports, and give to the Great Lakes ports the right to ship at a greatly subsidized rate, at a rate merely a fraction of what those of us who are shipping under the American flag will have to pay? And yet, unless you vote for this amendment, unless you require American inspection in American ports and not in foreign ports, you are going to establish a foreign merchant marine controlling the Great Lakes and to establish a foreign port that will actually be the terminal of Great Lakes shipping. Your Great Lakes shipping is going to be 100 percent foreign shipping unless you adopt the Keogh amendment.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. ANFUSO. Mr. Chairman, the gentleman from Texas is making a great deal of sense in what he is saying. Is it not a fact that American taxpayers are paying for this program and, if so, why shouldn't these shipments be made through American ports?

Mr. POAGE. I think the people of the Great Lakes are fair enough that they should be willing, and I think they will be willing, to agree that at least half of all the lake shipping should be in American bottoms. But if you do not adopt this amendment it is all going to be foreign shipping.

Mr. Chairman, I ask the Representatives of the Great Lakes ports, Are you willing to agree to an amendment which would require 50 percent of all of this shipping through the lake ports to move on American ships?

Mr. McGOVERN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who just spoke [Mr. POAGE] is a great American but what he proposes is not in the interest of a greater America. The pending amendment, offered by the gentleman from New York [Mr. KEOGH], in spite of all the protestations we have just heard, is nothing more nor less than a thinly veiled effort to reopen the battle of the St. Lawrence Seaway, a battle that we thought had been won several years ago.

The gentleman proposing this amendment, while cloaking their efforts in Fourth of July oratory, are actually trying to prevent grains grown by midwestern farmers from moving over the most economical routes.

It is common knowledge that large oceangoing vessels cannot move in the St. Lawrence Seaway when fully loaded with grain. This means that any restriction on the shipment of grains to

Montreal to be used for topping off partially loaded ships before they cross the ocean is the same as closing off the seaway to the movement of midwestern grains.

This is analagous to a proposal by horse-and-buggy advocates that no one be allowed to ride in an automobile unless it is pulled by a horse—in this case a horse draped with the Stars and Stripes.

At House hearings on this matter before the distinguished Committee on Merchant Marine and Fisheries it was made perfectly clear that sectional economic forces are at work to hamstring the use of the St. Lawrence Seaway as a natural commercial waterway for grain and other midwestern commodities in order to force use of southern and eastern port facilities regardless of the cost to the American people.

Last week the Nation was treated to the spectacle of a smooth-working political coalition that cut across party lines on the fundamental issue of labor-management relations.

Today we have a new kind of coalition, a marriage of convenience between the port of New York and the port of New Orleans.

A rate study by the Department of Agriculture completed in April of this year shows that grain moving over the St. Lawrence Seaway from 17 States to Rotterdam is shipped at an average of 17 cents per bushel less than by other shipping routes.

Surely the gentleman from eastern and southern ports do not want the people of the United States paying them a toll of 17 cents a bushel merely to fatten the bank accounts of a few shipping corporations.

And this after the American taxpayers have paid out half a billion dollars to build the seaway so that we could avoid these needless shipping charges.

Mr. Chairman, there is another important aspect of this matter that should not be overlooked. We are engaged in an intense trade competition with the grain producers of Canada. They have a number of advantages in any such trade competition, some of which have been made possible by aggressive assistance to Canadian producers on the part of their government.

Why should we hand Canadian producers an additional competitive advantage by permitting them to use the St. Lawrence Seaway with the resulting savings to their shippers and deny the same advantage to our own businessmen and farmers?

When we lose the opportunity to move grain into foreign markets at 17 cents per bushel less than it would cost us through other shipping routes, we yield a price advantage to Canadian producers and shippers that will be of tremendous consequence. I cannot believe that our friends from New York and other shipping points would really want to place the American farmer and the American shipper at such a severe competitive disadvantage with Canadian exporters.

I urge the defeat of this amendment because it is anti agriculture, anti business and anti free enterprise.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before emotions become too aroused on this bill, I would like to take a few minutes of your time to try to clarify, as well as I am able to, the mechanics of this St. Lawrence Seaway grain transportation operation so that you will understand a little better what the problems are that are involved here. I want to say also as a Representative from the State of North Dakota, as my colleague, the gentleman from South Dakota pointed out, that this Seaway can provide a savings of as much as 17 cents on every bushel of wheat transported through that facility.

Now that the St. Lawrence Seaway has begun operation and been dedicated to the benefit of the United States as well as Canada, it would be folly to try to erode away the benefits to our country by not permitting shipments of surplus agricultural commodities under U.S. Government programs to fully utilize its facilities.

A brief examination of some of the problems in initiating use of these new facilities for our farm products will be helpful in understanding the problem.

Shipment of our farm products out of other U.S. areas and ports, particularly those moving under Government programs, are often subject to controls over quality through inspection regulations. This entails certain problems when the shipments are through the St. Lawrence Seaway.

The route from the head of the Great Lakes through the new Seaway cannot handle full loads on oceangoing vessels. If it could, the inspection problems would not be great. A full cargo could be loaded at a lake port, inspection made, and a certification of grade issued without any change in the content of the load through the seaway and on to the foreign port of final destination where the grain is unloaded.

It is not so simple as that, however, because full ocean cargo loads cannot move through the entire route. The 27-foot channel does not permit a full load. Instead of a full ocean cargo of, say, 10,000 tons, the loading at lake ports for Seaway shipping is limited to smaller cargoes, possibly around 6,000 tons. Of course, it would not be practical to run vessels as a rule to foreign ports of destination with only 60 percent of normal loads. Under present conditions an oceangoing vessel can take advantage of as much of a load as the lake route will permit and, further along the Seaway, beyond where there are no channel limitations fill the remaining capacity with U.S. grain stored at another point. At that part of the Seaway, however, the port is a Canadian port.

This practice of completing a load or "topping off" is made possible by putting the U.S. grain in storage at the Canadian port after hauling it through the part of the Seaway route where fully loaded oceangoing vessels cannot be handled. The Canadian officials cooperate in preserving the identity of the U.S. grain when it is unloaded and stored in the Canadian port.

At the time the grain is moved out of the U.S. port in the Great Lakes, the grain is inspected and graded and U.S. inspection certificates are issued on it. It is not practical to obtain separate space for each such inspected shipment to preserve its identity. Furthermore, all the steps in the transshipment and storage operation could result in a material change in quality. In that event, the original certificate of inspection would not actually represent the quality finally loaded for ocean shipment.

The Canadian Government, of course, does not want the responsibility for designating or controlling quality of U.S. grain. On the other hand, the United States feels that preservation of the integrity of quality certification on grain exported is most necessary in maintaining our competitive position in the foreign grain markets of the world. With the world competition so keen, buyers for foreign areas will obtain their requirements from other exporting countries, including Canada, if they are unable to obtain U.S. grain with assurance as to quality through inspection certificates. On cash sales, therefore, the United States has no choice but to meet the competition by requiring and furnishing inspection of U.S. grain that will be stored in Canadian ports along the Seaway and will be used to top off outgoing vessels.

The shipments under the barter program of the Commodity Credit Corporation obviously have to be kept on a competitive basis, and those sales made for foreign currencies under title I of Public Law 480 move all the way through the commercial stream and, therefore, must be competitive or change the entire program. There is no good reason why any other Government programs should be required to pay an additional penalty or subsidy for failing to make use of more efficient transportation facilities. Shipments financed with foreign aid funds by the International Cooperation Administration should not be separated out and treated preferentially like cash dollar sales. The commercial movements through barter and foreign currency sales should not be penalized with increased costs by refusing their use of the new beneficial St. Lawrence Seaway facilities.

Mr. Chairman, my State of North Dakota has a great potential benefit from the St. Lawrence Seaway. We have been told that our wheatgrowers will receive a benefit of as much as 10 to 12 cents per bushel on wheat exported from our State to foreign countries. I do not think we should be denied this benefit from a facility that has been built and is now in operation.

I certainly hope that this amendment will be defeated.

Mr. MACHROWICZ. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MACHROWICZ to the amendment offered by Mr. KEOGH: Add the following: *"Provided, however,* That the provisions of this section shall not apply to shipments of surplus agricultural commodities originating in American ports and shipped through the St. Lawrence Waterway."

Mr. MACHROWICZ. Mr. Chairman, I offer this amendment in all sincerity, particularly after the very persuasive argument of my very genial friend from New York [Mr. KEOGH], who assured us yesterday that the last thing he desires is to do anything to injure the ports of the Great Lakes, and particularly also after the argument of the gentleman from Texas, a member of the committee [Mr. POAGE], today, who said it was his desire that all ports throughout all sections of the country have equal access to the transportation of these agricultural commodities.

Mr. Chairman, as it has already been said several times, several years ago we completed the Thirty Years' War on the St. Lawrence Seaway; many, many years before that we completed the War Between the States. I thought both those wars were over and forgotten, but evidently they are to be resurrected again today.

I have followed the leadership of my friend from New York for the 10 years of my service here with one notable exception, the Great Lakes-St. Lawrence Seaway. I would like to follow him again today. If he is sincere in his statement that he has no desire to injure the ports of the Great Lakes, and if the member of the Agriculture Committee, the gentleman from Texas [Mr. POAGE], is sincere in his desire that the ports of the Great Lakes be not injured, then certainly they will rise hastily to accept my amendment, and I will be very glad then to support the Keogh amendment.

Seriously, Mr. Chairman, all of us know that if the Keogh amendment as it now stands were to be adopted it would be to the advantage of the other ports and add 17 cents per bushel to the cost of transportation of these surplus grains. I do not think anyone wants that. I think the gentleman from Texas was right, that this amendment has nothing to do with the bill we are discussing. I agree with him 100 percent. It is an issue which has been brought to bear which has nothing to do with the original matter we had before us and was intended only to start another sectional battle between the States. I might say in passing that I deplore statements made by anyone that one side is pro-American and the other anti-American; this is strictly an interstate battle.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield.

Mr. SHORT. Would the gentleman's amendment permit ships to be topped off by grain hauled to Montreal by truck or train?

Mr. MACHROWICZ. No; it refers only to shipments made through the St. Lawrence waterway by ship.

Mr. SHORT. So all the grain would have to originate in American ports ?

Mr. MACHROWICZ. Yes.

Mr. Chairman, if all these proponents of the Keogh amendment are sincere, and if they really mean they do not wish to do any harm to the Great Lakes ports, I sincerely hope they will support my amendment.

Mr. BREEDING. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to voice my opposition to the proposed amendment.

It is my belief that adoption of the amendment would seriously injure efforts now being made to increase the exports of wheat. The effect of the amendment would be to force the exporter to forego use of the St. Lawrence Seaway and ship wheat grown in Kansas and other Midwestern States to ports on the Atlantic or gulf coasts for loading onto ocean-going vessels.

There is no doubt that if the amendment prevails the cost of shipping wheat from my area will be increased substantially. The St. Lawrence Seaway is the natural outlet for this wheat. The artificial barriers which this amendment proposes to erect will force the wheat to travel long distances before it can be shipped by water.

The amendment would completely disrupt normal shipping procedures on the St. Lawrence Seaway. For example, a vessel is now loaded at an American Great Lakes port. It proceeds through the Seaway to a point on the St. Lawrence River where a deep sea channel is available. Then the vessel is topped off by loading more wheat, enabling the vessel to carry its full cargo.

Under the amendment, this topping off process—which, incidentally, uses American-produced wheat—would be stopped. Great Lakes vessels could not carry a full load. They would have to increase their rates for carrying wheat.

This amendment poses a threat to the future of the St. Lawrence Seaway. It seeks to stop the natural flow of traffic to the Seaway. Members of this House who worked so long for the development of the Seaway should be alert to this danger. If artificial barriers to the free movement of traffic to the Seaway are approved in this one instance, then similar steps can be taken on other commodities. The real danger is that the St. Lawrence Seaway will be legislated out of enjoying full benefit of greatly increased traffic which was envisioned at the time of its approval.

The adoption of the amendment would not result in the increased use of American ships to export wheat under the Public Law 480 program. U.S. vessels use the St. Lawrence Seaway and they would be affected the same as foreign flag ships. The law already requires that at least 50 percent of all shipments be made in U.S. vessels.

The net effect of the amendment would be to make the use of the St. Lawrence Seaway for shipping wheat uneconomical. We would force shippers to use long hauls, thereby adding to the cost of wheat shipped overseas.

We would be hurting the efforts of the Kansas Wheat Commission, the growers and other producer-supported groups, who have been working long and hard to increase the export of wheat.

We would be erecting artificial barriers to penalize the St. Lawrence Seaway ports and to help ports in other areas.

The amendment is not needed. I hope it is defeated.

Mr. REUSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the Keogh amendment, because in effect it tells the people of the Great Lakes region now that the St. Lawrence Seaway has been built, you cannot use it.

It reminds me of an old nursery rhyme, with some additions:

Mother, may I go in to swim?
Yes, my darling daughter;
Hang your clothes on a hickory limb
But don't go near the water.

Mother, may I have a boat?
Yes, my darling daughter;
You may have a seaway, too,
But don't go near the water.

Mother, may I ship some wheat?
Yes, my darling daughter;
Let the farmers fill your bins,
But don't go near the water.

Mother, can't I use my boat?
No, my darling daughter;
You're not from the South or East
And so you hadn't oughter.

Mr. LEVERING. Mr. Chairman, I rise in opposition to the pending amendments.

Mr. Chairman, with the advent of the St. Lawrence Seaway we saw the creation of the eighth sea of the world and our fourth seacoast, giving to the farmers, manufacturers, workers, and everyone living in this great area of the Middle West the golden opportunities for which enlightened citizens of America and our loyal and trusted friends of Canada have prayed and planned for hundreds of years. Through many decades, the advisability of U.S. participation in the construction and operation of the St. Lawrence Seaway was debated on the floor of the House, and in the U.S. Senate. During all the years of that debate, certain shipping interests in this country strove with might and main to prevent U.S. participation in this great undertaking.

Yet, as the country grew and as the mighty industries west of the Allegheny Mountains expanded, it became more and more evident that the St. Lawrence Seaway was absolutely necessary to the full economic development of our country. It probably was not fatal to our economic development that it was delayed, but it would have been fatal to have delayed the St. Lawrence Seaway much longer. In any case, the Congress finally voted full participation in the St. Lawrence Seaway, and, indeed, only a few weeks ago, President Eisenhower and Queen Elizabeth II of the British Commonwealth of Nations, in impressive ceremonies, dedicated the Seaway to the cause of mankind. At that time it was believed this inaugurated a new economic era in the history of America.

Today, in a back-door approach, or something similar to the Trojan horse techniques of another era, the remnants of the opposition to the St. Lawrence Seaway are rallying around this amendment to the Public Law 480, which makes possible our "food for peace" program, so vital to our farmers and so vital to the cause of peace. This

amendment, if adopted, would strike a crippling blow at the use of the St. Lawrence Seaway. Of course, it would not be a fatal blow. The Seaway is well accepted and its usefulness is too apparent for anyone to think that he ever could destroy it now. It is there, and it is being used. It ought to be utilized to the fullest.

If this amendment were adopted, it would restrict the movement of surplus agricultural products over the Seaway, by making it impossible for them to go through ports on the Seaway itself. Thus it would be a hampering factor—and, in my judgment, a wholly unnecessary move. Certainly, it would cause greater expense to the taxpayer, who already is burdened with costs involved in Government procurement and transport due to antiquated methods of shipping in some instances and restrictive laws in others.

This is not the time to add more expense to transporting of these vital agricultural products. This amendment, if adopted, certainly would add such costs to the already-harassed taxpayer.

But Mr. Speaker, there is another vital factor involved in our consideration of this amendment. It is the friendship of our great neighbor to the north, the Dominion of Canada. There is no question in my mind but that, in spite of more than 100 years of close and peaceful relations with Canada, our Canada-United States relations have deteriorated in the past several years. This is due to economic factors over which none of us have control, perhaps, but some of it is due to diplomatic factors, in my judgment, and to trade policies. Rather than straining our relations further with our northern neighbor, I deeply believe that in this time of tension, we should build toward greater solidarity with this wonderful country.

We should learn, as a Government and as a people, that everything we do, in relation to shipping and to our activities which impinge upon other countries, is important in building friendship, and, of course, is a factor in a just and lasting peace, or survival itself in case peace is not possible with some of our enemies in the world. Certainly, it is no time for us to offend one of our most loyal friends and our closest neighbor.

Who would be helped by adoption of this amendment? A few shipping interests involved in shipping into and out of the gulf coast and east coast ports. They may be numbered in the hundreds, at the most. But who would be hurt by the adoption of this amendment?

First, the taxpayer would be hurt, because the Government would find it more costly to ship these commodities in abiding by the terms of this amendment.

Second, the farmer would be hurt. Anything that increases the cost of shipping these commodities can jeopardize the program itself, which is so vital to our farmers these days.

Third, the people of the lands across the seas, who need this food, would be hurt.

Fourth, the Canadian ports through which this foodstuff is shipped, would be hurt.

Fifth, the St. Lawrence Seaway would be hurt. It is a self-liquidating project and if it does not obtain enough business, it will be more costly to all concerned in its financing in the long run.

Sixth, our relations with our great, friendly ally to the north would be damaged.

I believe, Mr. Chairman, that these six reasons are valid and sound reasons why I must vote against the amendment and why I can, in good justice and honesty, urge my colleagues to reject it overwhelmingly in the interests of not only the people of the middle United States but of the whole Nation.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. LEVERING. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. I want to join with my neighbor from Ohio, having the great port of Erie in my district, and tell him I support him most heartily in his position with reference to this amendment.

Mr. BOGGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to direct an inquiry to the chairman of the committee. We have written into the law over a period of time the so-called 50–50 rule whereby at least 50 percent of these cargoes must move in American bottoms. The justification for that rule has been that it is the policy of our Government—and I think a sound policy—to encourage an American merchant marine. These are public cargoes owned by the taxpayers of the United States.

Now, would the effect of failure to adopt the Keogh amendment be that the non-50–50 cargoes would move through the Great Lakes and the others would move through the other ports?

Mr. COOLEY. I think, as was pointed out by the gentleman from Texas [Mr. POAGE], the natural result would be that the foreign ships would operate in the Great Lakes and the American ships would operate in the other ports of the country, the west coast, the east coast, and the gulf coast. In other words, if you ship a bushel of wheat out of Galveston or New Orleans, it is 50–50.

Mr. BOGGS. But that movement on the Great Lakes would be practically all on tramp ships.

Mr. COOLEY. That is what I understand.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Illinois.

Mr. YATES. The St. Lawrence Seaway was just opened up to ships, so how can you make a statement like that?

Mr. COOLEY. We had information that foreign ships were loading 45,000 tons with American ships standing by wanting cargo which was not available.

Mr. YATES. Do you not think it would be well to let the Seaway operate for a while before you make a statement like that?

Mr. BOGGS. I can well understand where any of us would be reluctant to adopt any language which would be discriminatory against any section of our country. And, I agree with the gentleman from Illinois that since we have built the St. Lawrence Seaway, we should give it a chance to succeed. But, I do not think we should discriminate against the American ports in favor of the Canadian ports. If the bill as now drawn, without the Keogh amendment, is to mean that Baltimore and New York and Philadelphia and Galveston and Houston and New Orleans and the other ports in that area get all of the high-priced shipping and the Great Lakes get all of the cheap shipping, that is discriminatory against us.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. BOGGS. I yield.

Mr. YATES. May I point out to the gentleman from Louisiana that in our subcommittee of the Committee on Appropriations we have just authorized certain subsidized voyages for the St. Lawrence Seaway, for oceangoing vessels—1960 will be the first year—for regular trade routes of oceangoing vessels to the seacoast ports, but it is unfair to use the statistics we have been using and to draw the conclusion that you have been drawing before we give the Seaway a chance to operate.

Mr. KEOGH. Mr. Chairman, will the gentleman yield further?

Mr. BOGGS. I yield.

Mr. KEOGH. Let me read this following quotation from the New York Times of July 25:

> American-owned vessels are being squeezed out of Great Lakes grain market, the Lake Cargo Carriers Association said today. The total grain shipments in June climbed to 16 from 15, but only 29 of 247 cargoes were hauled by U.S. vessels. A total of 165 cargoes were moved by vessels of Canadian registry and 53 by foreign ships.

This, Mr. Chairman, is the Lake Cargo Carriers Association.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. ASHLEY. I would like to answer the gentleman from New York by saying that of course this was the report of the Lake Cargo Carriers Association, American lake carriers. However, the grain that was referred to there was privately owned grain. This had nothing to do with shipments under titles I, II, and III, which the gentleman's amendment refers to.

Mr. KEOGH. I do not agree with that statement.

Mr. BOGGS. I cannot yield any further.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent to proceed for 1 minute additional.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. KLUCZYNSKI. Mr. Chairman, I object.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was greatly surprised on yesterday listening to the debate to hear the gentleman from the State of Iowa [Mr. HOEVEN] say that this was an anti-American proposal, when he was

referring to the Keogh amendment. I understand from the gentleman today that he has decided to remove that from the permanent RECORD. I was also greatly surprised listening to the debate later in the evening to hear the distinguished gentleman from Illinois [Mr. YATES] say that the Keogh amendment would be like tossing an atomic bomb into the St. Lawrence Seaway. And then, too, this morning the gentleman from South Dakota [Mr. McGOVERN] said that the proposal was wrapped up in an American flag, which is just more of this idea that when you are against something, you try to tag it as un-American instead of offering reasons why you are against it.

I would suggest to the gentleman from South Dakota [Mr. McGOVERN] that he might well give consideration to removing that kind of remark from his speech.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. McGOVERN. I want to make it clear, Mr. Chairman, that there was nothing in my remarks that questioned the Americanism of anyone. I think the gentleman would agree that it is entirely possible to say that a proposal is against the best interests of America without accusing the person advocating it of being an un-American individual.

Mr. BAILEY. But that is exactly what the gentleman is doing; he is implying that.

Mr. McGOVERN. Everything we discuss on this floor is evaluated in terms of the national interest, whether it is for the best interests of America or against the best interests of America. I do not doubt the Americanism of any Member of the Congress, but I do submit that the amendment before us is not in the best interest of America.

Mr. BAILEY. I think he should have a better argument than to tag it as un-American.

Mr. Chairman, let us remember, if you will, that I am the man who led the fight against the Seaway some few years ago. At that time one of the major arguments against it was that it would be to the benefit of a group of foreign-owned tramp steamships. At that time I was offering as one of my reasons why the Seaway should not be constructed, what it would do to ports like Boston, New York, Baltimore and other Atlantic and gulf ports. I was not aware that as it appears today things would be in reverse in reference to shipments moving out of those ports. I was interested in trying to save those ports, save the business that was coming into this country through those ports, that we were diverting away from American shipping to tramp ships that come into the Great Lakes.

Mr. Chairman, let me remind you that the first ship that came through the Great Lakes was a Dutch tramp steamer and 40 percent of the cargo carried by that steamer was plate glass made in the city of Antwerp, Belgium.

What about American manufacturers of plate glass? What about the Pittsburgh Plate Glass Co. which has 16 plants from western Pennsylvania to Oklahoma? What is going to happen to them? Half of those plants will be closed within the next 3 years because they will not be able to meet the competition from Belgium, whose companies do not have to transship their shipments of glass through the port of Baltimore or New York or Boston.

Mr. Chairman, we have lost our coal markets as a result of the Seaway. Canada battled to get the lowest possible rate they could on shipments because of their heavy shipments of grain. They cut down the toll in the seaway.

One gentleman here acknowledged that the American Government had already invested half a billion dollars in the construction of the Seaway. I was told when I opposed the Seaway that the $110 million that we voted, or authorized the issuance of bonds for, would be the total cost of American participation. Right now there is pending before the Army engineers a proposition to deepen the seaports of the Great Lakes, costing over half a billion dollars.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BAILEY] has expired.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to direct a couple of questions, if I may, to the gentleman from New York [Mr. KEOGH] and the gentleman from Michigan [Mr. MACHROWICZ].

First, Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPRINGER. Under the rules of the House, may the gentleman from New York [Mr. KEOGH] accept the amendment of the gentleman from Michigan [Mr. MACHROWICZ].

The CHAIRMAN (Mr. BOLLING). The amendment would have to be voted on.

Mr. SPRINGER. Let me ask this question, then, will the gentleman from New York state whether or not he would accept the amendment?

Mr. KEOGH. No; it is not possible in the form that the amendment has been offered to my amendment to accept it. I personally think the objective of the amendment is fine and is in consonance with the objective of the main amendment. But they are seeking here a specific exclusion of the waterway. We do not want it excluded. We do not want it debarred. We just want the natural, regular order to prevail and when the Seaway is completed and when it is as good as the proponents have for 30 years been saying it would be, this amendment would actually protect the lake ports just as much as all the other ports of the country.

Mr. SPRINGER. May I ask the gentleman this question? In the meantime though, while the full implications have not been realized of the seaway as yet, will it not be the effect of your amendment standing alone as a practical matter to exclude lake ports from the benefits of this particular Public Law 480. That is, in fact, what it would do. It seems to me, now is the time, to accept the amendment offered by the gentleman from Michigan while the waterway is not able to achieve its full prospects of shipping from a port on the Great Lakes to any port in the world.

Mr. KEOGH. The gentleman is, in effect, asking me whether it is all right to move into a house before it is completed. I think it would depend entirely upon the situation. The St. Lawrence Seaway will be completed. Oceangoing vessels will reach Chicago and Duluth. Then they will be qualified to be protected by the objective of this amendment. This device that has been engaged in, under serious questionable legality, is a device which, in my opinion, will delay the completion of the seaway and will add the expense to the American taxpayers who are now paying the freight and would be a further subsidy not only to foreign-flag ships but to our fine, gracious, lovable, amiable and somewhat solvent neighbors to the north.

Mr. SPRINGER. May I say in reply, Mr. Chairman, that the Machrowicz amendment could have been a solution to this problem, giving the Great Lakes ports their chance now while they are not able to receive the deep draft oceangoing vessels and they would have the advantage of going ahead with this program without any roadblock. As it looks now, with the gentleman from New York not being willing to accept this amendment, his purpose seems to me to be clear to exclude at this time the chances of the cities on the Great Lakes to take advantage of shipping under the provisions of this act.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. MACHROWICZ. That is exactly the point I want to pinpoint through my amendment. The gentleman from New York says my amendment to the amendment seeks to exclude the Great Lakes from his amendment. Actually, what I am trying to do is to avoid exclusion of the Great Lakes ports from the benefits which should be available to all ports of the United States. To make clear what my amendment provides, it provides merely this. That the provisions of the Keogh amendment will not apply to any shipments originating in any American port and, of course, I have in mind the Great Lakes ports, and proceeding through the St. Lawrence waterway even though they have to reload at Montreal or elsewhere.

Mr. KLUCZYNSKI. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. KLUCZYNSKI moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. KLUCZYNSKI. Mr. Chairman, I am sorry I had to object to the extension of time of the gentleman from Louisiana. It hurt me to do that, and I know the gentleman understands my position. But it is necessary because of the limited time that the Members who are waiting to address the House be given the opportunity to do so. The motion will be made in a few minutes, to shut off debate. I am sorry I have to oppose my very good friend Mr. KEOGH of New York on this amendment.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. No; I cannot yield.

Mr. KEOGH. I just want the gentleman to know there is nothing personal.

Mr. KLUCZYNSKI. Mr. Chairman, I decline to yield.

Mr. Chairman, it was only yesterday that this gentleman had given me 3 minutes of his valuable time. I have served in Congress 9 years. I, the son of a Polish immigrant sent to Congress, am proud of the honor to talk 3 minutes to the gentleman, a talented legislator from New York, EUGENE KEOGH. I appreciate his kindnesses to me. I hope this debate in opposition of his amendment will not be the cause of a loss of our friendship, but I hope to regain our mutual feelings in a month or so when I invite him as my guest, to the World Series in Chicago.

This amendment is aimed at the cities on the Great Lakes. The effect of this amendment would be to eliminate transshipment of export surplus agricultural commodities under this act in Canadian ports such as Montreal and Baie Comeau. It means, in effect, the United States and Canadian lake carriers could not take grain to eastern Canadian ports as a return cargo for iron ore brought back into the lakes.

As this is the most economical means of transportation for both grain and iron ore it will impose a penalty on the Great Lakes transportation system. It will have the additional effect of confining exports of surpluses under the act from Great Lakes ports to foreign-flag vessels and tramps.

I have supported Public Law 480 in the past, and I would like to support it now. But I am sorry to say that if the Keogh amendment which would harm lake carriers is adopted I will vote against H.R. 8609.

The amendment now being considered, Mr. Chairman, should be defeated.

I ask unanimous consent that my motion be withdrawn.

The CHAIRMAN. Without objection, the preferential motion is withdrawn.

Mr. THOMPSON of Texas. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it is tragic that we have come to the frame of mind where every issue, large or small, is apt to stir up emotionalism and unnecessary heat. There is nothing whatever in the subject matter before us that should not be calmly considered and decided.

To say that anyone is trying to put the St. Lawrence Seaway out of business is, of course, perfectly absurd. That waterway is established and is on its way to becoming one of our important arteries of ocean traffic, and nothing that any of us in this Congress could do would affect it in the least.

The question before us in the Keogh amendment is simply whether American-owned surplus grain shall be handled at our expense through a foreign port. It is just as simple as that.

The Department of Agriculture proposes to transship surplus wheat through a foreign port at what is, in effect, a subsidy of that port. Involved in the subsidy is also the construction and the operation of grain handling facilities, some of which—possibly all of which—are American owned. In any event they would be built and developed and from the time they start operation, they will be in competition with American ports.

The question before you is whether you want to subsidize a foreign operation in that manner. If it is necessary to do so, it has no business being made a part of the cost of handling American surpluses, which will ultimately be blamed one way or another on the American farmers.

I urge that the amendment be agreed to.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman.

Mr. BOGGS. Mr. Chairman, will the gentleman yield for one observation?

Mr. CASEY. Yes; if the gentleman will make it short.

Mr. THOMPSON of Texas. I yield.

Mr. BOGGS. The point I tried to make but was not able to—incidentally, it was because of my yielding to opponents of the amendment that most of my time was taken up; unless we support the Keogh amendment the other ports will be discriminated against.

Mr. CASEY. That is right. I am a minor leaguer. I have not been here 9 years as has the gentleman from Chicago; I have been here only 9 months, but I will say to the gentleman that while I was one of the Members who wanted to introduce this amendment, yet knowing, as you do, the rules of seniority around here, I bowed to seniority, and the gentleman from New York took the ball.

I am glad the gentleman from Ohio pointed out a while ago about the amount of private grain that was carried in the month of June.

What are we talking about? We are talking about grain that every taxpayer of this country has money in. Some of it we are going to give away and even load it on the boats at Government expense.

What city is going to be the pearl of the St. Lawrence Seaway? Is it going to be Chicago? I was up in Chicago in May and I took a boat and rode around your fine waterways, and I saw a model of your ambitious plans. They are fine and I think you are going to make a great success of them. Is it going to be Milwaukee? Is it going to be Duluth? Is it going to be Detroit? Is it going to be Cleveland? The fact is that Montreal is working very diligently to assume this role of leadership and control shipping on the waterway, and unless you vote for the Keogh amendment you are aiding Montreal in her ambitious plans.

It has been pointed out to you that the foreign-flag ships are taking the business away from the American-flag Great Lakes ships. I am sure that each of you is interested in the prosperity of the shipping companies that operate from your home ports on the Great Lakes. The foreign-flag ships and the foreign-grain operators have taken your shirt and your pants, and now you are fixing to give them your underwear.

I urge support of the amendment.

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Texas. I yield.

Mr. JOHNSON of Maryland. Mr. Chairman, the Department of Agriculture has recently announced that beginning on September 1 of this year it will modify its long-established policy with respect to the shipment of surplus commodities under Public Law 480 and indicated that it would permit the exportation through Canadian ports of grain moving under this law.

It is quite obvious that the recent decision by the Department of Agriculture to honor subsidies on grain, under Public Law 480, moving through Canadian ports, and to provide an inspection service in Canadian ports to perform necessary inspection of such grain is detrimental to all the ports of the United States. I endorse the proposal to amend Public Law 480, to restrict movement of subsidized grain exclusively through U.S. ports. I believe it is not to the interests of the U.S. economy to use taxpayers' dollars to subsidize any grain movement through a foreign port when all the facilities required for such movement, such as transportation, labor, elevators, together with experienced personnel are now in existence and have been for many years, to handle such movement through U.S. ports.

The port of Baltimore and the railroads serving this port have witnessed over the years several actions, sponsored by our Government, that have diverted grain export business away from Baltimore. Now, the Department of Agriculture wants the subsidization of grain movement through Canada.

There is yet another ominous feature in the recent Department of Agriculture decision.

All initial grain inspections are now provided by federally licensed inspectors who are in the employ of individual State agencies or quasi-public trade organizations such as the Baltimore Chamber of Commerce. The Department of Agriculture examines, licenses, and provides overall supervision of these inspectors in the interest of maintaining a uniform inspection system throughout the country. The Department also provides a service wherein an inspector's grade may be appealed, should anyone feel his grain has been graded improperly. The Department has not been able to perform the function of maintenance of grain uniformity satisfactorily, due simply to the lack of qualified personnel within the Department. Yet, in a hasty decision, the Department has taken on the additional task of operating a full-fledged Canadian service, breaking all precedents, and this in the face of an offer by the Buffalo Corn Exchange to provide the service of initial inspections from their more than ample present staff.

I unequivocally support the amendment offered by the gentleman from New York [Mr. KEOGH].

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. WEAVER. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. Briefly. I have been waiting for recognition yesterday and today. Of course I will yield to the gentleman.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from New York [Mr. KEOGH]. Frankly, Mr. Chairman, I was not surprised to see this amendment offered. I had known for more than a week that it was coming; indeed, I have known for several years that this type of discriminatory legislation was in the works.

Ever since the St. Lawrence Seaway started to emerge as a fact, some on the eastern and gulf seaboards of our great country have been trying to devise means to scuttle this worthy project. For a generation they have fought successfully to prevent it from becoming a reality. When that failed, they turned their attention to efforts to make the accomplished fact a useless thing.

I am not speaking today against the amendment only because I represent a farm area or a Midwest district. I am speaking, too, in behalf of the consumers of this country who will suffer and in behalf of the taxpayers of this nation who will suffer, too, if this amendment is adopted.

This amendment is being offered purely and simply as a sectional amendment to increase the prosperity of the great seaports of the eastern and gulf coasts. I do not oppose their prosperity, indeed, I am pleased that they are prospering. But I do not like to see the American taxpayer shell out from his pocket the increased transportation costs that this amendment would impose just to add to their prosperity. I do not like to see, in the future, higher transport costs to American consumers for goods raised or manufactured in the Middle West, because of the selfish attitude of some on the east coast. These results are inevitable if the amendment is passed.

Looking around me, Mr. Chairman, I see many Members of this House who have voted consistently—and for this I thank them—to improve the rivers and waterways of the middle continent. They have time and again supported such legislation on public works. In this they have shown a remarkable foresightedness. Now I see some of these same fine gentlemen who are ready to support the proposed amendment by the gentleman from New York, and I wonder to myself what has changed their position. Why do these same gentlemen support the proposals to build waterways feeding into the Great Lakes region, and then at the first opportunity support a measure that will make those same waterways useless and a series of white elephants which the American taxpayer can ill afford.

Also, Mr. Chairman, and this I do not mean to be critical, I find many who are supporting this amendment who, in the past have consistently and vigorously opposed farm legislation which contains any form of a subsidy to American agriculture. It is my hope that this present stand by some of my eastern and southern friends means a change of heart because, Mr. Chairman, this amendment is nothing more nor less than a subsidy for the ports of Galveston, Mobile, Baltimore, New York, and Boston, and to the ports in between.

The amount of added costs hidden in the amendment may not strike the Members of this House as great in itself. But I would caution them to think of the future when the same practice could be adopted in the form of amendments to every bill that comes before the House. If this amendment carries, then, I believe, efforts will be made to attach similar language to every possible bill. The costs will mount and mount. The ultimate loser will be the taxpayers and consumers of America.

In closing, I might point out one or two very important facts. One is that the St. Lawrence Seaway is an accomplished fact. It was built by the people of Canada and the United States as an expression of the will of the people. This amendment is an effort to thwart the will of the people and to destroy through a process of nibbling away a great structure in which they have invested many millions of dollars, valuable time, and much effort. To me an amendment such as this is somewhat like building a gigantic superhighway, and then saying that nothing can be carried except by oxcart. The St. Lawrence Seaway was a great and progressive step forward in our Nation. It is my hope that no action we take here today will help to destroy that progress.

The CHAIRMAN. The gentlewoman from Illinois is recognized.

Mrs. CHURCH. Mr. Chairman, It is not difficult to recognize this amendment for what it is, an amendment discriminatory and insidious, and certainly damaging to Great Lakes ports.

Mr. Chairman, I am one of those who helped fight the long battle for the St. Lawrence Seaway. This amendment is a vital blow to its progress. Anyone who attended the recent festivities at the opening of the Seaway realized that what had been accomplished was the realization of a long dream, but a dream based on sound economic reasoning and on sound hope for the major development of the most productive section of this country.

The question of 50–50 shipments does not really enter as an essential part of this debate. I have supported that principle and I will vote for it as long as I am a Member of Congress. But there is no ground to argue that that principle would or could be violated if this amendment fails. What I protest is the introduction of an amendment which would militate against the success of the St. Lawrence Seaway. To me it is ridiculous to argue that that great section of our country, the wheat and other grainland section, should be penalized into accepting less economical methods of shipping its products, nor am I willing to admit that a seaway can be judged in its initial steps.

Mr. Chairman, I expect to see the day when we will have oceangoing American boats calling at every port in the Great Lakes area.

I hope that the House will reject this amendment. I will, of course, support the amendment offered by the gentleman from Michigan, but I would rather see the Keogh amendment defeated in order to keep the issues clear.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentlewoman from Illinois. She is making an excellent statement, and I think the point she has made should be expanded to make clear that the financial stability of the St. Lawrence Seaway depends on the tolls that are taken from the ships that traverse the Seaway. This amendment may very well result in a drastic curtailment of the Seaway's income.

Mrs. CHURCH. I thank the gentleman for pointing that out, and I would make one further point: It is being made to appear that only those interested in the Great Lakes are opposing the amendment. I would like to remind you that it is not the Great Lakes area only which is paying for the Seaway. The investment in the St. Lawrence Seaway comes from all of America, and certainly any attempt to penalize the Seaway, any attempt to reduce its revenues, any attempt to set a precedent which would further destroy its usefulness, should be defeated.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I feel that the sponsor of this amendment is not interested in starting any war, between the States nor is anyone interested in a war between the east coast ports and the great urban communities on the Great Lakes.

What is the problem involved in this situation? To me it is a replacement, Mr. Chairman, of the responsibility in one agency for traffic management, supervision of rates and distribution. Congress expressed itself on this very point in the Federal Property Administration Act of 1949—Public Law 152—which gave this authority to the General Services Administration but under that act, in section 201(a) the Secretary of Defense was given the right to exempt agencies of Government for distribution and transportation of anything that would affect the Department of Defense.

Under 205 of that same law the President of the United States had the right to issue certain Army regulations.

How do I become involved in this? I have endeavored to change section 413 of the Mutual Security Act. Under section 413 of the Mutual Security Act it is stated:

ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free

world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to strengthen free labor unions; and to encourage the contribution of U.S. enterprise toward economic strength of other free nations, through private trade and investment abroad, private participation in the programs carried out under this act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

Private trade channels need to be defined and regulations established.

What is happening is that control of 5 percent of that which is sent abroad, and this includes agricultural products, is involved in our discussion today, but 95 percent of the total of anything shipped abroad, whether it is agricultural products or for defense, is excluded by our action here today.

I have discussed this problem with many agencies of Government but I feel the enclosed letter from General Floete explains the problem better than any other explanation I received, and I insert at this point in the RECORD the following letter:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., July 16, 1957

Hon. EDNA KELLY,
House of Representatives,
Washington, D. C.

DEAR MRS. KELLY: Reference is invited to your recent telephone request for the comments of GSA on a portion of a letter forwarded to you by Dr. E. A. FitzGerald, deputy director of the International Cooperation Administration, discussing a proposed statement to be made in the report of the Committee on Foreign Affairs.

The statements in Dr. FitzGerald's letter with respect to GSA's role in ICA transportation matters are substantially correct. Due to section 602(d)(2) of the Federal Property and Administrative Services Act of 1949, as amended, GSA does not supply policies and procedures to ICA with respect to transportation and traffic matters as it does in connection with the majority of the agencies which it serves. With respect to ICA transportation and traffic matters, GSA serves only as an agent and policy and operational controls are retained in ICA.

During the past fiscal year, ICA reimbursed GSA in the amount of $285,000 for the traffic management services it received and this represented about 35 employees on GSA's staff. The savings in transportation costs which resulted from that work amounted to approximately $1 million.

As noted in Dr. FitzGerald's letter, approximately 95 percent of ICA's programs in this field are handled through nongovernmental channels and only approximately 5 percent of the services are performed by Government agencies. This 5 percent at present is divided between the Department of Agriculture, Bureau of Public Roads, CAA and GSA. Having several such agencies in a field requiring negotiation among fiercely competitive elements substantially minimizes opportunities for obtaining sizable reductions in the costs of transportation. This division produces possibilities of the Government bidding against itself, precludes consolidation of shipments, efficient use of carrier equipment, prevents use of the large tonnage in negotiation for the benefit of the Government, and otherwise increases the costs of transportation.

Moreover, our experience has clearly indicated that with respect to the 5 percent which is now dispersed among the four agencies, a consolidation into a central agency would result in economies. This has been demonstrated by our experiences with approximately 140 other agencies which we now serve. Further, in the event policy and operational decisions were made by GSA with respect to transportation of the 5 percent, additional economies could be effected. In any event, funds are required by ICA in order to reimburse GSA for the services it performs.

With respect to the 95 percent of ICA's traffic handled in nongovernmental channels, problems have arisen with respect to administration of the Cargo Preference Act or so-called 50–50 law. It would seem probable that centralization of control into a single agency would produce more effective coordination and compliance with that Act.

We believe that the continuation of the Office of Transportation of ICA would be needed to serve as liaison in behalf of the programs of that agency even if substantial responsibility for transportation and traffic management were to be assumed by GSA. That office would undoubtedly also be required to supervise the transportation activities of ICA consultants dealing in airfield and highway construction and kindred construction projects in cooperating countries.

GSA has undertaken, as you may know, a comprehensive survey of traffic activities of the executive agencies and one is now being performed in connection with ICA. GSA's traffic survey could well form the basis for ICA to reexamine its traffic management program both with respect to GSA and as to the delegation to recipient countries of the 95 percent of traffic activities involved in ICA procurement. This would permit an executive agreement to be reached between our respective agencies to produce more efficient and economical operations.

In any event, GSA would not have budgeted funds available to permit the fulfillment of the transportation functions related to ICA's mission, or the development of a coordinated program with ICA.

Sincerely yours,

FRANKLIN G. FLOETE,
Administrator.

They admit they do not have any control over 95 percent of the distribution of products.

How does this work? When the United States notifies a government that to give them x number of dollars in commodities, we give to that country, the importing country, the right to decide who their importer is going to be. The importer thus completes and carries out the contract. It is up to him to make all agreements on the commodity or material to be shipped. In other words, foreign ships are used and thus there is no control over the 50–50 law called the Cargo Preference Act. Thus, your problem involved today, in my estimation, and that which we are seeking to do, should be a request that the President of the United States issue a directive or Executive order to establish a central agency to control, supervise rates and distribution of all these commodities. The President could direct that the General Services Administration have the right to regulate, supervise, and administer anything and every item shipped out of the United States, whether it is that involved in the Defense Act, the Mutual Security Act, or Public Law 480.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Massachusetts, because he and I endeavored in the Mutual Security Act this year to revise and change section 413 of that law.

Mr. CURTIS of Massachusetts. I desire to commend the gentlewoman for bringing up these matters, because the Committee on Foreign Affairs has a direct interest here, owing to the provision in the mutual security law requiring that $175 million of surplus agricultural commodities shall be financed under the provisions of that act. So, it is the duty of that committee to see that these supplies are shipped with due regard to economy, because otherwise the cost to the taxpaying public, who pays for mutual security, would be increased.

Mr. GALLAGHER. Mr. Chairman, I rise in support of the Keogh amendment.

The Department of Agriculture has announced that effective September 1, 1959, it will permit the exportation of grain moving under Government programs—Public Law 480—through Canadian ports on the St. Lawrence, providing it passes U.S. Government inspection. To accomplish this, U.S. inspection stations will be established at such Canadian ports.

Heretofore, the Department of Agriculture has specified that grain and other surplus U.S. farm products for overseas delivery had to be handled through U.S. ports and it was only in U.S. ports that grain inspection service, which is essential for export grain, was provided.

This means that U.S. ports will lose much of this traffic to Canadian ports. It also means that American business will lose because ships purchased their stores, oil, coal, and so forth, at the last port of loading which will be in this case a Canadian port. It means that American stevedores will lose their jobs and that American railroads will lose vitally needed freight traffic.

This grain is Government owned—Public Law 480—grain subsidized from start to finish by the U.S. taxpayers. If any possible benefit can be derived from the freight which is paid for shipping of this grain, the wages paid to labor for handling of these surplus commodities it should be made to benefit American labor and American industry.

The movement of U.S. Government grain will have the effect of building up Canadian ports while U.S. ports and the huge investments therein will not be sufficiently utilized and will lie idle.

If the Department of Agriculture is permitted to ship American grain through foreign ports soon all other surplus agricultural commodities will also be permitted through foreign ports. Among these surplus agricultural commodities would be dried milk, cheese, butter, rice, tobacco, and so forth.

It is interesting to note that the Canadian Government does not permit one single bushel of Canadian grain to be shipped through U.S. ports. Some thought must be given to whatever benefit might be derived from these programs to American labor, American industry, and established ports which normally handled and are equipped to handle this traffic.

Mr. COOLEY. Mr. Chairman, I would like to see if we cannot agree on time to close debate. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. ASHLEY. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 40 minutes.

The motion was agreed to.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Illinois [Mr. YATES].

Mr. RHODES of Arizona. I object, Mr. Chairman.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Iowa [Mr. HOEVEN].

Mr. RHODES of Arizona. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I rise in opposition to the proposed amendment to Public Law 480 which, in effect, would practically prohibit exports of our surplus agricultural commodities from other than U.S. ports.

On the surface this effect does not appear important. But beneath the surface this bill would be a disservice to the American farmer and the American taxpayer. For one thing, the proposed amendment would prevent the St. Lawrence Seaway from being used for the export of U.S. surplus farm products to the extent contemplated when the Congress approved the project. The question of exports of our surplus agricultural products through the St. Lawrence Seaway should not be controversial. The Seaway is now in operation and we should not refuse to let it be utilized to whatever extent is possible in carrying out our export program.

The St. Lawrence Seaway promises great things for American agriculture. But this proposed amendment would nullify much of the good that it promises. This is because much of our surplus agricultural commodities, including such products as wheat, corn, barley, rye, soybeans, and flaxseed, move from our producing areas to our ports on the Great Lakes and then to Canadian seaway ports in the sequence of getting together cargoes of oceangoing size. The entire lakes-seaway route will not, of course, take a full ocean cargo vessel and therefore it is necessary to limit the loading at lake ports to a smaller cargo. Therefore, in practice the smaller vessels take cargoes of surplus farm products through the limiting part of the Seaway to a Canadian seaway port. From there large oceangoing vessels can be loaded and go on their way to other world ports.

This proposed amendment would prevent our surplus farm production from going to those Canadian ports, as is customary now.

The proposed amendment would mean more business for certain railroads and certain export facilities in our Atlantic coast ports, but it would be at the expense of the American farmer or the taxpayer. The amendment in preventing surplus farm commodities destined to foreign countries from going to a Canadian port on the seaway and then being transshipped would mean higher shipping costs and therefore lower returns to our farmers or higher costs to taxpayers in the disposal of surplus farm products.

There is no reason why the U.S. Government should go to the expense and difficulty of assisting in building the St. Lawrence Seaway and then take such action as is proposed by this amendment. It would be the height of inconsistency to adopt legislation limiting use of the Seaway for U.S. Government export programs. It does not make sense to increase the burden of the U.S. taxpayer in order to build the Seaway and then increase his taxes further to pay a subsidy not to use it.

I cannot believe that the American farmer or the general public would condone such a proposal once its full implications were understood.

I earnestly urge that the proposed amendment not be adopted.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. QUIE] has expired.

The Chair recognizes the gentleman from Maine [Mr. MCINTIRE]

Mr. MCINTIRE. Mr. Chairman, I asked for this time in order to direct a question to the gentleman from New York [Mr. KEOGH]. But I do not see him on the floor at the moment and I shall put my question in the way of an observation. It is my understanding in connection with the full use of the Seaway that it is the purpose of the Department of Agriculture on September 1 to establish inspection service available at Montreal or Baie Comeau in order that there may be grain shipped from Great Lakes ports under United States grades and standards. It is my interpretation of this amendment that it would not direct itself to any prohibition of the establishment of inspection service at Canadian ports points for the establishment of grades and standards on grains shipped under regular commercial transactions, but is restricted specifically to the transactions under titles I, II, and III of this act.

May I yield to the gentleman from North Carolina [Mr. COOLEY] if he will comment on that?

Mr. COOLEY. I think the gentleman's statement is accurate. The order that goes into effect September 1 provides for the inspection and it is pursuant to publication in the Federal Register as of July 28, 1959.

The CHAIRMAN. The time of the gentleman from Maine [Mr. MCINTIRE] has expired.

The Chair recognizes the gentleman from California [Mr. GEORGE P. MILLER].

Mr. GEORGE P. MILLER. Mr. Chairman, I rise in support of the amendment offered by Mr. KEOGH, of New York. I have a wire from the manager of the Northern California Ports and Terminals Association which consists of the ports of San Francisco, Oakland, Sacramento-Yolo Port District, Encinal Terminals, Howard Terminal, which reads in part as follows:

> Request your strong support H.R. 8609, to amend Agricultural Trade Development and Assistance Act of 1954, requiring exportation of agricultural products through U.S. ports. Under current law possible for western cotton to be exported through Ensenada, Mexico, and grain through Vancouver, Canada, thereby depriving local ports of cargo.
>
> J. H. MCJUNKIN,
> *General Manager, Northern California Ports and Terminals Bureau.*
>
> Members are Port of San Francisco, Port of Oakland, Sacramento-Yolo Port, District Encinal Terminals, Howard Terminal.

Reference has been made to the 50–50 law. Under its provision 50 percent of federally owned products must be carried in American owned ships.

This law was put on the statute books to protect the American merchant marine against the cutthroat competition of foreign shipping. The substandard wages and inferior accommodations on many foreign-flag vessels allow them to make rates that we cannot meet. It is cutthroat competition under which we cannot maintain the high standard that has been adopted for American seamen.

Ever since this law has been on the statute books the State Department and the Department of Agriculture have done everything in their power to circumvent it. They do not like the law and they accepted it grudgingly.

Our merchant marine is the fourth arm of our defense. It is essential that we maintain a merchant marine, not only for defense purposes but in order to be assured the markets of the world are not closed to the American products.

The merchant marine includes more than just the ships that go to sea. The ports, terminals and tugboats and other facilities all go to make up the integrated system of transportation that we refer to as the merchant marine.

Again, may I say with emphasis, all we are asking is that one-half of these publicly owned cargoes are carried in American ships. If you have followed the recent history of the merchant marine you will know we cannot compete without this law.

West coast ports are interested in the amendment offered by the gentleman from New York because of more favorable rail freight rates in effect to the port of Vancouver in British Columbia and because of the cheaper rates by which our cotton can be taken to Ensenda, Mexico. Labor conditions being different, these ports can handle commodities cheaper than our own ports. Yet we cannot allow our ports to deteriorate if we are to maintain an American merchant marine.

What we are now doing is creating an atmosphere that will make the port of Montreal the biggest port on the American Continent. We will destroy our own and build up a Canadian port. I have no prejudice against Canada but I believe that charity begins at home and

we should take care of our own ports before contributing to the development of a foreign port.

I have always voted for the St. Lawrence Seaway since I have been in Congress and I worked for its passage. I want to see ports on the Great Lakes developed that can handle products of America's heartland.

I encouraged my friends from the Great Lakes region to introduce legislation that will allow deepening of the canal so that large, fully loaded ships can pass out into the Atlantic. If such legislation is introduced, I shall vote for it and work for its passage.

I earnestly request that the amendment by the gentleman from New York be adopted in the interest of the American merchant marine.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I voiced my opposition to the Keogh amendment on yesterday. This amendment would practically prohibit exports of our surplus agricultural commodities from other than U.S. ports. On the surface this effect does not appear important, but beneath the surface of this it would be a disservice to the American farmer and the American taxpayer.

I am quite intrigued by the Machrowicz amendment to the Keogh amendment. Everything else being equal, I would be inclined to accept it. But I note with interest that the gentleman from New York [Mr. KEOGH] was reluctant, in fact refused to accept the amendment, which makes me a little bit suspicious. I think what we should do in this case is to vote against the Keogh amendment even as amended, and erase it entirely from the bill.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Maryland [Mr. GARMATZ].

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. RHODES of Arizona. Mr. Chairman, I object.

Mr. ABBITT. Mr. Chairman, I yield to the gentleman from Maryland [Mr. GARMATZ].

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield.

Mr. FALLON. Is it not true that what has been said on the floor of the House during this debate is the same thing that was said time and time again when we were considering the construction of the St. Lawrence Seaway? That Montreal would be the greatest terminal port in the world and that the Seaway would have many times the amount of foreign ships than American ships when completed.

Mr. GARMATZ. That is correct. When the foreign-flag ships come from foreign ports, they will stop at Montreal and save 5 days transportation to Chicago and 5 days coming back, which means probably a saving of $15,000 or $20,000. So you can see that they are not going to go to Chicago.

Mr. Chairman, to retain for the U.S. economy its proper share in the commerce and business generated by transactions authorized under Public Law 480, there is only one thing that I suggest we do, and that is to adopt the Keogh amendment.

In this instance, I believe, Mr. Chairman, we are not only justified but we are morally obligated to put the interests of our own economy first.

Secondly, it is very important that we maintain the American Merchant Marine which is our fourth arm of defense. You know what it means in time of an emergency. The foreign ships are not at our command, but the American ships which are manned by American seamen are at our command in time of an emergency. Anyone who has been in the service knows how important it is that we have a good American Merchant Marine ready at all times.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I would simply call the attention of the membership once more to the fact that the Keogh amendment in no wise takes anything away from anybody. It does not take a thing away from the lake ports that they have today. It simply prevents the lake area from taking away from the rest of the Nation. It simply prevents the going into effect of a discriminatory regulation that they do not have today. They are asking an unfair advantage. Of course, everybody, I suppose, likes to get an advantage, but are we going to take American commodities from American ports? We passed the 50–50 amendment on the theory that we were interested in maintaining American shipping. If we turn down the Keogh amendment, you are going to have a situation where you will have 100 percent foreign-flag ships in the lake ports. Everybody knows that. You are going to develop a foreign trade in Montreal instead of the American ports on the lakes. It is true that there are those who stick their heads in the sand, but they do not thereby escape the logic of the facts, and the facts are that lake shipping is at present almost 100-percent foreign shipping. If you build up Montreal, then you are not building up American ports. And of what value is it to build up an American merchant fleet if we build up no American ports? Are these American ships to serve foreign ports? Or are we to build up American ports on the lakes. The Keogh amendment will build up American lake ports.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, the amendment of the gentleman from New York seeks to retain the historic attitude of the Congress with reference to the use of Canadian ports. We have always been against diverting our commerce to Canada. Twenty years ago the House passed unanimously a resolution asking the Secretary of State, the Secretary of Agriculture, the U.S. Shipping Board and the Interstate Commerce Commission to investigate in cooperation with each other the factors which were contributing to the diversion of commerce from the ports of the United States to Canadian *ports*. The Department of Agriculture now is diverting commerce from the United States to Montreal contrary to the spirit of that resolution. As the gentleman from California pointed out a moment ago, this is just a start. If the Department of Agriculture can send U.S. grain through Montreal, they can just as quickly send grain from the west coast using the port of Vancouver instead of our U.S. west coast ports on the ground of economy.

I urge you to vote for the Keogh amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ASHLEY].

Mr. ASHLEY. Mr. Chairman, I think it is well to remember that the prevailing depth of most of our Great Lakes ports is 25 feet. If the Keogh amendment is adopted, it will require that surplus commodities loaded at those ports be transported directly to their foreign destinations. In other words, it will limit the shipment of surplus agricultural commodities via the Great Lakes to ships having a draft of 25 feet or less. Now what about the gulf and Atlantic coast ports? Will there be any such prohibition on vessels transporting surplus commodities for those ports? Why, certainly not. As to the draft vessels plying the Atlantic and gulf ports, they are vessels having a draft of 35 feet and 30 feet. This is the economic advantage that is being sought through the Keogh amendment. There is no question about that.

Mr. Chairman, the generous nature of the gentleman from New York and the universal esteem in which he is held suggest almost to a certainty that he did not mean by the introduction of his amendment to scuttle, to strangle, to throttle, and to otherwise block the Great Lakes ports and the St. Lawrence Seaway; but bear in mind that that is the effect of his amendment.

Mr. Chairman, let us look into the background of the Keogh amendment.

On July 23, 1959, the Department of Agriculture announced that, effective September 1, 1959, it would be permissible for U.S. grain to be exported under Public Law 480, title I, via the St. Lawrence Seaway, either direct from U.S. ports or with transshipment from Canadian ports. In the case of transshipment, U.S. inspection at such Canadian ports, according to the directive, would be mandatory, pursuant to existing program requirements.

This announcement has caused a storm of protest from Members of Congress representing Atlantic coast and Gulf shipping ports, and from certain railroads, steamship companies, port authorities and other economic interests. At House hearings on Thursday, August 6, considerable pressure was put upon a Department of Agriculture official to postpone effective date of the directive

pending thorough inquiry. This effort was not successful but a further hearing on the matter is scheduled for 2 p.m., Monday, August 10, before the House Committee on Merchant Marine and Fisheries.

The nature of last Thursday's hearing strongly suggests that sectional economic forces are at work to curtail the use of the St. Lawrence Seaway as a natural commercial waterway for grain and other midwestern products in order to force utilization of southern and eastern port facilities regardless of cost.

In light of this fact, it is essential for those interested in the legitimate development of the Seaway to understand the basis and background of the Department of Agriculture directive as well as the arguments of those who oppose it.

In recent years the USDA has administered four principal subsidy programs involving the export of grain and other commodities. These programs include, first, the sale of CCC-owned grain on credit at export price; second, the barter of CCC-owned grain at export price for materials produced abroad; third, the payment to exporters of subsidy in kind of the difference between the U.S. domestic price and the export price on sales made by exporters from free stocks of grain; and, fourth, the title I, Public Law 480 program under which free stocks of grain are sold for foreign currencies with the United States providing the dollar exchange and taking back the foreign currency equivalent for use in military and economic assistance programs and other U.S. Government operations abroad. The payment in kind subsidy also applies under this program, thus reducing the amount of dollars required to finance the program and allowing the sales to be made at prevailing export prices.

Of the four subsidy programs just enumerated, transhipment via Canadian ports has been possible in all except Public Law 480, title I which is governed by a separate USDA regulation. The purpose of the directive, according to agriculture officials, is simply to bring Public Law 480 into line with the other programs and to conform with the congressional directive that the program utilize normal trade channels and practices.

Prior to completion of the St. Lawrence Seaway, it was impossible for any except small, shallow-draft vessels to navigate into the Great Lakes. Because as a general rule it was not economically feasible for these vessels to take on grain at a Great Lakes port for delivery abroad, it became customary for the small amount of U.S. grain shipped via the Great Lakes to be stored at a Canadian port for shipment abroad by larger vessels. This practice simply followed our policy of allowing the normal, free flow of commerce without governmental interference.

U.S. grain for export under our barter, cash, and credit programs has thus been moved via the Great Lakes for transshipment from Canadian ports for a number of years pursuant to U.S. policy and pursuant to the letter and spirit of the statutory language governing CCC operations.

However, no U.S. grain has yet been shipped via the Great Lakes under Public Law 480, title I. But with completion of the Seaway and with deeper draft shipping now possible, there has been a natural interest on the part of exporters to utilize this avenue of commerce to the extent that it is economically advantageous to do so.

With respect to the export of U.S. grain under Public Law 480, title I, via the Great Lakes and with transshipment from a Canadian port, there is nothing in the statutory language of the act requiring shipment of the grain from a U.S. port direct to the foreign country purchasing such grain. Some of those who have registered opposition to the Department's directive reply on the language of section 102(a) of the act which states that "the CCC shall make available for sale hereunder at such points in the United States as the President may direct surplus agriculture commodities heretofore or hereinafter acquired by the Corporation in the administration of its price support operations."

This provision obviously relates to the sale by CCC of grain owned by it and not to the sale by a private exporter of grain owned by him. Any grain transshipped through the Seaway would be owned by the private exporter from the time of movement from Great Lakes ports until he sells it to a foreign buyer. The USDA has never proposed the moving of CCC grain through the seaway to Canadian ports and holding it there for sale under the program.

It is noteworthy that the sale of consigned stocks of cotton owned by a U.S. exporter and shipped abroad by him, either from free stocks or after purchase from the CCC, has been authorized under the program since 1954. This has been with full knowledge and without objection by those now complaining about use of the Seaway. Obviously there is a purpose behind the attempt to so distort the language of section 102(a) as to now prohibit for grain what has been done for 5 years for cotton. The purpose, clearly, is to curtail or choke off the use of the St. Lawrence Seaway for midwestern commodities to the advantage of other areas of the country and the economic-financial groups which have a vested interest in these areas.

Not only is there considerable precedent for transshipment dating back many years but there is also precedent for official inspection of U.S. commodities at foreign ports in accordance with law.

Opponents have also contended that the Department's directive will add to the cost of administering Public Law 480, title I, because of the greater distances from United States and Canadian ports to other world ports. This reflects a misunderstanding of the operation of the law and a sketchy concept of geography.

The important point is that the statute provides specifically that the President shall "take appropriate steps to assure that private trade channels are used to the maximum extent practical both with respect to sales from privately owned stocks and from stocks owned by the CCC."—Public Law 480, title I, section 101(b).

The Department in all of its export subsidy programs has provided for sale and exportation of the commodities through the private trade. It is these private exporters and their foreign buyers that determine the routing of the surplus commodities for export and it goes without saying that such decisions are based entirely on free market competition.

Finally, opponents of the directive contend that transshipment via Canadian ports may involve violation of the cargo preference provisions of Public Law 664, 83d Congress, which provides in substance that at least 50 percent of the gross tonnage of commodities shipped under such programs as Public Law 480, title I, shall be transported on privately owned U.S-flag commercial vessels.

To answer this point it is necessary to consider the three following situations:

First. Where U.S. grain sold for export under Public Law 480 is loaded at a Great Lakes port for shipment direct to a foreign port. In this situation it is clear that the 50–50 act can be applied without difficulty and that at least half of such grain must be transported on American vessels.

Second. Where U.S. grain sold for export under Public Law 480, is at the time of sale, stored at a Canadian port. In this situation it is also clear that the 50–50 act can easily be applied to shipment from such Canadian port to the foreign country of destination.

Third. Where U.S. grain is shipped from a Great Lakes port to a Canadian port to await transshipment and then is sold under title I, as in the second situation above.

In this situation a question arises as to whether the 50–50 law must apply retroactively to the initial shipment from the Great Lakes port. In this connection, a further question might arise as to whether the Great Lakes ships used for transshipment are ocean vessels, within the meaning of the 50–50 act. Even if answers to these queries are accorded the strictest possible construction, there is no reason why there should be any violation of the cargo preference requirement. If the exporter knows in advance that grain held at Canadian ports can be sold under Public Law 480, title I, only if the 50–50 act is complied with from the point of loading at Great Lakes ports, he is in a position to assure that at least 50 percent of any quantity he might want to sell under the program moves from lakes ports on U.S.-flag vessels. If he did not do so, he simply could not sell the grain under Public Law 480.

The fallacy of the argument that there would be violation of 50–50 is clearly shown by the fact that consigned cotton located in foreign countries is sold under this same program and that the USDA applies the 50–50 requirement to the shipment when made from the United States. In short, such cotton is eligible under the program only if at least 50 percent had been shipped from the United States on American vessels.

This same rule would apply to grain if it is determined that the 50–50 act applies to shipment on the lakes.

In light of the above the conclusion is inescapable that (a) the USDA directive of July 23, 1959, is not only proper but in strictest keeping with both congressional intent and the letter and spirit of the statutory language governing CCC operations and the Cargo Prefence Act, and that (b) opposition to this directive is actually motivated by sectional and economic interests which stand to gain in direct proportion to the extent to which the St. Lawrence Seaway can be curtailed as a commercial waterway.

It is therefore well for Members of Congress and others interested in the legitimate utilization of the seaway to understand that continuous vigilance and a readiness to defend the proper interest of the area served by the Seaway are essential if the aspirations for this great new commercial waterway are to be realized.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, several times in this debate I have heard it stated that hearings were held by the Merchant Marine and Fisheries Committee on this subject.

I am a member of the Merchant Marine and Fisheries Committee, and to my certain knowledge no invitation was ever extended to me to attend a hearing on this subject. By way of the grapevine I understand that a meeting was held a few days ago in the Merchant Marine and Fisheries Committee room in connection with this matter, attended by certain members and representatives of private interests. That is perfectly proper, but I do not want the House to get the idea that any formal hearing was held at any time to which all members of the Merchant Marine and Fisheries Committee were notified to be in attendance.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. GEORGE P. MILLER. I know of no immediate meeting that was held on this subject or to which I was invited. About 4 years ago we held exhaustive hearings on the use of American ships in connection with the 50–50 law. A foreign government sent its agent to the meeting who recommended not only repeal of that law but abandonment of the American merchant marine in favor of letting what he termed the maritime nations handle all of the world shipping.

Mr. GROSS. I am speaking of the recent past.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ASHLEY. The gentleman is quite correct, there were no regular hearings. Meetings were held in some secrecy and at those meetings the only interests represented were the gulf and Atlantic ports and the railroads.

Mr. GROSS. It is perfectly proper as far as I am concerned to hold meetings in the committee room; I have no objection to that, but I do not want anyone to get the idea that formal hearings were held on this subject by the Merchant Marine and Fisheries Committee.

Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise in opposition to the Keogh amendment because it would: First, make the St. Lawrence Seaway totally ineffective in one respect; second, it would impose additional costs on this country for helping feed the hungry people of the world.

I submit, Mr. Chairman, that the statement made here earlier today that only foreign tramp steamers are serving Great Lakes ports tortures the truth. I am advised by Mr. Maxim Cohen, general manager of the Chicago Regional Port District, that the following American lines are now in operation: The Isbransen Lines, and the Waterman Steamship Lines, both serving North Europe; the Grace Lines, serving the Caribbean; and the American Export Lines, serving the Mediterranean, out of Chicago and other Great Lakes ports.

Mr. Chairman, I submit that if this amendment is adopted we are going to impair the effectiveness of the St. Lawrence Seaway in the very beginning of its operation. It will kill this newborn baby before it gets out of its swaddling clothes.

There is no question in my mind that within the next few years, American ships will be operating from every port along the Great Lakes to all parts of the world. This restrictive amendment offered by the gentleman from New York would, in effect, start a precedent which eventually would place every large city on the Great Lakes in a straitjacket regarding further development of its port facilities.

I hope the House will reject the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, I vigorously support the Keogh amendment. In order to understand its purpose, effect, and justification, it is necessary to review the actions which precipitated the problem.

On July 28, 1959, the U.S. Department of Agriculture published an announcement in the Federal Register that official grain inspection services were being established on Canadian soil. While the announcement referred to statutory authorization, it is doubtful that any authorization exists in law. Indeed, such action violates the spirit if not the letter of the U.S. Grains Standard Act and is in discord with the stated objectives of the Agricultural Marketing Act of 1946.

The Grain Inspection Service came into existence under an authorization in the Grains Standard Act which does not and could not have any foreign or extra territorial effect. As a matter of fact, the Grains Standard Act is a criminal statute, the jurisdiction of which is confined to the geographical limits of the United States and to nationals of the United States. It has been argued that Canada can consent to jurisdiction. However, it is well established that such consent by a foreign sovereign does not confer upon a Federal agency jurisdiction or powers not conferred by statutory enactment.

Notwithstanding the lack of statutory authorization and the jurisdictional deficiency, the Department of Agriculture proposes to permit the exportation of Public Law 480 commodities through Canadian ports on the St. Lawrence effective September 1, 1959. The purpose and effect of the pending amendment is to countermand that proposal and require shipments of such commodities to be delivered to the export vessel at a port of the United States where the inspection officers will have both the jurisdiction and the responsibility to discharge their duties under the Grains Standard Act.

The justification for the amendment should be obvious to those who are concerned with the legitimate protection of domestic U.S. industry and U.S. labor. Ships which currently load cargoes of surplus agricultural commodities at U.S. ports will begin to load at Canadian ports. Inescapably, this will mean a substantial loss of business to port terminal interests in the United States, to U.S. ships, to overland carriers in the United States and to U.S. merchants who supply fuel, ships' stores and ships' services. In turn, this will mean a loss of wages if not a loss of jobs to those who work for such concerns.

The argument that the proposal of the Department of Agriculture will result in a saving is ill considered. Any saving which might temporarily result will be more than offset by the loss of tax revenue from U.S. corporations and wage earners.

Mr. Chairman, I urge the adoption of the Keogh amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. KEOGH]. I think it is not in the best interest of the American taxpayer or farmer. I have an announcement in my files from the Canadian Government that it will be its policy to rebate savings to their farmers which will amount to about 15 cents a bushel which accrue from the use of the St. Lawrence Seaway. So we can see what this is going to amount to to the American taxpayers if this amendment is adopted. I believe it was universally felt that the Seaway would result in savings to our people but if this kind of amendment is adopted it will set a pattern for the future and we can see that American taxpayers and shippers are going to suffer continuously.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I do not desire to be selfish in this matter, but I can say in view of the fact that I export more corn out of my district than any other Congressional district in America, as well as soy beans, that we

are hurt by this amendment. Right at the very moment that the Seaway is getting underway we are put under the greatest handicap we could be, especially to the farmers of my own particular area. In addition, we have spent over $500 million getting the Seaway route to serve the farmers and the producers of the Middle West. We are now penalized with an amendment which would in effect make it almost mandatory that all of those goods be shipped out of ports along the ocean, and that would be too much for us to bear.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. YATES. Will this amendment not add to the cost of the program by requiring increased rail shipments which would add to the transportation cost?

Mr. SPRINGER. There is no doubt about that, there would be a substantial added cost if we had to ship that produce out of my Congressional district in the way this amendment provides.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, the Seaway has been open for only 2 months; yet the proponents of this amendment glibly attempt to convince the House by quoting figures and statistics which are not pertinent at all. There can be no valid comparison for any purpose at this time between the shipping that serves the gulf and east ports and the shipping on the Great Lakes as comparable. The Seaway has not been open long enough. I say to the gentlemen, give the Seaway a chance to operate for a reasonable period before you make such comparison. As a matter of fact, the Subcommittee on Appropriations, of which I am a member, has just completed its appropriation bill for the Department of Commerce which authorizes 75 voyages from Great Lakes ports, the first time in the history of the wartime subsidy legislation to authorize oceangoing vessels to come under the subsidy from Great Lakes ports.

The effort to make the comparison of the proponents of this amendment is an attempt to pull wool over the eyes of the Members of this House. The day will come when such a comparison will be proper. More and more American ships will come regularly to the Great Lakes ports through the St. Lawrence Seaway. The day will come, and the opponents of the Seaway must realize it, when ports on the Great Lakes will grow with the Nation and take their place as important world communities. This will mean taking shipping away from the seacoast ports but this is progress. The world moves forward and that is what they are trying to stop—a gesture like that of King Canute in attempting to halt the rising tide by commanding it to stop.

This amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I would like to direct a question to the gentleman from Texas [Mr. POAGE]. Will he tell me if my understanding of this bill is correct; that is, unless the Keogh amendment is adopted, wheat traffic will be diverted from American ships and American railroads?

Mr. POAGE. I think there will unquestionably be some movement diverted from the American railroads and there might be some from American ships.

Mr. VAN ZANDT. Unless the Keogh amendment is adopted, the American railroads will lose their wheat cargo?

Mr. POAGE. I do not think there is any doubt about that. The wheat will move to Montreal, a foreign port, probably by foreign ships rather than over American railroads to American ports.

Mr. VAN ZANDT. My position, then, of course, is in support of the Keogh amendment. I represent a railroad community on the main line of the Pennsylvania Railroad. During a certain period of the year thousands upon thousands of tons of wheat in freight cars use this main line. These freight cars make up trains and provide jobs for enginemen, firemen, trainmen, maintenance-of-way men, and so forth. Therefore, my position is in support of the Keogh amendment because it protects the jobs of American workmen.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I would like to go back to this question asked the gentleman from Texas [Mr. POAGE], and see if he can state the actual amount of money that is involved; for instance, the amount of loss to the railroads.

Mr. POAGE. It would be impossible to estimate the actual amount of loss. As has been stated, the Seaway is just getting under way, and there is no answer—definite answer—at this time.

Mr. WOLF. That is a good answer.

Mr. POAGE. The gentleman must recognize the fact that from the standpoint of the American railroads, the total diversion, whatever it may be, is a loss to foreign shipping.

Mr. WOLF. The record is clear, the gentleman says there is no answer.

I would like to say that I am presenting a different reason than some Members for opposing the Keogh amendment. I am going to be sectional about this. My district has about 450,000 people. The majority voted to send me to Congress, and I am going to represent those folks from Iowa here. They want us to use the Great Lakes, and I am going to support that position. Of those Members who are waving the American flag are not kidding me, who may live along the seacoast. You are doing it for your folks back home, too. We have eight Members from Iowa, four Democrats and four Republicans, all agreed on this thing because we want to see the Great Lakes and its ports used to transport the production of Iowa.

In Iowa we have a great many industries that are just beginning to develop. Many of these are manufacturing products for oversea distribution. These industries will be giving more and more business to the railroads. As our whole national economy expands they are going to get more and more business. In Cedar Rapids alone more than 1 out of 10 people work at the manufacture of products for foreign sales. Is there anything wrong with having an active Great Lakes Seaway? I cannot see anything wrong with that. I do not see how this weakens the Atlantic ports. I cannot see how we weaken one part of America by the sheer act of strengthening the Middle West. We have a great but growing country. We have recognized that need by the opening of this tremendously vital St. Lawrence Seaway. Now we must not become involved in a controversy over what will be shipped through this important water leg of inland America.

I hope this amendment is defeated:

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I would like to know where the Pacific coast stands in this war between the States, and, therefore, I would like to ask a question of anyone who has the facts. I would like to ask anyone who will answer this question affirmatively to give me some facts. Will the Keogh amendment have any important effect on Public Law 480 shipments through west coast ports? Can anyone answer that affirmatively and then give me some facts?

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Only the other day I received a telegram from the Northern——

Mr. PORTER. Is your answer "Yes"; that it will?

Mr. GEORGE P. MILLER. Yes; it will?

Mr. PORTER. On shipments through west coast ports?

Mr. GEORGE P. MILLER. They can divert cotton to Ensenada, Mexico. They can divert wheat to Vancouver.

Mr. PORTER. Who says this, if I may inquire?

Mr. GEORGE P. MILLER. This is a study by the manager of the Northern California Ports Association. I know it of my own knowledge from hearings that we have had, and from my own investigation. This is one of the reasons that the Pacific coast is interested.

Mr. PORTER. Has anyone else any facts on this subject? I would be glad to hear if there would be any effect on the ports of Oregon or Washington, having to do with the number of bushels shipped through those ports.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I rise in support of the Keogh amendment. I feel it is fair, just, and equitable. Does anyone presume that the best interests of all sections and areas of the country are not of major interest to every Member of Congress? Let it be pointed out that whoever would object to the amendment of H.R. 8609 offered by the gentleman from New York [Mr. KEOGH] is lacking in the basic realization that the

St. Lawrence Seaway was built not by any particular section of the country but cost over a half billion dollars of the money of the taxpayers of all America. The greatest burden of this cost was borne not by the taxpayers of the area within the benefits of the Seaway but by those Americans who stand to profit little if anything in the nature of regional or direct benefit. Yet, the expenditure was not begrudged. It behooves us all to be concerned over the prosperity and welfare of every corner and section of this country and therefore, the St. Lawrence Seaway was built. But, it behooves us not at all, to turn the United States into a dumping ground for the surpluses of other nations in the guise of stockpiling.

The amendment is designed to protect the economy of this country and if the opponents of the amendment are alert to the times they will know that the amendment protects the ports of the Great Lakes. Do the opponents know that in anticipation of their shortsighted eagerness of a seeming advantage, those who have no concern or are not charged with the duty of safeguarding the economic welfare and security of this country are preparing to fatten on America's gullibility and generosity?

I direct you to read for yourself the proposal made by Senator Pratt of Newfoundland during debate in the Canadian Senate for the establishment of a Seaway transfer point on the south coast of Newfoundland for warehousing American agricultural products. I refer you to the construction of a 10-million-bushel grain storage elevator northeast of Quebec by the Cargill Corp. for the storage of wheat and other American grains for shipment when the St. Lawrence is frozen over. I further say that there is no savings in allowing American grains to be transshipped over foreign ports. In fact the Federal Government stands to lose and when the Government loses everyone loses.

Mr. Chairman, the Keogh amendment is only for the best interest of the entire United States. I charge rabid sectionalism to those who would not support the amendment. I fervently maintain that the welfare of our own American institutions is of paramount importance and if foreign nations need our assistance they have only to ask for it and no foreign nation is asking for it in this form. The amendment is of material assistance to all the country, including the ports of the Great Lakes.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Mr. Chairman, I rise in support of the Keogh amendment.

Mr. Chairman, there has been much concern expressed here today over the adverse effects of the adoption of the Keogh amendment on our relationships with Canada. Perhaps some understanding of the detrimental effects of Canadian discrimination against the port of Portland over the past 30 or more years may be pertinent in the present debates.

For years the port of Portland in my congressional district served as the winter outlet for foreign shipping from Montreal, Canada. There was an active and healthy exchange of traffic both export and import. The Grand Trunk Railroad, which was later nationalized and organized as an important operation under the governmental owned and operated Canadian National Railway system, constructed railroad terminals, grain storage elevators, and dockside facilities for handling this healthy and economic operation.

But, some 30 or more years ago political pressure of the maritime Provinces was brought to bear on the Dominion Government and as a result the port of St. John was expanded and modernized to such a degree that all Canadian traffic through the port of Portland dried up as a victim of governmental subsidized railroad and port operations.

Today, here, in this House we have a somewhat comparable situation. Public Law 480, which is being considered for renewal and extension, is a U.S. governmental subsidized program to help dispose of our huge surpluses of basic commodities to the hungry people of the world. This is a publicly supported program and should be operated in the best interests of our own people. Our good friends and neighbors of Canada should not complain or feel discriminated against if this House, Mr. Chairman, should adopt the Keogh amendment.

The purpose of the amendment is to protect the ports of the United States. Our taxpayers have paid for these commodities which Public Law 480 seeks to give away to hungry people over the world. In so doing, our ports and our workers should derive all possible benefits from this public operation. Surely, we in Maine objected strenuously when Canada served its own interests by taking its traffic away from us. But there was no attention paid to our complaints.

Today, Canada cannot expect us to subordinate our shipping and port interests to Montreal and St. John or any other Canadian port.

When the St. Lawrence Seaway was authorized, our port-conscious citizens in Portland and in Maine generally, suspected that we would suffer as a result. The resistance which my good friends from the Middle West and particularly those from the Great Lakes area are staging against the Keogh amendment will, if effective, discriminate against American ports in favor of Montreal and other Canadian ports. Consequently, our attitude of opposition to this alliance of our colleagues with the interests of the port of Montreal can be well understood. We only ask for the favorable considerations of our Middle West friends that the Seaway, which is destined to make a great shipping area for your States, should not be used as a further "stab in the back" of the Atlantic, Gulf and Pacific ports which mean economic setbacks of major proportions for us.

Certainly, taxpayers' dollars which provide the subsidies for surplus basic commodities would get some small break from the use of American ports for the shipment of these commodities to foreign lands.

Mr. Chairman, I plead with my colleagues to treat us fairly and equitably. Do not give away this earning factor to the ports of Canada, the earning factor, which is wrapped up in the Keogh amendment and to which American ports are entitled. This is a public program with public funds and American public interests should be served. Let private traffic go where it will but let us use American taxpayers' dollars where they will best serve American taxpayers' interests and in this matter that interest can only be found in the use of American ports.

I urge adoption of the Keogh amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I rise in opposition to the Keogh amendment.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, a great deal has been said here today about favoritism to foreign shippers if the Keogh amendment is not adopted. I want to point out the fact that ocean freight rates have been offered from foreign-flag vessels direct from Duluth to Rotterdam at $9.25 per ton of wheat. Montreal to Rotterdam, on the other hand, have had rates as low as $3.25 per ton. This means that ocean-going vessels have been charging $6 per ton for the Duluth-Montreal portion of the through transportation. This comes to 17 cents per bushel for this leg of the trip.

American lakes shippers, on the other hand, have been charging 13.5 cents per bushel, 3.5 cents per bushel less than the foreign carriers for this transport. This comes to almost $1.20 a ton saving if the Great Lakes Seaway is used. The fact is, Mr. Chairman, that no foreign shipper can effectively compete with the huge Great Lakes carriers on the Duluth-Montreal portion of the shipment. They can move with grain to Montreal and return with Labrador ore.

If you want to help American shipping and American Great Lakes shippers, you must defeat the Keogh amendment. This is the only way in which the Great Lakes shippers can provide shipping at lower cost to the taxpayer and to the benefit of everyone else who is the beneficiary of Public Law 480.

Mr. GARMATZ. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. GARMATZ. Does it cost the farmer himself one penny more?

Mr. VANIK. No. Great Lakes shipping would save $1.20 a ton in shipping charges.

Mr. GARMATZ. It would be less under the Keogh amendment.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. BURDICK] has expired.

The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, at this time I yield to my colleague from Cleveland, Mr. FEIGHAN, of Ohio.

Mr. FEIGHAN. Mr. Chairman, I am opposed to the Keogh amendment because it is designed to lessen the effectiveness of the St. Lawrence Seaway and also to deprive American flagships plying their trade from the Great Lakes to points in Canada under the provisions of Public Law 480, at a saving to the taxpayers. I urge defeat of the Keogh amendment.

Mr. VANIK. I thank my distinguished colleague.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. YATES. The gentleman from Texas declared that lake shipping is foreign shipping. Is the gentleman aware of any law passed by the Congress or any change in the Constitution which has read the lake cities out of the Union?

Mr. VANIK. I do not know of any.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close the debate.

Mr. COOLEY. Mr. Chairman, I am not speaking now, on this proposition, as Chairman of the Committee on Agriculture but as a Member of the House. It occurs to me that the Keogh amendment is a good amendment and should be adopted. I think the matter has been thoroughly covered by those who preceded me. I have no further observation to make other than I shall support the amendment.

Mr. GARMATZ. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GARMATZ. I should like to ask the Chairman of the Committee on Agriculture will the Keogh amendment cost the American farmer 1 penny more?

Mr. YATES. Of course it will.

Mr. COOLEY. I do not think it will, because I think what we are doing here is saving some money for the taxpayers on freight rates.

Mr. YATES. What about the question of transportation costs?

Mr. COOLEY. The farmer does not pay that.

Mr. YATES. Who pays it?

Mr. COOLEY. The shipper pays it. The American taxpayer pays it. I do not see why the American taxpayer should ship in foreign ships.

Mr. YATES. Even if it costs more money?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. MACHROWICZ] to the amendment offered by the gentleman from New York [Mr. KEOGH].

The question was taken; and on a division (demanded by Mr. SPRINGER) there were—ayes 71, noes 108.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEOGH].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COOLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEOGH and Mr. HOEVEN.

The Committee divided, and the tellers reported that there were—ayes 134, nays 142.

So the amendment was rejected.

Mr. McINTIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE: On page 8, lines 16 and 17, after the word "stocks", strike out "disposed of" and insert in lieu thereof "donated abroad."

Mr. McINTIRE. Mr. Chairman, this amendment is to a section of the bill that was proposed by the gentleman from Tennessee [Mr. Bass] and relates itself to the labeling of commodities which are donated. In order that it be clear that the language of this bill and this section is intended to apply to the labeling of commodities donated abroad, I have proposed this amendment to clarify the language in the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I am happy to yield to my chairman.

Mr. COOLEY. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: Page 6 line 19, insert the following:

"SEC. 12. Section 303 of such Act is amended by striking out the fourth sentence of such section and inserting in lieu thereof the following: 'The Secretary shall permit and encourage barter for materials processed in the United States providing the agricultural commodities to be bartered for such materials be exported to friendly foreign countries.'"

Mr. LATTA. Mr. Chairman, section 303 was stricken out of the bill yesterday. This amendment which I propose was adopted unanimously in the Committee on Agriculture, and I think it should be adopted unanimously here today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. COOLEY. Mr. Chairman, I have no objection to the amendment. The gentleman has accurately stated the situation. I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mrs. SULLIVAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SULLIVAN: On page 8, after line 23, insert the following new section 14 and renumber succeeding sections to conform:

"SEC. 14. Title III of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by adding at the end thereof the following new section:

"'SEC. 306. (a) In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price support operations or diverted from the normal channels of trade and commerce under section 32 of the Act of August 24, 1935, as amended, the Secretary of Agriculture (in this section referred to as the "Secretary") is hereby authorized to promulgate and put into operation as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system such surplus food commodities.

"'(b) In carrying out such program, the Secretary shall—

"'(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"'(2) issue, or cause to be issued, pursuant to subsection (c), food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"'(3) distribute surplus food in commercially packaged form, preferably through normal channels of trade;

"'(4) establish standards under which, pursuant to subsection (c), the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"'(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in subsection (a) of this section; and

"'(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this section.

"'(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b)(1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under subsection (b)(3).

"'(d) Surplus food distributed under this section shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

"'(e) In any one calendar year the Secretary is authorized to distribute surplus food under this section to a value of up to $1,000,000,000, based on the cost to the Federal Government of acquiring, storing, and handling such food.

"'(f) For the purposes of this section, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

"'(g) The Secretary of Agriculture, in consultation with the Secretary of Health, Edu-

cation, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section.

"'(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section.'"

Mrs. SULLIVAN (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I make the point of order that the amendment is not germane to the extension of Public Law 480, as incorporated in the bill H.R. 8609.

The amendment proposes to establish a new distribution system within the United States. H.R. 8609 contains no such provision to which this proposed amendment is germane.

In addition, the proposed amendment would suspend the operation of section 416 of the Agricultural Act of 1949, as amended, which is not before us.

The bill, H.R. 8609, contains only one reference to section 416, but this provision deals only with the labeling of surplus foods, not with the system of distributing these commodities.

This is an amendment which is entirely foreign to the legislation now under discussion and as presented is not germane to the bill.

The CHAIRMAN. Does the gentlewoman from Missouri desire to be heard on the point of order?

Mrs. SULLIVAN. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, Public Law 480, title III, under "General Provisions," states:

In order to prevent the waste of commodities acquired through price support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized on such terms and under such regulations as the Secretary may deem in the public interest: To donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served.

I further state, Mr. Chairman, that H.R. 8609 is a bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, extending certain authorities provided for in that law, and for other purposes. The Agricultural Trade Development and Assistance Act of 1954, as amended, known as Public Law 480, contains provisions not only for the foreign sale, barter and donation of surplus food, but it also contains the relevant provisions of law authorizing domestic donations of surplus food to our own needy. This is contained in titles II and III of the law.

The bill before us amends titles II and III in several respects. The bill before us furthermore contains language clearly applicable to the domestic distribution of surplus foods. For instance, on page 8, beginning at line 14, it states that Commodity Credit Corporation stocks disposed of under title II of Public Law 480 and under section 416 of the Agricultural Act of 1949, as amended, shall be marked and indentified in a way that the recipients would recognize these as gifts of the people of the United States.

In conclusion, Mr. Chairman, I know that the chairman of the Committee on Agriculture agrees with me, not only on the germaneness of this amendment to H.R. 8609 but on the merits of it as an amendment to Public Law 480.

I make one further point in contesting the point of order. "Cannon's Precedents," volume VIII, section 2941, states:

An act continuing and reenacting an existing law is subject to amendment modifying the provisions of the law carried in the act.

Mr. Chairman, we are enacting Public Law 480 programs. This amendment is germane in that it would modify the terms of Public Law 480 dealing with the distribution of surplus food to our own needy, establishing an additional and effective means of distributing such food to our needy.

The CHAIRMAN (Mr. BOLLING). The Chair is prepared to rule.

The bill presently before the Committee provides in two sections for amendments to title III, the general provisions title of Public Law 480. The recently adopted Latta amendment is to the second section involved, and the section cited by the gentlewoman from Missouri, page 8, section 13, is the first one.

The language cited by the gentlewoman from Missouri of section 302 of the basic law, Public Law 480, is very much to the point, and the Chair will repeat it for the purpose of the RECORD:

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served."

Furthermore, on June 20, 1957, a comparable amendment was offered by the gentleman from Louisiana [Mr. THOMPSON], and in making his ruling the Chairman of the Committee of the Whole House on the State of the Union, Mr. Hays of Arkansas, said as follows:

The act which the bill proposes to amend and extend contains a provision relating to the subject matter and, as pointed out, is sufficiently broad and does cover the material offered in this amendment. The language is specific that notwithstanding the foregoing the Corporation on such terms and conditions as the Secretary may deem in the public interest shall make available any farm commodity or product thereof owned or controlled by it in relieving distress.

The Chairman then held the amendment germane and overruled the point of order. The present occupant of the chair, for the reasons stated, holds the amendment germane and overrules the point of order.

A MORE INTELLIGENT SYSTEM OF DISTRIBUTION OF SURPLUS FOOD TO OUR OWN NEEDY

Mrs. SULLIVAN. Mr. Chairman, this amendment consists of the food stamp bill, H.R. 1359, which has been approved by the Committee on Agriculture as a separate bill.

It belongs on this bill, however, as part of the overall program of surplus food disposal here and overseas. If you want to see a food stamp plan in operation in this country, with all of our own needy getting regular allotments of good, nourishing food, including the perishables—fruits, vegetables, fresh eggs instead of powdered eggs, fresh milk instead of milk powder—if you want to see such a program in effect—operating out of the neighborhood grocery stores—then this amendment to this bill represents your best hopes of achieving that.

Standing by itself, my bill might be vetoed. The Republican members of the Committee on Agriculture solidly oppose it—every one. Mr. Benson says he does not want it.

SECRETARY WON'T ACT UNLESS LAW IS ENACTED

He already has the authority to institute a food stamp plan such as called for in this amendment, but he won't initiate it on his own authority. He has told Congress—he told us in a formal report on this matter 2 years ago—that if the Congress wants him to run a food stamp program, it must enact legislation calling for such a program. Placing such legislation on this bill is the best way to comply with that demand, and establish a more intelligent system of distributing surplus food to our needy.

ISSUE FULLY CONSIDERED AND APPROVED BY AGRICULTURE COMMITTEE

We argued this issue out here on the House floor on June 20, 1957, and again on August 18 last year, when a majority of the Members supported my bill. As I said, the House Agriculture Committee has approved this proposal. I would rather see the food stamp program become law as part of Public Law 480, however, than have my own bill, H.R. 1359, passed only to be vetoed. The chairman of the Committee on Agriculture, I am happy to say, agrees with me, and tried to tack this bill on to H.R. 8609 in committee.

GETTING SURPLUS FOOD TO THOSE WHO NEED IT IN UNITED STATES

Mr. Chairman, what would this amendment do? It would use our surpluses—more of them—to help our own needy. We are sending billions of dollars worth of food overseas in gifts to the needy of other countries. In comparison, we are doing very little for our own needy. In many cities, we give them some cornmeal, some flour, some dried skim milk, some rice, once a month—in big packages these poor people have to drag home clear across town—many of the recipients old people who have a difficult time getting the stuff home. When they eat it, they have a completely unbalanced diet. Yet farmers are in trouble financially because of surpluses.

How good and how bad is the present food distribution system? Read the Committee on Agriculture's report on H.R. 1359—House Report No. 907. Copies are at the pages' desk. You will see how the program operates in your State, if you are not already aware of the shortcomings of food distribution to our own needy. Ask any Member who comes from an area where they are giving out this food at the present time.

FRESH FOODS INSTEAD OF POWDERED AND DEHYDRATED ONES

Every little bit of additional food helps the hungry. But can we not use these mountains of surplus in a more humane manner? Can we not include fruits and vegetables and meats and poultry and eggs when they are in surplus? Under a food stamp plan we can—and should.

REACHING ALL OF OUR CERTIFIABLY NEEDY

This would be done mostly through section 32 funds. Why not distribute some pork to the needy, if we are going to spend $150 million to help the hog raisers? Are we going to ship that pork to the poor of every other country in the world, and pay the ocean freight besides, or distribute it to our own needy?

Operating through the stores, a food stamp plan could cover and include all of our certifiably needy—all on public assistance, all of the cases we know need this help. Get House Report No. 907, on H.R. 1359, and see the extent of need in your State. I am sure that all of the Members on the Democratic side, certainly, and even some of the Republicans will support this amendment if they only look over the committee report on my bill, look at the tabulations and facts it contains, and see the solution presented.

In a limited time here I cannot detail all of the provisions of the bill. The committee report on H.R. 1359 spells it out in detail. Please read it. And you will see that even in the hardest hit recession areas of this country—the depressed areas—many counties cannot now participate in food distribution. It is tragic that in helping to feed the whole world, we let many of our own go hungry. In county after county with from 6 to 12 percent unemployment—or worse—very little food is given out, or none at all. Just see the report on that on pages 9 to 16 of House Report No. 907, the report by the Agriculture Committee on H.R. 1359. The information referred to comes from the Department of Agriculture itself.

Mr. Chairman, under normal circumstances, we would have several hours of general debate and a separate debate on the rule if we were taking up H.R. 1359 under the regular order. There would be full opportunity to explain every feature of the bill. Since that opportunity will not be available today, in considering the bill as an amendment to H.R. 8609, I am including as part of my remarks the opening pages of the report by the Committee on Agriculture, which outline in detail the purposes of this proposal, how it would operate, what it would or might cost, and why it is needed, as follows:

EXCERPTS FROM REPORT OF COMMITTEE ON AGRICULTURE ON H.R. 1359

PURPOSES AND OBJECTIVES

The purposes of the bill are to provide clear-cut legislative authority to the Secretary of Agriculture to institute a nationwide food stamp plan for the distribution of surplus food to the needy, preferably through the normal channels of trade; to include in such a food distribution program not only storable commodities in CCC stocks but other foods, including perishables, which are or which should be diverted from the market under various price-support operations of the Department of Agriculture; and to authorize any necessary additional appropriations not already authorized by law to carry out such a program.

The objectives of the bill are as follows:

1. To enable all Americans at the lowest income level, not now able to purchase even a minimum diet for proper nutrition, to obtain on a regular basis a wider variety of foods from among the food commodities produced in such abundance on the Nation's farms.

2. To replace wherever practical the present system of direct distribution to the needy with a more flexible plan better geared to the needs of the recipients for additional foods.

3. To utilize in a practical manner the food distribution skills and know-how of the American food industry in the distribution of surplus food to the needy, preferably utilizing neighborhood stores in which the recipients of surplus food customarily make their normal food purchases.

4. To aid the Nation's farms by providing a substantially expanded outlet for food commodities regularly, periodically, or seasonally produced in such surplus as to depress market conditions and lower the price received by the farmer to less than a fair and reasonable return.

NEED FOR LEGISLATION AT THIS TIME

It is the conviction of many members of the Committee on Agriculture that the Secretary of Agriculture at present has all of the legislative authority he requires to institute a food-stamp program such as called for in H.R. 1359, and that with a will and a desire to establish a broader and more beneficial system of surplus food distribution to the needy, the Secretary and his aids could place such a program into effect at any time.

Previous Secretaries of Agriculture have used the authority of section 32 of the Agriculture Adjustment Act of 1935 as the basis for various programs of surplus food distribution, including, in the period 1939–43, a much more elaborate food-stamp plan than is envisioned in H.R. 1359.

Thus, while conceding the fact that a very elaborate food-stamp plan was instituted in 1939 under the broad language of section 32, and while conceding that such language still remains part of the basic law applying to his Department, the Secretary has consistently maintained that if Congress wants a food-stamp plan placed in operation, it must enact legislation specifically directed to such a program, defining objectives and scope of operations, and providing administrative guidance and safeguards.

This committee would prefer to see the Secretary utilize with much more imagination and sympathy the authority he already possesses to help the small farmer and the needy consumer, by instituting a more effective method of surplus food distribution. However, in view of his insistence that Congress must first enact legislation specifically directed to this type of program, the Committee on Agriculture wants to remove any possible doubt in the mind of the Secretary of Agriculture as to his full authority to establish an effective food-stamp program. It also wants to make clear the congressional intent as to the scope and objectives of such a program.

SCOPE OF AID INTENDED

An effective food-stamp distribution system should assure that as broad a variety of surplus foods as is practical is distributed to needy Americans in preference to having such foods spoil in warehouses, or rot in the fields for want of harvest. Thus, such a program should be concerned with disposing not only of surplus storable food commodities but also of perishables in temporary surplus, including fresh fruits and vegetables, fresh milk, fresh eggs, poultry, etc. In this way, a food-stamp plan can be of substantial benefit to the Nation's farmers by providing an expanded outlet for the products of our farms.

An effective food-stamp distribution system, furthermore, should include as beneficiaries needy people in all parts of the United States. At present, surplus food distribution is concentrated in areas of high unemployment, because political subdivisions in such areas, faced with a desperate situation of mass distress, have been willing to appropriate emergency funds to cover the high costs of distributing food in their localities. But a person on old-age assistance or a family surplus in want in any other area of the country—rural or urban—is just as much in need of the assistance which could be provided by surplus food distribution as a person or family in similar financial circumstances but living in a depressed labor area.

Under H.R. 1359, all persons on any form of public assistance, thus all of those not on public assistance but certified by State or local welfare authorities as being in need of assistance but ineligible by reason of State or local law, would automatically be eligible for participation in the food-stamp program.

An estimated 7 million Americans at present are receiving public assistance help. Depending upon local economic conditions,

millions of additional Americans are periodically in need of assistance but unable to obtain it because of residence requirements, age of the people involved ("too old to get another job, too young for social security or old-age assistance" is a common protest), absence of a general assistance program in their State, or State prohibitions against the granting of public assistance to any family in which there is an employable person. All such needy persons would be eligible for participation in a food-stamp plan under H.R. 1359.

Some of the bill submitted to the Committee on Agriculture dealing with expanded food distribution proposed including in any food-stamp plan all persons on unemployment compensation or old-age and survivors insurance (social security). While many, if not most such persons no doubt could benefit from the help provided by a food-stamp plan, the fact that they receive unemployment compensation or OASI benefits does not in itself prove they are needy.

Nevertheless, because most recipients of such benefits are undoubtedly experiencing great difficulty in making ends meet at today's high prices of necessities, H.R. 1359 provides that the Secretary of Agriculture, the Secretary of Labor, and the Secretary of Health, Education, and Welfare shall make a joint study and report to Congress within 6 months after the enactment of this bill on the feasibility of, the costs of, and the problems involved in extending the scope of the food-stamp plan to include those on unemployment compensation and social security, and other low-income groups.

LIMITATION ON COSTS SET AT $1 BILLION ANNUALLY INCLUDING VALUE OF FOOD USED FROM GOVERNMENT STOCKS AND COSTS OF FOOD DISTRIBUTED THROUGH REGULAR STORES

The bill establishes a maximum authorization of $1 billion a year for all costs associated with the distribution of surplus food under a food-stamp plan, including the cost to the Federal Government in acquiring, storing, handling, and processing food commodities distributed from Government storage and all other costs under the bill.

While H.R. 1359 provides for distribution of up to $1 billion worth of food annually, it does not, of course, entail additional Federal expenditures of $1 billion or of an amount even roughly approximating $1 billion. Most of the food distributed would be food purchased by the United States through the operation of the price support activities of the Department of Agriculture. Funds for this purpose are already budgeted, including CCC acquisitions, plus $238 million of section 32 funds for the current fiscal year, plus the $300 million carryover in section 32 funds available from customs receipts in previous years.

Operation of a food-stamp program under H.R. 1359 undoubtedly would mean greater book-value donations of foods from Government-owned stocks, and in that sense would represent an apparent increase in Government costs. But much of this food must be disposed of in one way or another in any event.

There would, of course, also be additional Federal expenditures under the food-stamp program. There would undoubtedly be additional use of section 32 funds already budgeted. Also—and these would have to come from new appropriations—there would be some additional administrative expenses for the Department for distribution activities and any expenditures made to the food industry in connection with use of the regular stores for distributed foods, including redemption of the stamps either through an exchange of food stocks or in currency, or both.

The committee has made repeated efforts over the past several years to obtain from the Department of Agriculture reasonably accurate estimates of the added costs which would be involved in a food-stamp program such as called for under H.R. 1359, but the Department has failed to provide such figures. Instead, it has used a rule-of-thumb yardstick based on this assumption: If a food-stamp program is to be effective in helping to alleviate surpluses, it would have to provide at least $100 worth of additional food a year to each person participating in the distribution. Using as a minimum 6 million people who would be immediately eligible (based on the estimated number of public assistance recipients in 1956) such a program, the Department states, would cost $600 million. But this is a figure pulled out of thin air and is in no sense a breakdown of the actual additional cost of H.R. 1359, particularly since as noted, most of the food the Department contemplated distributing in connection with that $600 million estimate was food already owned and paid for by the Federal Government.

The only other relevant figures submitted to the committee concerned the experience of the city of Detroit in arranging for the distribution of surplus food to the needy through a number of participating stores. These stores charge the city 15 cents per person for making the distribution of food provided to the city by the Department of Agriculture.

If H.R. 1359 is enacted, it would be up to the Department of Agriculture to justify to Congress whatever appropriations would be necessary to arrange for food distribution by the regular stores participating in a food stamp program. These might include the costs of exchanging food stocks or redeeming food stamps in currency, depending upon the methods agreed to by the Department and the food industry. It is the opinion of the committee that the Nation's food industry would welcome the opportunity to participate in a meaningful program of helping to provide supplementary food to the Nation's needy and would be glad to sit down with representatives of the Department of Agriculture to work out such an arrangement at reasonable cost to the taxpayers. Spokesmen for various segments of the food industry have, from time to time, informed the committee of their interest in such a plan, particularly if it would mean better diets for the lowest income families and the elimination of present disposal practices which in effect compete with the regular food stores in areas now distributing surplus foods.

PRESENT SURPLUS FOOD DISTRIBUTION SYSTEM

The present system of surplus food distribution to the needy grew in the wake of the serious recessions of 1953–54 and 1957–59. Members of Congress from coal mining areas were primarily responsible for persuading the Department of Agriculture to begin distributing to States and localities some of the storable commodities to be repackaged for distribution to needy families. Subsequently, legislation was reported out of this committee and enacted by Congress to provide for processing by CCC of some surplus corn into cornmeal, and of some wheat into flour, for such distribution. Later, the Congress authorized the Department to package many of the surplus items into family-sized containers for more convenient local distribution.

Throughout the period since the program started, however, all of the responsibility for local distribution of the surplus commodities has rested upon the States and communities participating. The Federal Government ships the commodities into the States in carload lots to central receiving points. It is then transported at State or local expense to distribution depots.

Because of the extent of unemployment, particularly in the chronically depressed labor market areas, the costs of food distribution have been undertaken gladly by many localities in appreciation for even the limited help these few free commodities could provide to families in dire need in their communities. But one after another of the communities which now participate have voiced strong criticisms of the program in operation—the lack of variety in the kinds of food made available; the high costs to localities of warehousing (and refrigeration for butter and cheese when available) as carloads of food arrived on such an erratic schedule that distribution dates had to be planned on a monthly basis in order to accumulate enough foods to warrant summoning needy eligibles to a central depot.

Despite such criticisms from the very start of the direct distribution system in the 1953–54 recession, the Department of Agriculture has maintained from the beginning that its program is adequate, efficient and "of least cost" of any of the various programs of surplus food distribution which has been suggested, including a food stamp plan. And the Department has opposed all legislation submitted to this committee to improve the direct distribution system, citing inevitably the matter of "cost."

This committee is acutely conscious of the costs of legislation it recommends. It is determined to scotch the myth which has grown up over the years that legislation to help the farmer is extravagantly costly. It has opposed lumping it under so-called farm subsidies programs operated by the Department of Agriculture which are not part of any specialized farm program but are of benefit to all Americans, and programs operated by the Department overseas as part of our foreign policy responsibilities.

Nevertheless, we cannot condone the failure of the Department to utilize effectively in behalf of the Nation's many needy persons the abundance of food already in Government possession, and other foodstuffs in surplus, merely because of the alleged cost of an effective distribution system.

This committee wants our surplus food used to help feed the hungry. The present distribution system is not meeting that requirement.

ONLY A THIRD OF COUNTIES, AND A THIRD OF PERSONS ON PUBLIC ASSISTANCE ARE NOW COVERED IN THE SURPLUS DISTRIBUTION PROGRAM

While it is true that many Americans are receiving gifts of surplus food in areas of high unemployment, facts presented to this committee show that the program is not operating in about two-thirds of the Nation's counties, and that about two-thirds of the people on various forms of public welfare in the United States are not receiving any of this food—largely by accident of geography.

The deficiencies of the present distribution program in terms of reaching the majority of our neediest Americans are clearly demonstrated in the following State-by-State breakdown submitted to this committee by Representative SULLIVAN:

TABULATION PREPARED BY REPRESENTATIVE SULLIVAN SHOWING STATE-BY-STATE PARTICIPATION IN PRESENT FOOD DISTRIBUTION PROGRAM BY PERSONS ON PUBLIC ASSISTANCE

The following figures and percentages are rough approximations based on monthly estimates from the Department of Health, Education, and Welfare and on periodic reports from Department of Agriculture.

There may be some variation from month to month:

State	Number on assistance	Number on assistance receiving food	Approximate percentage welfare class receiving
Alabama	207,000	46,000	22.0
Alaska	6,410	0	0
Arizona	46,000	21,000	45.0
Arkansas	98,000	89,000	90.0
California	622,000	20,000	3.0
Colorado	93,000	20,000	22.0
Connecticut	58,000	800	1.5
Delaware	13,000	0	0
District of Columbia	20,000	20,000	100.0
Florida	185,000	0	0
Georgia	182,000	13,000	7.0
Hawaii	16,000	0	0
Idaho	16,000	0	0
Illinois	114,000	58,000	50.0
Indiana	91,000	49,000	55.0
Iowa	80,000	45,000	55.0
Kansas	62,000	12,000	20.0
Kentucky	150,000	75,000	50.0
Louisiana	251,000	0	0
Maine	44,000	26,000	58.0
Maryland	50,000	22,000	49.0
Massachusetts	168,000	4,000	2.0
Michigan	316,000	220,000	70.0
Minnesota	109,000	27,000	25.0
Mississippi	175,000	150,000	86.0
Missouri	245,000	35,000	14.0
Montana	24,000	235	1.0
Nebraska	35,000	0	0
Nevada	8,000	853	10.0
New Hampshire	15,000	4,600	30.0
New Jersey	96,000	14,000	15.0
New Mexico	39,000	29,000	75.0
New York	509,000	262,000	50.0
North Carolina	179,000	0	0
North Dakota	18,000	769	4.0
Ohio	345,000	61,000	18.0
Oklahoma	181,000	113,000	62.0
Oregon	58,000	0	0
Pennsylvania	362,000	271,000	75.0
Puerto Rico	239,000	400,000	[1] 165.0
Rhode Island	36,000	8,600	24.0
South Carolina	85,000	0	0
South Dakota	24,000	13,500	57.0
Tennessee	147,000	36,000	25.0
Texas	368,000	47,000	13.0
Utah	28,000	18,000	65.0
Vermont	15,000	4,700	31.0
Virgin Islands	1,700	0	0
Virginia	66,000	6,900	10.0
Washington	139,000	5,000	4.0
West Virginia	109,000	85,000	78.0
Wisconsin	107,000	17,000	16.0
Wyoming	8,800	5,000	57.0

[1] Estimates of persons on public assistance from HEW; estimates of persons on public assistance receiving surplus food from Department of Agriculture.

In conclusion, Mr. Chairman, I submit now as part of my remarks, the statement I delivered on this bill before the House Committee on Agriculture, as follows:

AIDING THE FARMER BY PROVIDING MILLIONS OF NEW CUSTOMERS FOR NUTRITIOUS FOODS THROUGH A FOOD STAMP PLAN

(Testimony of Congresswoman LEONOR K. SULLIVAN, Democrat, of Missouri, before House Committee on Agriculture at opening of hearings on H.R. 1359, by Mrs. SULLIVAN, and related bills, for establishing a food stamp plan for distribution of surplus food to the needy, Thursday, July 30, 1959)

Chairman COOLEY and members of the committee, I am grateful to the chairman for scheduling full committee hearings on this legislation. In the three previous Congresses in which I have introduced this bill—or one very much like it—the hearings were usually conducted by subcommittee and I found afterward that the committee members who opposed the plan most vigorously in committee or on the House floor were almost always those who had not participated in the subcommittee hearings and thus, perhaps, were not fully aware of the opportunities provided in this legislation not only to help our needy but to help the farmer, too.

H.R. 1359, by the way, is the same bill which a majority of the members of this committee voted for last year and which a majority of the Members of the House of Representatives also supported in a rollcall vote on August 18, on which the tally was 196 to 187. As you know, the bill was considered under suspension of the rules requiring a two-thirds majority, so the bill did not pass despite majority support.

MILLIONS OF AMERICANS HAVE INADEQUATE DIETS

This year, I trust we can finally see it enacted. Many of those on the Republican side of the House who opposed the bill last August are no longer in Congress and their successors, I trust, will support this kind of bill to assure a better diet for the 7 million or more Americans not now able to afford minimum levels of nutrition.

We are now sending frozen chickens to the United Arab Republic, and other foods of all kinds to Yugoslavia, Poland, India, and other countries all over the world—yet for our neediest here, we can provide only some cornmeal or wheat flour, some powdered milk, and that's about all. We should be ashamed of ourselves for permitting this situation to exist, in the midst of such abundance of food—a blessing from God. The surplus is such that we are desperately trying to give it away and dump it all over the world and are in effect paying some countries to take it away. We even subsidize the shipping in some cases—pay the ocean transportation costs.

INCLUDE BILL IN PUBLIC LAW 480

This committee has just completed extensive hearings on Public Law 480, the basic legislation for foreign distribution of surplus American food. We have spent many billions in giving food away overseas in these past 5 years. I am not against aiding the people of other nations, sharing our abundance with them, promoting peace by helping to feed the hungry. I merely want to point out that we also have hungry people here. And we are not doing, in proportion, nearly as much for them as we are for the underprivileged and undernourished of other lands. The figures prove it. More surplus food is sent as a giveaway overseas than is donated to the needy in the United States—even including the gifts of food to the school lunch program.

FIRST PRIORITY ON SURPLUS FOR OUR OWN NEEDY

Since Public Law 480 includes in title III, authority for domestic distribution of surplus food to our needy, and since Public Law 480 will shortly have to come before the House for renewal and extension, I would like to suggest now that H.R. 1359 be written into Public Law 480 as an additional program. The language for accomplishing that could be worked out easily and quickly, and we would thereby achieve two important purposes: one, we would assure that the first priority on distribution of foods in surplus go to our own needy rather than to the needy of other countries—under present law, the Department of Agriculture apparently contends it is not permitted to give away some surplus items here if any foreign country wants to arrange to obtain those same items under Public Law 480; and secondly, we would assure prompt House consideration of this plan as a logical provision of legislation dealing with the whole question of surplus distribution. We saw last year how H.R. 13067 was locked up in the Rules Committee so that it could come up for a vote only under the suspension of the rules procedure which led to its demise.

I believe Chairman COOLEY agrees with me that this bill now belongs as part of Public Law 480, and I earnestly urge that it be so included.

HARD CORE OF 7 MILLION NEEDY

Now, Mr. Chairman and colleagues, let me tell you why I think this legislation is so vital not only to our own needy but to the American farmer as well. We have, as I said, more than 7 million Americans not now able to buy even the barest minimum diet. These are the people on various forms of public assistance. They are—most of them—in dire need in either good times or bad. They form a hard core of the needy aged, the needy disabled, the blind, the families without income except what comes from public agencies or private charities. Their monthly checks do not cover minimum needs. In addition, in bad times—in recession—the ranks of the needy are swelled by millions more temporarily without jobs who may have used up their unemployment benefits—or who were not eligible for unemployment compensation. Many of them cannot get on public assistance regardless of need, in certain States, if they are employable. Nevertheless, they still have to eat.

Here in Washington, in the Nation's Capital, Eve Edstrom of the Washington Post did a heart-rending series of articles a year or so ago about hungry children rooting in garbage cans for something to eat. Out of this came a surplus distribution program here and a movement to provide more school lunches. But the problem Eve Edstrom wrote about in Washington was not an isolated one—it can be duplicated in cities all over America.

PRESENT DISTRIBUTION PROGRAM A FAILURE

We have the food. We have, as I said, such an abundance of food, it is now considered by Mr. Benson to be a great calamity. It could be a great blessing if properly used. It is not now properly used to help our own needy—that is clear and undeniable.

True, we have a surplus distribution program in operation in this country. But it is a very inadequate program. Only one-third of our counties participate in it because of its cost. And the figures show, too, that only one-third of our public assistance recipients throughout the country receive any of the food—2⅓ million out of 7 million. If you take into account another fact, the statistics are even more discouraging—of the 2⅓ million relief recipients receiving surplus food, 400,000 are in Puerto Rico, one-quarter million each are in New York and Pennsylvania and Michigan. Another 175,000 are concentrated in Mississippi. For the rest of the States, therefore, in most cases anyway, far fewer than one-third of the relief recipients receive any surplus food. For instance, in the chairman's State of North Carolina, there are nearly 180,000 people on various forms of public assistance, but none of them receive any surplus food. In South Carolina there are 85,000 on public assistance, but none of them receive surplus food. It is not distributed to the public assistance people in Oregon, Nebraska, Louisiana, Idaho, Florida, or Delaware, to name a few. In my State, Missouri, only about 15 percent of the people on public assistance receive surplus food; in Texas and Wisconsin it is about the same; in California it is about 3 percent; in Georgia about 8 percent; in Massachusetts about 2 percent; in North Dakota about 4 percent; the same in Washington State, and so on. Of course, some of the States do much better than that, but on the whole it is a very spotty program as to coverage, and a completely unsatisfactory program in operation. I can give you these figures for your own States following my statement, or I can put it in the RECORD. It is a cruel hoax—a fraud—an illusion.

Any member of this committee who would disagree with me on that has just not

bothered to go down to the distribution centers in the cities of our country and see this program in operation—not just in the distressed mining areas, but in any large city participating. People—old people, crippled, undernourished people—stand in long lines once a month or so to obtain big bags of flour or corn meal and some dried skim milk they cannot carry. There used to be some cheese and butter—but not now. Once, years ago, there was some canned beef. That was disposed of in one vast splurge—and then it was gone and there was never any more.

NO VARIETY OF FOODS

When you investigate this present distribution system in places like Kentucky, West Virginia, the mining areas of Pennsylvania and Ohio and elsewhere, or talk to Members of Congress from those areas, you find it is a scandal—a crime against humanity. The costs of distribution far outweigh the value of the food. There is no variety.

These are strong words, and I mean every one of them. I don't care how fine—how pious and decent—Mr. Bension and his aids may be in their personal lives—in this program they are participating in a cruel and inhumane thing when you stop to consider how much good—how much real good—could be accomplished with this surplus food. Even the Chairman of the Republican National Committee concedes its is woefully inadequate. Of course, he blames the law for that; I blame the administration of the law.

Let me point out something that every one of you knows better than I—that the farmers of this country—most of them—are in real difficulty. You have struggled to devise legislation which can help the farmer, and you have received precious little help from the administration. And now you find that the House Members from city districts like mine are looking more and more askance at your proposals for aiding agriculture.

CITY FOLKS SEE NO RELATION TO FARM PROGRAMS

Why? Not because we are against the farmer. We know the farmer must be prosperous if the goods we make in the cities are to be sold. A prosperous farmer is a good customer for city industry.

But if I may say so, I would point out that most—nearly all—legislation you bring forward to aid the farmer neglects completely to tie your objective of reasonable farm prices into the companion problem of helping us to assure an adequate diet for all of our citizens. A food stamp program would establish that bond. It would provide at least 7 million new customers—regular customers—for the output of the average farm. Can you devise any better legislative device for increasing the consumption of farm commodities than by bringing in more customers—regular customers—for food items those people are not now buying?

FOOD STAMPS WOULD COVER ALL FOODS IN SURPLUS SUPPLY

As I have set up the program under H.R. 1359, the food stamp plan would provide for distribution through the stores of not just the storable surpluses but of the kind of foods, too, which can be acquired under section 32. We all know the Department has not used section 32 authority as Congress intended it to be used to help the farmer. We have had to force its greater use in the school lunch program, for instance.

There is no reason—no good reason—why fresh fruits and vegetables, and meats, when they are in such surplus as to cause marketing difficulties and depressed farm prices, cannot be utilized in season in a good stamp plan. There are hundreds of millions of dollars set aside each year from customs receipts—30 percent of customs receipts—for use in removing farm surpluses from the market. We have the maximum permissible annual carryover of $300 million in this fund, plus the additional $200 million or more made available each year—much of which is never used.

IS SECTION 32 WORTH CONSIDERING?

This raises the question: If section 32 funds are not to be used both to help the farmer and the needy, then why continue section 32? By what right should this money be made available each year just to help the farmer, if no one else gets any benefit from it? If we cannot use it both to help the farmer and the needy in our cities, by providing more variety in the diets of our 7 million at the bottom of the economic ladder—people who go without the kind of food they need—then it seems to me that the usefulness of the section 32 program is over as far as the average citizen and taxpayer is concerned.

We all pay tariffs on imported goods, and the farmer no more so than anyone else. This fund has in it $500 million right now which could be used to reduce the national debt, if it is not going to be used to help those who need help. A food stamp plan, on the other hand, would provide a real incentive to the full use of the section 32 funds and authority.

DIRECT FARM PAYMENTS EXCEED $1 BILLION YEARLY

One last point and then I will try to answer your questions:

It has been suggested by some of the members of this committee that relief—public welfare—is not the job of the Department of Agriculture. That is true. But it seems to me that in first accumulating billions upon billions of dollars worth of food, then in dumping billions of dollars worth of food overseas for currencies we will probably never use to any significant extent except to give it back to the countries involved, and now in paying out more than $1 billion a year in direct cash payments to farmers, and another billion a year just to store our surplus food—there should also be room—there must be room—in such a program to aid the farmer by getting him more customers—7 or 8 million more regular customers each week for fresh eggs and fresh milk and fresh bread and an occasional half pound of bacon, or some fresh fruits and vegetables in season, or some chickens—all items at present well under parity.

WHY POWDER EGGS AND MILK?

We now buy up milk and eggs and powder them and give the powdered milk and powdered eggs away. Why not give out fresh milk and fresh eggs? Eggs are only at 58 percent of parity. We seem to be able to send chickens to Egypt but we can't provide them to our poorest here even though the price to the farmer is at 56 percent of parity. Apples here are at 53 percent of parity. Citrus fruits go up and down—they're up now—but often they are way down. Why not distribute some surplus oranges or grapefruit in season to our provable needy? A food stamp plan provides the machinery for using our surplus—not storing it or dumping it.

I do not agree with some Members who believe the surplus distribution program should be switched over to the Department of Health, Education, and Labor. It would mean complete duplication in two separate departments of surplus food distribution systems—one for the needy, another for the school lunch and other programs. The responsibility for using this food properly—effectively—lies in the Department of Agriculture, although my bill also includes consultation with Health, Education, and Welfare, and also Labor. The Agriculture Department has failed to use its authority to institute any effective food distribution program. Congress must force it to be done.

FOOD STAMP PLAN SAFER FROM VETO IN PUBLIC LAW 480

The only effective way of accomplishing that now would appear to be through the inclusion of a food stamp plan as part of Publaw Law 480. I am not unmindful of the fact that a veto could stop my food stamp bill much more effectively standing by itself than as part of Public Law 480, which the administration wants and needs. I ask your help, therefore, in working it out in this fashion.

And I sincerely believe that such a step would be one of the most effective things you could do at this point to help the hard-pressed small farmer—who raises the variety of foods needed for an adequate diet. Adding 7 or 8 million Americans to the number of his customers able to obtain a decent diet would be a tremendous help in boosting farm sales and farmers' income.

Thank you.

Mr. COOLEY. Mr. Chairman, I certainly do not want to minimize the importance of the pending amendment, but I appreciate the fact that most of the Members of the House are entirely familiar with the subject matter.

Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 15 minutes after the gentleman from Iowa [Mr. HOEVEN], has been recognized and has finished his remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. McINTIRE. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment close in 25 minutes after the gentleman from Iowa [Mr. HOEVEN] has been recognized and has completed his remarks.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, in general debate on yesterday I advised members of the committee that the extension of Public Law 480 was considered "must" legislation, and that it would have to be extended before this session of Congress adjourned. I want to speak to you as seriously as I can and voice a one-man opinion that if this amendment is incorporated in the bill it will not be enacted into law.

This amendment has an interesting history. It was offered last year under suspension of the rules and was defeated. A separate bill was reported out of the Committee on Agriculture a few days ago, the bill being authored by the gentlewoman from Missouri, and known as H.R. 1359. It had the unanimous opposition of all the minority members of the committee and our minority report speaks for itself.

That bill was presented to the Committee on Rules and on August 19 the Committee on Rules, a majority of the members of which are members of the gentlewoman's political party, adopted

a motion to lay the bill on the table. So we are only doing some more shadow-boxing here today.

This amendment would not make any more needy people eligible for surplus food. It would impose a system of distribution which has proved inefficient and wasteful.

The Secretary of Agriculture has the authority to put a food stamp plan into operation. It was only done once on a national basis and that was during the time of a depression when we had some 22 million people unemployed. Today we have about 2½ million, perhaps 3 million, unemployed and the situation is entirely different from what it was then.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman stated that the Secretary of Agriculture had the power to put this into effect. Has that not been true for a number of years, other Secretaries have had the same power?

Mr. HOEVEN. The gentleman is correct.

The Secretary already has the authority to establish a food-stamp plan under clause 2 of section 32 of the act of August 24, 1935. The original stamp plan was set up under this authority by Secretary Wallace during an extreme depression. It was discontinued under Secretary Wickard. Neither Secretary Anderson, nor Secretary Brannan, nor Secretary Benson chose to operate another food-stamp plan. There is no depression today and no justification for this legislation.

This bill would put the Department of Agriculture squarely into the welfare business. This is a proper function of HEW. The Department has neither the facilities nor the personnel for such an activity.

It is the "foot in the door" toward more complex and broad stamp plans which would run anywhere from $600 million to $2½ billion per year. While it is very difficult to estimate the cost of this bill, the stated purpose is to have the Federal Government pay all the costs of distributing surplus foods. The city of Detroit spends over $4.6 million a year. You can imagine what the cost would be if Uncle Sam paid the cost for every city in the United States.

"Backdoor spending" is the heart of this bill. The appropriations would not come through the regular process. The money would come from impairing the capital stock of the Commodity Credit Corporation and by using section 32 funds which are derived from tariffs on agricultural imports. The entire cost would be assessed against the farm program and would be very great, especially in view of the fact that there would be a duplication of operations by the Department of Agriculture and the Department of Health, Education, and Welfare.

This bill stands as an unwarranted invasion into State and local rights and responsibilities. We thoroughly endorse the principle that welfare programs should be a State and local responsibility. This bill would make the Federal Government solely responsible for a large portion of welfare activity. It would not be long before the program was operated from Washington rather than from the county courthouse.

The needy would not benefit from this bill. If enacted, States and local communities would inevitably be tempted to reduce or hold steady already low and sometimes inadequate public assistance because the Federal Government was assuming all the cost of food distribution.

In conclusion, Mr. Chairman, let me say that I would be the last to say our present system is perfect. It can be improved; we all know it; but three very important points should be borne in mind concerning the present arrangement of food distribution:

First. Any State can now get all the surplus food it wants and needs for its welfare activities simply by asking for it.

Second. Any State or community can now set up a stamp plan if it so desires. The fact is that no State has chosen to do so. There is only one city, Detroit, which has a stamp plan, as far as I know. Philadelphia tried it, but rejected it as impractical and too costly.

Third. We have been steadily increasing the number of needy people receiving food. In fiscal 1953 only 100,000 needy people in family units received surplus food. In the first half of fiscal 1959 over 5.2 million received this food. The latest figures show over 5.7 million. Counting school lunch and needy people in institutions, we are contributing food to over 20 million people in this country, as compared with 10.7 million people in fiscal 1953. In addition, we distributed over 2.2 billion half pints of milk last year under the school milk program.

The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN]. I commend the gentlewoman for her gallant fight to reduce the bulging bins in our food warehouses by feeding the needy people of our country. As a member of the Subcommittee on Appropriations for Agriculture, I can state that we have more than sufficient food to take care of the needy. We have warehouses piled high with butter and eggs. We have poultry in surplus. We have milk in surplus. What do we do with these products? We let them go to waste and we spend millions for their storage. We refuse to take care of the people of our country while we are seeking to spend $1,800 million for the needy people all over the world? Let us take care of our own first; let us realize that charity begins at home. The food provided for in this amendment is in addition to the small amount of help that people on relief now get. This surplus food will provide a balanced diet to those receiving public assistance. I trust that this amendment will pass.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. MCINTIRE].

Mr. MCINTIRE. Mr. Chairman, I appreciate that a strong appeal is being made on the humanitarian interest involved in this issue. I am equally interested in care for the needy but we ought to be frank and realistic. The purpose of this amendment is to begin on a program which is very broad in purpose. Let us be responsible enough to put the administration of this program, into the hands of the Department of Health, Education, and Welfare. Let that Department come to the Committee on Appropriations for the necessary funds so that the people of this country can know exactly the costs involved. This cost should not be loaded onto the Department of Agriculture then in the minds of the people be charged to the farmers.

Food acquired by price stabilizing programs of USDA can be transferred and cost covered out of appropriations to Department of Health, Education, and Welfare.

While we are caring for our needy let us be honest with ourselves and those we represent and do the job forthrightly and not by backdoor financial operations.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ASHLEY].

Mr. ASHLEY. Mr. Chairman, I simply want to express my congratulations and my regard for the gentlewoman from Missouri and commend her for the devotion and hard work that she has put in on this amendment and on the bill which incorporates the same subject matter. I want her to know that the director of relief in Lucas County, Ohio, has spoken to me on this subject on many occasions and urgently supports the food stamp plan. I must tell the gentlewoman from Missouri that she is, indeed, a heroine in his eyes and I am sure in the eyes of many who are in want of bread in our country.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. I believe the issue involved in this amendment is simply this: Shall we make the Department of Agriculture responsible for the Nation's welfare programs?

As far as food assistance for the needy is concerned, the Department of Agriculture is now doing all it should properly do in this field. It makes available to every State and Territory the surplus foods it has for donation to schools and needy persons. Its staff is available to help the State get started and its rules and regulations are no more than are needed to protect the Federal investment. Because of its sensible approach and its reasonable requirements, more than 5 million needy people in family units are now certified as eligible to receive available surplus foods.

In the past 6½ years, over 4 billion pounds of surplus food, valued at $1.2 billion, has been made available to schools and needy persons in this country. I think that is a tremendous record

of moving surpluses into constructive use. The entire cost of this program has been charged against agriculture, even though our children and needy people are a welfare problem rather than one of agriculture.

This amendment is an effort to make the Department of Agriculture responsible for the welfare of every needy person in this country. Of course, the foods available do not make up a complete diet. They are not intended to. The basic food requirements of the needy should be met under State or local welfare assistance programs. The Federal surplus foods are supposed to be a desirable and valuable supplement—when, how, and if they are available.

The Department of Agriculture has its hands full right now dealing with agricultural problems. Let us not make it take on welfare responsibilities by passage of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, in June of this year, a total of 43 States, the District of Columbia, Puerto Rico, American Samoa, and the trust territories were distributing surplus foods to needy people in family units. A total of 5.7 million people were certified to receive the Federal foods and distribution actually was made to 4.7 million people.

This distribution is being accomplished under a plan whereby the Department and the States share program responsibility and costs. This, I feel, is a very sound basis of operating.

The Department finances necessary processing and packaging costs and ships the commodities—on a freight-paid basis—to central receiving points within the various States. States are responsible for developing a method of certifying applicant families and for making arrangements with their counties and communities for the storage and handling of the donated food and for the operation of a distribution center where recipients receive the food. In a few instances, chiefly metropolitan areas, local arrangements have been worked out to distribute surplus foods through retail stores. This is the system that the amendment contemplates would be used on a nationwide basis, with the Federal Government picking up the bill for all the costs.

I believe the present system has several important advantages and we should oppose a system that would shift to the Department of Agriculture the full cost and responsibility for direct distribution. By requiring an agency of the State government to assume overall responsibility for the program, the Department of Agriculture can be assured that the food donation program will be operated in a manner that is consistent with the policies the State follows in the administration of its basic welfare assistance programs. Under the present arrangement, delivery costs within a State can be held to a practical minimum through the use of State, county, or municipal food storage and handling facilities and—in some cases—with the use of volunteer labor. In addition, such a system maintains sufficient flexibility to permit the scope of the program to be adjusted to changes in the need for such a program or in the volume of surplus food available for donation.

The present program is working effectively in those cases where the State and localities will do their fair share. I do not feel we should ask the Federal Government to assume responsibilities and costs that are more properly placed within the States.

In 1953, only 100,000 needy people were benefiting from Federal surplus foods. Now, the figure is close to 5 million. In March of this year, a Department of Agriculture tabulation showed that surplus foods were being distributed in 72 of the 74 major labor surplus areas and in 100 of the 193 smaller areas with substantial labor surpluses. This shows that the present program can work—if States and localities want it to work.

I urge that we reject this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Missouri.

I think one of the most disturbing paradoxes in American life today is the presence of enormous quantities of surplus food in a country where there are still 17 million Americans who do not have an adequate diet.

This is a proposal that goes a long way in the direction of resolving that embarrassing paradox.

I would like to take this opportunity to inform the House that in conjunction with the distinguished gentleman from Massachusetts in the other body, Senator KENNEDY, I have introduced legislation to transfer the administration of all food distribution programs to the Department of Health, Education, and Welfare where it properly belongs.

I intend to push for approval of this legislation early next year. It is, I believe, vastly superior to the present food distribution plan. I support the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] as a most worthwhile step in the direction of a truly practical and humanitarian use of our farm abundance.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, the administration has really been doing an effective job of distributing surplus commodities, as the gentleman from New York [Mr. PIRNIE] stated. At the present time approximately 5,700,000 people in family units are receiving surplus food at the present time. Added to that are those in institutions and children in school. That means that something like 20 million people are already receiving surplus food.

Any State or local welfare agency in the country can receive all of the surplus food it needs right now. If they think it is best to have a food stamp plan to distribute it they can set up a food stamp plan; since they have not to any extent, it proves such a plan should not be instituted on the Federal level, administered by the Secretary of Agriculture. Secretaries of Agriculture Wickard, Anderson, Brannan, and the present Secretary of Agriculture, Benson, have all seen fit not to initiate such a program.

Section 32 funds would be used to administer this welfare program. This is wrong. Section 32 funds are for the purpose of taking surplus stocks out of the market to increase the price to farmers. Health, Education, and Welfare is the place where this type of a program belongs, not the Department of Agriculture.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Chairman, I am shocked by the fact that under existing law foreign peoples have priority over hungry Americans when it comes to sharing our overabundance of food.

Mr. Chairman, I listened with great interest to the statement of the gentlewoman from Missouri [Mrs. SULLIVAN] when she testified before our Committee on Agriculture and pointed out that in my State of Ohio there are some 345,000 persons on public assistance roles and that of this number only 18 percent are receiving surplus foods.

I applaud the manner in which this amendment would make it possible for thousands of American citizens to get fresh fruits and vegetables through the regular retail outlets of the country. This would serve to provide an adequate diet to those, who through no fault of their own, cannot afford to buy foods other than those that just keep them alive.

I am also pleased by the way it saves many, many thousands of dollars of the taxpayers' money in the handling of surplus commodities.

I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I oppose this amendment because the plan has a history of failure.

I sat in the subcommittee meeting after meeting and heard the abuses to which this plan was subjected. It is no wonder that former Secretaries of Agriculture have discarded it.

People are entitled to all the surplus foods they can use. If they do not receive it, it is the fault of the State.

If they had more food than they are getting many States would simply take away just that much cash from those people or reduce the State effort.

It would take an army of people to operate a food stamp plan. Secretary Wallace had people who were on relief do the work. Now we would have to pay from $600 million to $1,800 million to operate it.

Our Rules Committee tabled the food stamp bill day before yesterday. Here it comes out as a surprise amendment to a good bill, Public Law 480, which I must support. I do not like legislative procedures of that type.

Mr. Chairman, the present food distribution system through which the Department sends foods by the carloads to the States has been found to be far superior to the food stamp plan.

Take the case, for example, of poultry or pork, which has been raised by the proponents. The Secretary of Agriculture under Public Law 32 could buy these commodities in bulk, send them to distressed areas and meet the need far quicker and more effectively than he could administer it through a complicated food stamp plan.

Again this bill robs States of their right to take care of their own welfare people. They can do it far more cheaply and far more effectively than can the Federal Government.

Why, I ask you, Mr. Chairman, should the Government pay the retail grocery stores retail prices for food and place possibly $1.8 billion extra load on the taxpayer, when under the present wholesale system we deliver it in bulk and the States distribute it?

How in the name of heaven is the Secretary of Agriculture going to replace on the shelves of the thousands of our grocery stores what could be millions of articles of food? It is no wonder Secretary Wickard abandoned the plan and Secretaries Anderson, Brannan, and Benson have refused to operate it.

Mr. Chairman, the Rules Committee tabled this bill the day before yesterday. There is actually no need for it. The States have the authority to institute it if they want to. The Federal Government has the authority to institute the program, so the amendment is completely redundant. Of course our public might be confused into thinking that those who are against this bill are against the poor and those who are for this bill are for the poor, but I have enough confidence in the intelligence of the public to feel that they will frown upon political demagoguery and actually criticize those who advocate spending $1.8 billion for a method of distributing foods that is inferior to the method that is now in use.

I urge the defeat of the food stamp amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 1359 for the establishment of a food stamp plan.

The objectives are most clearly and fully explained in the report which has been filed to accompany this bill. I shall not take any time to dwell on those things, rather I shall try to make two or three points in the brief time allotted to me. First, there certainly is a problem. There must be a problem so far as the CCC and its huge surpluses are concerned, or else we would not be here today considering the extension of Public Law 480. Now this bill, 1359, as I see it, simply constitutes an amendment to Public Law 480, be it be extended.

I do not see how any Member can sit through this last spring and early summer as we considered the appropriations for the Department of Agriculture and hear about the huge storage costs which we are now paying and say there is no problem. The figure has become so sizable and so much a principal component in our overall cost of the agricultural program that the fixed costs of carrying these surpluses in storage was even an important item of debate during discussion to raise the debt ceiling limitation. I definitely do believe in our agricultural price support program—but the problem of these surpluses is here and also there is the other everexisting problem of providing the bare level of subsistence for hundreds of thousands of old people. I mean those fine old people drawing old-age assistance.

But today we are presented with a concrete proposal to start to do something about the solution of our surplus problem and to, at the same time, as a by-product, give much sorely needed additional food materials to these old undernourished people who are trying to get along on $50 to $60 a month old-age assistance.

This would not simply benefit the old, but those receiving aid to dependent children. Now let us consider these children. We talk a lot about juvenile delinquency and what we are going to do about it. Well, maybe this bill will not solve all the phases and facets of the juvenile delinquency problem, but certainly where there is a large family who has been abandoned by a father, there is going to be a much larger chance—much larger reason, for these young juveniles to become delinquents, simply by taking or stealing something to eat—and thereby taking their first step to being marked, labeled, or tagged as a "juvenile delinquent."

I think instead of commenting generally on what all this bill will or can accomplish, I should like to turn back to the minority report from page 29 on of the report and not so much to engage in a rebuttal for the arguments against this plan, but to use this minority report as a guide for my very brief further discussion. The minority report states how the present plan operates and then devotes a full paragraph to invasion of local rights and responsibilities. I want to digress a little for a moment and say I have had some personal experience in this matter as late as January or February of this year, and during the summer and fall of 1958. Our metropolitan area was very definitely described in the labor statistics in the unpleasant terms of having a "surplus of labor." What they meant to say was that the recession had hit us pretty hard out there. Now this minority report speaks of the local subdivision assuming the responsibility. I want to say there are other States like the State of Missouri, that because of a peculiarity of their State constitutions, find their taxable levy and general fund purposes at a fixed limitation. Ours is 35 cents per $100 valuation. The local government cannot change that; even the legislature cannot change that. That can be changed only by a two-thirds affirmative vote of all citizens of the State. I suspect that our local government was no different from some of yours. We received a few carloads of these surpluses which were shipped in. They were entirely inadequate. We had no money, no regular personnel to handle even these. What we did was to set up a sort of duty-roster. We picked two from the auditor's office, two from the county clerk's, two from the recorder's office, two from the collector's office, two from the engineer's office, and so on, around the departments of the county government, taking men from their regular duties to make sure there would be someone there to distribute this surplus food. I repeat, I mention this local circumstance, only for the reason that I suspect this spectacle was repeated over and over again in many cities, in many States. It just should not be necessary that a situation of this kind should have to obtain.

Then the minority report speaks, "No help to the farmers, taxpayers, or needy." Well, of course, the entire paragraph is simple doubletalk because if we can reduce these surpluses we do help the farmer. If we can provide food to these poorly fed people, it does help the taxpayers; because every one of us in this Chamber today knows how hard pressed the local community chest or united fund organizations are when you try to raise your quota each fall. There is no place for these needy people to get this help—over and above their old-age assistance or funds received for dependent children—except from such voluntary community contributions. Yes, this does aid the taxpayers, and there is little doubt about it. To those who signed this minority report, I think they know it does.

Then at the end of that paragraph, the minority says something like this: "If H.R. 1359 were passed, it would be an inevitable temptation for State and local governments to reduce public assistance." Now my colleagues, that is about the most ridiculous argument I have ever found in any of the reports I have read this session. These needy people are wards of the State and local subdivisions that are going to have to be provided for someway—somehow; from some fund—somewhere.

Now let us just look at this temptation. To say that a local subdivision of government would be foolish enough to reduce their contributions to these needy people merely because better machinery and just a little more efficient working system is provided to distribute these surpluses, would then turn around and reduce the payments to these needy people is just about as ridiculous as to say it is a temptation to walk by the Sergeant at Arms bank; it is just about as ridiculous as to say that when we leave this Chamber today we are going down the west stairs and clear around to some devious route just because we cannot stand the temptation of walking by that bank for fear we might go in and draw out some money that belongs to us. The analogy is a little clearer than it may seem at first because we as Congressmen are going to have to provide for ourselves and resist the temptation to be extravagant. If we do not have the funds in the Sergeant at Arms bank, we are going to have to get means from some other source. The same is true of the

local governments. These people must be provided for. Certainly, there can be no temptation to reduce the already submarginal level of subsistence payments, because if they do, the difference is going to have to be made up from some other fund, whether the community chest, united fund, or these poor people going to their neighbors asking and begging for enough to supplement their assistance should this suggested temptation to reduce payments actually be carried out by State and local communities.

One of the most shallow arguments is interposed at the end of the minority report when they speak of the unfeasibility of this legislation just because it puts the Department of Agriculture in the welfare field. Well, is not that just too bad. Right now they are doing the very same thing by shipping surplus goods into these various States. Maybe they call this an invasion of the States. But why should the Department of Agriculture not carry on and see that these foods are properly processed, made edible, preserved by adequate refrigeration to where they will have value and be usable to the ultimate recipients for which shipments were originally intended. If I am not completely in error, we have already heard on the floor not so long ago that the Department of Agriculture was engaged in a lot of operations overseas. Then surely there is no reason why this same Department should worry about engaging in just a little activity that might constitute a possible overlapping of the Department of Health, Education, and Welfare, to help undernourished needy.

The President has recently said a lot about calling a conference for the study of the aged. I think this is a fine worthwhile objective, but I think long before this, and right now, he should call a conference with his Secretary of Agriculture in order to do something concrete and substantial instead of theoretical and philosophical for these old people drawing old-age assistance at the average of $64.80 a month. Let us think of it a moment. That is not a week—it is a month—and that is all they get. You and I know that on a monetary subsistence of that amount, many of these old people do not ever have the means for regular transportation to one central city distribution point, and what do they do? They go hungry, or else continue to exist on these filler diets. The mechanics for this plan may not be perfect, it may need a change after it is given a trial. No one can predict in advance how well it will work. But it has been wisely provided that the Secretary of Agriculture and the Secretary of Health, Education, and Welfare, and the Secretary of Labor shall make a joint study and report to the Congress in 6 months the problems involved, the cost, and the feasibility of this program. There, if you please, is the built-in safety valve, or to make it even stronger, a built-in governor within this bill.

We are considering today two problems that are going to be with us a long while, and this one bill is a valiant effort at solution of both of these. Neither of these problems will just evaporate in the foreseeable future. First, it is unlikely that surpluses will cease to exist; and second, it is not unlikely that the number of recipients of old-age assistance will diminish, and of course, it is impossible for the need to completely cease to exist. Certainly this problem of caring for the aged will always be with us. All of us will get old. Many of us will be feeble. Some may have to look for outside help someday. I cannot say why there are so many needy people. It just must be that the good Lord loves poor people because he made so many of them.

Finally, I say that the details of this plan may not be perfect, but it provides in the bill that after a 6 months' study there will be a report to the Secretary of Agriculture, the Secretary of Labor, and the Secretary of Health, Education, and Welfare.

It attempts to solve two problems involving our surpluses, and to provide a better diet for these undernourished people. This bill tries to meet these needs. Let us give it a try.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I think we should examine this amendment from a practical standpoint to see how it is going to work. A person would get these stamps and go down to the grocer and pay the retail price for agricultural products which are then in surplus. Proponents of this amendment point out that such a plan would save us millions of dollars in storage, handling, and transportation charges in addition to reducing our agricultural surpluses. For some reason unknown to me they have completely overlooked the fact that the retail price to be paid to the grocer will include all of these costs plus the additional profits of the middlemen and the retail merchant. In other words, proponents of this amendment would place these additional costs onto the backs of our already overburdened American taxpayers. Yes, and without ever touching or reducing the present stocks of the Commodity Credit Corporation as these purchases would be made through regular commercial channels. Furthermore, the idea suggested here that you are going to get fresh eggs and fresh vegetables all the time is not quite correct. The only time you are going to be able to purchase fresh vegetables and eggs with stamps is when those items are in surplus. If they are not in surplus, you will not be able to purchase them.

Mr. Chairman, I am opposed to this amendment as it is too costly, would be too difficult to police and would not reduce our CCC stocks. The present program would work, however, if the redtape involved in the present program was reduced to encourage participation by the local welfare agencies.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I heartily support the amendment offered by the gentlewoman from Missouri. I think it is well to reiterate that those who want to say this should not be adopted because it ought to go to a different department fail to emphasize the fact that the Secretary of Agriculture himself has said that "The experience of the Department in the operation of that program indicates that, if a stamp plan were to be authorized, legislation specifically directed to such a program should be enacted, which would define the objectives and scope of operation and provide safeguards for the administration and enforcement of the program." This the bill clearly accomplishes.

I have no farms in my district. But I cannot help believing that while of course it is a proper thing to help the wheat farmers, the cotton farmers, and other farmers, it would be of tremendous assistance to those who raise vegetables, livestock, and dairy cattle to do something to enable the Secretary under section 32 of the Agriculture Act of 1935 to help those growers also.

This proposal would limit its benefits to those on public assistance. But it also envisions that, if successful, the program may later be extended to those receiving social security and in need of this assistance. If charity begins at home, certainly our first responsibility is to our own citizens. I hope the amendment will be adopted and become law.

The CHAIRMAN. The Chair recognizes the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN], and this is not easy for me to do because she is a highly respected colleague and I share her concern over the needy citizens of our Nation. But I would point out that this amendment will not benefit our needy citizens. It is based on an assumed availability of Government-owned surplus foods that simply does not exist. The Secretary of Agriculture is authorized to distribute "food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price-support operations or diverted from the normal channels of trade and commerce under section 32 of the act of August 24, 1935, as amended." That is what he is now doing.

This amendment adds not a single additional commodity to those already being distributed. As Secretary Benson said in his testimony before the House Agriculture Committee:

> The Commodity Credit Corporation is not a supermarket bulging with a fabulous variety of foods. I have seen articles and speeches citing the fruits and vegetables, the meats and fresh eggs we presumably have on hand. You know and I know that we have none of these items in our inventory. * * * Better than 85 percent of our surplus inventory consists of the so-called basics—corn, cotton, wheat, rice, peanuts, and tobacco.

You cannot distribute what you do not have. It is possible that, from time to time, supplies of certain foods may require a surplus removal operation with section 32 funds. When this happens, as is the case with dried eggs right now, the

present system moves these foods to school lunch programs and the needy.

All the proposed amendment does is to relieve States and local governments of any costs in the physical delivery of these surplus foods. Right now under present law the Federal Government offers these foods free to States, packages them, ships them to receiving points the States designate. That seems like a pretty generous offer to me.

But, the sponsors of this amendment say that this is not enough. The Federal Government should also plan and finance the delivery right down to the individual needy family. Ladies and gentlemen, that is asking too much of Uncle Sam. I urge the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, did you ever feel when you were walking up a gangplank that there was no ship there? That is the way many hungry people in America feel. We take care of thousands of people overseas and neglect our people back home. It is high time, in my opinion, that we pay a little attention to our own hungry people. I have thousands of people in my district receiving Government surplus food. Let us stop and analyze the situation. Many are coal miners, people who are forced on welfare rolls not of their choosing but because there are not job opportunities in the community in which they live.

Let us stop going down the road of destitution and make an effort to march up the road of hope and happiness so far as these people are concerned. Let us support the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] and give the hungry people of our own land some encouragement.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Chairman, it is my understanding that the gentleman from Wisconsin [Mr. LAIRD] will shortly offer an amendment providing for periodic review of this proposed food stamp program by the Committee on Appropriations, and if that amendment is approved I intend to support the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] to authorize the food stamp program.

I have a few things to say in behalf of the principles of the food stamp amendment, but first I would like to say a word or two in behalf of the amendment to be offered by the gentleman from Wisconsin [Mr. LAIRD]. There are several reasons, and very important ones, why this amendment should be approved. In the first place, Mr. Chairman, I am fundamentally opposed to any and all blank check programs. There is neither a floor nor a ceiling on this food stamp amendment. In my judgment, we need both and the way to arrive at that is by annual review on the part of the Committee on Appropriations.

I say that with plenty of experience to back me up. All of us know that the Secretary of Agriculture is a man of strong viewpoint. Sometimes we agree with him and other times we do not. Perhaps all of us are in error when we fail to properly appraise his accomplishments, but very few of us fail to criticize him when we disagree with what he does or does not do. In the final analysis, the responsibility rests right here in the Congress and we should in the enactment of any far-reaching legislation such as the food stamp plan before us provide, as a minimum, an effective means of congressional review. The Committee on Appropriations is, in my judgment, best equipped to conduct such review and make its recommendations to the Secretary and to the Congress.

From more than 20 years of experience in this greatest legislative body on earth, I would be the last person in the Nation to contend that Congress has the wisdom and the foresight to anticipate and provide for all eventualities. If we had such capacities, our work would be quickly done and those following in our paths could take it easy. On the contrary, we find in virtually all new programs that mistakes are made; that abuses creep in where loopholes exist; that language in the authorizations needs to be reinterpreted; and that constant review is required on the part of Congress if our legislative intent is to be fully and properly reflected in administrative action.

I hope, Mr. Chairman, that the Laird amendment will be approved and that after we have shown our responsibility in that respect we proceed to the favorable consideration of this proposed food stamp plan which has much to commend it.

Mention has been made today of the fact that we are already sharing our blessings of abundance with less fortunate people all over the world through the workings of the Public Law 480 program. Within reasonable and proper limits and subject to periodic review by the Congress, I fully subscribe to the basic principles of Public Law 480.

For many years I have campaigned for programs which would make our surplus agricultural commodities a vital instrument of our foreign policy. Since I first saw hunger written indelibly on the faces of less fortunate people in lands beyond the seas, I have been dedicated to the principle that surely a merciful providence must have intended that we share our abundance with those suffering human beings.

Although I do not favor the wholesale distribution of American tax dollars all over the world in the name of foreign aid, I most wholeheartedly favor the sharing of our surplus food with hungry people both at home and abroad.

As has been said, we are doing a good job abroad. But I personally believe that charity begins at home and much as I like to see our surpluses made available to others, I must say that we should take care of our own first.

With billions of dollars worth of surplus agricultural commodities bulging warehouses all over the Nation, we should not rest until every deserving American is assured of an adequate diet. There are today, and unless we do something about it there probably always will be, deserving children and physically handicapped and aged people in this land who do not have enough of the right kind of food to eat. Although we may not all believe that the amendment before us is perfect in every respect, at least let us do what we can to perfect it and then give this food stamp plan a chance to show what good it can do.

If the Laird amendment is adopted to provide for what I consider an absolutely essential review of the program, I intend to support the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I am very much in favor of the pending amendment. We have surplus milk, cheese, and butter in this inventory. We also have some corn, we have some rice, and we have some people to eat these products.

We have some 530 counties in America where unemployment exceeds 5 percent of the population, yet in less than 50 percent of those counties are they getting any of our surplus foods at this time. Get this report, the establishment of a food-stamp plan and read it.

There is one county in my district that has not had a penny's worth of these surplus foods. We bogged down. This food-stamp plan will give us a better way to test it. It is high time we acted on it. In Detroit they administered a program for less than 10 percent of the total cost. There is $400,000 worth of administrative cost to get rid of $4 billion worth of surplus food. Let us vote for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD to the amendment offered by Mrs. SULLIVAN: On page 2, line 7, strike out the period and insert, "in such amounts as may be specified from time to time in appropriation acts."

Mr. LAIRD. Mr. Chairman, I would like to remind the House that under the terms of the Sullivan amendment $1 billion is authorized to be expended on a nationally administrated food distribution program. This authorization does not include the cost of administering, processing, or policing this program which would add many more millions to the cost of the new Federal program.

This is a blank check authorization. The Committee on Appropriations is required to reimburse the Commodity Credit Corporation for the cost of the program in each yearly agricultural appropriation bill. This program needs and deserves to be reviewed on an annual basis before funds are expended. It would be better to start this program on a pilot operation as recommended by the National Milk Producers Association. I cannot support this amendment without the assurance that

the Federal distribution will be reviewed on a yearly basis by the Congress through its Committee on Appropriations.

I do not believe the House should approve this blank check authorization for back door financing, opening up a very costly operation at the very time every effort must be made to balance the Federal budget.

It does not assure a new and better program with more benefits for needy people. It may just mean a more costly way of distributing surplus foods and a way of shifting all of this bigger cost to the Federal Government. This is the reason for my amendment requiring annual review.

What are the costs involved in a stamp plan? The title of the bill upon which this amendment is based talks about $1 billion. The Department of Agriculture has estimated the lowest annual cost of a stamp plan at $600 million and that a full scale program could run to $2½ billion a year.

We already have developed a method of distributing surplus foods that is efficient and economical.

Over 20 million schoolchildren and needy people are benefiting from Federal surplus foods. And more people could, if State or local governments felt there was a need for such a program in their area.

The Department of Agriculture does not insist that every county participate in this program. It is the purpose of this bill to impose this program on States and counties, whether they want to participate or not. Before we completely reject present methods of distribution let us insist that the new stamp plan be subjected to annual review by this Congress. I hope my amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I rise in support of the amendment.

We in the House today have an invaluable opportunity to strike a blow against malnutrition among millions of our fellow Americans. At the same time we would be paving the way to dispose of mountains of surplus food commodities in a constructive manner.

I refer, of course, to the food stamp amendment which has been offered to Public Law 480 dealing with the disposal of our food surpluses abroad in exchange for foreign currencies.

Under this food stamp plan, the Secretary of Agriculture would issue food stamps to State and local welfare departments desiring to participate in the program. The stamps then would be given by the welfare departments to those receiving public assistance, as well as to other needy persons. They, in turn would exchange the stamps for surplus food commodities at designated outlets, preferably through normal trade channels. The bill provides that the details are to be worked out by the Secretary of Agriculture. The Department already has the manpower and the know-how. The details cannot be spelled out in a law, but is an administrative matter.

It is important to note that the surplus food would be in addition to, and not a substitute for, any welfare assistance, financial or otherwise, now received by the needy.

The plan is simple and workable and would be put into operation as early as possible. In addition, the Secretary of Agriculture, together with the Secretary of Health, Education and Welfare, and the Secretary of Labor, is directed under this amendment to make a study and report back to the Congress on the feasibility of extending the food stamp plan to include persons receiving unemployment compensation, social security pensions, and other low-income groups.

It has been said that a healthy people make a strong country. And physical fitness has always been one of this Nation's prime objects and boasts. Yet there are nearly 6 million men, women, and children whose inadequate public assistance payments prevent them from enjoying the basic minimum diet essential to good health.

We pride ourselves on our abundant economy which has filled our granaries and storehouses to overflowing with wheat, rice, cheese, butter, beans, nonfat dry milk, and other foodstuffs. But millions of our citizens are struggling to survive on a bare subsistence level.

Surely, the spectacle of want and hunger in the midst of plenty should give us pause. How can we justify spending more than $1 million daily—nearly half a billion a year—just to store food while permitting our own fellow Americans to go hungry?

America is synonymous with generosity throughout the world. Wherever there has been fire, flood, and famine, there has been prompt and speedy assistance by an openhearted American people.

But what greater disaster is there than Americans lacking sufficient food while surpluses are locked up in warehouses? When snowstorms and floods isolate large sections of the Nation, our Government comes to the aid of stranded cattle by parachuting food to the starving animals. Are we going to continue to refuse to extend the same assistance to our fellow human beings who are stranded by age, or physical disability, or unemployment and thus are prevented from sharing in this abundance of which we boast?

Let me give you the average incomes on which these people are trying to exist. These are figures which I have obtained from the Department of Health, Education, and Welfare as of May 1959.

In the old-age asistance category, only $64 per month average went to about 2½ million people 65 years of age and over.

Aid to dependent children averaged only $28.80 per child. Seven hundred and eighty thousand families fell into this category covering 2.2 million persons.

Next, we have 109,000 blind receiving an average of $69.19 per month. Then, there are the 337,000 totally disabled receiving an average of $64.10 a month, and finally, the 413,000 receiving general assistance with an average of $67.21 a month.

In these days of inflated prices it is obvious that such payments are entirely inadequate to buy nourishing, wholesome food for these Americans.

Now, let us look at what we have in storage. According to the Agriculture Department, as of May 31, this year, we had $6.1 billion worth of surplus food commodities stored away. Included were 1.1 billion bushels of wheat; 5.3 million pounds of beans; 900 million pounds of rice; 53 million pounds of butter; 13 million pounds of cheese, and 125 million pounds of nonfat dry milk.

This is incredible. Mountains of food on the one hand, and undernourished American citizens on the other. This is something we cannot and must not tolerate longer.

A food stamp plan would not only overcome this paradox of poverty in the midst of plenty; it would also be a major step forward in disposing of our surpluses.

Secondly, a food stamp plan would be tremendously useful and helpful in guiding food consumption along lines that will improve diets. And third, a food stamp plan would make it possible to extend assistance to those who are in need but who are ineligible because of technical provisions of laws governing the granting of such aid.

I urge the House, therefore, to approve the amendment before us so we can meet the food needs of people in distress, while developing simultaneously a program that will bring security and dignity to all our citizens at home.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I, too, introduced a food stamp bill, and I am happy to join the gentlewoman from Missouri [Mrs. SULLIVAN] today in support of her amendment.

I would like to quote no less a personage than the Secretary of Agriculture being in favor of this program when he appeared on behalf of such legislation in 1944 in hearings before the Senate Agriculture Committee. At that time he endorsed and recommended to the committee the views of the National Council of Farmer Cooperatives:

> We commend the U.S. Department of Agriculture on its food-stamp plan which provides an effective mechanism for moving agricultural surpluses into consumption among groups of low purchasing power in a manner that is highly beneficial to the recipient, and we think effectively utilizes the normal channels of distribution. We urge national extension of the plan as early as possible.

That was the Secretary of Agriculture, Mr. Benson, speaking. Let us give the Secretary the program that he has previously favored. By so doing we prove that charity begins at home.

I sincerely hope for the sake of hungry Americans the food stamp plan wins.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I strongly favor this proposal and I hope the House will approve the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

I have sponsored legislation for several years on this subject and I am happy

that once again we have an opportunity to indicate the House membership's support of a stamp plan for the distribution of surplus commodities for our own needy persons.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, I am in hearty support of the amendment of the gentlewoman from Missouri [Mrs. SULLIVAN] to provide for the institution of a nationwide food stamp plan for the distribution of surplus food to the needy from surplus stocks.

If we can afford to spend billions of dollars to provide essential food commodities to the needy people of foreign countries, we certainly should make some effort to provide for the needy people of our own country.

I was astonished to learn that of the 345,000 Ohioans receiving public assistance, only 61,000 or 18 percent are receiving surplus commodities in some form. It is regrettable that my State of Ohio has not been able to effectively use the surplus food program on the present basis.

I think that the food stamp plan should be attempted in an effort to increase the domestic use of surplus commodities in order to maintain the nutritional standards of needy American people. It is my hope that the food stamp plan will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the tragic situation that exists in West Virginia and some 13 other of our States, because of the unemployment situation, is the best answer for the adoption of this amendment.

Let me say to you that our situation has been considerably worsened by the steel strike in that 35 percent of our West Virginia coal goes into the manufacture of steel. Consequently, since the strike is on, and 35 percent of our coal production is down, it results in unemployment of several thousand additional laboring men in our State. They have furloughed over 1,100 railroad men, because there is no coal to haul. So, we are faced with the situation where, if this amendment is adopted, it could very well be useful in West Virginia.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, it has been my pleasure to be associated with this program for some time. I want to pay tribute to the gentlewoman from Missouri [Mrs. SULLIVAN] for this amendment.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mrs. GRIFFITHS. Mr. Chairman, I would like to correct the figures given by the gentleman from Iowa concerning the city of Detroit. It cost the city of Detroit $392,000 to give away more than $4 million worth of food. I would like also to point out that the city of Detroit has more than 146 distribution points; because of the generosity and the cooperation of their grocers they have one of the best systems in the country, but it is not a stamp plan program.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. WIER] has expired.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. GEORGE P. MILLER].

Mr. GEORGE P. MILLER. Mr. Chairman, I am in full support of the amendment by Mrs. SULLIVAN and I yield to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I appreciate the courtesy of the gentleman from California in yielding to me under the time limitation in effect so that I can say that I cannot accept the amendment offered by the gentleman from Wisconsin. There will, of course, be some expenses to the Department of Agriculture in this program, such as in printing up stamps, and making arrangements with the food industry on distribution, and all of those costs are, of course, subject to the review of the Appropriations Committee. But I point out that the stamps will be issued for food already owned by the Government under the CCC program, as well as food purchased under section 32 of the Agriculture Act of 1935. This is food owned by the Government, and which must be disposed of. The discretion for distribution would be entirely in the hands of the Secretary of Agriculture. He says we must give him a bill, if we want him to establish a food stamp plan, and this is the bill to make him act. The amendment to my amendment is innocent sounding but the program as proposed already has any necessary safeguards built in.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] and to commend her for the consistent and effective work she is doing. While sharing our abundance with people throughout the world, I believe we should develop a more effective method of sharing our surpluses with the needy among our own people. Our food surpluses are mounting with every harvest. Also costs of storage and the overall problems in connection with handling our surpluses are growing. A food stamp plan as proposed by the pending amendment is needed. I urge support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, we have heard a great deal of talk about section 32 under which this program was carried out previously. Under the distinguished Secretary Benson, section 32 money has been permitted either to return to the Treasury or has been used for the purchase of horse food for distressed cattle and animals during periods of drought and blizzard and natural disaster throughout the West. I favor feeding hungry animals, it is humane, but only after we feed people who are hungry and in need. These section 32 funds were used by a previous Democratic administration to feed hungry people through a food stamp program. This benefited the farmers, too.

Let me tell the gentlemen on the Republican side of the aisle there is plenty of food being shipped overseas under Public Law 480 that is being denied to our hungry at home right now. Vast quantities of lard, milk, cheese, butter, butter oil, other dairy products, beef, pork products, poultry, fruits dried and frozen, dried edible beans, potatoes, and other food substances which are denied to our hungry at home are given away abroad for worthless currencies. If you do not believe it, look at the report of the committee on page 37 where the amounts are chronicled. The only thing the hungry of America get for this is a large shipping bill, costing millions each year, and stacks of worthless, blocked, soft frozen currencies at best earmarked for waste, dissipation, and ultimate forgiveness to the countries in which they originate.

Charity is fine, on a global level it is splendid, but charity begins at home. Let us feed our own hungry first.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. SLACK].

Mr. SLACK. Mr. Chairman, I rise in support of the amendment and at this time I yield to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I just want to give the latest figures from the State of Pennsylvania which arrived this morning. There are 900,000 citizens of the State of Pennsylvania now receiving surplus food. The State has ordered extras and in the month of October, due to the strike and other situations, we expect to feed 1,350,000 worthy citizens of the Commonwealth of Pennsylvania from surplus food.

I should like to be allied with the gentlewoman from Missouri in support of her amendment.

Mr. DENT. Mr. Chairman, in keeping with this subject and the bill before us, Public Law 480, I would like to call to the attention of the membership the peculiar situation we find ourselves in. At this point I want to present a press release from my office on this subject:

Congressmen JOHN H. DENT and ELMER J. HOLLAND today introduced legislation that, if passed, would assist the more than 6 million now unemployed and on our relief rolls to get more adequate food.

Their bill would require the Government, through the Commodity Credit Corporation, to set aside and process and package for human consumption, peanuts, red beans, and oats.

Congressmen DENT and HOLLAND pointed out that we do not hesitate to support programs that will feed and nurture the underprivileged children throughout the world, a program with which they are in accord. But they feel that we should also take care of our own people as well.

"Out of every 10 pounds of peanuts, we can have 9 pounds of peanut butter, a good nourishing food. Out of every 2 pounds of oats,

1 pound of rolled oats can be processed. The red beans need only to be packaged.

"We feel the time is certainly here when we should care for our own people and add these items to those now on the surplus food lists," said both Congressmen.

This bill is the result of a series of conferences held by the two western Pennsylvania Congressmen with various groups including representatives of unemployed steelworkers, Paul Hilbert, director of district 15, United Steelworkers of America, and John Connelly, staff representative.

Although most of us have both the political and Christian solicitude for our needy foreign neighbors, it seems a rarity to find in our midst any outspoken friends for the needy of our own country.

Later on I will introduce an article on the subject of migratory labor camps and anther one on the surplus food needs of the out-of-work steel strikers.

In the article on migratory farmworkers lies buried one of America's longstanding eyesores.

How can any nation talk about the underprivileged in other nations.

How can any nation talk about giving away millions of tons of farm commodities to needy people without restrictions and yet drawn tight and narrow lines around the need of our own Nation?

These questions bring up other queries. How many Americans know that actually the foods given under Public Law 480 to foreign nations is paid for by loans made to these nations by our Treasury and not paid back to the United States except under the strangest set of loan arrangements ever conceived.

As an example, let us take a follow through on a shipment of foodstuffs.

There are three methods for giving food to foreign countries.

Title 1 authorizes the sale of surplus farm commodities into export for the local currency of the purchasing company and stipulates the uses such local currencies can be used for. The United States cannot take the money owed to us out of the foreign country except by purchases of certain items. The foreign nation owing the United States money can use this money for cultural advancements, schools, and so forth, it can use the money for financing industrial expansion, building public utilities and facilities or it can loan this money with our consent to other needy countries, or for advancement of agriculture.

This is not all bad nor is it all good. Some of the countries actually do repay the money in goods and services but the important thing is that it can be used to build up competitive enterprises which in turn compete against us in the world market. Since 1954 this has amounted to $6¼ billion.

Title 2 authorizes donations of surplus commodities for relief of famine or other relief requirements. This has amounted to $800 million.

Title 3 authorizes the barter of surplus commodities for strategic and other materials of value to the United States. This has amounted to $1⅛ billion.

My point in calling your attention to this is to bring home the fact that although we subsidize the surplus production of these commodities out of general taxation, much of it never gets back to the very people who help pay the bills.

If we are so mindful of the needs of peoples, let us look in our own backyards for some place to put some of the foodstuffs we have in surplus.

It is of small matter as to why a person is hungry. The important thing is that if we can feed the hungry we should do it both domestic as well as foreign.

Not passing Public Law 480 is not the answer at this time. The answer is to make certain that we are doing what is right, right for our own Nation primarily. With the need as shown by all the figures available being what it is I believe the following articles are of utmost importance to a well-meaning Congress.

Migratory workers seem to be the forgotten peoples of our Nation. It seems to me that we could provide better living conditions and better health conditions for these millions of workers who are an important cog in the wheel of food production.

The following timely article on the surplus food situation, and especially in my State of Pennsylvania, gives even more logic to my plea for the passage of H.R. 8609 dealing with the processing of certain surplus commodities.

[From the Wall Street Journal, Aug. 19, 1959]

STEEL STRIKERS DIG DEEPER INTO FEDERAL FOOD SURPLUS HOARD—PENNSYLVANIA LEADS LIST BUT DULL MENU LIMITS DEMANDS—HOW STATES HANDLE HANDOUT

WASHINGTON.—Memo from Ezra Taft Benson to David J. McDonald: "Dave, keep your steelworkers on strike for another 5 or 10 years and our farm surplus problem is solved."

This playfully forged message is the last thing in the world Mr. Benson would ever send. But Mr. McDonald's idle steelworkers are becoming a big new outlet for Uncle Sam's surplus food. The strikers, of course, would have to stay on the grocery dole a long, long time to eat Mr. Benson out of official house and home.

With the steel strike in its fifth week, Agriculture Department officials in charge of passing out food from the enormous Federal pantry report there's now a pickup in the normal summer volume of applications. "We're beginning to feel the additional load," says Howard Davis, deputy director of the Department's food distribution division.

FLOUR, RICE AND EGGS

The strikers are signing up for gifts of flour, cornmeal, rice, powdered milk, and powdered eggs. This is not exactly a mouthwatering array, and the dull menu is undoubtedly holding down the applications. "Everyone wants to know if they can get butter, cheese and meat," says Marvin Sandstrom, another distribution deputy. Mr. Sandstrom tells inquirers that no donations of these items are planned. "Maybe our stuff will look better to them after they've been on strike a little longer," observes another busy official down the hall.

Under the distribution setup, the Agriculture Department parcels out foods to the State relief agencies. State officials decide which citizens are eligible according to State definitions of "need." Technically, the steelworkers must meet the same standards of destitution as anyone else, and can't get food just because they're on strike.

Expecting a strike-swelled "caseload," Pennsylvania welfare officials already have asked Washington for a sizable boost in food shipments. Already dispatched or on the way are 25 extra carloads of flour, 10 carloads of powdered milk, 9 carloads of cornmeal and 9 carloads of rice. These shipments are over and above Pennsylvania's earlier estimates of August needs.

Officials think the strike potentially could boost Pennsylvania's food applicants by as much as 450,000, depending on how long the walkout lasts. This would be a 50-percent increase from the prestrike number of Pennsylvanians receiving food in June, although it's doubtful that all the new applicants actually would be certified as "needy."

No increased food orders have been received here from other States yet, but some strikers are known to be signing applications in Ohio, Indiana, Michigan, Colorado, Washington, and New York.

At last count in June, there were 4.7 million needy persons on State relief rosters receiving Federal food. Normally, the number of recipients declines during the heavy summer employment season. Last year's recession, however, erased this seasonal dip, and officials think this summer's strike might do the same.

NUMBER IS BOUND TO GROW

No one will predict at this point how many strikers eventually will become certified by their States as needy, but the number is bound to grow as financial distress increases. All of the 43 States dispensing Federal food (not participating: Alaska, Florida, Idaho, North Carolina, South Carolina, Oregon) require that an applicant's income must have fallen below a certain level.

In Ohio and Indiana, professional social workers investigate and judge the poverty of applicants. But other States use a fairly mechanical formula. In New York, for example, a breadwinner for a wife and two children must make less than $245 a month to meet the first eligibility test.

By themselves, these rules would make strikers eligible as soon as their paychecks stop. But most States also require a person's liquid assets—bank accounts, savings bonds, common stocks—to fall below a stipulated sum. A New York family of four must have less than $735 in liquid assets to qualify as needy; in Michigan, the maximum is $795.

"Most States don't require you to exhaust your life's savings just to get something to eat," says a Federal official. This is not true everywhere, however. In Alabama, food recipients must be almost completely broke. The Oklahoma regulations count pigs and chickens as liquid assets; these must be sold or eaten before a rural applicant can turn to Uncle Sam.

I would of course like to see the addition of substantive foods such as butter, cheese, and meats, but the Commodity Credit Corporation states that there are no surpluses available.

I have asked for and hope to receive a report on the shipment of these items under Public Law 480 to check on whether some of these products can be made available for domestic use.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I rise in support of the amendment and would like to say to the gentleman from Iowa who is concerned that the Secretary of Agriculture would have to do some welfare work for the American people, that that is all right; he does not do anything for the welfare of the American

farmer anyhow. This would give him an opportunity.

Mr. Chairman, they raise the flag of veto on the other side of the aisle. I say on this side of the aisle, let us raise the flag of humanitarianism, common sense and proper use of our surplus agricultural products.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, on the farms of Iowa in this day and age, we would not think of raising pigs without giving them a balanced diet. Yet, we have thousands and even millions of children who do not have either a balanced diet or an adequate diet in this country. I think, perhaps, there are better ways of accomplishing the objective of this amendment, but they are not before us in legislative form. I say now is the time to do something to help distribute surpluses to hungry and low-income people by adopting this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, I would like to ask the gentlewoman from Missouri if she would comment on the possibility of abuses such as have been suggested by Members opposed to the amendment.

Mrs. SULLIVAN. The only thing I can say to the gentleman is that every law that is enacted is abused in some way or other. But, for the few people who might misuse these stamps, I do not think we should deprive the great numbers of hungry and needy people who are on public assistance from receiving the benefit of the food stamp plan.

Mr. COHELAN. I thank the gentlewoman and I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close debate.

Mr. COOLEY. Mr. Chairman, I realize I cannot make a very convincing speech in 50 seconds. Therefore, I shall not attempt to do so.

Mr. Chairman, I do want to say I am sincerely in favor of the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN]. I hope it will be adopted. I congratulate and commend her on the splendid manner in which she has presented this entire proposition to our committee from time to time. It is a strange thing to me, when we are dealing with poverty-stricken people and surplus commodities, that we must see this split along party lines. Every Republican member of our committee signed this minority report, and it is all, it seems to me, prompted by the theory that Mr. Benson can do no harm and should be supported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD] to the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the amendment be reread by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The amendment was again read by the Clerk.

The question was taken; and on a division (demanded by Mr. ANDERSEN of Minnesota), there were—ayes 70, noes 104.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

Mr. HOEVEN. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. SULLIVAN and Mr. HOEVEN.

The Committee divided and the tellers reported that there were—ayes 156, noes 96.

So the amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 2, line 25, after the word "use" insert the following: "In such amounts as may be specified from time to time in appropriation acts."

Mr. WHITTEN. Mr. Chairman, I have a second amendment of a similar nature. I ask unanimous consent that it be reported and that the two be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 3, line 18, before the word "strategic" insert: "In such amount as may be specified from time to time in appropriation acts."

Mr. WHITTEN. Mr. Chairman, the purpose of the amendment is to give to the Appropriations Committee an annual review of foreign currencies in these particular fields. Certainly since these foreign currencies will be in excess of that required for good use, there would be no attitude on the part of our committee to in any way restrict it. If there is to be an annual planning and an annual reporting, it will lead to better planning, better handling, and to more results.

I am in hopes that the gentlemen on the committee might be able to accept the amendment.

Mr. COOLEY. Mr. Chairman, while I have no authority to accept this proposition on behalf of the Committee on Agriculture, I have examined the amendments and I personally have no objection to the amendments and hope they will be adopted.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. HOEVEN. The gentleman from Mississippi was kind enough to show me these two amendments and there is no objection as far as I am concerned.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendments were agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 2, line 2, strike out the figure "$1,500,000,000" and substitute "$1,250,000,000."

Mr. WHITTEN. Mr. Chairman, as I have pointed out many times, the basic law provides for the acquisition of CCC commodities, and under existing law the Secretary of Agriculture has to obtain those commodities. Once they are obtained, there are several things that can be done with them, but the first and foremost is that the law authorizes and contemplates that they sell them for dollars in the normal way in a competitive market.

I have voted for Public Law 480 with misgivings from the start. Largely because of 480 sale for foreign currency for many years our Government got by with refusing to use its authority to sell in world trade competitively for dollars. After supplies on hand had reached $6 billion we finally got started on competitive sales, which after all is the way to regain markets. This year we find that the Department once again is not fully utilizing its authority to sell for dollars. Certainly, in offering this amendment I agree that we must move commodities to the full extent that is provided in this bill. I do believe, however, that Public Law 480 has to a great degree retarded action by the Department in selling for dollars. Whatever the merits and benefits of this Public Law 480 program may be to foreign countries or to people in foreign countries, it shows up as a dead dollar loss to the Commodity Credit Corporation. Though the Secretary recommends this bill, he will use the cost, as will the press, to attack all agriculture programs. On the other hand, if the Secretary were to sell these commodities in world trade for dollars, as he is authorized to do, and as he should do, we would get a substantial recovery in dollars which would lessen greatly the amount of capital restoration that you make to the Commodity Credit Corporation. If this amendment is adopted, we should direct by law that the Secretary sell that much more through normal channels for dollars.

Like opium, we got stuck with "disposals" instead of sales. We will have to taper off. We must, however, dry up this means of outlet for Commodity Credit Corporation stocks and put more and more emphasis on sales through normal channels, because, after all, that is the only place where you are going to really regain markets.

Really, we will help foreign people or Governments far more by making our production available, year in and year out, at competitive prices. This would help them, the American farmer, and the taxpayer. We refer to needy people in foreign countries, both in this bill and in mutual security. However, in actuality

and almost without exception, through the main provisions of mutual security and under this bill the commodities are practically given to foreign governments which, in turn, sell such commodities to their people. The Department of Agriculture this year was unable to tell us after a 6 months' check, just what price foreign governments were charging their own people for these commodities in various countries. Our own investigating staff discovered the fact that in one country they were adding 70 percent markup to the price they pay "in their currency" when they sell these commodities to their own people. It is hard to believe this increases use in foreign countries.

May I say again, if this amendment is adopted, we must direct the Department of Agriculture not only to maintain our exports at present levels but to increase them by giving extra emphasis on sales for dollars through regular channels at competitive prices.

This program was started to get rid of surpluses. Instead of that it has led to them.

It was started on the basis that it would help needy people. The people have to pay through the nose to their own government.

Mr. Chairman, our trouble is that we are overproducing, though I may say we are refusing to regain and hold our normal markets through competitive sales for dollars. We must strengthen our efforts to force real sales.

This sale for foreign currencies has grown like "Topsy." It is destroying us in the long run, necessary perhaps at the start, necessary perhaps now on a reduced basis, yet I know it leads us in the wrong directions. I know that periodically we should reduce this approach and, in turn, push the Department further and further into regaining our markets through normal channels. My amendment is along that line.

Mr. Chairman, it would be so much better here today for the farmer, the taxpayer, and yes, people in foreign countries, if this were a bill requiring the Secretary to increase his sales for dollars by 20 percent. Remember, he has the authority.

One nation cannot support world prices. Our country has tried. This bill is the result. One billion five hundred million more dollars will be used by the Secretary and the press to attack our farm programs.

We must quit trying to sweep the surplus under the rug. We must quit this drug. My amendment is a step in the right direction.

Mr. Chairman, having served as chairman of the Appropriations Subcommittee for Agriculture for a number of years reviewing actual operations of the program, I would like to give my analysis of the farm situation, with suggested cures. Certainly this effort to "dispose of," by sweeping under the rug—with everybody looking on, fooling no one—is no solution.

CAUSES OF FAILURE OF PRESENT LAWS

Existing price support laws were for the purposes of providing a fair price at the market place. We have had some trouble in the past, but during the last 6 years the situation has become really bad, primarily for the following reasons:

First. Notwithstanding authority to sell competitively, our Government held U.S. production off world markets in 1953, 1954, and 1955. Cotton was held off the world market again this year. Thus, Government investment in price-supported commodities was built up from $2.5 billion on January 1, 1953 to more than $8.7 billion on January 1, 1959. The result was to hold an umbrella over foreign production. At the same time, 743 American agricultural representatives were paid to teach foreign people how to increase their agricultural output.

Second. The law which provided for controls on domestic production by limiting acreage has failed. The law worked reasonably well in the horse and mule days, but with mechanization, hybrid seed, and the more extensive use of improved fertilizer, acreage limits not only have not worked, but actually have served as an incentive to increase production.

Third. With a control program that no longer works, efforts to force reduced production by lowering support prices have had the opposite effect. Farmers simply have grown more units in order to make up for the reduction in prices.

Fourth. With perishable commodities, instead of moving in promptly to stabilize prices as soon as a surplus likely to depress prices became apparent, the Department consistently has waited until after prices broke, thereby greatly increasing costs to the Government and minimizing benefits to producers.

WHAT CONGRESS SHOULD DO

Present laws need to be changed to set up a more workable program and to guarantee that the program will be administered in accordance with the intent of Congress. Here are some suggested actions:

A. BASIC OR STORAGE COMMODITIES

First. Provide price protection on the farmer's share of the domestic market tied to costs of what the farmer must buy so as to keep a balance with labor and industry.

Second. Make price protection on storable commodities contingent upon the farmer holding his production in line with domestic and foreign markets. To accomplish this, we must require that the farmer agree to limit his production—not acreage—to his share of the domestic and foreign market in order to be eligible for price protection. He might be permitted to apply any overproduction against his next year's allotment.

Third. Require the Department of Agriculture to use its authority to sell competitively in world markets in order to insure that this country maintains its share of such markets. Thus, by limiting each farmer's production to his share of domestic and foreign markets, he will be in a position to get a fair price for his share of the domestic market in the marketplace.

Contrary to claims, selling agricultural commodities competitively in world markets need not jeopardize domestic industry. Existing law authorizes American processors to purchase at world prices such quantities of U.S. commodities as are needed to maintain exports of finished goods. Moreover, present law authorizes the President to protect domestic processors from foreign competition, either by tax or flat prohibition.

Fourth. Require the Government to completely isolate from the market such reserves of storable commodities as are considered essential for national defense and are needed for protection against possible shortages in bad years. This is necessary to prevent needed reserves from depressing prices in domestic and foreign markets.

Fifth. Make available part of any remaining surplus to farmers who hold their production below their share of domestic and foreign markets. This should help to dispose of costly surpluses already built up.

B. PERISHABLE COMMODITIES

Excess production of a perishable commodity in any given year usually will not have a significant effect on markets in the following year. However, even a small surplus during any given year may depress prices disastrously for all of that year's production. Generally, sufficient authority is available under present law to handle such situations if it is used properly. The following actions are suggested:

First. Require that the Department of Agriculture announce price-stabilization programs as soon as the likelihood of surplus becomes apparent. Require that Government purchases be made promptly and in sufficient quantity, and that the commodities so acquired be diverted to school lunch and other deserving programs.

Second. Provide the funds needed for such purchases and the costs of diversion.

If these suggestions are followed, markets for perishables will be stabilized and the producer will be able to get a fair price in the marketplace. Moreover, costs to the Government actually will be greatly reduced.

The key, however, is to require that purchases be made before the market breaks. This cannot be emphasized too much. To wait until after the market breaks simply will not work. After a break occurs, "all the king's horses and all the king's men can't put Humpty-Dumpty back together again." Past history has corroborated this again and again.

Farm income should come from the marketplace. In the long run, it must. Do not be misled by those who want to grab part of the farmer's share of the consumer dollar and force him to look annually to the Treasury for a remedy.

I hope, for the long-range benefit of the American farmer, the American taxpayer, our customers abroad, including foreign people who need our commodities, that my amendment will be adopted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the officials of the executive branch of the

Government, charged with the responsibility of administering this program, are in a far better position to fix the volume of the program than we are here on the floor of the House.

Now, this surplus disposal program is gigantic, and our surplus problem is becoming more complex and more aggravated every harvest season.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Was not the matter of a limitation to this extent or any other extent explored in the long hearings that our committee held on this subject?

Mr. COOLEY. The gentleman is exactly right. Our committee, after having long hearings and investigations, concluded that we should follow the recommendation of the Department and fix the authorization at $1,500 million, and that is what I hope this House will do.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield further, everyone hopes to see dollar sales, but this matter has been worked out by the Department and by the committee, and it seems to me we should go slow about making a change of this magnitude on the floor of the House.

Mr. COOLEY. It seems to me that the gentleman from Mississippi could very well have appeared before our committee and presented the amendment at that time, where we could have discussed it with the Secretary of Agriculture and his assistants. I know that the gentleman from Mississippi is sincere in his desire to have the surplus disposed of, and I agree with him that we should sell for dollars wherever possible to sell for dollars, and the Secretary has no moral or legal right to sell for foreign currencies where he can sell for dollars.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes, I yield.

Mr. WHITTEN. I like very much and always enjoy visiting with the gentleman's committee. I am busy, too, and had no knowledge that the hearings were going to be had at the time they were. But, may I say this, it is hard for me to conceive, as the chairman has said and as my friend from Oklahoma has said, that you have placed in this bill a figure of $1,500 million without even exploring whether it could have been reduced, where it is deadweight on the Treasury.

Mr. COOLEY. It is not deadweight on the Treasury. It is a direction for him to use up $1,500 million worth of these commodities.

Mr. WHITTEN. Does not the gentleman realize that next year our committee will have to come in and ask for dollars for restoration of these dollars, $1,500 million?

Mr. COOLEY. On all impaired capital of CCC, that is true. But I say it is necessary for us to exert every effort to dispose of this surplus. Just a few years ago we had a $2,500 million surplus. Now it has reached a figure of about $9 billion, and in the meantime we have lost about $5 billion.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Was there any evidence before our committee that any part of this program replaced dollar sales in any country in the world?

Mr. COOLEY. Only one suggestion was made, and we explored that suggestion and destroyed it and dissipated it, and we have no evidence that any transaction under this bill has displaced dollar transactions anywhere on this earth, and we do have information as to transactions which have taken place all over the world.

I want to repeat again, that the program has been remarkably free from criticism, and so far as I know, absolutely free from corruption and fraud. I hope that this amendment will be defeated and that this bill will be passed by this House and sent on to the White House.

I want to conclude by saying with reference to the food stamp amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] and which was adopted, that there is nothing mandatory in it.

By my own amendment the committee struck out the word "directed" and put in the word "authorized." So the Secretary of Agriculture is not directed to put into effect any food stamp program. He is merely authorized to put it in. And I take that to mean that the President would not veto a bill merely because we authorized one of his Cabinet officers to do or not to do a certain thing, leaving it in his discretion whether to do it or not.

Mr. Chairman, I hope that the bill will be passed here and go on to the other body and finally to the White House and be enacted during this session, although it might very well be delayed until the next session.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. HOEVEN. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes, at the conclusion of the remarks of the gentleman from Iowa.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I join my chairman in opposition to the Whitten amendment. As he has so correctly pointed out we have about a $9 billion investment in surplus agricultural commodities. Throughout the years we have been trying to do a good job in getting rid of it. As I said in the general debate we are doing a magnificent job in that regard.

This program that we are talking about started with an original authorization of some $700 million and we are now operating at about $1.5 billion per year. Throughout our hearings there was ample justification for the $1.5 billion. There was no evidence whatsoever that the authorization should be cut one dollar. I think it would be a mistake in view of the surplus situation that we should deny the Department whatever is justified.

So I urge that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. GUBSER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of addressing the question to the distinguished chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. It is a brief question.

The gentleman, through his long experience with Public Law 480 is well acquainted with the list of commodities which are disposed of under the terms of Public Law 480 either by being named specifically in the statute or by administrative interpretation. Can the gentleman assure me that there is no language in the bill before us at the present time which would eliminate any commodity presently disposed of under the terms of Public Law 480 or is there any intention on the part of the committee to eliminate any commodity presently sold or disposed of in that way?

Mr. COOLEY. I am afraid I do not understand clearly what the gentleman has in mind.

Mr. GUBSER. May I restate the question?

Mr. COOLEY. I wish the gentleman would.

Mr. GUBSER. Is there any language in this bill or is it intended by the committee that any commodity which is presently sold or disposed of under the terms of Public Law 480 would be no longer disposed of under the bill we have before us, if passed?

Mr. COOLEY. You mean whether or not any commodity or producers of commodities are being discriminated against in any way in this bill, I assume?

Mr. GUBSER. Simply if this bill were passed would we still be able to dispose of every commodity which we are disposing of today in the same way we always have?

Mr. COOLEY. I am certain that is true.

Mr. GUBSER. I thank the gentleman very much.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the purpose of my rising today is to put on the RECORD, so we shall have it in the future, both for the conference on this bill as well as for future action by the House in relation to the St. Lawrence Seaway, the following.

I want to comment particularly on the agreements between the United States of America and Canada effected by the exchange of notes signed at Ottawa on August 17, 1954, entered into force August 17, 1954, as well as an exchange of notes signed at Washington June 30,

1952, and entered into force June 30, 1952. They supplement previous treaties between Canada and the United States affecting shipping on the St. Lawrence River and canals, particularly article I of the Boundary Waters Treaty of 1909.

I would call attention particularly to the fact that on anything that might limit the shipping of agricultural commodities over the St. Lawrence Seaway we are bound by an agreement on the exchange of notes between L. B. Pearson, Secretary of State for External Affairs of Canada and Don C. Bliss, Chargé d'Affaires, ad interim, for the United States at the Embassy of the United States of America at Ottawa. That says specifically:

6. (a) It is recognized that it is of great importance to Canada and the United States that the St. Lawrence Seaway be used to the maximum extent required by the needs of commerce. It is understood therefore that both Governments will use their best endeavours to avoid placing unreasonable restrictions on the transit of passengers, shipping or trade in the international section of the St. Lawrence Seaway.

(b) It is further agreed that each Government will consult the other before it enacts any new law or promulgates any new regulations, applicable in the respective national parts of the international section of the St. Lawrence River, which might affect Canadian or United States shipping, or shipping of third-country registry proceeding to or from Canada or the United States respectively.

(c) Similarly, with respect to any laws or regulations now in force in either country which affect the shipping interests of the other country in the international section of the St. Lawrence River, the government affected may request consultation concerning such laws or regulations and the other government shall accede to requests for consultation.

(d) The foregoing undertakings are in addition to the treaty obligations now in force between Canada and the United States affecting shipping in the St. Lawrence River and canals, particularly article I of the Boundary Waters Treaty of 1909.

Don C. Bliss in his note in the third from the last paragraph says:

The U.S. Government agrees with the requirement of consultation between the two governments set forth in paragraph 4(b) and 6 and agrees to relieve Canada of its obligation.

So we have specifically in the United States entered into an agreement that before we restrict in any way the operation of shipping in the St. Lawrence Seaway by either regulation or statute that we will first have consultation between the Government of the United States and the Government of Canada. I hope in the future we will not in this Congress, without prior notice to our good friends north of the border try to put on by amendment actions that limit this Seaway. I must say to you, I voted against it, but once it was put into effect and the Seaway is put into operation, I want it used in full under the agreement. So I want to point out, any future amendments are subject, because this is the superior law of the land being a U.S. treaty and an executive international agreement, subject to a point of order and could have been subject to a point of order. But I wanted to hear the Keogh amendment discussed.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. COOLEY. The gentleman is aware of the fact that the amendment he is talking about was defeated; is he not?

Mr. FULTON. I do and that is why I did not put this in as a point of order. I wanted it decided on its merits and I am glad to see the Keogh amendment was defeated.

Mr. COOLEY. I do not think the Keogh amendment would have imposed any restrictions on the St. Lawrence Seaway.

Mr. FULTON. I thought it would, and I wanted this in the RECORD in case the question comes up. May I close on this point. I feel when we have part of the canal and the St. Lawrence Seaway in our country, and part exclusively in Canada, if we turn the back of our hand to our good Canadian neighbors, that is one thing we had better watch because Canada can shut off her part of the canal or her part of the St. Lawrence Seaway and effectively close that waterway to us in the United States. I hope we cooperate further.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: on page 1, line 8, after the words "December 31" strike out "1960" and insert "1961".

On page 2, line 2, after the figure "1,500,000,000" insert "annually".

On page 2, line 18, strike out "1960" and insert "1961".

On page 6, line 12, strike out "$1,100,000,000" and insert "$1,400,000,000".

On page 6, line 18, strike out "1960" and insert "1961".

Mr. QUIE. Mr. Chairman, this will not be too difficult to explain because this provides for a 2-year extension of title I and title II of Public Law 480. Title I and title II are the only titles that expire. Title III never expires. So the reason I am offering this amendment is to enable us next year to go through this process of working on agricultural legislation without bringing up Public Law 480. We seem to get into a hassle on Public Law 480 each year. So at least we can go by 1 year without bringing it up.

The amendment so far as the funds are concerned does not change the authorization. Presently, there is a $1,500 million authorization for title I for next year. With a 2-year extension, it would provide the same amount of money for the year after.

The same thing would apply to title II. The request here is for an additional $300 million, bringing it from the old law of $800 million to $1,100 million. This would then make the same amount of money available for the year after that.

I think this is an excellent thing to do in order that the people who are looking to us for food, when we have plenty of surplus food, and when we have on hand $9 billion worth in storage at the present time, can be planning not on the $1,500 million available for next year only, but also for the year after that.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. McGOVERN. I think there is a great deal of good sense in the *proposal* that the gentleman from Minnesota is making. Would this 2-year extension enable the people both on our side and the people in the receiving countries to do a little more planning and to bring about a little more order in the program? I think it has that advantage as well as to save our time here in the Congress in renewing a program that may be renewed automatically, but which always raises a period of doubt and insecurity each year in the minds of people that are participating in the program.

Mr. QUIE. The gentleman is absolutely correct. This would be not only a benefit to our taxpayers but also to the people overseas, especially in the matter of their planning.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HOEVEN. I think the gentleman's amendment is excellent and I expect to support it.

Mr. QUIE. I thank the gentleman for his support.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. SHORT. I desire to associate myself with the gentleman's amendment and urge its support.

Mr. QUIE. I thank the gentleman from North Dakota for supporting my amendment. I think it is unreasonable to have to go through this long process of extending Public Law 480 each year.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HAGEN. I would like to point out that we adopted this amendment once in the Committee on Agriculture. This program was designed to get rid of surpluses. We are going to have surpluses for at least 5 years in the future. If the extension of the program for 1 year is justified, then it is equally justified to extend it 2 years. The other body adopted a 3-year extension. Is not that correct?

Mr. QUIE. From what I hear the gentleman certainly is correct.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HOEVEN. The gentleman from California stated it correctly. The bill as passed in the other body provides for a 3-year extension, so it is reasonable to assume that a 2-year extension would be supported in conference.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. COAD. I desire to associate myself with the gentleman's remarks and urge support of his amendment.

Mr. QUIE. I had originally introduced a bill for a 5-year extension of Public Law 480 because for at least 5 years we will have surpluses that must

be distributed overseas because we cannot keep them in storage and pay high storage costs here. To get this program on a little longer basis than 1 year I am offering this amendment for a 2-year extension. I think it will be of great benefit, not only to the taxpayers of this country, but also it has been pointed out to the people of foreign countries as well.

I urge you to support this amendment.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

I wonder if the Republican Members of the House realize that their Secretary of Agriculture, Mr. Benson, asked for only a 1-year extension? Are they now going to repudiate their own Secretary's recommendation?

Furthermore, the committee upon which the gentleman serves with great ability and distinction has rejected this amendment.

We feel that this program is important enough to justify and warrant a review annually. Moreover, if the gentleman's amendment is adopted it will go out to the country that you have doubled the size of this program. The bill we have before us is for a little more than a billion and a half. If the amendment is adopted it will be a $3,600 million bill. That is a thing we discussed in committee. I do not want this adopted. I hope the amendment will be rejected.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. QUIE. I have not worried about what the Secretary of Agriculture said.

Mr. COOLEY. I know, but I worry about it all the time.

Mr. QUIE. It seems that the gentleman usually does not care what the Secretary says, but if the Secretary of Agriculture is in favor of and supports a 1-year extension there is nothing to prevent our extending it for two years. We look at all these laws each year.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HAGEN. Mr. Chairman, I rise in support of the amendment.

Mr. HAGEN. Mr. Chairman, I would like to speak in favor of this amendment. It was presented in the committee and adopted. We then voted to reconsider on a subsequent day and reversed our position, because, I am satisfied, certain people want to play politics with a program that everyone who deals directly with it supports.

The simple fact is that this program exists to get rid of surpluses, and no one is so foolish as to say we will not have surpluses for 4, 5, or possibly 6 years. If a program is good for 1 year, it is far better for 2 years, because then better planning and programing can be done with the disposal of these surpluses.

There is a new program in this bill on a 10-year basis yet we are asked to believe that a 2-year extension of established programs is somehow unwise. How can anyone object to a 2-year extension of title I which provides for sales for soft currency and title II of the bill?

Title III of the act already is on an indeterminate basis. I think this is a justified amendment, as indicated by the judgment of the other body. They have already acted in committee to extend tities I and II for a 3-year period.

I hope that those of you who are interested in disposing of these mountains of wheat and bales of cotton and corn we will have at the end of this crop season will vote to establish a logically long-range program for disposing of these surpluses. Let me conclude by saying that the motives of those who would oppose a 2-year extension, or, perhaps I should say the motives of some of those who oppose such extension, are not related to the merits of the question. Their purpose is solely to use the 480 program as a pawn in next year's political agricultural game. They are willing to risk the continuation of a program beneficial to all agriculture in pursuit of parochial commodity gains. This, of course, poses danger to the beneficiaries of 480 on the farm and also to those city Congressman who will again be asked next year for a record vote on a program, which although necessary, under current programs of price support, carries a big price tag on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken; and on a division (demanded by Mr. QUIE), there were—ayes 69, noes 109.

So the amendment was rejected.

Mr. BOLAND. Mr. Chairman, in yesterday's debate on the amendments offered by the gentleman from Iowa [Mr. HOEVEN], I supported his position that Public Law 480 ought to be extended and the barter program continued. But I agreed with him that this program should not be expanded to the point of ridiculousness. And that is precisely where we would arrive if this bill were passed without the amendments of Mr. HOEVEN striking out paragraphs in the bill which tended to increase the folly that now surrounds the national stockpile and its objectives.

I repeat that the stockpile of strategic and critical materials totals some $8 billion and that this is $4 billion in excess of the needs. As of March 31, 1959, the acquisition cost of the supplemental stockpile was $361,776,700 and the excess cost to the objective totaled $346,224,600. In addition acquisition cost of Commodity Credit Corporation barter came to $269,994,000 with the excess to the objective being $255,286,500. Both the supplemental stockpile and CCC barter are the direct result of operations under Public Law 480.

Several minerals and metals were procured under this program that are not even on the national stockpile list as essential to our needs. Some 32 metals and minerals were procured under this program where the percent in excess of the stockpile needs ran from the low of 125 percent to a high of 400 percent.

With these facts in mind, the committee yesterday acted wisely in supporting the amendments which will at least assist in giving some semblance of common sense to the national stockpile program.

Mr. ULLMAN. Mr. Chairman, I rise in support of the legislation now before the Committee. I know of few programs of greater importance than that authorized by Public Law 480 and I urge its continuation through the adoption of H.R. 8609.

The 480 program affords one of those rare opportunities whereby accumulated farm surpluses can be disposed of abroad and, at the same time, U.S. foreign policy objectives strengthened. Since its inception in 1954, the program has done much to substantially increase U.S. agriculture exports. Title I sales alone have amounted to 843 million bushels of wheat, 210 million bushels of feed grains, 4 million bales of cotton, 3.6 billion pounds of fats and oils, and substantial quantities of several other farm products. The implementation of titles II and III have also been of importance.

One reason for the success of title I activities has been the work of organizations such as the Oregon Wheat League. Far Eastern sales have been generated by the league's activities and new types of wheat products geared to the traditional oriental diet have been developed. The success of this development program can best be illustrated by statistics showing a 20-percent increase in Japanese wheat consumption.

The 480 program has done much to alleviate hunger both here and abroad. Drought and flood stricken peoples throughout the world have received aid essential to their continued existence. Foodstuffs donated pursuant to the provisions of title III have permitted nonprofit voluntary relief agencies to carry on their feeding programs abroad. Similar work of equal importance has been carried on in this country.

Much more remains to be done, however. I am convinced that even greater use of our abundant food supplies can be effectively utilized to insure a proper, nutritious diet for the needy. I strongly support the Sullivan amendment for a food stamp plan for our own needy people. How better can we use our surplus commodities? The 480 program provides the framework for this humanitarian work and so I am pleased to vote for its continuation.

Mr. BREEDING. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] to establish a food stamp plan.

First, I wish to commend the gentlewoman for the fine job she had done in presenting this matter to the House. She appeared before the House Agriculture Committee and her presentation was most convincing.

I favor a food stamp plan for distributing surplus foods to needy persons. Such a plan would result in a more orderly distribution of foods. It also would protect the processors of wheat and other foods on the surplus list and it would protect the neighborhood retailers.

There is no doubt that when surplus foods are shipped into a depressed area for distribution normal trade channels are disrupted.

The amendment offered by the gentlewoman would, in my opinion, restore orderly distribution of the products and result in a better, more efficent system.

I am happy to support the amendment.

Mr. COHELAN. Mr. Chairman, I commend the gentlewoman from Missouri [Mrs. SULLIVAN] for her long-time concern and consistent work on behalf of a program to supplement the food supply of needy Americans, including senior citizens and families in want in both rural and urban areas and particularly those not on public assistance but certified by State or local welfare authorities as being in need of assistance, though ineligible under local statutes to supplement their food supply by using surplus crops which otherwise spoil in warehouses or rot in the fields for want of harvest.

Mr. YATES. Mr. Chairman, I am casting my vote for this bill after much thought and with many misgivings. I would not want my vote interpreted as continued support for this program and I reserve the right to vote against it the next time it is presented for consideration. I have consistently voted against high fixed price farm support programs and I was very much persuaded to vote against this bill for the reason that it is part of the total fixed price farm support program which is so unrealistic at the present time. Persuading me to the contrary, however, is the knowledge that even if this bill were not passed—and it is obvious that it is going to be passed by the House—the surpluses would continue to mount because the law requires the Secretary of Agriculture to continue to purchase farm products through the CCC. Furthermore, this bill is useful in small measure at least for moving some of our surplus commodities and in feeding the needy people of the world.

The answer, of course, lies in changing the basic farm legislation and certainly the Congress ought to act on that with all dispatch.

Mr. BURDICK. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from New York. The Great Lakes seaway brought the seven seas to the doorstep of North Dakota. The advantages which will flow from this new artery of transportation to the great wheat State of North Dakota are manifold. This great project has been opposed for many years by voices similar to those raised here today. If this amendment were adopted, curtailment of Great Lakes shipping would follow, and costs to the Government under the Public Law 480 program would increase. I urge my colleagues to defeat this amendment.

Mr. Chairman, there is, however, an amendment which will be offered by the gentlewoman from Missouri to establish a food stamp plan in connection with this law, which merits your support. This would authorize the Secretary of Agriculture to make our abundance available to undernourished Americans and, at the same time, dispose of more of our agricultural surplus. I urge your consideration and approval of that amendment.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes, pursuant to House Resolution 346, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. HOEVEN. Mr. Speaker, I demand a separate vote on the Sullivan amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mrs. SULLIVAN: On page 8, after line 23, insert the following new section 14 and renumber succeeding sections to conform:

"SEC. 14. Title III of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by adding at the end thereof the following new section:

"'SEC. 306. (a) In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price support operations or diverted from the normal channels of trade and commerce under section 32 of the Act of August 24, 1935, as amended, the Secretary of Agriculture (in this section referred to as the "Secretary") is hereby authorized to promulgate and put into operation as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system such surplus food commodities.

"'(b) In carrying out such program, the Secretary shall—

"'(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"'(2) issue, or cause to be issued, pursuant to subsection (c), food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"'(3) distribute surplus food in commercially packaged form, preferably through normal channels of trade;

"'(4) establish standards under which, pursuant to subsection (c), the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"'(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in subsection (a) of this section; and

"'(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this section.

"'(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b)(1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under subsection (b)(3).

"'(d) Surplus food distributed under this section shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

"'(e) In any one calendar year the Secretary is authorized to distribute surplus food under this section to a value of up to $1,000,000,000, based on the cost to the Federal Government of acquiring, storing, and handling such food.

"'(f) For the purposes of this section, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

"'(g) The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section.

"'(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section.'"

The SPEAKER. The question is on the amendment.

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 232, nays 127, answered "present" 2, not voting 76, as follows:

[Roll No. 141]

YEAS—232

Adair	Barrett	Bray
Addonizio	Bass, Tenn.	Breeding
Albert	Beckworth	Brewster
Alexander	Bennett, Fla.	Brock
Anderson, Mont.	Bennett, Mich.	Brooks, La.
	Blatnik	Brooks, Tex.
Andrews	Blitch	Broomfield
Ashley	Boggs	Brown, Mo.
Aspinall	Boland	Buckley
Bailey	Bolling	Burdick
Baker	Bonner	Burke, Mass.
Baring	Boyle	Byrne, Pa.
Barr	Brademas	Carnahan

Carter	Jennings	Pfost
Casey	Johnson, Calif.	Philbin
Celler	Johnson, Md.	Poage
Chelf	Johnson, Wis.	Porter
Church	Jones, Ala.	Price
Clark	Jones, Mo.	Prokop
Coad	Judd	Pucinski
Cohelan	Karsten	Quigley
Conte	Karth	Rabaut
Cook	Kasem	Rains
Cooley	Kastenmeier	Randall
Corbett	Kee	Reuss
Daddario	Kelly	Rhodes, Pa.
Daniels	King, Calif.	Rivers, Alaska
Delaney	Kirwan	Roberts
Dent	Kluczynski	Rodino
Denton	Kowalski	Rogers, Colo.
Diggs	Lane	Rogers, Fla.
Dingell	Lankford	Rogers, Mass.
Donohue	Lennon	Rogers, Tex.
Dorn, N.Y.	Lesinski	Roosevelt
Dowdy	Levering	Roush
Doyle	Libonati	Rutherford
Dulski	Loser	Santangelo
Durham	McCormack	Saund
Dwyer	McDowell	Saylor
Edmondson	McFall	Scott
Fallon	McGinley	Selden
Feighan	McGovern	Shelley
Flood	McMillan	Sheppard
Flynn	Macdonald	Sikes
Foley	Machrowicz	Siler
Forand	Mack, Ill.	Sisk
Fountain	Madden	Slack
Frazier	Mahon	Smith, Iowa
Friedel	Matthews	Smith, Miss.
Fulton	Metcalf	Spence
Gallagher	Meyer	Staggers
Garmatz	Miller, Clem	Stratton
Gathings	Miller, George P.	Stubblefield
Giaimo	Mills	Sullivan
Granahan	Mitchell	Teague, Tex.
Gray	Moeller	Thomas
Green, Oreg.	Montoya	Thompson, N.J.
Green, Pa.	Moore	Thompson, Tex.
Griffin	Moorhead	Thornberry
Griffiths	Morris, N. Mex.	Toll
Halpern	Morris, Okla.	Trimble
Hardy	Moss	Ullman
Hargis	Moulder	Vanik
Harmon	Multer	Van Zandt
Harris	Murphy	Vinson
Healey	Natcher	Walter
Hébert	Nix	Watts
Hechler	Norblad	Whitener
Hemphill	Norrell	Whitten
Hogan	O'Brien, Ill.	Wier
Holifield	O'Hara, Ill.	Willis
Holland	O'Hara, Mich.	Withrow
Holtzman	O'Konski	Wolf
Huddleston	O'Neill	Wright
Hull	Oliver	Yates
Ikard	Patman	Young
Jarman	Perkins	Zablocki
		Zelenko

NAYS—127

Abbitt	Derounian	Kilgore
Allen	Derwinski	King, Utah
Andersen, Minn.	Devine	Kitchin
	Dixon	Lafore
Arends	Dorn, S.C.	Laird
Ashmore	Downing	Landrum
Auchincloss	Everett	Langen
Avery	Fascell	Latta
Ayres	Fenton	Lindsay
Baldwin	Ford	McCulloch
Barden	Forrester	McDonough
Barry	Frelinghuysen	McIntire
Bass, N.H.	Gary	Mack, Wash.
Bates	Gavin	Mailliard
Baumhart	Glenn	Marshall
Belcher	Goodell	May
Berry	Grant	Meader
Betts	Gross	Michel
Bosch	Gubser	Milliken
Brown, Ga.	Hagen	Mumma
Brown, Ohio	Haley	Murray
Broyhill	Harrison	Nelsen
Budge	Henderson	Ostertag
Burleson	Herlong	Pelly
Bush	Hess	Pirnie
Byrnes, Wis.	Hiestand	Poff
Cahill	Hoeven	Quie
Chamberlain	Hoffman, Ill.	Ray
Chenoweth	Hoffman, Mich.	Reece, Tenn.
Chiperfield	Holt	Reese, Kans.
Coffin	Hosmer	Rhodes, Ariz.
Cramer	Irwin	Riehlman
Cunningham	Jensen	Riley
Curtin	Johansen	Robison
Curtis, Mass.	Jonas	St. George
Curtis, Mo.	Kearns	Schenck
Davis, Ga.	Keith	Scherer
Schwengel	Thomson, Wyo.	Weis
Short	Tollefson	Westland
Simpson, Ill.	Tuck	Widnall
Smith, Kans.	Utt	Wilson
Smith, Va.	Wallhauser	Younger
Springer	Weaver	

ANSWERED "PRESENT"—2

Bentley Knox

NOT VOTING—76

Abernethy	Flynt	Pilcher
Alford	Fogarty	Pillion
Alger	Hall	Powell
Anfuso	Halleck	Preston
Becker	Hays	Rivers, S.C.
Bolton	Horan	Rooney
Bow	Jackson	Rostenkowski
Bowles	Johnson, Colo.	Shipley
Boykin	Keogh	Simpson, Pa.
Burke, Ky.	Kilburn	Smith, Calif.
Canfield	Kilday	Steed
Cannon	Liscomb	Taber
Cederberg	McSween	Taylor
Collier	Magnuson	Teague, Calif.
Colmer	Martin	Teller
Dague	Mason	Thompson, La.
Davis, Tenn.	Merrow	Udall
Dawson	Miller, N.Y.	Van Pelt
Dollinger	Minshall	Wainwright
Dooley	Monagan	Wampler
Elliott	Morgan	Wharton
Evins	Morrison	Williams
Farbstein	O'Brien, N.Y.	Winstead
Fino	Osmers	
Fisher	Passman	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bentley for, with Mr. Wainwright against.

Mr. Keogh for, with Mr. Simpson of Pennsylvania against.

Mr. Anfuso for, with Mr. Taber against.

Mr. Farbstein for, with Mr. Kilburn against.

Mr. Thompson of Louisiana for, with Mr. Lipscomb against.

Mr. Morrison for, with Mr. Van Pelt against.

Mr. Hays for, with Mr. Pilcher against.

Mr. Knox for, with Mr. Cederberg against.

Mr. Collier for, with Mr. Preston against.

Mr. Fino for, with Mr. Minshall against.

Mr. Morgan for, with Mrs. Bolton against.

Mr. Teller for, with Mr. Bow against.

Mr. Rooney for, with Mr. Smith of California against.

Mr. Dollinger for, with Mr. Alger against.

Mr. Powell for, with Mr. Osmers against.

Mr. O'Brien of New York for, with Mr. Taylor against.

Mr. Passman for, with Mr. Teague of California against.

Mr. Burke of Kentucky for, with Mr. Becker against.

Mr. Fogarty for, with Mr. Flynt against.

Mr. Steed for, with Mr. McSween against.

Mr. Wampler for, with Mr. Williams against.

Mr. Evins for, with Mr. Winstead against.

Until further notice:

Mr. Johnson of Colorado with Mr. Halleck.

Mr. Rivers of South Carolina with Mr. Pillion.

Mr. Davis of Tennessee with Mr. Miller of New York.

Mr. Colmer with Mr. Merrow.

Mr. Elliott with Mr. Jackson.

Mr. Monagan with Mr. Horan.

Mr. Bowles with Mr. Dague.

Mr. Alford with Mr. Dooley.

Mr. Abernethy with Mr. Wharton.

Mr. Boykin with Mr. Martin.

Mr. Rostenkowski with Mr. Mason.

Mr. Magnuson with Mr. Canfield.

Mr. HARDY changed his vote from "nay" to "yea."

Mr. SHELLEY changed his vote from "nay" to "yea."

Mr. GOODELL changed his vote from "yea" to "nay."

Mr. BENTLEY. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. WAINWRIGHT]. I voted "yea." If he were present, he would vote "nay." Therefore, I withdraw my "yea" vote and vote "present."

Mr. KNOX. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. CEDERBERG]. If he were present, he would vote "nay." I voted "yea." Therefore, I withdraw my "yea" vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SHORT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SHORT. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. SHORT moves to recommit the bill H.R. 8609 to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 305, nays 53, answered "present" 1, not voting 76, as follows:

[Roll No. 142]

YEAS—305

Abbitt	Bolling	Cook
Adair	Bonner	Cooley
Addonizio	Boyle	Corbett
Albert	Brademas	Curtin
Alexander	Bray	Daddario
Andersen, Minn.	Breeding	Daniels
	Brewster	Davis, Ga.
Anderson, Mont.	Brock	Delaney
	Brooks, La.	Dent
Andrews	Brooks, Tex.	Denton
Ashmore	Broomfield	Derwinski
Aspinall	Brown, Ga.	Devine
Auchincloss	Brown, Mo.	Diggs
Avery	Brown, Ohio	Dixon
Ayres	Broyhill	Donohue
Bailey	Buckley	Dowdy
Baker	Budge	Downing
Baldwin	Burdick	Doyle
Barden	Burke, Mass.	Dulski
Barr	Burleson	Durham
Barrett	Bush	Dwyer
Barry	Byrne, Pa.	Edmondson
Bass, N.H.	Cahill	Everett
Bass, Tenn.	Carnahan	Fallon
Baumhart	Carter	Fascell
Beckworth	Casey	Feighan
Belcher	Celler	Fenton
Bennett, Fla.	Chamberlain	Flood
Bennett, Mich.	Chelf	Flynn
Bentley	Chenoweth	Foley
Berry	Church	Forand
Betts	Clark	Forrester
Blatnik	Coad	Fountain
Blitch	Coffin	Frazier
Boggs	Cohelan	Friedel
Boland	Conte	Fulton

Gallagher	Lesinski	Reuss
Garmatz	Levering	Rhodes, Ariz.
Gathings	Libonati	Rhodes, Pa.
Gavin	Lindsay	Riehlman
George	Loser	Riley
Giaimo	McCormack	Rivers, Alaska
Glenn	McCulloch	Roberts
Goodell	McDowell	Rodino
Granahan	McFall	Rogers, Colo.
Grant	McGinley	Rogers, Fla.
Gray	McGovern	Rogers, Mass.
Green, Oreg.	McMillan	Rogers, Tex.
Green, Pa.	Macdonald	Roosevelt
Griffin	Machrowicz	Roush
Griffiths	Mack, Ill.	Rutherford
Gross	Mack, Wash	Santangelo
Hagen	Madden	Saund
Halpern	Mahon	Schenck
Hardy	Mailliard	Schwengel
Hargis	Marshall	Scott
Harmon	Matthews	Selden
Harris	May	Shelley
Healey	Metcalf	Sheppard
Hébert	Meyer	Sikes
Hechler	Miller, Clem	Siler
Hemphill	Miller, George P.	Simpson, Ill.
Henderson	Milliken	Sisk
Hoffman, Ill.	Mills	Slack
Hoffman, Mich.	Mitchell	Smith, Iowa
Hogan	Moeller	Smith, Miss.
Holifield	Montoya	Spence
Holland	Moorhead	Springer
Holtzman	Morris, N. Mex.	Staggers
Huddleston	Morris, Okla.	Stratton
Hull	Moss	Stubblefield
Ikard	Moulder	Sullivan
Irwin	Mumma	Teague, Tex.
Jarman	Multer	Thomas
Jennings	Murphy	Thompson, N.J.
Jensen	Natcher	Thompson, Tex.
Johnson, Calif.	Nelsen	Thomson, Wyo.
Johnson, Md.	Nix	Thornberry
Johnson, Wis.	Norblad	Toll
Jonas	Norrell	Tollefson
Jones, Ala.	O'Brien, Ill.	Trimble
Jones, Mo.	O'Hara, Ill.	Tuck
Judd	O'Hara, Mich.	Ullman
Karsten	O'Konski	Vanik
Karth	O'Neill	Van Zandt
Kasem	Oliver	Vinson
Kastenmeier	Ostertag	Wallhauser
Kearns	Patman	Walter
Kee	Perkins	Watts
Kilgore	Pfost	Weaver
King, Calif.	Philbin	Westland
King, Utah	Poage	Whitener
Kirwan	Poff	Whitten
Kitchin	Porter	Wier
Kluczynski	Price	Willis
Knox	Prokop	Withrow
Kowalski	Pucinski	Wolf
Landrum	Quie	Wright
Lane	Quigley	Yates
Langen	Rabaut	Young
Lankford	Rains	Zablocki
Latta	Randall	Zelenko
Lennon		

NAYS—53

Allen	Haley	Pelly
Arends	Harrison	Pirnie
Baring	Herlong	Ray
Bates	Hess	Reece, Tenn.
Bosch	Hiestand	Rees, Kans.
Byrnes, Wis.	Hoeven	Robison
Chiperfield	Holt	St. George
Cramer	Hosmer	Saylor
Cunningham	Johansen	Scherer
Curtis, Mass.	Keith	Short
Curtis, Mo.	Kelly	Smith, Kans.
Derounian	Lafore	Smith, Va.
Dorn, N.Y.	Laird	Utt
Dorn, S.C.	McDonough	Weis
Ford	McIntire	Widnall
Frelinghuysen	Meader	Wilson
Gary	Michel	Younger
Gubser	Murray	

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—76

Abernethy	Cannon	Fino
Alford	Cederberg	Fisher
Alger	Collier	Flynt
Anfuso	Colmer	Fogarty
Ashley	Dague	Hall
Becker	Davis, Tenn.	Halleck
Bolton	Dawson	Hays
Bow	Dollinger	Horan
Bowles	Dooley	Jackson
Boykin	Elliott	Johnson, Colo.
Burke, Ky.	Evins	Keogh
Canfield	Farbstein	Kilburn
Kilday	O'Brien, N.Y.	Steed
Lipscomb	Osmers	Taber
McSween	Passman	Taylor
Magnuson	Pilcher	Teague, Calif.
Martin	Pillion	Teller
Mason	Powell	Thompson, La.
Merrow	Preston	Udall
Miller, N.Y.	Rivers, S.C.	Van Pelt
Minshall	Rooney	Wainwright
Monagan	Rostenkowski	Wampler
Moore	Shipley	Wharton
Morgan	Simpson, Pa.	Williams
Morrison	Smith, Calif.	Winstead

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Wampler for, with Mr. Dingell against.
Mr. Preston for, with Mr. Lipscomb against.
Mr. Horan for, with Mr. Taylor against.
Mr. Cederberg for, with Mr. Osmers against.
Mr. Collier for, with Mr. Teague of California against.
Mr. Wainwright for, with Mr. Simpson of Pennsylvania against.
Mr. Keogh for, with Mr. Taber against.
Mr. Dollinger for, with Mr. Kilburn against.
Mr. Anfuso for, with Mr. Van Pelt against.
Mr. Farbstein for, with Mr. Minshall against.
Mr. Teller for, with Mrs. Bolton against.
Mr. Williams for, with Mr. Bow against.
Mr. Winstead for, with Mr. Smith of California against.
Mr. Colmer for, with Mr. Jackson against.
Mr. Rooney for, with Mr. Becker against.

Until further notice:

Mr. Davis of Tennessee with Mr. Alger.
Mr. Morrison with Mr. Wharton.
Mr. Thompson of Louisiana with Mr. Pillion.
Mr. Abernethy with Mr. Martin.
Mr. Hays with Mr. Halleck.
Mr. Johnson of Colorado with Mr. Fino.
Mr. McSween with Mr. Dague.
Mr. Monagan with Mr. Merrow.
Mr. Bowles with Mr. Moore.
Mr. Morgan with Mr. Miller of New York.
Mr. Pilcher with Mr. Mason.
Mr. Flynt with Mr. Dooley.
Mr. Evins with Mr. Canfield.

Mr. DINGELL. Mr. Speaker, I have a live pair with the gentleman from Indiana [Mr. WAMPLER]. I voted "no." If Mr. WAMPLER were present, he would vote "yea." Therefore, I withdraw my "no" vote and vote "present."

Mr. AYRES changed his vote from "nay" to "yea."

Mr. THOMSON of Wyoming changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at such point as they may wish in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDING COMMUNICATIONS ACT OF 1934

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas. [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARRIS, ROGERS of Texas, FLYNT, MOSS, BENNETT of Michigan, YOUNGER, and AVERY.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LABOR-MANAGEMENT REFORM LEGISLATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, because of many requests from Members of the House and Senate for information as to the effects of the Landrum-Griffin bill, Senator KENNEDY and I have prepared the following analysis of that bill's secondary boycott and hot cargo provisions. The following analysis sets forth the differences between the bills passed by the House and Senate:

SECONDARY BOYCOTTS AND HOT CARGO CONTRACTS

The House and Senate bills contain radically different provisions dealing with activities often brought under the misleading slogan "secondary boycotts." The phrase "secondary boycott" has no exact meaning today. The nature of the differences between the House and Senate bills can only be understood by agreeing upon more exact terminology and talking about specific kinds of activities or contracts.

Historically a "primary boycott" is a refusal to have dealings with an offending person. To induce customers not to buy from an offending grocery store would be a primary boycott. To persuade grocery stores not to buy Swift products would still be a primary boycott. For plumbing contractors not to buy the products of United States Pipe Co. would be a primary boycott. In each case the only economic pressure is leveled at the offending person—in terms of labor cases at the employer involved in the labor dispute.

The element of "secondary activity" is introduced when there is a refusal to have dealings with one who has dealings with the offending person. If housewives refuse to deal with any grocery store which deals with Swift & Co., there is a secondary boycott. It is also a secondary boycott for members of the Plumbers Union to refuse to

work for any contractor who buys pipe from United States Pipe Co. Strictly speaking only the grocery store case is a boycott; the plumbers case should be called a secondary strike. But both are called secondary boycotts so that we can distinguish only by calling the first a "secondary consumer boycott" and the second, a "secondary boycott" without qualification.

In all cases of secondary boycotts two employers are involved. The union brings pressure upon the employer with whom it has a dispute (called the "primary" employer) by inducing the employees of another employer (called the "secondary" employer) to go on strike—or the customers not to patronize—until the secondary employer stops dealing with the primary employer. Or the union may simply induce the employees of the secondary employer to refuse to handle or work on goods—or the customers not to buy—coming from the primary employer as a way of putting pressure upon him.

The present law unequivocally forbids secondary boycotts in which a union induces the employees of a secondary employer to strike or refuse to perform their normal duties as a way of putting economic pressure on a primary employer. Section 8(b)(4)(A) provides:

"(b) It shall be an unfair labor practice for a labor organization or its agents—

(4) to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services, where an object thereof is: (A) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person."

There is no dispute, therefore, about the prohibition of "secondary boycotts" in the sense in which the term was used by Senator Taft in 1947 and is used in this memorandum. As Senator Taft said, section 8(b)(4)(A) forbids all these secondary boycotts.

There is ground for controversy, however, about three separate issues:

(1) Whether there are "loopholes" in section 8(b)(4)(A) which can and should be closed without interfering with legitimate labor activities;

(2) Whether certain other activities and agreements which are outside the term "secondary boycotts" are so similar in their effect that they should be prohibited; and

(3) Whether secondary consumer boycotts should be prohibited.

The Senate bill takes a step in this direction by prohibiting hot cargo agreements by common carriers. It is subject to the criticism that it does nothing about true loopholes in the present law.

The House bill takes many long steps in these directions. It is subject to the criticism that it curtails essential labor activities which cannot be fairly classed with secondary boycotts.

It now becomes necessary to deal in detail with specific activities.

1. RAILROAD AIRLINE, AND PUBLIC EMPLOYEES

The NLRA definitions of "employer" and "employee" exclude various special categories of employees among them agricultural workers, Government employees and employees of railroads and airlines who are subject to the Railway Labor Act. Since section 8(b)(4) presently speaks of inducing "the employees of any employer," it does not apply to these groups.

The House bill extends the prohibition to secondary boycotts by agricultural workers, Government employees and employees of railroads and airlines. Apparently the theory is that the omission was simply a mistake in the original draftsmanship.

The unions argue that since these groups receive none of the benefits of the NLRA they should be subjected to none of the burdens. The railway labor organizations particularly dislike the prospect of involvement with the NLRB. These arguments have some appeal but they do not carry much weight since the employees who would be forbidden to engage in secondary boycotts have little to gain or lose from such activity.

We could not seriously object to revising the present law in this respect. However, the terminology of the House bill raises other difficulties which are discussed below. New language may have to be found to carry out the desirable aim.

2. SUPERVISORS

In some industries supervisors belong to the union of the rank-and-file workers or as ex-members are sympathetic to it. Occasionally a union has induced the supervisors of a secondary employer to refuse to handle the goods of some primary employer with whom the union had a dispute. This conduct causes a true secondary boycott but it does not violate section 8(b)(4)(A) because section 8(b)(4)(A) forbids only the inducement of "employees" and supervisors are not "employees" within the statutory definition.

The Senate bill was originally written on the theory that the legislation should not deal with labor-management relations. Consequently, it does not cover this point.

The House bill would extend the prohibition to inducement of supervisors. The present omission is an illogical loophole which should be closed if any legislation dealing with secondary boycotts is enacted. The substance of the House bill is therefore acceptable upon this issue.

3. INDIVIDUAL EMPLOYEES

During the House debate it was asserted that section 8(b)(4)(A) in its present form can be evaded by asking the employees of a secondary employer one at a time to refuse to handle the goods of the primary employer. This appears to be an inadvertent misstatement. When a number of employees refuse to handle goods at the same time each knowing that others will also refuse, there is a "concerted refusal" within the legal definition of a conspiracy. And if the union induces "the employees * * * to engage in * * * a concerted refusal," it makes no difference whether the inducement is addressed to them simultaneously or consecutively.

It is true that inducing a single employee to "strike" against a secondary employer does not violate section 8(b)(4)(A). One can imagine situations in which this might put some pressure on the secondary employer but they occur very seldom. Standing alone the point would be trivial regardless of whether the present rule was changed or continued. It is worth mentioning here because the changes in language by which the House bill seeks to reverse the present rule cast doubt upon other important labor activities.

4. PRIMARY PICKET LINES

The most serious objection to the so-called secondary boycott and hot cargo sections of the House bill is the effect which they may have upon primary picketing. An adequate explanation requires retracing our steps to the distinction between primary and secondary activity.

There are many situations in which the distinction between primary and secondary activities becomes blurred. Suppose that the Carpenters' Union calls a strike for higher wages at the factory of a manufacturer of doors and windows. There would be an unlawful secondary boycott prohibited by section 8(b)(4)(A) if the union went to various construction projects and induced the contractors' employees to refuse to install the doors or windows. It would also be a violation for the Carpenters to go to the terminals of trucking companies and induce the drivers and loaders to refuse to handle or transport the doors and windows. Following the words of the statute, the Carpenters Union would thereby "induce * * * the employees of any employer [i.e. the trucker] * * * to engage in * * * a concerted refusal in the course of their employment to * * * transport * * * any goods [i.e. the doors and windows] * * * where an object thereof is: (A) forcing * * * any employer [i.e., the trucker] * * * to cease doing business with any other person [i.e., the door and window manufacturer]."

Now suppose that the Carpenters Union puts a picket line around the factory which has the effect of turning back the drivers of independent trucking concerns. This kind of picketing has never been treated as a secondary boycott. It occurs at the factory of the employer primarily engaged in the labor dispute. It aims at halting commercial intercourse with him (a primary boycott), not at halting intercourse with persons who have intercourse with him (a secondary boycott). But if one follows through the literal words of the statute just quoted, it will be seen that a strong verbal argument can be made that the picketing at the factory violates section 8(b)(4)(A) because the pickets induce the truck drivers employed by the trucker not to perform their usual services where an object is to compel the trucking firm not to do business with the door manufacturer during the strike.

This problem was presented to the Supreme Court in *NLRB* v. *International Rice Milling Co.*, 341 U.S. 665. The Court held that picketing at the factory did not violate section 8(b)(4)(A) because the "applicable proscriptions of 8(b)(4) are expressly limited to the inducement or encouragement of concerted conduct by the employees of the neutral employer" and "there is no suggestion that the union sought concerted conduct." *NLRB* v. *International Rice Milling Co.*, 341 U.S. 665, 671.

The House bill proposes to take out of section 8(b)(4) any references to "concerted" conduct or to two or more employees and to make it unfair to induce a single person not to perform services, thus overturning the reason for the Supreme Court decision. If this were done, the pickets who appealed to a truckdriver not to enter the plant where men were striking for higher wages could be held guilty of an unfair labor practice.

Of course, if this is true of one picket line, it is true of every picket line, for picket line appeals to the employees of other employers not to enter the plant. The legality of every picket line would be cast in doubt.

It is not clear whether the House bill is intended to have this consequence. If that is the intent, there is a major substantive difference between the House and Senate on which the Senate could not yield. If the consequence is unintended, this provision of the House bill must be redrafted.

The hot cargo provisions of the House bill also throw doubt upon the legality of activities related to primary picketing heretofore regarded as lawful. The problem is discussed in a later section.

5. INDUCEMENT OF EMPLOYERS

The present law does not forbid a union to induce one employer to cease doing business with another. The union may ask, persuade, cajole or threaten the secondary

employer in an effort to have him cease doing business with the primary employer. Such conduct is simply an effort to organize a primary boycott as the term is used in this memorandum. The union becomes guilty of a secondary boycott only if it goes on to put economic pressure upon the secondary employers, and under section 8(b)(4)(A) the pressure must be inducing the employees of the secondary employer to refuse to perform some of their normal services.

The National Association of Manufacturers and the Chamber of Commerce argue that any persuasion of a secondary employer to stop doing business with a primary employer should be made unlawful. The House bill would make it unlawful "to threaten, coerce or restrain" the secondary employer in order to induce him to cease doing business with the primary employer.

This change in the present law is criticized upon the ground that a union should be allowed to request an employer to cease patronizing a firm which is undercutting fair labor standards. This is only a primary boycott. Suppose, for example, that a manufacturer of work clothes ships his machinery to a rural area where he pays starvation wages away from a clothing center where he had previously conformed to union wage and labor standards. Should the Amalgamated Clothing Workers be forbidden to go to the department stores which sell work clothes and ask them to refuse to encourage sweatshops by putting these nonunion goods on the market? It is certainly proper to protect the department store owner against a strike if he refuses the union's request—protection which is available under the present law—but if the store owner is willing or even anxious to help maintain decent standards of living, it would be a denial of freedom of expression to say that the union may not even make the request.

The sponsors of the House bill might reply that the proposed revision of section 8(b)(4) does not forbid requests but only threats, coercion and restraints. Critics would reply that any effort to carry the prohibition back to a threat as distinguished from a request would launch the NLRB into the hopeless business of deciding what nuances of meaning are carried by a business agent's words. The law should deal with acts. It forbids the carrying out the threats. If the present law is administered efficiently, the outlawing of words is unimportant.

It is unnecessary to decide at this point which argument has the greater merit. The hot cargo provision of the House bill (p. 65, line 6) outlaws "any contract or agreement, express or implied, whereby [an] employer ceases * * * or agrees to cease doing business with any other person."

Apparently this section would forbid an employer (such as a clothing store) from agreeing to a union's request that he stop doing business with another person (such as the clothing manufacturer). If this provision is retained, there can be no objection to making it unlawful to threaten the secondary employer for the purpose of obtaining the unlawful agreement. Conversely, if some such agreements are to be permitted, as they are today, the prohibition against a union's requesting the agreement should also be narrowed.

At this point, therefore, it is necessary to take up the subject of hot cargo clauses.

6. HOT CARGO CLAUSES

The background of the hot cargo debate is very important. Under NLRA section 8(b)(4)(A) inducement of the employees of a secondary employer is an essential element of the unfair labor practice. It is not an unfair labor practice under the present law, therefore, for the union simply to persuade the secondary employer not to do business with the primary employer. For example, it is not an unfair labor practice for the carpenters union to persuade a contractor not to buy nonunion doors or a trucking company not to transport them.

Some time after the Taft-Hartley Act became law the Teamsters Union began to exploit this distinction by the device of hot cargo clauses. During negotiations with trucking firms the Teamsters would demand that any collective bargaining agreement include a clause by which the employer agreed that he would not truck nor require his employees to handle any freight which was hot or unfair because it came from an employer engaged in a labor dispute.

The Teamsters' original hope was that these contracts would make it possible for the union to induce the employees of trucking firms to handle hot goods without violating section 8(b)(4)(A). In 1958, however, the Supreme Court held that a hot cargo contract was not a defense to a complaint alleging violation of section 8(b)(4)(A). *Local 1976, United Brotherhood of Carpenters* v. *NLRB*, 357 U.S. 93. This ended the worst abuse of hot cargo contracts.

Unfortunately there are a good many cases in which the Teamsters, without any inducement of employees, is often able to persuade the secondary employer not to carry the goods and not to require his employees to handle them. It is very hard for a trucking firm either to resist the Teamsters' demand for a hot cargo clause in collective bargaining, when the price of resistence would undoubtedly be a strike for still higher wages, or to refuse to live up to the contract once it has signed it, when the cost of noncompliance would undoubtedly be the Teamsters' insistence that the contract had been terminated by the violation, thus freeing the union to present new demands in collective bargaining.

Technically the trucking firms' refusal to handle goods of an employer engaged in a labor dispute is probably a primary boycott. However, from the standpoint of the primary employer it makes no difference whether his goods will not be trucked by a common carrier because the Teamsters' Union induces the common carrier's employees to refuse to handle them or because the carrier voluntarily lives up to the hot cargo contract because he dares not challenge the Teamsters Union. The injury to the public is also the same. The hot cargo clause, therefore, is a major weakness in the law against secondary boycotts.

Section 707 of the Senate bill sought to correct this by outlawing hot cargo clauses and making existing clauses unenforceable. The bill also makes it an unfair labor practice for a union to request such a clause in collective bargaining.

The House bill extends these prohibitions to all employers and labor unions.

The objection to extending the "hot cargo" limitation into a general prohibition such as the House bill contains is that the general prohibition would also outlaw legitimate forms of collective agreement. Some of these specific difficulties are discussed below.

(a) Limitations on contracting out work in the garment industry: The garment industry is located in cities where it is easy to rent loft space. Grants are marketed by jobbers. The jobbers buy the piece goods, plan the designs and then contract out the cutting and sewing. The sewing machines and other machinery used by subcontractors are easily moved from one loft to another. For years, employees suffered low wages and miserable working conditions because a jobber who signed a union contract fixing a decent minimum wage could easily contract out the cutting and sewing to a sweatshop hidden away where the union had not found it. By the time the union caught up with the owner, the work would be done; and the jobber would give the next lot to another contractor who would be in a different loft but using the moveable sewing machines and equipment. The competition from the sweatshops would gradually put the fair contractors to a choice between cutting wages below the union scale and going out of business. Gradually the fairminded employers and the union representing employees in the garment industry learned by hard experience that the only way to check this practice was for the union to induce jobbers to agree not to do business with contractors who had not signed contracts with the union. Almost every impartial student believes that these clauses restricting subcontracting are in the public interest.

The House bill (sec. 705(e)) outlaws these clauses. There is no other way in which the language can be interpreted, for it unequivocally outlaws any contract between an employer and a union "whereby such employer * * * (i.e., the jobber) * * * agrees to refrain from * * * doing business with any other person (i.e., an unapproved contractor).

The House bill would also seem to make it unlawful for a union such as the International Ladies' Garment Workers to put pressure upon employers to continue this well-established and essential practice. House bill makes it unlawful for a union "to threaten, coerce or restrain any person engaged in commerce * * * where * * * an object thereof is * * * forcing or requiring any person * * * to agree to * * * refrain from doing business with any other person."

If the addition of the words "agree to cease" have any meaning, they would prevent the union from pressing a jobber to agree to cease doing business with a nonunion sweatshop.

In the House debate Representatives LANDRUM and GRIFFIN stated that the secondary boycott provision was not intended to apply to the garment industry. (CONGRESSIONAL RECORD, August 13, 1959, p. 15848). But the words just quoted so plainly cover the situation in the garment industry that no one could safely rely upon the colloquy in the debate. Furthermore, the colloquy does not specifically refer to the hot cargo section of the House bill. The language of both sections should be changed if the views stated by Representatives LANDRUM and GRIFFIN represent the true intent.

(b) Subcontracting clauses: Companies and unions in manufacturing industries often agree upon restrictions upon subcontracting in order to protect the employees against the loss of jobs. For example, a textile concern might agree not to contract out the mending of cloth while any of its own menders were unemployed. It would not be unusual for a power company to agree not to contract out any of its line construction while its own regular employees worked less than 40 hours a week. These clauses are frequently negotiated in all kinds of industries. They have nothing to do with hot cargo agreements or secondary boycotts. Yet they appear to be outlawed by the House bill.

The language of the House bill should be revised to avoid this interference with normal collective bargaining.

(c) Primary boycotts: The House bill makes it unlawful for an employer ever to accede to a union's request that he cease doing business with another employer who is failing to maintain fair labor standards. If the employer acceded, there would be an implied agreement. As suggested above, this is only a primary boycott.

It would seem that a union ought to be able to ask a friendly concern to stop dealing with a company which will not observe fair labor standards.

(d) Effect upon primary picketing: Section 707 of the Senate bill would outlaw hot cargo clauses in contracts between the Teamsters Union and commerce carriers by motor

vehicle. When this provision was approved, there were strong reasons for believing that section 707 would not apply to primary picket lines. The words of section 707 substantially parallel the language of section 8(b)(4)(A), and it is well known that section 8(b)(4)(A) does not apply to primary picketing. Section 707 would supplement section 8(b)(4)(A) and was widely known to be aimed at contracts which sanction unlawful secondary boycotts. It seemed that section 707 would therefore receive the same construction as the substantially parallel words of section 8(b)(4)(A) and that the right to refuse to cross a primary picket line would not be affected by this section.

After the Senate passed S. 1555 there were widespread reports that section 707 would compel truckdrivers to act as strike breakers by crossing primary picket lines. The House Labor Committee included a proviso intended to make it plain that the hot cargo provision would not affect primary picket lines or the refusal to cross them. The Landrum-Griffin bill not only rejected the proviso but it broadened the hot cargo section. It will be recalled that the Landrum-Griffin revision of NLRA section 8(b)(4) also casts doubt upon primary picket lines which the employees of other employers refuse to cross. Taking the two sections together, the House bill apparently destroys the right to picket a plant and to honor a picket line even in a strike for higher wages.

This change in the present law is entirely unacceptable. It has nothing to do with secondary boycotts. It takes away a traditional and heretofore lawful weapon in a simple strike for higher wages.

7. CONSUMER BOYCOTTS

The House bill provides that a union may not "restrain" or "coerce" an employer where an object is to require him to cease doing business with any other employer. The prohibition reaches not only picketing but leaflets, radio broadcasts and newspaper advertisements, thereby interfering with freedom of speech.

Suppose that the employees of the Coors Brewery were to strike for higher wages and the company attempted to run the brewery with strikebreakers. Under the present law, the union can ask the public not to buy Coors beer during the strike. It can picket the bars and restaurants which sell Coors beer with the signs asking the public not to buy the product. It can broadcast the request over the radio or in newspaper advertisements.

The House bill outlaws such appeals to the general public for assistance in winning fair labor standards. The union apparently could be enjoined upon the ground that it was "coercing" or "restraining" the retailer with the object of inducing him not to deal with the brewery; indeed, one of the apparent purposes of the amendment is to prevent unions from appealing to the general public as consumers for assistance in a labor dispute. This is a basic infringement upon freedom of expression. The portions of the House bill which have this effect are unacceptable.

8. STRUCK WORK

The House bill undesirably narrows the rule pertaining to refusals to do struck work. The second proviso to the proposed revision of section 8(b)(4) is apparently intended to favor labor with an exemption. Actually it has the opposite effect.

5. The Landrum bill would compel employees to act as strikebreakers by performing struck work.

The point is best illustrated by a concrete example. Royal Typewriter has contracts with many large companies to service the typewriters and business machines in their New York offices. Some years ago, Royal's employees struck for a better contract. Royal then instructed its customers to have the machines repaired by another concern but to send Royal the bill. Note that the independent did the work not as an independent but for Royal's account. Obviously the independent was helping Royal to break the strike. If the independent's employees did this work in order to honor Royal's contracts with its customers, they would be doing the strikers' work and actually helping to break the strike. Therefore, the union appealed to the independent's employees not to do the strikers' work.

The Court of Appeals for the Second Circuit held that this was not a secondary boycott. The independent was not a neutral, the court said. Since Royal was asking the independent to help Royal break the strike by performing Royal's contracts for Royal's account, it was only fair to allow the union to ask the independent's employees to help the union win by refusing to do the strikers' work. The court ruled that it was immaterial that there was no contract or agreement between Royal and the independent. *NLRB* v. *Business Machines and Office Appliance Mechanics*, 228 F. 2d 553 (2d Cir. 1955).

The House bill denies unions this privilege in some situations because, like the court decision, it is confined to cases in which the independent undertakes to do the work by contract or agreement with the struck employers.

The best method of correcting this weakness is simply to strike out the proposed proviso and leave the matter to the courts.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in connection with the program for next week, which I announced heretofore, in view of the fact that the bill, H.R. 1341, which was on the program for this week, was not reached for consideration today, I want to announce that that bill will be the first order of business on Monday next. H.R. 1341 is a bill relating to safety standards for Government passenger-carrying motor vehicles.

LABOR BOSS THREATENS CONGRESS

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, I submit for the RECORD my reply to the letter received today from James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers, threatening political reprisal against all Members of the House of Representatives who voted for the Landrum-Griffin labor bill:

AUGUST 20, 1959.

Mr. CAREY: I received your mimeographed letter in the morning mail and resent every line of it. Who do you think you are to be threatening Members of the U.S. Congress?

It is barely possible that some weak-kneed individuals might quake at the reprisals you promise but it was clearly shown in the House of Representatives, last week, that the vast majority in voting to rid unions of racketeers, goons, acid-throwers, and hoodlums also is prepared to meet union leaders like yourself on any grounds you choose.

Let me make it clear to you that I am not pressured or intimidated by the chamber of commerce, the National Association of Manufacturers, labor bosses like yourself, or anyone else. Your attempt at political blackmail will not affect in the least my independent judgment or make me forget for a moment the welfare of the workingman and the American people whom I represent.

As one who appreciates all that the United States offers more than most (because I am not native born), it disgusts me to know that there exist in this free land men like you who do not hesitate to violate its basic principles of freedom of thought. It must terrify you that at long last the truth is reaching the hard working men and women of the labor movement in America.

In the privacy of my own conscience, I do not doubt that I have given the problem of violence, embezzlement, thuggery, and mayhem in the labor movement more consideration than have you. And when I considered the consequences, I considered them in the light of all the people of the United States, not just the high paid union bosses like yourself.

The Landrum-Griffin bill allows members to remove crooked officers, protects union funds and freedom of speech and assembly for union members, prohibits increases of dues or imposition of assessments except by a vote of the membership, protects the right to sue, guarantees a free election by secret ballot, allows legitimate picketing but protects the public against blackmail picketing, and so on.

You call this Landrum-Griffin bill, which received a majority of the House vote, "punitive and repressive." In addition to benefiting unions in the attainment of their legitimate objectives, spelling out the opportunity of future growth for labor and protection of the union member, it clearly represses the abuses perpetuated by the evil overlords of the underworld who have moved in on the unions and are victimizing the rank-and-file union members.

So, Mr. Carey, if the shoe fits maybe you ought to try it on for size.

At any rate, I accept your challenge. Let the American people pass judgment.

Sincerely,

STEVEN B. DEROUNIAN,
Member of Congress.

P.S.—Please send me 10,000 copies of your letter of August 18. I want to distribute them to the residents of my district so they can see how you operate.

PERSONAL ANNOUNCEMENT

Mr. WILSON. Mr. Speaker, last Monday I was in my district and was absent from the Chamber and did not vote on two rollcalls. I ask that the RECORD show that had I been present, I would have voted "yea" on rollcall No. 134 and also would have voted "yea" on rollcall No. 135.

EXTENDING PERIOD FOR FILING CLAIMS FOR CREDIT OR REFUND OF OVERPAYMENTS OF INCOME TAX ARISING AS RESULT OF RENEGOTIATION OF GOVERNMENT CONTRACTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2906) to extend the period for filing claims or

refunds of overpayments of income taxes arising as a result of renegotiation of Government contracts, with an amendment of the Senate thereto, disagree to the Senate amendment, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

A BREAK FOR THE WORKINGMAN—THE LANDRUM-GRIFFIN BILL

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMER. Mr. Speaker, many vituperative adjectives have been used by labor bosses in criticism of the Landrum-Griffin bill. A careful examination and analysis of that bill, which clearly shows that it is a break for the workingman and the union member in his fight for clean, honest unionism, for democratic processes therein, and for a nonpunitive approach to this serious moral issue, clearly indicates why these bosses are disturbed and why the bosses would prefer a weaker bill. The McClellan Rackets Committee exposés, and recommendations clearly demonstrate the need for giving the union members the tools with which to protect themselves against such abuses and through the democratic processes to rid their unions of this stigma.

I trust this analysis will show quite vividly why many of the union bosses are so heatedly opposed to this bill and it is my conviction that the union members, when they are fully informed, will realize that this bill best serves their interests, as well as the interests of the general public.

It is understandable why a labor boss, such as James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers, should be so personally incensed at members who supported the Landrum-Griffin substitute, such as myself, that he today could write to those Members a letter threatening reprisals against those Members, and myself, in the following language:

> We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

I, like the majority of the Members of the House, voted my convictions. I did not compromise with morality or what I believed to be right. Likewise, I did not compromise in my efforts to protect the labor union member and the workingman, as the following analysis of the Landrum-Griffin bill will clearly show.

The Landrum-Griffin labor bill, which passed the House of Representatives by the overwhelming vote of 303 to 125, guarantees many basic rights to labor union members and backs up these rights with civil and criminal penalties. Its passage represents a great victory for the workingmen and women of America, a victory over gangsters, crooks, and racketeers who have invaded the labor-management field.

Here is what the Landrum-Griffin bill provides for the individual union member:

Equal rights to union members in the conduct of their union affairs.

Freedom of speech and assembly for union members to meet and assemble with each other, to freely express their views, and to speak up at union meetings without reprisal by union bosses. Makes the use of force or violence to deny such rights a crime.

Protection against arbitrary dues increases—prohibits increases in dues, initiation fees, and assessments, or imposition of general or special assessments by labor bosses except by vote of the membership.

Protection of the right to sue—grants a union member the right to take court or administrative action against his union or its officers, after his right to a union hearing within a 4-month period is exercised.

Safeguards against improper disciplinary action—guarantees workers the right to prevent improper fine or penalty imposed by labor bosses.

Free and fair union elections by secret ballot, with opportunity for the nomination of candidates, Elections at reasonable intervals. No reprisals for supporting any particular candidate. No use of union or employer money to influence elections. Membership lists made available to candidates to insure membership of election information.

Machinery for members to remove crooked officials makes possible court-ordered elections on petition of members to remove crooked union officials.

Protection of union funds makes union officals give members a full accounting of union funds with penalties for misuse of funds.

Regulation of trusteeships prevents power-hungry labor bosses from using dummy locals to force themselves on unwilling union members.

Protection of economic strikers against the use of strikebreakers' votes in NLRB elections. This removes so-called union-busting features of the Taft-Hartley Act.

Allowance of union security agreements by building trades unions with employers, before hiring, to protect employees in the construction industry.

Ends no man's land—gives union member and employer a State court or board remedy to enforce his rights under the law where NLRB refuses to hear such cases today.

The are 12 things that the Landrum-Griffin reform bill does to benefit union members. These are 12 reasons why nearly 3 out of every 4 Members of the House voted for it.

The Landrum-Griffin bill effectively protects American union members against the racketeering and corruption uncovered by Senator MCCLELLAN'S investigation. It is a bill to give the union member a break—to give him the means of breaking the stranglehold certain unscrupulous labor bosses have over him—and over the legitimate union movement in America today.

The union member, under the Landrum-Griffin bill would no longer be at the mercy of unscrupulous labor bosses—and would have the tools with which to clean house. Is it any wonder that the labor bosses are against this bill and have threatened to use union funds, belonging to union members, to defeat Congressmen who are supporting the bill?

KHRUSHCHEV AND CONGRESS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, on August 17, the U.S. House of Representatives passed the resolution opposing the entry of Red China into the United Nations.

On that same day the administration was making arrangements to welcome the entry of Khrushchev, boss of Red Russia, not only to the United States, but into the White House itself.

Contradiction?

Many people thought so.

There were whispers in the corridors of the U.S. House of Representatives regarding "the invitation to Khrushchev," but nothing more.

This strange silence of a free and highly articulate legislative body puzzled the world.

There were mixed reactions from abroad.

London: "Jolly good show. Peace maneuver insures election victory for Conservatives."

Paris: "Two-power personal diplomacy worries Europe. Must all nations become satellites of one leader, or the other, with no right to speak for themselves? Even Congress has lost its voice. Those Americans. They are unpredictable."

Bonn: "All we can do is hope for the best."

Rome: "We have seen so many shifts and changes throughout history, that we are not surprised by this. We had our forums and our Caesars. Where this adventure will end—who can say?"

Warsaw, Prague, Budapest, and the ghost capitals of the captive nations: "It is dangerous to have an opinion. We must observe involuntary silence."

Off-the-record comments expressed concern for the apathy of America.

Why had the Congress muzzled itself?

There was no ready answer to this.

Perhaps the President's invitation to Khrushchev, received by the Red dictator and announced to the Washington press before Congress knew what was in the works, had its calculated effect. Congress would conceal its resentment rather than embarrass the President.

Or perhaps, in a Nation enjoying prosperity, it was considered advisable to go along with the complacent mood and not remind the people that communism never changes its goal of world conquest; only its tactics to beguile and ensnare the innocent.

Maybe the mirage of peace—as created by the Communist peace offensive—induced a spirit of make-believe.

The lure of relaxed tensions and reduced expenditures for national defense, and increased trade with Communist Russia and its empire, proved irresistible. Gloom and doom depart. We want to have our cake and eat it too, now. Khrushchev will make that dream come true.

Whatever the excuse may be, historians of the future will ponder this question: "Why did the Congress remain silent when it had the right, the duty, and the opportunity to protest?"

Almost within the same week it rejected Red China and, by its passivity, seemed to become an accomplice to the welcome planned for the leader of Red Russia.

The world cannot understand this paradox.

Does it mean that the Congress has completely reversed its attitude toward Red Russia?

Is history being rewritten in the minds of the Senators and the Representatives, to gloss over the brutal and continuing crimes of Khrushchev and Russian communism for bargaining purposes?

Does the Congress, by its silence, agree to honor, dignify, and confer respectability upon this determined enemy of our democratic institutions and our freedoms?

These are the questions that disturb many Europeans and more Americans.

What are the answers?

Will they come before September 15?

Only if Congress speaks up.

LANDRUM-GRIFFIN BILL

Mr. BUDGE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter addressed to me under date of August 18, 1959, by James B. Carey, and my reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

(Copies of the above letters are as follows:)

INTERNATIONAL UNION OF ELECTRICAL, RADIO, AND MACHINE WORKERS,
August 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

AUGUST 20, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio, and Machine Workers, Washington, D.C.

DEAR MR. CAREY: Your letter of the 18th addressed to me does every member of your union and all members of organized labor a disservice, and the great majority of them will be ashamed of you for your cheap effort at intimidation. It is officers such as you, who consider themselves above the law, who have made a Landrum-Griffin bill necessary.

According to the filings which you Washington, D.C., labor moguls made with the Clerk of the House of Representatives, you contributed $4,850 to my opponent and sent swarms of outsiders into Idaho to defeat me in the last election. I would expect you back again no matter how I voted on the Landrum-Griffin bill, because my record in the Congress shows that I have no intention of taking orders from you or anybody else.

Sincerely,

HAMER H. BUDGE,
Member of Congress.

THREE HUNDRED AND FORTY-FIVE THOUSAND UNEMPLOYED MILL WORKERS AND 300 CLOSED TEXTILE MILLS CAUSED BY RECIPROCAL TRADE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, at first glance the policy of reciprocal trade looks just, fair, and mutually beneficial.

In practice it is not working out that way at all.

The State Department not only encourages foreign countries to ship their low-wage products here to compete with those goods that we already produce in abundance. It wants American manufacturers to build plants overseas where they can exploit cheap labor for greater profits, by selling their steel, automobiles, and textiles in the American market.

This unfair competition closes down some plants in the United States and throws American taxpayers out of work.

The State Department suggests that we reciprocate by selling sugar to Cuba, coffee to Brazil, nickel to Canada, tea to India, and textiles to Japan.

How long is this strange program going to punish selected victims in the American economy? When is our domestic textile industry going to get some protection from the Government of the United States?

To comprehend the damage already done, and to spur action for the relief of imperiled American industries, I reprint the warning given by our colleague, Hon. WILLIAM JENNINGS BRYAN DORN, U.S. Representative from South Carolina, over the Manion Forum Network on August 9, titled "False Reciprocal Trade Ruinous to This Nation":

FALSE RECIPROCAL TRADE RUINOUS TO THIS NATION

DEAN MANION. Forty-four years and two months ago, William Jennings Bryan dramatically resigned as Secretary of State in protest against un-American foreign policies that were leading us directly into World War I.

Bryan's self-effacing, patriotic act excited the admiration of millions of Americans, including the late T. E. Dorn, of South Carolina. When a son was born into the Dorn household a few months later, he found his distinguished name made to order for him. In the years between then and now, he has rolled up his own record of honors and achievements, including 12 years of distinguished service in the U.S. Congress.

My guest at this microphone has all of the persuasive eloquence of his great namesake and the same passionate and patriotic devotion to the interests of the United States above and beyond all other countries of the world.

It is my pleasure to present my distinguished friend, the Honorable WILLIAM JENNINGS BRYAN DORN, of South Carolina.

Mr. DORN. Thank you, Dean Manion. I would like to take this opportunity to thank you for your great programs which bring to the American people the truth about important issues without distortion and censorship.

Ladies and gentlemen, I'm here today to talk to you for a few moments about your job, your security, and the future of your boys and girls and your grandchildren.

Every American job and every American industry is threatened. You are threatened today as never before with unfair, un-American imports—imports made with child labor and paid with slave wages, labor with no social security, no unemployment insurance.

Is it fair to take your job and give it to people who are paid 10 cents an hour and who work 12 and 14 hours a day, 7 days a week?

In 1936, the Congress of the United States passed a minimum wage and maximum hours law so that one section of the United States would not have an unfair advantage over the other in trade moving in interstate commerce.

The countries of the world are closer together today than the States were in 1936. If wage and hour legislation was necessary for fair interstate trade in 1936 in the United States, then worldwide wage and hour standards should be considered by those who formulate our trade agreements with foreign nations.

For the first time in history, more automobiles are coming into the United States than we exported—more automobile imports than exports. This is beginning to affect the filling station operators, the mechanics, the tire dealers, as well as the automobile worker in Detroit.

No wonder we are having trouble with the highway-building program through a loss of gasoline tax revenue. The Government will continue to lose revenue from

these low-wage imports unless they are limited.

Steel imports are increasing at a fantastic rate. So are imports of glassware, pottery, chemicals, machine tools, textiles. In fact, every job in America today is threatened by unfair imports from foreign countries.

The farmer is likewise a victim of our unfair trade policies. Some years ago, we exported a large portion of our wheat crop. American wheat was in demand beyond the seven seas of the world. We exported 60 percent of our cotton crop. At one time we exported a vast portion of our tobacco crop.

We were once the only nation in the world that grew tobacco. But under this trade program in Washington today, the American farmer grows less and less, surpluses pile up while foreign countries grow more and more. For instance, in Canada the average tobacco farmer can plant 30 acres of tobacco, in Rhodesia 65 acres. But in the United States our farmers can plant an average of only 2.9 acres. They are not permitted to expand and grow in the American tradition.

Many cotton farmers in the United States can plant only 4 acres of cotton. No farmer can possibly clothe, feed, and educate his children on such an unbelievable income. There is distress in our land today by reason of our unfair foreign trade policy.

In foreign countries, farmers are often exempted from land taxes if they will grow more farm products, such as in Rhodesia. Turkey has exempted certain of her farmers from income taxes if they will grow more. Yet we have billions of dollars worth of farm surpluses piled up in warehouses costing the taxpayers millions of dollars.

We need to free our farmers so they can plant more and have an equal opportunity with farmers in foreign nations. We need more foreign markets, not less. We should sell more cotton and wheat abroad, not less and less.

It is the duty of the State Department, the Congress, and the President to give to the American farmer and the American worker the same advantages and protection as offered by foreign countries to their farmers and workers.

There is nothing reciprocal about our present so-called reciprocal trade policies. There is no "sip" in it for the American worker nor the American farmer.

No one would ever dream of asking Brazil to import coffee, nor India to import tea, nor Honduras bananas or the Malaya States rubber. Yet the One-Worlders, the dreamers and idealists running our present trade program are demanding that we import textiles, steel, and automobiles. How ridiculous can we get?

UNFAIR IMPORTS LAYING AMERICA WASTE

The original idea of reciprocal trade was to sell automobiles, textiles, steel, wheat, and cotton to the other countries of the world and buy tea, coffee, rubber, cocoa, and products we need. Never before in the history of the world has a nation been required to import things it already has in surplus. Unfair imports have created disaster areas, ghost towns, unemployment, and distress.

Many foreign nations do not permit American automobiles to be sold in their countries. But, they sell theirs here. They put on import quotas which eliminate the sale of American products. But, at the same time, they demand that our State Department and the U.S. Government lower its tariffs and permit their goods to flood this country.

Those products we produce in surplus and those traditionally American should be protected by import quotas. These jobs should be saved for American workers and farmers.

This trade policy of the State Department is a foreign aid program. It is not designed to help the American farmer and the American worker. It is designed to help the foreign worker and the foreign farmer.

Along with the taking of the American worker's job and the farmer's acreage, we are being forced to pay the highest taxes in the history of the world to support a stupendous foreign aid program.

Yes, my friends, 43,000 employees to show the world how to make automobiles, how to make steel, how to grow cotton, how to grow wheat, how to grow tobacco. Technicians to show them how to pack it and ships to haul it to America in competition with the products of the American worker.

Incidentally, it takes 37½ percent of our foreign aid appropriations to pay our employees' salaries and expenses to give away our money.

They talk in Washington about $70 billion foreign aid. It is nearer $200 billion, starting before World War II in the form of lend lease and other such programs.

The free traders and one-world State Department striped pants boys are saying that foreign aid must continue for 50 to a 100 years. They go further than that and take your money, ladies and gentlemen, to build steel mills, automobile plants overseas, and then turn around and give these people free water and free electricity and guarantee them a profit.

During the debate last year in Congress on foreign aid, it was brought out that the American foreign aid representatives went to the leaders of the textile industry and asked them to go to Indonesia and other countries of the world and build textile plants—telling them that no risk was involved, profits could be guaranteed with cheap labor, government water and electricity, all of this furnished by the American taxpayer indirectly.

In other words, just close your American plants, fire your employees and we'll help you set up overseas where you can get cheap labor. Our textile people are loyal, patriotic Americans who believe in their workers. They want to keep their factories and jobs at home, so, in the main, they have refused these attractive offers.

I understand that some of the great manufacturers who came to Washington last year and participated in the President's conference favoring these unfair imports are now expanding their plants overseas and are bringing these goods made with cheap labor back into the United States. But, this does not help the American worker, nor the small businessman. They cannot move overseas and compete with this cheap labor. The only alternative for our laboring people is unemployment and breadlines.

Exports of machine tools have fallen off from 30 percent of U.S. production to 10 percent. In 1954, the United States imported 656,000 barrels of oil every day. In February of 1959, daily imports totaled 1,626,000 barrels daily. Yes, our great oil industry is being threatened.

Foreign nations pay their workers such a low wage that our lead, zinc, mercury, coal, copper, tungsten, iron ore industries are being threatened by floods of imports from abroad. The same applies to the glassware, sewing machine, camera, and typewriter industries.

IMPORTS PILE UP—EXPORTS DROP

The plywood industry is in serious trouble. Hardwood plywood imports from Japan, for instance, have increased from 1½ million square feet in 1951 to 669 million square feet in 1958. This is an increase of 12,950 percent. During the same period, domestic production declined even though domestic consumption more than doubled.

In 1956, the United States imported 107,000 foreign cars, and 400,000 in 1958. Present indications are that imports will run between 500,000 and a million this year. For the first time in history, we are importing more automobiles than we are exporting. This is shocking when we stop to think that the automobile industry first starting in the United States.

The textile industry of foreign nations is expanding with American aid, while we have 345,000 unemployed textile workers and 300 closed textile mills. The Japanese can buy American cotton 7½ cents per pound cheaper than the American manufacturers can buy the same cotton. Then, the Japanese are permitted to send that same cotton after it is made into cloth back into the United States in competition with that of the domestic manufacturers.

In 1947, the United States exported $748 million worth of textiles and imported only $24 million worth. In 1955, under this fallacious trade program, textile exports fell to $242 million, while imports increased to $125 million.

Under the proper trade program our people should be employed. We should be selling these products abroad and we should be helping foreign nations by buying coffee, tea, cocoa, rubber, and those products we need. This is true reciprocal trade. Our present trade policy is a trade program for the benefit of foreign workers and foreign farmers. Foreign aid takes money from American farmers and workers. Our trade policy takes his job, too.

The idealist in the State Department tell us that we must buy from foreign countries in order to stop communism. America is the heart and core of the free world and has been the arsenal of democracy. If our industries are liquidated and our workers unemployed, I fail to see how this can stop communism.

If industry is built up with American money around the borders of Russia where it can be grabbed by the Red army or bombed by the Red air force, I do not see how this can stop communism.

On the other hand, it will help communism by weakening America and by building up those areas which the Communists can take over. One American worker and one American plant in the United States is worth more than a dozen within a day's march of the Red army.

What can we do about all of this? I am thankful that we live in America where we can vote for our President and our representatives in Congress. Next year is election year.

The foreign aid program just passed the Congress. The so-called reciprocal trade program passed last year, for 4 years. The only hope we have to save our jobs, to save our industries, to save our farm acreage and domestic markets is to participate in the political elections of 1960.

We must start now at the precinct levels in both political parties to organize so that our program can be properly considered. A strong plank must be adopted at both national political conventions that will save the American worker, save the American farmer, save the American businessman from unfair foreign imports.

To accomplish this, a better trade and foreign aid program will have to be brought up at the precinct level, at the county and State conventions and at the national conventions.

We must have candidates in both political parties who will pledge their first allegiance to the American taxpayer, the American farmer, and the American worker. Your job is at stake. Your security, your country—1961 will be too late.

In the meantime, before we vote on election day 1960, contact your Congressman and Senators when they return from Washington this fall. Personally acquaint them with the unfair advantage foreign workers and farmers are being given in preference to you. This is still a democracy. See your Congressman and Senators. Give them the oppor-

tunity to save your job in the next session of Congress.

Thank you again, Dean Manion, for your untiring efforts in behalf of our country and for your great program which brings to the American people the untarnished truth.

DEAN MANION. Thank you, Congressman DORN. My friends, the Congressman is right. The preservation of a strong sovereign United States must be made the most important issue in the 1960 elections. This may be your last chance to vote on that issue—be sure that it is not obscured.

LANDRUM-GRIFFIN BILL

Mr. BOSCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, if ever I needed a justification for my vote in favor of the Landrum-Griffin bill on Thursday last, I received it this morning in the form of a letter from James B. Carey, president, International Union of Electrical, Radio, and Machine Workers, which reads as follows:

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

In addition, this letter should be an increased incentive for the conferees on the part of the House to stand firm in the conference with the other body.

My answer to this outrageous letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 20, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio, and Machine Workers, Washington, D.C.

DEAR MR. CAREY: I acknowledge the obvious form letter, dated August 18, 1959, for which I thank you as it makes me feel good indeed that I voted for what you would like the ordinary hard-working man and woman to believe is a punitive bill. Why not stop using adjectives and state the honest facts?

Now, to take your letter and answer each specification:

First, the privacy of my conscience and the desire to be true to my trust and obligations prompted my vote for the Landrum-Griffin bill.

Second, the bill is not punitive any more than was the Taft-Hartley a slave labor bill.

Third, I did not yield to pressure of the National Association of Manufacturers or the chamber of commerce, nor, quite obviously, from the labor lobby, but I did yield to the unprecedented demand for effective labor reform legislation to alleviate the sordid record so forcefully portrayed before the McClellan committee.

Fourth, I do not subscribe to nor even remotely consider the passage of effective antiracketeering legislation a vindictive assault on the labor movement and, as far as being interested in individual rights and democracy, let me say, I stand on my record—what say you?

Fifth, I have never considered that my district was safe for any reason, let alone your assertion re organized labor being relatively weak and cannot call me to account. I venture to suggest that this veiled threat, at least as far as I am concerned, shows how weak and desperate is your predicament in trying to unjustly attack the overwhelming support of the Landrum-Griffin bill.

Sixth, now, as to your final paragraph which I consider an insult to my constituency—if ever there was a threat and, what I would call, blackmail, this is it. And, so that all may see it, I intend to put it in the CONGRESSIONAL RECORD for posterity.

As for myself, I have the utmost confidence and respect for the people in my district (as well as the entire country) and am perfectly willing to rest my case in their capable hands.

Yours very truly,

ALBERT H. BOSCH,
Member of Congress.

MR. KHRUSHCHEV'S VISIT TO THE UNITED STATES

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. BENTLEY] is recognized for 30 minutes.

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, possibly it is academic to discuss the pros and cons of the forthcoming visit to this country next month of Soviet Premier Khrushchev. Whether we like it or not, whether we approve of the visit or not, the undeniable fact remains that he has been extended an invitation by President Eisenhower and will arrive here for about a fortnight's stay as an official guest.

I feel, nevertheless, that I must make clear my own strong disagreement with the fact that the invitation was issued. I not only object in principle to extending an invitation of this type to a person who is so completely opposed to our Government and our way of life but I also feel that the visit itself will have serious effects on our foreign policy.

In the first place, a cornerstone of our foreign policy is and has been the liberation of the captive peoples who now exist under communism. It was for this reason that the Congress recently passed the resolution designating Captive Nations Week, for the purpose of encouraging our friends behind the Iron and Bamboo Curtains and letting them know that they are not forgotten by the American people. What are they now to think when we receive their slave master in this country as an honored guest? Can they have any other feeling but one of abandonment and desertion?

If I could believe that the Khrushchev visit might succeed in lightening the chains of the captive peoples, Mr. Speaker, I would naturally strongly support it. But has the Russian Premier given any indication that he intends to change Communist policy toward the satellites or for that matter any other facet of Communist policy? And this brings me to my next point of objection. What has Mr. Khrushchev recently said or done that would lead anyone to believe that he, his government, his party, or indeed world communism has had a change of heart in the slightest degree?

I am not only fearful, Mr. Speaker, of the results that this visit may have on the captive peoples but I am perhaps more fearful of the results it may have on our allies throughout the world. Millions of free peoples everywhere look to us in the final analysis as the great bulwark of the free world against further aggression by the international Communist conspiracy. It will be necessary to give them the most ironclad assurances that we do not and will not contemplate any kind of a deal with the Russian dictator. There must never be any suspicion in the minds of our friends and allies that the tragic history of Teheran, Yalta, and Potsdam is about to be repeated or that we are considering a further division of the world into so-called spheres of influence.

Finally, Mr. Speaker, I am fearful of the possible results of this visit on the American people themselves. Our people naturally long for relief from high taxes, crushing defense expenditures and all the other sacrifices that we are called upon to make during a time of national emergency and for the sake of our national security. What will our people believe when they witness our arch foe received as an honored guest? Will not their natural reaction be that world peace is now just around the corner with an end to huge defense budgets, high taxes and the need to make further and more costly sacrifices. Will the American people continue to believe, after Mr. Khrushchev has left our shores, that the international Communist conspiracy remains just as great a menace as ever? Will we continue to regard communism as grave a threat to our freedom and security as before?

For these and many other reasons, Mr. Speaker, I must frankly say that I deplore the invitation to Mr. Khrushchev and I deeply regret that it was tendered and accepted. But, as I stated earlier, it has been issued, it was accepted, and the visit now seems a fact. That being the case, let us endeavor to put the best possible face on it.

There are two immediate risks in connection with the visit itself. First, there is the risk that the reception of Mr. Khrushchev will be so hospitable that he will gain an erroneous impression of our people and of their determination to resist any threat to our freedom, including that posed by his own government's ideology. Second, there is a real risk in the opposite direction and that is, keeping in mind the events surrounding the Mikoyan visit of last winter, that some incident might occur which would pose either embarrassment to our Government or physical risk to Khrushchev or a combination of both. Those are risks, Mr. Speaker, which should constantly be kept in mind.

I am sure, Mr. Speaker, that the strongest supporters of this visit do not want Mr. Khrushchev to acquire any false impressions of our people or of their true feelings about the Communist movement. I am equally sure that the strongest opponents of the visit, including myself, do not want anything to happen which would embarrass this Government or would create an international incident with all its imaginable consequences. The question, therefore, is where a happy medium can be found.

In a column dated August 6, the distinguished commentator David Lawrence spoke of the constitutional right of the American people to dissent against Khrushchev's visit, should they desire to do so. I insert the entire text of this article in my remarks at this point, but I desire to read the final two paragraphs, which contain some suggestions as to how those desiring to do so might express their true feelings during the Khrushchev visit in an orderly and peaceful manner:

[From the Washington Evening Star, Aug. 6, 1959]

U.S. PEOPLE AND KHRUSHCHEV—CITIZENS' DISSENT AGAINST VISIT BY DICTATOR HELD CONSTITUTIONAL RIGHT

(By David Lawrence)

Do the people of the United States really want Nikita Khrushchev to visit this country? President Eisenhower assumes that they do. The Governments of Sweden and other Scandinavian countries recently issued a similar invitation, but the Soviet Premier, after accepting it, decided not to go there because it was evident the people didn't want him to come.

What happened in Sweden between the time the invitation was extended and the announcement that Khrushchev had given up the idea for the present? A letter from Dr. Bela Fabian, written from Geneva a few days ago, tells the story. He is chairman of the Federation of Hungarian Former Political Prisoners and was in Sweden at the time of the planning for the visit of the Soviet Premier. Dr. Fabian writes:

"Naturally Major General Zacharov, Deputy Chief of the Soviet Security Police, knew that the August committees were preparing mass meetings and demonstrations. In Sweden 10 meetings were to be held simultaneously on August 13. The one thing he did not know was whether the Swedish people would demonstrate by ostentatiously staying at home, so that the streets would be empty and there would be no one there except the police, or that there would be enormous crowds who would turn their backs on Khrushchev."

Dr. Fabian writes that the August committees contained a large number of members, among them prominent intellectuals, several Nobel Prize winners, university professors, and writers. Many students organizations were represented.

Already there are varying points of view in this country as to what the reaction of the American people will be in the cities to be visited by Khrushchev. Certainly any disorderly demonstrations would only result in worldwide criticism on the theory that the Americans were not as courteous to the Soviet Premier as the people of the Soviet Union have been toward Vice President NIXON. But inside the United States—unlike the situation in the Soviet Union, where everything is controlled by the Government—the people have a right under the Constitution to speak. They have a right to picket peacefully, if they like, with placards expressing their ideas.

If the Scandinavian plan were put into effect in the United States by boycotting the parades or by viewing in silence the public events where Khrushchev makes his appearance, an orderly protest could be registered.

There may be some in this country who are willing to "let bygones be bygones," but, among the hundreds of thousands of Americans who came here originally from the lands which now are held captive by the Communist dictatorship, there will be no suppression of emotions. Their point of view toward the Moscow autocracy which has ordered the murder or exile of so many innocent people in the last several years is deeply rooted. They cannot forget.

It is true that, after wars are over, friendly feelings toward former enemies often are developed. But the governments which ruled in Nazi Germany, in militaristic Japan and Fascist Italy have been removed and free governments established. No such change has occurred in Moscow, where the same kind of regime is in power today as the one that broke the pledges given at Yalta in 1945 and at Geneva in 1955.

"Khrushchev's criminal record exceeds all," wrote Dr. L. E. Dobriansky, professor of economics at Georgetown University, in a letter to President Eisenhower dated July 31. The Georgetown professor was the originator of the resolution adopted by Congress to proclaim "Captive Nations Week." Expressing the hope that Khrushchev would not be invited to America, Professor Dobriansky added:

"It is patently naive to believe that a visit by the 'hangman of the Ukraine' would add anything to what he already knows about our country. * * * Moral principle alone should dissuade us from conferring respectability and legitimacy to a dedicated enemy, the attributes he desires in order to extend his empire."

There is talk now of arranging a parade of hearses in each American city where Khrushchev appears. On each hearse would be placarded the statistics of the number of persons murdered or exiled from each of the 14 captive countries in recent years. This is one type of orderly demonstration.

Another which is being suggested is that memorial services be held throughout the Nation to carry out the spirit of the resolution in behalf of the captive nations adopted overwhelmingly last month by both Houses of Congress. Nationwide prayers for the liberation of the captive peoples, as well as memorial tributes to the many who have been enslaved or killed by the ruthless Communist dictators, would at least let the rest of the world know that, however polite the Government has to be to any visitor, the people here have the right of free speech. They can express their dissent from the position of their Government, which has invited to free America at this crucial time the man who has threatened war unless the Western forces surrender Berlin and who has never withdrawn that threat.

I have also, Mr. Speaker, discussed this question with high officials of the State Department. In a letter to me dated August 13, Mr. John W. Hanes, Jr., administrator of the Bureau of Security and Consular Affairs of the State Department, stated this:

Our experience has been in the past that local authorities—who, after all, are really responsible for the orderly handling of local situations on a trip such as this one—are generally amenable to peaceful demonstrations which they know about well in advance, and which are carried out in a genuinely peaceful and orderly manner and so as not to violate the rights of other citizens who also may be present on a public occasion.

I might add that demonstrations or disturbances which do not meet these criteria not only cause great concern to the security authorities but also tend to create an extremely adverse public reaction against the groups involved on the part of other citizens. Most Americans, as you well know, believe that any guest should be treated at least courteously, whatever they may think of his policies or what he represents.

I am also including, Mr. Speaker, the text of a memorandum regarding various local regulations concerning picketing, demonstrations, et cetera which I have had prepared for my own use and which I wish to insert at this point of my remarks in the RECORD.

The local laws and regulations together with city ordinances should be examined with respect to the provisions made for or prohibiting picketing, carrying of placards, public behavior, peaceful assembly, etc. Such an examination will establish what can be done within the law.

If this is a local requirement, permits to picket should be obtained in advance, specifying places, numbers, reasons, etc.

Caution should be given to such things as using wooden 2 x 4's, iron pipes and other instruments as standards for placards and banners. Under many local regulations these are deemed dangerous weapons.

Egg-throwing, tomato-throwing, stone-throwing is in most areas prohibited by law.

Under no circumstances should anyone who is engaged in "peaceful picketing" be carrying any type of arm, etc.

Attention should also be paid to the restrictions placed on picketing such as "the pickets must keep moving," "pickets are limited to a particular area," "pickets are limited to a particular number," etc.

Orderly picketing should not be done in such a manner as to interfere with the entrance to and exit from any public or private building, requiring local law enforcement officers to break up the picket line.

Particular attention should be paid to all placards so that there is no obscene language, incitement to riot, etc., which may be prohibited by local ordinances.

In general, the local laws, regulations, ordinances, etc. provide for peaceful assembly and picketing and police protection is afforded to guarantee citizens their rights. The behavior of the pickets, however, has a great bearing on whether the picketing is legal and lawful or illegal and prohibited.

Mr. Speaker, in connection with this letter, I want to emphasize that it was sent me at my request. I had earlier advised various departmental officials that I had been approached by certain organizations who sought advice from me as to what they would be permitted to do to register, in a peaceful and orderly

manner, their protest at the time of the Khrushchev visit. I therefore presented this problem to the Department and requested to be advised as to what I might say to representatives of these organizations. The Department, of course, is not encouraging such demonstrations and the letter should not be so construed. On the other hand, the Department recognizes, as we all do, that those persons who wish to express their disapproval of Mr. Khrushchev at the time of his visit, without creating a disturbance or infringing upon the rights of others, have a constitutional right to do so.

Mr. Speaker, I have stated that I am strongly opposed to the Khrushchev visit on a personal basis. For my part, I shall endeavor to ignore his presence here. But, since he is evidently coming, I do strongly bespeak for him the courtesy, not hospitality but courtesy, that any foreign visitor is entitled to expect on arriving at our shores. I certainly bespeak that courtesy which we would expect President Eisenhower to receive in Russia on his return visit in October. I would deeply and sincerely regret any untoward incident that might cause our Government embarrassment or worse during his trip. Those people who feel so strongly about his visit that they wish to make a concrete expression of their feelings can find a guideline for doing so in my previous remarks. Beyond this, they should not and they must not go.

As I said, Mr. Speaker, I am most anxious that nothing untoward occurs during the Khrushchev visit. I am equally anxious that Mr. Khrushchev receive a correct impression of this country during his travels in our land. At this point, I wish to read some pertinent excerpts from President Eisenhower's press conference of August 12 in which the President dealt, and I think, dealt very well with this very subject:

> I want him to see a happy people. I want him to see a free people, doing exactly as they choose, within the limits that they must not transgress the rights of others.
>
> Well, don't we want Mr. Khrushchev to see this country as a freedom-loving place. Why should we worry too much about the fact that people can strike in this town, in this country? I think that this is a shallow kind of thinking.
>
> Now, I will say this. I believe that democracy is the strongest when there are among the different individuals and groups cooperation rather than strife, when there is self-discipline rather than just too intense competition. So the strength would be seen, but only if it is done on a free basis. Because if we are going to do it on a regimented basis, then we are a different type of country than I think we want.

We all have, I think, an obligation to treat the Soviet Premier with those standards of courtesy which are traditionally American and which we expect our President to receive when he visits the Soviet Union. But none of us has any obligation to pretend to like and admire either Mr. Khrushchev or his system of government if we do not. American citizens have the free right of choice in this, as in many other things, and I hope sincerely that we, as a free people, have this freedom of choice and the right to exercise and express it with due regard for the equal rights of our fellow citizens. This may be the most effective lesson which he can learn on this trip. At least I hope so.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, I want to associate myself with the strong and forthright, but very balanced position, taken by the distinguished gentleman from Michigan. All of us may have our individual opinions as to the wisdom of a given act at a given time. But, we have to accept situations that exist. Our task now is to decide how best to deal constructively with this one, how to minimize the losses and, if possible, make some gains out of the impending visit of Mr. Khrushchev to this country. We have to admit frankly the negative aspects of the visit and then search out every positive opportunity it presents and take utmost advantage of it.

The losses are undeniable. Extension of the invitation gives Khrushchev three victories: First, it gives him his first objective of respectability as no other thing could possibly do. To some it will imply acceptance by us. It rehabilitates him to some extent without one single deed by him to merit it. It increases his stature; we have come to him. He calls the tune, and we appear to acquiesce. As the gentleman has well said, we must make clear that our desire for peace and our politeness as a civilized people do not mean that we accept the evil present or wipe out the cruel past in the history of this individual and the regime he represents.

A second objective that the Communists avowedly have had is to divide the United States from its allies, particularly to weaken NATO. Nobody can deny that that has been accomplished to some extent. The glue that holds our alliances together is the confidence of others in the steadfastness of the United States as the leader of the coalition.

A third major objective that they have had all along is to weaken the will to resist of the millions of people behind the Iron Curtain, particularly in the captive nations.

As the gentleman will recall, I served as one of our U.S. delegates to the United Nations General Assembly 2 years ago. Day after day for 3 months I dealt with the Communist delegates of the Soviet Union and its nine satellites. I sat second seat from the Soviet representative, and I negotiated with him officially and on formal, correct, courteous terms. I had no harsh words for him as a person. We traded no personal insults. He was a delegate of his country and I was a delegate of mine, but he knew very well how thoroughly I opposed everything he and his government represented.

When I came back to the Congress I reported that I thought they were operating on about four main convictions:

First, they are not afraid of an attack by the United States. They know we are not going to start a war.

Second, they are genuinely afraid of the peoples under them; the Poznan outburst and the Hungary revolt the previous year had shaken them to the bottom of their souls.

Third, to win the world, their most immediate need is to break the will to resist of the peoples whom they really fear, the peoples behind the Iron Curtain.

Fourth, how can they do that? They may be able to fool us with smiles, but they cannot fool those peoples. They cannot terrorize those peoples with threats; they have tried it and failed. They cannot trick them as they may be able to trick the peoples of the West. Their best hope of breaking the will to resist of the people behind the Iron Curtain lies in developing a situation which will give them the impression that the United States and the free world are abandoning or are willing to abandon those peoples. If the strong accept the tyrants, how long can the weak be expected to resist? Their maneuver is to try to break the will of the peoples whom they really fear, by weakening our will. We must not let it succeed. The test is a test of our character.

We cannot deny that the confidence those people have had in us has been shaken by the apparent reversal of America's earlier position on a summit conference. And if we pretend a conference by the Big Two is not a summit conference, we deceive no one but ourselves. But the confidence of the captive peoples in us has not yet been lost. The throngs of deliriously demonstrative people in Poland a week ago Sunday were voting in the only way possible for them against this tyrant and for the kind of free and democratic world which the American Vice President symbolized to them. They have not changed in their views. They are eagerly, almost pathetically, watching to see how we behave now, to see whether we have changed in ours.

Therefore our job is not to argue about what might have been. The major hope that we may be able to turn the visit from possible disaster into substantial gain for freedom and peace is for our Government officials to conduct themselves with such correct and dignified formality, as contrasted with the spontaneously cordial hospitality we instinctively show to genuine friends, and for our people likewise so to conduct themselves that the Communist dictator will know beyond the peradventure of a doubt that the people and the Government of the United States are stronger and firmer and more united in their opposition to everything he or his regime stand for than he has realized.

If we can get that fact across, out of it all can come some good—and the would-be aggressor be given pause.

I congratulate the gentleman for stressing the necessity for polite correctness in our behavior, without the normal outpouring of generous American hospitality, which could understandably be misinterpreted as weakness or softness and gravely increase the danger of his resorting to force which it is our great hope and desire to prevent.

When the Vice President came home from South America he was asked what our policy should be with respect to dictators. He used two phrases. I do not remember them exactly, but something like these:

For dictators we must have formal correctness. For democratic leaders we must have a warm handshake.

Those are indeed, the attitudes that we must maintain. It will require self-restraint and poise and a self-searching on our part to avoid any incident of active hostility that would generate sympathy for him and discredit ourselves; and at the same time to avoid the appearance of being so soft or so desirous of relaxation for ourselves, at whatever cost to the freedom of others, that he might be encouraged to think he can get whatever he wants, and be led to overreach himself with disaster to everyone. We must not let anything whittle away our moral indignation, and therefore our unwavering opposition to the cruel regime we see imposed by this man on hundreds of millions of people, here in the supposedly enlightened 20th century.

Was it not Lowell who said:

Once to every man and nation comes a moment to decide.

This is such a moment.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. BENTLEY. I thank the gentleman from Minnesota for his very valuable contribution as always.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I am happy to yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, I, too, would like to associate myself with the remarks of the gentleman from Michigan. I think he has stated the point clearly and eloquently. Perhaps the distinguished gentleman from Michigan would be good enough to tell me then if the Committee on Foreign Affairs, since the gentleman from Michigan is a member of that committee, would be willing to go along with the resolution that I introduced here last week urging the President of the United States to take up this whole question of the captive nations, when Mr. Khrushchev does arrive in the United States.

Marguerite Higgins, one of the most distinguished American correspondents wrote the other day from Warsaw that the only really deterring factor in the Soviet plans for the expansion of international communism is the fact that they fear the spirit of freedom among the Poles and all the other peoples in the captive nations. This Joint Resolution 482 was introduced last week in an effort to impress upon the President and to strengthen the President's hand as an expression of the Congress that we feel we have to treat all Soviet foreign policy with a great deal of suspicion so long as those captive nations are denied their freedom.

I believe the resolution is now before the Committee on Foreign Affairs and I would certainly be grateful if both the distinguished gentleman from Michigan [Mr. BENTLEY] and the distinguished gentleman from Minnesota [Mr. JUDD], who spoke here so eloquently today, would support this resolution, because I believe it would help the President's hand; it would strengthen his hand when Mr. Khrushchev comes here, to ask for the liberation of these captive nations.

Mr. BENTLEY. I thank the gentleman for his contribution and, speaking merely as a single member of the Committee on Foreign Affairs, since I have introduced a resolution markedly similar to that of the gentleman's, I should certainly support both resolutions, which have the same objective.

Mr. PUCINSKI. I thank the gentleman.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I am glad to yield to the gentleman from North Dakota.

Mr. SHORT. Mr. Speaker, I certainly want to commend the gentleman from Michigan for what I think is a very clear, sane, constructive and analytical dissertation on the coming Khrushchev visit to this country.

I was concerned, as apparently the gentleman from Michigan is, about this visit. Certainly I think we have a great responsibility in connection with this visit to see that the Premier of Russia is treated with every possible courtesy by the people in this country, but at the same time I am concerned that we may leave the impression that we are treating him as a top official of a friendly country. I think we have to keep Mr. Khrushchev in his proper category, we must remember who he actually is. He is not only the top official of Communist Russia, he is the world's No. 1 Communist. The Communists, regardless of what anybody may say about them, have never quit, have never deviated from, have never lied about—it is the one thing they have never lied about—their objective so far as this country and the whole free world are concerned. That objective, from which they have never deviated and I submit probably they will never deviate from it, is the ultimate destruction of our democratic system of government in this country and our American way of life.

I thank the gentleman for yielding.

Mr. BENTLEY. I thank the gentleman for his contribution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Oregon.

Mr. PORTER. Mr. Speaker, I want to say that I was much interested in the remarks of the very able and conscientious gentleman from Michigan. I certainly share his feelings that we can make mistakes when Mr. Khrushchev comes here although I probably regard this visit, and Mr. Eisenhower's visit to Russia, as more of an opportunity to advance the cause of peace than a danger.

I think we do have to take some chances for peace. I think that is what the President sought when he finally concluded this would be a good idea. The gentleman from Minnesota was trying to recall what the Vice President brought back by way of a phrase to cover this situation from Latin America, and it was approximately correct—"A firm handshake and a warm embrace." I think that is the way we deal with people when they are democrats and people who live by Christian principles. Of course, we give them a warm embrace, but when they are thieves and murderers, as so many of the governments of the dictator nations are today, then we treat them accordingly. But, we have to deal with them and communicate with them. I think this is part of that communication. If we do not communicate with them, if we cut off communication, then there is only one answer and that is a war. I would like to ask the gentleman if he does not believe the NIXON visit was successful in creating a better understanding and in causing the people of the Soviet Union to be more of a drag on their Government's imperialistic design and whether the gentleman does not believe also, as I do, that the visit of the President of the United States to the Soviet Union may have a similar effect, which may very well aid the cause of peace?

Mr. BENTLEY. I will answer the gentleman from Oregon to this extent. Of course, my knowledge of the Nixon visit and its aftermath is like the gentleman's knowledge, limited entirely to what we have seen in the press and from the accounts that have been received from journalists who accompanied Mr. NIXON on his trip. I would say that I certainly do not believe the Nixon visit did any harm and it may have done some good. I think it probably convinced a great many people in the Soviet Union who had the opportunity to see and hear Mr. NIXON, either in person or on television, that the leaders of this country really desire peace which, of course, is not in accord with what the Russian Government has been telling their people for a long time. But I point out to the gentleman that I am concerned that it is very possible that the Russian people after 42 years of communism, being indoctrinated in the principles of communism by their Government under their ideological system, even when they are told the truth about our country and even when they see examples of our standard of living such as our exhibition in Moscow, I still think they have certainly a great deal of skepticism and that is why I favor visits on a person-to-person basis because I think the more Soviet people come over here as individuals, as tourists shall we say, they will have a chance to see and learn the true facts about this country and that this will be helpful. With respect to their Government and particularly, Mr. Khrushchev, I am sure that Mr. Khrushchev knows the true facts about this country, but I am just wondering how much of what he sees here will impress him when we keep in mind that he must be seeing everything that he will see in this country through Communist eyes, and even if he is impressed, I wonder whether he will admit it either to himself or to his colleagues.

Mr. PORTER. I wonder if the gentleman would apply his reasoning as to visitor exchanges to China exactly on the same basis?

Mr. BENTLEY. I think the question so far as China is concerned is somewhat academic, I will say to the gentleman. Any visiting has to be reciprocal.

Mr. PORTER. We are having an academic discussion here this afternoon.

Mr. BENTLEY. I understand. But I think the situation insofar as China is concerned is somewhat different, and I do not propose, may I say in all frankness and firmness to my friend, the gentleman from Oregon, to start on a discussion which is so dear to the heart of the gentleman as to what we should do with respect to China at this time.

Mr. PORTER. Then, perhaps, we can go into that discussion at some later time.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. JUDD. Just for the record, I think attention should be called to something that has been torturing my conscience ever since this proposed visit came up. Each of us has stood here in this Chamber and solemnly taken an oath of office. That oath begins as follows:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic.

Now it is not a nasty charge on my part to call this man a deadly enemy of our Constitution. He himself has avowed repeatedly that he is; that they "will bury us." He says that our grandchildren will live under a Communist regime. That could only happen if our Constitution is destroyed—if not in name at least in fact. Therefore, I have taken an oath to defend our Constitution against this very man and the Soviet Government and the world Communist movement which he heads. They are foreign enemies, and they have domestic enemies helping them. The problem is how best to defend and support the Constitution, our whole system of government, against them. How best can we, during this visit, faithfully discharge, as the oath requires, the obligation that we took. I am not suggesting that we approach the problem with a chip on our shoulder, but we must recognize the nature of this cancer as it seeks to eat away our vitals, and we must think out how best to isolate it or cut off its blood supply or reduce its capacity to injure us and others so that the healthy democratic forces all over the world can take heart and work with new confidence and energy to build a world in which we can all be free and secure.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. PORTER. Is the gentleman from Minnesota suggesting that the President is not properly mindful of the oath he took?

Mr. JUDD. I am not suggesting that and the gentleman cannot possibly find any such suggestion in my remarks.

Mr. PORTER. Well, I should hope not.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield, but first, Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes so that the distinguished majority leader may make such comment as he wishes.

The SPEAKER pro tempore (Mr. MILLS). There are other special orders, but the Chair will put the request.

Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McCORMACK. Mr. Speaker, it is very interesting to listen to some of these hypothetical questions when the fact remains that we are confronted with a cold, world-killer mind.

If anyone thinks a Communist coming to America is going to change his mind about continuing as a Communist, such as Mr. Khrushchev, he is going to be very sadly mistaken. Since Mr. Khrushchev was invited over here what has happened? We saw North Vietnam threaten Laos. Is that right?

Mr. BENTLEY. That is right.

Mr. McCORMACK. A few days later we saw Red China threaten Laos and threaten the United States, charging that we were going to give military aid and assistance to Laos. What of it if we were? What is wrong with that?

Then only yesterday or the day before Moscow issued a threat against the United States in connection with Laos. Am I right?

Mr. BENTLEY. The gentleman is right.

Mr. McCORMACK. That threat was issued against the United States after the invitation was extended by the President to Mr. Khrushchev.

I said on the floor the other day that when Peiping issued its threat to the United States it was also a message to Mr. Khrushchev that he had better be careful and recognize the fact that Red China is not a junior partner in the Communist world; and apparently Moscow agrees, because the reasonable inference to draw from Moscow's threat against the United States the other day is that the threat from Peiping has had its effect, and here is Mr. Khrushchev coming over here, a dedicated Communist. He is not going to change his mind; if anything, what he sees in America is going to create in him greater efforts to try and work so that the grandchildren of the President of the United States will be living in a Communist country—as he said in Moscow and as Kozlov before he left this country said in the United States.

So, dream on, my friends, dream on in this world of complacency that is being subtly developed to lull the American people to sleep. If you dream too long it might be too bad for coming generations of Americans, the youngsters of today.

We are meeting a determined enemy whose aim is world revolution and world domination. Let me say that if I have an enemy I am not inviting him into my home. If I know someone is intent upon doing something harmful to me or any member of my family I am not inviting him into my home. I might have to negotiate with him on a business level; as a leader I might have to talk to one or two Members who do not like me, but I do it as leader; I am not inviting him into my home. Negotiate? Yes, but to give an official invitation, taking him into the bosom of our country, there is a marked difference between negotiation and doing that.

And might I say, talking about this gentleman who is coming over here with his record, treat him with respect, yes, but do not make him a hero. There should be no denial of the American right of freedom of speech and freedom of action; and, above all, while we should treat him with respect we should not impair our freedom of speech, and over and above that we should not treat him as a hero.

Mr. BENTLEY. I completely agree with the majority leader and appreciate his contribution very much.

Mr. PRICE. Mr. Speaker, I ask unanimous consent that when my special order is called I may be permitted to extend my remarks at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ANSWER TO THE QUESTION: "WHO WRITES OUR LAWS?"

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, the answer to the question "Who Writes Our Laws?" was given when, a week ago tomorrow, the House passed S. 1555, as amended.

Mr. Speaker, Monday, July 27, at a time when a comparatively few labor leaders were trying to dictate Federal legislation, I asked that question. We were given the answer when the House, by a 28-vote majority, substituted the Landrum-Griffin bill for the Kennedy-Ervin bill, and again the next day, when Members, given the opportunity by my demand for a reading of an engrossed copy of the bill, to think it over, gave the same measure a majority of 178—a gain of 150 votes.

Publicity given the McClellan hearings and a more complete knowledge of the misuse of union funds, as well as of organized violence and of the denial of natural and constitutional rights to not only businessmen, nonunion workers, but to union members themselves, caused the home folks, including many union members, to write their Representatives.

The result was the substitution of a bill, sponsored by—but not written by—the gentleman from Georgia [Mr. LANDRUM], and the gentleman from Michigan [Mr. GRIFFIN], for the Kennedy-Ervin bill, the Senate bill. The House bill, under our practice, has gone to conference under the Kennedy-Ervin name and number, and many people seem to be fearful that we will not get what the people demanded—are now demanding—that is, fair, just, remedial legislation—legislation which will give protection to

the funds of the union members, protect the rights of the nonunion worker, and more important, the health, welfare and prosperity of our people as a whole, without in any way hurting legitimate union activities.

To the "doubting Thomases," I can only say, "O ye of little faith."

It has long been my conviction that, ultimately, when the people learned the facts, Congress would be forced to write remedial legislation. That thought was in my mind when I asked for a reading of an engrossed copy of the bill, for, when "the people" speak, the legislators listen.

That maneuver gave the Congressmen an overnight opportunity to consider what they were doing, and I had no doubt of the result. The result was that the majority for the more effective bill jumped from a miserly 28 to a generous 178.

It goes to prove that, at least occasionally, the average, ordinary legislator in touch with his people, who believe in decency, who believe in just, fair treatment for all, can be as accurate a political prophet as the professional, so-called smart politician.

For months it has been my opinion that if publicity was given to the arbitrary and criminal activities of a very few labor leaders, as disclosed by the McClellan committee, the Congress would be forced to write the kind of legislation the people deserved and were demanding.

The vote so far has proved, and, in my judgment, the final result will once again prove, that our people are not only honest, believe in justice, but that, once they know the facts, they will insist that legislation tending to prevent the abuse of legislation designed to protect labor shall be enacted.

In answer to my question, "Who writes our laws?" we now have the answer: The people's representatives write the laws when the people take cognizance of what is happening and tell their hired men—Congressmen—what they want.

Mr. Speaker, a word on another subject.

POLITICAL LIQUIDATION DOES NOT ALWAYS WORK IN THS COUNTRY

Mr. Speaker, today, under date of August 18, 1959, Members received a communication from James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers affiliated with the American Federation of Labor and Congress of Industrial Organization.

One letter of praise went to those who had opposed the substitution of the Landrum-Griffin bill for the Elliott bill, which, in substance, was the Kennedy-Ervin bill sent over by the Senate.

Another letter from the same gentleman went to those who had voted for the substitution of the Landrum-Griffin bill for the Elliott bill.

The letter I received reads as follows:

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY.

My decision was not made—my vote was not cast—because of any argument or because of any pressure exerted either by the chamber of commerce or the National Association of Manufacturers.

For more than 20 years, I have been talking and voting for legislation which would protect the union man from his corrupt bosses—when he had such—which would protect the nonunion worker—and for the protection of the public health, welfare, and security of our people as a whole.

If there is any similarity in the views held, or the legislation desired by those two organizations—and the Member from the Fourth District of Michigan—it can truthfully be said that the Member from Michigan was the pioneer in advocating the type of legislation adopted on the 14th of August by the House.

A perusal of the CONGRESSIONAL RECORD, a reading of the literature of the two organizations to which reference has just been made, demonstrates the truth of my statement.

Long, long ago, gentlemen in positions similar to that now held by Mr. Carey—with whom, years ago, over the radio I discussed some of the issues carried in the bill adopted by the House—and with political power and financial resources, supported my primary opponents and my opponents at the general election.

Fortunately for my political security, my views were similar to those held by a majority of the people of the Fourth District of Michigan.

As a special writer assigned to my district to report to the voters of the State my political views—a writer for, as I recall, a Detroit organization—stated that, when I spoke in the House, the people did not hear the voice of CLARE E. HOFFMAN—the voice they heard was the voice of the people of his district—the finest compliment, at least in my judgment, that could be paid a Congressman.

That at the request of those representing special interest groups, the people of the Fourth District, who do their own thinking, do not—and in my judgment, will not—politically liquidate any candidate for Congress—or, for that matter, any candidate for State office—is evidenced by news stories and editorials, a very few of which read as follows:

[From the Niles Daily Star, Aug. 8, 1959]

CHICKENS COME HOME TO ROOST

President Eisenhower took to the airways Thursday night to focus public attention on his recommendations for a so-called strong labor bill.

Favored by the President is the Landrum-Griffin bill, the same one recommended in this column in Thursday's Niles Daily Star. It includes provisions to deal with the blackmail and secondary boycott techniques used by unscrupulous union organizers who attempt to force their demands against both worker and employers.

Neither of these practices are covered in bills reported out of the Senate and House by committees of those respective bodies. The Landrum-Griffin bill also gives union members much greater latitude in expressing their personal views without fear of retribution from those of the union heads who rule their union's affairs and the union membership with an iron hand.

For 10 years there has been virtually no new Federal labor legislation, primarily because it has been such a hot subject and because many Members of Congress have been highly susceptible to organized pressures.

It is doubtful if right now there would be anything more than lip service to such legislation except for the rotten state of affairs in a few powerful unions which were uncovered by 2 years of hearings by the Senate Labor Rackets Committee.

In this connection, it is interesting to recall that Michigan's Fourth District Congressman CLARE E. HOFFMAN introduced bills in Congress, more than 20 years ago, aimed at some of the abuses which have since developed.

Those bills were written back in 1937, only a short time after the notorious Flint sitdown strike in which strike leaders openly defied authorities, resulting in death, widespread personal injury and tremendous destruction of property. The Flint technique spread to many other parts of the Nation with similarly tragic consequences.

It was with a view toward controlling these unbridled demonstrations of lawlessness, together with the need for protecting the interests of workers who wished to have no part in such incidents, that Mr. Hoffman introduced his bills in 1937. But they didn't stand a chance of passage because the majority Members of Congress were afraid of their own political necks.

Largely because of this lack of legislation, a few labor leaders have gradually wormed themselves into positions where they exert a life-and-death control over their members and have also been enabled to divert millions of dollars of union dues and welfare funds for their own selfish purposes.

It is doubtful if any situation in recent years has provided a more fitting application for that old adage, "Chickens come home to roost."

[From the News-Palladium, Aug. 11, 1959]

THE PEOPLE SPEAK

Fourth District Congressman CLARE E. HOFFMAN reported to the News-Palladium Monday, from Washington, that he is being deluged with letters and cards from his constituents, urging him to keep fighting for a labor reform bill aimed at driving union racketeers, double-dealers, and crooks out of business and guaranteeing the union rank-and-file members their rights as freemen.

Those who have followed Mr. HOFFMAN's career of over 20 years in Congress know that he favors and supports honest labor unions as a necessity. Contrary to interpretations of his political enemies and certain union officials, Representative HOFFMAN is not now and never has been antilabor.

That this truth is recognized by the great majority, in and out of the unions, is proved by the habits of winning hands down in every election.

The Congressman told us that his mail supporting his efforts has and is coming from people in every walk of life. Workers and their wives have written him in commendation. So have professional people and others.

It has dawned upon Americans everywhere that the greatest enemy of the honest labor movement are the goons and grafters who are motivated by personal greed for money and lust for power. Union reform is something beyond partisan politics—it is a question of the survival of freedom.

We are pleased to note Congressman HOFFMAN'S cautious optimism on the outcome of labor legislation. This is the week of decision in the National Capital. We can be assured that fighting CLARE will be in there, doing his all in the cause of peace and progress.

[From the Sturgis Daily Journal, Aug. 11, 1959]

HOFFMAN NO "JOHNNY-COME-LATELY" IN FIGHT FOR LABOR REFORM LAWS

(By Hale Montgomery)

WASHINGTON.—Tough and peppery CLARE HOFFMAN first proposed in 1937 that Congress enact reform legislation to clean up corrupt labor unions and drive out racketeers.

The veteran Michigan Congressman followed this up in 1939 and 1941 by introducing almost identical House bills. Each time his colleagues gave these "radical proposals" quiet burial.

Last Wednesday, in the super-charged atmosphere of current events, the 83-year-old HOFFMAN reintroduced a similar bill with hardly a comma changed.

The outspoken Republican veteran, who in the intervening years, has introduced 136 different pieces of labor legislation, reflects, wonders, and remarks:

AT EVERY OPPORTUNITY

"Something that I advocated 22 years ago now is suddenly popular. What bothers me is that now I'm getting letters and telephone calls urging me to vote for a tough labor bill. Of course I will. I've been for that all along. I didn't think anyone would be surprised to learn it now."

When House Members begin assembling around noon for meetings of the House, the wiry HOFFMAN generally is already there, waiting.

For the past 3 weeks, he has taken the floor at every opportunity to speak on the need for labor reform legislation, hammering away on this subject regardless of the topic up to debate.

When the House debated foreign aid, HOFFMAN rose to speak on labor; when it considered a home rule proposal for the District of Columbia, HOFFMAN slipped in a blast against UAW President Walter Reuther as a man "trained in organized violence"; when the Inter-American Bank bill was before the House, he charged Teamsters Boss James Hoffa was a "greedy" leader with "unbridled ambition" who misused union welfare funds.

FEW WHO ARE CROOKED

"I'll talk on something when no one else does," HOFFMAN said. "Some Members think it is unpopular to oppose labor leaders; afraid they'll lose votes. But basically they're wrong."

HOFFMAN, who hails from the relatively well-unionized Fourth District of Michigan, is quick to explain he is not opposed to the labor union movement.

"I'm for organized labor, of course, always have been," he said. "I'm just against those few who are crooked. I never asked for anything that would hurt a union working man—never."

HOFFMAN was chairman of congressional investigating groups which in 1947–48 and again in 1953–54 exposed instances of racketeering and strong-arm organizing tactics. The inquiries led to more than 12 criminal convictions of corrupt labor leaders.

MIGHT RAISE ISSUE

As far back as 1936 when sitdown strikes were fashionable, and in 1941 when Ford Motor Co. experienced a bloody, death-marred strike, HOFFMAN went to Detroit and other cities to observe these and other labor-management violences first hand.

HOFFMAN'S 1937 reform bill has many of the features of the "modern legislation" now pending in the House. It includes a provision for a secret ballot and a requirement that unions file complete financial reports of every dollar taken in and spent.

He fears chances of passing "sound, equitable legislation" could be damaged if "the boys start playing politics."

He said President Eisenhower's recent nationwide TV-radio appearance backing a strong reform measure "might tend to raise the political issue. Maybe not, we'll see."

Asked if Congress will pass a reform bill this year, HOFFMAN paused and replied: "We'll get something. The House will pass a bill which the labor boys will call stringent. But for me, I'd call it mild. But I'm not predicting what the Senate will do."

[From the CONGRESSIONAL RECORD]

THE WORKER'S FRIEND

Mr. GROSS. Mr. Speaker, I desire to call attention at this time to an editorial in yesterday's Chicago Tribune which pays a well deserved tribute to our colleague, the Honorable CLARE E. HOFFMAN of Michigan, who through the years has been an unrelenting foe of racketeering wherever it could be found.

There is no question but what many of the problems now confronting Congress would have been met with corrective legislation long ago had Congressman HOFFMAN had the support instead of the opposition of some of his colleagues in the course of the investigations which he launched in 1953 and 1954.

The editorial from the Chicago Tribune follows:

"Who is the better champion of the best interests of truckdrivers—James Hoffa, national president of the Teamsters Union, or Representative CLARE HOFFMAN, conservative Republican Congressman from Michigan?

"Part of the answer has been supplied in recent testimony before the Senate Rackets Committee. There James Luken of Cincinnati told how Hoffa had blocked efforts of eastern Teamsters to get terms better than those Hoffa had negotiated for most Central States truckers. [He told also of threats on his life for bucking the union's national boss.] Richard Grabowski of Baltimore told how Hoffa had forced on Teamsters in his city a $2,000-a-year cut in income. It is not for nothing that the Highway Carriers Employers Association has commended Hoffa for his 'contributions to the stability and progress of the industry.'

"Another part of the answer may be found in the CONGRESSIONAL RECORD for 1954. On January 18 of that year, Representative HOFFMAN rose to a question of personal privilege. In a press interview, a colleague had charged HOFFMAN with some illegal investigations of labor racketeering. This colleague was George Bender, then a Congressman from Ohio, later a Senator, and now an employee of Hoffa's Teamsters Union.

"Until he was stopped by Bender and other Members of the House, Representative HOFFMAN conducted some highly interesting investigations of labor racketeering. In the course of answering Bender's criticisms, HOFFMAN told how his exposures of labor racketeering had been welcomed by union members. He told of receiving much encouraging mail from both rank-and-file members and from officials. He told of being sought out in Kansas City by officers of union locals who requested him to protect them from the crooked activities of the Teamsters Union.

"Generalizing upon his personal experience, HOFFMAN said to his fellow Congressmen, 'You cannot do a single thing that will get you more votes in the next campaign or that will be more helpful to workers than to pull the lid off that particular pot (labor racketeering) which is a part of the mess that has been going on over the years to the injury of union as well as nonunion workers.'

"Five years later, when lower echelon Teamsters Union officials are telling their grievances to the Senate Rackets Committee, what they say can give little surprise to Representative HOFFMAN. As chairman of a subcommittee of the Government Operations Committee, he has heard similar complaints years ago. By his efforts to expose unlawful, oppressive acts and otherwise, HOFFMAN has shown himself a better friend of the workingman than James Hoffa and his new employee, George Bender, have ever been or ever will be."

Mr. Speaker, just so long as Members use their best judgment, are honest and sincere, their constituents will not liquidate them at the request of any would-be political boss.

MY LAST SPEECH IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES

The SPEAKER pro tempore. Under previous order of the House the Delegate from Hawaii [Mr. BURNS] is recognized for 30 minutes.

Mr. BURNS of Hawaii. Mr. Speaker, this is the last time that I shall have the privilege of addressing this House as the Delegate in the Congress of the United States from Hawaii. As a matter of fact, this is the last time that a Delegate from Hawaii will address this House, and it is entirely probable at least in the foreseeable future this is the last time any Delegate will address this House.

The position of Delegate from a Territory was first created by the Continental Congress when it set up the Northwest Ordinance. The Third Congress of the United States of America had a Delegate to the Congress from a Territory which was to become a State. Until Hawaii becomes a State tomorrow afternoon at 4 o'clock by proclamation of the United States, there have been Delegates consistently throughout the history of the United States from the various Territories which were to become States of the Union. Tomorrow at 4 o'clock p.m., eastern daylight time, the President of the United States will issue a proclamation declaring that Hawaii is the 50th State of the Union.

Mr. Speaker, it has been a great honor and a high privilege to have served in the 85th Congress and in this, the 86th Congress. This great honor and high privilege is twofold in nature.

First. It is most significant and certainly a great honor and a high privilege to be chosen by one's fellow citizens to represent them in this, the greatest body on the face of the earth.

Second. It is a rare privilege and a distinctive honor to have the opportunity

of associating within this House with the Representatives of the great people of the United States from the various districts into which the people are apportioned among the several States.

Only a few hundred men and women have this rare distinction in each 2-year period of our history. The membership of this great House of Representatives is America at its best. The people of the United States, in their congressional districts, have chosen Representatives of the highest integrity and the finest character.

To my colleagues on both sides of the aisle, I want, at this time, to express my heartfelt gratitude, my great debt for their many kindnesses, for their courtesies, for their gracious reception of me personally, and for their fair and just consideration of my representations on behalf of those who sent me here.

I believe I can say as I end my stewardship, that from the standpoint of achievement, through the gracious consideration of the various Members of the Congress here on both sides of the aisle, I have been able to keep faith with the people of Hawaii; that I have had the privilege of bringing back to them the realization of their fondest and their highest hopes and aspirations. This has not been due to my great ability, however kind some people are in giving me credit, but rather to the great sense of justice, the great sense of fairplay—so typically American—which exists in this House where America is so truly represented by magnificent, great, and outstanding people.

When I closed debate on the bill to admit Hawaii as a State of the Union, I told the Members of the House assembled in this Chamber that this was a great deed that was being done on that particular day, March 12, 1959; that the Congress would never have cause to regret the action it was going to take; that the people of Hawaii knew just exactly what was being done; that they realized the great obligations and responsibilities that they were assuming, and that the Congress of the United States, on behalf of the people of the United States, was bringing into the full-fledged partnership in the Union of States a people who could be a bridge between the East and the West; a people who would bring understanding and upon whom would depend peace in the world.

Mr. Speaker, on Monday next there will be sworn in as the first Representative to the Congress of the United States a gentleman who embodies this meeting of East and West within his person. He is a descendant of people who came originally from Japan to work in the sugar fields of Hawaii. He is an American who has borne true faith to his country, who has borne with distinction and valor the obligations and responsibilities of citizenship; he is a young man, and he is a man to whose future attainments and accomplishments there is no limitation. He was educated in the schools of Hawaii. He volunteered for service in the 442d Infantry. I am going to read an account of one of his undertakings, an account which to me is most significant since it reveals so much of the character of Hawaii's first Member of Congress:

> Leading the attack was 1st Lt. (then 2d Lt.) DANIEL K. INOUYE. He first led his platoon in a rapid encirclement that resulted in the destruction of a German mortar observation post and brought the men to within 40 yards of the main hostile force. The enemy, dug into bunkers and rock crevices, fought back fanatically, halting the advance with crossfire from three machineguns which swept an area devoid of cover and concealment. Lieutenant INOUYE crawled up the slope to within 5 yards of the nearest gun and tossed two hand grenades into the nest. Before the enemy recovered, he stood up and raked the second gun with fire from his tommy gun, killing the crew. He was hit once, but he continued to fire at other emplacements until his arm was shattered by a grenade. In spite of his pain, he refused evacuation and directed the final assault which carried the ridge. In the attack, 25 Germans were killed and 8 others captured. Lieutenant INOUYE received the Distinguished Service Cross.

While this does not report the same, some 45 minutes previous to this action of which I just read, Lieutenant INOUYE was shot in the stomach, with another bullet which had gone through his organs. He refused to be evacuated then, just as he did later. He had himself bound up, and it was in that condition that he led this final assault about which I just read. Lying in the hospital here in Washington, D.C., recuperating after the loss of his arm after the end of the war, Lieutenant INOUYE, the Honorable DANIEL K. INOUYE, had much time to think. And he determined that he was going to go through college, that he was going to get a law degree, and that he was going to devote his life to public service. To this cause he has dedicated himself. He went back to Honolulu and attended the University of Hawaii. He came to Washington, D.C., and attended George Washington University, from which he received his law degree, doctor juris. He returned to Hawaii, and has been active in political affairs since. In 1954 he was elected a representative to the Territorial legislature with the highest vote in that representative district, and he was chosen majority leader by his colleagues of the house, the first Democratic majority in the history of the Territory of Hawaii. In 1956 he was reelected to the house of representatives with an extremely high vote. In 1958 he was elected to the Territorial senate with the highest vote from that particular senatorial district.

In 1959 he was elected to the U.S. House of Representatives with the largest vote ever received by any candidate in the history of Hawaii. Here in Mr. INOUYE, the first Representative of the State of Hawaii to the Congress of the United States, we will find an outstanding man to whom I know will be given the same help and assistance from both sides of the aisle that I have received throughout my service in this Congress, and in this House of Representatives. I commend to you this gentleman, this outstanding gentleman whose character is unblemished, whose integrity is of the finest, and who is the embodiment of the abilities, the capacity, and the greatness of the significantly talented and great people of Hawaii.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, the very beautiful references made by our friend who has the floor, the Delegate from Hawaii, Mr. BURNS, to our new colleague, in fact the successor to Delegate BURNS, but as a full Member of the Congress of the United States, symbolize the qualities of our friend from Hawaii, Mr. BURNS, that have endeared him in the minds and hearts of all of us.

On this, the occasion of his last speech in this historic Chamber, he calls to the attention of his colleagues the great record of patriotism and Americanism of his successor—and I use the word successor without regard to the technical considerations of title, Delegate or Congressman. So I say, it is those qualities of my friend, JOHN BURNS—and I am going to become personal now and not comply strictly with the formal rules of the House—it is those qualities of JOHN BURNS that have endeared him to all of us.

We are all sorry to see him leave us, but, from another angle, we are all glad because we know that he is happy in the knowledge that he is leaving this body by reason of Hawaii having been admitted as a State in the Union and that no longer will anyone representing Hawaii sit in this Chamber as their Delegate, but will sit in this body possessing all of the fullness of the rights of all Members of this body.

The Delegate from Hawaii, Mr. BURNS, played a most important part in the admission of Hawaii into the Union. He was the guiding spirit. Many of us helped him, but it was his spirit and his leadership that enabled us to close ranks behind him, and that brought about the admission of Hawaii probably many years before she would have been admitted if the people of Hawaii had not used such good judgment several years ago in electing JOHN BURNS to represent them in this body.

So this final speech of yours is not a swan song. To you it is the beginning, because Hawaii is indebted to you to an immeasurable degree for the fact that from now on, or from 4 o'clock tomorrow on, it will be a full-fledged State of the Union of United States.

You will always remain in our memory. I know you are going to come back and visit us frequently. We also know that the people of Hawaii will always treasure the great contributions that you have made to their hope of many years and their ambition of many years—admission as a State of the Union of United States.

So in saying goodby to you, JOHN, it is, we hope, for a temporary period of time, and that you will be back with us again, probably in the other coequal body.

Mr. BURNS of Hawaii. I thank the distinguished majority leader for his very kind remarks.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Speaker, I suppose the best thing I could say here would be to say that I endorse fully the splendid statement just made by our majority leader. But I want to add a little to that. I want to pay tribute to the type of statesmanship found in JOHN BURNS which, in my opinion, actually broke the long years of obstacles thrown in the road of statehood, not only for Hawaii but for Alaska. I know, and many other Members of this body know, that it was JOHN BURNS' statesmanship and his good sound judgment which indeed brought him some criticism, perhaps from his own people when he entered into an agreement and negotiated the separation of the two problems with the definite understanding through these negotiations, that one statehood would follow the other. I am confident if it had not been for his statesmanship and his good judgment neither Alaska nor Hawaii would be the two new stars in our flag at this moment. I also want to pay tribute to his diligence in the performance of his regular duties as a Delegate in this body. I have never known a man representing the Territory of Hawaii, and I have served in the House of Representatives for 15 years and was a secretary around here for an additional 10 years—as I say, I have never known a man who was more diligent in his attendance at committee sessions than JOHN BURNS. He spent as much time in the work of the committees, attempting to assist in working out the problems before the committees as any voting Member of this body. Because he did not have a vote—that did not mean to him that he was not just as much interested in the legislative problems that this body must solve. I think he has shown his great ability as a statesman. I personally feel he should have much of the credit, if not most of the credit in this body or in the country or in the Territory of Hawaii for Hawaii today being the 50th star in our flag.

Mr. BURNS of Hawaii. I thank the gentleman from Illinois. May I make one comment at this point. In any negotiations and work that I did in behalf of statehood for Alaska, there was no understanding that Hawaii would have the next opportunity except my faith and trust in the justice and fairness of the Members of the Congress all the way through from the leader on down, and that belief in the fairness of the great Americans who serve in this Congress has been proved to be well founded and correct.

Mrs. PFOST. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I am happy to yield to the gentlewoman from Idaho.

Mrs. PFOST. Mr. Speaker, the words just spoken by our colleague, JOHN BURNS, are typical of the bigness of the man. I want to add my voice to those who have preceded me in paying tribute to the wonderful job JOHN BURNS has done in the Congress of the United States. It has been my privilege to serve on the Committee on Interior and Insular Affairs with JOHN BURNS ever since he came to the Congress. Those of us who served with him on the committee got to know him extremely well. He gained the respect and admiration of every member of our committee. JOHN BURNS truly dedicated his daily activities to serving the interests of the people he represented in Hawaii. Certainly, our distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], and the gentleman from Illinois [Mr. PRICE] have both said so much better than I can say it, that no person in this House is more responsible or has done as much toward furthering the cause of statehood for Alaska and Hawaii as has our esteemed colleague, JOHN BURNS. While we dislike very much having to say "aloha" to JOHN at this time, we all feel in our hearts that 'ere too long he will be returned to the Nation's Capital where he can continue his untiring service to the people of the great new State of Hawaii. We all wish the best of luck to our loyal colleague, JOHN BURNS, and Godspeed.

Mr. BURNS of Hawaii. I thank the gentlewoman.

Mr. ROBISON. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. ROBISON. Mr. Speaker, I have known my colleague, Mr. BURNS, only a brief time, but during that period he has become a respected friend and an office neighbor. May I say to him in behalf of those of us on the minority side who are not here at this late hour how sincerely we all regret that JOHN BURNS is leaving this great body. However, I am sure I express the unanimous sentiment of the minority in welcoming the new State of Hawaii and particularly its distinguished first Representative—spelled with a capital "R." JOHN, if I may ask you, can the word "aloha" be used both to say hello and goodby?

Mr. BURNS of Hawaii. I say to the gentleman from New York that it may so be used.

Mr. ROBISON. So then the word has both a happy meaning and a sad meaning. Then may I say to our good friend that we, of the minority, say sadly "aloha" to JOHN BURNS and very gratefully and happily "aloha" to the new Representative from the new State of Hawaii.

Mr. BURNS of Hawaii. I thank the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. EDMONDSON. I just want to add to the words already spoken in tribute to the statesmanship of the gentleman who has so ably represented Hawaii during his period of service here. I think the tribute which has been paid already is one that could be echoed many times over on this floor, without disagreement by anyone.

I would like to add one word of personal appreciation of JOHN BURNS, not so much as a statesman or legislator, but as a man. In service with him on the committee and in friendly visits outside the committee room I have been deeply and profoundly impressed by the qualities of the man, by his breadth of vision, by his simple and kindly humility, and humanity, by his gentleness and sweetness of character and by the very manly way in which he has accepted a tough setback in a truly impressive career and has with very good grace, I think, confronted the situation. JOHN BURNS continues to speak with genuine friendship of the people of Hawaii, as well as of the colleagues he served with here in the House.

I know that what has happened is merely an interruption, and we hope of very brief duration, in a distinguished public career. I hope and trust that the gentleman will once again return to Washington to serve his Nation ably in the future as he has in the past.

Mr. BURNS of Hawaii. I thank the gentleman.

Mr. RIVERS of Alaska. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. RIVERS of Alaska. I want to subscribe to the words of our distinguished majority leader and the other distinguished Members who have already spoken here this afternoon. Because of the goodly number of others who have not yet taken the floor I will try to make my remarks brief and to the point.

I want to say at the outset, that occupying the position of a freshman on the Interior Committee on which Delegate BURNS served all these years, I have bided my time. That reminds us that Alaska is the baby State today, but Hawaii will occupy that position tomorrow.

Because of the fact that Alaska and Hawaii were fellow territorial neighbors organized under the American flag for about 90 years, I express the friendly sentiments at this time of Alaska for Hawaii and the people of Alaska for the people of Hawaii.

In addition to paying tribute to the distinguished Delegate who is now retiring I want to pay my best regards and compliments to the State of Hawaii. I want to compliment the State of Hawaii for sending here as her first Representative to Congress a man of the caliber of DANIEL INOUYE, and I want to welcome the new Representative.

I appreciate the thoughtfulness of Delegate BURNS in giving his successor such a wonderful testimonial. This is another example of the perception and insight of JACK BURNS.

And so, JACK, it is aloha to you, and it is aloha to DANIEL INOUYE. God bless you.

Mr. BURNS of Hawaii. I thank the gentleman from Alaska.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. WOLF. Mr. Speaker, I would like to say that one of the first men I met on coming to Congress was the Delegate from Hawaii, because he is a close office neighbor just down the corridor. No one could have been more helpful or friendly than JOHN BURNS. It is because of this early association that I was able to put together a scroll to give to JOHN BURNS on his leaving; and I suppose it was the experiences that I had in the course of

the several days when we were getting the signatures of other Members that really demonstrated to me the greatness of JOHN BURNS. I noticed on the Senate side as well as on the House side that when a man read the scroll and saw what it said, immediately he had some very kindly words to say of JOHN BURNS, and I did not see a single person who having read the scroll refused to sign it.

It is a bipartisan scroll. I think the reason that all did not sign it is because of the fact that some Members did not have the opportunity.

I can say both as a friend and as a legislator I am sorry to see him leave. I feel as JACK'S friends already have expressed that once again we will see him back in this city or in these Halls serving the public in some capacity. So I say to you, JACK, in the well-known, well-loved Hawaiian expression "aloha."

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. HECHLER. I desire to join my colleagues in paying tribute to the Delegate from Hawaii. I feel the great warmth, affection, and respect which I think are the three things that have marked him in this body.

I would like to echo the comments of my friend from Iowa, that Delegate BURNS has been most helpful to the freshman Members of this body. He went out of his way unselfishly to introduce us to the mysteries of procedure, and tradition. We are all better Members by reason of his generous assistance.

Let me say that I do not think there is any Representative from any of the other 49 States of the Union who has worked harder for his State than JOHN BURNS has worked for Hawaii. We hope to have him back with us once again. I am sure he will be with us in some capacity.

So we pay tribute to you, JOHN BURNS, for the great work which you have done for the State of Hawaii and for the great work which you have done for the United States of America.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the gentleman from Oregon.

Mr. PORTER. Mr. Speaker, it would probably be less embarrassing for JACK if we could just shower leis around his neck, if the House rules permitted it, to show him our affection and respect on this occasion. No doubt this RECORD can be wrapped up appropriately and delivered to him in due course.

We in Oregon share a part of the Pacific with Hawaii and we feel a special kinship. I certainly subscribe to all of the things that have been said about JACK BURNS.

I want to say one other thing. There is another member of the Burns family who most of us have met with honor. That is Mrs. Burns, a most gracious lady, whose presence here in Washington will be missed. I know that JACK is going to go on building up the 50th State in whatever he does, and I feel, as the rest of you do, that his time serving in public office is by no means ended.

We welcome your successor, and I expect you will be hearing from some of your friends who will be stopping off at Hawaii. So I do not think we are going to be out of touch with you.

Mr. BURNS of Hawaii. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Hawaii has expired.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. BURNS] may continue for an additional 15 minutes.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. Mr. Speaker, as one of the members of the opposition who met in the inner sanctum so often, let me say I formed during that proceeding the very highest admiration for the distinguished Delegate from Hawaii. Not only that, I can truthfully say that it was because of this admiration for you and the love you had for Hawaii that final passage of Hawaiian statehood was obtained. Many people from my area of the country supported statehood for Hawaii. I can say that it was the gentleman's leadership, his sagacity, his ability to look ahead, more than any other factor that led to the overwhelming victory for statehood for Hawaii.

Delegate BURNS, I want you to know when you visited in my home last year you formed a great friendship there among the press and among the people of my district and the deep Southland that will go with you and your great State as long as you live. I feel sure that those people, those friends whom you met, are with you here tonight, and in speaking for them, I wish you well in any undertaking you might pursue, and hope you will some day represent the great State of Hawaii in the Senate of the United States.

Let me say further that Mrs. Dorn joins me in wishing for you and Mrs. Burns the very best.

Mr. BURNS of Hawaii. I thank the gentleman from South Carolina, and may I make this observation to him. I do not know of any people in America who are not fair and just. I do not know of any part of the United States that was actually opposed to the admission of Hawaii into statehood. Maybe some of them did not understand the facts as well as others did, but no one was opposed. There was no ill will from anybody in the United States toward the people of Hawaii. As for southern support for statehood, I point out that the Honorable James T. Morgan, of Alabama, did everything possible to make Hawaii a State instead of a Territory in 1900. The Honorable Henry Larcade, of Louisiana, was the chairman of the committee making the first favorable report on statehood.

The gracious hospitality of the people of your district, Mrs. Dorn, and yourself, and the genuineness of your friendship will always be remembered by my assistant, Dan Aoki, and myself.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I would like to associate myself with the remarks of the previous speakers. Because of the very nature of things we contemporaries cannot give full weight or measure to the great contribution of Mr. BURNS in the history of this country. We are going to have to leave that for the historians when the full consequences and the full impact of the addition of these two great States is evaluated in the light of history. Only then will the full glory and full tribute to be paid to the Delegate from Hawaii. Because of his great efforts, his tenacity, his stubborn insistence, frequently fighting against great odds, he has helped make America an even greater country, united today with 50 States, each one playing a vital role in the great struggle for the survival of democracy and freedom. I am sure that the grandchildren of America and the future generations of America, when they look back in their history books, will look with great kindness and charity upon the name of JOHN BURNS as one of the Members of Congress who fought so hard to make this a reality. We are, of course, delighted to greet the new Member from Hawaii, the Honorable DANIEL INOUYE, to this Congress. I, myself, am somewhat solaced by the fact that I read in the press just recently that the new Governor of Hawaii has said that the talents and the abilities and the knowledge and the dedication of JOHN BURNS are much too great to let him get lost in obscurity. And I am very happy to learn that the people of Hawaii obviously have great plans for the Delegate from Hawaii, who is leaving us today. I wish you Godspeed and the greatest success in all of your future endeavors.

Mr. BURNS of Hawaii. I thank the gentleman.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I desire to join with my colleagues in paying tribute to our great friend, the Delegate from Hawaii, as he concludes his service here in this body. I do so representing the largest State in the Union, and paying tribute to one who has fought so valiantly in behalf of the newest State in the Union. We, in New York, have a particular feeling of kinship to Hawaii and to its distinguished Delegate, because my colleague from the adjoining district, the gentleman from New York [Mr. O'BRIEN], who is unavoidable absent on official business this evening, was instrumental in working with the Delegate from Hawaii, and under his tutelage, in bringing about this statehood.

Those of us who are new to this body, I know, will treasure the opportunity which was ours as new Members of the Congress to have been able to join in putting across this great piece of legislation for which JOHN BURNS worked so

hard in making Hawaii our 50th State. The victory that we had a small part in bringing about, because of all the long efforts that JACK BURNS carried on, is something which will also go down in history as a great victory for American principles of brotherhood and equality and understanding.

As has been said before by the gentleman from West Virginia [Mr. HECHLER], the Delegate from Hawaii has consistently made it a point to be helpful to those of us who were new in this body and we treasure his help and his friendship. Mr. Speaker, I join with all my colleagues in looking forward to the day, which we know will not be too far away, when he will be back here in the great Capital of the United States representing his great State of Hawaii in the other body.

Mr. BURNS of Hawaii. I thank the gentleman for his kind comments.

I would like to say that if I did not have that spirit of aloha, I could not be the representative of my people. And I am sure you will find Representative-elect INOUYE has that same spirit of aloha because he comes from the people of Hawaii.

Mr. LIBONATI. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I am glad to yield to the gentleman from Illinois.

Mr. LIBONATI. Mr. Speaker, as I sat here listening to the gracious statements and the plaudits extended to you by your fine friends here, I was just thinking how you must feel about your departure from this body after the great accomplishment you and your friends were able to achieve. It seems to me we might go back to Shakespeare who stated in no uncertain terms:

> Blow, blow, thou winter wind!
> Thou art not so unkind
> As man's ingratitude.

Pluralities do not make the man nor do they personify his importance. But here you are, standing upon this floor, who went to this so-called free State in an open election, and what did they do? They said, "You gave us too much, Mr. BURNS; you must wait your turn."

And so I say to you the only redeeming feature is that they have sent, to take your place, to accept the scepter of power here in this Congress, Captain INOUYE, a person whom we understand and like, who follows your philosophy and understanding, who is used to being denied the things he rightfully earned.

You have dedicated your life, you have given your fortunes in behalf of bringing about statehood for Hawaii.

I remember when they criticized you, when they said you did not present Hawaii so boldly, that you were rather reticent about Hawaii becoming a State, that you had your own political fortunes in mind, that you were not ambitious to see your State develop leadership along the lines of united states in a republic.

As we know, republics are often guilty of ingratitude. You remember what Scipio Africanus said when he returned and they tried to indict him for acceptance of fees as a magistrate. He removed himself from the Roman Empire and had himself buried elsewhere so that the Republic would not have his remains.

And so I say to you, do not look to the Governor of Hawaii for the plaudits that should come to you, sir. Just look upon your record and your career. You need no one to tell you about that. We know of your stoutness of heart and your energy and courage. We know of the many friends who believed in you and know that when you backed down, you backed down in order not to destroy the chances of Hawaii. We know you could have pressed the bill for the recognition of Hawaii, but if you had, it would have neutralized both cases. And there was a considerable opposition who wanted you to do just that. But you did not do it. You took the criticism that they threw at you, but with fortitude and strength you dedicated yourself to a program that said, "Not this year, next year." You had the advice of your friends who were for statehood for Hawaii. And when you retreated temporarily, you felt that in the acceptance of Alaska as a State the road to statehood for Hawaii would be easier at the next session.

Very few men who are purely politicians would have taken those chances, but Delegate BURNS said, "This is the way to do it." Then when it was within the gift of the people to reward the man who unselfishly and unstintingly gave of his time and effort to achieve their aspiration to become a State, you must wait for another opportunity, Mr. BURNS. Then when the people wake up and realize the part you played, I know the balance will be in your favor. I thank my colleague very much for your camaraderie and your friendship during the time that I have been a Member of the Congress. I appreciate your sound advice and your good sense of direction. I appreciate your courage. You are a great man, Mr. BURNS. The people of Hawaii have to find that out.

Mr. BURNS of Hawaii. May I thank the gentleman from Illinois? May I say to him, however, the decision to send Alaska first with Hawaii to follow was a decision mutually arrived at, and I was under no pressure to make that decision from anyone in the Capitol or in the Congress of the United States. The decision to hold Hawaii back, made later, was mine alone. May I also say, as I said when I conceded the election, I am certain the people of Hawaii made their decision in that election on the basis of the facts as they were able to apprehend the facts from the sources available to them. I know the statement the gentleman has made comes out of the fullness of his heart and with no intent to be uncharitable with the good people of Hawaii, and is made upon the information available to you here. The people of Hawaii did not have the same opportunity that you had of observing what went on.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. GEORGE. As a new Member, Mr. Speaker, a great many outstanding things have happened to me. One of the greatest things that occurred to me was meeting JOHN BURNS. I am proud of the fact that he once resided in my home State of Kansas. I know he will take pride in the years to come of the record that his successor will make because he knows he is responsible for him being here as a Representative from the sovereign State of Hawaii. We all wish you well, JACK, and hope that you come back often.

Mr. BURNS of Hawaii. I thank the gentleman from Kansas.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BURNS of Hawaii. I yield.

Mr. DINGELL. Mr. Speaker, I have had the privilege and the pleasure of serving with the Delegate from Hawaii for two terms now. I have had the privilege of observing Members of Congress from my boyhood and of observing Delegates from the now great State of Hawaii from the time I was a small boy. I think we can all recall that Hawaii has been knocking at the door of the Congress of the United States for admission into the Union since the days of the kings. I think we can recall it has met with uniformly poor success until we had the honor and privilege of receiving the Honorable JOHN BURNS as a Delegate from the Territory of Hawaii. I think he can properly bear the title of "father of Hawaiian statehood" because it is due to his rare judgment and to his integrity and to his great ability and wisdom that Hawaii has achieved statehood. It is with a great deal of sadness that we see you leave us here. We pay you appropriate tribute. We welcome with open arms and with friendship your able successor in large part on the basis of his own ability, but also in large part for the splendid recommendation that you have given to him. JOHN, we say this, Wherever you go, your ability will carry you to the top. We know that the people of Hawaii in their wisdom will trust you with elective office which you have so well and so ably borne. So we say to you, JOHN BURNS, God bless you.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the character and service of our distinguished colleague, the Delegate from Hawaii [Mr. BURNS].

The SPEAKER pro tempore (Mr. THORNBERRY). Without objection, it is so ordered.

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, today is a strange mixture of triumph and deprivation for many of us in this House. Today marks the end of the long period during which the American people of Hawaii have been living under Territorial government, bereft of the rights which their status as American citizens should have entitled them. Tomorrow, the State of Hawaii joins the Union formally, and irrevocably. So far the triumph. Yet the sense of victory is tinged with a quiet sense of deprivation, because tomorrow our good friend, JACK BURNS, the Delegate from Hawaii, will no longer be a Member of this body. Tomorrow, JACK BURNS will retire from these Halls, and his place will be taken

by the Honorable DAN INOUYE, Representative from the new State. Congressman INOUYE's heroic record in the Second World War, his outstanding achievements as a fighter for statehood, and as a leader of the people of Hawaii, will most certainly prove to be only the preface to a distinguished career as a Member of the Congress. But there will always be a very warm place in the collective heart of this House for JACK BURNS, who worked so valiantly and so courageously to eliminate his own job in the Congress.

JACK BURNS has been a credit to his State and a credit to our House. He has exemplified the highest kind of applied Christianity in his devotion to public service and his self-effacing work on behalf of the people of Hawaii.

JACK BURNS' contributions to the State he helped create and the Nation he served could be recounted for a long time. But I would like to emphasize one act of statesmanship which, to my mind, made JACK BURNS' statesmanship evident to every observer.

A year ago, when the Territory of Alaska was knocking on the door of the Union, the opponents of statehood for Alaska sought to lure Hawaii and Alaska together into a time-tested trap. The effort was made to force the combination of the Alaskan and Hawaiian statehood bills, in the full knowledge that this effort would, of course, kill both. JACK BURNS, who was responsible to the people of Hawaii alone, could easily and with a clear conscience, either have gone along with this device, or remained silent. But he chose instead the courageous and farsighted step of stating so all could hear that he thought they should be considered separately and was in favor of a vote on Alaska first—thus allowing Alaska to become the 49th State. Everyone who was connected with the fight for Alaska statehood knows what courage it took for JACK BURNS to do this and how significant a contribution he made to Alaskan statehood in so doing. Everyone recognizes, I am sure, that in so doing he advanced the cause of Hawaiian statehood far more than would have been done by a more shortsighted position.

The people of Hawaii will, I am sure, always honor and revere their last Delegate for the tremendous contributions he made to statehood for Hawaii. I think the people of Alaska, as well, will honor him for his statesmanlike contributions to the birth of the 49th State as well as the 50th State. The people of his country will honor him for his work in the House. We know that the people of his great State will in the very near future again turn to JACK BURNS for leadership, and that he will once more assume the responsibilities of public service, which he has so well filled in this House.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join my colleagues in paying this well-deserved tribute to a great American, JOHN A. BURNS of Hawaii, who leaves us shortly to return to the shores of his beloved homeland.

In the relatively short time that Mr. BURNS served in this body, he carved for himself a prominent place in the history of our Nation. Two new stars have been added to our flag—two new States—and almost a million residents of Alaska and Hawaii have been granted first-class citizenship since JOHN BURNS arrived in Washington only a few years ago. Despite one-sided odds against him in the fight for Alaskan statehood and then for Hawaiian statehood, JOHN BURNS—more than any other single person—was the leading architect of the two statehood victories.

By his tireless efforts, persuasiveness, and sincerity of purpose, JOHN BURNS won the respect and support of his fellow Members of the House. Enactment of the statehood bills was a joint victory in which all Americans shared.

JOHN BURNS has served the people of Hawaii ably and conscientiously as their last Delegate. Those of us who value his friendship will truly miss him in the difficult times ahead. We greet the first Congressman from the State of Hawaii, DANIEL INOUYE, of whom JOHN has spoken of so highly. I trust that in the not too distant future, JOHN BURNS will return to Washington to continue his outstanding record of service to his State and Nation. Until then, JOHN, we wish you good luck and Godspeed.

Mr. REUSS. Mr. Speaker, our association with the Delegate from Hawaii over the years has been warm and pleasant, and it is with sadness that we bid him farewell. I have high hopes, however, that his absence from the Halls of Congress will be only temporary, and that we soon will welcome him back as a member of the legislative branch—the next time with a right to vote as well as to speak.

While JOHN BURNS served in this House as Delegate, he could not vote. Yet no man did more than JOHN BURNS to bring into reality those statehood dreams of Alaska and Hawaii. Had it not been for the energy, the dedication, the statesmanship, and the facing of political realities by JOHN BURNS, it is quite likely that neither the people of Hawaii or Alaska would now have gained their deserved status as first-class citizens of the United States. That the 48 States are now 50 will forever stand as a tribute to JOHN BURNS.

As I extend my warmest wishes and the best of good fortune to JOHN BURNS, I want also to welcome with all my heart the first Member of the House of Representatives from the State of Hawaii, DANIEL INOUYE. We know his great record of service to the United States and to Hawaii, and that he will continue this fine record in the House of Representatives.

Mr. BURNS of Hawaii. Mr. Speaker, it is perfectly obvious from the statements of the distinguished gentlemen and ladies from both sides of the aisle that the Congress of the United States is composed of the finest of the great people of America. It is perfectly clear also, that their sense of fairness and justice is such that they can, if given the facts and the opportunity, determine the right course our Nation's highest destiny today and in the future demands.

I wish I were worthy of your fine compliments. They belong rather to you, who see in me a reflection of yourselves, and to the people of Hawaii who sent me as their representative to the Congress.

The great honor and high privilege that has been mine as the embodiment of the excellent character and high integrity of the people of Hawaii, and as the instrument by which their long sought and fondly cherished aspiration was accomplished, will be treasured all the days of my life. So, too, will be the friends that I have made among the Members of the House of Representatives and in the other body of the Congress.

I know of no enemy I have either here or in the other body of the Congress, and of that I am humbly proud. In a sense I am leaving, and yet I will always have with me the reality of the friendship that has been given to me and of the many kindnesses shown me. I know your friendship is the kind that does not and will not have an ending in this life. It is with a heart full of gratitude that I say "aloha." If I have been able in my way to represent the people of Hawaii, may I assure you that the first Representative to the Congress of the United States from the State of Hawaii will really demonstrate those qualities you so graciously credited me with. He will distinguish himself and bring honor to the people of the sovereign State of Hawaii in the future. Thank you, Mr. Speaker. Aloha, my colleagues, may the Almighty be with you always.

TAKE THE SPOILS SYSTEM OUT OF THE CENSUS

The SPEAKER pro tempore (Mr. THORNBERRY). Under the previous order of the House, the gentleman from Oregon [Mr. PORTER], is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker. I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the United States is about to embark upon a major project of the first consequence to itself and its people.

This is the census of the United States for 1960.

In this, the highest industrialized country in the world and in all time, statistics about our people, what they do, how they live, how many of them there are, are basic data of the utmost consequence to government, to business, to our economy, to history.

They are fundamental data for the free world.

All I ask, as this project is about to be launched, is that these statistics be compiled on the basis of the most unchallengeable integrity. I regret to say that apparently this will not be true in my own State of Oregon in spite of my requests to my Republican colleague in the House [Mr. NORBLAD], and the Republican Governor, Mark Hatfield.

This immense job by the Census Bureau of the United States should win the complete confidence of American politics—both parties. It should be regarded as sacrosanct by the people of our country. And the whole world and the governments of the world should be made to feel that these facts and figures about the United States, were written into the Nation's bookkeeping on the same basis of meticulous honor as the arithmetic that prevails between a bank and its depositors.

LET'S REMOVE THE CENSUS FROM THE REALM OF POLITICS

Because of these things all I ask is that the census of the United States for 1960 be taken—completely and absolutely—out of the realm of politics in every sense of the word.

As I speak this is not the fact.

Politics in 1960 is going to have a strategic hand in the taking of the census.

The nature of the political involvement in census taking is not to be regarded on a level of national scandal. But it is crucial and strategic nevertheless.

Politics prevailed in every census we have taken in the last 40 years.

I am the first to say, this is not inherently an evil.

THE POTENTIALS FOR EVIL ARE THERE

What I do say is that the potentials for evil are there.

What I do say is that the proposition I am going to make removes this potential for evil.

What I do say is that we have, as a nation and as a body politic, reached a plateau of maturity that calls for applying yardsticks of integrity to census taking that are now and have long been employed in other areas of Government.

All I say is that the principle of the spoils system—however permissible it may have been before—is now outmoded.

Our time calls for a more severe, a more lofty, a more self-scrutinizing process of enumerating the census.

This means, to put it in a word, removing from the project of taking the U.S. census in 1960, every semblance of political influence.

Whether Republican or Democratic, the influence of either party should be eliminated from the task.

Is that an unreasonable request?

Will anyone say it fails to comport with the highest ideals of American Government?

Precisely what is it I complain against?

The potential for evil—perhaps for scandal—certainly for inefficiency and mismanagement, rests in the simple fact that the whole business of taking the 1960 census throughout the United States is placed, from the standpoint of the lower level personnel, in the hands of political precinct bosses and political party dictators, local and national.

The fortunate fact is that the personnel of which I speak are the enumerators, who actually do the interviewing; the crew leaders who command them, and the supervisors who are above the crew leaders. Other officials are also involved.

These are, so to speak, the frontline computers and their immediate petty officers.

I say this is fortunate only because of the unquestioned character, qualifications, and reputation for accuracy and integrity of the distinguished men who now head the Census Bureau. It is my conviction that they have devised a census-taking procedure which is as proof against scandal, inaccuracy, and incompetence as this process can be. Yet there is this remaining weakness—the political influence factor—which I ask be eliminated.

THE OLD ORDER IS OUTMODED AND WRONG

What the old political order wants to maintain in the census taking for 1960 is the proviso that every enumerator, every crew leader, every supervisor receive, from local or national political party dictatorship, the nod of approval. Unless the political boss somewhere up and down the political party line says this enumerator, that crew leader, the other supervisor, has the political OK, he cannot get employment on the 1960 project for taking the census.

I say this is wrong.

I say this is wrong in spite of the superbly planned, excellently engineered census-taking procedures on the top echelon of the Census Bureau.

The United States took the census in 1920—when the Democrats were in power.

The census was taken again in 1930—when the Republicans were in power.

We went through the census-taking procedure in 1940 and still again in 1950, when, in both instances, the Democrats were the party of administration.

It is a tribute to the Census Bureau, to the character of politics generally in the United States, to the average citizen's sense of responsibility—to the country as a whole—that the data collected at the end of each of these decades is beyond reproach.

JUST PLAIN LUCK

But who will deny that there is not also an element of luck—just plain luck—that played no small part in the protection of the census records from being either botched, bungled or somehow besmirched, as—sadly—voting ballots are sometimes misused in hotly contested elections.

All that I am asking is that this remaining danger, the danger of incompetence because of the heavy hand of political influence, or the danger of something worse, be removed altogether from the 1960 census.

This time let us be certain.

This time let us be secure in the knowledge that we have, indeed, taken every precaution against failure or falsification, or even the suspicion of ineptitude.

This time let us put ourselves in the position of having thoroughly and with all due prudence closed every loophole, not just every loophole except that of political influence.

The proposed census we are about to take is not only going to be, I trust, the most efficient, the most reliable, the most utilitarian we have ever taken in the United States. It is, as we know, going to be the most expensive, the most costly. And this in spite of the fact that the newest and most economically advantageous calculating machines are wisely being employed in the job.

In fact we are reliably informed by the Census Bureau itself that the cost will be $118 million. This cost will cover the census for population, agriculture, housing and the supplemental censuses, including, for example, irrigation and drainage.

The Census will employ upwards of 170,000 part-time employees all over the United States.

The pay per employee will be higher in 1960, of course, than it was 10 years ago.

It is presumed that the pay scale will come to about $1.60 an hour—on the piece-work basis.

In 1950 the U.S. Census-taking-project cost $90 million as against—I repeat—the estimated $118 million it is going to cost now.

A JACKPOT FOR THE EYES OF POLITICAL AVARICE?

Thus we have 170,000 part-time employees and an estimated $118 million for 1960. Could this be called a jackpot for the eyes of political avarice?

Given the evil influences that can sometimes crawl into politically dominated situations and we see what a Roman holiday this can be for those with greedy and dishonorable intent.

That the danger is a perilous one, or that scandal and crime are inescapable in the forthcoming taking of the census I doubt very much.

WHY RISK THE DANGER?

But my question is: Why risk it at all?

Why take the chance that need not be taken?

Why leave a loophole for dishonor and incompetence where the loophole can be so neatly and so simply plugged up for good and for all time?

This is not a partisan issue. I am not asking something for the Democrats I would deny to Republicans. The same sauce I am serving to the goose I propose also for the gander.

What applies to Macy's I say should also apply to Gimbel's.

At some time in our political history I hold it wise to apply to census taking in the United States the same high principles of administration we apply to all other Government projects employing American citizens. I am not asking for civil service procedures in these 170,000 part-time jobs. Such procedures would be expensive, unwieldly and impractical over the short-term period involved in census taking.

Thus what we have in sum is not a criticism—and certainly no charges—against the manner in which census taking has been conducted in the past, and is, as of now, proposed that this census be conducted. What I am asking for is improvement in personnel, in their selection, in their background and training—free of political influence of any kind.

I ask for the improvement along the line of personnel, exactly as the Census

Bureau chiefs are introducing improvement along other lines. That of machine calculation, for example, and highly satisfactory machine economies. I ask that we meet the needs of this, the first decade in the last half of the 20th century, with the same spirit of progress that we have always employed. Our civil service system was not always what it is now. Our Census Bureau methods have been regularly improved. What I urge is in line with tradition and sound habit.

Now is the time to make this added improvement.

A SERVICE TO POLITICS

It is my contention that to keep the clumsy paw of political preferment out of the hiring of Government employees in this field is to do a service, not a disservice to politics itself. Seen properly it is taking an unwelcome burden off politics. Politics is being freed from a responsibility that can hardly be regarded an advantage. We know, as a matter of elementary experience, that where political influence is employed, it is meant to serve as a substitute for needed qualifications. The political hack gets the job not because of what he knows—to use an old cliche—but because of whom he knows. He supersedes the man without political influence who is better qualified. The political preferment principle puts the wrong man in the place for which the right man is rejected. It means that the work the political appointee is paid for and should do, is often done by others, thus reducing efficiency and creating a well-known form of payroll injustice.

These evils are so patent in political life will anyone deny them?

Of course there are some good political appointments. That is appointments made through the political partisan screening processes. But if we know anything about the operation of the political preferment system, we know that history has proved, time without end, that the spoils system in Government employment—which is what this means—is discredited and ugly, an obsolescent and a rusted species of hiring machinery. How bad is it with respect to the Census Bureau? I have only to quote some of the evidence before the Subcommittee on Census and Government Statistics of the Committee on Post Office and Civil Service to clarify my point:

INCOMPETENCE HAS BEEN FOUND

Dr. Robert W. Burgess, the distinguished and able Director of the Bureau of the Census, answering one of my questions, told of regional managers who felt obliged to go back to the politicians and complain that some person, who had been sent to them to work on the census, fell so far down the scale of competence that the political power had to be asked to please send someone who can at least read and write. Dr. Burgess said there have been cases where, in justice to the census, the Bureau had to go to the politician and explain—I presume in desperation—that such and such a person—I quote—"did not pan out."

I, for one, do not believe that the Bureau should be put to these difficulties and I do not care how few the cases may be.

LET THE CENSUS BUREAU DO THE HIRING

What I am urging is that the Bureau itself assume full responsibility for the hiring of personnel. As far as may be practicable I ask the employment of schoolteachers for this work. What I am urging is that the Bureau submit this objectively recruited personnel to its own wholly conscientious testing methods. What I am urging is that they be hired under intrabureau examinations, uninhibited by extraneous influences. This means simplicity. It means economy. It means efficiency. And it means justice. The 1960 census is the most important census we have yet taken. I wonder if it may not be [illegible] that it is the most important census ever taken in the whole long history of man. It should be accurate to the limit of reason, and it should bear the American stamp of ultimate integrity. For what we say in these statistics—picturing the vital realities of American life in terms of a national audit—is the reflection of the inner heart of the free world. What these statistics will say is that these data are the truth about freedom. These statistics will tell the world what decency in Government means to a brave and independent people.

Mr. Speaker, the taking of the census is in the jurisdiction of the Post Office and Civil Service Committee, of which I am a member. It is my special duty, as a member of the census subcommittee, to be concerned and to speak out for honesty, competence, and economy.

OREGON COULD LEAD

For months I have been trying to persuade my colleague, WALTER NORBLAD, and Oregon's Republican Governor, Mark Hatfield, to do away with the spoils system for census officials in Oregon. Either of them could end this sorry situation tomorrow but Congressman NORBLAD has not seen fit to answer my letter of June 10, 1959, nor my letter of July 1, 1959 requesting a reply. He tells me that he has turned the responsibility for selections over to the State Chairman, Peter Gunnar, and to the Republican National Committeeman for Oregon, Robert Mautz.

The fact, however, remains that under the spoils system acknowledgedly in effect Congressman NORBLAD, as the senior administration Member of Congress, has the authority for making the selections.

As for Governor Hatfield, a former teacher of political science and a man whose well-cultivated "image" includes a rigid belief in the merit system and, of course, an anti-spoils-system attitude, he replied evasively a month after I first wrote him.

I wrote the Governor again on July 17, 1959, saying in part:

> It was my hope that you would be willing to make a positive statement against using the spoils system in Oregon and that you would be willing to tell Mr. Gunnar and Mr. Mautz that you wanted these selections made without their interference and without the use of political tests.

I asked him to have Oregon lead the way in providing an example of good government by eliminating the spoils system with respect to these 2,130 census employees. I said I hoped he would speak up on the side of economy, efficiency, and fairness.

The Governor has not yet replied to this letter which is now more *than a* month old.

Mr. Speaker, under unanimous consent, I include this correspondence and other extraneous matter following these remarks.

TIME FOR A CHANGE

Already the Republican county chairman of Clackamas County, Don Quesinberry, has been appointed to organize the taking of the census of agriculture in Clackamas County. The news item from the Milwaukee Review for August 23 reads as follows:

GOP CHAIRMAN HEADS FARM CENSUS DRIVE

> Don Quesinberry, Republican county chairman of Clackamas County, is the choice of Secretary Ezra Taft Benson to organize the taking of the census of agriculture in Clackamas County according to an announcement this week. A number of enumerators will be hired, and applications may be made to Mr. Quesinberry at Carver. The jobs pay approximately $13 a day.
>
> Farmers will be asked to disclose their acreages, crops harvested, the amounts of livestock, and the nature of equipment used.
>
> Crew leaders are being chosen who will draw somewhat higher pay than the enumerators.

Mr. Speaker, the census should be above reproach. Its workers should not be selected according to the spoils system. Integrity, efficiency and economy require the elimination of the political test in the hiring of these important employees. I shall continue to work to this goal both as an Oregonian and as a member of the Census Subcommittee of the Post Office and Civil Service Committee of this House.

Under leave to include extraneous material I am placing in the RECORD a story which appeared in the Oregon Journal, Portland, Oreg., of May 23, 1959. I call your attention to the concluding paragraph:

> Recommendations for jobs would be welcomed from Democratic Congressmen, the census official said. Such recommendations, they added gravely, would be referred to the Republican committees.

The complete news story follows:

STATE GOP GETS CHANCE TO SLICE CENSUS PIE

> WASHINGTON, May 22.—The Census Bureau is baking a political patronage pie which Oregon Republican leaders will be able to cut into 2,130 slices late this year and early in 1960, according to official figures disclosed by the House Appropriations Committee Friday.
>
> Census officials, advising the committee of plans for appointment of personnel for the 1960 census, said candidly that the traditional method of political selection would be adhered to again.
>
> State Republican committees, or machinery controlled by them, will be used for clearance of census supervisors, crew leaders and enumerators.

The officials told the committee that it estimates a need for four supervisors at $500 a month, 126 crew leaders at $16 a day and 2,000 enumerators at $13 a day, assuming normal diligence in nose counting, to do the job in Oregon.

Recommendations for jobs would be welcomed from Democratic Congressmen, the census official said. Such recommendations, they added gravely, would be referred to the Republican committees.

And, at this time, I include the full text of my correspondence with Congressman Norblad, Governor Hatfield and Mr. Robert W. Burgess, Director, Bureau of the Census.

JUNE 10, 1959.

Hon. MARK HATFIELD,
Governor of Oregon,
Salem, Oreg.

DEAR MARK: A story in the Oregon Journal for May 23 states, "The Census Bureau is baking a political patronage pie which Oregon Republican leaders will be able to cut into 2,130 slices late this year and early in 1960, according to official figures disclosed by the House Appropriations Committee Friday. Census officials, advising the committee of plans for appointment of personnel for the 1960 census, said candidly that the traditional method of political selection would be adhered to again. State Republican committees, or machinery controlled by them, will be used for clearance of census supervisors, crew leaders and enumerators. The officials told the committee that it estimates a need for four supervisors at $500 a month, 126 crew leaders at $16 a day and 2,000 enumerators at $13 a day, assuming normal diligence in nose counting, to do the job in Oregon."

When the Chief of the Bureau of the Census was before the Post Office and Civil Service Committee, of which I am a member and which has jurisdiction over the census, I protested using the spoils system to select workers for the census. I now protest to you and I ask that you, as one of the top leaders of the Republican Party in Oregon, make it possible for Oregon to stand above this shoddy practice. You can, I am sure, arrange that these 2,130 persons be selected among the applicants on a fair basis, with no reference at all to party affiliation.

It may be that you would wish to use school teachers exclusively. Not only would they be very well qualified for the information gathering which is required, but they certainly could use the extra earnings this would mean.

Of course I understand that this works both ways and that in 1970 if it happens that I am in any position to have any say in the matter, I would carry on the practice for which I hope you will give a precedent on this occasion.

Of course there are many more than 2,130 Oregon Republicans who are available and fully qualified to do this work. The point I am making is that in order to do the census as well as possible and as economically as possible the best of the applicants should be chosen and political preference should not be allowed to interfere in any way with this selection.

I am sending a similar letter to Congressman NORBLAD.

With best wishes.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

JULY 1, 1959.

Hon. MARK O. HATFIELD,
Governor of Oregon,
Salem, Oreg.

DEAR MARK: I know that you are very busy but I hope you will have time soon to answer my letter of June 10 recommending that you take the lead in removing census workers in Oregon from the spoils system.

It seems to me that here is an opportunity which should not be missed and I hope that I will have your affirmative response in the next few days.

With best wishes.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

OFFICE OF THE GOVERNOR,
Salem, July 10, 1959.

The Honorable CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PORTER: Thank you for your recent letter quoting an Oregon Journal story about alleged plans for conducting the 1960 census. Your suggestion of the use of schoolteachers exclusively is an interesting contrast to your insistence that the applicants be considered on a basis of qualifications alone. I would not think exclusion on the basis of vocation would be any more fair than would the alleged preferences to which you refer at length in your letter.

To date this office has not been contacted by the Bureau of the Census with any invitation to offer advice. This seems to me to naturally fall into the province of Federal officials and what applies to Oregon should be the same policy applied across-the-board to other States. I note you sent a similar letter to Congressman NORBLAD. I hope the two of you are able to reach an understanding on this matter and that, more important, there will be a nationwide policy develop with which Oregon will, of course, comply.

With kindest regards.

Sincerely,

MARK,
Governor.

JULY 17, 1959.

Hon. MARK HATFIELD,
Governor of Oregon,
Salem, Oreg.

DEAR MARK: I'm glad to have your letter of July 10 in answer to mine of June 10. You must be very busy these days. I know how becoming a father complicates an already busy life. Incidentally, congratulations on the birth of your daughter whose photogenic qualities I've already observed.

I take it you do agree with me that no political tests should be used for employees of the Bureau of the Census. My suggestion as to school teachers had to do with limiting the selection to a category which is obviously qualified and obviously deserving and also numerous enough so that there would be an ample group out of which to select.

It seems to me that such a category is far different from the utilization of a political test, but we need not argue this because I assume you want this job done in Oregon as well as the Nation, on the most efficient and economical basis.

I wrote to you because the Chief of the Bureau of the Census testified before the Post Office and Civil Service Committee, of which I am a member, that these selections would be on a political basis. You and Congressman NORBLAD are the senior elected Republicans in Oregon. Congressman NORBLAD tells me that these matters are being handled by your Republican State chairman, Mr. Gunnar, and your Republican national committeeman for Oregon, and Mr. Mautz. It was my hope that you would be willing to make a positive statement against using the spoils system in Oregon and that you would be willing to tell Mr. Gunnar and Mr. Mautz that you wanted these selections made without their interference and without the use of any political tests.

I am sending copies of this letter to Congressman Norblad, Mr. Gunnar and Mr. Mautz in the hope that they each will see fit to assure me that they want these 2,130 persons selected on an objective basis instead of as political patronage.

Your suggestion that Congressman NORBLAD and I reach an understanding is not very practical. As the senior (and only) member of the Republican congressional delegation from Oregon the selections of these 2,130 people will be made either by him or through him, according to practices to which my own party has adhered in the past. It is my belief, and one in which I had hoped you would join, that these jobs should not be the subject of political favoritism and that the selections should be made so as to get the work done in the most efficient and economical fashion. I have only the principle—Congressman NORBLAD has the power. I shall continue to try to persuade him and I hope that you will see fit to help me.

You say that it is even more important that there should be a nationwide policy developed, and that if this happens, Oregon will, of course, comply. I am asking you to have Oregon lead the way in providing an example of good government by eliminating the spoils system with respect to these 2,130 census employees. Here is an opportunity to put in practice what I am sure you have preached many times to your classes and during campaigns. Government employees should be selected on a merit basis when the work is not at the policymaking level, which is certainly true in the case of these employees.

I would not expect the Bureau of the Census to get in touch with you. This is a matter where you can choose to use your influence over Congressman Norblad, Mr. Mautz, and Mr. Gunnar for a sound principle of government, or you can refuse to act and allow them to hand out these jobs on the basis of political patronage. I hope you will speak up on the side of economy, efficiency, and fairness.

With best wishes.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

JUNE 10, 1959.

Hon. WALTER NORBLAD,
House of Representatives.

DEAR WALT: A story in the Oregon Journal for May 23 states, "The Census Bureau is baking a political patronage pie which Oregon Republican leaders will be able to cut into 2,130 slices late this year and early in 1960, according to official figures disclosed by the House Appropriations Committee Friday. Census officials, advising the committee of plans for appointment of personnel for the 1960 census, said candidly that the traditional method of political selection would be adhered to again. State Republican committees, or machinery controlled by them, will be used for clearance of census supervisors, crew leaders and enumerators. The officials told the committee that it estimates a need for 4 supervisors at $500 a month, 126 crew leaders at $16 a day and 2000 enumerators at $13 a day, assuming normal diligence in nose counting to do the job in Oregon."

When the Chief of the Bureau of the Census was before the Post Office and Civil Service Committee, of which I am a member and which has jurisdiction over the census, I protested using the spoils system to select workers for the census. I now protest to you and I ask that you, as one of the top leaders of the Republican Party in Oregon, make it possible for Oregon to stand above this shoddy practice. You can, I am sure, arrange that these 2,130 persons be selected among the applicants on a fair basis, with no reference at all to party affiliation.

It may be that you would wish to use schoolteachers exclusively. Not only would they be very well qualified for the information gathering which is required, but they certainly could use the extra earnings this would mean.

Of course I understand that this works both ways and that in 1970 if it happens that I am in any position to have any say in the matter, I would carry on the practice for which I hope you will give a precedent on this occasion.

Of course there are many more than 2,130 Oregon Republicans who are available and fully qualified to do this work. The point I am making is that in order to do the census as well as possible and as economically as possible the best of the applicants should be chosen and political preference should not be allowed to interfere in any way with this selection.

I am sending a similar letter to Governor Hatfield.

With best wishes.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

JULY 1, 1959.

Hon. WALTER NORBLAD,
House of Representatives.

DEAR WALT: I know that you are very busy but I hope you will have time soon to answer my letter of June 10 recommending that you take the lead in removing census workers in Oregon from the spoils system.

It seems to me that here is an opportunity which should not be missed and I hope that I will have your affirmative response in the next few days.

With best wishes.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

AUGUST 12, 1959.

Hon. ROBERT W. BURGESS,
Director, Bureau of the Census,
Department of Commerce,
Washington, D.C.

DEAR MR. BURGESS: I should like to know how many census workers there will be in Oregon, both under civil service and temporary; also what these jobs are, rate of pay, and how the selection of the temporary employees is being handled.

It is my understanding that some employees have already been hired but that the bulk will be hired next year. Please tell me what the employment plans are and what measures have been taken to insure maximum economy and efficiency.

Your prompt reply will be appreciated.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, August 14, 1959.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: This is in reply to your letter of August 12 requesting certain definitive information regarding this Bureau's plans for employment in the State of Oregon during the 1960 decennial census and regarding measures being taken to insure maximum economy and efficiency.

As you know, we are taking the census of agriculture this fall. In Oregon we expect to require 2 agriculture field assistants, GS–9, for a period of employment approximating 16 weeks; 30 crew leaders, GS–5, and approximately 390 enumerators. Enumerators are paid on a piece-rate basis designed to yield approximately $12 to $13 daily for assignments which average about 3 weeks.

Census recruitment is, as you know, carried out through what has become known as the referral system, a matter we discussed briefly this spring during my appearance before your House subcommittee which is studying the statistical functions and agencies of the Federal Government.

All these categories of employment during a major census are temporary, and recruitment is noncivil service. Both crew leaders and enumerators are required to pass a written qualification examination. Field assistants are hired following interview by a member of our permanent career staff.

During the census of population and housing next year, total census employment in Oregon will approximate 1,780 persons. We will establish four offices in the State—at Salem, Bend, Portland, and Eugene—and will employ a supervisor, GS–9, in each office. Clerical staffs will number about four persons per office at grade levels 3, 5, and 7. Supervisory employment will be for periods of from 3 to 4½ months.

Our total crew leader requirements for Oregon during the census of population and housing is estimated at 104 persons, recruited according to geographic and population need. Crew leaders will be paid at the GS–5 level and will be employed for 10 to 12 weeks.

We expect to need about 1,646 enumerators, approximately one to each 1,100 persons. Enumerators will work from 1 to 3 weeks at a piece-rate designed to yield from $12 to $13 daily.

As in the census of agriculture, both crew leaders and enumerators will be required to qualify on written examination.

We feel that the examinations we require are in themselves measures which will insure both economy and efficiency. The tests will probably disqualify 35 percent of all who apply for such employment, thereby assuring us that those hired are capable of performing at a satisfactory level.

We intend, as well, during the census of population and housing, to designate a member of the supervisory office staff as a quality control officer, with responsibility for spotting errors in enumeration techniques or results while the work is still in the field and for making the necessary corrections and adjustments. The quality control operation was tested in a special pretest census this spring in two counties of North Carolina. We feel it is a significant improvement in our operation and that it should result in both maximum economy and efficiency during our field operation.

In further reply to your question regarding our method of recruitment for the censuses, I am enclosing a copy of an April 10 memorandum which outlines our procedures. If you have additional questions, you might wish to contact Mr. Paul R. Squires of my staff, who is responsible for the recruiting program. Mr. Squires can be reached by telephone on code 157, extension 417.

Sincerely yours,

ROBERT W. BURGESS,
Director, Bureau of the Census.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., April 10, 1959.

PERSONNEL REQUIREMENTS FOR 1959 CENSUS OF AGRICULTURE AND FOR THE 1960 CENSUS OF POPULATION AND HOUSING

Census of agriculture

The census of agriculture will be taken in October and November 1959 by a temporary work force numbering about 30,000 persons.

Recruitment of personnel will be handled by field assistants in about 110 regional areas covering the Nation. Widespread local publicity will be given to the recruitment program well in advance of actual hiring dates.

Approximately 2,000 crew leaders and 25,000 to 30,000 enumerators will be recruited during September and October. Candidates for these positions will apply directly to the field assistants; not to the Census Bureau in Washington.

Both crew leader and enumerator applicants will be required to pass a qualifying test administered by the Census Bureau.

Crew leaders will be responsible for the work of 10 to 20 enumerators, will work about 8 weeks on a full-time basis, and will earn approximately $15.50 for an 8-hour day.

Enumerators will be paid on a piece-work basis designed to yield about $12 daily for diligent work. These are full-day jobs and will last about 3 weeks.

Census of population and housing

The census of population and housing will be taken as of April 1, 1960, by a temporary work force numbering approximately 170,000 persons.

Approximately 10,000 crew leaders and 160,000 enumerators will be recruited by about 380 temporary district offices which will be established by the Bureau throughout the Nation. Candidates will apply during February and March directly to the district office supervisors; not to the Census Bureau in Washington.

Both crew leader and enumerator applicants will be required to pass a qualifying test administered by the Bureau.

Crew leaders will be responsible for the work of 15 to 20 enumerators, will work 5 to 8 weeks on a full-time basis, and will earn approximately $15.50 for an 8-hour day.

Enumerators will be paid on a piecework basis designed to yield about $12 daily for diligent work. These are full-day jobs and will last from 2 to 4 weeks.

General qualifications for crew leaders and enumerators

Applicants must be:

1. U.S. citizens, at least 18 years of age.
2. Able to devote full time to the position.
3. Licensed to operate and must provide privately owned automobile in rural areas.
4. Physically vigorous with good hearing and vision.
5. Residents of the area near their assignment.
6. Able to read maps, to conduct interviews, and to pass a written test.

Applicants may not be:

1. Presently or recently associated with law enforcement or tax assessing or collection agencies.
2. Holding any office in a political organization or club engaged in any form of political activity, or otherwise taking an active part in political management or political campaign during period of employment.
3. Receiving a pension or annuity as a former Federal Government employee or military officer.
4. A full-time officer or employee of a State or local government (teachers and librarians excepted).

Congressional inquiries: Code 157, extension 417.

MATS ESSENTIAL IN WARTIME EMERGENCY—KEEP IT IN CONDITION TO DO ITS JOB

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 30 minutes.

Mr. PRICE. Mr. Speaker, the general theme of recent articles appearing on the subject of the Military Air Transport Service is that the airline industry has sufficient capacity to perform the entire MATS mission, and this being the case, there is little requirement for MATS. This theme has been repeated time and time again to such a degree that I feel it is necessary to set the record straight on this subject.

First of all, MATS, like SAC and the Air Defense Command, is in being only because it has a big wartime job. This job is to fly hundreds of missions in support of Department of Defense fighting agencies immediately after an emergency starts. And in case of an emergency, approximately 80 percent of the wartime requirement is for cargo airlift. It is an established fact that the entire Civil Reserve Air Fleet, which includes every four-engine cargo aircraft operated by U.S. carriers, both domestic and international, could meet but one-fourth of the total wartime cargo requirements, and none of the outsize lift requirements. Admittedly, the airline industry has more than adequate capacity to meet any foreseeable military requirement for passenger movements. Consequently, it is necessary to allocate to the Civil Reserve Air Fleet only a fraction of the civil airlines total passenger lift capability to meet the wartime requirement. Therefore, except for prepositioning of MATS crews and other support personnel, the hard core missions upon which the success of initial combat operations depends, is applied toward the cargo requirement.

In order to fly these emergency missions, MATS must be flying daily in peacetime at a modest rate in order to remain in condition to do the big job when called upon. It is this type of flying that is the target of current airlines propaganda. So let us look behind the emotionally charged attacks to see just what the situation is concerning MATS and the commercial carriers.

During the period June 1955 to June 1959, the MATS strategic transport fleet was reduced by 107 aircraft and 2,373 individuals. Despite this reduction, MATS increased its ton-mile availability by 34 percent by converting to larger aircraft to meet the requirements of global emergencies. This additional ton-mile capacity was utilized exclusively in the movement of cargo. Such military cargo must be moved via military aircraft because of its critical nature or unusual size. Ordinarily this type of cargo cannot fit into a commercial aircraft. In spite of these factors, however, there is an increasing participation of commercial airlift as evidenced by commercial airlift contracts which totaled $4.5 million in fiscal year 1955 and was increased to $70.8 million in fiscal year 1959. This represents an increase of 19 percent of the total MATS expenses for air transport which has been given to the commercial airlines in MATS contracts.

Now let us look at the situation as it pertains to the movement of passengers. In fiscal year 1955, which was the first year after the Korean war, a total of 2.2 billion passenger miles were flown by MATS military and contract aircraft. Of this mileage 2,163 million miles were flown by military aircraft while commercial carriers flew only 33 million miles. In fiscal year 1959 the total passenger mileage increased to 3.3 billion miles. Passenger miles flown by military aircraft during this period decreased 9.2 percent while passenger miles flown by commercial aircraft increased to 1,314 million miles. Presently, 40 percent of all MATS passengers are being moved by commercial airlift.

In a further effort to keep its peacetime flying at a modest rate, but sufficient to accomplish its objective, the Air Force has recently taken three important steps toward improving its present system:

First. It is holding the line on MATS peacetime capability.

Second. It is reversing the trend on reducing commercial cargo airlift augmentation. From the originally scheduled 2.1 percent the Air Force is now planning to contract for 10 percent of its oversea cargo airlift requirements in fiscal year 1960.

Third. As a long-range objective, and subject to the availability of modern, economical, long-range commercial cargo aircraft, civil cargo airlift will be contracted for in peacetime to support to a substantial degree oversea logistic supply. It is hoped that this policy, which will guarantee a uniform airlift capacity for intertheater transportation of high value cargo will encourage the other military departments to look to airlift for a larger portion of their transportation requirements.

The complete resolution to the problem, involving the development of economical commercial cargo aircraft, the healthy expansion of the air cargo industry on a self-sufficient basis, and a gradual withdrawal of MATS from most scheduled logistics operations, accompanied by a reduced operating rate, will take many years to realize. For this program to be successful, the expansion of the air cargo industry must depend primarily on commercial markets, not fluctuating and unpredictable military requirements. It is generally agreed, however, that one of the principal limiting factors in the further development of the air cargo industry is the lack of an economical cargo aircraft. In recognition of this, the Federal Aviation Agency, in concert with other Federal agencies, has launched a program to create a national air cargo fleet through the joint civil military development of an economical logistics aircraft, capable of meeting commercial as well as military requirements. By cooperating in such a venture, the Air Force should be spared the full burden of development costs, which would otherwise be borne entirely by the defense budget. I hope that this joint program will produce an economical aircraft, capable of replacing the backbone of the MATS fleet, the aging C–124. If the program achieves any degree of success, the national air cargo capability should eventually experience a tremendous expansion.

In summary, I believe that we can come to the following conclusions:

First. MATS is not in competition with the airlines.

Second. MATS has given a significant increase in business to the airlines annually for the past several years.

Third. MATS, in preparation for the very heavy wartime flying required on the outbreak of an emergency, must operate at the present light rate whether it flies empty or with dummy loads.

Fourth. MATS, by carrying passengers and cargo in peacetime rather than flying empty, saves money for the Department of Defense and thus for the taxpayers. MATS pays its way in peacetime as it trains for its emergency tasks.

Fifth. MATS believes in the development of a sound commercial air transport system. But MATS does not have the responsibility for the establishment of such a system.

Sixth. MATS would like to develop a close and amicable relationship with the air transport industry so that each will support the other's policies.

THE AMERICAN FLAG

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, not long ago I took the floor to speak of an amazing episode in Pittsburgh where an attempt was made publicly to burn an American flag in front of a Government building. Now another event has come to light which reveals even more an attitude of indifference and perhaps even disrespect for the emblem of our country. In Fairless Hills, a town about 25 miles away from Philadelphia, the inhabitants are not permitted to erect flagpoles. Thus, without flagpoles the flag may not be flown on patriotic holidays or any other day. It seems that the builders of the houses, the Danherst Steel Co., inserted in the deeds to the lots a restriction against flagpoles. This restriction is carried to the extent that there is no flag even above the U.S. post office although one is displayed in the lobby.

When I was informed of this situation by Pennsylvania Supreme Court Justice Michael A. Musmanno, I had the Architect of the Capitol fly a new 49-star flag over the Capitol and had him certify that it was so flown for Fairless Hills. I sent the flag to Justice Musmanno who took it to Fairless Hills on Monday, August 10. He went there not in his capacity as justice of the Pennsylvania Supreme Court but as rear admiral in the USNR, retired, and as vice chairman of the Pennsylvania Department, Veterans of Foreign Wars, as well as member of the flag committee of that organization. What happened on August 10 and since that day is a story that is almost incredible. The post office authorities refused to fly the flag over the building.

Then the vice president of the Danherst Steel Co., which apparently originally built the town to house the workers at their plant, made the statement that flagpoles were prohibited in order to preserve "the beauty of the community."

Mr. Speaker, is there anything more beautiful than the Stars and Stripes waving atop a flagpole proclaiming liberty and freedom throughout the land?

The vice president, Gordon K. Bolon, gave another reason for restrictions against flagpoles. According to a story in the Philadelphia Bulletin on August 11th, he said: "Some people might put up bamboo flagpoles, or use an old tree stump for a flagpole."

Admiral Musmanno replied to that statement rather effectively. He said: "I don't think that any American would attach the American flag to a tree stump, but if he did, because of lack of facilities, the flag would put life into that tree stump and give it beauty even as a rose bush casts its glow of enchantment over surrounding dandelions and weeds."

But what is the Danherst Co. trying to prove? What possible objection can they have to flagpoles so long as they are worthy of the flag and the homes before which they are erected? Mr. Bolon said that he would permit the use of temporary flagpoles. The Scranton Tribune of August 12th quoted Musmanno as replying to Bolon's statement as follows:

A temporary flagpole suggests a temporary allegiance. Does the American flag not have a permanent home in Fairless Hills?

Does Mr. Bolon recommend that each morning the postmistress must climb to the roof of the building as I did on Monday? The so-called temporary flagpole is ridiculous. How is a temporary flagpole to be erected? Must one dig a hole in the ground on each holiday in order to plant the pole on which the flag is to be displayed?

The Associated Press has carried several stories on this fantastic and scandalous situation in Fairless Hills. Imagine a U.S. post office not flying the American flag. When Admiral Musmanno arrived at the post office on the morning of August 10 with the Capitol-flown flag he was informed by the postmistress, Mrs. Catharine Wright, that there were many reasons why a flag could not fly over the post office. She enumerated three: First, inclement weather would prevent flying of the flag; second, trucks in the alley would make it dangerous to haul the flag to the top of the structure; and, third, restrictions in the lease would prohibit flying the flag from the rooftop. Musmanno replied to these objections: First, he had served in the Navy 6 years and weather never impeded any action which meant fulfillment of an order or proper display of an American emblem; second, there was adequate space in the alley, regardless of an occasional truck, within which to stand to raise a flag by means of a rope, once a flagpole was in place on the roof; and, third, no landlord could decently object to flying a U.S. flag over a U.S. institution.

Postmistress Catharine Wright accepted the flag but said she would display it in the lobby but not over the building. Musmanno, dressed in his VFW uniform, was accompanied on the visit to the post office by Willis Bosch, commander of the Bucks County Council VFW; Edward Boehmer, commander of Nottingham VFW Post; and Walter Holzer, commander of Levittown VFW Post. The Wilkes-Barre Record, reporting the event, said that Postmistress Mrs. Wright referred Musmanno to Leroy V. Greene, regional post office operational director in Philadelphia. Greene explained by telephone that in Fairless Hills, the Government leases only part of a building for the post office.

Musmanno and his VFW comrades then climbed to the roof of the building by means of an iron ladder against the building, and there planted the flag of our Nation to wave over the U.S. post office in Fairless Hills for 10 minutes. Musmanno said he did this to show that it could be done. Also, partially to remove the shame that a U.S. institution should go without a flag to proclaim its American presence and existence.

Musmanno and his party then called at the offices of the Danherst Co., but the vice president, who apparently speaks for the corporation on these matters, was away in Columbus, Ohio.

On the following day, Vice President Bolon issued the statement that he would authorize temporary flagpoles in Fairless Hills. I do not find in any of the newspapers, however, any statement about a flag to fly over the post office in Fairless Hills.

Mr. Speaker, this is a serious matter and I believe that Postmaster Summerfield should take action to see to it the American flag receives its proper respect at our post office in Fairless Hills. Already I have noticed with deep regret a current apathy in the flag. When I was a boy there was scarcely a home which was not brightened with the unfurling of the Stars and Stripes on patriotic holidays. Now, even on Independence Day one must sometimes search over large areas to find Old Glory. Are we losing sight of what the flag symbolizes? Are we forgetting the sacrifices which the defenders of the flag have made for the freedoms which we enjoy, for the opportunities which America affords, and the pursuit of happiness which is ours?

All of this I deplore, but that there should be no flag authoritatively standing over a post office of the United States is shocking and disgraceful. And that the absence of the flag should be due to a rule laid down by an official of a private corporation is even more disgraceful and completely indefensible.

DISCONTINUANCE OF THE PANAMA LINE OF STEAMSHIPS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, the Members of this body know of my continuing concern for the protection of the security of the Panama Canal and the operations of the United States Government in the Canal Zone. That concern extends not only to protection against encroachments by foreign governments but also to the posture of our own Government in maintaining essential operations in the Canal Zone on a basis that will enable us to keep the waterway operating at peak efficiency to meet the requirements of commerce and defense for which it was constructed.

A few days ago I received from two steamship companies a brochure recommending discontinuance of the Panama Line, the name under which the U.S. Government operates two ships between New York and the Canal Zone to provide logistic support for the operations of the Government in the Canal Zone. At the outset let me say that I am flatly and completely opposed to this recommendation. The discontinuance of the Panama Line might serve the immediate selfish interests of one or two large corporations, already receiving heavy financial support from the U.S. Government, but it would not promote the security of the Panama Canal and could seriously impair the ability of the Government to meet its obligations and exercise its rights in the Canal Zone.

The argument of the two steamship companies for discontinuance of the Panama Line was pitched primarily on an asserted policy that the Federal Government should not engage in commercial activities in competition with private business. I submit that such a policy does not exist in such broad terms without qualifications that clearly exclude essential governmental services such as that provided by the Panama Canal Company's operation of these two ships to maintain an assured line of supply to the Canal Zone.

A moment's reflection on similar activities by the Federal Government in areas also served by private business will disclose example after example of operations of this type. The military, sea, and air transportation systems, Navy yards, and power systems, all provide services also offered by private business but serve overriding objectives of the Federal Government which are paramount to the individual interests of private profit taking. The maintenance of the supply line to the Canal Zone under the control of this Government is such an overriding interest.

Furthermore it is a curious perversion of logic to attack the Panama Line as a "Government" activity in the name of so-called private business represented by steamship operators supported by direct subsidy of the U.S. Government.

Contrary to the irresponsible charges made against it the Panama Line is operated out of revenues without receiving any funds from the U.S. Treasury. Its book loss of approximately $50,000 during last fiscal year includes a nonfunded item of depreciation the line charges to itself in the amount of about $170,000. In terms of cash, the Panama Line generated over $100,000 more revenue than expenses last year.

The two ships of the line were constructed without appropriations out of cash reserves built up by the line through its years of operation since the construction of the canal. In addition to paying its own way the line affords a definite advantage to the Panama Canal Company which saves hundreds of thousands of dollars each year by use of the line. The Company was established to operate on a corporate business basis with the obligation to make payments to the Treasury for interest on the Government's investment, the net cost of the Canal Zone Government, and part of the annuity to Panama. These payments aggregate over $20 million a year. The Company has fully met its fiscal obligations in every respect without any new appropriations from the Treasury and without increasing the rates of tolls which have never been raised since the

canal was opened. The operation of the steamship line results in savings to the corporation which help to produce this favorable financial result.

In contrast to the absence of Federal assistance in the operation of the Panama Line, the private steamship company providing the primary opposition to the line is heavily subsidized by direct payments from the U.S. Treasury. Its ships are built with construction differential subsidies representing from 40 percent to 50 percent of the total cost of the ships and annually it receives over $8 million in operating subsidies from the Treasury. The argument that this is private business as in contrast to Government competition by the Panama Line is preposterous.

The operation of the Panama Line is provided for by act of Congress in the Company's charter. In reference to the same type of provision for operation of the Panama Railroad, the Merchant Marine and Fisheries Committee held in the 84th Congress that the activity could not be discontinued without the consent of Congress. At that time I was one of the first to point out that discontinuance of the Panama Railroad was contrary to the best interests of the United States Government and I agree completely with the position taken by the Committee on Merchant Marine and Fisheries in reference to the railroad. The same basic considerations apply to the Panama Line which must not be discontinued without congressional approval for the benefit of one or two corporations.

The Congress has repeatedly reviewed the necessity for operation of the Panama Line in the light of its merchant marine policy and each time has concluded that the line serves an essential governmental function. The second Hoover Commission reached the same result and every Governor of the Canal Zone has consistently held that operation of the line is essential for the support of the activities of the United States in the Canal Zone.

Notwithstanding the unanimous view of those responsible for operations in the Canal Zone that the Panama Line is an essential adjunct of the Panama Canal, the brochure prepared by the private steamship companies states that a study of the line is currently being made by a consulting firm employed by the Bureau of the Budget.

The question of continued operation of the Panama Line is a policy question for resolution by the Congress and the executive branch in the light of the best interests of the U.S. Government. The factors involved are the extent of the need for assured logistic support under the control of the Government, the relationship of the Panama Line to the national defense, the extent to which the operation of the line furthers the foreign policy of the United States, and the relationship of the line to the merchant marine policy of this Government. The duty of the legislative and executive branches of the Government to resolve these questions is not delegable to any management consulting firm. I do not know the identity of the consulting firm employed by the Bureau of the Budget to make its decision for it but I will hazard the prediction that it is a firm engaged primarily in management studies for private firms in the transportation field and that its future business depends primarily on the good will of private transportation companies. In view of the auspices under which the study was announced I also venture the prediction that its conclusions will be unfavorable to the operation of the Panama Line and favorable to the private business interests now attacking the line.

This study will be paid for from appropriated funds and the cost will undoubtedly be substantial in comparison to the book losses of the Panama Line of which the private operators complain. The whole thing adds up to a travesty on the executive process. It is a delegation of the executive function to private individuals with no responsibility for Government and every reason to advance the financial interests of a few corporations at the expense of the public interest.

In the 85th Congress the use of appropriated funds for employment of consulting firms for performance of services relating to the management or organization of the executive agencies was prohibited by the various appropriation acts. The use of consulting firms by the Bureau of the Budget in this instance is an example of the wisdom of the inclusion of such prohibitions of delegation of executive authority.

In the case of the Panama Line I wish to serve notice now that the line operates under the authority and by direction of the Congress. As recently as this session, the Appropriations Committee of the House reiterated its judgment that the Panama Line operations should be continued, and against the impressive array of authority supporting the line's operation there is little likelihood that the contrary view of a hired consulting firm will be allowed to prevail.

NECESSITY FOR A NATIONAL FUELS POLICY

Mr. BURNS of Hawaii. Mr. Speaker, I request unanimous consent that the gentleman from West Virginia [Mr. SLACK] May extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. SLACK. Mr. Speaker, in company with many of my colleagues, I today have introduced a resolution calling for a joint congressional committee which would gather the information necessary for the establishment of a national fuels policy.

I feel certain that when the other Members of this body have had an opportunity to examine the aims of this resolution, to appraise the vastness of the problem it is designed to meet, and to assess the imminent dangers of the situation, they, too, will wish to add their sponsorship to this resolution.

Mr. Speaker, this resolution may well turn out to be one of the most important measures that I have ever been privileged to introduce in this House. Without going into the technical language of the resolution, let us examine what is at stake. It is my belief, based on knowledge of what is being done in other countries of the world, that a national fuels policy—aimed at correlating and developing to the maximum degree the energy potential of the United States—is an immediate necessity.

For all its vastness, the time is past when ours is a country of limitless resources. Our energy resources are limited and those limits are known. To continue, as we have been wont to do in the past, a prodigal expenditure of these energy resources with no thought of the day when the lack of them will bring us face to face with grim reality, would be the sheerest folly.

In a recent speech William R. Connole, Vice Chairman of the Federal Power Commission, said:

> Now, to me at least, the need for an energy policy is so patently obvious that I am simply unable to understand how anyone who considers himself to be associated with this energy business can seriously say we don't need one.

To that thought I give my wholehearted agreement.

Mr. Speaker, it is my firm contention that the United States cannot afford to remain aloof from a development that has been recognized as essential by many widely different political and social economies all the way from Soviet Russia to our good neighbor to the north, Canada. They are but two of the major energy-producing countries which have recognized the vital importance of putting their fuel potential on a sound, national basis. Just last week, the Canadian Government named its five-man National Energy Board. Before this body will come every question of energy use that has a national connotation. From it will emanate opinions and recommendations to the Parliament that will insure that the country's precious energy potential is not ruined by intentional or ignorant profligacy. In my opinion, this is one of the most commendable and intelligent actions taken in the field of natural energy resources in years.

Let us now consider the case of Soviet Russia. It is no secret to Members of this House that Russia's avowed intention is to surpass the United States in every conceivable field in the shortest possible time. While figures used in the Soviet press or in official documents may perhaps be taken with a grain of salt, there is little doubt that the industrial, scientific, and production progress made by Russia since the end of World War II is nothing short of fantastic.

Let me quote to you from an article in Izvestia, written by special correspondents Budantseva and Sryvtsev just about a year ago.

They wrote, in part:

> Therefore, in our long-range plan for development of our natural fuel resources, we are planning for the extensive, but intelligent use of oil, natural gas, and coal for our powerplants, for our industry and the everyday needs of community living * * * but the time factor must not be forgotten. We

must gain time in our competition with capitalism so as to overtake the United States of America in per capita production in the shortest possible time.

Mr. Lubnohkov, vice chairman of the Komi Economic Council, wrote in the same newspaper recently:

In the 7-year plan for the development of of our national economy, it is extremely important to find a practical solution to the problems connected with the integrated use of natural fuel resources.

Mr. Speaker, here we have two countries with energy resources, potentially, though not yet actually, on a par with our own. They have already recognized the extreme value of a national fuels policy and have put such a policy into action. How much longer can we, in the United States, afford to dally with what I believe to be our most priceless natural resource? I do not need to tell the Members of this House how absolutely dependent we are, as a nation, on our coal, oil, and natural gas resources. Our entire industrial and social economy is based on the power we extract from one or other of these fuels. Before too long, industrial and social use of atomic energy may also be a practical proposition. Can we, as a nation, afford to neglect the intelligent development of the reserves of these fuels? Can we afford to wake up one morning and find that because of the lack of an integrated policy for the conservation and maximum use potential of these precious natural gifts, their abundance has disappeared?

I would ask my distinguished colleagues to think for a moment of the deplorable position in which this Nation would find itself if we were forced by aggression to defend ourselves and suddenly found that our domestic oil, gas and coal production potential had dwindled to the point where it would be impossible to operate at full wartime volume. Do you think this couldn't happen? Unless we are prepared, right now, to give these matters some concentrated thought and to lay the groundwork for a plan that will avoid such a contingency, it very well could happen.

Mr. Speaker, I have introduced this resolution with the conviction that it represents the first practical step toward a National Fuels Policy and I contend that we, as a body have a duty to the people of this country to see that the gifts of nature that have helped make this country great are used to the greatest benefit of our Nation.

Everyone, everywhere, knows or should know that the increasing use of energy is the key to progress as an economic society, is a way to leadership as a nation and in the world. In the final analysis, it is the one way to win the world race with communism. I will not burden you with grim statistics of what Russia is doing in the way of stepping up her production. Suffice it to say, the figures are very impressive. But, I will tell you this—in nearly every case of increased production in Soviet Russia, this increase is being achieved by planned use of energy fuels.

This fuels issue is not simply one of open competition for a market. It is much, much more significant than that. The issue, as I see it, is this: We must have a fuels policy that will assure this Nation of a steady supply of energy fuels at low cost not only in 1959 or 1979, but in the decades far beyond those that may see you and me as participants on the national scene. It is our duty, I believe, to formulate a fuels policy that will maintain our economy, always susceptible to growth and expansion. That will insure for generations to come a standard equal to and surpassing that which we now enjoy. The growth of the United States is limited only by the availability of an unlimited volume of low cost energy.

In closing, Mr. Speaker, I do not see any economic problem that outranks this question as far as the interests of the American people are concerned. It affects the stability of our domestic economy. It affects the employment of our citizens. It affects the principle of private investment and the free enterprise system, with rewards to the investor. It affects the question of our national security. If anyone can tell me a problem with more far-reaching significance than that, I would be glad to listen.

Mr. Speaker, the creation of a national fuels policy is not something we should do; it is something we must do if this great Nation of ours is going to continue its truly remarkable progress. The formation of a joint congressional committee to study the machinery of setting up such a body and to make recommendations to the Congress for its implementation is but the first step. But it is an essential step. I trust that my colleagues in this Chamber will share my conviction that, in creating such a committee, we will be going a long way toward fulfilling what I see as a vital duty to our Nation and to the world.

THE POWER OF CONGRESS TO CREATE A LOCAL LEGISLATIVE BODY FOR THE DISTRICT OF COLUMBIA

Mr. BURNS of Hawaii. Mr. Speaker, I request unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. REUSS. Mr. Speaker, during the current hearings on the bills to provide home rule for the District of Columbia some opponents of the bills have charged that Congress lacks constitutional power to create a local legislative body for the District of Columbia and to confer upon such a body the authority to enact local legislation within the District of Columbia. Those who have raised this constitutional issue would, I am sure, oppose home rule for the District of Columbia irrespective of whether or not Congress has such power under the Constitution. There are, however, some Members of Congress who have not had the opportunity to study this constitutional question, and might be troubled in their minds by the allegation that a home rule bill for the District of Columbia would be unconstitutional. I have, therefore, examined into this question very carefully and I would like to make available to all Members of the Congress the results of my researches.

Let me say at the outset that Congress clearly does have constitutional power to delegate legislative authority to a local body for the District of Columbia. This conclusion rests not only on the Supreme Court's decision in *District of Columbia v. John R. Thompson Co., Inc.*, 346 U.S. 100 (1953), but also on the views of those who founded our Nation and framed our Constitution, on the consistent action of Congress since 1802, and on a multitude of judicial decisions by the Supreme Court of the United States and the courts of the District of Columbia.

The allegation against such power is completely without merit.

The argument of unconstitutionality rests upon the word "exclusive" in article I, section 8, clause 17 of the Constitution which confers upon Congress the power "to exercise exclusive legislation in all cases whatsoever, over such District as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States." Those who argue against the power of Congress to create a local legislative body for the District apparently contend that because of the word "exclusive" every law in the District of Columbia must be passed by Congress itself, and that Congress cannot confer upon any other body any kind of legislative power within the District.

Such a contention is contrary to the intent of the framers of the Constitution, and contrary to the historical and uniform views of both the Congress and the Supreme Court concerning the constitutional power of Congress. The plain fact is that the word "exclusive" does not preclude the Congress from delegating legislative power to a District legislative body that would enact laws solely within the District of Columbia, but rather was designed simply to prevent other States from enacting laws to govern legal relationships within the District of Columbia.

THE VIEWS OF THE FOUNDING FATHERS

James Madison, who perhaps had the largest role in the framing of the Constitution, clearly indicated the intent of the framers when he wrote in The Federalist, No. 43, that the inhabitants of the proposed District "will have had their voice in the election of the Government, which is to exercise authority over them" and that "a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed them."

But this famous statement by Madison was not the only expression of the Founding Fathers on this topic.

During the fall of 1783, the Continental Congress gave much consideration to the question of where Congress should have its permanent residence. Fresh in the minds of all the Members of the Congress was their experience in June of that year, when mutinous soldiers had stationed

themselves with fixed bayonets around the building in Philadelphia where Congress was meeting. Because the State authorities had failed to disperse them or provide any guarantee of protection to Congress, the Continental Congress moved elsewhere. Shortly afterward, a special committee was appointed charged with the specific duty "to consider what jurisdiction may be proper for Congress in the place of their permanent residence." This committee consisted of James Duane, Jacob Read, James McHenry, Samuel Huntington, Richard Peters, James Wilson, and James Madison. On September 22, 1783, this committee reported a resolution dealing with two points, namely, the size of the proposed District, and the extent of the powers which Congress should exercise therein. The resolution stated that Congress "ought to enjoy an exclusive jurisdiction over the District which may be ceded and accepted for their permanent residence." An additional resolution was presented on the motion of James Madison which specified that the District "ought to be entirely exempted from the authority of the State ceding the same; and the organization and administration of the powers of government within the said District concerted between Congress and the inhabitants threof." Still another resolution was presented on motion of Arthur Lee which specified:

Resolved, That the people inhabiting within said territory should enjoy the privilege of trial by jury, and of being governed by laws made by representatives of their own selection. ("Journals of the Continental Congress (1774–89)," pp. 603–604 (Sept. 22, 1783.))

It is thus quite clear that the committee, in using the word "exclusive," intended only to preclude the exercise of power by any State which ceded the area of the District. Madison's resolution clearly envisaged that the inhabitants of the territory would concert with Congress in relation to the organization and administration of the powers of government within the said District. Even more clearly, Lee's resolution declared that the residents of the District should have the privilege "of being governed by laws made by representatives of their own selection." Since Congress would, of course, consist of representatives chosen by all the States, it is obvious that the words "representatives of their own selection" meant persons selected by the District residents to represent them in a municipal legislature.

Equally significant in indicating the general understanding of the Founding Fathers was Thomas Jefferson's "Opinion Relative to Locating the 10-Mile Square for the Federal Government and Completing the Federal City," which he wrote on March 11, 1791. This opinion is reprinted in Padover, "Thomas Jefferson and the National Capital," pages 47–48—GPO, 1946. Thomas Jefferson stated, page 48, line 10, and the following:

Terms of sale to be settled. As there is not as yet a town legislature, and things may be done before there is one to prevent them, which yet it would be desirable to prevent, it would seem justifiable and expedient that the President should form a capitulary of such regulations as he may think necessary to be observed, until there shall be a town legislature to undertake this office; such capitulary to be indented, signed, sealed, and recorded, according to the laws of conveyance in Maryland.

It is clear, by his reference to the "town legislature" which was "as yet" not established and his reference to the time "until there shall be a town legislature to undertake this office," that Jefferson fully understood and contemplated that a municipal legislature would be provided for the Federal City. It is inconceivable that Jefferson would have made such an assumption if he had thought that the establishment of a municipal legislature within the District would violate the newly established Constitution.

The unanimity of this understanding is underscored by the fact that John Adams, who was one of the greatest of the Founding Fathers and who vigorously opposed most of Jefferson's views, thoroughly agreed with Madison and Jefferson on this point. Adams had been Vice President during Washington's two terms and succeeded him as President. In November 1800, as Congress began its first session in the newly established Federal City, President John Adams, in his welcoming address to Congress, referred to the need for "local powers" within the newly established District and said—"Annals of Congress," November 22, 1800, page 723, 6th Congress, 2d session:

You will consider it as the Capital of a great nation, advancing, with unexampled rapidity, in arts, in commerce, in wealth, and in population; and possessing, within itself, those energies and resources, which, if not thrown away, or lamentably misdirected, will secure to it a long course of prosperity, and self-government.

THE VIEWS AND ENACTMENTS OF CONGRESS

Congress acted almost immediately on President Adams' recommendation by establishing a municipal corporation with a council of 12 persons elected by the qualified voters and exercising legislative authority for the city of Washington—act of May 3, 1802 (2 Stat. 195, 197). Thereafter, from time to time, Congress enacted other statutes broadening and extending the legislative powers of the city of Washington—act of February 24, 1804 (2 Stat. 254, 255); act of May 4, 1812 (2 Stat. 721, 725); act of May 15, 1820 (3 Stat. 583, 587); act of May 17, 1848 (9 Stat. 223, 224). Thus the act of 1812 added a Board of Aldermen of eight persons also elected by the voters; the act of 1820 further provided that the Mayor, who was previously an appointed official, would thereafter be elected by the qualified voters; and the act of 1848 made other public offices, namely, the assessor, register, collector, and surveyor, subject to election by the qualified voters.

The city of Georgetown which had been established as a municipal corporation in 1789, prior to the creation of the District of Columbia, continued to exist after the District was established, and to exercise municipal legislative authority with a council of 10 members elected by the qualified voters of the city. No one questioned the power of the city of Georgetown to exercise local legislative power, even though the city of Georgetown was completely within the boundaries of the new District. On the contrary, Congress quickly enacted legislation to expand the legislative power of the city of Georgetown and authorized popular election of the board of aldermen also—act of March 3, 1805 (2 Stat. 332, 334–335).

In 1830, Congress provided that the mayor, who previously was chosen by the council, aldermen, and recorder, should thereafter be elected by the qualified voters of Georgetown—act of May 31, 1830 (4 Stat. 426). In 1856, Congress further liberalized the requirements for voting in the city of Georgetown—act of August 11, 1856 (11 Stat. 32, sec. 2).

The city of Alexandria, which was within the District of Columbia until the portion of the District on the Virginia side of the Potomac was retroceded to Virginia, had been incorporated in 1779, with provision for popular election of officials who enacted city ordinances. Congress expanded this legislative authority in 1804 (2 Stat. 255), and in 1843 (5 Stat. 599).

The remainder of the District—the counties of Washington and Alexandria—were governed by their respective levy courts, which consisted of appointive officials with certain limited powers, some of which were legislative in nature. See, for example, act of June 12 1860 (12 Stat. 29)—act of March 3, 1863 (12 Stat. 799).

In 1867, Congress enacted legislation further extending the right of the residents of the cities of Washington and Georgetown to vote in municipal elections—act of January 8, 1867 (14 Stat. 375).

In 1871, Congress abolished the legislative bodies which then existed in the District, and established a territorial government, with an appointed Governor, an elected delegate to the House of Representatives with the same rights as delegates from other Federal Territories, and a legislative assembly consisting of an appointed 11-member council and a 22-member house of delegates elected by the voters of the entire District—act of February 21, 1871 (16 Stat. 419).

This act granted to the legislative assembly "the legislative power of the District" over "all rightful subjects of legislation within said District, consistent with the provisions of this act" and the constitution—section 18.

Although the legislative assembly was abolished by the act of June 20, 1874 (18 Stat. 116), which substituted the commissioner form of government, Congress continued to delegate extensive powers of legislation on local matters to be exercised by the Board of Commissioners—act of June 20, 1874, supra, sections 3, 5, 6, 8, and 9; act of June 11, 1878 (20 Stat. 103, sec. 3); act of January 26, 1887 (24 Stat. 368; District of Columbia Code, 1951 ed., sec. 1–224); act of February 26, 1892 (27 Stat. 394; District of Columbia Code, 1951 ed., sec. 1–226).

The latter act authorizes the Commissioners "to make and enforce all such reasonable and usual police regulation as they may deem necessary for the protection of lives, limbs, health, comfort and quiet of all persons and the protection of all property within the District of Columbia." In addition to these general statutes, Congress has enacted literally dozens of statutes conferring upon the Commissioners the power to make regulations, which are essentially legislative in character, in a large variety of situations. See cross-reference note under section 1–226, District of Columbia Code—1951 edition.

All of these enactments by Congress clearly demonstrate that Congress did not view the word "exclusive" as preventing it from delegating legislative powers to a local legislative body which was elected by the local qualified voters. As Justice Story pointed out in 1833 when he wrote his great "Commentaries on the Constitution of the United States"—section 1223:

> In point of fact, the corporations of the three cities [Washington, Georgetown, and Alexandria] within its limits [i.e., within the District of Columbia] possess and exercise a delegated power of legislation under their charters, granted by Congress, to the full extent of their municipal wants, without any constitutional scruple, or surmise, or doubt.

It is entirely clear that the word "exclusive" was used only for one purpose, namely, to make sure that none of the ceding States would exercise legislative power within the District. This was the view entertained during the debates on the Constitution (3 Elliot's "Debates in the Several States on the Adoption of the Federal Constitution" (2d ed. 1876), pp. 432–433; "The Federalist and Other Constitutional Papers," No. 43, p. 239 (Scott ed. 1898)). This was also the view of commentators of the Constitution (2 Story, "Commentaries on the Constitution of the United States" (4th ed. 1873), sec. 1218; 1 Crosskey, "Politics and the Constitution in the History of the United States," pp. 493–494 (1953)).

The courts have uniformly held the same view. In 1880 the highest court in the District of Columbia stated "that the term 'exclusive' has reference to the States, and simply imports their exclusion from legislative control of the District, and does not necessarily exclude the idea of legislation by some authority subordinate to that of Congress and created by it." *Roach* v. *Van Riswick, MacArthur and Mackey* (11 D.C.) 171, 174 (1880). See also Opinion of Circuit Judge Taft in *Grether* v. *Wright*, 75 Fed. 742, 756–757 (C.A. 6) quoted in *O'Donoghue* v. *United States*, 289 U.S. 516, 539. The Supreme Court squarely considered the meaning of the word "exclusive" in the case of *District of Columbia* v. *John R. Thompson Co., Inc.*, 346 U.S. 100, 109 (1953), and in a unanimous opinion rejected the "suggestion that the power of Congress to exercise exclusive legislation granted by article I, section 8, clause 17 of the Constitution is nondelegable because it is 'exclusive.'" The Supreme Court specifically ruled that "it is clear from the history of the provision that the word 'exclusive' was employed to eliminate any possibility that the legislative power of Congress over the District was to be concurrent with that of the ceding States."

THE JUDICIAL PRECEDENTS

Long before the Supreme Court definitively settled the matter in the Thompson case, both that Court and the courts in the District of Columbia had frequently ruled that Congress has power to delegate legislative authority to a local body for the District. For example, in *Welch* v. *Cook*, 97 U.S. 541, 542 (1878), the Supreme Court said:

> It is not open to reasonable doubt that Congress had power to invest, and did invest, the District government with legislative authority, or that the act of the legislative assembly of June 26, 1873, was within that authority. We shall therefore consider the question as if that act exempting manufacturing property from taxation had been passed directly by Congress.

In *National Bank* v. *Shoemaker*, 97 U.S. 692, 693 (1878), the Supreme Court said:

> The property upon which the assessment was laid is in the District of Columbia, though outside the bounds of the city of Washington. But the legislative assembly created by the organic act (Feb. 21, 1871, 16 Stat. 419) had authority to legislate for the entire District.

In *Stoutenburgh* v. *Hennick*, 129 U.S. 141, 147 (1889), the Supreme Court, in discussing laws enacted by the Legislative Assembly of the District of Columbia, said:

> It is a cardinal principle of our system of government, that local affairs shall be managed by local authorities, and general affairs by the central authority, and hence, while the rule is also fundamental that the power to make laws cannot be delegated, the creation of municipalities exercising local self-government has never been held to trench upon that rule. Such legislation is not regarded as a transfer of general legislative power, but rather as the grant of the authority to prescribe local regulations, according to immemorial practice subject, of course, to the interposition of the superior in cases of necessity * * * as the repository of the legislative power of the United States, Congress in creating the District of Columbia "a body corporate for municipal purposes" could only authorize it to exercise municipal powers, and this is all that Congress attempted to do.

In *Cohens* v. *Virginia*, 19 U.S. (6 Wheat.) 264, 442 (1821) the Supreme Court indicated that when Congress enacted the organic act of the city of Washington, "Congress must have considered itself as delegating to this corporate body powers for the management of the internal affairs of the city, for its internal government, for its police."

In *Metropolitan Railroad* v. *District of Columbia*, 132 U.S. 1, 9 (1899), the Supreme Court, after reciting the history of the cities of Washington and Georgetown and the establishment of the District of Columbia as a municipal corporation, referred to the "subordinate legislative powers of a municipal character which have been or may be lodged in the city corporations, or in the District corporation."

In *Binns* v. *United States*, 194 U.S. 486, 491 (1904), the Supreme Court said:

> It must be remembered that Congress, in the government of the Territories as well as of the District of Columbia, has plenary power, save as controlled by the provisions of the Constitution; that the form of government it shall establish is not prescribed, and may not necessarily be the same in all the Territories. * * * It may legislate *directly* in respect to the local affairs of a Territory or transfer the power of such legislation to a legislature elected by the citizens of the Territory.

The courts in the District of Columbia repeatedly upheld ordinances of the former corporation of Washington, and of the legislative assembly, as enactments of legislative bodies to whom Congress had validly delegated legislative power. Some of these cases are:

Corporation of Washington v. *Eaton*, 4 Cranch C.C. (4 D.C.), 352, 29 Federal Cases, page 345, No. 17288 (1833).

France v. *Corp. of Washington*, 5 Cranch C.C. (5 D.C.) 667, 9 Federal Cases, page 660, No. 5,028 (1840).

Cooper v. *District of Columbia, MacArthur & Mackey* (11 D.C.) 250 (1880).

District of Columbia v. *Waggaman*, 4 Mackey (15 D.C.) 328 (1885).

Bush v. *District of Columbia*, 1 App. D.C. 1 (1893).

District of Columbia v. *Burgdorf*, 6 App. D.C. 465 (1895).

District of Columbia v. *Weaver*, 6 App. D.C. 483 (1895).

Parsons v. *District of Columbia*, 8 App. D.C. 391, 34 Wash. L. Rep. 269 (1896), affirmed 170 U.S. 45 (1898).

Lasley v. *District of Columbia*, 14 App. D.C. 407 (1899).

Smith v. *Olcott*, 19 App. D.C. 61, 73–74 (1901).

In a number of cases arising under acts of the legislative assembly, the courts of the District of Columbia, although voiding convictions or tax liens on the basis of the particular facts, dealt with the cases on the assumption that the acts involved had been validly enacted. Some of these cases were:

Johnson v. *District of Columbia*, 6 Mackey (17 D.C.) 21 (1887).

District of Columbia v. *Nau*, 9 Mackey (20 D.C.) 547 (1892).

Stevens v. *Stoutenburgh*, 8 App. D.C. 513 (1896).

Callan v. *District of Columbia*, 16 App. D.C. 271 (1900).

In addition, the following cases decided by the District of Columbia courts were particularly noteworthy:

In *United States* v. *May*, 2 MacArthur (9 D.C.) 512 (1876), the court upheld a conviction for violation of an act of the legislative assembly prohibiting abortion, and ruled that the act was within the authority granted to the legislative assembly by section 18 of the organic act of 1871, supra.

In *Dennison* v. *Gavin*, 3 MacArthur (10 D.C.) 265 (1877), the court ruled that the Commissioners of the District did not, after the abolition of the legislative assembly, have authority to repeal prior ordinances enacted by the local legislative body.

In *Roach* v. *Van Riswick, MacArthur & Mackey* (11 D.C.) 171, 178179 (1879),

the court invalidated an act of the legislative assembly providing for judgment liens on equitable interests in land, but acknowledged that Congress had the constitutional power to delegate to the legislative assembly the power to enact regulations dealing with local and municipal matters. The court said: "Thus, universal usage and legislation recognize the preservation of public order, morals, and health, the regulation of markets and places of amusements, the inspection of provisions, the improvement and repair of streets and, as an incident to others, the levying of general taxes and special assessments, as appropriate powers of a municipality."

In *Johnson* v. *District of Columbia,* 30 App. D.C. 520 (1908), the court upheld an act of the legislative assembly forbidding cruelty to animals as being "within the scope of powers delegated to the municipality by Congress."

This extensive background of judicial decision was part of the foundation for the Supreme Court's decision of 1953 in the Thompson case which squarely upheld the power of Congress to delegate legislative power to a legislative body for the District of Columbia.

Equally important as another part of the foundation for the Thompson case ruling was the analogy of congressional delegation of legislative power to the various Territorial governments which Congress established beginning in 1804. It is, of course, well recognized that Congress has plenary jurisdiction in both the District of Columbia and in the Territories.

Article IV, section 3, clause 2 of the Constitution is the basis for congressional power over the Territories in the United States. It provides as follows:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States.

There is no significant difference, so far as concerns the powers of Congress to delegate legislative authority, between this clause and clause 17 of article I, section 8, which deals with the District of Columbia. The word "exclusive" in the clause concerning the District of Columbia means no more nor less than the word "all" in the clause concerning the Territories. Under both provisions, the lawmaking powers of Congress with respect to the District of Columbia and the Territories, is exclusive only in the sense that no State can intrude upon the supreme legislative authority of Congress. Neither provision prevents Congress from creating subordinate bodies endowed with local legislative authority.

The fact of the matter is that since 1802 Congress has granted legislative authority not only to local legislative bodies in the District of Columbia but to virtually every Territory. Thus, the legislative power over "all rightful subjects of legislation" which Congress granted to the Legislative Assembly for the District of Columbia in 1871 was phrased in language substantially identical with the phrase "all rightful subjects of legislation" in the organic acts of the following Territories:

Louisiana: Act of March 26, 1804 (2 Stat. 283, 284).

Wisconsin: Act of April 20, 1836 (5 Stat. 10, 12).

Iowa: June 12, 1838 (5 Stat. 235, 237).

Oregon: Act of August 14, 1848 (9 Stat. 323, 325).

Minnesota: Act of March 3, 1849 (9 Stat. 403, 405).

New Mexico: Act of September 9, 1850 (9 Stat. 446, 449).

Utah: September 9, 1850 (9 Stat. 453, 454).

Washington: Act of March 2, 1853 (10 Stat. 172, 175).

Nebraska and Kansas: Act of May 30, 1854 (10 Stat. 277, 279, 285).

Colorado: Act of February 28, 1861 (12 Stat. 172, 174).

Dakota: Act of March 2, 1861 (12 Stat. 239, 241).

Arizona: Act of February 24, 1863 (12 Stat. 664, 665).

Idaho: Act of March 3, 1863 (12 Stat. 808, 810).

Montana: Act of May 26, 1864 (13 Stat. 85, 88).

Wyoming: Act of July 25, 1868 (15 Stat. 178, 180).

Hawaii: Act of April 30, 1900 (31 Stat. 141, 150).

Alaska: Act of August 24, 1912 (37 Stat. 512, 514).

Puerto Rico: Act of March 2, 1917 (39 Stat. 951, 964).

These provisions were codified in Revised Statutes, section 1851. See also the act of August 28, 1958 (72 Stat. 1094, 48 U.S.C. 1574, Public Law 85–851), in which Congress recently granted "legislative authority and power" over "all rightful subjects of legislation," and so forth, to the Legislature of the Virgin Islands.

The Supreme Court has construed these provisions in numerous cases involving laws enacted by Territorial governments. It has uniformly upheld the power of Congress to delegate legislative authority to the Territorial legislature and has construed the words "all rightful subjects of legislation" as embracing all laws which are local and appropriate to Territorial self-government. The Supreme Court has given the widest latitude to the permissible scope of such Territorial laws.

In *Simms* v. *Simms,* 175 U.S. 162, 168 (1899), the Supreme Court said:

> The power so conferred upon a Territorial assembly covers the domestic relations, the settlement of estates, and all other matters which, within the limits of a State, are regulated by the laws of the State only.

In *Maynard* v. *Hill,* 125 U.S. 190, 204 (1888), the Supreme Court said that the words "all rightful subjects of legislation" included all "subjects upon which legislatures had been in the practice of acting with the consent and approval of the people they represented." In *Cope* v. *Cope,* 137 U.S. 682, 684 (1891), the Supreme Court referred to these words, and said that subject to the exceptions specifically stated in the organic act of the Territory, "the power of the Territorial legislature was apparently as plenary as that of the legislature of a State." In *Christianson* v. *King County,* 239 U.S. 356, 365 (1915), the Supreme Court said that:

> "Rightful subjects" of legislation included all those subjects upon which legislatures have been accustomed to act.

In *Puerto Rico* v. *Shell Co.,* 302 U.S. 253, 260–262 (1937), the Supreme Court said that Congress may delegate legislative power to a Territory "as abroad and comprehensive as language could make it."

The wide scope of power which Congress has delegated to Territorial legislatures by use of the word "rightful subjects of legislation" is demonstrated by the breadth and variety of the Territorial statutes upheld by the Supreme Court as being within the power delegated by Congress to the Territorial legislature. In large measure, the cases dealt with statutes which, in a State, would ordinarily be enacted by the State legislature. Among these are the following decisions:

Hornbuckle v. *Toombs,* 85 U.S. (18 Wall.) 648 (1874)—procedural code limiting forms of action.

Maynard v. *Hill,* 125 U.S. 190 (1888)—divorce statute.

Cope v. *Cope,* 137 U.S. 682 (1891)—statute permitting illegitimate children to inherit.

Simms v. *Simms,* 175 U.S. 162 (1899)—statute concerning remittitur of part of money judgment.

Atchison, T. & S.F. Ry. v. *Sowers,* 213 U.S. 55 (1909)—statute limiting tort claims.

Christianson v. *King County,* 239 U.S. 356 (1915)—statute escheating property.

Puerto Rico v. *Shell Co.,* 302 U.S. 253 (1937)—antitrust statute similar to Sherman Act.

See also *People of Porto Rico* v. *American R.R. Co.,* 254 Fed. 369 (CAA 1st, 1918), cert. den. 249 U.S. 600 (1918)—statute regulating freight rates; *Richards* v. *Bellingham Bay Land Co.,* 54 Fed. 209 (CAA 9th, 1893)—statute abolishing dower and creating community property; *People of Puerto Rico* v. *Suazo,* 63 Puerto Rico Reports 869 (1944)—antidiscriminating statute.

In *Binns* v. *United States,* 194 U.S. 486, 491–492 (1904), the Supreme Court of the United States made the following statement concerning the nature of the power that may be validly delegated to the Territories and to the District of Columbia:

> It must be remembered that Congress, in the government of the Territories as well as of the District of Columbia, has plenary power, save as controlled by the provisions of the Constitution, that the form of government it shall establish is not prescribed, and may not necessarily be the same in all Territories. We are accustomed to that generally adopted for the Territories, or a quasi-State government, with executive, legislative, and judicial officers, and a legislature endowed with the power of local taxation and local expenditures, but Congress is not limited to this form. In the District of Columbia it has adopted a different mode of government, and in Alaska still another. It

may legislate directly in respect to the local affairs of a Territory or transfer the power of such legislation to a legislature elected by the citizens of the Territory. It has provided in the District of Columbia for a board of three commissioners who are the controlling officers of the District. It may entrust to them a large volume of legislative power, or it may by direct legislation create the whole body of statutory law applicable thereto.

These cases reflect the congressional policy underlying the broad grants of legislative power to the Territories which was stated by the Supreme Court in *Clinton* v. *Englebrecht*, 80 U.S. (13 Wall.) 434, 441 (1871) as one that "has ever been that of leaving to the inhabitants all the powers of self-government consistent with the supremacy and supervision of national authority." A recent illustration of this congressional policy to confer the broadest legislative authority upon local legislatures was the act of August 28, 1958 (72 Stat. 1094, 48 U.S.C. 1574; Public Law 85–851), which amended the Revised Organic Act of the Virgin Islands by deleting the words "subjects of local application" and substituting the words "all rightful subjects of legislation," in order to change the effect of the Supreme Court's decision in *Granville-Smith* v. *Granville-Smith*, 349 U.S. 1 (1955), which had held that under the former words the Virgin Islands Territorial Legislature had not been delegated sufficient legislative power to enact a statute authorizing divorce suits by persons in the Virgin Islands who had not yet acquired domicile therein. See House Report 1726, pages 2, 6–7, and Senate Report 2267, pages 2, 7, both 85th Congress, 2d session, indicating that Congress made this amendment in order that "the legislative jurisdiction of the Territory would cover the ordinary area of sovereign legislative power as limited and circumscribed by the Revised Organic Act or the laws of the United States made applicable to the Virgin Islands" (S. Rept. 2267, 85th Cong., supra).

In view of this long-established and uniform line of precedents, it is significant that the Supreme Court and the courts of the District frequently referred to the District Legislative Assembly government of 1871–1874 as a "territorial government." *Eckloff* v. *District of Columbia*, 135 U.S. 240, 241 (1890); *District of Columbia* v. *Hutton*, 143 U.S. 18, 20 (1892); *Roth* v. *District of Columbia*, 16 App. D.C. 323, 330 (1900); *Grant* v. *Cooke*, 7 D.C. 165, 194, 200–201, 207 (1871).

This vast background of constitutional, congressional, and judicial history and practice was synthesized by the Supreme Court in its unanimous opinion in *District of Columbia* v. *John R. Thompson Co., Inc.*, 346 U.S. 100 (1953).

In that case the Court upheld the validity of two statutes prohibiting racial discrimination in restaurants enacted by the Legislative Assembly of the District of Columbia, pursuant to the Organic Act of 1871 which invested it with legislative authority over "all rightful subjects of legislation." The Court's rulings concerning the power of Congress to delegate authority to a legislative body for the District of Columbia are summarized in the first two headnotes of the Court's decision, as follows:

1. Under article I, section 8, clause 17 of the Federal Constitution, Congress had power to delegate its lawmaking authority to the legislative assembly of the municipal corporation created by the Organic Act of 1871 for the government of the District of Columbia (pp. 104–110).

(a) The power of Congress under article I, section 8, clause 17 of the Constitution to grant self-government to the District of Columbia is as great as its authority to do so in the case of Territories (pp. 106–107).

(b) The power of Congress over the District of Columbia relates not only to "national power" but to all the powers of legislation which may be exercised by a State in dealing with its affairs (p. 108).

(c) The Constitution does not preclude delegation by Congress to the District of Columbia of full legislative power, subject to constitutional limitations to which all lawmaking is subservient and to the power of Congress at any time to revise, alter, or revoke the authority granted (pp. 108–109).

(d) In the provision of article I, section 8, clause 17 of the Constitution, empowering Congress "to exercise exclusive legislation" over the District of Columbia, the word "exclusive" was employed to eliminate any possibility that the legislative power of Congress over the District would be deemed concurrent with that of the ceding States; and it does not make the power nondelegable (pp. 109–110).

2. Within the meaning of section 18 of the Organic Act of 1871, the "rightful subjects of legislation" to which the legislative power of the District of Columbia government extended was as broad as the police power of a State, and included a law prohibiting discriminations against Negroes by restaurants in the District of Columbia (p. 110).

The Supreme Court in the Thompson case specifically pointed out that the "power of Congress over the District and its power over the Territories are phrased in very similar language in the Constitution"—pages 105–106. It pointed out that the power of Congress to delegate "legislative power to a Territory is well settled" and held that the power which Congress may constitutionally delegate to a Territory, subject to the right of Congress to revise, alter, and revoke, "covers all matters 'which, within the limits of a State, are regulated by the laws of the State only' "—page 106, citing *Simms* v. *Simms*, 175 U.S. 162, 168, supra. The Court therefore ruled as follows, pages 106–107:

The power of Congress to grant self-government to the District of Columbia under article I, section 8, clause 17 of the Constitution would seem to be as great as its authority to do so in the case of Territories.

The Supreme Court specifically dealt with the distinction which court of appeals attempted to draw in the Thompson case, namely, that Congress could validly delegate municipal but not general legislative powers. This distinction had first crept into decisions of the District of Columbia courts in *Roach* v. *Van Riswick*, MacArthur Mackey (11 D.C.) 171 (1879). The Supreme Court examined the precedents relied on by the lower court, found them inapplicable, and flatly rejected the municipal-general distinction—pages 107–109. The Supreme Court squarely ruled that "on the analogy of the delegation of powers of self-government and home rule both to municipalities and to Territories there is no constitutional barrier to the delegation by Congress to the District of Columbia of full legislative power, subject, of course, to constitutional limitations to which all lawmaking is subservient and subject also to the power of Congress at any time to revise, alter, or revoke the authority granted"—page 109.

The Supreme Court then concluded as follows—page 110:

We conclude that the Congress had the authority under article I, section 8, clause 17 of the Constitution to delegate its lawmaking authority to the legislative assembly of the municipal corporation which was created by the Organic Act of 1871 and that the "rightful subjects of legislation" within the meaning of section 18 of that act was as broad as the police power of a State so as to include a law prohibiting discriminations against Negroes by the owners and managers of restaurants in the District of Columbia.

I submit that on the basis of this long line of history and precedent, it is entirely clear that Congress has the constitutional power to delegate legislative powers to a local legislative body for the District of Columbia, and that Congress can make such delegation effective with respect to any matter, subject only to the following conditions:

1. The local legislature may not pass acts to operate beyond the District, just as a State cannot pass legislation to operate outside the State boundaries (except of course to the extent that the full faith and credit clause of the Constitution requires other States to recognize them—see *Embry* v. *Palmer*, 107 U.S. 3 (1882)).

2. The local act may not transgress any limitation then or later prescribed by Congress.

3. Congress may at any time, revise, alter, or revoke the local body's enactments.

4. Congress may not abdicate its own ultimate power to alter or revoke any act passed by the local body.

5. Congress can at any time take away the delegated power.

6. The local act remains at all times "subject to constitutional limitations to which all lawmaking is subservient."

I submit, therefore, that the question of whether, and in what form, Congress should grant the people of the District of Columbia home rule, with authority to enact local laws incident to self-government, is a question only of policy and morality, not a question of legislative power or constitutional limitation. Congress clearly has the power to do so under the Constitution and may, if it wishes, confer legislative power upon a local legislative body for the District of Columbia "as broad and comprehensive as language could make it."

It is my firm belief that the territorial home rule bills now before the 86th Congress—the Reuss bill, H.R. 4637; the Multer bill, H.R. 4630; the O'Konski bill, H.R. 4400, and other identical bills—which would provide a territorial form of government for the District of Columbia with an appointed Governor and secretary, and an elective legislative assembly and nonvoting Delegate to the House of Representatives, is a proper measure by which to provide

self-government to the people of the District of Columbia while at the same time preserving the national interest in the Federal city. I hope this bill will be enacted.

THE CANDIDATES NEGROES PREFER FOR PRESIDENT

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. POWELL. Mr. Speaker, I wish to call attention to the following article taken from the August 20, 1959, number of Jet magazine, entitled "The Candidates Negroes Prefer for President: Nixon, Stevenson, Humphrey," by Simeon Booker:

THE CANDIDATES NEGROES PREFER FOR PRESIDENT: NIXON, STEVENSON, HUMPHREY

(By Simeon Booker)

With the important 1960 presidential campaign coming up and the Negro vote a balance of power in some 10 key States, the most popular candidate for the Nation's highest office today among U.S. Negroes is Vice President RICHARD NIXON.

Scarcely known among minority groups when he first ran on the GOP ticket with President Eisenhower, the Californian has zoomed into an unmatched popularity among both Negro Democrats and Republicans. On the Democratic side, ex-Illinois Gov. Adlai Stevenson, a two-time contender for the Presidency, and Minneapolis Senator HUBERT H. HUMPHREY, long a civil rights fighter, rally the heaviest, but still not predominant, support. Despite what some politicians say, civil rights far exceeds economics as the major issue for campaigning among leading Negroes in 22 States.

These views are made known in Jet's first nationwide poll of Negro leaders. Some 855 leaders distributed in 22 States were queried as to their presidential preference and the issues foremost to Negroes in the 1960 race. The survey included 200 leaders from each party who are recognized by their respective national committees, as well as a sampling of 455 outstanding spokesmen in education, business, religion, and civic affairs from coast to coast.

Enthusiasm among Negro Republicans far exceeded the Democratic response, a factor which indicates the degree of GOP positiveness and the high degree of indecision among the Negro Democrats on their party's standard bearer. The Republican leaders were asked: "Who do you prefer for President?" Among those who responded, the results were as follows:

	Percent
Richard Nixon	81.7
Nelson Rockefeller	18.3

The Negro Republicans were also asked: "Who do you prefer as the opposition candidate?" The response was as follows:

	Percent
Adlai Stevenson	26.7
John F. Kennedy	21.3
Hubert H. Humphrey	17.3
Lyndon Johnson	14.7
Stuart Symington	5.3
G. Mennen Williams	4.0

The more than 4 to 1 preference for the Vice President surprises the politicians who argue that New York Gov. Nelson Rockefeller is a heavy favorite among Negroes because of his family's wide philanthropic endeavors. Nixon's support came from varied sources.

A Fort Worth leader wrote: "Because of his just and impartial thinking." A Richmond, Va., pollster said: "He's experienced, both aggressive and progressive. A liberal." From Seattle, Wash.: "He's qualified and forthright." A Chicago leader said: "He'll do more for the Negro, which is uppermost in my mind at present." From Birmingham: "I think he's the best man the Republicans have." From Oklahoma City: "I believe his contacts with Negroes give him a clearer insight into minority problems." From Detroit: "He sets well in Asia and Africa." From Tuskegee: "He has the courage to act on vital questions and issues."

Meanwhile, Governor Rockefeller received endorsement from East St. Louis: "I like his liberal attitude toward members of our race." From Chicago: "The Negro businessman would get a better break."

Although the Negro Republicans favored NIXON and endorsed Stevenson as an opposition candidate, there was no such clear-cut selection of a Democratic candidate among Negro Democrats.

Out of 200 Negro Democrats who were asked the same question as to their presidential preferences, the following results were obtained:

	Percent
Adlai Stevenson	33.8
Hubert Humphrey	33.8
G. Mennen Williams	11.3
John F. Kennedy	8.5
Stuart Symington	7.1
Pat Brown	4.2
Chester Bowles	1.4

With a much smaller return, the Negro Democrats overwhelmingly endorsed ex-Gov. Adlai Stevenson of Illinois and Senator HUBERT HUMPHREY of Minnesota, while giving the party's hardest runner, Massachusetts Senator JOHN F. KENNEDY, a poor fourth.

In questioning the Democrats concerning their preference for opposition candidates on the Republican ticket, it is interesting to note that the Negro Democrats reciprocated with the Republicans by endorsing the candidates preferred by the Negro Republicans. The results were:

	Percent
Richard Nixon	63.1
Nelson Rockefeller	36.9

The poll brings out that many of the Democratic candidates do not enjoy a wide contact with Negroes across the country. The surprising strength for Stevenson and HUMPHREY probably is due in part to their outspokenness on civil rights and in part to their long relationship with Negro groups.

Of Stevenson, the praise was great. Said a Montgomery, Ala., leader: "He is the only great statesman in the political arena. He is beyond a mere politician. He has great vision." Of HUMPHREY, a Norfolk, Va., pollster said: "A liberal who thinks." The popularity of the Vice President among the Negro Democrats could pose a real threat to the party in the event it should nominate a candidate who is not as well known. The results possibly could be a loss of the traditional 80 percent of the Negro vote.

In response to the question: "What issue do you believe will be foremost to Negroes in the 1960 race?" the most typical reply was the tremendous emphasis on civil rights, while, on the other hand, only a few included economics or job opportunity or foreign affairs.

Some of the issues mentioned follow. Said one Lansing, Mich., leader: "Executive leadership or the lack of it in bringing an orderly end to segregation, North and South." Said a Minneapolis leader: "Civil rights and the support of the Supreme Court order on segregation." Said a Los Angeles spokesman: 'Civil rights and labor." Said a Philadelphia man: "School and housing desegregation."

Leaders of both parties concurred wholeheartedly on the general subject of civil rights although some specified items such as Dixie voting barriers, while others mentioned the enforcement of the Supreme Court desegregation order for schools. This emphasis on civil rights is further enhanced by the similarity in the presidential choices for both parties. Except for Senator JOHN KENNEDY being on the GOP Big Three, both the Negro Dems and GOPers endorsed each other's candidates as their preferred opposition—indicating civil rights as a common denominator among Negro political leaders in the 1960 race.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PRICE, for 30 minutes, today.

Mr. BAILEY, for 10 minutes, on August 24.

Mr. FLOOD (at the request of Mr. MCCORMACK), on two subjects, for 30 minutes each, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCGOVERN.

Mr. WOLF.

Mrs. KEE in two instances and to include extraneous matter.

Mr. DULSKI and to include extraneous matter.

Mr. SMITH of California and to include extraneous matter.

Mr. KNOX and to include extraneous matter.

Mr. MACK of Washington in two instances and to include extraneous matter.

Mrs. SULLIVAN (at the request of Mr. BURNS of Hawaii) to revise and extend the remarks she made during general debate today in the Committee of the Whole and to include extraneous matter.

(At the request of Mr. GRIFFIN, the following Members to extend their remarks and include extraneous matter in the RECORD:)

Mr. DERWINSKI in one instance.

Mr. TOLLEFSON.

(At the request of Mr. BURNS of Hawaii, and to include extraneous matter, the following:)

Mr. CARTER.

Mr. KIRWAN.

Mr. MCDOWELL.

Mr. GALLAGHER.

Mr. FLYNN.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 623. An act to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California; to the Committee on Agriculture.

S. 1072. An act for the relief of Pierre Bertagnolio; to the Committee on the Judiciary.

S. 1262. An act to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game and food fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

S. 1298. An act for the relief of Concetta Meglio Meglio; to the Committee on the Judiciary.

S. 1372. An act to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia; to the Committee on the District of Columbia.

S. 1575. An act to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies on the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 1576. An act to provide for the construction of a salt-water research laboratory at Seattle, Wash.; to the Committee on Merchant Marine and Fisheries.

S. 1715. An act to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1736. An act to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission; to the Committee on Interstate and Foreign Commerce.

S. 1738. An act to amend section 5(c) of the Communications Act of 1934, as amended, to redefine the duties and functions of the review staff; to the Committee on Interstate and Foreign Commerce.

S. 1740. An act to amend section 202(b) of the Communications Act of 1934 in order to expand the Federal Communication Commission's regulatory authority under such section; to the Committee on Interstate and Foreign Commerce.

S. 1751. An act to place in trust status certain lands on the Wind River Indian Reservation in Wyoming; to the Committee on Interior and Insular Affairs.

S. 1836. An act for the relief of Martha Uchacz; to the Committee on the Judiciary.

S. 1856. An act for the relief of Frank Podany; to the Committee on the Judiciary.

S. 1865. An act for the relief of Man-Yeh Chow; to the Committee on the Judiciary.

S. 1898. An act to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act; to the Committee on Interstate and Foreign Commerce.

S. 1966. An act to provide for the licensing of public insurance adjusters in the District of Columbia; to the Committee on the District of Columbia.

S. 1973. An act to extend the validity of the passport to 3 years; to the Committee on Foreign Affairs.

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins; to the Committee on the Judiciary.

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor; to the Committee of the District of Columbia.

S. 2050. An act for the relief of Leokadia Jomboski; To the Committee on the Judiciary.

S. 2053. An act to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina; to the Committee on Merchant Marine and Fisheries.

S. 2102. An act for the relief of Irene Wladyslawa Burda; to the Committee on the Judiciary.

S. 2185. An act to provide appropriate public recognition of the gallant action of the SS *Meredith Victory* in the December 1950 evacuation of Hungnam, Korea; to the Committee on Merchant Marine and Fisheries.

S. 2190. An act for the relief of Antonino Miosi Castronovo; to the Committee on the Judiciary.

S. 2219. An act to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes; to the Committee on Foreign Affairs.

S. 2263. An act to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

S. 2264. An act to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

S. 2268. An act to declare that the United States holds title to certain land in trust for the White Mountain Apache Tribe, Arizona; to the Committee on Interior and Insular Affairs.

S. 2323. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

S. 2440. An act to designate the Green Peter Dam and Reservoir on Middle Santiam River, Oreg., as the Douglas McKay Dam and Reservoir; to the Committee on Public Works.

S. 2482. An act to remove geographical limitations on activities of the Coast and Geodetic Survey, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2483. An act to provide flexibility in the performance of certain functions of the Coast and Geodetic Survey and of the Weather Bureau; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant; to the Committee on Interior and Insular Affairs.

S.J. Res. 115. Joint resolution authorizing the purchase of certain property in the District of Columbia and its conveyance to the Pan American Health Organization for use as a headquarters site; to the Committee on Public Works.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 255. An act to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear;

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree disability within 3 years after separation from active service shall be presumed to be service connected;

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as "Lake Mendocino";

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 3365. An act to authorize the crediting of certain service for purpose of retired pay for nonregular service, and for other purposes;

H.R. 4242. An act for the relief of certain aliens;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85-818;

H.R. 7112. An act to amend section 1005(c) of the Federal Aviation Act of 1958 to au-

thorize the use of certified mail for service of process, and for other purposes;

H.R. 7165. An act for the relief of Filip Lewensztejn (Harry Lipa Levenstein);

H.R. 7650. An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children;

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia", approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription;

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income; and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 4242. An act for the relief of certain aliens;

H.R. 7650. An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

ADJOURNMENT

Mr. BURNS of Hawaii. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 39 minutes p.m.) the House, pursuant to its previous order, adjourned until Monday, August 24, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1322. A letter from the Secretary of Commerce, transmitting the 48th Quarterly Report on Export Control, dated August 15, 1959, pursuant to the Export Control Act of 1949; to the Committee on Banking and Currency.

1323. A letter from the Secretary of Commerce, transmitting a report of all claims paid by the Department of Commerce during fiscal year 1959, pursuant to the Federal Tort Claims Act (28 U.S.C. 2673); to the Committee on the Judiciary.

1324. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Tom Do Shing, A-4034667, involving suspension of deportation under the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1325. A communication from the President of the United States transmitting the final report of the President's Committee To Study the U.S. Military Assistance Program, with the several studies which are annexes thereto (H. Doc. No. 215); to the Committee on Foreign Affairs and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. H.R. 7979. A bill to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.; without amendment (Rept. No. 955). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H.R. 8601. A bill to enforce constitutional rights, and for other purposes; without amendment (Rept. No. 956). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. S. 2162. An act to provide a health benefits program for Government employees; with amendment (Rept. No. 957). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams; without amendment (Rept. No. 958). Referred to the House Calendar.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 2208. An act to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act; with amendment (Rept. No. 959). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. H.R. 7476. A bill to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control; without amendment (Rept. No. 960). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 7256. A bill for the relief of Miss Remedious Villanueva; with amendment (Rept. No. 954). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H.R. 8748. A bill to revise, codify, and enact into law title 5 of the United States Code, entitled "Government Organization and Personnel"; to the Committee on the Judiciary.

By Mr. BROCK:

H.R. 8749. A bill to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes; to the Committee on Public Works.

By Mr. HALPERN:

H.R. 8750. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital," to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. PERKINS:

H.R. 8751. A bill to include the holders of star route and certain other contracts for the carrying of mail under the provisions of the Civil Service Retirement Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of California:

H.R. 8752. A bill to provide the venue in actions brought in U.S. district courts or in State courts against interstate common carriers by railroad for damages for wrongful death or personal injuries; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 8753. A bill to amend the Internal Revenue Code of 1954 to eliminate the provisions which presently allow an individual to exclude from gross income for income tax purposes the first $50 of dividends received in a taxable year; to the Committee on Ways and Means.

By Mr. DURHAM:

H.R. 8754. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

H.R. 8755. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States; to the Joint Committee on Atomic Energy.

By Mr. MAHON:

H.R. 8756. A bill to amend the Trademark Act of 1946; to the Committee on the Judiciary.

By Mr. DULSKI:

H.J. Res. 505. Joint resolution designating the first Sunday of October in every year as National Choir Recognition Day; to the Committee on the Judiciary.

By Mr. BAILEY:

H. Con. Res. 397. Concurrent resolution to create a Joint Committee on a National Fuels Policy; to the Committee on Rules.

By Mr. FLYNN:

H. Con. Res. 398. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mrs. KEE:

H. Con. Res. 399. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. PERKINS:

H. Con. Res. 400. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. SLACK:

H. Con. Res. 401. Concurrent resolution to create a Joint Committee on a National Fuels Policy; to the Committee on Rules.

By Mr. WATTS:

H. Con. Res. 402. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. FALLON:

H. Con. Res. 403. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MILLS:

H. Con. Res. 404. Concurrent resolution providing for printing additional copies of

the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws"; to the Committee on House Administration.

H. Con. Res. 405. Concurrent resolution providing for printing additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries"; to the Committee on House Administration.

By Mr. MOORE:

H. Con. Res. 406. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. BREWSTER:

H. Con. Res. 407. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. Res. 352. Resolution to print as a House document the handbook entitled "The United States Courts"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 8757. A bill for the relief of Rabbi Bernard Low; to the Committee on the Judiciary.

H.R. 8758. A bill for the relief of Evon Elaine Scott; to the Committee on the Judiciary.

By Mr. BENNETT of Florida:

H.R. 8759. A bill for the relief of Capt. Stanley Vidler; to the Committee on the Judiciary.

By Mr. GLENN:

H.R. 8760. A bill for the relief of Thomas L. Gunthorp; to the Committee on the Judiciary.

By Mr. HENDERSON:

H.R. 8761. A bill for the relief of Charles H. Biederman; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 8762. A bill for the relief of Gloria D. Nastor; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 8763. A bill for the relief of Marie Loray Legister; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 8764. A bill for the relief of Fotini Constantinos Voggas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

260. The SPEAKER presented a petition of the city clerk, El Cajon, Calif., urging continuation of the interstate highway construction program, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

A Bill To Eliminate Stock Dividend Exclusion Provisions of the Internal Revenue Code of 1954

EXTENSION OF REMARKS

OF

HON. STEVEN V. CARTER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 20, 1959

Mr. CARTER. Mr. Speaker, I introduced a bill in the House today which would eliminate the present provisions of the Internal Revenue Code of 1954 which allow an individual to exclude from his gross income for income tax purposes the first $50 of dividends received in a taxable year. In other words, what this amounts to is a repeal of section 116 of the Internal Revenue Code of 1954.

I would like to explain my reasons for introducing this particular piece of legislation. First, let me go into the circumstances which led to the presence of this provision in the 1954 act. It was put there not so much as a benefit to the individual taxpayer as it was a gesture toward eliminating double taxation on corporate profits. Now, I am as much against the idea of double taxation as anyone else, where it can possibly be achieved. However, this particular provision is not of any real help to the taxpayers who derive benefits from stock dividends. The amount which is allowed for exclusion is entirely too small to be of benefit either to the small investor or to the large. In fact, there is no real distinction that can be made between the benefits that each one gets, except perhaps that it is proportionally greater for the small investor than for the large one. So what we are really doing under this section of the act, Mr. Speaker, is depriving the Federal Treasury of several million dollars per year in the rather empty gesture, as I said before, of attempting to avoid double taxation. And yet we are not really being of any material assistance to the individual taxpayer. Hence, my reasons for introducing this bill.

Now, to get to the crux of the matter, I completely agree that we should avoid double taxation on corporate profits. However, I think this should be done by either completely exempting stock dividend funds of corporations, or we should levy the full tax upon such funds prior to their distribution, and then after distribution, exempt the individual taxpayer from having to pay any taxes on the money he received.

I am aware that the House Ways and Means Committee is going to undertake a thorough reexamination of our Internal Revenue Code during the adjournment of Congress. I therefore realize that this bill and others which I have introduced affecting our present tax structure will probably never be enacted into law. However, I want to have these particular things a matter of record, and I sincerely hope that the House Ways and Means Committee will see fit to take all pending bills affecting the Internal Revenue Code under study at the time that they deal with this complex but highly important problem.

Payment in Lieu of Taxes to Communities Where Federal Property Is Located

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, August 20, 1959

Mr. WILEY. Mr. President, we recognize that today the high costs are hitting not only the individual American and Uncle Sam, but also State and local governments attempting to meet the needs of ever-increasing populations.

As a matter of fact, a great many local communities are having difficulties in finding the tax money to provide needed water, sewage and other public services.

The difficulty becomes particularly acute in areas in which there is substantial amount of Federal, non-tax-paying property. The existence of such property not only deprives the community of a tax source; it also amounts to an expense since often the area must be provided regular community services.

We recall that earlier this year, the Government Operations Committee held hearings on a bill S. 910—which I was pleased to cosponsor—to provide that under certain conditions the Government would make payments to communities in lieu of the taxes that would normally have derived from Federal property in the area.

As I understand it, the Treasury Department has now withdrawn its objections to enactment of this bill. I would hope, therefore, that the Government Operations Committee will find it possible to give consideration to it as early as possible.

We are aware, of course, that Uncle Sam, too, is having difficulties in finding enough income to meet the outgo. However, the question arises as to whether or not Uncle Sam's money problems can justify the existence of an inequitable situation in which communities are deprived of tax sources as the result of Federal non-tax-paying property. As a matter of fact, such Federal property not only results in loss of revenue, but in addition, adds expense to the local community by requiring public services.

I am aware, of course, that there is on the calendar a bill, S. 2026, which would establish a commission which would have as one of its objectives resolving these problems between local, State, and Federal Governments.

Frankly, I feel the establishment of the commission would contribute toward clarification of these intergovernmental relations. Meanwhile, I would hope that expeditious consideration could be given to the bill S. 910 which would initiate action toward providing greater equity to communities where Federal property is located.

We recognize, of course, that this is extremely important to local governments throughout the country.

This morning, I received a telegram from Mr. B. F. Hillenbrand, executive director of the National Association of County Officials, urging action on S. 910. I ask unanimous consent to have the telegram printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *August 19, 1959.*
Senator WILEY,
Senate Office Building,
Washington, D.C.:

Administration through Treasury Department now supports payments in lieu of taxes bill, S. 910. Major breakthrough. As cosponsors of S. 910 counties urge you request immediate favorable action by Government Operations Committee.

B. F. HILLENBRAND,
Executive Director, National Association of County Officials.

Need for Joint Committee on a National Fuels Policy

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mrs. KEE. Mr. Speaker, I have today introduced a concurrent resolution calling for the creation of a Joint Committee on a National Fuels Policy.

I sincerely hope that the resolution, which has also been introduced by a number of my colleagues, will be approved at this session of the Congress.

There is an urgent need, Mr. Speaker, for the Government to formulate a fuels policy. We have an oil and gas policy and a policy for the development of atomic energy. But the Federal Government has never determined just what the national policy for coal should be. Nor has it determined just how each of these fuels shall be fitted into a national picture.

Tremendous demands for fuels of all kinds can be expected in the future. The United States has a rapidly expanding economy. And we can all agree, I am sure, that adequate fuels are essential to the national security.

The National Coal Policy Committee is strongly supporting this resolution. This new organization represents all segments of the coal industry—mine operators, miners, coal-carrying railroads, and machinery manufacturers.

The new Coal Policy Committee is naturally interested in the growth and development of the coal industry. But more importantly, it is interested in seeing that a national policy, making full use of all of our fuels, is worked out.

I can think of no better way to accomplish this objective than by entrusting the difficult job to a joint congressional committee.

The Khrushchev Visit

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. McGOVERN. Mr. Speaker, we are soon to be visited by one of the most powerful men in modern history—Soviet Premier Nikita Khrushchev. It is of the utmost importance that while we are greeting Khrushchev, we also maintain our perspective on world affairs.

The hard job of building the peace of the world will still be ahead of us, regardless of Mr. Khrushchev's recent smiles.

I agree with President Eisenhower that Khrushchev should be treated courteously, but I know the President does not want us to close our eyes to the menacing threat of communism. Certainly, our international problems will not disappear overnight simply because Khrushchev has decided to visit us.

Mr. Khrushchev is the same ruthless dictator who ordered Russian tanks to smash the Hungarian freedom movement. He is the same tyrant who presides over a godless tyranny that no true American can ever tolerate.

While we have enough faith in our democracy to be courteous even to those whose doctrines we despise, we want to make it clear that beneath our courtesy our sense of justice cries out against the evils of Communist tyranny.

It is far better that we talk to Khrushchev than get into a nuclear war with him, but peace cannot be built simply on well-publicized trips between Moscow and Washington.

It will take all the patience, courage, and imagination that we can muster for decades to lay the basis for a durable peace.

Buffalo Heroes Honored

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. DULSKI. Mr. Speaker, recently the city of Buffalo was honored in having a heavy cruiser, the U.S.S. *Macon,* visit its port. The *Macon* is the flagship of the Operation Inland Seas fleet of the Navy, and one of the first great ships to transit fresh waters.

An impressive ceremony was held aboard the *Macon* to honor two Buffalo heroes. One was Adam Plewacki, the first Buffalo soldier to fall in World War I, and the other was Raymond Pawlowski, a Buffalo sailor who died aboard the U.S.S. *Arizona,* along with 1,100 other crewmen of the battleship when the Japs unleashed their attack against 88 ships at anchor in Pearl Harbor on December 7, 1941.

Invited aboard the *Macon* to pay respects to Mr. and Mrs. Robert Pawlowski, parents of Raymond, was a delegation from the Adam Plewacki American Legion Post 799, named after the World War I hero, which included Post Commander Robert Gredzicki and Past Commanders Walter Sokolowski, Matthew Stukowski, and Leonard Jaskowiak.

Others attending the ceremony were Henry Polanski, Sons of Legion chairman; Raymond Bazamowski, Erie County American Legion finance officer; Eugene Kayne, past 8th district Legion commander; Mrs. Helen Bojanowski, post auxiliary president; Under Sheriff B. John Tutuska; and Representative THADDEUS J. DULSKI of the 41st District. The new generation was represented by a group of 25 young men enrolled in the Sons of Legion.

On behalf of the Secretary of the Navy, Capt. J. C. Wylie, commanding officer of the *Macon,* presented to the parents of Raymond Pawlowski a flag which had been flown over the sunken *Arizona.* Flags fly from the devastated battleship's superstructure which rises from the wreckage. A Marine guard saluted the flag presentation ceremony.

Young Plewacki, buried in the American Cemetery at St. Mihiel, was killed in action near St. Mihiel April 3, 1918, shortly after he had received the Croix de Guerre from the French Government. He had lived at 753 Best Street and was among the first in the city to enlist.

Mrs. Helen Fleming Czachorski

EXTENSION OF REMARKS
OF
HON. EDWARD J. DERWINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. DERWINSKI. Mr. Speaker, it is with a great deal of pride and inspiration that I call to the attention of the Members of Congress the achievements of a distinguished woman attorney in my district, Mrs. Helen Fleming Czachorski. Mrs. Czachorski is a unique and outstanding woman and I wish to take this opportunity to acquaint you with her background and qualifications.

Helen Fleming Czachorski was born April 27, 1888, in Buffalo, N.Y., the second of five children of Mr. and Mrs. Teofil Fleming. She was educated at Masten Park High School, Buffalo, and then entered Buffalo University, from whence she received her LL.B., the first female graduate of that university's college of law, in June of 1908. She was admitted to practice November 16, 1909, before the Supreme Court of the State of New York. Her first position was as an associate of Samuel Harris, later to become a judge of the Supreme Court of New York.

In 1914, she married Dr. John A. Czachorski of Chicago, Ill., and was admitted to legal practice in Illinois. In the same year she was elected attorney of the Polish Women's Alliance and remained general counsel of that national organization until 1936.

In 1941, Mrs. Czachorski was elected national president of the Polish Bar Association, being the first woman to hold said position. She was the founder of this association. She was also one of the founders of the Chicago Advocates Society, a local branch of the national group.

Mrs. Czachorski is unique in that she is believed to be the first woman of Polish extraction to be admitted to the practice of law anywhere in the world. It is also believed that she is the only mother associated in a law partnership with her sons. She and her sons, Eugene and John, have their law firm at 100 North La Salle Street, Chicago. Previous to this association, she was engaged in the practice of law with her brother, Edward E. Fleming. She was attorney for the Hegewisch Federal Savings & Loan Association, Hegewisch, Ill., for many years.

This most distinguished woman has been active in many civic, charitable, and professional organizations throughout the years. She is a member of Women's Bar Association, South Chicago Bar Association, Polish Women's Alliance of America, Polish Roman Catholic Union, Polish Welfare Association, Women's Auxiliary of Chicago Polish Medical Society, attorney for Polish Women's Alliance of America for 21 years.

Mr. Speaker, Mrs. Helen Fleming Czachorski is certainly a rare and outstanding professional woman and is truly deserving of all the civic as well as personal tributes that she will receive on her 50th anniversary of legal practice.

Hawaii Day in New Jersey

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. GALLAGHER. Mr. Speaker, Governor Meyner, our distinguished Governor of New Jersey, has proclaimed today Hawaii Day in New Jersey. I would like to join in the celebrations and extend a most joyous welcome to our new State.

I had the memorable pleasure and honor to participate in the vote for statehood for Hawaii in March. This was a living demonstration of democracy in action. It is proof of the vitality of the United States. It is the fulfillment of hope that we have long held out to the loyal people of Hawaii. The vote for statehood demonstrates that the United States offers more than the hope of freedom to the world. It is proof that the United States of America is synonymous with the word "freedom."

To my colleagues from our new State, I extend a most sincere welcome. May he find it as rewarding an experience as I have.

Century 21 Exposition Waste of Taxpayers Money

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. WOLF. Mr. Speaker, yesterday Congress voted on a bill, H.R. 8374, which would authorize the expenditure of over $12.5 million for participation of the Federal Government in the Century 21 Exposition to be held in Seattle, Wash., beginning in 1961.

I feel that this is a waste of the taxpayers money. The project is not one which has particular merit and has little, if any, international significance.

I would have voted against this bill if a rollcall would have been taken on it. I am a bit dismayed that a rollcall was not taken on this bill which will cost the American taxpayers over $12.5 million for what amounts to little more than a State fair.

I believe that the Federal Government should participate in all activities which promote cultural and scientific understanding between nations of the world. This necessarily includes participation in activities such as international expositions, cultural and scientific exchanges.

However, I do not believe that the Federal Government should participate in programs, such as the exposition contemplated in this case, which are not, in fact, a part of the fiscal year budget of the Federal Government.

If the Department of Commerce was seriously interested in this project it would have made the request as part of its yearly budget. Indeed, it is very unusual that a department would send a bill down to the Congress asking for an authorization of money (in this case $12.5 million) without including that amount in its yearly budgetary request in view of the fact that the Bureau was aware of this item when planning the budget.

Certainly no one will argue that this is must legislation in the sense that school construction is must legislation, or housing development is must legislation, or road construction is must legislation, or economic foreign aid is must legislation, or urban renewal and slum clearance is must legislation.

Yet the Congress is placed in a position where it is supposed to support a project which is clearly not a necessity, and its national or international significance is dubious on its face. Under the terms of this authorization, $7.5 million would be used directly for the construction and supplying of scientific exhibitions whereas $5 million would be used for building an exposition building.

I have been informed that public buildings already exist which could be used for such scientific exposition on the proposed grounds. Hence, I must question the need for building another such building. Furthermore, upon completion of this exposition in 1962, it is unclear as to what the status of that building would be. Under the present arrangements it may well be necessary for the Federal Government to buy the land from the city of Seattle if it is to protect its $5 million investment in the building. If proper safeguards are not taken, it can be safely predicted that the building will be sold at a great loss by the Federal Government at the close of the exposition.

Therefore, I submit that an expenditure of money such as is contemplated in this bill is a questionable use of the taxpayer's money when we are trying so hard to balance the budget. There is no need to build a $5 million building for this exposition; and any $7.5 million administration request for authorization of a scientific exhibition such as the one contemplated here should appear in the President's budget.

Establishment of a National Fuels Policy Is of Utmost Urgency

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mrs. KEE. Mr. Speaker, a number of Members of the House who represent coal-producing areas have introduced identical concurrent resolutions calling for the establishment of a Joint Committee on a National Fuels Policy.

Those of us who introduced the resolutions are convinced, Mr. Speaker, that the establishment of a national fuels policy is a matter of utmost urgency.

This is a matter which does not concern coal only. Rather, it vitally affects all of the other fuels upon which this great industrial nation depends. Also, it directly concerns our national security.

I strongly believe, Mr. Speaker, that the responsibility for the establishment of national policy in a field as important as that concerning energy fuels should rest with the legislative branch.

In the resolutions introduced in the House, the sponsors seek to have Congress carry out this responsibility.

I trust that in the closing weeks of this session of Congress this tremendously important matter will not be overlooked. We need to get on with this job. By passing this resolution now, Congress can empower the joint committee to organize during the recess and be ready to get down to serious business in January.

I urge this House to act upon the resolution before adjournment.

Un-American Attempt To Intimidate the Congress of the United States

EXTENSION OF REMARKS
OF
HON. VICTOR A. KNOX
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. KNOX. Mr. Speaker, much has been written and said during the last few weeks about labor reform legislation, especially the Landrum-Griffin bill. I have received hundreds of letters, telegrams, and postcards on this subject from all parts of the Nation. None of these contained a threatening tenor, except for the form letter I received this morning from James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers. His threatening communication is a reflection on the citizens of the United States and an un-American attempt to intimidate the Congress of the United States.

Under unanimous consent to extend my remarks, I include at this point in the RECORD my reply to Mr. Carey:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 20, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio, and Machine Workers, Washington, D.C.

DEAR MR. CAREY: I have received your form letter of August 18 endeavoring to intimidate me because of my favorable vote on August 13, 1959, in support of the Landrum-Griffin bill, which also was supported by President Eisenhower as well as by 303 of my colleagues out of the total membership of 436 in the House of Representatives.

It is interesting to note that you have described this legislation as "a punitive and repressive measure." This phrase characterizes the tenor of your letter. In my judgment your action constitutes a grave and intemperate misuse of the money of the rank-and-file of labor union members. By your ill-considered threat you are exposing the labor boss practice of the denial of the basic rights and democratic processes of your union members. A threat from you is no more terrifying to me than would be a threat from Mr. Hoffa, although I believe even he would be inclined to use better judgment than you have demonstrated.

By your act you have caused me to realize more than ever that I was correct in voting for the Landrum-Griffin bill. I am sure my voting record has proven to my constituency that I am interested in individual rights and democracy more than in the concentration of power in the hands of big business, regardless of whether that big business be the management boss or the labor boss.

The people of the 11th Congressional District of Michigan will not yield to the unthinking dudgeon of any labor leader when they are exercising the right to mark their ballot in secret for the candidates of their choice. Similarly, I would not, and did not, yield to any pressures from the National Association of Manufacturers and the Chamber of Commerce, as you allege, when I cast my vote for the Landrum-Griffin bill.

I have always supported legislation that would protect the rights of labor union members and would rid the unions of the practices of corruption, breach of trust, gangsterism, violence, and abuses of power. The political hoodlumism that you imply will be brought to bear against me does not dismay me, and I am sure it will not be persuasive with the thinking people of my congressional district.

In order that my constituency may be aware of your activities I am sending a copy of your letter and my reply to all individuals on my mailing list. I respect the intelligence of the people whom I have the honor to represent, and know that they too will realize more than ever the real need for the enactment of the provisions of the Landrum-Griffin bill.

Yours truly,

VICTOR A. KNOX,
Member of Congress.

The Wonderful Lady With the Yuletide Name

EXTENSION OF REMARKS
OF
HON. GERALD T. FLYNN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. FLYNN. Mr. Speaker, my hometown of Racine, Wis., is privileged to have among its citizens a most kind, thoughtful and wonderful lady with the Yuletide name of Mary Christmas. Many Members of Congress may have read or heard in years past of the great work which Mary Christmas does throughout the entire country with her Shut-in Club; and answering the thousands of requests each year for Christmas greetings. For the past 5 weeks Mary Christmas has been seriously ill in St. Mary's Hospital, Racine, Wis.; and I would like to pay tribute to her and let her know that we are thinking of her as she has, through the year, unselfishly remembered thousands of other shut-ins.

Mary Christmas was born in humble circumstances and her first husband, William M. Kiley, died leaving her with two small children and another child on the way. Mary worked hard to keep her family together and in 1919 married Samuel Christmas, who was born in England and who had served in the British Army prior to coming to America. Other children were born of this marriage and today Mary Christmas has 5 children, 26 grandchildren, and 1 great-grandson.

Over the years Mary had been sending greetings at Christmas time to children in the Racine area; but in the early 1930's, after a newspaper reporter wrote an account of her activities and after a radio appearance in Chicago and New York, her mail increased tremendously. Mary managed to answer all these letters personally. In 1936, an invalid by the name of Bernice Cameron wrote and asked Mary if she could correspond with her and also with other invalids with whom Miss Cameron was acquainted. Within a short time, Mary had hundreds of regular correspondents and it was decided to organize this activity as the Mary Christmas Shut-In Club. The club's activities shortly became nationwide and volunteers helped Mary handle the mail when its volume became too great for her to take care of personally. Contributions were received from interested Racine citizens to cover the postage expenses, but the club's activities were strictly a voluntary project and Mary gave all of her time freely to it. When World War II broke out, thousands of servicemen were added to the list of Mary's correspondents and each was remembered by her.

Mr. Speaker, this brief account will give the House some idea of what one person has managed to do in her lifetime to bring greetings, kind words of encouragement, cheer, joy, and happiness to invalids and others who are too seldom remembered by this busy, selfish world. Only those folks who have received her greetings or have been invalids can really appreciate the wonderful and unselfish work done over the years by Mary Christmas. Now that Mary herself is bedridden, we certainly should take time to remember her and to wish her a speedy and complete recovery. For folks such as Mary Christmas, having done God's work during her life, will be remembered by Him here on earth and in the life hereafter.

Red China Should Not Be Admitted to the United Nations

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. MACK of Washington. Mr. Speaker, I considered it a privilege to vote for the resolution that rejects any and all proposals that Red China be admitted to the United Nations.

Red China is an outlaw nation. She poured her Red troops into Korea and by this barbaric aggression plunged the free world into a bloody war that cost tens of thousands of young men their lives. Although that war has long since ended, Red China still holds many American prisoners.

It is unthinkable that Red China now should be permitted to crash the gates and gain admission to the United Nations with whose efforts for world peace China repeatedly has manifested she has no sympathy.

Some argue that if Red China is admitted to the U.N. she might reform. To this, I reply let Red China reform first and prove by her actions that she is worthy of membership in the U.N.

It would be a display of weakness on America's part for the Congress of the United States to go on record as favoring admission of Red China, after all her outlawry, into the U.N. I was proud to vote for the resolution keeping the United Nation's membership doors closed to Red China. In that vote I am certain I expressed the almost unanimous sentiment of the constituents whom I have the honor to represent in Congress.

The Expanded Highway Program

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. MACK of Washington. Mr. Speaker, at the time General Eisenhower became President of the United States in 1953, the National Government was collecting about $850 million a year from the Federal gasoline tax. It was expending $550 million of that gasoline money on highway construction and diverting about $300 million to use for other purposes including foreign aid.

President Eisenhower felt that all Federal gasoline revenues should go into building more, better, and safer roads for the motorists who pay the gasoline taxes. President Eisenhower recommended that be done.

In the Republican Congress of 1954 this was accomplished by Congress providing grants to the States for highway building purposes of $850 million a year or just about the amount of the gasoline tax revenues.

The result was a substantial speedup in highway construction.

But the President did not believe even this $300 million a year increase in road funds was enough to do the road building job that must be done to provide the Nation's growing millions of motorists the roads they require.

THE EXPANDED HIGHWAY PROGRAM

Great as was the advance made in the first years of the Eisenhower administration in increasing highway building it was not great enough to satisfy the President's desire. He named a Commission to study the highway problem—the Clay Commission. The Commission recommended the building of 37,000 miles of the Interstate Defense Highway System into four-lane divided highways that would connect and serve nearly all cities of great population in the Nation. The Congress backed up the Commission's recommendation.

Under the leadership of Chairman GEORGE FALLON, of Maryland, of the House Subcommittee on Highways, legislation was drafted and enacted to fulfill the Commission's recommendations.

It is said, and I think correctly so, when this highway program is completed in about 16 years the American motorist can drive from the Canadian border, north of Bangor, Maine, to the Mexican border, south of San Diego, Calif.—a distance of about 4,000 miles—on a four-lane divided highway on which there is not a single road crossing or a single traffic light.

The same freedom from cross traffic over four-lane divided highways will prevail on many other highways running east and west and north and south across the Nation.

Most cities will be bypassed, the roads going around and not through the towns.

Instead of the $550 million a year spent in 1953 and previous years and the $850 million spent in 1954 and again in 1955 on highways, the National Government now is spending in excess of $3 billion a year on building more, wider and safer highways. This is in addition to what the States spend.

WHO WILL PAY FOR THE ROADS?

Who will pay the cost of these new roads?

There has been some increase, of course, in the tax on gasoline and upon tires to finance this gigantic expanded highway program.

The road program, however, in the long run will pay for itself. Everyone using these highways will escape great wear and tear on their tires and cars. They will be safeguarded from being involved in accidents that usually involve expensive automobile repair bills and often even more costly doctor, hospital, and medical bills.

Each year about 40,000 Americans are killed in traffic accidents. The Safety Council estimates that the four-lane divided highways with no cross traffic will cut these fatal accidents in half. Also, the motorists by traveling over wider and better alined highways will be able to bypass cities and will save much time in getting from place to place.

ROADS PROGRAM HELPS PROSPERITY

The great road program the Eisenhower administration and the Congress has developed during the past few years also is playing an important part in keeping employment high, unemployment down, and adding to the general prosperity of the Nation.

Tens of thousands of American workers are finding employment in helping to build the new and additional highways.

In addition, other thousands obtain employment in the factories and businesses engaged in supplying the materials required in highway construction, such materials as cement, gravel, steel, lumber, and plywood. Still others gain work in factories engaged in producing roadbuilding equipment. Because of the highway program, there is less unemployment than there otherwise would be.

As in all great adventures, everything has not gone in the enormous roadbuilding program as expected.

Too much emphasis, for one thing, has been given to taking care of big city needs first and letting the building of roads in rural sections go until later. The result has been that in the first years of the program too much money has gone into buying costly rights-of-way for highways and not enough into actual construction. Most of this, however, is now behind us and we can expect highway construction to go forward much more rapidly.

How enormous this highway program really is can be understood by a look at what the program is doing for our State of Washington.

In 1953 and previous years Washington State received about $8 million a year of Federal aid for highway building. Under the first Eisenhower road program, started in 1954, Washington began receiving $12 million a year of Federal funds for roads. This year, and in the years ahead, Washington State will receive grants in excess of $50 million a year for highway building. Our State of Washington is receiving six times as much Federal money now for roads as it did a brief 7 years ago when President Eisenhower first came into office. Similar increases have been made to all other States.

America's expanded highway program unquestionably is the greatest public works undertaking in all the history of mankind. It should be continued to completion at the present rate and level of construction. By doing that the greater safety of American motorists will be insured and prosperity and employment will be kept at a high level.

President Eisenhower Should Keep a Scorecard on His Sure-Fire No. 1 Issue for Winning in 1960

EXTENSION OF REMARKS
OF
HON. HARRIS B. McDOWELL, JR.
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. McDOWELL. Mr. Speaker, it would be well, I think, if the President would keep a scorecard on his very own administration's record of economy which he recently described to a $100-a-plate Republican dinner in Washington, D.C., as the most important single issue for winning the election in 1960.

Here are several items which he would certainly have to include on such a scorecard. I am, of course, very interested in economy myself, and so I am quite willing to help the President keep score. In fact, I invite all of my colleagues to help me in keeping a complete account of the President's performance in respect to the issue of economy.

It is reported that the Air Force and the Navy have decided to abandon the program for the development of a high-energy aircraft fuel. The administration, according to reports, based their decision, in part at least, on the ground that they had no further requirement for the project.

Chairman OVERTON BROOKS, of the Committee on Science and Astronautics, said the other day:

> Our committee is interested in determining why it took the services 5 years and some $200 million to determine they had no requirement for the fuel.

This is, indeed, a most interesting subject. All of us, of course, are aware that President Eisenhower told the Congress earlier this year:

> Research and development in high-energy fuels for air-breathing engines continues to be a high-priority program in which NASA and other Government agencies are cooperating.

This is, indeed, a most fascinating subject. All of us, of course, received the report on the activities of the National Aeronautics and Space Administration which the President forwarded

to the Congress earlier this year in which it was stated:

Research and development in high-energy fuels for air-breathing engines continues to be a high-priority program in which NASA and other Government agencies are cooperating.

In the planning stage is the transfer of a program for building 720 M–60 tanks from the Chrysler Delaware defense plant in Newark, Del., to Detroit.

The Defense Department pleaded for months for the Congress to authorize a spending program of nearly $40 billion in the current budget.

Now that the Congress has authorized their budget the Defense Department is spending this money like it grew on a money bush.

The move from the Lenape ordnance plant at Newark would probably add as much as $5 million on the order for 720 M–60's.

If the President really believes as much in economy as he says, he is going to have to do more than make speeches on the subject to $100-a-plate rallies of the Republican Party in which he points out what a fine winning issue it is.

It is a winning issue, certainly, but if the performance rating of this administration is as low as these two items and many others we are all familiar with clearly indicate, then the President may not be on the winning team next year.

A third item which President Eisenhower should certainly look into is the recently revealed extravagance in running the White House itself. President Eisenhower spends twice as much to run this as President Truman did. During Truman's last year, his operating expenses came to $2,467,000. This is "small potatoes" compared to the $5,013,750 which President Eisenhower spent in the fiscal year ending June 30, 1959.

Or, President Eisenhower might well investigate the fact that whereas President Truman spent only $6,703,000 on the entire Executive Office—which includes the Budget Bureau, Office of Defense Mobilization, National Security Council, and the Council of Economic Advisers—this cost the country $52,736,250 last year, and the President asked the Congress this year for $91,880,000.

Another place where President Eisenhower could save money—if he really was interested in saving money and not in just trying to make a partisan issue of economy—is in the 99 limousines and heavy sedans which have been assigned to leading officials of this administration. These are the cars they use when they come to the Congress to plead for $40 billions for the defense budget, and for other billions.

At the present time, not only do the President, the Secretaries of the several Departments, and the members of the Joint Chiefs of Staff have limousines, but the Pentagon has a total of 37, of which 14 alone are assigned to various Assistant Secretaries.

If this practice were extended to the Members of Congress, and it is the Democratic Members of Congress whom the President accuses of being "spenders," then there would immediately be 436 limousines for the Members of the House of Representatives and 100 limousines for the Members of the Senate.

Senator JOHN SPARKMAN revealed recently that 20 big corporations get one-half of all defense contracts. Actually, official figures reveal that 100 firms get 74 percent of all defense contracts.

The costs of all defense contracts have skyrocketed. They have, in fact, gone higher and further than any American missile which the Defense Department has launched at Cape Canaveral, Fla.

Part of these costs, which the administration has done absolutely nothing to stop, are due to the entertainment which the companies which get these multi-million-dollar contracts lavish on high officials of this administration.

As a matter of fact, testimony was heard in Washington last week that inside influence and maneuvering by big companies was responsible for letting the Soviet Union get their sputnik missiles into the air months before we did.

It has been brought out by the investigating subcommittee headed by our colleague, Chairman HÉBERT, that the "munitions lobby," made up of over 700 high-salaried retired generals and admirals, enjoys rare and expensive privileges which are often paid for by the public.

It has been brought out that this group of high-ranking brass draws pensions as high as $12,000 annually, to which their contributions were nil. In addition, they are permitted to hold down industrial jobs paying as much as $75,000 annually.

But if some poor fellow drawing social security earns more than $100 a month on the side, he is no longer entitled to social security benefits. Incidentally, he contributed to his pension.

This is class legislation of the kind we would expect to find only in the Soviet Union.

It is a matter of record that the Congress in the past 5 years has reduced President Eisenhower's budget by $10,600 million.

The President has constantly warned about back-door financing by the Democratic Congress, but, as a matter of fact, has actually requested $6,400 million in such funds.

This session of the Congress will soon be over, and the score will be added at that time. The Eisenhower record will be shown to be one of free spending, rather than economy.

As a political issue in 1960 the Eisenhower economy record will not be worth a plugged nickel.

DAV Service in Washington

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 20, 1959

Mr. TOLLEFSON. Mr. Speaker, it has come to my attention that an organization in the State of Washington has furnished service to thousands of citizens without any charge for such service. This service is of a humanitarian nature and not always sufficiently appreciated by those who have benefited thereby, either directly, or indirectly. This organization is a congressionally chartered veteran organization which has a State department and local chapters in Washington. This organization is the Disabled American Veterans. The Disabled American Veterans is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States or of some country allied with it during time of war.

The Disabled American Veterans was formed in 1920, under the leadership of Judge Robert S. Marx; DAV legislative activities have benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer N. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities, some 2 million, the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The three DAV national service officers in the State of Washington are Perry E. Dye, David H. Kays, and David W. Lloyd, located at 803 Shafer Building, 523 Pine Street, Seattle. The department commander is Harold Yager, 5606 44th Avenue SW., Seattle, Wash.; the department adjutant is Merle Dihel, 3235 62d Avenue SW., Seattle, Wash.

The 5 hospitals in Washington are a 904-bed neuropsychiatric hospital at American Lake; a 320-bed general medical hospital at Seattle; a 501-bed general medical hospital at Vancouver; a 200-bed general medical hospital at Spokane; and a 407-bed tuberculosis hospital at Walla Walla. DAV representatives are: American Lake, Homer L. McLaughlin; Seattle, A. R. Thompson; Spokane, James W. Reed; Vancouver, Otto Weise; Walla Walla, Harvey Knifong.

During the last fiscal year, the VA paid out $85,488,000 for its veteran program in Washington, including $22,557,003 disability compensation to its 28,906 service-disability veterans. These Federal expenditures in Washington furnish substantial purchasing power in all communities. Only about 12 percent—3,312—are members of the 29 DAV chapters in Washington. This 12 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Washington veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimated)	54,090
Claims folders reviewed	45,075
Appearances before rating boards	26,452
Compensation increases obtained	4,118
Service connections obtained	2,039
Nonservice pensions	1,936
Death benefits obtained	599
Total monetary benefits obtained	$2,686,638.05

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Washington veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death, or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service-connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their power of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 0.014 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Washington, with a consequent loss of about $392,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Washington to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 4,871 of whom during the last 8 years, were Washington residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000 exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100 equivalent to about $5 per DAV member.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Washington by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C.

Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

The Venue Provisions of the Federal Employers' Liability Act Should Be Changed

EXTENSION OF REMARKS
OF
HON. H. ALLEN SMITH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. SMITH of California, Mr. Speaker, under the present provisions of the Federal Employers Liability Act an action against railroads for wrongful death or personal injuries may be brought in a district court of the United States, in the district of the residence of the defendant, or in which the cause of action arose, or in which the defendant shall be doing business at the time of commencing such action. The jurisdiction of the courts of the United States under this act shall be concurrent with that of the courts of the several States, and no case arising under this act and brought in any State court of competent jurisdiction shall be removed to any court of the United States.

The bill I have today introduced would provide somewhat different venue in actions brought in State and Federal courts. Under the bill an action could be brought only in a district court of the United States within or in a State court of competent jurisdiction of first, the State in which the action arose, or second, the State in which the person suffering injury or death was a resident at the time the cause of action arose. The bill adds a proviso to the effect that if, at any time within the period during which suit on any such cause of action shall not be barred by limitation, the railroad against which the cause of action is asserted shall either not be doing business within the State in which the cause of action arose or shall not be doing business within the State of which the person suffering injury or death was a resident at the time the cause of action arose, in that event such suit may at such time be brought in any district court of the United States within, or in a State court of competent jurisdiction or, any State in which such carrier is doing business.

The purpose of this legislation is to bring to an end the widespread and ever-increasing practice of solicitation and transportation of lawsuits to jurisdictions remote from the localities in which the causes of action arose. It will result in lawsuits being handled by the local lawyers in the communities where the accident occurs rather than by a few soliciting lawyers who improperly take advantage of the unique provision now contained in the Federal Employers' Liability Act.

The public interest will be promoted by the elimination of a practice which has proved to be unjust and burdensome and which has interfered in many instances with efficient railroad operation.

As long ago as June 1946 the Bar Association of Knoxville, Tenn., became aroused as the result of the flagrant practice of solicitation of cases and passed a resolution in favor of limitation of venue under the Federal Employers' Liability Act. Subsequently the Tennessee Bar Association passed a similar resolution. These resolutions led to the introduction in the 80th Congress of H.R. 1639, the so-called Jennings bill. That measure, while not identical with the bill here introduced, contained substantially similar provisions.

Subsequent to the introduction of the Jennings bill, the American Bar Association and the bar associations of 39 States went on record as endorsing the principles of the bill. In addition, hundreds of city and county bar associations and hundreds of practicing lawyers endorsed the bill.

Hearings on H.R. 1639 were held before the House Committee on the Judiciary. The bill, in amended form, was reported and passed the House of Representatives. A subcommittee of the Senate Committee on the Judiciary held hearings and favorably reported an amended bill to the full committee, but the Jennings bill never reached the floor of the Senate.

Many railroads operate through 8 or 10, or more, States, and maintain offices and officers in still other States. It follows, under the law as it now stands, that a suit may be filed in a jurisdiction hundreds and even thousands of miles from the locality where the injured person lives and the accident happened. There is thus afforded an opportunity for abuse by unscrupulous "solicity" lawyers.

The testimony presented at the hearings on the Jennings bill revealed that these opportunities of misusing the judicial processes has not been overlooked. Both the House and Senate committees found that certain unethical attorneys solicited cases under the Federal Employers' Liability Act and transported them to far-distant places for trial and that such lawyers employed runners or touts to solicit business for them, all to the detriment of the legal profession, the railroad workers, the railroads and the general public. The evidence at the hearings showed that the legal business under this act was concentrated in the hands of a relatively small number of practicing attorneys in the United States and that such actions were customarily brought in a restricted number of communities in the country. This situation which was shown to exist in 1947 has not improved. If anything it is worse today than ever before.

Disbarment proceedings have been filed against various attorneys who have degraded their profession by the solicitation of personal injury status against railroads, and injunction proceedings have been instituted against other attorneys to prevent their further prosecution of other cases. Many attorneys have been censured, some have been disbarred, and others have been ordered to return fees which they have collected. While such actions are of some effect, it is only through the legislative process that lasting relief from these vicious practices can be obtained.

The railroads are also the victims of the pernicious practice of solicitation and transportation of causes of action. The difficulties of trying a lawsuit in a jurisdiction from the community where the cause of action arose are obvious. The bringing of a lawsuit in a distant forum, so chosen by the plaintiff, places the railroad at an unfair disadvantage. As only one example, in order to obtain an adequate and reasonable presentation of the facts in the case the defendant railroad must bring its witnesses for long distances in order that they may testify. Because witnesses who live in one State cannot be compelled to testify in the courts of another State, their attendance can be obtained only by meeting their own terms of compensation and expense allowances; and the cost of procuring their personal attendance in a foreign State may be and frequently is excessive, burdensome, and out of all proportion to the actual value of the claim in litigation.

It should be added that in virtually every case in which an action is brought against a railroad for wrongful death or personal injuries many of the railroads' witnesses are persons engaged in actual railroad operation. That operation is necessarily impaired, and the public interest suffers when those witnesses are required to be absent from their regular duties for long periods of time for the purpose of attending trials at far distant points.

There can be no doubt but that the bringing of lawsuits far from the place where the cause of action arose constitutes an undue burden on interstate commerce and an unreasonable interference with efficient operation of the national transportation system.

In correcting the evils referred to above, the proposed legislation does not deny to claimants the opportunity to have their cases tried in an appropriate forum. One of the traditional guarantees of a fair trial under our Anglo-Saxon system of law has always been that the trial shall take place where the act complained of occurred, before a jury composed of the peers of the parties. This procedure would save much expense to litigants. It would seem both unusual and extraordinary if, as a general

proposition, it would not be to the advantage of a claimant to try his claim in the area in which he lived or in which the accident accurred. The bill here introduced meets these traditional concepts of venue and provides the only choice of a forum which a claimant or his attorney should, in the interest of the parties and the orderly and economical administration of justice, be permitted to have in the enforcement of his rights.

Hon. James G. Polk

EXTENSION OF REMARKS
OF
HON. MICHAEL J. KIRWAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 20, 1959

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein letters and eulogies sent to the widow and family of our late beloved colleague the Honorable James Polk, who so ably represented the Sixth District of Ohio for a great many years.

OFFICE OF THE VICE PRESIDENT,
Washington, D.C., April 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: Mrs. Nixon and I were very saddened to learn of your husband's passing and this note brings with it our deepest sympathy.

I realize that words mean very little at times such as this, but I did want you to know our thoughts and prayers are with you in the days ahead.

With kind regards.

Sincerely,

RICHARD NIXON.

THE STATE OF OHIO,
OFFICE OF THE GOVERNOR,
Columbus, April 29, 1959.

DEAR MRS. POLK: Jim's loss will be felt by all of us, but of course not in the same way or degree as you will miss him. He was without question one of my favorite people. Kind, generous, cooperative, and extremely able. I hope that your sense of loss will be minimized in some measure by the knowledge of the great contribution he made to public service. If I can be of help to you in any way please let me know.

Sincerely,

MIKE,
Michael V. DiSalle.

JOHN W. DONAHEY,
Columbus, Ohio, May 1, 1959.

Mrs. JAMES G. POLK,
Rural Route 1,
Highland, Ohio.

DEAR MRS. POLK: Mrs. Donahey and I were in Washington last Monday and stopped by Congressman Polk's office. We were so sorry to hear that his illness was of such a serious nature.

Then, of course, we were deeply saddened when we learned of his death. You and the family have our deepest sympathy.

I know that Congressman Polk's services in Washington will certainly be missed. He had the home-spun qualities that made everyone like and respect him. These qualities are rare in political circles today.

If there is anything we can do to ease your burden, Mrs. Polk, please don't hesitate to ask.

Sincerely yours,

JOHN W. DONAHEY,
Lieutenant Governor.

U.S. SENATE,
Washington, D.C., April 30, 1959.

Mrs. JAMES G. POLK,
Rural Free Delivery 1,
Highland, Ohio.

DEAR MRS. POLK: I was indeed saddened to read about Jim's untimely passing, and want you to know how awfully sorry I am.

We served together in the House, and I considered him among my good friends. He was an able legislator and will be greatly missed by his many colleagues in Congress.

Nancy joins me in deep and heartfelt sympathy.

Most sincerely,

ESTES KEFAUVER.

CONGRESS OF THE UNITED STATES,
HOUSE COMMITTEE ON AGRICULTURE,
Washington, D.C., May 14, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS POLK: Your husband was an esteemed friend of mine and I share your great sorrow. You and all of his loved ones can well be proud of the life he lived and the record he made. As you know, Jim and I served as members of the House Committee on Agriculture for many long years. At all times he was courteous, gracious, and kind and yet with foresight and vision he represented the people of his district. We, of course, knew of his long suffering, but the last sad news came as a great shock.

Enclosed is a copy of a resolution adopted by the members of Jim's committee. Madeline joins me in extending to you and your loved ones our very warm and sincere sympathy.

Cordially yours,

HAROLD D. COOLEY.

JAMES G. POLK

Whereas James G. Polk, for 21 years representative of the Sixth District of Ohio in the Congress devoted the full measure of his talents and his energy to the improvement of agriculture, especially for the betterment of the living standards of the farm families of America;

Whereas the ultimate achievement of a parity position of agriculture, with the other great segments of the Nation's economy and society, will be a monument to his memory; and

Whereas, serving with the House Committee on Agriculture and having progressed to a high rank and position, he won respect for his ability and was held in esteem by his colleagues: Now, therefore, be it

Resolved, That the committee has learned with profound sorrow and a sense of deep loss of the untimely death of James G. Polk; and be it further

Resolved, That the committee express its very sincere sympathy to members of his family; and be it further

Resolved, That the committee clerk communicate this resolution to the family of the deceased.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 30, 1959.

Mrs. JAMES G. POLK,
Highland, Ohio.

DEAR MRS. POLK: I have been immeasurably saddened by the untimely passing of your distinguished husband who was my good and respected friend.

In the years in which I have been privileged to serve with him on the House Committee on Agriculture I have come to prize his friendship and to respect him for his outstanding contribution to the public welfare.

I know that the solicitude of even his closest friends cannot lessen the sorrow which is now yours and I can only commend you to an abiding faith in the divine assurance that we shall some day be reunited with those whom we have lost for a while.

Mrs. Dague joins me in this word of sympathy and it is our prayerful hope that you will be given the courage and strength that will be so sorely needed as you face this grievous loss.

Sincerely,

PAUL DAGUE.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C.,

Mrs. JAMES G. POLK,
Highland, Ohio.

DEAR MRS. POLK: I was terribly sorry to learn of Jim's passing for he was my good friend for many years. I hasten to extend to you and to your family my deep and heartfelt expression of sympathy on what I know is a very great loss for you all.

With kind regards, I am

Sincerely yours,

GENE KEOGH.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: It was with much sorrow that I learned the sadness of your husband's death. He was a very near friend of mine and I share your grief in his passing.

Jim had rare qualities of character such as modesty, friendliness, and a devotion to duty which will make him long remembered among his friends and colleagues.

Mrs. Rhodes joins me in extending deepest sympathy to you and other members of the family.

Sincerely,

GEORGE M. RHODES.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 1, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: One of the best friends I had in the Congress was taken when Jim died. I am grieved and saddened. However, my loss cannot compare with that of you and the children.

Each of you has the satisfaction of knowing that Jim lived a fine and useful life, and that the world is better by his having lived in it.

I wanted you and the children to know that you are in my thoughts and in my prayers in this, your hour of great sorrow. May He who loves and cares for all of us hold you and each of your loved ones always safely in the hollow of His divine hand.

Sincerely,

JIM TRIMBLE.

Mrs. JAMES G. POLK,
Highland, Ohio.

On behalf of the U.S. Air Force as well as Mrs. Douglas and myself I extend deepest sympathy to you on the passing of your husband.

JAMES H. DOUGLAS,
Secretary of the Air Force, Office Secretary of the Air Force.

Mrs. JAMES G. POLK,
Highland, Ohio.

I am greatly saddened to learn of the passing of your husband. On behalf of the officers and airmen of the U.S. Air Force, I extend to you our deepest sympathy.

THOMAS D. WHITE,
Chief of Staff, U.S. Air Force.

DEPARTMENT OF THE AIR FORCE,
Washintgon, April 30, 1959.

Mrs. JAMES G. POLK,
Highland, Ohio.

DEAR MRS. POLK: Mrs. Fisher and I have learned with sadness of the death of your husband. While there is little one can say or do in times like these to ease your feeling of sorrow, we should like you to know that you have our profound sympathy.

Sincerely yours,

W. P. FISHER,
Major General, U.S. Air Force, Director, Legislative Liaison.

APRIL 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

MY DEAR MRS. POLK: Permit me to express my deepest regret to you on the passing of your husband, the Honorable James G. Polk.

As Secretary of the Army, it was my privilege to observe the patriotic devotion to duty and the sincere concern for his fellow man that motivated your husband. His passing is indeed a great loss to our country.

I wish to extend my heartfelt sympathy to you in this time of bereavement and hope that this may in some small way serve to assuage your grief.

Sincerely,

WILBER M. BRUCKER,
Secretary of the Army.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., April 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: It is with profound regret that I have learned of the passing of your husband, the Honorable James G. Polk. May I extend my deepest sympathy to you in your bereavement.

Sincerely,

J. H. MICHAELIS,
Major General, GS, Chief of Legislative Liaison.

FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE,
Washington, D.C.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: I was saddened to learn of the passing of your beloved husband, and you have my heartfelt sympathy in your great loss. While I realize that words are most inadequate at a time like this, I hope you will gain some comfort from knowing that your many friends are sharing in your sorrow. If there is anything at all we can do to be of assistance, please do not hesitate to let me know.

Sincerely yours,

J. EDGAR HOOVER.

DEMOCRATIC NATIONAL COMMITTEE,
Washington, D.C., April 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: Our deepest sympathy to you in your great loss and my personal condolences at this time of great sadness. Congressman Polk will be sorely missed by our party and our country for his dedicated efforts on behalf of the people.

Sincerely,

PAUL M. BUTLER.

Mrs. JAMES G. POLK,
R.F.D. 1, Highland, Ohio.

DEAR MRS. POLK: I was very sorry to note in Wednesday's New York Times the account of the death of your distinguished husband.

I knew him very well and our paths crossed frequently when I served in Washington as Postmaster General. He was a fine public servant and a fine gentleman and highly respected by all with whom he came in contact.

I know words are meaningless at a time like this but I do want you to know that you have my deepest sympathy.

Sincerely yours,

JAMES A. FARLEY.

THE AMERICAN LEGION,
JAMES DICKEY POST NO. 23,
Portsmouth, Ohio, April 28, 1959.

Mrs. JAMES G. POLK,
Highland, Ohio.

DEAR MRS. POLK: It is indeed with a sense of deep shock that I read in the Portsmouth (Ohio) Times, the report of the death of your husband, James G. Polk.

I have known Mr. Polk for a good many years and have had the pleasure of having voted for him each time he ran for Congress, and knew him personally, not alone in politics, but very closely in matters pertaining to veterans' benefits.

Mr. Polk and myself have corresponded quite frequently through the years, to and from his Washington office, in matters pertaining to individual veteran's and their claims for benefits, and never once have I ever known Mr. Polk to fail to do all in his power in each case I brought to his attention.

So from a personal standpoint, I too, feel that I have lost a very great and good friend, for not only myself but for the veterans on whose claims we have worked jointly, to attain the benefits desired.

Please accept my deepest sympathy in your bereavement, and you can feel assured that God will make a place in Heaven for a man so conscientious and clean living and honest as was Mr. Polk.

I will remember Mr. Polk in my prayers.

Yours very sincerely,

LOUIS T. KRICKER,
Service Officer.

TRIBUTE TO THE MEMORY OF JAMES G. POLK

Ever since I first became acquainted with Congressman Polk, in 1932, he has been my warm, personal friend even though we were in different political camps, so to speak. He was a likeable person, a type all his own—one whom we could and did call "Jim" because of his outstanding democratic manner—never aristocratic.

After his first election and departure for Washington, I was his successor as teacher of the adult Bible class in Highland Methodist Church which I then attended, being a resident of Highland at that time.

James G. Polk, our good neighbor, will be more than missed by his many friends and by his constituents whom he has so ably served in Congress so long. His repeated reelections testify to the high esteem in which he was held by people regardless of political faith. James G. Polk was an American before he was a partisan and the effects of his good works will long follow him and be remembered.

LEESBURG, OHIO, *April 30, 1959.*

S. A. RINGER.

NICHOLS, SPEIDEL & NICHOLS,
Attorneys at Law,
Batavia, Ohio, May 2, 1959.

Mrs. JAMES G. POLK,
Highland, Ohio.

DEAR MRS. POLK: I hoped that I might be able to attend the funeral services for Mr. Polk today but circumstances will prevent me from doing so, and I felt that I must express to you my deep appreciation for the life and services which Jim has rendered to the people of this district and my sympathy to you and your family for this untimely death.

He has been my good friend over many years, and if my personal experience means anything, he certainly has been the most thoughtful, helpful, and devoted public servant this district has ever had in Washington.

With kindest regards, I am,

Yours sincerely,

RUSSELL F. SPEIDEL.

WOOSTER, OHIO, *April 29, 1959.*

DEAR MRS. POLK: My wife and I learned with sincere sadness of the death of your husband. We served many terms together in the Congress. There was no more modest or hard-working member than he was. The farmers had in Jim a true and a reliable friend. He might not always agree with the members of the various farm organizations but these farmers learned that Jim had a reason based upon his long experience and knowledge and soon learned to rely upon him.

He clearly and patiently presented farm bills upon the floor of the House. With confidence I always voted with him. He will be terribly missed both for his personality as well as for his great contribution to the legislative program.

Bob Jameson—a former pupil of mine in Wooster High School told me today that he coached the teams at Hillsboro High School while Jim was either principal or superintendent. Bob told me how wonderfully kind he was and how easy it was to work with him. All of his friends will have something good to tell you about him and I am sure this will make you proud and less sad.

I am sorry that we could not join with his many friends in paying tribute to him at his funeral. Abl joins me in this our very deep expressions of sympathy and in hoping that you will have good health and many years in which to enjoy the memory of a fine American, your husband Jim.

Most sincerely,

JOHN MCSWEENEY.

THE PENN MUTUAL LIFE INSURANCE CO.
Philadelphia, Pa., April 29, 1959.

DEAR MRS. POLK: I'd like to express to you and your family my deep regrets over the death of Jim. He was a fine husband, father, educator, legislator, and one of my earliest and best friends.

How happy I was to have him as my principal for 2 years in Hillsboro High School, 1927–29.

I visited him in his office in Washington a few times and he was a statesman and a real American and an excellent farmer.

Most sincerely,

R. B. JAMESON.

FEDERAL DEPOSIT INSURANCE CORP.,
Washington, April 29, 1959.

Mrs. JAMES G. POLK,
Washington, D.C.

DEAR MRS. POLK: It was a great shock to learn of the passing of your distinguished husband, Congressman Polk. We served together for many years, having both been elected in 1930. He was a devoted public servant and served his district and the country well. He will be greatly missed and his place will be hard to fill.

We realize the futility of words in such an overwhelming loss, but we want you to know that you are in our thoughts and prayers in these dark hours. We know that a word of comfort strengthens our faith in the rightness of the divine plan, and helps us to carry on in these difficult times.

Grace and I wish to extend to you and your fine family our sincere sympathy.

Sincerely,

JESSE P. WOLCOTT.

SPRINGFIELD, OHIO.

Mrs. JAMES G. POLK,
Highland, Ohio:

Fifty thousand members of the United Automobile Workers of Region 2–A extend our deepest sympathy. We shall always cherish the memory of the Congressman who gave his all for all of the citizens of these United States.

EDWARD B. HELLKAMP,
Assistant Director, Region 2–A, UAW.

ST. LOUIS, MO.

Mrs. JAMES POLK,
Highland, Ohio:

We extend our sincere sympathy to you in your hour of bereavement. America and its people also lost a dear friend when your beloved husband passed away.

GEORGE FECTEAU, *President,*
ANGELO G. GEORGIAN,
Secretary-Treasurer, General Executive Board, United Shoe Workers of America, AFL–CIO.

[From the Evening Star, Apr. 28, 1950]

JAMES G. POLK DIES; OHIO REPRESENTATIVE

Representative James G. Polk, 62, Democrat, of Ohio, who was as proud of being a farmer as he was of being a lawmaker, died today at Walter Reed Hospital of cancer. He has been ill several months.

Mr. Polk listed himself in the Congressional Directory as one of the few legislators whose sole occupation was farming. A member of the House Agriculture Committee, he served for 20 years in Congress in two tours of duty.

He was first elected in 1930, the first Democrat to be sent to the House from Ohio's present Sixth District. He served five successive terms. He did not seek reelection in 1940.

From 1942 to 1946, Mr. Polk was a special assistant in the Agriculture Department. He went back to farming fulltime before running again for Congress, in 1948. He was elected, and had served ever since.

Born on a farm in Penn Township, Highland County, Ohio, Mr. Polk attended the village school in Highland and went to high school at nearby New Vienna. He graduated from the Agricultural College of Ohio State University in 1919.

After college, he became principal of the New Vienna High School in 1919, and later was superintendent of schools there until 1922.

Following a period in farming near Highland, he returned to his studies, receiving a master of arts degree from Wittenberg College, Springfield, Ohio, in 1923.

For 5 years after graduation from Wittenberg, Mr. Polk was principal of Hillsboro (Ohio) High School, serving until 1928. Two years later he ran for Congress.

He was a member of Kappa Phi Kappa, a national education fraternity, the Masons, the Elks, and the Methodist Church.

Speaker of the House RAYBURN today called Mr. Polk "a fine Member of Congress; a gentleman all around." He announced the House would adjourn out of respect to the Ohioan after eulogies.

[From the Washington Post and Times Herald, Apr. 29, 1959]

REPRESENTATIVE POLK DIES; 20 YEARS ON HILL

Representative James G. Polk, Democrat, of Ohio, a veteran of 20 years in Congress who prided himself on being "one of the few members whose sole occupation is farming," died of cancer yesterday at Walter Reed Hospital.

The Congressman, who was 62, had been ailing for more than a year and had been a patient at Walter Reed since March 21.

Agriculture was the Ohioan's chief interest in Congress where his only current assignment was on the House Agriculture Committee.

Representative Polk, the first Democrat elected from the present sixth Ohio district, divided his congressional service in two tours. First elected in 1930, he served from the 72d through the 76th Congresses. He did not seek reelection in 1940 in order to return to fulltime farming near Highland, Ohio.

Two years later, he was named a special assistant to the Agriculture Department and held the job until 1946. He returned to the "Hill" for the 81st Congress and had served there since.

The Congressman was born on a farm in Penn Township, Ohio, and graduated from the Agriculture College of Ohio State University and from Wittenberg College, with a master's degree, in Springfield, Ohio.

Dividing his time between farming and teaching in the 1920's, he served as principal of the New Vienna (Ohio) High School, superintendent of schools in New Vienna and principal of the Hillsboro (Ohio) High School.

He is survived by his wife, Mary Polk; a son, William A., and three daughters, Martha Wilhite, Helen Vara, and Lois Taylor, all of Washington.

Services will be held Saturday at the Highland Methodist Church in Highland, Ohio.

Putting aside scheduled business, dozens of House Members paid tribute to the veteran lawmaker. Speaker SAM RAYBURN described him as "a fine Member of Congress; a gentleman all around." Agriculture Committee Chairman HAROLD D. COOLEY, Democrat, of North Carolina, read into the RECORD a special committee resolution, especially praising Representative Polk's efforts to raise living standards for farmers.

[From the Portsmouth (Ohio) Times, Apr 28, 1959]

OFFICIALS, FRIENDS JOIN IN MOURNING POLK DEATH

State and district officials joined congressional leaders and local friends of James G. Polk today in mourning the veteran Congressman's death.

They praised Mr. Polk's long service as Representative from Ohio's Sixth District and expressed a feeling of personal loss at his passing.

Democrat leaders said his knowledge and experience in legislative matters will make him difficult to replace.

House Speaker SAM RAYBURN (Democrat, of Texas), announced in Washington that the House will adjourn out of respect to Mr. Polk. The Speaker called Representative Polk "a fine Member of Congress, a gentleman all around."

Gov. Michael V. DiSalle, informed of the Representative's death, issued this statement in Columbus:

"The people of the Sixth District have suffered a great loss. Ohio and the Nation share in this deep feeling.

"Jim Polk was a kindly, able and sincere public official. He worked hard for the people of his District and he was devoted to his obligation to the national interest.

"While I was in Washington, he was serving as a member of the House Agriculture Committee. His sense of fair play was so evident that I became a great admirer and a close personal friend."

George D. Nye, of Waverly, State Democratic Committeeman from the Sixth District said he was shocked and saddened by Representative Polk's death.

Mr. Nye said, "The Sixth District has lost one of its very finest citizens. Jim Polk was a representative of all the people. He was always trying to help our county and your county and the entire area, both industrially and economically."

Arlie N. Barker, Scioto County Democrat chairman, said, "Mr. Polk certainly did his job the way it should have been done. Those who knew him well will consider his death as very much of a personal loss."

Robert R. Leedom, county commissioner, called Mr. Polk "a very good representative of the people."

"He knew what the people wanted and he always kept that in mind," Mr. Leedom said. "He will be hard to replace with his knowledge and closeness to the people."

Attorney John Alden Staker, Democrat member of the county election board, remembers Mr. Polk's first campaign visit to Scioto County in 1930.

"He never dreamed then that he had any chance of winning," Mr. Staker recalled. "He has been an able and conscientious official and has enjoyed great popularity throughout the Sixth District."

William Staiger, president of Local 2116 of United Steelworkers and president of Shawnee District, AFL–CIO: "The death of Representative James Polk comes as a shock and a feeling of deep regret to our officers and members. Representative Polk has been a true friend and excellent Representative of all people in this district.

"His always friendly approach and intelligent devotion to duty marked him as a fine example of public servants dedicated to perpetuate the American form of government. Although others will take up his work and carry on, the passing of Representative Polk leaves a void in our hearts that can never be filled."

Attorney Laurence Kimble, county Democratic leader and long-time friend of Representative Polk, said, "Mr. Polk was a great friend and advocate for the development of Scioto County and southern Ohio.

"He is irreplaceable. Personally, I feel keenly the loss of a dear friend."

Republican Municipal Judge Lowell Thompson said, "Everyone regrets the death of Congressman Polk after his many years of faithful service to the Sixth Congressional District."

REPRESENTATIVE JIM POLK DIES—SERVED FOR 20 YEARS

WASHINGTON.—Representative James G. Polk, 62, Democrat, Ohio, died of cancer today at Walter Reed Army Medical Center.

Polk had been ill for several months.

He had served in Congress for 20 years, in two tours.

First elected in 1931, he served five terms, then was out during the 77th through 80th Congresses.

Polk, whose home was in Highland, 10 miles north of Hillsboro, served the nine-county Sixth Congressional District of southwestern Ohio.

The counties in the district are Adams, Brown, Clermont, Fayette, Highland, Pickaway, Pike, Ross, and Scioto.

He listed himself in the Congressional Directory as one of the few legislators whose sole occupation was farming.

Polk was the third Member to die since the House was elected last November. The other were Daniel Reed, Republican, New York, and George Christopher, Democrat, Missouri.

Polk's death left the House membership at 282 Democrats and 152 Republicans, with 2 vacancies. Christopher's successor was chosen in a special election.

Under Ohio law, no replacement will be named for Polk until the next regular election.

House Speaker SAM RAYBURN, Democrat, Texas, announced the House would adjourn out of respect to Polk, following the usual eulogies. RAYBURN described Polk as "a fine

Member of Congress; a gentleman all around."

Colleagues said Polk had been in and out of hospitals for the past 2 years and that he entered Walter Reed for the last time 2 weeks ago.

Polk divided his time between farming and school teaching after his graduation from Ohio State University's College of Agriculture in 1919.

He served briefly as a high-school principal at New Vienna, Ohio, and later was superintendent of schools in the same city; from 1923 to 1928 he was a high-school principal at Hillsboro, Ohio.

Polk didn't seek reelection to Congress in 1940 so he could return to farming. Two years later he was named a special assistant in the Agriculture Department, a job he held until 1946. He was reelected to Congress in 1948.

Representative Polk, who was a lifelong resident of Highland County, was the first Democrat ever to be elected to Congress from his district. He never was beaten in either a primary or general election.

Although he formerly was a school principal and superintendent his only business activity since 1928 had been operation of his farm near Hillsboro.

The Representative was a descendant of Robert Bruce Polk who came to Maryland from Ireland in 1672. His grandfather moved to Highland County in 1826 and his father, William A. Polk, was a banker and conducted a cattle feeding operation near Hillsboro.

Survivors are the widow, Mrs. Mary Polk; a son, William A. Polk of Washington; three daughters, Mrs. Martha Wilhite of Washington, Mrs. Helen Vara of Highland, and Mrs. Lois Taylor of Silver Spring, Md.; a half brother, Robert T. Polk, and a half sister, Miss Fannie Polk, both of Carreytown, Ohio.

Funeral services will be held in the Highland Methodist Church at 2 p.m., Saturday. Burial also will be at Highland. The body will be at the Patterson Funeral Home in Leesburg after noon Friday.

Unlike the case of a U.S. Senator, Governor DiSalle has no powers to appoint an interim Representative. He is empowered to call an election to fill the vacancy, at his discretion. A special primary could be held in the Sixth District any time so long as it is 15 days before a general election. Thus, it would be possible for a new Representative to be elected in the November election.

In Columbus, Gov. Michael V. Di Salle, informed of the Representative's death, issued this statement:

"The people of the Sixth District have suffered a great loss. Ohio and the Nation share in this deep feeling.

"Jim Polk was a kindly, able, and sincere public official. He worked hard for the people of his district and he was devoted to his obligation to the national interest.

"While I was in Washington, he was serving as a Member of the House Agriculture Committee. His sense of fair play was so evident that I became a great admirer and a close personal friend."

[From the Portsmouth (Ohio) Times, Apr. 29, 1959]

CONGRESSMEN PAY TRIBUTE TO REPRESENTATIVE POLK—FUNERAL SATURDAY AT HIGHLAND; SPECIAL ELECTION LIKELY

Funeral services for Representative James G. Polk, 62, Democrat, of Highland, will be held at 2 p.m. Saturday in the Highland Methodist Church. Burial will be in Highland.

Mr. Polk's body will lie in state in the Patterson Funeral Home in Leesburg after Friday noon until noon Saturday.

Masonic services will be held at the funeral home at 8 p.m. Friday.

Representative Polk died Tuesday in Walter Reed Army Medical Center at Washington, D.C., of cancer.

The House of Representatives was adjourned Tuesday afternoon out of respect for Mr. Polk. About 25 Members of the House, including most of the Ohio delegation, eulogized Mr. Polk. Speaker SAM RAYBURN adjourned the House after the eulogies.

Gov. Michael V. DiSalle probably will call for a special election to name a successor to Mr. Polk.

Political observers said the Governor may call for the primary election to be held in October at which time the parties will select a candidate for the general election.

The special election for Congress would be held November 3, concurrent with the general 1959 elections. The successful candidate could take office a few days after the election.

Governor DiSalle said he will sound out sentiment for a special election in the nine-county district, in light of the election expenses involved. However, he said, "it probably would not be good for the district to have no representation in Congress all through the 1960 session."

The law provides that the Governor may call for a special election, the primary of which could not be held within 15 days of the general election.

Since the party is at the height of its State and local power, Democratic leaders are expected to insist upon a special election, feeling they can elect a Democrat this year.

An incumbent has an edge on the office-ballot, hence the winner of a special election would have a better opportunity to capture the full term in the 1960 election.

Frank E. Smith, former postmaster and veteran Democratic leader, is considered a top choice of many Democrats. He is widely known throughout the district, having campaigned for himself and the party in all the counties.

Since the GOP debacle in the sixth district last November no outstanding candidate for the party nomination has emerged.

It is not considered likely that Elmer Barrett of Chillicothe, the 1958 candidate would be interested, observers said.

Mr. Barrett is now president of Photoramic, Inc., an internationally known highway engineering firm founded by Everett S. Preston, now State highway director.

Mr. Polk had been in ill health in the last 2 years. He was critical in the summer and early fall of 1958 following a major operation.

He rallied, campaigned a little and appeared on the road to recovery. In January he suffered a relapse and was hospitalized for examination.

He improved and resumed his duties. March 14 he entered the medical center for examination and treatment and carried on his office duties from his hospital room.

Mr. Polk first was elected to Congress in 1930 and served until 1940 when he decided not to seek reelection. He became a candidate again in 1948 and subsequently was reelected, winning his 11th term in 1958. He was serving his 21st year in Congress.

Mr. Polk is survived by his wife, Mrs. Mary A. Polk; a son, William Polk of Washington; three daughters, Mrs. Martha Wilhite of Washington, Mrs. Helen Vara of Highland, and Mrs. Lois Taylor of Silver Spring, Md., and a half-brother, Robert T. Polk, and a half-sister, Miss Fannie Polk, both of Careytown, Ohio.

[From the Portsmouth (Ohio) Times, Apr. 29, 1959]

REPRESENTATIVE JAMES G. POLK

Somewhere along the line in the last quarter century James G. Polk became known as the "people's representative."

He was proud of the designation and in a nutshell it sums up why the Highland County Democrat was unbeatable in Ohio's Sixth Congressional District.

He threw his hat into the political ring in 1930 as an unknown in a district that until then had been represented in Congress only by Republicans.

He astounded even his own supporters by unseating the veteran incumbent and becoming the first Democrat elected from this district. From that time to his last campaign last fall Representative Polk never lost an election.

The key to his political success was his representation of the people. Never spectacular, always in the shadow of more colorful contemporaries, Representative Polk kept in close touch with his constituents, regardless of political affiliation.

His conservative stand in the 1930's won for him Republican support which never was shaken.

He won and retained support of business and industrial leaders. He was solid with and was supported by organized labor and the farm vote.

Among the farm folk Representative Polk was synonymous with agriculture. It was his chief congressional interest and he served on the House committee in that field.

His retirement from politics in 1940 was to enable him to return to farming. And he was one of the few legislators who listed his sole occupation as farming.

Locally, Representative Polk worked quietly but efficiently to help obtain the Portsmouth Area A-plant, the city's flood defenses, the Scioto County Airport, aid for schools, surplus commodities and improvements through WPA and PWA work.

Representative Polk had been in failing health for some months, but he remained on the job in Washington representing the people who elected him.

James G. Polk had the respect of his friends and foes alike. House Speaker SAM RAYBURN calls him "a fine Member of Congress; a gentleman all around."

That is exactly how his constituents thought of him.

[From the Greenfield Daily Times, May 4, 1959]

POLK EULOGIZED FOR "LIFE OF SERVICE"

Seven Members and two officials of the U.S. House of Representatives comprised the congressional delegation to last rites for Representative James G. Polk held Saturday in Highland Methodist Church.

Mr. Polk died April 28 in Washington.

Rev. C. S. Thompson, minister of the church, in his sermon eulogized Mr. Polk as a plain, righteous, and humble man who devoted his life to the service of others.

Revs. Jack Ellsberry and C. A. Arthur offered the prayer and scripture reading. Mrs. Leroy Larrick, Sr., was at the piano.

The large congregation was accommodated by placing extra chairs in the church and on the front lawn.

Burial was made in the family lot in the churchyard cemetery. Pallbearers were James Rhodes, Charles Blackburn, Carl Fetters, Vannie Fry, Tom McFadden and Heber King.

The congressional delegation included Representatives William E. Hess, Wayne L. Hays, Gordon H. Scherer, Thomas L. Ashley, Charles A. Vanik, Robert E. Cook, and Samuel L. Devine; and Zeake W. Johnson, Jr., Sergeant at Arms, and Kenneth R. Harding, Deputy Sergeant at Arms. They were appointed by Speaker SAM RAYBURN.

Highland and Leesburg police officers and State highway patrolmen directed traffic.

Several hundred persons paid their respects during visitation at the Patterson funeral home in Leesburg.

Following the service, Patterson's sent many of the floral pieces to the VA Hospital at Chillicothe, and to the Greenfield, Washington C.H., and Hillsboro hospitals.

[From the Manchester Signal, Apr. 30, 1959]

CONGRESSMAN JAMES G. POLK, VETERAN LEGISLATOR DIES TUESDAY IN WASHINGTON, D.C.

Death wrote finish to a long and active political career Tuesday morning at 10:48 a.m., when Representative James G. Polk died of cancer in Walter Reed Medical Center, Washington, D.C.

The Highland County Democrat, representative of Ohio's Sixth Congressional District, was 62 years of age.

He had been in poor health for quite some time, having entered the hospital March 21. After examination, it was announced he was suffering from lymphoma, an inflammation of the lymph node.

Polk, after being seriously ill in the fall of 1958, recuperated in time to make a successful campaign for reelection.

His home was in Highland, 10 miles north of Hillsboro. His Sixth District is comprised of Adams, Brown, Clermont, Fayette, Highland, Pickaway, Pike, Ross and Scioto Counties.

The veteran campaigner had served 20 years in Congress. First elected in 1931, he served five terms and retired in 1940. After sitting out the 77th through 80th Congresses, he came back in the 81st and had been in the House since.

Political observers feel Gov. Michael V. DiSalle probably will call for a special election to name Mr. Polk's successor. If he does, the primary will probably take place in October to give parties an opportunity to select a candidate for the November finals. The special election for Congress would then be held November 3, with the general 1959 elections. The successful candidate would take his seat in Congress a few days after the November election.

Mr. Polk was a "people's representative." He watched over his constituents in the district with constant attention, and no matter what political affiliation a voter in his district professed, he always received the same courteous, prompt reply to a problem from Mr. Polk's office.

Survivors include his wife, Mrs. Mary Polk of Washington, D.C.; a son, William A. Polk; three daughters, Mrs. Martha Willhite, Mrs. Helen Vara, and Mrs. Lois Taylor; half-brother, Robert T. Polk and a half-sister, Miss Fannie Polk.

Funeral services will be held in Highland Saturday.

[From the Hillsboro (Ohio) Press Gazette May 1, 1959]

RITES PLANNED FOR SATURDAY—SERVED 20 YEARS AS REPRESENTATIVE

James Gould Polk, 63, of Highland, who had served 20 years as Sixth Ohio District Congressman, died of cancer about 10 a.m. Tuesday in Walter Reed Army Hospital, in Washington, D.C.

Funeral services will be held Saturday at 2 p.m., at the Highland Methodist Church, with the Reverend C. S. Thompson and the Reverend C. A. Arthur officiating. Burial will be made in Highland Cemetery under the direction of Patterson Funeral Home of Leesburg. Friends may call at the funeral home after noon, Friday.

The Representative had been in failing health for some time. He first entered the hospital last January 16, for examination and reentered the hospital on March 21 for treatment. Relatives said that he was believed to have had cancer for several years but periodic checkups failed to reveal it until a few weeks ago. He was born on Oct. 6, 1895, a son of William Alexander and Isophena Ockerman Polk. He was a veteran of World War I.

He made his home at Highland when Congress was not in session and engaged in farming. He was the owner of a 285-acre farm and took an active interest in its operation.

In Columbus, Gov. Michael V. DiSalle, informed of the representative's death, issued this statement:

"The people of the Sixth District have suffered a great loss. Ohio and the Nation share in this deep feeling.

"Jim Polk was a kindly, able, and sincere public official. He worked hard for the people of his district and he was devoted to his obligation to the national interest.

"While I was in Washington, he was serving as a member of the House Agriculture Committee. His sense of fair play was so evident that I became a great admirer and a close personal friend."

Tuesday in Washington, 25 Members of the House of Representatives, including most of the Ohio delegation, Democrats and Republicans alike, eulogized him on the Chamber floor before Speaker SAM RAYBURN called for adjournment out of respect for the gentle, soft-spoken Ohioan. "He was a fine Member of Congress, a gentleman all around," RAYBURN said. Several Senators, Senator STEPHEN M. YOUNG, Democrat, Ohio, among them, spoke of his passing. Flags on all Government buildings in Washington were at half mast.

He was born on a farm near Careytown in Penn Township of Highland County. His parents and three of his grandparents were born in the same county. The Congressman was a direct descendant of Robert Bruce Polk, who emigrated from Scotland to Ireland, where he married and later came to the Eastern Shore of Maryland, in 1672.

Joshua Polk, the Congressman's great-grandfather, came to Highland County from Maryland in 1826 and bought a 330-acre farm in Penn and Fairfield Townships.

His ancestors were pioneer residents of Highland County. Their principal occupations were farming, teaching, and preaching. Three of his mother's cousins were ministers of the Church of the Brethren and one of his father's brothers was a minister of the Universalist Church.

The Congressman's late father, William Polk, was for many years one of the most extensive cattle feeders in Highland County and president of the New Vienna Bank.

[From the Bethel (Ohio) Journal, May 7, 1959]

JAMES G. POLK

In the death of Representative James G. Polk, the Sixth Ohio District has lost a devoted public servant. He was held in high esteem by members of both political parties.

First elected in 1930, he served for five successive terms. A humble man, his biography in the Congressional Directory refers to him as being "one of the few Members of Congress whose sole occupation is farming." He was deeply interested in and concerned about farm problems. For a time he was a special assistant to Secretary of Agriculture Charles Brannan.

After laying politics aside for 10 years, in 1948 he again ran for Congress, won back his congressional seat and, never being defeated, he continued in office until his death.

In the passing of James G. Polk, the Sixth District has lost a capable, honest public servant who was completely dedicated to the duties of his office and to the service of his constituency.

[From the People's Defender, West Union, Ohio, May 7, 1959]

THE LOSS OF CONGRESSMAN POLK

The death of Congressman James G. Polk, of the Sixth Ohio District, which came as a shock last week, is one of the greatest losses this section of Ohio had in many years.

Congressman Polk was an outstanding and well liked representative with a record in Congress that will stand for many years to come. His knowledge of the Sixth District was one that was thorough and he understood the needs of each county he represented.

As a member of the agriculture committee, he did not hesitate in asking information from his voters of the district before he came to casting his ballot on each particular issue. His interest in the burley allotment program was something that will remain in the minds of the growers forever.

His colleagues in Congress paid the highest tribute to him and said he was "kind, able and a Christian man." He had won the respect of both the Democrat and Republican members of the body.

It will be many years in the future before the Sixth Ohio District will again have such representation in Congress.

[From the Portsmouth (Ohio) Times, May 4, 1959]

THREE PASTORS PAY FINAL TRIBUTE TO REPRESENTATIVE POLK—FRIENDS OVERFLOW CHURCH AT RITES FOR CONGRESSMAN

HIGHLAND, OHIO.—U.S. Representative James G. Polk, (Democrat, Highland), was laid to rest here Saturday afternoon on the family plot in Highland Cemetery.

The career of the 62-year-old Democratic Representative came to an end last Tuesday in Walter Reed Army Medical Center, Washington, D.C.

Final services were conducted at the local Methodist Church where Representative Polk and his family worshiped when he was at home here.

The church was filled with flowers and people and many other persons were seated on chairs which had been placed on the lawn outside the edifice. A public address system was used to carry the funeral services given by three ministers who had served the Polk family.

Rev. C. S. Thompson, current pastor of the church, used the 17th psalm, 15th verse * * * "I will behold thy face in righteousness: I shall be satisfied, when I awake, with thy likeness."

SERVED OTHERS

Reverend Thompson said Representative Polk's aim was "to always serve his fellow man well. He always thought first of others, himself last."

In his tribute of the legislator, Reverend Thompson cited his service in Congress and also to the church, such as when he taught Sunday school here.

Reverend Thompson was assisted by Revs. C. A. Arthur and Jack Ellsberry.

The body of the Congressman arrived at Patterson Funeral Home in Leesburg Friday morning and from noon that day until the time it was moved to the church a steady stream of persons paid respects.

Present for the funeral were six Members of the House of Representatives, the Sergeant at Arms and the Deputy Sergeant at Arms.

The Representatives—WILLIAM E. HESS, WAYNE L. HAYS, GORDON SCHERER, THOMAS L. ASHLEY, CHARLES A. VANIK, and SAMUEL L. DEVINE—acted as honorary pallbearers.

LOCAL FRIENDS PALLBEARERS

The pallbearers were friends of the Polk family. They were James Roads, Carl Fetters, Charles Blackburn, Heber King, Tom McFadden, and Vannie Frye.

Letters, cards, and flowers were sent to the family from members of both political parties throughout the Sixth District, the State, and Nation.

"He was an American before he was a partisan," said one of his political opponents.

Similar eulogies came from his associates in Congress as they filled some seven pages in the CONGRESSIONAL RECORD last week.

The nearly 100 baskets of flowers sent were given to area hospitals and to the Veterans Hospital at Chillicothe.

Masonic services were held at the funeral home in Leesburg Friday night. He also was a member of the Elks, the Grange, the Farm Bureau, and the Farmers Union.

Farming was closest to his heart as he served on the House Agricultural Committee and owned two farms locally.

Representative Polk divided his time between farming and school teaching after his graduation from Ohio State University's College of Agriculture in 1919. He earned his master's degree at Wittenberg College in Springfield. He was graduated from there in 1923.

HEADED SCHOOLS

He served briefly as a high school principal at New Vienna and later was superintendent of schools.

From 1923 to 1928 he was high school principal at Hillsboro.

Representative Polk was born at Careytown, about 3 miles west of here, October 6, 1896, a son of William A. and Amy Isyphenia Ockerman Polk.

Surviving are his wife, 3 daughters, a son, a half-brother, a half-sister, and 11 grandchildren.

Those from Scioto County attending the funeral were:

Vernal Riffe, Jr., Arlie N. Barker, Everett Wilkerson, J. Alden Staker, Hymie Canter, Frank Smith, Russ Burns, Cleo Wiltshire, Mr. and Mrs. O. Carson Barklow, Mr. and Mrs. William Burch, and Mr. and Mrs. Oscar Peterson. Mr. and Mrs. Oscar Pyle, formerly of Portsmouth and now living in Oak Ridge, Tenn., also were present. Mr. Pyle was Representative Polk's secretary during the first 10 years of his career in Washington.

RESOLUTION BY UNION PRAISES POLK

The following is a resolution passed by the members of the Highland County Farmers Union:

Whereas Congressman James G. Polk was an active member of the Highland County Farmers Union, and a wholehearted supporter of Farmers Union policies, and

Whereas, as a member of this organization, as a farmer, as a Member of the Congress of the United States for 20 years, and as a member of the Agriculture Committee of the U.S. House of Representatives, he rendered distinguished service to agriculture, and

Whereas he regarded agriculture as a way of life, and was always a champion of legislation which would preserve and strengthen the family farm as a fundamental unit in rural life, and

Whereas his personality was a combination of those qualities of courage, kindness, friendliness, and humility which caused him to be respected and admired by all who knew him: Therefore be it

Resolved, That the members of the Highland County Farmers Union deplore the loss of the Honorable James G. Polk, and that this resolution be adopted in tribute to him, and that a copy be spread upon the minutes; and be it further

Resolved, That the secretary of the Highland County Farmers Union send a copy of this resolution to Mrs. Mary Polk, his widow, to the Clerk of the U.S. House of Representatives, and to the press.

[From the Miami Valley News, May 7, 1959]

POLK BURIED AT HOME IN HIGHLAND

The body of Congressman James G. Polk was brought from Washington to the Patterson Funeral Home at Leesburg where it lay in state last Friday afternoon and evening and Saturday morning.

Final services were conducted at the Methodist Church in Highland, the Congressman's home town two miles west of Leesburg, at 2 p.m. Saturday.

Surviving are the widow, Mary Smith Polk; a son, William Polk, Washington; three daughters, Mrs. Martha Wilhite and Mrs. Lois Taylor, Washington, and Mrs. Helen Vara, who has just returned to Ohio from Germany where her husband is serving with the Army; a brother, Robert, and a sister, Fannie Polk, both of Highland.

JAMES G. POLK DIES; OHIO REPRESENTATIVE

Representative James G. Polk, 62, Democrat, of Ohio, who was as proud of being a farmer as he was of being a lawmaker, died today at Walter Reed Hospital of cancer. He had been ill several months.

Mr. Polk listed himself in the Congressional Directory as one of the few legislators whose sole occupation was farming. A member of the House Agriculture Committee, he served for 20 years in Congress in two tours of duty.

He was first elected in 1930, the first Democrat to be sent to the House from Ohio's present Sixth District. He served five succesive terms. He did not seek reelection in 1940.

From 1942 to 1946, Mr. Polk was a special assistant in the Agriculture Department. He went back to farming full time before running again for Congress, in 1948. He was elected, and had served ever since.

Born on a farm in Penn Township, Highland County, Ohio, Mr. Polk attended the village school in Highland and went to high school at nearby New Vienna. He graduated from the Agricultural College of Ohio State University in 1919.

After college, he became principal of the New Vienna High School in 1919, and later was superintendent of schools there until 1922.

Following a period in farming near Highland, he returned to his studies, receiving a master of arts degree from Wittenberg College, Springfield, Ohio, in 1923.

For 5 years after graduation from Wittenberg, Mr. Polk was principal of Hillsboro (Ohio) High School, serving until 1928. Two years later he ran for Congress.

He was a member of Kappa Phi Kappa, a national education fraternity, the Masons, the Elks, and the Methodist Church.

Speaker of the House RAYBURN today called Mr. Polk "a fine Member of Congress; a gentleman all around." He announced the House would adjourn out of respect to the Ohioan after eulogies.

[From the Hillsboro (Ohio) Press Gazette, May 5, 1959]

TRIBUTES PAID TO REPRESENTATIVE POLK—SOLONS JOIN IN HONORING COUNTIAN

When James Gould Polk, 63, who represented Ohio's Sixth District in the U.S. House of Representatives for 21 years, died April 28, many of his colleagues paid him tribute both in the House and the Senate.

Ohio Senators FRANK J. LAUSCHE and STEPHEN M. YOUNG headed the list of those who spoke in glowing terms of their association and knowledge of Polk's service and ability.

LAUSCHE introduced a resolution memorializing Polk in the Senate and similar resolutions were adopted in the House, all unanimously.

LAUSCHE described Polk, a Democrat from Highland, as a "humble, unostentatious person * * * devoted to the people he represented. He was beloved, not only by those who believed in his philosophy but also by those who disagreed with him."

Said YOUNG, "He was a gentleman of the sweetest character. He had represented his constituency with fidelity and zeal."

Senate Majority Leader LYNDON JOHNSON said that Polk was "one of the good and great men I have known."

KENNETH B. KEATING, Republican, New York, who had served with Polk in the House, said, "I found him one of the soundest and most helpful Members in that body. He wore no man's colors."

Many more tributes were added by House Members, both Ohioans and those from other States.

MICHAEL J. KIRWAN of Ohio's 19th District, announced POLK's death to House Members and said:

"The people of the Sixth Ohio District loved and trusted Jim Polk, and held him in the highest esteem. He never raised his voice in anger and distinguished himself as an able, conscientious representative of his people. They understood and respected him."

Other tributes from Ohio Representatives included:

CLARENCE J. BROWN, Seventh District: "He was a true gentleman, a man of great character and ability. Jim was a kindly man; a Christian gentleman, if ever there was a Christian gentleman on this earth of ours."

WAYNE L. HAYS, 18th District: "I have never known a person more kindly than Jim Polk. He was the kind of a man that I think all of us would like to be."

THOMAS L. ASHLEY, Ninth District: "It has been said that Jim was a kind, gentle man. And, indeed, these were his virtues. But he was endowed, too, with a rare courage. * * * There will be few who will be remembered with greater love than Jim Polk for the wisdom and for all that he gave."

DELBERT LATTA, Fifth District, who, as a Member of the House, served with Polk on the Committee on Agriculture: "Jim Polk's many years of experience in the field of agriculture would have been invaluable to me. His wise counsel in this field will surely be missed by the entire Congress."

House Speaker SAM RAYBURN and Democratic whip JOHN MCCORMACK also paid tribute. Said RAYBURN:

"He served his district and his country well * * * was a fine man, of splendid ability, of the highest character."

Added MCCORMACK:

He exercised a "powerful influence in the House * * * as a result of the recognition of his unusual ability, his logical mind, and his sound advice."

RESOLUTION EULOGIZES CONGRESSMAN POLK

The following resolution eulogizing the late James G. Polk, Congressman from the Sixth Ohio District, submitted jointly by Representatives James W. (Bill) Collins, of Highland, and Jackson, Kruse, Shoemaker, Riffe, Gaines, Leist, Hook, and Wallace, was adopted by the Ohio House of Representatives, Monday, May 4, and entered in the journal of the House:

RESOLUTION

Relative to the death of the Honorable James G. Polk, Congressman from the Sixth Ohio District.

Whereas the members of the House of Representatives of the 103d General Assembly have learned with deep regret of the passing of a long distinguished Member of the U.S. House of Representatives; and

Whereas Mr. Polk was elected to Congress in 1930 and served five consecutive terms (1931–41), when he voluntarily retired to become associated with the U.S. Department of Agriculture in Washington, D.C., during the World War II period, only to be elected once again to Congress in 1948 where he served for five more consecutive terms, including the current 1959–60 term; and

Whereas Mr. Polk was graduated from the College of Agriculture, Ohio State University, and from Wittenberg College, served his country during World War I, and taught school before entering Congress; and

Whereas his public career has been marked by conscientious application to duty, sincere dedication to the service of his fellow man, and a devotion to public service of such superior quality as to demand the respect and

esteem of all those who were so fortunate to come in contact with him, including fellow servants in Government and the many others in various walks of life and fields of endeavor: Therefore be it

Resolved, That the members of the House of Representatives, with the sorrow and grief that inevitably follows the deplorable loss of a remarkable man, pay tribute to the Honorable James G. Polk, and that this resolution be adopted by a rising vote and a copy thereof be spread upon the Journal; and be it further

Resolved, That the Clerk of the House of Representatives transmit an authenticated copy of this resolution to Mrs. Mary Smith Polk, his widow.

LAST RITES HELD FOR CONGRESSMAN

Congressman James Gould Polk, who served the Sixth Ohio District for nearly 21 years in Congress, was eulogized in brief, simple rites Saturday at 2 p.m., the Highland Methodist Church.

Officiating at the last rites were the church pastor, the Reverend C. S. Thompson, the Reverend C. A. Arthur of Leesburg, and the Reverend Jack Ellsberry, former pastor of the church. Burial was in the church cemetery.

Masonic services for the late Congressman were held Friday night at the Patterson funeral home in Leesburg. Hillsboro members conducted the service.

An estimated 500 persons attended the services for the Congressman, who had served 11 terms in Congress, 1931–40, and 1949–59.

In addition to many county, district, and State officials, friends and relatives, a delegation of Ohio Congressmen was in attendance.

These included WILLIAM E. HESS, WAYNE L. HAYS, GORDON H. SCHERER, THOMAS L. ASHLEY, CHARLES A. VANIK, ROBERT E. COOK, and SAMUEL L. DEVINE. Zeake W. Johnson, Jr., sergeant at arms of the House of Representatives, and Kenneth R. Harding, deputy sergeant of arms, were also in attendance.

Pallbearers included Carl Fetters, Jim Roads, Charles Blackburn, Heber King, Vannie Fry and Tom McFadden.

Special music during the service was provided by Mrs. Leroy Larrick, Sr.

[From the Portsmouth (Ohio) Times, June 23, 1959]

CORN TO PROVIDE CHURCH ORGAN AS POLK MEMORIAL

HIGHLAND, OHIO.—A memorial to the late James G. Polk, Congressman from the Sixth Ohio District, will be purchased from funds obtained in a community project.

The project is the raising of corn on the Polk land at the family home here. Fertilizer and seed corn has been donated by various citizens while others have prepared the fields and planted.

Mrs. James Roads, a member of the finance committee, said that half of the money raised from the project will be used to purchase an organ for the Methodist Church in memory of Mr. Polk. She said he was a strong supporter of the church and worshipped there when he was home.

Mrs. Roads said that 46 acres have been planted.

COMMUNITY PROJECT IN HIGHLAND FOR MEMORIAL TO LATE CONGRESSMAN POLK

A part of the money from a community project in Highland for the Methodist Church will be used as a memorial to the late James G. Polk, Congressman from the Sixth Ohio District.

The project, raising corn on the Polk land at the family home in Highland, is one in which the labor and materials are donated.

Mrs. James Roads, a member of the church's finance committee, said 46 acres have been planted, or will be by the end of this week.

She said half of the money will go to the church fund and half will be used to purchase an organ for the church in memory of Mr. Polk. He was a strong supporter of the church and worshipped there when he was home.

Mrs. Roads said the plowing, discing, planting, etc., has been handled by Don Ingersoll, Jim Roads, Bob and Bill Manuel, Leroy Larrick, Jr., George Roads, John Adams, Heber King and Tom McFadden, who also has donated some fertilizer to the project.

She said others can help by donating money to buy fertilizer.

The seed corn was donated by Tom Miller, Mr. Ingersoll and Winter's Service Station.

[From the Manchester (Ohio) Signal, June 11, 1959]

CHURCH MEMORIAL TO HONOR POLK

HIGHLAND.—Part of the money from a community project in Highland for the Methodist Chuch there will be used as a memorial to the late James G. Polk, Congressman from the Sixth Ohio District.

The project, raising corn on the Polk land at the family home near Highland, is one in which labor and materials are donated.

Mrs. James Roads, a member of the church's finance committee said 46 acres have been planted.

She said half of the money will go to the church fund and half will be used to purchase an organ for the church in memory of the late Congressman. He was a strong supporter of the church and worshipped there when he was home.

[From the Chillicothe (Ohio) Gazette, May 11, 1959]

SENATOR FRANK E. MOSS OF UTAH LAUDS POLK AT DEMOCRATIC RALLY HERE

Utah's Senator FRANK E. MOSS spoke with admiration for the late Congressman Polk. "Though Jim Polk and Harry Truman were cast from different molds, they fought with equal effectiveness for the same principles," he said.

"* * * Polk was a quiet, reserved man, but a thorough, balanced, and fearless legislator. I want you people of the Sixth District to know I share your grief in his passing and I can wish you no greater blessing than the nomination and election of a Democratic successor who is even half as dedicated and effective as Jim Polk."

Municipal Court Judge William B. Brown delivered a "memorial" to the late Congressman Polk.

"Those who didn't know James G. Polk wondered why he was such a success—that quiet, unassuming, friendly man. Those who did business with him became quickly aware that outward appearances are disarming and deceiving. Those of us who knew him were devoted to him, elected him and reelected him, for, as our Representative * * * he truly labored in the vineyard."

WITTENBERG COLLEGE,
Springfield, Ohio.

Mrs. JAMES G. POLK,
Highland, Ohio

DEAR MRS. POLK: For the college and its alumni I extend sincere sympathy in the loss of your husband. His death was a great loss also to our Nation which he had served so faithfully for many years.

We at Wittenberg appreciated the generous support he gave to the college year after year and the ready manner in which he responded to various calls for help. I can recall no time when he failed to do his full share on any task we placed before him.

We were always especially proud of his honest, forthright stand on matters of principle. Our Nation, we are sure, would be stronger were it fortunate enough to have more men like him in the Congress and other positions of great responsibility.

Mr. Polk's greatest monument will be his record of loyalty, honesty and devotion to duty as he saw it.

Sincerely yours,

W. EMERSON RECK,
Vice President.

PRAYER AT FUNERAL SERVICE FOR MR. POLK

Almighty God, our Father, from whom we come, and unto whom our spirits return; Thou hast been our dwelling place in all generations. Thou art our refuge and strength, a very present help in trouble. Grant us Thy blessing in this hour, and enable us so to put our trust in Thee that our spirits may grow calm and our hearts be comforted. Lift our eyes beyond the shadows of earth, and help us to see the light of eternity. So may we find grace and strength for this and every time of need; through Jesus Christ our Lord. Amen.

Our Father who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power, and the glory forever. Amen.

MEMORIAL SERVICE FOR MR. POLK IN THE HIGHLAND METHODIST CHURCH, REV. JACK ELLSBERRY READING THE SCRIPTURES

Jesus said, I am the resurrection and the life; he that believeth in me, though he were dead, yet shall he live and whosoever liveth and believeth in me shall never die.

The eternal God is thy refuge, and underneath are the everlasting arms.

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid?

The righteous live forever, and the care of them is with the most High; with His right hand He shall cover them, and with His arm shall He shield them.

For we know that if our earthly house of this tabernacle were dissolved, we have a building of God, and house not made with hands, eternal in the heavens.

THE 23D PSALM

The Lord is my shepherd; I shall not want.
He maketh me to lie down in green pastures;
He leadeth me beside the still waters.
He restoreth my soul; He leadeth me in the paths of righteousness for His name's sake.
Yea, though I walk through the Valley of the Shadow of Death, I will fear no evil; for Thou art with me; Thy rod and Thy staff they comfort me.
Thou preparest a table before me in the presence of mine enemies; Thou anointest my head with oil; my cup runneth over.
Surely goodness and mercy shall follow me all the days of my life; and I will dwell in the House of the Lord forever.

A PORTION OF THE 90TH PSALM

Lord, Thou has been our dwelling place in all generations.
Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God.
For a thousand years in Thy sight are but as yesterday when it is past, and as a watch in the night.
Thou carriest them away as with a flood; they are as a sleep; in the morning they are like grass which groweth up.
In the morning it flourisheth, and groweth up; in the evening it is cut down and withereth.
So teach us to number our days, that we may apply our hearts unto wisdom.

SENATE

FRIDAY, AUGUST 21, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all grace, we thank Thee for hearts that thrill at every sacrament of loveliness which makes our earth a tapestry of beauty. We come praying for Thy cleansing pardon, that a right spirit may be renewed within us and that we may yearn for spiritual integrity above all the tinsel of material things. We ask Thy benediction upon these servants of the Republic, as they ascend this hill of solemn responsibility. May they stand in this exalted place of stewardship with clean hands, and pure hearts, not lifting up their souls to vanity nor swearing deceitfully. In all their councils, keep them near the world's great altar stairs that slope through darkness up to Thee. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 20, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Flood Control, Rivers, and Harbors Subcommittee of the Committee on Public Works was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

PRESENTATION OF ALL FACTS CONCERNING CONGRESSIONAL ACTION ON REQUESTS FOR APPROPRIATIONS AND NEW OBLIGATIONAL AUTHORITY

Mr. JOHNSON of Texas. Mr. President, the last page of the CONGRESSIONAL RECORD contains a table showing the status each day of appropriation bills acted upon by this session of the Congress.

Mr. President, I ask unanimous consent that a corresponding table be printed on the same page of the CONGRESSIONAL RECORD each day, giving the same information with regard to new obligational authority provided by the Congress outside the appropriation process. This is sometimes politically referred to as backdoor financing.

The American people are entitled to get the cold, hard facts on just what the Congress has done on all requests for appropriations and new obligational authority. Printing both tables will assure that all the facts are presented.

Mr. President, I also ask unanimous consent that this page be printed, along with a brief statement by me, as a Senate document in the near future.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I wish to give notice that in the remaining days of the session, bills and other measures on the calendar may be brought up by motion. I shall give as much advance notice as is possible to the minority leader and to the interested chairmen of committees.

I should like to review briefly some of the bills and other measures which have been cleared and may be called up at any time, so all Senators may be on notice.

First, we shall have frequent calendar calls, if there is any calendar business to be transacted. I would anticipate a calendar call early Monday; and I should like to have the calendar committees on both sides of the aisle be prepared.

I should like to give notice on Calendar No. 95, Senate bill 1075, to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior.

Calendar No. 133, Senate bill 91, to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the operations of such act, and for other purposes.

Calendar No. 361, Senate Resolution 131, referring S. 882, a bill for the relief of the heirs of J. B. White, to the Court of Claims.

Calendar No. 397, Senate bill 1617, to provide for the adjustment of the legislative jurisdiction exercised by the United States used for Federal purposes, and for other purposes.

Calendar No. 398, House bill 6190, to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes.

Calendar No. 430, Senate bill 1508, to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes.

Calendar No. 447, Senate bill 1789, to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes.

Calendar No. 518, Senate bill 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

In connection with Calendar No. 518, I expect some extended debate. I am informed that the food-for-peace bill reported by the Foreign Relations Committee will be considered on Monday by the Committee on Agriculture and Forestry. I hope we may have Public Law 480 before the Senate on Tuesday, at the latest; and I should like to have the Senator from Minnesota notified to that effect, and also the chairman of the Committee on Agriculture and Forestry and the ranking minority member of that committee.

Calendar No. 524, Senate bill 1282, relating to acreage allotments for Durum wheat.

Calendar No. 559, Senate Joint Resolution 39, to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives.

Calendar No. 591, Senate Concurrent Resolution 11, to invite friendly and democratic nations to consult with India.

Calendar No. 596, Senate bill 1697, to amend the Mutual Defense Assistance Control Act of 1951.

Calendar No. 606, House bill 968, to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon.

Calendar No. 607, Senate bill 1221, to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of

certain project features for future irrigation of additional lands.

Calendar No. 608, Senate bill 1216, to approve an order of the Secretary of the Interior adjusting certain irrigation charges against Indian-owned lands under the Wind River Indian irrigation project, Wyoming.

Calendar No. 610, Senate bill 1514, to amend the act of August 9, 1955 (69 Stat. 618).

Calendar No. 611, Senate bill 1136, to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof.

Calendar No. 639, Senate bill 2130, to authorize a payment to the Government of Japan.

Calendar No. 640, Senate bill 1711, to promote the foreign policy of the United States by the more effective use of U.S. agricultural commodities for the relief of human beings and for promoting economic and social development in less developed countries.

Calendar No. 654, Senate bill 861, to provide for the control of noxious plants on land under the control of the Federal Government.

Calendar No. 655, Senate bill 662, to amend section 8(b) of the Soil Conservation and Domestic Allotment Act to provide for administration of farm programs by democratically elected farmer committeemen.

Calendar No. 656, House bill 4938, to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the definition of "peanuts" which is now in effect.

Calendar No. 664, Senate bill 2522, to provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food stamp allotment programs.

Calendar No. 669, Senate bill 2282, to amend the act of July 17, 1952.

Calendar No. 672, House bill 2411, to amend par. 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

I will make further announcements concerning the additional bills after we have additional information.

But I should like to have all Senators be on notice that these bills may be brought up by motion at any time.

I also wish to ask the secretary for the majority to notify the chairmen of the committees that we hope they can report any proposed legislation to the Senate which they desire to have considered at this session, at as early a date as possible, so we can clear those measures through the policy committee and arrange to have them scheduled.

I also announce that we shall have a yea-and-nay vote on the military construction appropriation bill; and there may be other yea-and-nay votes.

I am not sure when the conference report on the independent offices appropriation bill will be made; but we want to consider it just as soon as it is brought to us.

Mr. KUCHEL. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. KUCHEL. Can the Senator from Texas give us any guidance in regard to whether there will be a night session tonight or a Saturday session?

Mr. JOHNSON of Texas. I hope there will not be a night session. I cannot say about a Saturday session until we see the progress that is made today. If we are able to arrange for orderly debate and if we are able to transact the public business, we shall take that into account. If not, we shall hold a session on Saturday, to do it.

REPORT OF NATIONAL ACADEMY OF SCIENCES

The VICE PRESIDENT laid before the Senate a letter from the President, National Academy of Sciences, Washington, D.C., transmitting, pursuant to law, a report of that Academy, for the fiscal year ended June 30, 1958.

THE FEDERAL-AID HIGHWAY PROGRAM—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that two resolutions which I have received concerning the Federal aid to highways program, as adopted by the Board of County Commissioners of Otter Tail County, Minn., and the Board of County Commissioners of Lake County, Minn., be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Be it resolved by the Board of County Commissioners of Otter Tail County, Minn., That—

Whereas the ABC funds for the county and State highway construction have not been allocated for the years 1960 and 1961; and

Whereas such delay in allocation of ABC funds will cause a serious economic impact to the county in addition to causing a heavy unemployment problem: Now, therefore, be it

Resolved, That this board urges that everything possible be done to provide funds for this work and that copies of this resolution be forwarded to both Minnesota Senators and all Representatives in Washington.

Adopted August 12, 1959.

OTTO HAASE,
Chairman.

Attest:

S. B. JOHNSON,
Clerk.

Whereas the commissioner of highways, State of Minnesota, has advised Lake County concerning information from the Federal Government which reveals that unless additional funds are provided the Government will be unable to meet its obligation with respect to current Federal-aid contracts on State and county highways; and

Whereas the failure of the Government to meet its existing highway Federal-aid commitments will create severe financial hardships on Lake County along with many other counties in the State; and

Whereas if Federal-aid funds are not continued, the existing acute unemployment problem in Lake County will be further aggravated by the necessary rigid curtailment of future highway construction projects: Now, therefore, be it

Resolved, That the Congress of the United States be respectfully requested to take the necessary steps to immediately provide legislation to the end that all current Federal aid to highways commitments be met; and be it further

Resolved, That a sound financial program be provided to insure that Federal aid to highways be continued at the rate previously authorized; and be it further

Resolved, That copies of this resolution be forwarded to Senator HUBERT H. HUMPHREY, Senator EUGENE J. MCCARTHY, and Representative JOHN A. BLATNIK.

PAUL W. NELSON,
Auditor, Lake County, Minn.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 594. A bill for the relief of Lionie Tarpinian (Rept. No. 772);

S. 673. A bill for the relief of Stamatis Zeris (Rept. No. 771);

S. 981. A bill for the relief of T. W. Holt & Co. (Rept. No. 770);

S. 1149. A bill for the relief of Capt. Thomas J. McArdle (Rept. No. 769);

S. 1624. A bill for the relief of Ivan Curko (Rept. No. 768);

S. 1915. A bill for the relief of Chung Ching Wei (Rept. No. 767);

S. 2022. A bill for the relief of Lily Ang (Rept. No. 766);

S. 2028. A bill for the relief of Candace Elizabeth Lee Johnson (Kyung Hee Lee) (Rept. No. 765);

S. 2052. A bill to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition (Rept. No. 764);

S. 2081. A bill for the relief of Yadwiga Boczar (Rept. No. 763);

S. 2154. A bill for the relief of Ante Grgas Pivac (Rept. No. 762);

S. 2186. A bill for the relief of Marta Nagy (Rept. No. 761);

S. 2187. A bill for the relief of Martha L. Hortobogyi (Rept. No. 760);

S. 2349. A bill to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes (Rept. No. 759);

H.R. 1595. An act for the relief of Victor Hoffer (Rept. No. 784);

H.R. 2078. An act for the relief of Gannon Boggs (Rept. No. 785);

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr. (Rept. No. 786);

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard (Rept. No. 787);

H.R. 2979. An act to amend section 752 of title 28, United States Code (Rept. No. 788);

H.R. 4111. An act for the relief of Eva Marie Lesher (Rept. No. 789);

H.R. 5911. An act for the relief of Omer W. Guay (Rept. No. 790);

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn (Rept. No. 791);

H.R. 7085. An act for the relief of John B. Sutter (Rept. No. 792);

H.R. 7638. An act for the relief of the estate of Sakihara Koki (Rept. No. 793); and

H. Con. Res. 186. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens (Rept. No. 782).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 54. A bill for the relief of Maybell King (Rept. No. 778);

S. 1033. A bill for the relief of certain aliens (Rept. No. 777);

S. 1583. A bill for the relief of Yom Tov Yeshayahu Briszk (Rept. No. 776);

S. 1862. A bill for the relief of Harve M. Duggins (Rept. No. 775);

S. 1944. A bill to amend the Bankruptcy Act in regard to the verification of pleadings (Rept. No. 774);

S. 1980. A bill for the relief of Alvaro Rodriquez Jiminez (Rept. No. 773); and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 783).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1433. A bill for the relief of John Axel Arvidson (Rept. No. 781);

S. 1891. A bill for the relief of Donald G. Coplan (Rept. No. 780);

S. 2101. A bill for the relief of Ourania Ben Blikas (Rept. No. 779);

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000 (Rept. No. 797); and

H.J. Res. 444. Joint resolution for the relief of certain aliens (Rept. No. 794).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

H.R. 2717. An act for the relief of Eber Bros. Wine & Liquor Corp. (Rept. No. 758).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, without amendment:

H.R. 1579. An act for the relief of Basile Ignatios Mavridis (Rept. No. 755).

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

S. 1015. A bill for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C. (Rept. No. 756).

By Mr. DIRKSEN, from the Committee on the Judiciary, with amendments:

S. 1257. A bill granting the consent and approval of Congress to the Wabash Valley Compact, and for related purposes (Rept. No. 757).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 883. A bill to confer jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law (Rept. No. 796).

By Mr. WILEY, from the Committee on the Judiciary, without amendment:

H.R. 3240. An act for the relief of Mrs. Clare M. Ash (Rept. No. 798).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. 2467. A bill to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes (Rept. No. 799).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

S. 2197. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used (Rept. No. 795).

ADDITIONAL FUNDS FOR COMMITTEE ON THE JUDICIARY—REPORT OF A COMMITTEE

Mr. EASTLAND (for Mr. DODD), from the Committee on the Judiciary, reported an original resolution (S. Res. 170) to increase the amount of funds for the Committee on the Judiciary, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That Senate Resolution 59, Eighty-sixth Congress, agreed to February 2, 1959 (authorizing an investigation of the administration of the national security law and matters relating to espionage), is hereby amended by striking out "$224,000" and inserting in lieu thereof "$239,000".

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Gerald E. Murch, of Maine, to be member of the Board of Parole;

Lewis J. Grout, of Kansas, to be a member of the Board of Parole;

James R. Duncan, of Virginia, to be a member of the Subversive Activities Control Board;

Charles D. Read, Jr., of Georgia, to be U.S. attorney for the northern district of Georgia;

Russell E. Ake, of Ohio, to be U.S. attorney for the northern district of Ohio;

William B. Jones, of Kentucky, to be U.S. attorney for the western district of Kentucky;

Lynn J. Gillard, of California, to be U.S. attorney for the northern district of California; and

John H. Phillips, of Mississippi, to be U.S. marshal for the northern district of Mississippi.

By Mr. DIRKSEN, from the Committee on the Judiciary:

J. Walter Yeagley, of Indiana, to be an Assistant Attorney General.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEUBERGER (for himself, Mr. JOHNSTON of South Carolina, Mr. CARLSON, Mr. MONRONEY, Mr. YARBOROUGH, Mr. LANGER, Mr. CLARK, Mr. SMATHERS, Mr. JAVITS, Mr. MAGNUSON, Mr. PASTORE, Mr. MOSS, Mr. KEATING, Mr. JACKSON, Mr. KEFAUVER, Mr. RANDOLPH, and Mr. GRUENING):

S. 2575. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 2576. A bill to authorize the addition of certain donated lands to the Everglades National Park; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 2577. A bill to authorize the construction of nuclear powered ice breaking vessel for operation by the U.S. Coast Guard, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself, Mr. SALTONSTALL, Mr. KENNEDY, Mr. ENGLE, and Mrs. SMITH):

S. 2578. A bill to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN:

S. 2579. A bill to provide for the modification of the flood control project on the Mississippi River at Muscatine, Iowa; to the Committee on Public Works.

By Mr. McCLELLAN (by request):

S. 2580. A bill to amend section 205 of the Federal Property and Administrative Services Act of 1949 to empower certain officers and employees of the General Services Administration to administer oaths to witnesses;

S. 2581. A bill to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen;

S. 2582. A bill to amend section 202(a) of the Federal Property and Administrative Services Act of 1949, as amended, to promote the utilization of excess property and to simplify the reimbursement procedure for transfers of such property; and

S. 2583. A bill to authorize the head of any executive agency to reimburse owners and tenants of lands or interests in land acquired for projects or activities under his jurisdiction for their moving expenses, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON (for himself and Mr. BUTLER):

S. 2584. A bill to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey:

S. 2585. A bill for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph LewFan), and Aura Lue Fan; to the Committee on the Judiciary.

RESOLUTIONS

DESIRABILITY OF HOLDING AN INTERNATIONAL EXPOSITION IN THE UNITED STATES

Mr. FULBRIGHT submitted the following resolution (S. Res. 169); which was referred to the Committee on Foreign Relations:

Whereas substantial interest has been shown in making arrangements to hold a world's fair in the United States in 1964; and

Whereas the Bureau International des Expositions, which exercises important influence in determining the site and extent of participation in world fairs, will meet in November 1959 to consider the location of the next world's fair: Now, therefore, be it

Resolved, That it is the sense of the Senate that the executive branch of the U.S. Government should examine the desirability of adherence by the Government of the United States to the convention of November 22, 1928, creating the Bureau International des Expositions and report its views thereon to the Senate of the United States; and be it further

Resolved, That it is the sense of the Senate that the executive branch of the U.S. Government should determine whether in its view the public interest would be served by seeking to arrange to hold an international exposition of the type classified category one by the Bureau International des Expositions in the United States, and that such view

should be communicated to the Senate of the United States as soon as practicable; and be it further

Resolved, That it is the sense of the Senate that, in the event the executive branch finds that the public interest would be served by holding an international exposition in the United States, the President should appoint a commission of citizens representative of business, labor, education, and science to recommend a suitable site in the United States for such exposition and to recommend to the President and the Congress such other action as might be necessary to arrange for the holding of such exposition in the United States.

ADDITIONAL FUNDS FOR COMMITTEE ON THE JUDICIARY

Mr. EASTLAND (for Mr. DODD), from the Committee on the Judiciary, reported an original resolution (S. Res. 170) to increase the amount of funds for the Committee on the Judiciary, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. EASTLAND, for Mr. DODD, which appears under the heading "Report of a Committee.")

HEALTH COVERAGE NEEDED FOR RETIRED CAREER FEDERAL CIVIL EMPLOYEES

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to provide voluntary health-insurance benefits for retired career Federal civil employees. I do so as chairman of the Federal Insurance and Health Subcommittee of the Senate Committee on Post Office and Civil Service.

This proposed legislation—pioneering legislation, I might add—is being introduced for myself, the distinguished chairman of the Senate Post Office and Civil Service Committee, the senior Senator from South Carolina [Mr. JOHNSTON]; the able ranking minority member, the junior Senator from Kansas [Mr. CARLSON]; a bipartisan majority of the committee, the junior Senator from Oklahoma [Mr. MONRONEY], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Texas [Mr. YARBOROUGH], and the senior Senator from Pennsylvania [Mr. CLARK]; and other Senators who have expressed an interest in sponsoring this bill, the junior Senator from Florida [Mr. SMATHERS], the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Utah [Mr. Moss], the senior Senator from New York [Mr. JAVITS], the junior Senator from New York [Mr. KEATING], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the junior Senator from Alaska [Mr. GRUENING] and the junior Senator from Rhode Island [Mr. PASTORE].

I ask unanimous consent that the bill lie on the table for 3 days so that other Members of the Senate, who may be interested in joining in cosponsoring this worthy bill, shall have the opportunity to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 2575) to provide a health benefits program for certain retired employees of the Government, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

Mr. NEUBERGER. Mr. President, this bill provides health coverage for career retired civil employees on the same basis that active employees and those who will retire after June 30, 1960, are covered in the Federal Employees Health Benefits Act of 1959, which passed the Senate on July 16 by a vote of 81 to 4 and early this week was unanimously reported by the Post Office and Civil Service Committee of the House of Representatives.

COSTS SHARED ON 50-50 BASIS

This bill would provide health benefits coverage for approximately 260,000 retired Federal employees, Federal employees disabled while in service for the Government, and their spouses and minor children. The premiums under this bill are the same as provided for under the Federal Employees Health Benefits Act of 1959, and are not to exceed $3.80 per month for an annuitant who enrolls for himself only, and $9.20 for an annuitant who enrolls for himself and members of his family. These premiums would be matched equally, on a 50–50 basis, by the Federal Government. The retired annuitant may have a free choice of plans; a service benefit plan, such as offered by Blue Cross-Blue Shield; an indemnity plan, such as offered by the insurance industry; a group practice prepayment plan, such as offered by the Kaiser Foundation on the west coast and Group Health Association here in Washington, D.C.; and an employee organization plan, such as offered by national employee organizations.

Specific health benefits would be negotiated by the U.S. Civil Service Commission, as the administering agency, with the various carriers. Annuitants would have 90 days after July 1, 1960, to elect coverage, and those who had not elected coverage within this period would lose the opportunity to do so. The annuitant's contribution, which would equal one-half of the cost, would be withheld by the Civil Service Commission from the annuity check.

Mr. President, reliable figures as to the family composition of the presently retired annuitants of our Government are not readily available and, of course, the cost of such a program could not be ascertained until this information is studied by the Civil Service Commission. Another factor in determining costs would be the number of annuitants who might elect coverage under this voluntary health plan. However, reliable estimates place the first year's cost of health coverage for retired Federal civil employees at around $40 million, which cost will be shared equally by the Federal Government and by the annuitant. The first year's cost will be the greatest since the presently retired and those who retired prior to July 1, 1960, is a group which inexorably will decline in size.

PRIVATE INDUSTRY PROTECTS RETIRED EMPLOYEES

Mr. President, the Federal Government cannot ignore the progressive examples of many large private employers who sponsor health benefits programs and have included in these programs persons already retired. These number, for example, the Arkansas Power & Light Co., B. F. Goodrich Co., Eastman Kodak Co., Goodyear Tire Co., Firestone Tire Co., Gilmore Belt & Rubber Co., American Sugar Refining Co., Swift & Co., Minnesota Mining & Manufacturing Co., and the First National Bank of Oregon.

Mr. President, if present retirees are not included in health benefits legislation on the same basis as future retirees will be included under the Federal Employees Health Benefits Act of 1959, large groups of retired employees may be penalized because they may lose such health insurance as they now have, or if they do not lose it, the premiums for continuing the insurance may be so greatly increased and become so high that it will be difficult for them to continue it. The reason for this is that many retirees are now insured in small local groups or under the plan established by the National Association for Retired Civil Employees—NARCE—or other plans composed of active employees which allow them to continue such coverage after retirement. When the Federal Employees Health Benefits Act of 1959 becomes effective on July 1, 1960, the presently active employees may promptly abandon these policies and seek coverage under the favorable terms of the new act. Without an influx of new members and newly retired members, the rates for these policies would become prohibitive, since the group would continue with only the presently retired, who, of course, become older each year.

AMERICAN MEDICAL ASSOCIATION FAVORS COVERAGE

Mr. President, I am pleased to report that the American Medical Association has given its active endorsement to a policy of covering retired Federal civil employees. I ask unanimous consent to have printed at this point in my remarks a letter from Dr. F. J. L. Blasingame, executive vice president of the AMA, who states that participation of the annuitant on a voluntary and contributory basis is desirable.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., August 4, 1959.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: The American Medical Association is pleased to learn that you and other members of your Subcommittee on Insurance intend to introduce legislation which would provide for health in-

surance on a voluntary and contributory basis for the already retired Federal workers. I am enclosing a copy of a letter I sent to Hon. TOM MURRAY, chairman of the House Post Office and Civil Service Committee, relative to S. 2162. I would call your particular attention to the paragraph in the enclosure dealing with section 2, which reads as follows:

"It is noted that the Senate-passed bill provides eligibility for individuals who retire after the date of enactment and before the effective date of the bill. While we feel that this provision is desirable, we regret that the bill does not provide for the already retired. We are heartened by the knowledge that the Senate Post Office and Civil Service Committee is presently considering a program under which health insurance will be offered to this group. While recognizing that such a program represents somewhat of a deviation from past precedents, we sincerely believe that the participation of these individuals on a voluntary and contributory basis is desirable."

Let me take this opportunity to commend you and your colleagues for the dedication you have shown in attempting to find a solution to the problem of health insurance for the retired Federal employee.

Sincerely yours,

F. J. L. BLASINGAME, M.D.,
Executive Vice President.

Mr. NEUBERGER. Mr. President, it is my opinion that the need of older people in our area for voluntary health coverage has long been neglected. Providing health coverage for presently retired Federal employees would prove an important step forward in meeting the health needs of our older people. It is well known that the need for health services is extremely critical in older groups. We must not shut our eyes to this urgent need.

CALLOUS TO IGNORE NEEDS, SAYS CIVIL SERVICE CHAIRMAN

Mr. President, I am pleased to report that the needs of retired Federal civil employees with respect to health coverage has not been ignored by the chairman of the U.S. Civil Service Commission. Roger W. Jones, in a letter to me dated May 18, 1959, stated:

Anyone who expressed indifference to the plight of our already retired employees in being unable to obtain adequate health insurance at a price they can afford to pay would be callous indeed. To require retirees to assume all or a major portion of the cost would put the insurance out of their financial reach. The only possibility which suggests itself would be to consider already retired employees as a separate group from active employees and try to work out separate legislation for them.

This is exactly what we are now doing.

Mr. President, this humanitarian view expressed by the chairman of the Civil Service Commission is, unfortunately, not shared by all administration spokesmen. I regret to state that there are those who put dollars ahead of human values. The Director of the Bureau of the Budget in the Executive Office of the President wrote the chairman of the House of Representatives Post Office and Civil Service Committee on August 4, 1959, and stated:

The new health insurance benefits should be made available only to employees who earn them by rendering services to the Government under the new program after it becomes effective. Compensation in the form of pay and benefits is paid to employees for services rendered. Former employees who rendered service under a compensation system which did not include these health insurance benefits have already been paid in full for their services in the form of pay and benefits already received or in vested rights to payment of future benefits already earned.

Mr. President, contrast the harsh view expressed by the Director of the Bureau of the Budget with that voiced by the farsighted Governor of the State of New York, Hon. Nelson A. Rockefeller, who wrote:

It is of utmost concern to me that elderly persons have adequate medical and hospital care. Tragically, however, it is just at the retirement age of 65 that people are frequently dropped from health insurance plans, only to find that the cost of individual health insurance policies is prohibitive. The fiscal implications of this problem are among the most serious confronting us today.

NEW YORK PROVIDES HEALTH INSURANCE COVERAGE FOR ITS RETIRED STATE EMPLOYEES

Mr. President, the State of New York has wisely made health benefits coverage available to its retired State employees as of June 1, 1958, with the State paying 50 percent of the cost of the coverage for the retired employees. I am pleased also to report that our northern good neighbor, the Dominion of Canada, has adopted a national hospitalization program which includes its already retired senior citizens.

Mr. President, health coverage for retired employees on a voluntary basis has been endorsed by the insurance industry and the Blue Cross Association. I ask unanimous consent to have printed at this point in my remarks recent letters I have received from Mr. C. Manton Eddy, vice president and secretary of Connecticut General Life Insurance Co., who writes in behalf of the American Life Convention, the Health Insurance Association of America, and the Life Insurance Association of America, and from Mr. J. Douglas Colman, vice president and secretary of Blue Cross Association.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONNECTICUT GENERAL LIFE INSURANCE CO.,
August 12, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: We understand that it is your intention, along with other members of your Subcommittee on Insurance, to introduce a bill to provide for health insurance on a voluntary and contributory basis for already retired former Goverment employees.

The insurance business has long advocated that group insurance programs make provision for continuance of coverage for retiring employees, and also has urged employers to cover, whenever possible, those employees already retired. A Federal program for retired Federal employees could have very desirable and perhaps far-reaching effects. Of course, as in the case of every employer, budgetary considerations will necessarily govern the ultimate determination of this program.

On behalf of the American Life Convention, the Health Insurance Association of America, and the Life Insurance Association of America, I congratulate you on your deep and continued interest in utilizing the voluntary approach to the solution of the health-care needs of Government employees.

Very truly yours,

C. MANTON EDDY,
Vice President and Secretary.

BLUE CROSS ASSOCIATION,
New York, N.Y., August 14, 1959.

The Honorable RICHARD NEUBERGER,
Senate Post Office and Civil Service Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: You have asked for our views with respect to the proposal to provide health insurance benefits to past service retirees of the Federal Government.

As you know, Blue Cross and Blue Shield have had a long and continuing interest in improving and extending the health services available to the aged. Our first and thus far our greatest contribution in this area has been the encouragement given to retirees to continue their membership regardless of age, at standard rates and standard benefits. This policy has been largely responsible for the present membership of some 3 million persons over 65 in Blue Cross.

This is, of course, the gradual approach to the problem, namely, the enrollment of persons during their active working years and permitting them to continue. Several of our plans in recent years have begun to experiment with the enrollment of persons who have already attained their later years. From the experience with these persons, I believe, we could have sufficient data to support valid estimates of the costs of various types of hospital benefits to present Federal annuitants when we receive the detailed data on their age and sex composition, which I understand will shortly be available from a recent sample study.

Accordingly, therefore, we believe we could discharge the responsibilities which would be imposed on carriers should the measure to provide health benefits for present annuitants be enacted.

As employers and employees join in the development of programs providing adequate health service for the aged population growing out of that employment, the current public demand for a sweeping Federal program of health service for all aged will be lessened.

Sincerely yours,

J. DOUGLAS COLMAN,
Vice President and Secretary.

Mr. NEUBERGER. Mr. President, as chairman of the Insurance Subcommittee, it is my hope that health coverage for presently retired Federal civil employees and those who retire prior to July 1, 1960, will take effect on July 1, 1960, the same date when coverage begins for active and future retirees.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a recent letter from Mr. Frank J. Wilson, president, National Association of Retired Civil Employees endorsing the legislation that I am now introducing. NARCE has done an outstanding job in protecting and fighting for the rights of retired Federal civil employees and has established a fine program of health coverage for its 100,000 members.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
RETIRED CIVIL EMPLOYEES,
Washington, D.C., August 5, 1959.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Insurance, Senate Committee on Post Office and Civil Service, Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: Thank you for the opportunity to review the revised draft of a proposed Federal Annuitants Health Benefits Act of 1959, made available to me over the weekend by representatives of your office and by the staff of the Senate Committee on Post Office and Civil Service. We commend you and those associated with you in working out such a constructive legislative draft, and we hope it will receive prompt approval by the committee and by the Senate.

We are particularly pleased that this draft is so well adapted to serve as a companion measure to S. 2162, to provide a health benefits program for Government employees, which passed the Senate on July 16, 1959. As we examine the standards set forth in the committee's Report No. 468 of July 2, 1959, as having been met by S. 2162, we note that the proposed draft meets similar tests concerning annuitants. For example, we believe that the proposed draft:

Would establish a program to embrace as many Federal annuitants as possible, would cover dependents and survivors, and would provide benefits which they cannot obtain for themselves at comparable cost.

Provides annuitants, within limits, freedom to select the kind of plan which they deem most suitable for their needs. The draft would authorize the same four types of plans, if feasible, that are set forth in greater detail in S. 2162.

Would recognize the problems of low-income annuitants and aid them in securing health benefits.

Annuitants could join with active employees in contributing to costs and would receive equal assistance from the Federal Government in meeting costs.

Avoids risk of termination because of health or employment status or because of age.

Provides for the benefit of the Government reasonable limitations on costs, even for the first year. (Each year the costs will drop steadily, perhaps as much as 10 percent.)

Makes economies possible by reasonable competition in planning and contracting for programs, for the benefit of the Government as well as for annuitants.

Authorizes a program which tends to avoid setting in motion any forces that would inflate costs of hospital and medical care for the total population.

We support this legislative proposal because of the many positive benefits which it would provide, but we must also emphasize the terrible alternative if such a measure is not enacted into law.

Our own national organization plan, NARCE Services, Inc., provides up to 31 days of hospital care at $13 per day, miscellaneous hospital expense up to $130, surgical benefits up to $200, and outpatient benefits up to $130 at a cost of $6 per month per person covered (member and spouse). This plan has been working very smoothly for a long time and now covers 51,000 persons (36,000 annuitants and 15,000 spouses). A balanced risk is maintained by new retirees joining each year. If S. 2162 is approved without the companion measure for annuitants, there will be no new retirees joining each year, the participants will shrink rapidly and be restricted more and more to high risk members, and the plan will soon have to be discontinued.

So we ask not only for the benefits in the proposed Federal Annuitants Health Benefits Act of 1959, but we ask that such a program be speedily enacted into law to avert the threatened loss of the modest health-benefits program we established for ourselves.

With esteem, I am,
Sincerely,

FRANK J. WILSON,
President.

Mr. NEUBERGER. Mr. President, I am also pleased to report that the Government Employes' Council of the AFL–CIO, representing over 600,000 Federal employees who are members of the AFL–CIO affiliated unions, have endorsed coverage for retired Federal civil employees. I ask unanimous consent to have printed at this point in my remarks a letter I have received from my warm friend, William C. Doherty, president of the National Association of Letter Carriers and chairman of the Government Employers' Council.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT EMPLOYEE'S COUNCIL
OF THE AFL–CIO,
Washington, D.C., August 12, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: The employees of the Federal Government are very much pleased with the action of the Senate Committee on Post Office and Civil Service, and your subcommittee, in reporting out S. 2162, providing a program of health benefits for Federal employees.

There is one serious omission from that bill that gives us a great deal of concern. That is the omission of those presently retired, as well as the survivor annuitants on the rolls. There are 311,000 retirees and 132,000 survivor annuitants. These folks receive very small annuities and the older the retiree, generally the smaller the annuity he receives.

The problem of the aged and aging is one of the most serious social problems we have in this country today. With the advancement of medical science and with the utilization of hospitalization and new diagnostic techniques to combat disease, the cost of remaining healthy has become quite a substantial item. The incidence of illness in the case of the aged is greater than in the case of younger people. Thousands of our elder citizens do not go to the doctor when they should because they simply cannot afford it. Medical and hospitalization insurance covering these older citizens is difficult to get, is extremely expensive, and provides greatly limited benefits. Simple justice seems to demand that legislation should be enacted that will furnish these people with proper health protection.

We were pleased to note in the report of the Senate Committee on Post Office and Civil Service on the health program that it was the intention of that committee to provide legislation covering retirees. We hope that such legislation will be speedily introduced and passed in short order by the Congress of the United States.

We are deeply appreciative of the interest that you, Senator OLIN D. JOHNSTON, and other members of the committee have taken in this most important subject, and we pledge our full support to you in working for the passage of this legislation. Our council as you know, represents over 600,000 workers in the Federal Government.

With very best wishes for success, I remain,

Sincerely yours,
W. C. DOHERTY, *Chairman.*

Mr. NEUBERGER. Mr. President, legislation to provide voluntary health coverage to our career retired Federal civil employees is of vital importance and our Government, the Nation's largest employer, will be following in a pattern already established by progressive private industry and the State of New York.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO ADMINISTRATION OF OATHS TO WITNESSES

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 205 of the Federal Property and Administrative Services Act of 1949 to empower certain officers and employees of the General Services Administration to administer oaths to witnesses.

This bill is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1959. I ask that a letter addressed to the President of the Senate by the Administrator of the General Services Administration under date of August 3, 1959, and a statement of justification, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and justification will be printed in the RECORD.

The bill (S. 2580) to amend section 205 of the Federal Property and Administrative Services Act of 1949 to empower certain officers and employees of the General Services Administration to administer oaths to witnesses, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter and justification presented by Mr. McCLELLAN are as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., August 3, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is forwarded herewith draft of legislation to amend section 205 of the Federal Property and Administrative Services Act of 1949, to empower certain officers and employees of the General Services Administration to administer oaths to witnesses.

This proposal is a part of the legislative program of the General Services Administration for 1959.

This proposed legislation would amend the Federal Property and Administrative Services Act of 1949 (63 Stat. 377; 40 U.S.C. 486), as amended, by adding a new subsection to section 205, which would authorize and empower all officers and employees of the General Services Administration engaged in investigatory functions to administer oaths in the performance of their duties, when so designated by the Administrator.

This proposal is urgently needed to enable GSA to improve its investigatory functions by administering oaths to persons prior to securing statements or in other capacities which will be beneficial in the protection of the Government's interests.

This statutory authority will aid GSA in carrying out its responsibilities with respect to protecting the Government's interest by a continuing administrative investigation and surveillance of the merchandise acquired by GSA for the use of all civil departments and agencies and the acquisition of strategic and critical material for the Government's stockpile. GSA's tremendous construction program and the maintenance of Government owned or leased buildings also requires constant, thorough administrative investigation.

The specific citations above merely indicate some of the fields in which it is necessary for this agency to carry on investigations. During fiscal year 1958, this agency investigated 1,477 cases of law violations resulting in 70 arrests, 44 convictions, and 103 disciplinary actions. The fines and recoveries totaled $330,000. The enactment of this legislation would enable GSA's investigators to obtain statements which would be helpful in bringing to justice those who attempt to violate the law. In addition, it is believed that such authority would result in increased recoveries.

The enactment of this proposed legislation would not increase the expenditure of Federal funds, but could result in increased revenue.

The General Services Administration urges prompt and favorable consideration of this draft bill.

The Bureau of the Budget has advised that it interposes no objection to the submission of this bill to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

JUSTIFICATION

This proposed legislation would amend section 205 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) as amended, by adding a new subsection. This subsection would authorize and empower all officers and employees of the General Services Administration who are engaged in investigative work to administer oaths, when so designated by the Administrator.

This authority is needed to enable the Administrator of General Services to carry out the responsibilities placed upon him by the Congress of the United States under the provisions of the Federal Property and Administrative Services Act, as amended. Among other things, the Administrator of General Services is required to acquire all common-use items for the use of all civilian departments, agencies, and independent establishments of the Government. Constant surveillance must be kept of the manner in which these items are acquired and of the quality of merchandise supplied by the contractors. The amount of Government funds expended is approximately $741 million annually. Due to the tremendous volume of this purchasing program and the variety of contractors with whom GSA can and does do business, problems requiring inspection and investigation arise frequently.

There is the further necessity of investigating cases involving employee misconduct, generally.

Due to the widespread activities of the General Services Administration in the construction of buildings for the use of the Federal Government, many contract violations arise. The demand for quarters for Government agency activities is very heavy. It is contemplated that it will be necessary for GSA to project a building program which will require the expenditure of $3 billion over a period of 5 to 10 years. Since the major portion of these buildings are erected by contractors and subcontractors, it is incumbent upon the Administrator to determine that no statutory authority has been violated by the contractors before Federal funds are expended. This particular field needs the protection of every phase of this investigation.

Since General Services Administration is charged with the responsibility of acquiring the strategic and critical materials for the Government's stockpile and the necessary rotation of much of this material, a constant inspection and investigation surveillance of the activities leading to the accomplishment of this function is necessary.

The statements above give some indication of the variety of investigatory and protective work that is required to carry out the programs and functions of this agency. The volume of this work can be illustrated by reference to the Annual Report of the Administrator of General Services to the Congress for the year ending June 30, 1957. This report shows that during that fiscal year GSA investigated 1,477 cases of all types of violations of law. The results of these preliminary administrative investigations were submitted to the Department of Justice for further handling. As a consequence, 70 arrests were made, 44 convictions obtained and 103 disciplinary actions were taken. The fines and civil recoveries totaled $330,000.

These investigations were made under the handicap of the investigators not being able to place witnesses under oath at the time and place of taking statements. It is believed that the authority sought by this proposed legislation would enable this agency to secure a higher rate of recovery for the Government and assist in bringing to justice cases of actual violation. The persons interviewed in cases of this kind are found at many locations, sometimes after a difficult tracing and the statement taken by the investigator is all too frequently the only statement that can be obtained. A statement which is not made under oath does not result in a document that is of substantial weight in the prosecution of violations of the law. Furthermore, the person making the statement tends to be careless in his use of the truth when he realizes that he is not under oath and cannot be subjected to any penalty or legal action for any statement made, regardless of its falsity.

Upon the enactment of this much needed legislation, the Administrator of General Services will issue regulations setting forth the manner in which this amendment will be carried out. The Administrator is willing to assume the responsibility for making certain that the authority is not abused by those designated to exercise it. Only the officers and employees of this agency who are engaged in investigatory functions and will be so operating as to be able to use the authority effectively to secure sworn statements of witnesses, admissions, confessions, etc., will be designated as persons authorized and empowered to administer oaths.

APPOINTMENT OF NONUNIFORMED SPECIAL POLICEMEN BY ADMINISTRATOR OF GENERAL SERVICES

Mr. McCLELLAN. Mr. President, by request, I introduce a bill, for appropriate reference.

This bill proposes to empower the Administrator of General Services to appoint nonuniformed special policemen. It is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1959.

Mr. President, I ask that a letter addressed to the President of the Senate by the Administrator of General Services under date of August 3, 1959, with a statement of justification, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and justification will be printed in the RECORD.

The bill (S. 2581) to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen, introduced by Mr. MCCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter and justification presented by Mr. MCCLELLAN are as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., August 3, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith draft of legislation, "To amend the Act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen." A statement of justification is also enclosed.

This is a part of the legislative program of General Services Administration for 1959.

This proposed legislation would amend the act of June 1, 1948 (62 Stat. 281) by adding a new section which would authorize and empower the Administrator of General Services, or officials duly designated by him, to authorize officials and employees of GSA engaged in investigative functions to act as nonuniformed special policemen. This act now permits the Administrator to appoint uniformed guards as special policemen. This proposal is needed to enable General Services Administration to improve its effectiveness in protecting U.S. property through the investigation of suspected criminal activities in and around buildings and property under the charge or control of GSA. The effective surveillance of individuals suspected of being engaged in illegal operations is impossible if the investigators may be identified readily by their conspicuous uniforms.

There is statutory authority (43 Stat. 174, 176) permitting nonuniformed policemen to make investigations within the District of Columbia. Amendment of the act of June 1, 1948, is sought for the purpose of extending to all GSA controlled properties the authority of the Administrator of GSA to appoint and use nonuniformed special policemen as well as uniformed special policemen to protect Government property. The experience of General Services Administration is that nonuniformed special policemen have proved valuable for such protection purposes with respect to the Government land and buildings within the District of Columbia, and it is believed that other Government properties could be better protected by GSA's investigative personnel possessing the additional authority of special policemen.

The enactment of this proposed legislation would not increase the expenditure of Federal funds.

The General Services Adminstration urges prompt and favorable consideration of this draft bill.

The Bureau of the Budget has advised that it interposes no objection to the submission of this bill to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

JUSTIFICATION

This proposed legislation would amend the act of June 1, 1948 (62 Stat. 281) by adding a new section. This section would authorize and empower the Administrator of General Services, or officials of this Administration duly authorized by him, to appoint nonuniformed special policemen who are engaged in

investigative work to operate on Federal property or in Federal buildings with authority to carry firearms while on duty whether in travel status or on Federal property under the charge or control of the United States.

This authority is needed to enable the Administrator of General Services to meet the requirements placed upon him by the Congress of the United States under the provision of the Federal Property and Administrative Services Act (63 Stat. 377), as amended. In the prevention of crimes and the protection of buildings and grounds under the control of this agency, it is essential that certain civilian employees engaged in investigative activities be empowered to act as special policemen without being required to wear uniforms. The effective surveillance of individuals suspected of being engaged in illegal operations is enhanced if these investigators are not readily identified by their uniforms.

Since special policemen with their arresting powers carry firearms and may frequently be reassigned from one public building to another, and may even be required to cross State lines, it is essential that they be specifically authorized to carry their firearms while in travel status. This will help to clarify their right to do so while within State and local jurisdiction.

The authority of these nonuniformed employees to exercise the powers of special policemen is a necessary adjunct to their investigative activities, since it is frequently of prime importance to make an immediate arrest of an offender whose identity is not known or who may have incriminating evidence in his possession. The services of these nonuniformed policemen have proved valuable in the District of Columbia where they are now operating pursuant to the act of May 27, 1924 (43 Stat. 174, 176).

The reasons for utilizing nonuniformed special policemen are valid throughout the Nation. In the past, such investigators have not had the authority of special policemen in such areas as that of the Pentagon and are not able to cope with suspected gambling offenses and other similar problems. Careful surveillance and immediate arrest are almost prerequisite to successful prosecution when such offenders have incriminating documents in their possession.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT RELATING TO UTILIZATION OF EXCESS PROPERTY AND REIMBURSEMENT PROCEDURE

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 202(a) of the Federal Property and Administrative Services Act of 1949, as amended, to promote the utilization of excess property and to simplify the reimbursement procedure for transfers of such property.

This bill is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1959. I ask that a letter addressed to the President of the Senate by the Administrator of General Services Administration under date of July 23, 1959, which sets forth a statement of justification, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2582) to amend section 202(a) of the Federal Property and Administrative Services Act of 1949, as amended, to promote the utilization of excess property and to simplify the reimbursement procedure for transfers of such property, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 23, 1959.

Hon. RICHARD NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is enclosed for your consideration a draft of a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to promote the utilization of excess property and to simplify the reimbursement procedure for transfers of such property.

Enactment of this proposal, which would amend section 202(a) of the Federal Property and Administrative Services Act of 1949, as amended, should result in substantial additional economies to the Government and to the taxpayers. The principal amendment sought by the bill is clarification of the authority of the Administrator of General Services to determine the extent of reimbursement on transfers within the Government of excess property held in working-capital or stock funds established pursuant to section 405 of the National Security Act of 1947, as amended, or in similar funds.

At the outset, it should be noted that GSA regulations (1–III–303.03 and 2–IV–202.07) provide for certain transfers of excess property between agencies without reimbursement.

Such provision is based on congressional recognition, clearly expressed in the legislative history of Public Law 522, 82d Congress (66 Stat. 593, amending sec. 202 of the Federal Property and Administrative Services Act of 1949), that concrete savings to the taxpayer are effected by utilizing property already paid for by one agency of the Government, through transfer to another agency without reimbursement, where such other agency has a genuine need for the property but insufficient funds to pay the prescribed fair value, or where other circumstances exist which justify such transfers.

Where excess personal property is no longer needed by one agency and is not utilized by other agencies because they lack the funds for reimbursement, despite a firm need for the property, it is disposed of by donation or sale, often with little or no net Government return (other than the public benefit aspect in the case of donation). This situation is fully described in House hearings on H.R. 5350, pages 11–21; House Report No. 1524, page 4; Senate Report No. 2075, pages 3–4, all of the 82d Congress, in connection enactment of Public Law 522.

As a result, however, of Department of Defense stock fund directive 7420.1 (February 1, 1954, released December 19, 1956), the military departments have declined to transfer any excess personal property carried in working capital or stock funds established under the National Security Act of 1947, as amended, unless reimbursement is obtained, except in a limited number of cases such as those wherein the transfer does not exceed $500 at standard price per line item. Accordingly, many potential transfers of excellent excess DOD personal property to agencies which need and have requested such transfers have not been effected, at substantial loss to the Government.

In a submission of August 8, 1955, to the Comptroller General the Department of Defense expressed the view that transfers of stock fund property to another agency within the Government, even though excess to the needs of the Department of Defense, are required by law to be reimbursed, notwithstanding GSA regulations providing in certain cases for transfers without reimbursement in the interest of overall Government economy through Federal utilization. The Comptroller General, after consideration of the views of this administration, ruled (decision B–125108, Oct. 18, 1955, 35 Comp. Gen. 207) that DOD stock fund excess may properly be transferred to other agencies without reimbursement pursuant to the aforementioned amendment made by Public Law 522 to the Federal Property and Administrative Services Act of 1949. "This seems all the more true," states the decision, "when considered in the light of the overall purpose of this amendment to obtain better utilization of the property by permitting transfers of excess property to be made without reimbursement." The Comptroller General noted, however, that by virtue of the clause "whenever net proceeds are requested pursuant to section 204(b)" in the proviso in the second sentence of section 202(a) of the act, reimbursement is required if the head of an agency exercises his discretionary authority to request it. (Sec. 204(b) of the act was redesignated as section 204(c) by Public Law 760 of the 83d Cong., 68 Stat. 1051.)

Despite the Comptroller General's ruling that such utilization transfers of DOD stock fund excess may be made, GSA still finds itself unable to effect such transfers.

The proposed amendment would, therefore, by making specific reference to such stock funds in section 202(a) of the Federal Property and Administrative Services Act of 1949, as amended, make it possible for the Administrator to authorize a transfer of such so-called reimbursable excess stock fund property, where justified in the interest of economy through utilization, without reimbursement. This he is not currently able to do if reimbursement is requested, despite the fact that the continuing value of such property to the Government often exceeds its sales return by several times.

The only other amendment to section 202(a) of the act which is proposed by the enclosed bill is the elimination of the provision (at the end of the section) that excess property taken into GSA supply centers for redistribution shall be retransferred to agencies at prices fixed by the Administrator with due regard to prices established in accordance with section 109(b) of the act. The pricing of excess property, not being the same as pricing for new property, can best be handled by administrative regulations.

For these reasons, GSA recommends early enactment of the enclosed bill.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

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REIMBURSEMENT FOR MOVING EXPENSES TO OWNERS AND TENANTS OF CERTAIN LANDS

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the head of any executive agency to reimburse owners and tenants of lands or interests in land acquired for projects or activities under his jurisdiction for their moving expenses and for other purposes.

This bill is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1959. I ask that a letter addressed to the President of the Senate by the Administrator of General Services Administration under date of August 11, 1959, which sets forth a statement of justification, be printed in the RECORD, as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2583) to authorize the head of any executive agency to reimburse owners and tenants of lands or interests in land acquired for projects or activities under his jurisdiction for their moving expenses, and for other purposes, introduced by Mr. MCCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., August 11, 1959.

HON. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee, a draft bill prepared by the General Services Administration, "To authorize the head of any executive agency to reimburse owners and tenants of lands or interests in land acquired for projects or activities under his jurisdiction for their moving expenses, and for other purposes."

This proposal is a part of the legislative program of the General Services Administration for 1959.

Prior to September 28, 1951, the cost of moving owners and tenants from lands acquired by the Federal Government was not reimbursable because such moving was determined to be a consequential cost and not compensable under existing law. Section 501(b) of the act of September 28, 1951 (65 Stat. 364) authorized the military departments to reimburse landowners and tenants for moving expenses in connection with lands acquired for specific military projects. Section 401(b) of the act of July 14, 1952 (66 Stat. 624–625) broadened the authority of military departments to make such reimbursement for all of their public works projects. These acts also provide for reimbursement to owners and tenants of land acquired for such projects for expenses and other losses and damages incurred in the process and as a direct result of moving themselves and their families and possessions because of such acquisition of land; that such reimbursement shall be in addition to, but not in duplication of, any payments in respect of such acquisitions as may otherwise be authorized by law; that such reimbursement shall not exceed 25 percent of the fair value of the parcel of land being acquired; and that applications for such reimbursement must be filed within a period of 1 year following the date of the acquisition.

Section 305 of the Housing Act of 1956 (70 Stat. 1100–1101) amended section 106 of the Housing Act of 1949 to add a new subsection (f) which authorizes a local public agency, in connection with an urban renewal project respecting which a contract for a capital grant is executed under title III of the act, to make "relocation payments" to individuals, families and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after the date of enactment of the Housing Act of 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement by an urban renewal project, provided such payments do not exceed $100 in the case of an individual or family, or $2,000 in the case of a business concern. Section 304 of the Housing Act of 1957 (71 Stat. 300–301) amended the foregoing provision to permit the payment of fixed sums up to $100 for the movement of individuals or families without relation to their actual expenses and raised the ceiling on reimbursement of moving costs of business concerns to $2,500.

The act of May 29, 1958 (72 Stat. 152) granted the Secretary of the Interior authority similar to that outlined above for the military departments in connection with lands acquired for the construction, operation or maintenance of developments under the jurisdiction of the Secretary of the Interior. Such developments include acquisition of lands for water conservation and other water developments and for other public works projects of the Bureau of Reclamation.

Under existing statutory authority available to the General Services Administration and to executive agencies other than those referred to above for acquisition of lands, and interests therein, by purchase, condemnation or otherwise, the owners or tenants of lands and interests therein may be paid only the fair market value thereof, but the expenses, loss and damage incurred in moving are not compensable. The legislation outlined above is indicative of the growing concern of Congress that owners and tenants of land and interests therein be "made whole", when their property is acquired for public use, by establishing a new category of compensable damages. The necessity for and the problems that have arisen in connection with similar proposed legislation are indicated by Representative TELLER in his remarks in the CONGRESSIONAL RECORD for January 15, 1958. In proposing this legislation we recognize the benefits to be derived therefrom by the Government from more equitable treatment of landowners and tenants and from the favorable effect of such legislation in the relationships between the Government and the public in general.

The text of the legislation proposed by GSA and enclosed herewith is similar to the authority granted to the military departments and to the Secretary of the Interior in the foregoing statutes. While it is impossible to foresee every item that may be compensable under the proposed legislation, the following are examples considered by the Office of the Chief of Engineers, Department of the Army, to be typical items of reimbursable expenses, losses and damages (par. 12(a) Engineering Manual 405–1–699, dated October 27, 1958):

"Expenses—transportation costs; costs of removing and crating possessions; costs of advertising for transportation or crating; costs of storage pending moving; insurance premiums for protection of possessions while in storage or being moved; labor performed by owner or tenant in accomplishing move; costs of reinstalling machinery, equipment, etc.; costs of innoculation of livestock, if required, prior to entrance of livestock into a county or State; short-term loan charges to defray moving expenses only; and out-of-pocket expenses in obtaining new site of land, such as expenditure for title search, appraisal, survey, or settlement (not including any part of the purchase price for the new site or any expenditure for the purpose of adding to the value or utility of the new site); taxes incident to expenses incurred in moving;

"Losses—time lost from employment by owner or tenant because of moving (not including labor performed to accomplish move); property lost or stolen in the process of moving; death of or injury to livestock;

"Damages—uninsured injuries to furniture or equipment."

The Office of the Chief of Engineers, Department of the Army, lists the following as typical nonreimbursable expenses, losses and damages (par. 12(b) Enginering Manual 405–1–699, dated October 27, 1958):

"Expenses—costs of conveying land to Government, additional expenses incurred because of living in a new location, costs of removing salvage material reserved, capital improvement to the replacement site;

"Losses—difference between amount received from Government for property and amount paid for replacement property, interest on loan for purchase of replacement property, loss due to duplication of interest, taxes, etc., loss of goodwill, loss of profits, loss of trained employees, expenses of sales and losses because of such sales;

"Damages—personal injury while moving or preparing to move."

It was found advisable in the proposed legislation to provide specifically that the period of 1 year, within which an owner or tenant may apply for reimbursement of his moving expenses, losses, and damages, shall run from the date the parcel of land or interest in land is to be vacated under an agreement with the Government or pursuant to law, including an order of a court, or the date it is actually vacated, whichever first occurs. The purpose of this provision is best illustrated by examples of situations to which it would be applicable. Experience has shown that in many instances the lapse of time between the date of acquisition of a particular parcel of land or interest therein and the date on which construction of a building is begun thereon will permit outleasing of the parcel to the former landowner or to a tenant, thereby providing interim income to the Government. There are other instances where lands have been acquired by purchase and the landowner or tenant occupying the land, or interest therein, has been notified of the Government's requirement for immediate possession but the occupant has held over without color of right. In other instances, it has been necessary to file a declaration of taking in a condemnation proceeding in order to give the Government immediate possession of the property; but, although the court orders the landowner to surrender possession of the premises on a particular date, the landowner may refuse to surrender possession of the premises on the date fixed. In such a situation the hold-over-occupant should not be permitted to take advantage of a delinquent vacation of the premises by having the 1-year statute of limitations begin on the date he actually vacates. On the other hand, if an occupant of land, or an interest therein, acquired by the Government elects to vacate the premises at some date prior to the date he is required to do so, there is no reason why he cannot furnish an itemized statement of his expenses, losses, and damages within 1 year from the date he actually moves from the premises.

Although GSA is primarily concerned with the reimbursement of moving expenses in connection with projects or activities under its jurisdiction, the Bureau of the Budget, after discussing the proposed legislation with other executive agencies, has decided that such legislation is necessary on a Government-wide basis in order not to discriminate against landowners and tenants whose lands are acquired by other executive agencies. At the same time, it was felt advisable to make the proposed legislation inapplicable to acquisitions of lands or interests therein by the Tennessee Valley Authority and to the authorities vested by legislation in the Secretaries of the Army, Navy, and Air Force, the local public agencies in connection with urban renewal projects of the Housing and

Home Finance Agency, and the Secretary of the Interior and to the situations referred to in the above-mentioned statutes, inasmuch as such legislation effectively serves the purposes for which it was enacted.

With respect to the fiscal effect of the proposed legislation on the budgetary requirements of each executive agency the bill provides that the amount paid under it shall in no event exceed 25 percent of the fair value of any parcel of land or interest in land, as determined by the head of the executive agency concerned. The legislation of the military departments and the Department of the Interior contain a similar provision. We are informed by these departments that in terms of their overall acquisitions, average payments are substantially less than the maximum 25 percent. For example, the Department of the Army acquired in the fiscal year 1958 real property at a total cost of about $24,500,000, and the payments for allowable expenses, losses, and damages, as moving costs, were approximately $131,000, or 0.53 percent of said acquisition cost of such property. It is anticipated that, under the proposed legislation, the number of applicants eligible for reimbursement by GSA for such moving costs, as well as the total amount to be paid therefor, will be considerably larger than those of the military departments or the Department of the Interior because GSA purchases most of its sites for public buildings in urban areas which are generally developed commercially, as distinguished from the undeveloped property generally acquired in rural areas by the military departments and the Department of the Interior. This and other factors would affect the annual expenditure for such moving expenses which would be made by GSA and by other executive agencies. It is not possible, therefore, to estimate the effect of the proposed legislation on the budgetary requirements of each executive agency concerned or of the Federal Government as a whole.

For the reasons stated above, prompt and favorable consideration of the enclosed draft bill is recommended.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

AMENDMENT OF TITLE V OF MERCHANT MARINE ACT, 1936, TO REMOVE CERTAIN LIMITATIONS ON CONSTRUCTION DIFFERENTIAL SUBSIDY

Mr. MAGNUSON. Mr. President, on behalf of myself, and the Senator from Maryland [Mr. BUTLER] I introduce, for appropriate reference, a bill to remove the 50-percent ceiling on construction differential subsidy. At this point in my remarks I wish to insert excerpts from an article from the August 1959 Shipping Outlook published by the Committee on American Steamship Lines.

Parity philosophy incorporated in 1936 act: Both operating and construction differential subsidies were incorporated in the act so that our merchant vessels could operate at full competitive parity with foreign-flag vessels.

The philosophy of parity virtually serves as a blueprint of progress fitted to the maritime needs of the United States. It has proved to be a practical philosophy, the fundamental reason why the Merchant Marine Act of 1936 has become a long-range plan for the security, solvency, and growth of our merchant fleet.

The Merchant Marine Act, 1936, as amended, is the cornerstone of our national maritime policy, said the Senate Commerce Committee in a report in 1951: [1] "In the 14 years of experience in applying the principle of parity to enable our shipbuilders and shipowners to compete with their foreign counterparts, the act has proven to be a valuable instrument in the growth and development of our merchant marine. Our recent experience in the prewar and postwar periods of World War II have clearly demonstrated that the value of the subsidy program to the commerce and security far exceeded its out-of-pocket cost to the Government."

Shipyard subsidies limited to 50 percent: The act provides safeguards against payments in excess of parity, but at the same time it, in effect, places a ceiling on parity by saying that shipyard subsidies must not exceed 50 percent of the vessel's building price.

The 50-percent limitation was based on the assumption that this would more than cover the difference in building prices here and abroad. This was a realistic ceiling at the time. In fact, when the proposed legislation was being discussed, the Senate Committee on Commerce quoted "all experts on the subject" as believing that the price difference on cargo ships was approximately 40 percent. By fixing a ceiling at 50 percent, Congress clearly intended to provide a margin of safety to insure that payments in all instances would equal parity.

Some shipping authorities, however, anticipated the possibility that the real objective of the act might some day be frustrated by rising prices. Among these was the Maritime Commission which, shortly after the legislation was adopted said: [2]

"The limitation in this provision will present a real obstacle to the construction of new units for our merchant marine whenever foreign shipyard costs are less than half of ours, for in such a case it would be cheaper to build abroad rather than here, even after taking into consideration the maximum subsidies allowed under the act."

Vast replacement program under way: The economic life of a merchant ship, as recognized by law, is 20 years. As stated earlier, this means that the 15 privately owned and operating lines sailing in foreign trade under Government contracts are obligated to replace some 276 ships over the next 10 to 15 years. The total cost is estimated at more than $4 billion, representing the largest shipbuilding program in peacetime history.

Funds for this construction will come partly from reserve funds set aside by steamship companies under terms of the Merchant Marine Act. In addition, a huge amount of new capital, well over $1 billion, will have to be provided from various sources before the last replacement vessel comes off the ways. Unestimated additional billions of dollars of new capital will be required when companies other than those operating under contract with the Government replace their fleets.

To complete a program of such magnitude will require a realistic application of the parity principle suited to the fluctuating conditions of world shipbuilding and other economic factors both here and abroad.

Mr. MAGNUSON. From the time of enactment of the 1936 act, there have been nearly 20 studies and investigations of the construction differential and operating differential subsidies. Undertaken by both congressional and executive committees, each study has reaffirmed the principle of parity as necessary to the fulfillment of the still sound policies of the act of 1936.

Looking to the future, one of the principal impediments which remain to a successful conclusion of the shipbuilding program which the subsidized lines have contracted to progress, is the 50-*percent* limitation on construction subsidy now present in the 1936 act. Under today's circumstances and existing law, the subsidized operators are required to pay any excess over the 50-percent limitation. This condition completely negates the principle of parity in respect to the capital investment in new ships, and understandably the operators do not want this situation to assume a permanent set.

There is little doubt that under present and prospective conditions, the difference between American and foreign shipbuilding costs of liner vessels exceeds 50 percent. Based on exhaustive investigation and detailed studies made by industry experts, it now seems likely that in today's market the true difference is 55 percent or more, meaning that a ship which costs about $10 million to build in the United States could be built abroad, either in West Germany, Japan, or a number of other foreign countries, for not more than $4½ million.

Further, the Communist bloc has declared international economic war. Inevitably they will seek to disrupt international shipping and shipbuilding. Even today Poland and Yugoslavia are selling ships below free-world prices. As this Communist effort develops and as world shipyard prices continue to decline, the competitive impact of the present 50-percent limitation will be aggravated.

The American merchant marine has certain built-in capital disabilities, in the sense that they represent concessions to our higher American standards; examples of this are air conditioning of crew's quarters, better crew accommodations, additional mechanization, and similar items. In addition, compromises in ship design necessary to accommodate the views of our Defense Establishment have resulted in somewhat increased capital costs in relation to commercial utility. These disabilities, however, are basic to operating under the American flag and have been undertaken freely by the operators.

However, as a long-range matter, the American ship operator cannot effectively compete with his foreign counterparts if statutory limitations on construction subsidy force him to pay additional uneconomic premiums for his ships.

Complete and full parity in the purchase price of vessels is an absolute long-term necessity if our merchant marine is to survive and prosper in the years ahead. This being the case, it is increasingly clear that Congress should give sympathetic consideration to removal of the 50-percent subsidy limitation in the present act lest the shipbuilding program be frustrated and the shipbuilding industry and the merchant marine grievously prejudiced.

[1] S. Rept. 295, 82d Cong., 1st sess., 1951, p. 1.

[2] "Economic Survey of the American Merchant Marine," Maritime Commission, November 1937.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2584) to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title, introduced by Mr. MAGNUSON (for himself and Mr. BUTLER), was received, read twice by title, and referred to the Committee on Interstate and Foreign Commerce.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENT

Mr. BUTLER submitted an amendment, intended to be proposed by him, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF TARIFF ACT OF 1930 RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENT

Mr. YARBOROUGH submitted an amendment, proposed by him, to the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, which was ordered to be printed.

INCORPORATION OF NATIONAL DISTRICT ATTORNEYS' ASSOCIATION—EXTENSION OF TIME TO HOLD BILL FOR ADDITIONAL COSPONSORS

Mr. RUSSELL. Mr. President, at the request of the distinguished junior Senator from Louisiana [Mr. LONG], and for a number of other Senators, who have already cosponsored S. 2518, a bill to incorporate the National District Attorneys' Association, I ask unanimous consent that the bill may remain upon the desk for the purpose of having additional cosponsors affix their names thereto until the conclusion of business on Monday next.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Remarks by him relating to interchanges between the United States and the Soviet Union.

By Mr. BEALL:

Poll conducted by him relating to questions of national interest.

By Mr. WILLIAMS of New Jersey:

Messages of greeting received at the August 1958 National Student Congress; and list of member schools and members of National Advisory Council of the U.S. National Student Association.

NOTICE OF HEARING ON NOMINATION OF PAUL C. WEICK TO BE U.S. CIRCUIT JUDGE, SIXTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Thursday, August 27, 1959, in room 2228, New Senate Office Building, on the nomination of Paul C. Weick, of Ohio, to be U.S. Circuit Judge, Sixth Circuit, vice Florence E. Allen, retiring.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the following nominations from the President of the United States:

To be representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959: Henry Cabot Lodge, of Massachusetts; James G. Fulton, U.S. Representative from the State of Pennsylvania; Clement J. Zablocki, U.S. Representative from the State of Wisconsin; Walter S. Robertson, of Virginia; George Meany, of Maryland.

To be alternate representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959: Virgil M. Hancher, of Iowa; Charles W. Anderson, Jr., of Kentucky; Erle Cocke, Jr., of Georgia; Mrs. Oswald B. Lord, of New York; Harold Riegelman, of New York.

In accordance with the committee rule, the pending nominations may not be considered prior to the expiration of 6 days.

NOTICE OF HEARINGS BY GOVERNMENT OPERATIONS SUBCOMMITTEE ON THE PASSPORT REORGANIZATION ACT OF 1959

Mr. GRUENING. Mr. President, I desire to announce that a special subcommittee of the Committee on Government Operations, of which I am chairman, has scheduled hearings to begin on Wednesday morning, August 26, on the bill, S. 2095, the Passport Reorganization Act of 1959.

The Committee proposes to hear witnesses including Members who have introduced similar legislation, representatives of the Bureau of the Budget, the Department of State and other interested Federal agencies, and other organizations which desire to express their views on the proposed legislation. If necessary, hearings will be continued on Thursday, August 27, 1959, and on other dates to be determined.

It is suggested that any one who desires to be heard on this proposed legislation should communicate with Mr. Walter L. Reynolds, chief clerk, Senate Committee on Government Operations, room 3302, New Senate Office Building.

WEATHER ROCKET OPERATIONS ENVISIONED WITHIN 10 YEARS

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD an article on weather rocket operations, written by John Troan, science writer for the Scripps-Howard Newspaper Alliance. Mr. Troan has written a very interesting article on this subject. He predicts that within 10 years rockets will be an important means of determining the trend of weather, and perhaps will lead to long-range modification.

It was my privilege to sponsor the bill which created the Presidential Advisory Committee on Weather Control. The committee has now ended its work, but the responsibilities of the program which it envisioned have been placed with the National Science Foundation, which now is engaged in a research program dealing with weather forecasting, weather trends, and possible modification of clouds with gases, ice crystals, and other materials.

I believe the article contains special information and is of special interest to all who are looking ahead to the place of weather in our civilization.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 18, 1959]

WILL HELP DISCOVER HOW NATURE WORKS—WEATHER ROCKET OPERATIONS ENVISIONED WITHIN 10 YEARS

(By John Troan)

A lot of people are up in the air about the weather. Now science aims to go higher.

Within 10 years, the National Aeronautics and Space Administration (NASA) envisions "a fully operational system" of weather satellites.

Whizzing through space, above the earth's blanket of air, they will use television, radar, and infrared eyes to observe a multitude of things in nature's weather factory—clouds, winds, cold fronts, warm fronts, thunderstorms, rain pockets, airborne gases, and temperatures.

They will study chemical and electrical changes that affect the weather, the behavior of ocean tides and polar icecaps, how much heat the earth soaks up from the sun and how much it discards.

Down here, a vast array of electronic brains will mull over this data and help mere humans make sense out of the whole shebang.

WHAT THEY SEE

What will all this add up to? The experts foresee:

More accurate weather forecasts—especially on the Pacific coast, in the Southern Hemisphere, in the tropics, and over transoceanic air and ship routes.

Better storm warnings, giving people more time to protect themselves and their property from hurricanes, typhoons and maybe cyclones and tornadoes.

Longer range predictions permitting better crop planning and more efficient management of businesses affected by the weather—such as the fuel and air conditioning industries and outdoor enterprises.

In addition, says Dr. Harry Wexler, Weather Bureau research chief, such satellites "may throw open the way for some form of large-scale weather modification."

For as scientists learn more about how nature works, they should find ways to do something about the weather.

POSSIBILITIES

What might they do? It's all guesswork. But the likely possibilities—still in the distant future—include smashing or steering away hurricanes, reducing lightning, preventing hail, making rain, taming violent winds.

Last February, NASA launched history's first weather satellite. It was a 21-pound Vanguard sphere with two electronic eyes. As they scanned the clouds, the satellite beeped signals to be translated into crude pictures.

Unfortunately, the pictures came out cock-eyed because instead of spinning like a top the satellite wobbled like a bad football pass. Nevertheless, this showed what could be done.

Around the end of this year, NASA will try to put up a 270-pound weather satellite. Cylinder-shaped, it will carry two television cameras—to view sunlit clouds—and a heat-recording infrared detector which can see in the dark and thus scan the night side of the earth.

Some of the pictures to be fed to the ground will cover as much as 640,000 square miles. Others will be closeups, showing every cloud formation at least a mile big in an area 65 miles long by 65 miles wide.

This weather satellite, dubbed Tiros, will be launched from Cape Canaveral, Fla., by a Thor-Able rocket, the same kind that rifled a U.S. robot past the moon.

TO SWEEP UNITED STATES

Rollercoasting eastward across the map, the satellite will sweep every bit of the United States except Alaska. It also will cover much of Europe, including southern Russia; most of Asia, including Red China; all but the tip of South America, and all of Africa and Australia.

A similar satellite is on tap for next spring. Then NASA will go on to more sophisticated weather moons—including a 2½-ton job in 1961 equipped to broadcast information for 6 to 12 months.

NORTH-SOUTH ORBIT

For best results, NASA wants to put weather satellites into north-south orbits. They would blanket the earth and plug all the holes in the weather maps which now plague forecasters.

For such polar shots, Cape Canaveral isn't safe. If something went haywire, the falling satellite could land in New York or Brazil. So NASA will launch these from the missile range at Point Arguello, Calif.

The eventual aim is to place a half-dozen equally spaced weather moons into polar orbits 500 to 700 miles up. Plus a stationary satellite about 22,000 miles above the Equator.

The polar satellites would zip up and down the map, their robot eyes glued on what gives below. This will require stabilized satellites that can be kept pointing in one direction. That's a tough job but the short-lived Discoverer launched last April by the Air Force was wobble free. So we're on our way.

TV CAMERA

The weather satellite above the Equator would house a powerful TV camera controlled from the ground. If a polar moon picked up a suspicious cloud formation or other weather movement, the equatorial satellite would be told to give the trouble spot a good hard look and find out what's going on.

This may sound utterly fantastic. But our scientists believe it can be done within 10 years.

Weather satellites, of course, are of interest not only to civilians. The Armed Forces have a big stake in them.

BETTER FORECASTING

For instance, the Defense Department's chief scientist, Dr. Herbert F. York, points out that improved weather forecasting made possible by satellites would be of wartime value for scheduling air raids, amphibious landings, and the movement of troops and ammunition.

They could also make it possible to predict fallout patterns—to know in advance exactly which way the radioactive clouds from nuclear bombs would go, how far they would travel, and how fast. This way, you could do the most damage to an enemy with the least harm to yourself.

CODE OF ETHICS FOR OFFICIALS OF NEW YORK CITY

Mr. JAVITS. Mr. President, yesterday the Board of Estimate of the City of New York completed legislative action on three bills, comprising a code of ethics for the 225,000 officials and employees of the city of New York. All that remains is for the mayor to sign it into law, and he has already said that he would do so. So we may consider it as already done.

In many areas in the city of New York and the State of New York codes of ethics have been adopted, and it is a step which the Federal Government should emulate as soon as possible. There are pending before a number of Senate committees since the beginning of Congress proposals for the establishment of meaningful and enforcible codes of ethics for the executive as well as the legislative branches and for the establishment of a commission on ethics to undertake a comprehesive survey of conflict of interest statutes and make recommendations for a more comprehensive ethics code. Up to the present time there has been no action on these proposals despite the admittedly serious need for congressional guidance and protection in this field.

Mr. President, it seems that we wait until there are scandals before we discuss a code of ethics seriously, and then we promptly forget about it with the lapse of time until new scandals arise and get on the front page.

I again urge, as I have done before, that the Senate take action in this field.

I ask unanimous consent that the text of the three bills approved yesterday by the New York City Board of Estimate as well as the New York State Code of Ethics, containing the New York public officers law, be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

There being no objection, the text of the three bills and the State law were ordered to be printed in the RECORD, as follows:

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK IN RELATION TO A CODE OF ETHICS

Section 1, chapter 40 of the administrative code of the city of New York, is hereby amended by adding thereto a new section to follow section 897.1–0 to be section 898.1–0, to read as follows:

"SEC. 898.1–0. Code of ethics:

"(a) Conflicts of interest: No councilman or other officer or employee, whether paid or unpaid, shall engage in any business or transaction or shall have a financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his official duties.

"(b) Representing private interests before city agencies: No councilman or other officer or employee whose salary is paid in whole or in part from the city treasury shall appear in behalf of private interests before any agency, including the New York City Transit Authority, the New York City Housing Authority and the Triborough Bridge and Tunnel Authority. Councilmen, however, may appear without compensation in behalf of constituents, or in the performance of public or civic obligations. This section shall not prohibit appearances upon matters only incidentally requiring official action which do not develop into a substantial part of the employment: *Provided*, That the retainer is not for the purpose of appearing before the agency; *And provided further*, That the compensation, in whole or in part, is not contingent or dependent upon the action of such agency. No person serving the city without compensation shall appear either directly or indirectly, on behalf of private interests in matters involving the agency which he serves or before any agency of the city affecting matters involving the agency in which he serves.

"(c) Representing private interests before courts: No councilman or other officer or employee whose salary is paid in whole or in part from the city treasury shall represent private interests in any action or proceeding against the interests of the city, in any litigation to which the city, the New York City Transit Authority, the New York City Housing Authority or the Triborough Bridge and Tunnel Authority is a party, or in any action or proceeding in the municipal terms of the magistrates' court of the city of New York in which the city or any agency or any officer or employee of the city or an agency in the course of his official duties is a complainant.

"(d) Disclosure by councilman of interest in legislation: A councilman who has a direct or indirect financial or other private interest in any proposed legislation shall publicly disclose, on the official records of the council, the nature and extent of such interest.

"Disclosure orders

"(e) Disclosure by officer or employee of interest in legislation: An officer or employee who whether paid or unpaid has a direct or indirect financial or other private interest in any legislation, and who participates in discussion before or gives official opinion to the council, the board of estimate or the mayor, shall publicly disclose on the official record the nature and extent of such interest.

"(f) Gifts and favors: No councilman or other officer or employee, whether paid or unpaid, shall accept any valuable gift, whether in the form of service, loan, thing, or promise, or any other form from any person, firm, or corporation which to his knowledge is interested, directly or indirectly, in any manner whatsoever, in business dealings with the city.

"(g) Disclosure of confidential information: No councilman or other officer or employee, whether paid or unpaid, shall disclose confidential information concerning the property, government, or affairs of the city. Nor shall he use such information to advance the financial or other private interest of himself or others.

"(h) Investments in conflict with official duties: No councilman or other officer or employee, whether paid or unpaid, shall invest, or hold any investment directly or in-

directly in any financial, business, commercial, or other private transaction, which creates a conflict with his official duties.

"(i) Incompatible employment: No councilman or other officer or employee, whether paid or unpaid, shall engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of his official duties.

"(j) Future employment: No councilman or other officer or employee, whether paid or unpaid, shall solicit, negotiate for, or promise to, accept employment, by any person, firm, or corporation with which he or his agency is engaged on behalf of the city in the transaction of business or which is or may be affected by his official action.

"Any violation of any of the provisions of this section shall constitute cause for fine, suspension, or removal from office, or employment.

"This local law shall take effect immediately."

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, IN RELATION TO THE BOARD OF ETHICS

SECTION 1. The administrative code is hereby amended by adding thereto a new section, to follow section B1–6.0 to be section B1–7.0 to read as follows:

"SEC. B1–7.0. Board of ethics:

"There is hereby created and established a board of ethics to consist of the corporation counsel, the director of personnel, and three public members to be appointed by the mayor who shall be domiciled in the city of New York, who shall serve without compensation. The public members shall each serve for a term of 4 years. The members shall elect a chairman.

"The board shall render advisory opinions to officers and employees, with respect to section 898–1.0 of the administrative code of the city of New York. Such advisory opinions shall be rendered to written request by the officer or employee concerned. The board shall publish its advisory opinions with such deletions as may be necessary to prevent disclosure of the identity of the officer or employee involved.

"This local law shall take effect immediately."

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK IN RELATION TO APPEARANCE BEFORE CITY AGENCIES OF FORMER OFFICERS OR EMPLOYEES

Section 1, chapter 40 of the administrative code of the city of New York is hereby amended by adding thereto a new section, to follow section 896–1.0, to be section 897–1.0, to read as follows:

"SEC. 897–1.0. Appearances before city agencies of former officers or employees:

"No person who has served as officer or employee of the city, shall within a period of 2 years after termination of such service or employment appear before any agency of the city or receive compensation for any services rendered on behalf of any person, firm, corporation, or association in relation to any case, proceeding, or application with respect to which such person was directly concerned, or in which he personally participated during the period of his service or employment, or which was under his active consideration or with respect to which knowledge or information was made available to him during the period of said service or employment. Any violation of this section shall be a misdemeanor.

"The local law shall take effect immediately."

STATE OF NEW YORK, PUBLIC OFFICERS LAW, SECTION 73—BUSINESS OR PROFESSIONAL ACTIVITIES BY STATE OFFICERS AND EMPLOYEES AND PARTY OFFICERS

1. As used in this section the term "State agency," shall mean any State department, or division, board, commission, or bureau of any State department.

The term "compensation" shall mean any money, thing of value or financial benefit conferred in return for services rendered or to be rendered.

The term "legislative employee" shall mean any officer or employee of the legislature but it shall not include members of the legislature.

2. No officer or employee of a State agency, member of the legislature or legislative employee shall receive, or enter into any agreement express or implied for, compensation for services to be rendered in relation to any case, proceeding, application, or other matter before any State agency, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to any license, contract, certificate, ruling, decision, opinion, rate schedule, franchise, or other benefit: *Provided, however,* That nothing in this subdivision shall be deemed to prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

3. No officer or employee of a State agency, member of the legislature or legislative employee or firm or association of which such person is a member, or corporation, 10 percent or more of the stock of which is owned or controlled directly or indirectly by such person, shall sell any goods or services having a value in excess of $25 to any State agency unless pursuant to an award or contract let after public notice and competitive bidding. This subdivision shall not apply to the publication of resolutions, advertisements or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

4. No person who has served as an officer or employee of a State agency shall within a period of 2 years after the termination of such service or employment appear before such State agency or receive compensation for any services rendered on behalf of any person, firm, corporation or association in relation to any case, proceeding or application with respect to which such person was directly concerned and in which he personally participated during the period of his service or employment: *Provided, however,* That nothing herein contained shall prohibit any State agency from adopting rules concerning practice before it by former officers or employees more restrictive than the requirements of this subdivision.

5. No party officer while serving as such shall be eligible to serve as a judge of any court of record, attorney general, district attorney or assistant district attorney. As used in this subdivision, the term "party officer" shall mean a member of a national committee, an officer or member of a State committee or a county chairman of any political party.

6. Nothing herein contained shall be construed to prohibit any firm or association, in which any officer or employee of a State agency, member of the legislature or a legislative employee is a member, from appearing, rendering services in relation to any matter before, or transacting business with a State agency, where such officer or employee of a State agency, member of the legislature or legislative employee does not share in the profits resulting therefrom.

STATE OF NEW YORK, PUBLIC OFFICERS LAW, SECTION 74—CODE OF ETHICS

1. Definition: As used in this section: The term "State agency" shall mean any State department, or division, board, commission, or bureau of any State department.

The term "regulatory agency" shall mean the banking department, insurance department, State liquor authority, department of agriculture and markets, department of State, department of public service, and department of Labor.

The term "legislative employee" shall mean any officer or employee of the legislature but it shall not include members of the legislature.

2. Rule with respect to conflicts of interest: No officer or employee of a State agency, member of the legislature or legislative employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.

3. Standards:

(a) No officer or employee of a State agency, member of the legislature or legislative employee should accept other employment which will impair his independence of judgment in the exercise of his official duties.

(b) No officer or employee of a State agency, member of the legislature or legislative employee should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.

(c) No officer or employee of a State agency, member of the legislature or legislative employee should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.

(d) No officer or employee of a State agency, member of the legislature or legislative employee should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

(e) No officer or employee of a State agency should engage in any transaction as representative or agent of the State with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

(f) An officer or employee of a State agency, member of the legislature or legislative employee should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.

(g) An officer or employee of a State agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

(h) An officer or employee of a State agency, member of the legislature or legislative employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

(i) No officer or employee of a State agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the State agency in which such officer or employee serves or is employed.

(j) If any officer or employee of a State agency, member of the legislature or legislative employee shall have a financial interest, direct or indirect, having a value of $10,000

or more in any activity which is subject to the jurisdiction of a regulatory agency, he should file with the secretary of state a written statement that he has such a financial interest in such activity which statement shall be open to public inspection.

Mr. JAVITS. Mr. President, I am grateful to my colleagues for being so patient, but I shall be through momentarily.

Mr. President, the conferees representing the Senate and the other body are now engaged in resolving the differences between the respective forms of the Labor Management Reporting and Disclosure Act, which both Houses have adopted.

Mr. President, I have heard a lot of discussion about what the conferees are doing, but I have not heard enough discussion about what they are doing on the so-called no-man's land provisions which are in both bills.

Mr. President, the Senate bill provides in substance for jurisdiction to the States which have labor relations boards and labor relations laws.

In the House bill it is proposed to remand jurisdiction both to these boards and the State courts, many, many of which have no body of law of a labor relations character whatever, and which are depending upon common law.

Mr. President, I think that this is a very bad provision, one that can work mischief in relationship to labor-management relations because there is a tremendous diversity among the various States.

Mr. President, I think we must recall the words of the U.S. Supreme Court in Garner against the Teamsters Union, decided in 1953, in which the Court said:

> A multiplicity of tribunals and a diversity of procedures are quite as apt to produce incompatible or conflicting adjudications as are different rules of substantive law.

At the very least we have a multiplicity of procedures in respect of an enormous range in the State courts.

Mr. President, I do not think that any Member here wants to be unfair to labor under the guise of a situation in labor of racketeering and dishonesty which needs to be corrected, and besides which we all know that, in order to produce the things America needs, work has to be done. We saw that in the steel strike. Men can be so mad that they just obdurately refuse to do anything.

Therefore, Mr. President, I take this occasion to call the attention of the conferees to the importance of the no man's land provision and to working out some compromise on that which will not make this law repressive and at the same time will not throw each law in every State into such a diversity of action as to result in confusion and great injustice. For that purpose, I ask unanimous consent that there may be made a part of my remarks a digest of labor relations laws of the 12 States which have such laws, as well as a compilation which I have gotten from one of the standard services of the primary features of the law in the 38 other States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIGEST OF STATE LABOR RELATIONS STATUTES PROVISIONS RELATING TO UNFAIR LABOR PRACTICES AND REPRESENTATION ELECTIONS

(By James W. Kelley, Education and Public Welfare Division, May 13, 1958)

COLORADO—COLORADO REVISED STATUTES, 1953 (CH. 80, ART. 5)

Administrative agency to prevent unfair labor practices (secs. 3 and 8)—Industrial commission

Unfair labor practices (sec. 6)

1. By employers:

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in exercise of rights, guaranteed in act.

(b) Union domination: To initiate, create, dominate, or interfere with formation or administration of a labor organization, or contribute support to it.

(c) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in hiring, tenure, or other conditions of employment. However, an employer shall not be prohibited from entering into an all-union agreement where three-quarters or more of employees vote affirmatively by secret ballot in favor of such agreement in a referendum conducted by the commission. The commission shall declare any such agreement terminated when it finds the labor organization involved unreasonably has refused to receive any employer as a member.

(d) Refusal to bargain: To refuse to bargain collectively with representatives of employees in any collective bargaining unit. However, an employer who has with reasonable cause filed a petition requesting determination as to bargaining unit representation shall not be deemed to have refused to bargain until the results of an election are certified by the commission.

(e) All-union agreement contrary to act: To enter into an all-union agreement except as provided in the act.

(f) Violation of collective bargaining agreement: To violate the terms of a collective-bargaining agreement, including an agreement to accept an arbitration award.

(g) Refusal to recognize or accept final determination of tribunal: To refuse or fail to accept the final determination of any tribunal having competent jurisdiction or whose jurisdiction the employer shall have accepted.

(h) Discrimination for giving information, etc.: To discharge or otherwise discriminate against an employee because he has filed charges or given testimony or information in good faith under the act.

(i) Checkoff: To deduct labor-organization dues or assessments without signed order of employee.

(j) Espionage: To spy on employees or representatives in the exercise of any right created or approved by the act.

(k) Blacklisting: To circulate a blacklist of employees to prevent them from obtaining or retaining employment from any other employer.

(l) Commission of crime: To commit any crime or misdemeanor in connection with any employment controversy.

2. By employees:

(a) Coercion of employee: To coerce or intimidate an employee in enjoyment of his legal rights, including those guaranteed in the act, or to intimidate his family, picket his domicile, or injure the person or property of such employee or his family.

(b) Coercion of employer: To coerce, intimidate, or induce an employer to interfere with employees in the exercise of their legal rights or to commit an unfair labor practice.

(c) Violation of a collective-bargaining agreement: To violate the terms of a collective-bargaining agreement, including agreement to accept an arbitration award.

(d) Refusal to recognize or accept final determination of tribunal: To refuse or fail to accept as final the determination of any tribunal having jurisdiction or whose jurisdiction the employees or their representatives shall have accepted.

(e) Picketing, etc., without majority strike vote: To cooperate in engaging in, promoting or inducing picketing, boycotting, or other overt concomitant of a strike unless a majority in a collective bargaining unit have voted by secret ballot to call a strike. (Declared unconstitutional in *American Federation of Labor* v. *Reilly*, 113 Colo. 90, 155 P. 2d 145 (1944).)

(f) Mass picketing, etc.: To hinder or prevent by mass picketing, threats, etc., the pursuit of lawful work or employment, or to obstruct or interfere with entrance to or egress from any place or employment, or to interfere with the use of public roads, railways, airports, or other ways of travel or convenience.

(g) Secondary boycott, etc.: To engage in secondary boycott, or hinder or prevent, by threats, etc., use of materials, equipment, or services or to combine or conspire to do so.

(h) Unauthorized possession: To take or remain in unauthorized possession of employer's property.

(i) Sitdown strike: To engage in a sitdown strike on premises or property of employer.

(j) Failure to give notice of strike: To fail to give notice of intention to strike.

(k) Commission of crime: To commit any crime or misdemeanor in connection with an employment controversy.

(l) Featherbedding: To demand or require employment of any stand-in employee, or to require the employer to pay for an employee not necessary for the work of the employer.

3. By anyone: To do or cause to be done on behalf of or in the interest of employers or employees, or in connection with or to influence the outcome of any controversy as to employment relations, any act prohibited above.

What are not unfair labor practices (sec. 7)

(a) For an employer to refuse to grant a closed shop or all-union agreement or to accede to any proposal, as herein provided.

(b) The right of both employer and employee freely to express their views concerning any labor relationship shall not be limited by this act, nor shall the exercise of such right constitute an unfair labor practice. No strike shall be lawful unless authorized by a majority vote of the employees of the union involved taken by secret ballot as provided in this act. [Concluding sentence held unconstitutional, *American Federation of Labor* v. *Reilly*, 113 Colo. 90, 155 P. 2d 145 (1949).]

Representatives and elections (sec. 5)

Whenever a question arises concerning the selection of a collective-bargaining unit, it shall be determined by a secret ballot, and the commission, on the petition of any employee, employer, or the representative of either, shall conduct such secret ballot and certify the results. The commission shall determine what persons are qualified to vote.

CONNECTICUT—CONNECTICUT GENERAL STATUTES (CH. 370, SECS. 7388 TO 7399)

Administrative agency to prevent unfair labor practices (secs. 7388, 7394)—Board of labor relations.

Unfair labor practices (sec. 7392)

By employers:

(a) Espionage: To spy upon activities of employees or representatives.

(b) Blacklists: To prepare or distribute blacklists to prevent individuals from obtaining or retaining employment because of exercise of rights granted in this act.

(c) Union domination: To dominate or interfere with any labor organization or contribute financial or other support to it.

(d) Yellow-dog contracts: To require an employee or one seeking employment to join or refrain from joining or assisting a labor organization of his own choosing.

(e) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in regard to hire, tenure, or terms and conditions of employment, provided an employer may make an agreement with a labor organization requiring membership therein, if such organization is the representative of employees as provided in this act.

(f) Refusal to bargain: To refuse to bargain collectively with the representatives of employees.

(g) Refusal to discuss grievances: To refuse to discuss grievances with the representatives of employees.

(h) Discrimination for giving testimony: To discharge or otherwise discriminate against an employee because he has signed or filed an affidavit, petition, or complaint or given information or testimony under this act.

(i) Preventing employment: To distribute any blacklist of individuals exercising any right created or confirmed by this act or of members of labor organizations, or to inform any person of the exercise by any individual of such right, or of his membership in a labor organization for the purpose of preventing individuals so blacklisted from obtaining or retaining employment.

(j) Interfere with the rights of employees: To do any acts which coerce or interfere with the exercise of rights set forth in this act.

By employees: None.

Representatives and elections (sec. 7393)

The board is authorized to conduct elections of representatives, upon the complaint of an employee, employer, or their representatives, and to determine who may participate in such election. The board may conduct hearings but has no investigatory powers. Elections are by secret ballot.

KANSAS—KANSAS GENERAL STATUTES (SECS. 44–801 TO 44–815)

Administrative agency to prevent unfair labor practices (secs. 44–810, 44–811, 44–814)

None. Actions may be commenced by the attorney general or county attorney to suspend or revoke the license of a business agent for violations of the act, and any person may be enjoined by the attorney general or county attorney from violating the act by action in the district court.

Unfair labor practices

1. Unlawful acts of employer (sec. 44–808):

(a) Interfere with rights of employees: To interfere with, restrain, or coerce employees in exercise of rights guaranteed by this act.

(b) Union domination: To dominate or interfere with formation or administration of a labor organization or contribute support to it.

(c) Service letter refusal: To refuse to furnish, upon written request of employee, a service letter setting forth tenure, occupational classification, and wage rate of employee.

(d) Discrimination; giving testimony: To discharge or discriminate against an employee because he has brought action or given information or testimony under this act.

(e) Checkoff: To deduct labor organization dues or assesments from earnings, without written consent from employee.

(f) Espionage: To employ any person to spy upon employees or representatives in the exercise of rights under this act.

2. Unlawful acts of any person (sec. 44–809):

(a) Interference with right of franchise: To interfere with or prevent the right of franchise of any member of a labor organization, including the right to make complaint, file charges, give information or testimony under this act, to petition his union regarding grievances or the making known of facts concerning such grievances or violations of law to any person, and his right of free petition and speech and lawful assemblage.

(b) Prohibition of elections: To prohibit or prevent election of officers of a labor organization.

(c) Unauthorized strike: To participate in any strike, walkout, or cessation of work unless authorized by a majority vote of employees in a collective-bargaining unit by secret ballot conducted in accordance with the regulations adopted by the State labor commissioner: *Provided*, That this shall not prohibit anyone from terminating his employment on his own volition.

(d) Unauthorized all-union agreement: To enter an all-union agreement as a representative of employees in a collective-bargaining unit unless the employees have, by a majority vote, authorized such agreement.

(e) Secret ballot: To conduct an election referred to in (c) and (d) without a secret ballot.

(f) Unauthorized dues: To charge, receive, or retain any dues or assessments in excess of or not authorized by the constitution or bylaws of a labor organization.

(g) Unlicensed business agent: To act as a business agent without a valid and subsisting license.

(h) Unauthorized representative: To solicit membership for or act as a representative of a labor organization without authority of such labor organization to do so.

(i) False statements: To make false statements in an application for a license.

(j) Labor organization constitutions on file: To act as a business agent or representative of a labor organization which does not have on file, with the secretary of state, its constitution and bylaws.

(k) Seizing property unlawfully: To seize and occupy property unlawfully during a labor dispute.

(l) Coercion of employee; discrimination: To coerce or intimidate any employee in the enjoyment of his legal rights, including those guaranteed in this act, or to intimidate his family, picket his domicile, or injure the person or property of such employee or his family, or to discriminate against any person because of the exercise of any right guaranteed to him by this act.

(m) Picket beyond area of dispute: To picket beyond the area of the industry in which a labor dispute arises.

(n) Unlawful picketing: To picket by force and violence, or in such a manner as to prevent ingress or egress, or other than in a peaceful manner.

(o) Violation of collective bargaining: To violate the terms of a collective bargaining agreement.

(p) Closed shop: To enter a closed shop agreement.

Additional unlawful acts of any person (sec. 44–809a)

Secondary boycott declared unlawful when engaged in for certain specified reasons.

Representatives and elections (sec. 44–814a)

State labor commissioner to adopt rules and regulations governing the conduct of elections for the selection of collective bargaining units and for other purposes.

MASSACHUSETTS—MASSACHUSETTS LAWS OF 1938 (CH. 345) INCORPORATED IN GENERAL LAWS (CH. 23 AND CH. 150A)

Administrative agency to prevent unfair labor practices (ch. 23, sec. 90; ch. 150A, sec. 6) labor relations commission.

Unfair labor practices

By employer (ch. 150A, sec. 4):

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in the act.

(b) Union domination: To dominate or interfere with formation or administration of a labor organization or contribute financial or other support to it.

(c) Discrimination in hiring, tenure, etc.: To discriminate in regard to hire or tenure or term of employment, to encourage or discourage membership in a labor organization, provided an employer may make an agreement with a labor organization requiring membership therein as a condition of employment, if such labor organization is the proper representative of the employees as provided in the act, but no such agreement shall apply to an employee who is not eligible for full membership and voting rights in such labor organization.

(d) Discrimination for giving testimony: To discharge or discriminate against an employee because he has filed charges or given testimony under the act.

(e) Refusal to bargain: To refuse to bargain collectively with representatives of employees as provided in the act.

(f) Discrimination against nonmembers of union: To discharge or discriminate against any employee because he is not a member in good standing of a labor organization with whom the employer has made an agreement to require as a condition of employment membership therein, unless such labor organization certifies to the employer that such employee was denied or deprived of membership in good standing as a result of a bona fide disqualification or the administration of discipline, and such employee has exhausted the remedies available to him within the labor organization and under the act.

By employee (secs. 4A, 4B):

(a) Unlawful seizure of property: to seize or occupy unlawfully private property as a means of forcing settlement of a dispute.

(b) Unlawful strike, boycott, etc.: To authorize or engage in any strike, slowdown, boycott, etc., or withholding of patronage for the purpose of—

(1) Bringing about the commission of an unfair labor practice; or

(2) Injuring the trade or business of any person for refusing to commit an unfair labor practice; or

(3) Interfering with, restraining, or coercing employees in their choice or rejection of representatives after the commission has determined under the act that such employees do no desire to be represented by such labor organization.

(c) Aiding in unfair labor practices: To aid in any concerted activity mentioned in this section by giving direction or guidance or providing funds.

(d) Refusal to bargain collectively with employer: For a labor organization to refuse to bargain collectively with an employer who has recognized it as the exclusive representative of employees.

Representatives and elections (ch. 150A, sec. 5)

The commission is authorized to investigate questions concerning representation and

to certify representatives. In such investigation it may take a secret ballot of employees or utilize any other suitable method to ascertain such representatives.

MICHIGAN—MICHIGAN COMPILED LAWS (SECS. 423.1 TO 423.25)

Administrative agency to prevent unfair labor practices

None. Violations of provisions are either declared a misdemeanor and punishable as such; or any legal or equitable remedy may be used by law enforcement officials in case of violations.

Unfair labor practices

Unfair labor practices are not listed as such. However, the following acts are declared unlawful:

Mass picketing, threats, etc.: For any person to (1) hinder or prevent by mass picketing, unlawful threats or force the pursuit of lawful work; (2) obstruct or interfere with entrance to or egress from a place of employment; (3) obstruct public streets, etc., (4) picket a private residence (sec. 423, 9f).

Unlawful possession of property: For any person to take possession of property against the will of the owner, or interfere with the full use thereof (sec. 423.15).

Interference with unions; discrimination, etc.: For an employer to (1) interfere with, restrain or coerce employees in exercise of right to self-organization; (2) initiate, dominate, contribute to, or interfere with the formation or administration of a labor organization; (3) discriminate in regard to hire, terms or other conditions of employment in order to encourage or discourage membership in any labor organization; (4) encourage membership in or initiate, dominate or contribute to a company union; (5) discriminate against an employee because he has given testimony or instituted a proceeding under this act (sec. 423.16).

Coercion to join union or refrain from work: For an employee or other person to force any person to become or remain a member of a labor organization or to refrain from engaging in employment (sec. 423.17).

Unlawful strikes, lockouts, etc.: For an employer to engage in a lockout or for a labor organization to engage in a strike without having complied with the provisions of the act (secs. 423.22 and 423.22a).

Representatives and elections

If a jurisdictional dispute cannot be settled by mediation, the mediation board shall call an election of the employees to be conducted according to regulations promulgated by the board. Such election shall be conducted and supervised by the board or its representative, and shall be by secret ballot (secs. 423.9a, 423.9c).

MINNESOTA—MINNESOTA STATUTES ANNOTATED (CH. 179)

Administrative agency to prevent unfair labor practices

None. Unfair labor practices may be enjoined, subject to the provisions of this section (sec. 179.14).

Unfair labor practices

By employer (sec. 179.12):

(a) Violation of collective-bargaining agreement: To institute a lockout in violation of a valid collective-bargaining agreement, or to violate the terms of such agreement.

(b) Lockout: To institute a lockout in violation of the cooling-off period requirement of the act.

(c) Discrimination in hiring, etc.: To encourage or discourage membership in a labor organization by discrimination in regard to hire or tenure or terms or conditions of employment; collective-bargaining agreements excepted.

(d) Discrimination for giving testimony: To discharge or discriminate against an employee because he has signed or filed an affidavit, petition, or complaint or given information or testimony under this act.

(e) Espionage: To spy upon activities of employees or their representatives.

(f) Blacklists: To distribute any blacklist of individuals to prevent them from obtaining or retaining employment.

(g) To engage or contract for the services of a person who is an employee of another if such employee is paid a wage which is less than is agreed to be paid by the engaging or contracting employer under an existing union contract for work of the same grade or classification.

(h) Violations of (b), (d), (e), (f), and (g) are declared to be unlawful acts.

By employees (secs. 179.11, 179.13):

(a) Strike in violation of collective-bargaining agreement: For employee or labor organization to institute a strike in violation of valid collective-bargaining agreement if employer is in good faith complying with the agreement, or to violate the terms and conditions of such bargaining agreement.

(b) Strike in violation of required notice: For employee or labor organization to institute a strike in violation of the strike notice requirement of the act.

(c) Unlawful possessions of property, etc.: To seize or occupy property unlawfully during existence of a labor dispute.

(d) Picketing by nonemployee under certain circumstances: For a nonemployee to picket a place of employment, unless the majority of pickets at the time are employees of the place of employment.

(e) Picketing when no strike in progress: For more than one person to picket a single entrance to place of employment where no strike is in progress at the time.

(f) Interference with vehicle, etc.: To interfere with operation of a vehicle or the operator thereof when neither the owner nor operator of the vehicle is at the time a party to a strike.

(g) Coercion of employee to join union or strike, etc.: For any employee, labor organization, or officer, agent, or member thereof, to compel or attempt to compel any person to join or to refrain from joining any labor organization or any strike against his will by any threatened or actual unlawful interference with his person, immediate family, or property, or to assault or unlawfully threaten such person while in pursuit of lawful employment.

(h) Engaging in strike without majority strike vote: For a person or labor organization to cooperate in engaging in, promoting, or inducing a strike unless the strike has been approved by a majority vote, taken by secret ballot, of the voting employees in a collective bargaining unit of employees of an employer or association of employers against whom the strike is primarily directed.

(f) Secondary boycott, hindering agricultural production, etc: For any person or labor organization to hinder or prevent by intimidation, force, coercion, or sabotage, or by threats thereof, the production, transportation, processing, or marketing by a producer, processor, or marketing organization, of agricultural products, or to combine or conspire to cause or threaten injury to such processor, etc., whether by withholding labor, refusing to handle, use, or work on particular agricultural products, or by other unlawful means, in order to bring such processor or marketing organization against his or its will into a concerted plan to coerce or inflict damage upon any producer. Above shall not prevent a strike by employees of such producer, etc., for bona fide purpose of improving their own working conditions or promoting or protecting their own rights of organization, selection of bargaining representatives or collective bargaining.

(j) Interference with use of roads, obstructing entrance, etc.: For an employee or labor organization to interfere with the free and uninterrupted use of public roads, streets, highways, or methods of transportation or conveyance, or to wrongfully obstruct ingress to and egress from any place of business or employment. Violation of all preceding clauses except the first are declared to be unlawful acts.

Secondary boycott is defined and declared to be an unfair labor practice and an unlawful act (secs. 179.40 to 179.47).

It is unlawful to conduct a strike or boycott during the period of certification of a representative by proper Federal or State authority in order (1) to deny the right of the representative so certified to act as such representative or (2) to prevent such representative from acting as authorized, or (3) to interfere with the business of the employer in an effort to do either act as specified by clauses (1) and (2) hereof (sec. 179.27).

Representatives and elections (sec. 179.083)

Jurisdictional disputes involving picketing, strikes, or boycott are certified to the Governor, who in his discretion may appoint a labor referee to hear and determine the jurisdictional controversy.

NEW YORK—NEW YORK CONSOLIDATED LAWS (LABOR LAW. ART. 20, SECS. 700–716)

Administrative agency to prevent unfair labor practices (secs. 702, 706)—Labor relations board

Unfair labor practices

By employers (sec. 704):

(a) Espionage: To spy upon activities of

(b) Blacklists: To prepare or circulate employees or their representatives.
any blacklist of individuals to prevent them from obtaining or retaining employment because of the exercise of rights guaranteed by the act.

(c) Union domination: To dominate or interfere with any labor organization or to contribute support to it.

(d) Yellow-dog contracts: To require an employee or one seeking employment to join any company union or to refrain from joining or assisting a labor organization of his own choosing.

(e) Discrimination in hiring, etc.: To encourage or discourage membership in any labor organization by discrimination in regard to hire, tenure, or terms or conditions of employment, except that an employer may make an agreement with a labor organization making membership in it a condition of employment if such labor organization is the proper representative as provided in the act.

(f) Refusal to bargain collectively: To refuse to bargain collectively with representatives of employees.

(g) Refusal to discuss grievances: To refuse to discuss grievances with representatives of employees.

(h) Discrimination for giving testimony: To discharge or otherwise discriminate against an employee because he has filed charges or given information or testimony under this act.

(i) Preventing employment: To distribute or circulate any blacklist of individuals exercising any rights created or confirmed by this act, or of members of a labor organization or to inform any person of the exercise of such right or membership in a labor organization, for the purpose of preventing individuals so named from obtaining or retaining employment.

(j) Interference with rights of employees: To interfere with, restrain, or coerce em-

ployees in the exercise of the rights guaranteed by the act.

By employees: None.

Representatives and elections (sec. 705)

The board is authorized to investigate jurisdictional controversies and certify representatives. In such investigations the board may conduct hearings and elections by secret ballot of employees or use any other suitable method to ascertain such representatives.

OREGON—REVISED STATUTES (CH. 662)

Unfair labor practices

In addition to certain acts relating to the selection of representatives for collective bargaining, the only labor practices which are declared to be unlawful are "hot cargo" and "secondary boycott." There is no machinery provided to prevent or settle the latter practices other than legal or equitable relief or arbitration (secs. 662.230, 662.240, 662.410–662.550). The unlawful acts relating to the selection of representatives are (1) to coerce, intimidate, or discriminate against any employee in the exercise of his free choice of a representative; (2) to intimidate or coerce any employer or employee because the employees of said employer or other employer have not selected a labor organization as their representative; or (3) to picket unless such person has been certified or is recognized as a bargaining representative (secs. 662.750, 662.770). Unlawful practices relating to the selection of representatives may be the subject of a cease-and-desist order of a labor examiner (sec. 662.710).

Representatives and elections (sec. 662.630)

Labor examiners appointed pursuant to the act are authorized to hold elections by secret ballot of employees to determine representatives for collective bargaining.

PENNSYLVANIA—PURDON'S PENNSYLVANIA STATUTES ANNOTATED (TITLE 43, SECS. 211.1–211.13)

Administrative agency to prevent unfair labor practices (secs. 211.4, 211.8)—Labor relations board

Unfair labor practices (sec. 211.6)

For employers:

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in this act.

(b) Union domination: To dominate or interfere with the formation or administration of a labor organization or contribute material support to it.

(c) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in regard to hire or tenure of employment, except that an employer may make an agreement with a labor organization making membership therein a condition of employment if such labor organization is the proper representative of employees as provided in this act and if such labor organization does not deny membership to a person or persons who are employees of the employer at the time of making such agreement, provided such employee was not employed in violation of any previously existing agreement with said labor organization.

(d) Discrimination for giving testimony, etc.: To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this act.

(e) Refusal to bargain: To refuse to bargain collectively with representatives of employees.

(f) Checkoff: To deduct dues, fees, etc., payable to a labor organization from wages of employees, unless authorized to do so by a majority vote of employees and receipt of written authorization from each employee affected.

By employees:

(a) Coercion of employee: To intimidate or coerce an employee to join or refrain from joining any labor organization or to affect his selection of representatives for collective bargaining.

(b) Sitdown strike, etc.: To join in a sitdown strike, to seize, damage, or destroy property of the employer during a labor dispute.

(c) Coercion of employer: To intimidate or coerce any employer by threats of harm to himself or his family to accede to demands, etc.

(d) Secondary boycott: To engage in a secondary boycott or prevent by threats, etc., the obtaining of materials or services or to combine or conspire to do so.

(e) Striking, etc., because of jurisdictional dispute: To call or conduct a strike or boycott or to picket on account of any jurisdictional controversy.

Representatives and elections (sec. 211.7)

The board is authorized to investigate questions concerning representation and certify representatives. In such investigation the board shall conduct hearings and utilize any suitable method to ascertain representatives, except that if either party to the controversy so requests, a secret ballot of employees shall be taken.

RHODE ISLAND—RHODE ISLAND LAWS OF 1941 (CH. 1066, AS AMENDED)

Administrative agency to prevent unfair labor practices (secs. 3, 7)—Labor relations board

Unfair labor practices (sec. 5)

By employers:

(a) Espionage: To spy upon activities of employees or their representatives.

(b) Blacklisting: To prepare or distribute any blacklists of individuals for the purpose of preventing them from obtaining or retaining employment because of the exercise of rights guaranteed by the act.

(c) Union domination: To dominate or interfere with the formation or administration of a labor organization or contribute any support to it.

(d) Yellow-dog contracts: To require membership in a company union or forbid membership in a labor organization of an employee's own choosing.

(e) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in any labor organization by discrimination in regard to hiring, tenure, or term or condition of employment, except that an employer may make an agreement with a labor organization requiring membership therein as a condition of employment if such labor organization is the proper representative of employees as provided in the act.

(f) Refusal to bargain: To refuse to bargain collectively with representatives of employees.

(g) Refusal to discuss grievances: To refuse to discuss grievances with representatives of employees.

(h) Discrimination for giving testimony, etc.: To discharge or otherwise discriminate against an employee because he has filed charges or given information or testimony under this act.

(i) Preventing employment: To distribute or circulate any blacklist of individuals exercising any right created or confirmed by this act or of members of a labor organization, or to inform any person of the exercise of such rights by any individual or membership of any individual in a labor organization for the purpose of preventing individuals so named from obtaining or retaining employment.

(j) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed by the act.

By employees: None.

Representatives and elections

The board is authorized to investigate controversies concerning representation and to certify representatives. In conducting such investigations the board shall conduct hearings and may conduct an election by secret ballot of employees, or use any other suitable method to ascertain representatives, provided that the board shall not have authority to investigate any controversy between individuals or groups within the same labor organizations or between labor organizations affiliated with the same parent labor organization.

UTAH—UTAH CODE (ANNOTATED 34–1 TO 34–1–16)

Administrative agency to prevent unfair labor practices (secs. 34–1–3, 34–1–10)—Labor relations board.

Unfair labor practices (sec. 34–1–8)

By employers:

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in the act.

(b) Union domination: To dominate or interfere with formation or administration of a labor union or contribute support to it.

(c) Discrimination in regard to hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in regard to hire, tenure, or term or condition of employment, except that an employer may make an agreement with a labor organization requiring membership therein as a condition of employment if such labor organization is the proper representative of employees as provided in the act.

(d) Refusal to bargain: To refuse to bargain collectively with respresentatives of employees.

(e) Bargaining with minority representatives: To bargain collectively with representatives of less than a majority of employees in a collective-bargaining unit.

(f) Discrimination for giving testimony: To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this act.

By employees:

(a) Coercion of employees: To coerce or intimidate an employee in exercise of legal rights, or to intimidate his family, picket his domicile, or to injure his person or property or his family.

(b) Coercion of employers: To coerce, intimidate, or induce an employer to interfere with the rights of his employees or to commit an unfair labor practice.

(c) Unauthorized strike: To cooperate in engaging in or inducing picketing, boycotting, or any other concomitant of a strike unless authorized by a majority of employees voting by secret ballot.

(d) Mass picketing, etc.: To hinder or prevent by mass picketing, threats, etc., the pursuit of lawful work, or to obstruct or interfere with entrance to or egress from a place of employment or to interfere with free use of public roads and other ways of travel or conveyance.

(e) Secondary boycott: To engage in secondary boycott, or to hinder or prevent by threats, etc., the obtaining, use or disposition of materials, equipment, or services or to conspire to do so, provided that nothing herein shall prevent sympathetic strikes in support of those in similar occupations.

(f) Unauthorized possession of property: To take unauthorized possession of property of the employer.

By anyone: To do or cause to be done on behalf of employers or employees any act prohibited above.

Representatives and elections (sec. 34–1–9)

The board is authorized to investigate controversies concerning the representation of employees and certify representatives. In any such investigation the board shall conduct hearings and may take a secret ballot of employees, or use any other suitable method to ascertain such representatives.

WISCONSIN—WISCONSIN STATUTES (SECS. 111.01 TO 111.19)

Administrative agency to prevent unfair labor practices (secs. 111.03, 111.07)—Employment relations board

Unfair labor practices (sec. 111.06)

By employers:

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in the act.

(b) Union domination: To dominate or interfere with the formation or administration of any labor organization, or to contribute support to it, provided that an employer may become a member of a labor organization of which his employees are members when he and they work at the same trade.

(c) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in regard to hire, tenure, or other terms or conditions of employment, except that an employer may enter an all-union agreement with representatives chosen by a majority of employees in accordance with the act.

(d) Refusal to bargain: To refuse to bargain collectively with representatives of employees, provided that where the employer has filed a petition requesting determination of representation he shall not be deemed to have refused to bargain until a determination has been made by the board.

(e) Bargaining with minority representatives: To bargain collectively with representatives of less than a majority of employees.

(f) To violate the terms of a collective-bargaining agreement, including an agreement to accept an arbitration award.

(g) To refuse or fail to accept the final determination of any tribunal having jurisdiction or whose jurisdiction the employer accepted.

(h) Discrimination for giving testimony, etc.: To discharge or discriminate against an employee because he has filed charges or given information or testimony in good faith under this act.

(i) Checkoff: To deduct labor-organization dues or assessments from employee's earnings, unless presented with an individual order therefor, signed by the employee and terminable at the end of any year of its life by the employee on 30 days' written notice.

(j) Espionage: To employ any person to spy upon employees or their representatives.

(k) Blacklists: To make or circulate any blacklists as described in section 343.682.

(l) To commit any crime or misdemeanor in connection with any labor dispute.

By employees:

(a) Coercion of employee in enjoyment of rights, etc.: To intimidate nonstriking employee or to intimidate his family or picket his home, or injure his person or property.

(b) Coercion of employer to commit unfair labor practice, etc.: To coerce, intimidate, or induce an employer to engage in any practice with regard to his employees which would constitute an unfair labor practice if undertaken by him of his own initiative.

(c) Violation of collective-bargaining agreement: To violate the terms of a collective-bargaining agreement, including an agreement to accept an arbitration award.

(d) Refusal to recognize or accept final determination of tribunal: To refuse to accept as conclusive of any issue in controversy as to employment relations the final determination of any tribunal having competent jurisdiction of same or whose jurisdiction the employees or their representatives accepted.

(e) Engaging in picketing, etc., without majority strike vote: To cooperate in engaging in, promoting, or inducing picketing, boycotting, or any other overt concomitant of a strike unless a majority in a collective-bargaining unit of the employees of an employer against whom such acts are primarily directed have voted by secret ballot to call a strike.

(f) Mass picketing, etc., obstructing entrance to place of employment, use of roads, etc.: To hinder or prevent by mass picketing, etc., the pursuit of any lawful employment or to interfere with entrance to or egress from any place of employment, or to interfere with free and uninterrupted use of public roads, streets, and ways of travel or conveyance.

(g) Secondary boycott, hindering use of materials, etc.: To engage in a secondary boycott and threaten or cause injury to one with whom no labor dispute exists except that employees may engage in sympathy strikes in support of those in similar occupations working for other employers in the same craft.

(h) Unauthorized possession of property: To take unauthorized possession of property of employer or to engage in any concerted effort to interfere with production except by leaving the premises in an orderly manner for the purpose of going on strike.

(i) Failure to give notice of strike: To fail to give proper notice of the intention to strike in certain industries.

(j) Commission of crime: To commit any crime or misdemeanor in connection with any controversy as to employment relations.

(l) Jurisdictional strike: To engage in, promote, or induce a jurisdictional strike.

(m) Coercion of employer to join union: To coerce or intimidate an employer working at same trade as his employees to induce him to become a member of the same labor organization of which they are members.

By anyone: To do or cause to be done on behalf of or in the interest of employers or employees, or in connection with or influence the outcome of any controversy, any act prohibited above.

Representatives and elections (sec. 111.05)

The board is authorized to determine any question concerning the representation of employees by taking a secret ballot of employees and to certify the results thereof.

DISTRICT OF COLUMBIA

The National Labor Relations Act, as amended, applies within the District of Columbia. The term "commerce" is defined in section 2(6) of the act (29 U.S.C. 152(6)) to include any "trade, traffic, commerce, transportation, or communication * * * within the District of Columbia * * *"

HAWAII—REVISED LAWS OF HAWAII, 1955 (TITLE 11, SECS. 90–1 TO 90–19)

Administrative agency to prevent unfair labor practices (secs. 90–3, 90–10)—Employment relations board

Unfair labor practices

1. By employers (sec. 90–7):

(a) Interference with right of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in the act.

(b) Union domination: To initiate, create, dominate, or interfere with formation or administration of a labor organization, or contribute support to it.

(c) Discrimination in hiring, tenure, etc.: To encourage or discourage membership in a labor organization by discrimination in hiring, tenure, or other conditions of employment. But an employer shall not be prohibited from entering an all-union agreement where at least three-quarters of the employees have voted affirmatively by secret ballot in favor of such all-union agreement in a referendum conducted by the board. Such authorization of an all-union agreement shall be deemed to continue thereafter subject to the right of either party to request the board in writing to conduct a new referendum. Upon receipt of such a request the board shall determine whether there is reasonable ground to believe that there exists a change in the attitude of the employees toward the all-union agreement since the prior referendum and upon so finding the board shall conduct a new referendum. The board shall declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive an employee as a member.

(d) Refusal to bargain: To refuse to bargain collectively with the representative of a majority of the employees in a collective-bargaining unit. If an employer files with the board a petition requesting determination as to majority representation, he shall not be deemed to have refused to bargain until an election has been held and the result certified to him by the board.

(c) Bargaining with minority representatives: To bargain collectively with the representatives of less than a majority of the employees in a collective bargaining unit, or to enter into an all-union agreement except as provided in (c) above.

(f) Violation of collective bargaining agreement: To violate the terms of a collective-bargaining agreement.

(g) Refusal to recognize or accept final determination of tribunal: To refuse or fail to recognize or accept as conclusive of any issue in an employment relations controversy the final determination of the board or any tribunal of competent jurisdiction.

(h) Discrimination for giving information, etc: To discharge or otherwise discriminate against an employee because he has filed charges or given information or testimony under the provisions of this act.

(i) Checkoff: To deduct labor organization dues or assessments from earnings, without a signed order from the employee.

(j) Espionage: To employ any person to spy upon employees or their representatives respecting their exercise of any right created or approved by this act.

(k) Blacklisting: To make, circulate, or cause to be circulated a blacklist.

2. By employees (sec. 90–8):

(a) Coercion of employee: To coerce or intimidate an employee in the enjoyment of his legal rights, including those guaranteed in this act.

(b) Coercion of employer: To coerce, intimidate, or induce an employer to interfere with employee in the exercise of his legal rights, or to commit an unfair labor practice.

(c) Violation of a collective-bargaining agreement: To violate the terms of a collective-bargaining agreement.

(d) Refusal to recognize or accept final determination of tribunal: To refuse or fail to recognize or accept as conclusive of any issue in an employment relations contro-

versy the final determination of the Board or any tribunal of competent jurisdiction.

(e) Picketing, etc., without majority strike vote: To cooperate in engaging in, promoting, or inducing picketing (not constituting an exercise of constitutionally guaranteed freedom of speech), boycotting, or any other overt act accompanying a strike unless a majority of employees have voted by secret ballot to call a strike.

(f) Mass picketing, etc.: To hinder or prevent by mass picketing, threats, etc., the pursuit of lawful employment, or to obstruct or interfere with entrance to or egress from any place of employment, or the free use of public roads, railways, airports, or other ways of travel or conveyance.

(g) Secondary boycott, etc.: To engage in a secondary boycott, or to hinder or prevent by threats, etc., the obtaining, use, or disposition of materials, equipment or services, or to conspire to do so. Nothing herein shall prevent sympathetic strikes in support of those in similar occupations working for other employers in the same craft.

(h) Unauthorized possession: To take unauthorized possession of property of the employer or to engage in any concerted effort to interfere with production except by leaving the premises in an orderly manner for the purpose of going on strike.

(i) Failure to give notice of strike: To fail to give the notice of intention to strike provided in the act.

3. By anyone (sec. 90–9): To do or cause to be done, on behalf or in the interest of employers or employees, or in connection with or to influence the outcome of any controversy as to employment relations, any act prohibited above.

Representatives and elections (sec. 90–6)

Questions concerning the determination of a collective-bargaining unit or the representation of employees in a collective bargaining unit shall be determined by the Board by taking a secret ballot of employees and certifying the results thereof to the interested parties and their employer. Such questions may be raised by petition of any employee or his employer in the case of jurisdictional disputes or in any case after a union has requested recognition.

PUERTO RICO—PUERTO RICO LAWS, 1945, ACT 130; LAWS 1946, ACT 6 (STATUTES ANNOTATED, TITLE 29, SECS. 61–76)

Administrative agency to prevent unfair labor practices (secs. 3, 7, 9)—Labor relations board

Unfair labor practices (sec. 8)

1. By employers:

(a) Interference with rights of employees: To interfere with, restrain, or coerce employees in the exercise of rights guaranteed in the act, or to attempt to do so.

(b) Union domination: To initiate, create, dominate, or interfere with the formation or administration of any labor organization, or to attempt to do so, or to contribute financial or other support to the same: *Provided,* That an employer may deduct union dues from an employee's earnings in accordance with the terms of a valid collective-bargaining contract.

(c) Discrimination in hiring, tenure, etc.: To encourage, discourage, or attempt to encourage or discourage membership in any labor organization by discrimination in hiring, tenure, or other conditions of employment, including a lockout. But an employer shall not be prohibited from making an all-union contract or a maintenance-of-membership agreement with a labor organization representing a majority of the employees in an appropriate unit with authority for collective bargaining.

(d) Refusal to bargain: To refuse to bargain collectively with the representatives of a majority of his employees in a unit appropriate for collective bargaining.

(e) Bargaining with minority representatives: To bargain or make a collective-bargaining contract with a representative who does not represent a majority of the employees in a unit appropriate for collective bargaining.

(f) Violation of a collective-bargaining contract: To violate the terms of a collective-bargaining contract, including an agreement to accept an arbitration award whether the same is or is not included in a collective-bargaining contract: *Provided,* the board may dismiss any charge under this subsection if the union that is a party to the contract is guilty of a current breach of the contract or has not complied with an order of the board concerning any unfair labor practice as provided in this act.

(g) Interference with elections: To fail to maintain a neutral position before or during any election for the purpose of determining collective-bargaining representatives, by interfering with or attempting to influence employees by making such statements or remarks and engaging in such conduct as to tend to coerce, restrain, discourage, or hinder free exercise by employees of their right to select a collective-bargaining representative.

(h) Discrimination for giving information, etc.: To discharge or otherwise discriminate against an employee because he has filed charges or given information or testimony under this act.

(i) Failure to reinstate employee: To fail to employ or reinstate to his former position, or in the event of its nonexistence, to a substantially similar position, an employee who has been discharged in violation of subsection (2)(b) of this section, below.

(j) Discrimination against supervisors for refusing to assist in unfair labor practice: To discharge or otherwise discriminate against a supervisor because he refuses to assist, participate in, or in any other manner engage, directly or indirectly, in activities on behalf of an employer in the commission of an unfair labor practice as defined in this act:

2. By labor organizations:

(a) Violation of collective-bargaining contract: To violate the terms of a collective-bargaining contract, including an agreement to accept an arbitration award whether the same is or is not included in a collective-bargaining contract, provided the Board may dismiss any charge under this subsection if the employer that is a party to the contract is guilty either of a current breach of the contract or has not complied with an order of the Board concerning an unfair labor practice as provided in this act.

(b) Exclusion of employees under all-union agreement: To unjustifiably exclude or suspend from the membership of a labor organization any employee in a collective-bargaining unit on whose behalf the labor organization has executed an all-union or maintenance-of-membership agreement. For violation of this subsection, the Board may, in its discretion, order the temporary suspension or the permanent termination of such clause of the collective-bargaining contract that requires all the employees in said bargaining unit, as a condition of employment, to belong to one sole labor organization or that the members of said organization maintain themselves in good standing as members of the same during the life of the contract.

Representatives and elections (sec. 7)

Whenever a question concerning representation by employees arises, the Board may investigate and resolve the question, by appropriate public hearing, or by secret ballot, or both, or by any other appropriate method; provided, that whenever one of the union or labor groups involved does not agree with the decision of the Board, in the absence of an election, and its claim is supported by 20 percent of the employees in the unit, the Board shall immediately decree an election among the employees to decide the question.

TABULAR ANALYSIS OF STATE LABOR LAW PROVISIONS

Below appears a series of charts tabulating key provisions of State laws on union security, picketing, jurisdictional strike and boycotts, economic strikes, emergency disputes, mediation and arbitration, unfair labor practices, and fair employment practices.

EXPLANATION OF TABLES

Each table lists in the first column the name of the State and the year in which pertinent legislation was enacted. Following the date in the parentheses appears the page number in State labor laws binder where the full text of the law may be found. The second and following columns indicate by subject matter the provisions in effect in the various States listed. A cross (X) on a line opposite the date and citation, under a subject-matter column head, means that the provision described by the column head was imposed in the particular State in the year named. The final column of each table describes additional miscellaneous provisions not covered in preceding columns.

The tables which follow are:

Table 1. "Union Security Contracts": The tabulation lists those States which impose an outright ban on closed-shop, union-shop, and maintenance-of-membership agreements and those which set up prerequisites for the execution of such agreements.

Table 2. "Checkoff of Union Dues": Listed here are provisions banning checkoff arrangements and provisions which permit the checkoff on employee authorization.

Table 3. "Regulation of Picketing": Covered by this table are provisions restraining the way picketing may be conducted and those denying the right to picket in specific industries or in specific types of disputes.

Table 4. "Jurisdictional Strikes and Boycotts": The tabulation shows restrictions on the conduct of jurisdictional strikes and boycotts.

Table 5–A. "Regulation of Strikes": Covered by this table are requirements of a strike vote and waiting period imposed in certain States as a condition to a lawful strike.

Table 5–B. "Regulation of Strikes": Listed here are bans on sit-down strikes and strikes directed to the accomplishment of certain prohibited purposes.

Table 6. "Regulation of Disputes in Public Utilities, Government Service, and Essential Industries": States are shown in which strikes in certain industries are prohibited.

Table 7. "Compulsory Mediation and Arbitration": The table lists States which have set up procedures for the mediation and arbitration of labor disputes in specific industries.

Table 8. "Unfair Labor Practices Forbidden by State Labor Relations Acts."

Table 9. "Key Provisions in State Fair Employment Practice Laws": This table shows the type of enforcement procedure and other provisions in effect under 16 State laws.

TABLE 1.—*Union security contracts*

State and date of law	Provision making unlawful: Closed shop	Union shop	Maintenance of membership	Other limitations
Alabama: 1953 (SLL 10: 285)	X	X	X	
Arizona:				
1946 (SLL 12: 275)				
1947 (SLL 12: 276)	X	X	X	
Arkansas:				
1944 (SLL 13: 291)	X	X	X	
1947 (SLL 13: 291)				
Colorado: 1943 (sec. 94(6)(c), SLL 15: 236).				All-union agreement permitted if authorized by vote of ¾ of the employees.[1]
Florida: 1944 (SLL 19: 285)	X	X	X	
Georgia: 1947 (SLL 20: 191)	X	X	X	
Iowa: 1947 (SLL 25: 195)	X	X	X	
Indiana: 1957 (SLL 24: 195)	X	X	X	
Kansas: 1958 (sec. 12 of Constitution, SLL 26: 286).	X	X	X	
Louisiana:				
1956 (SLL 28: 295)	X	X	X	Law limited to agricultural workers.
1954 (SLL 28: 295)				
General law repealed				
Maryland: 1949 (art. 100, sec. 65, Ann. Code, SLL 30: 272).				Agreements requiring union membership are against public policy and are not enforceable in the courts.
Massachusetts: 1937 (sec. 4, SLL 31: 232).				It is an unfair labor practice to discharge anyone for nonmembership in a union with a union security agreement, unless ineligible for membership because of occupational disqualification or breach of discipline.[2]
Mississippi: 1954 (SLL 34: 282).	X	X	X	
Nebraska: 1947 (SLL 37: 291)	X	X	X	
Nevada: 1952 (SLL 38: 277)	X	X	X	Makes it unlawful to deny employment because of nonmembership in a union.
North Carolina: 1947 (SLL 43: 285).	X	X	X	
North Dakota: 1948 (SLL 44: 276).	X	X	X	
South Carolina: 1954 (SLL 51: 285).	X	X	X	Prohibits the use of force, intimidation, threats, or violent or insulting language against any person or property to interfere with such person's right to work or to compel participation or nonparticipation in union activities.
South Dakota: 1947 (SLL 52: 268).	X	X	X	
Tennessee: 1947 (SLL 53: 278)	X	X	X	
Texas:				
1947 (SLL 54: 281)	X	X	X	
1951 (SLL 54: 281)				Makes execution of union security contracts a violation of the State antitrust laws.
Utah: 1955 (SLL 55: 281)	X	X	X	Forbids lockout, boycotts, strikes or other conduct for purpose of compelling any person to violate act.
Virginia:				
1947 (SLL 57: 271)	X	X	X	
1954 (SLL 57: 271)	X	X	X	Makes violations punishable by fine up to $500 and continued violations after conviction by fine up to $500 per day. Also facilitates service of process on unions not having resident officers in State.
Wisconsin: 1945 (sec. 111.06 (1)(c) SLL 60: 229).				No all-union agreement, unless authorized by ⅔ of employees voting, provided these ⅔ constitute a majority of the employees.

[1] Industrial commission shall terminate any all-union agreement, if union unreasonably refuses membership to an employee.

[2] Procedure set up whereby employees may appeal union's decision on loss or denial of membership to the State industrial commission.

TABLE 2.—*Checkoff of union dues*

State and date of law	Payment of dues cannot be condition of employment	Authorization of individual employees required	Other provisions
Alabama: 1953 (SLL 10: 285)	X		
Arkansas: 1947 (SLL 13: 291)	X	X	
Colorado: 1943 (sec. 94(6)(i) SLL 15: 237).		X	Must be terminable by the employee on 30-day notice.
Connecticut: 1957 (sec. 3203d, SLL 16: 331).		X	
District of Columbia: 1947 (SLL 18: 332).		X	
Georgia: 1947 (SLL 20: 191)	X	X	Must be revocable at will of the employee.
Hawaii: 1945 (sec. 8(1)(i), SLL 21: 220).		X	
Idaho: 1932 Code (sec. 44-902, SLL 22: 331).			Ban against dismissing employee because he spends wages contrary to employer's demand inapplicable to collection of hospital fees or dues.
Indiana: 1947 (sec. 40-214, amended by ch. 183, see 6.50 at SLL 24: 332).		X	Must be revocable at will of the employee.
Iowa: 1947 (SLL 25: 195)	X	X	Spouse must sign authorization; must be terminable on 30-day notice.
Kansas: 1943 (sec. 44-808 (5), SLL 26: 217).		X	Must be terminable by employee at end of any year of order on 30-day written notice.
Kentucky: 1946 (Revised Statutes, secs. 337.060, 337.010, see 6.40 at SLL 27: 331).		X	
Louisiana: 1954 (SLL 28: 295)	X		Applicable only to agricultural workers.
Massachusetts:			
1932			
1948 (General Laws, ch. 154, sec. 8; ch. 149, sec. 8 as amended by ch. 117, L. 1948, see 6.40 at SLL 31: 339).		X	
Michigan: 1933 (sec. 750.353, SLL 32: 331).		X	
Minnesota: 1951 (see 6.40 SLL 33: 331).		X	
Mississippi: 1954 (SLL 34: 282).	X		
Missouri (sec. 432.030)			All assignments of wages, salaries, earnings, not earned at time of assignment is made, shall be null and void.
Nebraska: 1949 (SLL 37: 331)		X	
New York: 1947 (SLL 43: 331)		X	
North Carolina: 1947 (SLL 43: 285).	X		
Ohio: 1945 (SLL 45: 331)			Checkoff agreements are valid.
Pennsylvania: 1937 (sec. 6(f), SLL 48: 224).		X	Majority of employees in the collective bargaining unit must vote for checkoff by secret ballot.
Rhode Island: 1955 (sec. 6.40, SLL 50: 331).			Majority of employees in collective bargaining unit must authorize checkoff in writing.
South Carolina 1954 (SLL 51: 285).		X	
Tennessee: 1947 (SLL 53: 278)	X		
Texas: 1947 (see sec. 6.40, SLL 54:331).		X	
Utah: 1943 (Code, Annotated, secs. 49-14-1, 49-14-3, 49-14-4, see sec. 6.40, SLL 55: 31).		X	Must be revocable at will of employee. Dues to be not more than 3 percent of monthly wages.
Utah: 1955 (SLL 55: 281)	X		
Virginia: 1947 (SLL 57:271)	X		
Wisconsin: 1939 (sec. 111.06 (1)(i), SLL 60: 230).		X	Must be terminable by the employee on 30-day notice.

TABLE 3.—*Regulation of picketing*

State and date of law	Mass picketing	Picketing by nonemployees	Picketing where no labor dispute	Picketing of homes	Other picketing
Alabama: 1943 (sec. 384, SLL 10: 268).	------	------	------	------	Unlawful to prevent pursuit of lawful vocation by force or violence or threat thereof.
Arizona: 1952 (SLL 12: 255)	------	------	X	------	
Arkansas: 1943 (SLL 13: 255)	X	------	------	------	
Colorado: 1943 (sec. 94(6)(f), SLL 15: 237).	X	------	------	------	Picketing illegal, except after strike vote.
Connecticut: 1947 (SLL 16: 279).	------	------	------	X	
Florida: 1943 (sec. 9, SLL 19: 277).	------	------	------	X	Unlawful to restrict entrance and exit. Must confine picketing to area where dispute arises.
Georgia: 1947 (SLL 20: 155)	X	------	------	------	
Hawaii:					
1949 (SLL 21: 271)	------	------	------	X	Unlawful to restrict ingress or egress.
1949 (sec. 11495, SLL 21: 273).	------	------	------	------	
Kansas: 1955 (SLL 26: 215)	------	------	------	X	Unlawful to restrict entrance, exit. Must confine picketing to area where dispute arises.
Louisiana: 1950 (SLL 28: 270).	------	------	------	------	Picketing of courts.
Massachusetts: 1950 (SLL 31: 277).	------	------	------	------	Do.
Michigan: 1949 (sec. 9f, SLL 32: 249).	X			X	Unlawful to restrict entrance, exit; to interfere with roads, means of travel.
Minnesota:					
1939 (sec. 11, SLL 33: 226).	------	X	X	------	Restriction on picketing where no strike is in progress.
1945 (SLL 33: 271)	------	------	------	------	No picketing to deny the right of certified union to act.
Mississippi: 1942 (SLL 34: 261).	X	------	------	------	
Nebraska: 1949 (SLL 37: 245)	X	------	------	------	
North Dakota: 1949 (sec. 34-0912, SLL 44: 259).	------	X	------	------	
Oregon: 1953 (sec. 17, SLL 47: 228).	------	------	------	------	No picketing unless union is certified as bargaining agent for employees.
Pennsylvania: 1947 (sec. 6(2)(d), SLL 48: 224).	------	X	------	------	
South Carolina: 1954 (sec. 7, SLL 51: 285).	X	------	------	------	Unlawful to obstruct or threaten to obstruct plant entrances, exits, or use of roads and public conveyances.
South Dakota:					
1943 (SLL 52: 265)	------	X	------	X [1]	
1947 (SLL 52: 41)	------	------	X	X	Unlawful to obstruct entrance, exit, or act with violence.
Texas:					
1947 (SSL 54: 232; 54: 234; 54: 236).	X	------	X	------	Picketing is illegal if there is misrepresentation or breach of contract; no picketing of public utilities.[2]
1955 (SLL 54: 233)	------	------	------	------	Unlawful for union to picket unless it represents majority of employees.
Utah: 1947 (sec. 34-1-8, SLL 55: 210).	X	------	------	X	Picketing permitted only if majority have voted in favor of a strike.
Virginia: 1952 (SLL 57: 231)	------	X	------	------	Unlawful to obstruct entrance and exit.
Wisconsin: 1939 (sec. 111.06, SLL 60: 229).	X	------	X	X	

[1] No picketing of homes on agricultural premises.
[2] No picketing of public utility, when the intent is to disrupt service; no sabotage of public utility; no picketing to secure a violation of a valid labor agreement.

TABLE 4.—*Jurisdictional strikes and boycotts*

State and date of law	Provision against		
	Jurisdictional strike	Secondary boycott	Other boycotts
Alabama: 1943 (sec. 386, SLL 10: 269).	----------	----------	Unlawful to prevent employer from obtaining or using materials.
Arizona: 1952 (SLL 12: 255)	----------	X	
California: 1947 (SLL 14: 273)	X	----------	
Colorado: 1943 (sec. 94(6)(g), SLL 15: 238).	----------	X	
Florida: 1943 (sec. 9, SLL 19: 277).	X	----------	
Georgia: 1947 (sec. 54-805, SLL 20: 156).	----------	----------	Unlawful to prevent any employer from lawfully conducting his business or acquiring materials.
Idaho: 1947 (SLL 22: 255)	----------	X	
Iowa: 1947 (SLL 25: 165)	X	X	
Kansas: 1955 (SLL 26: 219)	X	X	
Massachusetts: 1947 (sec. 4A, SLL 31: 233).	X [1]	----------	Illegal to boycott to bring about an unfair labor practice, to coerce employees in choice or rejection of bargaining representative after commission has determined that they do not desire to be represented by such union.
Michigan: 1949 (SLL 32: 245)	X [2]	----------	
Minnesota:			
1943 (SLL 33: 221)	X [3]	----------	
1945 (SLL 33: 271)	----------	----------	Restriction on boycotting to deny right of certified union to bargain.
1947 (SLL 33: 271)	----------	X [4]	
North Dakota: 1953 (sec. 34-0913, SLL 44: 260).	----------	X	
Oregon: 1947 (SLL 47: 269)	----------	X	
Pennsylvania: 1947 (sec. 6(d), SLL 48: 224).	X	X	
South Dakota: 1953 (SLL 52: 265).	----------	----------	Illegal to interfere with movement of farm products because not union made.
Texas: 1947 (SLL 54: 236)	----------	X	Certain boycotts are in restraint of trade.
Utah: 1947 (sec. 34-1-8(e), SLL 55: 211).	----------	X [5]	
Wisconsin:			
1939 (sec. 111.06(2)(g), SLL 60: 231).	----------	X	
1947 (sec. 111.06(2)(1), SLL 60: 232).	X	----------	

[1] Does not outlaw jurisdictional strikes but provides injunctive relief when one party fails to comply with an arbitration award.
[2] No strike pending attempt to mediate. If this fails, election must be held to determine the issue.
[3] No strike pending determination by labor referee appointed by the Governor.
[4] No boycott to coerce an employer to encourage or discourage union membership.
[5] Does not prevent sympathetic strikes of workers in the same craft.

TABLE 5–A.—*Regulation of strikes* [1]

State and date of law	Action required before a strike	
	Strike vote	Strike notice and waiting period
Colorado: 1943 (sec. 94(11), SLL 15: 242)	X	30 days—farm products; 20 days—other.
Florida: 1943 (sec. 9(3), SLL 19: 277)	X	
Georgia: 1941 (sec. 54-703, SLL 20: 155)	----------	30 days.
Kansas: 1955 (sec. 44-809(3), SLL 26: 217)	X	
Michigan: 1949 (secs. 9, 9a, SLL 32: 247)	X [2]	10 days; 30 days where dispute involves hospital or public utility.
Minnesota: 1955 (sec. 6, SLL 33: 223)	----------	10 days.
Utah: 1947 (sec. 34-1-8(2)(e), SLL 55: 211)	X	
Wisconsin: 1939 (sec. 111.06(2)(i), SLL 60: 232).	X	10 days—farm and dairy products.

[1] Excluding laws pertaining especially to public utilities and public employees.
[2] Sec. 9(a) of the Bonine-Tripp Act, which provides for the holding of strike authorization elections, was declared unconstitutional by the U.S. Supreme Court (26 LRRM 2082) as applied to an employer engaged in interstate commerce.

TABLE 5–B.—*Regulation of strikes* [1]

State and date of law	Prohibition against		State and date of law	Prohibition against	
	Sitdown strike or seizure of property	Other strikes		Sitdown strike or seizure of property	Other strikes
Colorado: 1943 (sec. 94(6)(2)(i), SLL 15: 238).	X		North Dakota: 1953 (sec. 34-1901, SLL 44: 202).	----------	Sympathy strike.
Florida: 1943 (sec. 9, SLL 19: 277)	X		Pennsylvania: 1947 (sec. 6(2)(b), SLL 48: 224).	X	
Kansas: 1943 (sec. 44-809, SLL 26: 217)	X		Utah: 1947 (sec. 34-1-8(2)(f), SLL 5: 211)	X	
Maryland: 1941 (SLL 30: 275)	X		Vermont: 1937 (Pub. Act 210, L. 1937, sec. 8457, SLL 56: 256).	X	
Massachusetts: 1947 (sec. 4A, SLL 31: 233)	X	No strike or slowdown to bring about an unfair labor practice.	Washington: 1937 (RCW sec. 9.05.070, SLL 58: 260).	X	
Michigan: 1939 (sec. 15, SLL 32: 252)	X		Wisconsin: 1939 (sec. 111.06(2)(h), SLL 60: 232).	X	
Minnesota:					
1943 (sec. 11, SLL 33: 226)	X				
1945 (SLL 33: 271)	----------	No strike to deny right of certified union to bargain.			
1947 (sec. 179.42, SLL 33: 272)	----------	No strike to coerce other employer to encourage or discourage union membership.			

[1] Excluding laws pertaining especially to public utilities and public employees.

TABLE 6.—*Regulation of disputes in public utilities, etc.*

State and date of law	Provision against strikes in—			Provisions for seizure	State and date of law	Provision against strikes in—			Provisions for seizure
	Public utilities	Government service	Other essential industries			Public utilities	Government service	Other essential industries	
Florida: 1947 (SLL 19: 231)	X [1]	----------	----------		Michigan: 1949 (SLL 32: 245)	X [1 4]	----------	Hospitals.[5]	
Hawaii:					Minnesota:				
1949 (SLL 21: 256)	X	----------	----------		1947 (SLL 33: 274)	----------	----------	Charitable hospitals.	
1949 (SLL 21: 265)	----------	----------	Docks	X	1951 (SLL 33: 272)	----------	X		
Indiana: 1947 (SLL 24: 148)	X [1]	----------	----------		Missouri: 1947 (SLL 35: 211)	X [3 6]	X	----------	X
Kansas: 1920 (Gen. Laws Annot., sec. 44-601 to 608, SLL 26: 245).	X	----------	Industries affected with the public interest.[2]	X [2]	Nebraska: 1947 (SLL 37: 235)	X	X	----------	
					New Jersey: 1946, 1947, 1949, 1950 (SLL 40: 221)	X [3 7]	----------	----------	X
					New York: 1947 (SLL 42: 267)	----------	X	----------	
					North Dakota: 1943 (SLL 44: 258)	----------	----------	----------	X
					Ohio: 1947 (SLL 45: 234)	----------	X	----------	
Maryland: 1956 (SLL 30: 255)	X	----------	----------	X	Pennsylvania:				
Massachusetts: 1947 (SLL 31: 257)	X [3]	----------	Distribution of food, fuel, hospital and medical services.[3]	X	1947 (SLL 48: 251)	X [1]	----------	----------	
					1947 (SLL 48: 270)	----------	X	----------	
					Texas:				
					1947 (SLL 54: 238)	----------	X	----------	
					1947 (SLL 54: 234)	X [8]	----------	----------	
					Virginia:				
					1946 (SLL 57: 245)	----------	X	----------	
					1950 (SLL 57: 236)	----------	----------	Coal mines	X
					1952 (SLL 57: 215)	X [9]	----------	----------	
					1952 (SLL 57: 232)	X [10]	----------	----------	
					Wisconsin: 1947 (SLL 60: 248)	X	----------	----------	

[1] No strike until such time as all of the procedure provided for by law has been exhausted.
[2] The ban on strikes has not been exercised, since other features of the Kansas Industrial Relations Act were declared unconstitutional.
[3] No strike after the public utility has been taken over by the State.
[4] Act held unconstitutional by U.S. Supreme Court (26 LRRM 2082) as applied to an employer engaged in interstate commerce.
[5] No strike for 5 weeks after mediation fails and the Governor has been notified.
[6] Act unconstitutional, in opinion of State attorney general (27 LRRM 69).
[7] No strike for 60 days after written notice of intention to strike to the board of mediation and the other party.
[8] No ban on strikes. Act provides penalties for picketing and sabotage.
[9] No ban on strikes. Provides for mediation of public utility disputes.
[10] No ban on strikes. Provides for temporary replacement of all employees who do not want to work for the Government during seizure.

TABLE 7.—*Compulsory mediation and arbitration*

State and date of law	Industries included	Provision for—		State and date of law	Industries included	Provision for—	
		Compulsory mediation	Compulsory arbitration			Compulsory mediation	Compulsory arbitration
Florida: 1947 (SLL 19: 231)	Public utilities	X	X	Missouri: 1947 (SLL 35: 211) [2]	Public utilities	X	X [3]
Indiana: 1947 (SLL 24: 158)	do	X	X	Nebraska: 1947 (SLL 37: 235)	do	----------	X
Kansas: 1920 (Gen. Laws, Annotated, sec. 44-601 to 628, SLL 26: 245).	Industries affected with the public interest.	X	X [1]	New Jersey: 1946, 1947, 1949, 1950 (SLL 40: 221).	do	X	X
Massachusetts: 1954 (sec. 3, SLL 33: 258).	Public utilities	X		North Dakota: 1953 (SLL 44: 225)	Any dispute	X	
Minnesota:				Pennsylvania: 1947 (SLL 48: 251)	Public utilities	X	X
1955 (sec. 6, SLL 33: 223)	Any dispute, on petition of either party.	X		Virginia: 1952 (sec. 40-95.3, SLL 57: 216).	do	X	
1939 (sec. 7, SLL 33: 224)	Industry affecting public interest.	X		Wisconsin: 1947 (SLL 60: 248)	do	----------	X
1947 (SLL 33: 274)	Charitable hospitals	X	X				

[1] The U.S. Supreme Court in decisions in 1923 and 1925 declared that it is unconstitutional to fix wages by compulsory arbitration in the meatpacking industry. However, the act may still apply to the railroad and public utility industries.
[2] Act unconstitutional, in opinion of State attorney general.
[3] If no agreement is reached a public hearing panel is established which must make recommendations for settling the dispute.

TABLE 8.—*Unfair labor practices forbidden by State labor relations acts*

Prohibited practice	Colorado	Connecticut	Hawaii	Kansas	Massachusetts	Michigan	Minnesota	New York	Oregon	Pennsylvania	Puerto Rico	Rhode Island	Utah	Wisconsin
SLL reference	15: 231	16: 227	21: 215	26: 215	31: 231	32: 245	33: 221	42: 229	47: 225	48: 221	49: 215	50: 227	55: 207	60: 225
For employers:														
Interference	X	X	X	X	X	X		X	X	X	X	X	X	X
Domination of union	X	X	X	X	X	X		X		X	X	X	X	X
Discrimination for union activity	X	X	X		X	X	X	X	X	X	X	X	X	X
Discrimination for testifying	X	X	X	X	X	X	X	X		X	X	X	X	X
Refusal to bargain	X	X	X		X			X		X	X	X	X	X
Espionage	X	X	X	X			X	X				X		X
Blacklisting employees	X	X	X				X	X				X		X
Deduct dues not authorized individually.	X		X	X						X				X
Breach of contract	X		X				X				X			X
Bargaining with minority			X								X		X	X
Lockout contrary to agreement							X							
Ignoring final determination of tribunal	X		X											X
For employees or unions:														
Secondary boycott	X		X	X			X			X			X	X
Picketing in minority strike	X		X	X									X	X
Coercing employees	X		X	X	X	X	X		X	X	X		X	X
Coercing employers to engage in interference.	X		X										X	X
Ignoring final determination of tribunal	X		X											X
Breach of contract	X		X	X			X				X			X
Sitdown strike	X		X	X	X	X	X			X			X	X
Mass or violent picketing	X		X	X		X	X						X	X
Intimidating employee's or employer's family	X			X			X			X			X	X
Picketing beyond industry				X										
Insistence on hiring standby employees	X													
Acting as union agent without license				X										
Forcing union membership	X		X	X	X	X		X		X				X
Jurisdictional strike				X						X				X

TABLE 9.—*Key provisions in State fair employment practice laws*

Provisions in law	Colorado	Connecticut	Indiana	Kansas	Massachusetts	Michigan	Minnesota	New Jersey
SLL reference	15: 201	16: 201	24: 115	26: 201	31: 201	32: 201	33: 201	40: 201
Substantive provisions:								
Policy against discrimination because of race, creed, etc		X	X	X	X	X	X	X
Unfair employment practices of employers	X	X	X		X	X	X	X
Unfair employment practices of unions	X	X	X		X	X	X	X
Unfair employment practices of employment agencies	X	X	X		X	X	X	X
Discrimination defined to include segregation		X		X		X	X	
Covers State agencies			X	X	X	X	X	
Enforcement:								
By Commission		X		X	X	X	X	X
By single officer or existing agency	X		X					
Duties of agency:								
Study and report on discriminatory job practices	X	X	X	X		X	X	
Conduct educational programs	X	X		X	X	X	X	
Receive and investigate complaints	X	X	X	X	X	X	X	X
Mediation and conciliation	X	X		X	X	X	X	X
Hold public hearing	X [1]	X			X	X	X [2]	X
Make recommendations to parties				X				
Issue cease and desist orders		X			X	X	X [2]	X
Judicial review and enforcement	X [1]	X			X	X	X	X
Penalties						X [3]		X

Provisions in law	New Mexico	New York	Oregon	Pennsylvania	Rhode Island	Washington	Wisconsin
SLL reference	41: 201	42: 201	47: 201	48: 201	50: 201	58: 201	60: 201
Substantive provisions:							
Policy against discrimination because of race, creed, etc	X	X	X	X	X	X	X
Unfair employment practices of employers	X	X	X	X	X	X	
Unfair employment practices of unions	X	X	X	X	X	X	
Unfair employment practices of employment agencies	X	X	X	X	X	X	
Discrimination defined to include segregation	X			X	X		
Covers State agencies	X [4]			X		X	
Enforcement:							
By commission	X	X		X	X	X	
By single officer or existing agency			X				X
Duties of agency:							
Study and report on discriminatory job practices	X	X		X	X	X	X
Conduct educational programs	X	X		X	X	X	
Receive and investigate complaints	X	X	X	X	X	X	X
Mediation and conciliation	X	X	X	X	X	X	
Hold public hearing	X	X	X	X	X	X	X
Make recommendations to parties							X
Issue cease and desist orders	X	X	X	X	X	X	
Judicial review and enforcement	X	X	X	X	X	X	
Penalties			X	X		X	

*Alaska also has a Fair Employment Practice Act (31 LRRM 3037). The following cities, among others, have fair employment practice ordinances: Chicago, Ill. (17 LRRM 2257); Gary, Ind. (27 LRRM 3033); Minneapolis, Minn. (28 LRRM 3087); Cleveland, Ohio (25 LRRM 3030, 26 LRRM 3040); Youngstown, Ohio (27 LRRM 3039); Philadelphia, Pa. (27 LRRM 3036); Milwaukee, Wis. (18 LRRM 3013); River Rouge, Mich. (31 LRRM 3035); Farrell, Pa. (31 LRRM 3032); East Chicago, Ind. (31 LRRM 3030); Sharon, Pa. (31 LRRM 3023); Pittsburgh, Pa. (31 LRRM 3021); Monessen, Pa. (31 LRRM 3019); Warren, Ohio (31 LRRM 3015); Pontaic, Mich. (31 LRRM 3010); Newark, N.J. (33 LRRM 3009); Erie, Pa. (33 LRRM 3013); Duluth, Minn. (33 LRRM 3012); Toledo, Ohio (35 LRRM 137); St. Paul, Minn. (35 LRRM 137); Ecorse and Hamtramck, Mich. (35 LRRM 137).

[1] Applies only in the case of complaints brought against "public employers," i.e., State agencies. Complaints brought against private parties may be publicized if they remain unadjusted after mediation efforts by the agency.

[2] Public hearings are held by a board of review, selected from a panel by the Governor. This board also issues any necessary cease-and-desist orders. Up to the hearing stage, cases are handled by the Commission.

[3] For failure to post required notices only.

[4] Requires the inclusion of antidiscrimination clauses in all contracts for goods and services.

Mr. JAVITS. Mr. President, I hope that the conferees will take very careful and serious note of this situation, and that just as secondary boycotts and picketing are a major objective of their discussions, so too will they concentrate on the "no man's land" provisions as a very critical aspect of these negotiations and see that in our desire to correct what admittedly needs correction, we do not go overboard and work against our national interest by making repressive, more confusing and contradictory labor legislation.

THE HIGHWAY PROGRAM

Mr. SYMINGTON. Mr. President, before the present session comes to a close, I believe the Congress should take some action with respect to the highway program.

We should work out a plan to continue on schedule the important work envisioned by the act of 1956, not only from the standpoint of the economy, but also as a matter of national security.

The urban complexes of the future are beginning to take shape; and these new areas can either be a blessing for us all, or a liability, depending on what we do now.

Two weeks ago I inserted several letters in the RECORD illustrating the impact of the planned cutback in the highway program of my State of Missouri.

On August 10, the Kansas City Star published an editorial in support of a compromise tax solution to ward off the impending slowdown in roadbuilding.

The editorial comments on the proposal of the House Public Works Committee to combine a small gasoline tax increase with an additional allocation of excise tax funds for the highway fund.

I believe this to be a thoughtful discussion of the House plan, and respectfully commend it to the attention of my colleagues.

I ask unanimous consent that pertinent excerpts from this editorial, "A Compromise Tax Is the Hope for Highways," be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

A COMPROMISE TAX IS THE HOPE FOR HIGHWAYS

In all reason, a compromise plan for the huge national highway program should be possible. A coast-to-coast shutdown would be outrageous—a confession that American politics is too involved in petty crosscurrents to build for the use of the boasted American output of motorcars. We may hear the laughter from Moscow to the Malay jungle.

The new hope of a compromise has come from the House Public Works Committee. It recommends full scale construction. * * *

* * * * *

Suggested compromises would combine a small tax increase with some additional allocation of funds from Federal excise taxes. The most discussed compromise gasoline tax increase is one-half cent per gallon. For a person who drives 10,000 miles a year and gets 12 miles to the gallon the increase would amount to $4 a year.

Entirely aside from his own driving convenience, we would think any good citizen would be willing to pay that much for the national welfare.

For most people the direct benefits of a modern system would be worth far more than any taxes in force or proposed. Federal tax money is being poured into all State roads. Federal tax money helps build the farm-to-market roads that reach out even to the small villages.

The Interstate System reaches nearly all cities of more than 100,000. In Missouri and Kansas it links all cities of 40,000 or more. For Kansas City motorists, interstate funds are building the expressway system. Federal money made the Sixth Street Expressway possible. Without new money the Southeast Freeway will be stopped. Without leaving town a motorist can get many times his tax money in benefits from city freeways.

Congress has the choice between the debacle of a highway shutdown and some compromise plan to continue construction. The compromise approach is so logical that it is hard to believe Congress would be willing to accept failure.

AN AFRICAN INDEPENDENCE DAY ADDRESS

Mr. SYMINGTON. Mr. President, recently there came to my attention a thoughtful address delivered by President William V. S. Tubman of Liberia.

At the meeting at Sanoquelli last month, "a community of African states" was proposed by President Tubman of Liberia, President Toure of Guinea, and Prime Minister Nkrumah of Ghana.

As these new African countries continue their progress toward democratic independence, it is only logical for them to look to Liberia, a nation independent and free, under parliamentary government, for over 100 years.

President Tubman is firmly and irrevocably pro-West; and the West is fortunate to have this sagacious, patient, and experienced political leader as senior African statesman in this period of creative political ferment on the great African Continent.

The United States is particularly fortunate in this regard, because of the close and cordial historic ties in peace and war which binds our country and Liberia.

I believe we should continue to strengthen those ties. Cooperation is a two-way street, and Liberia has always lived up to her obligations under our common friendship.

The standard of schools, health, and roads in Liberia could be much improved; and, under present world conditions, it would most certainly seem to be to our advantage to participate in a program to that end; especially as other African nations will eye our dealings with Liberia as an example of what our philosophies will be in that part of the world.

Already it is an improving situation as a result to the open-door policies of President Tubman incident to foreign investments.

Hundreds of millions of dollars are being invested in Liberia by private corporations. Two hundred million dollars is being used for iron ore; this will involve construction of the largest sawmill in west Africa, and the largest port on the west coast of Africa, a port capable of handling ore carriers of 40,000 tons capacity.

Mr. President, I ask unanimous consent that an address given by President Tubman last July 27, entitled "Independence Day Message," be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INDEPENDENCE DAY MESSAGE OF PRESIDENT WILLIAM V. S. TUBMAN, MONDAY, JULY 27, 1959

Fellow citizens, gentlemen of the diplomatic corps, ladies and gentlemen, since the dawn of history men have stood up boldly for the things they regard as essential to their existence, happiness and well-being. They have courageously fought and subdued ferocious animals and ravenous beasts that threatened their safety. They have fought disease, hunger, ignorance and poverty and by their ingenuity have been able to subdue and gain control of these formidable enemies.

Throughout the history of the world men have stubbornly resisted every imaginable obstacle to their welfare including natural barriers, because they have had the innate desire and determination to be free—free from disease, free from poverty, free from hunger, free from ignorance, and free from political domination.

It was this identical desire for freedom which led our forefathers to abandon forever the scenes of their childhood to come to these shores, and it strengthened their determination to endure the hardships, face fearful odds and lay the foundation of this God-given heritage. It was this selfsame desire that motivated Elijah Johnson to declare: "For 2 long years I have sought a home in vain. Here I have found one, and here I shall remain."

It was in that same spirit that Lott Carey eloquently summarized the feelings and emotions of his fellow compatriots and himself when he said: "There never has been an hour; no, not even when the balls were flying around my head at Crown Hill, when I could wish myself back in the land of my birth."

These and smilar expressions, coming from the souls of our pioneer fathers, did not only inspire them to persevere in their great search for freedom and independence, but throughout these 112 years have callenged the zeal, courage, and determination of our predecessors and ourselves to preserve, defend and build wisely upon the foundation which they so nobly laid. Consequently, each administration of our Government has striven to make the flame of freedom brighter not only for ourselves, but as a symbol of inspiration and hope for those of our fellows on this continent who have long been deprived of the just and equal right of self-determination.

While we have succeeded by the aid of Divine Providence, and while we are active participants in this great drama which is being acted on this continent at the present time and are happily extending the hand of welcome, sincere friendship and assistance to all peoples who are now rapidly gaining their independence, we are confronted in this atomic and nuclear age with grave problems which require calm, sober and correct decisions and actions.

We cannot shirk our responsibilities in these critical times of racial and national awakening, reconstruction and readjustment. We must amply prepare ourselves to play well the role which the fact of history and the act of Providence have placed upon our shoulders. That role in this period of African history cannot be negative. It must be positive, clear, reasonable and consistent without any excitement to violence and bloodshed. It must seek to save the precious lives of our people from the horrible fate of mass murder and mass destruction, but the goal must be obtained by persistent and relentless appeals and demands for that to which all men are entitled and cannot be deprived of without the grossest injustice.

Freedom is finally in array in Africa and the entire continent is responding to its vibrations. If it is to be triumphant, if the remotest corner of the continent is to be liberated from the shackles of oppression, we must not be divided. We must unite behind its banner for victory, not by violence and bloodshed but by relentless and persistent demands for all men to enjoy their inherent and just rights. Or I would suggest as a slogan or watchword the declaration of the prophet Nehemiah: "Not by might nor by power but by my spirit saith the Lord."

It was in recognition of this fact that the President of the Republic of Guinea, the Prime Minister of Ghana and I mutually agreed to meet at Sanoquelli in an atmosphere of frankness, friendship, equal respect and confidence to discuss our respective proposals for African unity and solidarity with a view to evolving a formula which might be mutually satisfactory. I am happy to reveal that after 4 days of frank discussions in a climate of give and take, we jointly arrived at a unanimous agreement which was given publicity at the end of the conference.

You will recall that in my keynote speech I made it quite clear that our objective was not for any advantage of either of us over any of us, but rather for the triumph of principles. As such we lost ourselves and our individuality in the larger interest of all. We felt that it is the inherent right of all men to be free. We agreed that there is an urgent necessity for unity not only among the nations and peoples of Africa, but among the nations and peoples of the world; and we pledged ourselves to work assiduously towards that end.

The Sanoquelli Conference ended on a high note of harmony, concord, and brotherhood. It is now history, but whatever it achieved is due to the credit of each of us and the members of our delegations.

I feel it necessary and would like to repeat here what I said about leadership of Africa in my Independence Day Message of 1957. I said then:

"I come now to the question of leadership of Africa, which in my considered opinion, has been or is being skillfully maneuvered deliberately at this time to separate and weaken the ties of friendship which should exist among all African States, and have the African States leave the proverbial substance for the shadow.

"In this connection I have observed that there seem to be three schools of thought on this subject. There are those who feel that Liberia should assume leadership based on the fact that she is the oldest African Republic and is riper in political experience; but it will require more than age and political experience to assume leadership of Africa.

"There are others who hold that Ghana should assume that role because she is physically more developed and embraces larger territories. It will require more than development and larger territory to assume leadership of Africa.

"And there are yet those who opine that Egypt with its rich traditions dating back to the remotest antiquity, should do so. It will require more than rich traditions of antiquity. It will require, in my opinion, the aggregate of all three of these and more besides. It will require the aggregate of the best of all that Liberia, Ghana, Egypt, Tunisia, Ethiopia, Libya, The Sudan, Morocco, South Africa, Nigeria, The Federation of Nyasaland, and all other African territories and states possess, molded together, to assume the leadership of Africa, compounded in such a manner as to represent the divisibility of Africa indivisible."

This was my position at that time and that position remains unchanged. We must not allow petty ideas to befuddle our thoughts and deter us from our primary objective of achieving unity and harmony among ourselves and all men. Let us avoid such idle pastimes.

My fellow citizens, as we celebrate this occasion, the 112th anniversary of our independence, I salute and congratulate you for the tremendous progress you are making at home and abroad. Our country, by your contributions in every sphere of activity, is rapidly developing and spreading its influence throughout the world.

The credit goes to you, for without your support, without your confidence and without your individual and collective effort, we would be unable to execute those programs and perform those duties which we are endeavoring to perform. Let us continue to work with might and main to improve this glorious heritage bequeathed to us by our fathers.

Let us not cease our crusade until every man and woman, every boy and girl in Africa and in the world can breathe the air of freedom and independence. In this crusade we are not alone. Behind us stand not only the concerted effort of the other eight independent States of Africa, not only the fervent prayers of those of our brothers who are still laboring under the yoke of servitude and inequality, but also those nations and peoples of the earth who have long fostered, upheld, and maintained the principle of the dignity of the individual and of liberty, justice, and equality for all regardless of race, creed, or color. We therefore appeal to and challenge the sense of justice, fairplay and decency of all nations and call upon them to join in this crusade and set all captive and subjected peoples free.

As we rejoice over our accomplishments, let us not forget to pay tribute to the United States of America, our next friend, and to its great philanthropists who aided in the founding of our nation and have maintained close interest in our well-being over the years. The history of our nation contains numerous important chapters depicting the role they have played; and I am happy to state that relations between our two governments and peoples continue to be most cordial, fruitful and mutually beneficial and must continue to be so in ever increasing measure.

For more than a hundred years Liberia existed as the only Republic on this continent and was practically alone except for the Kingdom of Ethiopia. During that period she negotiated and concluded treaties of friendship, commerce and navigation with most of the democratic nations of the world. Some of these treaties have existed for more than a century. But coming along alone in those days of colonial expansionist movements, the United States gave us strong moral and other support and contributed substantially toward the maintenance of our independence.

I think it not amiss to mention a particular incident in our national life. It was during the administration of President Theodore Roosevelt when we were so hard-pressed and harassed that we felt no way open to us but to approach the U.S. Government to take over Liberia as an American colony. Word immediately came back from that Government through Mr. Elihu Root, then Secretary of State, that even though Liberia was founded by American philanthropy and was receiving moral and other support from that country, the U.S. Government could not exercise rule over Liberia as a colony but would use her good offices in the interest of Liberia's sovereignty. This she did and the threat was removed.

We cannot therefore be unmindful of the long, tried and tested ties of friendship which have bound our two countries together. We shall continue to regard the United States as the mother country and shall seek closer friendly relationship with her in all matters including defense.

It is interesting and pleasing to note that several of our sister African States are members of the British Commonwealth of Nations and others expect to become independent within the Commonwealth. There seems to be a uniqueness about the British Commonwealth of Nations and I am tempted to think of it as being something like the matrimonial ritual which describes the relationship between husband and wife as being the same as the mystical union that exists between Christ and his church. Moreover, there are other African States that exist within the French Community; then there is the Arab League.

And now I am pleased to extend hearty greetings to the members of the diplomatic corps and through them to their respective chiefs of state, their governments and peoples on this historic occasion. The present composition of the corps stimulates pleasure and give rise to no cause for anxiety, suspicion or fear because we all believe alike in the eternal principles of democracy; for by those principles we live and administer our respective governments.

It is most gratifying to observe that since our last Independence Day celebration there have been additions to the corps by three diplomatic representatives of African States: Ethiopia whose role as a free, sovereign and independent state dates back to a period longer than ours, the United Arab Republic and our immediate neighbour, Guinea, the youngest of all of the independent States of Africa and the world.

We are happy that diplomatic representations of African States are on the increase and we feel certain that this will continue until all of our territories and peoples of Africa are able to exercise and enjoy the rights and benefits of sovereignty. I express the hope that relationships between each and all of our respective countries will always remain peaceful, cordial and reciprocally beneficial.

In that hope I ask you, fellow citizens, ladies and gentlemen, to join Mrs. Tubman and me in toasting the health, happiness and continued prosperity of the sovereigns and chiefs of state represented near this capital by the members of the diplomatic corps.

INACTION ON CIVIL RIGHTS

Mr. KEATING. Mr. President, two of New York's leading newspapers carry editorials today criticizing congressional inaction on civil rights legislation. After reviewing the roadblocks which have been placed in the path of civil rights progress, the New York Times points out that "this sort of fiddling with basic human rights that are part of the American ideal does no credit to Congress or to those who engage in it or tolerate it." The New York Herald Tribune concludes "conceivably there is still time to force constructive legislation at both ends of Congress, but the odds are against it."

These editorials point up very well the difficult task which confronts those of us who are determined that a majority of Congress shall be given an opportunity to express their will on this vital subject. I believe these editorials will be of interest to all Members of the Senate, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Aug. 21, 1959]

CIVIL RIGHTS AND DEMOCRATS

The prospect for even a moderate civil rights bill at this session of Congress appears doubtful.

The Senate Judiciary Committee, thanks to Senator EASTLAND, persists in endless stalling. The efforts of Senators HENNINGS and KEATING at bypassing the committee are commendable, but the Senate, with an eye on adjournment, seems to be preserving its major energies for labor reform. So, at the moment, it is reported that the Democratic majority leader, Senator JOHNSON, will tack some sort of minimal civil rights legislation onto some other bill and thus preserve his early session promise of action. How meaningful this rider may be is plainly something else again.

In the House, however, the outlook isn't even this good. Chairman HOWARD SMITH of the Rules Committee, is determined to see to it that no civil rights bill gets to the floor at this session. And Speaker SAM RAYBURN, an expert at recognizing practical difficulties, has passed the word that such consideration will have to wait until next year.

Conceivably there is still time to force constructive legislation at both ends of Congress, but the odds are against it. Having passed a civil rights law in 1957, the first since reconstruction days, the congressional leadership is disposed to rest on any further improvements. The next session of the 86th Congress may be different, provided the demand for full meaning to our ideals of equal rights is asserted early and often.

Meanwhile the blame for inaction at this session rests on the Democrats, who control Congress in numbers but prefer to sleep on civil rights.

[From the New York Times, Aug. 21, 1959]

BLOCKING CIVIL RIGHTS

The time has come—in fact, is well past—for action on civil rights in both the Senate and the House in Washington and for public identification of those who are responsible for inexcusable delays.

Last February President Eisenhower sent to Congress a seven-point program to further the progress already made in securing equal rights for all Americans. The proposals were moderate indeed. They included extension of the life of the Civil Rights Commission for 2 years, making obstruction of desegregation court orders a Federal offense, preservation of election records and the right to their inspection by the Attorney General, aid to communities in solving desegregation problems and a Commission on Equal Job Opportunities under Government contract.

Six months have now passed and no bill along these lines has yet been cleared for action either in the Senate or the House. Formidable roadblocks, manned by those opposed to any further civil rights legislation, are standing in the way.

In the Senate Judiciary Committee its chairman, Democratic Senator EASTLAND, of Mississippi, and the Southern Democrats on the committee are stalling off making a report which a majority of the committee wants. And they are doing so in spite of a plea from their Subcommittee on Constitutional Rights that a civil rights measure be promptly sent to the floor of the Senate and in spite of Senate Democratic Leader LYNDON JOHNSON'S pledge that such a bill will be passed before the present session ends.

The House Judiciary Committee finally approved a diluted version of the President's program a couple of weeks ago—one which left out desegregation aid to communities and the Commission on Equal Job Opportunities which the President had called for. This bill must be cleared by the Rules Committee before it can go to the floor of the House. But Representative HOWARD W. SMITH, Democrat, of Virginia, chairman of the committee and bitter foe of civil rights, seems to be in the extraordinary position of being able to block any such action, with the backing of Southern Democrats and some Republican members of the committee.

This sort of fiddling with basic human rights that are part of the American ideal does no credit to Congress or to those who engage in it or tolerate it. We cannot believe that such conduct is good politics any more than it is good morality.

TRIBUTE TO MRS. LEONOR K. SULLIVAN, REPRESENTATIVE FROM THE THIRD MISSOURI DISTRICT

Mr. HENNINGS. Mr. President, we Missourians are extremely proud of our very able Representative from the Third Congressional District, Mrs. LEONOR K. SULLIVAN. We know her as a woman of great fortitude—as a woman of great patience, of great energy. She is tireless in her efforts, she is a woman not easily discouraged.

Yesterday, Mrs. SULLIVAN'S patience, energy, and dedication in an important legislative field were rewarded when the House approved legislation authorizing the Secretary of Agriculture to set up and administer a food-stamp program designed to utilize our Nation's agricultural surpluses by giving them to the Nation's needy. I am proud to have been allied with Mrs. SULLIVAN in sponsoring food-stamp legislation, and I feel her accomplishments in this legislative area alone so significant that she deserves the gratitude of the entire Nation.

Four times since 1954 Mrs. SULLIVAN has introduced and fought for food-stamp legislation. Her basic objective was quite simple. She wished only to move our huge store of surplus foodstuffs out of Government warehouses and onto the tables of needy families. She asked only that the needy of the Nation be given food stamps which they could take to their local grocery stores and use to buy foods designated by the Secretary of Agriculture. The measure approved yesterday by the House is a major step forward toward this commendable goal, and I certainly hope the Secretary of Agriculture will set up a food-stamp plan, as he is authorized to do under Mrs. SULLIVAN'S proposal, should the proposal become law.

I also hope, Mr. President, that the Senate will act swiftly and favorably in this field. The Senate already has before it, in one form or another, proposed legislation designed to achieve Mrs. SULLIVAN'S basic goal. This is an important goal, and one which we in the Senate should give certain priority in these closing days of the session.

NUCLEAR TESTING

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. GORE in the chair). The Senator from Pennsylvania.

Mr. CLARK. Mr. President, one of the most important and critical problems presently confronting our administration is what to do about continuing negotiations looking to the stopping of nuclear tests, and, as we may hope, on a broader front, the reduction of armaments.

The distinguished senior Senator from Minnesota [Mr. HUMPHREY] made an important contribution to this subject in an address he made on the floor of the Senate 2 or 3 days ago. In yesterday morning's Washington Post appeared an editorial commending the Senator from Minnesota [Mr. HUMPHREY] in an editorial entitled "Stop This Sabotage." I ask unanimous consent that the editorial may appear at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOP THIS SABOTAGE

Senator HUMPHREY has made an extremely compelling reply to the persons and groups who are pressuring for a resumption of nuclear weapon testing. In effect what the Minnesota Democrat said in a Senate speech is that only one major issue—the number of on-site inspections to be permitted each year—is blocking workable agreement with the Soviet Union at Geneva. These differences, he thinks, may be bridgeable if the United States will develop a coherent negotiating position. More money for technical studies of arms control and improvement of seismic techniques as recommended in the Berkner report—the tiniest fraction of what is now spent on the defense budget—would greatly increase the reliability of detection.

Whether Mr. HUMPHREY is right in his overall assessment no one can say with certainty, although as chairman of the Senate Disarmament Subcommittee he is one of the most knowledgeable and conscientious students of the problem. Obviously the United States will have to be satisfied that any inspection system will be effective and will not merely cause new suspicions. Whether the Russians really want an agreement, and whether Mr. Khrushchev will have additional points to take up with Mr. Eisenhower, likewise cannot be predicted with certainty. At least the Soviet delegation at Geneva appears to have been negotiating seriously.

Where Mr. HUMPHREY seems to us incontestably right is in his insistence that there be no resumption of testing before the chances of an accord have been exhausted. In the absence of a control system, ultimately new testing that does not contribute additional radioactive fallout may become prudent. But the chances at Geneva have not now been exhausted, and indeed Charles Coolidge has been named by the President to conduct a general review of American arms-control policy. In the circumstances it would be gross irresponsibility to permit a never-say-die clique to sabotage what is the stated administration objective. We think that two steps are necessary: First, for Mr. Eisenhower to adopt the recommendations of the Berkner Panel on Seismic Improvement, and, second, to crack down hard on the nuclear underground that is trying to force his hand.

Mr. CLARK. Mr. President, part of the editorial is the following sentence:

Where Mr. HUMPHREY seems to us incontestably right is in his insistence that there be no resumption of testing before the chances of an accord have been exhausted.

I am no great believer in the pledged word of the Communist people. Yet I firmly believe that there are real grounds of self-interest as to why they, too, would be interested in an enforceable agreement having to do with the stopping of nuclear testing, at least above ground, and also for a meaningful reduction in armaments.

No Member of this body has made a greater contribution to this subject than the present occupant of the chair [Mr. GORE], and I should like to commend him, as well as the Senator from Minnesota and other Senators, for the active urging they have been giving to a somewhat neglectful Government to push ahead with this matter in the interest

of peace throughout the world. This is no time to stop those efforts and to go back to a renewal of the cold war and the delicate balance of terror which will exist if unlimited testings begin again.

THE DOUBLE-CROSS OF GOLD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Idaho [Mr DWORSHAK] may be recognized for 20 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Idaho is recognized for 20 minutes.

Mr. DWORSHAK. Mr. President, it has been 63 years since William Jennings Bryan launched his attack on gold and started this Nation on the road toward fiat currency. I have entitled my remarks "The Double-Cross of Gold" in reference to both the start of today's financial dilemma more than 6 decades ago and to remind the American people that the security of their currency is being jeopardized by complacency in the handling of our gold reserves by the U.S. Treasury and indifference by Congress. Congress has a joint responsibility in meeting this challenge.

I shall not attempt to debate in the lofty realm of theoretical economics the obvious shortcomings of an inflated paper currency which has long been espoused by a certain segment of our academic population. I choose to deal with the subject of our gold reserves only by citing a few facts, and an outline of what history has taught us can happen under certain financial circumstances.

I wonder how many Americans know that today if all the foreign nations in the world asked for payment of their credits against our gold supply at once, we would be virtually stripped of gold and would not have enough left to back even 10 percent of our own currency? Impossible? Not in today's cold war world, where economic pressures are strategically applied with the finesse that generals use during wartime to deploy military striking power. Under a Treasury policy foreign nations can redeem their U.S. dollars any time in gold, and they now have $18,236,000,000 in obligations against a dwindling U.S. gold supply.

TWO-PRONGED ENEMY

There are many who say that our gold reserves are only formality, that everyone knows the U.S. dollar is good as gold anywhere in the world, and that we went off the gold standard years ago. An old saying of the Persians goes "nothing in life is as certain as change." Our position regarding gold has changed, but our Treasury Department and economic advisers change no policies. They are lulled by the false security which the status quo and public apathy over our international fiscal foibles have created. We are in danger from a two-pronged enemy—inflation at home; foreign manipulation of the money market abroad.

What does it mean that we do not have enough gold to back our currency and be banker for the world? Those who follow the Keynesian philosophy that a government word is better than gold in the bank should ponder that when they established the International Monetary Fund, they had to back it with gold as that was the only universal banking language understood by all participating nations.

Mr. President, although the American public has been denied possession of gold, the money manipulators have never been able to divert the world away from dependence on gold. Why gold? It started with the Bible where it is recommended as a measure of value. It is the most imperishable metal. King Solomon's Temple decayed and fell, but the gold taken from his mines is still somewhere in world commerce or coinage. Gold is power. Dictators know that they can issue paper money promiscuously, but that they do not have true financial power over their subjects until they seize the gold supply.

During the last war the Gestapo very carefully saved the gold fillings from the teeth of millions of people who died in concentration camps. This gold was stored away in vaults with the intent that it would be the base for a new, powerful German mark following the war.

No one expects that there will be a run by the American people on the Treasury. Since it is illegal to have gold, the gold value of our currency is in itself nebulous. We are required by law to keep only 25 percent gold reserve against our currency. However, foreign nations may not have any compunctions about draining our Treasury, indeed, have been doing so systematically for the past few years. Should a pressure play develop in the cold war we will be in jeopardy and could lose our lofty place in world commercial circles. Fantastic? Not at all.

As of May 27 this year we had $20,188 million in gold reserves. Quite recently, this reserve has fallen below $20 billion. With $46 billion worth of Federal Reserve notes and deposits outstanding, we are required to have $11.5 billion in gold to back them up. With $18,236 million in immediately redeemable foreign obligations against our gold, it is apparent that if there were a demand for the gold tomorrow we would be backing $46 billion in currency with $2 billion in gold, contrary to our law and to every law of fiscal common sense.

Mr. President, I would like to read into the RECORD at this point a table which details our current gold reserves. It appeared in Western Mining, published in Sonora, Calif.:

OUR GOLD RESERVE BOX SCORE

Under the heading "Our Gold Reserve Is Almost a Ghost," the following tabulation, prepared by Sue Clegg, Washington correspondent for the Reese River Reveille, of Austin, Nev., appeared recently in that publication. The information was gathered from Government sources on June 3, 1959.

Foreign holdings in liabilities against our gold bullion

[Figures are as of Mar. 31, 1959—the latest available (in millions)]

Privately held	$6,349
Officially held	8,614
International Bank holdings	1,673
Total	16,636
U.S. bonds and notes official and/or private holdings	1,600
Grand total	18,236

Gold bullion (at $35 an ounce) totaled $20,188 million on May 27, 1959.

[In billions]

Federal Reserve bank notes on May 27, 1959	$27
Federal Reserve bank deposits, May 27, 1959	19
Total against which 25 percent gold reserves must be held	46

25 percent of $46 billion is $11.5 billion.

TREASURY GIVES EXPLANATION

Mr. President, I have also received a letter from Mr. George H. Willis, Director of the Office of International Finance, U.S. Treasury Department, and an accompanying table which points out graphically the systematic drain on our gold supplies and the buildup of foreign liquid claims against our gold. The text of the letter, dated July 22, 1959, is as follows:

DEAR SENATOR DWORSHAK: In accordance with our telephone conversation this morning, I am glad to enclose herewith data concerning U.S. gold stock and foreign liquid dollar holdings.

Foreign dollar balances, as I indicated this morning, could be regarded as possible claims against our reserves. A considerable portion of such holdings, however, is required as working balances for conducting international trade and other transactions, while the remainder serves as foreign exchange reserves for the countries concerned. International institutions such as the International Monetary Fund and the World Bank held $1,665 million of short-term balances at the end of April 1959, as part of their working capital, while official and private short-term dollar holdings of foreign countries were $15,110 million.

We do not extend to foreign individuals or private institutions the privilege of converting their dollars into gold. As an important phase of U.S. monetary policy, we maintain the practice of buying gold from and selling gold to foreign governments, central banks, and under certain circumstances, international institutions for the settlement of international balances or for other legitimate monetary purposes.

Our net sales of monetary gold in 1958 amounted to $2.3 billion and in the first quarter of this year were $92.6 million, as shown in the enclosed Treasury Department press releases concerning U.S. gold transactions. In the first 6 months of 1958, Treasury gold stocks declined $1,425 million. In the same period this year, Treasury gold stocks have declined $830 million. This includes the reduction in the gold stock resulting from the payment of approximately $344 million as part of the increased U.S. subscription to the International Monetary Fund authorized by act of Congress, Public Law 48, approved June 17, 1959. At $19.7 billion, they are some $8 billion in excess of statutory requirements.

Sincerely yours,

GEORGE H. WILLIS,
Director.

That letter has some very pertinent and significant information. With the letter I received from the Treasury Department a tabulation under the heading "U.S. Gold Stock, Monetary Gold Reserve Requirements, Available U.S. Gold, and Foreign Liquid Dollar Holdings 1945-March 1959—In Millions of Dollars."

I will insert this tabulation in the RECORD, Mr. President, but I should like to

invite attention to the first column, which is headed "U.S. Gold Stock," which shows that in 1945 the total was $20,083,000,000. This stock went up to $24,563 million in 1949 and then gradually has decreased until in April of this year the total was $20,358,000,000.

As I have already said, the gold reserves have now dropped below the $20 billion mark.

Mr. President, in the fourth column, which is headed "Foreign Liquid Dollar Holdings, Official Short-Term Holdings of Foreign Countries," the figure in 1945 was $4,179,000,000. That figure decreased for a few years, but in the last decade it has been increasing gradually, until in April of 1959 the total was $8,432,000,000. Mr. President, that simply means the official short-term holdings of foreign countries, their trade balances, have more than doubled since 1945. It also means that instead of those countries buying more goods and merchandise from the United States, to import, they are steadily piling up their dollar credits, for which they may demand payment in gold at any time.

The last column of that tabulation furnished by the Treasury Department is headed "Total, Including Official, Private, and International Institutions." In 1945 the total was $6,883,000,000. It has gradually increased until April of this year, when it was $18,416,000,000. In other words, the total has increased from $6 billion plus to $18 billion plus since 1945, which shows the steady, constant, definite trend toward the accumulation of balances and credits against our country.

I ask unanimous consent that the tabulation be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. gold stock, monetary gold reserve requirements, available U.S. gold, and foreign liquid dollar holdings, 1945–March 1959

[In millions of dollars]

End of period	U.S. gold stock	U.S. monetary gold reserve requirements	Available U.S. gold	Foreign liquid dollar holdings	
				Official short-term holdings of foreign countries	Total, including official, private and international institutions
1945	20,083	10,919	9,164	4,179	6,883
1946	20,706	10,780	9,926	3,044	6,480
1947	22,868	11,341	11,527	1,832	7,116
1948	24,399	11,938	12,461	2,837	7,718
1949	24,563	10,795	13,768	2,908	[1] 8,226
1950	22,820	11,045	11,775	3,620	10,197
1951	22,873	11,758	11,115	3,548	10,173
1952	23,252	12,092	11,160	4,654	11,719
1953	22,091	12,187	9,904	5,667	12,739
1954	21,793	11,847	9,946	6,770	14,019
1955	21,753	12,009	9,744	6,953	15,230
1956	22,058	12,120	9,938	8,045	16,433
1957	22,857	12,101	10,756	7,917	16,600
1958	20,582	12,036	8,546	8,663	17,637
1959:					
March	20,486	11,750	8,736	8,614	18,232
April	20,358	11,818	8,540	8,432	18,416

[1] Includes for the first time estimated holdings of U.S. Government bonds and notes.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. CASE of South Dakota. Mr. President, I have been listening with great interest to the remarks of the distinguished Senator from Idaho. The Senator is speaking on a subject which gets far too little attention in the press of today, in the debates of the Congress, and in the general thinking on economic problems. It is my personal belief that until the country, the Congress, and the administration deal with the gold problem effectively and constructively, many of our other problems will continue to plague us.

I note with interest that the Senator points out that foreign countries may establish credits and demand settlement in gold, a right which is not accorded to citizens of this country. Does the Senator feel that we can maintain that position?

Mr. DWORSHAK. No. I am sure we cannot. Officials of the Treasury Department recently advised me that while they are not unduly alarmed or aroused at this time over these trends, they feel that within a few years some decisive action will be imperative to arrest this trend and solidify our fiscal policy.

Mr. CASE of South Dakota. Does the Senator believe that a strong, active, virile gold mining industry in the country would contribute to the Nation's general welfare?

Mr. DWORSHAK. I am sure it would. The Senator from South Dakota represents a State in which is located the largest gold-producing mine in the country. He fully realizes that very little gold is directly mined in this country, or has been mined for several years, and that gold is largely a byproduct of other minerals.

Mr. CASE of South Dakota. With the exception of the Homestake Mine.

Mr. DWORSHAK. With the exception of the Homestake Mine. Gold has been a byproduct of the dwindling minerals production in this country; and with the low price of $35 an ounce, there has been little, if any, incentive to engage in the production of gold.

Mr. CASE of South Dakota. We have had two mines that have been operating, namely, the Homestake and the Bald Mountain. However, within the past month the Bald Mountain people have announced that they would have to close down. The reason for that is the cost-price squeeze which they have had since 1934.

As the Senator knows, when the price of gold was fixed at $35 an ounce, and the requirement was made that gold be sold to the Government, and only to the Government, the result was that there was only one market. Although the world market has been above $35 an ounce, our gold producers have had to sell to the Government at that fixed price.

The result has been that with wages going up, the prices of materials going up, and the general rise in construction costs of all sorts, the operators of the Bald Mountain Mine, which, though not as large as the Homestake, is a sizable operation, have announced within the past month that they would have to close down. I hope that the people in the Treasury and economic advisers to the President will take note of a situation like that.

Within the past week I was talking with one of the officials of the Homestake Mining Co., practically the sole major producer of gold left in the United States. They have recently gone into the production of uranium. They have installed all kinds of labor-saving devices and economies in methods of handling, in an effort to keep going, but I was told that unless more is done the cost-price squeeze will supply the handwriting on the wall for them too.

Mr. DWORSHAK. I assure the Senator from South Dakota that my primary, if not sole, interest in making these brief remarks today is merely to spotlight this trend, which I believe is detrimental to the economic stability of our country, and that because of the apathy of the Treasury Department and of the Congress—and I emphasize that Congress has a joint responsibility—to face up to these problems, we are merely drifting. We cannot justify that complacent course in the face of world turmoil, conflict, and aggression.

Mr. CASE of South Dakota. The point I wish to make is that it is not merely concern for a very substantial industry in my State which prompts me to call attention to the situation. The Senator from Idaho comes from a State which has been a great gold producer. However, those of us who are somewhat familiar with the industry know the part that gold plays in international trade. I think the point ought not to be the question of whether or not 2,000 or 2,500 men are out of work; but if the production of gold in this country is completely stopped and the mines become filled with water and our supply of new gold is cut off, and foreign countries continue to drain the supply we have, we shall reach the point where we shall not have enough gold in the country to supply even a 25-percent reserve.

Mr. DWORSHAK. That will constitute an acute situation which may require hasty and emergency action by the Treasury and by the Congress. I hope we shall have the foresight and the courage to anticipate potential developments of that kind, when our gold production is virtually nil, and do something now, before it is too late.

Mr. CASE of South Dakota. As I understand, gold production in the country today, even taking the $20 million, in round figures, produced by the Homestake Mine, and gold which comes as a byproduct from other operations, represents a total amount of gold hardly enough to meet commercial or industrial requirements for gold today, and adds nothing to our gold reserve.

Mr. DWORSHAK. Commercial manufacturers of gold products buy their gold from the Government, and in that way they are contributing to the diminishing supply.

Mr. CASE of South Dakota. We are not keeping even.

Mr. DWORSHAK. That is correct. We are losing out rapidly.

Mr. CASE of South Dakota. I commend the Senator for his remarks. He is addressing himself to one of the basic

economic problems of the country today. I hope his remarks will have a wide printing, and receive the consideration to which they are entitled.

Mr. DWORSHAK. I thank the Senator from South Dakota for his comments. I assure him that I am firmly convinced that we cannot solve many of the difficulties facing us, including some of the problems inherent in inflation, and meet our commitments of world leadership unless we are willing to face this problem, which we have not done for many years.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. CARLSON. I commend the Senator from Idaho for a very timely speech on a subject which deserves consideration at this time. The Committee on Finance, of which I am a member, has had this subject under consideration. I share the Senator's concern, and am in accord with his views.

Mr. DWORSHAK. I thank the Senator for that contribution.

Another significant point in this particular area is that recently the United States participated in the creation of the Inter-American Development Bank. We are proposing to make many of our dollars available for development use in South America. In fact, only a few days ago, in the supplemental appropriation bill, the Congress appropriated $280 million for that very purpose.

Another development is that while many demands are being made for an expanded Development Loan Fund under our foreign aid program, the net result is that more dollars are being circulated throughout the world. I am sure that these two developments alone will accelerate the outflow of our gold.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. JOHNSON of Texas. Mr. President, how much more time does the Senator wish?

Mr. DWORSHAK. I should like to have an additional 10 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the distinguished Senator from Idaho be permitted to proceed for an additional 10 minutes.

The PRESIDING OFFICER (Mr. GORE in the chair). Without objection, it is so ordered.

Mr. DWORSHAK. Mr. President, could this gold rush happen? Not today, perhaps. Not tomorrow. But sometime in the not too distant future. We lost $2.3 billion in gold to foreigners who demanded payment last year. At this rate, in 10 years our gold reserve could be wiped out. Financial leaders predict as large a flight of gold during 1959 to foreign nations. Then claims could exceed the gold reserve, and even if the American people have complete faith in their paper money, foreign nations could have effective drawing power on our gold reserves.

By the Bretton Woods agreement, we have agreed as a nation to settle upon request, all international balances in gold at $35 per ounce. I have received from Mr. Frank Lilly, a noted northwestern mining man from Spokane, Wash., who has specialized in gold problems for many years, figures which show what good condition our gold reserves could be in had we not agreed to redeem foreign claims in gold, and not sold gold from Treasury stocks to manufacturers. Mr. Lilly writes:

> If foreigners would have accepted our paper currency or Government bonds instead of gold in payment of their trade balances which have totaled $6,300 million during the past 10 years, and if the U.S. Treasury had not sold a total of $632.3 million of gold to manufacturing jewelers, Treasury gold holdings which reached a peak of $24,523 million on June 30, 1949, would have, by mid-July of this year, 1959, been $31,445 million instead of only $19,626 million.

We cannot abrogate this agreement except by action of Congress or by withdrawing from the fund.

Who is going to pull the string on our gold? Possibly the Soviets. They long ago learned that only when they backed the ruble with gold did it talk in world trade circles. They have quietly built up a reserve of around $8 billion in gold. Some of it probably gravitated through the channels of trade from our vaults to theirs.

Clearly the nations of Europe are preparing to return to the gold-backed standard of currency. We are, meanwhile, furnishing the impetus, the gold, and the target for this transition.

We have seen before, in 1933, when gold foreign dollar claims became too high, what drastic steps ensued. President Roosevelt took unprecedented action when he nationalized gold, took away the American people's right to possess gold and started to buy gold at $31 per ounce. The price is $35 per ounce today, but the American people are still subject to fine and imprisonment for possessing the metal which supposedly backs our money and which our Government is shipping overseas with callous indifference.

WILL THE UNITED STATES TAKE DEFENSIVE?

It is far easier to outline a problem than it is to suggest an answer. However in the case of gold, the answer is apparent. It will not be easily accomplished since it is always harder to paddle upstream when you have drifted downstream past the landing. We can take the choice of doing something, or going on the defensive after the Soviet bloc has raised the price of gold. If Russia by proclamation, agreed to back the ruble by an increased price of gold, we would have a run on our gold reserves, a depreciation of the American dollar, and an appreciation of the Russian ruble. In an all-out cold war such a thing could happen. Much emphasis has been placed on the Soviet bloc military capacity. It must be remembered that the strategy of communism considers force as the last resort, and Nickolai Lenin predicted the overthrow of capitalism through overspending and unsound monetary policies.

Dr. Elgin Groseclose, a recognized international monetary authority, in a pamphlet entitled "Gold and Morals," published in July 1958, points up our domestic gold problem in these words:

> The fact is that gold is in serious short supply, and U.S. gold production has never recovered from the blow given the industry during the war when gold mining was stopped by Government edict as not necessary to the war effort. In creating a monetary system with a marginal backing, as was done in the Federal Reserve System, the founders may not have counted upon the responsibilities that are entailed in becoming banker to the world. A gold supply sufficient to support an internal economy, in which the only drains, as conceived by the founders, were the seasonal demands for currency, is not sufficient to maintain a currency which is really the reserve of the world. May I illustrate? The gold stock of the United States is around $22 billion. It has since dropped $2.5 billion. Total currency and deposit money built upon this stock of gold was then about $82 billion, or about four times the gold stock. Today the quasi-money which the gold stock must support is close to $240 billion, or three times the previous figure and more than 10 times the gold stock. Even more serious is the inflation created abroad when bank deposits are treated as gold because they are redeemable in gold and used to back more currency. Thus a dollar of gold, stretched to support $10 of bank money here, may be stretched to support $50 more of purchasing power abroad.

The only thing that can change this situation is the revaluation of gold. This in itself is a difficult thing. If other nations, knowing that this is the eventual answer, decide to withdraw their gold in anticipation of such a price rise, the run on our gold stocks mentioned previously would begin.

SILVER ALSO FACING PROBLEMS

Silver is heading down the same channel. The U.S. Treasury is currently disposing of its free silver stocks by sales to industry under the 1946 act and, if it continues to sell at the present rate, may not have enough silver for subsidiary coinage. It will, at the present rate of minting money and sales to arts and industry, soon be in the position of having to refine low-silver Indian rupees—which we have in great supply in counterpart funds—or buying silver on the market. We are in effect, setting a world ceiling price on silver, selling it cheaply in spite of the certain knowledge that we will not have enough in the future because of the low prices having discouraged production. Treasury officials know that they will have to buy silver in the market at a higher price when we run out.

The technicalities of monetary manipulation are complex. The attitude of people toward gold is simple. We are discounting history when we defy the past and deliberately march toward fiat money and international weakness in the gold market.

William Jennings Bryan warned of a "cross of gold." We as a nation could well be crucified on such a cross, erected by unfriendly nations who, with our help, may corner the world's gold supply.

Uncle Sam has been acquiring billions of dollars worth of foreign soft currencies under foreign aid programs, while other countries are gradually acquiring our gold and building up their trade balances.

Mr. President, will our Government meet this challenge to safeguard the security of our financial system, or will we drift complacently toward the brink of fiscal disaster as inflation constantly undermines our national preparedness and saps our economic strength?

MILITARY CONSTRUCTION APPROPRIATION ACT, 1960

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the military construction appropriation bill.

The Senate resumed the consideration of the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

Mr. STENNIS. Mr. President, I ask unanimous consent that I may yield to the majority leader so that he may suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senate is now operating under a unanimous consent agreement which provides a total of an hour and a half on the bill and 30 minutes on any amendment, the time to be equally divided between the majority leader and the minority leader. Is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

Mr. JOHNSON of Texas. I yield to the Senator from Mississippi as much time as he may need. Will 20 minutes be sufficient?

Mr. STENNIS. Twenty minutes will be satisfactory.

Mr. President, first I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment; and that no point of order against any amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 8, in the heading after the word "Construction", to strike out the word "Advance" and insert "Advanced".

On page 2, line 20, to strike out "$241,564,100" and insert "$278,773,700".

On page 3, line 8, after the word "expended", to strike out "$180,048,000" and insert "$225,785,400, of which not more than $2,985,000 shall be available for the construction of an outlying landing field at the location designated as Bravo, Mississippi, including the acquisition of title in fee to not over one thousand five hundred and twenty acres of land and the obtaining of necessary easements in not over one thousand acres of land."

On page 4, line 3, after the word "expended", to strike out "$756,616,600" and insert "$803,495,600".

On page 4, line 12, to strike out "$20,000,000" and insert "$20,160,000".

On page 4, line 21, after the word "expended", to strike out "$8,589,000" and insert "$9,000,000".

On page 4, line 22, in the heading, after the word "Construction," to strike out "Naval" and insert "Air Force".

On page 5, line 19, after the word "expended", to strike out "$11,000,000" and insert "$23,219,000".

On page 6, line 9, after the word "expended", to strike out "$16,440,000" and insert "$17,000,000".

On page 10, line 15, after the word "Defense", to insert "or his designee"; in line 17, after the word "Treasury", to insert "or his designee"; in the same line, after the word "Congress", to strike out the comma and "stating the reason therefor", and in line 20, after the word "purpose", to insert a comma and "stating the reason therefor".

Mr. STENNIS. Mr. President, I yield to the Senator from Massachusetts such time as he may desire, due to the fact that he has been called from the floor on other official business.

Mr. SALTONSTALL. I thank the Senator from Mississippi. Unavoidably, I shall be unable to remain in the Chamber throughout the discussion of the bill by the Senator from Mississippi.

Mr. STENNIS. I hope the Senator will stay as long as he possibly can. I am glad to yield to him now.

Mr. SALTONSTALL. As a member of the Subcommittee on Military Construction Appropriations, under the chairmanship and leadership of the distinguished Senator from Mississippi, I believe the Senate Committee on Appropriations has worked out a very satisfactory recommendation above what the House has done. I sincerely hope that the House will agree to many of our suggestions, particularly with relation to hospitals and the mechanical shops with relation to our jet strategic airbases.

I wish to compliment the Senator from Mississippi [Mr. STENNIS] for the hard and the conscientious work he has done in preparing the report. He heard the testimony, in the first place; and he helped with the reclamas in working out this satisfactory conclusion. I am glad the committee has made a unanimous report, and I hope it will be accepted by the Senate.

I thank the Senator very much.

Mr. STENNIS. I thank the Senator from Massachusetts for his kind remarks, and I wish to thank him publicly for the very diligent and hard work he did on the bill. His very fine background of knowledge of the entire military program—for he has served many years as a member of the Armed Services Committee, and also as its chairman. This enables him to bring a very valuable background of knowledge to bear upon any problem in this field. He certainly was faithful in his attendance at the committee's sessions, and he has made a major contribution to the bill.

Mr. SALTONSTALL. I thank the Senator from Mississippi.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Mississippi yield to the Senator from Texas?

Mr. STENNIS. I am glad to yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, when I shall have concluded this term, I shall have served in the legislative branch of the Government almost 30 years, in one capacity or another. During that time I have seen many fine men come and go in the House of Representatives, in the Senate, and on the staffs of both bodies. But I was never more sincere in all my life than I am now when I make this statement: I do not believe I have ever found two men with more sincere Christian characters, two men with more sterling virtues, two more genuine friends, and two more competent legislators, than the Senator from Mississippi [Mr. STENNIS] and the Senator from Massachusetts [Mr. SALTONSTALL]. Both of them are the kind of men in both their private life and their public life each of us would like to have his son be, if each of us had a son; and I know of no higher tribute that could be paid to them.

They are diligent; they are thorough; they are conscientious; they are actuated by only one thought, that what is good for America is good for the U.S. Senate.

Mr. SALTONSTALL. I thank the Senator from Texas.

Mr. JOHNSON of Texas. I take great pleasure and pride in paying this tribute to these Senators, because I feel it deeply. I hope that as a result of this little statement, young men now in their teens and in their college careers may decide to enter public service and try to emulate the very fine example set by these two great statesmen.

Mr. President, while I am talking about the military construction bill, I also want to pay tribute to the Members of the House of Representatives who worked long and hard on the bill, and to their staffs.

I served for six terms in the House of Representatives. I made many wonderful friends there.

One of the best friends I have ever had, and one of the most honorable gentlemen, and one of the most competent legislators I have ever known is Representative SHEPPARD, of California, who is chairman of the subcommittee which handled this bill. Representative SHEPPARD has not always agreed with me; and perhaps it is a great tribute to him that he has not. But when we have disagreed, we have done so without being disagreeable.

He does what he thinks is best for all this country and the free world; and I pay tribute to him and to his staff for the fine work they did in connection with the pending bill in the House of Representatives. Although we have made some changes, some additions, and some adjustments, that is as it should be; and I have no doubt that when we

sit down in the conference, the Senator from Mississippi, the Senator from Massachusetts, Representative SHEPPARD, and other Members will reason out the differences and will come to a decision which will be best for all the country.

Mr. President, sometimes in the heat of debate here some things are said which we often regret. Whenever I hear anything of that sort said about any of my colleagues in the House of Representatives, I regret that I heard it. I want the RECORD to show that this appropriation bill is one of the most difficult appropriations bills to come before the Senate at this session; and it has been handled admirably in both bodies. So I desire to compliment and pay my respects to the Members of both Houses, and also, particularly, to their staffs, who worked so long and so faithfully. The Senate could not operate without faithful staffs, such as the one the Senator from Mississippi has, which has worked in connection with this bill, as well as the staffs which the entire Appropriations Committee and other committees have and use in connection with their bills.

I thank the Senator from Mississippi for yielding to me. I am sorry I have taken so long. But I genuinely possess the feelings I have expressed, and I want the RECORD to show it.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Texas for his personal remarks, which I deeply appreciate, although I feel entirely unworthy.

I also wish to thank him for his remarks in regard to the bill. I join him in his reference to the fine work done by the House committee which handled the bill in the House, and particularly the fine leadership and work accomplished by Representative HARRY SHEPPARD, of the House Appropriations Committee.

Mr. President, we examined the House committee report line by line and item by item and they have made a remarkable contribution. We went into everything they did. Although there was a time or two when we thought they had not obtained all the facts, yet, when the facts were developed, we found there was reasonable basis for their actions, even though we might not have been able to agree with them.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Mississippi yield again to me?

Mr. STENNIS. I yield.

Mr. JOHNSON of Texas. I wish to point out that I think there is no finer or more conscientious or more fearless or greater American in the Congress than Representative SHEPPARD.

Mr. STENNIS. I agree. The more I see of his work, the more respect I have for it and for him; and I look forward to participating in the conference with him and his colleagues.

Mr. KUCHEL. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I yield.

Mr. KUCHEL. As acting minority leader, I am glad to associate myself with the distinguished majority leader in his comments on the dean of the California delegation in the Congress. HARRY R. SHEPPARD is a great American, and I am glad to call him my friend. I am a Republican. Representative SHEPPARD is a Democrat. But there is no partisanship in devotion to duty, and his devotion to duty as one of the senior members of the Appropriations Committee of the House of Representatives is a measure of his long and honorable career in the public service. I have been proud to call him my friend for over a quarter of a century.

Mr. STENNIS. I thank the Senator from California.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Mississippi take charge of the time allotted to the majority leader, and yield it, because I have to leave the floor?

Mr. STENNIS. Certainly; and I thank the Senator from Texas.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I yield to the distinguished Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I wish to join the other Senators who this morning have been complimenting the distinguished Senator from Mississippi [Mr. STENNIS] for the excellent work he has done in the Appropriations Committee.

I think that one of Benjamin Franklin's favorite passages of Scripture was this:

> Seest thou a man diligent in his business? he shall stand before kings.

Mr. President, as a new Member of the Senate and one who lately has joined the Senate Appropriations Committee, I have been very favorably impressed by the diligence and the conscientious efforts and the ability which so constantly are demonstrated by my lovable and delightful friend, the Senator from Mississippi [Mr. STENNIS] as he attempts to carry out his responsibilities and perform his duties not only to his constituents but also to my constituents and to the Nation at large.

Mr. STENNIS. I thank the Senator from West Virginia; I have been greatly helped and assisted by him.

Mr. BYRD of West Virginia. I thank the Senator from Mississippi.

I shall never forget that when I first came to the Senate, the Senator from Mississippi told me that he thought that it would be well if, as a new member of the Appropriations Committee, I would attend its meetings regularly, and that he thought the members should not only attend the committee meetings regularly, but should be there on time.

I have noted that at all times when I have attended the committee's meetings, the Senator from Mississippi never fails to observe my presence there and never fails to speak to me and to commend me for my attendance and for my punctuality.

As a new Member of the Senate I appreciate this helpfulness on the part of one of the senior Members of the Senate. I shall never forget his courtesies in this connection. I only hope that I live up to the confidence he has shown in me.

Mr. President, I wish to express my gratitude to all my fellow members of the Appropriations Committee for their generous approval of my requests for funds for my State of West Virginia. Altogether, West Virginia is scheduled to receive a total of $5,797,000 in this bill; including nearly $4 million for the Navy Radio Center at Sugar Grove, and nearly $2 million for National Guard and Army Reserve armories. The exact figures are as follows: For the Navy center, $3,957,000. For Army Reserve armories, Beckley, $160,000; East Rainelle, $29,000; Fairmont, $29,000; Ripley, $29,000; and Weirton, $160,000. For National Guard armories: Keyser, $157,000; Princeton, $60,000; Ronceverte, $54,000; Beckley, $200,000; Buckhannon, $206,000; Logan, $189,000; Gassaway, $189,000; Weston, $189,000; and Clarksburg, $189,000.

I am gratified by the fact, and I am sure that my colleague from West Virginia, Senator RANDOLPH, shares my gratitude, that the latter four armories—those at Logan, Gassaway, Weston, and Clarksburg—were included in the bill by the Senate Appropriations Committee, even though they were not in the President's budgetary request, nor in the bill previously passed by the House. Altogether, appropriations for construction of 86 new armories in 30 States were included in the bill by the Senate Appropriations Committee, and I am pleased to point out that four of the additional armories—the four I have just mentioned—are to be built in West Virginia.

I think that was a very fine batting average.

I again thank the Senator for yielding.

Mr. STENNIS. I thank the Senator from West Virginia for his remarks. I know of his interest, in the armories in West Virginia. He was one of those who was most persuasive when we were considering the matter, and we put in some additional money to take care of the armories as the requests were presented to Congress through the Adjutants Generals of the various States, and approved by the National Guard Bureau. The list included a number of additional armories for West Virginia. I hope that this money will be approved by the Senate, by the conferees, and made available for the additional construction program.

I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I cannot let this opportunity pass by without expressing my appreciation to the senior Senator from Mississippi and to the distinguished Senator from Massachusetts, who have done such splendid work on this particular appropriation so far as Kansas is concerned, and the military installations. We are deeply indebted to the chairman and the ranking minority member of the committee.

I want to go a little further and concur in the statements made, especially the most splendid statement made by the majority leader this morning in regard to the character and the ability of the type of statesmen who have been handling this bill. It has been my privilege to be associated with them during my service in the Senate, and I, too, desire to say that I know of no two finer men in the

U.S. Senate than those who are handling this bill and who are presenting it this morning.

I desire also to add a kind word for the distinguished Representative from California, HARRY SHEPPARD. I am glad his name was mentioned in this connection, because yesterday I walked over to the House Office Building and met the Representative and asked him if he was still in the same office he had occupied when I was there for 12 years, and I had the privilege of occuping the office next to his, room 259. It brought back some very pleasant memories, and I was so pleased to see that he was looking so well and I am very proud of the work he is doing in the House.

Mr. STENNIS. I thank the Senator from Kansas for his generous remarks. There are a number of fine military installations in his State, and he is always diligent in looking after them.

Mr. President, I shall be brief in my remarks this morning. This bill has been closely studied by the House committee. It has been through our subcommittee and the full committee. The report has been filed. I think every Senator is familiar with the contents of the bill as a whole and the highlights of it.

Mr. President, I shall make a few remarks about the provisions of the bill, after giving the names of those who served on the subcommittee.

The subcommittee which considered the bill consists of the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia]Mr. RUSSELL], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Hampshire [Mr. BRIDGES], and I am the sixth member of that subcommittee.

We were very ably assisted by Mr. Vorley M. Rexroad, of the Appropriations Committee staff. As an indication of some of the volume of work done by the staff on a measure of this kind, if he will permit me to make a personal remark, Mr. Rexroad worked on this matter until 3:30 this morning so it could be ready for presentation here at 10 o'clock.

Mr. President, the subcommittee spent a great deal of time in the preparation of the bill. Some 1,000 pages of testimony were taken in open hearings. Each construction item within the program was reviewed from an individual page justification, and, in addition, the services were cross-examined on the justification they presented for each project.

It is the firm opinion of the committee that in this 1960 military construction program, we have provided those projects that are essential to the maintenance of our military strength at home and abroad. The committee did delete a number of items from the construction program. Mr. President, this was not done with the idea in mind that we had to cut below the President's budget, or that we had to make a showing of an "X" dollar reduction. Each deleted item is thoroughly explained in the mililtary construction report that is now lying on each Senator's desk accompanying this bill. It is conversely true that we did not agree with the construction program as passed by the House, for the Senate restored a number of projects that were deleted by the House.

Mr. President, the members of this committee applied their best value judgment in the consideration of this program.

I shall now give the figures recommended by the Senate Appropriations Committee.

The total amount is $1,428,178,700. This is $143,176,000 more than provided by the House, and $135,021,300 under the budget estimate. Following through on these figures, the budget estimate, or recommendation, was $1,563,200,000, and the amount approved by the House was $1,285,002,700.

It is pure chance that the total figures on the items approved by the subcommittee and the committee were in the neighborhood of about one-half the total amount deleted by the House. We did not add the figures up until the afternoon we had completed our work. I say that to emphasize that each item was studied by us on its merits, as it was in the House, and the way the totals happened to figure out is purely incidental.

For the Department of Defense, the committee recommends an appropriation of $23,200,000 for loran stations. This is the amount of the budget estimate and the amount provided by the House.

For the Advanced Research Projects Agency, the committee has approved the action of the House in transferring $23,545,000 from the Department of the Air Force to the Advanced Research Projects Agency.

For the Department of the Army the committee has approved an amount totaling $278,773,700. This is an increase of $37,209,600 over the $241,564,100 approved by the House, and a decrease of $62,226,300 from the budget estimate of $341 million.

For the Department of the Navy the committee has approved an amount totaling $225,785,400. This is an increase of $45,737,400 over the $180,048,000 allowed by the House, and a decrease of $18,214,600, from the budget estimate of $244 million.

For the Department of the Air Force the committee has approved an amount totaling $803,495,600. This is an increase of $46,879,000 over the $756,616,600 allowed by the House, and a decrease of $90,504,400 from the budget estimate of $894 million.

For the Army Reserve, the committee has recommended an appropriation of $20,160,000, an increase of $160,000 over the budget estimate and the amount allowed by the House.

That was to take care of a special item that had a long history and special considerations which were quite compelling.

For the Naval Reserve, the committee recommends an appropriation of $9 million, the budget estimate, and an amount $411,000 over the House allowance of $8,589,000.

For the Air Force Reserve, the committee recommends an appropriation of $4 million, the budget estimate and the amount allowed by the House.

For the Army National Guard, the committee recommends an appropriation of $23,219,000, an amount $12,219,000 over the $11 million contained in the budget and House recommendations.

The $12,219,000 is the Federal contribution required to construct 86 additional National Guard armories that are located throughout the United States.

All of the items in the list of 86 armories were selected, not by the committee or Congress, but by the adjutants general of the respective States, and approved by the National Guard Bureau.

We recommended this additional amount at this time because the States' proportion of the total cost of the armories is already appropriated and is awaiting expenditures in the various State treasuries throughout the Nation.

In some cases the money was put up by local political subdivisions. In a number of cases they have issued bonds and are now paying interest on the bonds.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Although I had intended to say something in general about the bill, at this point I should like to say I thought the chairmen of the committee and of the subcommittee were wise and statesmanlike in their consideration of the National Guard armory situation. It is true, as the Senator has said, that there are some places where the local communities, as sponsors of the National Guard armory projects, have raised funds, sometimes by bond issues, and in those cases are paying interest on the money. They did that in good faith. The Government should keep faith with its commitments and let those local units of government take the responsibility of providing their share of the funds.

In that connection, I also want to say I think it is highly desirable that this program should go forward as rapidly as possible with the allocation of funds, so that construction can proceed. I recognize that many of the National Guard units in several States are being reorganized, but my personal conferences with representatives of the Department of Defense indicate that in each instance the National Guard armories have been reviewed by the National Guard Bureau in connection with the program of the State adjutant's general, with a view to confirming the armories that are to be built for the reorganized National Guard, so that the best use possible will be made of those armories. Consequently, there is no longer any reason for delaying the construction. The funds should be apportioned and made available by the Bureau of the Budget and by the Treasury as rapidly as possible, so that those delayed units can get underway as soon as possible.

Mr. STENNIS. I thank the Senator for his remarks. It gives me occasion to thank the Senator from South Dakota for the very fine, constructive work he did on the authorization bill for military

construction this year; most of the items are contained in this appropriation bill. He was also kind enough to help us at the hearings and advise and counsel with the members of the committee later in connection with various matters in the bill. He is always constructive and objective. He has a fine background of knowledge and exercises splendid judgment at all times.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. STENNIS. I am happy to yield to the Senator from New Hampshire, who is a member of the subcommittee.

Mr. BRIDGES. Mr. President, I compliment the distinguished chairman of the subcommittee, the Senator from Mississippi, on the work he and the subcommittee and the full committee did in reporting this bill. In the first place, the distinguished chairman of the subcommittee is not only an outstanding Member of this body, but he is one of the most conscientious and hardest workers in the Senate. I think we are very fortunate to have a person like him to head the subcommittee.

Mr. STENNIS. I thank the Senator for his most kind remarks.

Mr. BRIDGES. As to the work which he has done on the bill, I think that when, in the times we are going through, there is reported a military construction appropriation bill with as large appropriations as those carried in this bill, but which is still $135 million under the budget, a remarkable record has been made.

Mr. STENNIS. I thank the Senator.

Mr. BRIDGES. That is true because of the pressures which are brought to bear on the chairman and members of the committee, which make it very easy to run the amount of the bill above the budget figure, or certainly up to it; but when there is provided $135 million-plus under the budget figure, it represents an extraordinarily good record.

Mr. STENNIS. I thank the Senator.

Mr. BRIDGES. I have gone over all the appropriations which have been recommended in the bill. I think a pretty fair result has been attained, and that the appropriations, both those which have been granted and those which have been rejected, have been arrived at after considered judgment.

I think the report is a strong one, and that it will stand up. I congratulate the Senator.

Mr. STENNIS. I certainly thank the Senator for his very generous remarks, and I thank him again, too, for his valuable services to the committee. He attended many of the hearings. He was present with us during the entire time of the markup of the bill, and we drew on his fine resources of knowledge. He is a former chairman of the Appropriations Committee of the Senate, and we appreciate very much his help on this bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. I note that the Senator has done his usually careful and conscientious job in handling this important bill, for which I congratulate him and the members of his subcommittee.

Mr. STENNIS. I thank the Senator.

Mr. HOLLAND. While the Senator never has had any request from Florida based on any other consideration than the doing of those things found to be necessary by those who handle our military defense, as the Senator well knows, I am glad the Senator has found it is proper to agree with the House in the action by which $10,913,000 has been made available for various of the important Navy installations in my State, and some $16,741,000 for important Air Force installations there.

I not only want to compliment and congratulate the Senator, but I want to reassure him that he will never have any request from the Senator from Florida except one which is based upon the better securing of the safety of our Nation, which I am sure has always been and will always be the consideration uppermost in the mind of the distinguished Senator, who has rendered valuable service not only to the Senate but also to the Nation from year to year in the handling of this important bill.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Florida for his remarks with regard to the entire subcommittee.

Mr. President, I have already covered the Army National Guard.

For the Air National Guard the committee recommended an appropriation of $17 million, which is the budget estimate, an amount of $560,000 over the House allowance of $16,440,000, that being represented by a hangar in Hawaii which we thought was very much needed by the Hawaiian National Guard.

Mr. President, I wish to give a few of the highlights in the bill with reference to the restorations by the Senate.

First, with regard to the bill as a whole, Members of the Senate will understand that the bill covers all items requiring funds for military construction worldwide. The bill covers every military program we have, classified and unclassified, except the so-called military aid to foreign nations. Items for the Air Force, the Navy, the Army, the Department of Defense, for every State in the Union, and for many, many foreign countries, are covered. The bill includes warning systems and many highly classified programs. All the money for these items is contained in the bill. This is one of the reasons, year after year, the figure is so high.

Mr. President, I wish to point out that many of the restorations center around a number of hospitals which were taken out of the bill in the House. The House reserved further judgment on the matter. The House objection was the same objection which the Committee on Armed Services had already raised in the Senate with reference to the hospitals. The objection concerned the very high cost. We thought that the cost of the hospitals, as proposed, was very much out of line, when compared to civilian hospitals throughout the country, particularly when considering the averages for the Hill-Burton program. The civilian hospitals and military hospitals are different in many ways, but they are comparable in many ways.

We restored all the hospitals except one, and we provided reduced funds for the approved hospital projects. As one member of the subcommittee, I was disappointed that the services were not more willing to give us reduced figures based on a more austere and utilitarian type hospital, as we requested. Nevertheless, the figures we have provided are not drawn out of the thin air, but are based upon competent advice and investigation among people who know something about the problem and who know something about construction costs. The figures are inserted in the bill in the reduced sums not with the idea of having the services build much smaller hospitals but with the idea of having the services build hospitals which will render practical service on a utilitarian basis. We believe the fund we allowed will build hospitals to answer the patients' needs. The patients' welfare is the important factor in any hospital program. We believe these figures are in line and in keeping with a sound hospitalization program. We will submit them to the House conferees.

Other items restored were the modern shops which we think are necessary for the high-powered and very complicated fighter planes and bombers. It is amazing to know of the complicated and high-priced machinery which is necessary to run the constant tests upon the many involved, intricate parts of a B–52 bomber or a fighter of the 100 series. We have to have testing devices to test the testers. It is an involved, expensive, and complicated process. We thought that buildings are necessary to house these high-priced machines, as requested particularly by the Air Force. We, therefore, restored the shops to the program. We will submit these projects to the House conferees, in view of the additional facts we have developed.

We restored one of the advance depots, which we think is necessary for operations in the Pacific area.

Other items have been restored which pertain to runways, to additional training facilities, and operations for air training.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the distinguished chairman has very well pointed to some of the items which have been restored under the reclamas of the several departments. However, I should like to invite attention to the fact that the work of the committee has also resulted in substantial savings to the country and to the taxpayers.

On page 53 of the report it will be found that although the bill totals $153 million more than the House bill it is $135 million less than the budget estimates. The savings of $135 million, under the budget estimates, come about because of the fact that the Appropriations Subcommittee as well as the military construction subcommittee, before it, forced a decision with regard to the

Bomarc and the Nike-Hercules defense weapons, as well as some other areas of the whole procurement program.

I recall, when the distinguished Senator from Mississippi met with me, Dr. Holaday, and other representatives from the Defense Department to receive their report on the reexamination of the needs for certain installations in certain parts of the world, that a general who was a part of the party from the Defense Department said it was perfectly clear that the work of the Senate committees had resulted in specific savings. I am not going to state the dollars involved in that particular item, because there were some classified items involved. However, I think the country and the taxpayers are entitled to know that the committees do review the budget requests, and that the bill as it is presented does represent some savings compared to the original estimates.

I think we can honestly say, also, that these savings have been accomplished without any sacrifice of the national security. The review of the Bomarc-Nike-Hercules program—I mention that because it has been publicly mentioned—and the review of some other proposals have resulted in savings running to $135 million.

Many times it is difficult for the taxpayer to see a saving unless it is in terms of a few thousand dollars and involves something which he understands. But a dollar is a dollar, and $100 million is $100 million, whether it is saved on military construction or something else. The bill is going to conference $135 million below the budget estimate.

I think the record will show that that is the result of careful consideration by members of the subcommittee handling the bill.

Mr. STENNIS. I thank the Senator from South Dakota. There is no one entitled to more credit than is the Senator from South Dakota with reference to military reductions after the most careful consideration and work by the Senator. I know of one case in which personal investigation by him saved at least $6 million on one particular item. There was another instance, on the other side of the world, in which several million dollars were saved due to his work in persuading the military to reconsider.

Those are illustrations, and by no means totals, representing the continuous year-around contribution the Senator from South Dakota makes in this field.

Mr. CASE of South Dakota. I am very grateful to the Senator from Mississippi for his expression.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HILL. I am a member of the Committee on Appropriations, but I am not a member of the particular subcommittee which handles this bill. However, I wish to pay tribute to the distinguished Senator from Mississippi, who has been chairman of the subcommittee. I know how he has been supported, and how much he has been helped by the distinguished Senator from South Dakota.

I am aware of the savings which have been made by the distinguished Senator from Mississippi as chairman of the subcommittee; and while he has made these savings, he has also adequately met the needs of national defense.

I happen to know also of the long, arduous work which the distinguished Senator from Mississippi has devoted to the bill, in order that he might bring before the Senate a bill which would do credit to his subcommittee.

The Senator from Mississippi is always a credit to the Senate, and always an honor to the great people of Mississippi whom he represents. I congratulate and commend him for his work on the bill.

Mr. STENNIS. I thank the Senator for his fine remarks and his interest in this work.

A further item of restoration was an item of $2,269,000 for the New London, Conn., submarine base. The junior Senator from Connecticut [Mr. DODD], who I understand cannot be present in the Chamber today, was very much interested in this item, and was very helpful to us in getting all the facts before us with reference to the construction of barracks to house the Polaris nuclear submarine crews who will be in training in New London. We are very glad that the committee could restore these funds, and we appreciate the assistance of the junior Senator from Connecticut.

I also received a communication from the senior Senator from Connecticut [Mr. BUSH] reflecting his interest in this item. He was very helpful to us.

Mr. President, the amendments to the bill have been considered and agreed to en bloc, subject to review. Therefore I cannot take time on the amendments. I ask unanimous consent that I may have 10 minutes additional time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. I have some very brief remarks to make as an individual member of the Senate Armed Services Committee and of the Committee on Appropriations. These remarks represent some general conclusions which I have formed after having attended virtually every meeting of the Preparedness Subcommittee, and every briefing of the Armed Services Committee, as well as many meetings of the Appropriations Committee this year.

No one can predict the future. Yet I am certain that we will continue to have world conflict; that we will have more trouble spots. These things are certain. I believe that from time to time we may have threatened armed conflict and that we may have armed conflict itself. Even now we have an armed truce in Korea with soldiers from each side almost in battle formation as they face each other. Adversaries face each other in Formosa armed to the teeth, with occasional firings. Anything can happen. We had trouble in Lebanon and sent armed might in and thus doubtless prevented much more serious happenings.

On the other hand, it is almost inconceivable to me that we shall have a nuclear war started by anyone who knows the striking power of his adversary. There are even historical precedents for this:

First. Poison gas was used more than 40 years ago, but never since that time even though many wars, including one war which went to "unconditional surrender" have occurred. This includes the Korean war and many smaller ones.

Second. Germ warfare has been possible many decades, but has never been used.

Still, present weapons exceed by far any destructive power ever before in being. So in these conflicts that are bound to plague us for a long time, which may and probably will include some actual fighting, perhaps a great deal, it is the ground fighting power ready to strike quickly with powerful force that must have the high priority; our seapower must be dispersed to many places with weapons better than any adversary; the sealanes must be controlled; air superiority must be maintained. We must meet the need of these elemental offensive powers; and it gives me great concern that we should partly neglect these while spending so much of our money and our talents on ground-to-air missiles and point defenses at the expense of weapons of higher probable value.

Perhaps ground-based antiaircraft missiles have some defensive value. They are said to have a psychological value to our people.

But after all points are made in favor of these weapons, and all of their weak points are classified and thereby kept secret, the hard fact remains that the only real defense we have to sudden attack is our early warning system and our offensive striking power—our power of instant retaliation.

The warning or alert system gives us time to get our striking power off the ground before it is attacked. Our offensive power acts as a deterrent before attack and as a power of positive destruction to the enemy in case of attack.

Until our offensive weapons and offensive needs are more nearly filled out, I deem it a serious mistake to continue to pour billions of dollars into purely defensive missiles to defend only a point. We need billions of dollars to modernize our armies with modern tanks, modern rifles, and other modern fighting weapons. Instead of really tackling this problem, we allow only enough to keep even; that is, make replacements of wearouts and wear and tear. Our Army is more or less standing still on this score.

We need added billions of dollars to bring our fleet up to par with modernized ships and replacements of ships fast wearing out. I am not referring to the new carrier, although I favor it, but to the general need of modernizing the fleet and bringing it up to date. This program will take several years at best, but the first step toward this goal is already far overdue.

Added to this is the fact that we need more strategic missiles just as soon as they can be made operational. Instead of these positive and offensive needs being met, we are putting vast amounts of money on defensive ground-to-air missiles, even on those defending only one point.

We talk of a balanced program. This is good as an ultimate goal. But some points are so elemental that any fairly well-informed person can see the need to supply the essentials even before you supply the variety; those same persons should speak out, even if they do not have a perfect affirmative plan to offer. I am thus speaking out as a layman and saying that even though we talk of a balanced program, we are unbalanced from any viewpoint until these essential offensive minimums are met.

These remarks are not a complete appraisal of our situation. They are merely some conclusions of mine based upon testimony at the hearings on the bill, as well as many other hearings which I have attended during this session of the Senate.

Mr. President, that concludes my explanation of the bill and concludes my remarks. I call the attention of the Senate again to the House report on the bill, which is very complete. It explains the items. I call attention again to the Senate report on the bill, which also is complete and explains the bill itself and the proposed changes.

The distinguished senior Senator from New Mexico [Mr. CHAVEZ], who has been attending a hearing, has now come into the Chamber. I wish especially to thank him for his very valuable assistance in the hearings and in marking up the bill. He is the chairman of the subcommittee which handled the large defense appropriation bill. He has a very fine knowledge of the problems in general and of the individual items in the bill, as well.

Mr. President, if there are no amendments to be offered from the floor, may we have the third reading of the bill?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

Mr. STENNIS. Mr. President, I believe there was an understanding that the yeas and nays would be ordered on the passage of the bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the military construction appropriation bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time on condition that the minority leader will do likewise.

Mr. KUCHEL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from New York [Mr. JAVITS] is necessarily absent attending the funeral of a friend.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. JAVITS], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 89, nays 0, as follows:

YEAS—89

Aiken	Goldwater	Martin
Allott	Gore	Monroney
Anderson	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Butler	Hickenlooper	Neuberger
Byrd, W. Va.	Hill	Pastore
Cannon	Holland	Prouty
Carlson	Hruska	Proxmire
Carroll	Humphrey	Randolph
Case, N.J.	Jackson	Robertson
Case, S. Dak.	Johnson, Tex.	Russell
Chavez	Johnston, S.C.	Schoeppel
Church	Jordan	Scott
Clark	Keating	Smathers
Cooper	Kennedy	Smith
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long	Wiley
Eastland	McCarthy	Williams, N.J.
Ellender	McClellan	Williams, Del.
Engle	McGee	Yarborough
Ervin	McNamara	Young, N. Dak.
Frear	Magnuson	Young, Ohio
Fulbright	Mansfield	

NAYS—0

NOT VOTING—9

Bartlett	Dodd	O'Mahoney
Byrd, Va.	Javits	Saltonstall
Capehart	Kefauver	Sparkman

So the bill (H.R. 8575) was passed.

Mr. STENNIS. Mr. President, I move to reconsider the vote whereby the bill was passed.

Mr. JOHNSON of Texas. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. CHAVEZ, Mr. RUSSELL, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. CASE of South Dakota the conferees on the part of the Senate.

THE FOOD STAMP BILL

Mr. SYMINGTON. Mr. President, yesterday the House of Representatives, by a vote of 232 to 137, approved as an amendment to the extension of the Agricultural Trade and Development Assistance Act, the food stamp bill—H.R. 1359—introduced by the very able member of the Missouri congressional delegation, Mrs. LEONOR K. SULLIVAN.

The bill provides for establishment of a food stamp plan by the Secretary of Agriculture. Under this plan persons receiving, or eligible for, welfare assistance are to receive food stamps which will be redeemable for certain amounts and types of surplus foods.

We have on hand an ever-growing supply of surplus commodities that could readily be used to supplement the diet of these Americans. The food plan passed by the House is designed to make these commodities available to persons in need.

On April 15, I introduced a similar measure—S. 1686—in the Senate. The distinguished Senators from Minnesota [Mr. HUMPHREY], from Alaska [Mr. GRUENING], from West Virginia [Mr. RANDOLPH], from Montana [Mr. MURRAY], and from Michigan [Mr. HART] joined in cosponsorship.

S. 1686 would supplement the purchasing power of needy persons by providing food certificates or stamps to be used as partial payment toward the purchase of designated, highly nutritious foods.

Mr. President, in spite of the stepped-up economic activity evident in many parts of the country, large numbers of people are without work. Many of these and many receiving welfare assistance receive an inadequate diet.

Last week the Senate Agriculture Committee reported S. 2522—a bill to establish a pilot or demonstration food stamp or allotment program. This bill would give the Secretary authority, through pilot programs, to study the various methods whereby food would be made available to supplement the diets of low income needy families.

Together with the amendment passed by the House yesterday, this provision would give the necessary authority for the administration to work out a sound domestic food program.

I earnestly hope the Senate will follow the positive action by the House of Representatives in enacting this much-needed legislation, so that our agricultural abundance can be used as a blessing instead of an economic evil.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I merely want to associate myself with the remarks of the Senator from Missouri, and to compliment and commend Mrs. SULLIVAN for her remarkable victory in the House, and to encourage our colleagues in the Senate to pass the same kind of bill here in this body.

FEDERAL EMPLOYEES HEALTH INSURANCE

Mr. JOHNSTON of South Carolina. Mr. President, to be successful, an executive is faced with the problem of sifting fact from fiction. He must sense when he is being given good advice, and tell equally quickly when he is receiving bad advice. Sound decisions and good leadership do not thrive on questionable advice or doubtful facts and figures.

Mr. President, I regret to report that the relatively new Chairman of the Civil Service Commission—who got off to such a good start in many ways—appears to be the victim of bad advice and some questionable figures with respect to the Federal employees' health benefits program.

I think each Member of the Senate who recently voted for the health benefits bill should be aware of the facts brought to light by two very excellent articles. The first article appeared August 17, 1959, and the second on August 18, 1959.

In support of this statement, I ask unanimous consent to have printed in the body of the RECORD at the conclusion of my remarks the two articles by John Cramer of the Washington Daily News entitled "Roger Jones Should Revise His Testimony," and "Insurance Bill Aims Offer Poser," respectively.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 17, 1959]

ROGER JONES SHOULD REVISE HIS TESTIMONY

(By John Cramer)

I suggest that Roger Jones, the excellent new Civil Service Commission Chairman, may have been the victim of bad advice when he prepared his recent statement to a House committee on proposed Federal employee health insurance.

Mr. Jones is the soul of candor and honesty.

Committee members praised him as a magnificent witness, which he was.

But the fact remains that some of his testimony was highly debatable to say the least.

Especially his testimony on the cost of insurance to employees.

For example, he criticized the Senate-approved Johnston-Neuberger bill because married employees could be charged up to $9.20 per month for its maximum benefits.

CHANGED

But even before he voiced his criticism, the Commission had put into the record its own insurance proposals.

And under these proposals, married employees could (and would) be charged even more than $9.20.

Mr. Jones said:

"The maximum contribution which a married employee could be required to make under the Senate bill is $9.20 per month.

"Yet this is more than the average employee now pays. This committee has heard prominent employee spokesmen say that a figure around $7 a month is what the rank-and-file of employees can afford, and that $9 would price most of them out of the market.

"If the plan is to accomplish its purpose, it must have the broadest possible coverage, the largest possible number of participants, and costs commensurate with both coverage and participation.

"We cannot leave out the lower-paid employees, and we must remember that the average salary of all civilian employees is about $5,000. The take-home pay of these employees is already considerably less than $100 a week."

Mr. Jones then went on to say that if the Johnston-Neuberger bill became law, the Commission would use it to set up insurance benefits well below the maximums spelled out in the bill.

And, he added, the cost would be "substantially lower than that which would be permitted by the maximum contributions set forth in the bill."

IN THE RECORD

Well—

If the Commission has its way, the cost to the Government will be lower.

But the cost to the employee, including the $5,000-a-year rank-and-filer, will be higher.

This had already been set forth in the record—even before Mr. Jones testified.

On August 5, the Commission sent the House committee its formal report on the Johnston-Neuberger bill.

In this report, it again insisted that Government should pay only a third of the insurance costs—as against two-thirds for employees.

It insisted that Government costs be limited to $80 million per year.

It proposed that Government, as its one-third, pay $2.30 biweekly toward the insurance of married employees.

On that basis, the married employee would pay $4.60 biweekly, instead of the $4.25 maximum laid out in the Johnston-Neuberger bill.

He would pay $9.97 per month—instead of the $9.20 which Mr. Jones, in his later testimony, found excessive in the Johnston-Neuberger bill.

And for his $9.97, he would get benefits 30 percent smaller than those proposed in the Johnston-Neuberger bill.

HEDGE

The Johnston-Neuberger bill would put $294 million per year into benefits—after a 3-percent reserve had been set aside as a hedge against increasing costs.

The Commission plan would put only $216 million into benefits—after a 10-percent reserve.

I suggest that the Commission is serving the $5,000-a-year rank-and-file employee in word only. And I think the record bears me out.

The record says that the Commission's original insurance plan, as submitted to the Senate in April, would have foisted off on rank-and-filers a type of insurance unanimously denounced by employee leaders.

It was based on the deductible or coinsurance formula—one beginning to lose favor even among the commercial insurers which the Commission plan so strongly favored.

It would have required the employee to pay the first $50 of hospital expense and/or the first $50 of surgical expense incurred by any member of the employee's family in any given calendar year.

BLUNTLY

To put it very bluntly and crudely, this is a fine type of insurance for the high-priced officials who drafted the Commission plan.

But in the opinion of employee leaders (and other experts, too) it's a poor type, indeed, for the $5,000 rank-and-filer.

The Commission, I regret to say, still is pushing the deductible formula.

[From the Washington Daily News, Aug. 18, 1959]

INSURANCE BILL AIMS OFFER POSER

(By John Cramer)

It's a big question whether members of the House Post Office and Civil Service Committee realize the full significance of Civil Service Commission's recommendations on proposed health insurance for Federal employees.

Off the record of its testimony to House and Senate committee, the Commission is asking:

A congressional green light to set up a huge insurance empire within the Commission.

A complete free hand in running it.

Reserve accumulating at a minimum of $24 million per year. (Originally, the Commission sought much larger reserves.)

Up to $2.4 million per year in administration expenses—enough to increase the Commission's staff by roughly an eighth.

A free hand in determining insurance benefits, including the right to force on employees the Commission's pet scheme for a deductible variety of health insurance—something employee leaders say rank-and-file employees don't want.

An absolute minimum of congressional review and interference.

The Commission has not specifically stated all these objectives in so many words.

All, however, will come about if Congress goes along with Commission recommendations.

LION'S SHARE

Moreover, if some Commission officials had their way, the lion's share (or even a 100-percent share) of the Government-sponsored insurance melon would go to commercial insurers—with service-type insurers such as Blue Cross and Blue Shield, left out in the cold.

It isn't generally realized, that the Commission's original insurance plan, as submitted to the Senate in April, would have frozen out service-type insurers.

Blue Cross, for instance, told the Senate committee it simply "wouldn't be interested" in participating.

The Commission wants to set up huge reserves—as a hedge, it says, against anticipated increase in costs of hospital and medical care.

But these reserves will not keep costs from rising. Of themselves, they will not save a single penny. On the contrary, they will add to the overall expense of the insurance program—because it will cost money to administer them.

And they very definitely will mean more expensive insurance for the Federal employee—because part of his insurance dollar always will be held in reserve.

The reserves will, however, accomplish one thing the Commission undoubtedly considers important.

They will largely relieve the Commission of the necessity for going before Congress for periodic review of its insurance operation.

MAKE IT EASIER

From the Commission standpoint, this will make for easier administration, and fewer headaches.

It will not, however, make for a better insurance program—or a better deal for the Federal employees who will be footing at least half of the bill.

On the contrary—and this is all-important—it will make for a much poorer deal for employees, because the Commission can be expected to depress benefits in order to make sure that its reserves are "adequate," "sound," "prudent."

Moreover, despite Commission testimony to the House committee, larger reserves will not contribute toward the building of better experience data for the forecasting of future cost estimates.

If anything, they will mean poorer data—because with large reserves, the range of insurance coverage will be narrower.

The Commission wants a huge insurance empire—and the proposed reserves automatically will create it.

It will use the reserves to prefund the cost increases which will come in 1961, or 1963, or later. But to do this, it will have to get into the field of collecting and analyzing experience data.

It will have to run a full-fledged insurance business.

MIDDLEMAN

The Senate-approved Johnston-Neuberger bill contemplates that the Commission would serve as a middleman between Government and its employees on the one hand, and insurance carriers on the other.

The Commission's own proposals would reduce the carriers to the status of mere service agencies.

The Commission wants a free hand in setting benefits. The Johnston-Neuberger bill spells out specified maximum insurance benefits which the Commission would be obliged to arrange to the extent possible with the funds available.

The Commission has asked that the proposed maximums be stricken from the bill.

In its place, it wants a mere listing of types of benefits, which it would be free to offer or not offer.

In requesting the change, Commission spokesmen said the Johnston-Neuberger bill's language would mislead Federal employees into thinking they were entitled to its full maximum benefits.

This argument approaches the ludicrous.

But it was the only explanation Commission spokesmen offered for the proposed change in their prepared statement to the House committee.

They could hardly have been unaware, however, that the change, if adopted, would give the Commission complete freedom to fix benefits any way it sees fit.

CENTURY 21 EXPOSITION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 692, S. 2065.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2065) to amend Public Law 85–880, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments on page 2, line 14, after the word "exceed," to strike out "$100" and insert "$50", and after line 14, to insert:

(c) Clause (3) of section 3 of said Act is hereby amended to read as follows:

"(3) erect such buildings and other structures as may be appropriate for the United States participation in the exposition on land (six and one-half acres or more and including land necessary for ingress and egress) conveyed to the United States in fee simple and free and clear of liens and encumbrances, in consideration of the participation by the United States in the exposition, and without other consideration. In the design and construction of such buildings and other structures consideration, including consultation with the General Services Administration, shall be given to their utility for governmental purposes and needs after the close of the exposition."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of the Act of September 2, 1958 (Public Law 85–880; 72 Stat. 1703), is hereby amended as follows:

(a) After the phrase, "World Science—Pan Pacific Exposition", insert "now known as Century 21 Exposition".

(b) Strike "1961" and insert in lieu thereof "1961 and 1962".

SEC. 2. (a) Clause (5) of section 3 of said Act is hereby amended to read as follows:

"(5) incur such other expenses as may be necessary to carry out the purposes of this Act, including but not limited to expenditures involved in the selection, purchase, rental, construction, and other acquisition of exhibits and materials and equipment therefor and the actual display thereof, and including but not limited to related expenditures for costs of transportation, insurance, installation, safekeeping, maintenance and operation, rental of space, and dismantling; and".

(b) Add a clause (7) to section 3 of said Act as follows:

"(7) procure services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $50 per diem."

(c) Clause (3) of section 3 of said Act is hereby amended to read as follows:

"(3) erect such buildings and other structures as may be appropriate for the United States participation in the exposition on land (six and one-half acres or more and including land necessary for ingress and egress) conveyed to the United States in fee simple and free and clear of liens and encumbrances, in consideration of the participation by the United States in the exposition, and without other consideration. In the design and construction of such buildings and other structures consideration, including consultation with the General Services Administration, shall be given to their utility for governmental purposes and needs after the close of the exposition."

SEC. 3. (a) Section 7 of said Act is hereby amended to read as follows:

"SEC. 7. (a) There are hereby authorized to be appropriated, to remain available until expended, such sums as may be necessary to carry out the provisions of this Act, including participation in the exposition."

(b) Add a new section 8 to said Act, as follows:

"SEC. 8. The functions authorized in this Act may be performed without regard to the prohibitions and limitations of the following laws: section 3648, Revised Statutes, as amended (31 U.S.C. 529); section 3735, Revised Statutes (41 U.S.C. 13)."

The amendments were agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that the Senator from Washington has a very brief statement to make on this bill, and the Senator from Ohio has a statement which will not take long. If Senators will give them their attention, and if we can maintain order in the Senate, I think we can dispose of this bill and proceed to some other pressing matters on the calendar. Therefore I hope we can have order, and I now yield the floor so that the Senator from Washington can be recognized.

Mr. MAGNUSON. Mr. President, the purpose of S. 2065, introduced by Senator JACKSON and myself, is to make certain changes in Public Law 85–880 which we passed last year.

Public Law 85–880 does two things. It provides for Federal participation in the Century 21, International Exposition which will be held in Seattle, Wash., in 1961 and 1962 and it calls for a study of the extent of this participation.

In November of last year the President designated the Department of Commerce as the agency to conduct this study, and a staff was organized in December under the direction of Mr. Francis D. Miller, our deputy director at the Brussels World Fair. For 4 months Mr. Miller and his very able staff surveyed the various departments and agencies of the Government to determine which ones could best portray the role science is playing in our planning for the future.

S. 2065 is the result of this study. The bill was referred to the Foreign Relations Committee, and I want to commend the distinguished chairman of that committee, the Senator from Arkansas [Mr. FULBRIGHT], for the very fine way he handled this bill. The committee devoted considerable time to this bill and showed a great deal of interest in this fine program.

A companion bill was passed by the other body earlier this week.

Mr. President, S. 2065 is a series of amendments to Public Law 85–880. While the act is broad enough in its present form to provide for participation by the Federal Government in the Century 21 Exposition, it was felt that it would be helpful to clarify the act, so the Commissioner would be able more adequately and efficiently to discharge his duties.

Most of the amendments are technical in nature. One changes the name of the exposition for purposes of this law from World Scenic-Pan Pacific Exposition to Century 21 to conform with a name change for the exposition. Another corrects the dates of the exposition in the law to conform with the actual dates for the exposition.

Other changes were made to clarify the ownership and future disposition of any building the Federal Government might erect to house its exhibits. At this point, I might point out that S. 2065 authorizes the Federal Government to receive, free of charge, 6½ acres of valuable real estate in downtown Seattle in return for participation in the exposition.

This bill also authorizes an appropriation of such sums as may be necessary for Federal participation. Because it is impossible at this time to determine just exactly how much an exposition of this type will cost, the committee felt it should leave it up to the Appropriations Committee to determine how much will be spent after a more detailed plan is presented.

Mr. President, the objectives of this exposition are threefold. First, to show the people of the United States and the world the benefits mankind may derive from recent rapid advances in science if

they are used for peaceful purposes; second, to show how these advances intensify the responsibility of nations and individuals to live together under law and order; and third, to infuse the youth of this country with the thrill and excitement of modern science, so many of them will choose a career in this most important field.

These objectives can be realized under the plan envisioned by the Century 21 Exposition.

The city of Seattle and the State of Washington each have appropriated $7,500,000 to acquire property and erect buildings for the exposition. In addition to this, the business community of the State has contributed substantial operating funds, and a drive aimed at raising an additional $2 million currently is underway.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. A slight complaint has been made to me about the committee's action in not putting a total amount in the bill. The Foreign Relations Committee considered this matter very seriously. We felt that the amendment which was inserted on page 2 would give sufficient direction to the GSA and the officials of the fair to proceed to draw plans; but as of this time, the provision of any particular amount would be rather meaningless, because no one can now estimate what the buildings will cost.

Mr. MAGNUSON. And of course the amount would have to be approved by the Appropriations Committee.

Mr. FULBRIGHT. I was going to say that the bill will then be submitted to the Appropriations Committee and the amounts necessary for the constructions of the buildings will be approved. I desired to make this statement because persons have asked me why an amount has not been provided.

Mr. MAGNUSON. I thank the Senator.

Mr. President, Century 21 is not someone's wild dream. It is a going concern with sound financial backing. It has enjoyed the services of some of the leading businessmen and industrialists in our State, who have contributed freely of their time, talents, and money for several years to bring this exposition about.

I personally, and my distinguished colleague [Mr. JACKSON] have been working on this exposition since 1955, when the idea first was conceived. Over 2 years ago, I contacted many of the members of the National Academy of Sciences and the National Science Foundation to see what they thought of this idea. Their enthusiasm was overwhelming.

They not only thought we should go ahead with the idea, but said that something like this should have been done by someone somewhere in this country a long time ago. As a result, we have had a board of our leading scientists working as advisers through all of the planning stages to date.

Century 21 will be a gigantic showcase of what we are doing in science. It will bring people from all over the world—83 countries are going to be invited—to this country to help show the public what has been accomplished and where we are going.

Eighty-three countries are to be invited to participate. The State Department is preparing invitations to those countries.

Science has a dramatic and interesting story to tell. Because of the tremendous advancements which have been made in the past decade, we are becoming more and more involved in what our scientists are doing. In fact, our understanding of what they are doing might well determine whether we shall survive in the challenging years before us. If through participating in Century 21, the Federal Government can help prepare the public for the years ahead, we shall be making a big downpayment on a secure and strong America of the future.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to my colleague for a statement.

Mr. JACKSON. Mr. President, I wish to compliment my senior colleague from the State of Washington for his excellent presentation of the bill now before us to amend the basic act authorizing Federal participation in Century 21, and I should like to associate myself with his remarks.

Additionally, I should like to speak briefly on only two points.

The first is that this undertaking has the enthusiastic and energetic support of the leaders in sicence in our Nation. They have not only supported the concept of a major U.S. science exhibit in connection with Century 21, but they have also worked hard to help plan it.

These are the scientists who make up the membership in the National Science Planning Board, a group set up to counsel the Century 21 Corporation on science aspects of the project:

Dr. Froelich Rainey, chairman; director, University of Pennsylvania Museum, Philadelphia, Pa.

Dr. Detlev W. Bronk, president, Rockefeller Institute, New York, N.Y.

Dr. Leonard Carmichael, Secretary, Smithsonian Institution, Washington, D.C.

Mr. Harold J. Coolidge, National Academy of Sciences, Washington, D.C.

Dr. Frank Fremont-Smith, medical director, Josiah Macy, Jr., Foundation, New York, N.Y.

Dr. Harry F. Harlow, Department of Psychology, University of Wisconsin, Madison, Wis.

Dr. Donald Loughridge, Nuclear Power Engineering Division, General Motors Technical Center, Detroit, Mich.

Prof. Herman Mark, Department of Chemistry, Polytechnic Institute of Brooklyn, Brooklyn, N.Y.

Dr. Donald H. McLaughlin, Homestake Mining Co., San Francisco, Calif.

Dr. Donald H. Menzel, director, Harvard Observatory, Cambridge, Mass.

Dr. Allen V. Astin, Director, National Bureau of Standards, Department of Commerce, Washington, D.C.

Dr. J. C. Morris, vice president, Tulane University, New Orleans, La.

Dr. Hans Neurath, professor and executive officer, Department of Biochemistry, University of Washington, Seattle, Wash.

Dr. Gerald Piel, president and publisher, Scientific American, New York, N.Y.

Dr. Glenn T. Seaborg, chancellor, University of California, Berkeley, Calif.

Dr. Frederick Seitz, Department of Physics, University of Illinois, Urbana, Ill.

Dr. Henry Bradford Washburn, Jr., director, Boston Museum of Science, Boston, Mass.

Dr. Paul Weiss, member and professor, Rockefeller Institute, New York, N.Y.

Dr. Dael Wolfle, executive officer, American Association for the Advancement of Science, Washington, D.C.

These are illustrious names in U.S. science—in fact, illustrious names in world science. The participation of men such as these guarantees that the U.S. science exhibition will be the best. It will reassure our own people and the rest of the world that the United States is meeting the challenge of the space age.

The second point I wish to emphasize is that besides the prestige which will accrue to our Nation from Federal participation—prestige which cannot be measured in dollars—the Government will recover a substantial portion of its investment. This is because the Foreign Relations Committee has wisely written into the bill a provision that the Federal Government will retain title to the Federal buildings, and their use or disposal after the Century 21 exhibition will be determined by General Services Administration.

The measure before us calls for a wise investment of a small part of the resources of the Federal Government.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to invite the Senator's attention to one item.

The $7½ million voted as a bond issue by the citizens of Seattle, by the terms of the issue, as set forth to the people, was to be used in the preparation of a civic center. Is that a correct statement?

Mr. MAGNUSON. I think the Senator is substantially correct. The original purpose, as I understand, was that the money was to be used for a civic center, for such use as could be made of it as a civic center after the exposition was finished in 1962 or 1963. That is the common pattern for all expositions. At San Francisco, Treasure Island was taken over afterward for civic use. In New York the land on Long Island, in Fushing, was taken over by the city of New York. That is a common practice.

In our town, when we had the Alaskan Yukon Exposition, similar to the one now projected, there was Federal participation, in 1909, and the land was taken over later by the University of Washington. It is now the main campus of the University of Washington.

I have given my understanding. I have not legally analyzed the bond issue to such an extent that I would feel I could give a legal opinion as to the meaning.

Mr. President, I yield the floor.

Mr. LAUSCHE. Mr. President, in the Committee on Foreign Relations I cast

a dissenting vote on the bill. The Senator from Rhode Island [Mr. GREEN] joined with me.

I disagreed with the committee in its favorable action on the bill because, in my judgment, the Federal Government will be spending $12½ million as a participant in what in fact will be a State fair, somewhat embellished by a scientific exhibit. This will be mainly financed by the U.S. Governmnet.

In my judgment, if the Federal Government spends $12½ million for this exhibit, the action will become a precedent. Other States, in the future, when they have centennials or sesquicentennials, will ask the Government to construct buildings as a part of the exhibits. My fear is that before another two decades pass we shall have, as a consequence of passage of this bill, many pleas before the Senate asking for similar treatment on the part of the Federal Government.

The statement has been made that the city of Seattle is investing $7½ million to conduct this exposition. My understanding is that the city of Seattle in 1956 decided to establish a civic center, and there was submitted a bond issue to the people for approval. The people said, "Yes; we will vote $7½ million to buy a lot of buildings, an auditorium, and a stadium to become a civic center."

Thereafter the thought was conceived—and, as I understand it, mainly conceived by hotel operators—that there should be a great State fair.

The State of Washington also appropriated $7½ million to buy land. It will construct a building. However, the principal participant is to be the U.S. Government, at a cost of $12½ million.

I wish to read from a letter dated August 18, written by a Miss Gudrun M. Larsen, 633 Fourth Avenue West, Seattle, Wash.:

> Yesterday I talked to Mr. Braman, chairman of the finance committee for the city of Seattle. I asked him how much money had been allocated by the city in any way for Century 21. He stated that no funds had been set up for this purpose. I asked him if the city council was contemplating setting up any funds for the fair, and he stated that there were no such plans. He said some funds would no doubt be raised through public or business donations.

With regard to whether this civic center was contemplated primarily for use as a site for a world scientific exhibition, let me say that there are pending in the courts in Seattle two lawsuits involving this matter. One involves the State and the other involves the city of Seattle. The lawsuit involving the city of Seattle was decided in the trial court, but I understand the suit is now pending in an appellate court.

In the city of Seattle lawsuit the court held that the grounds must be used in conformity with the provisions set forth in the language under which the bond issue was approved. It was contemplated there should be a remodeling of the auditorium and the lawsuit was filed to prohibit the remodeling of the auditorium, so that it would be a concert hall. The theory of the lawsuit was that the bond issue said, "For a new concert hall." The court held that the bond issue said that the money had to be used for a new concert hall and, therefore, could not be used to remodel an old concert hall.

The point I wish to make is that the principal promoter of the exhibit up to this time has not spent one nickel in the preparation of the grounds to become fit for a world fair. It did sell bonds in the amount of $7½ million, but that money is to be used for the development of a civic center, or mall, such as exists in many cities in the country.

I do not know whether there are any members of the Appropriations Committee in the Chamber. In the bill originally there was provision for $12½ million. Through the efforts of the Senator from Iowa [Mr. HICKENLOOPER] that provision was eliminated. There is now a blank authorization for such sums as may be needed to finance participation by the U.S. Government in the fair.

I have before me a clipping from the Seattle Times, dated Wednesday, June 24, 1959. This newspaper gives answers to various questions about Century 21. Bear in mind that an appropriation of $12½ million has been urged, $5 million for a building, and $7½ million for the exhibits and administrative expense.

One of the questions asked is:

> Will a cut in the Federal appropriation disrupt Century 21 plans?

I wish the Senators from Washington would listen to this. The answer is:

> No, but refusal of Congress to grant any funds would be a tough blow. If Congress approves only one-third or one-half of the amount requested by Mr. Eisenhower, a Federal exhibit still would be of high quality.

I invite the attention of members of the Appropriations Committee to the fact that the request and the insistence has been for $12½ million, whereas back home they are not anticipating it.

One word further, and then I shall conclude. It is said that this is to be a great world exhibit. It is to be held in the city of Seattle. I have grave doubt whether the people there are enthusiastic about it, especially if the city of Seattle will have to spend $3 million, as was testified by the Senator from Washington [Mr. MAGNUSON] in one of our hearings.

I wonder whether even members of the council, or commission, or whatever it is styled, will face that problem and say, "We are going to put up $2 million or $3 million."

What is the situation of Seattle? Seattle has a population of 350,000.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. JACKSON. Did the Senator say 350,000?

Mr. LAUSCHE. What is the population?

Mr. JACKSON. The population is more than 600,000.

Mr. LAUSCHE. What is the total population of the State?

Mr. JACKSON. Two million seven hundred thousand.

Mr. LAUSCHE. I suggest that the available population within a radius of 500 miles, from which to draw, cannot justify a world fair.

The State of Oregon is celebrating its 100th anniversary. Stanford University made a study predicting what the attendance would be at the celebration. The study has developed that the attendance is 10 percent of what was anticipated.

I make the statement that within a radius of 500 miles will be found, let us say, 2 million people in Washington, 2 million in Oregon, possibly, though I do not think so; in Idaho there are probably 600,000. How many people are there in Montana?

Mr. MANSFIELD. Six hundred and seventy thousand.

Mr. LAUSCHE. I do not believe that within a radius of 500 miles there is a population of more than 5 million.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. I think we should take into consideration the fact that the Canadian province of British Columbia is quite densely populated. It abuts on the Washington border. It includes cities like Victoria and Vancouver.

Mr. LAUSCHE. Let us assume that the total population available is 8 million—and it is not. There will not be people attending the exposition from other nations in the Pacific. The exposition would have to draw the people from Washington, Oregon, Idaho, Montana, and other States. The average population is about 700,000 or 800,000.

I do not believe that the Federal Government would be justified in spending $12½ million on this show. We could use $12½ million to build some water impounding facilities in Kentucky and other States where water is needed. We could use $12½ million for many other purposes which would be of greater benefit to the people and to the country.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I think this is a more effective exposition-to-be than the distinguished Senator from Ohio has indicated. I have an idea that once the exposition gets underway, practically every country on the Pacific rim, extending from the east coast of Asia, including southeast Asia, coming across the Pacific to Canada, and down the Pacific to the States of Oregon and California, as well as the Latin American countries below the borders of this country, will have participated in one way or another in the exposition.

I point out that this exposition is being carried out in our own country, by our own people. The city of Seattle will make a contribution. The State Legislature of Washington has already made a contribution, and will make a further contribution. Why should we spend $13,500,000, for example, on the Brussels Fair, and begrudge our own people the right to put on an international exposition?

Why should we spend $3,600,000 for the U.S. exhibit at Moscow, for 42 days of this year? Why is it not a good thing to bring into our part of the country an exposition of this kind? It will be in keeping with the times. It will have such features, for example, as exhibits

dealing with the life sciences, energy, manned space, and others. Why should we not get behind a proposal of this nature, which has the wholehearted support of the administration, from the President on down, including the Budget Bureau and the Department of Commerce?

I think this is a good thing, not only for our part of the country, but for the Nation as a whole, and I urge the passage of the bill.

Mr. LAUSCHE. Mr. President, for the purposes of the RECORD, I should like to state that, according to the reports given to me by Mr. Marcy, of our Foreign Relations Committee staff, the population within a 500-mile radius from Seattle is 6 million.

Mr. HICKENLOOPER. Mr. President, as a member of the Foreign Relations Committee I took some interest in this authorization bill when it was introduced, and made some suggestions with respect to amendments which are recommended for the bill.

As the bill was introduced it required an authorization limitation of $12½ million. At the outset that seemed to me to be a completely extravagant and unwarranted upper limitation on U.S. participation in what I consider to be a regional fair.

I do not object to participation by the United States periodically in fairs and expositions. I believe that such participation should be reasonable, but I think the United States should not be placed in the position of being the major and overwhelming sponsor, financially and otherwise, of such regional activities. I consider this to be a regional activity.

I voted in committee to report the bill to the Senate. I am raising no particular objection to voting on the bill today. But I did suggest that the limitation of $12½ million be taken out of the bill, and I did so for this reason: If $12½ million is authorized, that will be a target for the Committee on Appropriations to shoot at. It is a target which can be used to urge the Committees on Appropriations of the Senate and the House to meet or to approximate. Personally, I think that is far too much. I think it is away out of line. But we were unable, as much as we tried, to pin down the details of this fair.

So far as I know, Seattle is not putting one single nickel into the fair. That is something which the Committee on Appropriations ought to look into. There is a serious question whether the State of Washington will put a single nickel into the fair. I think they probably will; but how much and what the circumstances are, I do not know. That is something which the Committee on Appropriations ought to look into before it appropriates or recommends appropriations of money for this fair.

Again I say I am not opposed to reasonable Federal participation in such exhibitions. I think there is a vast and incomparable difference between a fair of this kind and the Brussels Fair, the fair in Moscow, or our other exhibits throughout the world, or a real international or world fair. There is all the difference in the world. We tried very much to get the details, but I still do not know what the answer is. However, I do not want to put myself in a position of opposing reasonable Federal participation in the fair.

The way the bill was originally introduced, as I understood it, the buildings were to be constructed on land owned by either the city of Seattle or someone out there, not by the Federal Government. An amendment has been offered to the bill by the committee that title to 6½ acres or more of land will be deeded in fee simple to the Federal Government, so that the Federal Government will own the land, and so that any structures built on the land will be the property of the Federal Government, together with the land. If substantial amounts of money are to be spent for the construction of buildings of a permanent nature for the fair, then the amendment offered by the Committee on Foreign Relations ought to be adopted, and I hope it will be adopted, so that consideration of the design and construction of the buildings shall be given with their utility for Federal purposes after the fair is over, in mind.

In the nebulous situation under which we operate here, and with a complete lack of firm, sound, hard information as to what will be contributed, and by whom, except the Federal Government, I think this is the only way in which we can safeguard the proposal.

I hope the members of the Committees on Appropriations will look into this matter. I hope they will get some plans and proposals as to the extent of the fair, and the participation and the firm commitments on the part of the city of Seattle or the State of Washington in the fair. Otherwise, I think we shall be buying a pig in a poke, so far as the Federal Government is concerned.

I shall vote for the bill. I said in committee I would. But I am not happy about the lack of detail. I think the Committee on Appropriations, before it recommends an appropriation of Federal money for the project, should have some firm, detailed information as to how much the city of Seattle is firmly committed and bound to put into the fair, how much the State of Washington will put into the fair, and how much other persons will put into the fair, simply in the interest of safeguarding the Federal Treasury.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MANSFIELD. I commend the Senator from Iowa, who has shown great interest in this matter, who has raised many pertinent questions, and who is largely responsible for the changes which have been made and are incorporated in the bill now before the Senate. I am sure that the questions raised again by the Senator from Iowa, and by the Senator from Ohio [Mr. LAUSCHE] as well, will sink home, so far as the city of Seattle and the State of Washington are concerned, and that before the request for appropriations is presented to the committee much additional and necessary information will be forthcoming.

Mr. HICKENLOOPER. I thank the Senator from Montana. I hope it will be much more than additional information. I hope it will be copper-riveted information, so that we will know what is proposed to be done out there.

I said to the Senator from Washington that so far as I myself was concerned, I did not want to try to throw a roadblock into the development of the fair. I realize it takes time to arrange for such fairs. I am willing to go along with this authorization bill, but I am thoroughly dissatisfied with the lack of information and the utter lack of certainty about the matter. There is confusion. It is entirely possible that the best position for me to take would be for me to oppose the whole project. But again I say I am not opposed to reasonable, periodic participation by the United States in substantial fairs in various localities throughout the United States. The Federal Government has been asked for help before, and we have responded. We will be asked for help again, and we will assist again. It is simply the question of uncertainty which bothers me. I repeat, I think the Committee on Appropriations must look into the matter and must nail it down before it brings a recommended appropriation to the floor of the Senate.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WILLIAMS of Delaware. I was about to ask the Senator from Iowa if he did not think that even if the bill shall be passed, the Federal Government's participation should be with the firm understanding that no money will be appropriated until firm commitments have been submitted to the Committee on Appropriations on behalf of the city, State, and local interests.

Mr. HICKENLOOPER. That is what I hope will occur. I am merely calling the matter to the attention of the members of the Committee on Appropriations who may be on the floor of the Senate at this time. I think it would perhaps be difficult to write any terms into an authorization bill. There would be some difficulties in that. But that is exactly what I think should be done, and what I think must be done. If the Committee on Appropriations makes an appropriation recommendation for participation in this activity without detailed and reliable information as to the participation in the fair by various elements in Seattle and Washington, and some pretty firm information as to what will happen there, together with some kind of plan as to what will happen to the Federal buildings in the State of Washington after the fair, I shall oppose the appropriation. It may not do any good, but I would take that position. I hope that we shall be given a clear pattern.

But today I am not opposing the project. I am only raising the issue because I know it takes time to get these things done. There will have to be an authorization bill before an appropriation can be made. I do not want to hold up the development of the fair, but I think the facts ought to be laid before us before any money is actually appropriated.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. YOUNG of North Dakota. As one member of the Committee on Appropriations, I assure the Senator from Iowa, that I, at least, will look into the matter very thoroughly, as the Senator from Iowa has proposed, and as other members of the Committee on Appropriations, I am sure, will also do, looking toward the matching of funds by the city of Seattle and the State of Washington, the possession of the buildings afterward, and all the other questions raised by the Senator. I think it is advisable to pass an authorization bill. I think we can depend on the Committee on Appropriations to be fair in considering the appropriation.

Mr. HICKENLOOPER. I have faith in the Committee on Appropriations. That is one of the reasons why I am supporting the appropriation. I am not resisting it, but I am concerned about it. I have been concerned about it ever since the bill was introduced.

Here is a proposal to have the Federal Government spend $12,500,000 on a nebulous program. No one knew what was going to happen, except that the Federal Government would toss $12,500,000 into something which could be either a civic center or some other benefit to the city of Seattle solely, and which might set a precedent for many other cities to come to the Federal Government and say, "We, too, want a civic center. Now, come: Give us $12,500,000 Federal funds to help us build it."

Mr. President, that is the whole situation. I have said all I care to say. I do not desire to be an obstructionist in this case, but I think we are entitled to have some facts and figures in order to be certain what we are doing.

Mr. JACKSON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 740, House bill 8374, to amend Public Law 85–880, and for other purposes.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes.

Mr. JACKSON. Mr. President, I move that all after the enacting clause of House bill 8374 be stricken out, and that the provisions of Senate bill 2065, as amended, be inserted in lieu thereof.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state.

Mr. HICKENLOOPER. Have the amendments offered by the Foreign Relations Committee been adopted?

Mr. JACKSON. Yes; they have.

Mr. HICKENLOOPER. Very well; I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Washington heard the questions asked by the Senator from Iowa and the Senator from Ohio. I wonder whether we have an understanding with the Senators from Washington that they will come to the Appropriations Committee with requests for these firm commitments on behalf of both the States, the cities, and the local communities, before they request the appropriations.

Mr. JACKSON. Certainly; there is no question about that. The requests for the commitments in that regard will be submitted. Furthermore, from the report it will be observed that the President submitted the matter in detail, and set forth the details of the project and a breakdown.

In addition, other items will require appropriate justification; and I assure the Senator from Delaware that that information will be supplied.

Mr. MAGNUSON. Mr. President, I wish to add my assurance, in reply to the request of the Senator from Delaware. I wish the RECORD to show that these figures are not those of my colleague [Mr. JACKSON] and me; they are figures compiled, after being culled over on our recommendation, by the President and by the Budget.

Mr. WILLIAMS of Delaware. I was not speaking of the figures of appropriations which could be provided by the Government. Those with which I am concerned are the figures representing the contributions of the cities, the States, and the local communities.

Mr. MAGNUSON. I assure the Senator from Delaware in that respect.

Let me close by saying that my colleague, the junior Senator from Washington [Mr. JACKSON], and I want this matter to be handled properly, so that everyone will be satisfied. Otherwise there would be no use in having this exposition at all.

The PRESIDING OFFICER. The question now is on the third reading of the bill.

The bill (H.R. 8374) was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is on the passage of the bill.

Mr. LAUSCHE. Mr. President, let me say that in the committee I voted against the bill. Inasmuch as the vote taken at this time on the bill is not to be a yea-and-nay vote, I wish to have the RECORD show that I shall vote against the bill in the Senate.

The PRESIDING OFFICER. The question now is on the passage of the bill.

The bill (H.R. 8374) was passed.

Mr. MAGNUSON. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JACKSON. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I wish to take this opportunity to commend the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON]. This proposal required the time of the Foreign Relations Committee at six of its meetings, at which the measure was gone over in detail.

I also wish to state for the RECORD, on the basis of the authority given me by the senior Senator from Rhode Island [Mr. GREEN], that he is in favor of the bill. In the committee he voted against it, through misunderstanding. But when the bill was explained to him, he wished to be recorded in favor of it.

The PRESIDING OFFICER. Without objection, Senate bill 2065 will be indefinitely postponed.

TRANSFER OF TITLE TO IRRIGATION DISTRIBUTION SYSTEMS

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 611, Senate bill 1136.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1136) to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the word "Interior", to strike out "shall" and insert "may"; on page 2, at the beginning of line 3, to strike out "or to any other entity designated by it and capable of receiving the same", and in line 25, after the word "water", to insert "to an entire project or project unit"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, upon request of an organization representing the water users on any project or division of a project constructed under the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 688), and Acts amendatory thereof or supplementary thereto), the Secretary of the Interior may, if he finds that said water users or their organization have completed payment of all construction and other charges, except future operation and maintenance charges, which they or it are obligated to pay under said reclamation laws with respect to their distribution system, transfer to the organization title to said distribution system or to such portion thereof as is useful solely to said water users. The Secretary shall likewise transfer title to any portion of such a distribution system which is useful to two or more groups of water users or organizations thereof upon their joint request when he finds that payment of all charges, as aforesaid, has been completed. Any such transfer shall be accompanied by the transferee's acceptance of all liabilities, duties, and obligations, which the United States may theretofore have incurred with respect to the distribution system, and the transferee shall agree to save the United States harmless with respect thereto and with respect to all future claims, liabilities, obligations, or duties arising out of the construction, operation, or maintenance of the distribution system transferred. Unless the care, operation, and maintenance of the system to be transferred has already been turned over to the transferee, any such transfer shall

also be accompanied by the transferee's acceptance of such care, operation, and maintenance. As used in this Act, the term "distribution system" is inclusive, to the extent to which the Secretary finds the same to be appropriate in any particular case, not only of works and structures for the delivery of water to an entire project or project unit but also of drains, lands, interest in land, equipment, supplies, and records relating to said distribution system: *Provided, however,* That, where the distribution system or a portion thereof is located upon lands within a national forest or other lands administered by the Secretary of Agriculture necessary rights-of-way only shall be granted therefor subject to such conditions as the Secretary of Agriculture finds necessary for the adequate protection and utilization of the national forest or other lands.

SEC. 2. The Secretary is authorized to provide in all contracts hereafter negotiated under the Federal reclamation laws for transfer of title to distribution systems in accordance with the terms of section 1 of this Act.

SEC. 3. This Act shall be a supplement to the Federal reclamation laws.

The amendments were agreed to.

Mr. BIBLE. Mr. President, in addition to the three committee amendments which have been agreed to, I have an additional amendment which was recommended by the Department of the Interior. I offer the amendment, send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 9, after the word "lands," it is proposed to change the period to a colon and insert:

Provided further, That, where the distribution system or a portion thereof is located upon a wildlife refuge or other lands administered by the Secretary of the Interior or by a conservation agency of a State for fish and wildlife conservation purposes, rights-of-way only shall be granted therefor subject to such conditions as the Secretary of the Interior finds necessary for the adequate protection and management of the fish and wildlife resources.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Nevada.

The amendment was agreed to.

Mr. BIBLE. Mr. President, the purpose of this measure is to authorize the Secretary of the Interior to transfer title to distribution systems of Federal reclamation projects under certain circumstances, for and to local water users' organizations, upon two conditions: First, that an organization representing the water users concerned shall have requested the transfer; second, that the Secretary shall find that the water users or the organization have completed repayment of all construction and other charges, with the exception of operation and maintenance charges not yet due, for obligations with respect to the distribution system concerned.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a full explanation of the bill.

There being no objection, the excerpt from the report (No. 613) was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

S. 1136 proposes to authorize the Secretary of the Interior to transfer title to distribution systems of Federal reclamation projects under certain circumstances to local water users' organizations upon two conditions: (a) that an organization representing the water users concerned shall have requested the transfer; and (b) that the Secretary shall find that the water users or the organization have completed repayment of all construction and other charges, with the exception of operation and maintenance charges not yet due, which are obligations with respect to the distribution system concerned. Under existing reclamation law, no provision is made for the transfer of title to distribution works upon completion of repayments from the United States to any organization.

Where two or more water-user organizations are concerned with a distribution system the transfer may be effected by the Secretary on the joint application of the organizations affected.

The bill avoids any reference to the transfer of dams or other supply works as distinguished from irrigation distribution systems. The reason for this omission is that the question of transfer of dams or headworks involves considerations of national policy as well as interstate considerations and should be taken up in connection with matters of broad national policy affecting water resources and their use.

Attention is called to the discretion left with the Secretary of the Interior as to determinations of whether all contruction costs and other charges for which an organization is obligated shall be paid prior to transfer of title to the distribution systems. Before and since the enactment of the Reclamation Project Act of 1939, there has been no apportionment, by contract or otherwise, of water-user repayment obligations as between distribution and supply works, the latter of which generally includes dams and related headworks. Under the bill, the Department of the Interior would be required to make an apportionment of this character.

The committee concurs with the view of the Department of the Interior that in making the apportionment the water users' return should be applied ratably or proportionately to the supply of distribution works unless impelling reasons for the adoption of some other course should appear.

Mr. BIBLE. Mr. President, in addition, in connection with the amendment last agreed to and added to the bill, I ask unanimous consent that the letter of explanation from the Secretary of the Interior, dated July 24, 1959, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 24, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This letter supplements our report dated May 29, 1959, on S. 1136, a bill "to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof." That report recommended enactment of the bill, provided it were amended in accordance with the views expressed therein.

We failed to note in that report that, while the bill makes special provision with respect to protecting national forest or other lands administered by the Department of Agriculture, there is no comparable provision with respect to lands which are utilized for fish and wildlife purposes. The Fish and Wildlife Service of this Department administers some 20 national wildlife refuges superimposed on Federal reclamation projects. It is possible that a transfer of title and extinguishment of Federal jurisdiction over certain canals or other works could adversely affect the management of those lands which are reserved for the benefits of waterfowl and other wildlife. While, in general, the refuges are dependent upon the main storage and supply works, in certain instances the transfer of title to a complete distribution system may prevent the proper maintenance of wildlife sanctuary values, and make difficult the control and possible prevention of public hunting, trespass, and other adverse uses of canal rights-of-way crossing refuge lands. This problem is as important with respect to areas being administered by State conservation agencies as it is with respect to areas being administered by the U.S. Fish and Wildlife Service.

In view of these considerations, we recommend, in addition to the suggestions contained in our report of May 29, 1959, that the bill be amended further by changing the period in line 9, page 3, to a colon and adding the following language:

"*Provided further,* That, where the distribution system or a portion thereof is located upon a wildlife refuge or other lands administered by the Secretary of the Interior or by a conservation agency of a State for fish and wildlife conservation purposes, rights-of-way only shall be granted therefor subject to such conditions as the Secretary of the Interior finds necessary for the adequate protection and management of the fish and wildlife resources."

The Bureau of the Budget has advised that there would be no objection to the submission of this supplemental report to your committee.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

Mr. BIBLE. Mr. President, for the information of the Senate, I wish to state that the bill had the unanimous approval of the Committee on Interior and Insular Affairs, and it had the departmental recommendation and approval, with certain suggested amendments which have been adopted. The bill has been cleared, I believe, on both sides of the aisle.

Mr. KEATING. Mr. President, will the Senator from Nevada yield to me?

Mr. BIBLE. I yield.

Mr. KEATING. As I understand, the amendments which have been adopted—namely, the committee amendments, plus the one we have last adopted—meet the questions raised in the letter of the Secretary of the Interior of May 29, 1959, and are in accordance with his recommendations therein contained. Is that correct?

Mr. BIBLE. The committee adopted all but one of the amendments. The one amendment which was not adopted was testified to by the departmental representatives; and after consideration and talking it over with the executive committee dealing with the bill, they thought the amendment was not necessary; and that recommendation will reflect itself in the hearings on the bill.

With that exception, all the other amendments were agreed to.

Mr. KEATING. And that recommendation appears in the hearings themselves, does it?

Mr. BIBLE. Yes.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1136) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, upon request of an organization representing the water users on any project or division of a project constructed under the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 688), and Acts amendatory thereof or supplementary thereto), the Secretary of the Interior may, if he finds that said water users or their organization have completed payment of all construction and other charges, except future operation and maintenance charges, which they or it are obligated to pay under said reclamation laws with respect to their distribution system, transfer to the organization title to said distribution system or to such portion thereof as is useful solely to said water users. The Secretary shall likewise transfer title to any portion of such a distribution system which is useful to two or more groups of water users or organizations thereof upon their joint request when he finds that payment of all charges, as aforesaid, has been completed. Any such transfer shall be accompanied by the transferee's acceptance of all liabilities, duties, and obligations, which the United States may theretofore have incurred with respect to the distribution system, and the transferee shall agree to save the United States harmless with respect thereto and with respect to all future claims, liabilities, obligations, or duties arising out of the construction, operation, or maintenance of the distribution system transferred. Unless the care, operation, and maintenance of the system to be transferred has already been turned over to the transferee, any such transfer shall also be accompanied by the transferee's acceptance of such care, operation, and maintenance. As used in this Act, the term "distribution system" is inclusive, to the extent to which the Secretary finds the same to be appropriate in any particular case, not only of works and structures for the delivery of water to an entire project or project unit but also of drains, lands, interest in land, equipment, supplies, and records relating to said distribution system: *Provided, however,* That, where the distribution system or a portion thereof is located upon lands within a national forest or other lands administered by the Secretary of Agriculture necessary rights-of-way only shall be granted therefor subject to such conditions as the Secretary of Agriculture finds necessary for the adequate protection and utilization of the national forest or other lands: *Provided, further,* That, where the distribution system or a portion thereof is located upon a wildlife refuge or other lands administered by the Secretary of the Interior or by a conservation agency of a State for fish and wildlife conservation purposes, rights-of-way only shall be granted therefor subject to such conditions as the Secretary of the Interior finds necessary for the adequate protection and management of the fish and wildlife resources.

SEC. 2. The Secretary is authorized to provide in all contracts hereafter negotiated under the Federal reclamation laws for transfer of title to distribution systems in accordance with the terms of section 1 of this Act.

SEC. 3. This Act shall be a supplement to the Federal reclamation laws.

Mr. BIBLE. Mr. President, let me express my thanks and appreciation to the junior Senator from Texas [Mr. YARBOROUGH] for permitting us to act on the bill at this time.

WHERE DOES U.S. EDUCATION RANK

Mr. YARBOROUGH. Mr. President, we may be shortchanging one of our most potent weapons for world peace: the education of our young people.

When the Communists build bigger missiles and bombs, capable of killing more people, we publicly remind them that we have made such advancements, too. We authorize more money for the development and construction of weapons of death under the heading of "National Defense." And they are necessary, in order to emphasize our determination to remain free and the arsenal of democracy.

But, Mr. President, behind those weapons and—more importantly—behind every advance toward freedom and a better life for all people, is the brainpower of trained scientists, technicians, artists, teachers, scholars, mathematicians, physicians, lawmakers, and others. These minds are trained in schools. Lately there has been much expert testimony that our schools can improve the educational programs they offer.

We must help our schools and our educators by providing funds for them as we provide money for bombs, missiles, and planes. And we must encourage our young people to stay in school and acquire the training offered, instead of dropping out prematurely for jobs which they think pay better, as 4 out of every 10 of our 18-year-olds are doing today.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two very pointed and timely editorials which discuss facets of this problem. The first is from the Dallas, Tex., Times Herald for Sunday, August 16, 1959, entitled "Are U.S. Schools Really Tops?" The second is from the Wichita Falls, Tex., Times for Tuesday, August 18, 1959, entitled "High School Education a Minimum Requirement."

Though I have asked unanimous consent to have included both editorials, I wish to read at this point the last paragraph from the editorial from the Dallas Times Herald:

U.S. educators, by and large, are strong on soothing sirup where fears of an educational lag are expressed. The public likes to agree with its schoolmen that our schools are the best in the world. But are they? Deluding ourselves about this basic aspect of national defense could be fatal.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dallas (Tex.) Times Herald, Aug. 16, 1959]

ARE U.S. SCHOOLS REALLY TOPS?

In education the United States either is staying abreast of the Soviet Union or it isn't. Vice Adm. Hyman G. Rickover, who accompanied NIXON on his recent tour of Russia and Poland, came home decidedly of the "isn't" opinion.

Rickover, the "father of the atomic submarine," says he is convinced that:

(1) Soviet high school students aged 17 and 18 years know as much as our students do at the end of 2 years of college.

(2) There is not a single drum majorette in Russia or Poland, nor a school principal who doubles as athletic coach.

(3) Russian and Polish educators and parents regard teenhood as a period of preparation for adulthood, not as just a period for having a good time.

(4) Only about 2 percent of U.S. high school graduates could have passed an examination passed in 1957 by 1,600,000 Russian children of equivalent age.

Moreover, commented Rickover, no Russian or Polish student is denied an education because of lack of financial ability. Indeed, many students are being paid living expenses, the amount rising the longer they stay at the universities and the better they do in their studies.

Some of these observations, like similar ones made by others who are worried about Soviet-United States educational competition, are facts. Others are educated opinion. From both the public must decide what it believes.

U.S. educators, by and large, are strong on soothing sirup where fears of an educational lag are expressed. The public likes to agree with its schoolmen that our schools are the best in the world. But are they? Deluding ourselves about this basic aspect of national defense could be fatal.

[From the Wichita Falls (Tex.) Times, Aug. 18, 1959]

HIGH SCHOOL EDUCATION A MINIMUM REQUIREMENT

A statement by Secretary of Labor James P. Mitchell that 4 out of every 10 American 18-year-olds are not graduating from high school is particularly timely.

Within the next few weeks, the public schools of the Nation are beginning their new term and the value of a minimum high school education should be impressed upon all teenagers.

There seems to be a variety of reasons, ranging from necessity to help pay a family's bills to a dislike of school, to explain the fact that 40 percent of the Nation's youngsters are not finishing high school.

"Those who go looking for a job after dropping out of school are very often disappointed in what they find," Secretary Mitchell declared. "Jobs as common laborers were the best that more than half of the boys who had dropped out of school last year could do."

The dropout cuts himself off from good jobs by cutting his education short. He trades a long-term career for a short-term monetary advantage in a mediocre job. Often such youngsters, Secretary Mitchell said on the basis of factual statistics, become dissatisfied and drift from one menial job to another—or worse, to prolonged unemployment.

"Evidence shows," the Government Cabinet member said, "that juvenile delinquency is 10 times higher among dropouts than among youngsters who finish school."

The advice is old, but it has a new urgency. Neither the individual nor the Nation can afford to waste the potential talent of a single individual in the years ahead. Stay in school.

Mr. YARBOROUGH. Mr. President, farm subsidies have recently received a great deal of publicity and much criticism. I feel that much of this criticism has been without adequate analysis of the facts.

Industry, business, and other segments of our economy are also subsidized and helped by our Government, and quite often that help and those subsidies amount to far more than the total the farmers receive to insure them a fair return on their crops. Much misinformation has been given the public on this point.

A thoughtful explanation of this condition was recently written by Duane Howell, farm editor of the Lubbock, Tex., Avalanche-Journal. It helps set the record straight on who is getting the biggest subsidies, and it shows the actual figures.

I ask unanimous consent to have printed at this point in my remarks in the RECORD an article by Mr. Howell which appeared in the Avalanche-Journal for Tuesday, August 18, 1959, entitled "Figures Defend Farm Subsidies."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIGURES DEFEND FARM SUBSIDIES

(By Duane Howell)

Some revealing figures on subsidies, which some legislators and others apparently want farmers to do without, are reported by the Cotton Trade Journal.

The international weekly newspaper of the cotton industry calls attention to the many subsidies received by other segments of the economy to set the record straight.

"It would not be an exaggeration to state that in the United States everyone is engaged in subsidizing himself and everyone else through payment of Federal and State taxes," the publication says.

"If tallies were kept—and some have been—it would be obvious that the Nation's farmers have received less in subsidies than have industry and labor," it adds.

"Yet the farmer has been pictured as the one receiving the most from Government coffers. The reason is that subsidies to agriculture are not as well disguised as are some other subsidies.

SUBSIDIES COMPARED

"Commodity Credit Corporation's farm price-support losses from 1938 to January 1, 1958, have cost taxpayers less than subsidies to business through postal deficits alone during the 10-year period from 1946 to 1956.

"Price support losses were only a fraction of the cost of business-reconversion payments, including tax amortization and other financial aids to industry during the past few years."

The Cotton Trade Journal then reports that CCC price support losses to January 1, 1958, amounted to $968 million, compared with $43,262 million in business reconversion payments.

And subsidies to maritime organizations showed a total loss of $3,500 million, with mail subsidies (1946–56) accounting for another $5,968 million, the publication says.

Then it adds that this is "to say nothing of the close to $60 billion spent by the Government in subsidies to foreign countries and international organizations."

POSITION ON SUBSIDIES

The Cotton Trade Journal points out that "we go on record as saying we yearn to see a subsidyless economy in the United States and elsewhere. The less interference of Government with private enterprise, the better we like it.

"And when we say subsidyless economy, we mean just that—an economy in which all segments of our industrial, agricultural and commercial complex can stand on their own feet with no Government interference. But this is a pipedream.

"Not only will this never happen—it has never happened. No, not even 'in the good old days'—going back as far as you like in the history of our freedom-loving, energetic, pioneering people.

"The first order of business in the first American Congress in 1789—after a system for administering oaths was devised—was enactment of a tariff law to protect our infant industry, containing a special subsidy mechanism to promote development of an American merchant fleet.

"Millions of acres of land have been granted by the Federal and State government to railroads and other private interests to encourage canal building and river improvements. These were subsidies."

FARM SUBSIDY NECESSARY

Still other examples of subsidies to other segments of the economy are listed. The Cotton Trade Journal doesn't say it in so many words, but it seems apt to ask how the farmer can be expected to compete in a subsidized economy without being subsidized himself?

Do away with farm subsidies and the parity principle, which is designed to give farmers a fair return for what they sell in relation to what they have to buy, and the entire country could be plunged into a recession or depression.

For many economists say a general economic depression is preceded by a recession in farm prices by a number of years. If a steady recession in farm prices isn't corrected in time, it's felt throughout the general economy.

Many leading agriculturists agree that much of the general farm program needs to be revamped, but a lot of the criticism of farm subsidies and other "blasts" at agriculture are distorted.

ACREAGE ALLOTMENTS FOR DURUM WHEAT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 524, Senate bill 1282.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1282) relating to acreage allotments for Durum wheat.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment; to strike out all after the enacting clause and insert:

That section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended to read as follows:

"(e) if, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county in the States of North Dakota, Minnesota, Montana, South Dakota, and California designated by the Secretary as a county which (1) is capable of producing durum wheat, and (2) has produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than durum wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term 'durum wheat' means durum wheat (class II) other than the varieties known as 'Golden Ball' and 'Peliss'."

Mr. JOHNSON of Texas. Mr. President, at this time I yield the floor to the Senator from North Dakota [Mr. YOUNG], who sponsored this measure, and who is responsible for its being called up; and I ask that he make a brief statement in regard to the bill.

Mr. YOUNG of North Dakota. Mr. President, I thank the Senator from Texas for yielding to me, and I appreciate the opportunity he has provided for having the bill called up at this time.

Mr. President, Durum wheat is used almost exclusively for the making of macaroni and spaghetti.

Because of diseases, Durum wheat has been in short supply during much of the past 5 years.

The pending bill is purely permissive; it will permit the Secretary of Agriculture to provide for greater allotments of acres and increased plantings only when there is a short supply.

The bill has been unanimously approved by the Senate Committee on Agriculture and Forestry.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the explanation of the bill which is to be found on pages 1 and 2 of the report.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

With the committee amendment, the bill would require the Secretary of Agriculture to increase farm wheat acreage allotments in certain counties in North Dakota, Minnesota, Montana, South Dakota, and California to the extent, if any, necessary to meet the demand for Durum wheat. The counties would be those capable of producing Durum and having a Durum production history. The increase in allotment would be limited to farms producing only Durum, would be additional to the National, State, and county allotments, would not be applicable to permit any increased removal from storage of wheat stored from a previous crop to avoid penalty, and would not count as history toward future farm, county, or State allotments.

Durum wheat is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products. It will grow properly in only a few areas in the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and California.

About 6 years ago a new rust disease attacked Durum wheat and so seriously reduced production that emergency measures were necessary to provide an adequate supply. To accomplish this, special exceptions were made in the wheat quota laws for the crops of 1954, 1955, 1956, and 1957 to permit farmers in the Durum wheat areas to plant acreage of Durum in excess of their regular allotments. By 1958 it appeared that emergency legislation was no longer necessary and only minor provision was made for the

production of additional Durum wheat in the Tulelake area of California for 1958 and 1959. It now appears possible that there may be future shortages of this type of wheat and the Secretary of Agriculture should have such authority as may be necessary to guard against such shortages and consequent loss of markets.

The primary objection of the Department of Agriculture to the bill is that the supply of Durum wheat for the 1959–60 marketing year is expected to be adequate to meet all domestic and export requirements and provide a comfortable carryover. This would hardly seem to be a sound objection since the bill is effective only when the Secretary finds that allotments of farms producing Durum are inadequate to provide for the production of a sufficient quantity of Durum wheat to satisfy the demand. Furthermore, the bill is applicable to any future year in which its application becomes necessary, and it is now too late to make it applicable to the 1959 crop.

The Department further objects to the fact that no provision is made for limiting the shift of acreage from Hard Red Spring wheat to Durum wheat, and that if the incentive to increase Durum seedings is made sufficiently attractive it would be possible for Durum production to exceed demand. The bill requires the Secretary to increase allotments by such uniform percentage as he deems necessary to provide for the needed quantity. If the Secretary fulfills the direction of the law, therefore, production should not be excessive and there should not be excessive shifts from Hard Red Spring to Durum. Of course, the law requires him to make estimates, and those estimates may not be correct, but the entire law is based on estimates which may be equally subject to error. Any limitation on acreage shifts provided by the bill would not increase the infallibility of the estimates which must be made.

The Department's report appears to be based upon the misconception that the bill provides for the production of sufficient quantity of Durum wheat each year to satisfy demand without regard to carryover stocks. The bill does not so provide and the Secretary would be expected to take carryover into account.

The committee amendment strikes out the provision for an advisory committee, which is not considered necessary, and clarifies the bill by relating each action under the bill to a specific crop.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. YOUNG of North Dakota. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GOLDWATER. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

UNION PRESSURE AGAINST THE LANDRUM-GRIFFIN BILL

Mr. GOLDWATER. Mr. President, in the morning press there was mention of a letter that was written to certain Members of the House of Representatives and delivered yesterday to Members of the House who voted for the Landrum-Griffin bill which recently passed the House.

Mr. President, I have looked in the CONGRESSIONAL RECORD hoping to find a copy of the letter. Seeing none, I shall make it available to my colleagues in the Senate. I should like to read it; it is very short.

AUGUST 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

This is written on the letterhead of the International Union of Electrical, Radio & Machine Workers.

Mr. President, if any one thing has happened in recent months that indicates the need for a strong labor bill more than this arrogant letter, I do not know what it is. I should like to hear the howl that would go up into the rafters of this building if such a letter were written by a business concern, the U.S. Chamber of Commerce, or the NAM.

Certainly labor or any other organization of this country has the right to protect itself in the legislative halls of this country. But, Mr. President, no organization has the right to assume that its power is above that of the people.

As I said earlier, I think that Mr. Carey's letter is one of the most arrogant statements I have ever read. It points up to the American people, and I think to this body, the need for action on a good labor bill, one that will not hurt labor but will help the people of this country.

I am very hopeful that out of the conference in which we are now engaged there will come such a bill. The conference so far is progressing smoothly and nicely, and I think that the Senate is going to have an opportunity to vote on a bill that will put the power of Mr. James B. Carey where it should be, more on a par with the people.

Mr. President, in connection with this I ask unanimous consent to have an editorial from the St. Louis Post-Dispatch printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Aug. 16, 1959]

THE SENATE'S RESPONSIBILITY

Enactment of strong labor reform legislation at this session of Congress now is up to the Senate. The House of Representatives acted Thursday with commendable speed and statesmanship in voting 229–201 to approve the Landrum-Griffin bill, which carried administration endorsement. There is no question of a veto if the Senate goes along with the House, and Senators should examine carefully the meaning of Thursday's rollcall and insist that their conferees conform to it.

It is fair to say that in this crucial vote the House succumbed to pressure, but it was the pressure of public opinion and not of a special interest. In following the wishes of the people the House repudiated the most severe and potentially the most politically damaging pressure from organized labor that has been brought to bear in the present Congress. Those Members who stood against it are entitled to a vote of thanks.

The House opened debate with three bills before it. One was the Landrum-Griffin bill, given final approval Friday 303–125 after passage was assured in the key vote the day before. At the opposite extreme was the measure backed by organized labor. In the middle was a version of the Senate-approved Kennedy-Ervin bill, which emerged from a House committee and which had the support of the Democratic leadership. Thus the House rejected the alternatives and chose the toughest of the lot, and did so by a comfortable margin despite the last-minute efforts of AFL–CIO lobbyists to hold down the winning vote as a lever for use in the expected Senate-House conference. A close tally would have provided argument for a weakened compromise.

Each of the three measures before the House had its top-flight supporter; each advocate took his case to the country by radio. President Eisenhower put his prestige behind the Landrum-Griffin bill; AFL–CIO president George Meany appealed for the labor bill; House Speaker SAM RAYBURN asked support for the committee bill. What happened to RAYBURN was surprising and significant. When the venerable Mister SAM resorts to the unusual step of arguing publicly for a piece of legislation, his colleagues in the House pay careful attention. But in this case he lost control even of his own Texas delegation; of 21 Democrats 16 voted for the Landrum-Griffin bill.

It was to be expected that Mr. Meany would denounce the House action. "A victory for antilabor forces," he called it. The same comment was made by labor leaders at the time of the Taft-Hartley battles in the forties. John L. Lewis termed Taft-Hartley a "slave labor act." Yet anyone who thinks Taft-Hartley damaged the labor movement is sadly out of touch with the times. The Landrum-Griffin bill, which in many ways merely tries to end the abuses of Taft-Hartley, would not hurt honest unions or legitimate organizing practices.

There is one aspect of the House vote that Senator KENNEDY, the presidential aspirant, and other influential Senators would do well to ponder. It is this. Something has happened since last April when the Senate passed the mild Kennedy-Ervin bill 88 to 1. Certainly organized labor went all-out in its effort to defeat the Landrum-Griffin bill. It failed. Does that mean that labor's actual political power is a great deal less than it appeared only a week ago? Or does it mean the public is insistent on a good reform measure? Both elements figured in the House vote, and should make it easier for the Senate to concur.

There is little room for compromise between the Senate and the House bills. The compromises have already been made. The only course for the Senate to follow is to accept the Landrum-Griffin bill.

IMPOSITION OF FORFEITURES FOR CERTAIN VIOLATIONS OF RULES OF FEDERAL COMMUNICATIONS COMMISSION

Mr. PASTORE. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1737, Calendar No. 695.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1737) to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields, which had been reported from the Committee on Commerce, with an amendment on page 4, line 12, after the word "mail", to insert "or by certified mail", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Communications Act of 1934 is amended by adding at the end thereof a new section as follows:

"FORFEITURE IN CASES OF VIOLATIONS OF CERTAIN RULES AND REGULATIONS

"SEC. 508. (a) Where any radio station, other than licensed radio stations in the broadcast service or stations governed by the provisions of parts II and III of title III and section 507 of this Act—

"(1) is operated by any person not holding a valid radio operator license or permit of the class prescribed in the rules and regulations of the Commission for the operation of such station;

"(2) is operated without identifying the station at the times and in the manner prescribed in the rules and regulations of the Commission;

"(3) transmits any false call contrary to regulations of the Commission;

"(4) is operated on a frequency not authorized by the Commission for use by such station;

"(5) transmits unauthorized communications on any frequency designated as a distress or calling frequency in the rules and regulations of the Commission;

"(6) interefers with any distress call or distress communication contrary to the regulations of the Commission;

"(7) fails to attenuate spurious emissions to the extent required by the rules and regulations of the Commission;

"(8) is operated with power in excess of that authorized by the Commission;

"(9) renders a communication service not authorized by the Commission for the particular station;

"(10) is operated with a type of emission not authorized by the Commission;

"(11) is operated with transmitting equipment other than that authorized by the Commission; or

"(12) willfully or repeatedly fails to respond to official communications from the Commission;

the person or persons operating such station and the licensee of the station shall, in addition to any other penalty prescribed by law, each forfeit to the United States the sum of $100. The violation of the provisions of each paragraph of this subsection shall constitute a separate offense: *Provided,* That $100 shall be the maximum amount of forfeiture liability for which any person shall be liable under this section for the violation of the provisions of any one paragraph of this subsection, irrespective of the number of violations thereof, occurring within ninety days prior to the date the notice of apparent liability is issued or sent as provided in subsection (c) of this section: *And provided further,* That $500 shall be the maximum amount of forfeiture liability for which any such person shall be liable under this section for all violations of the provisions of this section, irrespective of the total number thereof, occurring within ninety days prior to the date said notice of apparent liability is issued or sent as provided in subsection (c) of this section.

"(b) The forfeiture liability provided for in this section shall attach only for a willful, or negligent, or repeated violation by any such person of the provisions of this section.

"(c) No forfeiture liability under this section shall attach after the lapse of ninety days from the date of the violation unless within such time a written notice of apparent liability, setting forth the facts which indicate apparent liability, shall have been issued by the Commission and received by such person, or the Commission has sent him such notice by registered mail or by certified mail at his last known address. The person so notified of apparently liability shall have the opportunity to show cause in writing why he should not be held liable and, upon his request, he shall be afforded also an opportunity for a personal interview with an official of the Commission at the field office of the Commission nearest to the person's place of residence."

SEC. 2. Section 504(b) of the Communications Act of 1934 (47 U.S.C. 504(b)) is amended by striking out "and section 507" and inserting in lieu thereof ", section 507, and section 508".

SEC. 3. This Act shall take effect on the thirtieth day after the date of its enactment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, this bill was previously objected to when it was on the Consent Calendar, but the cause of that objection has been removed.

The bill gives to the FCC the authority to impose a small monetary fine in cases where heretofore the FCC had to go to the extreme of revoking a license. There have been since World War II many, many licenses given for the use of radios for diverse safety and special purposes, and also to small companies to operate radio stations and specialized common carriers.

From time to time there is a slight violation of the Commission rules, and if they have the authority to impose a monetary fine instead of to revoke the license, they would prefer to do that.

I urge that the bill be passed.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1737) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROVISION OF REPEAL OF HONORARIUM, COMMUNICATIONS ACT OF 1934

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 699, S. 1735.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1735) to repeal the honorarium provision of subsection (b) of section 4 of the Communications Act of 1934.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PASTORE. Again, Mr. President, this bill was objected to on a call of the Consent Calendar. That cause of the objection has been removed. It is recommended by the Federal Communications Commission that there be removed the provision in the law which permits the members of the Federal Communications Commission to accept an honorarium for either writing an article or making a speech.

I think this is a very wise provision and in the public interest if they can no longer do that for compensation.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1737) was ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of subsection (b) of section 4 of the Communications Act of 1934, as amended (47 U.S.C. 154(b)), is amended by striking out, after the word "employment", the semicolon, adding a period thereafter, and striking the following: "but this shall not apply to the presentation or delivery of publications or papers for which a reasonable honorarium or compensation may be accepted."

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF LIMITATION OF RECLAMATION INVESTIGATION APPROPRIATIONS IN ALASKA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 610, S. 1514.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1514) to amend the act of August 9, 1955 (69 Stat. 618.)

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask that a brief explanation of the bill be included in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The objective of S. 1514, sponsored by Senators BARTLETT and GRUENING, is to remove the limitation on the authorization for appropriations for the investigation of the water resources of Alaska.

Since Alaska became the 49th State of the Union, it should be treated as any other State concerned with water resource development. Its immense potentials in power and related resources require full investigation.

COMMENTS OF EXECUTIVE DEPARTMENTS

The comments of the Department of the Interior and the Bureau of the Budget are as follows:

U.S. DEPARTMENT
OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 9, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This responds to your request for the views of this Department on S. 1514, a bill to amend the act of August 9, 1955 (69 Stat. 618).

We recommend that the bill be enacted.

The act of August 9, 1955, authorizes the Secretary of the Interior "to make investigations of projects for the conservation, development, and utilization of the water resources of Alaska * * *" and authorizes the appropriation in any one fiscal year of not more than $250,000 for this purpose. If S. 1514 is enacted, this limitation on the authorization for appropriations would be removed.

The limitation is an arbitrary one that bears no relationship to the attainment of an effective program of investigations in Alaska. There appears to be no reason why Alaska should be singled out for such a restriction, unless it should be considered justified in view of the preferential treatment afforded Alaska in granting to it 90 percent of the proceeds from coal leases, the operation of coal mines, and the leasing of public lands. None of the proceeds from mineral leases on public lands located in Alaska are paid into the reclamation fund. The Federal reclamation laws do not apply to Alaska. The provisions of the act of August 9, 1955, provide the basic authority for a program of investigation of water resources projects in Alaska by this Department.

The specified maximum amount of $250,000 operates as a limiting factor not only on the number of investigations which can be conducted simultaneously, but also on the intensity of studies at any one time. Thus, investigations of certain potential projects have had to be extended over a period of several years because of the limitation, with consequent added expenses for overhead and other costs.

In our opinion the enactment of this measure may result in more flexibility and increased efficiency in the conduct of Alaska investigations; and if the bill should be enacted, the Congress would nonetheless still retain control over the extent of investigation activities in Alaska through its appropriations procedures.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 8, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of March 25, 1959, requesting the views of the Bureau of the Budget on S. 1514, a bill to amend the act of August 9, 1955.

The purpose of this bill is to remove the appropriation limitation of $250,000 annually for the Department of the Interior to make investigations of projects for the conservation, development, and utilization of the water resources of Alaska.

The Department of the Interior, in its proposed report recommending enactment of S. 1514, states the bill would provide more flexibility and increased efficiency in the conduct of its Alaskan investigations and that the Congress would still retain control over the extent of such investigations through appropriation procedures.

The Bureau of the Budget would have no objection to enactment of S. 1514.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Mr. GRUENING. Mr. President, this is a bill to amend the bill passed 4 years ago, and its purpose is to remove the ceiling on the authorization for appropriations for investigation of the water resources of Alaska. The previous ceiling was $250,000 a year. The ceiling is now removed so as to provide no definite amount. The bill has the support of the Department of the Interior. There is no objection to it.

Mr. BARTLETT. Mr. President, I hope the bill will be approved. It is a bill which is not only in the interest of Alaska, but in the public interest.

I may say that when the bill was enacted into law in 1955, it was not then the Department's recommendation that there be a ceiling. That ceiling was put on by happenstance. I do not know that we shall need more than the amount provided in the ceiling in the immediate future, but there is no more need for a limitation in Alaska than there is in any other State.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1514) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 9, 1955 (69 Stat. 618) is amended by striking section 3 thereof and substituting therefor a new section 3 which shall read as follows:

"SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRUENING. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSTRUCTION OF BULLY CREEK DAM, OREG.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 606, H.R. 968.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 968) to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. NEUBERGER. Mr. President, does the Senator from Texas wish to make a motion first or does he want me to make an explanation of the bill?

Mr. JOHNSON of Texas. Mr. President, I offer an amendment to the bill.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. It is proposed on page 3, after line 15, to insert the following new sections:

SEC. 4. That the modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, of the Eighty-sixth Congress, at an estimated cost of $3,431,000.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of section 4 of this Act.

Mr. JOHNSON of Texas. Mr. President, I should like to state that the amendment passed the Senate in the form of a bill on May 21, to meet an emergency situation we had in the Gulf Intracoastal Waterway.

The purpose of S. 962 is to authorize modification of the existing project for the Gulf Intracoastal Waterway to provide for an entrance channel with jetties from the Gulf of Mexico to the Intracoastal Waterway and to Port Mansfield, with additional turning basins and basins for small craft, in accordance with the recommendations of the Chief of Engineers as contained in Senate Document No. 11, 86th Congress, at an estimated total cost of $3,431,000.

Mr. President, I ask unanimous consent that an explanation of the bill be printed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF PROJECT

Location: Port Mansfield is located on the southern coast of Texas about 98 miles south of Corpus Christi and 38 miles north of Port Isabel. It is a shallow-draft harbor recently developed on the mainland shore of Laguna Madre, which lagoon is about 115 miles long, and is about 9 miles wide in the vicinity of Port Mansfield, with natural depths of less than 10 feet. It is separated from the Gulf of Mexico by Padre Island, a virtually uninhabited offshore bar formation

which ranges from 0.5 to 2 miles wide and from 2 to 16 feet in elevation.

Report authorized by: Resolutions of the Committee on Public Works of the U.S. Senate adopted June 17, 1949, and of the Committee on Public Works of the House of Representatives adopted September 29, 1949, and April 21, 1953. The report has been transmitted to Congress and is published as Senate Document No. 11, 86th Congress.

Existing project: The Federal project for the Gulf Intracoastal Waterway provides for a main channel, 12 feet deep and 125 feet wide, extending from Apalachee Bay, Fla., to Brownsville, Tex., and for numerous connecting channels along the route. Between Brownsville and Corpus Christi, the main channel traverses Laguna Madre throughout its length. A tributary channel 12 feet deep and 125 feet wide extending 1.4 miles to a turning basin 12 feet deep, 400 feet wide, and 600 feet long at Port Mansfield, was completed in 1949 at a cost of $92,000. About $68,000 was expended on maintenance through 1954, including easing of the entrance curves. Local interests have extended the turning basin and have provided further harbor improvements consisting of an additional turning basin; a small-craft basin; a shrimp-boat basin; and an outlet channel 10 feet deep and 100 feet wide extending from the existing tributary channel at the Gulf Intracoastal Waterway through Padre Island to a bar channel 16 feet deep and 250 feet wide into the gulf, flanked by concrete tetrapod jetties 1,600 feet long on the north side extending to the 15-foot depth, and 900 feet long on the south side extending to the 10-foot depth in the gulf. The estimated cost for the navigation improvements completed by local interests in September 1957 is reported to be $1,593,000.

Plan of recommended improvement: Modification of the existing project to provide for (a) an entrance channel from the Gulf of Mexico, 16 feet deep and 250 feet wide, to Padre Island; (b) a channel 14 feet deep and 100 feet wide from Padre Island to the Gulf Intracoastal Waterway, with two turnout curves, 12 feet deep and 100 feet wide; (c) a channel 14 feet deep and 125 feet wide from the Gulf Intracoastal Waterway to a turning basin at Port Mansfield, with the entrance curve into the turning basin widened to 200 feet, and with two turnout curves, 12 feet deep and 200 feet wide on the west side of the Gulf Intracoastal Waterway; (d) a turning basin 14 feet deep, 400 feet wide, and 1,200 feet long, with an irregular extension having a maximum width of 1,000 feet; (e) a shrimp boat basin, 12 feet deep, 350 feet wide, and 1,450 feet long; (f) a small-craft basin, 8 feet deep, 160 feet wide, and 800 feet long; and (g) parallel rock jetties at the gulf entrance 2,300 and 2,190 feet in length.

Estimated cost (May 1958 price levels)

Federal 1st cost:	
Dredging	$472,000
Jetties	2,959,000
Total	3,431,000
Non-Federal 1st cost	None

Estimated cost of maintenance, $165,000 annually in addition to that now required.

Local cooperation: (a) Furnish free of cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for construction and subsequent maintenance of the project; (b) hold and save the United States free from damages due to construction and maintenance; and (c) furnish satisfactory assurances that adequate terminal facilities for handling and icing seafoods will be provided, open to all on equal terms; and provided that no dredging shall be done by the United States within 50 feet of any established pierhead line, wharf, or structure, except in the small-craft basin, where dredging shall not be done within 30 feet of any structure.

Project economics

Annual charges	$273,000
Annual benefits:	
Increased value of seafood catch	102,000
Reduced cost of transportation of fruit	4,000
Savings in operating costs of fishing vessels	156,000
Savings in operating costs of offshore oil exploration craft	32,000
Reduction in hazards to small craft	22,000
Total benefits	316,000
Benefit-cost ratio	1.16

Benefits: The area tributary to Port Mansfield consists of about 4,200 square miles, with a population of 108,000, Raymondville, with a 1950 population of 9,136, is the largest city in the area, other communities being small. Most of the tributary area is semiarid but portions of Hidalgo and Willacy Counties are irrigated and produce cotton, citrus fruit, winter vegetables, and grain. Six oil fields, producing at a rate of about 3 million barrels annually, lie within 35 miles of Port Mansfield. Oil exploration is under way in Laguna Madre and offshore in the Gulf of Mexico. Laguna Madre produces large quantities of fish and the Gulf of Mexico has important shrimping grounds nearby. Terminal facilities at Port Mansfield for barges and small craft have been constructed by local interests at a cost in excess of $1,100,000. The Willacy County Navigation District owns about 3 square miles at Port Mansfield, has sponsored the harbor construction, and has extensive plans for future individual and recreational development.

After completion of the project in September 1957, several severe storms occurred in November 1957, which caused extensive erosion and subsidence of the jetties and shoaling of about 3,000 feet of the gulf entrance from 12 to 4 feet, which blocked the entrance channels for boats and ships to navigate through the pass, although the inside channel and harbor are in good condition. Redredging of the entrance channel is necessary and new jetties will be required to prevent further shoaling, permit safe navigation and to confine tidal flows. The navigation district has expended $2,800,000 of local funds for the project. It has a taxable valuation of only $12 million, and cannot support additional revenue bonds for further improvements. The new channel from Port Mansfield to the gulf is badly needed as a harbor of refuge, as it is the only opening in the Barrier Island for 130 miles from Corpus Christi to Port Isabel. This harbor serves the fishing, pleasure, and shrimping fleets, and is used by the boats and rigs for oil exploration in the tideland and on the Continental Shelf. Development of this area will bring additional revenue to the State and Federal Government. Prospective commerce of about 2 million tons annually is anticipated.

DISCUSSION

The Chief of Engineers recommends modification of the existing project for the Gulf Intracoastal Waterway channel to Port Mansfield, Tex., to provide channels, turning basins, and small-boat basins, adequate for existing and prospective commerce, generally in accordance with the plans of the district engineer, and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable, at an estimated cost to the United States of $3,431,000 for construction and $165,000 annually for maintenance in addition to that now required, provided that local interests meet certain requirements of local cooperation.

The existing Federal project at Port Mansfield was completed in 1949 at a cost of about $92,600. The port was opened in 1950 after expenditure of about $150,000 local funds for port facilities. As a result of oil exploration and drilling in the Laguna Madre, and for expansion of the fishing industry, the harbor area was increased over 100 percent in 1953 at a local cost of about $200,000. Within 2 years the local activities and shipping outgrew the existing facilities, and necessitated further enlargement of the harbor and construction of a 9½-mile channel to the Gulf of Mexico across Laguna Madre and Padre Island. This work was completed in September 1957, at a cost of about $2,600,000, all with local funds.

The completed harbor provided facilities to accommodate 400 boats and barges of various sizes, including ship and barge docks; shrimpboat docks; commercial fishing docks; covered and open yacht, charter, and outboard motor stalls; warehouses; water systems; pile dolphins; and marine ways.

Immediately after completion of the harbor, several storms in the Gulf of Mexico damaged the entrance jetties and shoaled the channel at the gulf entrance to such an extent that it is now usable only by boats with a draft of 4 feet or less. Thus the harbor and inside channel and all the port facilities are in excellent condition, but direct access to the Gulf of Mexico is not available. Boat traffic to and from Port Mansfield must now go through the Intracoastal Waterway, which passes down the Laguna Madre. Vessels bound for the gulf must proceed southward to Port Isabel or northward to Port Aransas to move around Padre Island.

The committee considers this project to be of an emergency nature, as the storm damage has rendered the navigation facilities constructed by the Federal Government and local interests to be of limited value in their present condition. Local interests have about exhausted their financial resources to provide port facilities at Port Mansfield to accommodate the needs of commerce, and are unable to repair the storm damage at their own expense.

RECOMMENDATIONS

The committee recommends enactment of this legislation. It feels that the recommended modification of the project is economically feasible, that opening the main channel to the Gulf of Mexico is extremely desirable, and that expansion of the port facilities to care for anticipated needs is believed essential.

The committee notes that the entire cost of the proposed modification of the Port Mansfield project is to be borne by the Federal Government. It believes this procedure equitable because of the large expenditures that local interests have made to the existing project, because of the widely dispersed general benefits that would accrue from the project and the difficulty in identifying specific beneficiaries, because the local interests now own the necessary lands and spoil-disposal areas that will be required during construction of the project and subsequent maintenance, and because of the dredging adjacent to piers and docks and other work required of local interests, that would normally be included as a non-Federal cost. The committee is in accord with the present policy of cost sharing on construction and maintenance and operation of navigation projects on the basis of attributable benefits to identifiable beneficiaries.

AGENCY COMMENTS

Favorable reports from the Bureau of the Budget and the Department of the Army on S. 962, and from the Bureau of the Budget

on Senate Document No. 11, 86th Congress, are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 19, 1959.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of February 7, 1959, requesting the views of the Bureau of the Budget on S. 962, a bill authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes.

The purpose of the bill is to authorize the modification of the Gulf Intracoastal Waterway channel to Port Mansfield, Tex., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, 86th Congress.

The Bureau of the Budget would have no objection to the enactment of S. 962.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

DEPARTMENT OF THE ARMY,
Washington, D.C., April 7, 1959.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
U.S. Senate.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of the Army with respect to S. 962, 86th Congress, a bill authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes.

This bill would authorize modification of the Gulf Intracoastal Waterway channel to Port Mansfield, Tex., substantially in accordance with the recommendations contained in the project report of the Chief of Engineers contained in Senate Document No. 11, 86th Congress, and subject to the conditions of local cooperation set forth therein.

The Department of the Army favors the above-mentioned bill.

The estimated cost to the United States is $3,431,000 for construction and $165,000 annually for maintenance in addition to that now required.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 21, 1959.

The Honorable the SECRETARY OF THE ARMY.

MY DEAR MR. SECRETARY: Deputy Assistant Secretary Bacon's letter of September 30, 1958, submitted the proposed favorable report of the Chief of Engineers on a review of reports on the Gulf Intracoastal Waterway channel to Port Mansfield, Tex., requested by a resolution adopted June 17, 1949, by the Senate Committee on Public Works, and by the resolutions adopted September 29, 1949, and April 21, 1953, by the House Committee on Public Works.

The Chief of Engineers recommends modification of the authorized project to provide for a dependable entrance from the Gulf of Mexico to Port Mansfield, including jetties, and maintenance and enlargement of the improvements constructed by the Willacy County Navigation District. In general, the 10-foot project of gulf connecting channels and turning basins constructed by the navigation district and the 12-foot tributary channel of the authorized project would be deepened to 14 feet, and new rock jetties would be constructed at the gulf entrance channel which would be redredged. All the work is to be accomplished generally in accordance with the plans of the district engineer at an estimated cost to the United States of $3,431,000 for construction and $165,000 annually for maintenance in addition to that now required. Specific conditions of local cooperation would be required under the recommendation of the Chief of Engineers.

I am authorized by the Director of the Bureau of the Budget to advise you that there would be no objection to the submission of the proposed report to the Congress. No commitment, however, can be made at this time as to when any estimate of appropriation would be submitted for construction of the modified project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CARL H. SCHWARTZ, Jr.,
Chief, Resources and Civil Works Division.

Mr. JOHNSON of Texas. Mr. President, the House has passed the same measure in an omnibus bill. Both Houses have passed appropriations for this work, but it is based on an authorization. For that reason I am hopeful we may get our colleagues in the House to accept the authorization if it is added as an amendment to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. NEUBERGER. Mr. President, it is a privilege for me to be able to present the Bully Creek project from the Senate Committee on Interior and Insular Affairs, on behalf of the distinguished chairman of the committee, the Senator from Montana [Mr. MURRAY] and my colleagues on the committee.

The bill to add the Bully Creek extension to the Vale irrigation project, in eastern Oregon, comes before the Senate with the unanimous report of the Senate Committee on Interior and Insular Affairs.

The Vale project is one of the most successful and historic irrigation projects in the Pacific Northwest. It is a 32,000-acre project which grows sugar beets, alfalfa, and other crops that do not compete with those which are presently of the most aggravating agricultural surpluses, such as corn, wheat, or cotton.

The Bully Creek extension would add some 2,990 acres to the long-existing and very successful Vale project.

I wish to say the Bully Creek bill already has passed the House of Representatives, due largely to the very effective and diligent work of the Representative from the second district, the Honorable AL ULLMAN.

I also wish to emphasize to my colleagues that this is largely a livestock-type of economy, and thus will not contribute to the agricultural surpluses which are a problem and a source of worry to all of us.

I remember some weeks ago, when the distinguished senior Senator from California [Mr. KUCHEL] was sponsoring the San Luis project, he called to the attention of certain Members of the Senate who, I may say, are congenitally opposed to adding acres of reclamation in the Western States, that approval of the project would not raise any very large additional crops which are the subject of Federal price supports, such as corn, wheat, tobacco, cotton, peanuts, and so forth.

I might add that the same statement applies to the Bully Creek extension of the Vale project which is before the Senate today.

I wish to emphasize this point because the distinguished senior Senator from California, who has so long been a sponsor of the San Louis project, is present on the Senate floor.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. KUCHEL. I merely want to point out that I am very happy to have had the support of a great friend of reclamation. Since he has brought up the San Luis project, in which I have been interested, I want to thank my friend for the strong support he has given to that reclamation project and to reclamation generally in the West.

Mr. NEUBERGER. I appreciate the generous words of the senior Senator from California, who is acting as the minority leader today.

I also desire to thank my able senior colleague from Oregon [Mr. MORSE] for his cooperation and his very effective sponsorship of the Bully Creek project in the Senate, not only in this particular session of Congress, but in earlier sessions of the Congress.

I will not presume on the Senate longer, but before yielding to the senior Senator from Oregon, I ask unanimous consent to have printed at this point in the RECORD a letter in support of this bill from Mr. Fred G. Aandahl, Assistant Secretary of the Interior, to the Senator from Montana [Mr. MURRAY] and a release from the Bureau of Reclamation of May 28, 1959, which summarizes the purposes of the Bully Creek bill that is now before the Senate.

There being no objection, the letter and release were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 28, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This responds to your requests for the views of this Department on S. 528 and S. 639, identical bills to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon.

We recommend that either bill be enacted and that it be amended in the manner indicated in this report.

Each of the bills would authorize the construction of the works of the Bully Creek extension as an addition to the facilities of the existing Vale Federal reclamation project in Malheur County, Oreg. These works would consist of Bully Creek Dam and Reservoir on Bully Creek, a tributary of the Malheur River; a 2.5-mile-long feeder canal from the existing main canal of the Vale project to the proposed reservoir, and 13

miles of new laterals. The reservoir would have a capacity of 32,000 acre-feet.

The Vale project is located in the Snake River Basin near the eastern boundary of Oregon. Under the proposed plan of development of the Bully Creek extension, flows from Bully Creek and surplus flows diverted from the Malheur River would be stored in the Bully Creek Reservoir. This would increase the firm irrigation water supply for the Vale project sufficiently to add about 2,990 acres to the 32,000 acres within the project which have water rights.

While a large percentage of these 2,990 acres is irrigated during good water years, existing project storage facilities are inadequate to provide a firm water supply. Historical runoff records indicate serious water shortages probably will occur in the future. Thus, the area economy, which is primarily of a livestock nature, would be improved and strengthened by the additional firm irrigation water supply that the potential development would provide.

Construction of the proposed works should result in increased efficiency of the project irrigation system by reducing the length of the run of the main canal in delivering water to project lands. The existing storage reservoirs are located more than 60 miles from a large part of the irrigated area. Bully Creek Reservoir, which would be relatively close to the project lands, would act as a regulatory structure for the canal system. It would not only permit delivery of water when needed but it would reduce a certain element of waste now inherent in the system operations.

The Vale area is subject to damage from floodwaters and Bully Creek has contributed significant quantities to such floodwaters. The Bully Creek Reservoir would help regulate the flows of this stream and, when operated in coordination with the existing Vale project reservoirs, Agency Valley and Warm Springs, it would afford additional flood protection to the area. It is expected that coordinated operation of these structures would be based on a flood-forecasting procedure.

The proposed development would result in fish and wildlife and recreation benefits. Under the provisions of the bills all costs allocated to fish and wildlife are considered nonreimbursable. This is consistent with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C., sec. 661 et seq.). The bills would provide, also, that the costs of minimum basic recreation facilities would be nonreimbursable and the Secretary would be authorized to arrange for a non-Federal agency to assume responsibility for their administration.

The estimated cost for the proposed works, based on January 1959 prices, is $3,326,000. This total cost is allocated tentatively as follows: $1,700,000 to irrigation, $1,497,000 to flood control, $69,000 to fish and wildlife, and $60,000 to recreation. The last amount is the cost of minimum basic recreation facilities.

The local people have shown a great deal of interest in securing the additional irrigation water and protection from floods which the proposed works would furnish, and they are favorable to a Federal project. Construction of the project is economically justified in that the evaluated annual benefits exceed the estimated costs by a ratio of 2.45 to 1 based on a 50-year period of analysis. For a 100-year period of analysis this ratio would be 3.06 to 1.

Section 1 of the bills would require that an amendatory repayment contract be negotiated with the Vale (Oreg.) Irrigation District to provide for repayment of that portion of the cost of the new facilities which would be allocated to irrigation over the same period as the present contract which provides for repayment of the remaining reimbursable cost of the existing facilities. Since it is estimated that the existing construction cost obligation will be repaid in about the year 2020 under the present contract, the water users would thus be allowed a period of approximately 60 years to repay the reimbursable costs of the Bully Creek extension, should either bill be enacted in its present form.

Subsequent to the making of the financial analysis in our project planning report, the Corps of Engineers completed a revised evaluation of flood-control benefits for the Vale project. A new cost allocation based on these revised flood-control benefits was prepared which resulted in decreasing the cost allocated to irrigation from $2,225,000 to $1,700,000. In view of this reduction in the cost allocated to irrigation and the determination that repayment of $1,700,000 in 50 years is within the amortization capacity of the water users, we recommend that whichever bill is acted upon favorably be amended to require repayment within a 50-year period. This may be accomplished by substituting for the last sentence of section 1 the following sentence:

"Said construction, however, shall not be commenced until the Vale (Oreg.) Irrigation District shall have obligated itself to repay such portions of the Federal costs of constructing, operating, and maintaining the facilities herein authorized as the Secretary finds properly allocable to irrigation: *Provided*, That the period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of the construction costs assigned to be repaid by the irrigators may be extended to fifty years."

We have been informed that a 50-year repayment period is agreeable to the board of directors of the Vale (Oreg.) Irrigation District.

In addition, we recommend the adoption of the following amendments:

1. In line 3, page 1, of either bill after the word "That" add a comma and the words "for the purposes of providing irrigation water, controlling floods, conserving and improving fish and wildlife, and providing recreational benefits,".

This additional language will indicate the purposes of the proposed undertaking of the Bully Creek extension.

2. After line 17, page 2, of either bill add a new subsection (b) which shall read as follows:

"(b) The Secretary may make such reasonable provision in the works authorized by this act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C., sec. 661, et seq.)."

In addition, designate the subsection beginning in line 18, page 2, as subsection (c), and substitute for the words "preservation and propagation" in lines 20 and 21, page 2, of S. 528 and line 21, page 2, of S. 639 the words "conservation and development."

These proposed amendments would specifically authorize the making of provision in the works of the Bully Creek extension of facilities to provide fish and wildlife benefits and would conform the language of section 2 to the language of the recently enacted Fish and Wildlife Coordination Act amendments.

3. In line 3, page 3, of either bill delete the word "either"; and in lines 5 through 7, page 3, delete the words "or to assume such allocations as an additional repayable and returnable obligation", and substitute therefor the words "and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with its requirements to achieve such benefits."

The bills would require the district, before it should assume the care, operation, and maintenance of the works, either to operate them in such manner as to achieve the fish and wildlife, flood control, and recreation benefits for which nonreimbursable allocations of costs would be made or to assume an obligation to repay the amounts of such allocations. We do not believe it would be in the national interest to permit a negation of the benefits for those purposes by a repayment to the Federal Government of the allocated cost thereof, and instead, we propose that the operation of the project be taken over by the United States in the event the district should fail to operate it in a manner which will produce these benefits.

A statement of personnel and other requirements that enactment of either S. 528 or S. 639 may entail is attached in accordance with the provisions of Public Law 801, 84th Congress.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

RECLAMATION REPORTS TO CONGRESS ON PROPOSED BULLY CREEK EXTENSION OF VALE PROJECT, OREGON

A favorable Bureau of Reclamation report on the engineering and economic feasibility of the Bully Creek extension of the Vale project in east-central Oregon has been forwarded to Congress, the Department of the Interior announced today.

The Bully Creek extension will provide a firm irrigation water supply to 2,990 additional acres of land widely scattered throughout the existing 32,000-acre Vale project in Malheur County of eastern Oregon. In addition the reservoir formed by the proposed Bully Creek Dam would provide valuable flood control regulation and benefit fish and wildlife and public recreation.

Project features would include a 98-foot-high earth dam on Bully Creek, a tributary of the Malheur River, and a 2½-mile feeder canal and 13 miles of new laterals. A 32,000 acre-foot reservoir will be created by the dam.

Commissioner of Reclamation Floyd E. Dominy said that a large percentage of the 2,990 acres to be served by Bully Creek water is presently under cultivation but can be irrigated only during good water years. The project not only will provide additional economic benefits for the farmers involved, but also will afford water savings by reducing the distance water must be conveyed, he said. Some water now is transported 60 miles from reservoirs above the projected area.

The estimated cost for the proposed irrigation facilities is $3,326,000. This cost is allocated as follows: Irrigation, $1,700,000; flood control, $1,497,000; fish and wildlife, $69,000; and recreation, $60,000.

The preliminary report, distributed to State and Federal agencies a year ago, allocated costs of only $947,000 to flood control, based upon an existing estimate of $56,000 in annual flood control benefits. A new survey by the Corps of Engineers gave a revised estimate of $122,000 in annual savings. This new estimate reduced cost allocations to irrigation from the 1957 figure of $2,225,000 which was to be repayable in about 60 years, to the present estimate of $1,700,000, which will be required to be repaid in the customary 50 years.

Commissioner Dominy said that the project has an extremely favorable benefit-cost ratio and that repayment prospects, based on past experience in the Vale area, are good. The proposed development is economically justified by benefits which exceed costs by over 3 to 1 over 100 years.

Mr. MORSE. Mr. President, I am pleased to rise to join my colleague [Mr.

NEUBERGER] in support of the Bully Creek extension of the Vale reclamation project, Calendar No. 606.

I wish to express my appreciation for the untiring efforts of my colleague, as we have worked on this project together over the years. It is a rather grand day for us, so far as we individually are concerned, but it is a much greater day for the people of the Bully Creek area, since there is every indication the bill is about to pass the Senate and to go on its way to the White House. It is a sound project, Mr. President.

I not only wish to express appreciation to my colleague for his work on the bill, but, as the junior Senator from Oregon has already done, I also wish to express appreciation to Representative ULLMAN, who stood shoulder to shoulder with us in our mutual struggle for this project over the years. Representative ULLMAN was successful this year in getting the House bill, which we are about to vote on in the Senate, passed in the House of Representatives.

There are some others to whom I wish to express gratitude. I first wish to express my thanks to the Senator from New Mexico [Mr. ANDERSON], who serves on the Committee on Interior and Insular Affairs. I have worked with the Senator, along with my colleague, on this project. I have had a good many conferences with the Senator from New Mexico about the project. I have received from him assurances from time to time, after he became convinced it was a sound project, that he would do everything he could to get the bill reported by the committee. He did exactly that.

I also wish to thank the majority leader, the Senator from Texas [Mr. JOHNSON], which whom I also have talked about this bill and to whom I wrote about the matter, asking for early consideration.

I desire to say, Mr. President, that the majority leader delivers. He received my letter, I think, early yesterday, and before the day was over he decided that today would be a good day to take the bill off the calendar and present it to the Senate. I wish to express to him my very deep gratitude. It is shared, I assure him, by my colleague [Mr. NEUBERGER]. We deeply appreciate the cooperation he has extended to the two Senators from Oregon in expediting the early handling of the bill by the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I appreciate very much what the senior Senator from Oregon has said about my limited and feeble efforts in connection with this good piece of proposed legislation. The junior Senator from Oregon talked to me about the subject on at least two occasions, and the senior Senator from Oregon talked to me about it. When I went into my office yesterday morning I found that the top letter on my desk was from the senior Senator from Oregon. I finally came to the conclusion that we could save time and that the best course to pursue would be to pass the proposed legislation, because if we did not we would have numerous conferences about it and more time would be consumed in discussing the project privately than would be consumed in passing it publicly.

Therefore, I want to say to both Senators from Oregon that I appreciate their interest in the proposed legislation and their cooperation. I am glad to have played some little part in bringing the bill before the Senate.

Mr. MORSE. Mr. President, I ask unanimous consent to have the letter which I recently wrote to the Senator from New Mexico [Mr. ANDERSON], in regard to this project, printed in the RECORD, as well as the letter I wrote to the majority leader about it.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 6, 1959.

Re S. 639.

Hon. CLINTON P. ANDERSON,
Chairman, Irrigation and Reclamation Subcommittee, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR CLINT: It gave me a great deal of pleasure to learn that favorable reports, with suggested amendments, have been supplied by the Department of the Interior and the Bureau of the Budget on S. 639, a bill to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon. The project is of special importance to eastern Oregon and the favorable report will enable us to make substantial headway on the project in the Congress.

You will recall that S. 639 is identical to a measure I introduced previously—S. 2144 of the 85th Congress. A companion measure, H.R. 968, introduced earlier this year by the Honorable AL ULLMAN, of Oregon's Second Congressional District, has received favorable consideration by the House Committee on Interior and Insular Affairs and is now on the Union Calendar of the House.

I have reviewed the amendments to S. 639 suggested by the Department of the Interior. Since H.R. 968, as reported, contains the substance of these amendments, it occurs to me as the sponsor of the bill, S. 639, that it might be helpful to indicate my complete willingness to accept the amendments of the House bill, as reported. This may be of some assistance to you in scheduling early hearings and action on the measure, to the end that the Senate may have the opportunity to consider this legislative proposal before the adjournment this summer.

I would like to urge that hearings on S. 639 be scheduled as soon as possible. The project is recommended by the Department of the Interior as a means of enlarging irrigation storage, increasing efficiency of the Vale project irrigation system and affording fish and wildlife and recreation benefits. It has an unusually high cost-benefit ratio.

The Department of the Interior made special reference to the fact that Bully Creek causes periodic flood damage. The project reservoirs would substantially reduce such damage.

The Bully Creek project is urgently needed and long overdue. Therefore, it is my hope that the committee will find it possible to take prompt action on the project. This, together with early House action on H.R. 968, will bring a very desirable project much closer to realization.

With best personal regards.

Sincerely,

WAYNE MORSE.

AUGUST 20, 1959.

Re H.R. 968, Calendar No. 606.

The Honorable LYNDON B. JOHNSON,
U.S. Senate,
Washington, D.C.

DEAR LYNDON: I am writing to you with respect to the bill, H.R. 968, in the hope that you will move to take up this bill, which is now pending on the Senate Calendar as order No. 606.

H.R. 968, which would authorize the construction of Bully Creek Dam in eastern Oregon, is the counterpart of my bill, S. 639, which was introduced in the Senate on January 23. It is identical to my bill, S. 2144 of the 85th Congress.

The Bully Creek Dam would be a dual purpose project. It would provide flood control and irrigation benefits. It is extremely important to the farmers of the area who have periodically suffered flood damages and water shortages. It would also make possible fish and wildlife and recreational opportunities.

The Bully Creek Dam project has an exceptionally high benefit-cost ratio of more than 3 to 1. It is unquestionably a project that is in the public interest.

Anything you can do to bring H.R. 968 to the floor of the Senate for action will be appreciated by the people of Oregon as well as by me.

With best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, my statement in support of the bill will be exceedingly brief.

For the past 2 years, I have been pleased to sponsor Senate bills providing for the construction of the Bully Creek Dam in the Vale Federal reclamation project of Oregon. My first bill relative to this project was S. 2144, of the 85th Congress, and the second was S. 639 of the 86th Congress.

My colleague [Mr. NEUBERGER] cosponsored the first bill, and my colleague introduced a companion bill this year. I think by this kind of joint action we have furthered, in the Senate, the cause of the proposed legislation.

This year H.R. 968, introduced by my very able House colleague, Representative AL ULLMAN, passed the House and is now before the Senate for consideration. As my colleague has pointed out, the Bully Creek extension of the Vale reclamation project has a dual purpose, flood control and water conservation for irrigation. The area is currently subject to periods of flood, which result in heavy damage to crops and lands. In fact, last year very serious flood damage occurred in this area again.

Following these floods come periods of drought and water shortages. The drought situation could be remedied if an adequate supply and delivery system of water could be worked out. At present irrigation water must travel as far as 60 miles to reach some of the lands on the project. Bully Creek Dam would provide a substantial water supply near the lands to be served, and would meet the needs of farmers who have long sought a constant source of supply for the project area.

The 32,000-acre-foot capacity of the reservoir would also permit irrigation of almost 3,000 additional acres. In years to come this additional acreage will well serve the needs of our rapidly growing population.

Mr. President, I ask unanimous consent that certain pertinent data from the report of the Senate committee be printed in the RECORD at this point.

There being no objection the excerpt was ordered to be printed in the RECORD, as follows:

The proposed Bully Creek extension, Vale project, Oregon, is a relatively small multiple-purpose development consisting of a 32,000-acre-foot reservoir on Bully Creek, a short feeder canal, and other incidental features which would provide supplemental water to 2,990 acres of land scattered throughout the existing Vale project.

The Vale project consists of 32,000 acres of water right lands which now receive an adequate irrigation water supply. There are approximately 2,990 additional irrigable acres within the boundaries of the Vale, Oreg., Irrigation District which are irrigated intermittently as water supply is available. The proposed Bully Creek extension would firm up the supply for these 2,990 acres as well as provide for much needed better regulation of the existing water supply for the Vale project.

Bully Creek Reservoir, when operated in conjunction with the existing Agency Valley and Warm Springs Reservoirs and with the authorized channel improvements of the Corps of Engineers would provide effective control of damaging floods which cause significant economic losses in the area. Fish and wildlife and recreation are other functions which would benefit also from construction of the proposed development.

It is estimated that the cost of the Bully Creek extension based on July 1957 prices, which are essentially the same as those of January 1959, is $3,326,000. This is allocated to irrigation, flood control, fish and wildlife, and recreation in the respective amounts of $1,700,000, $1,497,000, $69,000, and $60,000. The recreation allocation is the specific cost of facilities for this particular function.

The Vale, Oreg., Irrigation District would enter into an amendatory repayment contract to repay the irrigation allocation. The irrigators have considerable interest in the proposed development and the directors of the district have expressed willingness to repay the reimbursable costs in a 50-year period. Costs allocated to flood control, fish and wildlife, and recreation would be nonreimbursable in accordance with law and custom.

In addition to repayment of the reimbursable cost in 50 years, the development is justified in that benefits exceed costs. The benefit-cost ratios for a 100- and 50-year period of analysis are respectively 3.06 to 1.0 and 2.45 to 1.0.

The Bully Creek extension is needed to further stabilize the returns to local farm and business enterprises and to eliminate the adverse impact on the livestock-type farm economy of the area that results in years of serious water shortages for the 2,990 acres of extension land. Considering the favorable local support, repayment prospects and benefit-cost ratios, it appears that this proposed development would make a good addition to the Vale project and the Federal reclamation program.

COMMITTEE COMMENTS

The committee feels the Bully Creek extension of the Vale project, Oregon, is a worthy undertaking which is fully justified economically and also from an engineering standpoint.

Mr. MORSE. Mr. President, I close by again urging that the bill be passed.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 968) was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NEUBERGER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN DWELLINGS ACQUIRED IN CONNECTION WITH THE CHANTILLY AIRPORT SITE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 726, H.R. 4329. I am informed consideration of the bill will take a very brief time.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4329) to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly airport site, Virginia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERTSON. Mr. President, this is a bill to preserve an old and historic home, one of the very few frame houses of the 18th century which is still preserved in its original condition. It was purchased in connection with the development of an international airport at Chantilly, Va. Those in charge of the airport were quite reluctant to tear down this historic home, so when the contract was entered into for the construction of the airport, since this house is about 3 miles outside the actual airport limits, this and another old home were exempted from the contract of demolition.

A bill was introduced in the House of Representatives to transfer this home, which was built by Richard Bland Lee, the brother of "Light Horse" Harry Lee, who was the father of Gen. Robert E. Lee, to the Historic Society of Fairfax County. The other home will be torn down.

The bill unanimously passed the House of Representatives. The bill was favorably reported unanimously by the Senate committee. The bill was endorsed by the Administrator of the Federal Aviation Agency and was also endorsed by the Director of the Bureau of the Budget.

The report of the Senate committee says that no expense will be involved for the Federal Government, because no fee title to the land will pass.

This house is so close to the airport that it had to be bought. Nobody could stay in the house that close to where the jet planes will be landing and taking off. The noise would be too great. Therefore, the Government retains all of the purposes for which the land was acquired; ingress, egress, roads, power lines and everything. No fee title to the land will pass. The home will go to the Historic Society.

However, if the home is ever used for commercial purposes the title will revert to the Federal Government.

The home is too large, too old, and too fragile to be moved. It has no value as to moving. Those who have looked into the matter inform me that since it was exempted from the original contract, if the Government now went in to tear the house down and to remove all of the debris it would cost the Government more than the salvage value of the old timbers in the house, which is 200 years old.

So our distinguished colleague from Oregon objected to consideration of the bill on the call of the calendar on Monday, because he wished to be assured that no expense to the Government was involved in saving this historic home, fairly close to the airport, and letting the Historic Society of Fairfax County operate it for the benefit of all visitors who would like to go there and see how the Lee family lived 200 years ago.

It will cost the County of Fairfax a good deal of money for repair work, and, of course, the maintenance will be considerable.

I welcome this opportunity to assure my distinguished colleague from Oregon that this proposal is fully in keeping with his formula, that when the Federal Government transfers land it must not give it away merely because it wishes to be generous with someone.

Mr. President, I yield the floor in order that my colleague from Oregon may make a statement. He has a letter from the superintendent of the park service of Fairfax County.

Mr. MORSE. Mr. President, the bill is before the Senate on motion. I objected to consideration of the bill on the call of the calendar the other day because I was not satisfied that the Government was not giving away to a public body or other organization within the State of Virginia valuable Federal property for which it should receive 50 percent of the appraised fair market value.

After I objected, I was advised that a letter would be produced by the Fairfax County Park Authority, which would satisfy the Morse formula in regard to this property. I received the letter at my desk within the past 15 or 20 minutes. I have had an opportunity to read the letter.

I must advise my friend from Virginia that in my judgment the letter does not comply with the Morse formula. I wish to discuss the subject, and see if some adjustment can be made, although I fully appreciate the fact that on a few previous occasions I have been in the same position, when proposed legislation was passed after being taken up on motion.

I will say to the Senator from Virginia that one of the reasons I objected

to the bill the other day was that I thought it might have a great many corresponding features with a piece of property in the State of Oregon, with respect to which I objected to a bill being passed last year. I wish to be fair to the Senator from Virginia. That piece of property also involved a house. The house was transferred by the Government. Unfortunately I was not on the floor of the Senate when that happened, and that was very embarrassing to me. I did not know that the bill involving the house would be before the Senate on that occasion. I happened to be downtown at a luncheon at which I was the guest of honor when that measure passed. I did my best to make it clear that I did not even approve of that feature of the Oregon property transfer case, although I think it came pretty close to what may be called the de minimis situation involved in connection with the Virginia property.

What I do wish to make crystal clear is that the Oregon case to which I allude involved not only a frame dwelling house, but real property in the heart of the business center of Roseburg, Oreg., worth thousands of dollars.

I objected to the proposed gratuitous transfer of this extremely valuable Roseburg, Oreg., property which belonged at that time to all of the people of the United States. In registering this objection, upon the call of the Senate Calendar, to a gratuitous transfer of Federal property in Roseburg, I placed special emphasis upon the fact that the so-called Morse formula applies uniformly throughout the United States, including my home State of Oregon.

Mr. President, at this time I should like to make a brief statement regarding the bill, H.R. 4329.

H.R. 4329 would authorize the Administrator of the Federal Aviation Agency to convey, without cost, to any public or private organization of the State of Virginia, the so-called Sully buildings, which were acquired by the Federal Government in connection with the Chantilly Airport site in the State of Virginia.

The bill would also provide for the grant of an easement for the use of such land as might be necessary for the maintenance of the buildings for historic purposes.

Some of the buildings mentioned in the bill would be used for historic purposes while others would be dismantled without cost to the United States.

The Fairfax County Park Authority will take over and maintain the buildings for historical purposes at no cost to the Government.

According to Senate Report No. 721, prior to the sale of the property to the United States, the owners asked $175,000 for the property. We are discussing both real property and the property consisting of houses. It was appraised twice, resulting in valuations of $65,000 and $68,500. In condemnation proceedings, the court awarded $77,650. Using the highest appraisal of $68,500, the 38.99 acres of land involved would be valued at $13,656.50. The balance of $54,853.50 presumably would represent the value of the buildings—Report No. 721, page 4.

The bill contains a reversionary clause, to become operative in the event the property should be used for the purposes mentioned therein.

Senate Report No. 721 states:

> It is true that if the United States destroyed the buildings, some salvage would accrue to the Government, but to what amount is unknown, and the cost of destruction might be greater than that received from salvage.

I have looked into that matter; and in my judgment the cost of removing the buildings would be greater than any salvage value. I am advised that if the Federal Government proceeded to tear down the buildings the department would have to pay more to have the buildings destroyed than could possibly be realized from any old lumber or brick.

Mr. ROBERTSON. There is no question about that. They are too big to move on wheels, and to tear them down would cost more than the salvage would be worth.

Mr. MORSE. I think it is only fair to the Senator from Virginia that that point be made. That was also one of the contentions in regard to the Oregon house to which I previously referred—that even if it were used for salvage, the cost of getting it into a salvage state would be more than the value of the salvage. I try to be fair about these matters, and I think it is only fair to the Senator from Virginia that that point be stressed.

Quoting further from the report:

> If the Government decided to keep the buildings intact because of their historical significance, maintenance and custodial services would immediately become necessary, at Government expense.

I have gone into that matter, and I have found that it would involve considerable expense if the Government tried to maintain these particular houses as historic monuments.

Reading further from the report:

> On the other hand, if the bill becomes law and the buildings are conveyed to the Fairfax County Park Authority, custodial and maintenance services would start immediately, without cost to the United States.
>
> The result of the enactment of this legislation, your committee is confident, would be a significant addition to the historical areas near the seat of the Nation's Government, which are enjoyed by hundreds of thousands of our citizens each year.

I have talked with members of the committee. In their discussion with me they have tried to emphasize that they thought, in view of the fact that this is a national airport, and that a great many visitors will be brought to the area, the maintenance of at least one of these old houses—I believe the Senator from Virginia indicated that one would be torn down—would have considerable national interest because of their historic significance.

That is pretty difficult to evaluate, although we must bear in mind the fact that in the development of Federal projects, one of the things to which we give consideration is the recreational advantages to flow from the Federal project. But I would be less than honest if I did not say that I feel that I should take into account the alleged Federal interest which would flow from operation of one or both of these houses by the park authority as a historic site.

The letter which I have received from the Fairfax County Park Authority indicates that Sully is a frame structure having no salvage value if torn down; and that it probably would have been burned to clear the land if an arrangement for its preservation had not been made. Also, the cost of dismantling Leeton would exceed its salvage value by a considerable amount.

In view of the fact that that is true, we can forget about Leeton so far as the Morse formula is concerned, because we are dealing with something that has no value.

I tried to find out—but was unable to do so—how much it would have cost to take Leeton down, in excess of whatever salvage return we could realize from it. All I could get were approximations, but I do not believe in acting on the basis of unofficial approximations, at least. But apparently the cost would be somewhere in the neighborhood of $1,000 to $2,000 in excess of any return from the salvage.

It was pointed out to be by the authorities with whom I talked that the labor cost involved in taking down a building such as Leeton is exceedingly high when it is done by a wrecking company. That is something I was not aware of until I went into this matter. It was the opinion of the authorities with whom I talked that they would have to pay $1,000 or $2,000 over and above anything they could realize from the material which was torn down for salvage purposes.

We could not get them to put it into an official statement. Therefore, I cannot take it into account in my judgment in giving credit in the application of the Morse formula in respect to a sale. The public benefit from the preservation of this historic property I do not deny; in fact, I think it is desirable that this one historic site be preserved.

I wish to make clear, however, that we have no concern here about the real property, because a fee simple conveyance of real property is not involved, and the park authority, for the benefit of the people of the United States, will continue to improve the real property. We have a mere land-use arrangement covering about 4 acres, upon which the historic buildings are situated. This is completely different from the fee simple transfer of highly valuable land, without consideration, that was proposed in the Oregon land transfer case.

Since the Federal benefits, on the basis of the figures we have, as given to me, would come pretty close to any Federal cost, a pretty strong argument is made for this transfer.

I am disappointed in the letter which I received from the Fairfax County Park Authority. In my judgment, it does not give me the figures which I need in order to pinpoint the fact, because of my insistence on maintaining a consistent record on this matter, that the Federal

Government will not lose any money on the transaction.

Again, I wish to emphasize that we are not talking about a fee simple transfer of the real property; we are talking about the old houses, one of which is no good at all, even for historic purposes, and has to come down anyway. That is the Leeton house, as to which there is no value for the Federal Government. How much value there is in the Sully house, I do not know; I simply do not have the figures which would justify my saying here. I say to my good friend, the distinguished Senator from Virginia [Mr. ROBERTSON], in all honesty, that I am sure the Sully house meets the Morse formula. I would be less than honest if I did not say, though, that it comes awfully close. I am disappointed that the park authorities did not give me the figures I need. If they could tell me for certain that the cost of taking down Sully, by way of salvage, if it were decided to use it for salvage, would exceed its value—probably in the amount of $1,000 or $2,000—I would not be raising the question here today.

Without those figures, if the bill were on the Unanimous-Consent Calendar, I would still have to object to the transfer, because I would not have all the information on hand.

I shall vote against the bill which is now under consideration on motion, but I think this explanation, at least, is necessary for the record.

Mr. President, I ask unanimous consent that the letter I have received from the Fairfax County Park Authority be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FAIRFAX COUNTY PARK AUTHORITY,
Fairfax, Va., August 20, 1959.

Senator WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: You have raised a question with regard to H.R. 4329, which would transfer two historic mansions on the Dulles International Airport site, at Chantilly, to a public body for historical preservation purposes, inquiring whether any cost to the Federal Government is involved. We are writing to assure you there will be no such cost under this legislation.

The bill provides that Sully shall be transferred for historical preservation, and that Leeton shall be dismantled and its site restored to a satisfactory condition. It has been agreed by the proponents of this measure, including the Federal Aviation Agency, that the Fairfax County Park Authority shall be the public body to receive this property, to restore Sully, to dismantle Leeton, and to maintain and administer the Sully property, all of these operations to be done at no cost to the Federal Government.

This transfer relates only to the structure. The land concerned will be covered by reversionary easement, under which the FAA will retain its necessary rights to use the land for airport purposes, for fuel lines, powerlines, road construction, and other purposes for which it was condemned.

While much of the importance of this transfer is of an intangible nature, such as the preservation of historical property, its educational significance, its perpetuation of American traditions, etc., there is no cost to the Federal Government involved in the transfer, and all maintenance and restoration expenses following the transfer will be the responsibility of the Fairfax County Park Authority.

The terms of the transfer are reversionary and perpetuate the necessary interest and rights of the Federal Government in the property. The Federal Government paid for the structures and land through condemnation, as set forth in the Senate report, and continues to realize the benefits for which the purchase was made. A value was set for the structures under condemnation, but due to the Federal uses of the property, they represent no value that can be transferred. Sully cannot be used as a residence, and it cannot be moved because of expense and its physical construction; Leeton is to be dismantled, at the expense of the Fairfax County Park Authority.

Sully is a frame building of no salvage value if it were torn down; had it not possessed extreme historical significance, it would probably have been burned to clear the land. The cost of dismantling Leeton will be at least $2,500, to be borne by the Fairfax County Park Authority. What materials that can be salvaged will be used almost entirely for other historical reconstruction, and their sale, if they were to be sold, would not equal this cost.

Similarly, there will be no transfer of value with regard to the land itself. It will continue to be used for the Federal purposes for which it was condemned. The house and gardens cover about 4 acres, which will be used for additional public purposes under park authority management. If this were a fee simple transfer, the property might be assumed to have an approximate worth of 10 percent of the value stated in the Senate report; this would be $1,355, which can be reduced by 50 percent since it is to be used by the public at large, or $677. However, this is not a fee simple transfer, but a land-use agreement subject to reversion, and so no value is being transferred. Rather than representing a transferred value, this agreement will permit the Federal Government and the American people to realize perpetual benefits of incalculable value by the preservation of Sully as an historic monument for public use.

The anticipated expense to the Fairfax County Park Authority will be substantial. Sully is in good physical condition; but it will cost a number of thousands of dollars to restore it to its historical condition, to furnish it, to renovate its two stone associated structures, and to restore the gardens. The barn will have to be moved to make way for an airport gas line, this relocation to cost at least $500. Custodial personnel will have to be employed, at current salary levels, and vehicles and other equipment will have to be provided. A picnic area will have to be equipped. A new access road will be necessary in order to connect with airport road facilities. All of these expenses will be the responsibility of the Fairfax County Park Authority.

At the same time, the Federal Government will continue to derive benefit, in addition to its rights relating to airport operation. One of the reasons for preserving Sully is to provide an educational, historical monument which can be visited by passengers using the airport terminal 2 miles away. Were this to be a federally administered site, the Federal Government would be responsible for the transportation services. In principle, Sully will serve precisely the same function, not at Government expense, that is served by the many historical units of the National Park system which are supported financially by the Federal Government.

Therefore, not only is there no cost to the Federal Government involved in this legislation, but the terms of the bill are such that the Federal Government retains its necessary right to use the site for its own purposes, and the provisions are reversionary. For these reasons, we are confident you will withdraw your objection to this legislation.

Sincerely yours,

FRED M. PACKARD,
Parks Director.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MAKING OF LOANS BY THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 709, Senate Resolution 21.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 21) expressing the sense of the Senate concerning the making of loans by the Rural Electrification Administration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after *"Resolved"* and insert:

That it is sense of the Senate that the Rural Electrification Act of 1936, as amended, continue to be interpreted to authorize the making of loans for the construction of facilities to (1) bring electric service to persons in those areas defined in the Act as rural areas if such persons are in fact not receiving central station service, and (2) continue to serve those who are presently being served with the aid of funds loaned under the Act.

SEC. 2. It is further the sense of the Senate that the rural electric cooperatives and other systems which obtain funds from the Rural Electrification Administration and the electric power systems which obtain funds from other sources have performed an outstanding service in providing approximately 96 per centum of the farms in the United States with central station electric service; and it is the sense of the Senate that each of these segments of the industry should respect the customers and users, and the normal field of service of the other.

Mr. AIKEN. Mr. President, the resolution was unanimously reported by the Committee on Agriculture and Forestry. There is no need for me to make a speech on the subject; I simply ask unanimous consent to have printed at this point in the RECORD an explanation of the resolution as prepared by the committee staff. So far as I know, there is no opposition to the resolution.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

This resolution construes the Rural Electrification Act of 1936 as authorizing loans (1) to bring electric service to persons not in fact receiving central station service without regard to whether such service is otherwise available to them and (2) to provide continued service to persons who are already being served with the aid of REA funds. The resolution also commends the good work done by REA borrowers and by nonborrowers in providing rural electric service, and recommends that each of these segments of the industry should find its proper sphere of operation without infringing on that of the other.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) authorizes the making of loans for the purpose of financing the construction and operation of generating plants and transmission and distribution lines for the furnishing of electric energy to "[persons] in rural areas [who] are not receiving central station service." [Matter in brackets supplied.] Similar language appears in section 2 of the act. Both the General Accounting Office and the Department of Agriculture agree that the quoted language may be literally construed as authorizing loans to furnish service to an unserved person even though service is available to such person and the loan will create competition with an existing utility. However, the General Accounting Office, after studying the legislative history of the act, came to the conclusion in a recent opinion that the quoted language should be construed as—"* * * prohibiting the use of loan funds for construction of transmission lines and substations to furnish power to an area already served by private power companies when such companies are willing to provide adequate central station service to persons within the area who are not tied to the powerline."

In a subsequent opinion the General Accounting Office clarified this view further as follows:

"We contemplated only situations where the unserved persons were located on a powerline, that is, where the powerline ran to, or alongside of, the property to be served and where the owner of the powerline was ready, willing, and able to furnish adequate central station service at a reasonable price to the unserved person. We did not intend to imply that a loan could not be made for the purpose of furnishing electric energy to unserved persons located in areas generally served by a power supplier, such unserved persons not being on, i.e., located alongside of or adjacent to, the powerlines. In other words, we did not intend to imply that a loan could not be made to serve unserved persons who might be served by existing central stations if such stations extended their lines, such stations having lines in the general area of the unserved persons."

The Department of Agriculture asserted that these interpretations of the General Accounting Office were contrary to legislative history, judicial decision, and administrative practice and provided a formula which would be difficult to administer and would "deprive borrowers of all new lucrative loads, thereby imposing undue rate burdens upon the other consumers of the borrowers, impairing the Government's security interests and preventing completion of the area coverage job." The Department pointed out that it is impossible to serve any person without extending lines, and that the questions of reasonable distance and reasonable rates, as well as other aspects of the formula set out by the General Accounting Office, presented very difficult problems.

The Subcommittee on Agricultural Credit and Rural Electrification of this committee held hearings on this problem on March 5 and 6, 1959, and those hearings are available in printed form.

The General Counsel of the General Accounting Office expressed the views of that Office on Senate Resolution 21 at page 101 of the hearings as follows:

"Mr. KELLER. At the outset, Mr. Chairman, we wish to say that we have no objection to the approval of Senate Resolution 21. It would clarify a difference of opinion existing between our Office and the Department of Agriculture on the interpretation of the REA Act. Our letters to the Secretary of Agriculture pertaining to this matter, particularly those of October 15 and December 8, 1958, stated quite clearly that the only action we proposed to take in connection with the loan in question and the interpretation of the REA, was to report the matter to the Congress for whatever action the Congress might consider appropriate. In fact, we advised the Secretary of Agriculture we would take no other action in connection with the particular loan that was considered, or any action on future similar loans, in the absence of an expression of congressional intent to the contrary."

The various opinions, arguments, and views of the General Accounting Office, the Department of Agriculture, and others who appeared at the hearings are set out at great length and fully in the printed hearings.

After studying the arguments and authorities presented, the committee was uniformly in agreement that the law should continue to be interpreted as it has been interpreted in the past by the agency administering it, and that the act authorizes loans to bring electric service to unserved persons in rural areas and to continue service to such persons thereafter. The presence or absence of other sources of power in the area are not criteria bearing on the authority to make loans under the act.

While agreeing with the Department of Agriculture on the proper interpretation of the law in this respect, the committee wishes to commend the General Accounting Office for bringing to the attention of the Department concerned and to Congress questions such as this one where the interpretation of the law by the General Accounting Office differs from that of the administering agency.

The committee has recommended new language for the text of the resolution and also for the recitals preceding the resolving clause. The first section of the committee substitute for the text is identical in purpose to the text of Senate Resolution 21, as introduced. It puts in repose, insofar as that can be done by Senate resolution, all questions as to the authority for past loans which might be based on the availability of other service. It restates the authority to make loans to bring service to unserved persons and to improve and continue the service so brought to such persons. The committee amendment, however, makes it clear that the resolution relates only to persons in rural areas, as that term is defined in the act; and that the committee is not by reference adopting all of the views or arguments set out in any of the lengthy letters referred to in the resolution as introduced.

In the course of the hearings it became apparent to the committee that in addition to the question as to the correct interpretation of the law, more difficult questions may be raised by overaggressive competition between REA borrowers and other suppliers of electric energy. The committee feels that both segments of the industry have done an outstanding job in bringing service to the farms of this country, and section 2 of the committee substitute commends them for that reason, but states further the sense of the Senate to be that each should respect the customers and users and normal field of service of the other.

The committee amendment to the recitals of the resolution is designed to eliminate references to the letters of the Comptroller General and the Acting Secretary of Agriculture, and thereby preclude any indication of approval of each of the many contentions made in those letters.

Mr. JOHNSTON of South Carolina. Mr. President, what the Senator from Vermont has said is true. The resolution was reported unanimously by the committee. I am glad it is being considered at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

The preamble was amended, so as to read:

Whereas a difference of opinion has arisen between the Comptroller General and the Secretary of Agriculture over the interpretation of the Rural Electrification Act of 1936, and whereas the interpretation of the Rural Electrification Act proposed by the Comptroller General could adversely curtail the future great potential of the rural electrification program: Now, therefore, be it

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. AIKEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, the Senate has agreed to Senate Resolution 21. Its purpose was to establish in unequivocal language the sense of the Senate regarding the purposes and future operation of the rural electrification program under the Rural Electrification Act of 1936, as amended.

As one of the cosponsors of this resolution, which I believe was necessary to preserve REA and to insure the continued progress of rural America's most successful program, I feel impelled to review, for a moment, the background of the rural electrification program, and then to explain briefly why this resolution was needed so urgently at this time.

This is the background.

Less than 11 percent of rural America had the advantages of central-station electric light and power when the REA program was launched in 1935. Now, a scant 24 years later, more than 95 percent of our farm homes and other rural establishments have such power. This is a magnificent achievement when we consider that during this short period we waged two wars which virtually cut off the supply of materials and manpower for rural electrification development for several years. Perhaps the achievements of rural electrification become more apparent when we consider that the area coverage principle has always guided the program. Area coverage simply means that any person, real, or as defined by law, is entitled to electric service if he is located in a rural area and does not have central-station electric service.

To follow this principle has meant that the rural electric cooperatives and other organizations financed by REA have served many people who are located far from cities and towns. There are rural electric systems which average fewer than one consumer per mile of line. This kind of service—long distances between meters—is expensive service. Yet, REA borrowers have repaid more than $1 billion in principal and interest, and to this date only one of the nearly 1,000 electric borrowers is delinquent in making repayments.

Truly, this is a remarkable record.

Last year a ruling was rendered by the Comptroller General which threatened the entire REA program.

The basic issue created by the Comptroller's ruling came down to the question of what is an "unserved person"?

Since 1935 the REA Administrator has made loans to bring electric service to "unserved persons" in rural areas, as stated in section 2 of the Rural Electrification Act. The Comptroller maintained that the act really meant "unserved areas."

To dispel any questions which have arisen, or which may arise in the future regarding the meaning of the act, it was our responsibility to express the sense of the Senate with respect to the words contained in the Rural Electrification Act, as amended.

In my opinion, the Senate in its desire to have the rural electrification program continue to serve rural America as it has done so successfully in the past 24 years, adopted Senate Resolution 21 with the intention that the act and the resolution would insure that the REA program might continue to extend electric service to all persons in rural areas who are, in fact, not receiving central station electric service.

CROOKED RIVER FEDERAL RECLAMATION PROJECT, OREGON

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 607, S. 1221.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1221) to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. NEUBERGER. Mr. President, in 1956 the Crooked River reclamation project, in central Oregon, was authorized by Congress. At that time my colleague, the distinguished senior Senator from Oregon [Mr. MORSE], and I sponsored legislation which resulted in this very feasible irrigation project, which has a high benefit-to-cost ratio, being approved by Congress and by the President.

Subsequent to the passage of the bill, the engineers of the Bureau of Reclamation discovered that it would be possible to add some 2,890 supplemental acres to the 20,000 acres authorized in the original bill. It was learned that if those acres were added at the time of the construction of the entire project, the cost would be $480,000. However, if there were delays in the building of the canals and other irrigation works for those acres, the cost would be $680,000, or an additional $200,000.

Therefore, the Committee on Interior and Insular Affairs, under the wise leadership of the Senator from Montana [Mr. MURRAY] and the Senator from New Mexico [Mr. ANDERSON] has approved the bill before the Senate to add 2,890 acres to the Crooked River project.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated July 27, 1959, to Senator MURRAY from Assistant Secretary of the Interior Fred G. Aandahl, recommending the enactment of the bill. The bill makes sense. It contains wisdom. It is sound financially. I thank the majority leader for bringing it before the Senate at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 27, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This responds to your request for the views of this Department on S. 1221, a bill "To amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands."

We recommend that the bill be enacted.

The act of August 6, 1956 (70 Stat. 1058), authorized the construction of the Crooked River project, Oregon, to irrigate approximately 20,000 acres of land in Crook County, Oreg. In addition, it was contemplated that the storage capacity in the works would make available an estimated average of 51,000 acre-feet of water annually for use on lands other than the 20,000 acres mentioned above.

The Bureau of Reclamation of this Department is currently investigating the feasibility of serving an area consisting of approximately 2,900 acres with a portion of the surplus water supply. This area is contiguous to the service area which would receive water under the project as heretofore authorized, and could be served by using the diversion dam headworks, main canal, distribution canal, and pumping plants of the authorized project. However, this can be accomplished only if additional capacity is built into certain of the project supply facilities. The estimated cost of providing such additional capacity is $480,000.

S. 1221 would amend section 1 of the act of August 6, 1956, supra, by adding a provision which would specifically authorize the enlargement of the facilities below the reservoir to permit the delivery of water to the additional 2,900 acres of land, and the deferral of the repayment of the cost of providing the extra capacity until such time as those lands would be brought into the project. It would authorize, also, such appropriations, in excess of the amount of appropriations previously authorized for the Crooked River project, as would be required to make provision for the additional capacity. The bill would not affect in any other respect the provisions of the 1956 project authorization act, and all of the provisions of that act would be applicable to the facilities which would be enlarged should S. 1221 be enacted. It should be pointed out that the enactment of this bill would not authorize the construction of any new facilities; the construction of new facilities that may be needed for the purpose of serving the 2,900-acre area will require authorization action at some time after the current feasibility study will have been completed.

Since it is expected that the invitations to bid on the diversion dam and the main canal will be issued shortly, it is important that legislation such as that which is contained in S. 1221 be enacted promptly if the specifications are to be prepared in a manner which would accommodate irrigation service to the 2,900-acre area. If provision is not made for enlargement of the authorized facilities to serve these 2,900 acres, the cost of independent facilities would be prohibitively expensive and it is doubtful if service to this area ever would be feasible.

The Bureau of the Budget has advised that, while there would be no objection to the submission of such report as we deem appropriate, it believes that action on the bill should be deferred until a feasibility report on the extension irrigation unit to be served is submitted to the Congress or, in the event the committee determines early action on the bill is advisable, the bill should be amended to provide that actual construction of the enlarged facilities shall not be initiated until such a feasibility report is submitted. A copy of its July 24 letter to this Department is enclosed in accordance with its request.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Mr. MORSE. Mr. President, I wish to supplement what my colleague [Mr. NEUBERGER] has said about the bill. I consider the Crooked River project one of the most important of all our western reclamation projects, because it is a bellwether project. It is the first of all the projects as to which Congress approved the principle that power revenues from a multiple-purpose dam should be used, in part, to pay for the reclamation development. The junior Senator from Oregon [Mr. NEUBERGER] and I were successful in putting through the Senate what I have always referred to as a sort of pilot bill in respect to this project. I predicted then, and repeat my prediction today, that in the years to come it will become one of the pattern type pieces of legislation which will be used for western reclamation projects, because it is in line with the principle and policy which we know as the basin-wide approach to reclamation project developments.

This is an exceedingly sound bill. It simply proposes to enlarge the project so that more acres will come under its service.

Mr. President, I ask unanimous consent that certain pertinent paragraphs from the committee report, which speak for themselves, be printed at this point in the RECORD. They constitute, in my judgment, the best argument which can be presented in support of the bill. I urge the passage of the bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The presently authorized Crooked River project (Public Law 992, 84th Cong., Aug. 6,

1956, 70 Stat. 1058) provides for 97,700 acre-feet of unassigned space in the Prineville Reservoir for future use to serve lands in the Deschutes River Basin other than the approximately 20,000 acres in the authorized project. This reservoir is now under construction. A field study has been completed recently by the regional director of the Bureau of Reclamation of the feasibility of using a portion of the unassigned space to irrigate a relatively small area known as the Crooked River project extension.

The extension lands consist of 2,890 acres located adjacent to and above the lands of the authorized Crooked River project. Water for the extension area would be carried for part of the way through certain of the authorized facilities of the Crooked River project. To permit this would require the construction of the facilities to sizes somewhat larger than authorized as indicated in the following tabulation:

Crooked River project facility	Authorized size	Required enlarged size
	Cubic feet per second	*Cubic feet per second*
Diversion canal headworks	115	140
Diversion canal (8 miles long)	115	140
Barnes Butte pumping plant	78	102
Distribution canal (5.9 miles long)	78	102
Ochoco relift pumping plant	34	60

Studies to date by the Bureau of Reclamation indicate that the extension would be economically justified and a desirable addition to the Crooked River project. A report will be prepared and submitted to the Congress as a basis for authorization of the full works necessary to serve the extension lands.

Enactment of S. 1221 would authorize enlargement of the presently authorized Crooked River project works to permit service ultimately to the extension lands. The cost of such enlargement is estimated at $480,000. If it were necessary to enlarge the facilities after their construction initially to the sizes currently authorized, it is estimated the cost of enlargement would be $680,000, or an increase in cost of $200,000. This increase in cost plus related increased operation, maintenance, and replacement costs would adversely affect the potential extension development.

The construction schedule for the Prineville Reservoir, due to be completed in the spring of 1961, requires that construction of all of the other Crooked River project facilities be initiated no later than June of 1960. In fact construction of the diversion canal should be started this calendar year. Considering the time required to make final designs, prepare specifications, advertise bids, and award contracts, congressional permission to proceed with the enlarged facilities must be granted this sesion if the opportunity to save $200,000 in developing the full potential of the Crooked River project is to be realized.

From all facts presented, it appears that the interest of the Federal Government could be best served by permitting work to proceed immediately on the enlargement of the authorized facilities.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representativs of the United States of America in Congress assembled, That section 1 of the Act entitled "An Act to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon," approved August 6, 1956 (70 Stat. 1058), is amended by adding to that section the following: "The Secretary of the Interior is hereby authorized to construct extra capacity in the canal below said reservoir and pumping plants located on the canal for the future irrigation of approximately three thousand acres of land, in addition to the presently proposed development, and to recognize the cost of providing such extra capacity as a deferred obligation to be paid under arrangements to be made at such time as the additional area may be brought into the project."

SEC. 2. There are hereby authorized to be appropriated such sums, in addition to the sum of $6,339,000 authorized to be appropriated for the Crooked River Federal reclamation project in section 5 of the Act of August 6, 1956 (70 Stat. 1058), as may be required to carry out the purposes of this Act.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NEUBERGER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADJUSTMENT OF IRRIGATION CHARGES AGAINST INDIAN-OWNED LANDS, WIND RIVER INDIAN IRRIGATION PROJECT, WYOMING

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 608, Senate bill 1216.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1216) to approve an order of the Secretary of the Interior adjusting certain irrigation charges against Indian-owned lands under the Wind River Indian irrigation project, Wyoming.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to approve the recommendations of the Department of the Interior with respect to a secretarial order canceling and adjusting irrigation charges of certain non-Indian landowners on the Wind River Indian irrigation project, Wyoming.

The details of the effect of S. 1216 are set forth in the following communication, dated February 2, 1959, from the Department of the Interior, which was supported by oral testimony at a hearing before the Subcommittee on Irrigation and Reclamation on July 27, 1959.

The bill was reported by the Senator from New Mexico [Mr. ANDERSON], from the Committee on Interior and Insular Affairs.

I hope the bill will be passed.

The PRESIDING OFFICER. If there be no amendment to be submitted, the question is on the engrossment and third reading of the bill.

The bill (S. 1216) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the provisions of the Act of June 22, 1936 (49 Stat. 1803; 25 U.S.C. 389–389e), the order of the Secretary of the Interior canceling $36,439.70 of delinquent irrigation charges, plus accrued interest thereon, and providing for the deferred payment of $8,706.27, as shown on schedules A, B, and C, which are referred to in such order, is hereby approved: *Provided,* That the cancellation of $2,093.14 under schedule B shall not become effective until the landowners have executed contracts as provided in the Act of June 22, 1936, agreeing to pay the balance of such delinquent charges amounting to $1,556.40.

CONTROL OF NOXIOUS PLANTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 654, Senate bill 861.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 861) to provide for the control of noxious plants on land under the control of the Federal Government.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. Senate bill 861, to provide for the control of noxious plants on land under the control of the Federal Government.

Mr. HUMPHREY. Mr. President, this bill does three things:

First. It would authorize any State commissioners of agriculture or other proper agency head of any State in which there is in effect a program for the control of noxious plants to enter upon any Federal land in such States in order to destroy by appropriate methods noxious plants growing on such land.

However, this could be done only if, first, prior permission has been obtained from the agency head administering such Federal land; second, the same procedure required by the State program has been followed on privately owned land; third, the Federal agency involved has failed to comply with the requirements of such program; and fourth, the State program is acceptable to the head of the Federal agency concerned.

Second. It provides for Federal reimbursement to the State for the expenses incurred through the application of the control program to Federal lands, and

Third. It authorizes an appropriation of such sums as Congress determines necessary to carry out the purposes of the act.

REASONS FOR PASSAGE OF THE BILL

This bill would facilitate and further the destruction of noxious weeds by providing a method for intensified control

programs by the States individually as well as through cooperate efforts with the Federal Government.

In order to be effective control work must be thorough. The eradication of noxious weeds on private and State lands becomes impossible if adjoining Federal lands are allowed to become breeding grounds for these weeds.

Mr. President, this bill was reported unanimously by the Senate Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading and engrossment of the bill.

The bill (S. 861) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioner of Agriculture or other proper agency of any State in which there is in effect a program for the control of noxious plants may enter upon any land in such State under the control or jurisdiction of a department, agency, or independent establishment of the executive branch of the Federal Government, with the permission of and in accordance with the program acceptable to the head of such department, agency, or independent establishment, and destroy by appropriate methods noxious plants growing on such land if—

(1) the same procedure required by the State program with respect to privately owned land has been followed; and

(2) the department, agency, or independent establishment involved has failed to comply with the requirements of such program.

SEC. 2. To the extent that funds appropriated to carry out the purposes of this Act are available therefor, any State incurring expenses pursuant to the first section of this Act shall be reimbursed, upon presentation of an itemized account of such expenses, by the head of the department, agency, or independent establishment of the executive branch of the Federal Government having control or jurisdiction of the land with respect to which such expenses were incurred.

SEC. 3. There is hereby authorized to be appropriated to departments, agencies, or independent establishments of the executive branch of the Federal Government such sums as the Congress may determine to be necessary to carry out the purposes of this Act.

FARM ADMINISTRATION

Mr. HUMPHREY. Mr. President, I move that the Senate turn to consideration of Calendar No. 655, S. 662.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. Calendar No. 655 (S. 662) a bill to amend section 8(b) of the Soil Conservation and Domestic Allotment Act to provide for administration of farm programs by democratically elected farmer committeemen.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, this bill is, I believe, identical with the bill which passed the Senate last year.

This bill is designed to strengthen the farmer committee system. It is identical in substance to S. 1436, as passed by the Senate last year and deals with election procedures, functions and other aspects of the committee system. It is designed to provide an election system which will produce farmer committees representative of all the farmers in the county or community. It is further designed to improve the system by clarifying the authority and duties of the committees.

During the 23 years since section 8(b) of the Soil Conservation and Domestic Allotment Act was enacted, the advantages of a democratically elected system of farmer committees has been evident. The need to strengthen and improve the system and to provide by law for many of the procedures which, in the past, have been covered by regulation has also become evident. Hearings held by the committee in Washington and Missouri in 1955 and 1956 in connection with S. 544, a predecessor to S. 662, particularly disclosed the need for certain amendments.

The changes made by the bill are fully described in the committee report Some of the more important changes are as follows:

First. At present only farmers who participate in certain programs are eligible to vote for, or hold office on, the local committee. The bill would extend these rights to all farmers within the local area.

Second. The local committee elections would, in all cases, be held in open meeting by secret ballot, where there would be an opportunity for discussion and the interchange of views.

Third. Election of local and county committees would be conducted by the incumbent local or county committee, respectively, rather than by county and community election boards.

Fourth. All farmers in the county would have an opportunity to vote for members of the county committee. At present only the delegates to a county convention are given the right to vote for the county committee. In the future the county convention would serve only as a nominating convention, and all farmers would then be given an opportunity to participate in the election and might vote for candidates nominated either by the convention or by petition.

Fifth. County committee members would serve for staggered terms of 3 years, so that two experienced members would hold over each year. At present all members are elected annually.

Sixth. The bill makes it very clear that general responsibility for carrying out programs in the county would rest with the county committee; and that the county office manager would serve at its pleasure and at its direction. The hearings conducted by the Senate Committee on Agriculture and Forestry in 1955 and 1956 disclosed that in many counties the office manager was superseding the county committee in determining the policies of the office.

Seventh. The bill spells out the rights to be accorded to any local or county committee member before he can be removed from office by the State committee. These rights require that removal be only by majority vote after a statement of charges has been furnished and he has been advised of his rights and given an opportunity for a fair hearing.

Eighth. The bill further would prohibit the Secretary from limiting the number of terms for which local committee members might be elected. In 1954 Congress enacted such a prohibition with respect to county committee members.

THE COMMITTEE AMENDMENTS

The committee amendments are of a technical nature and make no change in the purpose of the bill. One of the committee amendments would prevent the bill from repealing language inserted by the Alaska Omnibus Act this year. The other would allay the fears of some soil conservation districts by giving them double assurance that the bill does not require the Secretary to transfer Soil Conservation Service functions to the farmer committees. Both amendments are explained on page 4 of the committee report.

Mr. President, there are other particular provisions which the Senate Committee on Agriculture and Forestry has felt would improve greatly the farmer-elected committee system which is the backbone of the agricultural program.

I recommend that the bill be adopted and approved by the Senate.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 662) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective January 1, 1960, section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by striking out the fourth to the seventeenth sentences, inclusive, thereof and inserting in lieu thereof the following: "In carrying out in the continental United States, except in Alaska, the provisions of this section, acreage allotment and marketing quota programs, and such other farm programs requiring dealing on individual farms as the Secretary may deem fit, but not including any functions performed by the agency established pursuant to section 5 of this Act, the Secretary is directed to utilize the services of local, county, and State committees selected as follows:

"(1) LOCAL COMMITTEES.—The Secretary shall designate local administrative areas as units for administration of the programs described above. No such local area shall include more than one county or parts of different counties. Farmers within such local area shall elect annually by secret ballot from among their number in open meeting a local committee of three members for such area, together with first and second alternate members who shall serve in that order in the absence of committee members. Election of local committee members and alternates for any year shall be conducted by the local committee serving at the time of such election. Public notice of such election shall be given by the then serving county committee at least two weeks prior to the date of such election. Candidates for election shall be selected only by nomination from the floor. The local committee shall elect from its members a chairman and a vice chairman. The local committee shall select a secretary and may utilize services made available by the county committee for such purpose.

Failure by any local area to elect a local committee prior to the holding of a nominating convention shall not affect the annual election for the county committee, but such local area shall not be represented at the county nominating convention. The county committee elected at such election shall provide promptly for the election of such local committee by any means prescribed by regulations.

"(2) COUNTY COMMITTEES.—The chairmen of the local committees (or vice chairmen in the absence of chairmen) shall, in a county nominating convention, nominate annually one or more farmers within the county for each position on the county committee and for each position of alternate member on the county committee. Additional nominations may be made by petitions signed by not less than ten farmers eligible to vote. The county committee shall consist of three members. There shall also be first and second alternate members who shall serve in that order in the absence of committee members. The nominating convention shall be called by the county committee then serving, which shall give the chairman of each local committee at least two weeks' notice of the date of such convention. The county committee then serving shall, immediately following such convention, give public notice of the names of the persons nominated at such convention and of the time and place fixed for the filing of additional nominating petitions and of the time and place fixed for the election, which shall be held not earlier than fifteen days following such notice. Such elections shall be by secret ballot upon which the names of all the candidates properly nominated shall appear, and shall be conducted by such committee either by mail or at one or more public polling places. Each farmer in the county shall be entitled to vote at such election, and may vote for any of the nominees named by the nominating convention or by qualified petition. The votes shall be counted by the county committee conducting the election. The ballots shall be preserved for such period as the Secretary, by regulation, may prescribe. The committee conducting the election shall certify the results of the election to the State committee. The three candidates receiving the highest number of votes shall be declared committee members; the candidate receiving the next highest number of votes shall be declared first alternate; and the candidate receiving the next highest number of votes shall be declared second alternate. Beginning with the regular election in 1960, one member of the county committee shall be elected for a three-year term, one for a two-year term, and the third for a one-year term. In subsequent years, one member shall be elected for a three-year term to succeed the member of the county committee whose term is expiring. The county committee shall elect from its members a chairman and a vice chairman. The county committee shall select a secretary. The county agricultural extension agent shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee.

"(3) PROVISIONS APPLICABLE TO LOCAL AND COUNTY COMMITTEES.—Special elections for the purpose of filling vacancies not filled by alternate members, occurring at least sixty days prior to the time for holding an annual election, in the membership of a local or county committee shall be held as expeditiously as possible, and shall be held in the same manner and subject to the same restrictions as annual elections, except that only five days' notice of the nominating convention shall be required. The State committee may, if it deems necessary, appoint temporary committee members to serve pending any such special election, or to fill vacancies not filled by alternate members occurring less than sixty days prior to an annual election. County and local committees authorized by this section shall be administratively responsible to the Secretary of Agriculture for the conduct of farm programs assigned to them. The county committee, subject to the general direction and supervision of the State committee, and acting through community committeemen and other personnel, shall be generally responsible for carrying out in the county the programs assigned to it by the Secretary or the Congress. In so doing, the county committee shall employ a county office manager subject to standards and qualifications furnished by the Secretary. The county office manager shall serve at the pleasure of the county committee, and subject to the direction and supervision of it, shall execute the policies established by it, be responsible for the day-to-day operations of the county office, and employ the personnel of the county office in accordance with standards and qualifications furnished by the State committee.

"(4) STATE COMMITTEES.—In each State there shall be a State committee for the State composed of three farmers or five farmers who are legal residents of the State. One member, if the State committee is composed of three farmers, or two members, if the State committee is composed of five farmers, shall be appointed by the Secretary from nominees elected by the members of the county committees at an election to be held on a date or within a period of time fixed by the Secretary which will afford full opportunity for participation therein by all county committee members: *Provided*, That such date or period of time shall fall between July 1 and December 30 each year. Three nominees shall be so elected if the State committee is composed of three farmers, and six nominees shall be so elected if the State committee is composed of five farmers. A member so appointed from nominees shall take office on the first day of the month next after his appointment and shall serve for twelve months or until a successor has been similarly appointed and qualified. Any member so appointed from nominees shall be subject to removal by the Secretary only for cause. The other members of such committee shall be appoined by, and serve at the pleasure of, the Secretary, one of whom shall be designated as chairman. The State director of the Agricultural Extension Service, or his designated alternate, shall be ex officio a member of such State committee, and shall be in addition to the number of members of such committee hereinbefore specified.

"(5) REMOVAL OF LOCAL AND COUNTY COMMITTEE MEMBERS.—The State committee may remove a local or county committee member from office, but only by majority vote after furnishing such member with a statement of the charges against him, advising him of his rights, and giving him an opportunity for a fair hearing at which, if requested by such member, a representative of the Secretary shall be present. The State committee shall cause a transcript of the proceedings at any such hearing to be made and a copy thereof to be furnished to such member. Pending such hearing the State committee may by majority vote suspend such member, but no such suspension shall exceed sixty days unless such hearing is delayed at the request of such member. Such member may appeal from the decision of the State committee to the Deputy Administrator of the Commodity Stabilization Service, or such other officer or employee of the Department of Agriculture as the Secretary may designate. All pertinent and material evidence may be presented at such appeal.

"(6) For the purposes of this subsection, the term 'county' shall include any consolidation effectuated by the Secretary by joining any actual county or counties with any adjacent county upon the determination that each such county or counties being joined therewith has less than fifty farms on which farming operations are actively being carried out; and shall include the administrative subdivision of the counties of Otter Tail, Polk, and Saint Louis, in the State of Minnesota, and the county of Pottawattamie, in the State of Iowa, as authorized by the Act of September 2, 1957 (71 Stat. 601).

"(7) REGULATIONS.—The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through the committees, of such programs."

SEC. 2. Section 503 of the Agricultural Act of 1954 is amended by inserting after the word "county" the words "or local".

SEC. 3. Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the second sentence thereof.

SEC. 4. Section 392 of the Agricultural Adjustment Act of 1938 as amended, is amended by changing the last sentence of subsection (b) to read as follows: "A statement of the names and addresses of the members and employees of any county or local committee, and the amount of such compensation received by each of them, shall be kept freely available for public inspection in the office of the county committee for a period of five years following the close of the calendar year in which such compensation was received."

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO DIRECT PAYMENT OF CERTAIN EXPENSES

Mr. HUMPHREY. I understand that there is lying at the desk the amendment of the House of Representatives to S. 900, which previously has been passed by the Senate. I ask the Chair to lay before the Senate the House amendment.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes, which was on page 1, line 5, strike out all after "is" over through and including "surveying."." in line 4, page 2, and insert "further amended by deleting the word 'dispositions' from the second sentence of said subsection (b) and inserting in lieu thereof the words 'utilization of excess property and the disposal'."

Mr. MANSFIELD. Mr. President, what bill is being considered at the present time?

Mr. HUMPHREY. S. 900, passed by the Senate and the House. The House has adopted certain technical amendments which the Committee on Government Operations has asked me to call up for acceptance.

I move that the amendment of the House, since it is only technical in nature, be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

Mr. HUMPHREY. Mr. President, I want to make a statement for the record that this has been cleared with the minority on the committee, so that there is no doubt that this action is in order.

AMENDMENT OF NATIONAL SCIENCE FOUNDATION ACT OF 1950

Mr. MANSFIELD. Mr. President, I move that the Senate turn to consideration of Calendar No. 738, S. 2468, so that it may be made the pending business.

The PRESIDING OFFICER. The clerk will read the bill by title for the information of the Senate.

The CHIEF CLERK. Calendar No. 738, (S. 2468), a bill to amend the National Science Foundation Act of 1950, as amended, and for other purposes.

ONE HUNDREDTH ANNIVERSARY OF THE PONY EXPRESS

Mr. KUCHEL. Mr. President, the centennial observance of one of the most colorful interludes in the full emergence of the United States into a nation extending across the continent, the opening of service by the Pony Express, will be celebrated on April 3, 1960. The native sons of the golden West, and the native daughters of the golden West, look forward to the commemoration of this unique historic event.

Because this romantic institution meant so much to the future of the State of which I am a native son, I was happy recently to join with several of my colleagues, including the senior Senator from Utah [Mr. BENNETT], in proposing a resolution authorizing the President to take appropriate steps to commemorate this significant event. Today the resolution received approval of the committee to which it was referred.

The 100th anniversary of the first trip will be celebrated with ceremonies in the capital of my State, Sacramento, in tribute to the band of daring riders who, day and night, summer and winter, for a period of 19 months, galloped courageously over dusty plains and dangerous mountain trails to link the still young State of California with thriving commercial centers of the Middle West and the Eastern half of the country.

While credit for the conduct of this spectacular service goes to the operators and the riders, inauguration of the Pony Express is a direct consequence of the imagination and persistence of one of my distinguished predecessors, Senator William M. Gwin, one of the two first members of this body from the 31st State. It was Senator Gwin, who served in the 31st through the 36th Congresses, who induced William N. Russell, partner in the great long-distance freighting firm of Russell, Majors & Waddell, to demonstrate the practicability of a central mail route by establishing the Pony Express.

The Pony Express may have enjoyed only a brief life yet its contribution to the development of our Nation was tremendous. Until telegraph wires connecting the Atlantic and Pacific shores were linked in October 1861, the daring riders of the wiry Indian ponies afforded the fastest communication ever provided by man and animal. In the giant relay, some 80 riders used about 75 ponies in each direction for first weekly and later semiweekly trips. The chain of stations recalls romantic names in the history of America's development—Fort Kearney, Scotts Bluff, Fort Laramie, and Fort Bridger—and the route traversed some of the most forbidding territory in unsubjugated Indian lands.

The feats of riding and horsemanship were sensational. Each rider was allowed only 2 minutes to transfer his saddlebags to a fresh pony at stations. Many a rider was forced to outrun hostile Indians to get the mail through.

Before the present session adjourns, I trust it will be possible to take favorable action of Senate Joint Resolution 132, which formally recalls and provides recognition for this truly fascinating episode in American history.

The Library of Congress has furnished me with a concise review of the romantic Pony Express, which I ask leave to have included as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REVIEW OF HISTORY OF PONY EXPRESS

Next April 3 will mark the 100th anniversary of the founding of the Pony Express—one of the most colorful episodes in the history of our country. The Pony Express only existed a bare 19 months, from April 3, 1860, when the first buckskin pouch left St. Joseph, Mo., to November 20, 1861, when the last delivery left Sacramento, Calif., eastward bound. Yet this service made a deep impression on the times far out of proportion in importance to its brief duration. It proved of far greater significance than merely a life of glorious adventure to some 80 young men as has been so often depicted in western films. The Pony Express was instrumental, most of all, in binding the country together, in linking distant California to the more populous East. It gave the West the fastest form of communication known up to that time. John Butterfield's famous overland mail covered this 2,000-mile distance by a lengthy circuitous southern route in 22 days. The Pony Express cut this time in half. On special occasions when it carried Buchanan's farewell address and later Lincoln's inaugural address, it established records of 8 days. Further, the Pony Express demonstrated that a central rather than a southern route across the continent would expedite the carrying of mail to the west coast. It also proved the feasibility of a transcontinental road, paving the way for the first railroad to span the continent 9 years later.

The Pony Express was the well-organized venture of Russell, Majors & Waddell which operated various express and freight companies. Men hired by this firm represented the best of frontier youth, in perfect physical shape, thoroughly upright and honest and trained for constant vigilance against Indians and bandits. Riders averaged 20 years of age although several, including the famous "Buffalo Bill," were scarcely 15. Men of slender build weighing 125 to 130 pounds were preferred, although one of the best riders weighed 160. The risks were great but so were the salaries. The riders received from $50 to $150 a month—fabulous sums of money 100 years ago. Russell, Majors & Waddell poured into this venture an enormous outlay of men, horses, and equipment. One hundred ninety stations spaced some 15 miles apart with some 400 horses, as many stationmen and assistants and approximately 80 riders served the Pony Express. The men rode in relays, changing horses at each station and covering a specified distance before turning their saddlebags over to the next rider.

It is hard to picture that memorable afternoon of April 3, 1860, as an excited crowd watched the inauguration of this historic service. Mr. Russell of the firm stood ready to receive the mail from a New York train at St. Joseph. In the meantime "Little Johnnie" Frey mounted his pony a few blocks away in the old Pike's Peak stable at 912 Pennsylvania Street and rode to the company's office on North Second Street. Before the throng Mr. Russell adjusted the letter pouch on the pony containing 85 pieces of mail, including several New York papers which had printed special editions on tissue paper. Amidst cheers, Frey jumped on his pony and dashed off. Sacramento, at the same time witnessed a similar scene thus opening one of the most thrilling and colorful chapters of American history.

CERTIFICATED SUPPLEMENTAL AIR CARRIERS

Mr. HARTKE. Mr. President, last January the Civil Aeronautics Board authorized 23 airlines as certificated supplemental air carriers. The Board recognized a need for these ambitious, comparatively young firms, who had, after years of hearings involving more than 50 nonscheduled airlines, proven ability to fill an important segment of the Nation's air transportation pattern as civilian passenger, cargo and military carriers.

Much of the credit for the popularity and wide acceptance of air coach travel justly belongs to these airlines, for they pioneered the development of low fare air travel during the days before the CAB certificated scheduled supplemental airlines. As supplemental carriers, these companies are authorized to fly regular scheduled flights—10 per month—between any two cities. Already major cities such as New York, Los Angeles, Washington, Detroit, Dallas, Chicago, Miami, Honolulu, and others know the value these airlines provide as they move both tourists and business people.

During a recent visit to the Washington headquarters of the Supplemental Air Carrier Conference, a trade association, I observed the system supplemental airlines utilize to provide prompt air transportation service to the Defense Department for troop movements. The degree of responsiveness through this system is eminently acceptable in peacetime. More importantly, it represents a tried and currently successful structure, in being, to meet a sudden transition to an emergency situation.

It is important to note the airlines I speak of have not been subsidized by the Government. They earned their place in the national transportation scene by matching sound management, efficiency, and vision against the inevitable obstacles of pioneer business ventures.

I wish to take this opportunity to cite for my colleagues the remarkable growth and national defense effort of certificated supplemental air carriers.

REFUSAL TO ADMIT DANISH PROF. MOGENS FOG TO ENTER UNITED STATES

Mr. HUMPHREY. Mr. President, the morning press carried one or two items which were exceedingly distressing to me.

I call the attention of my colleagues in the Senate to an article in the Washington Post this morning, Friday, August 21, entitled "United States Bars Entry of Danish Ex-MP." This has a date line from Copenhagen, August 20, and is a story about a Prof. Mogens Fog, a scientist who once was a pro-Communist Member of Parliament, who said he had been denied a visa to enter the United States.

Fog was representing the Danish physicians at an international Medical Congress opening in Chicago in about 10 days. A foremost neurologist, he teaches at Copenhagen University. The article reads, in part:

> Fog said the refusal was not known here until quite recently, although the request for a visa was filed in February and we have pressed for an answer several times.
>
> In Washington, State Department officials said Fog is a longstanding Communist and under the law is not eligible for a visa.

He is sponsored by the World Medical Association and the World Health Organization.

The article continues:

> Last year, Dr. Morten Simonsen, an outstanding Danish scientist, was denied a visa for entry into the United States, where he had been invited to make lectures at the American Academy of Science and two universities. When the universities protested to the Attorney General, the visa was finally granted.
>
> Like Simonsen, Fog is a leading member of the Socialist People's Party, formed by the former Communist Party chairman, Aksel Larsen, who left the party last year after a bitter showdown with the Moscow-line diehards.
>
> Fog, 55, was chairman of the Danish Communist Youth League in the 1920's, and was a member of the Communist Party until 1941, when it was banned in Denmark.
>
> During World War II he was a powerful force in the Freedom Council, which led the resistance against the German occupation.

And now I call the Senate's attention to this particular part of the article:

> Fog never reentered the Communist Party.
>
> Souces said a second Danish scientist, Dr. Christian Crone, has also had two visa requests rejected and has filed a third.
>
> The independent anti-Communist newspaper Information called the decision to bar Fog "idiotic."

Speaking of the United States decision—I am now quoting from the Danish newspaper:

> "Those U.S. officials who make that kind of decisions do greater services to communism than Fog did while a party member," it said. "Even beyond our borders, it has been significant that the Danish Communist Party is in a state of dissolution. We Danes would thank Washington not to attempt to weld the rupture with the wheezing flames of suspiciousness. And if here are Russian agents among the ex-Communists, then please leave them to us."

Mr. President, let me make my position quite clear. I do not like Communists or communism, and I have spent my adult life fighting against communism. But I think it is sort of peculiar that Premier Khrushchev, who is the No. 1 Communist, can come over to this country and dine with the President; and that Kozlov, who is the No. 3 Communist, can spend 2 or 3 weeks in the United States; and that Mikoyan, who is the No. 2 Communist, can be received on Wall Street; but a doctor who is one of the most eminent neurologists in the world, who may be able to contribute to the relief of pain and suffering, who may be able to give some guidance and information to American medicine, is denied a visa.

In other words, we invite to America the top Communist, who can propagandize in America, who can run around and make speeches, nod and wink and smile, but we cannot bring to the United States a doctor who has a worldwide reputation for his scientific knowledge.

Do not misunderstand me, Mr. President. I support the President's decision to invite Mr. Khrushchev. I have said this to the President before, and I say it now. I support him. But I am not unaware of some of the pitfalls in that invitation. I am not unaware of the fact that far too many Americans have not quite made the considered judgments that they ought to make on the difference between the merits of the systems as between the Communist world and the free world. But this business of denying visas to eminent members of the medical profession or scientific communities when they are to be here for the specific purpose of attending scientific conferences makes the United States look a little ridiculous.

This is the most powerful nation the world has ever known. We feel strong enough to permit the top officialdom of the Communists to come to see us. The President invites Khrushchev to come and see our military installations, to see our great bomber fleets, without worrying that it may in any way jeopardize our security. And I think the President is right about it. I am not criticizing him for it. But the same President who would permit Mr. Khrushchev to see our military installations has an Attorney General who will not permit a doctor to come here and to talk to people who are in pain and suffering because of neuralgia or some other neurological disturbance. One of the greatest neurologists in the world is denied a visa.

If it were not so ridiculous, I would not take the time of the Senate to comment on it. But I ask my colleagues, if we can have here in the United States NKVD agents—who, by the way, come along with some of these exchange groups—why should we deny entrance to a recognized physician? If anyone thinks the exchange groups are made up of only dancers and artists, he is wrong.

We can be sure that in every one of those groups there is someone who is not quite so nimble with his feet, but who is nimble with his mind and his pencil in making a report. I refer to the so-called intelligence agents that are sent along. I suppose we ought to expect that. We ought to be sufficiently mature to know what goes on in international life. I hope none of us are shocked by the revelation that there may be Soviet intelligence officers among the exchange groups of even professional people, dancers, and students. I am not complaining about it. All I am saying is that if we can have literally hundreds of such persons here on exchange, why is it that a doctor is denied a visa when he is needed for a world congress on health?

This has happened all too often. Let me tell my colleagues of an experience I had in Moscow. Dr. Blokheim, eminent Soviet cancer specialist, and head of the Moscow Health Institute, who, incidentally, had been in this country, was invited to make some lectures in a meeting with the American Cancer Society. He was not permitted to come. So when I went abroad on a mission concerning medical research data, Dr. Michael Shimkin, noted researcher for the National Institutes of Health—and who, by the way, speaks Russian, and who had been in the Soviet Union two times previously—was trying to get in the Soviet Union. The Soviet Government official said, apparently—this was the thinking there—"You would not let Blokheim in, and now we will not let Dr. Shimkin in." They detained him in Helsinki for a long time. It was only after I personally interceded with Andrei Gromyko that he was permitted to go to the Soviet Union.

Some of these days we are perhaps going to recognize the irony of it, and, to put it bluntly, the stupidity, on the one hand, of having "Mr. Big," the dictator of the Soviet Union, truly coming to the United States. And apparently many communities want him to come and visit, see their homes, see the factories, shops, and centers. And yet when a doctor is invited and he seeks a visa, just because he was once a member of the party, has left the party, has repudiated the Communist Party, he is denied entrance.

I think after a few outbursts like this he will get a visa, but that is a poor way to run a government.

Let me refer to the case of Dr. Simonsen, of Denmark, a little over a year ago, when he was invited to lecture before the Academy of Science and two universities. Originally a visa was denied to him, and then, after the universities protested, the Department of Justice said it was all right, that he could get a visa.

Mr. President, I am doing this today only because I am proud of America. I would like to see my country recognize that if we can let into this country the giants of communism, we might be able also to let into this country people who have competence in the field of science, technology, and particularly medicine, for a limited time, for a specific purpose, with a limited visa, who come to a specific conference for the purpose of benefiting the people of the world, and of helping our own medical profession.

I want to say whenever I read of any more instances like this, I shall protest just as loudly and just as vigorously. I can hear some of my critics say, "Oh, that HUMPHREY. He wants to let a Communist come in."

Mr. President, the one I am appealing for has left the party. He has repudiated it. After all, he is a small person in comparison with the big one coming in under an official and bigger invitation.

I am hopeful this kind of policy by the Immigration Service will be brought to a halt. The Attorney General can make an exemption under the law for this particular kind of scientific and medical conference, and he ought to do it.

Mr. President, I turn to another subject.

The PRESIDING OFFICER. The Senator from Minnesota.

FEDERAL COUNCIL ON RADIATION

Mr. HUMPHREY. Mr. President, one other item fits into this pattern. This morning's newspaper carried an interesting bit of reading for me. Perhaps I did not sleep well last night, but I thought I did.

I read in the papers over the weekend that the President had established a Federal Council on Radiation. On that Council on Radiation he has appointed the Secretary of Defense; the Secretary of Commerce; the Secretary of Health, Education, and Welfare; and the Chairman of the Atomic Energy Commission.

The Federal Council on Radiation is the result of one of the recommendations of the National Advisory Committee on Radiation, the special committee of scientific experts set up by the Public Health Service. The Advisory Committee on Radiation proposed a broad program of measurement and control which would deal not only with the effects of atomic fallout but would also cover radiation from medical X-rays, nuclear reactors, atomic waste, and all other sources of radiation, natural and manmade.

One of the other recommendations was for the Federal Council on Radiation. Interestingly enough, the only recommendation which has been followed, to date, is the recommendation for the establishment of the Federal Council on Radiation.

No one really runs the Council. It has to have unanimity to act. There is not any such thing as a majority rule. Insofar as we have been able to find out, the chairman of the Council will be selected from one of the four members, by the President, from time to time.

A very fine article was published in the Washington Post and Times Herald, written by Mr. Edward Gamarekian. Mr. Gamarekian has done an outstanding job in reporting on the subject of radiation and radioactive fallout. He has performed a tremendous public service for the American people, and he really should be complimented and congratulated for his scholarly and objective approach to these problems.

Mr. Gamarekian in his article points out that no one is quite sure what the council is supposed to do, other than to advise the President on radiation matters. There is no definite program on the agenda. Apparently there is no indication that scientists are going to serve on this particular council.

Mr. President, I said last week, and I repeat again, what is needed is a Federal Council on Radiation consisting of scientists—consisting of people who have the competence, first, to know something about the subject; and, second, the time to devote to the problems. Does anybody really think that the Secretary of Defense; the Secretary of Commerce; the Secretary of Health, Education, and Welfare; and the Chairman of the Atomic Energy Commission are going to have time to sit down day after day, week after week, month after month, to study the problems of radiation? Even if they did, would they understand what they were studying? This is no reflection upon their intelligence or their competence. The men who head these departments are able and competent. However, the subject of radiation is a technical subject. It requires the most brilliant of our scientists and the most comprehensive scientific knowledge.

Once again we see an example of an advisory committee which was set up to do a job, which has made its recommendations, which apparently have in turn been pigeonholed.

Dr. James Killian, Jr., the former science adviser to the President, according to reports, was slated to be chairman of the Federal Council; that is, when the council idea was first considered. As we know, Dr. Killian has now left Government service and has gone back to the Massachusetts Institute of Technology, where he was the president and where he is again.

His successor, George Kistiakowsky, who is the President's science adviser, did not want to be a member, according to Mr. Gamarekian, of the Federal Council, much less the Chairman, so he ended up as the adviser.

I mention these matters, Mr. President, because apparently there is in the air some talk about some new tests of nuclear weapons. I spoke on this subject on the floor of the Senate this week. Representatives of the Department of Defense and of the Atomic Energy Commission are pointing out that there should be a resumption of atomic tests. We can argue the merits or the demerits of that proposal at another date. I happen to oppose the proposal, at least until we are postively sure there is no possibility of an agreement on the cessation of those tests. If there is going to be a resumption of tests, then I say there is a moral and a political obligation upon this Government to establish a Federal Council on Radiation to examine meticulously into the possible injurious effects of radioactive fallout.

I am careful in my statements, Mr. President. I do not know what are the scientific facts concerning radioactive fallout. I have read a great deal about it. I have listened to testimony, pro and con. Some scientists feel there is no danger at all from the atomic bomb tests, insofar as radioactive fallout is concerned. Other scientists, equally competent, feel there is a grave danger to humankind, to plantlife, and to animal life.

Whatever the facts are, we need to be exploring for them.

I submit, to a body of reasonable men, that the Secretary of Defense, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, and even the able chairman of the Atomic Energy Commission, are not equipped by background, training, or time to find out the facts concerning radioactive fallout. If they are going to find some substitute, or if they are going to put on the job some alternate, why do we not appoint the alternates in the first place?

This whole subject of radiation and radioactive fallout is a problem for the scientists. If we wish to have a chairman of the council who is a layman or a public official, that would be well and good, but at least a majority of the Council ought to be scientists.

I commend Mr. Gamarekian again for his splendid article. He is one of many good writers in this field. His article is entitled "A-Ray Problems Still Defy Promises of Action."

We started to get action on these matters of radioactive fallout when the Holifield subcommittee held its hearings and when Senators in this body and Members of the other body stood up to begin to show a little concern over radioactive fallout.

I was, of course, reassured a little this morning when, in the same newspaper, I read a headline, on the same page with the article written by Mr. Gamarekian, "Milk Radioactivity Shows Summer Drop." That is very reassuring. I can say to all the consumers that there is a little less strontium 90 in the milk now than there was a month ago. I am not particularly pleased, however, to know there is strontium 90 in the milk in the first place. I think it is incumbent upon this Government to find out how much a person can tolerate.

I think it is important to know that every single evaluation which has been made has reduced the estimate of tolerance. There have been two reevaluations of the amount of radioactivity a person can absorb in his body without genetic or physical disabilities. Both of those reevaluations hove lowered the estimate, rather than increased the estimate, of toleration of the body to radioactivity.

I respect all of these department heads, as I said before, but I suggest that they should concentrate their attention upon the business of their departments and leave this problem to the scientists.

I conclude with one thought, Mr. President. The distinguished Senator from Alabama, the chairman of the Committee on Labor and Public Welfare [Mr. HILL], introduced a bill which placed the responsibility for the study of radioactivity and radioactive fallout in the U.S. Public Health Service, along with some other suggestions. I addressed myself to this subject in January of this year, but since it was a matter which was within the jurisdiction of the Committee on Labor and Pub-

lic Welfare it seemed wise and proper that the chairman of the committee should take the lead. No Member of this body is more conscientious in these matters than the Senator from Alabama. No Member of this body is more respected by the medical profession or by the scientic community than the Senator from Alabama. It was right that he should lead.

What was the result? Representatives of the administration came to that committee and said, "Do not pass any legislation. We are going to act administratively. Senator, you do not need to pass any bill. We will do this on our own." They stalled us, and they delayed us by the commitments which were made. Those commitments have not been kept; and I say to the distinguished Secretary of the Department of Health, Education, and Welfare, to the distinguished Surgeon General of the United States, to the distinguished Chairman of the Atomic Energy Commission, and to its members, to the Secretary of Defense, and, most respectfully, to the President of the United States, that the time is at hand to act. The time is at hand to put into motion the recommendations of the Advisory Committee on Radiation. The Advisory Committee filed its report months ago. The Advisory Committee laid down a program of action. That program of action is in the deep freeze. I do not know whether it is the deep freeze of the Truman administration or this administration, but it is in the deep freeze. It is time to get it out, instead of coming up with another one of these commissions, which all too often means nothing more than a subterfuge for inaction. I appeal for a program of action.

Mr. President, I ask unanimous consent that the article to which I have referred, from the Washington Post of Friday, August 21, by Mr. Edward Gamarekian, be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS BRING LITTLE RESULT—A-RAY PROBLEMS STILL DEFY PROMISES OF ACTION

(By Edward Gamarekian)

The action promised by the Eisenhower administration on the atomic radiation problem during the past 6 months has slowly evaporated into thin air.

A number of the studies and conferences that were talked about before and during the congressional hearing on fallout last May have never materialized. The few that were carried out produced little that is now evident.

One of the latter was a study by the Budget Bureau of the transfer of the public health aspects of atomic energy from the Atomic Energy Commission to the Public Health Service.

After laboring for 6 months, the Budget Bureau produced a 12-page memorandum, which only a few in the administration have been permitted to see. On this basis of the memo, President Eisenhower set up a new committee to advise him on radiation matters.

BROAD PROGRAM PROPOSED

So far, this appears to be the administration's principal response to a set of sweeping recommendations by the National Advisory Committee on Radiation, the special committee of scientific experts set up by the Public Health Service.

The Advisory Committee had proposed a broad program of measurement and control that would deal not only with the effects of atomic fallout, but would also cover radiation from medical X-rays, nuclear reactors, atomic wastes, and all other sources of radiation, natural and manmade.

None of its recommendations has yet been adopted.

Members of the Committee to advise the President on one of the most difficult and controversial scientific questions of the day are the Secretaries of Defense, Commerce, and Health, Education, and Welfare; and the Chairman of the Atomic Energy Commission. None are scientists. The body is called the Federal Council on Radiation.

QUESTION RAISED

One of the questions being asked is: Who will produce the compromises from the conflicts that develop between those on the Council who are primarily concerned about health and safety and those who are primarily concerned with the development of nuclear weapons and commercial atomic energy devices?

The Chairman of the Council will be selected from one of the four members by the President from time to time.

When the idea of a Council was first considered several weeks ago, the President's science adviser, James R. Killian, Jr., was slated for the chairmanship, according to reliable sources.

Killian has since returned to his former job as president of the Massachusetts Institute of Technology. His successor, George Kistiakowsky, did not want to be a member of the Committee, much less its Chairman, so he ended up as an adviser.

There is now an unconfirmed rumor that HEW Secretary Arthur S. Flemming will be chosen the first Chairman.

DUTIES NOT WELL KNOWN

As yet, no one is quite sure what the Council is supposed to do other than advise the President on radiation matters, something each of its members has been doing all along, presumably. A Budget Bureau spokesman said the Council would develop a program as it goes along.

By taking so long to make the study, the administration has stymied for the time being an attempt by Congress to legislate some of the recommendations of the National Advisory Committee on Radiation.

A bill to carry out some of the proposals was introduced last April. A hearing before the Senate Labor and Public Welfare Committee was temporarily suspended on the basis of administration promises of action. A committee staff member said yesterday that it is now too late to get the bill through during the current session, but that it would be taken up again next year.

Mr. HUMPHREY. Mr. President, I suggest most politely and respectfully that this article be read by all the persons and officials to whom I have referred. I would welcome a report from any of the departments as to what, if anything, they intend to do about the recommendations of the Advisory Committee on Radiation. It seems to me that those recommendations deserve action.

THE PRESERVATION OF THE WILDERNESS

Mr. HUMPHREY. Mr. President, I am glad to see the favorable editorial comment which appeared recently in the Minneapolis Morning Tribune on the wilderness bill, S. 1123, which I have had the privilege of introducing with 17 distinguished cosponsors as a bipartisan bill.

Asserting that the wilderness bill, which is now before the Committee on Interior and Insular Affairs, should be reported out promptly so that the present session of Congress may pass this important measure, this excellent editorial remarks that "few things facing the 86th Congress have as much permanent value as the wilderness bill." The editorial concludes, "Let its passage be speeded."

It is very gratifying to have this additional evidence of nationwide editorial support of a measure which will help to insure the preservation of American wilderness areas for the use of our people for generations to come. I ask unanimous consent that this editorial, entitled "Pass Wilderness Bill," from the July 30, 1959, edition of the Minneapolis Morning Tribune, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PASS WILDERNESS BILL

The wilderness bill, sponsored by HUBERT HUMPHREY and 17 other Senators of both parties, is before the Senate Interior and Insular Affairs Committee. It should be reported out promptly so that the present session of Congress may pass this important measure.

The bill gives statutory protection to existing wilderness areas in wildlife refuges, national parks, and national forests. These involve 8 percent of national forest acreage, remote parts of national parks and mountains, portions of some wildlife refuges and ranges.

No new bureaus would be created. The wilderness areas of parks and refuges would remain under the Interior Department, the forest areas under the Agriculture Department. After suggesting minor amendments, Interior Secretary Seaton and Agriculture Secretary Benson endorsed the bill.

The rapid population growth and the development of the country make it imperative that action be taken now to preserve these calm retreats where people of the crowded future may go occasionally to meet nature in her uncluttered state.

Minnesotans are in a particularly good position to urge Congress to act. The million acre wilderness area, along the Minnesota-Canada boundary in Superior National Forest, was the subject of controversy for a generation. Conservationists finally won congressional protection for that outstanding canoe country.

The same sort of preservation is being asked for other parts of the Nation. No very active opposition is apparent. The press of other business and indifference on the part of some seem the main threats to the bill.

Yet few things facing the 86th Congress have as much permanent value as the wilderness bill. Let its passage be speeded.

COUNCIL ON DISARMAMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a telegram which I have received from Mr. Walter P. Reuther, president of the International Union of United Automobile Workers, together with an article entitled "Big Four Take Over Disarmament Talks," written by Thomas J. Hamilton and printed in a recent edition of

the New York Times, be printed in the RECORD at this point as a part of my remarks.

There being no objection. the telegram and article were ordered to be printed in the RECORD, as follows:

Hon. HUBERT HUMPHREY,
U.S. Senator, Senate Office Building, Washington, D.C.:

I have, on behalf of the United Auto Workers, today sent the following telegram to President Eisenhower:

"I have noted, with deep concern, the New York Times story of August 11, which announced that the Big Four will bypass the United Nations with a new Council on Disarmament as the result of an accord made in Geneva. New machinery, the report declares, would take over the responsibility from the United Nations Disarmament Commission. On August 12 the New York Times reported that the United States has denied intending to bypass the U.N. in plans for new arms talks but the new detailed report indicated that a new group was being considered to resume disarmament negotiations, that the matter was under discussion, and that no decision had been reached in the proposed forum for disarmament negotiations.

"On behalf of the members of the United Auto Workers, who are profoundly concerned with the establishment of a just and durable peace in a free and democratic world, I wish to express their fervent hope that there is no truth in the implication which persists in the reports of the bypassing of United Nations. The irrefutable argument that no disarmament agreement can be reached by shortcutting past legitimate interest and participation of all nations of the world is made in your second inaugural address. There you said that the peace we seek cannot be born of fear alone, that it must be rooted in the lives of nations, and that there must be justice sensed and shared by all the people. Disarmament within this context can only be negotiated through the United Nations—the one instrumentality in the world designed to embody this age-old aspiration.

"The inescapable suggestion for the news reports now that the United Nations is being sidetracked at this moment cannot fail to provoke suspicions in the minds of people throughout the world unless the suggestion is promptly and categorically denied. A persisting uneasiness could seriously compromise our role in the search for peace and disarmament and shadow the confidence other nations have in our commitment to a free and just world order.

"To reassure the citizens of the country and the people of the world whose faith in the future is inextricably bound to the U.N., we, in the UAW, strongly request that you reemphasize the determination of the United States not to relegate the United Nations to a bystander role in the forthcoming disarmament negotiations and that you reaffirm our national will to serve peace and justice in the most effective way open to us, strengthening the primary role of the United Nations in the world today.

"WALTER P. REUTHER,
"President, International Union, UAW."

[From the New York Times]

BIG FOUR TAKE OVER DISARMAMENT TALKS—EAST-WEST PARITY ON NEW GROUP OUTSIDE THE U.N. SEEN MOVE TO DIRECT NEGOTIATIONS—BLOW TO SMALLER POWERS

(By Thomas J. Hamilton)

Last spring, when the Big Four foreign ministers were arriving in Geneva to discuss the Berlin crisis, it was predicted that if they reached any agreement it would be in the field of disarmament. This prophecy was borne out with the disclosure last week that the foreign ministers had agreed to establish a 10-nation group, evenly divided between Western and Soviet bloc countries, to make another attempt to achieve disarmament.

New procedural arrangements were badly needed, for there have been no negotiations on the general problem of disarmament since 1957, when the United Nations Disarmament Commission held its last meeting. Negotiations on two peripheral aspects, machinery for the detection of surprise attacks, and the prohibition of nuclear test explosions, began in Geneva last fall.

The surprise-attack conference ended in a deadlock last December. The nuclear-test negotiations, although tantalizingly close to success, have not overcome the Soviet Union's unchanging opposition to allowing outside inspectors to operate on its territory.

Earlier in the summer there were many reasons to believe that Premier Nikita S. Khrushchev would announce his consent to a nuclear-test agreement at a summit conference, or as a special inducement, to the West to agree to a conference.

But Mr. Khrushchev obtained his dual ambitions—to have a meeting with President Eisenhower and to show himself in the United States, without having to give this or anything else in return. Surprisingly enough, the proposed new disarmament committee is an indirect product of the unsuccessful surprise attack negotiations.

SOVIET'S EXPERTS

A year ago, after an exchange of correspondence between President Eisenhower and Premier Khrushchev had brought the decision to start the negotiations on surprise attacks, the Soviet Union announced that it would bring along experts from Poland, Czechoslovakia, Rumania, and Albania.

The United States offered no objections, and Britain, France, Canada, and Italy were asked to join the United States and match the five on the Communist side. These same countries have now been chosen to form the proposed disarmament committee.

Since neither the United States nor the Soviet Union wants negotiations now for the regulation of outer space missiles, this question is ruled out.

According to credible evidence, Selwyn Lloyd, the British Foreign Secretary, was principally responsible for making the agreement on the committee with Foreign Minister Andrei A. Gromyko of the Soviet Union. Some critical United Nations delegates believe that Mr. Lloyd, whose Conservative party faces a general election in Britain within a few months, was thinking a great deal of the effect that an agreement of some sort would produce on the British voter.

GROMYKO'S VIEW

Since France was not enthusiastic about the United Nations, even before the Suez crisis in 1956, the French made no difficulties. Mr. Gromyko was hardly the man to champion United Nations participation once he had won a five-five split on the disarmament committee membership.

Secretary of State Christian A. Herter seemed to have been unprepared for the strong reaction among United Nations delegates against two aspects of the agreement:

(1) The exclusion from the proposed committee of Asian, African, and Latin American countries, and in particular the exclusion of neutralist countries.

(2) The fact that the committee is going to be established outside the United Nations, which, since 1956, has been the world's sole medium for disarmament negotiations.

Once Messrs. Lloyd and Gromyko had agreed on the choice of the 10 countries, the decision to establish the committee outside the United Nations must have been too tempting to resist.

NEUTRALISTS IN U.N.

The United States, thanks to the influx in the United Nations of neutralist members from Asia and Africa since 1955, no longer has a dependable majority in the General Assembly. Recent experience with slates submitted by the West has shown that it would be almost impossible to prevent the Assembly from adding one or two countries from each or the leading blocs, even if the Soviet Union helped to resist any change.

However, the fact that Mr. Herter went along on the disarmament committee plan seemed strange in view of the hard fight put up by the United States in the Assembly last year against a milder version of the Soviet demand for parity. The United States at that time rejected parity of Communist plus neutralist countries with Western countries on the Committee on the Peaceful Uses of Outer Space.

If certain delegates are correct in their analysis, the Western powers were afraid that if the Assembly added India and other neutralist countries to the committee they might side with Communist members and produce a propaganda defeat for the West. On a 5–5 divsion the worst that can be expected is a deadlock.

GATHERING STORM

Current indications are that the Western Big Three will try to maintain the membership unchanged despite the storm that is blowing up in the Assembly. However, some conciliatory gesture to the United Nations, if nothing more, is to be expected.

Secretary General Dag Hammarskjold has already been asked to send an observer, and the proposed committee will surely be instructed to report the outcome of its negotiations to the United Nations Disarmament Commission.

But the important question is whether this episode, like the impending exchange of visits between President Eisenhower and Premier Khrushchev, is a sign that the great powers are now in a mood for direct negotiations to settle their disputes, and do not want the participation of the small powers.

V. K. Krishna Menon of India, who had so often urged agreement between the United States and the Soviet Union, expressed misgivings in 1954 over the possibility "that the time might come when they might agree at our expense."

Such remarks will probably be made with increasing frequency until the meaning of the Eisenhower-Khrushchev visits and the proposed disarmament committee is cleared up.

Mr. HUMPHREY. The telegram from Mr. Reuther is a copy of the telegram which he sent to the President of the United States, Mr. Eisenhower. I am sure other Members of this body received the same telegram.

Mr. Reuther says, in part, that he has noted with deep concern the New York Times story of August 11, which announced that the Big Four will bypass the United Nations with a new Council on Disarmament. Mr. Reuther recommends in his telegram that the disarmament discussions be held under the auspices of the United Nations. I may add that the subject of this telegram was discussed at a recent meeting of the Senate Subcommittee on Disarmament, without reference to Mr. Reuther, and without reference to the exact wording of the telegram.

I am happy to report that our Government does not intend to bypass the United Nations. Our Government has tentatively entered into an agreement with the major powers as a result of the Geneva Foreign Ministers Conference.

It is a tentative agreement on what is called a parity disarmament committee, with five members from the Soviet bloc, and five from the free world.

At the present time, discussions are under way with the Secretary-General of the United Nations, so that the United Nations will take cognizance of this particular development and will provide the technical services, reporters, stenographers, and clerical services required for this type of negotiation, if and when such is agreed to formally by the 10 nations involved.

This was a tentative agreement on the part of our Secretary of State with our allies and with the Soviet bloc. It was an effort on the part of our Government to break the stalemate over disarmament; and while I recognize the possible criticism which might come for moving some of the disarmament talks away from the direct supervision of the United Nations, I think it should be recognized that this is what we call an ad hoc arrangement, a temporary emergency arrangement to get the disarmament discussions off dead center. During the past year there have been no discussions in the United Nations on disarmament.

My colleagues may recall that a year ago the disarmament machinery of the United Nations was, for all practical purposes, dissolved. Then it was reconstituted on the basis of a committee of the whole from 82 nations in the General Assembly. An 82-member body is unwieldy for the purposes of negotiation.

What the Government of the United States is going to try to do at the United Nations is to reestablish the disarmament commission in the United Nations as a part of the machinery of the United Nations. In the meantime the Government of the United States, I believe, has proceeded properly and in the spirit of seeking a just and enduring peace by being willing to agree, at least tentatively, on a joint committee of five from the free countries and five from Soviet bloc countries, on the basis of what we call hard parity, for purposes of negotiation on the subject of disarmament.

The article by Mr. Hamilton in the New York Times gives concisely and accurately the picture of disarmament talks.

It is my responsibility, as chairman of that subcommittee, to keep the Senate at least reasonably well informed on the progress of these matters. The State Department has cooperated very well, through Mr. Farley, the Special Assistant on Disarmament, in keeping our subcommittee abreast of the developments at Geneva and developments relating to the Foreign Ministers Conference, insofar as that conference directed its attention to the subject of disarmament.

I believe that when a department shares information with committees of Congress it should be applauded. The Senate should know of the cooperation which has been received, and of the efforts which have been made by responsible officials to extend us cooperation. I can testify that, so far as the Geneva discussions on nuclear weapons testing are concerned, and the disarmament discussions, we have had very good cooperation from the State Department, for which I wish to express both private and official thanks.

PRINTING OF ADDITIONAL COPIES OF PART 2 OF THE SECOND INTERIM REPORT OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 744, Senate Resolution 159.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 159) authorizing the printing of additional copies of part 2 of the second interim report of the Select Committee on Improper Activities in the Labor or Management Field.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field three thousand three hundred additional copies of part 2 of the second interim report of that committee, made pursuant to S. Res. 44.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF NUCLEAR WAR"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 745, Senate Concurrent Resolution 72.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 72) to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War."

The PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 72) to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War," which had been reported from the Committee on Rules and Administration with an amendment, in line 3, after the word "use", to strike out "fifteen" and insert "ten", so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use ten thousand additional copies of the public hearings on "Biological and Environmental Effects of Nuclear War," held by the Special Subcommittee on Radiation during the Eighty-sixth Congress, first session.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the concurrent resolution be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This concurrent resolution as referred to the Committee on Rules and Administration would have provided that there be printed for the use of the Joint Committee on Atomic Energy 15,000 additional copies of the hearings held during the present Congress by its Special Subcommittee on Radiation on the subject "Biological and Environmental Effects of Nuclear War."

The committee amendment would reduce the number of additional copies authorized from 15,000 to 10,000. This action was taken by the committee after consultation with and approval by the chairman of the Joint Committee on Atomic Energy. To print the 10,000 additional copies which would be authorized by Senate Concurrent Resolution 72 would cost an estimated $7,487.20.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "FALLOUT FROM NUCLEAR WEAPONS TESTING"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 746, Senate Concurrent Resolution 53.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 53) to print additional copies of hearings on "Fallout From Nuclear Weapons Testing."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 53) to print additional copies of hearings on "Fallout From Nuclear Weapons Testing," which had been reported from the Committee on Rules and Administration with an amendment in line 3, after the word "use", to strike out "fifteen" and insert "ten", so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use ten thousand additional copies of the public hearings on "Fallout From Nuclear Weapons Testing", held by the Special Subcommittee on Radiation during the Eighty-sixth Congress, first session.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the concurrent resolution be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This concurrent resolution as referred to the Committee on Rules and Administration

would have provided that there be printed for the use of the Joint Committee on Atomic Energy 15,000 additional copies of the hearings held during the present Congress by its Special Subcommittee on Radiation on the subject "Fallout From Nuclear Weapons Testing."

The committee amendment would reduce the number of additional copies authorized from 15,000 to 10,000. This action was taken by the committee in view of the unusually large printing cost involved, $42,000, but only after consultation with and approval by the chairman of the Joint Committee on Atomic Energy. To print the 10,000 additional copies which would be authorized by Senate Concurrent Resolution 53 as amended would cost an estimated $28,000.

The nature of the hearings and the interest of Congress and the public therein are pointed out in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator CLINTON P. ANDERSON, chairman of the Joint Committee on Atomic Energy, which letter is as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
July 24, 1959.

Hon. THOMAS C. HENNINGS, Jr.
Chairman, Senate Rules and Administration Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR HENNINGS: I understand that the Senate Rules and Administration Committee will shortly be considering Senate Concurrent Resolution 53 providing for authorization of 15,000 additional copies of hearings held May 5–8 by the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy on the subject of "Fallout From Nuclear Weapons Testing." These hearings were held to bring the Congress and the public up to date on information in this important area which has developed since the committee's public hearings in 1957.

I believe that it is important that information on the fallout question, which has been a matter of such great public concern, should be given the widest possible dissemination, and it is for this reason that the above resolution providing for additional copies has been introduced.

The hearings are at present at the Government Printing Office and a full set of galleys are not yet available. However, it is estimated that the hearings, when they are printed, will number between 1,500 and 2,000 pages.

I hope that the committee will give its prompt approval to the pending resolution so that the hearings can be printed and distributed in the near future.

Sincerely,

CLINTON P. ANDERSON,
Chairman.

ADDITIONAL FUNDS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 747, Senate Resolution 164.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 164) providing additional funds for the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $15,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the resolution be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the Committee on Labor and Public Welfare to expend from the contingent fund of the Senate during the 86th Congress not to exceed $15,000 in addition to the amount ($10,000), and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

Additional information relative to the purposes of Senate Resolution 164 is contained in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator LISTER HILL, chairman of the Committee on Labor and Public Welfare, which letter is as follows:

U.S. SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
August 19, 1959.

Hon. THOMAS C. HENNINGS, JR.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: There has been referred to your committee Senate Resolution 164 which was ordered reported unanimously by the Committee on Labor and Public Welfare at its executive meeting yesterday, August 18.

The resolution simply authorizes $15,000 in additional funds for committee operating expenses.

During this 1st session of the 86th Congress, the Committee on Labor and Public Welfare has had unusually heavy expenses occasioned primarily by exhaustive hearings on such matters as labor reform, amendments to the Fair Labor Standards Act, juvenile delinquency, the Youth Conservation Corps, and other major legislation. The committee anticipates that its operating expenses will continue to be heavy both during the recess and in the second session.

In view of the above, may I on behalf of the Committee on Labor and Public Welfare request that your committee give favorable consideration to Senate Resolution 164 at your executive meeting this morning. Your kind attention to this request will be greatly appreciated.

With kindest personal regards and best wishes, I am,

Very sincerely,

LISTER HILL,
Chairman.

INCREASE IN LIMIT OF EXPENDITURES FOR COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 748, Senate Resolution 161.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 161) increasing the limit of expenditures for the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $15,000 in addition to the amount, and for the same purposes, specified in section 134 of the Legislative Reorganization Act of 1946.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have an explanation of the resolution printed at this point in the RECORD.

There being no objection, the explanation of the resolution was ordered to be printed in the RECORD, as follows:

This resolution would authorize the Committee on Agriculture and Forestry to expend from the contingent fund of the Senate during the 86th Congress not to exceed $15,000 in addition to the amount ($10,000), and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

As stated in the report of the Committee on Agriculture and Forestry on Senate Resolution 161 (S. Rept. 668, 86th Cong.), the additional funds would be used for a study of the Commodity Credit Corporation and hearings on proposed changes in the farm program. The proposed committee budget for these purposes is as follows:

Proposed budget to Dec. 31, 1960

Field investigations and hearings, including travel, per diem, and communications cost of committee members and staff, and travel costs of witnesses	$12,000
Recording of proceedings	3,000
Total	15,000

Additional information relative to the purposes of Senate Resolution 161 is contained in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator ALLEN J. ELLENDER, chairman of the Committee on Agriculture and Forestry, which letter is as follows:

U.S. SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
August 17, 1959.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR SENATOR: The Senate Committee on Agriculture and Forestry has conducted preliminary studies earlier this session relating to the operations of the Commodity Credit Corporation and the price support program as well as related expenditures of the Department of Agriculture.

As a result of these studies, it was determined that field investigations and hearings would be necessary to obtain detailed information to complete them. This cannot be accomplished without additional funds as shown in the attached copy of the committee report on Senate Resolution 161.

We do not require additional funds for staff salaries, and it is hoped that the money requested will be ample to cover this and other possible committee work during the 86th Congress. As you probably know, the Committee on Agriculture and Forestry has continued to operate with a staff numbering less than authorized. We propose to fill

vacancies on a temporary basis for the work outlined with Senator SYMINGTON as chairman of the special subcommittee to conduct such investigations and hearings as are necessary.

With kindest personal regards, I am,

Sincerely yours,

ALLEN J. ELLENDER,
Chairman.

ADDITIONAL FUNDS FOR COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 749, Senate Resolution 160.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 160) to provide additional funds for the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That S. Res. 62, Eighty-sixth Congress, agreed to February 2, 1959 (authorizing a complete study of any and all matters pertaining to constitutional rights), is hereby amended by striking out "$115,000" and inserting in lieu thereof "$140,000".

PAYMENT OF CERTAIN OBLIGATIONS INCURRED BY THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 750, Senate Resolution 155.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 155), authorizing the payment of certain obligations incurred by the Select Committee on Improper Activities in the Labor or Management Field.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That not to exceed $4,500 of funds made available to the Senate Select Committee on Improper Activities in the Labor or Management Field by S. Res. 44, agreed to February 2, 1959, is hereby made available for obligations incurred under authority of S. Res. 221, agreed to January 29, 1958, as amended.

ADDITIONAL FUNDS FOR THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 751, Senate Resolution 152.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 152) to provide additional funds for the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, for the purposes specified in section 134(a) of the Legislative Reorganization Act of 1946, $10,000 in addition to the amount authorized in such section.

ERECTION OF PLAQUE IN HONOR OF THE LATE HONORABLE SAM D. McREYNOLDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 752, Senate bill 2291.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2291) to authorize the erection of a plaque in honor of the late Sam D. McReynolds on or near the site of the Chickamauga Dam.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Sam D. McReynolds Memorial Committee is hereby authorized to place, at no cost to the United States, on or near the site of the Chickamauga Dam a suitable memorial plaque in honor and appreciation of the late Honorable Sam D. McReynolds, formerly a Member of the House of Representatives, for his contributions to the erection of such dam and for his interest in and contributions to the success of the Tennessee Valley Authority and the purposes for which such Authority was created. The suitability of the size, design, and exact location of such plaque shall be subject to the approval of the Board of Directors of the Tennessee Valley Authority.

MEMORIAL TO JAMES MADISON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 753, Senate Joint Resolution 128.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S.J. Res. 128) to establish a commission to formulate plans for a memorial to James Madison.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a commission, to be known as the "James Madison Memorial Commission" (hereinafter referred to as the "Commission"), for the purpose of considering and formulating plans for the design, construction, and location of a permanent memorial to James Madison in the city of Washington, District of Columbia, or in its immediate environs. The Commission shall be composed of twelve Commissioners appointed as follows: Four persons to be appointed by the President of the United States, four Senators by the President of the Senate, and four Members of the House of Representatives by the Speaker of the House of Representatives. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission. The Commission shall report such plans, together with its recommendations, to the President and Congress at the earliest practicable date, and in the interim shall make annual reports of its progress to the President and Congress.

SEC. 2. The Commission is authorized to—

(a) make such expenditures for personal services and otherwise for the purpose of carrying out the provisions of this joint resolution as it may deem advisable from funds appropriated or received as gifts for such purpose;

(b) accept gifts to be used in carrying out the provisions of this joint resolution or to be used in connection with the construction or other expenses of such memorial;

(c) hold hearings, organize contests, enter into contracts for personal services and otherwise, and do such other things as may be necessary to carry out the provisions of this joint resolution; and

(d) avail itself of the assistance and advice of the Commission of Fine Arts, the National Capital Planning Commission, and the National Capital Regional Planning Council, and such Commissions and Council shall, upon request, render such assistance and advice.

SEC. 3. The Commission shall give particular study to the feasibility of utilizing the columns taken from the old East Front of the Capitol in formulating plans for such memorial.

SEC. 4. There is authorized to be appropriated not more than $10,000 to carry out the provisions of this joint resolution.

PAYMENT OF GRATUITY TO MABEL E. PRITCHARD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 754, Senate Resolution 166.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 166) to pay a gratuity to Mabel E. Pritchard.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate,

to Mabel E. Pritchard, widow of Robert L. Pritchard, an employee of the Senate at the time of his death, a sum equal to five months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PAYMENT OF GRATUITY TO MABEL R. COOK AND EDITH COOK SCHRADER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 755, Senate Resolution 167.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 167) to pay a gratuity to Mabel R. Cook and Edith Cook Schrader.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, the sum of $17,500, one-half each to Mabel R. Cook and Edith Cook Schrader, daughters of Arthur E. Cook, recently deceased Assistant Architect of the Capitol, the said sum being the amount of one year's salary received by him at the time of his death.

MEMORIAL TO FRANKLIN DELANO ROOSEVELT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 743, House Joint Resolution 115.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H.J. Res. 115) to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition.

The PRESIDING OFFICER. Is there obejction to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. CURTIS. Mr. President, there is a problem concerning the proposed Franklin Delano Roosevelt Memorial relating to the amount of land to be used, which I believe should be called to the attention of the Senate.

It is my understanding that present plans call for the use of about 27 acres for the memorial. It is also my understanding that the commission recommended a memorial requiring about 10 acres, but that other agencies making recommendations suggested a larger tract.

The problem to which I wish to refer is that the available land in and near the Capitol Building, on the Mall, and in the area of the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial, is very limited. I wonder if those in charge of the bill ought not to reconsider the matter as to the amount of land which will be used.

The Senate has adopted, in the last few minutes, a resolution to create a commission to provide for a memorial for James Madison. Such a memorial is long overdue. James Madison is one of the great men of our Republic. No doubt there will be a time when a suitable memorial will be erected for Woodrow Wilson. Perhaps there are many others whom Congress will desire to honor in such a way.

I suggest that at a later date, after sufficient time has elapsed for opinions to crystallize and emotions to cool, some of the great men of our generation, including Dwight D. Eisenhower, the great Herbert Hoover, General MacArthur, and others will be considered for appropriate memorials in the Nation's Capital.

I think those who are in charge of the plan for the Franklin Delano Roosevelt Memorial should go slow in appropriating 27 acres for one memorial. I say that without malice toward the memory of any man.

We are faced with the simple fact of a limited area. I believe that if we proceed with the use of the proposed larger amount of land, a mistake will be made which will interfere with the future development of the Capitol area. It is my fond hope and belief that this Republic is destined to last to the end of time. I think we should not unwisely use the limited space in this area. It appears that 27 acres exceeds the amount of land for the Lincoln Memorial, the Jefferson Memorial, and the Washington Monument, and perhaps even more.

It is not my purpose to suggest opposition to the bill today. These matters will continue to arise. Monuments will be proposed for men and women espousing different points of view. That has to be conceded. The proponents of this measure will have their bill passed. They will have it passed whether there is opposition or not. That is not the point. I simply appeal to them to reconsider the amount of land to be used.

Again I say that this is done without any feeling of criticism or malice whatever, but on the basis of determining the wisest planning for the use of the sacred land around the Capitol of the United States.

Mr. NEUBERGER. Mr. President, I appreciate the comments of the distinguished Senator from Nebraska. The very able senior Senator from Minnesota [Mr. HUMPHREY], who is now in the Chamber, and I, are two of the four Senate Members of the Franklin Delano Roosevelt Memorial Commission. While I cannot speak for him, I know it is a great and appreciated honor for both of us to participate in the commemoration of this illustrious and eminent American.

I wish to emphasize one thing to the Senator from Nebraska. I know he speaks without any partisan feeling. He did not need to tell us that in his presentation. Originally our Franklin Delano Roosevelt Memorial Commission recommended only 10 acres. We were not overridden, but we were advised by the National Capital Planning Commission that they felt 27 acres was advisable, for a number of reasons. One of these, is the fact that the tract of land which has been designated for the Franklin Delano Roosevelt Memorial is not a symmetrical tract, such as encompasses the Lincoln Memorial or the Washington Monument, for example. It is an irregular peninsula, which narrows, somewhat in the shape of an Indian arrowhead or trowel. It comes down between the Tidal Basin and the Potomac River. It is an appropriate site.

The Planning Commission felt, for that reason, that more acreage was needed than for a symmetrical piece of land like a golf course or the great Mall around the Washington Monument.

It is my feeling that when persons such as ourselves, who are political figures, serve on a commission, we should largely be bound by the advice of professional persons, the architects and planners, who are in basic, day-to-day charge of such undertakings. For example, we employed a very skilled American architect, Dr. Pietro Belluschi, dean of the School of Architecture of the Massachusetts Institute of Technology, to advise us. Certainly it was my policy to abide by most of the suggestions which Professor Belluschi made to us, rather than to seek to impose my own views, which are not professional in this respect.

I desire to emphasize one thing; then I shall defer to the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], who had a warm personal acquaintance with Franklin Roosevelt and served ably in the House of Representatives when Mr. Roosevelt was President of the United States. The point I wish to stress is that this was a decision made by the National Capital Planning Commission, a professional verdict on their part.

As one of the Senate Members of the Franklin Delano Roosevelt Memorial Commission, I certainly did not feel that I had the professional knowledge to seek to force my own views on those of the National Capital Planning Commission.

But I desire to underscore the point that the Franklin Delano Roosevelt Memorial Commission originally proposed the use of 10 acres. The National Capital Planning Commission wished the area used to comprise 27 acres; and it was that joint resolution which was unanimously passed today by the House of Representatives and, if I am not mistaken, was unanimously reported by the Senate Rules Committee. We need an adequate location for the memorial.

But I appreciate the issue the Senator from Nebraska has raised, because it is a valid one, and relates to a valid question.

Mr. CURTIS. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. Certainly.

Mr. CURTIS. I do not question the professional competence of those who have recommended 27 acres. However, that does not go to the problem I raise.

A limited amount of space is available, and there will be future proposals of this sort.

As I have said, we just passed a measure in regard to a memorial for James Madison, and there should be many more memorials. We do not know what the future will hold.

So in this case we are concerned not only with what the architects and the planners desire, but also with the developments in the future. The opinions of historians count; and certainly we are faced with the hard, cold fact that one thing which we cannot enlarge appreciably is the available area.

Mr. NEUBERGER. Mr. President, in conclusion, I wish to state that the distinguished Senator from Nebraska said that he felt this Republic will endure forever. I believe he is correct; I surely hope he is correct.

Dr. Albert Einstein, a cosmic figure of our age, told his biographer, Mr. Lincoln Barnett, that he thought the universe would survive for 3 billion years. That is a longer period than I can even contemplate, let alone begin to understand. But if the Senator from Nebraska is accurate in his estimate of the length of time our Republic will survive, and if Dr. Einstein was correct in his estimate of the period of time the universe will endure, then no doubt during that period all sorts of tracts of ground will be divided up for memorials; and, who knows, perhaps in that event the demand for ground in the vicinity of the National Capital would be so great that the Capitol Building itself would have to be suspended between heaven and earth—in the way that Mohammed's coffin is said to be suspended—in order to solve the problem of the need for additional space in the vicinity of the National Capital for the location of further memorials. For, with increasing demands for land to be used for such memorials, perhaps even the very land the Capitol Building now occupies would have to be used in that way.

Mr. CURTIS. Mr. President, no doubt there will be many problems, during the next 100 years or more, in regard to the allocation of ground for memorials in the area of the National Capital.

Mr. NEUBERGER. Of course, that is a pertinent matter for us to bear in mind. However, I do believe that sufficient consideration has now been given in this connection.

Mr. KEATING. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. I yield.

Mr. KEATING. I share the views of the Senator from Nebraska.

I was very proud to join in this proposal, just as I was to join in the proposal for a memorial to Theodore Roosevelt.

Mr. NEUBERGER. Yes; and I believe the Senator from New York has pending a joint resolution for the construction of a memorial for President Theodore Roosevelt.

Mr. KEATING. I do. My colleague [Mr. JAVITS] and I have joined in that proposal and that situation further stresses the importance of the point the Senator has made.

I joined in the belief that the area designated for this proposal was an appropriate one and, as the Senator from Oregon has said, was really selected by specialists who know the field in a way which we legislators do not know it.

Therefore, I simply join with the Senator from Nebraska in echoing the warning that in passing on all these joint resolutions, we should be very careful about the ultimate possibility of running out of land in the city of Washington. Because in the future other distinguished people will be honored; and, as has been pointed out, we hope the Republic will endure for many, many years, and we should proceed carefully and consider the needs of future generations.

Of course, we should proceed with the memorial now under discussion.

If I may be permitted a personal reference, let me say I hope this memorial will be constructed, and I hope it will be constructed and dedicated while the distinguished widow of the late President Franklin Delano Roosevelt, a woman whom all of us honor, respect, and revere, and who is active today in public life, will be able to participate in the ceremonies.

Mr. NEUBERGER. Mr. President, the Senator from New York has made an excellent suggestion.

Mr. HUMPHREY. Mr. President, I have listened with care to the remarks of the distinguished Senator from Nebraska and the distinguished Senator from New York. I believe the Senator from Nebraska has raised a very important point.

In my private conversation here with the distinguished Senator from Oregon [Mr. NEUBERGER], I said that I, too, was concerned about the availability of sites for prospective memorials. It seems to me this is a matter which merits the continuing attention of an appropriate body established by the Congress or by the executive branch, so we shall not proceed by trial and error or by accident from one such proposal to another.

Now we have the Theodore Roosevelt Memorial. Let me say that I wish I were a sponsor of that memorial joint resolution, because, to my mind, there is no greater American than Theodore Roosevelt. I have been one of his enthusiastic admirers for as long as I can remember; and my boys are, too. Recently, I purchased a book which is a photographic biography of Theodore Roosevelt. It is a stimulating publication for every American.

I also wish to refer to the James Madison Memorial; and there will be others.

Mr. KEATING. Mr. President, on that point, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. With the permission of the Senator from Minnesota, I should like to have his name added to the Theodore Roosevelt Memorial joint resolution, as a cosponsor.

Mr. HUMPHREY. That will be a singular honor, and I am delighted to have such a request made.

Mr. KEATING. Mr. President, I ask unanimous consent that at the next printing of that joint resolution, the names of both the Senator from Oregon [Mr. NEUBERGER] and the Senator from Minnesota [Mr. HUMPHREY] be added to that measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from New York very much, indeed.

Mr. President, the Senator from Oregon has been very diligent in his participation on the Franklin D. Roosevelt Memorial Commission; and he has attended the meetings, and knows a great deal about the details of the discussions which have occurred in relation to the site for the memorial.

I am very much pleased with the action of the committee, which was generous, magnanimous, and nonpartisan, as it should be; and I hope that in every such instance we shall act in the same way.

House Joint Resolution 115 represents what we consider to be the best approach to perhaps a rather complex situation; and I hope the joint resolution will be readily passed.

I thank the Senator from Nebraska for his help in this connection.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I am very much pleased that today the Senate has an opportunity to consider Calendar No. 743, House Joint Resolution 115, to reserve a site in the District of Columbia for the erection of the Franklin Delano Roosevelt Memorial, provide for a competition for the design of the memorial, and to provide additional funds for holding the competition.

The joint resolution was reported by the chairman of the Committee on Rules and Administration.

First, I wish to express my gratitude to the very able members of the Franklin Delano Roosevelt Memorial Commission, for their untiring efforts and for the great amount of time they have spent in connection with the work of the Commission.

The distinguished Chairman of the Commission, Mr. Francis Biddle, the former Attorney General, is a long-time friend of mine; and I think it very appropriate that one who knew so well the great Franklin Delano Roosevelt was chosen to be Chairman of the Commission.

It was my pleasure to recommend for appointment to the Commission former Senator Herbert Lehman, of New York, and the present senior Senator from Minnesota [Mr. HUMPHREY].

I believe that at the time when I made those recommendations, they were the first recommendations I had made to the present occupant of the White House. Upon receiving my letter recommending these two Senators for membership on the Commission, the President promptly dictated a reply to me. While the reply was being transcribed, the President suffered a heart attack at his quarters in Denver. The chief of staff of the President sent me, on the next day, the unsigned letter regarding these appointments. So I have had a very particular and peculiar interest in the work of the Commission.

I was privileged to know President Franklin D. Roosevelt. He is perhaps the greatest man with whom I have ever had contact.

I had opportunity, as a result of the gracious invitation of Mrs. Eleanor Roosevelt, to visit in their home in Hyde Park, just this year; and I have always been stimulated and inspired by my association with the Franklin D. Roosevelt family.

Only yesterday I had an opportunity to confer officially with the eldest son, Representative ROOSEVELT, of whom the late President was so proud.

Mr. NEUBERGER. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I know that modesty on the part of the Senator from Texas will not permit him to mention that, if I am not mistaken, he delivered the annual memorial address at the grave of Franklin D. Roosevelt on Memorial Day of 1959, at the invitation of Mrs. Eleanor Roosevelt. If I am not further mistaken, I believe the Senator from Texas is one of the few persons in active political life among the Members of the U.S. Senate who have ever been asked to speak in the Rose Garden at Hyde Park, where Franklin D. Roosevelt lies buried, at the side of his grave, in those annual commemorative ceremonies.

Mr. JOHNSON of Texas. I thank my friend. The Senator from Oregon is correct, and that was a very proud moment in my life.

Mr. President, before we take action on this resolution I wish to call the attention of the Senate to a brief passage in the report of the advisory committee, which will be found on page 4 of the committee report.

In reviewing Roosevelt's whole achievement, three characteristics seem to stand out as indissolubly part of the man. The first was his warm feeling for people, above abstract causes or principles. In this light, a memorial for Roosevelt must be accessible, and the visitor to it must feel intimately embraced and received by it, not put at a great distance from the man by reason of his eminence.

The second salient fact about Roosevelt, which came directly out of his immediate human dealings with the people around him, was the good-neighbor policy. The good-neighbor policy is one of give and take, on the basis of need and sympathy. Instead of hard bargains based on power and wealth, the good-neighbor policy tries to establish a sense of common needs and common aims. That attitude and that help made Roosevelt's name loved throughout the world, as the highest symbol of American generosity and understanding. Finally, growing out of the good-neighbor policy, was Roosevelt's vital sense of the unity of all mankind. Roosevelt's anticolonialism was an expression of the need for taking in all mankind as neighbors and friends. To create a fitting memorial for Roosevelt, not merely must his native soil and his American heritage be brought into the picture—the rest of mankind must be vividly present, in some form, to give the full circle of his influence.

Mr. President, I do not think I have ever known a commission appointee to function in connection with an act of Congress to be a more outstanding and more competent one than the Franklin Delano Roosevelt Memorial Commission. General Biddle is Chairman, and Representative KATHERINE ST. GEORGE is Vice Chairman. My beloved friend and Representative from New York, EUGENE KEOGH, is Secretary.

The members of the Commission who are members of the Senate are the Senator from New Jersey [Mr. CASE], the Senator from Minnesota [Mr. HUMPHREY]; my beloved friend the Senator from Oregon [Mr. NEUBERGER], who has just spoken and who has taken such an interest; and the Senator from New York [Mr. JAVITS]. There are also the majority leader of the House, Mr. McCormack, Mr. Schenck, Mrs. Rosenberg, the Honorable Clark Clifford, and the Honorable James H. Rowe, Jr., one of our outstanding leaders in Washington from the State of Montana.

All of these men and women have given freely of their time.

I hope that the step we are about to take today will result in having a memorial built that will be worthy of the man and of those who loved him.

The PRESIDING OFFICER. The question is on agreeing to the joint resolution.

The joint resolution (H.J. Res. 115) was ordered to a third reading, was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the voted by which the joint resolution was passed.

Mr. NEUBERGER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FREE IMPORTATION OF TOURIST LITERATURE

Mr. JOHNSON of Texas. I ask unanimous consent, Mr. President, that the Senate proceed to consider Order No. 672, H.R. 2411.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, which had been reported from the Committee on Finance, with amendments, on page 2, line 3, after the word "This", to strike out "Act" and insert "section"; after line 6, to insert a new section, as follows:

SEC. 2. (a) Paragraph 1720 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1720), is amended to read as follows:

"PAR. 1720. Models of inventions and of other improvements in the arts, to be used exclusively as models, or exclusively as exhibits in exhibitions at any college, academy, school, or seminary of learning, any society or institution established for the encouragement of the arts, science, or education, or any association of such organizations."

(b) Paragraph 1807 of such Act, as amended (19 U.S.C., sec. 1201, par. 1807), is amended to read as follows:

"PAR. 1807. (a) Original paintings in oil, mineral, water, vitreous enamel, or other colors, pastels, original mosaics, original drawings and sketches in pen, ink, pencil, or watercolors, or works of the free fine arts in any other media including applied paper and other materials, manufactured or otherwise, such as are used on collages, artists' proof etchings unbound, and engravings and woodcuts unbound, lithographs or prints made by other hand transfer processes unbound, original sculptures or statuary; but the terms 'sculpture' and 'statuary' as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other material, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors only, and the term 'original', as used in this paragraph to modify the words 'sculptures' and 'statuary', shall be understood to include the original work or model and not more than ten castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale and regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed. The terms 'painting', 'mosaic', 'drawing', 'work of the free fine arts', 'sketch', 'sculpture', and 'statuary', as used in this paragraph, shall not be understood to include any articles of utility or for industrial use, nor such as are made wholly or in part by stenciling or any other mechanical process; and the terms 'etchings', 'engravings', and 'woodcuts', 'lithographs', or 'prints made by other hand transfer processes', as used in this paragraph, shall be understood to include only such as are printed by hand from plates, stones, or blocks etched, drawn, or engraved with hand tools and not such as are printed from plates, stones, or blocks etched, drawn, or engraved by photochemical or other mechanical processes.

"(b) Original works of the free fine arts, not provided for in subparagraph (a), subject to such regulations as the Secretary of the Treasury may prescribe as to proof that the article imported represents some school, kind, or medium of the free fine arts. The term 'original works of the free fine arts' as used herein shall not be understood to include any article of utility or for industrial use."

(c) Paragraph 1809 of such Act, as amended (19 U.S.C., sec. 1201, par. 1809), is amended to read as follows:

"PAR. 1809. (a) Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition purposes within the territorial limits of the United States by any State or by any society or institution established for the encouragement of the arts, science, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the pay-

ment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this paragraph within five years after the date of entry hereunder and such articles shall be subject at any time within such five-year period to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this subparagraph (a) shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"(b) In connection with the entry of works of art and other articles claimed to be free of duty under this paragraph, surety on bonds may be waived in the discretion of the Secretary of the Treasury.

"(c) Articles entered under this paragraph may be transferred, subject to such regulations as the Secretary of the Treasury may prescribe, from an organization specified in subparagraph (a) to another such organization or temporarily to a commercial gallery or other premises for exhibition and not for sale."

(d) Paragraph 1811 of such Act, as amended (19 U.S.C., sec. 1201, par. 1811), is amended to read as follows:

"PAR. 1811. (a) Works of art (except rugs and carpets made after the year 1700), collections in illustration of the progress of the arts, works in bronze, marble, terra cotta, parian, pottery, or porcelain, artistic antiquities, and objects of art of ornamental character or educational value which shall have been produced prior to the year 1830, subject to such regulations as to proof of antiquity as the Secretary of the Treasury may prescribe. Picture frames classifiable under this subparagraph may be entered at any port of entry.

"(b) Violins, violas, violoncellos, and double basses, of all sizes, made in the year 1800 or prior year.

"(c) Ethnographic objects made in traditional aboriginal styles and made at least fifty years prior to their date of entry, subject to such regulations as to proof of antiquity as the Secretary of the Treasury shall prescribe."

(e) Paragraph 1812 of such Act, as amended (19 U.S.C., sec. 1201, par. 1812), is amended to read as follows:

"PAR. 1812. Gobelin and other hand-woven tapestries fit only for use as wall hangings, and valued at not less than $20 per square foot."

(f) This section shall become effective with respect to merchandise entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of enactment of this Act.

On page 7, after line 3, to insert a new section, as follows:

SEC. 3. (a) Paragraph 1631(a) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1631(a)), is further amended by inserting "book binding or cover," after "book,".

(b) The amendment made by this section shall apply wtih respect to articles entered, or withdrawn from warehouse, for consumption during the two-year period beginning on the date of the enactment of this Act and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment.

And after line 14, to insert a new section, as follows:

SEC. 4. (a) Paragraph 412 of section 1 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1001, par. 412), is amended by adding at the end thereof the following: "All moldings, wholly or in chief value of wood, including finger-jointed, Linderman-jointed, and other glued-up moldings, shall be dutiable at the rate (however established) applicable to wood moldings to be used in architectural and furniture decoration."

(b) For the purposes of section 350 of the Tariff Act of 1930, as amended, the foregoing amendment shall be considered as having been in effect continuously since the original enactment of section 350: *Provided*, That for the purposes of including a continuance of the customs treatment provided for in such amendment in any trade agreement entered into pursuant to section 350 prior to the entry into force of the amendment pursuant to subsection (c), the provisions of section 4 of the Trade Agreements Act, as amended (19 U.S.C. 1354), and of sections 3 and 4 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1360 and 1361), shall not apply.

(c) The foregoing amendment to the Tariff Act of 1930, as amended, shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligations of the United States with which the amendment might conflict, but in any event not later than ninety days after the date of enactment of this Act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be treated as the original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc, and the bill as amended will be treated as original text.

The bill is open to further amendment.

Mr. YARBOROUGH. Mr. President, I offer an amendment to H.R. 2411, to strike all of section 4, beginning with line 15 on page 7, through line 18, page 8.

The PRESIDING OFFICER. The Clerk will report the amendment.

The LEGISLATIVE CLERK. On page 7, beginning with line 15, to strike out through line 18 on page 8.

Mr. CLARK. Will the Senator yield to me?

Mr. YARBOROUGH. I yield.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. I should like to support this amendment offered by the Senator from Texas. Senators will note that this bill, H.R. 2411, as it passed the House was entitled "An act to amend the Tariff Act of 1930 to provide for the free importation of tourist literature."

When the bill reached the Finance Committee it was amended in a number of particulars at the behest, in part at least, of the distinguished Senator from New Mexico [Mr. ANDERSON]. Section 4 of the bill was inserted in the Finance Committee in the form of one of the amendments of the Senator from New Mexico.

It provides for an increase in the tariff on "all moldings, wholly or in chief value of wood, including finger-jointed, Linderman-jointed, and other glued-up moldings, shall be dutiable at the rate (however established) applicable to wood moldings to be used in architectural and furniture decoration."

This amendment, Mr. President, I regret to state, would be of substantial detriment to business people in my State. There are a number of reasons why they object to the amendment, the first of which is that at present imported moldings from all foreign sources represent no more than 3 percent of the value and volume of domestic production, so that the amount of foreign competition is very small indeed, only 3 percent.

In the second place, those favoring this legislation are said to have made no attempt to seek relief through the escape clause provision of the Trade Agreements Extension Act of 1951, and one would think they would exhaust their administrative remedies before proceeding by legislation.

In the third place, there is no national interest involved which would justify this unusual reversal of a foreign trade channel which is of value to the friendly foreign countries primarily concerned, the Philippine and Mexican Republics.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. CLARK. I yield.

Mr. ANDERSON. The reason they do not use the escape clause is very, very simple, indeed. The customs people have improperly classified this as lumber. The duty on lumber is zero, and half of zero is still zero. So if they have the advantage of the escape clause, they still would have zero. I am sure the Senator realizes that would not be of much help to anybody.

Mr. CLARK. I thank the Senator for his explanation. My own position is that I would like to keep it on zero.

Mr. ANDERSON. The Senator can keep lumber on zero. There is no objection to keeping it on zero for lumber. The objection is that wood molding, which has a specific tariff, is shipped in, sometimes smuggled in, so that it is not counted as wood molding, which has a tariff. We are not able to break down the carload shipments.

Mr. CLARK. The Senator knows far more about this subject than I, and I will not attempt to controvert what he has said. It is true, however, is it not, that there are substantial importations of mahogany from the Philippines and Mexico which are presently coming in free and on which there would have to be paid a tariff of approximately 17 percent if the amendment of the Senator were to be adopted?

Mr. ANDERSON. That is correct. The only contention we make is that since the law says they should pay the tariff, they should seek relief not by getting by the tariff and customs people, but by getting the law repealed. If they do not want a duty on wood molding, they ought to try to accomplish that by getting the law repealed, instead of what they have been doing, namely, getting the molding classified as raw lumber, when it is not raw lumber.

Mr. CLARK. The Senator may be correct. I do not know. But the Senator would agree that the law as presently administered does not require a tariff on wood molding, and the Senator's effort is to change the law.

Mr. ANDERSON. The law is presently administered that way, that is correct; but the law presently says and provides, in section 412, and I will let the Senator

examine it, if he cares to, wood moldings and carvings to be used in architectural and furniture decorations. That particular section of the law was written into the Tariff Act of 1930 at the request of the Senators from Michigan, because a great deal of decorative work was being put on furniture manufactured in the Grand Rapids area. The great Senators from Michigan stood on the floor of the Senate and secured an adoption of the amendment to the Tariff Act that provided wood moldings used in either architectural or furniture decorations should bear a certain tariff. That tariff was 30 percent, but, by various agreements, it has come down to 17 percent. All we want is that the law as it is be enforced. Unfortunately, the tariff officials say, "Well, wood molding that comes in a strip is not used for architectural or furniture decoration." As a matter of fact, it is; but since they have allowed the practice to start, and since they continue it to go on, we are beginning to get pressures from other countries who say, "In the interest of good neighborliness, let this evasion continue."

Mr. CLARK. The Senator from New Mexico is aware that the senior Senator from Pennsylvania is not one of those who rises on this floor very frequently to praise the administrative action of the Eisenhower administration. Nevertheless, I do feel compelled, in the interest of my constituents, to point out that in this connection we do feel, and I believe with reason, that this increase in tariff proposed by the Anderson amendment, which would reverse the administrative procedures, which may or may not be legal, is something which would be detrimental to the small business people of Pennsylvania.

Mr. President, I ask unanimous consent that a letter addressed to me by the Insular Lumber Co., of Philadelphia, Pa., may appear in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INSULAR LUMBER CO.,
Philadelphia, Pa., July 10, 1959.

Re Anderson amendment to H.R. 2411, duty on wood moldings.

Hon. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: I want to call your attention to the Anderson amendment to H.R. 2411, which amendment seeks to impose an ad valorem duty of 17 percent on wood moldings, now duty free. The Senate Finance Committee has scheduled a hearing on this matter on July 16.

This is a modified form of Senator ANDERSON'S earlier bill S. 913, on which four major departments of the Government rendered adverse reports. The key reasons in brief for opposition to the Anderson amendment to H.R. 2411, are as follows:

1. Imported moldings from all foreign sources represent no more than 3 percent of the value and volume of domestic production.

2. Those favoring this legislation have made no attempt to seek relief through the escape clause provision of the Trade Agreements Extension Act of 1951.

3. There is no national interest involved which would justify this unusual reversal of a foreign trade channel which is of value to the friendly foreign countries primarily concerned—the Philippine and Mexican Republics.

Your interest in this matter is, I believe, necessary and warranted.

Respectfully yours,

HENRY S. THOMPSON,
President.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, we fully appreciate what the Senator from Pennsylvania has said in regard to the fact that he does not rise very frequently to praise the administration. I hope this afternoon he is not rising to praise the administration for not following the law, because the sad fact, as the Senator from New Mexico has just pointed out to the Senator from Pennsylvania, is that under existing law wood moldings, as pointed out by the committee on page 5 of the report, and carvings used in architectural and furniture decorations are already covered by the law, and so is the mahogany that the Senator from Pennsylvania has referred to, but it is not being followed by the administrative officers.

The Senator says he is rising in the interest of his constituents. So are we. We are in this advantageous position, I respectfully submit: that the law is on the side of our constituents, and we are not going to do any injury to Mexico, because Mexico will still compete if we adopt this 17-percent ad valorem provision. It ought to be required to pay this 17 percent.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. The Senator from Pennsylvania has the floor.

Mr. CLARK. I did not want to interrupt the Senator from Oregon.

It occurs to me that if the law is on the side of the Senator from Oregon and the Senator from New Mexico, it is an odd thing for both to want to change the law.

Mr. MORSE. We want to make it perfectly clear in the law this time that the officials cannot exercise their escape as they are now exercising it by making an administrative interpretation which we think obviously was never intended by the Congress when we put in the law the clear language "wood moldings."

Mr. President, a wood molding is something more than lumber. A wood molding is a manufactured item. It is not raw lumber, and it is not the type of lumber that was contemplated to come in free of the 17 percent, as is true of raw lumber.

We sought to protect business concerns with the law as it is now with respect to the type of lumber I now hold in my hand. It is a finger-jointed and glued piece of lumber, on which there has been considerable labor. This is not raw lumber. This is manufactured lumber. I also hold in my hand another sample. It is so-called solid molding. Look at the work that has gone into this molding. This is manufactured lumber. It is not raw lumber. The administration is saying this is raw lumber, as though it was the raw board as it came from the saw mill.

Mr. CLARK. If I may have the attention of my colleagues from New York and New Mexico, if the law clearly calls for an imposition of duty on this particular product, then perhaps our remedy is the one we invoked so successfully last night, which is to pass a resolution stating the sense of the Senate that the law should be enforced as written and that it is not in the national interest to continue to treat these moldings as they are, rather than change the law, which—and my good friend is one of the best lawyers in the Senate—now states a duty shall be imposed.

I wonder if my colleagues from New Mexico and Oregon would not be willing to change their amendment and make it a sense of the Senate resolution.

Mr. MORSE. Not at all. I will tell the Senator why. These administrators have taken the law as it is and, under the guise that they have the administrative discretion, they have taken the interpretation that they can do this with respect to moldings.

An amendment is needed in order to make perfectly clear in the law that this specific exercise of discretion brings about a result we did not intend when we enacted the controlling statute.

Mr. CLARK. Perhaps if my friends will not agree to substitute a sense of the Senate resolution for a change in the law, which they say originally accomplished what they desire, and they say it is improperly administered, I am sure both of my friends will agree there is always available to us a political remedy at the polls in the fall of 1960, which might result in the replacing of these recalcitrant administrators.

Mr. MORSE. I wish to say that we have a duty, so far as the Senator from Oregon is concerned, to protect the rights of our constituents. The lumber mills in my State which manufacture molding would be protected against a discrimination if we follow this legislative procedure. That is what the Senator from New Mexico proposed. That is what the committee proposed.

We have a committee report, written after full, fair and thorough hearings, which has a clear recommendation for the adoption of the language relative to moldings. I would be derelict in my duty if I did not do everything I could to sustain the committee.

Mr. CLARK. I am sure the Senator from Oregon will do his duty for his constituents, as he always does very ably and effectively. I feel compelled to do my duty for my constituents.

I should like to bring to the attention of the Senate—it may seem odd for me to do this, and perhaps I should leave it to the junior Senator from New York—the fact that the amendment is opposed by the Department of Agriculture, by the Department of Commerce, by the Department of State and by the Treasury Department. It seems a little odd to me that all these governmental departments are cooperating in what might be construed—and I mean this in no invidious sense—as a conspiracy to falsely interpret a law which is on the books.

Mr. President, I do not want to prolong the colloquy further.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. I wonder if the Senator from Pennsylvania would indicate in what way his constituents think they would be damaged by the amendment?

Mr. CLARK. It is the thought, as I understand it, that it would be necessary to pay more for the moldings, in order to process them into completely manufactured goods.

Mr. ANDERSON. For what do they intend to use the moldings?

Mr. CLARK. I will have to admit a substantial ignorance on that fact, other than to say there are a number of concerns which sell the products which do not want the price of the products raised to individuals who, I believe, are using the products, generally speaking, for house and building construction.

Mr. ANDERSON. They are using the moldings for architectural decoration, are they not?

Mr. CLARK. The Senator is correct, so far as I know.

Mr. ANDERSON. The law clearly says that wood moldings for architectural decoration have to pay a customs fee. The reason we are having difficulty in this connection is that in 1915 the Treasury Department made a classification. The U.S. Customs Court on October 25, 1915, said that various wood moldings which had not advanced beyond sawing and planing, which were sold by the lineal foot, in random lengths, to be used for construction, for utilitarian purposes, would not be classified in this manner. To correct that decision, in 1930 the Congress put into the law a complete reversal, and said that wood moldings, if they were used for architectural and furniture decoration, had to pay the duty.

This matter was not serious for many years, because the amount of wood moldings coming into the country was infinitesimal. The figure the Senator has used is 3 percent, and that is a more recent figure, but it does not approach what is the present figure. It was only 1 or 2 percent at the earlier time.

Mr. CLARK. Can the Senator from New Mexico tell us what is the figure at this moment?

Mr. ANDERSON. No, I cannot; but in our part of the country it exceeds 15 percent.

A wood molding manufacturer who lived in the State of Texas thought that he could get his labor cheaper in Mexico, so he moved to Juarez and built a plant in Juarez, so that he could make the product by the use of the cheapest Mexican labor. Then he brought the wood molding into the United States under the lumber classification.

We do not think that is the proper way to do business. We think there ought to be a proper classification in accordance with the law as it was changed, and not in accordance with the law the way it was interpreted in 1915.

Mr. CLARK. I respect the sincerity and the conviction with which my friend from New Mexico speaks. I regret that I cannot find myself in a position to agree with him.

I imagine this matter will be disposed of by a voice vote and not a yea-and-nay vote. I should like to have the record show that my voice will be raised in support of the amendment of the Senator from Texas when that event occurs.

Mr. KEATING. Mr. President, will the distinguished Senator yield to me?

Mr. CLARK. I yield to my friend from New York.

Mr. KEATING. Of course, I would not want to engage in any political discussion, as my friend from Pennsylvania realizes.

Mr. CLARK. I am sure the Senator and I, today, are above politics, if not always.

Mr. KEATING. The Senator is correct. I certainly appreciate the stanch support for the departments of Government which has been rendered today by our distinguished friend from Pennsylvania. I think the opposition of all the Government departments to this proposal is entitled to some weight.

I am very aware of the necessity that our distinguished friends from New Mexico and Oregon properly represent the interests of the people of their States, exactly as the Senator from Pennsylvania and the Senator from New York are required to do from time to time, as well as the Senator from Texas.

I have received a considerable amount of mail in opposition to this proposal, which has been written into the bill. This mail comes from people who are engaged in the construction business. These people, to answer the question of the Senator from New Mexico, say that the proposal would raise the price of wood moldings, which are, as they point out, even now in short supply, and this would in turn increase building costs.

Mr. CLARK. Mr. President, will the Senator yield for a moment?

Mr. KEATING. Yes.

Mr. CLARK. I would like, if it is agreeable to the Senator, to yield the floor.

Mr. KEATING. I am perfectly willing to have the Senator do that, but I have very little more to say.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The Senator from Pennsylvania yields the floor. Does the Senator from New York seek recognition?

Mr. KEATING. Mr. President, I do. I should like to complete my remarks.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. From time to time we necessarily have to present the interests of our constituents as we see them. It is on that basis, more than on the basis of the objections of the Government departments, that I am speaking now.

I was rather surprised to hear a distinguished lawyer and a former dean of a great law school indicate that the language of the present law is exactly what we are trying to say, because I share the point of view of the Senator from Pennsylvania that if it were the law it would not be necessary to write new language into the law.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEATING. As I understand the position of the Senator, it is that the law is not being administered in the proper way now. Of course, if the law is clear, I should think that the remedy of those who do not agree with the manner in which it is being administered would be an appropriate action to review the decision of the administrative officer.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KEATING. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. The law was passed in 1930. As I explained a moment ago, at the request of Senator Couzens, of Michigan, in order to protect the furniture decorators and manufacturers in Michigan the law was passed. There was an effort to cover a particular type of woodwork coming in from another country.

Subsequently there was very little importation, and the matter stayed dormant for a great many years. The amount of wood moldings coming in from other countries was very small indeed, because the wood molding was classified as it had been in 1915, and that was never modified, to bring it up to what was proposed by the law of 1930. When the question finally arose we were in the midst of a reciprocal trade arrangement with Mexico, trying our best to get along with Mexico. The State Department took the position that the amount of wood moldings coming in was so small it was not worth slapping the Mexican Government in the face about, and that position was probably correct. That some position, in State Department fashion, has been inherited ever since. That is why the departments report the same way.

It is said that the amount of wood molding is not significant and it is not enough to worry about. The cold fact of the matter is that at least one very fine molding factory was moved across the border into Juarez, Mexico. A second plant was put in, to do the finger-jointed molding work, but that was obviously such a fake that even the department had to turn against it, and that permission was canceled. They are not allowed to bring in the finger-jointed molding. I have a sample of it here.

There is no real difference between this molding and the finger-jointed piece, except that we can see where the joint was put in. The Treasury Department did not hold to its conclusion. It was said, "We cannot live with that. We know this is manufactured. However, we will still let this other come in as common lumber."

The only answer they can give is that it is unwise to disturb the friendly relations we have with Mexico.

Actually Mexico withdrew from the Reciprocal Trade Treaty with the United States. She has no treaty with us. Therefore I think the point of the American Government is wrong. Furthermore, I say that if the law is clear enough when it says, "wood molding to be used in architectural and furniture decoration," the law should be enforced. Wood molding is used for decoration, and that is the whole point of the story.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. MORSE. The Senator from New York referred to the position I expressed on the floor of the Senate with respect to my understanding of the existing law.

Mr. KEATING. With great respect for the Senator's legal ability.

Mr. MORSE. The Senator indulged in an unfortunate misunderstanding of the position taken by the Senator from Oregon. To clarify the RECORD, let me restate it.

I pointed out earlier in the discussion that the 1930 law, as the committee pointed out on page 5—and I referred to it in the discussion—contains the language "wood moldings and carvings used in architectural and furniture decoration."

The Senator from New York knows that under the tariff laws broad discretionary powers are given to the Tariff Commission. It has great authority to classify and to draw distinctions between products. It has drawn the kind of distinction here, as the Senator from New Mexico has pointed out with regard to moldings, that if a molding is split and glued it falls under the ad valorem tax, but if it is a solid piece of molding it does not. But one's eyes show that both pieces of molding are manufactured lumber.

It is our position that the language of the 1938 act expressed very clearly the congressional intent, but the Tariff Commission does not agree with us.

In my judgment, the Tariff Commission does have the authority to exercise discretion in setting up classifications. In setting up these classifications, the Senator from Oregon and the Senator from New Mexico take the position that the Commission was very arbitrary. We thing it violated the intend of the Congress. But it has the power to do what it has done. I do not question that. However, in my opinion it has been violating the intention of the Congress. I think the law already clearly covered it in the language I have cited, but the Commission does not agree. The only way to remedy that situation, in my judgment, is for us to clarify the law. The committee has done so in its report, and that is why we propose this language.

Mr. KEATING. I understood the Senator from Oregon to say that the Commission is now violating the law.

Mr. MORSE. It is violating the intention of the Congress. It does not make the same interpretation of the intent of Congress that I do; but it has the legal authority to interpret the intention of Congress.

Mr. KEATING. The point of the Senator from Oregon is that we should restate our intent along the lines stated by the Senator from Oregon and the Senator from New Mexico.

Mr. MORSE. I think we should clarify it.

Mr. KEATING. I entirely agree that we could restate our intention. I merely hope that we will not do so, in the interest of a substantial number of people engaged in the business and employed in the business, or in the construction industry in my State.

Mr. President, I ask unanimous consent, at the conclusion of my remarks, to include one or two typical telegrams I have received from people engaged in the construction industry.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

Senator KENNETH B. KEATING,
Senate Office Building,
Washington, D.C.:

Urge you to ask members of Senate Finance Committee to defeat Anderson amendment to H.R. 2411 when it is before them in executive session August 5 or 6. Administration opposes this amendment which is discriminatory and would have effect of raising prices of wood molding even now in short supply. Please see that Anderson amendment is defeated.

RAYMOND P. BIRMINGHAM,
Manager, Genesee Reserve Supply, Inc., Rochester, N.Y.

Hon. KENNETH KEATING,
Senate Office Building,
Washington, D.C.:

Do all you can to block Anderson amendment to H.R. 2411 in Senate Finance Committee. Wood molding is in short supply and this discriminatory amendment would only tend to increase building costs.

SOL RUBINTON,
Stulman-Emrick Lumber Co., Inc., Brooklyn, N.Y.

Mr. KEATING. Mr. President, I support the amendment of the Senator from Texas [Mr. YARBOROUGH].

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I wonder if my colleague [Mr. YARBOROUGH] and the Senator from New Mexico [Mr. ANDERSON] would be agreeable to my making a unanimous consent request to take up two resolutions to which I understand there is no opposition. The Senators who are interested in them are present in the Chamber. The minority leader [Mr. DIRKSEN] has left a conference committee to come to the Chamber. Would the Senator from New Mexico and the junior Senator from Texas object to taking up those resolutions, with the understanding that immediately upon their disposition the Senate will revert to the consideration of House bill 2411?

Mr. ANDERSON. Mr. President, I am entirely agreeable, and I am sure the Senator from Oregon is agreeable.

Mr. MORSE. Mr. President, I wish to raise a problem. A member of the conference staff has just spoken to me and said that the Senator from Massachusetts [Mr. KENNEDY] is very desirous of having me in the conference. The Senator from Illinois [Mr. DIRKSEN] is in the Chamber. He knows what is going on in the conference. I have just received a message from the conference to the effect that the Senator from Massachusetts wants me to be present. I am sure that applies also to the Senator from Illinois. A problem has arisen in connection with title VII. We now have under consideration a bill of vital importance to the interests of my State. The majority leader suggests that the Senate proceed to consider some other measures. That is agreeable to me, with the understanding that when the Senate resumes consideration of the bill which we have been discussing, I will be notified in conference.

Mr. JOHNSON of Texas. Consideration of the two resolutions will require no more than a minute and a half.

Mr. MORSE. That is what I suspected. Perhaps it would be wise to postpone further consideration of the bill until Monday. I wish to speak further on the bill. I understand that the Senator from Texas [Mr. YARBOROUGH] has a speech of some length.

Mr. DIRKSEN. Mr. President, I should be glad to exercise my good offices and look after the interests of the Senator from Oregon in the labor conference. [Laughter.]

Mr. MORSE. I appreciate that; and I know that the Senator would do so. If I gave him my proxy to vote a certain way, he would vote it that way, even though it would not be the way he would vote on the same issue. But the trouble is that I cannot tell the floor of the Senate what the details of the issue are.

Would the majority leader be the least bit disposed to postpone further consideration of the bill until Monday?

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senator from Oregon is not disposed to allow the Senator from Illinois to look after his interests in the conference.

Mr. MORSE. That is correct. [Laughter.]

Mr. JOHNSON of Texas. Would the Senator from Oregon be disposed to allow the junior Senator from Texas to look after his interests on the floor of the Senate?

Mr. MORSE. On almost anything but this subject. [Laughter.]

I have no objection, if the Senator from Texas is to speak at some length on the bill, provided I may be called back in time to speak.

Mr. JOHNSON of Texas. If that is agreeable, I think we can follow the plan outlined by the able Senator from New Mexico [Mr. ANDERSON], to take up the two resolutions in which the Senator from Illinois [Mr. DIRKSEN], the Senator from Oklahoma [Mr. KERR], the Senator from Colorado [Mr. ALLOTT], and other Senators are interested. After we have concluded action upon those resolutions the junior Senator from Texas can be recognized to make his speech; and just before the expiration of his speech the Senator from Oregon can be notified as to what the situation is.

Mr. YARBOROUGH. Mr. President, of course we would like to ask for a yea-and-nay vote.

Mr. JOHNSON of Texas. Let us not do that now. Let us see how things go along. The Senator will always have an opportunity to ask for a yea-and-nay vote before the vote is taken.

ADDITIONAL INVESTIGATION OF DOMESTIC LEAD AND ZINC INDUSTRIES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 741, Senate Resolution 162.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 162) requesting the U.S. Tariff Commission to make an additional investigation under section 332 of the Tariff Act of 1930 of the domestic lead and zinc industries.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. KERR. Mr. President, the purpose of this resolution, reported from the Committee on Finance by the Senator from Oklahoma and others, is to direct the Tariff Commission to make a further investigation of the current condition of the lead and zinc mining industries along the lines of the investigation culminating in a report on April 19, 1954, and to submit a supplemental report bringing down to date that earlier report.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 162) was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby directed, pursuant to the said section 332 of the Tariff Act of 1930, to make a further investigation along the lines of the aforesaid investigation and to submit a supplemental report to the Congress on or before March 31, 1960, bringing down to date the said report of April 19, 1954.

SEC. 2. The said supplemental report of the Tariff Commission shall include specific findings of the Commission with regard to the current condition of the lead and zinc mining industries and as to what additional import restrictions, if any (by way of increased duties or import quotas, or both), need to be imposed upon articles dutiable under paragraphs 72, 77, 391, 392, 393, and 394 of the Tariff Act of 1930, on zinc fume or zinc flue dust dutiable under paragraph 214 of the said tariff act, on zinc wire dutiable under paragraph 316(a) of the said tariff act, on zinc engravers' plates dutiable under paragraph 341 of the said tariff act, and on zinc alloys and lead and zinc mill products dutiable under paragraph 397 of the said tariff act, in order that lead and zinc mining operation in the United States may be conducted on a sound and stable basis. In the course of its investigation the Commission shall hold a hearing at which interested parties shall be given opportunity to appear and be heard.

ADDITIONAL INVESTIGATION OF DOMESTIC FLUORSPAR INDUSTRY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 742, Senate Resolution 163.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 163) requesting the U.S. Tariff Commission to make an additional investigation under section 332 of the Tariff Act of 1930 of the domestic fluorspar industry.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ALLOTT. Mr. President, this resolution is very similar to the resolution presented by the Senator from Oklahoma with respect to lead and zinc in which I also join. The purpose of Senate Resolution 163 is to direct the U.S. Tariff Commission to make an investigation under section 332 of the Tariff Act of 1930, of the domestic fluorspar industry, and to report its findings to the Congress on or before February 29, 1960.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby directed, pursuant to the said section 332 of the Tariff Act of 1930, to make a further investigation along the lines of the aforesaid investigation and to submit a supplemental report to the Congress on or before February 29, 1960, bringing down to date the said report of June 6, 1955.

SEC. 2. The said supplemental report of the Tariff Commission shall include specific findings of the Commission with regard to the current condition of the fluorspar mining industry and as to what additional import restrictions, if any (by way of increased duties or import quotas, or both), need to be imposed upon articles dutiable under paragraph 207 of the Tariff Act of 1930 in order that fluorspar mining operations in the United States may be conducted on a sound and stable basis. The Commission shall also determine what action, if any, should be taken to correct the disparity in the existing rates of duty. In the course of its investigation the Commission shall hold a hearing at which interested parties shall be given opportunity to appear and be heard.

CIVIL RIGHTS

Mr. YARBOROUGH obtained the floor.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield.

Mr. HUMPHREY. Mr. President, it was my intention as of yesterday to have made a statement relating to the remarks of the distinguished senior Senator from Missouri [Mr. HENNINGS] concerning proposed civil rights legislation. Yesterday the Senate was operating under controlled time by unanimous consent, and it was not possible until around 10:30 in the evening to address the Senate on a subject which was not related to the items of proposed legislation which were before the Senate.

So I take this opportunity today to commend the senior Senator from Missouri [Mr. HENNINGS] for making what I believe is a courageous, honest attempt to get before the Senate meaningful, proposed civil rights legislation at this session.

As a fellow worker in the vineyards of civil rights, I know how diligently the Senator from Missouri has toiled to get a bill reported from the Committee on the Judiciary, of which he is one of the most respected members.

I am positive that he would not have introduced his civil rights package as an amendment to a bill pending before the Senate if he had any hope that the Committee on the Judiciary would report a bill at this session. The Senator from Missouri has great respect for the normal committee procedures and has been extremely patient in trying to get that committee to act on a bill before Congress closes shop and goes home. All of us recognize that there is tremendous pressure for the adjournment of Congress. The action which the Senator from Missouri has taken, and which I endorse wholeheartedly, is indicative of his frustration—and I might add of my own—over the civil rights stalemate in the Committee on the Judiciary.

I realize that any proposal for civil rights legislation is highly controversial. I make no accusation of any unfair practice in the Committee on the Judiciary. I understand that the rules have been strictly adhered to; but the rules permit long and dilatory action. It is a matter of regret that there has been considerable delay—I believe undue delay—in acting upon proposed civil rights legislation. There is a wide variety of such proposals before the Committee on the Judiciary. Some of them go further than others. It has been my hope that some bill would be reported. Of course, I would perfer the bill introduced by the Senator from Illinois [Mr. DOUGLAS], the Senator from Missouri [Mr. HENNINGS], myself, and many other Senators, as well as certain bills which I have introduced in my own right. But whatever bill might be reported, the Senator from Missouri has placed before the Senate an item of proposed civil rights legislation upon which amendments can be offered, thereby permitting us to act constructively in this field.

It was this sort of frustration, delay, and inaction which in the 85th Congress prompted the Senator from Missouri to recommend that Senate rule XIV be used to bypass the Committee on the Judiciary and to place the House-passed bill before the Senate, directly on the Senate calendar. If that move had not succeeded—and it was a move which I too supported with reluctance, because of my belief in the normal procedures of committee action, but a move which was required in the light of the circumstances—there is grave doubt in my mind that the Civil Rights Act of 1957 ever would have become a reality.

The Civil Rights Act of 1957 is one of the great accomplishments of recent years. There were amendments which I had hoped we might adopt. But I voted for the bill and supported it, because I felt it represented a very constructive, substantial, long-delayed beginning in the field of legislative action.

The senior Senator from Missouri was reluctant at that time to recommend any departure from established committee procedures, but his reluctance then, as now, was overshadowed by what I believe to be his devotion and respect for the Constitution of the United States and the principles for which that noble document stands, accompanied by his untiring zeal to protect and strengthen the civil rights of persons under the Constitution.

I am proud to say that I share that devotion and zeal of the senior Senator from Missouri. In this and preceding sessions of Congress I have introduced

and supported proposed civil rights legislation. I am one of the 17 cosponsors of the Douglas-Hennings-Humphrey bill, which is included in the eight-point amendment of the Senator from Missouri. I might add that that bill has had bipartisan support. I do not have a list of the Senators on the other side of the aisle who support the measure, but I recall that several of them are also sponsors of the bill. I believe the two Senators from New York, if I am not mistaken, are cosponsors. I know that the senior Senator from New York [Mr. JAVITS] is a cosponsor, and I know that the Senator from Pennsylvania [Mr. SCOTT] also is a cosponsor. I believe that the junior Senator from New York also is a cosponsor.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. I am not a cosponsor of that particular bill. I have my own proposals in that regard, which I offered as an amendment. However, if that is the form in which we shall vote upon a bill, I shall support it. However, I am not a cosponsor. Due to my rather long and intimate work in this field, I have some differences in viewpoint with respect to this matter, and I thought it best not to cosponsor the measure introduced by the Senator from Minnesota. However, I am, as the Senator from Minnesota knows, sympathetically inclined, in general, toward the remarks he is making.

Mr. HUMPHREY. I thank the Senator from New York. I was looking toward him while I was thinking, since I was not sure of his cosponsorship. Of course, I know of the Senator's very active work in this field and of his own proposals, many of which I find very much to my liking and as to which I shall offer my support.

Mr. KEATING. I always am very happy when I find myself in agreement with the distinguished Senator from Minnesota. There are some areas in which we are in some disagreement. So it becomes a double pleasure to me when we are able to stand shoulder to shoulder to further some project.

Mr. HUMPHREY. It is always very agreeable to me to be able to agree with the junior Senator from New York. Whenever I disagree, I hope I do not do it in a disagreeable manner.

Mr. KEATING. We always disagree agreeably.

Mr. HUMPHREY. The enactment of a bill such as the Douglas-Hennings, Scott-Javits-Humphrey, et cetera, bill is, in my mind, many years overdue. We owe it to ourselves, to the Senate, and to Congress as an institution to act this year. The enactment of the bill would be a national declaration of our faith in human equality and human dignity, and would be an international declaration that our great Nation, the leaders of the free world, is able to mobilize the processes of democracy to make a living daily reality of that faith in human equality and human dignity.

The Douglas-Hennings-Humphrey bill is a moderate measure, carefully designed to facilitate desegregation without at the same time putting additional obstacles or irritants in the way of those States and communities whose laws must now undergo such far-reaching changes. I repeat: This proposal is a moderate, considered proposal. It does not go 1 inch beyond what is absolutely required to carry out the law of the land as declared by the Supreme Court of the United States—and, I might add, to carry it out gently, kindly, and wisely.

Our proposal is not based upon any sense of bitterness or any sense of desire to utilize force. It is based upon good sense, good judgment, and cooperation in seeking law observance.

I point out that titles VI and VII of the amendment of the Senator from Missouri, as now printed in the RECORD, and as offered for action in the Senate, represent an improved version of part III, which was deleted from the 1957 Civil Rights Act. The 1959 version of part III is a more carefully developed provision than the one contained in the old part III in 1957. Yet the same administration which proposed part III in the first place, in 1957, a part III which went beyond titles VI and VII of the Hennings amendment, now suggests that part III is no longer a moderate proposal.

Mr. President, I submit that any careful, objective analysis of part III, offered in the terms of titles VI and VII of the Hennings package amendment, as compared to part III of the 1957 act, will reveal that the new part III, embodied in titles VI and VII, represents a more moderate and modest proposal than that of 2 years ago.

How, may I ask, can something which was moderate in 1957 be less moderate in 1959? I wish some spokesman for the administration could satisfactorily answer this question for me.

Mr. President, I say in all candor that our proposal to allow the Attorney General to act when an individual cannot vindicate his own constitutional right to equal protection of the laws is both a minimum and a moderate proposal. The rights guaranteed by the 14th amendment, which part III is designed to protect, are hollow rights indeed if Congress fails to vote the necessary legislation to implement them.

I am happy that the Senator from Missouri [Mr. HENNINGS] has included such proposed legislation in his civil rights package, and I pledge my full support to these and other provisions of his eight-point amendment.

Like the senior Senator from Missouri, I believe the time is long past due for Congress to enact further meaningful civil rights legislation. The Civil Rights Act of 1957, the first such legislation passed by Congress in over 80 years, was a step in the right direction; but it was only a step, and it fell short of the kind of legislation which is really needed to protect the constitutional rights of all our citizens.

Mr. President, I could urge the passage of this proposed legislation, in order to impress the two-thirds of the world's people who are non-Caucasians. I think that, in itself, would be a justifiable argument. Or I could urge the passage of this proposed legislation to impress the one-third of the world's people who are yet uncommitted in the struggle between Communist expansionism and democratic freedom.

In fact, Mr. President, I believe that no measure which we could pass would be more effective than responsible civil rights legislation, in terms of strengthening our foreign policy today. I could urge passage of this proposed legislation in order to refute the lies and villifications of Communist propaganda that we, as a Nation, do not live up to the democratic ideals that we preach. I could urge the passage of this proposed legislation as a political expedient to garner votes for the Democratic Party. But, Mr. President, I strongly urge enactment of civil rights legislation for none of these reasons. I urge its passage because it is simply the right thing to do.

It is morally right; it is politically right; it is legally right. So I urge its passage because it is simply the right thing to do, and because I believe that the best politics, the best diplomacy, the wisest course in the long run, is to do the right thing in the short run, and to do it because it is the right thing.

Mr. President, when a nation and a people are acting out of a spirit of justice and out of a spirit of knowing that what they are doing is the right thing to do, they really have tremendous strength.

So, Mr. President, let us go about the immediate business of acting on the amendment of the Senator from Missouri [Mr. HENNINGS] and making it a law of the land.

Mr. President, I wish to encourage the taking of favorable action on these proposals; and, above all, at this stage I wish to encourage careful and thoughtful study of the 8-point program which was laid down here a few days ago as an amendment to business pending before the Senate.

Such an amendment, if acted on by this body, will become the law of the land I believe, because I am sure it will receive favorable response and consideration in the other body.

Mr. HART subsequently said: I appreciate very much the opportunity to speak, and am grateful to the Senator from Texas.

I only desire to refer to the senior Senator from Minnesota [Mr. HUMPHREY] with respect to the action taken by the senior Senator from Missouri with the Senator from Minnesota. I share the conviction that the amendments filed by the Senator from Missouri [Mr. HENNINGS] would materially advance the cause of America in the eyes of the free peoples, and strengthen us here at home.

As the freshman members of the Committee on the Judiciary, I understand fully the reluctance that must have attached to the action of the Senator from Missouri, but I shared with him the experience in the committee in his effort to induce the committee to report a civil rights bill. I commend him for what must have been a difficult decision, and yet I think a courageous one.

With the Senator from Minnesota, I hope that all of us will study carefully

the 8 points proposed by the Senator from Missouri [Mr. HENNINGS]. I believe they would advance the cause of freedom, and I hope that we will see them adopted.

Again I thank the Senator from Texas.

QUESTION OF PERSONAL PRIVILEGE

Mr. BENNETT. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield.

Mr. BENNETT. Mr. President, I rise today, a little sadly, on a question of personal privilege.

I was shocked to discover that from the RECORD the Senate made last night, the equivalent of four pages of the RECORD, as prepared by the Official Reporters, was deleted; and the deleted pages include a statement made by me; and the deletion was made without any consultation or request that my particular part of the debate be deleted.

In fact, included in the 4 pages were statements by 5 Members of the Senate, other than by the Senator who made the deletion; there were 10 statements by those 5 Senators.

There has been a great deal of discussion and debate about the right of a Senator to correct his statements, as they are to be printed in the CONGRESSIONAL RECORD; but it has never been my understanding that a Senator has a right to correct the RECORD to the point of deleting statements made by his colleagues, without at least consulting them and obtaining their permission.

The other day the Senator from Indiana [Mr. CAPEHART] and I had a brief exchange, which was not too happy; but at the end of it, the Senator from Indiana came to me and asked me if I would join him in deleting that portion of the exchange; and I was happy to oblige.

Last night the senior Senator from Pennsylvania [Mr. CLARK] became confused in regard to the question on which members of the Banking and Currency Committee voted, and how they voted; and today the RECORD reveals that all of that colloquy in regard to the confusion on the part of the Senator from Pennsylvania has been deleted—including statements by myself, by the Senator from Connecticut [Mr. BUSH], by the majority leader, the Senator from Texas [Mr. JOHNSON], by the Senator from New York [Mr. JAVITS], and by the Senator from Montana [Mr. MANSFIELD].

It may be that the Senator from Pennsylvania has gone to the other men in this group and secured their permission, but he certainly did not make any contact with me.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. JOHNSON of Texas. I was talking to a colleague by my side and I did not hear what the Senator said, but as I understand, he was asked if some of my statements made last night and taken by the reporter did not appear in the RECORD today. Is that correct?

Mr. BENNETT. The Senator from Utah has made the statement that there does not appear in the RECORD today material taken by the reporter equivalent to four pages, which includes a statement by the Senator from Utah. It also includes several statements of the majority leader.

Mr. JOHNSON of Texas. No Senator has made any request of me, and this is the first knowledge I have of it.

Mr. BENNETT. Apparently, then, we can assume that no request was made of any of the five Senators whose material was deleted.

I think this is a very serious infraction of the rules of the Senate. It certainly lends support to those who would make it impossible for any Senator to amend his statements after the statements have been made on the floor.

I feel that a record should be made of this action, this deletion, without consultation or permission, and I feel that I should reserve the right, under appropriate circumstances, to read back into the RECORD on my own responsibility the material that was taken out without any consideration of the participation of the other five men in this particular colloquy.

I do not intend to read it back at this point, but I should like to give notice to my colleague and to the senior Senator from Pennsylvania, who I assume is the one who made the request for this particular deletion.

Mr. JOHNSON of Texas. Mr. President, I have just hurriedly reviewed the transcript referred to by the Senator from Utah, and I would certainly have no objection to all of it being reread. I do not know why it was left out, if it was left out. I have not checked, and I take the Senator's statement for that. But I see nothing in it that would add materially one way or the other to the debate; and, if the Senator desires to have it appear in the RECORD and makes such a request, I shall certainly interpose no objection.

At one place I asked the minority leader if he would yield and he said "Yes"; and in another place I referred to the fact that there were two minority reports because I thought his minority colleagues were entitled to have that put in. I do not know why it did not appear in the RECORD.

It does not make any difference, so far as I am concerned. If the Senator would like to put it in now or would like to put it in the permanent RECORD at the point where it occurred yesterday, that would be perfectly agreeable and appropriate, I think.

Mr. BENNETT. For the RECORD, on page 16533, the first three paragraphs of the material in the reporter's transcript appear. The third paragraph has been altered, but all after the third paragraph has been stricken out.

The Senator from Utah will not put it back in the RECORD at this point. I think the Senator from Pennsylvania [Mr. CLARK] should have an opportunity to explain why he did this and why he feels that it should not have been in the RECORD.

Mr. JOHNSON of Texas. Has the Senator from Utah had an opportunity to discuss it with the Senator from Pennsylvania?

Mr. BENNETT. I discovered it when I came onto the floor, and I have not had an opportunity to discuss it with the Senator from Pennsylvania.

Mr. JOHNSON of Texas. I think that would have been a very fair thing to do, but as far as the majority leader is concerned, I make no objection to the entire transcript appearing. I played a very minor part in it. I am very proud of the minor part I did play in it because I was referring to the fact that two minority reports had been filed, making it clear that there was some disagreement with the resolution.

Does the Senator from Utah know who is responsible for taking it out of the RECORD?

Mr. BENNETT. I assume that it was the Senator from Pennsylvania. That is an assumption which could be wrong, but the Senator from Pennsylvania had corrected one paragraph in this section before the rest was deleted.

Mr. JOHNSON of Texas. I am informed by a staff member that it was not the Senator from Pennsylvania, but that one of the staff assistants of the Banking and Currency Committee asked that it be done. Since the transcript had to do with the number of Senators reporting one way and the number of Senators filing a minority report the member of the Banking and Currency staff made the request that it be held until they could try to supply the names.

Mr. BENNETT. That is why I feel I do not want to read it until after I have had a chance to discuss it with the Senator from Pennsylvania.

Mr. JOHNSON of Texas. I do not think it is a matter of any great moment. It was a rather amusing situation that we had more Democrats voting for the resolution than were assigned to the committee and more Republicans voting against it than were assigned to the committee.

Mr. BENNETT. But I feel that it is a serious situation when somebody undertakes to delete a statement made by another Senator without his permission, and I ask the Senator from Texas if he does not agree with me.

Mr. JOHNSON of Texas. I surely do, but I am informed that Senator CLARK's staff say that they did not make any such request.

Mr. BENNETT. For the deletion?

Mr. JOHNSON of Texas. That is right.

Mr. BENNETT. I think it would be interesting to find out who did make the request.

Mr. JOHNSON of Texas. I think it would be.

Mr. BENNETT. Is it proper for a staff member of a committee, without any Senator behind him, to go into the record of debate on the floor of the Senate and undertake to amend it or make deletions?

Mr. JOHNSON of Texas. No, I would not think it proper, although I know that any Senator who has served any time knows that frequently remarks are held up until the proper information

can be supplied. Last evening, as I remember, there was considerable confusion as to who voted how, and as I always want to believe the best, I assume that that is the reason why the staff member asked for the right that it be held up until the information could be supplied, although I have not been told that at all.

I just asked a staff member to check it, because I think that we ought to investigate it before we make any charges or try to blow the matter up any, because it is a matter in which I think that on investigation people would feel they have been mistaken.

Mr. BENNETT. I do not think the matter in the deletion is as important as the fact of the deletion.

Mr. President, the junior Senator from Texas has the floor. I appreciate the opportunity he has given me to make this statement, and I am happy to return the floor to him.

Mr. YARBOROUGH. I was glad to yield the floor. It was a point of personal privilege to which the Senator rose.

Mr. BENNETT subsequently said, during remarks by Mr. YARBOROUGH:

Mr. President, I rise again on this matter of personal privilege, which I brought up a few minutes ago.

Investigation since I appeared on the floor last indicates it was not my colleague from Pennsylvania [Mr. CLARK] who made these emendations, and I owe the Senator an apology for making what I think was a rather natural assumption, since it was his material being corrected at the beginning, that the emendations which followed were his responsibility. This was done in fact by a member of the Banking and Currency Committee staff. I am sure the man did it with the best motives in the world, but I think the question is still raised whether a member of the staff has the power to go to the record of the debate of the Senate and take parts of it out, and, certainly, to do so without consultation with those Members of the Senate whose colloquy is involved or whose participation in the debate is involved.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. JOHNSON of Texas. First, I want to commend the Senator for the statement he has made. It is characteristic of him. The Senator is a very fair man and a very just man.

I suspected, from the investigation I had been able to make, that the Senator from Pennsylvania was not responsible for the action. I quite agree with the Senator that an error has been committed by a very faithful and dedicated employee of the Senate.

I think the Senator from Utah has performed a service to the Senate by calling attention to the matter. I hope all employees of the Senate will take due notice of it, as well as all Senators.

I frequently am unable to even see my remarks, but when I do see them I see them written as I did not think I said them. But corrections must be made in nearly every transcript.

My information is that the staff member was attempting to get information, or had reason for feeling he should hold it until he got information.

In any event, the Senator from Pennsylvania should be exonerated, and I am glad the Senator from Utah has made this statement. I am glad the Senator has pointed up the matter. I hope everybody will take appropriate notice. I certainly think that a situation of this kind should not be repeated.

Mr. BENNETT. The Senator from Utah appreciates that comment from the majority leader and would like to say to the majority leader that he has tried to get in touch with the Senator from Pennsylvania, who is out of the city, but will certainly deliver a personal message to the Senator's office and do what he can to make amends for what he thinks was a rather obvious assumption to be made.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. GORE. I happen to know, personally, that the distinguished senior Senator from Pennsylvania had a dinner engagement at his home awaiting him, and immediately after the vote he departed to be host for the occasion, so he would not have had time to do what was mentioned.

Mr. BENNETT. The situation is clear.

Mr. GORE. I told the majority leader that.

Mr. BENNETT. That is correct. I appreciate the courtesy of my friend from Texas [Mr. YARBOROUGH] in yielding to me so that I could complete this statement.

Mr. YARBOROUGH. I thank the distinguished Senator from Utah, and particularly for his generous words in clearing up the misunderstanding which had arisen between him and another Member of this body.

FREE IMPORTATION OF TOURIST LITERATURE

The Senate resumed the consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

The PRESIDING OFFICER. The junior Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, I feel that the distinguished Senator from New Mexico was in error in his position taken on this act when he contended that there had been no interpretation of the law since 1930, or since the amendment of the tariff law of 1930, or that if there had been an interpretation, there was a strange reason for the interpretation, that they got some kind of recent ruling out of the Federal authorities that enabled them to get some kind of material in this country at a lower duty than the law intended.

I respectfully submit that the distinguished Senator from New Mexico is in error on this matter.

I hold in my hand a copy of a Treasury Department ruling from the Office of the Commissioner of Customs, dated November 21, 1930, ruling on this very matter, the subject being the tariff on wood moldings. This Treasury Department ruling of November 1930, is diametrically opposite to the position taken by the distinguished Senator from New Mexico.

Mr. President, this has been settled law for 29 years, ever since the Tariff Act of 1930. The Anderson amendment to raise tariff is an amendment put on a simple little act. We had an act to admit tourist literature from various countries, and to admit objects of art to the museums of this country, but we have an amendment that would disrupt trade along the Mexican-Texas border for 950 miles by reason of a duty on this Mexican ponderosa pine molding that comes in.

The 1930 ruling of the Treasury Department reads as follows:

> In view of the foregoing, the Bureau believes that it was the intent of Congress in enacting the new provision in paragraph 412 merely to increase the rate on certain moldings already dutiable, and not to affect the classification of moldings which are the product of a planing process only, and were accordingly admitted free of duty under previous tariff acts.

I call attention to the classification of moldings:

> As the provision in question was intended for the protection of woodworkers or wood carvers, as stated on the floor of the Senate, the Bureau is of the opinion that it should be limited to moldings which are cut or carved to a degree which would exclude them from classification under a provision for lumber not further manufactured than planed. You will please be governed accordingly.

That is by the Commissioner of Customs, approved on the 22d of November 1930, by A. W. Mellon, Secretary of the Treasury.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point this opinion in full. I have read the final and concluding paragraph.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

T.D. 44183—WOOD MOLDINGS—WOOD MOLDINGS NOT FURTHER ADVANCED THAN PLANED, NOT COVERED BY PROVISION OF PARAGRAPH 411, TARIFF ACT OF 1930

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF CUSTOMS, *Washington D.C.*

COLLECTOR OF CUSTOMS,
St. Albans, Vt.

SIR: The bureau refers to your letter of September 26, 1930, and previous correspondence in regard to the classification of wood molding such as quarter round, half round, crown, etc.

You state that cedar molding of this character imported through your district was advisorily classified under the provision in paragraph 417 of the Tariff Act of 1930 for "wood moldings and carvings to be used in architectural and furniture decoration," and the appraiser of merchandise at New York concurred in the report made through the Customs Information Exchange. It has, however, been brought to your attention that merchandise of this character is being passed free of duty at various ports along the Canadian border and you request instructions as to the proper classification of such merchandise.

Prior to the enactment of the Tariff Act of 1930 wood moldings, the product of a planing process, were admitted free of duty as lumber not further manufactured than sawed, planed, and tongued and grooved (abstract 28652). This practice continued as to such merchandise under at least two tariff acts prior to the enactment of the Tariff Act of 1930, but wood moldings constituting a product further advanced than planed were dutiable under the same acts as manufactures of wood, not specially provided for. In the provision in paragraph 412 of the Tariff Act of 1930, above quoted, wood moldings are mentioned for the first time, are included with carvings, and are limited to such as are to be used in architectural and furniture decoration.

In hearings before the Ways and Means Committee in 1929, a representative of the International Woodcarvers Association requested an increase in the rate of duty on carved parts of furniture and carved parts for buildings and described the effects of the use of carving machines on the woodcarving industry. On the floor of the Senate the proposed amendment incorporating the language in question was stated to be for the purpose of affording protection to woodworkers or carvers in architectural designs for moldings or designs used in the furniture business. The conference report on the tariff bill of 1930 states that under the provisions of the House bill wood moldings and carvings to be used in architectural and furniture decoration, which were not specifically mentioned therein, would be classified as manufactures of wood, not specially provided for, dutiable at 33½ percent ad valorem, and does not mention a transfer by means of the amendment of any articles from the free provision for lumber not further manufactured than sawed, planed, and tongued and grooved.

In view of the foregoing, the Bureau believes that it was the intent of Congress in enacting the new provision in paragraph 412 merely to increase the rate on certain moldings already dutiable, and not to affect the classification of moldings which are the product of a planing process only and were accordingly admitted free of duty under previous tariff acts. As the provision in question was intended for the protection of woodworkers or wood carvers as stated on the floor of the Senate, the Bureau is of the opinion that it should be limited to moldings which are cut or carved to a degree which would exclude them from classification under a provision for lumber not further manufactured than planed. You will please be governed accordingly.

Respectfully,

F. X. A. EBLE,
Commissioner of Customs.

Approved November 22, 1930:

A. W. MELLON,
Secretary of the Treasury.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ANDERSON. Did I hear the Senator state that something was said about this in debate on the floor?

Mr. YARBOROUGH. This refers to the debate of 1930.

Mr. ANDERSON. I was not able to find it.

Mr. YARBOROUGH. It was said it was in accordance with the debate.

Mr. ANDERSON. I wish the Senator would search the record and find it, because the clerks of the Committee on Finance have searched the record, I have searched the record, and the Treasury Department has searched the record, and cannot find it. If the Senator can find it, I would appreciate it.

Mr. YARBOROUGH. I did not say "debate." It said, "in the Senate." It construed the intent of the Senate, and that was stated in the same year the Senate passed the bill, which was within a few months, and not 29 years later. It may not have been included in the debate on the floor. It may have been in some understandings before committees at that time. But it stated what was the sense of the Senate. They were construing it in accordance with the sense of the Senate. That ruling since 1930 has remained unchanged and unchallenged. This is not a new found thing to let moldings made of Mexican ponderosa pine come into this country. This has been a settled ruling.

Mr. ANDERSON. I merely repeat that if the Senator can find any discussion of it in the hearings, I would appreciate it, because I am looking for information. Frankly, we have searched every line of every hearing, and we cannot find one word on it. If the Senator can find it, I would appreciate it, because I cannot find it.

Mr. YARBOROUGH. I appreciate the suggestion from the distinguished Senator from New Mexico. Able as he is to do a research job, and capable as he is to do a research job, and with his known intellectual acumen, I feel that, if what he has denominated as a thorough search has been made by him, that search was so thorough that we would not be able to find anything. But if it was not in the RECORD, I point out that just recently there has been reference to the fact that there were four pages missing from the RECORD. That opinion was made close enough in point of time to the passage of the bill to be relevant.

Mr. ANDERSON. I only say that to find something of that nature would be helpful. I do not guarantee the search was perfect. I have heard what the Senator has read into the RECORD, and I am wondering whether that opinion was based on legislative history or imagination. We have not been able to find any legislative history. They had no conversation or testimony or record to go by.

Mr. YARBOROUGH. Is the Senator referring to the man who wrote the opinion of 1930, when he says they had nothing to go by, or was it some other Government employee in 1959? I submit that in 1959 the best evidence of what the Treasury Department had to go by in 1930 is what was cited in the official opinion, and not what some subsequent employee says. He could not, 29 years later, know what had happened.

Mr. ANDERSON. I am sorry. I did not refer to some subsequent employee. I said I was unable to find it, the clerks of the Senate Finance Committee were unable to find it, and the Treasury Department was unable to find it. And I wondered if the Senator from Texas could find where there was any history of this nature. There is nothing in the record about it. If the Senator can find it, I would like to see it.

Mr. YARBOROUGH. I submit the official opinion has greater relevancy than any conversations which preceded the official opinion. That preceding conversation, that preceding research, that preceding understanding was minor compared to the ruling. The fact is that the Department made an unappealed ruling that has stood for 29 years, unchallenged in the U.S. courts, unchallenged in the Treasury Department, unchallenged in any Government department. For 29 years that has been the law of the land.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ENGLE. It seems to me we ought to decide this question on the merits and not 30 years of history.

Mr. YARBOROUGH. The argument has been made that this amendment, proposed by the distinguished Senator from New Mexico, ought to be adopted because there has been some kind of a recent ruling made surreptitiously, that nobody knew anything about. Aspersions have been cast on an open ruling made by the customs agency and signed by the Secretary of the Treasury in 1930, and published in their reports, and that has been the law for 29 years.

I am ready to debate the question on the present merits, but I think the fact that it has been existing law for 29 years is relevant.

Mr. ENGLE. Does the Senator believe that it is right for Mexican exporters to be able to swamp American markets with moldings made with cheap Mexican labor and call it lumber and bring it into this country under the same tariff rates?

Mr. YARBOROUGH. I do not believe that has happened.

Mr. ENGLE. The Senator ought to hear from my people.

Mr. YARBOROUGH. I am going to answer the Senator. Let me answer him, the Senator having asked me a question, which is a very apt and fair question, but the answer is in these telegrams from the people out there. I have in mind the city of El Paso, where there are 300,000 people on the north side of the Rio Grande, and 300,000 people in Juarez, Mexico, and those people have a very valuable trade.

I have here a telegram from El Paso, and another from a lumber company in Dallas.

Mr. ENGLE. Will the Senator yield?

Mr. YARBOROUGH. I have not finished answering the Senator's question. I will yield in a moment, but I should like to say, if the distinguished Senator from California is so afraid of cheap Mexican labor, I do not hear any clamor in an attempt to stop the bracero labor they bring in from Mexico.

Mr. ENGLE. We pay them better wages than we pay our own people.

Mr. YARBOROUGH. I have in my hand a wire from Laredo, protesting this duty. This trade exists all along the border. All over the southwestern area has been built up a trade relationship with Mexico based upon the 1930 ruling of the Treasury Department.

It is said that a few mills are objecting. Any businessman has a right to object to the importation of materials, but I think we should look at the overall picture, of our trade with Mexico, instead of what is said by one or two or three or five mills.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. In just a minute. I am answering the Senator's other question. I have in my hand a telegram from Laredo, Tex., which says:

LAREDO, TEX.,
August 12, 1959.

Hon. RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.:

We urge your vote and influence against Anderson amendment, H.R. 2411, which would increase import duty against pine lumber moldings made in Mexico to a point making further imports prohibitive. Passage of this legislation would be considered discriminatory by our good neighbor Mexico, and invite protective measures on their part as well as unfavorable publicity to American trade policies. Mexican molding imports amount to about 2 percent of American annual market, let us not create ill will and doubt about our foreign trade policies for doubtful protection of this small segment of market. Vote against the Anderson amendment please.

LOCKWOOD & FREIDIN,
U.S. Custom-House Brokers.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the El Paso Times for Sunday, August 2, 1959, under the title "Tariff Move Threatens Mexican Molding Industry."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TARIFF MOVE THREATENS MEXICAN MOLDING INDUSTRY

A northern Mexico industry exporting $4 million in wood molding to the United States annually is threatened by a tariff move started by New Mexico's U.S. Senator CLINTON ANDERSON, according to Robert Kolliner, lumber importer.

The business, processing Ponderosa pine in Mexico as part of the nation's move to develop home industry, is backed in part by U.S. capital. It was started 6 years ago and none of the production is marketed below the border.

The present tariff on the molding, the same as lumber, is $1 per thousand board feet. A bill to boost the tariff was rejected by a Senate committee last February on objection by the State, Commerce, and Treasury Departments.

ANDERSON'S latest move probably was backed by three molding manufacturers in New Mexico, Kolliner said, and if the amendment is adopted it would ruin the fast-growing industry that already employs more than 500 persons.

Kolliner went to Washington to appear before the committee that has the current bill, and recently wrote Senator ANDERSON, in part:

"The historic affinity of New Mexico with the Republic of Mexico is such as to make me wonder whether the bulk of your voters would, if informed, suport action which must of necessity be injurious to a basic industry in Mexico."

Northern Mexico provides a market for El Paso far greater than most El Pasoans realize, Kolliner said, and anything that improves the area's economy will help El Paso.

"In addition there is the good neighbor policy that we hear so much about," Kolliner said. "We talk good neighbor and here is a real chance to do something besides talk. The United States still has a topheavy balance in trade with Mexico, selling far more than we buy, and it would be dangerous diplomacy to discourage an industry such as this.

"Much of the U.S. ponderosa pine is depleted, more than 20 percent of the known supplies already gone. The present fuss is over the lumber industry and more lumber is cut in Oregon in a day than in all Mexico in a year. Today Mexico supplies about 5 percent of the softwood used in construction in the United States and 3 percent of the finished molding."

There is at present a tariff of 16⅔ percent of value for architectural, decorative, and furniture moldings, Kolliner said, and the Anderson amendment is aimed at imposing the same charge on the machined product.

Senator ANDERSON'S amendment was added to a bill covering the importation, duty-free of tourist literature. At the July 16 hearing the committee was told that the Treasury, Commerce, and State Departments are unchanged in their opposition to the duty boost on molding.

"Everybody but Senator ANDERSON and the two or three molding makers in New Mexico seem to favor helping this new industry in Chihuahua," Kolliner said. "There is no price cutting that might arouse some opposition as the imported molding sells at the same price as domestic."

Mr. YARBOROUGH. Mr. President, I will not take the time of the Senate to read this article in full, but it is a further answer to the question asked by the distinguished junior Senator from California.

The article states that the business of processing ponderosa pine in Mexico as part of the nation's move to develop home industry, is backed in part by U.S. capital. The article goes on to describe the amount.

It is said that the present tariff on the molding, the same as lumber, is $1 per thousand board feet. A bill to boost the tariff was rejected by a Senate committee last February on objection by the State, Commerce, and Treasury Departments.

Mr. President, before all the debate is ended on this—and I do not think we will have time for it today—I want to read to the Senate the opinions from the State Department, the Department of Agriculture, the Commerce Department, and others. I believe every executive agency of the American Government is opposed to this proposal.

Mr. ANDERSON. Mr. President, will the Senator read the communication from the Department of Agriculture?

Mr. YARBOROUGH. Does the Senator want that one read?

Mr. ANDERSON. Yes.

Mr. YARBOROUGH. I am digressing. I have not finished answering the question of the distinguished Senator from California yet, I will say to the distinguished Senator from New Mexico.

Mr. ENGLE. Mr. President, will the Senator yield? I will give the Senator another question, so that he can take another hour to answer that one.

Mr. YARBOROUGH. I have plenty more to say in answer to the other question, on the American and Mexican labor.

More American labor—several times as much in income to American labor—is being employed today to manufacture products which are being shipped into Mexico as there is income to labor south of the border being used to manufacture products to be sent to the United States. If we cut off this international trade, our labor will be hurt more than the Mexican labor; we will cut off our nose to spite our face.

Mr. ANDERSON. Can the Senator give the source of that statistic, please?

Mr. YARBOROUGH. I would have to look through all of this material. I may have that information ready by Monday. I will say to the distinguished Senator from New Mexico, it is included in some of the vast amount of material I have, all in opposition to the proposal. I emphasize that I have not received any material in favor of the proposal. The people in my State oppose the amendment.

Mr. ENGLE. Mr. President, will the Senator yield at that point?

Mr. YARBOROUGH. I will yield a little later.

Mr. President, the Senator from New Mexico challenged my statement that the Department of Agriculture was opposed to the bill.

Mr. ANDERSON. No. I asked the Senator to read the Department of Agriculture report.

Mr. YARBOROUGH. Very well.

Mr. ANDERSON. I did it for a simple reason.

Mr. YARBOROUGH. I will read the report.

Mr. ANDERSON. The Committee on Finance never asked the Department of Agriculture for a report. I have been with the Department of Agriculture for a little bit. This is the first time I ever knew the Department to volunteer a report to a committee when it was not asked to do so.

Mr. YARBOROUGH. I will read the report. I will read from page 5 of the report of committee hearings on the measure. This is a report from the Bureau of the Budget, on the last half of the page. It is dated May 15, 1959.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR BYRD: This is in reply to your request of February 5, 1959, for the views of the Bureau of the Budget on S. 913, to amend the Tariff Act of 1930 with respect to the dutiable status of wood moldings.

The Departments of State, Treasury, and Commerce in their reports to your committee do not recommend enactment of this bill. The Treasury report points out that existing statutory procedures provide a number of safeguards for domestic producers. The State and Commerce reports note that if the domestic industry concerned feels that it is being caused or threatened with serious injury from imports an appropriate procedure for seeking relief would be through section 7, the escape clause provision, of the Trade Agreements Extension Act of 1951, as amended.

I pause, Mr. President, to point out the question was previously asked, "Why was not the escape clause route followed?" There is an existing procedure. No new law is required if the domestic producers are being harmed. They did

not follow through the procedure first, but came directly to Congress with an amendment on a bill for a different purpose. They sought to put it through the Congress on a tariff bill on tourist literature and art objects.

In the next paragraph of the letter, there is reference to the Department of Agriculture. This is the report of the Bureau of the Budget, Mr. President, on the bill, S. 913.

In addition, the Department of Agriculture has reported to the Bureau that it does not favor enactment of the bill, primarily because it feels that the escape clause procedure is available for granting such relief as may be deemed necessary.

The Bureau of the Budget concurs with the views expressed in the above reports and recommends that S. 913 not be enacted.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

That was in connection with Senate bill 913, which was basically the same as this amendment. Is not that correct?

Mr. ANDERSON. Yes. I am trying to find the Department of Agriculture report.

Mr. YARBOROUGH. It is in the third paragraph of the Bureau of the Budget report.

Mr. ANDERSON. Is there any Department of Agriculture report?

Mr. YARBOROUGH. Does the Senator challenge the truth of the statement?

Mr. ANDERSON. No. I am merely asking if there is such a report.

Mr. YARBOROUGH. The record is here. The record shows that the Bureau of the Budget states that the Department of Agriculture so stated. If the Senator challenges the Bureau of the Budget, we will go straight to the Department of Agriculture. If the Senator contends that the Bureau of the Budget misrepresented the facts to the Senator from Virginia [Mr. BYRD], we will go to the Department of Agriculture. But the Bureau of the Budget has stated to the Senator from Virginia in writing that the Department of Agriculture has given its opinion, and is opposed to this proposal. Also opposed are the Departments of State, Treasury, Commerce, and Agriculture—four departments of the Government in addition to the Bureau of the Budget. It is difficult to find such unanimity of opinion. None of them say that a person should not be heard if he has a complaint, but they say, "Go through the proper procedure." No one has proved damage which would entitle him to relief under the escape clause.

Mr. ANDERSON. The Senator realizes that I pointed out a moment ago that increasing nothing by a thousand percent still leaves nothing. That is why the escape clause suggestion is idiotic. They know that there is no possibility of getting help under it.

Mr. YARBOROUGH. Do they not pay a duty of a dollar a thousand board feet?

Mr. ANDERSON. On lumber.

Mr. YARBOROUGH. And on molding. A dollar a thousand board feet is not zero.

Mr. ANDERSON. A dollar a thousand board feet, with a value of about $250. That is like saying that $275.50 is 50 cents more than $275.

Mr. YARBOROUGH. One cannot multiply zero by anything and have anything other than zero. But one can multiply a dollar. John D. Rockefeller started with dimes. Woolworth started with dimes. One can start multiplying a dollar and get somewhere.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ENGLE. We took this matter up with the Tariff Commission. When the lumber operators came in and complained about classifying moldings as lumber, I said, "Let us go to the escape clause procedure." But it would not work. The reason it will not work is that the Tariff Commission has defined moldings as lumber, and lumber has a very cheap rate. It could be raised 500 percent without helping the molding manufacturers.

This is what I said in the letter I wrote to Representative WILBUR MILLS, chairman of the Ways and Means Committee in the House:

We talked to some people in the Tariff Commission, and were informed that since molding occupies the same legal status as lumber under current definitions, there is no practical way of getting at this situation. We asked why they couldn't change the definition of lumber to exclude molding, and we were informed that the present definition is based on some language in an old court decision, and has been in use so long that the Tariff Commission people think that the definition has what amounts to congressional sanction. Consequently Senator ANDERSON and Representative MONTOYA have introduced legislation to change the definition.

Aside from that point, I should like to say to my friend that I compliment him on the vigor and diligence with which he speaks for his people in Texas. He has shown me a stack of telegrams. I realize that certain businessmen immediately across the line from old Mexico like to get this cheap molding from Mexico, made by labor which receives less per day than an American worker receives in half an hour. Certain businessmen like that. They will stack Senators' desks with telegrams saying, "Let us import this molding so that we can sell it in the American market."

The issue boils down to this: Whose bull is being gored? My bull is being gored. The bull of the Senator from New Mexico is being gored, because we represent American firms which create this molding. The Senator from Texas has a bull being gored, too, in the form of businessmen just across the line who like to get this cheap Mexican molding, coming from plants immediately across the border, and manufactured by labor which receives 80 cents a day, whereas American labor receives $2.80 an hour.

What I wish to say to my distinguished friend is this: We have no right to ask the U.S. Senate to decide as between our people who are being hurt—constituents of the Senator from New Mexico, myself, and others, including the Senator from Texas. But we do have the right to ask the Senate to determine what is right.

I ask this question: Is it right for an American firm to move across the line into old Mexico, where workers can be hired for 80 cents a day, and then ship the product back across the line, for all practical purposes duty free, and break American businessmen who are paying American living wages? Is that fair, or is it not?

If the Senator thinks it is fair, perhaps we should take this language out. But I believe it is not fair, and that it should not be permitted.

Mr. YARBOROUGH. That question is like the old question, "Have you quit beating your wife yet?" It assumes that if the man answers "yes" he has been beating her in the past, and if he answers "no" he is still beating her. That is the type of question. I will answer it. It will not be a yes or no answer.

Let me read a telegram which I have received from Dallas. My distinguished friend from California refers to operations immediately across the border. I do not know what he calls immediately. I do not know whether he is willing to concede that Dallas, Tex., is in the United States, or whether, perhaps, it has one foot across the line in Mexico. This is a telegram which I have received from Southwest Mill Representatives, in Dallas, Tex.:

DALLAS, TEX., *August 18, 1959.*

Hon. RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Anyone operating a plant as technical as in the manufacture of moldings in a foreign country where no reservoir of trained technicians exists well knows they have no unfair labor advantage against American producers. The match is like the bush league against the majors. We do not feel the American producer is hurt to any degree and if enacted the Anderson amendment H.R. 2411 could damage our relations with Mexico. We know you concur since we are aware of your past stand and hope you will extend further effort toward defeating the measure.

SOUTHWEST MILL REPRESENTATIVES.

This trade is a two-way street. It is to our advantage to sell to Mexico. The population has boomed up to about 34 million. We have a very favorable trade balance. We are being told, "Cut off the trade from Mexico, but let us continue selling to Mexico."

The situation is like the argument between two farmers who held joint ownership of a cow. One was getting all the milk, because he owned that half of the cow. The other demanded to know the reason why. He was told, "Your half is the one that eats the hay. You feed her the hay, and I will get the milk."

That is the position our distinguished friends are taking. They say, "We will export to Mexico, but we will not import from Mexico." The farmer who owned the half of the cow which ate the hay said, "We will cut the cow in half, and I will take my part, which eats the hay, and then we will see how long you can continue to milk the cow."

In Texas we have a relatively fast growing population of 9 million. From the standpoint of numerical growth during the past 15 years it is second only to California. That means that there has been a great deal of homebuilding. We

buy great quantities of lumber. We are purchasers of lumber. Most of our State is without timber. We buy from the States of New Mexico and California. They are sister States. Our people went out there and settled in the Dust Bowl areas. They work there. We want to see the mills in New Mexico and California prosper. We think it is a short-sighted policy for the Senator from California to say, "You must trade only east and west, and not south across the border."

I am informed that the prices of imported molding and the prices of domestic molding are the same, and that the imported molding is not underselling the domestic market. Foreign producers are not underselling domestic producers. That answers the questions about the wages of 80 cents a day as compared with $2.80 an hour.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ENGLE. What kind of profits are the producers in Mexico pocketing if they sell their molding at the same price? They are getting rich along the Texas border.

Mr. YARBOROUGH. They offered to show the committee cost figures.

Mr. ANDERSON. Did they ?

Mr. YARBOROUGH. The committee did not take up their offer.

Mr. ANDERSON. The committee quizzed them and quizzed them and they did not come in with a single cost figure.

Mr. YARBOROUGH. I am advised that that was the summary of the hearing.

Mr. ANDERSON. I am sorry if I misstated it.

Mr. YARBOROUGH. I have not personally read each page of it, but I have read what the Bureau of the Budget said the Department of Agriculture said.

Mr. ANDERSON. Yes; but the Senator said the Department of Agriculture had filed a report on this matter, and I have not been able to find it. I do not doubt it, but I have not been able to find the information; I have not been able to get it.

Mr. YARBOROUGH. I am relying on the Bureau of the Budget. They testified in this matter. I have taken the statement of the Bureau of the Budget at face value. They had secured the position of the Department of Agriculture on this subject.

Mr. ANDERSON. I am sure they did.

Mr. YARBOROUGH. The distinguished Senator from New Mexico challenges me. I do not debate the matter. I am relying upon the Bureau of the Budget.

Mr. ANDERSON. I was simply trying to keep the RECORD clear. There is no report of the Department of Agriculture.

Mr. YARBOROUGH. The Bureau of the Budget says that the Department of Agriculture has reported to the Bureau.

Mr. ANDERSON. To the Bureau. This is Congress. Congress got no report. That is all I was trying to show.

Mr. YARBOROUGH. The Bureau of the Budget reported, and then Congress got the report from the Bureau of the Budget which said the Department of Agriculture had reported to them. If any member of the committee was interested, all he had to do was to say to the Bureau of the Budget: "Bring us the original report." The Bureau gave a summary of what was in the original report. They reported what was in it, and then incorporated the record by the Government agency which the other one reported. I think we ought to ask why nobody challenges the statement by the Director. I do not believe it is gospel because the Bureau said it. If it is wrong, let us tell them to bring it out and let us see it.

Mr. MORSE. In the long speech I shall make between now and tomorrow morning, I shall ask for it.

Mr. YARBOROUGH. I do not intend to make any long speech on this subject today. I may have a few remarks on it on Monday to clarify some matters.

Mr. MORSE. I have been in a conference and have just returned. Has there been some understanding since I left that action on this bill will be finished today?

Mr. YARBOROUGH. I understand there is an agreement that we will not vote today. I ask the Senator from New Mexico if that is correct.

Mr. ANDERSON. I do not know. I simply said to the majority leader that whatever he wants to do will be satisfactory to me.

I do want to point out that this is a two-way street. The ownership of the mill which is doing most of the production is by an American who has since become the principal distributor. There is testimony in hearings both ways on the question of prices. We had available billings which indicate that these people were undercutting the market, when they said they would not. We asked them for their billings to prove it. We did not get them.

The Senator from Louisiana [Mr. LONG] who is very much interested, and who was conducting the hearing at that point asked a good many questions which the Senator can read with reference to the profit situation.

We felt they were not as careful about the competition as they might have been, but we have no way of proving it because we did not see the billings which they sent out.

Mr. YARBOROUGH. In further response to the inquiry of the distinguished Senator from California that the people using these products were only a few interested brokers along the border, I should like to read the names and locations of some of the businesses who are opposing the bill.

The first one is a telegram from the Rice Construction Co., Earl Rice, of Midland, Tex.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. YARBOROUGH. No. I am still answering the Senator's question. This is the first chance I have had to answer it.

The next is a telegram from Lorimer Builders, Don Lorimer, Midland, Tex., opposing the amendment. I shall not take the time of the Senator to read the telegram in full.

The next is a telegram from Dream Key Homes, Eddie Weaver, Midland, Tex., asking me to represent the interests of the people of Texas in conducting very profitable international trade with Mexico.

Another telegram is from the Jim Kennedy Construction Co., Jim Kennedy, Midland, Tex.

Another one is from Fitzgerald & Wright, Tony Fitzgerald, Midland, Tex.

The next is from Ed's Cabinet Shop, El Paso, Tex. It is dated August 14, 1959. All these telegrams were dispatched within the last 5 days.

The next telegram is from Fred N. Cave, contractor, El Paso, Tex.

I have a telegram from Dallas, Tex., dated August 17. This is from the Dana Construction Co., Dallas, Tex.

Another is a telegram from the Superior Molding & Lumber Corp., Fort Worth, Tex., Harold R. Lockwood, president. I have one from Weatherford, Tex., which is in about the same latitude as Fort Worth.

Another one is from the Continental Molding Co., Dallas, Tex. Another one is from the Pleasant Grove Molders, in Dallas.

Another one, dated August 14, is from Charles A. Grimason, of El Paso.

Another one is from the Ace Material Co., El Paso, Tex. I will take the time to read this one.

If Anderson amendment is made into law, it will kill Mexican mill industry and create a lot of economic hardship. Also be harmful to good neighbor policy.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I am still answering the Senator's question. I have not finished answering the question.

I have had more protests about this bill than any other bill since I have been in the Senate, except the labor bill. The people of Texas are more indignant about this than almost anything else.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ANDERSON. Does the Senator favor the free importation of oil from the countries in Latin America? Would not that be a lovely thing?

Mr. YARBOROUGH. I favored a bill to allow the free importation of oil from any nation whose land boundary is contiguous with that of the United States. Mexico would thus be exempt.

Mr. ANDERSON. The Senator would not discriminate against Venezuela, would he? Think of all the poor people he could help there.

Mr. YARBOROUGH. I am simply answering the Senator's question about Mexico.

Mr. ANDERSON. The Senator read a telegram about all the profits going to a privileged few. As I understand the situation, the profit goes largely to one man, who went across the border and put up his factory, which is called Maderas Selectas.

Mr. YARBOROUGH. We have been importing molding since 1930. The Northwestern Railroad was built from El Paso, Tex., in a circuitous route down

to Chihuahua, Mexico, back even before the Mexican revolution. The Mexican National Railroad built it 40 years ago to bring out Mexican lumber. It is slow-growth lumber in the mountains, not like the pulp lumber in east Texas. When they take it out, it is not going to be sprouting out again in 10, 15, or 20 years.

Actually, the problem will not be there many more years, because the ponderosa pine is being used up.

Mr. ANDERSON. Would not the Senator agree that the growth is faster in Mexico than in the contiguous areas in the United States?

Mr. YARBOROUGH. It simply does not grow in Texas. We do not have pine there.

Mr. ANDERSON. There are other contiguous areas where it grows.

Mr. YARBOROUGH. No; it does not grow as fast as the pine in east Texas. We can grow a crop of that in 10 years.

Mr. ANDERSON. That is not ponderosa pine. Ponderosa pine is grown in California, New Mexico, Arizona, Oregon, and Washington.

Mr. YARBOROUGH. With the population explosion that New Mexico has, I think both New Mexico and Texas are going to have a shortage of ponderosa pine in a very short time.

Mr. President, among the telegrams of opposition I have received in connection with this proposed legislation is one from Pettigrew and Worley, builders, of Dallas, Tex.

Another of the telegrams has come from the West Midland Construction Co., of Midland, Tex.

Another of the telegrams has come from the Rutherford Construction Co., of Midland, Tex.

All those who have sent the telegrams are hiring American labor, at American prices, to do this construction work; and all the telegrams which I am reading are from employers of American labor.

Mr. President, the opposition to this measure is so strong in my State that I hesitate to take the time of the Senate even to read many of these telegrams. However, the opposition to the measure is not limited to contractors who engage in such construction.

For instance, I hold in my hand a telegram from the Sun Valley School, at El Paso, Tex.; also a telegram from W. A. Cardon, of El Paso, Tex., a contractor; also a telegram from J. P. Baker, of Midland, Tex., also a contractor; also a telegram from A. S. Passero, of El Paso, Tex. They discuss many things about the position of the trade.

Let me point out that along that little, narrow river 300,000 people live on each bank of the stream. They have a delicately balanced trade relationship, but it is in favor of those on the American side; and this amendment would be the opening blow to tearing up that trade relationship, which has been very profitable to the people of the United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD various and sundry telegrams received by me from citizens who live in various and sundry Texas cities, and who oppose this Anderson amendment. I ask that the telegrams be printed in full in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

DALLAS, TEX., *August 18, 1959.*
Hon. RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We wish to advise that we are opposed to the Anderson amendment to H.R. 2411 and wish you to know we are in full accord with the opposition you have already made to block the passage of the bill and to express our hope you will continue your efforts in our behalf.

PETTIGREW & WORLEY,
Builders.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please watch our interest. Do what you can to oppose Senator ANDERSON'S amendment H.R. 2411. Our business is badly affected by this bill.

J. P. BAKER,
Contractor.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please cancel Senator ANDERSON'S efforts to pass amendment H.R. 2411. Bad for Texas economy.

ELLIOTT CONSTRUCTION,
JAMES D. ELLIOTT.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Have Senator who will work for his people. Thanks for opposing Senator Anderson's amendment H.R. 2411.

WEST MIDLAND CONSTRUCTION CO.,
RAYDEN WOODARD.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Hope you will actively oppose unfair Anderson amendment to H.R. 2411 by registering objection with calendar committee. Your efforts thus far appreciated greatly.

BOOKER BUILDING PRODUCTS.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

With reference to the Anderson amendment H.R. 2411, this company is under the impression that you champion the opposition. Permit us to congratulate you. You have our admiration, our affection, and our vote. Keep up the good work.

ARBER CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Thank you for your efforts thus far in opposition to Anderson amendment to H.R. 2411. This amendment discriminatory by nature and against best interest of Texas economy.

CHELSEA LUMBER CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Your opposition to Senator ANDERSON'S amendment H.R. 2411, is highly appreciated by all elements in this community. We trust you will continue in your efforts to defeat same.

Sincerely,
ARKAY CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Appreciate all you have done thus far in opposition to Anderson amendment to H.R. 2411. Your continued cooperation respectfully requested.

W. H. BROWN,
Builder.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Our company requests that you do all you can to block passage of the unwise Anderson amendment to H.R. 2411.

HOME MODERNIZATION.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We feel that we must not regress from our position as good neighbors and opponents of special privilege bills by opposing strenuously the Anderson amendment to H.R. 2411.

M. S. HARMESON.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Our company requests that you do all you can to block passage of the unwise Anderson amendment to H.R. 2411.

HOME MODERNIZATION.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

By your opposition to Senator ANDERSON'S amendment H.R. 2411, you have won the admiration and affection of quite a number of your constituents. We are happy to have you as the captain of our teams.

Sincerely,
ABLE PLUMBING CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please be advised about our strenuous opposition to Anderson amendment to H.R. 2411.

C. R. BAGWELL,
Contractor.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

We have been informed of your opposition to inflationary Anderson amendment to H.R. 2411, and wish to thank you for same.

CASHWAY LUMBER CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Washington, D.C.

We wish to go on record as being strongly opposed to inflationary Anderson amendment to H.R. 2411, and appreciate all your efforts in preventing this amendment from becoming law.

EARL CLORE,
Contractor.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

All efforts to prevent passage of Anderson amendment to H.R. 2411 are being watched with interest by the people of our city. Please enter your objection with calendar committee to this unfair bill.

FOREMOST DAIRIES, INC.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Our firm wishes your office to know that the Anderson amendment to H.R. 2411 is an unjust blow to a Mexican industry that has served us well.
H. M. FABELA,
Contractor.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We wish to thank you for your efforts so far in opposition to the unjust Anderson amendment to H.R. 2411. This is not in the best interest of the people of the United States.
G. V. GROSE.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Washington, D.C.:
Please be advised that our firm is strenuously opposed to the unfair Anderson amendment to H.R. 2411. Your continued efforts against passage of this amendment will not be forgotten by your constituents.
CASUCO, INC.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
The passage of the Anderson amendment to H.R. 2411 would be a blow to the building community of the United States. Your efforts in blocking passage are greatly appreciated.
GILBERT H. GROVE.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Our firm does not believe that any law passed for the benefit of a few can be morally justified. Please do all you can to block the Anderson amendment to H.R. 2411.
FITZWATER CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Please use your good offices to continue the fight against the special privilege Anderson amendment to H.R. 2411.
A. H. KARSTENDICK & SONS.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Please be advised our company is opposed to the Anderson amendment to H.R. 2411, which is against the best interest of Texas and the United States. Your efforts thus far greatly appreciated.
CAVALIER CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Will appreciate your interest and your opposition to Anderson amendment to H.R. 2411 with calender committee. This amendment is against the best interest of all the United States and serves only a handful.
CARLOS BLANCO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Our firm feels that the passage of the Anderson amendment to H.R. 2411 is detrimental to the Texas economy. Your help requested to defeat the amendment.
EL PASO SALVAGE.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We admire your position in objection to the unwise unfair Anderson amendment to H.R. 2411.
GEORGE DUNCAN,
Builder.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We wish to inform you that we have duly noted with admiration your efforts in opposition to Anderson amendment to H.R. 2411.
GLEN H. ENGLISH.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We are in direct opposition to the Anderson amendment to H.R. 2411 which is inflationary in nature against our historic position of good neighbors.
J. O. NUGENT CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We wish to express sincere appreciation for your efforts in opposing the Anderson amendment to H.R. 2411. Please enter your objection to this amendment with calendar committee.
READY BUILT DOOR AND WINDOW.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We want you to know that we fully appreciate all your efforts in blocking passage of the unwise Anderson amendment to H.R. 2411.
N. GUILLEN,
Builder.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Anderson amendment to H.R. 2411 is a bill designed for the benefit of a few. This bill inflationary in nature and not in the best interest of the United States.
MARVIN GOLDBERG.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:
The interest of the majority of the people of Texas requires that the unwise Anderson amendment to H.R. 2411 be defeated.
T-G CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:
Our company wishes to inform your office that we are very much opposed to discriminatory Anderson amendment to H.R. 2411 and appreciate all your efforts in preventing this amendment from becoming the law of the land.
CLIMATE EQUIPMENT.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:
We do not believe that any law for the benefit of a handful such as the Anderson amendment to H.R. 2411 has any moral justification. Your efforts in opposing this amendment are greatly admired.
EATON CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:
We wish to thank you for your efforts in opposing the Anderson amendment to H.R. 2411. Please enter your objection with calendar committee and continue fighting for the best interest of our Nation.
HANAWALT CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:
Our company solicits your efforts in blocking passage of inflationary Anderson amendment to H.R. 2411.
D. R. T. CONSTRUCTION CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Washington, D.C.:
Under existing world conditions is it not better to help develop friendly neighbors than to destroy them and then have to extend aid? We believe the former can better be attained by defeating Senator CLINTON ANDERSON'S amendment, H.R. 2411.
R. S. BASTURTO, *Builder.*

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
If the Anderson amendment H.R. 2411 is made into law it will kill the Mexican molding industry creating a lot of unnecessary hardship on these people and also have a harmful effect on the good neighbor policy; on the other hand the profits derived by its passing will be harvested by a privileged few.
ACE MATERIAL CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
The Anderson amendment to H.R. 2411 is a bill that is not in the best interest of the Texas economy. Please continue your opposition to this bill.
GOLBERG & LAVIS.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We want you to know that the Anderson amendment to H.R. 2411 is not in the best interest of the building community. Please help us to defeat this amendment.
CHARLES A. GRIMSLEY.

DALLAS, TEX., *August 18, 1959.*
The Honorable RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:
We urge you to continue your efforts to block the passage of the Anderson amendment to H.R. 2411. The bill is discriminatory and if enacted would cause inflation in the building industry. Moldings are now in short supply.
TYNES & BURCH.

DALLAS, TEX., *August 18, 1959.*
RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:
Anderson amendment to H.R. 2411 not to the best interest of building industry and Texas economy as a whole. We appreciate the help you have already given and hope that you will continue a vigorous opposition to the bill.
PLEASANT GROVE BUILDERS.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:
Anderson amendment to H.R. 2411 a bill designed to benefit a handful of molding

manufacturers who are already enjoying a peak prosperity. Please enter your objection with calendar committee and keep up the good work in preventing passage.

FACTORY OUTLET.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:

Our company does not countenance the special privileges granted to a few by the Anderson amendment to H.R. 2411 to the detriment of the many. We admire your efforts in blocking this legislation please continue to do so.

LAMAR-TAYLOR.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:

We must do all we can to see that we do not hurt the building industry by creating an additional inflationary pressure on a material that is already in short supply. Please block passage of Anderson amendment to H.R. 2411.

TEX-ALON CORP.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Washington, D.C.:

Hope you will continue to oppose Senator ANDERSON's amendment to H.R. 2411. Your efforts are appreciated. This bill contrary to best interest of all concerned.

WOODARD DEVELOPMENT CO.
J. C. WOODARD.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building, Washington, D.C.:

Please enter my strenuous opposition to discriminatory Anderson amendment which favors a handful and is against the best interest of the many.

JULIAN BERNAT.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:

In helping our neighbor, we help ourselves. Please be sure to block Anderson amendment to H.R. 2411.

THOMAS E. DANIEL, *Builder.*

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:

High tariffs make few friends. We are opposed to the Anderson amendment H.R. 2411. Please vote against it.

M. DAVIS.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:

If the Anderson amendment to H.R. 2411 is passed we will have reached a point in which the good neighbor policy will no longer mean anything. Please help us block passage of this bill.

RAMON GRADO, Jr., *Builder.*

EL PASO, TEX., *August 14, 1959.*
Senator RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We are against legislation that will make it prohibitive to import Mexican moldings. Respectfully request your vote against the Anderson amendment, H.R. 2411.

TOMMY DRISDALE.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

The passage of the Anderson amendment, H.R. 2411, increasing the duties in imported moldings to 17 percent is totally unwarranted when moldings are in such short supply. Please help us to block passage of this amendment.

PONDEROSA IMPORT CO.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

If we are to maintain our position as world leader we must be consistent in all of our national affairs. Anderson amendment to H.R. 2411 diametrically opposed to this position protecting an industry in peak prosperity which needs no protection.

A. S. PASSERO.

MIDLAND, TEX., *August 15, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Stop Senator ANDERSON's amendment to H.R. 2411 before it's too late. It is later than you think.

WEST MIDLAND CONSTRUCTION CO.,
J. C. WOODARD.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Preventing the passage of Anderson amendment to H.R. 2411 a necessity for anyone that supports the good-neighbor policy.

W. A. CARDON, *Contractor.*

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

If we are to be consistent in our trade policies we must not permit passage of the Anderson amendment to H.R. 2411 which is to benefit a few to the detriment of the many. Your efforts in defeating this amendment are appreciated.

SUN VALLEY SCHOOL.

EL PASO, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Please do not let the passage of the Anderson amendment to H.R. 2411 place us in the position of preaching one thing and doing another. This bill definitely against the best interest of our Nation.

LOYD HAMILTON.

LAREDO, TEX., *August 16, 1959.*
Hon. RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.:

Beg your vote and efforts against the Anderson amendment, H.R. 2411, which appears to me to place a discriminatory and prohibitive import duty on pine moldings manufactured in Mexico. This seems to me not a protective tariff to guard U.S. industry, but a bid for congressional discrimination at a speculative level. It certainly is a hard slap at our professed good-neighbor policy and gives reasons to the resentments which appear too often in our own hemisphere. Urge your stand against this amendment.

NEAL A. CRAIG.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please oppose Senator ANDERSON's efforts to pass amendment H.R. 2411. Bad for Texas economy.

RUTHERFORD CONSTRUCTION,
T. C. RUTHERFORD.

MIDLAND, TEX.
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Stop the sabotage in Washington, Senator ANDERSON's amendment is going to ruin a large segment of our business.

GREEN CONSTRUCTION,
JAMES W. GREEN.

MIDLAND, TEX.
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Would consider a favor is that you stopped Senator ANDERSON's amendment, H.R. 2411. Is bad for Texas business.

GIVEN CONSTRUCTION CO.,
JACK GIVEN.

MIDLAND, TEX.
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please stop Senator ANDERSON's amendment H.R. 2411. It is detrimental to a large amount of Texas economy.

STACEY CONSTRUCTION CO.,
H. B. STACEY.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We builders appreciate you opposing Senator ANDERSON's amendment to H.R. 2411 as it is contrary to economy.

STANLEY CONSTRUCTION CO.,
VERNON STANLEY.

MIDLAND, TEX., *August 15, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please do something to stop Senator ANDERSON's amendment H.R. 2411. This is definitely not to our interest.

EMMIT BROWN, *Constructor.*

MIDLAND, TEX., *August 15, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

You are doing a great job, stay with them Monday and continue to oppose Senator ANDERSON's amendment to H.R. 2411.

BUYERS MORTGAGE,
STEVE LAMINACK.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Remember me in west Texas. Appreciate your opposition on the issue by Senator ANDERSON on his amendment to H.R. 2411.

CRANE LUMBER & HARDWARE,
ELMER COVILL.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Appreciate your efforts in stopping Senator ANDERSON's amendment to H.R. 2411. Keep plugging for Texas.

H. T. FENDERBAUCH CONSTRUCTION CO.,
H. T. FENDERBAUCH.

MIDLAND, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

More trade with Mexico, less money lend to same, better relations. Am opposed to Senator ANDERSON's amendment, H.R. 2411.

FLYING W HOMES,
EDDIE WEAVER, Jr.

Mr. YARBOROUGH. Mr. President, I have requested that the telegrams be printed in the RECORD, instead of taking the time to read them individually to the Senate, for I wish to save the time of the Senate.

However, I should like to read one or two of the other telegrams I have received, in order to show how great would be the ramifications of the effects of the Anderson amendment on the trade. I read now a telegram which I have received from El Paso, Tex.

DALLAS, TEX., *August 18, 1959.*
Hon. RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We feel the Anderson amendment to H.R. 2411 to place a 17-percent duty on Mexican moldings unfair to one country and not consistent with the trade agreements of the United States. Mexican moldings constitute no more than 3 percent of the market, while imports of other items represent up to 30 percent. It is evident the American manufacturers are not hurt and the passage of the bill would damage our relations with Mexico and serve no real purpose. We ask that you continue your efforts to block its passage.

CASA LINDA LUMBER CO.

There are many aspects of this proposed legislation, Mr. President, that up to this time I have not been able to study in the fullest detail. However, it is now after 5 p.m., and I understand that no votes on this measure will be taken today.

I should like to refer, in this connection, to other points, including a question which was asked by the distinguished Senator from New Mexico [Mr. ANDERSON]. His question was in regard to the amount of trade in each direction across the border. I desire to state the widespread concern in connection with this situation.

In addition, I have received quite a number of telegrams from contractors and lumber companies in Odessa, Tex. In order to save the time of the Senate, I shall not even read all of those telegrams, or even the names of all those who have sent the telegrams. Instead, I ask unanimous consent to have the telegrams printed at this point in the RECORD, for the information of the Senate, in connection with its consideration of how vitally this matter affects the economy of that area.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Please do whatever you can to stop Senator ANDERSON'S amendment to H.R. 2411. This bill seems to indicate best interest of others but not Texans.

C. F. GILBERT.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Here's hoping we can stop Senator ANDERSON'S amendment to H.R. 2411 as it is contrary to the best interest of Texas.

B. R. CROWDER.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Keep punching by opposing Senator ANDERSON'S amendment to H.R. 2411.

MARK C. WHITTINGTON.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Would appreciate your opposition to Senator ANDERSON'S amendment H.R. 2411. Bad for business in Texas.

O. L. PITTS.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Remember me Monday as I have remembered you in the past. Thanks for opposing Senator ANDERSON'S amendment H.R. 2411.

S. B. GILBERT.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Would appreciate efforts to stop Senator's ANDERSON'S amendment to H.R. 2411 which is opposed to large amount of Texas industry.

T. P. PRICE.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

We are definitely opposed to Senator ANDERSON'S amendment H.R. 2411. Please do what you can to stop same.

J. J. EADES.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Having been in building business for many years in Texas, the amendment of Senator ANDERSON'S H.R. 2411 is opposed to definitely. Thanks.

RED BLUFF LUMBER CO.,
FLOYD CONILL.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Thanks for opposing Senator ANDERSON'S amendment to H.R. 2411. Hope you will keep up the good work.

H. T. BONNEY.

ODESSA, TEX., *August 14, 1959.*
Senator RALPH YARBOROUGH,
Senate Office Building, Washington, D.C.:

Greetings from your State. Keep opposing Senator ANDERSON'S amendment H.R. 2411.

B. J. STOOPE.

Mr. ANDERSON. Mr. President, will the Senator from Texas yield briefly at this point?

The PRESIDING OFFICER. (Mr. CHURCH in the chair). Does the Senator from Texas yield to the Senator from New Mexico?

Mr. YARBOROUGH. I yield.

Mr. ANDERSON. I merely wish to state to the Senator from Texas that on the question of competition, I could produce much testimony, if that is my colleague's desire.

However, at this time let me refer to some testimony received from persons in his own State—persons of unquestioned integrity and ability.

Testimony was given—it appears on page 64 and following in the hearings—by Harold McNabb, sales manager of William Cameron & Co. His statement reads in part as follows:

Mr. MCNABB. Gentleman, my name is Harold McNabb. I am sales manager for William Cameron & Co., wholesale, with general offices in Waco, Tex., who operates 18 wholesale warehouses in Texas and 1 in Oklahoma engaged in the distribution of building materials to dealers.

I wish to call attention that statement, because after I received from New Mexico a number of telegrams in regard to this matter—all of the them along the line of the ones the Senator from Texas has been reading to the Senate—I checked with some of those who sent the telegrams, and asked how they happened to send them. The reply which always was made was that those who sent the telegrams were asked whether they would mind signing their names to telegrams to protest against raising the cost of living 20 percent. Of course, all of them were opposed to raising the cost of living 20 percent—which they were told the Anderson bill would do.

I read further from the statement by Mr. McNabb.

One of these products is ponderosa pine molding, which is of major significance to us. We have distributed moldings since we were founded in 1868 and now carry inventories of 63 different patterns. These are purchased in carload quantities and are sold in smaller units ranging normally from 500 feet to 20,000 lineal feet to dealers who usually sell in still smaller quantities and in specified lengths to a homebuilder or other consumer. Molding is a finished wood product used for decorative purposes or for architectural uses—

The Senator from Texas will recall that the definition contained in the law is "wood molding used for decorative or architectural purposes."

I read further from the statement:

And is applied by cutting and nailing or gluing. Molding is popular for windows and door trim, base, crown and bed moldings, coves, stops, and so forth.

We consider that a proper percentage of gross profit on sales should be adequate to cover our expense of handling, plus a reasonable profit. We must carry molding inventories to last 3 to 4 months on the average. Moldings are more expensive to handle than most building products.

I am not going to duplicate the statements already made before me with which I am generally in accord, but I would like to point out some facts which I, as sales manager of William Cameron & Co., wholesale, have personal knowledge.

Mexican molding imports have made it increasingly difficult for us to make a proper return on the investment. In August 1957, prices were published to dealers on ponderosa pine moldings from Mexico, f.o.b. warehouse, which were on the average 25 percent below our published prices, which we consider as representative of the market price level. These comparative prices are based on quantities of less than 4,000 lineal feet. Beyond this our customers were offered these Mexican moldings on orders amounting to $6,000 and over (roughly 200,000 lineal feet or a truckload) at prices which were on the average 4 percent below our cost on the same moldings purchased from domestic sources in carload quantities. In other words, if we had sold our moldings at these prices we would have lost money without any regard to overhead expense.

That is the story which is repeated all over the United States. These men from

Mexico, who operate on the basis of Mexican labor costs one-tenth of the wages paid to American labor, have come into the market, and have said they would take it over; and they have sold all of their products as rapidly as they have been able to offer them, because they underbid the American producers; and every time they replace an American producer in the American market, the result is to replace the American workmen. That is why I am interested in this proposed legislation.

Mr. YARBOROUGH. Does the Senator from New Mexico consider the statement that the quantity of Mexican molding being sold constitutes 3 percent of the entire production of the industry, an accurate statement?

Mr. ANDERSON. No; he meant that is the amount of the total purchases in the United States. That involves the amount used in office buildings—for instance, in New York and elsewhere.

But in the area in which the Senator from Texas and I live, 15 percent of the market is now being taken by the Mexican moldings. That situation is very serious; and if it is allowed to continue, in a short time the Mexican moldings will take over all of that market.

Mills are having to close in California. Mills are having to close in Arizona. Mills are having to close in other parts of the country. That is a serious situation which I think is very detrimental to this country. That development is not a two-way street.

Mr. YARBOROUGH. I call the distinguished Senator's attention to the table on page 73 of the hearings and ask if the prices were correct as placed in the record at that point, showing the comparative prices of American producers and Mexican producers.

Mr. ANDERSON. Those were figures put in by Mr. Leyba. Those were his statements as to what he charged. The American manufacturer said, "These may be some asking prices he has, but we know what he is doing in competition all the time."

As I have said, this is a citizen of the Senator's own State. He is a very reliable person, about whom the Senator from Texas can check with anyone in Waco; and he testified to exactly the opposite of the contention made.

Mr. YARBOROUGH. Did I correctly understand the distinguished Senator from New Mexico to state that somebody went to the people who sent these telegrams, and told them to send the telegrams, and told them to send the telegrams to protest about this bill if they did not want the cost of living to go up 20 percent?

Mr. ANDERSON. They said they were told that this bill was going to raise the cost of construction of houses 15 percent. But when they were pinned down, they said, "Yes, we were talking moldings, not about all prices." But each was told, they said, that "this would raise the price of moldings 20 percent."

Mr. YARBOROUGH. The Senator's former statement was that the cost of living in the United States would rise 20 percent. Does the Senator contend that those were the circumstances under which the telegrams I received were sent?

Mr. ANDERSON. I know nothing about the telegrams sent to the Senator from Texas. I know the testimony was that these men came in and told how inflation was going to raise all costs, and that this would be just one more factor in raising the cost of living, and would increase the cost of living of these people 15 or 20 percent, and asked them, "Don't you want to stop these price increases?"

I think those who made the representations in Texas probably did a pretty good job. But I was not there, and I do not know exactly what representations were made.

Mr. YARBOROUGH. Let me read another telegram to the distinguished Senator from New Mexico, and ask whether he thinks the sender of the telegram does not know what he is talking about.

The telegram reads as follows:

DALLAS, TEX., *August 17, 1959.*

Hon. RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

We ask that you please do all you can to block the passage of the Anderson amendment to H.R. 2411. We pay our Mexican producer the same price as American producers and in many cases a premium. We have purchased from this firm a number of years and are not aware of them selling under the market at any time. It is our opinion that legislation would be of no appreciable value to the American producer and the 17 percent duty would eliminate the importation of the Mexican product resulting in the ill will of a good neighbor. We have been informed that you are of the same opinion and have exerted effort toward blocking the bill. We ask that you continue those efforts.

DANNA CONSTRUCTION CO.

I ask the distinguished Senator from New Mexico whether he thinks the man who sent that telegram for that construction company did not really "know the score," did not know what this bill is all about and that just because he was told this bill was going to cause a 20-percent price increase, he was "promoted" or caused to send the telegram, without really knowing what the effect of the bill would be.

Mr. ANDERSON. I would think that probably the representation made in his case was the same as that made in the others.

The Senator from Louisiana [Mr. LONG] asked repeatedly whether they could submit any evidence about their profit situation, to show that if this measure were enacted, it would put them out of business.

The telegram the Senator from Texas read just now states that this bill would result in the imposition of a 17-percent tariff—which presumably would put the man out of business. But how does the Senator know that that would be the case? Did he ever see the figures?

At the hearings, we asked various questions about these matters—for instance, when the committee was hearing the testimony of Mr. Grover Stewart, Jr., president of Southwest Molding Co., of Dallas, Tex. No doubt he is a good Texas businessman. He said he represents Maderas Selectas, a Mexican production firm. But it soon became apparent that no money of Texas firms had been invested in that company, for the purchase of the machinery used for the production Mr. Stewart testified about, except in the case of a little machinery of that kind that was installed and used in the vicinity of Juarez. It seems that a small business man had started that factory, so he could take the business away from the U.S. firms.

I think we should give consideration to the fact that such men would take this money away from American citizens.

Mr. ENGLE. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I do not yield at the moment, Mr. President.

With respect to the statement the Senator from New Mexico made about what those who sent the telegrams were told about how this bill would result in raising the prices, I direct his attention to page 90 of the hearings. At that point in the hearings, the Senator from New Mexico was questioning Mr. Williams about the prices. In answer, Mr. Williams said:

However, I have talked at least to some of them and they would be willing to provide such cost figures as are available to investigators of the committee, of course, on a confidential basis if they are required. I believe I am not asking too much. After all, this is business and people like to keep their cost figures confidential as much as they can.

Is it not true that he did furnish the cost figures—but only to the committee, not to the competitors—and that he asked the committee to keep the figures confidential?

Mr. ANDERSON. That is correct. But, as a matter of fact, when we asked for the figures, they did not furnish them, even though I asked them for them.

Mr. YARBOROUGH. Of course, Mr. President, I do not challenge the accuracy of the Senator's statement; but in the printed hearings I do not see any evidence of any such demand for them to produce the figures.

Mr. ANDERSON. I should point out that the request for the figures was made in the course of private conversation with him afterwards, not during the open hearing. When the hearing was over, we had a long discussion. At that time we were in the rear of the room, near the door; and they talked about the great case they had made in support of their claims. I said, "Send it in." They said that if the staff demanded it, they would try to supply it.

Mr. YARBOROUGH. They stated in the open hearing that if the staff demanded the information, and would keep it confidential, they would furnish it, but that they did not want their competitors to see it.

I ask the distinguished Senator, as a businessman, was it not reasonable for them to make that request so that their competitors would not be able to see their cost figures?

Mr. ANDERSON. The Senator can read in the hearing my comment at that time. I said to them:

I do not think you are asking too much in asking that it be kept on a confidential basis to the members of the committee.

But nothing ever arrived. That is all I am trying to say; nothing ever arrived.

Mr. YARBOROUGH. I have just looked at the printed hearings; and I am unable to find in them that any demand was made that they produce the figures under those conditions.

Mr. ANDERSON. Just a minute; I shall read what I said:

I do not think you are asking too much in asking that it be kept on a confidential basis to the members of the committee.

I read further:

Mr. WILLIAMS. Yes.

Senator ANDERSON. We had a man coming in here who was a little bit worried because he submitted his complete financial statement. I think that man, who is a member of the Treasury staff, will admit nobody has ever mentioned anything that was in his financial statement in any way. The people who get on this committee will, we hope, keep the information.

I was referring to the information he said he was going to submit.

I resume the reading:

Mr. WILLIAMS. We believe that the members of this committee are above reproach and we hope it will not be made a public record.

What was he talking about? He said he was going to send it, and that he just did not want us to make it a part of the public record. But he never sent a line—not a line.

Mr. YARBOROUGH. Of course, I am unable to answer the comments the distinguished Senator from New Mexico has made about who owns the plant down there, because I do not know who owns these plants in Mexico or in Texas or in New Mexico or in California. I have never talked with any of them who had a plant anywhere. Not being personally acquainted with them, I cannot here in debate tell how they do business, how they run the business. That is not a matter of information within my knowledge.

I know from the statements made by the builders, by the importers, by the construction industry in my State, that the adoption of this amendment would have a detrimental effect on business in my State, and knowing the conditions in El Paso somewhat from having lived there 3½ years, and having made periodic visits there every year, I know our trade will be hurt along the border if we prevent Mexican trade from coming in, because we have a heavy balance of trade in our favor.

Mr. ANDERSON. I recognize that, but we are not going to stop it. I say that even with the addition of the 17 percent, we will not stop it.

As to the ownership of the plant, on page 76 of the hearings the Senator will find that I asked Mr. Stewart, who was testifying.

Senator ANDERSON. Did I understand you to say that the Maderas Selectas is your firm?

Mr. STEWART. No, sir; it is the firm I represent.

On page 77 the Senator will find I asked him if the Maderas Selectas plant was owned by Americans, and he said yes. I asked him if he was one of the stockholders. He said he was not.

I then asked him:

Is your firm one of the stockholders?

Mr. Stewart said:

It is not, sir. I have no interest in the plant.

Later I asked him, as the Senator will see on page 80:

Senator ANDERSON. Could I go back a moment ago to this question I heard about this firm. I asked you if you were interested and you said you were not. I asked you if your firm was interested, and you said they were not.

Is your father interested in it?

Mr. STEWART. Yes.

Senator ANDERSON. Is your father the major stockholder?

Mr. STEWART. Yes.

I believe that his testimony shows this is an American-owned firm.

Mr. YARBOROUGH. I submit that, because one American goes down to Juarez and builds a plant, we should not burn down all the trade that has been built up with Mexico over 30 years. This trade in lumber has been going over the mountains of Chichuahua and has been brought out over the Mexican Railroad for years. It reminds me of a man back in my home county. He kept hearing strange noises in his corn crib at night. It was getting him nervous. Finally, he burned down the barn. It turned out that one opossum was making the noise, and yet he burned down the barn just because of that one opossum. By the same token, it is said that because there is one American firm which has gone down to Mexico to take advantage of cheap labor, we ought to burn down all the trade in this product carried on between Mexico and the United States. I submit that is a wholly untenable position.

Mr. President, I reserve the rest of my statement until after we have been able to get certain statistics which have been referred to. I understand there will be no vote today, so I yield the floor at this time.

Mr. ENGLE. Mr. President, I think the debate here this afternoon has indicated pretty clearly what is happening. Some pretty sharp fellows on our side of the line decided they could pick up their plants, bag and baggage, and move across the line, get the benefit of labor, in the production of a commodity that takes a good deal of labor, namely, the production of moldings at 80 cents an hour, whereas American labor costs $2.80, with precisely the same physical equipment, and, using that 80 cents an hour labor, ship those moldings back across the line, preempt the market, and bust the American producer.

My assertion is that that is not a fair thing to occur. We ought to stop it. It is not a question of whether or not manufacturing companies in my State, the State of New Mexico, or the State of Arizona are going out of business and their people are becoming unemployed, as against the benefits asserted by the junior Senator from Texas and the telegrams he has received from his merchants and his people who like to get those cheap moldings coming across from Mexico. That is not the question. The question is whether it is sound policy for us in this country to permit that to occur. I assert it is not. It is not good policy between Mexico and the United States to let it occur.

I do not say we should raise the tariffs and put those companies out of business; but 17 percent is not going to do it. This legislation is proposed in order to remove an inequitable relationship with imports from Mexico which are in direct competition with the ponderosa pine moldings prepared in this country.

It is not intended to affect, nor, insofar as it can be ascertained, will it substantially affect producers of lumber products from other countries.

This proposed legislation has the support of the Western Pine Association, Southwest Pine Association, the principal molding manufacturers in Texas, New Mexico, Arizona, and California, and the Lumber & Sawmill Workers Union, affiliated with the United Brotherhood of Carpenters & Joiners of America, AFL–CIO.

Historically, nearly all wood molding products have been imported under the ordinary lumber rate. In 1930 Congress amended the Tariff Act, apparently intending to put wood moldings on an ad valorem rate. The Customs Bureau, however, has not so interpreted this legislation, allowing wood moldings to enjoy the same import rate applied to ordinary lumber. This was of little importance to domestic ponderosa molding producers until recently because the importations of Mexican moldings to this country were not of substantial quantities until approximately 1956.

I call that particularly to the attention of my colleague and friend from Texas, who asserts that this ruling has been in effect 30 years. It has, but it was not a matter of any particular consequence, because it was only recently that substantial quantities of moldings have been brought in. Of course, the molding has been brought in because some very sharp American operators with American capital and equipment moved across the line and undertook to take advantage of the loophole in the law.

It is reported that in recent years Mexico placed restrictions upon exports of lumber from Mexico, which induced molding manufacturers to construct molding mills in Mexico. Since then, molding products from Mexico have been introduced into this country at an ever-expanding rate. Approximately 35 cars per month of molding products are coming into the United States from the El Paso port of entry. This amounts to approximately 17½ percent of the total production of ponderosa pine molding products in the United States. It should perhaps be said parenthetically that exact figures are not available.

That is true, because molding products imported from foreign countries are classified as lumber. It is impossible to say how much of the carload is molding and how much is lumber.

Molding products imported from foreign countries are classified as lumber. Therefore, the Tariff Commission has no breakdown of molding products as opposed to ordinary lumber.

The molding industry in this country has no organized association and makes no statistical analyses of products in this country. The only available figures are estimates given by Customs officials, limited statistics from the Western Pine Association, and estimates of individual operators in the industry.

The molding industry in this country is basically a small business. No plant in the western area employs more than 100 men.

I should like to stress that fact to my friend from Texas.

It is a specialty industry engaged in by individuals or small corporations. It should be emphasized that because the ponderosa pine molding manufacturing industry is "small business," because it has no industry trade association of its own, and because statistics on costs, prices, sales, and so forth, are not collected—and probably are not obtainable—such remedies as the "escape clause" are of no practical value to the industry.

As I previously pointed out, it would not do any good anyway to go before the Tariff Commission and ask for relief under the escape clause in order to get relief on molding, which is classified as lumber, because lumber does not sell for the kind of price that is obtained for molding, and the import rate on molding could be increased 500 percent and still not be of any consequence with respect to the price of molding.

This legislation is not advocated in an effort to prohibit competition from Mexico or any other source. Basically the problem is this: Under the present tariff legislation, Mexican imports have been introduced into this country at prices which are approximately 25 percent under the market price of domestic products.

I understand from the statements made by the Senator from Texas that there is testimony on both sides of this question with respect to price, but unquestionably where Mexican labor can be hired at 80 cents and where American labor costs $2.80 an hour, it is certainly possible for the Mexican producers, whenever they deem it necessary, to cut down the American price and to beat the American producer out of the market.

This competition is basically unfair. It is unfair because of the wage differential in the two countries. Average wages in an American molding mill exceed $2 per hour. For that matter, wages in the entire lumber industry in the Western United States exceed $2 per hour. The average American lumber industry wage earner earns as much in half an hour as the average Mexican lumber industry wage earner earns in a day.

Mexico is not a reciprocal trade treaty country.

I call that to the attention of those who might be interested in that particular proposition.

Mexico imposes a prohibitive tariff on molding products from the United States—1.75 pesos per thousand board feet or 14 cents for each 2.10 pounds, whichever is higher, plus 70 percent ad valorem.

In other words, Mexico is slamming the door on us, and we are permitting her moldings to come into this country classified as lumber, and all her lumber besides, at practically nothing.

American molding products may be on the Mexican embargo list and if not, may be put on it at any time. American producers, therefore, do not have the benefit of the Mexican market and feel that they should be entitled to an opportunity to compete in the domestic market on a parity. As the Mexican producers can come into the domestic market at 25 percent under the existing domestic prices, a 17 percent ad valorem duty would not prohibit their competing in our market. They would still have an 8-percent advantage.

I will say to the Senator, the provision in the bill might make them a little lame, but they would still be able to do business in this country and to do a substantial business in this country.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the Senator from Texas.

Mr. YARBOROUGH. Does the Senator base his statement about the 25-percent differential on the record of the hearings before the committee?

Mr. ENGLE. I base it on the statements I have from my own lumber representatives, who presented to me the facts they had on this matter.

I heard the colloquy with the Senator from Arizona. I understand there is testimony on both sides of the proposition. What I say is that with the kind of wage differential which exists there is not any reason why they cannot undersell by 25 percent.

Mr. YARBOROUGH. The Senator from California heard the testimony read by the distinguished Senator from New Mexico, in which it was said that on less than 4,000 lineal feet they had bid in the past sometimes 25 percent below the American producers but that when the quantity exceeded that amount the bids were only 4 percent lower.

Mr. ENGLE. There is an old saying that "Figures do not lie, but liars do figure."

Let me say to the Senator that one cannot start with an American plant, operate it with American know-how, take it across the border, employ labor for 80 cents a day, and not be able to undersell the American market.

That is as simple as the fact that two and two are four, or that two taken from five is three.

Mr. YARBOROUGH. Does the distinguished Senator from California agree with the evidence we have before us that the market is absorbing all the moldings manufactured both in the United States and in Mexico?

Mr. ENGLE. My information is that the importations from Mexico are having a disastrous effect upon the American molding producers.

Mr. YARBOROUGH. Does the distinguished Senator from California have percentage figures on that?

Mr. ENGLE. I do not have the percentage figures, but I can say that every producer in the State of California, so far as I know, is in support of the proposed legislation and is backing the effort to get the change in the law we are advocating today, because every one of them is in serious trouble.

Mr. YARBOROUGH. Did any of them lose any business in Texas, where this molding is being used?

Mr. ENGLE. They have lost business all over the United States, they inform me.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. A moment ago the Senator from Texas referred to the statement I had made, and said it indicated that the prices might be 25 percent below on 4,000 feet, but were only 4 percent below on amounts above that. That is not the testimony. The testimony showed the prices were 4 percent below the cost of this man, who is the manager of William Cameron & Co. The price quoted was 25 percent below, and the Mexican price brought it below the cost. How can they do business under those circumstances?

Mr. ENGLE. They cannot. The plain fact is that the American producers will be put completely out of business if this kind of thing is permitted to continue.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to my senior colleague from California.

Mr. KUCHEL. I wish to congratulate my California colleague for a very strong, vigorous and persuasive argument in favor of the position which has been taken by the committee as to the inclusion of the amendment sponsored in the Finance Committee by the Senator from New Mexico.

I was interested in the remarks of the able Senator, to the effect that historically all wood molding products have been imported under the regular lumber rates and that in 1930 the Congress amended our tariff legislation with the intention of putting wood molding on an ad valorem rate, but that the Customs Bureau declined to interpret the legislation in that manner. Is it not fair to say that from the standpoint of the legislative history the Customs Bureau has not accurately interpreted what the Congress in 1930 intended to provide?

Mr. ENGLE. It certainly is. To show how silly the Bureau can be, they issued a ruling recently in which they put in a separate classification moldings which are glued or jointed. The distinguished Senator from New Mexico has some examples. This is one of them I hold in my hand. This is glued, as the Senator can see. There are others which are jointed.

This is the other type I have been speaking of, the solid type.

The committee report says about this situation, on page 5:

> An identical piece not jointed or glued, but having the same design and utility may be classified as common lumber at a rate of duty so low as to be inconsequential, often at one-half of 1 percent.

In other words, the Treasury Department, with its fine intelligence—I do not

want that to be interpreted in the RECORD as accomplishment, because I cannot put the emphasis I meant in the RECORD—with its fine intelligence, comes out to say one piece is classified under one category and the other piece is classified under another category.

Mr. KUCHEL. Will my friend yield further?

Mr. ENGLE. Although they both have, as our committee said, the same design and utility. This piece would be classified as lumber, and this other piece would be classified as molding. All we are saying is, let us put them both in the same classification, substantially.

Mr. KUCHEL. Mr. President, will my able colleague yield further?

Mr. ENGLE. I yield.

Mr. KUCHEL. Is that not the very reason why in 1930 the Congress legislated on this subject, to try to make clear that there was no distinction and that there was no basis for continuing the ruling, with regard to what my friend held up in his hand before the Senate, that it was common lumber.

Mr. ENGLE. That is precisely the case. The matter had been under attack a long time ago, but we had no reason to be concerned. It was only recently that these very sharp fellows in Texas went to work. They are very sharp fellows in Texas. They are able businessmen.

These fellows decided to pick up their plants, lock, stock, and barrel, with their know-how; to move the plants across the border; to take advantage of the 80 cents a day labor; and to produce this molding—this kind in my hand—to be sold in the United States.

If I had picked up the other one, Senators would not have known the difference, unless they could see the little joined spot. These fellows ship 35 carloads a day to the United States, and sell it on the American market, to customers in the State represented by the distinguished, able, and conscientious junior Senator from Texas. They sell it, and preempt the market. They put out of work people in my State, as well as people in the State of Oregon, in the State of New Mexico, in the State of Arizona, and elsewhere, wherever we have ponderosa pine.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. ENGLE. Let me say that I am not disparaging those very fine businessmen in the State of Texas. They are clever fellows who know enough to go across the border, to take a plant with them, to take know-how with them, and to hire 80 cent labor, to "bust" the American manufacturers.

Mr. NEUBERGER and Mr. YARBOROUGH addressed the Chair.

Mr. ENGLE. I will yield in a minute to the distinguished Senator from Texas, but first I wish to yield to the distinguished Senator from Oregon.

Mr. NEUBERGER. Mr. President, I assure my friend from Texas that my comments will be brief. I have followed diligently the debate on this complex issue.

I merely wish to concur in what the two able Senators from California have said about this matter, and what has been said earlier by my able colleague from Oregon, and by the very able Senator from New Mexico.

I think I can class myself accurately as a supporter of reciprocal trade. Indeed, I have been under criticism from certain domestic commodity groups in my State, such as the cherry growers and others, because of my consistent support of reciprocal trade. In the time since I have been in the Senate, since 1955, I doubt if I have ever cast a vote on a rollcall in opposition to the principle of reciprocal trade. My support for reciprocal trade has incurred considerable criticism in my home State.

I desire to stress one fact. I think what has been tolerated by the Tariff Commission with respect to these moldings and their manufacture in Mexico is a direct threat to the survival and the continuance of reciprocal trade, because it seems to me that permitting these sorts of imports on a nonreciprocal basis, with virtually no duty whatsoever, is a peril to reciprocal trade and will result eventually in the discrediting of reciprocal trade.

Therefore, very briefly, as I promised the Senator from Texas, I desire to associate myself with the Senator from California on this issue.

Mr. ENGLE. I appreciate the remarks of the distinguished Senator from Oregon. I agree with him 100 percent. The reciprocal trade program has never contemplated that American business should be ruined and put out of business. The reciprocal trade program has always included provisions for the peril point, the escape clause, and other provisions which made it possible for American industry to protect itself against ruinous foreign competition.

Mr. NEUBERGER. Nor is there any real reciprocity in this situation.

Mr. ENGLE. None whatsoever. This is a one-way street. This is a situation in which some very shrewd operators have undertaken to take their plants across the line and profiteer on the basis of an abysmally low wage level in old Mexico. If this condition continues, we shall not have a reciprocal trade program in this country. Industry in this country will revolt against it.

I say to my friend from Texas and my friend the Senator from Oregon that only the other day one of the great labor leaders in New York, who for years has advocated a reciprocal trade program, has taken a second look at it. Labor leaders are beginning to realize that they cannot continue to face this kind of competition.

Mr. NEUBERGER. This particular situation is an especially glaring example of seeking a loophole in the reciprocal trade program which eventually will undermine the reciprocal trade program.

Mr. ENGLE. There will be a revolt against it. American industry and American labor will insist on throwing it out.

Like the Senator from Oregon, I have consistently supported a reasonable and fair reciprocal trade program. I think it is necessary. But this is a damaging incident so far as reciprocal trade is concerned.

Mr. YARBOROUGH rose.

Mr. ENGLE. I am happy to yield to my very fine, distinguished, and able friend, the junior Senator from Texas, if he will promise not to read any more telegrams, which I regard as self-serving evidence.

Mr. YARBOROUGH. Mr. President, let me say to the able and distinguished junior Senator from California that since I have asked him to yield, I have been stunned into virtual silence by the colloquy between him and the distinguished junior Senator from Oregon, in which they have agreed between themselves that one little molding plant in Juarez, Chihuahua, Republic of Mexico, will wreck the whole reciprocal trade policy of the United States. All the treaties will be torn up and will go down the drain because one little plant in Juarez manufactures a little molding.

Mr. ENGLE. Is not that an example——

Mr. YARBOROUGH. I do not mean architectural molding. The Treasury Department has a different ruling as applied to high-grade carved or decorative molding.

I will say to the distinguished junior Senator from California that I fully concur in his desire to maintain a high American wage scale and full employment for American labor. That is one of the things that has made our economy the greatest in the world—high wages, a high standard of living, and the ability of our people to remain stable. They have built their homes with American materials and American labor. Some of them may contain a little Mexican molding, and some may even have a little tin from Mexico, or some other decoration, and things like that. But basically the typical American home is a home built with American materials and by American labor.

Mr. ENGLE. Mr. President, if producers in Mexico ever start growing cotton and shipping it across the border, there will be screams of anguish from Texas; and when a Texan starts to scream with anguish there is no higher scream.

Mr. YARBOROUGH. I will say to my distinguished friend that I must confess that I would like to brag about my State, but having heard the screams from California, which have made the Capitol Building rock, over one little old plant in Juarez, thousands of miles away, I conclude that we in Texas are not in the same league.

Let me say to my distinguished friend from California that heretofore only one plant has been mentioned. I have heard from the distinguished Senator from New Mexico that there was one plant. Now we hear of other plants that we have never heard of before. So far as I know, there is one little mill in Juarez.

Of course, the Mexicans have had their own regular plants for decades, and their product has been imported for decades.

My position—and I want the distinguished Senator from California to hear it—is based upon a desire to maintain full employment for American labor. If we go back to the Hawley-Smoot tariff of 1929, we will have another depression

which, as described by a former Secretary of the Treasury, will make our hair curl, if we cut off foreign trade. The foreign trade balance with Mexico is in our favor.

Mexico has an explosive population. It has gone up to about 34 million. We are on the long end of the trade balance with Mexico. My efforts are to preserve that trade balance, because the goods we sell are made in America, with well-paid American labor. Our exports are helping to maintain a favorable trade balance.

As the Senator knows, in the Committee on Interstate and Foreign Commerce we are now starting a study of our foreign trade. Over the years, foreign trade has grown until now we are just about on an even keel. We are importing about as much as we export. One of the countries with respect to which we have a favorable balance is Mexico. I desire to see that that trade is not cut off or embargoed. If it is, the number of Americans who will lose their jobs will far exceed anything envisioned by the distinguished Senator from California as arising from a few little moldings imported from a mill in Juarez, Mexico.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. ANDERSON. When we were trying to collect information, there came to us a letter from the Best Molding Corp., dated May 7. They had made an analysis of the U.S. Tariff Commission's finding on Senate bill 913, which is comparable to this amendment. In their letter, it was pointed out that an analysis of the figures furnished to them as to the value of the Mexican product would indicate that the value was about $247 a thousand board-feet. The value of the American product was $350 a thousand board-feet. In other words, there was a $100 margin between the two. That is one reason why, as the Senator from California has pointed out, they have been able to take as much of the market as they have been able to supply.

The letter states:

> This is why all our prices are affected by the Mexican import, which seems to amount to approximately 8 percent of the nationally used moldings.

The percentage used to be zero. Then it rose to 3 percent, which we thought was high. Now it is approximately 8 percent. It is from 15 to 20 percent across the Southwest.

Until the big Maderas Selectas, Molduras dePino Mill was built in 1956, there was no great problem. The talk about the "free flow back and forth" continued. A good deal came in from Mexico. Three percent of the total molding came from Mexico. No one worried about that. The importations were not undercutting the market. The foreign manufacturers were taking their share at established prices. But when the new mill got under way, there was a drastic change. The amount of molding coming in went up to 8 percent, and the percentage is growing rapidly. The situation is serious.

Mr. ENGLE. I thank the distinguished Senator from New Mexico for his comments.

The absurdity of the situation is indicated in the committee report on page 5, where the committee refers to the ruling with respect to the difference between jointed and glued molding and ordinary molding. I read from the report:

> This ruling was that wood molding shall be classed as lumber unless it has been "jointed"; as a manufacture of wood not specially provided for if it has been "jointed" or glued; and as "wood moldings and carvings used in architectural and furniture decoration" if it passes some unannounced test as to whether it has been sufficiently embellished as to make it more "decorative" than ordinary molding.

If any Senator can unravel that, he can do better than I can. The committee goes on to say:

> It is this indefiniteness and uncertainty that this clarifying amendment is intended to correct.

I hoped something would correct it.

> It would provide a single classification and a single rate of duty for all types of molding without regard for the degree of decoration and whether or not composed of two or more pieces glued together to make a longer strip.

In that particular, I am simply dealing with what I regard as the stupidity of the ruling of the Treasury Department. One of the biggest problems has been to keep the bureaucrats downtown from ruining the Government.

One piece of molding is a glued piece. Another is called a plain piece of molding. Another piece, which is a little more decorative, is in a different classification, according to the Treasury Department. That kind of thing does not make any sense at all.

Basically, and underlying the entire situation, as I have said before, the question is not whether the merchants in the State of the distinguished junior Senator from Texas will be able to get cheap Mexican lumber. The question is not whether the mills in my State, the State of the distinguished Senator from New Mexico [Mr. ANDERSON], the State of Arizona, and other States, will be able to sell their moldings. The U.S. Senate cannot be expected to render its best judgment as to whether it prefers to benefit the people of my State rather than the people of the State of the distinguished Senator from Texas [Mr. YARBOROUGH]. The question is whether it is fair and right for an American capitalist to pick up his plant, lock, stock, and barrel, carry it across the Mexican line, hire labor at 80 cents a day, ship his product back to the United States, "bust" the American manufacturer, and put American workers out of work. That is the basic question which has to be decided by the Senate. That is the issue which is involved in the amendment now before the Senate.

Mr. YARBOROUGH. The distinguished Senator from California has stated the question only partly. The question is whether we shall stop the operations of one mill in Juarez and wreck our whole trade with Mexico, or let one little mill operate and carry on this very important trade with us, in which the products of many mills and manufacturers in this country are sold in Mexico.

We are looking at the overall problem, I agree. The overall problem is what best benefits the American economy. I submit that we benefit by one product from one little mill in Juarez. We should not burn down the whole barn because of one 'possum that we want to get out of a corner.

Mr. ANDERSON. Mr. President, we should not keep talking about one mill. We have used the figures of Maderas Selectas. I believe the figures show that three mills have already gone to Mexico. I also point out, in connection with the question as to how large a volume of business they have done in the United States, that there was a time when the Mexican Government prohibited the exportation of lumber. In view of that, these people have gone to Mexico and have built mills because they can export the finished product but not the lumber.

The testimony before the committee was that approximately 35 carloads of lumber products a month came into this country through the El Paso port of entry. Also, and on top of that, it was said that that amounts to approximately 17½ percent of the total production of ponderosa pine sold to companies in the United States. Considering that a business which had a very slight section of the American market only 5 or 6 years ago now has 17½ percent of it, we can realize how rapidly it has grown in so short a time.

We tried to find out something about costs. The Senator from Louisiana [Mr. LONG] was presiding at that portion of the hearing. Mr. Stewart, who has a sales agency for Maderas Selectas, was testifying.

At page 78 of the hearings, the Senator from Louisiana asked Mr. Stewart:

> I do not know if we have anybody in Louisiana who competes with you and I can kind of try to be a referee here as between the two contending forces between New Mexico and Texas on this, but can you give me some information as to how your costs for doing this operation compare in Mexico with what you believe it would be in the United States?
>
> Mr. STEWART. I am not qualified to speak on that subject.
>
> Senator LONG. Frankly, my general feeling about it is that it would be a desirable tariff policy on the products of this sort if the competitors were on more or less an equal footing to where—just the same as they would be if both were located in the United States.

That is what we have been talking about—some sort of equal footing.

> Mr. STEWART. Yes, sir.

Then, on page 79 of the hearings, Mr. Stewart said:

> Sir, I do not have the costs of the plant to make available. I am sales agent for the plant, and I do not believe it is too common a practice for a plant to make available to a sales agent the costs of production.
>
> Senator LONG. Let me ask you this: Is Maderas Selectas going to be represented at this hearing? They are affected by what happens on this bill. Are they going to be represented?
>
> Mr. STEWART. No, sir.

So the information was nicely cut off.

On page 81 of the hearings, there was a discussion about Mr. Stewart's father; that he was a very nice man. The Senator from Louisiana then said:

If he were here, I could find out some of the things I want to know about the blank spots in your testimony.

Those blank spots were that at no time would Mr. Stewart say anything about what the costs were in Mexico as compared with the costs in the United States, so that we could tell whether the tariff which was being imposed on those products was oppressive or was not. That was why the Senator from Louisiana said he would like to have some of the blank spots filled in.

Mr. Stewart said:

The few factories in Mexico producing this item will have to close down if the amendment is granted.

The Senator from Louisiana picked him up on that. He asked Mr. Stewart:

How can you make that statement? You just got through disqualifying yourself to make it.

Mr. Stewart knew the plant would have to close down, although he said he knew nothing about the costs.

That is the situation in which we find ourselves today. We have testimony that to apply a tariff would cause little plants to close down. But we have no testimony which shows their costs are such that they would be compelled to close down.

We entered into a reciprocal trade agreement with Mexico. We did not withdraw from it; Mexico withdrew from it. We have tried hard to see to it that this situation is handled correctly, so as to protect the industries of the United States, and still not act oppressively. If we were to have a tariff of 50 percent, it might mean a difference in production and costs. It probably would be an unfair tariff. But there was no testimony based on any fact which indicated that a 17-percent tariff, which is called for by the bill, would cause trouble which might reduce profits, but would not cause the plants to close down.

Mr. ANDERSON. Mr. President, earlier this afternoon I promised the Senator from Maine [Mr. MUSKIE] that I would request that there be printed in today's RECORD, in connection with the debate on the lumber question, the statement he made before the Finance Committee when this matter was under consideration by it.

Therefore, I ask unanimous consent that the statement made by the Senator from Maine [Mr. MUSKIE], as it appears on page 57 of the record of the committee's hearings on this measure, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY HON. EDMUND S. MUSKIE, U.S. SENATOR FROM THE STATE OF MAINE

I would like to be associated with those supporting S. 913, introduced by Senator CLINTON ANDERSON of New Mexico. S. 913 is of importance to at least one manufacturer of wood molding in the State of Maine. I believe that the problems faced by this one company in Maine are typical of those facing the domestic industry. It is an industry in which all of the production units are small. The company in my State employs between 45 and 50 people. This is characteristic of the molding industry in the United States. Rarely, if ever, would a plant employ more than 100 men. It is a specialty industry run by individuals or small corporations. This industry has been struggling against imports from Mexico, imports which come into this country at prices which are approximately 25 percent under the market price of domestic products. This inequitable relationship with the imports from Mexico is directly related to the fact that Mexico laborers are paid daily wages which are fantastically below the minimum American wage in the industry. As a matter of fact, the average American lumber industry wage earner earns about as much in half an hour as the average Mexico lumber industry wage earner earns in a day. I shall support S. 913, because by assessing all molding imports at 17 percent ad valorem, our American domestic industry will have a better chance to survive in a highly competitive environment.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENGLE in the chair). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I am informed that the Senator from Oregon [Mr. MORSE] desires to speak at some length on Calendar No. 672, House bill 2411, which would result in repeal of the tariff on imports of wood moldings, and that, therefore, if a vote on the bill were to be taken today, the vote would be taken late in the evening, at best.

Therefore, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday, at 12 o'clock noon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I announce that at the conclusion of a statement which I am informed the Senator from Kentucky [Mr. COOPER] will make, the Senate will adjourn, unless some other Senator then desires to address the Senate. No roll calls will be had this evening.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas is recognized.

ORDER FOR CALL OF CALENDAR ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Monday, immediately following the morning hour, the calendar, beginning with Calendar No. 733, House bill 6904, to establish an Advisory Commission on Intergovernmental Relations, be called.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PERSONAL STATEMENT BY SENATOR COOPER

Mr. COOPER. Mr. President, I have received the following telegram, dated August 19, from a Mr. Gerald M. Schaflander, president of a corporation known as Bantob Products, of Bay Shore, Long Island:

This corporation manufacturer of Vanguard smokes buying agricultural products in many farm belt States shocked and investigating through counsel Javits & Javits, New York City your direct sponsorship of nationally released statement regarding contents allegedly of Vanguard products.

Absolutely untrue statements regarding fibers of this product were released under sponsorship your office.

Idiotically unfactual to state final Dayton tests product of Vanguard contained either cornsilk or sugarcane.

Our counsel investigating possible action against you and both Agriculture Secretary Benson and University of Kentucky on these points.

Obviously, Kentucky Senator cares less for health of people of Kentucky and Nation than he does about interests of Kentucky burley growers' production of toxic tobacco leaves, linked by U.S. Government to lung cancer and cardio-vascular diseases. Request immediate repudiation and answer.

Copies this wire to Secretary Benson, Kentucky University and press, national, trade.

Yesterday, I received from the Bantob Corp. a copy of their telegram to Secretary Benson, which reads as follows:

This corporation, Bantob Products Corp., manufacturing Vanguard (the no tobacco smoke) immediately requesting counsel, Javits & Javits, New York City, investigate your Department's right to analyze allegedly and make published reports on test market products without consulting original manufacturer.

Your Louis Williams recently made alleged tests of Vanguard smokes at behest of Senator COOPER and your office reported tests of a single example of a series of Dayton test market products thus idiotically naming our product as a cornsilk product. Your Department has no right according to preliminary legal investigation to announce any results on any commercial test market product.

Congressmen of other States than Kentucky will be most interested in your Department's actions to insure stopping a non-tobacco fiber product containing natural raw materials growing in many farm-belt States. They are being notified.

Such Representatives and Senators are being notified of your Department's discriminatory action in favor of tobacco producing areas.

Our company also most interested to learn why your laboratories acted speedily to misfind contents of this vitally needed consumer product rather than determining if it was a safe product for America and Kentucky to smoke.

Copies this wire to COOPER, KEATING, NEUBERGER, HUMPHREY, all national trade press plus interested special parties.

Request reply.

GERALD M. SCHAFLANDER,
President, Bantob Products Corp.

Mr. President, that is a copy of a telegram which purportedly was sent to the Secretary of Agriculture.

Mr. President, ordinarily I would not bother to comment on the telegram

which was sent to me by Mr. Schaflander. But inasmuch as his telegram to Secretary Benson states that Mr. Schaflander had sent copies to several Members of the Senate, to the trade press, and to "interested special parties"—whoever they might be—and inasmuch as these telegrams refer to me by name, and because so many incorrect or exaggerated statements are contained in both of the telegrams, I shall make the following statement of my action in this matter.

Being interested in the composition of the alleged tobacco substitute called "Vanguard," I obtained several "Vanguards"; and, on July 15, I sent the material used as filler in "Vanguard" "smokes" to Dr. Frank J. Welch, the dean of the College of Agriculture at the University of Kentucky, and recently a member of the Board of Directors of the Tennessee Valley Authority. I suggested to Dr. Welch that his tobacco expert, Dr. R. B. Griffith, who has had experience in analyzing cigarette blends, and is a recognized authority in this field, might be interested in analyzing the "Vanguard," which had been so widely publicized.

Mr. President, I suspect that perhaps the purpose of the telegrams was to give the "Vanguard" further publicity.

On July 24, I received from Dr. Welch a report, prepared by Dr. Griffith, stating the results of his examination. I gave the report of this analysis, which had been made by the College of Agriculture of the University of Kentucky, to Mr. Gorden Englehart, one of the Washington representatives of the Louisville Courier-Journal. Later, it was requested by other representatives of newspapers; and I gave it to them.

While I did not send this product to the Department of Agriculture scientists, I noted in the news story of Mr. Englehart, published in the Louisville Courier-Journal, that the Department had made an analysis of it. I then asked the Department for a report of its investigation, and received a report. Perhaps Mr. Schaflander will be interested in learning that it says that, on comparison with known plants, "the bulk of the material is morphologically similar to corn silk." The dictionary defines morphology as the study of the form and structure of plants.

Further, I discussed the matter with the Food and Drug Administration, and was informed that the Administration was making an analysis.

I have no firsthand knowledge of what Vanguard cigarettes contain—although I did attempt to smoke one of them—but the results of those analyses were as follows:

The University of Kentucky reported:

A microscopic examination indicated that the material consisted primarily of rather long fibers probably of natural origin. Although we have not identified the source of fibers it is considered possible that they may have come from a type of material such as sugar cane bagasse. The microscopic examination also indicated that additives had been applied in some way to the fibers and that particles of the root of the licorice plant were present and could be identified.

The material does not contain nicotine or tobacco in any form. Our examinations would indicate that some type of natural fiber has been treated with additive normally used as casing material in the production of tobacco products to produce the filler material.

That is the end of the description of the content.

The Department of Agriculture reported:

The ground or shredded material presents great difficulty for positive identification of the plant fragments, which could only be compared with parts of known plants that might be expected for use in compounding such a smoking product.

Dr. Louis O. Williams, botanist in the Crops Research Division at Beltsville, examined the material and reported: (1) No tobacco content; (2) the bulk of the material is morphologically similar to corn silk; (3) contains a plant material which may be lovage root; (4) contains plant material which may be deer's tongue herb; (5) contains unidentifiable materials, one of which is amorphous and gum resin-like; and (6) the "cigarettes" are aromatic, possibly from spearmint oil.

The Food and Drug Administration reported to me, by telephone:

Examination of a package—

That is to say, a package of Vanguard cigarettes—

by the Division of Microbiology showed that the natural fibers are principally corn silk.

Of course, Mr. President, I am interested in this product, which is called, or advertised as, a substitute for tobacco. My interest arises from the fact that tobacco is the major agricultural product of Kentucky, and provides a livelihood for more than three-fourths of a million farm families—200,000 of them in Kentucky.

The telegram from Mr. Schaflander states that I am not interested in the health of the people of Kentucky and the Nation.

Mr. President, I do not care to argue that question with him. I may say that I have served now for 5 years on the Senate Committee on Labor and Public Welfare, which is concerned with the problems of the health of the Nation's people. I have always been interested in the health of the people of Kentucky and the Nation. My interest in health is one of the reasons my curiosity was aroused as to just what these new "smokes" contained.

I close my statement with these points:

First. As I have said, I do not know what "Vanguard" contains, other than the reports I have received. I suggest that if it does not contain corn silk, the company should advise the public what it does contain.

Second. If it is a cigarette, we should consider the possibility of taxing it, as tobacco is taxed.

Third. I am not concerned about the threatened suit by the Bantob Products Co. I do not care a whoop, as we say, about their threatened suit. I acted properly, as an individual and as a Member of the Senate, looking after the interests of my State, to find out the facts about "Vanguard," this so-called substitute for tobacco. If the company desires to sue me, it can do so. Then perhaps we can learn whether "Vanguard" contains corn silk or some other material.

ADJOURNMENT TO MONDAY

Mr. RUSSELL. Mr. President, under the order heretofore entered, I now move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 15 minutes p.m.), the Senate adjourned, under the previous order, to Monday, August 24, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations by the Senate received August 21, 1959:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959:

Henry Cabot Lodge, of Massachusetts.

JAMES G. FULTON, U.S. Representative from the State of Pennsylvania.

CLEMENT J. ZABLOCKI, U.S. Representative from the State of Wisconsin.

Walter S. Robertson, of Virginia.

George Meany, of Maryland.

The following-named persons to be alternate representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959:

Virgil M. Hancher, of Iowa.

Charles W. Anderson, Jr., of Kentucky.

Erle Cocke, Jr., of Georgia.

Mrs. Oswald B. Lord, of New York.

Harold Riegelman, of New York.

DEPARTMENT OF DEFENSE

J. Vincent Burke, Jr., of Pennsylvania to be General Counsel of the Department of Defense.

DEPARTMENT OF THE NAVY

Rear Adm. Paul D. Stroop, U.S. Navy, to be Chief of the Bureau of Naval Weapons in the Department of the Navy for a term of 4 years.

INTERSTATE COMMERCE COMMISSION

Clyde E. Herring, of Iowa, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1963, vice Richard F. Mitchell, resigned.

U.S. DISTRICT JUDGES

John O. Henderson, of New York, to be U.S. district judge for the western district of New York, vice Justin C. Morgan, deceased.

Girard E. Kalbfleisch, of Ohio, to be U.S. district judge for the northern district of Ohio, vice Paul C. Weick, elevated.

U.S. ATTORNEY

Donald G. Brotzman, of Colorado, to be U.S. attorney for the district of Colorado for the term of 4 years, vice Donald E. Kelley, resigning.

BOARD OF PAROLE

Richard A. Chappell, of Georgia, to be a member of the Board of Parole for the term expiring September 30, 1960, vice George G. Killinger, retired.

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Reece F. Jarvis, Pima, Ariz., in place of Z. W. Buffington, retired.

ARKANSAS

Joseph E. Mason, Center Ridge, Ark., in place of R. W. Ruff, transferred.

Oscar H. McKamey, Jr., Imboden, Ark., in place of J. D. Fortenberry, retired.

Jake M. Dunn, Pocahontas, Ark., in place of Myrt Walrond, retired.

Robert E. Harrell, Wynne, Ark., in place of C. J. Coffin, retired.

CALIFORNIA

Burrell O. Musch, Canby, Calif., in place of M. L. Bender, resigned.

Grant R. Fox, Delhi, Calif., in place of M. B. Buswell, retired.

John A. Black, McClellan Air Force Base, Calif., in place of L. F. Barksdale, retired.

Emmet P. Burke, Universal City, Calif., in place of W. B. Townsend, retired.

CONNECTICUT

William B. Blackman, Brookfield, Conn., in place of V. C. Geddes, resigned.

GEORGIA

Franklin J. Callaghan, Acworth, Ga., in place of R. D. McClure, retired.

Evelyn W. Thompson, Byromville, Ga., in place of E. T. Patterson, retired.

Robbie E. Womack, Millen, Ga., in place of W. B. Daniel, retired.

Wilson A. Chambers, Townsend, Ga., in place of W. A. Ryals, retired.

ILLINOIS

Robert M. Maller, Geneva, Ill., in place of A. N. Modaff, resigned.

Harry R. Johnson, Madison, Ill., in place of R. O. Johns, retired.

KANSAS

Eldon C. Oesterreich, Woodbine, Kans., in place of F. E. Feyerabend, retired.

MASSACHUSETTS

Andrew E. Tillberg, Medway, Mass., in place of M. J. Bresnahan, deceased.

MICHIGAN

Frederick J. Goossen, Houghton Lake, Mich., in place of W. K. Peters, resigned.

Selden W. von der Hoff, Interlochen, Mich., in place of R. J. Buller, retired.

Robert H. Gorsline, Milford, Mich., in place of V. E. Boyle, removed.

Georgia E. Larsen, Newaygo, Mich., in place of C. C. Larsen, Jr., deceased.

Guido J. Freund, Oscoda, Mich., in place of L. J. Hartel, resigned.

Robert W. Curtice, Wells, Mich., in place of V. C. White, removed.

MINNESOTA

Lawrence E. Hanson, Santiago, Minn., in place of G. M. Wold, resigned.

MISSISSIPPI

Arl F. O'Neal, Perkinston, Miss., in place of A. W. Flurry, retired.

MISSOURI

Hilda I. Summers, Canalou, Mo., in place of J. D. Kochel, retired.

Wilbert Haux, Sturgeon, Mo., in place of F. F. Hulett, retired.

MONTANA

Kenneth M. Hall, Bainville, Mont., in place of A. C. Coulston, deceased.

NEW MEXICO

Opal R. Burnett, Fort Bayard, N. Mex., in place of L. C. Bangert, Sr., deceased.

NORTH CAROLINA

Elvin C. Cox, Ramseur, N.C., in place of C. B. Craven, removed.

NORTH DAKOTA

Edvin E. Lillehoff, Marion, N. Dak., in place of Cleo Flugga, transferred.

Olivia E. Ditch, Riverdale, N. Dak., in place of Arthur Schempp, deceased.

OHIO

Charles A. Roemer, Brunswick, Ohio, in place of Jeanette Long, retired.

Garold B. Fish, Englewood, Ohio, in place of E. L. Heck, retired.

OKLAHOMA

Fred B. Taylor, Wann, Okla., in place of G. L. Taylor, transferred.

OREGON

Marion E. Haigh, Jordan Valley, Oreg., in place of I. E. Lee, retired.

Richard A. Gordon, Oceanlake, Oreg., in place of J. P. Ivers, resigned.

PENNSYLVANIA

Frank A. Todd, Sr., McKeesport, Pa., in place of J. T. Qualters, retired.

RHODE ISLAND

Edward C. Borders, Foster Center, R.I., in place of H. A. H. Nichols, deceased.

SOUTH CAROLINA

John A. Hines, Chesnee, S.C., in place of D. D. Elson, retired.

SOUTH DAKOTA

Harry W. Lehman, Edgemont, S. Dak., in place of E. E. Colgan, retired.

James B. Babcock, Hill City, S. Dak., in place of A. P. Koevenig, resigned.

TENNESSEE

Robert E. Barrows, Lookout Mountain, Tenn., in place of H. M. Caldwell, retired.

TEXAS

Charles L. Jones, Chandler, Tex., in place of B. C. Bass, retired.

UTAH

Myrtle H. Davis, Mexican Hat, Utah, office established March 9, 1957.

VERMONT

Virginia A. Peterson, South Ryegate, Vt., in place of G. F. Rabaioli, resigned.

VIRGINIA

Raymond J. Thomas, Dahlgren, Va., in place of J. F. Suttle, retired.

Rupert D. Snead, Jr., Scottsburg, Va., in place of F. P. Harris, retired.

Edward G. Gildersleeve, Scottsville, Va., in place of A. W. Mayo, retired.

WASHINGTON

E. Beth William, Hadlock, Wash., in place of M. M. Learned, retired.

WEST VIRGINIA

Victor J. Robinson, Tams, W. Va., in place of R. F. Wildey, resigned.

WISCONSIN

Hubert H. Jaech, Wonewoc, Wis., in place of V. O. Fuller, deceased.

EXTENSIONS OF REMARKS

Americans Need To Crystallize "Image" of Our Way of Life

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Friday, August 21, 1959

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me relating to interchanges between the United States and the Soviet Union.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We recall that during the recent trip of Vice President NIXON to Moscow Premier Khrushchev challenged the United States to a battle of ideas.

Frankly, I think we should take them on. I am confident we will be the victors.

However, I believe the American people today face a real challenge in the need to reevaluate, sharpen up, and crystallize their image of our way of life.

Unfortunately, the benefits of our system are, all too often, taken for granted and thus are hazy in the minds of the American people.

In a peaceful world, this kind of lackadaisical attitude might get by. Today, however, in a world in which communism is challenging our system on practically every front—military, scientific, economic, political, cultural, educational, and others—the time has come to sharpen up our thinking and prepare to defend ourselves in the battle of ideas; or better, to take the offensive in proving the superiority of our system for providing a better life for our people.

INCREASED UNITED STATES-SOVIET TOURIST TRAVEL

The Eisenhower-Khrushchev exchange visits—subsequent to the Nixon trip to Russia—may well be followed by increasing exchanges on a people-to-people, as well as on the government-officials level. As a matter of fact, the flow of persons is stepping up.

During 1958, for example, an estimated 6,000 U.S. citizens traveled to the Soviet Union. By contrast, in the first half of 1959, more than 8,000 Americans have already visited the U.S.S.R.—a rate of more than twice the previous year.

At the same time, the flow of Soviet tourists to the United States is expected to increase. Although only 66 Soviet tourists came to the United States in 1958, it is anticipated that this peaceful invasion is likely to number several hundreds this year.

The Communists—including Mr. Khrushchev and his proteges—can be expected to be well-schooled on their own system as well as knowledgeable of our weak spots.

Consequently, it will be increasingly important that we sharpen up our image of the United States in the minds of our people. We must ask ourselves: "What does our way of life really mean to us? About which of its aspects should be best informed?"

HIGHLIGHTS OF OUR WAY OF LIFE

Among the highlights, I believe, should be included:

A thorough knowledge of our governmental system.

A picture of benefits which the average citizen and his family enjoy; including living standards, wages, ownership of such items as homes, automobiles, television sets.

Opportunity for each person, regardless of place or station of birth to seek and obtain in accordance with his capabilities, the goals he seeks in life—including a vacation of his own choice.

A system of laws that not only aims at maintaining peace and order, but also recognizes and respects individual dignity, rights, and privileges—as opposed to the Communist system which subjugates all rights and personal interests of people to the dictatorship of the state.

Recognition of freedom of thought, including self-selected religious, philosophical, political, or other ideas—so long as adherence to such does not jeopardize, or interfere with, similar privileges of other citizens.

Economic security within our system, including such programs as retirement benefits, unemployment compensation, job opportunities, and others.

Respect for maintaining traditional family relationships—the foundation of our way of life—often either strained or destroyed under communism.

Ability to defend our foreign policy; and also to explain such domestic policies as conflict with the Communist ideas.

Reaffirm the peaceful intentions of our leaders, unity of our people behind our leadership, and to correct the misconceptions of our way of life which have been presented to the Russian people.

Above all, I believe it is important to stress that we are dedicated to attempting to live in peace and harmony with other nations; that we are willing to contribute ideas—yes, even a "helping hand" materially—toward assisting lesser developed nations to resolving economic, social, security, or other problems; but that we do not seek to impose our way of life on any country, but rather, strive for a world in which peoples can, by self-determination, select their own systems of government.

Fortunately, the Russian people—as I'm sure is true of all people—demonstrated, during Vice President NIXON'S tour that—despite years of false propaganda by the Communist machine—they gratifyingly remembered the "helping hand" given Russia—both in terms of military and nonmilitary aid, including food—prior to, and during, World War II.

In countering the Communist ideological offensive, I believe, too, that we must learn more of the Soviet system. By so doing, we will be able to hold up to the light of logic and reason the Communist political, economic, social, and other ideas and reveal their weaknesses and inadequacies.

TRAVELERS TO THE SOVIET UNION

A United States traveler to the Soviet Union—as an ambassador of our country—bears a particularly heavy responsibility.

The reports of visitors within the Soviet Union as well as the experiences of our U.S. guides at the exhibit in Moscow—confirm the fact that the Americans in the Soviet Union will be the target for a wide variety of questions by the Russian man-on-the-street, as well as the "planted" Soviet inquisitor.

To the degree possible, therefore, the U.S. traveler should be fortified with intimate knowledge and information of our way of life. In addition, he should know something, if possible, of the Soviet system, so as to be able to present his ideas in terms the Soviet people can understand.

In view of the importance of getting our story across—now that we are finally penetrating the Iron Curtain—we might well examine the possibility of providing U.S. travelers to the Soviet Union with either briefings, or at least access to utilizable information, prior to journeying to the Soviet Union.

CONCLUSION

With the opening of what may well be a new era of increasing interchanges between the United States and the Soviet Union, it is especially important that we crystallize our image of the United States and be well prepared to meet the Communist challenge of a battle of ideas.

I am confident that we have the system, reservoir of ideas and ideals, record of accomplishments, and real prospects for an ever-better life that will come out on top in a freedom versus communism conflict.

Statewide Poll on 45 Questions

EXTENSION OF REMARKS

OF

HON. J. GLENN BEALL

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, August 21, 1959

Mr. BEALL. Mr. President, last month I sent out a questionnaire to constituents in my State. Forty-five questions of national interest were asked. Replies came back in great numbers. As a matter of fact, a total of 1,581 questionnaires were filled out and mailed back to me. They came from every part of the State and from every walk of life, on a fairly proportionate basis. In my opinion, these 1,581 answers to each of the 45 questions present a representative cross section of public opinion.

The results, which have been tabulated and reduced to percentages, are informative and interesting to study. I ask unanimous consent, Mr. President, to have the results of the poll printed in the CONGRESSIONAL RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[Percent]

	Yes	No	No answer
1. Do you favor integration in schools?	51.6	43.4	5.0
2. Do you favor integration in housing?	30.2	59.4	10.4
3. Do you agree with the scientists who say that the danger from nuclear explosion fallout is negligible?	41.7	36.4	21.9
4. Do you favor changing the law which requires that "equal time" on radio and TV be given to opposing candidates?	52.6	36.9	10.5
5. Would you have voted to confirm Admiral Strauss' nomination?	67.3	17.9	14.8
6. Would you vote for the measure which would provide that a Federal law does not strike down a State law unless Congress specifically says so?	60.1	26.3	13.6
7. Do you favor legislation or constitutional amendment to curb the Supreme Court's power?	40.3	50.9	8.8
8. Would you favor giving the residents of the District of Columbia full voting rights permitting complete home rule?	65.8	26.5	7.7
9. Do you favor the 8-year limit on a President's tenure of office?	68.7	25.2	6.1
10. Are you in favor of equal-rights-for-women legislation?	70.6	17.9	11.5
11. Do you favor liberalizing our immigration restrictions?	31.3	58.2	10.5
12. Do you favor all possible speed in our space program?	62.9	21.5	15.6
13. Do you think that high tariff is better than low tariff for our national economy?	37.4	43.7	18.9
14. Would you favor a program designed to return the farmers to the "law of supply and demand" which would embody the stopping of price supports and the lifting of acreage and production limitations?	84.1	9.8	6.1
15. Do you favor labor legislation to restrict activities of labor officials?	90.8	3.9	5.3
16. Do you favor continuing the McClellan hearings?	76.7	7.8	15.5
17. Do you favor the "open shop"?	71.9	12.9	15.2
18. Are you in favor of raising the minimum wage to $1.25?	35.4	52.8	11.8
19. Do you believe that raising the minimum wage would be inflationary?	55.7	35.2	9.1
20. Are you in favor of a pay boost for steelworkers?	8.1	81.1	10.8
21. Do you favor Federal aid for school construction?	42.2	46.3	11.5
22. Would you support the use of Federal funds for paying teachers' salaries?	21.3	69.8	8.9
23. Would you favor increased retirement benefits under social security?	51.3	39.1	9.6
24. Do you favor further extension of veterans' benefits?	22.4	64.5	13.1
25. In the program of "matching funds" for the aged, blind, and disabled, do you favor the Federal share being increased?	37.3	45.9	16.8
26. Do you think that unemployment benefits are too extensive?	51.0	36.9	12.1
27. Do you favor TVA and other public power projects?	31.1	52.4	16.5
28. Are you in favor of more "socialism" or government paternalism than we have at present?	6.2	80.7	13.1
29. Would you support the President's efforts to keep spending in line with the budget?	84.6	9.5	5.9
30. Do you think that heavy Government spending, without regard to the budget, helps our national economy more than it hurts it?	16.3	66.0	17.7
31. To pay for the highway program, would you favor boosting the gasoline tax rather than boosting other taxes?	68.1	22.5	9.4
32. Would you favor raising taxes to pay for a bigger housing program?	12.0	76.9	11.1
33. Would you favor a tax increase to offset a deficit resulting from increased Federal expenditures?	27.1	60.5	12.4
34. Do you favor indefinite extension of sales, or excise, taxes?	24.0	64.5	11.5
35. Do you think the Geneva talks, now in recess, are likely to solve anything basic?	10.7	76.2	13.1
36. Do you favor a "summit" conference if the Geneva Conference fails?	30.8	55.4	13.8
37. Would you favor our withdrawing from West Berlin?	5.5	83.5	11.0
38. Should we place restriction on the activities of Soviet officials in this country, 80 percent of whom are engaged in spying, according to FBI Chief Hoover?	80.8	9.7	9.5
39. Would you favor the admission of Red China to the Olympic games?	26.0	61.8	12.2
40. Are you in favor of granting passports to known American Reds?	15.4	71.4	13.2
41. Do you favor our dropping the traditional rule that in war the United States "never strikes first"?	44.4	39.6	16.0
42. Do you think we should stop all nuclear tests regardless of what Russia may do or "promise"?	9.9	79.9	10.2
43. Would you favor making France an equal partner, as is Great Britain, in nuclear information and facilities?	37.7	42.7	19.6
44. Do you favor foreign aid?	56.1	28.5	15.4
45. Do you think our mutual security program is paying off?	45.4	25.6	29.0

A Legislature for American Students

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, August 21, 1959

Mr. WILLIAMS of New Jersey. Mr. President, students from 390 member schools of the United States National Student Association will meet from August 24 to September 3 at the University of Illinois. Their National Student Congress will mark the 12th anniversary of the United States National Student Association; the congress will also be a clear-cut demonstration of student responsiveness to challenges.

The congress, called the Nation's most significant student meeting, will offer workshops on issues ranging from "International Awareness on the Campus" to "Higher Education and the Federal Government." The students will try to predict "The Goals and Directions of Higher Education." Their legislative committees will examine issues which show the wide range of United States National Student Association interests: First, The Student and the Educational Process; second, Human Rights and Academic Freedom; third, Student Self-Government; fourth, The Campus and the Greater Community; fifth, International Student Relations.

The association president Robert R. Kiley, of the University of Notre Dame, put the purposes of the Congress succinctly in his letter of greetings to delegates: "By acting as a legislature for American students on all United States National Student Association campuses, congress delegates also have constructed a basis for the development of national programs of lasting importance, while functioning as the only unified voice for the American student community."

Mr. President, the voice of our students is an important one, particularly at a time when we are asking our educators whether we can meet the challenge of future competition with nations that do not educate as we educate, that do not permit the freedom of thought which we permit.

An answer to those who ask that question is provided in part by this Congress and by the activities of the USNSA within the past year.

In the 12 months since the last National Student Congress the USNSA has completed these programs:

Campus consultations. USNSA staff members have traveled to over 150 member and nonmember campuses, providing local student leaders with help in evaluating their own performances and in improving their liaison with their counterparts in other areas of the country.

Completion of the first year of the student responsibility project, a major innovation in educational programing financed by a $25,000 Ford Foundation grant, and involving experimental programs on 15 pilot campuses and in 2 pilot regions. The responsibility project stressed three areas: student responsibility in college teacher recruitment, student responsibility in counseling and tutoring, and better utilization of existing educational resources.

A series of four summary publications are now in preparation.

A southwide student conference on human relations, which brought together 150 southern student leaders from November 28 through 30 at Pfeiffer College in Meisenheimer, N.C. A result of suggestions from the area's student leaders, the meeting was designed as an open conference stressing discussion and solution of problems.

A student editors' conference on international news coverage, cosponsored with the Overseas Press Club of America. Approximately 120 student editors and 60 club members met at the club headquarters in New York City on March 13, 14, and 15.

The association has recognized the importance of understanding among nations. Among their 1958–59 international programs were these:

Participation in the International Student Conference, held in February in Lima, Peru. As a member of the International Student Conference, USNSA was one of 66 national unions of students represented.

A long-term academic exchange agreement negotiated by representatives of USNSA and the Polish National Union of Students. Two American students now are enrolled in Polish universities under the terms of this exchange, with one Polish student attending the University of Michigan and one more scheduled to arrive in September.

Contributions for academic scholarships for 12 Algerian refugee student leaders have been secured, with the program now in operation.

USNSA's foreign student leadership project entered its fourth year of operation, with special scholarships provided for 16 foreign student leaders from underdeveloped areas. The students spent a full academic year on selected American campuses with reduced study loads, in order to study the structures and operation of American campus organizations.

The seventh International Student Relations Seminar. Fifteen outstanding student leaders have been selected from member school applicants for an intensive 9-week seminar in international student relations, now in progress at USNSA's international commission office in Cambridge, Mass.

The students elected as officers for the 1958–59 year are individuals who apparently have a deep awareness of individual responsibility. These officers are:

Robert R. Kiley, 23, president. He served as student government vice president in 1957–58, after graduating with honors from the University of Notre Dame where he was named outstanding student.

Diane Hatch, 20, executive vice president, will be a senior at Brigham Young University in 1959–60. At Brigham Young, she was a student government officer for 3 years while taking a premedical course. She also served as chairman of USNSA's Utah region for 1 year.

Willard Johnson, 23, international affairs vice president. He served as 1957–58 educational affairs vice president, the position he won at the 10th National Student Congress after serving as UCLA's student body president.

Reginald H. Green, 23, educational affairs vice president, is a former Whitman College newspaper editor and is now a graduate student on leave from Harvard University.

Fred Werner, 22, student government vice president, is a graduate of Trinity College where he was campus newspaper editor.

James J. Harrington, 20, student affairs vice president, graduated in June 1959 from St. John's University in Brooklyn, where he was student body president.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD messages of encouragement received at the August 1958 congress from government and leaders. To give further indication of the importance of this confederation of student government of colleges, I ask, too, for unanimous consent to have printed the names of member schools and members of the National Advisory Council of the U.S. National Student Association.

There being no objection, the messages and list were ordered to be printed in the RECORD, as follows:

MESSAGES RECEIVED IN AUGUST 1958

Dwight D. Eisenhower, President of the United States:

"To all attending the 11th National Student Congress, I send greetings. The young men and women now studying in American colleges and universities are sharing in a great democratic heritage. With renewed dedication to the principles of free inquiry and the discipline of truth, I am confident that your deliberations will add to both the vitality and the stature of American higher education.

"Best wishes for a memorable congress."

RICHARD NIXON, Vice President of the United States:

"It is a pleasure to extend greetings to the delegates and guests attending the 11th National Student Congress.

"During this past academic year the attention of the Nation has been fixed as never before on the subject of education not only in the public schools but also in our colleges and universities. More than ever we realize that education determines our social, cultural, moral, and economic progress and may even decide whether this land shall remain free.

"The National Student Association and its members have willingly entered into efforts to improve the quality of our schools and colleges and have also carried the story of the importance of education throughout the land. By its serious purpose and dedication to the ideals of democracy it has served a real function in our society.

"With every good wish for a most successful convention."

RALPH W. YARBOROUGH, Senator, Texas:

"Texas is proud of the part her students have played in the founding and continued growth of the National Student Congress. Believing that an educated citizenry is the only true safeguard of a democracy, I have coauthored the National Education Act of 1958. Having implicit confidence in the youth of America I extend my warmest con-

gratulations to the congress and urge you to push your leadership of American college students to the end that our people will be the most enlightened in the world. Give to student bodies a tone of nobility and dedication to the great challenge which encompasses us on every side. God be with you."

Robert B. Meyner, Governor, New Jersey: "My best wishes to the officers and delegates of the U.S. National Student Association on the occasion of your 11th congress. Discussion about our schools cannot be carried on as if education is unrelated to the kind of society we have created on this continent and which we want to cherish and improve. In the worldwide conflict which we have come to describe as the cold war, the moral amor of a people dedicated to freedom, individual liberty and self-government, may in the long run prove to be the most important strength in our national arsenal.

"Our reach sometimes exceeds our grasp. Too often, perhaps, we fail to measure up to the best that is in us. Nevertheless, as a people, we do stretch out our hands to raise our practice to our precept. We believe everyone deserves an equal chance. Furthermore, we believe that people deserve more than one chance. A single failure is never final. Our concern is with the person on whom we place the ultimate value. We encourage truth to compete with error in the market place of debate and discussion, confident that a free people enlightened by education can tell the difference between the real and the counterfeit, between good and evil. The record of American students acting through USNSA over the past decade indicates that our faith has not been misplaced.

"May your discussions and resolutions of this next week be fruitful to yourselves and your colleges and instructive to us, your fellow citizens."

NATIONAL ADVISORY COUNCIL OF THE U.S. NATIONAL STUDENT ASSOCIATION

Wallace M. Alston, president, Agnes Scott College.

Ralph J. Bunche, Under Secretary, United Nations.

John Ciardi, poetry editor, Saturday Review.

John Cogley, staff administrator, the Fund for the Republic.

Christine Y. Conaway, dean of women, Ohio State University.

James M. Dabbs, president, Southern Regional Council, Inc.

Rev. T. M. Hesburgh, C.S.C., president, University of Notre Dame.

Russell Kirk, editor, Modern Age.

Robert H. Shaffer, dean of students, Indiana University.

George N. Shuster, president, Hunter College.

Harold E. Stassen.

Howard E. Wilson, dean of the School of Education, University of California at Los Angeles.

O. Meredith Wilson, president, University of Oregon.

NATIONAL ADVISORY BOARD OF THE U.S. NATIONAL STUDENT ASSOCIATION

Mr. Charles W. McCracken, dean of student personnel services, Trenton State College.

Mr. Paul McMinn, Department of Health, Education, and Welfare.

Mr. Phil Berry.

Mr. Philip H. DesMarais, executive vice president, St. Mary's Dominican College.

Prof. Warren Ashby, Woman's College of the University of North Carolina.

Dr. Gordon Klopf, visiting professor of education, Columbia University.

Mr. James Lewis, vice president, University of Michigan.

Carl M. Grip, dean of men, Temple University.

Kathryn L. Hopwood, dean of students, Hunter College.

Dr. Charles Gadaire, dean of students, American International College.

Three hundred and ninety colleges and universities, with a total enrollment exceeding 1,300,000 students, constitute the U.S. National Student Association.

UNITED STATES NATIONAL STUDENT ASSOCIATION MEMBERSHIP, AUGUST 1959

California-Nevada-Hawaii: Immaculate Heart College; Los Angeles State College; Mount St. Mary's College; University of California, Berkeley; University of California, Los Angeles; University of Hawaii; University of Southern California; Whittier College; Church College of Hawaii; Chaminade College.

Carolinas-Virginia: Atlantic Christian College; Averett Junior College; Belmont-Abbey College; Bennett College; Bridgewater College; Claflin College; Clemson Agricultural College; Columbia College; Converse College; Davidson College; Duke University, Women's Student Government, Men's Student Government; Fayetteville State Teachers College; Furman University; Greensboro College; Hampton Institute; Hollins College; Lenoir Rhyne College; Lynchburg College; Mary Baldwin College; Mary Washington College; North Carolina College; North Carolina College of Agriculture and Engineering; Queen's College; Randolph-Macon Women's College; Flora McDonald College; South Carolina State College; Salem College; Sweet Briar College; University of North Carolina; University of South Carolina; Winthrop College; Wofford College; Women's College, University of North Carolina; Limestone College.

Great Northwest: Cascade College; Central Washington College of Education; Eastern Washington College of Education; Maryhurst College; Reed College; University of Alaska; University of Portland; University of Washington; Washington State College.

Great Southeast: Agnes Scott College; Barry College; Clark College; Morehouse College; Morris-Brown College; Savannah State College; Shorter College; Spring Hill College; University of Miami; Florida A. & M.

Great Southwest: Arkansas A.M. & N.; Arkansas A&M; Dillard University; Houston-Tillotson College; Oklahoma City University; Our Lady of the Lake College; Phillips University; Southern University; Southwest Texas State Teachers College; Southwestern University; St. Mary's of the Dominican; University of Oklahoma; University of Texas; Xavier University; Wayland Baptist College.

Illinois-Wisconsin: Illinois State Normal College; Augustana College; Barat College of the Sacred Heart; George Williams College; Lakeland College; Milwaukee-Downer College; Mount Mary College; Mundelein College; National College of Education; North Park College; Northwestern University; Rockford College; Roosevelt University; Rosary College; Southern Illinois University; University of Chicago; University of Illinois; University of Wisconsin-Madison; University of Wisconsin-Milwaukee; Wright College; Shimer College.

Iowa-Nebraska: Briar Cliff College; Central College; Iowa State College; Simpson College; State University of Iowa; University of Dubuque; Wartburg College; Nebraska Wesleyan College; Westmar College.

Kentucky-Tennessee: Berea College; Bellarmine College; Carson-Newman College; Centre College of Kentucky; Fisk University; George Peabody College; Georgetown College; Kentucky State College; King College; LeMoyne College; Maryville College; Nazareth College; Siena College; Southwestern at Memphis; Transylvania College; University of Louisville; Vanderbilt University; Pikeville College; Tennessee Wesleyan College.

Mason Dixon: Catholic University of America; College of Notre Dame of Maryland; Coppin State Teachers College; Dumbarton College of the Holy Cross; Howard University; Maryland State Teachers College, Frostburg; Maryland State Teachers College, Towson; Morgan State Teachers College; Trinity College; University of Baltimore; Washington College; Wesley College.

Metropolitan New York: Brooklyn College; Barnard College; CCNY, Baruch Day; CCNY, Baruch Evening; CCNY, Main Day; CCNY, Main Evening; College of New Rochelle; Columbia College, Columbia University; Fordham School of Education; Good Counsel College; Hunter College, Bronx; Hunter College, Park Avenue; Long Island University, C. W. Post; Manhattan College; Manhattanville College of the Sacred Heart; Marymount College, New York City; Marymount College, Tarrytown; New York University (Heights); Notre Dame College of Staten Island; Queens College; Pratt Institute; St. John's University, Long Island; St. John's University College; St. Joseph's College; Sarah Lawrence College; Yeshiva College; Long Island University, Brooklyn; Polytechnic Institute of Brooklyn.

Michigan: Kalamazoo College; Bay City Junior College; Central Michigan College; Flint Junior College; Ferris Institute; Hope College; Marygrove College; Mercy College; Michigan State University; Michigan College of Mining and Technology; University of Michigan; Wayne State University; Alma College.

Minnesota-Dakotas: Augsburg College; Bethel College and Seminary; Carleton College; College of St. Benedict; College of St. Catherine; College of St. Teresa; College of St. Thomas; Concordia College; Dickinson State Teachers College; Gustavus Adolphus College; Hamline University; Huron College; Hibbing Junior College; Macalester College; North Dakota Agricultural College; Southern State Teachers College; St. John's University; St. Mary's College; University of Minnesota, Duluth; University of Minnesota, Minneapolis; Yankton College.

Missouri-Kansas: Bethany College; Central Missouri State College; Cottey College; College of Emporia; Harris Teachers College; Kansas State Teachers College, Pittsburg; Lincoln University; Marymount College; Maryville College; Mount St. Scholastica College; St. Benedict's College; University of Kansas; University of Kansas City; University of Missouri; Webster College; William Jewell College.

New England: Albertus Magnus College; American International College; Amherst College; Babson Institute of Business & Administration; Bennington College; Bradford Junior College; Brandeis University; Colby College; Colby Junior College; College of Our Lady of the Elms; Dartmouth College; Eastern Nazarene College; Northeastern University, Boston; Bates College; Emmanuel College; Fisher Junior College; Garland Junior College; Harvard-Radcliffe Graduate Council; Hillyer College; Massachusetts Institute of Technology; Mitchell College; Mount Holyoke College; Mount St. Mary's College; Newton College of the Sacred Heart; Pembroke College; Quinnipac College-Radcliffe College; St. Joseph's College; Regis; Simmons College; Skidmore College; Smith College; Springfield College; State Teachers College, Framingham; State Teachers College, Bridgewater; State Teachers College, Castleton; State Teachers College, Keene; State Teachers College, Salem; State Teachers College, Westfield; Trinity College; University of Bridgeport; University of Maine; University of Rhode Island; Wellesley College; Wheaton College; Wheelock College; Worcester Junior College; Yale College; University of New Hampshire.

New Jersey: College of St. Elizabeth; Douglass University; Drew University; Fairleigh-Dickinson College; Jersey City Junior College; Jersey City State College; Monmouth College; Rutgers University; Rutgers Graduate Council; Rutgers South Jersey; Montclair State College; Trenton State College; Seton Hall University; St. Peter's College; Newark State College; Upsala College; Newark College of Engineering.

New York State: Alfred Agricultural & Technical Institute (of State University); Alfred University; Bard College; Canisius College; Clarkson Institute; College of St. Rose; Cornell University; D'Youville College; Erie County Technical Institute; Harpur College; Hartwick College; LeMoyne College; Niagara University; Oneonta State Teachers College; Orange County Community College; Rochester Institute of Technology; Rosary Hill College; State Teachers College, Buffalo; State Teachers College, Cortland; State Teachers College, Fredonia; State Teachers College, New Paltz; State Teachers College, Plattsburgh; State Teachers College, Potsdam; Union College; University of Buffalo; University of Rochester; University of Rochester, School of Nursing; Vassar College; Ithaca College.

Ohio-Indiana: Antioch College; Ashland College; College of Wooster; Defiance College; Denison University; DePauw University; Fenn College; Fenn College, evening session; Indiana University; John Carrol University; Muskinggum College; Oberlin College; Ohio State University; Otterbein College; St. Mary's College; Taylor University; University of Notre Dame; Ursuline College; Western College for Women; Wilberforce University; Wilmington College; Youngstown University.

Pennsylvania-West Virginia: Alderson-Broaddus College; Allegheny College; Alliance College; Beaver College; Bethany College; Bryn Mawr College; Cedar Crest College; Chatham College; Chestnut Hill College; Dickinson College; Drexel Institute of Technology; Gannon College; Grove City College; Hershey Junior College; Immaculata College; Juniata College; Lincoln University; Lycoming College; Mercyhurst Colledge; Mount Mercy College; Philadelphia Textile Institute; Rosemont College; St. Francis College; Seton Hill College; Sheppard College; Swarthmore College; Temple University; University of Pennsylvania, Woman's Student Government; West Virginia University; West Virginia Wesleyan College; Villa Maria College; Harcum Junior College; Waynesburg College; St. Joseph's College; Moravian College; Muhlenberg College.

Rocky Mountain: Colorado State College (of Education); Colorado Women's College; Loretto Heights College; Regis College; University of Colorado; University of New Mexico.

Utah: Brigham Young University; College of Southern Utah (of Utah State University); University of Utah; Utah State University; Weber College.

SENATE

MONDAY, AUGUST 24, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of the Ages, whose help we seek for today's duties, it undergirds us with confidence to know that through every scene life brings, Thou seekest us with patient, haunting pursuit.

When in some great hour of fulfillment of heart's desire we have been moved to kneel and pray and offer thanks, or when some fond hope has lain buried and then from the dust an unseen hand has set us upon our feet again, we have found, O Thou God of our salvation, that Thou hast been closer than breathing and that Thy spirit with ours can meet.

At the beginning of another week confront us with the solemn reality that in the last resort everything depends on the faith that our own life with all its difficulties and problems and hard self-denials has a place in the final mosaic of Thy great plan and that even in the experiences that hurt most Love Almighty is in control and there is a hand that guides.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 21, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 21, 1959, the President had approved and signed the following acts:

S. 746. An act to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes;

S. 1371. An act to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia;

S. 1407. An act for the relief of Mrs. John M. Cica;

S. 1442. An act for the relief of Kim Fukata and her minor child, Michael (Chaney);

S. 1500. An act for the relief of Yee You Gee;

S. 1533. An act for the relief of Ho Rim Yoon Holsman;

S. 1558. An act for the relief of Theopi Englezos;

S. 1601. An act for the relief of Mrs. Erika Elfriede Ida Ward;

S. 1611. An act for the relief of Adeodato Francesco Piazza Nicolai;

S. 1669. An act for the relief of Evagelia Elliopulos;

S. 1705. An act for the relief of Ivan (John) Persic;

S. 1719. An act for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal;

S. 1773. An act for the relief of Alan Alfred Coleman; and

S. 1829. An act for the relief of Herman Luchner.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes;

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 4329. An act to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly Airport site, Virginia, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration;

H.R. 7978. An act making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes; and

H.J. Res. 115. Joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSACTION OF CONGRESSIONAL BUSINESS AND THE CONGRESSIONAL ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I am not overly concerned about the question when the Congress is going to adjourn, although that seems to occupy the attention of so many commentators. The Members of Congress will go home, I think, when they have completed the work which has to be done.

Congress does not assemble in Washington just to make plans for going home. We assemble to transact the pub-

lic business; and there is no reason for us to go home until we have finished our job.

I think there has been much too much speculation about the factors that are supposed to send us home. I do not believe that the mere fact that the President of the United States has invited a guest to visit him is any reason for Members of Congress to pack their bags and leave the Capital.

Yesterday I saw a Gallup poll which demonstrated that the country has a deep and abiding confidence in the ability and the good will of the majority party in the Congress. According to the poll figures, the Democratic Congress enjoys the confidence of the country.

The Democratic Congress enjoys the confidence of the country because we have applied ourselves to the tasks before us, and I believe we shall continue to do so.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the Gallup poll, as published in the New York Herald Tribune of August 23.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMOCRATS STILL LEADING IN BASIC PARTY STRENGTH

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N.J., August 22.—Largely because of an argument that they first drove home to voters more than 20 years ago, the Democrats today continue to run well ahead of the Republicans in terms of basic party strength.

The latest reading on the Gallup poll's regular congressional barometer shows the Democrats with the following lead:

Congressional barometer, August 1959

	Percent
Democrats	59
Republicans	41

It is one of the ironies of modern politics that, with personal incomes at a record high, and the forthcoming Khrushchev visit generally viewed as easing cold war tension, the Republicans find themselves in about as weak a position with the Nation's voters as they have ever been.

VOTE OF 1936 RECALLED

Even in 1936, when President Roosevelt swept to a landslide victory, the Republican share of the congressional vote was no lower than it is today.

The present confidence in the Democrats stems from a belief, heard time and time again by Gallup poll reporters working on this assignment, which goes back to those early New Deal days:

"The Democrats are more for the common people."

If today's political situation is unprecedented, it should be remembered that it occurs in virtually unprecedented times.

Since he first took office in 1953, President Eisenhower has enjoyed a high degree of personal popularity with voters. On the average, his standing with the electorate has been considerably above the average recorded by the Gallup poll for his predecessor, President Truman.

ONE VICTORY IN 30 YEARS

Yet since 1954 the Republicans have failed to win control of Congress—not even in 1956 when Eisenhower scored a major personal triumph.

In point of fact, the Republican Party has scored only one convincing party victory in the last 30 years. That was in 1946, when Republican congressional candidates won 54.3 percent of the vote and controlled the House of Representatives by a 58-seat margin.

(In 1952, Republicans won a slim eight-seat margin in the House while polling less than a majority of the popular vote. In 1942, they polled a majority of the popular vote, but failed to gain control of Congress.)

NOT MANY CONVERTS

The reasons for the current situation are twofold.

1. On the one hand, the Republican Party has failed to make many new converts to Republicanism over the last three decades. Their current showing in the solidly Democratic South, for example, is about what it was in 1930 and 1932.

And, as indicated in Gallup poll surveys, they trail the Democrats on a self-interest barometer among such groups as manual workers, Negroes, and Catholics—all groups which voted heavily Democratic for Congress in the early 1930's and were still doing so in last fall's election.

2. Accompanying this lack of conversion to Republicanism have been sharp inroads by the Democrats in areas and groups which have been traditionally Republican and thus key to Republican victories in the past.

In the Midwest, for example, the Republican Party's current strength is at an all-time low point. A heavy Republican majority in this 12-State area has traditionally offset the Democrats' Southern advantage.

ALLEGIANCES LOST

In addition, studies of voter confidence show that the Republicans are losing the allegiance of such historically Republican groups as the business and professional people and white-collar workers.

A third factor is also at work today—one dealing more specifically with the political situation over the last few years.

With a President of one party and Congress controlled by another since 1954, the voters have, in a sense, deprived themselves of the inalienable political right to throw the rascals out.

This type of sentiment was clearly at work, surveys show, in the Republicans' 1946 congressional election—with the voters wanting the Democratic rascals out of office.

In sum, it is important to remember that the one convincing Republican victory in the past three decades came primarily because of a negative voter reaction to the "ins," and not because of voters being sold on basic Republican philosophies.

THE 50TH STATE—WELCOME TO THE SENATORS FROM HAWAII

Mr. JOHNSON of Texas. Mr. President, it is a deep pleasure to welcome two new Senators to the U.S. Senate. It is an occasion of great historic significance. Today, we are doing more than merely adding a new star to the flag and a new State to the Union. We are reaching out to build a bridge of friendship spanning the Pacific. The people of Hawaii have more than demonstrated their right to assume their new responsibilities. They have served America in war and in peace. They have contributed both to our defense and to our prosperity. I know that when we shall have completed a quorum call this morning, all my colleagues in the Senate will join me in extending a warm greeting to the two gentlemen whom the people of Hawaii have sent here to represent them in the U.S. Senate, and, through them, to the people who have placed the 50th star in our flag.

Mr. DIRKSEN. Mr. President, I join the majority leader in extending the hand of welcome to our distinguished new colleagues who are about to take the oath. I am glad they will grace this body, representing a State not contiguous to the mainland, but far distant.

I suppose in earlier days, and perhaps in the days of the Founding Fathers, they never thought particularly of a State that was not contiguous to the mainland, to the continental area of this country. We live in a new age. Time moves swiftly. There are new problems, new challenges, in the world. And so we extend our domain, and are delighted, then, that a new State is born, and that the 50th star has been added to the flag.

I shall be proud to present our distinguished Republican Senator-elect from Hawaii as soon as we are ready for the swearing-in ceremony.

Mr. KEATING. Mr. President, it is a great pleasure for me to join in welcoming our two new colleagues from Hawaii.

During the Easter recess this year, it was my honor to make a series of addresses in our newest State, then in its last days as a Territory. From Kaui to the Big Island, on Oahu and on Maui, I found a population tremendously alive to the new responsibilities which come with statehood, tremendously interested in public affairs, and joyous in its new status as a full-fledged partner in American democracy.

Hawaii, as we all know, is a beautiful and exotic place, and I would certainly urge my colleagues, most earnestly, to include it in their vacation plans whenever they are able to do so.

Even more important, however, is Hawaii's role as the American bridge to the Far East, and as an example—for each one of us to ponder well—of harmonious life together on the part of peoples with an almost infinite variety of backgrounds.

So if a malihini may use that Hawaiian word which means so much, and so many things, may I in the sense of welcome say "aloha" to Senators LONG and FONG, and extend to them the warmest greetings of the State of New York.

Mr. President, I ask unanimous consent that these remarks may be printed in the RECORD at the conclusion of the remarks of the distinguished minority leader [Mr. DIRKSEN].

The VICE PRESIDENT. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I join the distinguished majority leader and the distinguished minority leader in welcoming our two new Senators, Senator FONG and Senator LONG. I think this is a historic occasion, because we will have in the Senate for the first time an American of Chinese ancestry; we will have in the House an American of Japanese ancestry; we have in the islands themselves a Lieutenant Governor of Hawaiian ancestry.

I am sure that every Member of this body is delighted that the long overdue admission of Hawaii is finally to be culminated in the swearing in today of the

two Senators from that beautiful new State.

I believe that the Union has now been rounded. I think no better place could have been selected for this unique and historic event than the islands which comprise the State of Hawaii.

We are delighted and proud to have these new Members, and we look forward to working with both of them closely in the years ahead.

Mr. KUCHEL. Mr. President, at long last beautiful, romantic Hawaii joins the American Union, and commitments honorably made over the years by both national political parties now have been happily fulfilled. But that, after all, is the way of progress. Lasting progress is always slow but always sure.

Like you, Mr. President, I call California my home.

More than a century ago California found herself faced and plagued with almost precisely the same arguments in opposition to her request for admission to the Union that the people of the Territory of Hawaii have seen over the years lodged against them. Noncontiguity, quite a mouthful of a word, was registered in the 1840's against our State, as subsequently it was to be argued against the admission of Hawaii. California, it was loudly asseverated, had too few people, too little wealth, too many gamblers, and wild Indians.

All those arguments were overcome, and now I am glad that they have been overcome also in the case of Hawaii and that every other Member of the Senate may now welcome OREN LONG and HIRAM FONG as our colleagues and brethren in this great free parliamentary institution, the Senate of the United States.

The strength of America, her people and her Government, springs in great part on the heterogeneous character of Americans. From almost every nation and race all around the globe have come immigrants to America to seek the freedom our Constitution guarantees.

It is in the interest of the strength of the U.S. Senate that we now welcome a new Senator on the minority side of the aisle who is concrete proof that the heterogeneous Republic of ours practices what its Constitution preaches and that our sisterhood of 50 States is living proof of the dynamics of America.

I speak today as the ranking Republican Member of the Senate Territorial Subcommittee which in this Congress, and in the last Congress, fashioned the legislation by which Hawaii was brought into the Union of States. But I speak also as an American, grateful for all that American citizenship means to my family and to me, and perfectly convinced that Hawaii's statehood, like that of Alaska earlier this year, gives infinite assurance that our country will ever remain strong and free.

The name Hiram Fong is an honorable name, Mr. President. In Biblical times, King Solomon sought out Hiram of Tyre for the assistance of a worthy master craftsman to build his temple. It was another Hiram, Hiram Abif, sent there by King Hiram to use his unique and singular talents to build that magnificent temple of antiquity. Here, indeed, was an early Hiram, fashioning an edifice of unbelievable beauty, a builder in the days thousands of years ago. He helped to set the standard for later Hirams to follow. My late, great predecessor, Hiram W. Johnson, was a great American statesman during most of his lifetime.

My grandfather came to the United States, Mr. President, in the 1830's, to seek his freedom, and to live out his life in the new golden California. My late, beloved father was born in San Francisco over a century ago. As I say, Fong is an honorable name, and I think I can say that if one peruses the pages of the telephone directory in the city of San Francisco, he will find listed far more Americans named Fong than Americans named Kuchel.

So, Mr. President, I am delighted, as each of my colleagues is delighted, not only to welcome Mr. LONG from the far side of the aisle, but to welcome on this side of the aisle Mr. FONG each of whom I know will help demonstrate that the self-government we preach we also practice, that the two-party system will continue in America to be vigorous and strong, and that all of us on both sides of the aisle and in both parties are grateful for free government in the United States, as we see it practiced in these ceremonies today, and that we, all of us, rededicate ourselves to the cause of free America in a world of peace, of honor, and of justice. Welcome, my colleagues.

Mr. HOLLAND. Mr. President, I believe this is one of the most historic incidents that has occurred in the Senate of the United States in this century. I doubt if any of us here on the floor or any of those in the gallery will live to see two Senators take their seats in this body as the representatives of a new 51st State.

Aside from that fact, Mr. President, it seems to me that this Congress should have a peculiar pride, in a bipartisan way, in having done in the field of civil rights, which is mentioned so frequently and with so many differing connotations, something that is greater and finer and more lasting than that which has been done by Congress at any earlier time in this century.

Mr. President, the bringing in of the States of Alaska and Hawaii in this year as a result of action during the last 2 years by the Congress of the United States and the Executive is something of which every person who has had a part in bringing about this wonderful moment has just cause to be proud. In a completely bipartisan way Congress, controlled by one party, has cooperated—both Houses and both sides of the aisle in each House—working together with an Executive of the other party, to admit these two new States to statehood. There is no step in the field of civil rights quite so meaningful as that of admitting to statehood great groups of new Americans, new in the sense that for the first time they can now exercise the full duties and responsibilities and privileges of citizenship in the United States of America.

Mr. President, different Senators, different people, have different understandings of what we mean by civil rights, but in my humble judgment there is nothing that we could do or could have done which compares in dignity and in lasting effect in the profound field of civil rights than the granting of statehood to these two new States whom we welcome.

Mr. President, although I have not known Senator FONG I welcome him joyously. We have all known Senator LONG, who has visited us as the Governor of Hawaii, and later as one of the chief citizens of the then Territory, in the effort to bring about statehood year after year, and we all respect and love him. We warmly welcome both the new Senators.

Mr. President, may I say as to the new State of Alaska, now our largest, replacing even the imperial State of Texas which had always been the largest theretofore, no one was warmer in welcoming Alaska to statehood than the majority leader, the senior Senator from Texas, and the junior Senator from Texas. In passing upon the statehood claims of that new and great State we were passing upon a State which confronts the Soviet Union, only a few miles—3, I believe—separating the nearest bodies of land, one a small island belonging to the State of Alaska, the other an island that forms a part of the Soviet Union.

Under no other conditions could we make a more impressive showing, Mr. President, of our deep conviction and belief in liberty and freedom, just as under no other conditions could we make a stronger showing that we practice what we preach, and that we show to our potential enemy and our greatest rival the fact that we hesitate not at all to grant fullest statehood to Alaska, notwithstanding its closeness to the Union of Soviet Republics.

In admitting Hawaii we have created a show window, where all the Orient, with its teeming millions, can see, and will see, that we practice there our belief in liberty, freedom, and democracy and in the dignity of the individual, which is so fundamental to our whole American system.

This is a joyous day for me. It is a joyous day for our Florida people. Even though we have been replaced as the southernmost State of the United States by the admission of Hawaii, it is a happy day for us, and we welcome this newest sister State.

While I speak for both Senators from Florida in welcoming Hawaii to the family of States, I have the honor to present again to the Senate of the United States our illustrious Governor, recently chairman of the national Governors' conference, and recently chairman of the southern Governors' conference, as a friend of statehood of both Alaska and Hawaii. He shares with the Senator from Florida the view that our convictions as to freedom and liberty of the individual, the greatest value we have in this Nation, should have long ago resulted in the extension of statehood to those two former Territories. Our Governor is here to take a bow for our State in welcoming the State which has just replaced us as the southernmost State

in the Union. I am proud to present Governor Collins, of Florida. [Applause.]

Mr. GRUENING. Mr. President, I heartily applaud and share the eloquently expressed views on this occasion of the senior Senator from California [Mr. KUCHEL] and the senior Senator from Florida [Mr. HOLLAND], both of whom were such stanch and effective advocates of our statehood causes and I rise with a deep sense that we are participating in a great historic event in saluting our two colleagues from Hawaii who have just been sworn in, raising to a round and conclusive 100 the number of Senators.

I welcome my old friend, OREN LONG, whom I have known for many years—first as superintendent of public instruction of the Territory of Hawaii, then as secretary of Hawaii, and then as Governor—as well as our new colleague on the other side of the aisle, HIRAM FONG, whose reputation of having achieved an Horatio Alger type of success has preceded him. He likewise is a fellow alumnus of a distinguished university which has other graduates in this body. As one who supported the cause of Hawaiian statehood ever since my entry into the Federal service 25 years ago, when I became the first Director of the Division of Territories and Island Possessions of the Department of the Interior, I feel that this is a day of great fulfillment, not merely for the intensely patriotic Americans of Hawaii, but for our entire Nation. Hawaii has much, much to give our Nation, and through our Nation to the world.

Over 60 years ago, Hawaii came under the American flag, with every hope and desire that its Territorial status would not last long. While it has been longer than many of us hoped, all is well that ends well.

The admission of Hawaii to statehood means a great deal to the United States. It demonstrates that the United States is still young, still progressing, still dynamic, still growing both materially and spiritually, and still as deeply steeped as ever in the principles of the Founding Fathers.

As the junior Senator from Alaska—until today our youngest State—it gives me great satisfaction to relinquish my "juniority"—if I may coin this word—and to welcome warmly the two Senators from the 50th State. I wish our two colleagues every success in their new responsibilities.

Mr. MORSE. Mr. President, the past hour has been a dramatic and historic one in the life of this great Republic. I thought the senior Senator from Florida [Mr. HOLLAND] expressed so eloquently my own views, as I wish I were able to express them, that I shall be content to associate myself with the remarks he made with regard to the admission of Alaska and Hawaii.

The admission of these two States and the seating of the two Senators from each State constitute freedom's answer to Russian propaganda. I believe that the seating of these four Senators and their counterparts in the House of Representatives will have a great effect on American relations all over Asia, as well as in other parts of the world. By our action today, and through the action we took earlier with respect to Alaska, we have demonstrated convincingly that our people have put America's ideals of freedom into practice. As the Senator from Florida said so eloquently, I believe that by these proceedings we have given unanswerable proof that we put into practice our ideals of nondiscrimination in the administration of our free Government.

I think it is a thrilling thing that the opportunity has been ours today to participate in these ceremonies because, as the Senator from Florida pointed out in conversation with me, we probably shall never again in our lifetime see such an event. Possibly no like event will occur again in the history of the Nation itself. It has been our privilege to participate in a great symbolic occasion.

Mr. BIBLE. Mr. President, this is indeed an occasion of vast historical importance for our Nation.

I am privileged to add my words of welcome to our new colleagues from the 50th State. I was a strong advocate of Hawaiian statehood and followed the course set by an illustrious predecessor, the late Senator Francis G. Newlands, of Nevada, who in 1898 introduced a resolution which provided for the annexation to the United States of the Hawaiian Islands.

As I said on the floor at the time Hawaii's case for statehood was being debated, I say again today: Here we have a dramatic demonstration of true and undiluted democracy.

Mr. YARBOROUGH. Mr. President, as was so ably said by the distinguished Senator from Florida [Mr. HOLLAND], the admission of Hawaii as a State is the fulfillment of a historic agreement. More than 100 years ago some American statesmen negotiated with the Kingdom of Hawaii, seeking to admit it as a State in the American Union. After a delay of some 40 years, the Kingdom of Hawaii had become the Republic of Hawaii. Then it took voluntary action to join the Union as a Territory, with special Territorial status.

Now, a little more than 60 years later, Hawaii has come into the Union as a full-fledged member of this sisterhood of States.

We in Texas have a peculiar feeling for Hawaii, because Texas and Hawaii are the only two States to have maintained a separate, independent existence as nations, showing that they had the power, the ability, and the know-how to maintain their independencies.

Each nation had its separate monetary system, postal system, and diplomatic corps scattered throughout the world. These two nations, by their separate existence as nations, understood their obligations as States when they entered the Union.

I think the Senator from Florida has eloquently stated the values of admitting Hawaii to statehood. But I think there are other values. Many people today say that the greatest unexplored territory lies not out among the stars, but may lie in that part of the earth which is covered by water. The science of oceanography is one of the fastest growing sciences. The mild climate of Hawaii makes it a peculiarly attractive place for study in this field. Scientists believe that in about a hundred years much of the food for man will come from the water. It is believed that it will be possible to plant crops in shallow water and harvest them as crops are harvested on the land, and that the currents and the storms will not be as severe on the crops grown in water as they are on the food grown on land.

So Hawaii is in a position to lead in the progress of the studies which are being made now in this great work. I believe Hawaii will make useful and peculiar contributions to the materials necessary for civilization because of her scientific knowledge. I am happy to be one of the representatives of her sister States to welcome Hawaii as a State in the Union.

Mr. BARTLETT. Mr. President, I wish all Americans everywhere could have heard the very eloquent remarks of the distinguished senior Senator from Florida [Mr. HOLLAND] with respect to the admission of Hawaii and Alaska as States of the Union. I wish, too, that they could have heard what the distinguished senior Senator from California [Mr. KUCHEL] had to say about this. No person, either in or out of Congress, ever strived harder to bring statehood to those Territories of the West than the Senator from California or the Senator from Florida.

I observe in the Chamber now the distinguished ranking minority member of the House Committee on Interior and Insular Affairs, Hon. JOHN P. SAYLOR, of Pennsylvania. Mr. SAYLOR likewise is among those to be counted as a stanch supporter, advocate, and worker for statehood for both Alaska and Hawaii. Other Members of the House who come to mind as having provided great assistance are the chairman of the Committee on Interior and Insular Affairs, Hon. WAYNE N. ASPINALL, and Representative LEO W. O'BRIEN, chairman of the Subcommittee on Territories of the House Committee on Interior and Insular Affairs, who did so much over the years to further this great cause.

The number of supporters has been legion. Obviously, Mr. President, that is the case, or else statehood would not now be the legal status of either Alaska or Hawaii. As the Senator from Florida has stated, this movement was carried through on a bipartisan basis.

Mr. President, I wish that the late Joe Farrington, who for so many years was the able Delegate from Hawaii, could be here to witness this great day; and I wish that the Delegate who was in the Congress at the time when statehood for Hawaii was achieved, John Burns, were now to play a more immediate active role in the government life of that island community. He did very much, indeed, to bring statehood to Hawaii; and I know that he will return to the field of government, to make the great contribution of which he is capable.

Mr. President, from the standpoint of my seniority in this great body, I would raise my voice to add to the statements already made by the other Senators who

have spoken in welcome to Mr. FONG and Mr. LONG. It is true that my seniority has been very recently attained—as a matter of fact, within the hour; but my colleague, ERNEST GRUENING, and I, gladly move aside to make room for the baby Senators.

Mr. President, speaking for myself, for many, many years, I have believed that Hawaii would be a State. I came to that belief because of testimony presented before the House Interior and Insular Affairs Committee when I was a member of that committee; and that belief was only strengthened when I visited the island Territory in 1954.

In Alaska and in Hawaii there is demonstrable evidence that democracy works, and works supremely well, among people of diverse racial origins.

The people of Hawaii have ever so much to give to this Union of States; and I know that their contributions will be great and magnificent. They are sterling Americans, these residents of the paradise islands of the Pacific.

Mr. President, I heard with particular interest the statement, made earlier in the day by the junior Senator from Montana [Mr. MANSFIELD], that the Union is now rounded out with 50 States. My personal opinion is that that is a literal fact, and that the Union will remain at 50 States, and that the last two organized Territories have been admitted to the Union as full and equal States.

Over the years, when the struggle for statehood for the two equal Territories went on, it often was said that their admission to the Union as States would result in breaking down the barrier, and in making it possible to admit to the Union all the islands of the seas, or even countries in Europe, as States of our Union. I never took any stock in that fear, Mr. President. But, in any case, the Congress of the United States will be the judge; and no State will be admitted to the Union unless the Congress approves, and the Congress will never approve unless the Nation so demands.

Mr. President, I am indeed happy that so shortly after the Alaska Senators had the honor and the privilege of taking their oaths in this great Chamber, Mr. FONG and Mr. LONG have become the newest Members of the U.S. Senate. This is a historic day.

Mr. HENNINGS. Mr. President, I would not undertake to embellish or enlarge upon the most meaningful, sincere, and eloquent expressions by the Senator from Florida, the Senator from Texas, the Senator from Oregon, and the Senators from Alaska—both Senator GRUENING and Senator BARTLETT. Of course the statements made by the two Senators from Alaska were among the best and the most impressive. They spoke with great feeling, because they know what a struggle it was for Alaska to be admitted to the Union.

I am very happy to say that, during my service in the Senate I have always supported legislation to grant statehood to Hawaii and Alaska.

So I express my own personal satisfaction, and I extend to Hawaii's representatives in the Senate and to the Hawaii Member of the House of Representatives warmest congratulations and expressions of good will and cordial hospitality.

Mr. KEFAUVER. Mr. President, I wish to join my colleagues who have expressed pleasure over the admission of the 50th State and the swearing in of the Senators from Hawaii today. I have known of Senator FONG and of his remarkable career for a long time, but I had not known him personally. I have known Senator LONG, of Hawaii, for a long time, and it is a special privilege and pleasure to welcome him as a Senator from Hawaii. Senator LONG, of Hawaii, was superintendent of schools at Knoxville, Tenn., for many, many years, and he was highly regarded by all the citizens of that State who had the privilege of working with him. We are very proud of the fact that he has now become a Senator from Hawaii. I know that he will bring to this body much valuable experience in the administration of education and school problems, which experience he has had both in Tennessee and in Hawaii.

Mr. President, this has been a great year for the people of Alaska and Hawaii. This is not only a great day for the people of the beautiful islands of Hawaii, who had sought statehood for so long, but I think it gives all our American people a new interest. It gives us new ideas and new opportunity for growth and expansion. It is a demonstration that our democracy can grow and can enlarge its opportunities by the admission of new States.

During the more than 20 years that I have been a Member of Congress, first in the House of Representatives and then in the Senate, I have always fought for and joined in sponsoring bills for the admission of both Alaska and Hawaii as States. On one occasion I had the privilege of being chief sponsor here in the U.S. Senate of a bill for statehood for Alaska and Hawaii. Back in those days there was a substantial amount of opposition to statehood for Alaska and Hawaii both in the Congress and among our people, but now former critics of statehood fortunately have joined in extending a welcome to the people of those new States, and they have obtained an appreciation of the value that is to come to our Nation and to the world by their admission.

Mr. JAVITS. Mr. President, I join all my colleagues in paying tribute, in regard to the swearing in of the two Senators from Hawaii today, to them personally, for the historic role which they are fulfilling, and to the great action of the U.S. Congress, of the President, and of all who have worked so hard for Hawaiian statehood over the years.

Mr. President, this is a great victory in the foreign policy of the United States, and should be recorded as such. It represents the entry of the United States in an authoritative way into the Pacific, taking unto itself of its own and making it a part of the family. It represents also acknowledgment by us that there is complete equality among us in terms of statehood; as desired by those of us, like the Senator from Missouri [Mr. HENNINGS], and other Senators, who fight for equality in terms of citizenship without regard for race, creed or color.

So we honor this equality in our States, and wish to honor it among our citizens.

Mr. President, while we speak of this historic occasion I have the honor to bring to the attention of the Senate the role played by former Senator Guy Cordon, of Oregon, the chairman of the Senate Committee on Interior and Insular Affairs in the 83d Congress, which committee reported the bill and led the floor fight for Hawaiian statehood. The Senate passed the bill, but no action was taken in the House of Representatives.

It was former Senator Cordon who led the fight which resulted in the very first passage of a Hawaiian statehood bill by the Senate.

Mr. President, this is the kind of day we wish to honor men such as former Senator Cordon, who is no longer with us.

Mr. CHURCH. Mr. President, I should like to join with my colleagues on both sides of the aisle in extending a cordial welcome to the newly elected Senators from our 50th State of Hawaii.

In our time, Mr. President, we have witnessed the dissolution of the great empires which dominated the affairs of men in the 19th century. These empires have broken up in our time, like large icebergs in a thaw. Out of the wreckage, Mr. President, has emerged the United States of America, at the summit of its power and its glory, the strongest of the free nations of the world.

What accounts for this astonishing American success story, Mr. President? I think, more than any other fact, it is due to the unique contribution which we have made to the science of government, in not attempting the building of an empire, but rather the building of one nation. Statehood has been the mortar of its construction.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I will be happy to yield to the Senator from Montana.

Mr. MANSFIELD. The Senator mentioned the mortar used in the construction of statehood for Hawaii. I want to say for the record that no man in this body has worked harder or with greater enthusiasm for statehood for Hawaii than the distinguished Senator from Idaho [Mr. CHURCH].

I would, of course, have to include in that category such men as our distinguished minority whip, the Senator from California [Mr. KUCHEL], the chairman of the subcommittee in the Interior and Insular Affairs Committee, who reported the bill for statehood originally, Senator JACKSON, of Washington; also the chairman of the full committee, my distinguished senior colleague, Senator JAMES E. MURRAY. But I would say that all the individuals in this Chamber who have worked long and hard for statehood for Hawaii, no one is entitled to greater consideration for the unflagging interest he has consistently shown than our distinguished junior colleague from the State of Idaho, Senator CHURCH, who is now addressing this body.

Mr. CHURCH. I appreciate very much the generous remarks of our as-

sistant majority leader. May I say of him that he was always a determined leader in the fight to win statehood both for Alaska and for Hawaii, and a strong ally to all of us who were interested in both causes.

Mr. President, this morning as we witnessed the swearing in ceremonies of the two Senators from Hawaii, I think all of us were impressed with the solemn significance of the occasion. It may well be that with the admission of Hawaii, the last great State has been added to this Republic and its edifice may now be completed. History alone will tell.

In any case, Mr. President, this is a joyous day in the years of our Republic, a day that should live long in the hearts of all who love their country.

Mr. NEUBERGER. Mr. President, I desire to join very briefly in welcoming our distinguished and historic new colleagues from the great new 50th State of Hawaii.

However, I should like to add one word of caution with respect to some of the prophecies I have heard voiced on the floor of the Senate today. If one will read the history of the United States he will discover that prophecies are often dangerous. When Meriwether Lewis and William Clark first set out for the West, it was said by foes of President Jefferson that they would never return. After they had returned, it was claimed that the $2,500 that was spent on their expedition was a waste, because no one would ever live in the area which they had explored, between St. Louis and the mouth of the Columbia River.

When it was first proposed that the Army Engineers make surveys of the passes through the Rocky Mountains, it was contended that it was the wildest folly ever to think of building a railroad across the Continental Divide.

I have heard a number of prophecies today to the effect that the Union has been rounded out by a 50th State, and that no one need ever think of another State being added.

Perhaps such prophecy is perilous. In my opinion no one can tell what the future may hold. As countries like the Soviet Union and Red China emerge from peasantry and medievalism into the industrial age, who can know what pressures may be on the entire Continent of North America, perhaps, to become one country? No one can foresee what dire events may take place when China, with a quarter of the world's population, begins to make use of modern technology and industrial techniques. So the time may come, even within the lifetime of some Members of this body, when areas such as British Columbia or Manitoba may become States of the Union. It may be that men as young as the distinguished junior Senator from Idaho [Mr. CHURCH] who is only 34 years old, may live to sit in this Chamber and rise in applause to welcome the first Senator who takes his oath from British Columbia or from New Brunswick.

So while I, myself, am voicing no prophecies, I caution against the statement that, with 50 States, the Union is rounded out forever. Forever is a long time. It is said that Dr. Albert Einstein told his biographers that the universe would last 3 billion years.

I trust the United States of America will last an equally long time. Anyone who claims that he can see into the future for 3 billion years is claiming, for himself, powers which I would hesitate to arrogate unto myself.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Gruening	Morton
Bartlett	Hart	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Murray
Bible	Hennings	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Capehart	Jackson	Robertson
Carroll	Javits	Russell
Case, N.J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S.C.	Scott
Chavez	Jordan	Smathers
Church	Keating	Smith
Clark	Kefauver	Sparkman
Cooper	Kennedy	Stennis
Cotton	Kerr	Symington
Dirksen	Kuchel	Talmadge
Douglas	Langer	Thurmond
Dworshak	Lausche	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Frear	McNamara	Young, Ohio
Fulbright	Magnuson	
Goldwater	Mansfield	

Mr. MANSFIELD. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Connecticut [Mr. DODD] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kensas [Mr. CARLSON], the Senator from Nebraska [Mr. CURTIS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Iowa [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber?

The VICE PRESIDENT. The Senate will be in order.

SENATORS FROM HAWAII

Mr. JOHNSON of Texas. Mr. President, I send to the desk the certificate of the election of the Honorable OREN E. LONG.

The VICE PRESIDENT. The credentials of the Senator-elect from the State of Hawaii will be read and placed on file.

The legislative clerk read the credentials of OREN E. LONG, elected Senator from the State of Hawaii, which were ordered to be placed on file, as follows:

STATE OF HAWAII,
EXECUTIVE CHAMBERS,
Honolulu, Hawaii.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 28th day of July 1959, OREN E. LONG was duly chosen by the qualified electors of the proposed State of Hawaii a Senator from said State to represent said State in the Senate of the United States for a term to be determined by the Senate, beginning on the 21st day of August 1959.

Witness: His Excellency our Governor, William F. Quinn, and our seal hereto affixed at Iolani Palace, Honolulu, Hawaii, this 21st day of August, in the year of our Lord 1959.

[SEAL] WILLIAM F. QUINN,
Governor of Hawaii.

By the Governor:

JAMES KEALOHA,
Lieutenant Governor of Hawaii.

Mr. DIRKSEN. Mr. President, I send to the desk a message over the signature of the Honorable William F. Quinn, Governor of Hawaii, and ask that it be read.

The VICE PRESIDENT. The credentials of the Senator-elect from the State of Hawaii will be read and placed on file.

The legislative clerk read the credentials of HIRAM L. FONG, elected Senator from the State of Hawaii, which were ordered to be placed on file, as follows:

STATE OF HAWAII,
EXECUTIVE CHAMBERS,
Honolulu, Hawaii.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 28th day of July 1959, HIRAM L. FONG was duly chosen by the qualified electors of the proposed State of Hawaii a Senator from said State to represent said State in the Senate of the United States for a term to be determined by the Senate, beginning on the 21st day of August 1959.

Witness: His Excellency our Governor, William F. Quinn, and our seal hereto affixed at Iolani Palace, Honolulu, Hawaii, this 21st day of August, in the year of our Lord 1959.

[SEAL] WILLIAM F. QUINN,
Governor of Hawaii.

By the Governor:

JAMES KEALOHA,
Lieutenant Governor of Hawaii.

The VICE PRESIDENT. The Senators-elect will present themselves at the desk to take the constitutional oath of office.

Mr. LONG of Hawaii, accompanied by Mr. JOHNSON of Texas, and Mr. FONG, accompanied by Mr. DIRKSEN, advanced to the Vice President's desk; the oath prescribed by law was administered to them by the Vice President, and they each subscribed to the oath in the official oath book and took their seats in the Senate.

[Applause on the floor and in the galleries.]

TERMS OF NEW SENATORS

Mr. JOHNSON of Texas. Mr. President, I send to the desk a resolution for the classification of the two Senators from Hawaii, and I ask for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution for the information of the Senate.

The legislative clerk read the resolution (S. Res. 172) as follows:

Resolved, That the Senate proceed to ascertain the classes to which the Senators from the State of Hawaii shall be assigned, in conformity with the resolution of the 14th of May 1789, and as the Constitution requires.

Resolved, That the Secretary put into a ballot box two papers of equal size, one of which shall be numbered 1 and the other shall be a blank. Each of the Senators from the State of Hawaii shall draw out one paper, and the Senator who shall draw the paper numbered 1 shall be assigned to the class of Senators whose terms of service will expire the 2d day of January 1965. That the Secretary then put into a second ballot box two papers of equal size, one of which shall be numbered 2 and the other shall be numbered 3. The other Senator shall draw out one paper. If the paper drawn be numbered 2, the Senator shall be assigned to the class of Senators whose terms of service will expire the 2d day of January 1961; and if the paper drawn be numbered 3, the Senator shall be assigned to the class of Senators whose terms of service will expire the 2d day of January 1963.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The VICE PRESIDENT. Pursuant to the resolution, the Secretary will place in the ballot box two papers, one numbered 1 and the other a blank.

The Secretary placed the papers in the ballot box.

The VICE PRESIDENT. The two Senators from Hawaii will now present themselves at the desk.

Mr. LONG of Hawaii and Mr. FONG presented themselves at the desk.

The VICE PRESIDENT. The Senator from Hawaii [Mr. LONG] will draw the first paper.

[Mr. LONG of Hawaii drew a paper from the box.]

The VICE PRESIDENT. The Senator from Hawaii [Mr. LONG] has drawn the paper which is blank.

[Mr. FONG drew a paper from the box.]

The VICE PRESIDENT. The Senator from Hawaii [Mr. FONG], having drawn the paper numbered 1, his term of service will expire on January 2, 1965.

[Applause, Senators rising.]

The VICE PRESIDENT. Pursuant to the resolution, the Secretary will place in the ballot box two papers numbered, respectively, 2 and 3.

The Secretary placed the papers in the ballot box.

The VICE PRESIDENT. The Senator from Hawaii [Mr. LONG] will draw a paper from the ballot box.

[Mr. LONG of Hawaii drew a paper from the box.]

The VICE PRESIDENT. The Senator from Hawaii [Mr. LONG] having drawn the paper numbered 3, his term of service will expire on January 2, 1963.

[Applause, Senators rising.]

TRIBUTE TO SENATOR O'MAHONEY

Mr. GRUENING. Mr. President, while we are paying tribute to our new colleagues from Hawaii there is one of us who is not present, but were he present he would be heard—and heard unforgettably. His great service in behalf of statehood for Hawaii and Alaska should be recognized by us here and now as history will recognize it. He is JOSEPH C. O'MAHONEY, the senior Senator from Wyoming. He started the ball rolling both for Alaska and Hawaii statehood early in this decade. He held the first Senate hearings on the statehood bill. He reported the first statehood bills to the Senate for those former Territories. He led the fight for their admission. It is a cause of great regret to us all that Senator O'MAHONEY's illness has kept him from the Senate.

I desire to pay this deserved tribute to him, as the man who carried on this fight in its early and more difficult stages, whose sincerity and eloquence lifted their cause to great heights and laid the foundation upon which others have built until statehood for Alaska and Hawaii was achieved. We all hope that the beloved senior Senator from Wyoming, more than a national figure, will be back with us soon and that his clear and forthright expressions in behalf of the public interest may again be heard in this Chamber.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1960 (S. Doc. No. 47)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1960 in the amount of $19,349,000 for various agencies of the executive branch (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

PLANS FOR WORKS OF IMPROVEMENT IN CERTAIN STATES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Blackberry River, and North Branch Park River, Conn., Taylor Creek, Fla., Potato Creek, Ga., Crab Orchard Creek, Ky., East Fork of Clarks River, Ky. and Tenn., SuAsCo, Mass., Bowman-Spring Branch, Nebr., Santa Cruz River, N. Mex., Willakenzie area, Oregon, Green-Dreher, Pa., and Caney Creek, Tex. (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions, for the month of June 1959 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, on the overobligation of an appropriation "1292539 (33) school lunch program, Agricultural Marketing Service (transfer to Commodity Stabilization Service), 1959"; to the Committee on Appropriations.

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control, for the second quarter of 1959 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON EXAMINATION OF CONTRACT WITH CONVAIR, SAN DIEGO, CALIF.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of Department of the Air Force contract AF 33(600)-31174 with Convair, a division of General Dynamics Corp., San Diego, Calif., dated August 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON PROVISION OF AVIATION WAR-RISK INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war-risk insurance, as of June 30, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on tort claims paid by that Department during fiscal year 1959 (with an accompanying report); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Tom Do Shing from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on June 16, 1958; to the Committee on the Judiciary.

PLAN FOR WORKS OF IMPROVEMENT IN OKLAHOMA

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a plan for works of improvement on Caney-Coon Creek, Okla. (with accompanying papers); to the Committee on Public Works.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the National Association of Attorneys General, at New Orleans, La., relating to Federal tort claims coverage for members of the National Guard; to the Committee on the Judiciary.

A resolution adopted by the Common Council of the City of Detroit, Mich., favoring the enactment of Senate bill 1046, to increase the minimum wage, and so forth; to the Committee on Labor and Public Welfare.

A resolution adopted by the Council of the City of Ashtabula, Ohio, favoring the enactment of the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

The petition of Walter R. Horn, of Joplin, Mo., favoring the enactment of the so-called Landrum-Griffin labor-management relations bill; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 2431. A bill to provide for the striking of medals in commemoration of the 100th anniversary of statehood of the State of Kansas (Rept. No. 801); and

S. 2517. A bill to amend section 7 of the Federal Home Loan Bank Act, as amended (Rept. No. 804).

By Mr. BENNETT, from the Committee on Banking and Currency, without amendment:

S. 2454. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the pony express (Rept. No. 800).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, without amendment:

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes (Rept. No. 802).

PROGRAM OF ASSISTANCE TO CORRECT INEQUITIES IN CONSTRUCTION OF FISHING VESSELS—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. ENGLE. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, without amendment, the bill (S. 2578) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes, and I submit a report (No. 803) thereon. I ask unanimous consent that the report may be printed, with individual views of the Senator from South Carolina [Mr. THURMOND] and the Senator from Ohio [Mr. LAUSCHE].

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from California.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHURCH (for himself and Mr. NEUBERGER):

S. 2586. A bill to provide for the conservation of anadromous fish spawning areas in the Salmon River, Idaho; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 2587. A bill to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. GORE:

S. 2588. A bill to amend the Highway Revenue Act of 1956 so as to transfer to the highway trust fund a portion of the receipts from the excise tax on passenger automobiles collected during the 1960 fiscal year; to rescind 1 percent of certain appropriations made for the 1960 fiscal year; and for other purposes; to the Committee on Finance.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

By Mr. LAUSCHE:

S. 2589. A bill for the relief of Agatha Eccleston; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas:

S. 2590. A bill to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; to the Committee on Foreign Relations.

CONCURRENT RESOLUTION

PLAN TO HOLD INTERNATIONAL CONFERENCES TO STRENGTHEN RULE OF LAW AMONG NATIONS

Mr. JAVITS (for himself and 36 other Senators, submitted a concurrent resolution (S. Con. Res. 74) favoring a plan to hold international conferences in order to strengthen the rule of law among nations, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

RESOLUTIONS

PRINTING AS A SENATE DOCUMENT A LETTER TO THE PRESIDENT FROM THE PRESIDENT'S COMMITTEE TO STUDY THE MILITARY ASSISTANCE PROGRAM AND COMMITTEE'S FINAL REPORT

Mr. DIRKSEN submitted the following resolution (S. Res. 171); which was referred to the Committee on Rules and Administration:

Resolved, That a "letter to the President of the United States from the President's Committee To Study the United States Military Assistance Program and the Committee's Final Report," and the President's letter of transmittal of that report, dated August 20, 1959, be printed with illustrations as a Senate document.

TERMS OF SENATORS FROM HAWAII

Mr. JOHNSON of Texas submitted a resolution (S. Res. 172), relating to the terms of the Senators from Hawaii, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

COMMENDATION OF NATIONAL JAYCEE COMMUNITY DEVELOPMENT PROGRAM

Mr. HARTKE submitted a resolution (S. Res. 173) commending the National Jaycee Community Development Program, which was referred to the Committee on Labor and Public Welfare.

(See the above resolution printed in full when submitted by Mr. HARTKE, which appears under a separate heading.)

CONSERVATION OF ANADROMOUS FISH SPAWNING AREAS IN SALMON RIVER, IDAHO

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, a bill which would provide for the conservation of anadromous fish spawning areas in the Salmon River of Idaho.

Mr. President, the Salmon River begins and ends in Idaho; it contributes 8,100,000 acre-feet of the average annual runoff of the Columbia Basin; it is the main spawning stream—besides the Columbia itself above the Snake River—for anadromous fish, accounting for approximately 30 percent of the total which passes McNary Dam, and more than half of the total of spring and summer Chinook.

Migrating salmon must pass, both upstream and downstream, existing dam structures at Bonneville, the Dalles, McNary, and Ice Harbor—under construction—en route to the confluence of the Snake and the Salmon. None of these have provisions for downstream passage of fingerlings. Methods for passing adult fish upstream over dams up to 100 feet have been operated for many years, and solutions are being sought to passage over higher structures. Solutions for the problem of passing the young downstream migrants over high dams are not as advanced. Losses from passage through turbines of the lower structures have been about 11 percent, but the pressures preclude this for the higher structures.

Evidence indicates that projected development of the Upper Columbia will reduce the spawning there as the reservoir areas and slack water encroach upon spawning grounds. The Salmon River's importance as the principal spawning stream will proportionately increase.

Mr. President, I am introducing this bill in the last days of this session for a special reason. Although I have talked this matter over with a number of people in my State and have received assurances from many of them that this is a sound approach, I recognize that an attempt to inhibit an agency like the Federal Power Commission from licensing structures on any navigable

stream is a serious and restrictive step, and one which should be taken only if there is strong evidence that such step is in the public interest and in accordance with sound public policy.

Therefore, Mr. President, it is my hope that the committee to which this bill is referred, will utilize the recess period to give the bill careful study. Perhaps it will be decided that public hearings in the area would be desirable. In such case I would hope to be able to sit with the committee and to listen to the points of view expressed by those people in the Northwest who have a lifelong and vital interest in the Columbia River and the Salmon River, one of its principal tributaries.

I call particular attention, Mr. President, to the fact that this bill is limited by a provision which recognizes that there already are dams below the mouth of the Salmon River which the salmon must overcome, and therefore it does not prohibit the licensing of new dams on the Salmon River itself which are no more restrictive to the passage of fish to their spawning grounds than similar structures downstream.

I call further attention, Mr. President, to the fact that the bill as I have drafted it, will require the Secretary of the Interior to report to the Congress any developments in fish conservation or in the construction of dams or reservoirs that in his opinion would justify the removal of the restrictions which this bill contains.

In summary, Mr. President, let me make these three points concerning the bill which I am introducing:

First. It is a "study" bill—intended to call for a review of the important problem of maintaining the Salmon River as a spawning area for anadromous fish;

Second. It is a limited bill—it does not foreclose all developments on the Salmon River, but only those which would block salmon runs;

Third. It calls for affirmative action on the part of the Secretary of the Interior to keep the Congress informed as to the continuing need for this kind of restriction, so that the law may be modified or repealed, when new methods for successful fish passage are devised and proven.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2586) to provide for the conservation of anadromous fish spawning areas in the Salmon River, Idaho, introduced by Mr. CHURCH, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Washington.

Mr. MAGNUSON. I have not studied the Senator's bill, but I presume it will be referred to the Senate Committee on Interstate and Foreign Commerce.

We have several bills in the committee now, and I think this is a good time to say something about this for the RECORD.

We have four or five bills. One of the bills would include a comprehensive study, and that was introduced by the distinguished Senator from Oregon, and there is another bill introduced by myself which calls for a sort of look-see or a moratorium in the middle Snake until the Army Engineers can make their report.

All these bills have been the subject of a great deal of interest in the committee, but because of their comprehensive nature such as this bill, which is very important, the committee has informally decided that they would hold some hearings out in the field this fall, and I have prevailed upon the very distinguished Senator from Alaska [Mr. BARTLETT], to come into the area sometime in the fall.

I hope that this bill will be included in the field hearings along with the other bills.

Mr. NEUBERGER. I would like to express my gratitude to the Senator.

Mr. MAGNUSON. It will be the intention, of course, of the committee to invite the Senator from Idaho and the Senator from Oregon and those of us in the Pacific Northwest who are so deeply interested in these various matters.

Mr. BARTLETT. Will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Alaska.

Mr. BARTLETT. I merely want to say this is, as the chairman of the committee noted, a very important bill, upon which hearings ought to be held as promptly as possible and to which full consideration should be given.

Mr. MAGNUSON. I want to say, too, there are a lot of problems. We have this so-called upstream-downstream benefit bill, and all of these bills sort of overlap the whole problem, and I am very hopeful and I am very appreciative to the Senator from Alaska, who can look at it more objectively than some of us who are right in the middle of it all the time, and he has agreed to do that.

Mr. BARTLETT. I want right now to extend a very cordial invitation to my friend from Idaho [Mr. CHURCH] to be at the hearings.

Mr. CHURCH. I thank both the Senator from Washington and the Senator from Alaska for their interest. I am happy to know that hearings are to be held. I am hopeful a hearing will be held in Idaho. Certainly I will attend the hearing and participate in it.

I think the bill I have introduced this morning ought to be considered in conjunction with the resolution that was introduced by the senior Senator from Washington, and with other related bills, so that we can find a just and equitable solution.

Mr. MAGNUSON. I suggested to the Senator from Alaska that we could start at Lewiston, which is sort of the hub of these problems.

Mr. NEUBERGER. If this hearing is to be held in the State of Oregon, it should take place at Astoria. Astoria at the mouth of the Columbia River is the leading salmon canning community in the entire Pacific Northwest.

Mr. MAGNUSON. Astoria or some place like that, a site right in the area.

Mr. CHURCH. Lewiston certainly would be an appropriate city. I appreciate the cooperation of the Senator from Washington and the Senator from Alaska, who will conduct the hearings.

Mr. CHURCH subsequently said: Mr. President, earlier today, I introduced Senate bill 2586. I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my introductory statement, and following the colloquy which followed that statement.

Let me also say that I have been advised that the junior Senator from Oregan [Mr. NEUBERGER] would like to be listed as one of the cosponsors of the bill. I ask unanimous consent that that be done.

The VICE PRESIDENT. Without objection, that will be done; and, without objection, the bill will be printed at this point in the RECORD.

The bill (S. 2586) to provide for the conservation of anadromous fish spawning areas in the Salmon River, Idaho, introduced by Mr. CHURCH (for himself and Mr. NEUBERGER), is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the fact that the Salmon River and its tributaries constitute one of the principal spawning areas of anadromous fish from the Pacific Ocean, and since the size and structure of the flood control and power dams and reservoirs, and other structures used in connection therewith, now in existence on the Columbia and Snake Rivers between the Salmon River and the Pacific Ocean presently allow the passage of such fish to their spawning areas, it is the purpose of this Act to prohibit, unless or until future developments justify a change in this policy, the authorization of any such dams and reservoirs or structures on the Salmon River that would be any more restrictive on the passage of such fish than similar structures which such fish must now pass to reach the spawning areas or which would flood established spawning grounds.

SEC. 2. The Federal Power Commission shall not issue any permit, license, lease, or other authorization under the provisions of the Federal Power Act for any dam, reservoir, conduit, powerhouse, or other works for the storage or collection of water on the development of power on the Salmon River in Idaho in any case in which any such proposed works would have a more restrictive effect on the passage of anadromous fish than any similar works already in existence on such river or on the Columbia or Snake River between the Salmon River and the Pacific Ocean, or which would flood established spawning grounds.

SEC. 3. The Secretary of the Interior shall report to the Congress any developments in fish conservation or in the construction of dams and reservoirs that in his opinion justify amending the provisions of this Act.

BILL TO AMEND PUBLIC LAW 85–337—WITHDRAWALS OR RESERVATIONS FROM PUBLIC LANDS

Mr. BARTLETT. Mr. President, on behalf of my colleague, the junior Senator from Alaska [Mr. GRUENING] and myself, I introduce for appropriate reference, a bill to amend the act of February 28, 1958, Public Law 85–337.

The Senate will recall that Public Law 85–337 was enacted after extended hearings and prolonged consideration. It provided that all withdrawals or reser-

vations from the public lands of the United States by the Department of Defense would require congressional approval when such withdrawals or reservations, in the aggregate, included an area in excess of 5,000 acres devoted to a single defense use or facility. The distinguished junior Senator from California [Mr. ENGLE]—then a Member of the House of Representatives, where I was privileged to serve with him as the Delegate from Alaska—played a principal role as chairman of the Interior and Insular Affairs Committee, in the enactment of Public Law 85–337. Largely through his efforts, Congress restored to itself a constitutional function in a field of growing concern to an increasingly crowded America.

The bill which I introduce today would extend the principles of Public Law 85–337 to withdrawals or reservations by any executive department or independent agency. In the light of our experience under Public Law 85–33, it is apparent that that law works no hardship on the Department of Defense and provides closer scrutiny by the people's representatives of proposed withdrawals and reservations. It is my view, therefore, that the Department of Defense should not be singled out for unique treatment in the matter of withdrawals and reservations, and that passage of this bill would provide a desirable uniformity and congressional supervision over withdrawals and reservations proposed by any branch of the executive department.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2587) to require an act of Congress for public land withdrawal in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government, introduced by Mr. BARTLETT (for himself and Mr. GRUENING), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. GRUENING subsequently said: Mr. President, I am in hearty accord with the purposes of the amendment of Public Law 85–337 which my colleague the senior Senator from Alaska [Mr. BARTLETT] has introduced in behalf of both of us, to apply the provision which provides that withdrawals of more than 5,000 acres from the public domain for military purposes shall have the prior consent of Congress to all forms of reservations and withdrawls.

The withdrawal of an area larger than 5,000 acres may be of such momentous consequence, that it seems advisable to have the legislative branch participate in the decision, and not have it merely made by action of one of the executive departments.

In Alaska, we already have a total of 14,744,676 acres withdrawn as national parks and wildlife ranges or refuges. This is a tremendous area, larger than the combined areas of several of our smaller States. It is an area almost the size of the State of West Virginia. It is more than four times the land area of the State of Connecticut, and nearly three times that of Massachusetts.

I ask unanimous consent to insert in the RECORD at this point, a list of the national parks and monuments, moose ranges, wildlife refuges, and other withdrawals and reservations in Alaska, which make up this formidable total.

There being no objection, the list was ordered to be printed in the RECORD, as follows.

WILDLIFE PRESERVATION AND RELATED AREAS UNDER FEDERAL JURISDICTION IN ALASKA

	Acres
National parks and monuments:	
Mt. McKinley National Park	1,939,334
Glacier Bay National Monument	2,274,595
Katmai National Monument	2,697,590
Subtotal	6,911,519
Kenai National Moose Range	2,057,197
Kodiak National Wildlife Refuge	1,815,000
Nunivak National Wildlife Refuge	1,109,000
Aleutian National Wildlife Refuge	2,720,235
Bering Sea National Wildlife Refuge	41,113
Bogoslof National Wildlife Refuge	390
Chammisso National Wildlife Refuge	641
Hazy Island National Wildlife Refuge	42
Forrester Island Bird Refuge	2,832
Pribilof Islands Reservations in Tongass National Forest	50,163
Simeonof National Wildlife Refuge	10,442
St. Lazaria National Wildlife Refuge	65
Semidi National Wildlife Refuge	8,422
Tuxedni National Wildlife Refuge	6,439
Hazen Bay National Wildlife Refuge	6,800
Reindeer Experiment Station	1,520
4 Fishery research stations	2,565
22 administrative sites	289
Subtotal	7,833,155
Total national parks and wildlife preservation areas	14,744,674

Mr. GRUENING. Mr. President, many of these were made in an earlier period, when Alaska was a virtually uninhabited wilderness. Most of these are excellent in purpose and desirable. They render a valuable service for recreation and conservation. As a conservationist, I am glad that they are there. Some may be too large. But before any more withdrawals of this magnitude are made, and it should be noted that of these, 4 exceed 2 million acres, and 3 exceed 1 million—both my colleague and I feel that the legislative branch of the Government should be taken into consultation. By this legislation it is sought henceforth to make such mammoth withdrawals a joint arrangement between the executive and legislative branches. I think this would be in the interest of good government, and desirable in its restoration of some of the legislative authority which has been forfeited through custom in recent years.

On behalf of my colleague, Senator BARTLETT, and myself, I request that this bill be allowed to lie on the table for 1 week, until the end of business on August 31, so that other Members who may desire to do so may cosponsor this proposed legislation.

The VICE PRESIDENT. Without objection, it is so ordered.

PLAN TO HOLD INTERNATIONAL CONFERENCES TO STRENGTHEN RULE OF LAW AMONG NATIONS

Mr. JAVITS. Mr. President, on behalf of myself, and 36 other Senators, I submit, for appropriate reference, a concurrent resolution as a first step toward bringing about the rule of law among nations through the greater use of the International Court of Justice, through the establishment of regional courts to deal with international legal disputes and through other means; it embodies the proposal for regional and world legal conferences for the purpose of promoting world law which is now being developed by the American Bar Association.

The resolution declares that it is the sense of the Congress that the proposal to hold privately sponsored international conferences of lawyers from many countries in order to strengthen the rule of law among nations, as advocated by the American Bar Association, can make a substantial contribution to international peace and security and merits the full support of the U.S. Government and the American public.

Those Senators who have joined in cosponsorship of the resolution include: GORDON ALLOTT, Republican, of Colorado; J. GLENN BEALL, Republican, of Maryland; ALAN BIBLE, Democrat, of Nevada; PRESCOTT BUSH, Republican, of Connecticut; ROBERT C. BYRD, Democrat, of West Virginia; HOWARD CANNON, Democrat, of Nevada; JOHN A. CARROLL, Democrat, of Colorado; CLIFFORD P. CASE, Republican, of New Jersey; Dennis CHAVEZ, Democrat, of New Mexico; FRANK CHURCH, Democrat, of Idaho; JOSEPH S. CLARK, Democrat, of Pennsylvania; JOHN SHERMAN COOPER, Republican, of Kentucky, THOMAS J. DODD, Democrat, of Connecticut; PAUL H. DOUGLAS, Democrat, of Illinois; CLAIR ENGLE, Democrat, of California; PHILIP A. HART, Democrat, of Michigan; THOMAS C. HENNINGS, Jr., Democrat, of Missouri; HUBERT H. HUMPHREY, Democrat, of Minnesota; KENNETH B. KEATING, Republican, of New York; ESTES KEFAUVER, Democrat, of Tennessee; THOMAS H. KUCHEL, Republican, of California; FRANK J. LAUSCHE, Democrat, of Ohio; WARREN G. MAGNUSON, Democrat, of Washington; WAYNE MORSE, Democrat, of Oregon; FRANK E. Moss, Democrat, of Utah; JAMES E. MURRAY, Democrat, of Montana; RICHARD L. NEUBERGER, Democrat, of Oregon; WILLIAM PROXMIRE, Democrat, of Wisconsin; LEVERETT SALTONSTALL, Republican, of Massachusetts; HUGH SCOTT, Republican, of Pennsylvania; GEORGE A. SMATHERS, Democrat, of Florida; STUART SYMINGTON, Democrat, of Missouri; ALEXANDER WILEY, Republican, of Wisconsin; HARRISON A. WILLIAMS, Jr., Democrat, of New Jersey; STEPHEN M. YOUNG, Democrat, of Ohio; and E. L. BARTLETT, Democrat, of Alaska.

The submission of this resolution coincides with the official presentation to

the American Bar Association's annual meeting today on Monday, August 24, in Miami, Fla., of a report and recommendations on the desirability of holding conferences of lawyers with the objective of furthering world peace through more extensive reliance on the rule of law in international disputes. The report was prepared by the ABA Special Committee on World Peace Through Law and advance copies were recently sent to every Member of the Congress. The concurrent resolution I am submitting today was prepared in cooperation with Charles S. Rhyne, chairman of that special committee and a past president of the American Bar Association.

As we have learned once again with the stalemate of the Geneva talks among the Big Four Foreign Ministers, there is no single, smoothly paved road down which we can travel to arrive at a secure world peace. Instead, we must search out and pioneer new approaches.

I think we should all acknowledge our indebtedness to the chairman of the special subcommittee and past president of the American Bar Association for leading the way in this whole field.

In this regard, I know of no proposal which is potentially more challenging nor more promising than the one put forward by the special committee of the American Bar Association that jurists, practicing lawyers, and teachers of the law from all over the world—including those from behind the Iron Curtain—meet together in a series of legal summit conferences with the objective of replacing the rule of force with the rule of law.

Of special significance today in the struggle to achieve the peaceful settlement of legal disputes between nations in international courts of law is the fresh vitality and leadership being supplied by the American Bar Association, which represents more than 90,000 lawyers in the United States. A concurrent resolution passed by the Congress praising its efforts and simultaneously rallying the vibrant support of the general public for such international legal conferences lends great prestige to the cause of world law and to our deep-rooted determination as a nation and a people to advance the cause of world peace.

Finally, there is an additional reason for congressional recognition of this outstanding report prepared by the ABA special committee. The study which produced it was undertaken with the assistance of a planning grant from the International Cooperation Administration whose primary interest was in the development of legal institutions and standards facilitating the expansion of international investment and trade.

I ask unanimous consent that the text of the ABA special committee report, and of the concurrent resolution I am submitting be printed in the RECORD at this point and that the concurrent resolution may lie on the table until Friday for additional cosponsors.

Mr. President, I am very proud to number 36 other Senators already among the sponsors of this concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution and report will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 74) favoring a plan to hold international conferences in order to strengthen the rule of law among nations, submitted by Mr. JAVITS (for himself and other Senators), was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas the American Bar Association, after a detailed study by its Special Committee on World Peace Through Law made at the request of the International Cooperation Administration, has submitted to the said Administration a comprehensive plan for a series of conferences of lawyers from many nations to consider and recommend action on matters within the special competence of the legal profession with a view to the strengthening of the rule of law among nations; and

Whereas according to the said plan, the agenda of the proposed conferences might include the means of increasing use of the International Court of Justice, the establishment of regional courts of international law outside the judicial system of the United Nations, the extension of the jurisdiction of international courts to disputes between governments and individuals and between private parties, the extension and improvement of institutions and procedures for arbitration of disputes between governments and of disputes growing out of concession contracts and international business transactions between governments and individuals and between private parties, the removal of the legal uncertainties and fears which now block the economic advancement of nations, and the establishment or improvement of agencies and procedures for adaptation of existing rules of international law to changing conditions, with a view to furthering the growth of a body of international law acceptable to all nations by drawing upon all legal systems of the world; and

Whereas the report submitted with the said plan provides a substantial basis for the hope that members of the legal profession throughout the world meeting in conferences for the purpose stated in the said plan might be able to break through the barriers of mutual distrust that have prevented agreement among governments on topics such as those hereinbefore mentioned, to achieve mutual understanding of their diverse systems of law, and to agree upon recommendations of concrete steps looking toward the establishment of the rule of law among nations; and

Whereas the report submitted with the said plan emphasizes the fact that it would be most advantageous to the success of the proposed conferences that they be held under private sponsorship and that all political issues be avoided, but it is nevertheless clear that the governments of all countries should welcome and encourage the search by members of the legal profession throughout the world for means of stimulating and coordinating their efforts to strengthen the rule of law among nations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the plan submitted by the American Bar Association for a series of conferences of lawyers from many nations with a view to the strengthening of the rule of law among nations offers possibilities of a substantial contribution to international peace and security and should be encouraged by the Government and people of the United States in every appropriate way.

The report presented by Mr. JAVITS is as follows:

REPORT OF THE SPECIAL COMMITTEE ON WORLD PEACE THROUGH LAW TO THE HOUSE OF DELEGATES OF THE AMERICAN BAR ASSOCIATION—RECOMMENDATION: THAT THE SPECIAL COMMITTEE ON WORLD PEACE THROUGH LAW BE CONTINUED

THE COMMITTEE'S ASSIGNMENT

This committee was created to explore and report upon what lawyers can do of a practical, concrete character to advance the rule of law among nations. Its assignment also includes activities for the increase of interest among lawyers and laymen in the advancement of the world peace through extension and expansion of the rule of law.

THE ICA CONTRACT

On November 7, 1958, the American Bar Association accepted a planning grant from the International Cooperation Administration for study of the feasibility of a conference of lawyers from many nations "to consider and recommend means of developing and strengthening, within and among nations, legal concepts, standards, and institutions which will contribute, through facilitating the expansion of the flow of international investment and trade and otherwise, to the economic growth of such nations and which will facilitate peaceful settlement of disputes within and among nations".

Under the terms of the grant the American Bar Association was to report to ICA on or before June 6, 1959, whether such a conference is feasible. If the conference was found to be feasible, the association was to include in its report "a statement of specific objectives of the conference, an agenda of matters to be considered by the conference, a working procedure for preparations for and conduct of the conference, proposals as to the participants in the conference or the basis and procedure for selection of participants, and a budget setting forth estimated costs of the conference".

The committee on world peace through law was designated to make the necessary studies for the association under the ICA contract.

ORGANIZATION OF WORK UNDER THE CONTRACT

The committee decided to seek the cooperation of lawyers, professors of international law, and associations of lawyers in this country and abroad and the cooperation of legal organizations each as the International Bar Association, the Inter-American Bar Association, and the International Law Association; to study the efforts of the United Nations and other official agencies in the field of world law; to arrange a number of regional conferences of leading lawyers of the United States for discussion of tentative ideas, suggestions, plans and proposals; and to employ a staff to assist the committee in its work. It decided to give special attention to the compilation and analysis of ideas and information as to how a conference of lawyers from the United States and other nations might advance the use of the rule of law in world affairs, promote the use of the judicial concept in the settlement of disputes between nations, extend international judicial institutions to disputes of individuals growing out of international transactions and increase the sense of responsibility and the influence of members of the legal profession in the field of international relations.

Presidents of 1,400 State and local bar associations in the United States and 182 professors of international law were requested to send the committee comments, suggestions, and ideas as to what a world conference on the rule of law should do and can do.

Similar letters, accompanied by a partial list of topics which had been suggested for discussion at a world conference of lawyers, were sent to 1,300 members of the section of international and comparative law, 2,400 members of the American Society of International Law, and the presidents of 74 bar associations in foreign countries.

The responses to the above-mentioned letters were almost uniformly favorable to the idea of the proposed conference. Many of them contained extremely helpful suggestions as to the questions to be discussed and as to the practical arrangements required for successful conduct of such a conference. These communications provided substantial evidence that lawyers assembled from many nations may be able to achieve concrete advancement of carefully stated programs looking toward the establishment of international relations on the basis of respect for law and the observance of its orderly procedures. Many ideas were stated as to how the rule of law could be strengthened in the world community and a wealth of material in support of these ideas was submitted.

Equally encouraging indications were received from specially qualified persons whose views were sought in private conversations and at conventions and conferences of lawyers in the United States and abroad. Interest in the rule of law as an instrument to achieve and maintain order internationally is at an alltime high among lawyers and laymen.

REGIONAL CONFERENCES IN THE UNITED STATES

On March 28 and 29, 1959, the first of five regional conferences in the United States was held at Boston, Mass., for the purpose of consultation on what lawyers assembled from many nations could do toward the achievement and maintenance of world peace. Similar conferences were held at Charlotte, N.C., on April 10 and 11; Chicago, Ill., on April 17 and 18; San Francisco, Calif., on April 24 and 25; and Dallas, Tex., on April 28 and 29. The participants in each of these conferences included the presidents of state bar associations in the several regions (comprising from 7 to 11 States) and four or more leading lawyers of each State invited by these presidents or by the committee. The participants in each of the conferences were provided, in advance of the conference, with extensive working papers, prepared by the committee's staff with the assistance of experts in the fields of international law, which contained the background information required for intelligent discussion of the important questions raised in the conferences.

CONSENSUS OF THE PARTICIPANTS

The consensus of the participants in the five regional conferences, with specific reference to the feasibility of conferences of lawyers on a continental or global scale, may be fairly summarized as follows:

1. A world conference of lawyers should be held. To make it a true world conference, lawyers from behind the Iron Curtain should be invited.

2. The groundwork for the world conference should be laid by international regional conferences in Latin America, Asia, Africa, and Europe.

3. The conferences will serve a very useful purpose even though Iron Curtain lawyers and their governments may not yet be willing or able to seek to extend the rule of law. It is important meanwhile, for the other countries of the world to create a constructive program whereby they may gain more experience in the settlement of international disputes among themselves by judicial means.

4. The world conference and the international regional conferences which precede it should concentrate chiefly on the improvement and increased use of existing international institutions and the creation of the new international institutions and conventions that will be required if the rule of law is to be utilized more and more in the future to achieve internationally the degree of order and stability which it has achieved within nations.

5. As a first step in this direction, the conferences should consider means of encouraging the submission of more international disputes to the existing International Court of Justice and the creation of new circuit or regional courts of international law. They might appropriately urge the International Court of Justice to exercise the authority which it now has to sit outside The Hague and to establish in advance chambers of three or more members of the Court for hearing and decision of particular cases or classes of cases as well as to improve the cumbersome procedures now followed by the Court. Sitting in New York at the headquarters of the United Nations and elsewhere throughout the world, the Court would be more accessible to the parties, and proceedings would be much less expensive. Regional courts of international law could be established by agreements without amendment of the Charter of the United Nations or the Statute of the International Court of Justice. Regional courts would be especially useful in overcoming suspicion and distrust of foreign court proceedings.

6. The world conference and the international regional conferences should give special consideration to ways and means of extending the jurisdiction of international courts to disputes between governments and individuals growing out of international business transactions. Study should be given to the creation of special courts where consideration of limited commercial litigation growing out of international business transactions might take place. Governments might more readily agree to the creation of such courts as significant questions involving their sovereignty would not be likely to arise.

7. The world conference and the international regional conferences should also consider the means of expanding and improving procedures for arbitration of disputes growing out of international business transactions and means of encouraging greater use of legal rules in international commercial arbitration. An increase in agreement upon legal principles is seemingly a prerequisite to such an expansion in use of arbitration under the rule of law.

8. The conferences now contemplated should not attempt agreement on substantive rules of international law. Restatements of present rules and drafts of new rules of international law should be left to existing official and unofficial groups of experts where they are giving adequate attention to particular subjects or fields of law. If further world legal conferences are recommended, committees may be created to review progress in various fields of substantive law and make recommendations to further that progress or to initiate new work on old or new problems. It is recognized that many existing official and unofficial groups of experts do not have the resources or the sustained interest required to draft the many new legal rules required to fill the pressing needs of the ever-growing field of international transactions and relations. Codifications or agreements in specific areas of private international law are badly needed, including such areas as conflicts of law, admiralty and international commercial transactions of all types. Such codifications or agreements would increase the acceptance and certainty of international transactions and relations by increasing resort to law instead of to action by sovereign right.

9. The mere fact of holding international regional conferences and eventually a world conference of lawyers on the rule of law among nations would have tremendous import. Lawyers have never before worked together on this subject on a multinational or global scale. The prospect of worthwhile accomplishments has already stirred and inspired prospective participants in such conferences on a worldwide basis.

10. Participants in the proposed conferences would be jurists, practicing lawyers, and teachers of law.

11. The conferences should consider establishment of permanent clearinghouses of ideas, programs, and experience pertinent to the extension of world peace through the rule of law. There are great gaps in the reference works and legal materials available now even at the institutions which have exerted the greatest effort to collect such materials. The establishment of such centers in various regions around the world could be of great assistance in bringing legal concepts and rules of law into more general worldwide use. In this connection they should consider the possibility of proclamations of a World Law Day and a World Law Year to stimulate and coordinate the efforts of lawyers.

12. One of the U.S. reservations, which presently limit our acceptance of the jurisdiction of the International Court of Justice, was discussed extensively. The consensus was that the unilateral determination clause of this reservation should be eliminated. Under this clause the United States and other nations having similar clauses can determine in each case filed against them whether the World Court has jurisdiction. As one of the greatest users of the rule of law nationally, the United States must prove that we trust the rule of law internationally. Such leadership on our part is essential.

13. A tremendous grassroots educational program is essential in the United States as well as in other countries. This program should spotlight the fact that, for survival, it is essential to develop reasonable restraints upon absolute sovereignty which will allow the building of a system of law into the legal vacuum which now exists internationally. This educational program is especially appropriate for lawyer leadership. As lawyers explain the potential use of law in the world community, the idea should attract strong and widespread support among laymen.

14. World government is impractical and impossible in today's world. The program herein urged is directed toward increasing the use of the rule of law in courts and creating new legal rules which the world community requires to govern the ever-increasing contacts which rapid communications and transportation bring about.

15. This effort to create a lawful world should emphasize its private sponsorship and participation. Governments should not play noticeable roles in this program so as to eliminate political issues and fears of lawyers of other countries. It should be a lawyer-to-lawyer to people-to-people program.

16. We should do all we can to strengthen the United Nations by urging increased application of, and adherence to, the rule of law in the deliberations and actions of all of its organs and agencies, as well as by urging amendments to the Charter to further the ideal of world peace through law.

17. The objectives of this program cannot be accomplished within a short time. A long-range continuous effort must be planned for by the legal profession of the nations of the world.

REPORT TO ICA

Upon consideration of the views summarized above, and of pertinent data obtained from other sources, including books, articles,

correspondence, and memorandums of conversations with specially qualified persons, the committee reached the conclusion that it is feasible to conduct a series of conferences, culminating in a world conference of lawyers from the United States and other nations, to consider and recommend specific measures for the advancement of world peace through law. A report embodying this conclusion and a proposed plan for conferences of lawyers of many nations was approved by the board of governors of the association on May 18, 1959, and presented to the International Cooperation Administration on May 19, 1959.

According to the plan embodied in the report, lawyers from the Americas, Asia, Africa, and Europe would meet first in international regional conferences at cities to be decided upon, possibly Rio de Janeiro, New Delhi, Accra, and Vienna, and eventually in a world conference at a city to be selected after considering the views of participants in the regional conferences.

Each of the international regional conferences would run for 5 days, and the world conference for 3 weeks.

The general objectives of each of the conferences would be to further the basic goal of furthering world peace through a more extensive use of the rule of law and to make international law and international courts a more powerful force in international relations, thereby reducing international tensions. The program to advance these objectives would be formulated with full realization that international relations cannot always be conducted under the rule of law as distinguished from policy and that some international disputes are not amenable to judicial decision. Political questions involving sovereignty must be more clearly distinguished from the nonpolitical questions which are suitable for submission to international courts.

AGENDA FOR THE PROPOSED CONFERENCES

The agenda for the conferences would be determined by committees provided for in the plan, upon consideration of topics which would include:

1. Means of increasing use of the International Court of Justice, including:

(a) Exercise of the Court's existing authority to sit outside The Hague and to form chambers of three or more judges for hearing and final decision of particular cases or classes of cases;

(b) Achievement of acceptance of the compulsory jurisdiction of the Court by all nations without crippling reservations;

(c) Inclusion in future international agreements of a provision that disputes over their interpretation will be subject to the compulsory jurisdiction of the Court;

(d) Review of existing treaties and agreements and insertion of a provision that future disputes over their interpretation will be subject to the compulsory jurisdiction of the Court;

(e) Improvement in the practice, procedure and administration of the Court.

2. Establishment of regional courts of international law, outside the judicial system of the United Nations, by bilateral and multilateral treaties.

3. Extension of the jurisdiction of international courts, by amendment of the Statute of the International Court of Justice and by bilateral and multilateral treaties, to disputes between governments and individuals and between private parties, either generally or with specific reference to disputes growing out of contracts between governments and individuals or out of international business transactions.

4. Extension and improvement of institutions and procedures for arbitration of disputes between governments and of disputes growing out of concession contracts and international business transactions between governments and individuals and between private parties.

5. Extension and improvement of institutions and procedures for the improvement of the legal framework for the economic advancement of all nations and the removal of the legal uncertainties and fears which now block such advancement.

6. Consideration of means to strengthen the United Nations both by Charter changes and by increased use of existing United Nations machinery for peaceful settlement of disputes under the rule of law.

7. Establishment or improvement of agencies and procedures for clarification of uncertainties of existing international law and for adaptation of existing rules of international law to changing conditions with a view to furthering the growth of a body of international law acceptable to all nations by drawing upon all legal systems of the world.

8. Consideration of methods for compilation, reporting and analysis of legal decisions and other developments in the international field.

STATUS OF THE REPORT TO ICA

It is the belief of the committee that a series of conferences prepared for and conducted in the manner suggested in detail in the plan would result in the marshaling of the resources of the legal profession of all the participating nations for work towards world peace through law and for the education of world opinion which is essential to that end. The world conference, if it is held, would be expected to make appropriate arrangements for continuing pursuit of these objectives.

At the moment of the preparation of this report the committee has not been informed of any action by the International Cooperation Administration upon the report submitted to that agency on May 19, 1959.

OTHER ACTIVITIES OF THE COMMITTEE

The regional conferences held under the auspices of the committee, the letters addressed by the committee to lawyers throughout the United States before and after those conferences, the coverage of those conferences by press, radio, and television, and the statements by President Eisenhower, Vice President Nixon, Attorney General Rogers, the late Secretary of State Dulles, and other eminent public figures regarding the imperative necessity for the advancement of the rule of law among nations have resulted in the receipt by the committee of a vast amount of correspondence from lawyers and laymen asking what contributions they can make to furthering the objective of world peace through law. Many editorials in newspapers and magazines have hailed work on world peace through law as a great public service by the organized bar and have urged increased efforts by lawyers and laymen to achieve increased progress on this program.

At the suggestion of the committee, numerous State and local bar associations have established special committees on world peace through law for the purposes of studying relevant questions of international and constitutional law, cooperating with civic organizations in the arrangement of public meetings on Law Day—U.S.A. and other occasions; increasing personal contacts with lawyers in other countries; collecting law books to be sent to foreign libraries, law schools and law centers; and carrying out other plans and programs related to reliance upon the rule of law in world affairs. Also at the suggestion of the committee, the International Bar Association and the Inter-American Bar Association have created committees on world peace through law. Your committee expects to work closely with those committees. Some foreign bar associations have created similar committees. The interest and efforts of lawyers is thus gradually being organized and coordinated throughout the world.

It has become increasingly evident that laymen as well as lawyers are eager for current information on all subjects pertinent to the rule of law among nations and particularly on the action that may be taken, with some prospect of success, to facilitate the settlement of international disputes by this peaceful means. The committee has done its best to supply such information as requested. It believes that arrangements should be made for the compilation and regular distribution of information on ideas and developments in this field to those who are specially interested.

CONCLUSION

While the exploratory program this committee has conducted reveals tremendous worldwide interest in law as a replacement for weapons in international decision-making, it is clear that much work is still to be done toward making lawyers and laymen more fully aware of what they can do to advance the gradually evolving program of world peace through law herein outlined. International law as compared to national law is still in its infancy. The search for ways and means to expand the rule of law in the world community requires vision and extensive effort. Quick progress cannot be expected. But already encouraging developments can be noted, especially the many recent statements by leaders of our Nation and leaders of others nations urging increased use of and reliance upon the rule of law in international relations. The spotlight of world public opinion is focusing more and more upon the possibilities and potentialities in this field.

Our task in the months and years ahead must be to encourage increased cooperation among the lawyers of all nations in research, education, exchanges of information and experience, and, above all, leadership in directing the ever-rising tide of interest in the rule of law internationally toward proper and meaningful goals. Years and decades of hard work will be required to achieve tangible progress in this complicated area of expanded international use of the rule of law. But with the knowledge that increased use of the rule of law internationally can only lead toward a peaceful world, no effort should be spared to further interest in, and work upon, every possible subject, procedure or avenue encompassed in this program. No effort by our association can be more meaningful or more important to mankind. We should concentrate all the manpower and resources we can marshal toward the achievement of concrete results from this program.

To act for the association in connection with the arrangement and conduct of the proposed continental and world conferences and to aid in providing leadership in advancing world peace through the rule of law it is recommended that this committee be continued.

Respectfully submitted.

Charles S. Rhyne, Chairman; Homer G. Angelo; Arthur H. Dean, Erwin N. Griswold; Arthur Larson; Philip H. Lewis; Howard C. Petersen; Herman Phleger; Robert H. Reno; Robert G. Storey, Sr.; Lyman M. Tondel, Jr.; Loyd Wright.

AUGUST 24, 1959.

COMMENDATION OF NATIONAL JAYCEE COMMUNITY DEVELOPMENT PROGRAM

Mr. HARTKE. Mr. President I submit for appropriate reference a resolution recognizing as a fitting and patriotic endeavor the "build to beat communism"

campaign of community development sponsored by the National Junior Chamber of Commerce.

The Jaycee community development program is designed to provide leadership training through community improvement. This means that members of these local organizations will adequately inform themselves concerning the problems existing within their community and then to take appropriate action toward solving one or more of these problems.

This program will benefit our communities. It is typical of the fine work which the Junior Chamber of Commerce is doing. This program will I am sure induce other organizations and individuals to join with Jaycees in their efforts to "build to beat communism through community development."

Mr. President I ask unanimous consent that the resolution may lie on the table until the close of business Friday, August 28, 1959, to give other interested Senators the opportunity of becoming cosponsors.

The VICE PRESIDENT. The resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested by the Senator from Indiana.

The resolution (S. Res. 173), was referred to the Committee on Labor and Public Welfare, as follows:

Resolved, That the Senate hereby recognizes as a fitting and patriotic endeavor the National Jaycee community development program, a program established for the purpose of providing leadership training through community improvement; and the Senate hereby commends and encourages the efforts of those joining in the undertaking of such program.

INCORPORATION OF NATIONAL DISTRICT ATTORNEYS' ASSOCIATION—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of August 11, 1959, and August 21, 1959, the names of Mr. MOSS, Mr. CHURCH, Mr. DWORSHAK, Mr. YARBOROUGH, and Mr. CLARK were added as additional cosponsors of the bill (S. 2518) to incorporate the National District Attorneys' Association, introduced by Mr. LONG of Louisiana (for himself and Mr. ELLENDER) on August 11, 1959.

FEDERAL ANNUITANTS HEALTH BENEFITS ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of August 21, 1959, the names of Senators HUMPHREY, BEALL, CAPEHART, and BUTLER were added as additional cosponsors of the bill (S. 2575) to provide a health benefits program for certain retired employees of the Government, introduced by Mr. NEUBERGER (for himself and other Senators) on August 21, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Text of a broadcast made by him over Wisconsin radio stations relating to the record of the 1st session of the 86th Congress.

NOTICE OF HEARING ON ANTI-POLL-TAX AMENDMENT TO CONSTITUTION

Mr. KEFAUVER. Mr. President, I wish to announce that the Subcommittee on Constitutional Amendments will hold a hearing on Senate Joint Resolution 126—the anti-poll-tax amendment—on Thursday, August 27. The hearing will be in room 457 of the Old Senate Office Building at 10:30 a.m. Any persons wishing to testify or file statements for the record should contact the subcommittee's counsel, Mr. Bernard Fensterwald, Jr.—room 252, Old Senate Office Building, telephone Capitol 4-3121, extension 5581.

Hearings were begun on August 17 on this resolution to prohibit poll taxes in Federal elections. A hearing scheduled for August 20 was canceled for lack of witnesses.

CIVIL RIGHTS LEGISLATION

Mr. DIRKSEN. Mr. President, I was intrigued, rather than disconcerted, by an article which appeared in the Sunday edition of the New York Times. The caption of the article is "GOP for Delay on Civil Rights."

The headline is followed by some rather well-worn phrases, such as "administration aides now prefer to have no civil rights bill reach the floor of either the House or the Senate this session."

So, Mr. President, with that quotation from that anonymous, supposedly authoritative source tucked away in the nose cone of the article, it then zooms off into the space of speculation. According to the article, the administration is supposed to think it can get a stronger civil rights measure next year. We are supposed to fear a filibuster. We are supposed to have a "deal" on, in the House, with a wing of the Democratic Party, to sacrifice civil rights on the altar of labor reform. We are supposed to be content to let the whole matter go over until next January.

But standing in the path of a Machiavellian GOP, the articles sees, and refers to, my very distinguished compatriot, the majority leader, as one who insists on civil rights legislation now, as distinguished from the alleged delaying tactics of the Republican Party.

Mr. President, before this journalistic missile goes into orbit, I should put a little message into the nose cone, just in case anyone finds it 5,000 miles away. I think my colleagues will credit me with being fairly close to the administration. I do go to the White House every week. And, as minority leader, I do have some suggestions about the legislative program.

Furthermore, Mr. President, as a member of the Senate Judiciary Committee, where I have attended with reasonable regularity, I am pretty close to the civil rights problem which has been before that committee for a long time.

I know of no administration aides who prefer to have no civil rights bill reach the floor of Congress at this session; and I challenge the New York Times journalist to name them. I know of no administration aides who want to postpone a civil rights bill until next January, so that we can play politics with it.

The Republican Party does not play politics with civil rights. We already have one of the finest records of advancing the cause of civil rights, from the very beginning of our party with Abraham Lincoln. I may say I had a good deal to do with writing the civil rights plank in San Francisco in 1956. I introduced five of the administration's seven bills; and on a number of occasions I have sat in the Judiciary Committee all day long, in the hope that before this session spins out, we might have an opportunity to vote on a civil rights bill.

In 1957, it was my predecessor, the then minority leader, Senator Knowland, who took a daring step to bypass the Judiciary Committee and bring the bill to the floor of the Senate.

Mr. President, I ask unanimous consent to have the remainder of my statement printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We already have one of the finest records of advancing the cause of civil rights from the very beginning of our party under Abraham Lincoln.

In 1957, the then minority leader, Senator Knowland, took a daring step to bypass the Senate Judiciary Committee which, under Democratic majority chairmen, has been the graveyard of civil rights measures. By a rare motion, he brought the subject direct from the House passage to the Senate Calendar. As a result, we did pass a civil rights measure—the first in over 80 years. And 1957 was not an election year.

The Republican Party is too serious about civil rights to play politics with it anywhere, anytime. It is the firm tradition of our party to take every opportunity to make progress, great or small, in the field of civil rights. We will do this in or out of election years.

We do not fear a filibuster. We do not make deals to sacrifice civil rights for labor reform—we want both and I submit we shall get both.

We are delighted to see the majority leader on his knightly charger ready to do battle for the rescue of civil rights. Although in yeoman garb as befits minority members, we are ready to march with the majority leader in this great cause.

We beseech him to talk to the majority chairman of the Senate Judiciary Committee to stop blocking our efforts to bring forth a

bill. We urge him to talk to his colleague in command of the House to let the Rules Committee open the gate over there. We want a civil rights bill now—not next January.

It is not the Republican administration which hopes for delay. It is not the Republican minority in the House and Senate which stands in the way.

The roadblock is the Democratic majority which has the votes and the control. I shall be delighted to have the majority leader break a lance with them in the cause of civil rights. He will have the administration and the Republican minority solidly behind him—notwithstanding this journalistic trial missile which painfully struggles to get off the launching pad in the face of obvious defects.

Coming from the New York Times, which makes the truth and responsible journalism an article of its faith, this item in this morning's paper is flagrantly insupportable:

"GOP FOR DELAY ON CIVIL RIGHTS—ADMINISTRATION NOW SHUNS FLOOR ACTION AS JOHNSON PRESSES FOR MEASURE

"WASHINGTON, August 23.—Administration aides now prefer to have no civil rights bill reach the floor of either the House or the Senate this session.

"They think there would be a better chance for a strong civil rights measure next year.

"At this late date in the present session, they feel, pressure for adjournment would force civil rights backers in the Senate to give up on controversial provisions rather than face extended debate.

"In the House, they point out, the Republican-southern Democratic coalition has just reached a peak of effectiveness in the labor bill fight, and conditions are therefore not good for strong GOP support of a civil rights measure.

"Next year will be a presidential election year, and political pressure for civil rights legislation is expected to be that much greater.

"This theory runs head-on, however, into the hard fact of Senator LYNDON B. JOHNSON'S plans. The majority leader has said repeatedly that a civil rights bill will be passed by the Senate before adjournment.

"From Senator JOHNSON'S point of view, it is a political must to get the Senate phase of the issue out of the way at this session. He wants at all costs to avoid a party-splitting civil rights battle just before the 1960 elections.

"Thus the strategic picture at present is one of considerable irony. Senator JOHNSON, who has been accused of lukewarm support for civil rights measures, is pushing for early action. Administration spokesmen, who have called for prompt floor action, are now not at all sure they want it.

"End-of-session tactics

"In the end-of-session situation, the southerners in the Senate will be in a position to talk to death any provisions that they find really offensive.

"They will surely not agree to any limitation of debate unless they have assurances from Senator JOHNSON that he has the votes to kill any such proposals.

Senator JOHNSON is therefore in a commanding position to fix the character of any bill passed at this session. He seems likely to seek agreement on these provisions:

"Extension of the Civil Rights Commission, now scheduled to expire next month.

"A requirement for preservation of State voting records and disclosure of them to Justice Department investigators.

"Some provision against bombing of churches and schools.

"Authority to set up Federal schools for children of military personnel when local schools are closed over the racial issue.

"Other provisions requested by the administration include Federal technical aid for school districts agreeing to desegregate, and a law making it a crime to obstruct school integration orders of Federal courts.

"Chances for House passage of any civil rights bill before adjournment now appear nil. A bill is out of the Judiciary Committee, but it will have an extremely difficult time getting the necessary clearance from the Rules Committee.

If the Senate does pass a bill and the House does not, the final decision would be put over until next January. In that event, there is a chance for simple bill extending the life of the Civil Rights Commission to go through this session."

Mr. DIRKSEN. Mr. President, I just wish to be on record, as affirmatively and as emphatically as I know how, as stating that there is not an iota of fact or truth in the New York Times article, I do not care who wrote it; and we will nail down that fact right now.

WHY TAXES ROSE IN NEW YORK STATE

Mr. BUSH. Mr. President, Governor Rockefeller, of New York, delivered an address recently at the annual dinner meeting of the National Association of State Budget Officers, meeting in New York City. He urged the members of this association to project their thinking far enough into the future so that the States would be prepared to meet the responsibilities as well as the opportunities that lie ahead. He said:

I am convinced that our people are ready and willing to assume the responsibilities as well as the privileges of self-government, including the fiscal responsibilities, once the hard facts of the problem are made clear to them.

* * * * *

People recognize that it is cheaper and sounder to pay as we go than to resort to borrowing for current needs at a cost of $1.50 for every dollar borrowed.

A recently published article from the New York Times regarding Governor Rockefeller's address reads in part as follows:

Mr. Rockefeller's advice about meeting fiscal problems head on came at a time when most of the budget directors who heard him were encountering difficulty in getting enough revenue to cover projected spending.

I ask unanimous consent that the news account of Governor Rockefeller's address, to which I have referred, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNOR TELLS WHY TAXES ROSE—STATE FACED FISCAL CRISIS WHEN HE TOOK OFFICE, HE SAYS IN SPEECH HERE

Governor Rockefeller said last night that the State would have plunged over "an economic Niagara Falls" without even a barrel for protection if taxes had not been raised this year.

His defense of his controversial tax increase program was made in a speech at the annual dinner meeting of the National Association of State Budget Officers at the Barbizon Plaza Hotel.

He urged the members to project their thinking far enough into the future so the States would be prepared to meet the responsibilities as well as the opportunities that lay ahead.

"If we are going to have a future worth working for, we must have some idea of its contours and content," he said. "The alternative is government by fits-and-starts, government by improvisation and, in the end, government by crisis."

Recounting his own experience with his first State budget, Mr. Rockefeller continued:

"On assuming office, I found to my dismay how really unprepared the previous administration had been in relation to its fiscal responsibilities.

LIVING BEYOND MEANS

"It had been living way beyond its means and was heading blissfully for an economic Niagara Falls. If we had continued on such a course, we wouldn't even have a barrel to go over the falls in."

But, he said, thanks to courageous action by the legislature, the outlook has changed.

"I am convinced," he went on, "that our people are ready and willing to assume the responsibilities as well as the privileges of self-government, including the fiscal responsibilities, once the hard facts about the problems are made clear to them."

Renewing his support of a pay-as-you-build policy with respect to major construction, Mr. Rockefeller explained:

"People recognize that it is cheaper and sounder to pay as we go than to resort to borrowing for current needs at a cost of $1.50 for every $1 borrowed."

SPENDING RISE FORESEEN

Mr. Rockefeller's advice about meeting fiscal problems headon came at a time when most of the budget directors who heard him were encountering difficulty in getting enough revenue to cover projected spending.

One recent expert study led to a prediction that State and local government spending for the country as a whole would increase by a minimum of 5 percent a year for the next 5 years. This rate, it was said, is likely to be substantially greater than the probable rise in national income.

Between 1946 and 1956 State and local spending rose from $14 billion to $43 billion, or 209 percent. In the same period national income (gross national product) increased only 99 percent.

The difference between the growth rates of State and local spending and national income account for the increases in tax rates and the rise in the number of governmental bond issues during this period. It likewise accounts for the mounting resistance to further tax-rate increases that most of the State budget officials at the meeting are reporting.

ARE THE PEOPLE AHEAD OF THEIR LEADERS?

Mr. BUSH. Mr. President, strangely enough, in yesterday's New York Times magazine section there was published a very brilliant article on a subject closely related to that discussed by Governor Rockefeller in his recent address before the National Association of State Budget Officers. The article is entitled "Are the People Ahead of Their Leaders?" and was written by the distinguished junior Senator from Oregon [Mr. NEUBERGER].

In this article, the Senator from Oregon asserts that in today's world, Americans are ready to face reality and more ready to make sacrifices than many of their representatives believe. I was so impressed with the common sense of this article and with the general philosophy of it, which I think is so important to us here today, that I ask unanimous

consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARE THE PEOPLE AHEAD OF THEIR LEADERS?
(By Hon. RICHARD L. NEUBERGER, of Oregon)

WASHINGTON.—Many Members of Congress admit candidly to a belief that practical politics requires them to be extremely wary about acquainting their constituents with the stern realities that face the United States in a troubled world.

In the minds of these Senators and Representatives exists a stereotype of the average voter which adds up to a fellow who, given the choice, will invariably follow the path of least resistance. They fear the people are not prepared for further sacrifices in order to advance America's interests and prestige abroad. They are convinced the public is oblivious to the magnitude of the perils in the present world situation, particularly with respect to the industrial and technological emergence of Russia and, to a lesser degree, of Communist China. Nor do they feel that gratitude will accrue to the political leader who endeavors to alert the public to such dangers.

One reason for this rather unflattering concept of the folks back home is the notion, widely held on Capitol Hill, that much of the electorate is more interested in a new hard-surfaced road to the county seat than in what happens to Burma or Iraq. If there is any one maxim which seems to prevail among many Members of our National Legislature, it is that local matters must come first and global problems a poor second—that is, if the Member of Congress is to survive politically. Berlin or Cyprus may be important, but it is at the courthouse and precinct level that votes are won. And I have heard more than one colleague declare that a lot of his constituents would rather have their taxes reduced than land a space rocket on the far side of the moon.

The results of such beliefs may be discerned in many aspects of governmental policy. Despite the fact that even the President's shaky $77 billion budget is not balanced by existing revenues, in neither the Senate nor the House is strong sentiment apparent to increase taxes so that this generation can take care of its own obligations. The fiscal year just ended saw some $13 billion added to the national debt. The interstate highway trust fund is running in the red, but Congress has moved slowly and with great reluctance on the matter, although at last the House Ways and Means Committee has taken partial measures to put the program on a pay-as-you-go basis.

Nor is such political timidity confined to Capitol Hill. Some 34 Governors of the sovereign States want the Federal Government to continue providing 90 percent of the $39.2 billion cost of these interstate roads, but they have petitioned against raising the Federal share of the gasoline tax.

Postal revenues still lag behind expenditures, yet bills to boost postage rates languish in congressional committees. There is much oratory against special privilege in general, but little is done specifically. Tax loopholes are not closed, despite the obvious discrimination and injustice which they typify. And despite all the fanfare about political reform, bills to control or regulate campaign spending still have gotten nowhere on congressional calendars.

The glut of agricultural products continues to mount in warehouses and silos, but the sponsors of the administration's much-heralded program to cut down on wheat price supports did not even seek a Senate rollcall on their own proposal. Key Senators from farm States were reluctant to be forced into taking a stand. The reciprocal-trade structure wobbles when lower bids on electrical equipment from friendly neighboring nations are deliberately set aside by the Government, under heavy political pressure, in favor of paying higher prices to domestic firms.

In the political world there is apprehension over the presidential elections of 1960. An unwillingness exists to offend blocs of votes. This attitude rests mainly on the thesis that the American public is not ready for sacrifice, that the presidential hopeful who dared advocate higher taxes or more expensive postage stamps or an end to discriminatory benefits favoring powerful political groups would be out of the running.

In my opinion, such concepts are wrong. I believe that the national leader who promised the public sacrifice rather than subsidies would soon rally a dedicated and informed following in every State. I think he could speak in terms of increased Federal revenues to defend ourselves and the rest of the free nations, and I feel he could challenge many special interest organizations to relinquish their favored treatment at the expense of the public purse. He would have to be fair, and he would have to voice his advocacies without fear or favor.

Let me make plain what I mean. He could not ask the rural electric farm cooperatives to give up their special 2 percent interest rate on loans from the Treasury, unless he also challenged the private power companies to abandon their accelerated tax writeoffs. But if he did both, I am convinced he would not only get away with it but increase his popularity.

I am aware that my authority for such statements is sharply limited. I am only 1 of 98 Members of the Senate, and I come from a Pacific seaboard State of only 1,800,000 residents. Yet it is not an untypical State, and many national elections have demonstrated that geography rarely influences broad political attitudes in the United States. From the contacts which I have with my constituents—in person and by mail—I think the people are fully prepared for more sacrifices. In fact, it is my view that they are becoming highly suspicious of politicians who imply that the rough trail ahead can be traveled successfully without more sacrifices being undertaken.

A few months ago I decided to put this matter to the test. I introduced four bills to increase Federal revenues by a total of some $3.3 billion. The proposals were (1) a restoration of the excess-profits tax in effect during the Korean war, (2) a reduction in the special depletion allowance for oil companies from 27.5 to 15 percent, (3) permitting the Post Office Department to set its own rates based on sound cost-accounting methods, and (4) increasing the Federal tax on gasoline and other motor fuels from 3 cents to 4½ cents a gallon.

I suppose it may be said that because the first two of these bills would levy only on corporations they involved no political risks. But the proposals to increase postage rates and gas taxes definitely would affect the public, and can be regarded as some measure of whether or not the people are prepared psychologically for additional sacrifices to bear the necessary burdens of government.

During a 10-day trip across the continent to Oregon, I spoke a dozen times before various organizations. The theme of each speech was the same—that if we expected more benefits and a higher level of services from the U.S. Government, then we should be prepared to pay for them in the form of increased taxes.

On no occasion did I encounter a reaction which could be regarded as hostile. Indeed, it seemed to me that exactly the opposite was the case. I remember particularly addressing the annual luncheon of the Western Forest Industries Association. This is an organization of prominent lumbermen, who seek additional funds for the Forest Service in order that larger stands of national forest stumpage may be offered for sale.

In effect, I told these constituents that, while they constantly pressured me to secure more appropriations from the Treasury, I never once had heard from any of them in behalf of augmenting Treasury revenues. Then I offered my belief that this generation should take care of its own needs and obligations, rather than shoving them off onto the Americans of the future, who will have plenty of problems of their own.

I had spoken to the Western Forest Association in the past, but this was the only time I ever received what might be called an ovation. Many members came to the dais and said they were glad to be told the truth rather than being fed "political pap." And my mail still contains letters of approbation from these hardheaded sawmill operators.

This has been the predominant reaction which I have encountered to my tax-increase proposals. For every letter from Oregon criticizing the proposals to boost motor-fuel levies or to authorize higher postage rates, there are at least two letters approving both ideas.

I actually had submitted myself and my political fate to something of this same test last year, when my vote decided the question of higher postage rates on a special five-member Senate subcommittee appointed to consider the issue. The first general rate increase in all categories since 1932 was the result. Political attacks on me in Oregon took place almost immediately. I was accused of putting a tax on the mother writing her GI son in military service, or on the maiden sending a love letter to her boy friend overseas. Among the critics was my senior colleague in the Senate, WAYNE MORSE, one of the most tireless and effective orators in American public life.

My answer was short and direct. I pointed out that the Post Office Department had been operating at a deficit of $700 million, while paying its clerks and letter carriers wages as low as $4,000 a year. Should this deficit be narrowed by the people and businesses who were using the mails or should it be heaped on the entire body of taxpayers, now and in the future? I doubt if a dozen citizens came to me all during the autumn with any criticism of my decisive vote to institute higher postal rates.

This is consistent with our whole national past. The American people have never flinched from burdens and sacrifices, despite the frequent effort of demagogs to discourage them from doing so.

During the terrible ordeal of the Civil War, it became necessary for the Federal Government to enact the first general conscription law Americans ever had experienced. The law declared all able-bodied male citizens between the ages of 20 and 45 eligible for military service in the Union Army. Foes of President Lincoln and his administration spared no effort, fair or foul, to inflame the public against what then seemed an extraordinary demand upon the lives and careers of the Nation's young men. Lincoln even had political antagonists in his own Cabinet who administered the law as oppressively as possible, in order to arouse popular indignation, especially among wives and mothers.

Yet, in spite of these appeals to selfishness and cowardice, the people supported the Union war effort and the President who headed it. The so-called Peace Democrats, who felt the public was unequal to heroic sacrifices, suffered constant repudiation at the polls. President Lincoln won the electoral vote of all except three Union States in 1864.

The lessons of our history point dramatically to a national capacity for sacrifice and

great deeds. Yet neither Congress nor the administration seems disposed to draw on these lessons for guidance in the present crisis of relations between East and West, with the Soviet Union steadily drawing nearer to parity or even supremacy over us in many important realms of technology and production.

The $13 billion added to the national debt in the last fiscal year might have been even greater if some leading Democrats had achieved their wish for across-the-board tax reductions in the spring of 1958.

I would recommend a careful review of an episode which occurred in 1947 when the Republican 80th Congress enacted a generous tax reduction, despite the huge national debt left over from World War II and the drastic inflation already setting in after the abrupt removal of price control. President Truman vetoed the tax-reduction bill and made the veto stick by a narrow margin. "This is the wrong time to provide for tax reduction," he told Congress.

In the elections of 1948 the Republicans seized on this veto as a major issue. Harry Truman not only retained the Presidency, in one of the great political upsets of our era, but the Democrats wrested dominanace in the Senate and House from the Republicans, many of whom had assumed that tax reduction would be an issue of overwhelming popularity with the American public.

A new look at public opinion might well be undertaken by the current 86th Congress. Predicated on my own mail and on personal contacts with the voters. I would unhesitatingly declare that the public prefers additional sacrifices to either an abandonment of our obvious national needs or to a piling up of further financial deficits. I believe the Members of the Senate and the House must be able to separate the clamor of special interests from the legitimate voice of the people.

This sifting is not too difficult. On many issues, the public may be quiescent while a few lobbyists with mimeograph machines and funds for telegrams may seem to take over. Yet this does not mean that the public agrees with the pleadings of the special interests—far from it. And on election day the Jeffersonian axiom of "one man, one vote" generally prevails. Special interests and pressure groups may be able to buy unlimited wires and letterheads, but ballots are not thus readily procured.

Of course, public opinion is never suspended between heaven and earth like Mohammed's coffin. It does not exist in a vacuum. It frequently must be mobilized, cultivated and informed. This is where the executive and the Congress both have an obligation to make every effort to help educate the voters to the realities which confront us all. People rarely can know on their own the specific facts regarding military might of the Soviet Union or the industrial emergence of Red China. These must be disseminated by political leaders who are not afraid to tell their constituents the cold, hard truth, grim and unpleasant though it may be.

This educational process can take many forms—in speeches, direct personal contacts, through the vast torrent of mail which flows out from Capitol Hill and the White House, in press releases and in news letters.

The President possesses the greatest forum in the land, because each word spoken at the White House is magnified countless times. Every Member of Congress also has innumerable avenues to his constituents. Thus, public opinion can be created and led, if those in Government have the courage to keep the sugar-coating off the prescriptions which they prepare for the American electorate. Indeed, this educational process may be one of the most important duties of those who serve in high national offices. Could Jefferson have acquired the West or Lincoln have held together the Union if they had disregarded the formation of public opinion, even with the relatively crude methods for reaching the people which were available in the periods in which they played their epoc roles?

Speaking of a complex and potentially unpopular issue like foreign aid, Senator J. W. FULBRIGHT, of Arkansas, chairman of the Senate Foreign Relations Committee, said that only the President could prepare the whole public to accept such a program as this. I agree substantially with the Fulbright thesis, although I would add the one cautionary note that Congress likewise has a duty to spread vital information in support of essential undertakings which may be politically unpopular or unpalatable. And Senator FULBRIGHT recently told his colleagues that he believes the American people "would prefer to pay more taxes, if necessary, than to default to the Soviet Union."

So I hope our colleagues in both Chambers of Congress will take a fresh look at the willingness of the average American to face up to realities. I doubt if our people want to be told that they can enjoy increased governmental benefits without paying higher taxes. I doubt if they want to be assured that the Soviet Union can be kept from world domination without many of our young men experiencing rigorous service in their country's uniform. I doubt if they want special privilege, whether it goes to labor unions or to big business.

This same challenge goes, too, to the military hero now serving his final term in the White House. In the last analysis, his is the one national voice in the land—the only voice not anchored to the sectional interests of a single State or region. Harry S. Truman, who has a deep reverence for the high office he occupied for 7 years, has written, "It is through the use of these great powers (of the Presidency) that leadership arises, events are molded and administrations take on character."

I think this is sound advice to Dwight D. Eisenhower. If he should seek further sacrifices and national duty of his continent-wide constituency, I have no doubt whatever that the American people will respond with firmness and with courage—as they have to all similar appeals from their leaders since this country was founded under great travail in 1789.

DISASTER AT ROSEBURG, OREG.

Mr. MORSE. Mr. President, on August, 19 I discussed in the Senate a number of the details concerning the disaster which struck Roseburg, Oreg., in the early morning hours of August 7. A tremendous explosion of a dynamite- and ammonium-nitrate-laden truck caused at least 16 deaths, resulted in more than 52 cases of severe injury, and brought about millions of dollars of property damage losses.

The reports I received concerning this terrible emergency left me with lasting and deep impressions of the wonderful and heroic responses of the people of Roseburg and the entire State of Oregon.

Again and again there came to my attention glowing reports of the speed and efficiency with which the Oregon National Guard acted in this instance. Within an almost incredibly short period of time members of the National Guard were on duty in the disaster area protecting lives and property and bringing order to what otherwise might have been chaos.

Today I received a letter from Brig. Gen. Alfred E. Hintz, the adjutant general of the State of Oregon. His report concerning the mobilization of the Oregon National Guard and the work of the National Guardsmen during this emergency so impressed me that I believe it should be brought to the attention of the entire Congress. For that reason, Mr. President, I ask unanimous consent that General Hintz' letter of August 19 be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF OREGON,
MILITARY DEPARTMENT,
Salem, Oreg., August 19, 1959

Hon. WAYNE L. MORSE,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR MORSE: Regarding our recent tragedy in Roseburg, I thought you would be interested to know briefly the role the Oregon National Guard played in assisting the citizens and city of Roseburg.

On Friday morning, August 7, following the early hour explosion at 0115 hours (1:15 a.m.), the first unit of the Oregon National Guard was called out. The unit was Company D, 2d Battle Group, 186th Infantry, stationed in Roseburg. Approximately 50 percent of the unit was mobilized by 0145 hours (1:45 a.m.) which is less than 1 hour after the time of the explosion. This indicates the degree of organization and readiness that exists in our National Guard units without further enlarging upon the matter. The balance of this unit was present by 0600 hours (6 a. m.). The first elements of the unit stationed in Cottage Grove, Company B, 2d Battle Group, 186th Infantry, arrived in Roseburg about 0700 hours (7 a.m.), August 7, with the balance of the unit present by 1200 hours (noon) on August 7. These were the only two units initially called out by the adjutant general's office as directed by the Governor's office. At 1130 (11:30 a.m.) on August 7, additional help was requested by officials in Roseburg. The Grants Pass unit, Company C, 2d Battle Group, 186th Infantry, was then mobilized. This unit was present in Roseburg by 1730 hours (5:30 p.m.). The total strength of these three units which were present in Roseburg was as follows: 20 officers, 1 warrant officer, 191 enlisted men.

The above units constituted the units of the Oregon National Guard that were utilized in the disaster area. The total strength was gradually reduced throughout the period August 7 through August 15 with the last National Guard personnel released from Roseburg at 2000 hours (8 p.m.) August 15. The total cost to the Mililtary Department, State of Oregon, for the entire period was $10,833.53.

The primary duty of these units was to protect life and property in the Roseburg area in the initial days of the disaster until businesses were secured to protect against looting. After this had been accomplished, the National Guardsmen were used to isolate dangerous areas and buildings from all but authorized persons.

These National Guardsmen gave freely and willingly of their time. In many instances, the pay they received from being on military duty was much less than the wages from their civilian jobs. However, this was of no major concern to the men as they knew the people of Roseburg had lost a great deal more. It is a glowing spirit and joint effort by our National Guard units in times of need such as this, that makes us all justly proud of the Oregon National Guard.

The merit and conduct of the National Guardsmen during the Roseburg disaster have been further endorsed by most appreciative and praiseworthy comments from civic and State officials who worked closely

with the stricken city. I feel such words of praise are most deserving.

With best personal regards and I look forward to the pleasure of seeing you again soon.

Sincerely,

ALFRED E. HINTZ,
Brigadier General,
The Adjutant General.

REV. DR. FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. MORSE. Mr. President, on August 16, 1959, the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], and the Chaplain of the Senate, the Reverend Dr. Frederick Brown Harris, participated in a broadcast into the State of Texas. In the broadcast, the Senator from Texas very beautifully and eloquently expressed his views about the spiritual leadership of the Chaplain of the Senate. I associate myself with the remarks which the Senator from Texas made about the Chaplain, and I ask unanimous consent that the text of the radio broadcast be printed at this point in the RECORD.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

WASHINGTON RADIO REPORT FROM LYNDON B. JOHNSON, U.S. SENATOR

Senator JOHNSON. Today I have in the Senate radio studio with me, in the Capitol of the United States, one of the best men and one of the wisest men with whom I am associated. He is Dr. Frederick Brown Harris, Chaplain to the U.S. Senate.

Dr. Harris was ordained in 1912. He has served as Chaplain continuously since 1949, when I came to the Senate, and was Chaplain prior to that from 1942 to 1946.

Dr. Harris is the author of five books, as well as a weekly syndicated column "Spires of the Spirit."

Dr. Harris tells me that Benjamin Franklin was the man responsible for bringing the Chaplain into the Continental Congress.

I think, Dr. Harris, my first question will be to ask you to give the people of Texas something of the history of the chaplaincy in the U.S. Senate.

Dr. HARRIS. May I say first to the good people of Texas that I count it a privilege to have a little part in this program with my good friend, Senator LYNDON JOHNSON, whom I very greatly admire. He is, indeed, an able leader.

Now, as the Senator said, the custom of having a Chaplain goes back really to Carpenters Hall in Philadelphia. They had been meeting day after day without any recognition of spiritual verities, when Benjamin Franklin arose one morning and called attention to the fact that they had gone on with all their perplexing problems without any recognition of the Almighty.

He suggested that they call a minister from some distance in for the next day. They did, and continued to do that every day during their discussions following.

That was really the beginning of the chaplaincy. It was not a recognition, of course, of church, but of religion—which is a very different thing.

Senator JOHNSON. Dr. Harris, there's nothing as important to me as your daily prayer or as the variety of prayers that are given in the Senate by visiting ministers that come from time to time. I know it's that important to me and how important it is to other Members of the Senate.

I wonder if you would tell me—if you think it's appropriate—about your daily work and the visits that you have with people from all over the United States as well as with Members of the Senate.

Dr. HARRIS. Well, of course, it's a very great inspiration to meet so many people, constantly, from all parts of the country and, through the Senators, to have the opportunity for contact with them.

As far as the prayer is concerned, it's a deep satisfaction to know that it isn't just a pious gesture.

For instance, as far as the Senators are concerned—if, because of committee meetings or other pressures, they cannot be there at the opening of the Senate, they tell me again and again that the prayer means a great deal in their lives, that they always read it whether they happen to be there when it's offered or not. A number of them have lately said to me that they read it aloud in their families.

Senator JOHNSON. I would remind my listeners that the prayer is reproduced each day on the front page of the CONGRESSIONAL RECORD of the Senate proceedings.

I think that results in considerable mail coming to you, doesn't it, Dr. Harris?

Dr. HARRIS. Yes; that's one of the great compensations of this wonderful relationship to the Senate. Letters come from folks all over the United States saying that they use the prayers in their own devotional life.

Senator JOHNSON. Thank you, Dr. Harris. We have enjoyed having you as our guest today.

Mr. MORSE. Mr. President, I call attention to two matters relative to the Chaplain which I shall raise in due course of time when it is appropriate to raise them in connection with proposed legislation on the floor of the Senate.

First, I think we ought to correct the unfair policy which we are following in respect to the salary of the Chaplain. I think we should end the inequality which exists between his salary and that of the Chaplain of the House. That statement is no reflection on either Chaplain. I simply think the salaries ought to be equalized. I shall initiate at the appropriate time the necessary legislative action which will accomplish that purpose.

Second, in the past I have been the author of resolutions which have provided for the printing of the beautiful and inspiring prayers of the Chaplain. I am advised that the supply of copies of the Chaplain's prayers is almost depleted.

I make great use of these prayers in response to mail which I receive asking for copies of them, as I know other Senators do. I think it is well in America that we disseminate as widely as possible the great spiritual lessons which the Chaplain teaches us morning after morning as he prays over us and asks for divine guidance of our work in the Senate.

I simply serve notice now that at the appropriate time I shall not only sponsor a proposal which will make it possible to replenish the copies of the prayers which have been printed heretofore, but shall also ask authorization that the new supply contain the prayers which have been offered since the last previous printing, and that they be published in individual volumes, because I think in such form they are the most serviceable.

I have heard from many, many ministers throughout the country urging this course of action. I consider it a privilege and an honor to continue my sponsorship of these printings. I feel certain that the Senate will support me in my recommendation.

CIVIL RIGHTS LEGISLATION

Mr. HENNINGS. Mr. President, this is Monday morning, the day the Committee on the Judiciary regularly and habitually meets. I wish to call the attention of the Senate to the fact that late on Friday afternoon, there was delivered to my office a notice that on this day there would be no meeting of the Committee on the Judiciary. No reason was assigned, and I do not wish to ascribe unworthy motives to anyone. I only wish to state facts.

The facts are these, among others: that the pending business before the Judiciary Committee is my amendment in the nature of a substitute for Senate bill 2391, commonly known as the civil rights bill, which was the legislation favorably reported by the Senate Constitutional Rights Subcommittee; it was being considered when the committee last discussed the matter of civil rights.

Earlier this month, I became convinced that a number of members of the Judiciary Committee—I may say no more than 4 or 5, out of the committee of 15—were intransigent in their determination that no civil-rights measure of any kind or character would be reported from the Committee on the Judiciary.

Many of us undertook to obtain from our worthy colleagues expressions on this subject; and I went so far as to ask the question, "Are any of the gentlemen who have been opposing this proposed legislation in toto, willing to accept any part of it?"

I have yet to hear any affirmative answer from any of those gentlemen. I wish to emphasize that it is certainly their right to follow the dictates of their own consciences and their own beliefs.

Accordingly, because of the conviction that no civil-rights measure would be reported from the Judiciary Committee, because the majority of the committee would not be permitted to vote to report to the Senate any civil rights bill—a week ago today I undertook to bring the matter to the floor of the Senate.

I should like to say—without any argument ad personam—that what has happened today simply bears out the fact, which I stated before the Senate a week ago, that I had no hope that any proposed civil rights legislation would be reported from the Judiciary Committee.

Accordingly, we proceeded—and I may say that I did so most reluctantly—to bypass the Judiciary Committee. Today's failure of the committee to hold any meeting whatsoever, with its pending business being the civil rights bill, as reported to the full Judiciary Committee by its Constitutional Rights Subcommittee—together with the substitute I offered—demonstrates that there is no willingness on the part of a minority of the Judiciary Committee to report to the Senate any civil rights measure. In fact, there is a very determined effort by a minority of the Judiciary Committee to

prevent the reporting of any civil rights measure to protect the rights and freedoms of all our people. Therefore I think it must be done by an amendment to a bill already on the calendar or otherwise before the Senate, as I have indicated. That is why, Mr. President, I submitted last Monday my eight-point civil rights package, which is presently an amendment to S. 1617 on the Senate Calendar. I might say that I stand ready to offer that, or some portions of it, either in toto or separately, as an amendment or individual amendments to proposed legislation, as it may in due course seem most expeditious and proper to do so.

PROPOSED FILMING OF "THE UGLY AMERICAN"

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "'Ugly American' Embroils Capital," written by E. W. Kenworthy, and published in the New York Times of August 24, 1959. The article deals with the proposed filming of the book "The Ugly American," by Eugene Burdick and William J. Lederer, in the Embassy at Bangkok, Thailand, and the effort to enlist the good offices of the State Department in making the film. The State Department is being urged to facilitate the filming of this book.

I wish only to raise the question as to the wisdom of the Department itself, or the Government, lending its approval and imprimatur to such a film. I assume that in our country of free enterprise we cannot prevent the filming of any kind of book, no matter how scandalous it may be or how misrepresented our Government may be in such a film.

On the other hand, it seems to me unwise to lend the name and support of the Government to the filming of what I consider to be a vastly exaggerated and libelous account of how our Government is conducted.

I do not deny that there is inefficiency in government. There is often good reason for the existence of inefficiency. I believe that our Government ought to do everything it can to improve. However, it might well be a serious mistake to lend our approval to this enterprise, especially by having the film made in the Embassy in Bangkok, and giving the producers the right to say that the book was filmed under such conditions.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JORDAN. In other words, the Senator does not want to publicize our inefficiency any more than necessary?

Mr. FULBRIGHT. The Senator is correct. I feel the same way about some of our domestic affairs, even in the Senate. We can talk about them, but I do not wish to make a film of them. I am always hopeful that we may be able to improve the situation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"UGLY AMERICAN" EMBROILS CAPITAL—STATE DEPARTMENT PRESSED TO BACK FILMING OF BOOK IT DIDN'T LIKE

(By E. W. KENWORTHY)

WASHINGTON, August 23.—For some weeks, a backstage drama has been enacted here involving a script writer, assorted Congressmen and high State Department officials, Marlon Brando, Ambassador Gilbert MacWhite, and a beautiful Eurasian girl, named Ruth Jyoto.

In this cast of characters, it should be noted, Ambassador MacWhite and the beautiful Eurasian girl are strictly figments of the imagination. Even so, they are all too real for the State Department.

In the filming of "The Ugly American," Eugene Burdick and William J. Lederer made Gilbert MacWhite one of the few "good guys" in a parcel of incompetents, mediocrities and political sinecurists, who were making a hash out of the foreign aid program.

The book was published last fall by W. W. Norton & Co., New York.

BRANDO HAS LEAD

In the film of "The Ugly American," which will be made by Universal-International Pictures, Inc., Ambassador MacWhite will be the bachelor-hero who resigns his post when Washington insists on building a big, modern road that the natives do not want and insist they do not need. Marlon Brando will have the part.

Unfortunately for film purposes, Messrs. Burdick and Lederer did not supply any love interest. This deficiency has been remedied by the script writer with the creation of Ruth Jyoto.

State Department officials, who have seen the first script, variously describe scenes between the Ambassador and the Eurasian beauty as "quite amorous" and "plenty hot."

The drama here has centered on whether the State Department should lend its good offices in the making of the film and, if so, how much.

SUPPORT IN CONGRESS

The producers and a number of Senators and Representatives have argued that the State Department should be cooperative. The State Department, whose enthusiasm for "The Ugly American" has been negligible, has had its doubts.

The first act, or, rather, the first round, has ended with Universal the victor.

George Englund, the producer-director, and Stewart Stern, the script writer, will arrive in Bangkok, Thailand, tomorrow to make location surveys and other preparations for shooting the film.

They will have been preceded by a letter from the State Department directing the Embassy to extend them the courtesies and cooperation normally accorded American businessmen.

The story leading to the dispatch of this letter began last March when Messrs. Englund and Stern, accompanied by John Horton, Washington representative for Universal, talked with Edwin M. J. Kretzmann, Deputy Assistant Secretary of State for Public Affairs, and several other officials.

Messrs. Englund and Stern said they did not want to do a film that would harm U.S. interests, that they were eager to dramatize a positive statement about American foreign policy, and that they would appreciate the help of the State Department.

The State Department officials, it is said, made it plain that the Department could not be put in the position of collaborating on the picture or endorsing it or censoring it.

Messrs. Englund and Stern, according to informants here, said that they would not, of course, submit to any censorship, but they would like Department officials to read the first draft of the script when it was ready and express the Department's views.

On this understanding, the Department officials agreed to read the draft.

A FRIEND IN NEED

During this March trip, Messrs. Englund and Stern also "put an anchor to windward" on Capitol Hill. They called on Representative JOHN BRADEMAS, Democrat, of Indiana, a former Rhodes scholar and a friend of Mr. Burdick. Mr. BRADEMAS set up a luncheon with several Senators and Representatives.

About a month ago, four copies of the first draft of the script were delivered at the State Department. According to Mr. Stern, the readers in the Department were not exactly enthusiastic but they were interested.

The view of Department officials, who do not want to be named, was that the script stank.

WRITERS CHIDED

What was particularly objectionable in the Department's view, it was said, was the basing of the plot on the road project.

The script writer, this official said, had no more understanding than Messrs. Burdick and Lederer of the economic and military importance of a road.

Mr. Englund and Mr. Stern became convinced that the Department would pass the word to Thailand that it was not eager to have the picture made.

Mr. Englund got in touch with several Democratic legislators, including Senator HUBERT H. HUMPHREY, of Minnesota.

Senator HUMPHREY wrote to Christian A. Herter, Secretary of State, that he was convinced Mr. Englund and his associates were attempting to do an honest and responsible job of telling what the State Department and the International Cooperation Administration were doing in Southeast Asia.

He said he thought Mr. Englund should receive every courtesy from the Embassy in Bangkok.

State Department officials are eagerly awaiting the second draft. They are also wondering what to say if Mr. Englund asks to shoot some of his scenes in the U.S. Embassy.

ACCOMPLISHMENTS AND OBJECTIVES OF NATO—ADDRESS BY EDWARD J. MEEMAN, EDITOR, MEMPHIS PRESS SCIMITAR

Mr. KEFAUVER. Mr. President, approximately 130 distinguished citizens from the United States attended the Atlantic Congress in London last June. This was a most important Congress, one in which the political and economic ties of the free world nations further were strengthened. Included among our American delegates was Edward J. Meeman, editor of the Memphis Press Scimitar. Mr. Meeman, in an address before the Knoxville Rotary Club on August 4, listed the accomplishments and objectives of NATO in a forthright and constructive manner.

I ask unanimous consent that Mr. Meeman's excellent observations be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LONDON: THE ANSWER TO GENEVA

(Address of Edward J. Meeman, editor of the Memphis Press-Scimitar to the Knoxville Rotary Club, Hotel Farragut, August 4, 1959)

In the summer of 1955 I attended the first session of the NATO Parliamentary Con-

ference, composed of representative members of the parliaments—in our case Congress is the parliament—of the 15 nations which are members of the North Atlantic Military Alliance, which assembled in the Palais de Chaillot, the NATO headquarters in Paris. I was there to report and comment on its proceedings for the Scripps-Howard newspapers.

The Paris Conference was held in the same week as the first summit conference at which President Eisenhower met the head of the Soviet Union.

I heard a delegate from the Netherlands say: "What we are doing here in Paris is more important than what they are doing at Geneva."

So it has proved. Little or no permanent good came from the summit meeting, but the NATO Parliamentary Conference was successfully organized and has met every year since. Out of its 1957 meeting came the call for an Atlantic Congress, which was to be held in 1959, on the occasion of the 10th anniversary of the North Atlantic Treaty Alliance, to be attended by 650 delegates, one-third members of parliaments, and two-thirds citizens, of the 15 NATO nations. That Congress, held in London June 5 to 10 of this year, I attended as one of the delegates representing the United States. The Congress, like the first Parliamentary Conference happened to be held simultaneously with a meeting at Geneva, this time of foreign ministers of the Western Powers with Khrushchev's Gromyko. So far the Geneva meeting has been fruitless. But our London meeting bore fruit. It was not a large crop, but a good one, and the fruit contains seeds which, if you and I plant and nurture them, hold rich promise of saving our lives and our prosperity.

Why was what happened in Paris in 1955 and what has just happened in London in 1959 more important than what was happening in Geneva at the same time? Because the Russians do not pay much attention to what the nations of the West say to them. But they do sit up and take notice of what the nations of the West say to each other. They pay attention when we talk about getting closer together, and follow up that talk by actually working closer together. In Geneva in 1955 and again in 1959, the West was talking with the Russians, and nothing has come of it. But in Paris in 1955 and in London in 1959, the free nations of the West talked with each other about getting closer together and did move closer together.

The most striking example of how the Russians are impressed not so much by what we say as by what we do was given at the time of the first Berlin blockade in 1949. They were not impressed by our protests at the illegality of what they were doing. But they were impressed when we successfully supplied Berlin by the airlift. They were even more impressed when the nations of Western Europe and North America got together in the North American Treaty Alliance, which we now call NATO for short, and agreed that an attack on one would be considered an attack on all. They gave up the blockade.

So when the parliamentarians and representative citizens of the NATO nations met on the 10th anniversary of NATO with the purpose of achieving greater unity, the Russians were impressed.

Who were the citizens from 15 countries whom the parliamentarians invited to propose, discuss, and vote with them? They were citizens who are in a position, for one reason or other, to reach their fellow citizens with the information about the state of our defenses, military, economic, and ideological, and the ideas developed at the Congress of what can be done about the present crisis. Some of the citizen delegates were political leaders; some publishers, writers and editors; some business leaders; some lawyers, some educational and religious leaders.

From France came such men as Gen. Pierre Billotte, who was Chief of Staff during World War II, and later minister of defense of France, Henri Faure, the statesman, and Andrew Maurois, the famous writer.

From the Netherlands, Lt. Gen. Calmeyer, who will have no knuckling to communism.

From Belgium, Franz van Cauwelaert, vice president of the NATO Parliamentarian's Conference.

From Norway, Finn Moe, chairman of the committee of foreign affairs of the Storting.

From Denmark, Ole Bjorn Kraft, former foreign minister.

From Greece, Panayotis Pipinelis, former foreign minister, now giving his time to Greece's Conservative Party.

From Britain came such leaders as Earl Attlee, the prime minister under whom India found freedom and independence.

The U.S. delegation was headed by Lewis Douglas, former ambassador to Great Britain as honorary chairman, and Eric Johnston, former president of the U.S. Chamber of Commerce, and now head of the Motion Picture Producers of America, as chairman.

Our delegation included such men as:

Gen. David Sarnoff, chairman of Radio Corp. of America.

Gen. James M. Gavin, who resigned from the Armed Forces in order to be free to say what he as a patriot thinks should be done about our national defenses.

Erwin D. Canham, editor of the Christian Science Monitor and president of the U.S. Chamber of Commerce.

Dr. Frank Rose, president of the University of Alabama.

Father Edmund Joyce, executive vice president of Notre Dame University.

Percival F. Brundage, who served President Eisenhower as director of the budget. He says that the U.S. taxpayers could save $10 billion a year thru Atlantic Union, under which defense costs would be shared proportionally by all the 15 nations.

Meyer Kestnbaum, chairman of Hart, Schaffner & Marx, and White House consultant.

Elmo Roper, noted public opinion analyst.

Palmer Hoyt, editor and publisher of the Denver Post.

Philip D. Reed, former chairman of the board of General Electric Co. and president of the International Chamber of Commerce.

Harry Scherman, chairman, Book of the Month Club.

Charles Rhyne, recently president of the American Bar Association, and now head of its Committee on World Peace Through Law.

Our own Mayor Edmond Orgill, of Memphis, did valuable work on the political committee.

Memphis was well represented. Leo Burson, of Memphis, was appointed an alternate delegate, and when a vacancy occurred in the American delegation, he became a full delegate and did valuable work on the Committee on Relations With the Communist Bloc.

The Congress met in the shadow of the Houses of Parliament, that British Parliament that is the mother of all parliaments, parliaments which have brought to men all over the world laws which guarantee the rights of man, laws which say that a policeman may not knock on a man's door in the middle of the night, and take him away without warrant, to be imprisoned or shot without trial, laws which assure that a person may go to school where he pleases and work where he pleases, read what he pleases, say what he pleases, listen to what he pleases, travel where he pleases, and know that the property he accumulates will not be confiscated.

The opening session was held in Westminster Hall, the great assembly room with carved stone walls where much history was made. Here King Charles I was tried and ordered beheaded. Here Warren Hastings was also tried, but saved himself. And that morning of June 1959, as we waited in meditative silence for the opening ceremony we knew that the free world was now on trial. Can free men summon the wisdom and determination to save themselves? We knew that it would be our responsibility in the sessions that would follow to try to do just that.

The solemn yeoman and trumpeters in the brilliant red and gold uniforms of the time of the first Queen Elizabeth, heralded the arrival of the second Queen Elizabeth, who came in with Prince Philip. They were preceded in solemn tread by Premier Macmillan and the officers of the Congress, including our own Senator KEFAUVER. The Queen took her seat on the dais and rose to give us a cordial welcome. She gave us the keynote. She spoke of the Atlantic Community as an existing fact, and all through Congress it was so alluded to. This is of the greatest significance. If the 15 nations on both sides of the North Atlantic are in fact a single Community, with the same history, the same ideals and the same way of life, a community must have unity. The Queen said to us:

"My hope is that when you disperse, the peoples of the Atlantic community will be a step nearer to practical cooperation."

Did the Congress fulfill this hope? Yes. As the result of our deliberations the NATO nations are "a step nearer to practical cooperation." It was only a short step that was taken, but it was a step in the right direction. It was a step that takes us on the road to unity along which we must travel further and faster, if we are indeed to save ourselves.

The Congress went to work. The delegates divided into five committees; on spiritual, moral, and cultural values, on political and governmental organization; on economics, on relations with the rest of the free world, on relations with the Communist bloc.

Each committee met in a different hotel, and was in turn divided into subcommittees. The committee reports were acted on by the whole Congress in plenary session. The plenary sessions were held in a round room in Church House, adjoining Westminister Abbey. In the committees, the delegates from the various nations were all mixed up, but in the plenary sessions the delegates from a particular nation all sat together. The Congress was conducted in English and French. Most of the speeches were in English, but the French, Belgians, and French Canadians spoke in French. Most delegates from the other nations spoke in English, but occasionally one would speak in French.

Every delegate had an earphone, which he could put on at will and hear an instantaneous translation of the speech, if it was in English, into French; and if it was in French, into English. I marvel at the facility of translators who can translate a man's speech as fast as he delivers it, and apparently to the satisfaction of all concerned.

On several nights the delegates had work to do, but on others they were entertained by the hospitable British at brilliant receptions and dinners. There was an unforgettable midnight performance of "My Fair Lady" put on especially for the delegates.

What came out of the conference? What actions were taken?

The Congress adopted this statement of its political committee:

"The pooling of our national resources in the traditional form of international cooperation seems today hopelessly inadequate

and out of date compared with the new danger that is threatening us all in equal measure.

"Of course, one solution would be to bring about some form of political federation of all of our nations. The idea of such a federation at this time should not be ruled out, but we must face up to the possibility that it may be psychologically premature. In any event we must proceed beyond the stage of an alliance. In other words what we must do is to create a genuine community.

"This will not be an easy task. What it requires is an entirely new enterprise for which there is no precedent in history. It is also one which must be built up on empirical lines combining the maximum amount of boldness in design with a sense of realities.

"The traditional concept of the sovereignty of our countries must not be regarded as something unalterable, like Holy Writ. It must also be realized that in our democratic society the rights of the individual, though they remain the general rule of that society, are limited by law in order to preserve the freedom of other individuals, or to insure social progress in accordance with technical progress. Hence, the need for us to accept limitations of the sovereignty of our nations; limitations which are urgently called for by the overriding needs of our defense, our well-being and our unity.

"In practice, this would require the transfer to a common authority of that part of our national authority which we are obviously no longer in a position to insure except in an inefficient and outdated manner. It is clear that we are living in an era when safeguarding of the freedom of man—which is the highest good—will be impossible to insure without far-reaching structural reforms.

"The time has come for this need to be fully understood, for the peril is becoming more serious as well as more general. It is of course a fact that for the last 10 years our immediate security has been insured by the alliance, and we should be duly thankful for this. But is not our future security endangered by the great strides the Communist world has made since 1945, and the deep and ever-spreading roots it is putting down throughout southern Asia, the Middle East, Africa, and now Latin America?

"Is it not endangered also by the methods of economic subversion which the Soviets have perfected but, as yet, made little use of on a large scale?

"We are coming to the decisive moment when the balance of force runs the risk of being upset. NATO must prepare itself to confront simultaneously all these threatening perils.

"But NATO can only do this if it maintains its strategy and military potential in a position to deter aggression directed against any of its members, and if it builds up stronger institutions which will effectively place the whole of its means at the service of a policy of closer union which will lift mankind to the new era made possible by scientific, industrial, political, and moral progress."

The following proposals for strengthening NATO were adopted which the delegates, having returned home, are now seeking to put into effect, through the action of their respective countries:

"NATO nations should have a common military strategy.

"Each nation should fulfill its military obligations so that the European shield is brought up to its minimum strength.

"There should be wider exchange of atomic information.

"Air defense of Europe should be under a single command.

"NATO nations should consult with each other before they adopt any policy that affects other nations and coordinate more fully their policies on all questions of common concern. In other words let's not have another Suez, in which England and France go one way and the United States another.

"Give Secretary General Spaak more authority.

"To improve the settlement of disputes among member nations, study the possible creation of a NATO Court of Justice. This was proposed by Charles Rhyne in behalf of the American Bar Association and warmly supported by Mayor Orgill.

"In order to consider the further development of the alliance our governments be requested to carry out as soon as possible the remainder of the unanimous recommendation of the Third NATO Parliamentarians' Conference (out of which the present Congress arose) by bringing about not later than the spring of 1960 a special conference composed of not more than a hundred leading representative citizens, directed to convene for as long as necessary in order to examine exhaustively, and to recommend as expeditiously as possible, the means by which greater cooperation and unity may best be developed within the Atlantic community.

"Create a studies center for the Atlantic community in which our moral, spiritual, and democratic values and institutions will be studied and appreciated.

"Assistance by the NATO nations in the economic progress of underdeveloped nations through government and private loans and investments."

I have said that the Russians are not impressed by what we say to them. They pay little attention to it. They pay attention to what we say to each other that brings greater unity in the free world, and what we do to bring that unity about. For they know that the more we get together the stronger we will be.

What can you and I do to achieve that unity?

The most important single thing we can do is to get our U.S. Congress to adopt the Atlantic Congress proposal that a conference be brought about of not more than 100 leading representative citizens, directed to convene for as long as necessary to recommend the means by which greater cooperation and unity may best be developed within the Atlantic community.

This proposal is very similar to that in Senate Concurrent Resolution 17, House Concurrent Resolutions 107 to 108 which was introduced by Senators HUBERT HUMPHREY, of Minnesota; JOHN SHERMAN COOPER, of Kentucky; CLIFFORD CASE, of New Jersey; and ESTES KEFAUVER, of Tennessee. Its chief sponsors in the House are Representatives A. S. J. CARNAHAN, of Missouri, and CLEMENT ZABLOCKI, of Wisconsin.

We can write our Senators and Representatives urging them to support that resolution.

In unity, and only in unity is there strength. We all know the story of the father who demonstrated this to his six sons who were not getting along with each other. He took one stick and quickly broke it in in his two hands. But he put six sticks together and they were as solid and unbreakable as a log. Put the 15 nations solidly together and the Communists can never break them.

We can strengthen the free world by the kind of lives we live. We can watch our daily conduct to see that we are living up to the highest and best that we know.

The outstanding impression I carried away from London was the wealth of intellect and character we have in the free world. We need not avoid closer association with Canada and the nations of Western Europe for fear that those people are not as good as we are, are not as much devoted to democracy and freedom as we are. I do not fear to trust my safety, my property, my freedom to the wisdom and virtue of the man I met in London.

One of the men who impressed me was Panayotis Pipinelis, former Foreign Minister to Greece, who is now working for the Conservative Party in that county. I worked with him on the Free World Committee. I took note of what he said:

"We are to avoid moral isolation in our relations with other peoples and if we are to meet the aspirations of the coming generations, we can do no better than stick to the long-established fundamental values of our morality and civilization: the rule of law; freedom of choice and of thought; the decent comforts of privacy; restraint and justice. I know of no better approach to our problem.

"It is to a certain extent inevitable that, living in a world such as ours where these values are usually taken for granted, the impact they produce on the imagination of other peoples is often underestimated. However, their real pertinence becomes more convincing the moment they are ignored. It is only among peoples who are deprived of any guarantees for the individual, with no freedom of thought, with no privacy in ordinary life, with no possibilities for personal and national expression, that their real importance can be completely understood. That is why, I suggest, the best way of avoiding isolation in our relations with uncommitted nations lies in remaining true to our own ideals and in providing a living example of what life can be in an orderly and civilized society.

"For this, it is not enough merely to pay lipservice to these ideals or to limit our acceptance of them to empty generalities. We have to work out ways and means by which the rules of law and the respect of other peoples' rights can best be safeguarded in international life. The widest possible acceptance of the obligatory jurisdiction of the International Court of Justice should be earnestly pursued. The institution of a separate High Court of Justice for the NATO countries has certainly much to commend it. Other areas of international intercourse must be explored with a view to extending to them the rule of law.

"But it is hardly necessary to point out that legal guarantees in the international field, with their more or less conservative implications, cannot suffice as an inspiration for peoples expecting improvement through change or revolution. We have to integrate into our human relations the dynamic force of justice and accept it as an article of faith and as a constant directive of our behavior."

Then there was Ole Bjorn Kraft, former Foreign Minister of Denmark, one of those sturdy Danes who have dared to join and stick to NATO, despite Soviet threats, though they are right under Soviet guns. He was chairman of the committee on which I served and I got to know him well. I admired his democratic spirit—how he went around the table twice, to make sure that every member of the committee had an opportunity to express his views fully. I admired his opposition to the creation of new international agencies which unnecessarily add to the burden of the taxpayer.

And I learned how he has done his part to make the life of the free world one of decency of behavior, as the Greek statesman said it must be if we are to win. For Ole Bjorn Kraft is one of those who practices the principles of moral rearmament. He has adopted absolute standards for his conduct—absolute honesty, absolute purity, absolute unselfishness, and absolute love. He has a quiet time every morning in which he seeks the guidance of God in all that he thinks and does.

If we men of the free world commit ourselves to such wisdom, goodness, and courage, we can win.

DELAY IN ACTION AS TO FEDERAL JUDGESHIPS

Mr. JAVITS. Mr. President, I should like to say a word about the fact that the Committee on the Judiciary has not brought about the confirmation of the nominations of many nominees to be judges, notwithstanding the overburdened position of our courts. This presses especially hard in the New York jurisdiction.

Notwithstanding everything that I have been able to do and everything that my distinguished colleague [Mr. KEATING] has been able to do, we have made very little progress in bringing about the confirmation of the nominations of admittedly distinguished lawyers, who have been nominated to fill key vacancies on the Federal district and circuit court benches in the New York area.

This is a grave responsibility for the Senate, and a grave disadvantage to the New York jurisdiction, as adjournment day comes closer. So difficult has been my own role in this matter that I have been blamed in one news story for delaying the hearing on the confirmation of the nomination of our nominee for the second circuit court of appeals. This, Mr. President, is simply untrue and is most unfair to me. Nevertheless, with people looking around for explanations to account for what I am the first to say is an unreasonable delay, which has taken place in the case of this particular nominee, Mr. Henry Friendly, of New York, and with regard to other nominees in the New York area, I can hardly blame the newspaper reporter for picking on some conspiratorial reason, rather than on the very evident one that notwithstanding my best efforts—speaking to my colleagues, speaking on the floor of the Senate, speaking in the Republican conferences and every other place I thought appropriate—the Committee on the Judiciary has simply not taken action.

Tomorrow morning a subcommittee of the Committee of the Judiciary, composed of the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. HENNINGS], and the Senator from Illinois [Mr. DIRKSEN], has scheduled hearings on the nomination of Henry J. Friendly to be Federal judge for the second circuit.

That brings up, Mr. President, the question of a "box score." The nomination of Mr. Friendly was made by the President on March 10, 1959; 168 days later, August 25, 1959, the first preliminary step is to be taken by the Judiciary Committee. This delay is genuinely appalling, in view of the fact that the Judicial Conference of the United States reports that as of June 30, 1959, the average number of appeals per judge on the second circuit court bench, to which Mr. Friendly has been nominated, was 85, the highest in the Nation and more than 50 percent higher than the national average of 56.

Mr. President, should the meeting tomorrow be but the prelude to another long delay before action by the full committee and by the Senate, then the 19 million people in the area served by the second circuit—New York, Connecticut, and Vermont—may well feel their judicial needs are being pointedly ignored by the Senate, which is charged with the duty of proceeding on Federal judicial nominations in every section of the country—North as well as South, East as well as West.

In that connection, Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation entitled "Box Score on Judgeships" which relates to how long it is taking to obtain confirmation of the nomination of a man to be a judge, when the man has been nominated—how long it takes to have a hearing and to have action by the full Committee on the Judiciary.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Box score on judgeships

DISTRICT JUDGES

No.	Name, State, and date of reference	Office	Subcommittee and date of reference	Committee action	Committee report	Confirmed
1	Henley, J. Smith (Arkansas), Jan. 17.[1]	U.S. district judge for the eastern district of Arkansas.	Public hearing scheduled Aug. 26, 1959.			
2	Robson, Edwin A. (Illinois), Jan. 17, 1959.	U.S. district judge for the northern district of Illinois.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, Apr. 21, public hearing (recorded).	Apr. 27, approved	Apr. 28 (by Mr. Dirksen).	Apr. 29, 1959.
3	Hart, George L., Jr. (District of Columbia), Jan. 17, 1959.	U.S. district judge for the District of Columbia.	Feb. 18, 1959, Messrs. Eastland, Johnston, and Hruska, June 16, July 1, public hearing (recorded).			
4	Gilmartin, Eugene R. (Rhode Island), Jan. 17, 1959.	U.S. judge for the District Court of Guam.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, Aug. 19, public hearing.			
5	Gordon, Walter A. (California), Jan. 17, 1959.	Judge of the U.S. District Court for the Virgin Islands.	Feb. 21, 1959, Messrs. O'Mahoney, Hennings, Carroll, Hruska, and Keating, public hearing scheduled Aug. 26.			
6	Tucker, John G. (Texas), Feb. 12, 1959.	U.S. district judge for the eastern district of Texas.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska.			Aug. 3, 1959, nomination withdrawn by the President.
7	Crocker, Myron D. (California), Feb. 16, 1959.	U.S. district judge for the southern district of California.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 18, 1959, public hearing (recorded).			
8	Kunzel, Fred (California), Feb. 16, 1959.	U.S. district judge for the southean district of California	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 17, 1959, public hearing (recorded).			
9	Kilkenny, John F. (Oregon), Feb. 19, 1959.	U.S. district judge for the district of Oregon.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 15, 1959, public hearing (recorded).	July 27, 1959, approved.	July 27 (by Mr. Dirksen).	July 28.
10	Julian, Anthony (Massachusetts), Feb. 26, 1959.	U.S. district judge for the district of Massachusetts.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, May 4, 1959, public hearing (recorded).			
11	Walsh, Leonard P. (District of Columbia), Feb. 26, 1959.	U.S. district judge for the District of Columbia.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, June 17, 1959, public hearing (recorded).			
12	Wood, Harold K. (Pennsylvania), Mar. 2, 1959.	U.S. district judge for the eastern district of Pennsylvania.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, July 8, 1959, public hearing (recorded).			
13	MacMahon, Lloyd F. (New York), Mar. 10, 1959.	U.S. district judge for the southern district of New York.	Mar. 18, 1959, Messrs. Eastland, Johnston, and Hruska, June 24, 1959, public hearing (recorded).			
14	Metzner, Charles M. (New York), Apr. 15, 1959.	do	May 5, 1959, Messrs. Eastland, Johnston, Hruska, June 16, 1959, public hearing (recorded).			
15	Bartels, John R. (New York), Apr. 20, 1959.	U.S. district judge for the eastern district of New York.	May 5, 1959, Messrs. Eastland, Johnston, Hruska, June 4, 1959, public hearing (recorded).	July 27, 1959, approved.	July 27, 1959 (by Mr. Keating).	July 28, 1959.
16	Sweigert, William T. (California), Apr. 23, 1959.	U.S. district judge for northern district of California.	May 5, 1959, Messrs. Eastland, Johnston, Hruska, public hearing scheduled Aug. 25, 1959.			
17	Field, John A. (West Virginia), May 11, 1959.	U.S. district judge for the southern district of West Virginia.	July 29, 1959, Messrs. Eastland, Johnston, Hruska, Aug. 3, 1959, public hearing (recorded).	Aug. 10, approved	Aug. 11, 1959 (by Mr. Eastland).	Aug. 11, 1959.
18	Powell, Charles L. (Washington), May 26, 1959.	U.S. district judge for eastern district of Washington.	June 3, 1959, Messrs. Eastland, Johnston, Hruska, June 10, 1959, public hearing (recorded).	June 15, 1959, approved.	June 15, 1959 (by Mr. Eastland).	June 16, 1959.

[1] Renominated Aug. 18, for eastern and western districts.

Box score on judgeships—Continued

DISTRICT JUDGES—Continued

No.	Name, State, and date of reference	Office	Subcommittee and date of reference	Committee action	Committee report	Confirmed
19	Dalton, Ted (Virginia), July 21, 1959.	U.S. district judge for western district of Virginia.	July 22, 1959, Messrs. Eastland, Johnston, Hruska, Aug. 3, 1959, public hearing (recorded).	Aug. 10, 1959	Aug. 11, 1959 (by Mr. Eastland).	Aug. 11, 1959.
20	Weinman, Carl A. (Ohio), July 28, 1959.	U.S. district judge for southern district of Ohio.	Aug. 5, 1959, Messrs, Eastland, Johnston, Hruska, public hearing, Aug. 17, 1959.			
21	Butler, Algermon L. (North Carolina), July 28, 1959.	U.S. district judge for eastern district of North Carolina.	Public hearing, Aug. 18, 1959			
22	Paul, Charles F. (West Virginia), Aug. 3, 1959.	U.S. district judge for northern district of West Virginia.	Aug. 5, 1959, Messrs. Eastland, Johnston, Hruska.			
23	Young, Gordon E. (Arkansas), Aug. 18, 1959.	U.S. district judge for eastern district of Arkansas.				
24	Kalbfleish, Gerard E. (Ohio), Aug. 21, 1959.	U.S. district judge for northern district of Ohio.				
25	Henderson, John O. (New York), Aug. 21, 1959.	U.S. district judge for western district of New York.				

CIRCUIT JUDGES

No.	Name, State, and date of reference	Office	Subcommittee and date of reference	Committee action	Committee Report	Confirmed
1	Boremen, Herbert S. (West Virginia), Jan. 20, 1959.	U.S. circuit judge, 4th circuit.	Feb. 21, 1959, Eastland, Johnston, Hruska. June 10, public hearing (recorded).	June 15, 1959, approved.	June 15, 1959 (by Mr. Eastland).	June 16, 1959.
2	Forman, Philip (New Jersey).	U.S. circuit judge for 3d circuit.	Feb. 21, 1959, Eastland, Johnston, Hruska, June 18, 1959, public hearing (recorded).			
3	Cecil, Lester L. (Ohio), Feb. 17, 1959.	U.S. circuit judge for the 6th circuit.	Feb. 21, 1959, Eastland Johnston, Hruska, Apr. 28, 1959, public hearing (recorded).	July 13, 1959, approved.	July 13, 1959 (by Mr. Eastland).	July 15, 1959.
4	Aldrich, Bailey (Massachusetts), Feb. 26, 1959.	U.S. circuit judge for 1st circuit.	Mar. 2, 1959, Eastland, Johnston, Hruska, May 4, 1959, public hearing (recorded).			
5	Castle, Latham (Illinois), Feb. 26, 1959.	U.S. circuit judge for 7th circuit.	Mar. 2, 1959, Eastland, Johnston, Hruska, Apr. 21, 1959, public hearing (recorded).	Apr. 27, 1959, approved.	Apr. 28, 1959 (by Mr. Dirksen).	Apr. 29, 1959.
6	Friendly, Henry J. (New York), Mar. 10, 1959.	U.S. circuit judge for 2d circuit.	Mar. 11, 1959, Dodd, Hennings, Dirksen. Public hearing scheduled Aug. 25.			
7	Weick, Paul C. (Ohio), Aug. 5, 1959.	U.S. circuit judge for 6th circuit.				
8	Black, Harry A. (Minnesota), Aug. 18, 1959.	U.S. circuit judge for 8th circuit.				

Mr. JAVITS. Mr. President, this unofficial "box score on judgeships" which was tabulated by my office, relates to the status of nominees to the Federal district and circuit courts, for nominations made by President Eisenhower since the beginning of the present session of Congress in January. It is of particular interest to New York.

Only one of the four nominations to Federal district judgeships in our area—that of John R. Bartels—has been confirmed by the Senate.

The nomination of Lloyd F. MacMahon, for the southern district of New York, submitted on March 10, 1959, the same day that Mr. Friendly was nominated, still languishes, though there was a hearing for Mr. MacMahon before the subcommittee of the Senate Committee on the Judiciary on June 24, 1959. There was no opposition to the nomination, but no more action has been taken. Hearings were also held on June 16, 1959, on the nomination of Charles M. Metzner, who was nominated to serve in the southern district of New York, the nomination having been made April 15, 1959. Again there was no opposition, but no further action has been taken.

Once more, the statistics furnish powerful testimony as to the need for action. The administrative office of the U.S. courts reports that in recent years southern and eastern district courts in New York have been vying for the unfortunate distinction of having the longest time lag in the entire Nation for disposition of civil cases settled after trial. Right now, the eastern district has the longest average caseload delay in the United States—44.8 months; the southern district has a backlog of nearly 11,000 cases as of June 30 which averaged out to a caseload of 600 civil cases pending per judge.

We need these judges. They are absolutely indispensable. These delays are absolutely shocking.

In reviewing the boxscore I am submitting today, it is apparent that there is no chronological pattern to the progress made so far. Of the eight circuit judges nominations made since last January, the first, the third, and the fifth have been confirmed by the Senate, with no committee action taken on the second, the fourth, the sixth—Mr. Friendly—seventh or eighth. Regarding the 25 nominees to Federal district judgeships, the 19th to be nominated, taking them chronologically as well as, the 18th, 17th, 15th—Mr. Bartels—9th, and 2d have received Senate approval. Committee action has yet to be taken on the other 18, one of whom was recently renominated, the name of another was withdrawn, and the 25th nominee was sent up only last Friday by the President. This last nominee is also of special interest to New Yorkers; he is John O. Henderson, the nominee for the vacancy in New York's western district which brings the list to three nominees to the Federal district bench and one to the Federal circuit bench which are of vital concern to my constitutents.

There perhaps would have been the basis for an explanation of the snail's pace at which the great majority of nominations have been proceeding in the Senate Judiciary Committee if its many hours of deliberation on civil rights legislation had been fruitful.

But that deliberation has not been fruitful. We have had no action on civil rights, and we have had little action regarding judgeships.

Mr. President, I think the conscience of the Senate demands action by the Senate. I express the urgent need for confirming the nominations of men whose nominations have remained on the shelf notwithstanding their distinction as nominees and the urgent need of communities, like my own, for them, as well as the fact that there is no opposition to the nominations.

The committee and the Senate should confirm the nominations promptly.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times of August 24, 1959, regarding this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMITTEE ON INACTION

The Senate Judiciary Committee—of which JAMES O. EASTLAND, of Mississippi, is the chairman—deserves a black mark for its inexcusable slow motion. Stalled in Mr. EASTLAND'S committee are 10 of President Eisenhower's appointments to important Federal judgeships which have been waiting for its approval for the past 5 months—1 since last January. Nine other judgeship appointments made more recently are also on the committee's docket of inaction.

Delays like this dishonor the distinguished individuals whom the President has honored by appointing them, pile still higher the backlog of unsettled cases in the Federal courts and place an unfair burden of business on the judges now sitting. So serious had the situation become last spring in the eastern district that judges from less burdened courts had to be drafted to help clear the calendar.

Then, too, the delays are professionally embarrassing to the nominees. One of them had to ask the President to withdraw his appointment because of the loss of clients due to his uncertain future.

Among the reasons for the Eastland committee's inaction on the judgeships have been the personal pique of members of the committee over the President's appointments and adverse local political pressures—certainly not in the interests of the public. Then, too, the committee has been so busy in its maneuvers to block consideration of civil-rights legislation that it has had little time for anything else. Such feverish action to bring about inaction has an Alice-in-Wonderland atmosphere about it which would be amusing if it weren't taking place in a world of urgent political realities.

OREGON'S EX-GOV. CHARLES A. SPRAGUE SALUTES VIEWS OF SENATOR JOSEPH S. CLARK OF PENNSYLVANIA ON VETERANS' LEGISLATION

Mr. NEUBERGER. Mr. President, it is always a pleasure to see heralded—especially in an eminent source—the political courage of a colleague.

This occurred in the Oregon Daily Statesman of August 21, 1959, when ex-Gov. Charles A. Sprague, of Oregon, a leading Republican who is also a great editor, wrote an editorial entitled "Other 'Crying Needs'," which cites the forthright independence of our friend, the able senior Senator from Pennsylvania [Mr. CLARK], on the question of veterans' legislation.

I did not vote precisely as did Senator CLARK on the recent veterans' pension bill. I voted for the Kerr amendment equalizing the widows and orphans of World War II and Korea with those of World War I; Senator CLARK did not. I voted against the Morse amendment for a special pension only for veterans of World War I with non-service-connected disabilities, and so did Senator CLARK. I voted for the final version of the veterans' bill; Senator CLARK did not.

But I join one of the country's really distinguished editors, ex-Gov. Charles A. Sprague, in saluting the Senator from Pennsylvania, and I ask unanimous consent that this editorial from the Statesman of Salem, Oreg., be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Oregon Daily Statesman, Aug. 21, 1959]

OTHER "CRYING NEEDS"

Those who would be on the receiving end of pensions hope that the bills which have passed House and Senate will be reconciled and that the President will sign the final measure. Some veterans are unhappy because the Morse amendment giving every veteran of World War I a pension failed, as it did by a very wide margin. Others who have concern over the spending of public funds do not like either the House or Senate version of a pension bill. One of the latter is Senator CLARK of Pennsylvania. He's a Democrat, but he took the floor to speak against the amendment offered by Senator KERR, of Oklahoma, to substitute the more generous provisions of the House bill for the reduced schedule recommended by the Senate Finance Committee. In his comments on the subject Senator CLARK presented a viewpoint which deserves more general attention, particularly among veterans.

We quote from Senator CLARK'S remarks as follows:

"Mr. President, I regretfully find myself unable to go along with the sponsors of the amendment. Here is an enormous additional burden placed on the backs of the taxpayers of this and succeeding generations in order to increase payments for non-service-connected disabilities of veterans who in many, many cases never were under shellfire or subjected to danger, in the face of a crying need for billions of dollars for education, for housing, water resources development, for highways, for all the American people.

"I cannot find myself willing to take the position of imposing this heavy additional burden on the taxpayers for what seems to me to be a very low order of priority compared with the needs of all the American people in other fields which I have mentioned, compared with our increasing needs, in my judgment, for national defense, compared with our increasing needs, in my judgment, to assist our allies and to aid the uncommitted areas of the world.

"This is a question of priority, and I regret that I cannot find it in my heart to give a high enough priority to support this amendment, which unquestionably would require additional taxation if we are going to go through with the other programs which in my judgment are so necessary to the health and the well-being of all of the American people over the next generation. I therefore regretfully find myself compelled to support the chairman of the Finance Committee. My regret is not that I am supporting the chairman of the Finance Committee, but that I cannot support my good friends, the Senator from Tennessee and the Senator from Oklahoma."

OREGON NATIONAL GUARD ACCLAIMED FOR READINESS TO MEET EMERGENCIES, SUCH AS AT ROSEBURG, OREG.

Mr. NEUBERGER. Mr. President, concern is sometimes expressed about readiness of our Military Establishment to meet emergency conditions. In the atomic age, speed of action will be of utmost importance. An explosion of calamitous proportions in the middle of the night on August 7 at Roseburg, Oreg., provided a test of readiness to meet emergencies. The Oregon National Guard was called and found ready. Within a half-hour after the blast leveled a large section of Roseburg's business district, units of the Oregon National Guard were mobilized in strength.

The National Guard is the citizens' army, and the speed with which they moved into action to protect life and property at Roseburg is ample evidence that the guard is prepared for emergency action. The Oregon National Guard responded to the call for help at Roseburg in the best tradition of its service.

I have received a report from Brig. Gen. Alfred E. Hintz, adjutant general for the military department of the State of Oregon, describing Oregon National Guard participation in meeting the emergency at Roseburg. He reports that units called to duty were from Companies B, C, and D, 2d Battle Group, 186th Infantry, located at Cottage Grove, Roseburg, and at Grants Pass. They deserve commendation for their quick and effective response to the emergency situation.

I ask consent to include with my remarks, in the body of the RECORD, the informative report from General Hintz, which details the effective manner in which the Oregon National Guard met the disaster at Roseburg.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATE OF OREGON
MILITARY DEPARTMENT,
OFFICE OF THE ADJUTANT GENERAL,
Salem, Oreg., August 19, 1959.

HON. RICHARD L. NEUBERGER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: Regarding our recent tragedy in Roseburg, I thought you would be interested to know briefly the role the Oregon National Guard played in assisting the citizens and city of Roseburg.

On Friday morning, August 7, following the early hour explosion at 0115 hours (1:15 a.m.), the first unit of the Oregon National Guard was called out. The unit was Company D, 2d Battle Group, 186th Infantry, stationed in Roseburg. Approximately 50 percent of the unit was mobilized by 0145 hours (1:45 a.m.) which is less than 1 hour after the time of the explosion. This indicates the degree of organization and readiness that exists in our National Guard units without further enlarging upon the matter. The balance of this unit was present by 0600 hours (6:00 a.m.). The first elements of the unit stationed in Cottage Grove, Company B, 2d Battle Group, 186th Infantry, arrived in Roseburg about 0700 hours (7:00 a.m.), August 7, with the balance of the unit present by 1200 hours (noon) on August 7. These were the only two units initially called out by the Adjutant General's office as directed by the Governor's office. At 1130 hours (11:30 a.m.) on August 7, additional help was requested by officials in Roseburg. The Grants Pass unit, Company C, 2d Battle Group, 186th Infantry, was then mobilized. This unit was present in Roseburg by 1730 hours (5:30 p.m.). The total strength of these three units which were present in Roseburg was as follows: 20 officers, 1 warrant officer, 191 enlisted men.

The above units constituted the units of the Oregon National Guard that were utilized in the disaster area. The total strength was gradually reduced throughout the period August 7 through August 15 with the last National Guard personnel released from Roseburg at 2000 hours (8:00 p.m.) August

15. The total cost to the military department, State of Oregon, for the entire period was $10,833.53.

The primary duty of these units was to protect life and property in the Roseburg area in the initial days of the disaster until businesses were secured to protect against looting. After this had been accomplished, the National Guardsmen were used to isolate dangerous areas and buildings from all but authorized persons.

These National Guardsmen gave freely and willingly of their time. In many instances, the pay they received from being on military duty was much less than the wages from their civilian jobs. However, this was of no major concern to the men as they knew the people of Roseburg had lost a great deal more. It is a glowing spirit and joint effort by our National Guard units in times of need such as this, that makes us all justly proud of the Oregon National Guard.

The merit and conduct of the National Guardsmen during the Roseburg disaster have been further endorsed by most appreciative and praiseworthy comments from civic and State officials who worked closely with the stricken city. I feel such words of praise are most deserving.

With best personal regards and I look forward to the pleasure of seeing you again soon.

Sincerely,

ALFRED E. HEINTZ,
Brigadier General,
The Adjutant General.

BILL ZADICK: FRIEND

Mr. MANSFIELD. Mr. President, last Monday I received a great shock when I learned of the death of a very close friend, adviser, and one of Montana's most accomplished journalists, William Zadick, city editor of the Great Falls Tribune, Great Falls, Mont.

Bill Zadick had been city editor of the Tribune for 15 years during which he contributed greatly toward making this daily newspaper one of the most widely circulated and read in the entire State. Bill's career in the newspaper business paralleled the growth of the city of Great Falls, Montana's largest city. He was a leader in civic activities, in fact his name became a byword to every organization in the city through his longtime interest in civic activities.

Bill came to the newspaper field right out of school and during the years he became an expert in every field of news operation—reporting, photography, editorial writing, printing and general management.

It is indeed sad that a man of such talents should be taken from us at such early age. Bill Zadick was only 46 and no one would have suspected that he would not be actively engaged as city editor for many more years. I want to express Mrs. Mansfield's and my deepest sympathy to his widow, Anna, his mother, Mrs. Nellie Zadick, his sons Bob and Dick, his brothers and sister, Tom, Jim, and Julia, and other members of the family during their hour of bereavement.

May his soul rest in peace.

Mr. President, I ask unanimous consent to have a news story from the August 18 issue of the Great Falls Tribune and an editorial from the same issue written by the publisher of the Great Falls Tribune, Alex Warden, a friend from boyhood, be printed at the conclusion of my remarks in the body of the CONGRESSIONAL RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune, Aug. 18, 1959]

WILLIAM ZADICK, 46, CITY EDITOR OF TRIBUNE, DIES

A chapter in the history of the Great Falls Tribune came to a close early Monday morning when William M. (Bill) Zadick, 46, city editor for the past 15 years, died at a local hospital.

Funeral services will be at 10:15 a.m., Wednesday, at Chapel of Chimes Funeral Home. Solemn requiem mass will be celebrated at 10:30 a.m. at Our Lady of Lourdes Church. Rosary will be recited at 8 p.m. today at Chapel of Chimes. Burial will be in Mount Olivet Cemetery.

Zadick's attending physician said death resulted from a massive heart attack. He said Zadick was stricken at his home at 1825 First Avenue S., at 1 a.m. He regained consciousness by the time the doctor arrived, and remained conscious until he died 2 hours later at the hospital.

Zadick was named the Tribune's city editor in January 1944, following the resignation of A. H. Raymond.

He graduated from Great Falls High School in 1931. Before finishing school, he worked part time at the Tribune, and in 1934 became a full-time staff member, serving as a reporter and photographer.

In high school he was athletic manager, and his interest in all sports never waned. Before becoming city editor, Zadick was Tribune sports editor.

He was a familiar figure at sporting events of all kinds in all parts of the State throughout his life, and took particular interest in Tribune picture pages portraying sporting events.

He was born in Great Falls July 14, 1913, the son of Mr. and Mrs. Charles A. Zadick. The elder Zadick was in the drygoods business here.

He married Anna Mae George of Great Falls July 6, 1938, in Choteau. Mrs. Zadick's mother, Mrs. Mae George, died Thursday. Funeral services for her were held here Monday.

Zadick served as a member of the press advisory committee of the Montana division of the American Cancer Society, and the Montana State Press Association made him a member of its committee on handling juvenile delinquency stories in recognition of his news judgment.

To the Tribune, Zadick was more than a city editor. He was reporter, photographer, and editor's adviser, and was familiar with all phases of the paper's operation, including the jobs of the printers, engravers, and pressmen.

During his years as head of the city staff, Zadick became thoroughly familiar with every facet of life in Great Falls, keeping his finger on the pulse of the growing city to a degree no other person could equal.

His name became a byword to every organization in the city through his longtime interest in civic activities.

In addition to his attention to local affairs, Zadick took a strong interest in State matters as divergent as athletics and government.

The highest officials in the State were on a first-name basis with the energetic city editor. Gov. J. Hugo Aronson, Attorney General Forrest Anderson and other top leaders of the State frequently called Zadick for assistance and advice.

Senator MIKE MANSFIELD regarded him as not only a close friend but as a newsman who knew what the people of the State were thinking. When MANSFIELD came to Great Falls, one of his "must" calls was on the Tribune city editor. When the Senator was busy, rushing from one speaking engagement to another, he liked to ask Zadick to take him to the airport so he could consult with him.

Although Zadick was a devout Catholic (he was a member of Our Lady of Lourdes Parish), ministers of every congregation came to know him and rely on his judgment. He was one of the charter members of the Great Falls chapter of the American Newspaper Guild.

Two years ago he was named winner of the Associated Press Managing Editors Association's annual national contest for excellence in news photography. His winning picture, "Cowpoke's Dilemma," showed a rodeo rider tumbling down from a bucking horse at the North Montana State Fair in August 1956, in Great Falls. In addition to winning a cash award his name was engraved on a permanent plaque in the lobby of the executive offices of AP in New York.

Zadick was initiated into Sigma Delta Chi as a professional member of the third annual Dean Stone banquet at Montana State University, Missoula, May 10, 1959.

Survivors, in addition to the widow, are his mother, Mrs. Nellie Zadick; two sons, Robert, a sophomore at Montana State University, and Richard, a sophomore at GFHS; two brothers, Thomas and James, and a sister, Julia, all of Great Falls, and a number of aunts and uncles.

Another brother, Fred L. Zadick, died following an automobile accident in November 1934.

[From the Great Falls (Mont.) Tribune, Aug. 18, 1959]

SILENT TRIBUTE TO ZADICK OBSERVED BY CITY COUNCIL

The Great Falls City Council during its weekly meeting Monday night paid silent tribute to William M. Zadick, Tribune city editor, who died early Monday morning of a sudden massive heart seizure.

Meanwhile, numerous messages of condolence from leading State and National figures, as well as friends from throughout the State, were received.

Preceding the opening of the regular agenda for the council meeting, Mayor William H. Swanberg asked the aldermen to devote a moment of silence to the memory of the community leader.

Swanberg paid tribute to Zadick, saying the city has lost a valuable citizen. "Every member of the city council and administration has lost a very trusted and valuable aid," the mayor said.

He said Zadick had always been very cooperative, investigating both sides of a question before reporting the facts as he saw them. The mayor concluded, "I am sure it is a severe blow to all of us."

Messages received by the family included those from the entire Montana congressional delegation, Senators MIKE MANSFIELD and JAMES E. MURRAY, and Representatives LEROY ANDERSON and LEE METCALF, and members of their respective staffs. They said, "It is with a deep sense of personal grief that we mark the sudden loss of Bill. * * *"

Other messages received included two from officials of the Great Northern Railway in Minneapolis. Charles W. (Dinty) Moore, director of public relations and executive assistant to the president, said, "Montana and the Tribune have lost a top newspaperman and a valued friend." H. J. Surles, who was formerly a GN division superintendent here, said, "Great Falls and Montana have lost a first-class citizen."

[From the Great Falls (Mont.) Tribune, Aug. 18, 1959]

WE'VE LOST A GREAT CITY EDITOR

(By Alexander Warden, publisher)

No member of our Tribune family could leave us with a larger void than Bill Zadick.

Bill started with us answering sports scores inquiries on weekend nights more than a quarter of a century back up the time road.

Most highschoolers on this job just touched base with us for a few weeks. But Bill showed so much aptitude that he went on full time in the fall of 1934 as a starting reporter, then broke in on all beats and desks. When the city editor's spot opened a decade later, there wasn't any other choice.

Bill didn't have any fancy school of journalism degrees, but he didn't need any. He was a newspaperman's newspaperman, than which no greater accolade can be given by the fourth estate. And if any newspaper can be called the image of one man, the Tribune was Bill Zadick. More than the owners was he the continuing key to fulfilling that prime obligation of any newspaper worthy of the name—giving the readers all the news. He was fearless, but scrupulously fair. He was sympathetic where sympathy was deserved, but he was gifted in spotting sham or pretense.

The Montana Press Association recognized his judgment in making him a member of its committee on the troublesome problem of handling delinquency stories. His shot of a catapulted rodeo rider at the State Fair was Associated Press picture of the year, reprinted the world over. Recently he was honored by election as a professional member of Sigma Delta Chi, national journalism fraternity.

If there's a newspaper in Valhalla, it will have a new city editor when Bill gets there.

HEALTH INSURANCE FOR RETIRED FEDERAL CIVIL EMPLOYEES

Mr. GRUENING. Mr. President, last week the able and distinguished junior Senator from Oregon [Mr. NEUBERGER] introduced, on behalf of himself and some 15 other Senators, one of whom I am glad to be, a bill making available health coverage for retired Federal civil employees. This is a companion bill to one introduced by the Senator from Oregon earlier, of which I was also a cosponsor, which was passed by the Senate by a vote of 81 to 4, making these health services available on a voluntary basis to Federal career employees.

It is highly desirable legislation, based on the sound principle of cost sharing, the Federal Government contributing one-half and the beneficiaries one-half, and I was more than happy to see the Senate adopt it by so overwhelming a majority. It was clear, however, that the omission of retired civil service employees remained to be rectified. Under S. 2527, which does so, they are entitled to elect, if they so desire, the same benefits. They have served our Government faithfully for many years, often a full lifetime. In one sense, they need this opportunity even more than those in active service, since the aged beyond retirement are far more apt to require these medical services. Moreover, their retirement annuities are obviously less than the pay of those still in active public service.

I want to commend not only the junior Senator from Oregon [Mr. NEUBERGER], who has always shown a great concern, not merely in the field of health, but for the welfare of our workers generally, both in the Federal Government and outside of it, and also to commend the chairman of the Senate Committee on Post Office and Civil Service, the distinguished senior Senator from South Carolina [Mr. JOHNSTON], who has warmly supported this measure, as well as many other measures helpful to those in the Federal career service.

The proposed legislation would become effective on July 1, 1960, and I am hopeful that both this bill and the one extending the health services to Federal employees in active service will become law before the conclusion of the 86th Congress.

ESKIMO NATIONAL GUARD SCOUTS

Mr. GRUENING. Mr. President, on the very frontline of America's defenses are two units, two battalions, of Eskimo National Guard scouts. They are scattered along the Bering and Arctic seacoasts, and are performing an extremely valuable service in behalf of national defense. I organized these units originally during the early days of World War II and enrolled these stalwart Americans of Eskimo blood in the Alaska Territorial guard. Their service, although entirely new to them, proved so valuable, that I felt it imperative, at the close of hostilities, to continue to make it continuously available to our Nation, and so arranged to have them enrolled in Alaska's National Guard.

An excellent article, headlined "Eskimos Bolster Alaska Defense," with a subhead of "One Thousand and Fifty Resourceful Scouts Patrol Vast Coastline for National Guard," was published in the New York Times yesterday. I ask unanimous consent that the article be printed at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From New York Times, Aug. 23, 1959]

ESKIMOS BOLSTER ALASKA DEFENSES—1,050 RESOURCEFUL SCOUTS PATROL VAST COASTLINE FOR NATIONAL GUARD

(By Bill Becker)

NOME, ALASKA, August 15.—Here, where the United States almost touches the Soviet Union, America's first line of defense is the Eskimo scout.

The 1,050 Eskimo scouts along the Obering, Cukchi, and Arctic Seas help to fill the chinks in the vast Alaskan coast defense network. They also form the backbone of Alaska's National Guard.

These easygoing but eager natives are, in the words of one of their officers, full-time soldiers on part-time pay.

Yet Eskimo enthusiasm is so high that the guard has detachments in 57 villages and towns in western and northern Alaska.

The scouts provide an intelligence force that is unusual in the present continental defense system.

In recent years they have spotted Soviet submarines, picked up radioactive debris to substantiate Soviet nuclear blasts in Siberia, and reported planes that missed radar screens.

The Army is now striving to give the Eskimo the military know-how to go with his native shrewdness. About one-third of the scouts have received active duty training at Fort Richardson, Anchorage, or Fort Ord, Calif.

A group of 150 has just been selected for a 6-month program at Fort Ord, starting in November.

"The Eskimos have been so proficient," says Brig. Gen. Thomas Carroll, Alaska Adjutant General, "that the original training program set up for them is no longer advanced enough to present a challenge."

To step up their training, the Army this week gave scouts of the guard's 1st battalion a part in the 9th Infantry maneuvers at Nome. In a reconnaissance test, the Eskimos succeeded in infiltrating Regular Army lines.

Their spirit impressed their new Army adviser, Capt. Lawrence M. Flanagan, of Dayton, Wash. Their adaptability and disregard of personal comfort, he feels, gives them a head start in guerrilla warfare.

With sharper training techniques, the efficiency of the Eskimo battalions will approach Army combat standards. Captain Flanagan, an infantry ranger, says.

Capt. James E. O'Rourke commands the 1st battalion, which has 540 enlisted men and 15 officers.

A TRUSTED SOLDIER

A World War II company commander, Captain O'Rourke, has lived in Alaska since the war and has high regard for the Eskimo as a soldier.

"As soon as they know what you want done, it'll get done," he says. "I'd like to have had men like them in the Regular Army."

The First Scout Battalion with headquarters in Nome, is responsible for guarding 2,400 miles of coast in an area as big as Texas.

It has detachments as far out as Little Diomede Island in the Bering Strait, two and a half miles from Siberia, and St. Lawrence Island, scene of the Gambell beer bust.

The Second Battalion headquartered at Bethel, covers southwestern Alaska with 510 enlisted Eskimo men and 15 officers.

The guard's battle group, containing fewer Eskimos, is based at Anchorage and has about 1,000 men in all.

Eskimo scouts were first trained when the Army established the Territorial home guards shortly after Pearl Harbor.

Several of the original scouts are still active. Enlistment is for 3 years, but many scouts have steadily reenlisted.

They range in age from 18 to 45 years. The smallest detachment numbers 7 men, the largest 80, at the northern outpost of Barrow.

The Scouts are obligated to take forty-eight 2-hour drills a year. They draw anywhere from $3 to $10 per drill, depending on rank. That, for some, is a primary source of income.

Many of the scouts are community leaders. Sgt. Charles Guest of Kasigluk, a guardsman for 6 years, also holds the distinction of being the first Eskimo priest in the Russian Orthodox Catholic Church in Alaska.

The 44-year-old scout-priest serves 16 parishes in southwestern Alaska, using dog team, walrus-skin boat, and bush plane. He gives services in Eskimo, English, or Russian.

What prompted him to become a scout? Father Guest, who has seven children, puts it simply:

"America is my country. I want my children and their children to be raised the American way; to be free to worship as they please, to speak as they please."

A statistical survey probably would show that this is not an inconsiderable factor in Eskimo recruitment. Eskimo families of nine or more children are almost commonplace.

LABOR REFORM LAW ON ITS WAY

Mr. KUCHEL. Mr. President, earlier this year I said that the American people want Congress to eliminate racketeering and corruption in labor, and to eliminate, too, all improper attempts by labor organizations to dominate the economy of our country. After an overlong period of inaction, Congress, finally, is about to approve an effective labor reform statute. I look forward to supporting it.

So far, Senate and House conferees have been able, title by title, to combine the best features of the House-passed Griffin-Landrum bill and the Senate-passed Kennedy-Ervin bill. Now, the people will receive long overdue protection, through Federal law, against corrupt and evil elements in the labor movement. The legislation which shortly we shall approve will not damage honest American labor unions. It will not abuse their constitutional rights of free expression, nor will it interfere with legitimate and reasonable organizing practices.

The new national statute will require complete democracy in labor unions. It will provide for elections to be by secret ballot. It will mandate, under criminal penalties, complete public disclosure of all income and outgo of each labor organization. It will outlaw the vicious so-called sweetheart contracts, heretofore entered into corruptly between some people in management and some in labor, by which the public has suffered, and by which, also, the union members themselves have suffered.

The new labor law will contain a bill of rights for labor union members. I am particularly pleased that the Griffin-Landrum bill adopted substantially the same bill of rights language which earlier this year I successfully authored as an amendment to the Kennedy-Ervin bill. Although the conferees have reduced the criminal penalties which my Senate-approved amendment provided, the penalties for breaching a union member's rights are, nevertheless, forceful. Under this bill of rights title, a union member will be protected, as he should be protected, in his right to participate in all union activities. He will be insulated against discriminatory treatment. His right to be a candidate for union office is preserved. The union member will receive statutory protection for his rights as a member in much the same way that a stockholder in a business corporation is protected by law in his rights as a stockholder.

There remains for the conferees the problem of composing the differences of the two bills, on their amendments to the Taft-Hartley Act, for example, in the fields of regulating peaceful picketing, in closing the loopholes in that law's ban on secondary boycotts and in solving the question of the so-called no man's land. These will be settled by the conferees, or otherwise, along the lines recommended by President Eisenhower which I support. Peaceful picketing, of course, will be preserved but will be more carefully regulated. The Taft-Hartley prohibition against secondary boycott will be amended, as I say, to close its unfortunate and unintended loopholes.

Legislation in the field of peaceful picketing and secondary boycott is extremely difficult to draft with clarity. For example, the Griffin-Landrum bill contains a proviso to exclude, from the secondary boycott provisions, refusals to perform farmed out struck work. The words it uses are different from those used in the Eisenhower proposal. I mention this simply to indicate the urgent need to weigh precisely all the words used in this bill. It would be tragic to pass such a bill in haste to find that it only served to manufacture lawsuits and to open up new loopholes for either labor or management to crawl through.

The no-man's-land problem is most difficult. My frank preference here is to require equal treatment of each labor dispute if it involves interstate commerce under the Constitution. If a dispute is Federal in nature, I believe that Federal rules should govern its adjudication. A labor dispute which by the Constitution is subject to the Taft-Hartley law ought to be settled, as I see it, under the same rules no matter whether its situs is Alaska, California, Mississippi, or Maine. But, I shall abide by what the conferees and the Senate decide on this intricate question. There are, of course, other less publicized, but nevertheless important, problems remaining to be resolved in the two bills. For example, in the building industry, the two bills amend in a different fashion a section of the present Taft-Hartley law dealing with the unique character of employment in the building and construction industry. The late Senator Taft recognized that section as unfair to the building and construction unions and recommended that it be changed. The President has concurred in the need for a change in this section.

The task of writing fair and effective labor reform legislation, difficult at best, has been complicated by the extremes to which some labor leaders and all labor haters have gone. It is the public—the plain people of the Nation—we need to keep constantly in mind. It is their interest which we must protect. In the legislation which I feel confident we are about to approve, we will not reach perfection. Legislation rarely does. But it will represent progress in this important domestic field.

AMENDMENT OF NATIONAL SCIENCE FOUNDATION ACT OF 1950

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2468) to amend the National Science Foundation Act of 1950, as amended, and for other purposes.

EXTENSION OF MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the morning hour may be extended.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUESTION OF PERSONAL PRIVILEGE

Mr. CLARK. Mr. President, I rise to a question of personal privilege. Let me say that I do so in the most friendly possible way, with no animus directed toward any other Senator.

Last Friday afternoon, while I was off the floor, and without notice to me, my good friend—and he is my good friend—the senior Senator from Utah [Mr. BENNETT], took the floor to suggest or to imply, if not actually to charge, that I had made or caused to be made, from the CONGRESSIONAL RECORD, deletions of statements which, if they had remained in the RECORD, would have shown that I was in a state of some confusion as to the facts of committee voting during part of the debate on the FNMA resolution on last Friday.

I should like to say unequivocally, for the RECORD, that I did no such thing; I neither made any changes in, nor did I make any deletions from, the RECORD of the debate; nor was anyone either directly or indirectly authorized by me to make such changes.

In justice to my good friend, the Senator from Utah, I must say that when he discovered his mistake, he—gentleman that he is—returned to the floor and apologized. I thank him for his apology, which I accept in the good grace with which I am sure it was tendered.

Unfortunately, sometimes such things get ahead of us; and the wire services and certain newspaper reporters sent out over the air, and newspapers in Pennsylvania picked it up, the statement of the Senator from Utah, which perhaps is best epitomized by a little summary published on Saturday morning in the Washington Post, as follows:

Heard BENNETT charge CLARK with unauthorized deletions in the CONGRESSIONAL RECORD.

I ask unanimous consent that the summary entitled "In Congress," published on Saturday in the Washington Post, may be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

IN CONGRESS

TODAY

Senate

Not in session.
No committees scheduled.

House

Not in session.
No committees scheduled.

YESTERDAY

Senate

Met at 10 a.m.
Passed and sent to House $1,428,178,700 military construction appropriations bill.
Passed minor bills.
Heard BENNETT charge CLARK with unauthorized deletions in the CONGRESSIONAL RECORD.

Received Fulbright resolution calling on administration to investigate the possibilities of a World Fair in the United States in 1964.

Received Neuberger bill to provide health insurance for retired Federal workers.

Heard DWORSHAK call for the revaluation of gold.

Heard GOLDWATER describe James Carey's letter as showing the need for a strong labor reform bill.

Heard HUMPHREY complain of invitation to Khrushchev while refusing visa to Danish scientist.

Adjourned at 6:15 p.m.

House

Not in session.

Mr. CLARK. Mr. President, I take the floor now for only three purposes:

First, I wish to correct the RECORD and to express the hope that the newspapers, wire services, and other publications in Pennsylvania will make the proper corrections in that connection.

Second, I wish to state that I believe that fundamentally the Senator from Utah [Mr. BENNETT] was correct, in that deletions should not be made from the CONGRESSIONAL RECORD, other than for the correction of obvious typographical errors and perhaps the correction of some inartistic grammar, which even the best of us sometimes stray into using.

In fact, Mr. President, because of my conviction that the Senator from Utah was correct, I ask unanimous consent to have printed at this point in the RECORD the pages which were deleted without my authority and without my consent.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. It happened to be my resolution, so I am thoroughly familiar with it. The actual vote was 12 to 3—12 Democrats for and 3 Republicans against. However, in justice to the Senator from Indiana [Mr. CAPEHART], it must be said that while he voted to report the resolution, he indicated that he might oppose it on the floor. So in reality the vote was 11 to 4.

Mr. MANSFIELD. Twelve Democrats for and three Republicans against?

Mr. CLARK. No.

Mr. MANSFIELD. Where did the 12 Democrats come from?

Mr. CLARK. I am afraid the Senator from Pennsylvania is a little confused. The Senator from Wisconsin [Mr. PROXMIRE] tells me that there were 11 Democrats and 1 Republican.

Mr. BENNETT. Mr. President, there are not 11 Democrats on the committee. [Laughter.]

Mr. MANSFIELD. There must have been three or four Republicans.

Mr. CLARK. I regret my confusion. I have just been told by the clerk of the committee that the vote was nine Democrats for, three Republicans for, and three Republicans against.

Mr. BUSH. Mr. President, there are only five Republicans on the committee. [Laughter.]

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield time to the Senator from Pennsylvania?

Mr. JOHNSON of Texas. Yes.

I point out that the report itself shows that the Senator from Utah [Mr. BENNETT] and the Senator from Connecticut [Mr. BUSH] filed minority views. The Senator from Indiana [Mr. CAPEHART] filed individual views; and the Senator from New York [Mr. JAVITS] filed individual views.

That is what I have been informed. I thought the Senator from Tennessee said the other day, in discussing this matter on the floor, that the vote was 12 to 3.

Mr. CLARK. That is right. It was.

Mr. JOHNSON of Texas. That is my information. I have never seen the rollcall, but I note from the report that two Senators filed minority views, and two filed individual views.

Mr. CLARK. The Senator from Indiana [Mr. CAPEHART] voted to report the bill, but he indicated that he might oppose it on the floor. I shall be glad to call the roll of the committee.

Mr. JOHNSON of Texas. I shall be glad to have the Senator do so.

Mr. CLARK. I hope Senators who were present will check me.

Those voting in favor were: The Senator from Virginia [Mr. ROBERTSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Delaware [Mr. FREAR], the Senator from Illinois [Mr. DOUGLAS], the Senator from Pennsylvania [Mr. CLARK], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from West Virginia [Mr. BYRD], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Maine [Mr. MUSKIE]. The Senator from Indiana [Mr. CAPEHART] voted to report the resolution, with the reservation which I have indicated. The Senator from Maryland [Mr. BEALL] and the Senator from New York [Mr. JAVITS] voted to report the resolution, but reserved the right to object on the floor.

Mr. JAVITS. I voted against it. The Senator from Connecticut [Mr. BUSH] voted my proxy.

Mr. CLARK. So, in effect, the vote was 12 to 3.

Mr. CLARK. Finally, Mr. President, I wish to state that I hope we can proceed on a better basis in the future with respect to making changes in the RECORD. We are a public body, and what we say should be accurately reported. We have a right to demand that it be accurately reported. We have no right to have statements which we make, which we may later regret, stricken from the RECORD; nor do I believe I have any right to keep these particular pages out of the RECORD simply because they clearly show that during a brief period—I hope it was only a brief period—of the debate on last Friday, I found myself in some confusion as to some relatively unimportant facts.

I should like to make the point, that when I came to this body, it was my understanding that it was a long-established tradition that no Senator would take the floor to make any attack on the position of another Senator or to make any comment adverse to another Senator without notifying that Senator and giving him an opportunity to be present. I hope we will return to that sound tradition.

In conclusion, let me say to my good friend, the Senator from Utah, that I hold no resentment of any sort. I honor him for his apology; and I make this statement only in order that the RECORD may be clear.

Mr. BENNETT. Mr. President, I appreciate the attitude of the Senator from Pennsylvania.

Before he yields the floor, let me suggest that he has just created a situation which requires a correction of the RECORD; he referred to "the debate of last Friday," whereas it actually occurred last Thursday night. [Laughter.]

Mr. CLARK. I thank my friend for his helpful correction.

Mr. NEUBERGER. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am happy to yield.

Mr. NEUBERGER. As the Senator from Pennsylvania may know, several days ago I submitted on behalf of myself and the senior Senator from Colorado [Mr. ALLOTT], a resolution to forbid the making of any substantial changes in the RECORD.

Mr. CLARK. Will the Senator from Oregon permit me to join in the sponsorship of that resolution?

Mr. NEUBERGER. We shall be very honored, indeed, to have the Senator from Pennsylvania join us in sponsoring it. Certainly, as Benjamin Franklin has said, experience is the greatest teacher of all.

Mr. BUSH. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield to my friend, the Senator from Connecticut.

Mr. BUSH. Mr. President, I have listened intently and with admiration to the remarks made this afternoon by the distinguished Senator from Pennsylvania on the point of personal privilege. I congratulate him on what he has said. I think he has made a very splendid statement.

Mr. CLARK. I thank my friend from Connecticut.

Mr. BENNETT. Mr. President, I should like to add a little postscript in regard to this particular situation: I have looked over the portions of the book entitled "Senate Procedure" which deal with the revision of the remarks made by Senators. At the end of that particular portion, we find the following:

A Senator in making a revision of his remarks is not supposed to make any substantial changes therein. (He has no rule of the Senate for guidance).

It is that particular part which the proposal of my colleagues would change. But I hope the Senate will seriously consider adopting a procedural rule—and if it is appropriately referred to the Committee on Rules and Administration, I shall be very happy to have that committee give it serious consideration—which will state specifically that no Senator may make any change in the remarks of another Senator.

Nothing of that sort now appears in the rules. It is assumed by the rules and in connection with the book on "Senate Procedure" that all Senators know that. So the rules refer to the privilege a Senator has to revise his own remarks. In fact, I think it should be axiomatic that no Senator should have the right to revise the remarks of another Senator; and I assume that my friend, the Senator from Pennsylvania, will agree that that also is an important consideration.

Mr. CLARK. Mr. President, I thoroughly agree as to that. In fact, I would go further: I do not think any Senator should have the right to revise his own remarks, so as to change in any way the substance of what he said.

Mr. BENNETT. Of course, the rule is that in revising his remarks, a Senator is not supposed to make any substantive change in any way. That provision is already in the rule.

Mr. CLARK. And I believe my friend is of the opinion that I made no such change.

Mr. BENNETT. Yes; my friend, the Senator from Pennsylvania, made no such change.

However, we are confronted with a peculiar situation, in that an employee of the Senate made the change, in the process of which, statements made by certain Senators, including a statement made by the Senator from Pennsylvania, were stricken from the RECORD.

Mr. CLARK. Mr. President, will the Senator from Utah yield further to me?

Mr. BENNETT. I yield.

Mr. CLARK. The Senator from Utah is equally clear, is he not, in understanding that I did not authorize that to be done?

Mr. BENNETT. Yes; I understand that clearly; that is perfectly true.

The rules and the book on Senate procedure deal with the privilege of a Senator to make revisions. I am sure no one ever thought we would reach the point where we would have to be concerned with revisions made by staff members.

In fairness to the staff member who made the revision, I wish to state that he has made a very complete and gentlemanly and, I believe, completely proper statement to the Senator from Utah and to the other Senators involved, I assume, whose remarks were deleted as a result of his eagerness to do what he thought would improve the RECORD or make it better.

Mr. CLARK. Mr. President, will the Senator yield further to me?

Mr. BENNETT. I yield.

Mr. CLARK. I wish to confirm what the Senator from Utah has said. I have received a long and apologetic letter from the staff member in question—who, incidentally, is one of the best staff members the committee has; and what the committee would do without him, I do not know—and I am perfectly certain that he would not do such a thing again.

Mr. BENNETT. Indeed, I, too, am certain of that; and I am equally certain that the Senator from Pennsylvania [Mr. CLARK] holds no animus toward that staff member of the Banking and Currency Committee.

MIDDLE EAST REFUGEE CAMPS

Mr. HART. Mr. President, on Friday morning the Detroit News, in an editorial called attention to what, if anything could be so termed, is certainly human misery. In our concern with highway financing, civil rights, the labor reform bill, and other day-to-day pressing problems, too many of us are apt to forget a matter that cries out for solution. As one who for some years has been concerned with the problem, I feel strongly that attention should be directed to the continuing problem of the refugee camps in the Middle East.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARAB GUILT

As was to be expected, delegates from the nine states of the Arab League, meeting in Beirut, have unanimously rejected Secretary General Hammarskjold's plan for a gradual clearing of the Middle East refugee camps.

Hammarskjold had observed what is clear to the eye of anyone who weighs this problem—that the young generation in the camps is potentially skilled at the building trades and other crafts and that Arab communities are hungry for this kind of help. So, if assistance could be provided for training programs and the young people could be moved out to jobs, the refugee problem would gradually shrink. As things stand, the plight of youth within the camps is more hopeless than all others.

But that compassionate argument fell on deaf ears. The Arab States resumed the theme song now 10 years old—that there can be no solution but the restoration of the refugees to the homes stolen from them by Israel.

Thousands of these people never lived in the land now Israel. Other thousands lived there but owned neither home nor land. Few, if any, were driven out. They fled Israel of their own choice when the Arab armies retreated in 1948. The Arabs who stayed put are still there, running their own villages and working their land. But these facts are incidental to the Arab League case.

But there is in Beirut an exhibit which is pertinent to humanity's case against the Arab League, for neglecting its own people to play politics with human misery. Lebanon, uniquely, is the place where the refugee population is smaller now than in the beginning.

More than 30,000 refugees have been rescued from the camps and integrated. They now lead normal, productive lives. The salvage among Christian Arabs was total; it was the work of other Arabs of their own faith. The contrast between those who have been saved and the million who still cry for help shows where much of the willful guilt lies.

CIVIL RIGHTS

Mr. DOUGLAS. Mr. President, I commend the able senior Senator from Missouri [Mr. HENNINGS] for his statement of last week that he was tired out by the delaying tactics of the dominant groups on the Senate Judiciary Committee in the matter of civil rights, and that at an appropriate time he would move to attach a series of thoroughgoing civil rights amendments to some other bill which may come before this body. The Senator from Missouri [Mr. HENNINGS] and other Senators have been waging a brave struggle inside the committee and deserve the thanks and support of all who believe in greater justice between the races. I shall be glad to serve under their leadership when this measure is brought up on the floor. Since we are obviously not far from adjournment, it is important that action be taken soon. It is also obvious that there is a bipartisan combination operating in the other body to tie up civil rights and to pass an excessively tough labor bill. I hope that no such coalition develops here, and if it does that the liberal forces on both sides of the aisle may be strong enough to win.

We are moving into the most critical phase of this Congress. Let us be alert to our responsibilities and pledges and aware of the forces which are at work.

OBSERVATIONS CONCERNING SECRETARY MITCHELL'S REPORT ON THE STEEL DISPUTE

Mr. DOUGLAS. Mr. President, may I ask if the morning hour is still in operation?

The PRESIDING OFFICER. The Senate is still in the morning hour. The morning hour was extended by unanimous consent.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to speak for not more than 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator is recognized for 5 minutes.

Mr. DOUGLAS. Mr. President, last week Secretary of Labor James P. Mitchell released a report entitled "Background Statistics Bearing on the Steel Dispute." The statistics contained in the report are from Government and industry sources, and seem to be accurate so far as they go.

The report does not contain an analysis and evaluation of these facts, and hence its value as an agent for general understanding is limited. But it does contain certain facts which can lead to sound conclusions about the economic issues involved in the steel dispute.

The subject of inflation has figured prominently in the steel wage negotiations. The steel companies have said, in support of their position for a wage freeze in steel, that an increase in hourly employment costs would be inflationary. The steel union has argued that productivity growth and the profit position of the industry would permit an increase in hourly employment costs without a steel price increase. Secretary Mitchell's report shows a long-range growth in output per manhour in the steel industry of 74 percent from 1940 to the latest 12-month period, and an even higher level in the first half of 1959.

The increase in productivity per manhour during the first half of 1959 has been sharp and decisive. Unfortunately, the direct figures on this point are covered up, whether inadvertently or by design, by lumping them in together with data for the last half of calendar 1958. But when separated, they seem to indicate a further gain of approximately 20 percent. This is truly remarkable and it has not been given the notice it should have received, although the Senator from Tennessee [Mr. KEFAUVER] pointed it out last week.

Equally significant are the facts shown by the report concerning the upward movement of steel prices. In the period from 1951 to the year ending June 30, 1959, the average realized price per ton of steel has risen by $48 from $125 to $173 per ton. In the same period total employment costs per ton of steel for all employees, both wage and salaried, rose by $18. Employment costs for wage employees alone rose by $12 or one-fourth of the rise in the price of steel.

Steel prices in the first half of 1959 were found to be 178 percent above 1940, having risen higher and faster than wholesale prices in general, and much more than retail prices or the prices in steel-consuming industries. As the result of higher steel prices and productivity growth, despite higher hourly employment cost and, presumably, higher material and other costs, the steel industry has improved its profit position. Net profits as a percent of sales have moved up in recent years to almost 8 percent in the first half of 1959 as compared with about 5 percent for the average of all manufacturing industries. Net profits as a percent of stockholders' equity in steel, although on a par with, or slightly below, all manufacturing in the postwar years has moved up to more than 14 percent, as compared with about 11 percent in all manufacturing in the first half of 1959. In this period the average for the 20 largest steel companies was 16.1 percent, as compared with 14.1 percent for the 25 leading industrial firms in the Nation. This record of progress does not appear to substantiate the steel industry's claims of inefficiency and wasteful practices.

It would seem to me that these facts on the growth in steel profits, prices, and productivity—achieved, incidentally, on the basis of an operating rate in the first half of 1959 which was approximately the same as the average operating rate of the industry in the entire postwar period—all have a direct bearing on the question of whether the steel industry can afford an increase in hourly employment costs on the basis of the substantial economic progress it has achieved to date. The facts indicate that there is definitely an area which exists for a settlement of this dispute on a completely noninflationary basis. We cannot ignore the great increase in output during the first half of this year, although the casual reader would miss it from the report itself.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may speak for 3 additional minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, it is not necessary to define precisely this area for settlement. The report notes that so far in 1959 millions of workers in a large variety of industries have received wage and benefit increases. These increases have been granted to workers in industries where the hourly earnings level of workers is above steel as in coal mining and building construction, as well as in those where the earnings level is below steel. The report notes that 96 percent of the workers affected by major wage settlements, excluding construction, in the first half of 1959 received wage increases; that half of the workers received wage increases of 8 cents or more; that many recent settlements have provided for wage rate increases of 3 percent or more; that increases of 4 or 4.5 percent have not been unusual; that 7 out of 10 settlements also liberalized fringe benefits. In addition, there were cost-of-living adjustments. Union scales in building construction were raised by an average of 4 percent—14.3 cents—in the first half of 1959.

In the light of the facts set forth in this report, it is my earnest hope that the leaders of the steel industry will be constrained to reconsider their publicly stated position that steel wages and benefits must remain stationary, and thereby help to make possible a beginning of genuine collective bargaining. This would be the surest method of bringing about a voluntary settlement, freely arrived at by the industry and the union. The facts indicate that it could be settled without an increase in prices.

In the absence of such a collectively bargained settlement in the immediate future, it will become apparent to all that Secretary Mitchell's background statistics cannot serve the purpose of a nonpartisan public factfinding procedure which would, through specific recommendations, provide the basis for a just settlement of the steel dispute as on three others occasions in the postwar period. In company with other Senators, I have for weeks advocated the appointment of just such a board by the President. We have already lost precious time by a failure to act. We should not lose any more.

So far as the future is concerned, it is hoped that the great advance in productivity may lead after a brief time to an actual decrease in prices. For neither labor nor the owners nor management should receive the full gains of increased productivity in this industry. Some of it should be passed on to the users and consumers.

I thank Senators for their patience and kindness.

SITE FOR THE 1964 FAIR

Mr. KEATING. Mr. President, there now are several U.S. cities actively competing for the privilege of being host to the 1964 World's Fair. I have commented on this competition several times, and it is no secret that I vigorously support New York City—the Nation's largest city and the home of the United Nations—as the site for the 1964 fair. This morning, I should like to invite attention to a New York Herald Tribune editorial endorsing the proposed 1964 New York World Fair, and spelling out the reasons why New York City is the logical and best suited location for this event.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none and it is so ordered.

(See exhibit 1.)

Mr. KEATING. Mr. President, I also want to speak briefly on another aspect of the competition among American cities to be host city to the 1964 World's Fair. Time is getting short. The site for the 1964 fair is to be selected in November of next year. If we cannot agree on an American city, it is more than likely that a foreign city will be chosen. Much needs to be done in the way of planning and preparation once a site is decided upon, in order that it will be able to compete effectively with other cities throughout the world, which are interested in being selected as the host city for this event. It seems to me very important that we get on with the business at hand.

Mr. President, I urge that every effort be made to have Congress agree as soon as possible as to which of our Nation's great cities will be put forward as the American candidate in the competition to be host for the 1964 World's Fair.

In my judgment, Mr. President, we must present a united front in this matter, or else we run the risk of having a city from some other country selected.

EXHIBIT 1

[From the New York Herald Tribune, Aug. 24, 1959]

LET'S HOLD THE FAIR RIGHT HERE

It is perfectly understandable that, the subject of a 1964 World's Fair in the United States having been raised, other cities should want to get into the act. Washington and Los Angeles have already begun trying to take the fair away from New York, and we can expect to hear the cry raised repeatedly that New York has had its turn and should yield to another city.

But to hold the fair anywhere but New York would be an injustice to the 70 million visitors from all parts of the world who are expected to attend. Los Angeles, to be sure, is the capital of movieland, and Washington the seat of government, but New York remains the tourist's mecca—the Nation's largest city and its most cosmopolitan, its cultural and financial heart, the crowded, rushing skyscraper-and-subway city that never sleeps, for generations the gateway to America for immigrant and visitor alike. And as headquarters of the United Nations, New York has become the world capital, the repository of hope for achieving that "Peace Through Understanding" that is the theme of the fair.

THE NEED FOR A UNITED NATIONS POLICE FORCE

Mr. KEATING. Mr. President, one of the most concrete steps which could be taken to promote world peace would be the creation of a United Nations police force. Such an army, drawn largely, if not exclusively, from the world's smaller nations, could serve as a potent moral and political buffer between potential warring countries.

I have long advocated the formation of such a U.N. police force—a view which has been supported very strongly by many newspapers and organizations around the country. Particularly able arguments for such an addition to the U.N. have come from the Rochester Association for the United Nations and the Rochester (N.Y.) Democrat and Chronicle. In a fine editorial recently, this paper pointed out the significant role a U.N. army might play in the present troubles in Latin America. This editorial contains much good food for

thought and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CARIBBEAN NEEDS U.N. POLICEMEN

In Santiago, Chile, the Council of the Organization of American States has closed its nervous sessions with a fairly strong resolution setting forth its determination to forestall invasions designed to overthrown constituted governments. It also called for eradication of all forms of dictatorship, despotism, or tyranny."

So the Council has done some high-minded barking.

But can it bite, if the need comes? There's the question.

The jittery situation in the Caribbean, which largely prompted this Council meeting in Santiago, would do credit to Gilbert and Sullivan if it wasn't so deadly. It has the same zany comic opera flavor Gilbert and Sullivan bequeathed to humanity.

For example, Haiti asked the Council to intervene and protect her from rebels which have landed in Haiti from Cuba. The Cuban minister of state acknowledged that the rebels sailed from Cuba, but denounced the Dominican Republic—by clearest implication—as inspiring the rebels and helping them out. Meanwhile the Dominican Republic charged that a Cuban tale of the capture of an arms-laden plane said to have come from the Dominican Republic was one of the greatest swindles ever perpetrated on public opinion. Now just to salt this stew a little, the Castros of Cuba, boss Fidel and brother Raul, called the Council meeting a farce.

The only constructive point this page can make in a nervous mess like this one is the hope—even if a forlorn one—that all the foreign ministers of all the well-meaning Latin American states, and there are many such good men, will now see the need for a United Nations police force, and work toward establishment of such a force.

The power of a police force representing not only one nation but nearly 100 nations is incalculable in preventing aggression. Its moral force alone is a whopper. A temporary U.N. force, armed only with sidearms, has cooled the Arab-Israeli struggle to the point where those embattled nations may even reach a peace agreement someday * * * and the U.N. troops are but a handful, camped on the boundary lines.

Earlier this year, the Rochester Association by the United Nations in a statement pleaded for new action by the U.N. General Assembly toward formation of a permanent police force. The statement emphasized the deterring effect of the simple existence of such a force, and outlined the Arab-Israeli case as an illustration.

We think that nobody in the Caribbean, neither the dictator in the Dominican Republic nor the Peck's Bad Boy in Cuba, would rashly slam up against solid U.N. opposition, the way they make whipping boys of each other and of the United States whenever they please. Someday the U.N. nations may recognize that while the world is growing up politically, it must have a cop on the beat.

EISENHOWER LEADERSHIP REDUCES THREAT OF INFLATION

Mr. KEATING. Mr. President, I desire to bring to the attention of the Senate an excellent editorial on the fight against inflation which was published in the Rochester (N.Y.) Times-Union.

The editors of the Times-Union applaud the President's success in curtailing domestic inflation during the hectic first 6 months of 1959. Not long ago, a good many Members of Congress bemoaned the recession of 1957–58, as heralding the onset of catastrophic and incurable economic downturn. Fortunately, the prophets of doom were wrong. It was instead the prophets of boom who were correct. Prophets of doom and prophets of boom have appeared at every major juncture in the growth of the American economy. Look at our great Nation today. Its growth and vigor bear witness to the fact that the economy of the United States has consistently borne out the prophesies of those who predict economic strength and continued industrial expansion.

Mr. President, the editors of the Times-Union have for many years been dedicated to the fight against inflationary increases in the price level. I am proud of their stand. The Times-Union deserves credit for its consistent support of a national economic policy based upon fiscal soundness and economic good sense.

Mr. President, I ask unanimous consent that the above referred to editorial from the Rochester Times-Union be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AS WE SEE IT: IKE'S LEADERSHIP REDUCES THREAT OF INFLATION

The Cabinet Price Stability Committee's second report records a battle won. In June this anti-inflation committee, headed by Vice President NIXON, said the economy was at a critical juncture with evidence pointing to a renewal of the upward price spiral.

TIDE TURNS

Now it says that the battle against inflation is being won and that economic growth is the primary concern of the Cabinet committee.

Inflation was the big battle of the first half of the year and the success is a triumph for President Eisenhower's leadership. What he rallied the people against is best illustrated by the majority report of the congressional Joint Committee on the Economic Report.

The majority of the committee declared that strenuous governmental measures were required to pull the country out of the nearly forgotten 1957–58 recession. It said the Federal Reserve Board should abandon monetary controls it described as restrictive, that it should resume pumping additional money into the economy, and that it was not necessary to balance the budget in the fiscal year 1960.

The report represented the feeling of the Congress majority as it went into session last January. But now, thanks to the President's carrying the fight to the people, sentiment has changed. The economy recovered by its own resilience. Easy money policies were rejected. The budget will balance as closely as it ever does 18 months before the books are closed.

Furthermore, Congress is expected to give the Federal Reserve another tool for price stability by repealing the interest rate ceiling on long-term Federal bonds. It is also moving toward financial responsibility on the road program by increasing the gasoline tax.

The evidence that the fight against inflation is being won is to be found in this changed attitude of Congress over the last 8 months as well as in the statistics that prices have risen only slightly more than one-half of 1 percent in the last year.

So now the emphasis is upon economic growth. In some quarters economic growth is merely a more acceptable name for inflation. You show growth by merely marking up the price tags and debasing the dollar. That is not the understanding of the Cabinet committee.

SOUND GROWTH

The sound view of economic growth is that of the minority of the once inflation-minded congressional joint committee. The minority's views have been sustained by the recovery this year. They were that that economic growth means capital accumulation, and this requires: (1) the incentive to invest, and, (2) real savings to finance investment.

And to get these, the minority said, stabilized prices are a basic requisite, without violent swings in employment.

This is the kind of growth that is made possible by defeating the drive for more inflation.

THE EARTHQUAKE IN MONTANA

Mr. CHURCH. Mr. President, on the subject of the earthquake in Montana, the story of this tragic event is not yet fully written. As is always the case, there is little notice taken of those people, public and private, who must follow along in the mopping-up operation. A great deal remains to be done. A new natural dam is creating a new lake, and the owners of improvements in the area are experiencing great difficulty in salvage work, owing to the destruction of roads. Life and property must be protected. An inventory of the losses, in life and property, must be taken, and the task is a large one.

Montana is fortunate to be represented in Congress, in both Senate and House, by men who not only are responsive to the needs of their State, but have the wisdom and initiative to take the leadership in meeting these needs.

Much of the damage was on public lands, mainly Forest Service lands. The roads damaged were on the forest highway system in some cases. The Corps of Engineers has a responsibility with reference to the newly dammed Madison River. The west Yellowstone entrance to Yellowstone Park is closed, because slides have closed the roads, and repair is a responsibility of the National Park Service. And many other Federal agencies have interlocking and overlapping interests in this matter.

Mr. President, recognizing this, the senior Senator from Montana acted promptly last week to confer with the heads of the various agencies. Working jointly with them and with the Senate and House Interior Committees and the Senate and House Public Works Committees, and with his colleagues, there was arranged an on-the-site inspection over the weekend by these officials, by committee members and staff members.

I am sure that the work of the Montana Senators and Representatives is contributing greatly to the orderly management of the aftermath of this awesome natural disaster.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished Senator from Idaho has seen fit to talk

about the quakes and what is being done to alleviate the situation in southwestern Montana at the present time.

I think a great deal of credit is due to the Montana civil defense unit under Mr. Hugh Potter, to the Montana and Idaho highway patrols, to the Yellowstone Park rangers, and to the Forest Service, which have done so much so quickly to bring about a surcease in this stricken area.

It is my understanding that the intensity of this quake was almost as great as that of the San Francisco earthquake, and had it occurred in a thickly populated area, the amount of damage would have been tremendous.

It is also my further understanding, based on telephone conversations and personal talks with people from Montana, that a mountain has been moved. A mountain that is now known as Earthquake Mountain has formed a natural dam 7 miles below Hebgen Dam. The lake which has been formed by the moving of this mountain is known as "The Lord's Lake," because it was formed through an act of providence.

As the Senator from Idaho knows, a distinguished group of our colleagues, headed by Representative METCALF, of Montana, his colleague, Representative ANDERSON, Senator Moss, and others, visited the earthquake area yesterday and came back this morning to furnish us with a report.

As the Senate knows, before an area may be declared a disaster area it is up to the Governor, as the head of a State, to make the initial request. It is the hope of the Montana delegation that the Governor of Montana will take this initial action so that on that basis Federal assistance may be authorized by the President and rendered to the people living in the area of Yellowstone National Park and the Madison Valley, the two areas most affected by the recent quake.

It is my hope that out of this catastrophe will come something in the way of an alleviation of the difficulties which confront our people, and I want to say that it was very encouraging and heartwarming to observe the combined facilities of the States of Idaho, Wyoming, and Montana working together cooperatively and, when put to the test, working together effectively.

I ask permission, Mr. President, in line with the remarks made by the distinguished Senator from Idaho [Mr. CHURCH], that there may be incorporated in the RECORD at this point a report from the Yellowstone area in the New York Times for Sunday, August 23, as well as another article which appeared in this morning's New York Times.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 23, 1959]

REPORT FROM YELLOWSTONE—QUAKE DISASTER CAUSES CHANGES IN NATIONAL PARK'S ROUTINE

(By Jack Goodman)

CANYON VILLAGE, YELLOWSTONE NATIONAL PARK, WYO.—Despite the earthquake and landslide that brought death and devastation to the western doorstep of Yellowstone Park last Monday night, officials here estimated that two-thirds of the vacationists who were occupying the park's inns, lodges, cabins and campsites at the time slept through the quake, unaware of the disaster. The park is vast, covering 3,472 square miles, and many tourists learned of the tragedy only through radio broadcasts and newspaper accounts.

Of the dozen lodges and tourist facilities within the park, only Old Faithful Inn suffered damage Monday night when guests were jolted from bed and doused with water from broken pipes in the elderly structure. Although telephone calls from anxious relatives swamped lines at park communities and ranger stations, few tourists and campers thought the occurrence severe enough to warrant reassuring calls to the folks back home. As a result, many motorists were surprised later to find emergency calls listed for them at park entrance points where bulletin boards have traditionally been a standard form of communication.

Most vacationists within the park when Monday's quake jolted the countryside stayed on, making the usual round of visits to Old Faithful, the Norris Geyser Basin, Fishing Bridge, the Mount Washburn country, West Thumb, and the Grand Canyon of the Yellowstone.

ROADS BLOCKED

The quake caused five rockslide blockades of varying size on highways within the park, all along the passes carved through the Madison plateau by the Firehold and Madison Rivers.

Because of the slides and pavement fissures in the area, Park Service officials decided to close to traffic the western section of the park's scenic loop load. That is the 75-mile stretch of highway from Mammoth Hot Springs in the north near the Montana border, down through Madison Junction to Old Faithful. This part of the loop road, together with U.S. 20-191 which joins the loop to the park's between western entrance at West Yellowstone, will remain closed for the rest of the season.

However, the north entry from Livingston and Gardiner, Mont., via U.S. 89, the northeast or Silver Gate Cooke City entrance on U.S. 12, the busy east entrance from Cody, Wyo., by way of U.S. 14–20, and the increasingly popular south entrance from Grand Teton National Park, Jackson Hole and Salt Lake City were unaffected by Monday's tragedy and were carrying normal traffic.

Tourist facilities used for the past three decades by railroad travelers heading to Yellowstone over the Union Pacific will be out of commission for the remainder of the season, but railroad officials last week substituted an alternate entry route for their tour parties, package trippers, and other sightseers with remarkable speed.

Rail travel to battered West Yellowstone, Mont., was cut when the earthquake undermined a sizable fill 7 miles north of Ashton and moved tracks out of alinement. The railroad's West Yellowstone dining lodge, a favored spot with generations of tourists, was put out of service by cracked chimneys and broken windows, while the depot was damaged when a toppled chimney caved in its ceiling.

As a result, the Yellowstone Special, the Union Pacific coach and pullman train which provides vacationists to the park with east and west bound main line connections at Salt Lake City now is shunted to Victor, Idaho, daily. Yellowstone passengers, along with tourists destined for the Jackson Hole country, then board park buses for the trip across Teton Pass, roll north through Grand Teton National Park, and reach Yellowstone by the south rather than the westerly entrance.

NEW ROUTING

Railroaders, pointing out that train service to Yellowstone was scheduled to end September 3, do not expect that the West Yellowstone facilities can be entirely serviceable by that date. But they reported that passengers last week were viewing the added 80-mile journey to Ashton, Jackson Hole and points north as a sort of side trip. It was planned to continue routing passengers through the Tetons until the season ends.

As regards man-made structures within the park, only the rambling, somewhat doddering Old Faithful Inn suffered noticeable structural damage from Monday's quake. This in the main consisted of fractured water pipes and buckled plaster. Food and souvenirs in shops at the communities of Canyon Village Lake, Old Faithful, Mammoth Springs and Tower Junction were jarred from shelves.

STAFFS BUSY

Late-roaming "savages," the collegians who staff lodges and hotels in Yellowstone, had a busy night of it Monday pouring coffee for guests who were shaken awake. At Old Faithful, where some drenched guests took hasty leave of rooms set awash by broken pipes, teenaged staff members joshed about "more steam and water in the rooms than at the geyser," but there was more discomfort than danger. Officials of the Yellowstone Park Co. closed the inn, but reopened a wing to accommodate some 350 guests on Wednesday.

John Q. Nichols, president of the Yellowstone Park Co., believes that vacationists can be readily accommodated at facilities which can be made available at Canyon Village and Lake. The damaged portion of Old Faithful Inn cannot be made serviceable speedily.

Park rangers and hostelry workers, not to mention scores of observant park vacationists, expressed quiet satisfaction at the way in which Yellowstone staff workers and most of the tourists met the situation. The shock, which rumbled across the Madison Plateau Monday night, while it failed to awaken a majority of visitors, was nonetheless severe. However, aside from the difficulties at Old Faithful Inn and some damage to park headquarters at Mammoth, both new and old structures in the park withstood the earth shocks admirably.

The admitted hazard in the park's elderly wooden hotels has always been fire, but the quake had no such aftermath. Equally important, despite the character of the terrain in an area underlaid with thermal basins, volcanic structures and considerable faulting all camp grounds and cabin areas proved well chosen. All are situated in comparatively flat open areas well away from any cliffs and mountain slopes, a tribute both to the builders of early Yellowstone installations and to National Park Service planners of recent years.

Last Monday's earthshock had hardly passed before park officials began checking its aftereffects upon Yellowstone's thermal features, which include 200 geysers and countless mud volcanoes, hot springs, pools, and terraces. Old Faithful proved to be spouting with accustomed regularity. Its eruption intervals, as usual, varied between 30 and 90 minutes, while averaging 63 minutes.

No damage has been reported by park scientists as regards thermal features, but they were greatly interested that Giant Geyser, an occasional performer for the past dozen years, has been "reactivated," at least temporarily, and is erupting almost continuously in the upper geyser basin.

PARK SERVICE PLANS

National Park Service officials, asserting early last week that the recreation area under their supervision was safe and accessible, announced that, with the cooperation of the Yellowstone Park Co. staffs, accommodations and meals would be offered in the

Canyon Village area of the park until October 1, and in the Old Faithful area until October 31.

Among other Park Service plans for the future were the following:

At Mammoth the store and service station remain open the year around, with cottage, hotel, and coffeeshop service available until September 21. At Old Faithful, cabins will be open until September 30, with cafeteria and campers' cabins operating until October 31. The lake lodge will close September 1 as originally scheduled, and the hotel September 8, with boats available until September 15. Fishing Bridge cabins and cafeteria will remain open until September 15.

Canyon Village Lodge will close October 11; camp cabins at West Thumb will close September 8, and Roosevelt Lodge shuts down August 30. The fishing season will extend until October 15, and camping will be permitted at all park campgrounds until snow closes the roads. This occurs generally between October 15 and November. But late-season vacationists should remember that in this high-altitude region, winter togs and snow chains are an October must.

[From the New York Times, Aug. 24, 1959]

QUAKE IN MONTANA

Geologists know that earthquakes are caused by the breaking, or faulting, of strata of rock under immense pressure from within the earth. But they are not sure what causes the pressure.

In the United States, the center of earthquake activity is along the west coast, from the foothills of the Rockies to the Pacific. One great source is the St. Andreas fault, whose movement caused the great San Francisco earthquake in 1906 and the lesser series of tremors in 1957. Another center of activity lies in the Rockies themselves.

Last Tuesday night at 11:30 p.m., mountain standard time, an earthquake of majestic proportions (7.5 on the Richter logarithmic scale used by seismologists, compared with 8.25 for the 1906 San Francisco quake) shook the Rocky Mountain area where Montana, Wyoming, and Idaho meet at the edge of Yellowstone National Park. It is an area that teems at this season with campers touring the Continental Divide.

Part of an 8,000-foot peak came crashing down into a camping area along Montana State Highway No. 1, which runs along Hebgen Lake. Part of the road disappeared under the waters of the lake. In other places it was blocked by landslides 200 to 300 feet high. Great fissures appeared in the earth. Hebgen Dam was damaged and villages below it were evacuated because of the fear of floods. Forestry rescue workers parachuted into the area and helicopters were used to bring out the injured. Aftertremors hampered the work.

There were nine known dead, but it was feared that many more might be buried under the landslides.

Mr. CHURCH. Mr. President, in connection with the remarks of the distinguished Senator from Montana, I ask unanimous consent to insert in the RECORD copies of telegrams which have been sent to the Honorable Hugo Aronson, Governor of Montana, and to the President of the United States, urging that a disaster area be declared, bearing the signatures of FRANK MOSS, FRANK CHURCH, JOSEPH O'MAHONEY, U.S. Senators; LEE METCALF, GRACIE PFOST, JOHN F. BALDWIN, JR., HAROLD JOHNSON, and THOMAS G. MORRIS, Members of the House of Representatives; and also copy of another telegram bearing the signature of JAMES E. MURRAY, U.S. Senator, relating to the same general subject, addressed to the Governor of Montana, the Honorable Hugo Aronson, at Helena, Mont.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

GOV. HUGO ARONSON,
Helena, Mont.:

After viewing terrible earthquake disaster in Montana we urge that you as Governor immediately exercise your responsibility to request President Eisenhower to declare the Madison River Valley and western part of Yellowstone Park as a disaster area. This action will put into operation several types of important Federal assistance essential to restoring vital public facilities, assisting people suffering damage to property and assure restoration of essential Federal forest and park roads and facilities. Your civil defense director, Hugh Potter, should know complete procedure to follow. Immediate action appears imperative and delay will only aggravate suffering from this catastrophic earthquake.

FRANK MOSS, FRANK CHURCH, JOSEPH C. O'MAHONEY, U.S. Senators; LEE METCALF, GRACIE PFOST, JOHN F. BALDWIN, JR., HAROLD (BIZ) JOHNSON, THOMAS G. MORRIS, Members of Congress.

THE PRESIDENT,
The White House,
Washington, D.C.
MR. LEO HOEGH,
Director, Federal Civil Defense Administration, Washington, D.C.:

At request of Chairman MURRAY, Senate Interior Committee, we visited earthquake area over weekend and found road and property damage high. Montana's Governor pleaded with us for Federal aid, however he has not yet asked you for disaster area designation. Joined by Montana Senators MURRAY and MANSFIELD we have urged him to seek Presidential declaration of disaster area immediately so that Federal programs for clearing roads and small business aid to restore home and business destruction can get underway. We hope that the Governor makes this request today and that you will give it immediate and favorable consideration.

FRANK MOSS,
FRANK CHURCH,
U.S. Senators.
LEE METCALF,
LEROY ANDERSON,
GRACIE PFOST,
JOHN BALDWIN,
HAROLD JOHNSON,
TOM MORRIS,
Members of Congress.

AUGUST 24, 1959.

HON. HUGO ARONSON,
Governor, Helena, Mont.:

Congressional group which toured earthquake area at my request has reported findings to me. President has clear cut authority to use available Federal funds for clearing road and small business loans to persons whose property was destroyed or damaged. But you must officially request President to make disaster area designation. I am disappointed that you have not yet acted. Senator MANSFIELD and I join congressional group which made inspection in urging you to request Presidential declaration of disaster area immediately.

JAMES E. MURRAY,
U.S. Senator.

MOTIONS TO RECONSIDER SENATE RESOLUTION 162 AND SENATE RESOLUTION 163, LAID ON THE TABLE

Mr. MANSFIELD. Mr. President, on August 21 the Senate passed Senate Resolution 162 and Senate Resolution 163.

At that time, although I had intended to do so, I failed to move that the votes by which these resolutions were agreed to be reconsidered.

After talking with the minority leader and with the permission of the minority leader, I at this time ask unanimous consent to move that the vote by which Senate Resolution 162 was agreed to be reconsidered.

Mr. AIKEN. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. I make the same motion as to Senate Resolution 163.

Mr. AIKEN. I move that that motion be laid on the table also.

The motion to lay on the table was agreed to.

COMMENT ON FINAL REPORT OF DRAPER COMMITTEE ON MUTUAL SECURITY PROGRAM

Mr. FULBRIGHT. Mr. President, the four reports of the Draper Committee on the mutual security program constitute another in the series of excellent challenging studies and reports which have been laid on President Eisenhower's desk in recent years. The Draper report is a worthy follower of the Gaither, Rockefeller, and other reports.

This series of reports to the President by able citizens have two things in common. All of them point out to the President the challenge to the United States posed by the threats from the Communist quarter and from the revolutions now in progress in underdeveloped lands. All these reports cry out for Executive leadership, greater effort on the part of the American people, and increased Federal expenditures for urgent needs. The four fields mainly referred to are repeated again in the Draper committee's letter to the President of August 17:

> Economic growth, level of scientific technology and education, military preparedness, and national purpose and morale.

The Draper report presents another opportunity to the President to carry out urgent recommendations. I hope that this time the President does not simply pass the report on to the Congress and the public for study. Some of us in Congress are fully discouraged already. We tried to give the President an adequate Development Loan Fund, the Foreign Relations Committee recommending $1 billion a year for 5 years in borrowing authority for that Fund. The Draper Committee agrees with the Foreign Relations Committee's recommendation. The efforts of the Committee on Foreign Relations and the Draper Committee failed because the President, for budgetary reasons alone, did not support an adequate financial structure for the Development Loan Fund. I despair of any further efforts in Congress along these lines without Executive backing. I suspect that the Draper Committee is discouraged, too, because over and over again in the committee's report recurs the phrase, "Proposals will require strong Executive support to become fully effective."

President Eisenhower has two more budgets to submit to the Congress. Only one of these will he have an opportunity to defend and implement. The President has no political gain or loss personally to anticipate since he cannot succeed himself. It is to be hoped that he will do what his advisers on the Draper Committee—and on the other committees whose reports I have referred to—recommend that he do. It is to be hoped that the President will call upon the people of the United States to support him in the programs necessary to stimulate more rapid economic growth in the United States, raise the level of scientific technology and other educational programs generally, provide adequate military preparedness for both big and little conflicts, and revitalize the national purpose and morale. The President should call for additional taxes, if necessary, to meet these needs. I am sure that the country will not fail to respond.

The Draper report shows excellent thought and thorough preparation. I have not had a chance to read the annexes yet, but the list of authors is impressive. Each reader of the Draper report will make his own list of conclusions which seem most significant. My own earmarking of pages is quite lengthy

Time still remains even in this session of the Congress to do something toward the Draper Committee recommendations. I have in mind that an approach can be made toward the Draper Committee recommendation of "lending for economic development should be increased to at least $1 billion per year" by appropriating now the full amount authorized for the Development Loan Fund for the 2 years ahead. I hope that the members of the Appropriations Committee and all other Senators will read the Draper Committee report before action on the fiscal year 1960 mutual security program is completed in Congress.

REA BORROWERS SERVING COMMUNITIES OF OVER 1,500 POPULATION—SUPPLEMENT TO HEARINGS ON AGRICULTURAL APPROPRIATIONS FOR 1960

Mr. HAYDEN. Mr. President, during the hearings on H.R. 7175, the agricultural appropriation bill, 1960, there was a request made for information on the communities having a population in excess of 1,500 directly served by rural electrification electric borrowers. This information was not available in the Rural Electrification Administration.

On March 6 I requested the Secretary of Agriculture to obtain the requested information from the REA electric borrowers and to furnish it to the committee. The information was received subsequent to the hearings and has now been printed as a supplement to the hearings.

A copy of this supplement to the hearings has been mailed to each Member of Congress, to the Governors of each State, to the REA electric cooperatives, and to the available mailing list of private power companies. Additional copies are available for distribution upon request to the Committee on Appropriations.

CALL OF THE CALENDAR

Mr. BARTLETT. Mr. President, is the morning hour business now concluded?

THE PRESIDING OFFICER (Mr. CANNON in the chair). Is there further morning business? If not, morning business is concluded.

Pursuant to the unanimous-consent agreement, the Senate will proceed to the consideration of measures on the calendar to which there is no objection, commencing with Order No. 733.

BILLS PASSED OVER

The bill (H.R. 6904) to establish an Advisory Commission on Intergovernmental Relations was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 6888) to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, section 2 of the Shipping Act, 1916, and section 905(c) of the Merchant Marine Act, 1936, as amended was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8159) to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes was announced as next in order.

Mr. BARTLETT. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes was announced as next in order.

Mr. BARTLETT. Over, as not being proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF NATIONAL SCIENCE FOUNDATION ACT OF 1950

The bill (S. 2468) to amend the National Science Foundation Act of 1950, as amended, and for other purposes was announced as next in order.

Mr. BARTLETT. Mr. President, there is on the calendar Order No. 739, House bill 8284, a companion bill, for the same purpose. I ask unanimous consent for the present consideration of the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8284) to amend the National Science Foundation Act of 1950, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection Senate bill 2468 will be indefinitely postponed.

EQUITABLE TREATMENT FOR PRODUCERS PARTICIPATING IN THE SOIL BANK PROGRAM

The bill (S. 2457) to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Soil Bank Act is amended by adding at the end thereof the following new section:

"SEC. 128. Notwithstanding any other provision of law, the Secretary may, to the extent he deems it desirable in order to provide fair and equitable treatment, pay a produce compensation under the acreage reserve or conservation reserve program which he otherwise would not be entitled to receive because the contract, application therefor, action, or conduct of the producer is—

"(1) not in conformity with the provisions of the program, or

"(2) less favorable to the producer than would have been the case if it had been based on correct information, or

"(3) based on an understanding that payment would be forthcoming in an amount in excess of that permitted by the program

if it is established to the satisfaction of the Secretary that the contract, application, action, or conduct of the producer was the result of relying in good faith on the erroneous approval of such contract, application, action, or conduct by, or on the erroneous advice, determination, or computation of, an authorized representative of the Secretary."

EDUCATIONAL BENEFITS FOR CHILDREN OF SPANISH-AMERICAN WAR VETERANS

The Senate proceeded to consider the bill (H.R. 2773) to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict, which had been reported from the Committee on Labor and Public Welfare, with an amendment on page 1, after line 6, to insert a new section, as follows:

SEC. 2. In the case of any individual who is an eligible person within the meaning of section 1701(a)(1) of title 38, United States Code, solely by virtue of the amendments made by this Act, and who has reached his eighteenth birthday but has not reached his twenty-third birthday on the date of enactment of this Act, the period referred to in section 1712 of title 38, United States Code, shall not end with respect to such individual

until the expiration of the five-year period which begins on the date of enactment of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ASSISTANCE IN ACQUIRING SPECIALLY ADAPTED HOUSING TO CERTAIN VETERANS

The Senate proceeded to consider the bill (H.R. 7373) to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war, which had been reported from the Committee on Labor and Public Welfare with an amendment, on page 1, after line 4, to strike out:

The Administrator is authorized, under such regulations as he may prescribe, to assist any veteran, who is entitled to compensation under chapter 11 of this title, based on service after April 20, 1898, for permanent and total service connected disability due to the loss, or loss of use, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veterans' disability, and necessary land therefor. If a veteran is entitled to compensation under chapter 11 based on service during a period of war (as defined for the purposes of chapter 11) for permanent and total service connected disability, which includes (1) blindness in both eyes, having only light perception, plus (2) loss or loss of use of one lower extremity, and such permanent and total disability is such as to preclude locomotion without the aid of a wheelchair, the Administrator is authorized, under such regulations as he may prescribe, to assist the veteran in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor. The regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (1) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (2) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (3) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

And, in lieu thereof, to insert:

§ 801. Veterans eligible for assistance

The Administrator is authorized, under such regulations as he may prescribe, to assist any veteran, who is entitled to compensation under chapter 11 of this title, based on service after April 20, 1898, for permanent and total service-connected disability—

(1) due to the loss, or loss of use, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, or

(2) which includes (A) blindness in both eyes, having only light perception, plus (B) loss or loss of use of one lower extremity, and such permanent and total disability is such as to preclude locomotion without the aid of a wheelchair,

in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor. The regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (1) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (2) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (3) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans."

ELWOOD R. QUESADA

The Senate proceeded to consider the bill (S. 2500) to authorize the President to reappoint Elwood R. Quesada, formerly lieutenant general, U.S. Air Force, retired, to the grade of major general and to retire him in the grade of lieutenant general, and for other purposes, which had been reported from the Committee on Armed Services, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any other law, the President alone is authorized to appoint Elwood R. Quesada, formerly a retired lieutenant general U.S. Air Force, to the grade of lieutenant general on the retired list of the Regular Air Force, with the pay, allowances, emoluments, perquisites, rights, privileges, and benefits of an officer of his grade and length of service who was on that retired list on May 31, 1958. No pay, allowances, or other benefits shall become due as a result of the enactment of this act for any period before the effective date of his appointment under this act.

SEC. 2. The effective date of the appointment authorized by this act is the day after Elwood R. Quesada ceases to hold office as Administrator of the Federal Aviation Agency, or the day before the death of Elwood R. Quesada, whichever is earlier.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes."

EXTENSION OF APPLICATION OF MOTORBOAT ACT OF 1940

The bill (S. 1712) to extend the application of the Motorboat Act of 1940, to certain possessions of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 6 of the Federal Boating Act of 1958, approved September 2, 1958 (72 Stat. 1754), is amended to read as follows:

"(c) Such Act of April 25, 1940 (46 U.S.C. 526–526t), is further amended by adding at the end thereof the following new section:

"SEC. 22. (a) This Act shall apply to every motorboat or vessel on the navigable waters of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, and every motorboat or vessel owned in a State and using the high seas.

"(b) As used in this Act—

"The term 'State' means a State of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia."

BILL PASSED OVER

The bill (H.R. 5067) to repeal section 217 of the Merchant Marine Act, 1936, as amended, was announced as next in order.

Mr. KEATING. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

SOUTH FORK OF SOUTH BRANCH OF CHICAGO RIVER

The bill (H.R. 7948) to declare unnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River in the city of Chicago, Ill., was considered, ordered to a third reading, read the third time, and passed.

EXCHANGE OF CERTAIN LANDS IN EVERGLADES CITY, FLA.

The Senate proceeded to consider the bill (S. 2390) to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park, and to add certain donated lands to such park, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, after line 14, to strike out:

SEC. 2. The Secretary of the Interior is authorized to accept for Everglades National Park purposes, title to approximately 1,160 acres of land and submerged land lying within sections 25, 26, and 36 of township 53 south, range 29 east, and section 30, township 53 south, range 30 east, Tallahassee meridian, and being a portion of the land and submerged land donated and conveyed by three Collier deeds in 1951 and 1952 to the trustees of the internal improvement fund of the State of Florida for subsequent inclusion in the Everglades National Park. Such three Collier deeds are dated December 12, 1951, December 26, 1951, and March 21, 1952, and are recorded in deed book 22, page 240, deed book 22, page 244, and deed book 39, page 25, respectively, in Collier County, Fla. The aforesaid land and submerged land shall be subject to the reservations set forth in the aforementioned Collier deeds for public utility easement and rights-of-way of the public with respect to Indian Key Channel, and also to a public right-of-way for the State highway or causeway from Everglades City to Chokoloskee Island.

And, on page 3, at the beginning of line 10, to change the section number from "3" to "2", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to further the administration and use of the Everglades National Park, the Secretary of the Interior is authorized to accept on behalf of the United States title to the following described parcels of land:

Those parts of tracts "R" and "S" which lie west of the right-of-way of State Road Numbered 29, and lots 1 to 9, inclusive, of block 40, in Everglades City, Florida, comprising 18.98, 1.32, and 3.17 acres, respectively, as shown on N.P.S. Map No. EVE-NP-E-1, dated June 23, 1959, of Everglades City, Florida; and not to exceed 15 acres of submerged lands lying adjacent to said tracts "R" and "S", if such additional lands are considered necessary by the Secretary of the Interior to permit full utilization of the lands above described;

and, in exchange for such parcels of land, to convey to the owner or owners thereof all right, title, and interest of the United States in and to the following described parcels of land within the Everglades National Park:

Tract "L" and block 34, comprising 9.09 and 1.65 acres, respectively, lying in or in the vicinity of Everglades City, Florida.

SEC. 2. All lands and submerged lands title to which is accepted by the Secretary of the Interior pursuant to the provisions of this Act shall, upon the acceptance of title thereto, become parts of the Everglades National Park and shall be subject to all laws and regulations applicable thereto.

Mr. HOLLAND. Mr. President, I should like to explain to the Senate that last year when we passed the bill limiting the Everglades National Park, part of it approved a grant by private owners to the Park Service of a site for a western headquarters building in Everglades City. Since that time the Park Service has decided that it prefers another site, also in Everglades City, a small town. The owners of the second tract, who were also the owners of the first tract, are perfectly willing to convey it, provided the first tract is conveyed back.

The new tract is bigger than the old, and the Park Service thinks it would be more convenient for its use. The bill, as amended, provides solely for the exchange of these two tracts.

This morning I noted in the Miami News an article calling attention to the large number of people who are visiting the Everglades National Park. Last year's total attendance was 443,000 and this year it will go over half a million. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Miami News, Aug. 20, 1959]

TOURISTS SWAMP EVERGLADES

Attendance at the Everglades National Park may top the half-million mark this year.

More than 350,000 people have visited the famous Florida park so far this year, with July recording the largest increase in attendance yet.

July visitors numbered 34,404—an increase of 3,802 over the previous month, and an increase of 2,162 over July of last year. Last year's total attendance was 443,263.

"It seems to be following a trend," said Clifford Senni, assistant chief ranger. "The attendance increases every year. In 1949 there was only 94,927 visitors."

Senni also noted that the number of campers in the park have increased. "Visitors are pouring in year round now," said Senni, "not just in the winter."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park."

BILL PASSED OVER

The bill (H.R. 4576) to suspend for a temporary period the duty on book bindings and covers imported by certain institutions was announced as next in order.

Mr. BARTLETT. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF MINERAL LEASING ACT OF FEBRUARY 25, 1920

The Senate proceeded to consider the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, after the enacting clause, to strike out:

That this Act may be cited as the "Mineral Leasing Act Amendments of 1959".

SEC. 2. Section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226), is amended to read as follows:

"SEC. 17. All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior. When the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations, in units of not exceeding six hundred and forty acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease which shall be not less than 12½ per centum in amount or value of the production removed or sold from the lease. When the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment by the lessee of a royalty of 12½ per centum in amount or value of the production removed or sold from the lease. Leases issued under this section shall be for a primary term of ten years and shall continue so long thereafter as oil or gas is produced in paying quantities: *Provided,* That a noncompetitive lease issued under this section for land on which drilling operations are being conducted at the end of said primary term of such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

"Any lease issued under this Act which is subject to termination by reason of cessation of production shall not terminate if within sixty days after production ceases, reworking or drilling operations are commenced on the land under lease and are thereafter conducted with reasonable diligence during such period of nonproduction. No lease issued under this Act shall expire because operations or production is suspended under any order, or with the consent, of the Secretary of the Interior. No lease issued under this Act covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same, unless the lessee is allowed a reasonable time, but not less than sixty days after notice by registered mail, within which to place such well on a producing status: *Provided,* That after such status is established production shall continue on the leased premises unless and until suspension of production is allowed by the Secretary of the Interior under the provisions of this Act.

"All leases issued under this section shall be conditioned upon the payment by the lessee in advance of a rental of not less than 25 cents per acre per annum. A minimum royalty of $1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning or or after a discovery of oil or gas in paying quantities on the lands leased: *Provided,* That in the case of lands not within any known geological structure of a producing oil or gas field, the rentals for the second and third lease years shall be waived unless a valuable deposit of oil or gas be sooner discovered.

"Whenever it appears to the Secretary of the Interior that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessee, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby, and the primary term including any extensions thereof of any lease for which compensatory royalty is being paid shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities: *Provided,* That the Secretary of the Interior shall report to Congress at the beginning of each regular session, all such agreements entered into during the previous year which involve unleased Government lands."

SEC. 3. Section 17(a) of such Act of February 25, 1920 (30 U.S.C. 226(d)), is amended by striking out "primary term of five years" in the first sentence and inserting in lieu thereof "primary term of ten years".

SEC. 4. Section 27 of such Act of February 25, 1920, as amended (30 U.S.C. 184) is amended to read as follows:

"SEC. 27. No person, association, or corporation, except as herein provided, shall take or hold coal leases or permits during the life of such lease in any one State exceeding an aggregate of ten thousand two hundred and forty acres: *Provided,* That a person, association or corporation may apply for coal leases or permits for acreage in addition to said ten thousand two hundred and forty acres, which application or applications shall be in multiples of forty acres, not exceeding a total of five thousand one hundred twenty additional acres in such State, and shall contain a statement that the granting of a lease for such additional lands is necessary to the person, association, or corporation to carry on business economically and is in the public interest. On the filing of said application, the coal deposits

in such lands covered thereby shall be temporarily set aside and withdrawn from all forms of disposal under this Act. The Secretary of the Interior shall, after posting notice of the pending application in the local land office, conduct public hearings on said application or applications for additional acreage. After such public hearings, to such extent as he finds to be in the public interest and necessary for the applicant in order to carry on business economically, the Secretary of the Interior may, under such regulations as he may prescribe, permit such person, association, or corporation to take or hold coal leases or permits for an additional aggregate acreage of not more than five thousand one hundred and twenty acres in such State. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, re-evaluate the lessee's or permittee's need for all or any part of the additional acreage. The Secretary may cancel the lease or leases and permit or permits covering all or any part of the additional acreage, if he finds that such cancellation is in the public interest or that the coal deposits in the additional acreage are no longer necessary for the lessee or permittee to carry on business economically or if the lessee or permittee has divested himself of all or any part of the original ten thousand two hundred and forty acres or no longer has facilities which in the Secretary's opinion enable him to exploit the deposits under lease or permit. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary. No person, association, or corporation, except as herein provided, shall take or hold sodium leases or permits during the life of such lease in any one State, exceeding in the aggregate acreage five thousand one hundred and twenty acres: *Provided*, That the Secretary of the Interior may, in his discretion where it is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits for up to fifteen thousand three hundred and sixty acres in any one State. No person, association, or corporation, except as herein provided, shall take, hold, own, or control at one time, whether acquired directly from the Secretary of the Interior under this Act or otherwise, oil and gas leases (including options for such leases) on land held under the provisions of this Act exceeding in the aggregate two hundred and forty-six thousand and eighty acres in any one State, except the States of Alaska and Hawaii. No person, association, or corporation shall take or hold at one time phosphate leases exceeding in the aggregate ten thousand two hundred and forty acres in the United States. No person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of minerals hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. For the purpose of this Act, no contract for development and operation of any lands leased hereunder, whether or not coupled with an interest in such lease, nor any lease or leases owned in common by two or more persons, shall be deemed to create a separate association under this section between or among such contracting parties, or the persons owning such lease or leases in common, but the proportionate interest of each such person shall be charged against the total acreage permitted to be held by such person under this Act: *Provided*, That the total acreage so held in common by two or more persons shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kind of minerals allowed to any one lessee or permittee under this Act. No option for an oil or gas lease on any lands held under the provisions of this Act shall be entered into for a period of more than three years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold any such options at one time on more than two hundred thousand acres of land in any one State, except Alaska and Hawaii. No such option shall be valid unless notice thereof, including the number of acres under option, the names of all parties thereto and their respective interests, and obligations undertaken thereunder by the optionee, is filed in the land office of the Bureau of Land Management for the area in which the land under option is located and every option shall until exercised be charged to both optioner and optionee. In addition each holder of any such option shall file with the Secretary within ninety days after the 30th day of June and the 31st day of December in each year a statement under oath showing as of said dates (1) name of optionor and serial number of lease or application for lease, (2) date and expiration date of each option, (3) number of acres covered by each option, and (4) aggregate number of options held in each State and total acreage subject to said options in each State. If any interest in any land is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this Act, the interest may be canceled or forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, by the Secretary of the Interior in an administrative proceeding, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition. In the event that the Secretary has reason to believe that fraud has been committed in the holding of any such interest by any person, he may request the Attorney General to institute appropriate proceedings against such person. Any such proceeding shall be instituted in the United States district court for the district in which the land or some part thereof is located or in which such person may be found, and the court in such proceeding, in addition to any other penalties provided by law, may if fraud is found provide that such person shall be ineligible thereafter, either permanently or for a lesser period, to hold any lease or other interest in land under the provisions of this Act."

And, in lieu thereof, to insert "That section 27 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion, immediately after the sixteenth sentence, of the following:"; on page 10, line 17, after the word "adversely", to insert "the title or interest of a bona fide purchaser in"; in line 19, after the word "in", where it appears the second time, to strike out "good faith by any qualified person, association, or corporation in"; in line 21, after the word "person", to insert "association or corporation"; in line 23, after the word "or", to strike out "forfeiture" and insert "forfeited"; on page 11, line 1, after the word "of", to strike out "the Mineral Leasing Act Amendments of 1959 and insert "this Act"; in line 2, after the word "person", to insert "association or corporation"; in line 6, after the word "that", to strike out "he" and insert "the person, association or corporation"; in line 7, after the word "a", to strike out "party in good faith" and insert "bona fide purchaser", and in line 9, after the word "Act", to strike out "If during any such proceedings with respect to a violation of any provisions of this Act, or any proceedings with respect to fraud under such provisions, development rights with respect to the interest involved are suspended pending a decision in such proceedings, any person who in such proceedings is found not in violation of such provisions or not guilty of such fraud, or any person, who acquired any part of such interest involved in good faith without violating any provisions of this Act, shall have the right to have his interest extended for a period of time equal to any period during which development rights were so suspended with respect to such interest. Nothing herein contained shall be construed to limit sections 18, 19, and 22 of this Act or to prevent any number of lessees under this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipeline or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same. Except as in this Act provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in anywise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings" and, in lieu thereof, to insert "If during any such proceedings with respect to a violation of any provisions of

this Act, or any proceedings with respect to fraud under such provisions, a party to those proceedings files with the Secretary of the Interior a waiver of his rights under the lease to drill or to assign his interests thereunder or if such rights are suspended by order of the Secretary pending a decision in such proceedings, he shall, if he is found in such proceedings not in violation of such provisions or not guilty of such fraud, have the right to have his interest extended for a period of time equal to the period between the filing of the waiver or the order of suspension by the Secretary and the final decision, without the payment of rental." "; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion, immediately after the sixteenth sentence, of the following: "The right of cancellation or forfeiture for violation of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser in any lease, option for a lease, or interest in a lease acquired in conformity with the acreage limitations of this Act from any other person, association or corporation whose holdings, or the holdings of a predecessor in title, may have been canceled or forfeited, or may be subject to cancellation or forfeiture for any such violation. Effective on the date of enactment of this Act, any person, association or corporation who is a party to any proceedings with respect to a violation of any provision of this Act, whether initiated prior to such date of enactment or thereafter, shall have the right to be dismissed as such a party upon showing that the person, association or corporation acquired the interest involving him as such a bona fide purchaser without violating any provisions of this Act. If during any such proceedings with respect to a violation of any provisions of this Act, or any proceedings with respect to fraud under such provisions, a party to those proceedings files with the Secretary of the Interior a waiver of his rights under the lease to drill or to assign his interests thereunder or if such rights are suspended by order of the Secretary pending a decision in such proceedings, he shall, if he is found in such proceedings not in violation of such provisions or not guilty of such fraud, have the right to have his interest extended for a period of time equal to the period between the filing of the waiver or the order of suspension by the Secretary and the final decision, without the payment of rental."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BASILE IGNATIOS MAVRIDIS

The bill (H.R. 1579) for the relief of Basile Ignatios Mavridis was considered, ordered to a third reading, read the third time, and passed.

CONTINENTAL HOSIERY MILLS, INC.

The bill (S. 1015) for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $21,670.11 to Continental Hosiery Mills, Incorporated, of Henderson, North Carolina, successor to Continental Hosiery Company, of Henderson, North Carolina, in full settlement of all claims against the United States, representing a refund of income tax erroneously collected from said corporation on April 19, 1947, by the Bureau of Internal Revenue: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this contract shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KEATING subsequently said: Mr. President, because we have been moving through the calendar pretty fast, I did not register my objection to Calendar No. 768, S. 1015. It was passed due to my inadvertence. I ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading and was passed be reconsidered and that the bill be restored to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

WABASH VALLEY COMPACT

The Senate proceeded to consider the bill (S. 1257) granting the consent and approval of Congress to the Wabash Valley Compact, and for related purposes, which had been reported from the Committee on the Judiciary, with amendments, on page 13, after line 10, to insert a new section, as follows:

SEC. 3. Any additional function delegated to or imposed upon the Wabash Valley Interstate Commission pursuant to section E of article VI of the compact shall be one within the general authority granted by the compact and may be utilized only in furtherance of the purposes of the compact.

At the beginning of line 16, to change the section number from "3" to "4"; at the beginning of line 20, to change the section number from "4" to "5", and, after line 21, to insert a new section, as follows:

SEC. 6. Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the States of Illinois and Indiana to enter into the Wabash Valley Compact in the form as follows:

"THE WABASH VALLEY COMPACT

"Article I

"Findings and Purpose

"The party states find that the Wabash Valley has suffered from a lack of comprehensive planning for the optimal use of its human and natural resources and that underutilization and inadequate benefits from its potential wealth are likely to continue until there is proper organization to encourage and facilitate coordinated development of the Wabash Valley as a region and to relate its agricultural, industrial, commercial, recreational, transportation, development and other problems to the opportunities in the Valley. To this end it is the purpose of the party states to recognize and provide for such development and coordination and to establish an agency of the party states with powers sufficient and appropriate to further regional planning for the Valley.

"Article II

"The Valley

"As used in this compact, the term 'Wabash Valley' shall mean the Wabash River, its tributaries and all land drained by said river and tributaries, to whatever extent they lie within the party states.

"Article III

"The Wabash Valley Interstate Commission

"(a) There is hereby created an agency of the party states to be known as the Wabash Valley Interstate Commission (hereinafter called the Commission). The Commission shall be composed of seven Commissioners from each party state designated or appointed in accordance with the law of the state which they represent and serving and subject to removal in accordance with such law. The federal government may be represented without vote if provision is made by federal law for such representation.

"(b) The Commissioners of the party states shall each be entitled to one vote in the Commission. No action of the Commission shall be binding unless taken at a meeting in which a majority of the members from each party state are present and unless a majority of those from each state concur, provided that any action not binding for such a reason may be ratified within thirty days by the concurrence of a majority of each state. In the absence of any Commissioner, his vote may be cast by another representative or Commissioner of his state provided that said Commissioner or other representative casting said vote shall have a written proxy in proper form as may be required by the Commission.

"(c) The Commission may sue and be sued, and shall have a seal.

"(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman and a treasurer. The Commission shall appoint an executive director who shall also act as secretary, and who, together with the treasurer, shall be bonded in such amounts as the Commission may require.

"(e) The Commission shall appoint and remove or discharge such personnel as may be necessary for the performance of the Commission's functions irrespective of the civil service, personnel or other merit system laws of any of the party states.

"(f) The Commission may establish and maintain, independently or in conjunction with any one or more of the party states, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old-age and survivors insurance provided that the Commission takes such steps as may be necessary pursuant to federal law to participate in such program

of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate to afford employees of the Commission terms and conditions of employment similar to those enjoyed by employees of the party states generally.

"(g) The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation.

"(h) The Commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state of the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm or corporation, and may receive, utilize, and dispose of the same.

"(i) The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

"(j) The Commission may adopt, amend, and rescind bylaws, rules, and regulations for the conduct of its business.

"(k) The Commission annually shall make to the Governor of each party State a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been adopted by the Commission, which report shall be transmitted to the legislature of said State. The Commission may issue such additional reports as it may deem desirable.

"Article IV

"Finances

"(a) The Commission shall submit to the executive head or designated officer or officers of each party State a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

"(b) Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party States. Subject to appropriations by the respective legislatures, the Commission shall be provided with such funds by each of the party States as are necessary to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Commission.

"(c) The Commission may meet any of its obligations in whole or in part with funds available to it under article III(h) of this compact, provided that the Commission takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the Commisson makes use of funds available to it under article III(h) hereof, the Commission shall not incur any obligations prior to the allotment of funds by the party jurisdictions adequate to meet the same.

"(d) The expenses and any other costs for each member of the Commission shall be met by the Commission in accordance with such standards and procedures as it may establish under its bylaws.

"(e) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"(f) The accounts of the Commission shall be open at any reasonable time for inspection.

"Article V

"Advice and Cooperation

"(a) The Commission shall establish a technical advisory committee which shall be composed of representatives of such departments or agencies of the governments of the party states as have significant interest in the subject matter of the Commission's work: *Provided,* That if pursuant to the laws of a party state a representative of any such department or agency serves as a member of the Commission said department or agency need not be represented on the technical advisory committee. The Commission shall provide under its bylaws for procedures for the reference of questions to such committee.

"(b) The Commission may establish other advisory and technical committees composed of private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, and officials of local, state and federal governments, and may cooperate with and use the services of any such committee and the organizations which they represent in furthering any of its activities under this compact. The Commission shall encourage citizen organization and activity for the promotion of the objectives of this compact.

"Article VI

"Functions

"The Commission shall have power to:

"A. Promote the balanced development of the Wabash Valley by

"(1) Correlating and reporting on data significant to such development.

"(2) Recommending the coordination of studies by the agencies of the party States to provide such data.

"(3) Publishing and disseminating materials and studies which will encourage the economic development of the Valley.

"(4) Recommending standards as guides for local and state zoning and other action which will promote balanced development by encouraging the establishment of industrial parks to facilitate industrial development, the reservation of stream bank and lake shore areas for recreation and public access to water, the preservation of marshes and other suitable areas as wildlife preserves, the afforestation and sustained yield forest management of submarginal lands, the protection of scenic values and amenities, and other appropriate measures.

"(5) Preparing in cooperation with appropriate governmental agencies a master plan for the identification and programming of public works.

"(6) Cooperating with all appropriate governmental agencies in the encouragement of tourist traffic and facilities in the Valley.

"B. Recommend integrated plans and programs for the conservation, development and proper utilization of the water, land and related natural resources of the Wabash Valley, including but not limited to:

"(1) Encouraging the classification of Valley lands in terms of appropriate uses.

"(2) Cooperating in the development of appropriate plans for flood protection, including but not limited to the construction of protective works and reservoirs.

"(3) Developing public awareness of the need for flood plain zoning and in cooperation with the appropriate agencies of the party states and their political subdivisions evolving standards for the implementation and application of such zoning in the Valley.

"(4) Reviewing the need for and appropriate sources of suitable water supplies for domestic, municipal, agricultural, power, industrial, recreation and transportation purposes.

"(5) Encouraging a pattern of land use and resource management which will increase the natural wealth of the Valley and promote the welfare of its inhabitants.

"(6) In cooperation with appropriate agencies, analyzing the recreational needs and potential of the Valley and developing a program for the use and maximization of recreational resources.

"C. Secure the necessary research and developmental activities by:

"(1) Correlating such research and developmental activities as are placed within its purview by this compact. The Commission may engage in original investigation and research on its own account or secure the undertaking thereof by a qualified public or private agency.

"(2) Making contracts for studies, investigations and research in any of the fields of its interest.

"(3) Publishing and disseminating reports.

"D. Make recommendations for appropriate action to:

"(1) The legislatures and executive heads of the party states and the federal government.

"(2) The agencies of the party states and the federal government.

"E. Undertake such additional functions as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of a party state concurred in by the legislature of the other.

"Article VII

"Enactment and Withdrawal

"This compact shall become effective when entered into and enacted into law by the states of Illinois and Indiana. The compact shall continue in force and remain binding upon each party state until renounced by legislative action of either party state.

"Article VIII

"Construction and Severability

"The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be unconstitutional or the applicability thereof to any state, agency, person or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any other state, agency, person or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed."

SEC. 2. A Federal representative to the Wabash Valley Interstate Commission shall be appointed by the President, and he shall report to the President either directly or through such agency or official as the President may specify. Such representative shall have no vote on the commission. His compensation shall be in such amount, not in excess of $100 per diem, as the President shall specify, but the total amount of compensation payable in any one calendar year shall not exceed $10,000: *Provided,* That if the Federal representative be an employee of the United States he shall serve without additional compensation: *Provided further,* That a retired military officer or a retired Federal civilian officer or employee may be appointed as such representative, without prejudice to his retired status, and he shall receive compensation as authorized herein in addition to his retired pay or annuity but the sum of his retired pay or annuity and such additional compensation as may be paid hereunder shall not exeed $12,000 in any one calendar year. The Federal representative shall be entitled to travel expenses, he shall also be provided with office space, stenographic service, and other necessary administrative services. The compensation of the Federal representative shall be paid from available appropriations for the White House

Office or from funds available to the President in connection with special projects. Travel expenses, office space, stenographic, and administrative services shall be paid from any available appropriations selected by the head of such agency or agencies as may be designated by the President to provide such expenses.

SEC. 3. Any additional function delegated to or imposed upon the Wabash Valley Interstate Commission pursuant to section E of article VI of the compact shall be one within the general authority granted by the compact and may be utilized only in furtherance of the purposes of the compact.

SEC. 4. The Wabash Valley Interstate Commission constituted by the compact shall make an annual report to Congress not later than sixty days after the beginning of each regular session thereof.

SEC. 5. The right to alter, amend, or repeal this Act is expressly reserved.

SEC. 6. Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill granting the consent of Congress to the Wabash Valley compact, and for related purposes."

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HARTKE

I am indeed gratified that such swift action has been taken by the Senate in considering S. 1257, which I introduced on March 5, 1959, with my senior colleague from Indiana and the two distinguished Senators from Illinois as cosponsors.

The Legislatures of Indiana and Illinois earlier this year passed the Wabash Valley Compact with only one dissenting vote. We now rely on the Congress to give its consent.

The Wabash River Valley is one of the finest and richest in the country. With the consent of Congress the States of Indiana and Illinois will join in a coordinated development of this valley. This is important to the Nation as well as to these States.

The interstate commission authorized by this compact will coordinate these efforts. We are hopeful and confident that proper planning will lead to a greater development of the agricultural, industrial, commercial and recreational potential of this valley.

BILL PASSED OVER

The bill (H.R. 2717) for the relief of Eber Bros. Wine & Liquor Corp. was announced as next in order.

Mr. BARTLETT. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

FEES OF U.S. MARSHALS

The bill (S. 2349) to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1921 of title 28, United States Code, is amended to read as follows:

"§ 1921. United States marshals' fees

"Only the following fees of United States marshals shall be collected and taxed as costs, except as otherwise provided:

"For serving a writ of possession, partition, execution, attachment in rem, or libel in admiralty, warrant, attachment, summons, capias, or any other writ, order, or process in any case or proceeding, except as otherwise provided, $3;

"For serving a subpena or summons for a witness or appraiser, $2;

"Where service is requested to be made on a Saturday, Sunday, or holiday, the fees prescribed in the preceding two paragraphs shall be increased by 100 per centum;

"For forwarding any writ, order, or process to another judicial district for service, in addition to the prescribed fee, $1;

"For the preparation of any notice of sale, proclamation in admiralty, or other public notice or bill of sale, $3;

"For seizing or levying on property (including seizures in admiralty), disposing of the same by sale, setoff, or otherwise, and receiving and paying over money, commissions of 3 per centum on the first $1,000 of the amounts collected and 1½ per centum of sums in excess of $1,000. If not disposed of by marshal's sale, the commission shall be in such amount as may be allowed by the court. In all cases in which the vessel or other property is sold by a public auctioneer, or by some party other than the marshal or his deputy, the commission herein authorized to be paid to the marshal shall be reduced by the amount paid to said auctioneer or other party;

"For the keeping of property attached (including boats, vessels, or other property attached or libeled) actual expenses incurred, such as storage, moving, boat hire, or other special transportation, watchmen's or keepers' fees, insurance, and $3 per hour for each deputy marshal required for special services, such as guarding, inventorying, moving, and so forth. The marshals shall collect, in advance, a deposit to cover the initial expenses for such services and periodically thereafter such amounts as may be necessary to pay such expenses until the litigation is concluded;

"For copies of writs or other papers furnished at the request of any party, 30 cents per folio of one hundred words or fraction thereof;

"For necessary travel in serving or endeavoring to serve any process, writ, or order, 12 cents per mile, or fraction thereof, to be computed from the place where service is returnable to the place of service or endeavor; or, where two or more services or endeavors, or where an endeavor and a service, are made in behalf of the same party in the same case on the same trip, mileage shall be computed to the place of service or endeavor which is most remote from the place where service is returnable, adding thereto any additional mileage traveled in serving or endeavoring to serve in behalf of that party. When two or more writs of any kind, required to be served in behalf of the same party, on the same person, in the same case or proceeding, may be served at the same time, mileage on only one such writ shall be collected;

"No mileage fees shall be collected for services or endeavors to serve in the District of Columbia;

"The marshal may require a deposit to cover all fees and expenses herein prescribed."

SEC. 2. Section 1920 of title 28, United States Code, is amended by adding thereto, immediately following the paragraph designated "(5)", a new paragraph designated "(6)", as follows:

"(6) Fees for all marshals' services in a criminal case except for the summoning of witnesses, in a sum to be fixed by the court, not exceeding $25 where conviction is for a misdemeanor and not exceeding $100 where conviction is for a felony."

SEC. 3. Section 1112 of the Act of March 3, 1901, entitled "An Act to establish a code of law for the District of Columbia" (31 Stat. 1189, 1365; sec. 11–1510, D.C. Code, 1951 edition), as amended, is repealed.

SEC. 4. This Act shall become effective ninety days after enactment.

MARTHA L. HORTOBOGYI

The bill (S. 2187) for the relief of Martha L. Hortobogyi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Martha L. Hortobogyi may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationaliay Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to her residence and physical presence within the United States since December 20, 1956; and

(b) the petition for naturalization may be filed with any court having naturalization jurisdiction.

MARTA NAGY

The bill (S. 2186) for the relief of Marta Nagy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Marta Nagy may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to her residence and physical presence within the United States since December 24, 1956; and

(b) the petition for naturalization may be filed with any court having naturalization jurisdiction.

ANTE GRGAS PIVAC

The bill (S. 2154) for the relief of Ante Grgas Pivac was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ante Grgas Pivac shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to

deduct one number from the appropriate quota for the first year that such quota is available.

YADWIGA BOCZAR

The bill (S. 2081) for the relief of Yadwiga Boczar was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yadwiga Boczar, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Pelczar, citizens of the United States: *Provided,* That the natural parents of the said Yadwiga Boczar shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 2052) to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the part of subdivision c of section 48 of the Bankruptcy Act (11 U.S.C. 76c) up to the first colon is amended to read as follows:

"c. TRUSTEES.—The compensation of trustees for their services, payable after they are rendered, shall be a fee of $10 for each estate, deposited with the clerk at the time the petition is filed in each case, except when a fee is not required from a voluntary bankrupt, and such further sum as the court may allow, as follows:".

SEC. 2. That section 132 of the Bankruptcy Act (11 U.S.C. 532) is amended to read as follows:

"SEC. 132. The filing of a petition under this chapter shall be accompanied by payment to the clerk of a filing fee of $120 if no bankruptcy proceeding is pending, otherwise $70. Where $120 has been paid and an adjudication is entered under this chapter, $50 thereof shall be distributed by the clerk as in the case of bankruptcy proceeding; but, if the proceeding under this chapter is dismissed and no order of adjudication is entered thereunder, such sum of $50 shall be refunded to the person paying it."

CANDACE ELIZABETH LEE JOHNSON (KYUNG HEE LEE)

The bill (S. 2028) for the relief of Candace Elizabeth Lee Johnson (Kyung Hee Lee) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Candace Elizabeth Lee Johnson (Kyung Hee Lee), shall be held and considered to be the natural-born alien child of Mr. and Mrs. Jack H. Johnson, citizens of the United States: *Provided,* That the natural parents of the said Candace Elizabeth Lee Johnson (Kyung Hee Lee) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

LILY ANG

The bill (S. 2022) for the relief of Lily Ang was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Lily Ang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CHUNG CHING WEI

The bill (S. 1915) for the relief of Chung Ching Wei was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Chung Ching Wei shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 18, 1947.

IVAN CURKO

The bill (S.1624) for the relief of Ivan Curko was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ivan Curko, also known as Ivan Sam Curko or John Curko, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CAPT. THOMAS J. McARDLE

The bill (S. 1149) for the relief of Capt. Thomas J. McArdle was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Thomas J. McArdle, United States Air Force, a sum equal to the amount which he would have received under the Armed Forces Leave Act of 1946 if he had made timely application under such Act for compensation for unused accrued leave, the said Captain McArdle having failed to make application for such compensation because of the confidential nature of his assignment in the United States Air Force during the period allowed for filing under such Act.

BILL PASSED OVER

The bill (S. 981) for the relief of T. W. Holt & Co. was announced as next in order.

Mr. KEATING. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

STAMATIS ZERIS

The bill (S. 673) for the relief of Stamatis Zeris was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Stamatis Zeris shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LIONIE TARPINIAN

The bill (S. 594) for the relief of Lionie Tarpinian was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lionie Tarpinian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ALVARO RODRIGUEZ JIMINEZ

The Senate proceeded to consider the bill (S. 1980) for the relief of Alvaro Rodriguez Jiminez, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "fee", to strike out "upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alvaro Rodriguez Jiminez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY

The Senate proceeded to consider the bill (S. 1944) to amend the Bankruptcy Act in regard to the verification of pleading, which had been reported from the Committee on the Judiciary, with an amendment in line 3, after the numerals "18", to insert "of the Bankruptcy Act (11 U.S.C. 41c)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) is hereby repealed and subsections d, e, f, and g of such section are relettered to read "c", "d", "e", and "f", respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARVE M. DUGGINS

The Senate proceeded to consider the bill (S. 1862) for the relief of Harve M. Duggins, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the word "of", to strike out "$823.97" and insert "$862", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harve M. Duggins, United States Commissioner, Knoxville, Tennessee, the sum of $862. The payment of such sum shall be in full satisfaction of all claims of the said Harve M. Duggins for compensation for services rendered by him as United States commissioner and for which he received no pay due to a misunderstanding in entering an order for his reappointment as a United States commissioner: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YOM TOV YESHAYAHU BRISZK

The Senate proceeded to consider the bill (S. 1583) for the relief of Yom Tov Yeshayahu Briszk, which had been reported from the Committee on the Judiciary, with an amendment on page 1, line 7, after the word "Act", to insert a colon and *"Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *And provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Yom Tov Yeshayahu Briszk may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *And provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the bill (S. 1033) for the relief of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Ignacio Eiguren Gabiola, Manuel Lopez Gonzalez, Antonio Iglesias Fernandez, Enrique Izaguirre Iturbe, Sabino Jayo Guisasola, Doroteo Madariaga Otegui, Martin Madarieta Arregui, Eusebio Mendiola Ycaran, Savino Navarro Arriaga, Francisco Uribe Asteinza, Pedro Maria Genaro Urruchurtu Urrutia, and Juan Prada-Ramos shall be held and considerd to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAYBELL KING

The Senate proceeded to consider the bill (S. 540) for the relief of Maybell King, which had been reported from the Committee on the Judiciary, with an amendment in line 6, after the word "class," to strike out "E" and insert "F," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Maybell King of Mississippi City, Mississippi, is hereby relieved of all liability to refund to the United States the sum of $918, representing the amount of payments erroneously made to her as a class F allottee for the period February 1, 1945, to March 31, 1946, incident to the service of her former husband, Clarence Benning Gwynn, United States Army (serial number 14015824).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OURANIA BEN BLIKAS

The Senate proceeded to consider the bill (S. 2101) for the relief of Ourania Ben Blikas, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the word "the", to insert "natural-born"; in line 7, after the word "That", to strike out "no" and insert "the"; in the same line, after the word "natural", to strike out "parent" and insert "mother"; in line 8, after the word "beneficiary", to insert "shall not", and at the beginning of line 9, to strike out "shall"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ourania Ben Blikas shall be held and considered to be the natural-born minor-alien child of Mr. and Mrs. Ben John Blikas, citizens of the United States: *Provided,* That the natural mother of the beneficiary, shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DONALD G. COPLAN

The Senate proceeded to consider the bill (S. 1891) for the relief of Donald G. Coplan, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the figure "$500", to strike out "Such sum represents the amount of the judgment and costs for which the said Donald G. Coplan was held liable to Richard Vossen in a civil action in the courts of the State of Minnesota." and, in lieu thereof, to insert "Such sum represents reimbursement in the amount of the judgment and costs for which the said Donald G. Coplan was held liable and has paid as a result of a civil action in the courts of the State of Minnesota."; on page 2, line 6, after the word "service", to strike out the period and "Such sum shall be paid only on condition that Donald G. Coplan shall use such sum or so much thereof as is necessary to pay such judgment and costs in full", and in line 10, after the word "Act", to strike out "in excess of 10 per centum thereof"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Donald G. Coplan, Minneapolis, Minnesota, the sum of $500. Such sum represents reimbursement in the amount of the judgment and costs for which the said Donald G. Coplan was held liable and has paid as a result of a civil action in the courts of the State of Minnesota. This civil action arose out of an accident which occurred on October 4, 1955, between an automobile owned by the said Richard Vossen and a United States mail truck driven by the said Donald G. Coplan, a motor vehicle operator in the Minneapolis post office motor vehicle service: *Provided,* That no part of the amount appropriated in this Act shall be paid to or received by any agent or attorney on account

of services rendered in connection with this claim, and the same shall be unlawful, any contract, to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN AXEL ARVIDSON

The Senate proceeded to consider the bill (S. 1433) for the relief of John Axel Arvidson, which had been reported from the Committee on the Judiciary, with amendments, in line 3, after the word "of", to strike out "sections 315 and 318" and insert "section 315"; and in line 4, after the word "Act", to insert "or the Act of July 9, 1918,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 315 of the Immigration and Nationality Act, or the Act of July 9, 1918, John Axel Arvidson shall be held and considered eligible to be naturalized as a citizen of the United States: *Provided,* That he is otherwise qualified in accordance with the general requirements as to residence, good moral character, attachment to the principles of the Constitution and favorable disposition to the United States as set forth in section 316 of the said Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The concurrent resolution (H. Con. Res. 186) favoring the granting of the status of permanent residence to certain aliens was considered and agreed to.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 445) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment on page 3, after line 12, to insert a new section, as follows:

SEC. 8. For the purposes of the Immigration and Nationality Act, Lee Kuhn Wui and Makoto Yabusaki shall be deemed to be nonquota immigrants.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

VICTOR HOFFER

The bill (H.R. 1595) for the relief of Victor Hoffer was considered, ordered to a third reading, read the third time, and passed.

GANNON BOGGS

The bill (H.R. 2078) for the relief of Gannon Boggs was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF SETH E. LIBBY, JR.

The bill (H.R. 2296) for the relief of the estate of Seth E. Libby, Jr. was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CLAIMS INCIDENT TO NONCOMBAT ACTIVITIES OF THE COAST GUARD

The bill (H.R. 2741) to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF TITLE 28, UNITED STATES CODE

The bill (H.R. 2979) to amend section 752 of title 28, United States Code was considered, ordered to a third reading, read the third time, and passed.

EVA MARIE LESHER

The bill (H.R. 4111) for the relief of Eva Marie Lesher was considered, ordered to a third reading, read the third time, and passed.

OMER W. GUAY

The bill (H.R. 5911) for the relief of Omer W. Guay was considered, ordered to a third reading, read the third time, and passed.

COLBERT COLGATE HELD AND CHARLES W. SHELLHORN

The bill (H.R. 6490) for the relief of Colbert Colgate Held and Charles W. Shellhorn was considered, ordered to a third reading, read the third time, and passed.

JOHN B. SUTTER

The bill (H.R. 7085) for the relief of John B. Sutter was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF SAKIHARA KOKI

The bill (H.R. 7638) for the relief of the estate of Sakihara Koki was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 444) for the relief of certain aliens which had been reported from the Committee on the Judiciary with amendments, on page 1, at the beginning of line 3 to strike out:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Mrs. Serafina Fernandez, Maldonado, Nicola Perretta, Roberto Garcia Marquez, and Salomon Chehebar. From and after the date of the enactment of this Act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

On page 2, at the beginning of line 4, to strike out "Sec. 2. For" and insert "That, for"; at the beginning of line 17, to change the section number from "3" to "2"; in line 20, after the name "Roden", to strike out "Ohannes Vartanyan, Agavni Vartanyan,"; on page 3, at the beginning of line 4, to change the section number from "4" to "3"; at the beginning of line 15, to change the section number from "5" to "4"; in line 16, after the word "Act", to strike out "Anna Almo,"; in line 20, after the word "fees", to strike out "*Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act in the cases of Anna Almo and Primetta Galli" and insert "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act in the case of Primetta Galli."; on page 4, at the beginning of line 4, to change the section number from "6" to "5"; at the beginning of line 13, to change the section number from "7" to "6"; in line 14, after the word "Act", to strike out "John C. Flores and"; in line 18, after the word "natural", to strike out "parents" and insert "father"; in the same line, after the word "the", where it appears the second time, to strike out "beneficiaries" and insert "beneficiary", and at the beginning of line 22, to strike out "Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

PROTECTION OF THE PUBLIC HEALTH

The Senate proceeded to consider the bill (S. 2197) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the

conditions (including maximum tolerances) under which such additives may be safely used, which has been reported from the Committee on Labor and Public Welfare with amendments on page 6, line 16, in the heading, after the word "Foods,", to strike out "Drugs" and insert "Drugs,"; on page 7, line 7 after "(ii)", to strike out ", has" and insert "has,"; on page 8, line 23, after the word "is", to strike out "used," and insert "used;"; on page 9, after line 2, to strike out:

(4) The Secretary shall not list a color additive under this section for a proposed use unless the data before him established—

(A) that such use, under the condition of use to be specified in the regulations, will be safe;

(B) that practicable methods of analysis exist for determining the quantity of the pure dye and all intermediates and other impurities contained in such color additive; and

(C) that practicable methods exist for determining the identity and quantity (i) of such additive in or on any article of food, drug, or cosmetic, and (ii) of any substance formed in or on such article because of the use of such additive.

(5)(A) In determining, for the purposes of this section, whether a proposed use of a color additive is safe, the Secretary shall consider, among other relevant factors—

(i) the probable consumption of, or other relevant exposure from, the additive and of any substance formed in or on food, drugs, or cosmetics because of the use of the additive,

(ii) the cumulative effect, if any, of such additive in the diet of man or animals, taking into account the same or any chemically or pharmacologically related substance or substances in such diet; and

(iii) safety factors which, in the opinion of experts qualified by scientific training and experience to evaluate the safety of color additives for the use or uses for which the additive is proposed to be listed, are generally recognized as appropriate for the use of animal experimentation data.

And, in lieu thereof, to insert:

(4) The Secretary shall not list a color additive under this section for a proposed use unless the data before him establish that such use, under the conditions of use specified in the regulations, will be safe: *Provided, however,* That a color additive shall be deemed to be suitable and safe for the purpose of listing under this subsection for use generally in or on food, while there is in effect a published finding of the Secretary declaring such substance exempt from the term "food additive" because of its being generally recognized by qualified experts as safe for its intended use, as provided in section 201(s).

(5) In determining, for the purposes of this section, whether a proposed use of a color additive is safe, the Secretary shall consider, among other relevant factors—

(A) the probable consumption of, or other relevant exposure from, the additive and of any substance formed in or on food, drugs, or cosmetics because of the use of the additive;

(B) the cumulative effect, if any, of such additive in the diet of man or animals, taking into account the same or any chemically or pharmacologically related substance or substances in such diet;

(C) safety factors which, in the opinion of experts qualified by scientific training and experience to evaluate the safety of color additives for the use or uses for which the additive is proposed to be listed, are generally recognized as appropriate for the use of animal experimentation data; and

(D) the availability of any needed practicable methods of analysis for determining the identity and quantity of (i) the pure dye and all intermediates and other impurities contained in such color additive, (ii) such additive in or on any article of food, drug, or cosmetic, and (iii) any substance formed in or on such article because of the use of such additive.

On page 13, line 24, after the word "health", to insert a colon and *"Provided,* That, with respect to any use in or on food for which a listed color additive is deemed to be safe by reason of the proviso to paragraph (4) of subsection (b), the requirement of certification shall be deemed not to be necessary in the interest of public health protection.", and on page 15, line 20, after the word "identification", to strike out "devices," and insert "devices),"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Color Additive Amendments of 1959".

TITLE I—AMENDMENT OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

Definitions

SEC. 101. Section 201, as amended, of the Federal Food, Drug, and Cosmetic Act is further amended as follows:

(a) Paragraph (s) of such section (defining the term "food additive") is amended by redesignating clause (3) as clause (4), and by inserting immediately before clause (4), as so redesignated, the following new clause:

"(3) a color additive; or".

(b) Paragraph (t) of such section is redesignated and otherwise amended to read as follows:

"(u) The term 'safe', as used in paragraph (s) of this section and in sections 409 and 706, has reference to the health of man or animal."

(c) There is inserted, immediately after paragraph (s) of such section, the following new paragraph:

"(t)(1) The term 'color additive' means a material which—

"(A) is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source, and

"(B) when added or applied to a food, drug, or cosmetic, or to the human body or any part thereof, is capable (alone or through reaction with other substance) of imparting color thereto;

except that such term does not include any material which the Secretary, by regulation, determines is used (or intended to be used) solely for a purpose or purposes other than coloring.

"(2) The term 'color' includes black, white, and intermediate grays."

Colors or colored articles—when deemed to be adulterated or misbranded foods, drugs, or cosmetics

Food

SEC. 102. (a)(1) Clause (2)(A) of section 402(a), as amended, of such Act (relating to food deemed adulterated by reason of unsafe additives) is further amended by striking out the matter within the parentheses and inserting in lieu thereof the following: "other than one which is (i) a pesticide chemical in or on a raw agricultural commodity; (ii) a food additive; or (iii) a color additive".

(2) Section 402(c), as amended, of such Act (relating to food deemed adulterated by reason of uncertified coal-tar color) is amended to read as follows:

"(c) If it is, or it bears or contains, a color additive which is unsafe within the meaning of section 706(a)."

(3) Section 403 of such Act (relating to the circumstances under which food is deemed misbranded) is amended by adding at the end thereof the following new paragraph:

"(l) If it is a color additive, unless its packaging and labeling are in conformity with such packaging and labeling requirements, applicable to such color additive, as may be contained in regulations issued under section 706."

Drugs

(b)(1) Clause (4) of section 501(a) of such Act (relating to drugs deemed adulterated by reason of uncertified coal-tar color) is amended to read as follows: "(4) if (A) it is a drug which bears or contains, for purposes of coloring only, a color additive which is unsafe within the meaning of section 706(a), or (B) it is a color additive the intended use of which in or on drugs is for purposes of coloring only and is unsafe within the meaning of section 706(a)."

(2) Section 502 of such Act (relating to the circumstances under which drugs are deemed misbranded) is amended by adding at the end thereof the following new paragraph:

"(m) If it is a color additive the intended use of which in or on drugs is for the purpose of coloring only, unless its packaging and labeling are in conformity with such packaging and labeling requirement, applicable to such color additive, as may be contained in regulations issued under section 706".

Cosmetics

(c)(1) Section 601(e) of such Act (relating to cosmetics, other than hair dyes, deemed adulterated by reason of uncertified coal-tar color) is amended to read as follows:

"(e) If it is not a hair dye and it is, or it bears or contains, a color additive which is unsafe within the meaning of section 706(a)."

(2) Section 602 of such Act (relating to the circumstances under which cosmetics shall be deemed to be misbranded) is amended by adding at the end thereof the following new paragraph:

"(e) If it is a color additive, unless its packaging and labeling are in conformity with such packaging and labeling requirements, applicable to such color additive, as may be contained in regulations issued under section 706. This paragraph shall not apply to packages of color additives which, with respect to their use for cosmetics, are marketed and intended for use only in or on hair dyes (as defined in the last sentence of section 601(a))."

Regulations to assure safety of color additives for foods, drugs, and cosmetics

SEC. 103. (a) Such Act is further amended by—

(1) repealing subsection (b) of section 406 and striking out the subsection designation "(a)" after "SEC. 406." in such section;

(2) repealing section 504;

(3) repealing section 604; and

(4) amending section 701(e) by (A) striking out "406 (a) or (b)" and inserting in lieu thereof "406"; (B) striking out "504, or 604,"; and (C) inserting the word "or" after "501(b),".

(b) Section 706 of such Act is amended to read as follows:

"Listing and certification of color additives for foods, drugs, and cosmetics

"When Color Additives Deemed Unsafe

"SEC. 706. (a) A color additive shall, with respect to any particular use (for which it is being used or intended to be used or is represented as suitable) in or on food or drugs or

cosmetics, be deemed unsafe for the purposes of the application of section 402(c), section 501(a)(4), or section 601(e), as the case may be, unless—

"(1) (A) there is in effect, and such additive and such use are in conformity with, a regulation issued under subsection (b) of this section listing such additive for such use, including any provision of such regulation prescribing the conditions under which such additive may be safely used, and (B) such additive either (i) is from a batch certified, in accordance with regulations issued pursuant to subsection (c), for such use, or (ii) has, with respect to such use, been exempted by the Secretary from the requirement of certification; or

"(2) such additive and such use thereof conform to the terms of an exemption which is in effect pursuant to subsection (f) of this section.

"While there are in effect regulations under subsections (b) and (c) of this section relating to a color additive or an exemption pursuant to subsection (f) with respect to such additive, an article shall not, by reason of bearing or containing such additive in all respects in accordance with such regulations or such exemption, be considered adulterated within the meaning of clause (1) of section 402(a) if such article is a food, or within the meaning of section 601(a) if such article is a cosmetic other than a hair dye (as defined in the last sentence of section 601(a)).

"Listing of Colors

"(b)(1) The Secretary shall, by regulation, provide for separately listing color additives for use in or on food, color additives for use in or on drugs, and color additives for use in or on cosmetics, if and to the extent that such additives are suitable and safe for any such use when employed in accordance with such regulations.

"(2)(A) Such regulations may list any color additive for use generally in or on food, or in or on drugs, or in or on cosmetics, if the Secretary finds that such additive is suitable and may safely be employed for such general use.

"(B) If the data before the Secretary do not establish that the additive satisfies the requirements for listing such additive on the applicable list pursuant to subparagraph (A) of this paragraph, or if the proposal is for listing such additive for a more limited use or uses, such regulations may list such additive only for any more limited use or uses for which it is suitable and may safely be employed.

"(3) Such regulations shall, to the extent deemed necessary by the Secretary to assure the safety of the use or uses for which a particular color additive is listed, prescribe the conditions under which such additive may be safely employed for such use or uses (including, but not limited to, specifications, hereafter in this section referred to as tolerance limitations, as to the maximum quantity or quantities which may be used or permitted to remain in or on the article or articles in or on which it is used; specifications as to the manner in which such additive may be added to or used in or on such article or articles; and directions or other labeling or packaging requirements for such additive).

"(4) The Secretary shall not list a color additive under this section for a proposed use unless the data before him establish that such use, under the conditions of use specified in the regulations, will be safe: *Provided, however,* That a color additive shall be deemed to be suitable and safe for the purpose of listing under this subsection for use generally in or on food, while there is in effect a published finding of the Secretary declaring such substance exempt from the term 'food additive' because of its being generally recognized by qualified experts as safe for its intended use, as provided in section 201(s).

"(5) In determining, for the purposes of this section, whether a proposed use of a color additive is safe, the Secretary shall consider, among other relevant factors—

"(A) the probable consumption of, or other relevant exposure from, the additive and of any substance formed in or on food, drugs, or cosmetics because of the use of the additive;

"(B) the cumulative effect, if any, of such additive in the diet of man or animals, taking into account the same or any chemically or pharmacologically related substance or substances in such diet;

"(C) safety factors which, in the opinion of experts qualified by scientific training and experience to evaluate the safety of color additives for the use or uses for which the additive is proposed to be listed, are generally recognized as appropriate for the use of animal experimentation data; and

"(D) the availability of any needed practicable methods of analysis for determining the identity and quantity of (i) the pure dye and all intermediates and other impurities contained in such color additive, (ii) such additive in or on any article of food, drug, or cosmetic, and (iii) any substance formed in or on such article because of the use of such additive."

"(6) The Secretary shall not list a color additive under this subsection for a proposed use if the data before him show that such proposed use would promote deception of the consumer in violation of this Act or would otherwise result in misbranding or adulteration within the meaning of this Act.

"(7) If, in the judgment of the Secretary, a tolerance limitation is required in order to assure that a proposed use of a color additive will be safe, the Secretary—

"(A) shall not list the additive for such use if he finds that the data before him do not establish that such additive, if used within a safe tolerance limitation, would achieve the intended physical or other technical effect; and

"(B) shall not fix such tolerance limitation at a level higher than he finds to be reasonably required to accomplish the intended physical or other technical effect.

"(8) If, having regard to the aggregate quantity of color additive likely to be consumed in the diet or to be applied to the human body, the Secretary finds that the data before him fail to show that it would be safe and otherwise permissible to list a color additive (or pharmacologically related color additives) for all the uses proposed therefor and at the levels of concentration proposed, the Secretary shall, in determining for which use or uses such additive (or such related additives) shall be or remain listed, or how the aggregate allowable safe tolerance for such additive or additives shall be allocated by him among the uses under consideration, take into account, among other relevant factors (and subject to the paramount criterion of safety), (A) the relative marketability of the articles involved as affected by the proposed uses of the color additive (or of such related additives) in or on such articles, and the relative dependence of the industries concerned on such uses; (B) the relative aggregate amounts of such color additive which he estimates would be consumed in the diet or applied to the human body by reason of the various uses and levels of concentration proposed; and (C) the availability, if any, of other color additives suitable and safe for one or more of the uses proposed.

"Certification of Colors

"(c) The Secretary shall further, by regulation, provide (1) for the certification, with safe diluents or without diluents, of batches of color additives listed pursuant to subsection (b) and conforming to the requirements for such additives established by regulations under such subsection and this subsection, and (2) for exemption from the requirement of certification in the case of any such additive, or any listing or use thereof, for which he finds such requirement not to be necessary in the interest of the protection of the public health: *Provided,* That, with respect to any use in or on food for which a listed color additive is deemed to be safe by reason of the proviso to paragraph (4) of subsection (b), the requirement of certification shall be deemed not to be necessary in the interest of public health protection.

"Procedure for Issuance, Amendment, or Repeal of Regulations

"(d) The provisions of section 701(e), (f), and (g) of this Act shall apply to and in all respects govern proceedings for the issuance, amendment, or repeal of regulations under subsections (b), (c), or (e) of this section (including judicial review of the Secretary's action in such proceedings) and the admissibility of transcripts of the record of such proceedings in other proceedings, except that—

"(1) the Secretary's order after public hearing (acting upon objections filed to an order made prior to hearing) shall be subject to the requirements of section 409(f)(2); and

"(2) the scope of judicial review of such order shall be in accordance with the third sentence of paragraph (2), and with the provisions of paragraph (3), of section 409(g).

"Fees

"(e) The admitting to listing and certification of color additives, in accordance with regulations prescribed under this Act, shall be performed only upon payment of such fees, which shall be specified in such regulations, as may be necessary to provide, maintain, and equip an adequate service for such purposes.

"Exemptions

"(f) The Secretary shall by regulation (issued without regard to subsection (d)) provide for exempting from the requirements of this section any color additive or any specific type of use thereof, and any article of food, drug, or cosmetic bearing or containing such additive, intended solely for investigational use by qualified experts when in his opinion such exemption is consistent with the public health."

Confidentiality of trade secrets

SEC. 104. Section 301(j), as amended, of such Act, prohibiting disclosure of trade secrets, is amended by striking out "or 704" and inserting in lieu thereof "704, or 706".

Changes in cross-references and terminology

SEC. 105. Such Act is further amended by—

(a) striking out, in section 301(i) thereof (relating to forgery or unauthorized use of certain identification devices), "404, 406(b), 504, 506, 507, or 604", and inserting in lieu thereof "404, 506, 507, or 706";

(b)(1) striking out, in clause (3) of section 303(c) (relating to color manufacturer's guarantee), the word "coal-tar" wherever it appears in such clause, and (2) inserting after the word "color", wherever it appears in such clause, the word "additive"; and

(c) striking out "harmless coloring" in section 402(d) (relating to non-nutritive substances in confectionery) and inserting in lieu thereof "authorized coloring".

TITLE II—EFFECTIVE DATE, TRANSITIONAL PROVISIONS, AND EFFECT ON OTHER LAWS

Definitions

SEC. 201. As used in this title, the term "basic Act" means the Federal Food, Drug, and Cosmetic Act; the term "enactment date" means the date of enactment of this Act; and other terms, insofar as also used in the basic Act (whether before or after

enactment of this Act) shall have the same meaning as they have, or had when in effect, under the basic Act.

Effective date

SEC. 202. This Act shall, subject to the provisions of section 203, take effect on the enactment date.

Provisional listings of commercially established colors

SEC. 203. (a)(1) The purpose of this section is to make possible, on an interim basis for a reasonable period, through provisional listings, the use of commercially established color additives to the extent consistent with the public health, pending the completion of the scientific investigations needed as a basis for making determinations as to listing of such additives under the basic Act as amended by this Act. A provisional listing (including a deemed provisional listing) of a color additive under this section for any use shall, unless sooner terminated or expiring under the provisions of this section, expire (A) on the closing date (as defined in paragraph (2) of this subsection) or (B) on the effective date of a listing of such additive for such use under section 706 of the basic Act, whichever date first occurs.

(2) For the purposes of this section, the term "closing date" means (A) the last day of the two and one-half year period beginning on the enactment date or (B), with respect to a particular provisional listing (or deemed provisional listing) of a color additive or use thereof, such later closing date as the Secretary may from time to time establish pursuant to the authority of this paragraph. The Secretary may by regulation, upon application of an interested person or on his own initiative, from time to time postpone the original closing date with respect to a provisional listing (or deemed provisional listing) under this section of a specified color additive, or of a specified use or uses of such additive, for such period or periods as he finds necessary to carry out the purpose of this section, if in the Secretary's judgment such action is consistent with the objective of carrying to completion in good faith, as soon as reasonably practicable, the scientific investigations necessary for making a determination as to listing such additive, or such specified use or uses thereof, under section 706 of the basic Act. The Secretary may terminate a postponement of the closing date at any time if he finds that such postponement should not have been granted, or that by reason of a change in circumstances the basis for such postponement no longer exists, or that there has been a failure to comply with a requirement for submission of progress reports or with other conditions attached to such postponement.

(b) Subject to the other provisions of this section—

(1) any color additive which, on the day preceding the enactment date, was listed and certifiable for any use or uses under section 406(b), 504, or 604, or under the third proviso of section 402(c), of the basic Act, and of which a batch or batches had been certified for such use or uses prior to the enactment date, and

(2) any color additive which was commercially used or sold prior to the enactment date for any use or uses in or on any food, drug, or cosmetic, and which either (A) on the day preceding the enactment date was not a material within the purview of any of the provisions of the basic Act enumerated in paragraph (1) of this subsection, or (B) is the color additive known as synthetic beta-carotene,

shall, beginning on the enactment date, be deemed to be provisionally listed under this section as a color additive for such use or uses.

(c) Upon request of any person, the Secretary, by regulations issued under subsection (d), shall without delay, if on the basis of the data before him he deems such action consistent with the protection of the public health, provisionally list a material as a color additive for any use for which it was listed, and for which a batch or batches of such material had been certified, under section 406(b), 504, or 604 of the basic Act prior to the enactment date, although such color was no longer listed and certifiable for such use under such sections on the day preceding the enactment date. Such provisional listing shall take effect on the date of publication.

(d)(1) The Secretary shall, by regulations issued or amended from time to time under this section—

(A) insofar as practicable promulgate and keep current a list or lists of the color additives, and of the particular uses thereof, which he finds are deemed provisionally listed under subsection (b), and the presence of a color additive on such a list with respect to a particular use shall, in any proceeding under the basic Act, be conclusive evidence that such provisional listing is in effect;

(B) provide for the provisional listing of the color additives and particular uses thereof specified in subsection (c);

(C) provide, with respect to particular uses for which color additives are or are deemed to be provisionally listed, such temporary tolerance limitations (including such limitations at zero level) and other conditions of use and labeling or packaging requirements, if any, as in his judgment are necessary to protect the public health pending listing under section 706 of the basic Act;

(D) provide for the certification of batches of such color additives (with or without diluents) for the uses for which they are so listed or deemed to be listed under this section, except that such an additive which is a color additive deemed provisionally listed under subsection (b)(2) of this section shall be deemed exempt from the requirement of such certification while not subject to a tolerance limitation; and

(E) provide for the termination of a provisional listing (or deemed provisional listing) of a color additive or particular use thereof forthwith whenever in his judgment such action is necessary to protect the public health.

(2)(A) Regulations under this section shall, from time to time, be issued, amended, or repealed by the Secretary without regard to the requirements of the basic act, but for the purposes of the application of section 706(e) of the basic act (relating to fees) and of determining the availability of appropriations of fees (and of advance deposits to cover fees), proceedings, regulations, and certifications under this section shall be deemed to be proceedings, regulations, and certifications under such section 706.

(B) On and after the enactment date, regulations, provisional listings, and certifications (or exemptions from certification) in effect under this section shall, for the purpose of determining whether an article is adulterated or misbranded within the meaning of the basic Act by reason of its being, bearing, or containing a color additive, have the same effect as would regulations, listings, and certifications (or exemptions from certification) under section 706 of the basic Act. A regulation, provisional listing or termination thereof, tolerance limitation, or certification or exemption therefrom, under this section shall not be the basis for any presumption or inference in any proceeding under section 706(b) or (c) of the basic Act.

(3) For the purpose of enabling the Secretary to carry out his functions under paragraph (1) (A) and (C) with respect to color additives deemed provisionally listed, he shall, as soon as practicable after enactment of this Act, afford by public notice a reasonable opportunity to interested persons to submit data relevant thereto. If the data so submitted or otherwise before him do not, in his judgment, establish a reliable basis for including such a color additive or particular use or uses thereof in a list or lists promulgated under paragraph (1)(A), or for determining the prevailing level or levels of use thereof prior to the enactment date with a view to prescribing a temporary tolerance or tolerances for such use or uses under paragraph (1)(C), the Secretary shall establish a temporary tolerance limitation at zero level for such use or uses until such time as he finds that it would not be inconsistent with the protection of the public health to increase or dispense with such temporary tolerance limitation.

Effect on meat inspection and poultry products inspection acts

SEC. 204. Nothing in this act shall be construed to exempt any meat or meat food product or any person from any requirement imposed by or pursuant to the Meat Inspection Act of March 4, 1907 (34 Stat. 1260), as amended or extended (21 U.S.C. 71 and the following), or the Poultry Products Inspection Act (21 U.S.C. 451 and the following).

The amendments were agreed to.

Mr. HOLLAND. Mr. President, I support S. 2197, but because of the concern of some persons in my State, at their request I addressed certain questions to Hon. George P. Larrick, Commissioner of Food and Drugs, in the Department of Health, Education, and Welfare, in a letter dated August 20, 1959. I acquainted the chairman of the Committee on Labor and Public Welfare, the distinguished Senator from Alabama [Mr. HILL], with the contents of my letter. I received a written response from Dr. Larrick under the same date, namely August 20, 1959, a copy of which was also furnished to the Senator from Alabama.

I should like to ask the chairman of the committee, who is familiar with both letters, to state whether or not he approves of the positions taken by Dr. Larrick, the Commissioner of Food and Drugs, in his letter of August 20, 1959, replying to my earlier letter of the same date.

Mr. HILL. Mr. President, my views are in accord with the views expressed by Mr. Larrick in his letter to the Senator from Florida [Mr. HOLLAND] dated August 20, 1959.

Mr. HOLLAND. Is my understanding correct that the bill was reported by the unanimous action of the committee headed by the Senator from Alabama, and that the committee, including the chairman, entertain the same views as are expressed in Dr. Larrick's letter?

Mr. HILL. I have not conversed with every one of the 14 members of the committee, but I think I understand the intent and purpose of the bill. I should say that the intent and purpose as supported by the committee are in accord with the views of Dr. Larrick in his letter to the Senator from Florida dated August 20, 1959.

Mr. HOLLAND. I appreciate the reply of the Senator from Alabama.

Mr. President, I ask unanimous consent that my letter to Dr. Larrick and his reply to me, both under date of August 20, 1959, be printed at this point in the RECORD, assuming that that course is agreeable to the Senator from Alabama.

Mr. HILL. It is perfectly agreeable.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 20, 1959.

Hon. GEORGE P. LARRICK,
Commissioner, Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. LARRICK: Several questions have been raised by our citrus industry with reference to certain provisions of S. 2197, the color additive amendments of 1959. I believe these questions can be cleared up by a colloquy on the Senate floor if we can agree upon the intent of these provisions in the bill. Therefore, I would like to ask for your comments on three particular matters with the understanding that this letter and your reply thereto will be placed in the CONGRESSIONAL RECORD during debate on the bill as part of the legislative history of the act.

First, the question has been raised as to whether the definition of the term "color additive" as contained in S. 2197 includes the ethylene process now used in the coloring of citrus fruit and certain other fruits and vegetables. In view of the fact that this process does not actually add color, and in view of discussions we have had on the subject, I do not believe there is any intention of covering the ethylene method in this definition. I will appreciate your assurance that this is the case.

Second, the term "promote deception of the consumer" used in the bill is extremely broad. As you know, in the coloring of citrus every effort has been made to prevent the use of color for deception and we would like your assurance that the long established practice of using ethylene and the use of the color recently certified for the coloring of sound, mature citrus fruit meeting the maturity standards of the respective States, are not considered as "promoting deception" as the term is used in the bill. In view of the statements made by the Department in its message transmitting this bill, I feel sure that it is not intended to claim that these processes promote deception, but I would appreciate your confirmation of this conclusion.

Third, it is my understanding that citrus red No. 2 listed under the provisions of Public Law 86–2, 86th Congress, approved March 17, 1959, shall be deemed provisionally listed under the provisions of section 203 of the bill. I will appreciate your confirmation of this conclusion, also.

Thanking you in advance for your cooperation and with kind regards, I remain,

Yours faithfully,

SPESSARD L. HOLLAND.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
FOOD AND DRUG ADMINISTRATION,
Washington D.C., August 20, 1959.

Hon. SPESSARD L. HOLLAND,
U.S. Senate, Washington, D.C.

DEAR SENATOR HOLLAND: This replies to your letter of August 20, 1959, asking for our views on three questions that have been raised about S. 2197, the color additives amendment of 1959.

It is our understanding that the treatment of citrus fruit with ethylene after harvest does not add color, that it suppresses the formation of certain coloring materials, such as chlorophyll and thus allows the yellow or orange coloring contributed by other natural components to become more apparent. Therefore we would not regard ethylene used in this way on citrus fruit as a color additive within the meaning of the bill.

The second question is whether the application of ethylene or of citrus red No. 2 to sound, mature oranges that meet the minimum maturity standards established under the laws of the States in which the oranges are grown would be considered as promoting deception as that term is used in S. 2197. We would not consider such use as promoting deception.

The third question is whether citrus red No. 2 as listed under the provisions of Public Law 86–2 would be deemed provisionally listed under the provisions of section 203 under S. 2197. It would be deemed provisionally listed.

Sincerely yours,

GEO. P. LARRICK,
Commissioner of Food and Drugs.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE IN LIMIT FOR ADMINISTRATIVE SETTLEMENT OF CLAIMS UNDER THE TORT CLAIMS PROCEDURE

The Senate proceeded to consider the bill (H.R. 6000) to amend title 28 of the United States Code to increase the limit of administrative settlement of claims against the United States under the tort claims procedure to $3,000, which had been reported from the Committee on the Judiciary with amendments on page 1, line 7, after the word "of", to strike out "$2,000" and insert "$2,500"; on page 2, line 2, to strike out "$2,000" and insert "$2,500"; in the line after line 5, after the word "of", to strike out "$2,000" and insert "$2,500", and in line 9, to strike out "$2,000" and insert "$2,500".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $2,500."

BILLS PASSED OVER

The bill (S. 883) to confer jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law was announced as next in order.

Mr. BARTLETT. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED TO FOOT OF CALENDAR

The bill (H.R. 3240) for the relief of Mrs. Clare M. Ash was announced as next in order.

Mr. KEATING. Mr. President, I have a request that that bill go over; and pursuant to the request I ask that it go over. But I will not object to its being called up by motion at the end of the call of the calendar.

The PRESIDING OFFICER. The bill will be placed at the foot of the calendar.

BILL PASSED OVER

The bill (S. 2467) to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nations without available resources, and for other purposes, was announced as next in order.

Mr. BARTLETT. Mr. President, on our side, at least, the report on the bill reached the Calendar Committee only a few minutes before the consideration of the various bills was begun. We have had no time in which to study the report. Therefore, I ask that the bill go over.

The bill will be passed over.

MRS. CLARE M. ASH

Mr. WILEY. Mr. President, I ask unanimous consent that the Senate proceed at this time to the consideration of Calendar No. 810, House bill 3240, for the relief of Mrs. Clare M. Ash. I have spoken to the Senator who earlier today objected to consideration of the bill during the call of the calendar. He stated he would have no objection to having the bill placed at the foot of the calendar.

Therefore, at this time, I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 3240) for the relief of Mrs. Clare M. Ash was considered, ordered to a third reading, read the third time, and passed.

Mr. WILEY. I thank the Senator for his cooperation.

The PRESIDING OFFICER. That completes the call of the calendar.

PAYMENT TO THE GOVERNMENT OF JAPAN

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 639, Senate bill 2130, to authorize a payment to the Government of Japan.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement of the background of the committee action on the bill be printed at this point in the RECORD; and I wish to add that the bill was reported unanimously by the Foreign Relations Committee.

There being no objection, the excerpt from the report (No. 631) was ordered to be printed in the RECORD, as follows:

BACKGROUND AND COMMITTEE ACTION

The Bonin Islands lie about 700 miles due south of Tokyo. During the war, the civilian

population of the islands—about 7,000 Japanese nationals—were evacuated by the Japanese Government to the Japanese home islands. Although 135 persons were allowed to return at one point, the United States, since 1945, has repeatedly held that the Bonins should be closed to other settlement for "security reasons."

Article 3 of the Japanese Peace Treaty gives to the United States "the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters."

Unfortunately, the former residents of the Bonins have not been successfully integrated into the Japanese economy, and it is necessary for the Japanese Government to provide them with assistance. Prime Minister Kishi, during his June 1957 visit to Washington, sought relief for the Bonin Islanders, pleading that the problem constituted a definite irritant in United States-Japanese relations. He favored repatriation and, failing that, indemnification. Subsequently, it was decided that security requirements were such that even limited resettlement was out of the question. The problem then became one of indemnification. The Japanese Government originally requested $12.5 million, but has agreed to accept $6 million.

The Department of State and the Department of Defense agree that the former property holders of the Bonins have legitimate claims. The date from which the claims have been calculated is April 28, 1952, which is when the Japanese Peace Treaty took effect. Since the land has not been in use for many years, there was a problem in determining its value. It was decided to measure the claims by the average value of land in the Ryukyu Islands, another group of Japanese islands under U.S. administration. The figure adopted was $1,060 per acre, and the total value of the land in question was estimated to be $4 million. Interest at 6 percent per annum (standard for the area) was added to this, raising the total sum to about $6 million.

Rather than having the U.S. Government adjudicate individual claims, which both State and Defense regard as unwise, it was recommended that the total amount be turned over to the Japanese Government in full satisfaction of the claims.

On July 27, the committee, sitting in executive session, heard testimony in support of the bill from J. Graham Parsons, Assistant Secretary of State for Far Eastern Affairs; and Robert H. Knight, Acting Assistant Secretary of Defense for International and Security Affairs.

The judgment of the U.S. Government is that the overriding consideration in this matter is one of military security. According to Assistant Secretary Knight, "The Department of Defense considers that the unrestricted use of these islands is essential for the security purposes of the United States." The Bonins encompass only 45 square miles, and any resettlement of the area would circumscribe its usefulness as a military site of critical importance.

COMMITTEE RECOMMENDATIONS

The committee agrees that in these special circumstances repatriation of the former residents of the Bonin Islands is not advisable; that in order to avoid a noxious political problem—indeed, a situation that could undermine our position in the Bonin Islands—the proposed $6 million indemnity should be paid to the Japanese Government. Thus, the committee urges the approval of S. 2130 by the Senate.

Mr. KEATING. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER (Mr. HARTKE in the chair). Does the Senator from Montana yield to the Senator from New York?

Mr. MANSFIELD. I yield.

Mr. KEATING. I wish to say that this measure is a very important one. I have received authentic information regarding the bill, and that information convinces me of the merit of the bill.

I thank the Senator from Montana.

Mr. MANSFIELD. Mr. President, the bill is a very meritorious one, and its enactment is very much needed at this time. I think it will do much to enhance our good relations with Japan.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2130) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to pay to the Government of Japan a sum of $6,000,000. The payment of such sum shall constitute full satisfaction and settlement of all claims of Japanese nationals, formerly resident in the Bonin Islands, arising from the use, benefit, or exercise of property rights or interests in the Bonin Islands by the United States for security purposes, for the period beginning April 28, 1952, and continuing until such time as said use, benefit, or exercise is relinquished by the United States.

SEC. 2. There is hereby authorized to be appropriated the sum of $6,000,000 to carry out the purpose of this Act.

Mr. MANSFIELD. Mr. President, I move that the vote by which Senate bill 2130 was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT OF NATIONAL BANKING LAWS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 736, House bill 8159, to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. GORE. Mr. President——

Mr. JOHNSON of Texas. Mr. President, the Senator from Virginia [Mr. ROBERTSON] has two bills. I was talking to him only a moment ago. The bills are noncontroversial, and both of them were passed unanimously by the House of Representatives; and the Senator from Virginia is anxious to have the Senate act on them today.

After our conversation at the door of the Chamber, apparently the Senator from Virginia left the Chamber, under the impression that the bills would not be brought up by motion.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE obtained the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Tennessee may yield to the Senator from Pennsylvania [Mr. SCOTT] without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Tennessee for his courtesy.

Mr. GORE. Mr. President, this situation arises from the fact that the name of the distinguished junior Senator from Pennsylvania [Mr. SCOTT] appears on the list at the Vice President's desk, as I understand. I had been informed that for the remainder of the session such informal arrangements by means of lists of Senators' names would not be adhered to. But inasmuch as the junior Senator from Pennsylvania did not so understand, I certainly wish to yield so that he may speak first.

Mr. SCOTT. Mr. President, I thank the distinguished Senator from Tennessee. I had not been informed of the practice to which he refers. I have been waiting since last Wednesday to have this opportunity, and I have been standing in a position to be recognized by the Chair for the last 10 minutes. So I thank both the Senator from Tennessee and the Senator from Texas.

Subsequently, during the delivery of Mr. SCOTT's remarks on military strength,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Pennsylvania [Mr. SCOTT] may yield for the purpose of bringing up two bills, with the understanding that the colloquy appear in another part of the RECORD, and with the further understanding that he not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 736, H.R. 8159.

The LEGISLATIVE CLERK. A bill (H.R. 8159) to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes.

The PRESIDING OFFICER. The Chair may call attention to the fact that that bill is the pending business.

The Senate resumed the consideration of the bill.

Mr. JOHNSON of Texas. Does the Senator from Virginia care to make an explanation of the bill?

Mr. ROBERTSON. Mr. President, the two bills which the majority leader is asking to have considered at this time are, so far as we know, noncontroversial banking bills. They have previously

been passed by the Senate, for the most part, in the Financial Institutions Act of 1957. They were unanimously handled this year on the House side. They were unanimously reported by the Senate Banking and Currency Committee.

We have heard no objection to them.

The first bill to which I refer is H.R. 8159.

H.R. 8159 would repeal a number of obsolete provisions of the national bank laws; it would eliminate a number of ambiguities in those laws; and it would make a number of minor substantive amendments relating to the operations of the Comptroller of the Currency and of the national banks.

H.R. 8159 contains 25 sections. All but two of these sections were contained in the same or substantially the same form in the Financial Institutions Act of 1957, which was passed by the Senate on March 21, 1957. The two new sections are of minor importance—section 19 authorizing the Deputy Comptroller to serve as a member of the Board of Directors of FDIC in the event of the Comptroller's disability, and section 25 requiring inclusion of the word "national" in the name of every national bank.

Among the amendments which would be made by H.R. 8159, and were included in the Financial Institutions Act of 1957, are provisions, first, requiring approval of the Comptroller for a national bank to change the location of its main office; second, giving national banks 10 days instead of 5 to furnish reports of condition pursuant to a call by the Comptroller; third, prohibiting receipt of deposits of corporations not examined or regulated by State or Federal authority; and fourth, imposing restrictions on the payment of dividends.

I have been asked whether the restrictions on dividends imposed by section 21 of H.R. 8159 apply only to the declaration and payment of cash dividends, or whether these restrictions apply also to stock dividends. This inquiry refers to the requirement that the approval of the Comptroller of the Currency must be obtained before dividends may be declared in any year which would exceed that year's net profits plus the retained net profits of the preceding 2 years, over and above required transfers to surplus or funds for retirement of preferred stock.

This provision is intended to apply, and does apply, only to cash dividends. Its purpose, as the report states, is to prevent dissipation of needed capital funds by payment of excessive dividends—to prevent the payment of dividends which would result in a weakened and undercapitalized bank.

The declaration of stock dividends, which would not result in the payment of any funds of the bank to the stockholders, would not be affected by these provisions in H.R. 8159.

In order to complete the story, however, I should add that section 5142 of the Revised Statutes—12 United States Code section 57—specifically requires the consent of the Comptroller, and a two-thirds vote of the stockholders for a stock dividend, and also specifically requires that the surplus of the bank, after the stock dividend, must be at least 20 percent of the increased capital stock.

The committee held hearings on this bill on August 14, 1959. The Comptroller of the Currency and representatives of the American Bankers Association testified in favor of the bill. Favorable recommendations were received from the other banking agencies. No testimony was presented to the committee in opposition to any amendment in H.R. 8159.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 8159) was ordered to a third reading and was read the third time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HOLLAND. Do I understand correctly that this bill is but a part, and a noncontroversial part, of the Financial Institutions Act which the Senate passed by an overwhelming majority year before last?

Mr. ROBERTSON. That is correct. There were two minor differences. All the rest of the 25 changes were included in the bill known as the Financial Institutions Act of 1957. For the first time in the history of our Nation, all the banking and credit laws were put together in one bill.

Passage of the bill was very highly commended not only by the Federal agencies, but by the financial institutions of America; but that bill was put to death on the House side. Now the House is reviving some of the provisions. This particular bill is up for passage. Then there will be another bill involving other parts of the same Financial Institutions Act.

Mr. HOLLAND. I am certainly in accord with what the Senator is doing. I am only sorry other portions of his bill of 2 years ago cannot be passed in the same way.

Mr. ROBERTSON. The Senator is very kind.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 8159) was passed.

Mr. JOHNSON of Texas subsequently said: Mr. President, I move to reconsider the vote by which Calendar No. 736, H.R. 8159, was passed.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF LENDING AND BORROWING LIMITATIONS OF NATIONAL BANKS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 737, H.R. 8160.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes, which had been reported from the Committee on Banking and Currency, with an amendment, on page 4, line 6, after the numerals "5200", to strike out "is" and insert "and subsection 11(m) of the Federal Reserve Act (12 U.S.C. 248(m) are".

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, H.R. 8160 would authorize an additional Deputy Comptroller of the Currency and increase the bonds of the Comptroller and his deputies. It would increase the ceiling on a bank's borrowing authority from 100 percent of capital to 100 percent of capital plus 50 percent of surplus. It would also liberalize a number of the exceptions to the general rule that a bank can lend no more than 10 percent of its capital and surplus to one borrower, and it would liberalize a number of the present restrictions on real estate loans by national banks.

Most of the amendments in H.R. 8160 were included in the Financial Institutions Act of 1957, which was passed by the Senate on March 21, 1957, but did not become law.

The increase in a bank's borrowing authority to 100 percent of capital and 50 percent of surplus is considered a conservative but helpful change, particularly for smaller banks which meet heavy seasonal needs. The Financial Institutions Act would have increased this to 100 percent of capital and 100 percent of surplus. This is the rule for the banks of many States.

Section 5200 of the Revised Statutes (12 U.S.C., sec. 84) limits loans by a national bank to a single borrower to 10 percent of the bank's capital and surplus. There are a number of exceptions to this rule, where experience has shown that larger loans can safely be made to one borrower. H.R. 8160 would make a special provision for loans secured by frozen or refrigerated foods, up to 25 percent of capital and surplus, comparable to, but somewhat more limited than, an existing provision for readily marketable nonperishable staples. It would place a 25-percent limitation on loans secured by dairy cattle comparable to the existing provision for livestock.

The frozen or refrigerated foods industry has become a great industry in the State of Florida. I am sure the Senator from Florida [Mr. HOLLAND] is interested in that. We have not only been getting splendid frozen foods from Florida, but we are now getting the fresh grapefruit, delivered in the cool, chilled form which is fresh, rather than in the frozen form. It is wonderful. It is sold in my hometown, and in many other places, in the same way that milk is sold, in containers.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HOLLAND. I appreciate the cordial and hunger-provoking comments of my distinguished friend from Virginia.

I am glad to back up the Senator's statement that these loans can be safely made, due to the newly discovered processes, whereas the loans would not have been so safe and could not have been made in such large amounts before the knowledge was obtained in the last few years.

Mr. ROBERTSON. We have to admire and sometimes frankly envy the progress made in Florida. Virginia has been very proud in the past of its production of apples, but we envy the production of citrus fruit in the State of Florida.

Mr. President, H.R. 8160 would amend an existing provision which makes the limit on loans to one borrower 25 percent of capital and surplus instead of 10 percent, if the loan is in the form of notes secured by U.S. obligations. The amendment would delete the words "in the form of notes," so that obligations secured in this way would have the benefit of the 25 percent figure, instead of the usual 10 percent.

This was the only point on which the committee amended the bill, and the only point where either the public or an agency raised a question before the committee.

The committee was reminded, even before the bill reached us, as we had been advised in 1957, that there was a comparable restriction on State member banks in section 11(m) of the Federal Reserve Act. In order to keep from creating an unnecessary and undesirable discrimination between national banks and State member banks, the committee amended the bill so as to remove the same phrase—"in the form of notes"—from the Federal Reserve Act.

One witness, a government bond dealer, appeared at the hearing and objected vigorously to a ruling by the Comptroller of the Currency that certain repurchase agreements involving government bonds are lending transactions and subject to the restrictions of section 5200. The dealer objected to this amendment because he thought it might be construed as a ratification of the Comptroller's ruling. The Comptroller took the position that the amendment did not have any bearing on the disputed ruling. The committee made it clear in the report that the amendment was not intended to have, and would not have, any effect on this issue.

Another amendment to section 5200 was the insertion of a new exception, for consumer installment paper, both negotiable and nonnegotiable. The amendment would place the limit on discounts of such paper for one person at 25 percent of capital and surplus. However, where the bank relied on its knowledge of the maker's financial condition for particular paper, and its files showed it, the bank would not have to include this paper in the dealer's limit.

The committee was advised that the laws of many large States now prohibit negotiable paper for consumer installment purchases. In these States, the new provision is expected to be a substantial assistance to many banks. It is recognized, of course, that banks in other States which permit negotiable consumer installment paper and accustomed to handling such paper in the past under the complete exemption for negotiable paper will find this a substantial restriction.

Section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) contains restrictions on real estate loans by national banks. H.R. 8160 would make five changes in these provisions. Two of these were contained in the Financial Institutions Act—permitting loans—secured by leaseholds which have 10 years to run after the maturity of the loan, and permitting 18-month construction loans on industrial or commercial buildings where there is a takeout commitment for a permanent loan and increasing the aggregate limit on such loans. Another of these amendments was one permitting real estate loans regardless of the relation to the appraised value of the property, where the loan is guaranteed by a State or a State agency backed up by the State's faith and credit. This provision was contained in S. 1173, the bill of the Senators from Maine [Mrs. SMITH and Mr. MUSKIE] which the Senate passed on July 15, 1959.

Another amendment would increase from 66⅔ percent to 75 percent of the approved value the amount which might be loaned on improved real property, where the loan is to be fully amortized within 20 years. This will put national banks in more nearly the same position as State banks.

The last amendment was to exempt from the restrictions on real estate loans, those business loans based on a firm's general credit standing and earnings record, where a lien on real estate is taken as additional security.

The amendments contained in H.R. 8160 will be of substantial help to national banks in meeting the needs of business and the public. While each amendment constitutes a relaxation of a restriction on credit, the committee emphasized in the report that it was not the intent, nor will it be the result, of these amendments to encourage or to permit any general relaxation of credit. The overall credit restrictions are not affected in the least by these individual amendments.

The committee recommended that these amendments be enacted promptly, so that the national banks and their customers can get the resulting benefits as soon as possible.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8160) was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JORDAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FREE IMPORTATION OF TOURIST LITERATURE, UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, the Senator from Pennsylvania [Mr. SCOTT] has been considerate and courteous to me, as has the Senator from Tennessee [Mr. GORE]. Both Senators have speeches they desire to make.

I do not want the unanimous-consent agreement which I am about to propose to apply unless and until the Senators have completed the delivery of their speeches. I therefore ask unanimous consent that following the delivery of the speeches and during the further consideration of Calendar No. 672, H.R. 2411, to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, there be a limitation of time on the Yarborough amendment to strike the Anderson amendment of 30 minutes on each side, to be controlled by the Senator from New Mexico [Mr. ANDERSON] and by the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. JOHNSON of Texas. Mr. President, I am informed this is agreeable to interested Senators, such as the Senator from Oregon [Mr. MORSE] and the proponents of the Anderson amendment. My colleague from Texas has informed me it is agreeable to him.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. I of course have no objection to the unanimous-consent agreement. I am very much interested in another phase of the bill. So long as the Senator is asking unanimous consent, would he be willing to cover the entire bill and any amendments, so that we can get on with the business of the Senate?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. ANDERSON. I think as soon as the Yarborough amendment is disposed of we can pass the bill without any great delay.

Mr. JAVITS. The Senator thinks this will be a proper procedure. I have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

Ordered, That on August 25, 1959, at the conclusion of routine morning business, the Senate resume the consideration of the bill H.R. 2411 (Calendar No. 672), to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, and that debate on the motion of the Senator from Texas [Mr. YARBOROUGH] to ings strike out section 4, relating to wood mouldings, be limited to 1 hour, one-half thereof to be controlled by him, and one-half by the Senator from New Mexico [Mr. ANDERSON].

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that the unanimous-consent agreement previously entered into not apply until after the morning hour tomorrow.

Mr. KEATING. Mr. President, reserving the right to object, will the Senator from Texas enlighten us in regard to the agreement to which he refers?

Mr. JOHNSON of Texas. Earlier today, there was a unanimous-consent agreement on the Yarborough amendment to strike out the Anderson motion or amendment; and that agreement was to go into effect at the conclusion of the remarks to be made by the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Tennessee [Mr. GORE]. If the agreement were kept, time would have to be allotted to the Senator from Idaho [Mr. CHURCH], who now desires to address the Senate. But neither the Senator from Texas [Mr. YARBOROUGH], nor the Senator from New Mexico [Mr. ANDERSON], cares about having the vote taken this evening; and I have told the minority leader that we have other arrangements with regard to any voting this evening.

Therefore, I ask unanimous consent that the unanimous-consent agreement apply as I have requested.

Mr. KEATING. I have no objection.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Is there objection? Without objection, it is so ordered.

Mr. KEATING. Mr. President, the Senator from Vermont Mr. [AIKEN] has requested 20 minutes, following the morning hour tomorrow. Is that satisfactory?

Mr. JOHNSON of Texas. Yes.

Mr. KEATING. I thank the Senator from Texas.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the Senate will stay in session until a reasonable time this afternoon. There is no assurance that we will reach any votes today. We will see how long the speeches take.

Mr. President, I wish to announce that H.R. 1, reported by the Committee on Public Works, will be taken up tomorrow or the next day. I want all Members of the Senate to be on notice concerning that bill. It is the bill for the Great Lakes water diversion.

U.S. DEFENSE POLICY: OVERALL SUPERIORITY TODAY AND TOMORROW

Mr. SCOTT. Mr. President, some time ago a pamphlet in a series entitled "Democratic Programs for Action," being pamphlet No. 4, "The Military Forces We Need and How To Get Them," was given some currency. I have been much interested in this pamphlet because I find that in great part I cannot agree with its premises or its conclusions.

While the pamphlet is somewhat confused, and exhibits considerable difficulty in arriving at recommendations, it appears to be arguing the possibility of limited nuclear war as against a war of conventional weapons or an unlimited nuclear war; and certainly it argues for vast increases in the size of our Armed Forces, principally to be distributed in the NATO defenses.

How the authors of this pamphlet arrived at this conclusion is not to be ascertained with any clarity from the pamphlet itself. The apparent argument that the kind of war which Russia plans is a limited nuclear war is disputed by many sources, including Mr. J. M. Mackintosh, who is the leading British authority on Russian military affairs, and who has had firsthand experience with Soviet armed forces and top Soviet leaders. In World War II he served as British liaison officer with the Russian Army for 2 years. At present he is adviser on Soviet military affairs to the Institute of Strategic Studies in London.

In U.S. News & World Report for August 24 the following colloquy occurs, and I submit that this entire interview runs precisely counter to the apparent contentions in the pamphlet I have mentioned:

Question. Do Russian military leaders feel that military expansion in Europe is possible without great risk of a general war?

Answer. The short answer is "No." I think that the Soviet military leaders have convinced themselves by now that the use of Soviet forces in East Germany for military action against West Germany would bring on nuclear war.

Question. Can you envisage any situation in which they would consider that risk worthwhile?

Answer. Speaking again from the point of view of the professional military in the Soviet Union, I can't.

Question. As long as NATO remains a relatively effective military alliance, do you think that the Russians rule out the feasibility of a limited war of any kind in Europe?

Here the Soviet expert is directly in disagreement with the pamphlet. His answer:

Answer. I think so. It is absolutely essential for the peace and defense of the West that NATO should continue to make it clear to the Russians that it is not only the ground forces of NATO in Western Europe which would face the Soviet Union, but the full might of the United States that would be brought to bear should the Soviets use their superiority in ground forces to attempt to achieve a military gain in Western Europe.

Mr. President, I desire to make a further rebuttal of the somewhat cavalier assumptions contained in the pamphlet of the Democratic Advisory Council.

Mr. President, I submit what has been said by Russian military authorities, writing in Russian military publications, for the benefit of all echelons of the Russian military and for the Russian people, ought to be believed, since it is difficult to see what purpose would be served by deceit or evasion, in view of the nature of the article. I should like to quote briefly from the Russian Army Journal, "Military Herald," of June 1958, the writer being Col. I. Baz, a leading Soviet strategist. This is included in a forthcoming book of Raymond L. Garthoff, "The Soviet Image of Future War."

About this naive assumption that perhaps all our problems could be settled by merely adding more Army divisions in Western Europe, and assuming a certain kind of war will take place, Colonel Baz says:

It is necessary to bear in mind that, in our time, peace is indivisible and each local, small war has a tendency to become the prologue to a world war, sooner or later transforming itself into a worldwide military conflagration.

The theory of apologists of militarism advocating so-called small nuclear wars has nothing in common with the truth and is calculated to defraud and demobilize the strength of the peace-loving forces.

I will add parenthetically, that is the Russian description of themselves—

for prevention of a new world war.

The possibility of transforming a small war into a large scale war is as old as wars themselves. It has always existed. But at the present time this possibility is especially great, in particular as a consequence of the mass saturation of the armed forces with various long-range and super-long-range weapons which permit the delivery of powerful blows to distances of hundreds and even thousands of kilometers.

I am very much in favor of the public examination of public policy, particularly in such crucially important fields as the national security. But the observations and conclusions of such discussion ought to be balanced; its recommendations should be positive; its timing ought to be cautious. For instance, I do not feel that a document which blatantly challenges the strategic deterrence adequacy of the United States as well as that Government's willingness to utilize its nuclear retaliatory power came gracefully during the climax of the Geneva Conference.

The authorship of "The Military Forces We Need and How To Get them" is obscure. Who is behind this pamphlet? Who wrote it? Do its "ghosts" include munitions makers? A quick look at the membership of the Advisory Council and its Advisory Committee on Foreign Policy, contained on the inside cover of the pamphlet, fails to reveal any defense experts which, it seems, would be needed to conduct a valuable policy review in this incredibly complicated and constantly changing field.

A NEED FOR EXPERTS AND OBJECTIVITY

Mr. Dean Acheson, Secretary of State during the postwar period of the Marshall plan and the Korean conflict, is listed as the Chairman of the Foreign Policy Committee, and some newspaper reports and usually informed individuals have identified him as the sponsor of the brochure.

I cannot help but find this peculiar. Mr. Acheson is certainly educated, at times through bitter experience, in foreign policy. Military policy, albeit closely interrelated, is nevertheless intensely sophisticated in its own right. Military policy deserves real expertise in its own right. A cattle rancher does not tell his neighbor how to grow potatoes. An advertising executive is not called to advise his firm on labor relations. Nor would we want an optometrist to set a fractured ankle. Also, if there is one

single person who recently has served in high position within the executive branch who should know better than anyone else the degree of difficulty involved in directing international affairs while at the same time having to fend off political snipings, it is Mr. Acheson.

It can be agreed that what we need to aid our thinking are constructive connoisseurs rather than destructive dilettantes.

The pamphlet we are discussing is a strange combination of objective examination and political attack. I have found thought-provoking theories and observations on defense policy which are worthy of attention. I have also found unscientific inconsistency, insinuation, loaded judgments, and outright partisanship. This is a bad mixture.

A critique which attempts to deal with present policies must be founded upon logical objectivity, rather than dark suspicions and ungrounded assumptions of incompetency, ignorance, and blindness.

The American people want the facts, and an expert, unbiased appraisal of them.

The Council either has not read a great deal which has been said or published in this field—by those who are expert in the area—or it expects that its pamphlet's readership will not have done so. For a great deal of essential material has been just plain left out. As one example of a valuable document available on the vital issue of military readiness and the U.S. defense budget, let me mention the prepared statement delivered by Secretary of Defense Neil McElroy before the Subcommittee on Department of Defense Appropriations of the Senate Committee on Appropriations on May 4, 1959.

This is thorough, factual, carefully reasoned, and moderate in tone.

To quote two paragraphs from the McElroy statement:

> In all of this discussion it has been evident that considerable differences of opinion exist on defense policies and programs—sometimes even among members of the Defense Establishment. I know that some of our citizens who are not closely associated with these matters are disconcerted by this lack of unanimity, particularly on the part of Defense spokesmen. These people can't be expected to recognize that in the defense program we are dealing with extremely difficult problems for which there are simply no pat solutions—no simple answers. In many areas—looking into the future—we are dealing largely with assumptions, calculations, estimates, judgments. It is not surprising then, that there are differences of opinion even among experienced, professionally competent men.
>
> Nevertheless, the fact remains that the responsible officials—military and civilian—still have the task of studying these divergent points of view and arriving at a specific program. In accomplishing this, it seems to me, the central problem is one of achieving balance, balance between the offensive and defensive forces; between general war and limited war forces; between numbers of men and numbers of weapons; between new weapons and old; between aircraft and missiles; etc. No one would advocate trying to do everything that every individual would like to see done. This would not only be beyond our resources but would simply dissipate our efforts and weaken rather than strengthen our military power. So, we are faced with the necessity of making decisions among various alternatives—in other words, of exercising judgment, of making "hard choices." In doing so, we make use of the best military and scientific talents in the country. Through this process we have formulated the defense program and budget for fiscal year 1960.

The Secretary of Defense further stated that the Department followed two basic principles in regard to developing the fiscal year 1960 weapons program: (1) the present rate of development is maintained and, if advisable, technologically advanced where a program is unquestionably essential; (2) the level of effort is reduced or the program is eliminated when it appears to be of lesser importance or has been overtaken by events, in view of current technical information. This policy, the Secretary contended, provides the Defense Department with the most efficient defense for the money involved, and allows the greatest overall progress through concentrating on the more advanced and promising weapons systems.

Since the budgetary policy of the President comes under persistent attack—although lessening in recent weeks—this background information is particularly pertinent. It should help refute the "divide and conquer" technique of some of the President's critics, who argue the inadequacy of the defense budget on the basis of separate testimony by the individual Chiefs of Staff, who endorse the over-all adequacy of the defense budget, but request more money for preferred programs in their own baliwicks. Now these requests are perfectly natural, and have been going on for years. No separate military arm ever has enough for itself. It is the duty of the representatives of each to argue, to plead, to harangue for more. When a Chief of Staff speaks individually for his own service, it is not surprising that he is never satisfied with the share allocated to his own service.

What we must not lose sight of, as Secretary McElroy said, is that the officials responsible for the entire defense program must arrive at decisions which bring about a balanced, coordinated, overall proficiency. The fragmentary separated approach can easily result in contradictions, waste and critical gaps. So when the service chiefs speak together, considering the entire multifaceted defense posture, their balanced judgment should be heeded.

As a footnote, it is interesting to observe that if the individual estimates of each of the Joint Chiefs concerning the program needs of each of the other comrade Chiefs were calculated, our overall defense budget for fiscal year 1960 would be considerably less than it is now.

PAMPHLET CHARGES DUAL WEAKNESS

The material in "The Military Forces We Need and How To Get Them" attempts to deal with both strategic and tactical military preparedness.

The pamphlet challenges our defense policies and programs in both areas. Our conventional capability is weaker, it claims, particularly in NATO. A radical shift in the balance of nuclear power is claimed to result in loss to the United States of our "monopoly" and our "nuclear preponderance." We will soon lose, if we have not lost already, a status of "nuclear parity" with the Russians. The tasks before us, therefore, are to "restore" our nuclear striking power and to enlarge and "futurize" forces capable of fighting in a limited engagement.

Here are the basic assertions. There is a great deal of discussion surrounding them, some factual documentation offered, many theories expounded, but the argumentation and evidence offered do not prove the premises or effectively support the conclusions. There is too much wild assumption. There is raw speculation, illogical reasoning, innuendo, and a feeling of urgent necessity to score points for use in political campaigns.

The authors of the brochure assert that the first priority of the United States is to assure nuclear adequacy. One agrees wholeheartedly. The administration agrees also, and when it originally said so, was sneered at by these same critics for its policy of massive power ready for use.

On June 27, in a press conference at Quantico, Va., the Secretary of Defense said:

This says it better than the pamphleteers because, in addition to endorsing the idea of nuclear adequacy, it spells out what nuclear adequacy is. The pamphlet is more vague and less consistent in its definition, and goes on to talk about the "lethargy" of the administration and the "vulnerability of our strategic nuclear power."

> The judgment of our chiefs is that * * * the No. 1 responsibility we should retain * * * is to be in a position always to respond to a nuclear attack by any opponent in such a destructive way that he would know that his country would be destroyed if he would undertake such an attack.

QUANTITATIVE ILLOGIC OF PAMPHLETEERS

Here I cannot agree. In its assertion that the United States is failing as a nuclear power, the Democratic Advisory Council jumps from the fact that Russia has increased her nuclear striking capability strongly over the past 5 years to the conclusion that the United States has less ability for retaliatory destruction. In quantitative terms, it is assumed that as the enemy grows stronger, we must weaken. This is the mentality which later argues for the numerical matching of the Russians in missiles via a crash program, without regard for the overall qualitative potency of the United States. Little emphasis is given the imperative fact that, in order to insure against retaliation which could destroy her, Russia must guarantee that her first nuclear strike to all intents and purposes annihilates our ability to strike back. No basis for that possibility is indicated in this pamphlet; nor is the matter actually dealt with face to face by the pamphleteers.

The pamphlet claims that the Soviet, already strong in conventional forces and improving its limited war capability, has broken the U.S. strategic nuclear monopoly, and therefore U.S. ability to protect Europe with a strategic

nuclear shield diminishes. This intellectual freewheeling awes one. This fragment of illogic completely overlooks the fact that it is plainly foolish to assume that Russia will court outright an initial nuclear air attack from our side by going all out with her ground forces. She will not give us that advantage. With tactical forces in Europe as a limited war buffer, the U.S. huge strategic retaliatory power does supply the Continent with continued protection.

It is ironic that, eventually and inevitably, the pamphlet comes full circle and accuses the administration of depending too much on strategic nuclear forces.

The fact that the United States must depend on her strategic nuclear strength to a major degree because of Russia's overwhelming predominance of manpower-for-land forces is sidestepped by the document under discussion. The administration, moreover, emphatically disputes the claim that the United States has lost her status of nuclear predominance over the Russians, let alone that a situation of nuclear parity is being threatened.

U.S. NUCLEAR PREPONDERANCE MAINTAINED

Secretary of Defense McElroy said in April of this year:

So long as the United States continues to have an overall preponderance of capacity to deliver high potency weapons—on target—we need not fear attack. We have such a preponderance now and no one in this administration—civilian or military—has any intention of allowing this condition to change.

The opinion of our top military advisers is unanimous that we have the power now to discourage any all-out attack on the United States and the free world and we have effective mobile power which can quickly be applied in potential trouble spots around the free world to discourage or to contain military action of a so-called limited scope.

Current U.S. defense policy rests primarily on the manned bomber, since, in the judgment of our military leaders, the manned bomber will remain for ourselves as well as the U.S.S.R., the most effective means of delivering nuclear weapons, in the volume and with the accuracy required to strike a decisive blow, for some time into the future—while the intercontinental ballistic missile is still moving to the operational stage and in adequate numbers. Our Democratic critics seem to overlook this reality; nor do they acknowledge the fact or efficacy of the United States "mix" policy of defense now in practice.

Secretary of Defense McElroy has pointed out that the United States has several times as many heavy jet bombers of the B–52 class, and also more medium bombers, than the U.S.S.R. This, plus our refueling capability and greater training in strategic warfare is surely being taken into account by the U.S.S.R., if not by the D.A.C.

"MIX" POLICY OF U.S. DEFENSE

The "mix" or "double weapons" quality of U.S. preparedness meets the Soviet threat not by matching it numerically missile for missile, but rather by continuing to depend on a widely diversified retaliatory force made up of many different weapons systems, including our long-range strategic bomber force, our intermediate-range nuclear missiles deployed abroad, our atomic-capable tactical aircraft overseas, and our atomic-capable carrier air groups in the Mediterranean and Far Pacific—all of which could strike a devastating blow deep in the U.S.S.R. right now.

By contrast, the U.S.S.R. has no carrier air groups; it has no intermediate-range missiles capable of hitting the United States; it has no tactical aircraft based close enough to strike our country; it has a vastly inferior strategic bomber force. Is this nuclear parity?

In further answer to the "missile gap" charge—more of a slogan than an argument—it should be pointed out again that this gap is largely of our own making. We estimate, in order to have a liberal margin of insurance, the Russians' future missile capability on what they could do ideally, considering the industrial and scientific resources which are calculated to be available to them. Thus we project the Russian buildup of long-range ballistic missile forces into the next few years. When we compare what they could conceivably do, with all their resources, with what we actually plan to do with our defense budgeted for, some gap arises. This protective method of estimation must not be forgotten when cries go up for a "crash" program in missiles.

Why do we not hear something from the experts of the D.A.C. about the Russians' huge bomber gap, or about their perilous nuclear retaliatory gap? These gaps are current and real, and not contrived out of statistical estimates or misestimates for the future.

CRASH-AND-CRISIS THEORY REJECTED

The crash-and-crisis theory of defense preparedness offered by anonymous pamphleteers is not acceptable to the administration. The Department of Defense has mapped out a strategic defense policy to carry us ahead into the early 1960's which is neither complacent nor unalert, but soundly based on a thorough examination of the military capability of the Soviet now and in the future, plus a careful consideration of our own technological capacities.

This policy is a refutation of the superficial missile-for-missile "numbers game" approach. Better to proceed, as we are, by making sure we have what it takes, now and in the future, to promise overwhelming nuclear destruction to the Soviet should she attack us, so as to deter attack, or any serious consideration of it.

This policy puts our primary current strategic dependence on a manned bomber striking system, proven and ready, and a huge variety of other weapons, including missiles, as above noted.

It results in the correct decision to move ahead in research and development of the solid-fuel missiles of the future, rather than in undue construction and reliance upon soon-to-be-obsolete missiles of the earlier stage, even though these are being produced in sufficient quantity to provide a powerful temporary segment of our overall strategic capacity.

It results—and this is the elemental point—in a much greater capacity in the U.S. strategic destructive power than that of her enemies.

If we harkened to the impetuous, amateur, and superficial demands for closing the alleged missile gap, we would be liable, by overlooking the real needs in our defenses, to liken ourselves to the eagle of Aesop's fables who, when shot by an arrow constructed of his own feathers, found he had supplied his enemy with the means for his own destruction.

SOVIET MISSILES AND "ACCEPTABLE RISK"

Nobody has offered evidence to warrant the conclusion that Russian missile capability can or will be such as to achieve a knockout blow to our SAC, missile, and carrier facilities so that our capability to retaliate would be reduced below the level of acceptable risk. This should be made clear. This should be reemphasized, lest the pamphlet's querulous charges of missile inadequacy give the mistaken impression that we are not in fact achieving a posture of balanced defense.

The Ballistic Missile Early Warning System, the dispersal and hardening of SAC bases, and the construction of alert facilities demonstrate current progress in our insurance policy against increased Soviet ICBM attack power in the next few years.

The Secretary of Defense has informed us that a good start has been made on the BMEWS system during the past year, and has stated:

By the time it is anticipated that a full-scale Soviet ICBM attack could be launched against this country the BMEWS system is expected to be able to provide that critical margin of warning which will enable our strategic forces to get off on their retaliatory mission.

The accelerated SAC dispersal and ground alert program should be completed by the end of the present fiscal year, and will frustrate the enemy both by making it more difficult for him to reach our bases and by increasing the speed with which we could retaliate if the need arose. In this connection, our potent retaliatory power from mobile sea bases must also be kept in mind.

To measure our progress in the ballistic missile field, we note that substantial funds were recommended in the present fiscal year's budget for the continued production of the Atlas and for the development of the Titan. Money adequate for pushing forward on the development of the Minuteman solid fuel missile and the Polaris program was also budgeted. We are not wasting time or effort in advanced missilery.

BUDGETING FOR ADVANCED MISSILES

Again, Secretary McElroy's statement supplies documentation. The following budgetary wrapup, taken from his testimony, serves to set the record straight:

Specifically, the fiscal year 1960 budget provides additional funds for such advanced retaliatory weapon systems at Atlas, Titan, Minuteman, and Polaris; for the B–52/Hound Dog combination, the B–58 and for development of the B–70, as well as the supporting tankers for the B–52 and B–58.

A final increment of funds is included in this budget to complete the presently planned production program for Jupiter and Thor.

Now, you will note that there is included in the 1960 budget quite a variety of retaliatory weapons systems. We plan to obligate in 1960 a total of about $5.2 billion for procurement, research, development, test and evaluation, and the construction of facilities for these systems. Roughly $2.4 billion will go for manned aircraft and their related equipment and about $2.8 billion for the ballistic missiles. I want to emphasize that these figures do not include the operating costs for these or any other of the retaliatory systems which will be supported in 1960.

Concerning the pamphlet's charge that Polaris is not being funded highly enough, the Department argues that it must not jump wildly ahead of itself, and insists that the money requested is sufficient for efficient progress. This judgment is supported by information supplied Congress 3 weeks ago stating that the submarine-borne intermediate-range missile weapon would be ready for combat use before the end of 1960, or 3 years ahead of the original goal. Such a schedule factually destroys the charge that the administration is "dragging its feet" on Polaris, although the charge reads well in a political pamphlet.

Proceeding to the pamphlet's treatment of the tactical or "limited" area of our defense, the criticism of present policies and programs continues—shriller, more gloomy, and less consistent than before.

The Democratic tract indulges in a tortured, at times seriously provacative, and certainly confused effort to grasp the intricate character of limited conflict and its relationship to U.S. strategic defense policy.

Let us examine the D.A.C.'s advice in this regard.

D.A.C. CHARGES TACTICAL INADEQUACY

"NATO is pitifully weak," they contend.

Our own contribution to that military alliance is "weaker," it is asserted, and the full complement of 30 NATO Divisions should be honored. Why, they proclaim, the weakness of NATO is so obvious that the enemy may feel he can knock off Europe with a quick, restricted attack. NATO must depend upon falling back immediately on the strategic deterrent of the United States. In turn, however, this will do no good, because the enemy knows that Europe's disaster in the event of nuclear retaliation will be much greater than that which she faces in the event of a "limited war," and therefore it is likely that the West's strategic deterrent is a bluff. "A defense dependent upon the willingness and ability of the NATO governments to employ nuclear weapons in a war of unlimited violence lacks credibility," it is claimed by the pamphleteers. The presence of nuclear weapons in NATO countries is evidently considered to be no more than an act of courtesy on the part of these countries.

At this point the pamphlet has asserted that our limited war capability is nonexistent and that our nuclear deterrents—barely at parity with the Soviet's—probably won't be used anyway.

It is argued, with some effectiveness—even though "all the best authorities" are not "convinced"—that limited war fought with tactical nuclear weapons is not cheaper and does not involve less manpower than limited war fought conventionally, but rather more. The rather extraneous point is made that our tactical forces should be equipped with nuclear weapons, but only to deter the enemy from using his. Their use would not give us a military advantage anyway, the critics claim.

Finally, the topic "Limited Nuclear Warfare or Withdrawal" is discussed in such a way as to imply that these policies have been offered as alternatives by the administration. This is not all true. The administration has rejected both policies. The Advisory Council, after beating around the bush, concurs.

The pamphlet's solution to this dilemma in Europe, and ostensibly elsewhere, in the event of limited engagements, is to "increase the hazards to the Soviet of using its ground forces so that it will be as dangerous as using nuclear forces in the first instance." How is this to be done? Through an increase in our defense forces and through "a vigorous flow of scientific and military invention." Quite a nervous plea is made here for our scientists to "invent something."

Here is one of the most typical examples of naivete to be found in the pamphlet—when the pamphleteers make their entire case depend upon the ability of our country to invent something in the future. Incidentally, Mr. President, I may say that even though the inventions were made, I am sure the Russians would claim they themselves had made the same inventions 50 years before.

Those who have written the pamphlet seem to rely upon having our scientists make some inventions, although the writers of the pamphlet do not specify what the inventions might be. Certainly such an attitude is typical of the schoolboy-writing nature of the pamphlet.

In demanding that the United States increase her manpower complement in Europe, it appeared as if the pamphleteers were advocating that we match the Russians man for man. This is only half an argument, however. Later in the tract, the Democratic Advisory Committee begs its own question, by admitting that our limited forces will inevitably be smaller than those of our Communist adversaries.

"A proper marriage of invention and tactical innovation may greatly increase the effectiveness of the smaller force," the document states. I do not think that anyone would disagree with that statement, although we must admit that the same opportunity for improvement exists for the enemy. In fact, Mr. President, that statement reminds me of boyhood experiences, when one boy would threaten another one, and would say to him, "I am going to do so and so to you," and the boy who was threatened would reply, "Well, while you are doing it, I am going to do so and so to you." So, Mr. President, certainly the pamphleteers should realize that it is quite proper for us to assume that the Russians would be doing something mysterious, too, at the same time.

It is a rather empty "if" to wager the future on, particularly when things are as bad now as the critics indicate. Cannot the pamphleteers come up with a better answer? When real solutions are needed for the problems which the Democratic Advisory Council dilettantes have just finished overexaggerating, they are out to lunch.

CONTRADICTION AND CONFUSION

To sum up, this is the way their argument goes:

If we can strengthen our NATO forces enough, the enemy will have a tougher problem containing any limited conflict of his making and therefore would be less likely to start one. But we are informed that we can never equal his manpower, and that our tactical atomic weapons should be kept only as a deterrent. Furthermore, we are advised that the Russians would not use their own tactical weapons, anyway, again in order to keep the conflict from expanding—so that deterrent is needless. The fog thickens.

I have earlier quoted from the statement made by the Russian expert, who said that certainly the Russians would use all their forces in limited wars. Of course, Mr. President, history shows that usually limited wars expand into worldwide conflagrations.

The Kremlin, being unable to keep a conflict of its making limited, would be in great danger of courting strategic nuclear retaliation. Facing this eventuality, the enemy would be too scared to initiate a limited conflict, in the first place—and we have outfoxed him. This is contradicted when the pamphleteers inform us that Russia thinks our nuclear retaliatory power is only a bluff and would not be used anyhow. The smoke of sophistry has us weeping.

This argument, though noteworthy for its painful effort, simply cannot be held up by the fantastic delusion of an "innovation and invention" advantage which, by a wave of the Democratic wand, will be granted us by our fairy godmother. This mighty exercise in illogic falls of its own weight, crumbles from its own confusion.

NATO: STRONG AND WILLING

I certainly agree that it is advisable to have the NATO forces reach the full complement of 30 divisions. But we cannot forget that NATO is an alliance made up of several sovereign states, over whom we have no control. The United States cannot force its European allies to greater participation, and if we went ahead and increased our own contribution unilaterally—and, incidentally, U.S. combat forces to NATO have not been diminished, but have remained constant, and have been improved qualitatively—it might be largely wasted. Besides, that would create an even larger "political imbalance" and would encourage the Europeans to depend more on us, and do less and less to help themselves.

There is little evidence to indicate that NATO will merely fall back on the strategic nuclear deterrence behind her if attacked in a restricted action. NATO is there to fight, and will fight.

This is the present policy of all NATO governments. If the organization existed only as a "paper tiger," it would not have thrived. NATO not only exists to fight, but is equipped to fight effectively.

Any military move the Communists make will be challenged by force. If necessary, our tactical forces will use nuclear weapons. If necessary, additional men and equipment will converge in the European Continent. This is what our STRAC divisions are for, and the mobility and effectiveness of our conventional forces for restricted conflict situations have already been demonstrated in the Lebanon and Quemoy areas.

If the time comes when our limited forces cannot handle the enemy, when the tactical deterrent has failed, when the United States and her allies have gone to their fullest capacity to contain the enemy on a restricted basis and are unable to do so, then the war has become unlimited, and our strategic striking power will be brought into play. Again, this last-resort deterrent, as massive and as horrible as it is, will fail to deter, will fail to avoid war, unless we are determined to use it when necessary.

If ever the United States and the rest of the free world fail to use their available strength to resist a sustained Communist attack, our destiny will be gravely endangered, for our enemy, ever probing for that single opening, that one sign of critical weakness, seeks for a start to go all the way. Our policy is serious; it is "willing." We are committed to our friends to intervene at once against a common aggressor, and we will. The Russians know all this, even if the Democratic Advisory Committee does not.

THE QUALITY OF U.S. FORCES: CHARGES AND REBUTTAL

The Democratic Advisory Council condemns the size and quality of our forces. The Army is understrength, the pamphlet maintains, and its equipment and weapons are obsolescent.

By June of 1959, it was predicted, our total military forces would be weaker by almost one million men. The charge is leveled that we are reducing our forces to pre-Korean strength. The last Truman defense budget is referred to with admiration.

What are the facts?

In June of 1959, the U.S. total military forces were 1 million less than at the peak of the Korean war. The cold war is not the same as a hot war, despite the contentions in this portrayal of doom. Do the pamphleteers want to draft an extra million young men? If so, for what purpose?

Until the Korean war, defense budgets were progressively lowered by Democratic Congresses. President Truman's original defense budget request for fiscal year 1951, right on the eve of the Korean war, amounted to the staggering sum of something over $13 billion. Also, the pamphlet failed to mention that President Truman anticipated, in his last budget message, that defense budgets in the near future would decline "until they reach the level required to keep our Armed Forces in a state of readiness." The level he mentioned was "in the neighborhod of $35–$40 billion annually." This is actually less than where our defense budget is today.

That makes Mr. Truman a good prophet, if he will take the time to read the statements he made at that time.

In order to evaluate the pamphlet's charges of understrength and outdatedness, let us compare the situation as of June 30, 1959, with that of exactly 9 years earlier—on the eve of the Korean war.

The Army had 593,167 men and 10 divisions. It had no missile commands. It had 48 antiaircraft batallions with guns, and 1,291 aircraft. Today, the Army has 870,000 men and 14 divisions. Its levels of training, equipment and readiness are much higher. It has 82 antiaircraft batallions equipped with missiles. It has 5,300 aircraft.

The Navy had 381,538 men, 598 active ships, 9 carrier air groups, and 7 antisub squadrons. The Navy currently has 630,000 men, 864 active ships, 16 carrier air groups, and 22 antisub squadrons.

The Air Force has moved from 411,277 men to 845,000; from 48 wings to 105, the modernization or qualitative improvement of which is immeasurable; and from 12,500 to over 20,000 active aircraft. Moreover, in 1953 the Air Force had 11 heavy strategic bomb wings of 30 B–36's each. Today, it has the same number of wings with 45 B–52's in each. With additional B–52's funded in recent budgets, including 1960, there eventually will be 14 such wings. Also entering the inventory as a partial replacement for the B–47 is the B–58 mach 2 medium bomber with intercontinental range, and under active development is the B–70 high altitude long-range heavy supersonic bomber.

The Marine Corps moved from 74,279 men to 175,000 in 9 years, and increased their divisions and air wings from two to three each. Both the Marines and the Army announced recently that infantrymen will be equipped with a bazookalike antiaircraft missile equipped with infrared heatseeker, called the Redeye.

The total force level of the Army, Navy, Air Force, and Marine Corps at the outbreak of the Korean War was 1,460,261. The total force goal aimed at by the beginning of the current fiscal year was in the neighborhood of double that figure, 2,525,000.

It is crystal clear that these statistics devastate the contentions of the gloomy members of Dean Acheson's brood.

In our present era of rapid technological advance, the cycle of modernization and replacement is continuous. At any moment, therefore, it is all to easy to term an operational model in some given category "obsolete," while gazing at the prototype of the future. The U.S. forces are greatly modernized, as compared with those which fought in Korea, and they are much more lethal. It would be a mistake to become complacent; it would be unfortunate if we didn't recognize areas needing improvement in the "futurization" of our Armed Forces. Yet great technological advances have been made under the Eisenhower administration, and huge combat power has been incorporated into our Armed Forces in the past 6 years.

Our forces are not being "blindly neglected." This is false.

Two brief paragraphs from Defense Secretary McElroy's testimony before the Senate Appropriations Subcommittee quickly document this point:

> Attention is also given in this budget to the continued modernization of our ground force equipment. Funds are included for tanks, trucks, small arms and ammunition, electronics and engineer equipment as well as for a variety of missiles for employment by troops in the field. The Army will also buy two new aircraft—the Mohawk high performance observation aircraft and the Caribou light transport—as well as additional helicopters.
>
> The tactical units of the Air Force, in support of the ground forces, will continue to be modernized with the F–105 supersonic fighter-bomber, the surface-to-surface missile Mace, and the C–130 troop transport.

A STRONG NATIONAL ECONOMY

The overall recommendations made for the revamping and refurbishing of our defense programs in the Democratic pamphlet amount to a cost of $7.5 billion annually.

This $7.5 billion in annual expenditures would be the poorest spent money in the entire defense budget originally programed. After determining an adequate overall effort, one can always add marginal amounts, ad infinitum, which, in consideration of profitable return for the insurance bought, move further and further into the area of diminishing returns. This we cannot afford to do, either militarily or economically—despite the advice of the partisan experts.

Seven and one-half billion dollars annually is a great deal of money, in addition to a $41 billion defense budget which exists at the present. The American taxpayer already supports the largest cold-war budget in history.

Thus it is that the "spendocrats" the people who have no concern or hesitation about the disposition of other people's money, people who have no sense of responsibility for the total cost of the budget, people who believe in spending at any price, regardless of whether the money is needed or not, do not advise us where we shall get the $7.5 billion. They do say that, "There can be no question of the capacity of our economy to support this addition to defense expenditures." That is doubtless in addition to the $10 billion or more welfare proposals espoused by the Democratic Advisory Council members and Democratic Senators and Representatives. Other than these indignantly obscure protestations, however, our friends seem to have run out of advice, again at the most crucial point.

The pamphlet claims that defense policies require "executive leadership with the energy to grapple with the real issues and to make the necessary decisions." The U.S. leadership in the defense field is of the highest caliber—experienced, sound, and mature, as well as energetic—and I may add, infinitely superior to the anonymous kitchen cabinet which put together this curious and nonfactual political pamphlet.

The leadership of the United States, as exemplified by the President, the Department of Defense, and responsible leaders in the Senate and House in both parties, have rejected the "crash and crisis" approach to our national defense. The leadership has refuted the automatic, gloomy, and debilitating assumption that the Soviet is way ahead and that we are way behind, and the belief that the only way to set it all right again is to spend lots more money. It acknowledges the fact that we are in for a long haul, and stresses that our various resources must be utilized accordingly.

The policies and programs set up by our genuine defense experts for the present and future recognize the critical relationship between military preparedness and a strong national economy—our total capacity for survival.

When the authors of the pamphlet arrived at the sum of $7.5 billion annually, they did so, and I quote, "in very general and approximate terms." This is one of the most candid statements in the pamphlet.

I submit that the entire tract was conceived and executed in very general and approximate terms, and that is why I have gone to some lengths to rebut it. Critical examination and review is crucially necessary—especially in this field, as I stated at the outset of this discussion—and to that extent we must be grateful to the members of the Democratic Advisory Council. But in this instance they fell short of the needed standards and the interests of the country were not served.

Mr. President, I will conclude by citing the difference between action in the 86th Congress and the naive recommendations of this Democratic Advisory Council pamphlet.

The pamphlet urges three immediate steps. It was published last month. The steps urged were:

First, an increase in the production of jet tankers, which the Senate and the other body refused to do.

Second, to double the combined Atlas-Titan missile production currently programed, which the Senate and the other body refused to do so far.

Third, to continue the development and production of the airborne cruise missiles, such as the Snark and Regulus II, to be maintained at dispersed locations and made mobile, at relatively low cost. This, to a large extent, this body and the other body of Congress have refused to do.

One of the blessed things about our Government is that those who represent continue to represent, and those who represent themselves as experts are exposed for what they are namely, political pamphleteers.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SCOTT. I yield to the Senator from New York.

Mr. KEATING. I want to commend the Senator from Pennsylvania for bringing this pamphlet to our attention. He has performed a very useful service in so doing. I was considerably shocked when I read the report of the Democratic Advisory Council that the United States, over the next 4 years, must spend an extra $30 billion on its national defense above our present defense expenditures—in other words, $7½ billion above the budget recommendations, of which they were very critical, in the coming year.

Of course, I realize that the Democratic Advisory Council was created, according to its charter, to formula and enunciate Democratic policy. I assume that is what they were doing when these armchair people, such as Paul Ziffren, Jacob Arvey, and a few others, promulgated this policy.

Mr. SCOTT. Perhaps, if the Senator will permit me to comment at this point, this policy of this oddly assorted group of established military geniuses conceived of themselves a being created to advise and consent to the Democratic majority here in the Congress. I am very glad the majority in the Congress has so frequently ignored them.

Mr. KEATING. I think it probably has been helpful to our country that they have, in many respects, but it makes one wonder who is formulating the policy of the party. The congressional majority has, as a matter of fact, not only fostered a cut in the budget recommended by the President for natonal defense, amounting to practically $20 million, but it has attempted to take a good deal of credit for the reduction in the defense budget in that regard; whereas we find the council which was set up to formulate and enunciate the policy of the Democratic Party giving us a very disturbing report which would make one practically believe that Russian troops were marching down Pennsylvania Avenue and that our country was in great danger because we are not ready to spend $7½ billion more than the budget recommended by the President.

However, all of the leading military experts, such as Gen. Nathan F. Twining, former head of the Air Force, Gen. Maxwell D. Taylor, former Chief of Staff of our Army, Adm. Arleigh A. Burke, Chief of Naval Operations, Gen. Randolph McC. Pate, head of the Marines, and a one-time military figure of considerable consequence, one Dwight D. Eisenhower, have recommended what they consider a fair and adequate budget for our national defense, but which still takes account of the other demands made upon our Federal Treasury.

That budget has been presented to the Congress, and the Congress, under the leadership of the same group who are enunciating this other policy, has seen fit to reduce the amount, not even giving to the President what he says he needs for national defense, to the tune of $20 million.

So that situation puts a person in a good deal of confusion over what the actual situation is as between these two elements, both of them prominent in the party, setting forth what appear to be very conflicting views on the needs of our national defense.

I think the Senator from Pennsylvania has been very helpful to us, and has shown he has studied this problem very thoroughly in presenting these figures to us, to set the record straight in order that we and the country may be well informed on this issue.

Mr. SCOTT. Mr. President, I appreciate what the Senator from New York has said. The figures which I have cited have been checked for accuracy with the Department of Defense. In my judgment, these figures will stand up against any attempt to counter them.

I will say to the Senator from New York that perhaps the other party ought to adopt the symbol of Janus, the two-faced god of war, instead of the symbol of the jackass or the donkey, since it has now put itself in a position where one wing of the party is saying, "Let us spend $30 billion more" and the other wing of the party is asserting regularly on the floor of this body that they have spent a billion dollars less.

I add, neither figure is accurate, but both figures would be available and useful in a political campaign, since they would be able to say to any person who asks, so that he who runs may read, anything which is most pleasing to him; namely, that the party either sought to increase funds for the preparedness of our country militarily or that it sought to decrease funds. Perhaps our friends think there is not any better place to be than on both sides of an issue.

Mr. KEATING. Mr. President, if the Senator will yield further, that is a very convenient position to be in, but I have a great deal of confidence in the intelligence of the American people and their capacity to realize that one should not with one breath say, "Our funds for national defense are inadequate," and have members of the same group at the other end of the avenue setting forth the proposition that the President has asked for too much and that we must cut the defense budget. The people, in my judgment, are not going to swallow that kind of an argument. The people want a straightforward statement of the needs of our national defense and of what we are doing to meet them.

Mr. SCOTT. I firmly believe it is better for the country to rely upon the judgment of General Eisenhower than upon the judgment of "General" Acheson.

I thank the Senator from New York.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. SCOTT. I yield to the Senator.

SENATOR MURRAY'S NATURAL RESOURCES AND CONSERVATION BILL

Mr. NEUBERGER. Mr. President, I rise to commend the distinguished senior Senator from Montana [Mr. MURRAY] for the outstanding leadership that he has again manifested in his bill (S. 2549), the proposed Natural Resources and Conservation Act of 1960. I am privileged to be one of the original cosponsors of this bill which, I am confident, will become a keystone of national policy. In the formulation of this proposal, Senator MURRAY evidences the forward-looking confidence in the future of this Nation that he voiced in his remarks at the time he introduced the

measure on August 17, 1959. In discussing the vastly increased requirements for natural resources that will be an inevitable consequence of population growth and rising living standards, Senator MURRAY said:

In the face of this increasing requirement for, and pressure on, natural resources, I am not fearful that we shall fail to meet the Nation's needs. Certainly the United States will have the economic and financial ability for the tasks involved, and we have the skills and competence.

I share Senator MURRAY's confidence in the ability of this Nation to meet its obligations to its citizens, and also to the people of the free world who rely on us until their own economy matures. I agree, too, with Senator MURRAY's farsighted reminder that success in fulfilling these purposes requires actions that are both timely and well considered.

The proposed Natural Resources and Conservation Act effectively implements the views and recommendations of recognized authorities in this area of national policy. A few quotations will demonstrate how well the bill accords with the best thinking on the subject.

Dr. John Kenneth Galbraith, professor of economics at Harvard University, in a recent address, has provided us with a condensation of the Paley Commission findings regarding the "gargantuan and growing appetite" for natural resources. Dr. Galbraith said:

Conservationists are unquestionably useful people. And among the many useful services that they have recently rendered has been that of dramatizing the vast appetite which the United States has developed for materials of all kinds. This increase in requirements we now recognize to be exponential. It is the product of a rapidly increasing population and a high and (normally) a rapidly increasing living standard. The one multiplied by the other gives the huge totals with which our minds must contend. The President's Materials Policy Commission emphasized the point by observing that our consumption of raw materials comes to about half that of the non-Communist lands although we have but 10 percent of the population, and that since World War I our consumption of most materials has exceeded that of all mankind throughout all history before the conflict.

This quotation bears out Senator MURRAY's appraisal of the need for timely action, and the following quotation from testimony before the Finance Committee of the Senate bears out the confidence that the United States has financial ability to meet conservation needs. On April 18, 1958, Dr. Sumner H. Slichter of Harvard University said:

The United States is a growing country, with its population rising by about 3 million a year, and with its output growing at a normal rate of about $14 billion a year or more. Such a growing economy needs more and better schools, roads, recreation areas, and projects for the development of its resources. If the economy were to succeed in achieving full capacity operation by the early fall of 1959, the gross national product should be around $470 billion a year, or about $45 billion above the present (1958) rate. Certainly a substantial part of this increase of $45 billion in the gross national product should go for much needed public works of various sorts.

The United States has, in fact, attained and surpassed the $470 billion rate of gross national product foretold by Dr. Slichter. Regrettably, however, no part of the increase in gross national product is being invested in the much needed public works. Failure to make this investment in America is the blight of the administration policy of no new starts. Sterilizing effects of this blight are evident today, and they will mar the Nation's countryside for decades to come.

Prof. Gilbert F. White, of the University of Chicago, distinguished as a scientist, educator, and natural resources planner, has pointed out that, in the long run, one of the basic deficiencies in natural resources and conservation activies is "lack of understanding of national aims and, consequently, of national means as well." Professor White continues:

So long as this is diffuse, we cannot expect any amount of organizational legerdemain or budgetary management to more than palliate the difficulties. If we seem confused in the field of defense where there at least seems no doubt that we wish to protect and preserve the United States, how much more complex is the case of natural resources where we are not certain as to what we are to conserve? We are not certain that we want to develop all of our waterpower or to save all of our soil, or how much oil, if any, we should keep underground, or whether we should curb our appetite for lead in gas, and iron in tail fins. Having already and of necessity modified the web of nature, we do not know how far is too far in directing our changes in it.

In recent years we have had a generous review of both policies and administration. Raw materials situations have been assessed; water policy has been proposed; a new attack has been made upon problems of recreation. An important element which has been lacking is a general examination of national aims within the range of politically possible means of achieving them, and of the probable impacts of each possible program.

Professor White's conclusion is directed straight at the provisions of S. 2549, the natural resources and conservation bill. Professor White said:

Of the numerous organizational changes that may be in order, none seem more promising of benefits to the whole process of preserving or reforming the American landscape than those which promote a continuing appraisal of the probable results of following the choices which are open.

This is the essence of Senator MURRAY's proposal for a Council of Resources and Conservation Advisers to prepare annually the Resources and Conservation Report of the President, and the joint committee of the Congress that would give continuing attention to resource development, utilization, and conservation.

In conclusion I desire to say that I think it is particularly appropriate that I should be given permission very courteously to make these remarks about conservation by the distinguished junior Senator from Pennsylvania. If I am not mistaken, one of the greatest conservationists in the history of this country came from the State of Pennsylvania and was given to the Nation by the State of Pennsylvania. I refer to the illustrious ex-Governor of Pennsylvania, a man who was the first Chief Forester of the United States, Gifford Pinchot, and I believe and feel that if Gifford Pinchot were with us today, he would support Senator MURRAY's National Resources and Conservation Act.

I thank the Senator from Pennsylvania.

Mr. SCOTT. I am delighted to yield and am much pleased that the Senator has brought in the name of a very famous Governor of our State, a great forester and a famous conservationist.

Mr. NEUBERGER. We are very proud in the Pacific Northwest, that one of the most beautiful national forests in the Cascade Mountains carries the name of Gifford Pinchot and is known as the Gifford Pinchot National Forest.

THE HIGHWAY CONSTRUCTION PROGRAM

Mr. GORE. Mr. President, in February 1955, the President of the United States submitted to the Congress a report which dramatically called to the attention of the country the inadequacy and dangerous condition of our highways. This report, prepared by a commission headed by Gen. Lucius D. Clay, pointed out that one-seventh of all Americans owed their livelihood either directly or indirectly to the highway and highway transportation industries. Particular emphasis was given to the tremendous loss, both economic and in terms of human life and suffering, which was being experienced daily because our highway construction program had not kept pace with expanding needs.

Highway building had been necessarily slowed by the priority demands of a wartime economy. The President recommended that in order to alleviate a critical problem the Federal Government should assume major responsibility for the construction of a new system of interstate and national defense highways, interconnecting our major metropolitan areas. The President gave particular emphasis to the importance of the new system of highways to national defense.

The proposal received intense consideration by the committees of the Congress for almost two complete sessions. There evolved the Federal Highway Act of 1956, of which it was my privilege to be coauthor. This act provided that the Federal Government should pay 90 percet of the cost of constructing this new System of Defense and Interstate Highways with a construction schedule calling for completion of the system by 1972 to design standards adequate to meet estimated traffic needs of 1975. It provided, also, for corresponding improvement of primary, secondary, and urban highways to a corresponding state of adequacy.

Construction progress is now well underway. The State highway departments and the highway construction industry have responded to the challenge. We are now, however, in a critical situation in which, unless appropriate action is taken by the Congress, construc-

tion will stop altogether on the vital Interstate and Defense System or, at best, be so slowed down and stretched out as to make impossible completion of the system on schedule as specified by the act of 1956.

A halt in construction of the Interterstate System will be disastrous. State highway departments have geared their operations to the authorized level. Engineering staffs, recruited with great difficulty and expense, would have to be disbanded only to be recruited again at great loss in money and time, if and when the program is resumed. The highway construction industry, having increased its capacity at the request of Congress, will be severely injured. The entire economy will receive a jolt from which it will not be easy to recover. Substantial increases in unemployment will be inevitable.

Meanwhile, if the program is halted, the gap between highways in being and those required will rapidly increase. Our highways will continue to get worse instead of better, and more people, instead of fewer, will be killed on our inadequate highways. Carnage on the highways and economic loss will go unchecked. Unless we take action to provide better highways, the situation will become much worse. Every year that passes sees the need for better highways become more acute. We cannot afford further delay. Even at the rate of progress authorized in the 1956 act we will barely hold our own between the need for highway improvement and the deterioration of the present system of highways.

The act of 1956 created the highway trust fund, earmarking the revenues from certain highway user taxes for transfer to that fund to be used to defray the Federal Government's portion of the cost. From the beginning, it was recognized that in the early years of the program revenues in the fund would be insufficient to meet annual expenditures. To meet this anticipated problem it was provided that when deficits occurred the trust fund would borrow from the general fund, with the borrowed sums to be repaid in later years when revenues were expected to exceed expenditures for highway improvements. Prior to final congressional action, however, restrictive language was written into the bill which was designed to limit annual apportionments to the States to such amounts as would be available in the trust fund with which to pay the bills when they came due. As a result of this restrictive language, the crisis which we now face was, from the effective date of the act, inevitable. This restrictive language has come to be known as the Byrd amendment; though, in fact, I am informed it was advanced by the former Secretary of the Treasury, Mr. George Humphrey.

All responsible people agree that the Congress must act to prevent a collapse of the highway program. If we are to act properly, however, we must do so on the basis of a clear understanding of the problem.

To begin with, the highway trust fund will be out of money by October 1, 1959—unless this Congress acts the highway trust fund will be bankrupt by the time Representatives and Senators reach their home States.

The States will present during this fiscal year vouchers for reimbursement totaling an estimated $493 million for which funds will not be available for payment. Normally this deficit would be made up by borrowing from the general fund as provided in the Highway Revenue Act. However, the Department of Commerce Appropriation Act recently passed by the Congress limits appropriations to such amounts as "may be available in and derived from the highway trust fund." This amount is expected to be $493 million less than required. Unless we take action, the Federal Government will be forced to default in its obligations to the States. This default will occur in October, next October, October 1959, prior to the reconvening of Congress in January.

Moreover, no apportionments of interstate funds whatever can be made for fiscal year 1961. These apportionments should have been made last month. Unless the States receive this obligational authority they will be compelled to terminate even the planning of additional projects. If the Federal Government defaults on its obligations to the States, the States then will be forced to default in payment of their obligations pursuant to contracts performed and completed, unless they can raise the funds from their own resources.

Already many States have announced that no additional contracts can be awarded. Invitations to bid on contracts which have already been advertised are being withdrawn. In short, we face a complete stoppage of the construction of the new System of National Defense and Interstate Highways which the President declared necessary for national security and which the Congress proclaimed as necessary for national security and to promote a growing economy and safety on the highways.

The problem has two parts which, though related, are separate:

First, we must provide funds to the States in 1960 to meet the obligations that the States have incurred by contract pursuant to Federal commitments in the Highway Acts of 1956 and 1958. Without congressional action, then, the States will be forced into default, or budgetary stringencies, on obligations falling due this fiscal year, and this situation, let me repeat, will occur very soon, unless the Congress acts. Solution of this phase of the problem will have a bearing upon the 1960 budget.

Secondly, we must take action to permit continued apportionments to the States to avert complete stoppage of the interstate program. Authorization of apportionments for fiscal 1961 must be made this year to allow time for proper planning, advertising of contracts, and award of contracts. Such authorization, however, can have no impact whatever on the 1960 budget because under the law the funds could not actually be disbursed until fiscal 1961. Actually, for the most part, fiscal 1961 apportionments would not be disbursed until 1962.

So, Mr. President, solution of this problem which, as I have said, has two parts, will have an effect on the 1960 budget with respect to obligations falling due within 1960, which arise from apportionments already made; but action to permit apportionments for 1961 will not have an effect upon the 1960 budget. Actually for the most part fiscal 1961 apportionments would not be disbursed until fiscal 1962.

Before proceeding to discuss possible solutions, I should like to dispel certain myths about the program and the cause of our present dilemma.

In the first place, the present crisis has not been caused by an increase of construction costs over estimates. On the contrary, contracts are being awarded generally well within or below estimates.

Only today the Bureau of Roads made an announcement that highway construction costs during the April-June quarter dropped by more than 2½ percent.

In the second place, this crisis was not caused by the Highway Act of 1958. As a matter of fact, the Congress was confronted with this same problem last year. The act of 1958 met this problem and averted a slowdown of the program at that time. While that act may properly be said to have postponed the crisis, it cannot be said to have caused it. The delay in resolving the problem and the acceleration provided in the 1958 act have combined to make the problem more acute today.

I think Congress must enact legislation to meet Federal obligations to the States and to permit continued interstate and defense highway apportionments on schedule.

There is no magic way to build highways without money. The only real source of funds for the Federal Government is by way of taxation. This is not to say, however, that there is only one type of tax or only one class of citizens and taxpayers upon whom to levy it.

The administration insists that the only solution to the problem is to impose a further increase in the gasoline tax. This proposal is labeled a pay-as-you-go plan. The implication is plain that users of our highways have not been paying their fair share of taxes and that they should be compelled to do so or else accept responsibility for stoppage of the highway program. Any such implication is highly inaccurate and downright misleading.

In the first place, the theory that highway users should pay the entire cost of the program by direct taxes levied upon them cannot be supported. Good highways benefit everyone and every segment of our economy. We do not levy a special tax on teachers and the parents of students to pay for schools because we realize that education not only benefits everyone but is a responsibility of the general public. The same rule applies, or should apply, I insist, to highways.

But even if we accept the thesis that highway users should pay the entire cost of highways, the administration position, as well as its implications, is unjustified.

Highway users are already paying direct excise taxes far in excess of the amount needed for the highway programs. In addition, of course, the users of our highways pay income taxes and all other taxes, as do all of the people.

What are the facts, Mr. President, about highway user taxes?

In fiscal 1958 highway users paid in direct Federal excise taxes $3.493 billion. Of this amount, only $2.026 billion was transferred to the highway trust fund. In other words, of each highway user dollar collected, 58 cents went for highways while 42 cents went for other purposes, to be diverted from use on highways. On the basis of information now available, approximately the same ratio will be applicable, under the budget, to 1959 collections. I ask unanimous consent to insert at this point in the RECORD a table showing actual collections of highway user taxes in fiscal 1958 and indicating the amount of each transferred to the trust fund or kept in the general fund.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Revenues collected from increases in highway user taxes imposed by highway act of 1956

[In millions of dollars]

	1957	1958	1959
Gasoline, 1 cent	432	519	535
Diesel, 1 cent	10	17	17
Tires, 3 cents	81	92	93
Tread rubber, 3 cents	11	13	14
Trucks, buses, and trailers, 2 percent (1957) and 5 percent (1958–72)	34	103	107
Truck use	26	33	34
Total	594	777	800
Auto excise, 3 percent	343	351	312
Total (including auto excise)	937	1,128	1,112
Total additional revenues for fiscal years 1957–59 (not including auto excise)	------	------	2,171
Auto excise	------	------	1,006
Grand total	------	------	3,177

Mr. GORE. Throughout the years, highway users have paid larger sums in taxes than were spent for highways. In 1934 the Congress passed the so-called Hayden-Cartwright Act. This act, which is still in effect, provides that any State which diverts to nonhighway uses a larger percentage of highway user taxes than was diverted at the time the act was passed shall forfeit its right to Federal-aid highway funds. Thus we encourage the States, by threat of withholding Federal funds, to use all their revenue from highway taxes for highway purposes. Yet the Federal Government does not follow that example. Indeed, it is now proposed that we levy still additional taxes upon the users of our highways, even though they are now paying more than $1.5 billion a year in excess of the amount actually used for highways. I am advised that, for the current fiscal year, the sum diverted to uses other than construction of highways, will be approximately $1,600 million.

Some appear to have forgotten that highway users taxes were substantially increased by the act of 1956. For the information of the Senate, I list here the taxes that were increased and the amount of the increase in each case:

Gasoline from 2 to 3 cents per gallon.

Diesel fuel from 2 to 3 cents per gallon.

Automoile tires from 5 to 8 cents per pound.

Tread rubber 3 cents per pound—a new tax.

Trucks, buses, and trailers from 8 to 10 percent for 1957 and from 5 to 10 percent from 1958 to 1972.

Truck use tax $1.50 per thousand pounds—a new tax.

Also in 1956, although not in the same act, Congress extended an additional 3 percent excise tax on automobiles which otherwise would have expired. This tax has been extended annually since then. This 3 percent extension, which is also an increase in highway user taxes, has brought in an additional $1,006 billion in the last 3 fiscal years.

All told, Mr. President, highway user tax increases since 1956 have brought into the Treasury $3.177 billion. Total expenditures from the highway trust fund for the interstate program through fiscal 1959 amount to $2.358 billion. Thus the revenues from tax increases alone amount to more than total interstate highway expenditures since the act of 1956 was enacted.

It seems to me that we should keep these figures in mind when considering the possibility of imposing yet an additional increase in the gasoline tax. I ask unanimous consent to insert in the RECORD, a table showing revenues received from highway user tax increases in the last 3 fiscal years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Highway user excise taxes, disposition—Actual collections, 1958

[Millions of dollars]

	Gasoline	Diesel	Lubricating oil	Auto	Truck and bus	Parts and accessories	Tires	Tread rubber, tubes, truck use	Total
Trust fund	1,558	50	----------	----------	111	----------	244	63	2,026
General fund	----------	----------	35	1,170	95	167	----------	----------	1,467

Mr. GORE. Highway users accepted these new levies without undue protest. They did, however, seek some assurance that the question of equitable distribution of the burden of the cost of highways be subjected to study. Accordingly, section 209(b)(2) of the 1956 act declares it to be the policy of the Congress that "if it hereafter appears that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable," the Congress shall enact legislation in order to bring about such equitable distribution.

The distinguished Presiding Officer of the Senate at the moment was a member of the Public Works Committee when that provision of the law was enacted, thus giving to highway users assurance that if, after careful study, it was determined that they were paying more than an equitable and fair share of the burden of highway costs, the Congress would rectify the mistake.

Section 210 of the same act directed the Secretary of Commerce to make a study and to provide the Congress with information to enable it to determine what taxes should be levied and in what amounts "in order to assure, insofar as practicable, an equitable distribution of the tax burden among the various classes of persons using the Federal-aid highways or otherwise deriving benefits from such highways."

The Secretary of Commerce was directed to submit his final report no later than March 1, 1959. Subsequently, at the administration's request, the date of submission of the report was extended to March 1, 1961.

The new taxes levied by the act of 1956 have brought into the treasury substantial revenues. During fiscal years 1957, 1958, and 1959, receipts from these increases alone have, as I have said, totaled $3.177 billion, more, I repeat, than has been used for interstate highway improvements since 1956.

Mr. President, we assured the highway users that the question of equitable distribution of the burden of the cost of highway construction would be restudied. The administration requested that submission of the study called for by the law be delayed from 1959 until 1961. If I had known at the time the request was submitted that there was a plan to ask that taxes be further increased on every gallon of gasoline, I would have opposed the extension. I think we should have such a study before we levy more Federal sales taxes on every gallon of gasoline every person puts in his car or his truck.

Yet without even establishing that the additional levies imposed in 1956 are equitable and fair, it is now proposed to increase the gasoline tax once again, while we wait another 2 years for the study to be completed.

Mr. President, a further increase in the gas tax at this time, at the very least, is not in accord with assurances given by the Congress to the highway users in 1956. The facts speak for themselves. A gasoline tax increase is grossly inequitable and completely unfair.

I should like to read at this time two paragraphs from an article appearing in the New York Times of yesterday:

Today the tax on gasoline is at a higher rate than that on any other essential product; even that on many luxury items. If the Federal tax of an additional cent a gallon goes into effect on September 1, as provided in a bill approved recently by the

House Ways and Means Committee, the gasoline levy will exceed 10 cents a gallon and will just about equal the refinery price of the product.

On what other commodity essential to our economic life do we have a 50-percent tax? At retail levels, every time a man drives up to a filling station in my State and has his tank filled or partially filled, one-third of what he pays is taxes. I repeat that a further increase in this tax is unjustifiable. I continue to read from the article:

Some economists are wondering how much tax an essential product can stand before there is an adverse effect on the Nation's economy. With business expanding and wage rates moving upward, it is held that the general economy can sustain the present or a higher level without much difficulty. But if a recession should develop, it is feared the high gasoline tax would aggravate it.

The Ways and Means Committee of the other body, after long study and labor, has apparently approved an increase of 1 cent per gallon in the gasoline tax for fiscal 1960 and 1961. For the reasons I have already given, such an increase is without justification. Moreover, the plan proposed by the Ways and Means Committee is inadequate to meet existing needs. It falls short in the following respects:

First. For the remainder of fiscal year 1960 a 1-cent increase in the gas tax would bring in approximately $380 million. This would fall short by more than $100 million of providing enough funds to reimburse the States the amounts which will be owed. Figures released by the Ways and Means Committee indicate that as of January 1, 1960, under its proposal, the trust fund will still have a deficit of $309 million, and will still be in arrears by $107 million at the end of the fiscal year. On January 1, 1961, the deficit will be $351 million, and the deficit will not be eliminated until July 1, 1961. I cannot believe, Mr. President, that our preoccupation with a balanced budget will let us go so far as to undertake to balance it by simply not paying to the several States the amounts owed to them by the Federal Government. I cannot believe that the Federal Government will default on its commitments to the States. Yet this is what will happen unless additional funds are made available to the trust fund and appropriated for expenditure by the Bureau of Public Roads.

Second. The Ways and Means Committee proposal would permit the apportionment of $1.8 billion this year for fiscal 1961 and only $2 billion next year for fiscal 1962. The 1956 act prescribes an annual level of apportionment of $2.2 billion. These apportionments were based upon the cost estimates submitted in the Clay report. Under more realistic estimates later submitted by the Secretary of Commerce, an annual level of apportionment of $2.5 billion will be required to complete the system by 1975. Even at this rate, there will be a 3-year stretchout of the program. With annual apportionments no higher than those which would be permitted by the Ways and Means Committee proposal, this brand new System of National Defense and Interstate Highways would not be completed until long after 1975. The highways would be obsolete before they were even built.

This proposal destroys the integrity of the interstate highway and defense system as a unified, integrated system of national highways, interconnecting all the principal metropolitan centers, to be completed on schedule and adequate to the needs of 1975.

In any event, a further appropriation act will be required this year if the States are to receive full payment, because the maximum amount appropriated in the bill already passed is insufficient to meet the estimated requirement for funds. Unless such an appropriation bill is passed, we shall have broken faith with the States.

Mr. President, the Congress must come to grips with this problem. In 1955 the President recommended that the National System of Interstate and Defense Highways be built within 10 years. At best this will now be almost doubled. We cannot allow a further stretchout. We cannot accept the proposal of the Committee on Ways and Means of the other body.

I am willing to meet head-on the question of raising additional revenue if the facts require it. This is admittedly difficult to accomplish in the Senate which cannot initiate revenue raising proposals except by way of amendment. There are many areas in our tax structure, however, from which additional revenue might be obtained far more equitably than by extracting yet another pound of flesh from highway users who are already paying sums substantially in excess of the cost of highways.

Earlier this year the Senate adopted an amendment to a tax bill which would have repealed the tax favoritism granted to dividend income by the Revenue Act of 1954. Had we been able to retain this amendment in conference, it would have increased revenue by $335 million in fiscal 1960—almost as much as would be obtained from a 1-cent increase in the gasoline tax. The administration, despite its pleas for additional revenue, was opposed to this amendment, and so were the conferees from the other body.

Mr. President, we have an obligation to implement the interstate highway program which both the President and the Congress have called essential to the national welfare. Pending submission of the study now being undertaken by the administration, and as long as highway user taxes are diverted to other purposes, a further increase in the gasoline tax is unjustified. We can and we should make available an additional portion of these revenues so that the program can go forward.

Why should discrimination be practiced on highway improvement? Why should all other programs, all other expenditures throughout our country and around the world, continue—be the budget balanced or unbalanced—yet stop dead-still our vital interstate and defense highway improvements unless an addtional Federal sales tax is levied on each gallon of gasoline? I reject this injustice, this total lack of reason.

Funds can be provided for continuation of the highway program in any one of three ways, or a combination of the three.

First. A direct appropriation from the general fund to the highway trust fund or dedication of a sufficient amount of revenue from existing highway user taxes to the trust fund, together with the repeal of the so-called Byrd amendment. To the extent that the amounts thus appropriated exceeded the amounts by which Congress has reduced the Presidential budget estimates, a budget deficit would result, assuming the accuracy of the budget estimates of revenue. The administration opposes this method.

Second. The levying of additional taxes with the revenue dedicated to the trust fund. The administration favors this course and has proposed that an additional Federal sales tax 1½ cents be levied on each gallon of gasoline. Congress has declined to approve this recommendation. I think it will continue to decline such approval. I am vigorously opposed to this proposal, as are many others, for reasons already stated.

Third. Congress can make a further reduction in other expenditures by enacting a rescission of appropriations heretofore made by an amount sufficient to permit highway improvement within the total budget estimates. I propose this course as a solution. I introduce a bill to rescind 1 percent of all fiscal 1960 appropriation bills with discretion vested in the President to except fixed statutory requirements such as veteran pensions and other obligations made mandatory by statute, which are spelled out in the bill. My bill would dedicate to the highway trust fund such portion of the revenue from excise taxes on automobiles as may equal the total amount of such recision. It provides for a continuation of our highway improvement programs within the 1960 budget estimates.

This will afford the Senate a clear choice of reducing other expenditures or increasing gasoline taxes. When the highway bill reaches the Committee on Finance I shall offer this bill as an amendment thereto.

The PRESIDING OFFICER. The bill will be recived and appropriately referred.

The bill (S. 2588) to amend the Highway Revenue Act of 1956 so as to transfer to the highway trust fund a portion of the receipts from the excise tax on passenger automobiles collected during the 1960 fiscal year; to rescind 1 percent of certain appropriations made for the 1960 fiscal year; and for other purposes, introduced by Mr. GORE, was received, read twice by its title, and referred to the Committee on Finance.

THE FOOD FOR PEACE ACT WOULD MAKE THE FARMER A KEY FIGURE IN AMERICAN FOREIGN POLICY

Mr. CHURCH. Mr. President, we are now in the seventh year of an administration which came to power in a full tide of confident talk about solving the farmers' problems. Ready assurances were freely given. The ills of farming,

we were told, were the Government's fault; streamline the Department of Agriculture, get the Government out of farming, give the farmers freedom to plant as they please, and all would be well; above all, eliminate high and rigid price supports.

Flexibility was the key word in the new magic formula. By means of flexible price supports, we were assured, supply would be brought into balance with demand, surpluses would disappear, the cost of the farm program to the taxpayer would be slashed, and a fair price would be established for the farmer, not by Government subsidy, but by the genuine needs of the marketplace.

THE FAILURE OF FLEXIBLE PRICE SUPPORTS

Mr. President, let there be no mistake about it. This administration got its way. Congress acquiesced to Eisenhower's demands for flexibility. Rigid price supports, established at 90 percent of parity when the Democrats left office, were abandoned. Authority was granted the Secretary of Agriculture, within broad limits, to adjust price supports as he saw fit. He has used this authority to move price supports remorselessly downward. The magic formula has been put to the test, and too many years have passed, to blame its failure any longer upon the carryover effects of the last Democratic administration.

Never has a farm program been given such fanfare as this administration's program of flexible price supports. The businessmen were told that it would put an end—not to business subsidies—but to handouts for the farmer. Housewives were told that it would reduce food prices at the grocery store. Farmers were told they need not worry, for flexible price supports would get the Government out of farming, and would return them to the healthy competition of the open market.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield to me?

Mr. CHURCH. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. To what program does the Senator from Idaho refer? Does he refer to the one which was passed by the Congress, but was vetoed; or does the Senator from Idaho refer to the one which was promised by Mr. Benson, last January, but which he has not yet delivered to Congress?

Mr. CHURCH. I am referring now to the original promotion of the flexible price support program of the Republican administration at the time when it was first urged upon the Congress early in this Republican administration.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield further to me?

Mr. CHURCH. I am happy to yield.

Mr. MANSFIELD. Then the Senator from Idaho has not yet gotten to the point. Six and one-half years after this administration came into power, the agricultural surpluses had increased by 700 percent, and the cost of maintaining those surpluses had increased 7 times, 4 million small farm families had left the land, and 1,400,000 farm families—according to the Commodity Credit Corporation of this administration—are today earning less than $1,000 a year. I am sure the Senator from Idaho will agree that those facts are worth mentioning, in addition to the fact that this "businessman's administration" has increased the personnel of the Department of Agriculture by approximately 22,000 since January 20, 1953.

Mr. CHURCH. I thank the Senator from Montana very much for his observations. I am about to make some of the points he has made so cogently, and I appreciate the figures he has cited, because they fill out the case which I hope to establish in the course of my remarks this afternoon.

Mr. MANSFIELD. I hope the Senator from Idaho will also recall the promise made by Secretary Benson in January of this year; namely, his promise that he would present Congress with an administration program, although to this day no such program has been forthcoming from the administration.

Mr. CHURCH. I thank the Senator from Montana very much. I would only add that I think the failure of the administration to present such a program merely is an indication of its refusal to concede defeat with respect to the much ballyhooed farm program which it has followed to date. The facts demonstrate that is program is a failure, as I hope to point out during the course of my remarks.

Mr. KEATING. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. KEATING. The Senator from Idaho does not contend, does he, that at any time the Congress has responded to the program—whether right or wrong—recommended by Secretary Benson?

Mr. CHURCH. I do, indeed.

Mr. MANSFIELD. What program?

Mr. CHURCH. I do, indeed, make the point, and I shall make it later in the course of my remarks. It demonstrates the extent to which the flexible-price-support concept was adopted by the Congress, as the result of administration pressures, and the degree to which that program has failed; and I think the statistics will bear out my point.

Mr. KEATING. I agree that part of the program has been enacted by the Congress. But not during my tenure in either the other body or in the Senate has the Congress ever enacted the program sent to it and recommended by Secretary Benson.

Mr. CHURCH. In response to that statement, let me say that we have given a sick patient the administration's dose of medicine by the teaspoonful, but the patient has gotten persistently sicker. I do not think the remedy now comes in the form of giving the patient dosages of the same medicine by the tablespoonful.

Mr. KEATING. That is a matter of opinion. If we had given the patient the proper dosage when we began, we might have avoided a lot of the trouble we have had.

Mr. CHURCH. It is my opinion that it was the wrong medicine to start with, and that the medicine has been making the patient weaker and weaker, and that further doses are very apt to kill the patient.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. I should like to repeat that the Congress in the past 6½ years, to my knowledge, has passed two good farm bills, and perhaps three. All of them were vetoed by the President on the advice of the Secretary of Agriculture. This January we asked the Secretary of Agriculture to come up with a program. He promised to do so. We are still waiting.

Mr. CHURCH. That, I think is a very accurate statement of the facts.

With respect to the administration's farm program, the forecasts were so favorable, Mr. President, that many still prefer the fiction to the fact. But the results of the flexible price support program are in. Let us face them:

Has farm production, which was supposed to have been inflated by high price supports, fallen off with their removal? It has not. Farm output in 1958 was 14 percent higher than in 1953, despite a dwindling farm population.

Have the lower prices resulted in larger markets, so that the increased production could be balanced against increased demand? They have not. Per capita food consumption rose only 2 percent from 1952 to 1957. The excess production has gone into storage, not into mouths, and the Government investment in farm surpluses tripled by 1958. We now have a staggering $7 billion worth of surplus food and fibers in storage.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. Is not the Senator being conservative in his estimate of $7 billion worth of food and fiber in storage?

Mr. CHURCH. I am trying purposely to give the administration the benefit of the doubt with respect to all of these figures, for I do not want to overstate the case. I think, however, there are other figures with respect to surpluses which are considerably above those I have given.

Mr. MANSFIELD. And that applies to the interest rates, of course. Is that correct?

Mr. CHURCH. Yes.

Has the Government gotten out of farming? Hardly, Mr. President. Total appropriations for the Department of Agriculture have risen from less than $3 billion in 1953 to more than $7 billion in 1959. The present administration has spent more money for the Department of Agriculture than the total of all previous administrations combined since the Department was first created.

Has the Department of Agriculture been streamlined? It now employs 97,000 people; in 1953 it employed 78,000.

Have farmers been freed from the burden of Government controls? If so, Mr. President, what do these extra 19,000 people do?

Finally, do farmers enjoy the promised full parity of income? Net farm operators' income has fallen, since 1952, by 21 percent. Farmers' income per person

is about half that of the nonfarm population. The parity ratio, which stood at 100 in 1952, now hovers at around 80.

Let us admit it, Mr. President. The administration's farm program—flexible price supports, expansion of markets, streamlined administration, freedom to plant, soil bank, and all—is a monumental failure.

THE NEED FOR A NEW APPROACH

Seven years would seem long enough to experiment with failure. But the administration stubbornly refuses to concede. Every attempt by Congress to change the program has been vetoed by the President. We desperately need a reappraisal of the whole farm problem, and a new approach to its solution, but there will be none forthcoming until another President occupies the White House. That is the plain truth.

What, then, can Congress do? Is there any way that we can move to help the farmer, and still avoid a veto? I submit there is one course open to us that holds promise. It is the Food for Peace Act, which was introduced by the distinguished senior Senator from Minnesota [Mr. HUMPHREY].

I am one of the sponsors of this measure. I voted, as a member of the Foreign Relations Committee, to report it favorably to the Senate. When I campaigned for office, I urged the application to our farm problem, and to our foreign relations, of the principles embodied in this bill. I believe the farmers of Idaho to favor it, and that they have given me a mandate to speak and vote for it in this Chamber.

Beyond that, Mr. President, I believe this to be a measure which serves well the deepest aspirations of the American people—one on which men of good will, whether here in the Senate or in the White House, can agree.

In form, the measure is an extension and expansion of the Agricultural Trade and Development Act, better known as Public Law 480. In substance, it is much more than that. Its central objective is to move food out of storage and into stomachs. By this means, we can strike a telling blow against the hunger, poverty, despair, and disease on which communism breeds.

Mr. President, this bill will also reduce the appalling rental costs for storing and warehousing our mounting surpluses, now approaching a billion dollars a year. And, by seeking to put the food to better use, the very use for which God intended it—to feed the hungry of the world—rather than to permit it to rot away in sterile storage, this bill moves in the direction of returning our farmers to their natural place, in the forefront of those who labor in joy to serve human need.

The principal authority granted in the original Public Law 480 was for the President to sell our surplus agricultural commodities to friendly nations in exchange for their own currencies. He was directed to see that these sales did not interfere with normal marketing of our farm products through regular commercial channels. The dollar value of foods and fibers to be sold under Public Law 480 was limited to a rate of $1½ billion annually. All of this amount is presently being used, and Public Law 480 will expire, unless extended, at the end of this year.

THE FOOD FOR PEACE ACT

The International Food for Peace Act builds upon the foundations of Public Law 480. Indeed it takes the form of amendments to that law, so that, if enacted, the program will continue to bear the title of Public Law 480. The authority to sell our surplus foods for foreign currencies, under the bill, is extended for 3 years, and the dollar volume of authorized sales is increased by one-third, to a total of $2 billion a year.

As in Public Law 480, the proceeds we receive from the surplus food sales will be deposited in accounts subject to our control within the countries making the purchases. We can then use the money for a wide variety of purposes, all geared to advance our foreign policy objectives.

Up to one-fourth of the proceeds, under the terms of the bill, may be loaned, through the facilities of the Export-Import Bank, to American businesses, for expansion of their trade and business activities abroad. As these loans are repaid, the principal and interest will remain with the Bank, to create a revolving fund from which further loans may be made. Thus our surplus food will be used to generate capital which may be employed over and over again to promote American enterprise abroad, long after we no longer have surplus foods and fibers for export.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to my good friend from Tennessee.

Mr. GORE. The genesis of a somewhat similar idea for the making of multilateral soft currency loans may be traced to the distinguished junior Senator from Oklahoma, as the able Senator knows.

This is a fine illustration of the constructive course of action which a legislator can take. All too many people look upon a position of Representative or Senator as a position merely to pass upon the suggestions submitted by the executive branch of the Government. I disagree with that concept.

I think the Senator from Oklahoma [Mr. MONRONEY] is a noble man in our ranks. He is constructive. He is understanding. He is courageous. And he is persuasive. I think this is the fine mark of his service.

Mr. CHURCH. I wish to say to the Senator from Tennessee that it is typical of him to take an occasion of this kind to pay a much deserved tribute to a colleague.

I also add that the Senator from Tennessee has demonstrated once again on the floor of the Senate this afternoon his belief that legislation ought to originate in the Halls of Congress and that we are not bound to accept the recommendations which come to us from the executive branch of the Government. The Senator from Tennessee [Mr. GORE] speaks with great authority on matters of highway construction. He was one of the original leaders in the great legislative effort to establish the Interstate Highway System, and this afternoon he has exhibited once again his capacity for imaginative thought. In doing so he acts in the best tradition of a U.S. Senator.

Mr. GORE. I thank the Senator.

Mr. CHURCH. Mr. President, the Food for Peace bill also makes these proceeds, realized from the sale of surplus foods abroad, available to meet our Government's own obligations. We can use the foreign money in each respective country—in place of American tax dollars—to pay for the buildings, equipment, facilities, goods, and services required for our diplomatic and military personnel, and to finance the exchange of students, and the translation of such scientific publications as our needs may require.

Other portions of the proceeds may be used to develop new markets for our farm products, and to defray the cost of American participation in trade, agricultural, and horticultural fairs. As under Public Law 480, the proceeds may also be used to help support the military forces of countries threatened by Communist aggression.

Finally, Mr. President, a part of these proceeds may be loaned back to the purchasing country for programs of which we approve, to promote trade, to improve living standards, and to facilitate long-term economic development. To achieve these very objectives in underdeveloped countries, we are now appropriating hundreds of millions of our own tax dollars each year. American taxpayers have already bought our surplus food once. What better use for the food, then, than to replace dollars in carrying on our foreign aid program abroad?

Public Law 480 also permits foreign currency loans back to the country purchasing surplus food, to promote trade and economic development. Normally, these loans have been made through the established banking facilities of the friendly nation from which the currency was obtained. As these loans are repaid, with interest, new funds become available for which no uses are authorized under the existing law.

The Food for Peace Act specifies that these repaid funds may be used for the endowment of nonprofit foundations to foster and promote research, education, health, and public welfare. These foundations will be directed by a board of trustees made up, in equal numbers, of citizens of the United States and of the country in which the foundation is located. They will function very much like the charitable foundations—such as those established by Ford and Rockefeller—with which we are familiar in this country. As the years go by, substantial sums of money, to be used for scholarships, research, and charitable activities, will accrue to their trust accounts. Through the good work of these foundations, the free concepts and humanitarian ideals of the United States will live on in many foreign lands for generations to come.

SURPLUS FOOD DONATIONS

Mr. President, the Food for Peace Act is not limited to the sale of our surpluses alone. Like Public Law 480, this bill provides that surplus food may be donated for the relief of hunger at home and abroad. Surplus food will continue to be available for our own school lunch programs, for use in American hospitals and other charitable institutions, and for distribution to our own needy through agencies of the States. Surplus food for foreign relief, through organizations like CARE, will also be continued.

In addition to these uses for which surplus food could be donated under Public Law 480, the Food for Peace Act would establish a major new purpose, donations to national food reserves in certain friendly countries. Famine relief is already authorized under the Public Law 480 program, but experience has shown that it often arrives too late to do much good. Moreover, conditions short of famine often result in great hardship to the common people living in primitive economies, when local food distribution breaks down as the result of hoarding, panic, or natural disaster. It has been found, also, that construction work stimulated by development programs often results in the bidding up of food prices to the point where severe damage is done to local segments of the economy. The mere existence of national food reserves, strategically located with these hazards in mind, will do much to remove them.

SUMMARY AND CONCLUSION

Mr. President, these are the broad outlines of the International Food for Peace Act. Its net effect is that we will export, in place of dollars contributed by American taxpayers, surplus food produced by American farmers. With this food, we will first relieve hunger, and then set in motion programs that will help remove the conditions which produced it: poverty, illiteracy, disease, and ignorance. As a part of this process, our vast hoards of food and fiber, which are taxing our substance in storage charges and demoralizing our farm economy, will be put to work in the service of human need.

I do not mean to suggest that this bill is a panacea for all the ills of our farm program. Far from it. But it has immense significance because of the emphasis it puts on a new approach to their solution.

Heretofore, we have relied on farm programs which sought to avoid surpluses through the curtailment of production. The present Republican administration has tried to reduce production with the soil bank and lower price supports. But production has gone up. The surpluses are bigger than ever. The program has failed.

Earlier Democratic administrations sought to prevent surpluses by imposing acreage limitations on the planting of certain basic crops, coupled with high price supports to preserve farm income and purchasing power. Again, however, it must be observed that surpluses were not avoided.

Mr. President, no other society in all the world has yet been blessed, for any sustained period of time, with a surplus of food. Hunger, scarcity, and famine have been the lot of the billions of human beings who have preceded us on this earth, and they remain the lot of most of those who live outside the island of abundance which is the United States.

What we do with this abundance may well shape the course of history, and determine the kind of world in which our children will live. It is not simply an economic problem; it is a part of the transcendent moral challenge of our time.

I think farmers understand, perhaps better than anyone else, that not one scrap of food or clothing is truly surplus so long as there are in this small world millions of our kind who are hungry or unclothed. Most farmers have understood, I believe, the economic realities which have dictated efforts to prevent the glutting of markets by controlling surplus production. But even when these programs have been intelligently administered, and have proved effective in sustaining farm income, I think they have deeply disturbed the farmer.

I am not a farmer, Mr. President, but I come from a farm State, and I have known and talked with farmers all my life. They are proud of their capacity to produce. When a farmer works hard, and the land is good, he is baffled and angry if there is no market for the product of his labor. No good farmer wants to be driven to a city job in order to buy shoes, medicine, and education for his children. But by the same token, farmers do not enjoy accepting money, in whatever form it takes, for not farming.

It goes against the grain, Mr. President, because there is a nagging reproach in the sight of sun and rain falling unheeded on fields left barren of seed. Farmers know that human beings are hungry, and I think they would not be farmers if they did not sense that there is an intimate connection between the fertile acres entrusted, for a time, to their care, and hungry people, whether they are in India, in Africa, or in the house next door.

There are dozens of communities, in my State, where not one person, through all the years of the depression, ever went on relief. Food was shared. An empty home, or an abandoned factory, is a rebuke to man's folly in wasting that which he has himself created. To waste food, in the face of hunger, rebukes the earth, the water, and the sun. No man who tills the soil can see this done without a deep unease.

Mr. President, this bill seeks not to plow food under or to hoard it away; it seeks not to forestall abundance. Rather its objective is the very opposite. This bill would utilize abundance. It would put our surplus food to wholesome use, and make our farmers key figures in the great American effort to build a world of freedom and peace.

I hope we will approve it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I commend the Senator on his magnificent speech, and assure him that so far as the Foreign Relations Committee was concerned, as I recall the proposal, the measure had the unanimous approval of that group. I hope that in pushing the food-for-peace proposal, in which the Senator from Idaho, the Senator from Minnesota, and others have been so vitally interested, ways and means can be found to substitute for our foreign aid dollars more in the way of food to peoples in need.

It is my understanding that the peoples of Southeast Asia live on an average of 28 to 30 years, that many of them get by on 1 mill a day. I think what is proposed is one way in which they could be furnished hope, in which they could be given the consideration to which they are entitled, and I hope at the same time that we can use some of our surpluses, which we ought to be thankful for, instead of bemoaning, to take care of our own people, the needy and the aged. There are many in this country who are in need.

There are many ways through which the surpluses given to us by Providence can be used, not only to further our own national interest, but, in my opinion, to further the foreign policy objectives of the United States as well.

Again I commend the Senator, and express the hope that the proposal which he has so eloquently expounded this afternoon will be brought to a vote, will be passed by both Houses, and will be signed by the President of the United States.

Mr. CHURCH. I thank the Senator very much.

Mr. President, I yield the floor.

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia; and

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2317) to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons

licensed to engage in a business, trade, profession, or calling involving the collection of money for others.

STUDY BY TAX FOUNDATION, INC.

Mr. THURMOND. Mr. President, Tax Foundation, Inc., a private, nonprofit organization engaged in research on expenditures and taxation of Federal, State, and local government, is doing an outstanding job in graphically presenting to the public the story of what happens to their dollars. In their July-August monthly publication, they have created Charlie Green, typical $7,500-a-year American. Charlie is described as follows by Tax Foundation:

Charlie is married, father of two children, owner of a home in a metropolitan suburb. He is not the "average worker" but one of the 27 million unorganized white-collar workers who have been referred to as "the forgotten men" of our time. This group generally suffers more than the average employee from inflation and high taxes. Recent estimates show white-collar workers now outnumber "blue-collar" people for the first time in the Nation's history.

Charlie's annual income of $7,500 is about $600 more than the average U.S. family's and considerably above the $4,900 he had 10 years ago. Total direct taxes and some indirect excises, not counting hidden taxes, take 24 percent of his income now, compared with 14 percent of his smaller income a decade ago.

Inflation also has big holes in his pay increases. Since 1949, the Consumer Price Index has risen 22 percent. For Charlie, $1,014 of his $2,600 increase in income has been wiped out by higher prices.

Since another $1,091 of his increased income has been eliminated by higher taxes he now must pay, his net increase in income after inflation and taxes is not anywhere near $2,600; it is just $495.

In the list of Tax Foundation features a number of interesting facts are brought out:

First. For the first time in U.S. history, cost of government is his largest expense—more than food, clothing, or shelter. In 1949 the Green family spent $1,271 for food while paying $679 as its share of the cost of government. In 1959 Tax Foundation, Inc., estimates the Greens will spend $1,622 for food and for government $1,770.

Second. Charlie's Federal tax burden in 1949 was $447 and in 1959 is $1,081. These dollars were spent as follows:

	1949	1959
Charlie Green's income	$4,900	$7,500
His Federal tax burden	447	1,081
National defense	147	671
Foreign affairs, finance	69	50
Veterans' services, benefits	77	69
Labor and welfare	18	58
Agriculture and agricultural resources	28	90
Natural resources	12	23
Commerce and housing	22	47
General government	12	22
Interest	62	102
Contingencies allowance		3
Total	447	1,081

Third. In addition to direct taxation, the Greens pay a considerable sum annually in hidden taxes. Without trying to find dollar amounts, Tax Foundation spent some time adding up the number of taxes on various items and found there are at least 100 taxes on an egg, 116 taxes on a man's suit, 150 taxes on a woman's hat, 151 taxes on a loaf of bread, and 600 taxes on a house.

Tax Foundation is to be commended for the fine service they are rendering the public in informing them of the dangerous trend in this Nation of more and more Government spending. Our Nation was founded with the idea of having as little Government control as possible. What would our Founding Fathers think—men like George Washington, Thomas Jefferson, Alexander Hamilton—if they were to return and find middle-class families spending more money to keep up the Government than they are to feed their families.

THE TRINITY RIVER PROJECT, CALIFORNIA—KNOCKOUT BLOW TO PARTNERSHIP

Mr. KUCHEL. Mr. President, over a fairly long period of time the government of California, under three Governors, recommended to the Congress that it authorize the Trinity River project as a vast Federal water and power project and as an adjunct of the Central Valley project, our vast federally built multipurpose reclamation undertaking located in the Central Valley of California.

In 1955 my colleague, former Senator William F. Knowland, and I sponsored legislation in the Senate to authorize Trinity as a Federal multipurpose undertaking. Similar legislation was introduced in the House of Representatives by then Representative, now U.S. Senator, CLAIR ENGLE, of California. His bill passed the House and came to the Senate Committee on Interior and Insular Affairs. It contained an amendment which did not change the bill in any respect, but which provided for a study by the Secretary of the Interior as to the possibility of recommending subsequently to Congress that a private utility be authorized to enter into a contract with the Government to generate power at the Trinity project.

It was made clear in the legislative history in the Senate that the Committee on Interior and Insular Affairs, in recommending the House-approved bill to the Senate, did not desire any change in the multipurpose character of the Trinity River legislation, which the bill itself envisaged. That was the legislative history on which the Senate passed the Trinity River project legislation, and on which the President signed it into law. When I returned home to California, I was very glad to speak out and point with pride to the Trinity project as an example of the benefits to our California people which flow from Federal reclamation projects in our State. I pointed with pride to Trinity which President Eisenhower had approved. I was proud to have played a part in its enactment which, as I say, our State government had requested.

Subsequent to that time a regrettably and unhappily long argument occurred as to whether the Trinity law should be amended to authorize a so-called partnership contract and to repeal the preference clause which was written in to the Trinity law. Just a few days ago, the House Interior Committee rejected a bill which would have practically repealed that Trinity law and would have authorized a so-called partnership arrangement between the Secretary of the Interior and the Pacific Gas & Electric Co.

At about the same time, the Senate approved an amendment which I had successfully offered in the Senate Committee on Appropriations, providing for, roughly, $2,500,000, by which the Secretary of Interior would take the first steps toward planning and purchasing the necessary generating equipment at Trinity, in order that the multipurpose character of the dam, which the present law requires, might be carried into effect. Thus, I think, this controversy came to its end.

On August 16, the San Francisco Chronicle, one of the great newspapers of California, published an editorial entitled "Knockout Blow to Partnership."

Mr. President, I ask unanimous consent that the complete text of the editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KNOCKOUT BLOW TO PARTNERSHIP

Four years ago President Eisenhower signed a $225 million bill for Trinity River development. No waters, but many millions of words, have since spilled over the dam that this legislation provided for. The contest between the President, his Secretary of Interior, and the Pacific Gas & Electric Co. on the one hand and, on the other, the opponents of Mr. Eisenhower's private "partnership" idea has been fought with many a ringing metaphor and clashing cliche. Last week it came to an end.

We doubt whether many people were surprised by the outcome: the House Reclamation Subcommittee voted to bury permanently a bill that would have authorized the Pacific Gas & Electric Co. to build a $60 million powerplant and sell the developed power through its system. In a Democratic Congress the surrender of the principle of public power development was hardly to be expected. It was particularly unlikely in view of the opposition to partnership of both of California's Senators. Democrat CLAIR ENGLE, who as a Congressman had been one of Trinity project's chief sponsors, has consistently been one of the most unflinching fighters for Federal development. Republican THOMAS H. KUCHEL, rather to the astonishment of many Californians, came out a year and a half ago with the announcement that he firmly opposed the Pacific Gas & Electric Co. plan as unsound and likely to virtually nullify the ability of the Central Valley project to supply power to its preference customers such as municipally owned utilities.

There was much to be said for the Pacific Gas & Electric case in terms of the immediate savings of capital outlays and the millions in tax revenues that would be gained by its development of Trinity power. But the idea of letting a private utility move in on a facility that had been publicly paid for and make a profit out of a benefit supplied by the taxpayers never got very far with Congress.

This issue has not been taken to, and therefore it has not been settled by, the people. Partnership may be more popular than the 13–9 vote of the Reclamation Subcommittee makes it appear to be; the truth is no one really knows what is the majority view on this issue, heavily obscured as it is by clouds of conflicting claims and cost figures.

What is perfectly clear, now that partnership on the Trinity has been laid to rest, is the necessity for authorizing and providing funds for the U.S. Bureau of Reclamation to construct the power generators. Northern Californians expect Congress, which has so long delayed decision on the disputed partnership issues, to take care of this before adjournment.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 24, 1959, he presented to the President of the United States the enrolled bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

ADJOURNMENT

Mr. MANSFIELD. Mr President, I move that the Senate adjourn until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 52 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, August 25, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 24, 1959:

IN THE ARMY

The following-named officer for reappointment to the active list of the Regular Army of the United States, in the grade indicated, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be major general

John Taylor Lewis, O7000.

The following-named officer for advancement on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

John Taylor Lewis, O7000.

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 3384:

To be major generals

Brig. Gen. William Edwards Blake, O295362, Army National Guard of the United States.

Brig. Gen. Gilbert William Embury, O233743, U.S. Army Reserve.

Brig. Gen. John Simon Gleason, Jr., O398999, U.S. Army Reserve.

Brig. Gen. Edward Foster Griffin, O198652, Army National Guard of the United States.

Brig. Gen. Fernando C. Mencaccy, O278275, U.S. Army Reserve.

Brig. Gen. Clarence Harris Peace, A355161, Army National Guard of the United States.

Brig. Gen. George Weaks Trousdale, O189048, Army National Guard of the United States.

Brig. Gen. Loren Gregory Windom, O275591, Army National Guard of the United States.

To be brigadier generals

Col. John Alvin Dunlap, O325757, Artillery, Army National Guard of the United States.

Col. Herbert Barnard Eagon, O266877, Infantry, Army National Guard of the United States.

Col. William Esbitt, O291450, Infantry, U.S. Army Reserve.

Col. Oliver Henry Gibson, O262499, Adjutant, General's Corps, Army National Guard of the United States.

Col. Robert Louis Hughes, O387135, Infantry, U.S. Army Reserve.

Col. James Hugh Kidder, O248043, Medical Corps, U.S. Army Reserve.

Col. Noble Owen Moore, O397127, Artillery, Army National Guard of the United States.

Col. Richard John Quigley, O400101, Infantry, Army National Guard of the United States.

Col. Frederick August Schaefer III, O434728, Infantry, Army National Guard of the United States.

To be brigadier general

Col. Charles Goldsmith Stevenson, O233309, Adjutant General's Corps, Army National Guard of the United States.

The officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a):

To be major generals

Brig. Gen. George Hilton Butler, O186922, Army National Guard of the United States.

Col. Henry Vance Graham, O398163, Adjutant General's Corps, Army National Guard of the United States.

Col. Edwin Weston Heywood, O384274, Adjutant General's Corps, Army National Guard of the United States.

Col. Daniel Sylvester Tuttle Hinman, O313290, Adjutant General's Corps, Army National Guard of the United States.

IN THE AIR FORCE

The following persons for appointment in the Regular Air Force in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be major, USAF (Medical)

LeRoy C. Pierce, AO976006.

To be captains, USAF (Dental)

Frederick D. Birmingham, AO3045855.
Robert E. Bulman, AO3042923.
Wilbur J. Dickman, AO2255768.
Ralph H. Frady, Jr., AO3042189.
Paul J. Johnson, AO2261597.
Dan E. Pickle, AO3000644.
Dale F. P. Rank.
Robert A. Tanquist, AO2260285.
Robert M. Wood, O1110352.

To be captains, USAF (Nurse)

Carol L. Anderson, AN785521.
Georgia M. Thomas, AN2244538.

To be first lieutenants, USAF (Dental)

Carl N. Fillinger.
Phillip Kamish, AO3075173.
James W. Wooten, AO3077778.

To be first lieutenants, USAF (medical)

Mervyn L. Elgart, AO3079037.
Richard E. Padrnos.
Roderick H. Turner, AO3088649.
Carl Wolnisty, AO3075145.

To be first lieutenant, USAF (nurse)

Elizabeth T. Fellin, AN2243078.

To be first lieutenant, USAF (medical specialist)

Patricia J. Rooney, AJ101203.

The following persons for appointment in the Regular Air Force, in the grade of second lieutenant, under section 8284, of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Distinguished aviation cadet graduates

Byron W. Evans, AO3102191.
Albert W. Kandetzki, Jr., AO3082468.
Ernest T. Laudise, AO3082423.
David C. Lindberg, AO3102204.
John H. Livesay, AO3102115.
Cloyce G. Mindel, AO3082447.
Jon C. Vance, AO3102202.
Ray M. Wallace, AO3082308.
Paul D. Winkler, AO3102089.

Distinguished officer candidate graduates

Nicholas M. Brandjes, AO3101424.
Alexander C. Dwelis, AO3101617.
Arthur C. Evans, AO3101624.
Harry O. Evers, Jr., AO3101625.
Wayne D. Hauth, AO3101650.
Charles L. Hite, AO3101309.
Timothy L. Hogen, AO3101520.
Dale D. Lierman, AO3101711.
Henry R. McMillan, AO3101810.
Peter C. Pintler, AO3101739.
Charles A. Rader, AO3101541.
Gerald J. Varner, AO3101772.
Stephen L. Werner, AO3101530.

Subject to medical qualification and subject to designation as distinguished military graduate, the following distinguished military student of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force in the grade of second lieutenant under section 8284, of title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

William F. Ring

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 24, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 45: 5: *I girded thee, though thou hast not known Me.*

O Thou God of all our days, may the renewal of soul and the rest of body and mind that we received on the Lord's Day inspire us with strength for the duties and responsibilities of this new week.

May Thy spirit come nearer than we have ever known before, dispelling the doubts that assail us and the feelings that Thou dost neither know nor care about, the troubles and trials which we are facing.

We beseech Thee to silence our anxious thoughts and gird us with confidence and courage when we are in danger of becoming weary and sick at heart because of the strife and sadness in the world around us.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of Thursday, August 20, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 4329. An act to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly airport site, Virginia, and for other purposes; and

H.J. Res. 115. Joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 968. An act to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon; and

H.R. 8374. An act to amend Public Law 85–880, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. CHAVEZ, Mr. RUSSELL, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 662. An act to amend section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen;

S. 861. An act to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government;

S. 1136. An act to provide for the transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof;

S. 1216. An act to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes;

S. 1221. An act to mend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands;

S. 1282. An act relating to acreage allotments for durum wheat;

S. 1514. An act to amend the act of August 9, 1955 (69 Stat. 618);

S. 1735. An act to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended;

S. 1737. An act to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields;

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam;

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems;

S.J. Res. 128. Joint resolution to establish a commission to formulate plans for a memorial to James Madison;

S. Con. Res. 53. Concurrent resolution to print additional copies of hearings on "Fallout from Nuclear Weapons Testing"; and

S. Con. Res. 72. Concurrent resolution to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 60–3.

THE HONORABLE DANIEL K. INOUYE

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 24, 1959.

The Honorable the SPEAKER,
House of Representatives.

SIR: From the Governor of the new State of Hawaii I have received a certificate of election, in due form of law, of the Honorable DANIEL K. INOUYE as the Representative-elect to the 86th Congress from that State.

Very truly yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

The SPEAKER. The Member-elect will present himself at the bar of the House to be sworn in.

Mr. INOUYE appeared at the bar of the House and took the oath of office.

TODAY MARKS THE FIRST TIME IN 160 YEARS THAT THERE HAS BEEN NO TERRITORIAL REPRESENTATIVE IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, today marks the first time in 160 years that there has been no Territorial representation in this House.

The first Delegate, James White, served from November 18, 1794, to June 1, 1796, as the Delegate from the Territory south of the river Ohio. This Territory was admitted to the Union on June 1, 1796, and Andrew Jackson became its first Representative.

There were no Delegates to either the First, Second, or Fifth Congresses. But since William Henry Harrison, the famed general of "Tippecanoe," who later became our ninth President, took his seat as a Delegate from the Territory northwest of the river Ohio in the Sixth Congress on March 4, 1799, there has been Territorial representation in this body up until today.

A total of 169 Delegates have sat in the House; they have represented 31 Territories.

During the 38th, the 42d, and the 43d Congresses, as many as 10 Territories were represented. In the 38th Congress, the number of Territories represented by nonvoting Delegates was over one-fourth that of the total number of States—36 at that time. This large proportion decreased as States were admitted and only two Territories were represented by Delegates in this body from 1913 to the beginning of this year when Mr. RIVERS of Alaska became the first Representative from that newly admitted State.

And now, today, with the swearing in of our new colleague, DANIEL K. INOUYE, as the first Representative from the new State of Hawaii—the 50th—Territorial representation in this body comes to a close after 160 years.

Mr. Speaker, this is an occasion worthy of some historical note. Therefore, under unanimous consent, I include with my remarks a table showing the Territories which have been represented and the Delegates who have served in this body since the Third Congress.

Delegates to the U.S. Congress

Congress	Date	
1st	Mar. 4, 1789–Mar. 3, 1791	None.
2d	Mar. 4, 1791–Mar. 3, 1793	None.
3d	Mar. 4, 1793–Mar. 3, 1795	Territory south of the River Ohio (formed from territory ceded to the United States by State of North Carolina), James White (seated Nov. 18, 1794).
4th	Mar. 4, 1795–Mar. 3, 1797	Territory south of the River Ohio, James White (served until June 1, 1796, when Territory granted statehood as Tennessee).
5th	Mar. 4, 1797–Mar. 3, 1799	None.
6th	Mar. 4, 1799–Mar. 3, 1801	Territory northwest of the River Ohio (formed from territory ceded to the United States by the State of Virginia), William H. Harrison (resigned, March 1800), William McMillan (seated Nov. 24, 1800).
7th	Mar. 4, 1801–Mar. 3, 1803	Mississippi Territory (formed by act of Apr. 7, 1798, from lands ceded to United States by States of Georgia and South Carolina), Narsworthy Hunter (died, Mar. 11, 1802), Thomas M. Greene (seated Dec. 6, 1802); Territory northwest of the River Ohio, Paul Fearing.
8th	Mar. 4, 1803–Mar. 3, 1805	Mississippi Territory, William Lattimore.
9th	Mar. 4, 1805–Mar. 3, 1807	Indiana Territory (formed by act of May 7, 1800, from lands originally ceded to the United States by the State of Virginia and later part of the Northwest Territory), Benjamin Parke; Mississippi Territory, William Lattimore; Territory of Orleans (formed from a portion of the lands ceded to the United States by France by the Treaty of Paris of Apr. 30, 1803), Daniel Clark (seated Dec. 1, 1806).
10th	Mar. 4, 1807–Mar. 3, 1809	Indiana Territory, Benjamin Parke (resigned), Jesse B. Thomas; Mississippi Territory, George Poindexter; Territory of Orleans, Daniel Clark.
11th	Mar. 4, 1809–Mar. 3, 1811	Indiana Territory, Jonathan Jennings; Mississippi Territory, George Poindexter; Territory of Orleans, Julien de L. Poydras.
12th	Mar. 4, 1811–Mar. 3, 1813	Illinois Territory (formed by act of Feb. 3, 1809, from a portion of the Indiana Territory and from parts of Northwest Territory), Shadrack Bond; Indiana Territory, Jonathan Jennings; Mississippi Territory, George Poindexter; Territory of Missouri (formed by act of June 4, 1812, from lands deeded to United States as part of Louisiana Purchase); Edward Hempstead; Territory of Orleans (granted statehood as Louisiana, Apr. 30, 1812), vacant.
13th	Mar. 4, 1813–Mar. 3, 1815	Illinois Territory, Shadrack Bond (resigned after 1st term), Benjamin Stephenson; Indiana Territory, Jonathan Jennings; Mississippi Territory, William Lattimore; Territory of Missouri, Edward Hempstead (served through 1st and part of 2d sess.), Rufus Easton (seated Nov. 16, 1814).
14th	Mar. 4, 1815–Mar. 3, 1817	Illinois Territory, Benjamin Stephenson (1st sess.), Nathaniel Pope (seated Dec. 2, 1816); Indiana Territory, Jonathan Jennings (served until Dec. 11, 1816, when Indiana Territory granted statehood); Mississippi Territory, William Lattimore; Territory of Missouri, Rufus Easton (1st sess.), John Scott (seated Dec. 2, 1816; seat declared vacant Jan. 13, 1817).
15th	Mar. 4, 1817–Mar. 3, 1819	Alabama Territory (formed from portion of Mississippi Territory, 1817), John Crowell; Illinois Territory, Nathaniel Pope (served until Dec. 3, 1818, when Territory granted statehood); Mississippi Territory (granted statehood, Dec. 10, 1817), vacant; Territory of Missouri, John Scott (seated Dec. 8, 1817).
16th	Mar. 4, 1819–Mar. 3, 1821	Alabama Territory (granted statehood, Dec. 14, 1819), vacant; Arkansas Territory (formed from portion of Territory of Missouri, 1819), James W. Bates (seated Mar. 2, 1820); Michigan Territory (formed from portion of Indiana Territory not admitted to statehood in 1816), William W. Woodbridge (resigned Aug. 9, 1820), Solomon Sibley (seated Nov. 20, 1820); Territory of Missouri, John Scott.
17th	Mar. 4, 1821–Mar. 3, 1823	Arkansas Territory, James W. Bates; Territory of Florida (formed from lands ceded by Spain to United States in 1819), Joseph M. Hernandez (seated Jan. 3, 1823); Michigan Territory, Solomon Sibley; Territory of Missouri (granted statehood, Aug. 10, 1821), vacant.
18th	Mar. 4, 1823–Mar. 3, 1825	Arkansas Territory, Henry Conway; Territory of Florida, Richard K. Call; Michigan Territory, Gabriel Richard.
19th	Mar. 4, 1825–Mar. 3, 1827	Arkansas Territory, Henry W. Conway; Territory of Florida, Joseph M. White; Michigan Territory, Austin E. Wing.
20th	Mar. 4, 1827–Mar. 3, 1829	Arkansas Territory, Henry W. Conway (died Nov. 9, 1827), Ambrose H. Sevier (seated Feb. 13, 1828); Territory of Florida, Joseph M. White; Michigan Territory, Austin E. Wing.
21st	Mar. 4, 1829–Mar. 3, 1831	Arkansas Territory, Ambrose H. Sevier; Territory of Florida, Joseph M. White; Michigan Territory, John Biddle.
22d	Mar. 4, 1831–Mar. 3, 1833	Arkansas Territory, Ambrose H. Sevier; Territory of Florida, Joseph M. White; Michigan Territory, Austin E. Wing.
23d	Mar. 4, 1833–Mar. 3, 1835	Arkansas Territory, Ambrose H. Sevier; Territory of Florida, Joseph M. White; Michigan Territory, Lucius Lyon.
24th	Mar. 4, 1835–Mar. 3, 1837	Arkansas Territory, Ambrose H. Sevier (served until June 15, 1836, when Arkansas Territory granted statehood); Territory of Florida, Joseph M. White; Michigan Territory (portion granted statehood as State of Michigan, 1837), George W. Jones (served as Delegate from Michigan Territory until Dec. 5, 1836, when he became the Delegate from the new Territory of Wisconsin); Territory of Wisconsin (formed from portion of Michigan Territory, Apr. 20, 1836), George W. Jones.
25th	Mar. 4, 1837–Mar. 3, 1839	Territory of Florida, Charles Downing; Territory of Iowa (formed from portion of Territory of Wisconsin, June 12, 1838), William W. Chapman (seated Dec. 3, 1838); Territory of Wisconsin, George W. Jones (served until Jan. 14, 1839), James D. Doty (seated Jan. 14, 1839).
26th	Mar. 4, 1839–Mar. 3, 1841	Territory of Florida, Charles Downing; Territory of Iowa, William W. Chapman (served until Oct. 27, 1840), Augustus C. Dodge (seated Dec. 8, 1840); Territory of Wisconsin, James D. Doty.
27th	Mar. 4, 1841–Mar. 3, 1843	Territory of Florida, David Levy; Territory of Iowa, Augustus C. Dodge; Territory of Wisconsin, Henry Dodge.
28th	Mar. 4, 1843–Mar. 3, 1845	Territory of Florida (granted statehood, act of Mar. 3, 1845), David Levy; Territory of Iowa, Augustus C. Dodge; Territory of Wisconsin, Henry Dodge.
29th	Mar. 4, 1845–Mar. 3, 1847	Territory of Iowa, Augustus C. Dodge (served until Dec. 28, 1846, when Territory granted statehood); Territory of Wisconsin, Morgan L. Martin.
30th	Mar. 4, 1847–Mar. 3, 1849	Territory of Wisconsin (eastern part of the territory was admitted into Union as State, Mar. 29, 1848; western portion retained its Territorial organization under the same name until reorganized into Territory of Minnesota by act of Mar. 3, 1849), John H. Tweedy (served until May 29, 1848), Henry H. Sibley (seated Jan. 15, 1849).
31st	Mar. 4, 1849–Mar. 3, 1851	Territory of Minnesota (formed Mar. 3, 1849, from Territory of Wisconsin), Henry H. Sibley (seated Dec. 3, 1849); Territory of Oregon (formed Aug. 14, 1848, from territory ceded to United States by France, Spain, and Great Britain), Samuel R. Thurston (seated Dec. 3, 1849).
32d	Mar. 4, 1851–Mar. 3, 1853	Territory of Minnesota, Henry H. Sibley; Territory of New Mexico (formed from portion of territory ceded to United States by Mexico, Feb. 2, 1848), Richard H. Weightman (seated Dec. 1, 1851); Territory of Oregon, Joseph Lane; Territory of Utah (formed from portion of territory ceded to United States by Mexico, Feb. 2, 1848), John M. Bernhisel (seated Dec. 1, 1851).
33d	Mar. 4, 1853–Mar. 3, 1855	Territory of Kansas (formed from territory ceded to United States by France in April 1803 and by the State of Texas, in the settlement of her boundaries in 1850), John W. Whitfield (seated Dec. 20, 1854); Territory of Minnesota, Henry M. Rice; Territory of Nebraska (formed from portion of territory ceded to United States in 1803 by France), Napoleon B. Giddings (seated Jan. 5, 1855); Territory of New Mexico, Jose Manuel Gallegos; Territory of Oregon, Joseph Lane; Territory of Utah, Hohn M. Bernhisel; Territory of Washington (formed from portion of Territory of Oregon, Mar. 2, 1853), Columbia Lancaster (seated Apr. 12, 1854).
34th	Mar. 4, 1855–Mar. 3, 1857	Territory of Kansas, John W. Whitfield; Territory of Minnesota, Henry M. Rice; Territory of Nebraska, Bird B. Chapman; Territory of New Mexico, Jose Manuel Gallegos (served until July 23, 1856), Miguel A. Otero (seated July 23, 1856); Territory of Oregon, Joseph Lane; Territory of Utah, John M. Bernhisel; Territory of Washington, J. Patton Anderson.
35th	Mar. 4, 1857–Mar. 3, 1859	Territory of Kansas, Marcus J. Parrott; Territory of Minnesota, William W. Kingsbury (served until May 11, 1858, when portion of the Territory was granted statehood; remainder not entitled to Delegate in Congress); Territory of Nebraska, Fenner Ferguson; Territory of New Mexico, Miguel A. Otero; Territory of Oregon, Joseph Lane (served until Feb. 14, 1859, when Territory granted statehood); Territory of Utah, John M. Bernhisel; Territory of Washington, Isaac I. Stevens.
36th	Mar. 4, 1859–Mar. 3, 1861	Territory of Kansas, Marcus J. Parrott (served until Jan. 29, 1861, when Territory granted statehood); Territory of Nebraska, Experience Eastabrook (served until May 18, 1860), Samuel G. Daily (seated May 18, 1860); Territory of New Mexico, Miguel A. Otero; Territory of Utah, William H. Hooper; Territory of Washington, Isaac I. Stevens.
37th	Mar. 4, 1861–Mar. 3, 1863	Territory of Colorado (formed from portions of territory ceded to United States by France in 1803 and by Mexico in 1848), Hiram P. Bennet (seated Dec. 2, 1861); Territory of Dakota (formed from territory ceded by France in 1803), John B. S. Todd (seated Dec. 8, 1861); Territory of Nebraska, Samuel G. Daily; Territory of Nevada (formed from portion of territory ceded to United States by Mexico in 1848), John Cradlebaugh (seated Dec. 2, 1861); Territory of New Mexico, John S. Watts; Territory of Utah, John M. Bernhisel; Territory of Washington, William H. Wallace.
38th	Mar. 4, 1863–Mar. 3, 1865	Territory of Arizona (formed from portion of Territory of New Mexico), Charles D. Poston (seated Dec. 5, 1864); Territory of Colorado, Hiram P. Bennet; Territory of Dakota, William Jayne (served until June 17, 1864), John B. S. Todd (seated June 17, 1864); Territory of Idaho (formed from portion of lands ceded by France in 1803), William H. Wallace (seated Feb. 1, 1864); Territory of Montana (formed from portion of land ceded by France in 1803), Samuel McLean (seated Jan. 6, 1865); Territory of Nebraska, Samuel G. Daily; Territory of Nevada, Gordon N. Mott (served until Oct. 31, 1864, when Territory was granted statehood); Territory of New Mexico, Francisco Perea; Territory of Utah, John F. Kinney; Territory of Washington, George E. Cole.
39th	Mar. 4, 1865–Mar. 3, 1867	Territory of Arizona, John N. Goodwin; Territory of Colorado, Allen A. Bradford; Territory of Dakota, Walter A. Burleigh; Territory of Idaho, Edward D. Holbrook; Territory of Montana, Samuel McLean; Territory of Nebraska, Phineas W. Hitchcock (served until Mar. 1, 1867, when Territory was granted statehood); Territory of New Mexico, J. Francisco Chaves; Territory of Utah, William H. Hooper; Territory of Washington, Arthur A. Denny.
40th	Mar. 4, 1867–Mar. 3, 1869	Territory of Arizona, Coles Bashford; Territory of Colorado, George M. Chilcott; Territory of Dakota, Walter A. Burleigh; Territory of Idaho, Edward D. Holbrook; Territory of Montana, James M. Cavanaugh; Territory of New Mexico, Charles P. Clever (served until Feb. 20, 1869), J. Francisco Chaves (seated Feb. 20, 1869); Territory of Utah, William H. Hooper; Territory of Washington, Alvan Flanders.
41st	Mar. 4, 1869–Mar. 3, 1871	Territory of Arizona, Richard C. McCormick; Territory of Colorado, Allen A. Bradford; Territory of Dakota, Solomon L. Spink; Territory of Idaho, Jacob K. Shafer; Territory of Montana, James M. Cavanaugh; Territory of New Mexico, J. Francisco Chaves; Territory of Utah, William H. Hooper; Territory of Washington, Selucius Garfielde; Territory of Wyoming (formed from portion of territory ceded by France in 1803), Stephen F. Nuckolls (seated Dec. 6, 1869).
42d	Mar. 4, 1871–Mar. 3, 1873	Territory of Arizona, Richard C. McCormick; Territory of Colorado, Jerome B. Chaffee; Territory of Dakota, Moses K. Armstrong; District of Columbia (by act of Feb. 21, 1871, a Territorial form of government was provided for the District), Norton P. Chipman (seated Dec. 4, 1871); Territory of Idaho, Samuel A. Merritt; Territory of Montana, William H. Clagett; Territory of New Mexico, Jose Manuel Gallegos; Territory of Utah, William H. Hooper; Territory of Washington, Selucius Garfielde; Territory of Wyoming, William T. Jones.

Delegates to the U.S. Congress—Continued

Congress	Date	
43d	Mar. 4, 1873–Mar. 3, 1875	Territory of Arizona, Richard C. McCormick; Territory of Colorado, Jerome B. Chaffee; Territory of Dakota, Moses K. Armstrong; District of Columbia (Territorial form of government withdrawn by act of June 20, 1874), Norton P. Chipman (served until Mar. 3, 1875); Territory of Idaho, John Hailey; Territory of Montana, Martin Maginnis; Territory of New Mexico, Stephen B. Elkins; Territory of Utah, George Q. Cannon; Territory of Washington, Obadiah B. McFadden; Territory of Wyoming, William R. Steele.
44th	Mar. 4, 1875–Mar. 3, 1877	Territory of Arizona, Hiram S. Stevens; Territory of Colorado, Thomas M. Patterson (served until Aug. 1, 1876, when Territory was granted statehood); Territory of Dakota, Jefferson P. Kidder; Territory of Idaho, Thomas W. Bennett (served until June 23, 1876), Stephen S. Fenn (seated June 23, 1876); Territory of Montana, Martin Maginnis; Territory of New Mexico, Stephen B. Elkins; Territory of Utah, George Q. Cannon; Territory of Washington, Orange Jacobs; Territory of Wyoming, William R. Steele.
45th	Mar. 4, 1877–Mar. 3, 1879	Territory of Arizona, Hiram S. Stevens; Territory of Dakota, Jefferson P. Kidder; Territory of Idaho, Stephen S. Fenn; Territory of Montana, Martin Maginnis; Territory of New Mexico, Trinidad Romero; Territory of Utah, George Q. Cannon; Territory of Washington, Orange Jacobs; Territory of Wyoming, William W. Corlett.
46th	Mar. 4, 1879–Mar. 3, 1881	Territory of Arizona, John G. Campbell; Territory of Dakota, Granville G. Bennett; Territory of Idaho, George Ainslie; Territory of Montana, Martin Maginnis; Territory of New Mexico, Mariano S. Otero; Territory of Utah, George Q. Cannon; Territory of Washington, Thomas H. Brents; Territory of Wyoming, Stephen W. Downey.
47th	Mar. 4, 1881–Mar. 3, 1883	Territory of Arizona, Granville H. Oury; Territory of Dakota, Richard F. Pettigrew; Territory of Idaho, George Ainslie; Territory of Montana, Martin Maginnis; Territory of New Mexico, Tranquilino Luna; Territory of Utah, John T. Caine; Territory of Washington, Thomas H. Brents; Territory of Wyoming, Morton E. Post.
48th	Mar. 4, 1883–Mar. 3, 1885	Territory of Arizona, Granville H. Oury; Territory of Dakota, John B. Raymond; Territory of Idaho, Theodore F. Singiser; Territory of Montana, Martin Maginnis; Territory of New Mexico, Tranquilino Luna (served until Mar. 5, 1884), Francisco A Manzanares (seated Mar. 5, 1884); Territory of Utah, John T. Caine; Territory of Washington, Thomas H. Brents; Territory of Wyoming, Morton E. Post.
49th	Mar. 4, 1885–Mar. 3, 1887	Territory of Arizona, Curtis C. Bean; Territory of Dakota, Oscar S. Gifford; Territory of Idaho, John Hailey; Territory of Montana, Joseph K. Toole; Territory of New Mexico, Antonio Joseph; Territory of Utah, John T. Caine; Territory of Washington, Charles S. Voorhees; Territory of Wyoming, Joseph M. Carey.
50th	Mar. 4, 1887–Mar. 3, 1889	Territory of Arizona, Marcus A. Smith; Territory of Dakota, Oscar S. Gifford; Territory of Idaho, Fred T. Dubois; Territory of Montana, Joseph K. Toole; Territory of New Mexico, Antonio Joseph; Territory of Utah, John T. Caine; Territory of Washington, Charles S. Voorhees; Territory of Wyoming, Joseph M. Carey.
51st	Mar. 4, 1889–Mar. 3, 1891	Territory of Arizona, Marcus A. Smith; Territory of Dakota, George A. Mathews (served until Nov. 2, 1889, when the Territory was divided and granted statehood as the States of North and South Dakota); Territory of Idaho, Fred. T. Dubois (served until July 3, 1890, when Territory was granted statehood); Territory of Montana, Thomas H. Carter (served until Nov. 8, 1889, when Territory was granted statehood); Territory of New Mexico, Antonio Joseph; Territory of Oklahoma (formed from portion of Indian Territory and from that portion of the United States known as the "Public Land Strip"), David M. Harvey (seated Dec. 1, 1890); Territory of Utah, John T. Caine; Territory of Washington, John B. Allen (served until Nov. 11, 1889, when the Territory was granted statehood); Territory of Wyoming, Joseph M. Carey (served until July 10, 1890, when Territory was granted statehood).
52d	Mar. 4, 1891–Mar. 3, 1893	Territory of Arizona, Marcus A. Smith; Territory of New Mexico, Antonio Joseph; Territory of Oklahoma, David A. Harvey; Territory of Utah, John T. Caine.
53d	Mar. 4, 1893–Mar. 3, 1895	Territory of Arizona, Marcus A. Smith; Territory of New Mexico, Antonio Joseph; Territory of Oklahoma, Dennis T. Flynn; Territory of Utah, Joseph L. Rawlins.
54th	Mar. 4, 1895–Mar. 3, 1897	Territory of Arizona, Nathan O. Murphy; Territory of New Mexico, Thomas B. Catron; Territory of Oklahoma, Dennis T. Flynn; Territory of Utah, Frank J. Cannon (served until Jan. 4, 1896, when Territory was granted statehood).
55th	Mar. 4, 1897–Mar. 3, 1899	Territory of Arizona, Marcus A. Smith; Territory of New Mexico, Harvey B. Fergusson; Territory of Oklahoma, James Y. Callahan.
56th	Mar. 4, 1899–Mar. 3, 1901	Territory of Arizona, John F. Wilson; Territory of Hawaii (formed from the territory of the Republic of Hawaii, annexed to the United States by act of July 7, 1898, and granted a Delegate in Congress by act of Apr. 30, 1900), Robert W. Wilcox (seated Dec. 15, 1900); Territory of New Mexico, Pedro Perea; Territory of Oklahoma, Dennis T. Flynn.
57th	Mar. 4, 1901–Mar. 3, 1903	Territory of Arizona, Marcus A. Smith; Territory of Hawaii, Robert W. Wilcox; Territory of New Mexico, Bernard S. Rodey; Territory of Oklahoma, Dennis T. Flynn.
58th	Mar. 4, 1903–Mar. 3, 1905	Territory of Arizona, John F. Wilson; Territory of Hawaii, Jonah K. Kalanianaole; Territory of New Mexico, Bernard S. Rodey; Territory of Oklahoma, Bird S. McGuire.
59th	Mar. 4, 1905–Mar. 3, 1907	Territory of Alaska (formed from territory ceded to United States by Russia by treaty of Mar. 30, 1867; granted Delegate by act of May 8, 1906), Frank H. Waskey (seated Dec. 3, 1906); Territory of Arizona, Marcus A. Smith; Territory of Hawaii, Jonah K. Kalanianaole; Territory of New Mexico, William H. Andrews; Territory of Oklahoma, Bird S. McGuire.
60th	Mar. 4, 1907–Mar. 3, 1909	Territory of Alaska, Thomas Cale; Territory of Arizona, Marcus A. Smith; Territory of Hawaii, Jonah K. Kalanianaole; Territory of New Mexico, William H. Andrews; Territory of Oklahoma (granted statehood Nov. 16, 1907), vacant.
61st	Mar. 4, 1909–Mar. 3, 1911	Territory of Alaska, James Wickersham; Territory of Arizona, Ralph H. Cameron; Territory of Hawaii, Jonah K. Kalanianaole; Territory of New Mexico, William H. Andrews.
62d	Mar. 4, 1911–Mar. 3, 1913	Territory of Alaska, James Wickersham; Territory of Arizona, Ralph H. Cameron (served until Feb. 18, 1912, the Territory of Arizona having been granted statehood by act of June 20, 1910); Territory of Hawaii, J. Kuhio Kalanianaole; Territory of New Mexico, William H. Andrews (served until Jan. 7, 1912, the Territory of New Mexico having been granted statehood by act of June 20, 1910).
63d	Mar. 4, 1913–Mar. 3, 1915	Territory of Alaska, James Wickersham; Territory of Hawaii, J. Kuhio Kalanianaole.
64th	Mar. 4, 1915–Mar. 3, 1917	Do.
65th	Mar. 4, 1917–Mar. 3, 1919	Territory of Alaska, Charles A. Sulzer (served until Jan. 7, 1919), James Wickersham (seated Jan. 7, 1919); Territory of Hawaii, J. Kuhio Kalanianaole.
66th	Mar. 4, 1919–Mar. 3, 1921	Territory of Alaska, Charles A. Sulzer (died Apr. 15, 1919, before Congress assembled), George B. Grigsby (served until Mar. 1, 1921), James Wickersham (seated Mar. 1, 1921); Territory of Hawaii, J. Kuhio Kalanianaole.
67th	Mar. 4, 1921–Mar. 3, 1923	Territory of Alaska, Dan. A. Sutherland; Territory of Hawaii, J. Kuhio Kalanianaole (died Jan. 7, 1922), Henry A. Baldwin (seated Apr. 18, 1922).
68th	Mar. 4, 1923–Mar. 3, 1925	Territory of Alaska, Dan. A. Sutherland; Territory of Hawaii, William P. Jarrett.
69th	Mar. 4, 1925–Mar. 3, 1927	Do.
70th	Mar. 4, 1927–Mar. 3, 1929	Territory of Alaska, Dan. A. Sutherland; Territory of Hawaii, Victor S. K. Houston.
71st	Mar. 4, 1929–Mar. 3, 1931	Do.
72d	Mar. 4, 1931–Mar. 3, 1933	Territory of Alaska, James Wickersham; Territory of Hawaii, Victor S. K. Houston.
73d	Mar. 4, 1933–Mar. 3, 1935	Territory of Alaska, Anthony J. Dimond; Territory of Hawaii, Lincoln L. McCandless.
74th	Jan. 3, 1935–Jan. 3, 1937	Territory of Alaska, Anthony J. Dimond; Territory of Hawaii, Samuel W. King.
75th	Jan. 3, 1937–Jan. 3, 1939	Do.
76th	Jan. 3, 1939–Jan. 3, 1941	Do.
77th	Jan. 3, 1941–Jan. 3, 1943	Do.
78th	Jan. 3, 1943–Jan. 3, 1945	Territory of Alaska, Anthony J. Dimond; Territory of Hawaii, Joseph R. Farrington.
79th	Jan. 3, 1945–Jan. 3, 1947	Territory of Alaska, Edward L. Bartlett; Territory of Hawaii, Joseph R. Farrington.
80th	Jan. 3, 1947–Jan. 3, 1949	Do.
81st	Jan. 3, 1949–Jan. 3, 1951	Do.
82d	Jan. 3, 1951–Jan. 3, 1953	Do.
83d	Jan. 3, 1953–Jan. 3, 1955	Territory of Alaska, Edward L. Bartlett; Territory of Hawaii, Joseph R. Farrington (died, June 19, 1954), Mrs. Joseph R. Farrington (seated Aug. 4, 1954).
84th	Jan. 5, 1955–Jan. 3, 1957	Territory of Alaska, Edward L. Bartlett; Territory of Hawaii, Mrs. Joseph R. Farrington.
85th	Jan. 3, 1957–Jan. 3, 1959	Territory of Alaska (admitted to statehood Jan. 3, 1959, pursuant to act of July 7, 1958), Edward L. Bartlett; Territory of Hawaii, John A. Burns.
86th	Jan. 7, 1959–	Territory of Hawaii (admitted to statehood Aug. 21, 1959, pursuant to act of Mar. 18, 1959), John A. Burns (served until Aug. 21, 1959, when the Territory became a State).

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tables showing the Territories which have been represented and the Delegates who have served in this body since the Third Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ELECTIONS IN MALAYA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, while the news stories carry rather discouraging accounts of events in Laos and a few other parts of south Asia, we should not overlook a more encouraging turn of events that took place last week in Malaya. I refer to the elections in that new state in which the Alliance Party was returned to power. On the basis of the news accounts thus far, it would appear that Tengu Abdul Rahman will be the leader of the new Government. He is an admittedly anti-Communist figure and a strong friend of the West.

Given the complex ethnic composition of Malaya, the victory of the Alliance Party is an encouraging sign that the diverse portions of Malaya's population are grouping around ideas and ideals rather than narrow interests. Actually, the Alliance Party consists of three principal organizations—the United Malayan National Association, the Malayan Chinese Association, and the Malayan Indian Congress.

The Alliance Party has outlined for itself a rather ambitious program that includes efforts toward self-sufficiency and food production, aid to small farmers and rubber growers, improved health and educational services, and assistance to small industries.

Four years ago I was head of a study mission that visited Malaya. At that time the country was still part of the British Empire. It was still suffering from the effects of Communist harassment and there were obvious divisions among the population along ethnic lines. With the achievement of its independence there has come a new expression of Malayan nationalism bringing together these groups and offering encouragement to those who want to develop an independent state. I want to congratulate the people of Malaya on an orderly election and wish the new Government every success.

I believe our Government would do well to give every evidence of encouragement it can to assist this new Government to achieve its objectives.

KHRUSHCHEV VISIT

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, many years ago I warned this House of the Communist timetable. I warned of the importance of the Far East in the defense of the free world. Yes, I can believe Lenin said the road to Paris is through Peking. The Communists are making a bold, blatant bid for control of all Southeast Asia today. When they consolidate their ill-gotten gains in Southeast Asia they will be in a position to outflank India, put the pressure on Indonesia and move for the rich Mideast oil. After the Near East falls the road to Africa will be open. With north Africa in Communist hands Western Europe will fall like an overly ripe apple.

Western Europe will simply be outflanked and cut off from oil so essential to its industry and standard of living. Africa with its untapped resources will also be the marshaling area for the invasion of nearby South America and South America is the "soft underbelly" of the United States. The fate of the free world is being decided in Laos, Cambodia, and Thailand. Khrushchev ordered this attack on Laos simultaneously with announcement of his visit to the United States. To proceed with Communist domination of the world Khrushchev must win all of Southeast Asia. To win Southeast Asia he must hoodwink leaders in the United States and talk peace. His plans are working to perfection with the cooperation of the eggheads and soft heads here in Washington. The world spotlight will be on his antics here in the United States while his armies advance in Laos. One word from Khrushchev could stop instantly this cold, inhuman, Communist invasion of little Laos. By this invitation to Washington we are helping him greatly in his ambitions to conquer the world. This is a sad, dark time in the history of freedom. We may be nailing the lid on our own coffin. When we play Russian roulette with Khrushchev we should remember that the pistol to our head is loaded while his is empty. A waltz with him may be a dance into eternity.

ALBERT JOSEPH SMITH, PEACETIME CONGRESSIONAL MEDAL OF HONOR WINNER

Mrs. GRIFFITHS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, it appears that peacetime Congressional Medal of Honor winners are so few and far between that frequently they are left off the roster of Congressional Medal of Honor winners. On July 3, 1958, there appeared in the CONGRESSIONAL RECORD, a list of living holders of the Congressional Medal of Honor. Albert Joseph Smith, a constituent of mine, did not appear on this list. I am bringing this to the attention of the House so that all lists can be corrected to include his name. Mr. Smith was awarded his citation for the following reasons:

> At about 7:30 a.m. on the morning of February 11, 1921, Private Smith, while on duty as a sentry, rescued Plen M. Phelps, late machinist's mate, second class, U.S. Navy, from a burning seaplane which had fallen near his post, gate No. 1, Marine Barracks, Naval Air Station, Pensacola, Fla. Despite the explosion of the gravity gasoline tank, with total disregard of personal safety, he pushed himself to a position where he could reach Phelps, who was pinned beneath the burning wreckage, and rescued him from the burning plane, in the performance of which he sustained painful burns about the head, neck, and both hands.

Such heroism certainly deserves the everlasting gratitude of our country.

COMMUNIST-MADE GOODS FROM GERMANY COMING INTO THIS COUNTRY UNDER FALSE PRETENSES

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I have today introduced legislation to prohibit the advertising of goods for sale in interstate commerce which have been imported into this country from the Soviet-controlled zone of East Germany unless the fact is clearly included in the advertising that they have been manufactured in the Soviet Zone of Germany rather than merely in Germany alone. For some time I have been disturbed to see that a substantial number of cameras are on sale in American camera shops which have been manufactured in the Soviet Zone of East Germany and yet without any indication on these cameras that they are in fact Soviet imports, in violation of section 1304, title 19 of the United States Code. I have asked the Treasury to make a thorough investigation as to the reason these imports have been permitted to come in in violation of our laws and to give me a complete report on their investigation.

In addition these Soviet-made cameras are being advertised in national photography magazines as "Manufactured in Germany," without any reference to their origin in Soviet Germany. In spite of the misleading nature of this advertising, there is nothing presently in the law to prevent it. Accordingly my legislation would plug the gap.

The threat of cheap foreign goods manufactured by cheap labor entering the United States in competition with our own products manufactured on American standards is bad enough today, without permitting the kind of advertising which would confuse the purchaser and keep him unaware until too late of the fact that some of the foreign goods that he may be buying come from Communist-controlled countries manufactured under the slave labor conditions prevailing there.

SMALL BUSINESS ACT AMENDMENTS OF 1959

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8599) to amend the Small Business Act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. McDONOUGH. Mr. Speaker, reserving the right to object, I would ask the chairman of the committee to explain to the House what this bill does.

Mr. SPENCE. The Small Business Administration has almost reached its limit to make loans at the present time. The present authorization is $500 million. This bill would increase that amount to $700 million. The increase must be obtained by appropriation. It is provided in the law that the loans shall be of such sound value or so secured as reasonably to assure repayment. They will be loans to small business, which is

in great need of this accommodation and which is unable to get it elsewhere.

The losses that have been sustained by this organization have amounted to 1.8 percent of the agency's share of the loans disbursed. These loans have rendered a most useful service and have stimulated that which has characterized our free governments, the maintenance of small business and its independence.

I hope the bill will pass so these small businesses may have assurance that their applications will soon be considered and that there will be no hiatus because of the adjournment of Congress and the exhaustion of the Administration's present authority.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McDONOUGH. There was no change in the loan policy of the Small Business Administration in connection with this expansion of its lending capacity?

Mr. SPENCE. None at all.

Mr. McDONOUGH. I notice also that this provides for the filing of reports each year instead of every 6 months, which is evidently a broadening of their authority. They had to file reports every 6 months. This will make that requirement an annual one.

Mr. SPENCE. As to the reports, SBA now is required to make semiannual reports and this bill requires the Administration to make only annual reports. In addition to the main purpose of the bill to increase the authority of the Small Business Administration to make loans under its regular business loan program, there are two other minor amendments to, first, authorize SBA to make prepayments of rentals on safety deposit boxes; and, second, repeal an unnecessary provision concerning surveys of SBA by the Attorney General.

Mr. McDONOUGH. Mr. Speaker, the Small Business Administration has as its necessary function the expansion of small business. The purpose of my reservation of objection was to have the bill explained.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Act Amendments of 1959".

SEC. 2. As used in this Act, unless otherwise indicated, references to "the Act" are to the Small Business Act, approved July 18, 1958 (72 Stat. 384), as amended by the Small Business Investment Act of 1958, approved August 21, 1958 (72 Stat. 689).

SEC. 3. Subsection 4(c) of the Act is amended—

(1) by striking out "$900,000,000" each place it appears and inserting in lieu thereof "$1,100,000,000"; and

(2) by striking out "$500,000,000" where it appears in the fifth sentence and inserting in lieu thereof "$700,000,000".

SEC. 4. Subsection 5(b) of the Act is amended by adding at the end thereof a new paragraph (10) to read as follows:

"(10) Section 3648 of the Revised Statutes (31 U.S.C. 529) shall not apply to prepayments of rentals made by the Administration on safety deposit boxes used by the Administration for the safeguarding of instruments held as security for loans or for the safeguarding of other documents."

SEC. 5. Section 10 of the Act is amended—

(1) by striking out "every six months" from the first sentence of subsection (a) and inserting in lieu thereof ", on June 30 of each year,";

(2) by striking out "and December 31" from subsection (b);

(3) by striking out subsection (c); and

(4) by respectively redesignating subparagraphs (d), (e) and (f) as (c), (d) and (e).

SEC. 6. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] and the gentleman from New York [Mr. MULTER] have permission to extend their remarks and that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MULTER. Mr. Speaker this bill, H.R. 8599, in addition to increasing the authorization of the aggregate amount of loans that may be made by the Small Business Administration, also makes several technical amendments to the statute.

I would like to point out to the House that there is no amendment contained in this bill with reference to certificates of competency authorized to be issued by the Small Business Administration, because none of the committees of the House nor the House itself finds it necessary to offer any amendments to that section.

For many years investigations by congressional committees established that many Government contracting and procurement officers were systematically excluding small business concerns from Government procurement by disqualifying them on the ground of incapacity or financial insufficiency.

The Congress accordingly vested the right to review such decisions with the Small Business Administration and directed that its certificate of competency was to be conclusive on all contracting and procurement officers. All Government departments and agencies but one have submitted to and followed the clear dictates of the statute. That one department has continuously resisted the right of the Small Business Administration to make such determinations and has sought to evade them.

The intent of Congress is plainly set forth in the statute and the General Accounting Office has repeatedly properly interpreted it to mean exactly what it says. We expect all Government contracting and procurement officers in every department and agency of Government to abide by it.

When the Small Business Administration issues a certificate of competency that certificate is conclusive upon contracting and procurement officers, both as to the capacity and competency of the small business concern to perform the contract and as to its financial responsibility in connection therewith.

INCREASING SBA'S AUTHORITY TO MAKE LOANS TO SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, the state of small business is not good. Many things in our business and financing system, and in our Federal laws, operate against a fair and equal chance for small firms. Small business does not have the opportunity to compete purely on the basis of merit and efficiency, and thus to grow and prosper along with the giant corporations.

LACK OF CREDIT—SMALL BUSINESS HANDICAP

One of the great handicaps lies in the fact that the financial resources of the country—the capital and the bank credit—are, as a general rule, not readily available to small firms. This chronic difficulty is now being increased and compounded by the fact that the Government's monetary authorities are again tightening credit. This means that small-business firms will again bear the brunt of the Government's credit policies, as they have before.

We have an official showing of what happens to small business when the Federal Reserve squeezes bank credit. There was such a period when credit was made increasingly tight, from late 1955 until late 1957. This was a 2-year period of large business growth, that is true, and a period when all kinds of businesses needed more bank credit to carry inventories, meet payrolls, and finance other operations. But the increased credit was not, as a general rule, available to the smaller firms. When the big squeeze was over, the Federal Reserve Board made a survey of its member banks to find out how bank loans had been distributed among different sizes of firms before and after the big squeeze. This report shows that in October 1957, at the peak of the credit squeeze, business firms with less than $50,000 of assets actually had 3 percent less in loans from banks than they had had 2 years earlier, in October of 1955. The giant corporations, on the other hand, those with more than $100 million of assets, had 66 percent more bank credit than they had had 2 years earlier. It is no wonder that many thousands of small firms were forced into bankruptcy, and that other thousands were forced to close their doors, though without loss to their creditors. Those were years of big-business prosperity and small-business disaster. Such times are with us again.

The main purpose of the bill is to increase the amount of loans which the

SBA can have outstanding at any one time under its regular loan program. The bill increases the amount from $500 million to $700 million, thus providing an increase of $200 million. Personally, I wish that more would be effectively used and therefore, that more were being provided.

BILL UNANIMOUSLY APPROVED

The bill has been recommended by the Administrator of the Small Business Administration. Hearings were held by a subcommittee of which I am chairman. This is Subcommittee No. 3 of the Committee on Banking and Currency. I am happy to say that the bill was approved unanimously by the subcommittee, whose membership consists, in addition to myself, of the following: Hon. HENRY S. REUSS, Wisconsin; Hon. CHARLES A. VANIK, Ohio; Hon. JAMES A. BURKE, Massachusetts; Hon. CLEM MILLER, California; Hon. BYRON L. JOHNSON, Colorado; Hon. PERKINS BASS, New Hampshire; Hon. EUGENE SILER, Kentucky; and Hon. WILLIAM H. MILLIKEN, JR., Pennsylvania.

The bill will be helpful to small business. It should be passed. As of last June 30, SBA's outstanding business loans, plus commitments, totaled $425 million, leaving only $75 million of its present authorization still available. Further, SBA has estimated that its net loan approvals in fiscal 1960 will approximate $20 million a month, with repayments averaging $8 million a month, resulting in a net increase of $12 million per month. At this rate the $75 million authorization remaining as of June 30 will be used up shortly before December 31, 1959.

THREE MINOR CHANGES IN LAW

The bill also makes three changes in law of a minor nature: First, it authorizes SBA to make prepayments of rentals of safety deposit boxes; second, it permits SBA to file reports with Congress on its operations annually, instead of every 6 months; third, and finally, the bill repeals an unnecessary provision concerning surveys of SBA operations by the Attorney General to ascertain whether or not SBA's operations may be in violation of the antitrust laws.

It is hardly necessary for me to comment on the deep and sincere interest which Members of the House have, probably every Member of this House has, in helping small business. Most of us, I know, wish that we could do more, that we could turn back the present tide that is sweeping more and more of the Nation's business affairs into the great corporate empires. Many of us wish that we could restore fair opportunity and fairplay to all useful and efficient business enterprises and make the business life of the country less an exclusive preserve of the few business corporations which own or control vast financial power.

I will include herewith the unanimous report of Subcommittee No. 3 of the Committee on Banking and Currency. Following the report, furthermore, I will include a statistical table which has been prepared by the Federal Reserve System showing the shift in bank loans to business firms of various sizes between the beginning and the end of the tight-money period of 1955–57.

NEW TIGHT-MONEY POLICY WILL SQUEEZE OUT SMALL BUSINESS AGAIN—AS BEFORE

In relating information in this table to the new tight-money policy of today, a policy which promises to make money much tighter in the fall and winter, two considerations should be borne in mind.

First, commercial banks do not auction their available supply of credit. They do not advance credit to the bidders who offer to pay the highest interest rate, the risks being even. On the contrary, the banks set a price, or an interest rate, for the credit and then ration the available supply among the would-be borrowers out of considerations having little to do with the creditors' needs or their ability to repay.

At one time, during the 1955–57 period, a great many statements were issued to the effect that the banks were rationing credit fairly, taking care of their small customers, and not merely extending credit to the big customers who have the power to command the credit. There were then many suggestions that the big firms were getting the lion's share of the bank credit only because those industries which were expanding most happened to be the big business industries. The survey which the Federal Reserve made shows a shift in bank credit, however, by type of business. And it shows that in every type of business—textile manufacturing, retail trade, or what not—it was the biggest firms in the industry that got the credit and the smaller firms in the industry either got less credit than before the squeeze began or got only minor amounts of the increase.

SMALL BUSINESS ACT AMENDMENTS OF 1959

[Rept. No. 946]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 8599) to amend the Small Business Act, and for other purposes, having considered the same, reports favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF BILL

The main purpose of H.R. 8599 is to increase the authority of the Small Business Administration to make loans under its regular business loan program. Present law limits the amount of SBA business loans outstanding to $500 million. The bill would increase this limit to $700 million.

In addition, H.R. 8599 would make three minor amendments to (1) authorize SBA to make prepayments of rentals on safety deposit boxes, (2) permit SBA to file reports on its operations annually, instead of every 6 months, and (3) repeal an unnecessary provision concerning surveys of SBA operations by the Attorney General.

HISTORY OF BILL

Enactment of this bill was recommended to the Congress by the Small Business Administrator. The bill was introduced by Hon. WRIGHT PATMAN, chairman of Subcommittee No. 3 of the House Banking and Currency Committee. The subcommittee held hearings on the bill and unanimously reported it to the full committee. Your committee, in turn, unanimously voted to report it favorably to the House.

BUSINESS LOAN AUTHORITY

Section 3 of the bill amends section 4(c) of the Small Business Act to increase from $500 million to $700 million the amount of SBA's revolving fund which may be outstanding at any one time for the purpose of making business loans under section 7(a) of the act. It makes a corresponding increase (from $900 million to $1.1 billion) in the total amount of appropriations authorized to the revolving fund.

As of June 30, 1959, SBA's business loans outstanding, plus commitments, totaled $425 million, leaving $75 million authorization available. SBA estimates that net loan approvals in fiscal 1960 will average $20 million a month, with repayments averaging $8 million a month, resulting in a net use of $12 million in business loan authorization per month. At that rate, the $75 million authorization remaining on June 30 will be used up shortly after December 31, 1959. SBA estimates that through June 30, 1961, loans outstanding and commitments will total $669 million, slightly below the $700 million authorization provided in this bill.

It should be noted that the $700 million figure provided for in this bill does not constitute either an appropriation or obligational authority. It is an overall limit on the amount of business loans SBA may have outstanding at any one time. To obtain funds to make these loans, SBA must still obtain appropriations from the Congress. As of June 30, 1959, SBA had available in its revolving fund for all its programs $89 million. An additional amount of $150 million was appropriated to the revolving fund by Public Law 86–88 on July 13, 1959.

The demand for SBA business loans has increased considerably in the fiscal year 1959. A record number of loan applications, 10,213, were received during the year, compared to 7,898 for the fiscal year 1958. This is a rise of 29 percent. The high level of activity which began in March of 1958 was interrupted in December, but picked up again shortly after the first of the year, and in March 1959 applications totaled 1,083.

SBA through June 30, 1959, has charged off 93 business loans with a resulting principal loss of $945,866, which is about two-tenths of 1 percent of the amount, disbursed. As of the same date, 375 loans were in liquidation with the unpaid principal balance amounting to approximately $11 million. If the same loss experience applies to these loans as has occurred in connection with the loans actually charged off, the collateral to be liquidated will reduce the ultimate loss to the Government to approximately $7.7 million. This, coupled with the losses recorded through June 1959, would amount to about $8.6 million, or about 1.8 percent of the agency's share of the loans disbursed.

RENTAL OF SAFETY DEPOSIT BOXES

Section 4 authorizes SBA to make prepayments of rentals on safety deposit boxes used by it to safeguard instruments and other documents held as security for loans. SBA commonly accepts readily negotiable instruments as collateral on loans. Ordinary care requires that such documents be kept in safety deposit boxes. Such boxes are usually rented on an annual basis and, with few exceptions, banks demand payment in advance. The General Accounting Office has ruled that section 3648 of the Revised Statutes prohibits such prepayments. Consequently SBA's regional offices have been able to use safety deposit boxes only by obtaining the necessary funds from employees who, at the end of the rental period, claim reimbursement from SBA. Section 4 of the bill remedies this situation.

SURVEYS AND REPORTS

Section 5 effects two substantive changes in section 10 of the Small Business Act. First, it places the reports which SBA is required to file, pursuant to subsections 10(a) and 10(b), on an annual basis instead of a semi-

annual basis. Second, it eliminates the surveys and reports which the Attorney General is required to make pursuant to subsection 10(c).

Subsection 10(a) of the act now requires SBA to make a report every 6 months of operations under the act to the President, the President of the Senate, and the Speaker of the House of Representatives. Subsection 10(b) of the act provides that, on June 30 and December 31 of each year, SBA shall make a report to the President, the President of the Senate, the Speaker of the House of Representatives, and the Senate and House Small Business Committees, showing the amount of the funds appropriated to SBA that it has expended in the conduct of each of its principal activities. Under existing law, therefore, SBA must submit two reports every 6 months concerning its operations. These requirements were laid down when SBA was initiated as a temporary agency. The principal reason for requiring reports at such short intervals was to furnish information needed to determine whether the program should be continued. With the establishment of SBA as a permanent agency of the Government, such frequent reports are no longer needed. In view of the unnecessary expense involved in preparing and issuing two reports every 6 months, SBA should; like virtually all other permanent agencies, report on an annual basis. Under section 5 of the bill, both reports are to be filed on June 30 of each year.

Subsection 10(c) of the act directs the Attorney General to make, or request the Federal Trade Commission to make for him, surveys to determine any factors which may tend to promote undue concentration of economic power in the course of the administration of the act. He is required to submit to the Congress and the President, at such times as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable. This subsection adds little, if anything, to the authority and responsibilities presently reposed in the Attorney General by the antitrust laws and other statutes. Its presence in the Small Business Act serves no useful purpose. On the other hand the subsection, by the peculiar wording, suggests that the Attorney General must exercise special vigilance over the operations of the Administration to detect and prevent violations of law. This, of course, was not the intent. For these reasons, section 5 of the bill deletes the subsection from the act.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

"SMALL BUSINESS ACT

"SEC. 4. (a) * * *

* * * * *

"(c) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of [$900,000,000] *$1,100,000,000* outstanding at any one time. For this purpose appropriations not to exceed [$900,000,000] *$1,100,000,000* are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in sections 7(a), 7(b), and 8(a), and in the exercise of the functions of the Administration under the Small Business Investment Act of 1958. Not to exceed an aggregate of [$500,000,000] *$700,000,000* shall be outstanding at any one time for the purposes enumerated in section 7(a). Not to exceed an aggregate of $125,000,000 shall be outstanding at any one time for the purposes enumerated in section 7(b). Not to exceed an aggregate of $25,000,000 shall be outstanding at any one time for the purposes enumerated in section 8(a). Not to exceed an aggregate of $250,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the net amount of the cash disbursement from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.

* * * * *

"SEC. 5. (a) * * *

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act the Administrator may—

"(1) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Administrator or his property;

"(2) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this Act, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

"(3) deal with, complete, renovate, improve, modernize, insure, or rent, or sell for cash or credit upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this Act;

"(4) pursue to final collection, by way of compromise or otherwise, all claims against third parties assigned to the Administrator in connection with loans made by him. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U.S.C., sec. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Administrator pursuant to the provisions of this Act may be exercised by the Administrator or by any officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

"(5) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 7(a) and 7(b);

"(6) make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this Act;

"(7) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act; but no attorneys' services shall be procured by contract in any office where an attorney or attorneys are or can be economically employed full time to render such services;

"(8) pay the transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel of any person employed by the Administration to render temporary services not in excess of six months in connection with any disaster referred to in section 7(b) from place of appointment to, and while at, the disaster area and any other temporary posts of duty and return upon completion of the assignment; and

"(9) accept the services and facilities of Federal, State, and local agencies and groups, both public and private, and utilize such gratuitous services and facilities as may, from time to time, be necessary, to further the objectives of section 7(b).

"*(10) Section 3648 of the Revised Statutes (31 U.S.C. 529) shall not apply to prepayments of rentals made by the Administration on safety deposit boxes used by the Administration for the safeguarding of instruments held as security for loans or for the safeguarding of other documents.*

* * * * *

"SEC. 10. (a) The Administration shall make a report [every six months], *on June 30 of each year,* of operations under this Act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let and for whom financing is arranged by the Administration, together with the amounts involved, and such report shall include such other information and such comments and recommendations as the Administration may deem appropriate.

"(b) The Administration shall make a report to the President, the President of the Senate, and the Speaker of the House of Representatives, to the Senate Select Committee on Small Business, and to the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, on June 30 [and December 31] of each year, showing as accurately as possible for each such period the amount of funds appropriated to it that it has expended in the conduct of each of its principal activities such as lending, procurement, contracting, and providing technical and managerial aids.

"[(c) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. The Attorney General shall submit to the Congress

and the President, at such times as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.]

"[d] (c) For the purpose of aiding in carrying out the national policy to insure that a fair proportion of the total purchases and contracts for property and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation, the Department of Defense shall make a monthly report to the President, the President of the Senate, and the Speaker of the House of Representatives not less than forty-five days after the close of the month, showing the amount of funds appropriated to the Department of Defense which have been expended, obligated, or contracted to be spent with small-business concerns and the amount of such funds expended, obligated, or contracted to be spent with firms other than small business in the same fields of operation; and such monthly reports shall show separately the funds expended, obligated, or contracted to be spent for basic and applied scientific research and development.

"[e] (d) The Administration shall retain all correspondence, records of inquiries, memoranda, reports, books, and records, including memoranda as to all investigations conducted by or for the Administration, for a period of at least one year from the date of each thereof, and shall at all times keep the same available for inspection and examination by the Senate Select Committee on Small Business and the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, or their duly authorized representatives.

"[f] (e) To the extent deemed necessary by the Administrator to protect and preserve small-business interests, the Administration shall consult and cooperate with other departments and agencies of the Federal Government in the formulation by the Administration of policies affecting small-business concerns. When requested by the Administrator, each department and agency of the Federal Government shall consult and cooperate with the Administration in the formulation by such department or agency of policies affecting small-business concerns, in order to insure that small-business interests will be recognized, protected, and preserved. This subsection shall not require any department or agency to consult or cooperate with the Administration in any case where the head of such department or agency determines that such consultation or cooperation would unduly delay action which must be taken by such department or agency to protect the national interest in an emergency."

Change in amount of business loans of member banks, 1955–57, by business and size of borrower

[Increase, or decrease (—). In percent unless otherwise noted]

Business of borrower	Amount outstanding Oct. 16, 1957 (in millions of dollars)	Size of borrower (total assets, in thousands of dollars)							
		All borrowers [1]	Less than $50	$50 to $250	$250 to $1,000	$1,000 to $5,000	$5,000 to $25,000	$25,000 to $100,000	$100,000 or more
All business	40,618	31.9	−3.0	16.7	24.8	21.3	24.7	51.1	66.4
Manufacturing and mining:									
Food, liquor, and tobacco	2,392	28.0	−33.5	7.1	23.7	5.4	−4.6	8.5	104.5
Textiles, apparel, and leather	1,685	−3.0	−38.7	−20.7	−7.8	−4.0	−9.5	3.6	47.7
Metals and metal products	5,526	70.5	−18.2	20.1	20.2	46.7	35.1	106.1	151.2
Petroleum, coal, chemicals, and rubber	3,750	44.1	−16.2	2.2	40.3	18.3	7.2	20.4	138.1
All other	2,793	47.2	−7.2	8.4	20.1	46.1	76.1	82.7	119.2
Trade:									
Retail trade	4,588	33.2	3.4	28.3	51.4	48.7	32.3	36.6	33.7
Wholesale trade	2,982	24.7	−10.6	21.8	23.7	17.9	31.0	105.2	134.7
Commodity dealers	816	10.7	−18.8	13.4	44.2	−22.1	−2.4	61.2	20.2
Other:									
Sales finance companies	3,096	9.3	−32.5	−24.0	20.2	−6.6	7.5	36.3	5.9
Transportation, communication, and other public utilities	4,168	47.0	31.2	13.0	10.5	44.6	56.1	84.0	40.0
Construction	1,981	17.1	−7.7	9.4	9.3	23.6	−.5	101.2	310.0
Real estate	2,976	22.5	−24.9	9.9	23.3	17.1	27.6	109.3	19.9
Service firms	2,263	28.3	4.6	29.5	36.2	42.1	79.8	29.7	9.3
All other nonfinancial	1,606	20.4	6.0	18.0	26.9	−1.3	25.1	30.4	96.1

[1] Based on data that include a small amount of loans for borrowers whose size was not ascertained.

Note.—Details may not add to totals because of rounding.

Source: "Financing Small Business," Report to the Committees on Banking and Currency and the Select Committees on Small Business, U.S. Congress, by the Federal Reserve System, Apr. 11, 1958.

DEPRESSED DOMESTIC MINING AND MINERAL INDUSTRIES

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 347 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this public and other lands. After general deresolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 177) declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands. After general debate, which shall be confined to the concurrent resolution, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the concurrent resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and at this time yield myself such time as I may consume.

Mr. TRIMBLE. Mr. Speaker, House Resolution 347 makes in order the consideration of House Concurrent Resolution 177. The resolution provides for an open rule and 1 hour of general debate.

The purpose of House Concurrent Resolution 177 is to declare the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands.

A healthy and strong mining and minerals industry is requisite to American security in peace or war. Certain branches of our domestic mining industry need help. Even though we require imports of mine products in order to meet the evergrowing requirements of an expanding economy, it is vitally necessary to maintain a vigorous mobilization base which can be expanded quickly whenever emergencies arise.

The great national importance of minerals arises from the fact that they provide the sinews of war and literally the foundation and framework of our industrial structure. Only by guaranteeing the continuing supply of mine products can we hope for full employment of the Nation's workers or for providing the weapons and equipment needed for national defense.

Before and for sometime after World War I the United States was the leading exporter of copper, zinc, petroleum, and various other mineral commodities which we now import. In many cases this change from an export to an import basis merely means that consumption has expanded faster than domestic production. In other cases, however, the expansion of imports of minerals products has injured the domestic industries.

Hearings held by the Committee on Interior and Insular Affairs have led to the conclusion that there exists a state of emergency in important segments of the domestic metal and mineral industry and in many mining communities in the United States. The committee feels that the principal cause of the depressed conditions that presently exist stems from excessive imports. Foreign mining operations have been overexpanded and much of the excess production capacity stems directly or indirectly from U.S. Government action. The constant threat of overproduction abroad is an effective deterrent to recovery of the domestic industries affected.

It has become increasingly clear that the maintenance and development of a sound and stable domestic mining and minerals industry without critical dependence upon foreign sources is essential to national security and the welfare of the consuming public, and that this objective is independent of and cannot be accomplished by the maintenance of national stockpiles for planned defense needs in a single emergency or the existence of productive capacity based upon the importation of foreign materials.

The committee's investigation clearly shows the need for prompt study of possible remedial measures by the executive

branch and the need for adoption of House Concurrent Resolution 177.

I urge the adoption of this resolution.

Mr. Speaker, I have no further requests for time.

Mr. ALLEN. Mr. Speaker, section 1 of this concurrent resolution reads as follows:

Resolved by the House of Representatives (the Senate concurring), That the President is requested—

(a) to have reviews made at once of the existing programs of the departments and agencies of the executive branch with the purpose of using them more effectively to provide for increased production and employment in critically depressed domestic mining and mineral industries;

(b) to advise the Congress at the earliest possible date as to the actions taken or proposed to be taken to this end; and

(c) to submit any reorganization plans or recommendations for legislation that may be necessary to accomplish this objective.

The Subcommittee on Mines and Mining held hearings on this and similar concurrent resolutions in Washington June 25 to July 2, 1959.

The report on this measure is lengthy and comprehensive. The committee recognized the problems involved in carrying out a national mineral policy: "tariffs, quotas, subsidies, incentive price-purchase programs, depletion allowances, accelerated amortization and other tax concessions, technical assistance, and other devices have all been tried, but no set of ground rules has yet been established to afford needed guidance as to when and how suitable remedies should be applied."

The report states that although the purpose of the hearings was to analyze the plight of various segments of the mining industry and the causes for their depressed condition, a number of witnesses proposed possible relief measures and many of them were encouraged by members of the subcommittee to discuss such measures; that it was generally agreed that major segments of the domestic mining industries, including most of the nonferrous metal producers, cannot survive under present conditions without some form of Government assistance, such as subsidies, premium prices, tariff protection, or import quotas, or a revaluation of the American dollar; that the testimony of most witnesses indicated that there is nothing wrong with their industries that adequate tariffs or import taxes would not cure.

The committee concluded—

First. That a state of emergency exists in important segments of the domestic metal and mineral industry and in many mining communities in the United States.

Second. That the principal cause of the depressed conditions that presently exist stems from excessive imports—that foreign mining operations have been overexpanded and much of the excess production capacity stems directly or indirectly from U.S. Government actions.

Third. That the constant threat of overproduction abroad is an effective deterrent to recovery of the domestic industries affected.

Fourth. That authorized administrative remedies, particularly those available under the escape clause provisions of the latest Trade Agreement Extension Act, have not been fully utilized; that the plight of the lead-zinc industry is the direct result of administrative procrastination; that such actions as were taken were too little and too late.

Fifth. That the testimony indicated that the wide dispersion of responsibilities for dealing with problems of the mining industry has contributed to confusion and inaction in the executive branch of the Government.

Sixth. That the committee's investigation clearly shows the need for prompt study of possible remedial measures by the executive branch and the need for adoption of House Concurrent Resolution 177.

DEPARTMENTAL RECOMMENDATIONS

On May 25, 1959, the committee sent copies of House Concurrent Resolution 177 to—and requested reports from—the Departments of the Interior, Agriculture, Commerce, and Defense, the Atomic Energy Commission, General Services Administration, Office of Civil and Defense Mobilization, Tariff Commission, and the Bureau of the Budget.

Department of the Interior: Made no recommendation regarding adoption of the proposal.

Department of Agriculture: No recommendation since legislation would not affect functions of that Department.

Department of Commerce: Does not support enactment of the resolution; lists 5 reasons; states in summary:

Justification for assistance to the mining and minerals industries cited by the resolutions is not conclusive. Furthermore, if direct measures by the Government to increase output are undertaken, as indicated by the resolutions, they would not contribute to the soundness of the industries and they would be inflationary in character or costly to the taxpayer. A review of existing programs for the purpose of bringing about such expansion is therefore not in the national interest.

Department of Defense: Deferred to the views of Department of Interior, since subject matter of the resolution falls primarily within the responsibility of that Department.

Atomic Energy Commission: Knows of no basis for considering the domestic uranium mining industry as "critically depressed," and that it looks to that industry for the bulk of its anticipated future requirements for uranium. The Commission does not feel there is any need for the resolution so far as its programs are concerned.

General Services Administration: Defers to the views of the Office of Civil and Defense Mobilization and the Department of the Interior.

Office of Civil and Defense Mobilization: Stated that from the standpoint of mobilization planning, no need for a special review of programs related to the mining and mineral industries because these industries are examined from time to time in the regular course of their planning. Also stated no need for additional legislation or a reorganization plan to assure a ready supply of materials for defense in a national emergency; that under existing statutes and Executive orders, that agency and others charged with mobilization responsibilities have the authority for actions that might be needed toward sustaining that part of domestic production that is required in case of an emergency; that therefore, from the standpoint of mobilization readiness, the resolution is not necessary.

Tariff Commission: States that it has no program which could be used to provide for increased production and employment in critically depressed domestic mining and mineral industries, and that there are no statutes that impose upon the Commission the responsibility for developing such programs. Further stated that implicit in the proposed resolution is the suggestion that the curtailment of imports may be necessary or desirable in order to accomplish the objective of the resolution; that whether or not the curtailment of imports is a desirable means of accomplishing the objective of the resolution is a question of policy on which the Tariff Commission takes no position.

Bureau of the Budget: Stated that, in separate reports to the committee, the Department of Interior, Department of Commerce, and Atomic Energy Commission presented numerous reasons which indicate that the resolution appears unnecessary; that the Budget Bureau similarly does not see any need for enactment of the resolution.

Mr. Speaker, I have no requests for time and reserve the balance of my time.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SAFETY STANDARDS FOR PASSENGER-CARRYING MOTOR VEHICLES PURCHASED FOR USE BY FEDERAL GOVERNMENT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 342) providing for the consideration of H.R. 1341, a bill to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1341) to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and now yield myself such time as I may require.

Mr. Speaker, House Resolution 342 makes in order the consideration of H.R. 1341 relating to safety standards for Government passenger-carrying motor vehicles. The resolution provides for an open rule and 2 hours of general debate.

The purpose of this bill is to establish reasonable safety standards for passenger-carrying motor vehicles acquired by the Federal Government. The standards would be established by the Secretary of Commerce not later than 1 year after enactment of this legislation and would be effective 1 year and 90 days after publication. Military field training and combat vehicles would be exempt.

During the hearing held by the House Interstate and Foreign Commerce Committee, leading experts in the field of safety, medicine, public health and engineering endorsed the purposes of this legislation. Spokesmen for the automobile manufacturing industry also approved the objectives of the legislation but opposed enactment of this bill.

The cost per vehicle of the additional safety features needed to meet the requirements of this legislation, of course, cannot be determined or estimated at the present time. No estimates would be possible until the Secretary of Commerce has determined the standards for safety. The committee believes, however, that this legislation will result in no additional cost to the Government in that any additional costs in the purchase of passenger-carrying vehicles will be far more than offset in the reduction of death benefits and compensation payments resulting from traffic accidents. No dollar value, of course, can be placed on the cost in human suffering resulting from preventable highway accidents and injuries.

In the last half century 60 million Americans have been killed or injured in motor vehicle accidents. Putting safer motor vehicles on our streets and highways is one very certain way to reduce this staggering loss due to death and injuries. This legislation, when enacted, will accomplish that, and in addition, will protect employees of the Federal Government and encourage the production of safer motor vehicles for the market, thus further reducing the traffic toll in life and property. If these safety features are provided on Government vehicles, the result may well be that it will hasten the day when such safety features become standard equipment on all passenger-carrying motor vehicles offered for sale to the public.

I urge the adoption of this resolution.

Mr. ALLEN. Mr. Speaker, section 1 provides that no motor vehicle may be acquired for use by the Federal Government unless such vehicle is equipped with such reasonable safety devices as may be required by the Secretary of Commerce.

Section 2 provides that the Secretary must publish in the Federal Register, not later than 1 year after the date of the enactment of this legislation, commercial standards for the safety devices required.

Section 3, as amended, defines "motor vehicle" and the term "officer or employee of the Federal Government."

Section 4 provides that the first section of the act shall take effect 1 year and 90 days following the date of publication of commercial standards established under section 2. If standards are thereafter changed, the revised standards shall take effect 1 year and 90 days after publication.

Military field training and combat vehicles would be exempt.

DEPARTMENTAL REPORTS

Department of Commerce:

While this Department is in accord with the purpose of the bill, the promotion of highway safety, it would not favor the enactment of the bill.

The General Services Administration, with certain exceptions, presently acquires all passenger-carrying vehicles for the use of the Federal Government. It would seem that the purpose of this bill could be accomplished through procurement specifications issued by that agency at the time of advertising for motor vehicles. The imposition of additional standards by the Secretary of Commerce may complicate existing procurement processes unnecessarily, thus resulting in loss of efficiency.

General Services Administration:

Responsibility for safety standards applicable to the purchase or operation of Government motor vehicles is being exercised by General Services Administration, pursuant to sections 201(a) and 206(a) of the Federal Property and Administrative Services Act of 1949, authorizing the Administrator of General Services respectively to prescribe policies and methods of procurement and supply, and standard purchase specifications. Our Federal Supply Service Standard 122 prescribes the accessory equipment, including safety devices, to be furnished the Federal Government with motor vehicles purchased for its use. Any further requirements for motor vehicle safety devices would normally become a part of this standard.

As an example of General Services Administration action in the field of safety devices for motor equipment, Federal Supply Standard 122 provides an option under which agencies requiring their use may order seat belts. When ordered, the seat belt and the installation technique must conform to specifications established by General Services Administration for the use of Federal agencies.

In view of the above, General Services Administration does not regard the proposal made by H.R. 1341 as necessary, and therefore does not favor enactment of the bill.

Bureau of the Budget:

We are in accord with the objectives of H.R. 1341 but believe that such objectives are being and will continue to be substantially attained through the purchase of commercially produced vehicles and through the efforts of the General Services Administration in specifying such additional safety devices as deemed required through its Federal Standard 122. This Federal standard, which covers both passenger-carrying vehicles and light trucks, was coordinated with all Federal agencies before issuance.

The Department of Commerce and the General Services Administration are reporting on H.R. 1341 and the viewpoints contained in their reports are concurred in by the Bureau of the Budget.

Department of Defense:

At the present time the requirements for safety devices are set out in the various State motor vehicle codes, which for the most part conform to the Uniform Vehicle Code developed by the National Committee on Uniform Traffic Laws and Ordinances. There is accordingly little variation among the requirements of the various States.

Major manufacturers of commercial motor vehicles adhere to the requirements of the uniform code with respect to safety devices and equip their vehicles accordingly. Since the Department of Defense utilizes standard commercial vehicles for its administrative motor requirements, it is seldom necessary to replace installed safety devices or to install additional equipment in order to meet State requirements. Inasmuch as safety requirements are for the most part uniform, and since compliance can be accomplished locally where variations do exist, there appears to be no justification for the enactment of a law which does not specify minimum safety standards.

In view of the foregoing, the Department of Defense does not favor the enactment of H.R. 1341.

COST

The committee report states:

The cost per vehicle of the additional safety features needed to meet the requirements of this legislation, of course, cannot be determined or estimated at the present time. No estimates would be possible until the Secretary of Commerce has determined the standards for safety.

General Services Administration states:

We are unable to offer any estimate of the probable cost attributable to H.R. 1341.

Department of Defense states:

The fiscal effect of H.R. 1341 cannot be estimated.

NUMBER OF VEHICLES INVOLVED

The subcommittee was told that the Federal Government now has a fleet of about 40,000 sedans and 5,700 station wagons, and that new replacement vehicles are being acquired at the rate of approximately 10,000 a year.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I am opposed to the bill, H.R. 1341, and the rule for its consideration.

This measure has nothing to do with interstate and foreign commerce. It has to do only with the purchase of vehicles by the U.S. Government. When it was introduced on January 7 of this year, it was referred to the Committee on Government Operations, which has legislative jurisdiction with respect to the General Services Administration and the Federal property and Administrative Services Act. On February 16, by unanimous consent, the Committee on Government Operations was discharged from consideration of that measure and it was re-referred to the Committee on Interstate and Foreign Commerce, which brings this bill to you today.

This bill does not establish safety standards for automobiles generally sold in interstate commerce. It has nothing to do with that subject. It is confined strictly to the purchase of vehicles by

the Government. Let me say to you, as you will notice from the committee hearings, every agency of the Government, and I believe I am correct in saying this—asked to comment on this measure commented adversely. The General Services Administration, for example, on June 3 of this year said this in its letter to the chairman of the Committee on Interstate and Foreign Commerce:

> Responsibility for safety standards applicable to the purchase or operation of Government motor vehicles is being exercised by General Services Administration, pursuant to sections 201(a) and 206(a) of the Federal Property and Administrative Services Act of 1949, authorizing the Administrator of General Services respectively to prescribe policies and methods of procurement and supply and standard purchase specifications. Our Federal Supply Service Standard 122 prescribes the accessory equipment, including safety devices, to be furnished the Federal Government with motor vehicles purchased for its use.

No one knows what this bill will cost. There is some testimony in the committee hearings indicating that there are substantial purchases of motor vehicles. I call your attention to the testimony of the representatives of the General Services Administration, which is on page 48 of the committee hearings:

> Mr. ROBERTS. Can you give total purchases by GSA of vehicles of all kinds, number of units, and total cost during fiscal year 1959?
>
> Mr. HANSON. Number of units, 16,686; cost, $34,693,378.

I want to call your attention to a possible list of safety devices. On pages 38 and 39, Dr. Goddard listed some 45 items that might be conceived as safety devices. If we regard power brakes and power steering as a safety device and required power brakes and power steering to be installed on all Government vehicles you can imagine that would raise the cost very substantially.

This is an item that has not been considered by the committee. No one knows what possible list of safety devices will be brought out by someone in the Department of Commerce. The Secretary of Commerce does not want this authority. As Mr. Leland S. Harris, executive director of the American Association of Motor Vehicle Administrators, testified as follows on page 93 of the hearings:

> All of the preceding information has been included in this statement to indicate to you gentlemen of the committee that nearly all of what is proposed in H.R. 722 and H.R. 1341 is already being done in a very comprehensive way. Federal intervention at this time would be a costly waste of effort and would probably result in serious injury to the economy of this Nation. I agree with the automobile manufacturers that the prescribing of standards and specifications by the Secretary of Commerce would create stagnation among automotive engineers and designers and eliminate competition to improve vehicles and equipment by the several manufacturers.

Mr. Speaker, everyone is for safety, and I am for safety and in opposing this legislation I am not opposing improving the safety of motor vehicles. It is precisely for the purpose of continuing the progress that is now being made and not freezing it by any set of standards set up by some Government bureaucrat, that this bill should be defeated. I believe this bill will harm research and development into improved motor vehicle safety.

I think the bill should be defeated and that the rule should be defeated.

Mr. ALLEN. Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1341) to require passenger-carrying motor vehicles purchased by the Federal Government to meet certain safety standards.

Mr. MEADER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 143]

Abbitt	Dulski	Mason
Abernethy	Dwyer	Merrow
Addonizio	Elliott	Miller, N.Y.
Alexander	Everett	Minshall
Alford	Evins	Mitchell
Alger	Farbstein	Moorhead
Andersen, Minn.	Fascell	Morrison
Andrews	Fino	Moulder
Anfuso	Flood	Multer
Ashley	Flynn	Nix
Ashmore	Flynt	O'Brien, N.Y.
Bailey	Fogarty	O'Hara, Mich.
Barden	Fountain	O'Neill
Barrett	Frelinghuysen	Osmers
Barry	Gallagher	Passman
Bass, N.H.	Gary	Philbin
Baumhart	Giaimo	Pilcher
Becker	Glenn	Pillion
Bentley	Goodell	Powell
Blitch	Granahan	Preston
Boland, Mass.	Gray	Prokop
Bolton	Green, Oreg.	Quigley
Bonner	Green, Pa.	Rabaut
Bosch	Hall	Reece, Tenn.
Bow	Halleck	Reuss
Bowles	Halpern	Rivers, S.C.
Boykin	Hargis	Rooney
Boyle	Harris	Roosevelt
Brewster	Harrison	Rostenkowski
Burke, Ky.	Hays	St. George
Burke, Mass.	Healey	Santangelo
Byrne, Pa.	Henderson	Selden
Cahill	Hoffman, Ill.	Shelley
Canfield	Hoffman, Mich.	Shipley
Cannon	Holifield	Siler
Carter	Holland	Simpson, Pa.
Cederberg	Holtzman	Slack
Celler	Jackson	Smith, Va.
Chelf	Jennings	Staggers
Coffin	Jensen	Taylor
Collier	Kasem	Teague, Calif.
Colmer	Keith	Teller
Cook	Keogh	Thompson, La.
Corbett	Kilburn	Thomson, Wyo.
Cramer	Kilday	Toll
Curtis, Mass.	Kitchin	Tollefson
Curtis, Mo.	Kluczynski	Tuck
Daniels	Laird	Udall
Davis, Tenn	Lane	Wainwright
Dawson	Lankford	Wallhauser
Delaney	Lennon	Wampler
Dent	Lesinski	Watts
Derounian	Lindsay	Weis
Derwinski	Lipscomb	Whitener
Devine	McCulloch	Whitten
Diggs	McDowell	Williams
Dollinger	McSween	Winstead
Donohue	Macdonald	Yates
Dooley	Magnuson	Zelenko
Dorn, N.Y.	Mailliard	
	Martin	

The SPEAKER. On this rollcall, 255 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The question is on the motion of the gentleman from Alabama [Mr. ROBERTS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1341, with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all before I discuss this bill, I would like to trace for the members of this committee a little bit of the history of the Special Subcommittee on Traffic Safety of the Committee on Interstate and Foreign Commerce. This subcommittee was authorized by House Resolution 357, 84th Congress. That subcommittee was commissioned to go into this matter of the tremendous death toll, which amounts to about 40,000 deaths a year, and injuries in the neighborhood of 5 million a year, and to check into the tremendous cost of the deaths and injuries on our highways, which has assumed the proportions of a mass epidemic. It has reached the point where it takes away from us in the age group from 15 through 24 such a large number of young people in this country that it ranks as the No. 1 cause of death in this particular group. The special committee went out to the manufacturers, since they are the ones who are under some of the criticism being leveled at different phases of the problem, to see what they were doing in the field of safety.

We held hearings in many parts of the country. We had literally hundreds of witnesses before our committee. We have not spent a great deal of money, but I think you can agree when you see the documents that I have here that we have amassed a large amount of valuable material on this problem which affects every household in America. The work of this subcommittee was continued in the 85th Congress by the chairman of the Committee on Interstate and Foreign Commerce.

When we started, the gentleman from Texas [Mr. ROGERS] was one of the members on my side. Another member on our side was the gentleman from Maryland [Mr. FRIEDEL], the original sponsor of legislation to study this problem. On the minority side were the gentleman from Indiana, Mr. Beamer, a former Member of this body, and the gentleman from Ohio [Mr. SCHENCK]. In the 85th Congress the gentleman from Tennessee [Mr. LOSER] and the gentleman from Pennsylvania [Mr. BUSH] were added to the subcommittee.

Then in the present Congress, the work was taken over by the standing subcommittee on legislative matters, known as the Subcommittee on Health and Safety, which continued with the study.

As I said, we have visited many research projects. We saw the work being done by the crash-injury research project of Cornell University; we have been to the Holloman Air Force Base, where considerable work has been done because the services are interested in this problem on account of the heavy losses in automotive crashes. Then we went out to the crossroads of the Nation where we had hearings, Indiana, Illinois, Ohio, Michigan, and Wisconsin. We went to Chicago where we had hearings with the National Safety Council, the American Bar Association, the American Medical Association, and the American College of Surgeons. We have heard many of the law enforcement people in this field. We have heard from the people who go out and make the arrests; we have heard from the doctors who go to the hospital emergency rooms to clean up the results of these accidents on our highways.

I may say that the bill before the Committee today is certainly not offered as any panacea. All it does is to say that the Federal Government may require reasonable safety devices on Government-purchased cars that are used in Federal Government business, and that those standards shall be arrived at by the Bureau of Standards. As the report points out, the Bureau will not go off into a corner and write these standards, but the Bureau will, as they have in the case of refrigerator safety devices, call in representatives of industry and various engineering groups interested in these problems before they write these standards.

PROVISIONS OF BILL

This bill would establish minimum safety standards for passenger-carrying motor vehicles acquired for use by the Federal Government. Military field training and combat vehicles are not included.

The first section of the bill provides that no motor vehicle may be acquired for use by the Federal Government unless such vehicle is equipped with such reasonable safety devices as may be required by the Secretary of Commerce.

Section 2 provides that the Secretary must publish in the Federal Register, not later than 1 year after the date of the enactment of this legislation, commercial standards for the safety devices required.

Section 3 defines "motor vehicle" and the term "officer or employee of the Federal Government."

Section 4 provides that the first section of the act shall take effect 1 year and 90 days following the date of publication of commercial standards established under section 2. If standards are thereafter changed, the revised standards shall take effect 1 year and 90 days after publication.

This is more than a bill to protect Government employees. It is legislation that will have far-reaching effects in establishing at least one assured method of controlling and mitigating the terrible toll being taken in traffic accidents on our Nation's streets and highways.

This is not a panacea. There is no one remedy for the traffic accident problem. This bill would enable the Federal Government to take advantage of known and demonstrated scientific knowledge in providing safer passenger-carrying vehicles for use by the Government.

There is ample precedent for Federal legislation in this field. In fact, in some areas the Federal Government has gone much farther than it is proposed to go in this instance.

The Federal Government has accepted responsibility for making safety requirements in all fields of interstate commerce. We regulate the railroads, the bus lines, truck transportation, and air commerce. In fact, in air commerce we require that civil aircraft be manufactured and maintained according to strict Federal standards.

We have established standards for foods and drugs, and for flammable fabrics shipped in interstate commerce. Under legislation which I sponsored in the 84th Congress we have established Federal standards for manufacturing refrigerators to prevent children being trapped in them. That legislation was attacked as unwarranted interference with private enterprise, impossible to put into effect, and a costly burden to the industry. All those dire predictions have proved in error. The industry is building refrigerators with safety devices. There has been no attempt by the Federal Government to enter the manufacturing field in refrigerators. Every refrigerator company in America today advertises the fact that their product is equipped with magnetic safety devices or some other type of mechanical safety device.

This legislation does not apply to any privately owned motor vehicle, whether or not used in part by the employee in connection with his official duties. A clarifying amendment will be offered to spell out more clearly the intent of the bill.

This is not regulation, not domination, just Federal leadership.

Four major categories which must be considered in any study of traffic accidents, which are killing nearly 40,000 people a year in this country, and resulting in injuries to 1,500,000 or more a year, are: (1) the driver; (2) the highway; (3) the vehicle; and (4) density of flow of traffic.

MAGNITUDE OF PROBLEM

To show the magnitude of the problem of traffic safety, let me quote some statistics given the committee by the Public Health Service.

In 1957, 38,702 people killed in motor-vehicle accidents in the United States. There were almost three times as many males as females. Of the male deaths almost one-fourth were in the age group 15 to 24. Female deaths were also highest in this age group with almost 17 percent of the total.

In the age group 15 to 25, motor-vehicle accidents were the leading cause of death in 1957, accounting for more than one-third of the deaths from all causes. This includes all infections, malignancies, and deaths from congential defects, and other causes.

Of all the young men aged 15 to 24 who died in 1957, 40 percent were killed in motor-vehicle accidence. For females in the age group 15 to 19, motor-vehicle accidents caused over one-fourth of the deaths from all causes.

During the 12-month period from July 1957 through June 1958 almost 5 million persons were injured in motor vehicle accidents. The number of males injured was greater than the number of females except in the age groups under 5, and 65 and over. Almost 1 out of every 14 young men aged 15–24 was injured as the result of a motor vehicle accident. This rate was somewhat less among men in the age group 25–44 where 1 in 19 was hurt. The highest injury rate for females also appeared in the 15–24 year age group in which 1 out of every 21 young women in the country was hurt in a motor vehicle accident.

Of the persons who were injured during this period, 890,000 were hospitalized because of motor vehicle accidents.

Of these persons hospitalized because of accidents, 50 percent of them are injured in motor vehicle accidents.

Of the 92 million person-days of restricted activity resulting from injuries suffered in motor vehicle accidents, over 28 million were bed disabling. Over 32 million person-days of work and 2 million person-days of school were lost during the 12 months because of injuries caused by motor vehicle accidents.

The above figures for deaths and injuries are typical for the last four or five years.

The motor vehicle accident death rate exceeds that of any chronic disease except cardiovascular diseases and cancer. The rates—per 100,000 population—are:

Diseases of the heart	369.1
Malignant neoplasms	148.7
Motor-vehicle traffic accidents	22.1
Acute poliomyelitis	.1

I have covered the feature that is most unattractive, and that is this is the most dangerous disease as far as our young people are concerned. It is not too tragic when a man has lived long enough to have made his contribution to society, but when these future doctors, scientists, nurses, engineers, and researchers who have not had the opportunity to make their contributions and upon whom their parents have spent money in educating them, it seems a crime this group should have to lose their lives in this epidemic.

Never before in the history of man has any nation been able to provide so many social and economic benefits for its citizens as has the United States of America. To a large degree the development of this Nation's high standard of living has been the result of the development of the world's greatest concept of transportation. The United States of America has, through its system of surface transportation and air transportation, been able to produce more goods in less time, move those goods to market, sell them for a profit, and move the necessary laboring force to its place of employment and return it to its home with greater efficiency than any people in history. In truth, as a result of the development of this system of transportation has come what we commonly call the American way of life.

IMPORTANCE OF PASSENGER AUTOMOBILE

I believe it beyond the point of argument that at the present time the common denominator of the American citizen is and will continue to be the passenger automobile. We have more automobiles and more licensed drivers than we even have income taxpayers.

In 50 short years the American passenger automobile has changed American life more than any single instrument in our history. It has changed our concepts of dress, it has changed our concepts of vacations, it has changed our concepts of where we may work, it has changed our concepts of where we may live, it has changed the face of our cities; in fact, this device may be truly said to have changed America in such a way that it would have defied the imagination of our grandparents or great-grandparents.

With all the changes and benefits which have been produced by the American passenger automobile and the world's greatest system of roads, the automobile has brought with it a byproduct which can only be called a national epidemic—the byproduct I refer to is injury and death.

While no one will gainsay or contradict the American citizen's dependency on the passenger automobile in recent years, our great leaders in the field of medicine and science have been increasingly deploring the slaughter and misery as a result of the use of this great American tool.

In less than 60 years the American passenger automobile has killed more Americans than have been killed in all the wars we have fought to preserve our way of living. Through the efforts of the Surgeon General of the Public Health Service we are now aware that death, as horrible as only death can be, is only a small segment of the price we are paying for this great mobility of ours. We know that the leading cause of death in American society in the ages of 15 to 25 is the American passenger automobile. We have known for years that 42 percent of all of this youthful group occur from a single cause, motor vehicle accidents.

We have heard recently many complaints about America's loss of prestige and leadership in the field of science and engineering, yet here we have a single instrument which causes the loss of more prospective, potential engineers, scientists, physicians, theologians, lawyers, and business leaders than any other single factor. We know from studies conducted by the Surgeon General of the U.S. Public Health Service that this essential device of American living is now injuring to a degree that medical or hospital treatment is required 4,200,000 American citizens each year. We know that in 12 months this disease in injury and death in motor vehicle accidents has accounted for 92 million person-days of restricted activity, 20 million person-days of bed disability at hospitals or in homes, 32 million man-days of lost worktime, and 2 million person-days of lost school activity. Mark you well, this is the price of only 1 short year.

As dark as these facts seem there is a great hope that the knowledge which has been recently acquired through medicine and science can be used to an amazing degree to mitigate and control the byproduct of the mobility which is so essential to the American way of life.

Many witnesses have appeared before the Subcommittee on Traffic Safety and the Subcommittee on Health and Safety Legislation in the past 4 years to describe the body of scientific knowledge which can be used by automobile designers, engineers, and manufacturers to control the result of accidents while we search for the knowledge that will enable us to more perfectly achieve a program of prevention of the accident.

To an astonishing degree evidence has been submitted to these committees for the past 4 years that much of this knowledge is not being used. It is my hope that H.R. 1341 will, by its enactment, place the Federal Government in the position of leadership in requiring this knowledge to be used in controlling injury and death in automobiles purchased for use by the Federal Government.

Already several of our States have taken action to require safety devices which have been demonstrated by scientific knowledge to be effective in preventing injury and death to be incorporated in the vehicles owned and operated by the State. Outstanding examples of State leadership have been demonstrated by California, New York, North Carolina, Michigan, and many others. It would be shameful if the National Government failed to take a position of leadership commensurate with the position already taken by several of the States.

At no time during the hearings on the framing of this legislation has there been any intent or thought toward Federal domination or regulation of the great American automobile industry. The complete intent of this bill, H.R. 1341, is to assure that all employees and officials of the Federal Government have available the best of preventive techniques in attempting to protect them against the risk which must be inevitably associated with the use of the passenger-type automobile.

Hearings on five bills relating to automobile safety were held July 7, 8, and 9, 1959, in which leading experts in the field of safety, medicine, public health, and engineering testified and endorsed the purposes of this legislation. Spokesmen for the automobile manuacfturing industry, although approving the objections of the legislation, opposed enactment of H.R. 1341.

The bills considered in the hearings were:

H.R. 722, by Congressman BENNETT of Florida, to require certain safety devices on motor vehicles sold, shipped, or used in interstate commerce;

H.R. 880, by Congressman MULTER, to require certificates of fitness in the sale of automobiles;

H.R. 883, by Congressman MULTER, to amend title 15 of the United States Code with respect to the operation of speedometers on motor vehicles;

H.R. 1341, which I introduced, to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards, and

H.R. 1346, by Congressman SCHENCK, to prohibit the use in commerce of any motor vehicle which discharges substances in amounts which are found by the Surgeon General of the Public Health Service to be dangerous to human health.

Mr. Chairman, let me say that this bill comes to the floor with the unanimous approval of the Committee on Health and Safety, and with the overwhelming vote of the full Committee on Interstate and Foreign Commerce. It has the endorsement, after full hearings and after complete study of this matter for the past 3½ years of the National Safety Council, which has been in the field of industrial, home, and automobile safety for more than 40 years. It has the approval and the endorsement of the American Medical Association and the Michigan delegation at the 1955 meeting of the house of delegates who were the first ones to introduce a resolution asking for Federal legislation on safety standards. This proposal has the endorsement of the American College of Surgeons. It has the endorsement of the American Public Health Association.

With reference to these reports from the departments, I remember quite well that they fought the refrigerator safety bill all the way along the line.

However, the Congress is the policy-making body, and when the Congress said that was good legislation, the Department of Commerce carried out the missions and objectives as set forth in the refrigerator safety bill. And I predict if the House passes this bill and the other body approves it and the President signs it, that same situation will be true in the future.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. TABER. Do not Government vehicles currently have to comply with the requirements of the various States and the District of Columbia as to the vehicles it operates?

Mr. ROBERTS. I know of no requirement, I may say to the distinguished gentleman, when taking a Federally owned vehicle into another State that vehicle has to be equipped with devices prescribed by the States. All this bill does is to give to the Federal Government the same right that the States are already exercising in prescribing safety standards for State-purchased vehicles.

Mr. TABER. Do they not already have that? Does not the Government do that? Why do we not bring up that kind of a bill instead of an investigating bill or a bill that passes the buck to the Bureau of Standards?

Mr. ROBERTS. Well, as a matter of fact, all this bill does is to give the Federal Government the same right that the States already exercise in requiring safety devices.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. It is true, though, is it not, that the General Services Administrator already has authority under existing law to purchase any safety devices that are presently manufactured and available on automobiles that he purchases for the various agencies of the Government, provided the agency itself requested it, and it is felt that it is a necessary device? Is that not true?

Mr. ROBERTS. Let me say to the gentleman, not evading his question, that as a matter of fact there has been agreement on only one safety device as to standards by the industry at the present time, and that is in the field of safety belts. That is the only one that there has been any agreement on standards on.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield to read from the GSA regulations concerning this matter?

Mr. ROBERTS. I think the gentleman is referring to regulation No. 122.

Mr. BENNETT of Michigan. Well, it is a modification of that section which provides: for installation on Government vehicles at the time of purchase of safety accessories which have been proven as justifying the cost thereof: These include outside rearview mirrors, horn rings for deep dish steering wheels (so-called safety wheels), fresh air type heater, windshield defrosters, windshield washers, directional signals, constant safety dual windshield wipers, sun visors, ash trays.

Mr. ROBERTS. The only safety devices that I know of that are now required, other than those you refer to, actually have to do with putting the automobile into operation. I do not know how you could operate without brakes. I do not know how you could operate without, except in a limited way, Tires and rims. The device they do not include, of the ones that you mentioned, is the deep dish or safety type steering wheel. That is not included as standard equipment on all Government automobiles.

Mr. BENNETT of Michigan. It has been authorized.

Mr. ROBERTS. But it has not been specified. That is the reason for this legislation.

Mr. BENNETT of Michigan. Well, do you want to force the General Services Administrator to put on this type of steering wheel you just referred to? That could be done by a very simple act.

Mr. ROBERTS. I say, if it will save lives, it and other devices ought to be purchased. If they do not put them on, the Congress ought to say to the Department that they should be put on as provided in this bill.

Mr. BENNETT of Michigan. But this legislation does not say that they have to be put on.

Mr. ROBERTS. This legislation will require just what it says, that the Government will require such reasonable safety devices as the Bureau of Standards may establish after hearings.

Mr. BENNETT of Michigan. But, there is no assurance——

Mr. ROBERTS. I do not yield further. The gentleman has plenty of time on his side.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. I wish to congratulate the committee on this legislation, and I hope you will go forward and extend it to all automobiles in the United States. The committee and its able chairman from Alabama have done a great deal toward saving lives.

Mr. Chairman, I enthusiastically and wholeheartedly support H.R. 1341 as a means of reducing the frightful accident toll on our Nation's highways. This bill comes to us as a result of many years of research and investigation by the subcommittee of which the able gentleman from Alabama [Mr. ROBERTS], is chairman. He and the other members of his subcommittee have done a magnificent job of enlightening Congress as to the causes of highway accidents, and they deserve the gratitude of the American people for their significant contributions in the field of highway safety.

One cause of traffic accidents which they have stressed is the need for greater safety in the design and construction of automobiles. I have been deeply interested in legislation to require safer automobiles, as shown by my introduction of H.R. 561, the first automobile safety bill in the current series of bills, which was introduced on January 3, 1957. I reintroduced this measure on the first day of the present session as H.R. 722.

To speak of the need for safer automobiles is in no way to cast reflections upon American automobile manufacturers. They are forced by economic realities to build cars as we of the American public dictate by our buying. As a matter fact, some automobile manufacturers have pioneered in the field of automobile safety, as shown most dramatically by 1956 models. Cornell Medical School researchers report that chest injuries were cut in half by the safety steering wheel introduced in that year. Studies by this institution further show that if all cars, new and old, had certain recommended safety features, half a million people would escape injury, and many of those now being killed would escape with only injuries.

The bill before us today represents a practical beginning toward greater safety in motor vehicles used on America's streets and highways. I am convinced that enactment of this measure will encourage safety improvements in American automobiles, and that the result will be to save many of our fellow Americans from death or injury. I urge enactment of the bill.

Mr. ROBERTS. I thank the gentleman from Florida for his contribution and say that he introduced one of the first bills of this type that was introduced in the Congress. He appeared before our committee and made an outstanding statement in behalf of safety devices.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Ohio.

Mr. SCHERER. I believe that the gentleman from Alabama is to be complimented on the fine statement he has made, and the committee is to be complimented on bringing this bill to the floor of the House for a vote. Would the gentleman yield for just an observation on my part?

Mr. ROBERTS. I will be happy to yield to the gentleman.

Mr. SCHERER. You have given to us some startling statistics on the number of accidents resulting in injury and death on our highways. There is no question that the failure of automobiles to carry modern safety devices is one of the causes for the appalling death and accident rate on our highways. But, one of the other causes is the fact that in this country we have had deteriorated and outmoded highways. In 1956 this Congress recognized that fact and passed a comprehensive Highway Act. I was just reading some statistics today which show that between now and 1975 there will be 700,000 deaths on the highways of the United States. If by some miracle we could complete and have as of this moment the highways envisioned by the 1956 act, that number of deaths could be cut 40 percent. I merely call this to the attention of the House at this time in connection with the gentleman's statement that the highway program which is going to do the job, along with what the gentleman's bill would do, is slowly grinding to a halt. It is absolutely necessary that this Congress act before we adjourn to provide the necessary funds to replenish the trust fund in order that the Highway Act may go forward.

I thank the gentleman for this opportunity.

Mr. ROBERTS. I thank the gentleman for his contribution. I certainly agree with him that good highways are an important part of this program. It would be a tragedy, I think, if the program provided for in the Interstate System were to grind to a halt.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Nebraska.

Mr. BROCK. On Saturday one of the daily papers of Washington succinctly pointed out the problem we have before us today. The headline said: "Mass Attack on Traffic Deaths."

The article reads:

MASS ATTACK ON TRAFFIC DEATHS

Three-way drive to cut auto accident fatalities (now close to 40,000 a year) is starting.

It's being pushed in Congress, by the conference of Governors, and by the American Medical Association.

Next week the House will act on a bill setting safety standards for passenger-carrying vehicles bought by the Government.

AMA wants Congress to bring pressure on auto manufacturers to make safety devices standard equipment in all cars.

Governors' conference discussed what automakers could and should do, and committee headed by Connecticut's Gov. Abraham Ribicoff will go into it further.

AMA wants these made standard equipment: Seat belts, rollover bars (especially

on sports cars), collapsible steering wheel, crash padding on dash and roof, safety door locks, higher backs on front seats to prevent headsnapping. They want to eliminate pointed hood and bumper ornaments, junk-accumulating ledge behind rear seat, dangerous knobs, buttons, sharp edges, and other inside gadgets.

Safety devices could be installed at little extra original cost if manufacturers made chrome, clocks and other expensive gadgets and trim opional items, AMA says.

NOTE.—Doctors are making two other auto safety moves. They're asking all State medical societies to set up special committees to develop better medical standards for driver licensing.

* * * * *

Auto safety is getting attention also from Association of State Motor Vehicles administrators and U.S. Chamber of Commerce.

Mr. ROBERTS. I thank the gentleman for his contribution. There is one thing to which the gentleman pointed I would certainly agree with, and that is that most of the devices that would be covered in the bill if the work on the problem by the Bureau of Standards could be provided for, could be taken care of if they did away with a lot of the extra high tail fins and extra chrome and things of that kind which may add to the style and beauty of the design but in many cases may even add to the dangerous features of the vehicle.

The legislation presented here would promote the production of safer vehicles. That approach to cutting down the accident toll is urged by leading medical experts and engineers who have testified before the subcommittee.

As Dr. T. P. Wright, vice president of research at Cornell University, former Administrator of Civil Aeronautics and one of the outstanding experts in the country, told the subcommittee, automobiles are more readily changed than either human behavior or highways or traffic regulations.

Let me quote briefly from Dr. Wright's statement to the subcommittee:

I do not believe that we can effect any appreciable and permanent reduction in the magnitude of the crash injury problem, within the foreseeable future, except by increasing the capacity of the vehicle package to protect the occupants, or contents from damage in transit. Only the vehicle, in the complex of human, mechanical, highway, and environmental factors which compose our transportation system, lends itself readily to a high degree of standardization, in areas affecting human safety, within a relatively short period of time. We cannot expect to enforce or impose standardized human behavior by any presently known means. We cannot create overnight a robot-controlled transportation system which will eliminate the consequences of human error, nor can we curtail the high degree of mobility we have attained without shaking both our economy and our civilization to the roots. Only one choice remains: change the vehicle, or continue to live with an epidemic disease raging unchecked in our midst, a plague which fells the innocent as well as the guilty, the genius as well as the idiot, without discrimination or favor.

The legislation the committee brings you today was not hastily conceived. As stated earlier, this committee has had the subject of highway traffic safety under study since 1956, when the special subcommittee conducted an extensive investigation of the problem and filed a report with the House—House Report No. 2971, 84th Congress, second session—in which we recommended:

All known and tested safety devices, such as crash-padded paneling, padded windshield visor, dish-type steering wheel, safety glass, etc., should be included as standard equipment on all model cars. At several of the plants that the subcommittee visited we were shown many of these safety devices.

WOULD PROMOTE SAFETY

The committee believes that enactment of this bill will have far-reaching effect in promoting the manufacture of safety motor vehicles for the public and in educating the public on the advantages of known safety devices not now in general use.

The committee feels that the Secretary of Commerce should establish standards only after consultation with the automobile manufacturing industry, engineers, medical experts, and others who have expert knowledge of the problem. It is not intended to have the Secretary draw up specifications which might be visionary or impractical. We want a workable program that will contribute to public acceptance of vehicles designed for safety.

The industry has spent a lot of time and money on safety. But in some instances it would appear that styling and horsepower, for example, have received more attention than certain safety features and devices which need to be sold to the public.

In the hearings held last month the subcommittee was given detailed information on the continuing and expanding safety activities of the industry. Progress in various areas was described, including the following six major categories:

First. Driver vision: Better vehicle lighting and larger glass areas have made it easier for drivers to watch road and traffic conditions, both day and night.

Second. Signal devices: Improved turn and stop signal lights facilitate advance warning of changes in speed, position, and direction.

Third. Packaging car occupants: Improved materials and designs provide enhanced safeguards against injury in event of accident.

Fourth. Driving controls: Better design of instruments and controls and refinements in automatic or power-assisted control mechanisms have simplified the physical operations of driving and enabled the driver to devote increased attention to traffic conditions.

Fifth. Car performance: Improved responsiveness of automobiles in accelerating, braking, and turning has facilitated safe, smooth driving.

Sixth. Mechanical realiability: Improved materials and designs give added assurance against the possibility of hazardous parts failure.

OBJECTIONS TO THE PROPOSAL

Two principal objections are made to this legislation. They are, one, it will increase the cost of motor vehicles bought by the Government; and second, it is not necessary.

No one, of course, knows what the dollar cost will be to the Federal Government. That cannot be determined until the standards are set.

But whatever the cost, it will not be unreasonable. No one can put a dollar value on human life. No one should try to put a dollar value on the cost in suffering and anguish resulting from crippling injuries that could be prevented.

The committee feels that the additional cost of the safety features required to comply with this legislation would be more than offset by savings in death benefits and accident compensation payments to Government employees.

In addition, this legislation, by encouraging the production of safer vehicles for sale to the public will make enormous savings by reducing the toll of life and limb in automobile accidents.

Witnesses who know what they are talking about told the committee that if certain known safety devices and safety features could be made standard equipment on the automobiles sold to the public the appalling toll of death and injuries can be substantially reduced.

The argument that the legislation is not needed takes two tangents. One is to question whether there are any worthwhile safety devices that are not now included on automobiles bought for the Government. The second is that the responsible Government agencies now have authority to specify safety devices and therefore this legislation is not necessary.

The second objection can be disposed of easily if it is shown that there are known safety devices not now generally built into the automobiles offered to the Government and to the public.

DOCTORS URGE ACTION

Safety organizations, engineers, and the medical profession have been studying this problem a number of years. In the forefront of those telling us we can and should have safer vehicles you will find the American College of Surgeons and the American Medical Association. Our doctors know what this problem is. They are the ones called on to take care of injuries which might have been prevented if the victim had been riding in a vehicle designed to protect the occupants from such hazards as broken glass, instrument panel knobs, rear view mirrors, and the like.

Let me quote you the following resolution adopted in 1955 by the committee on trauma of the American College of Surgeons:

Resolved, That the committee on trauma of the American College of Surgeons request that the board of regents of the college recommend to the motorcar manufacturers of America that they stress occupant safety as a basic factor in automobile design, to include (1) doors which will not open on impact; (2) seats and cushions which will not become displaced on impact; (3) energy absorbing interiors; (4) adequate safety belts or other passenger stabilizing devices that will resist impacts of at least 20 G's; and be it further

Resolved, That the American College of Surgeons offer to cooperate with automobile manufacturers to further safety belts as a basic factor in motorcar design by furnishing such professional and technical advice and information as may be available.

Let me quote you a statement submitted to the committee on behalf of the American Medical Association in the subcommittee hearings July 9, 1959, by Dr. F. J. L. Blasingame, executive vice president of the American Medical Association, in which activities of that organization in the field of safety are outlined. In this statement, Dr. Blasingame said:

Another objective is to study and report on the design features of automobiles. Improvement of the design and safety equipment of automobiles promises the greatest possibility for rapid reduction in the automobile injury and death toll. If it is estimated that the average life of an automobile is 10 years, it is apparent that a very considerable reduction in the severity of injuries and a marked reduction in fatalities could be accomplished in that time if more attention were devoted to providing safety rather than to increased horsepower, streamlining, color, and chrome.

The engineers and designers of the automobile—a relative handful of men in the industry—virtually control the destinies of the American public on the highways. They are the men who decide which elements of safety design will be put into or left out of next year's new automobile.

There is presently available an ample body of research data which clearly indicates the definite values of certain safety features of automobile design, construction, and equipment. Yet, these safety features, if available at all, are all too often offered as optional equipment at extra cost. The automobile industry can make a great contribution toward solution of this problem by consulting with physicians, anthropologists, psychologists, related biological scientists, and other scientific professions, and by giving realistic consideration to the wide range of physical characteristics of automobile drivers and riders and what happens to them in a collision.

In the past the automobile industry has made many important contributions to safety. However, in recent years, safety has generally been ignored in favor of other developments. The following suggestions have been repeatedly advanced by physicians, researchers, and safety engineers with but little success:

1. Anchorage for seat belts should be standard equipment. The public also needs education in the value of seat belts. The only evidence so far presented against seat belts is in the number of deaths in sports cars during rollovers. This is not an argument against seat belts but against the design of such cars which do not provide rollover bars. It should be quite simple to incorporate such a bar in the windshield and a second one back of the seat.

2. Crash padding of the dash, roof, and other areas should be provided.

3. An improved steering wheel and recessed post; perhaps a collapsible assembly.

4. Safety door locks should be standard in all cars.

5. Removal of dangerous knobs, buttons, sharp edges, and other gadgets.

6. Seats should be securely anchored to the floor of the car and should be locked into position. They should also be high enough in the center to protect the neck in a rear-end impact and prevent neck-snap injury (also called whiplash).

7. Eliminate the deck behind the rear seat as a storage place for flying missiles or provide it with an effective retaining rail or construct it as a recessed pocket.

8. Eliminate sharp, pointed hood ornaments. These fill no functional need and are potentially lethal to pedestrians.

9. Eliminate other hazardous exterior design features such as sharp, pointed, bumper ornaments.

That list should dispose of any argument that the vehicles we are now driving are the last word from the standpoint of safety and that in calling for safer vehicles we are engaging in wishful thinking in a field where engineering ingenuity has gone as far as possible.

That list should be convincing enough but let me give you another list, submitted to the subcommittee during the hearings by a representative of the Public Health Service, which will be found beginning on page 38 of the printed hearings. That list is as follows:

LIST OF DESIGN FEATURES OF VEHICLES WHICH IMPROVE SAFETY

7. Seat belt attachment holes predrilled in auto frame or floor pan.

2. Padded head rest to prevent whiplash injury.

3. Ensolite or equivalent padding wherever impact is most frequent—visor, dash, header area, etc.

4. Recessing or removal of all projecting knobs or instrument controls which could be a dangerous point of impact.

5. Deep-dish steering wheels with appropriate energy absorbing design.

6. Removal of tinted windshields.

7. Use of only hardened glass, not laminated.

8. Engineering of cars and trucks so that no interference exists in driving actions; e.g., brake and accelerator too close, wheel too close to body, etc.

9. Use of moving rather than blinking directional signals.

10. Standardization of rear lamp location, color, and relative intensity.

11. Use of either a separate brake light or a clearly visible brightness increase during braking.

12. Colored rear light indicator when foot leaves gas.

13. Gas pedal pressure speed control device without forced governing of speed, such as the ones manufactured by Bender and Chrysler.

14. Visual and auditory speed warnings on the speedometer.

15. Air intake to passenger compartment near top of car (carbon monoxide avoidance).

16. Passenger compartment air exhaust near top of car.

17. Brake pedal able to be used by either foot.

18. Rigid bumper backup plate with energy absorbing material between it and the bumper.

19. Complete wraparound bumpers rigidly attached to frame and having energy absorbing padding.

20. Recessed door handles.

21. Inside door locks controllable from front seat (against children's tampering).

22. Multiple door latches, bolt type, to prevent opening on impact.

23. Fuel monitor light to indicate dangerously low fuel level (to guard against stopping on high-speed highway).

24. One hundred and eighty degrees forward visibility area from driver's seat.

25. No headlight shades (to minimize pedestrian injury in accidents).

26. Rounded hood to protect pedestrians.

27. No sharp hood ornaments.

28. Illumination of dash instruments at night by red light of appropriate level of intensity to protect the driver's night vision.

29. Automatic light dimmer switch (similar to autronic eye).

30. Ceiling lights recessed.

31. Light under the car to silhouette at night for easy visibility.

32. Rear windshield wipers and defrosters.

33. Recessed package shelf.

34. Rollover strength in roof.

35. Roof padded on inside to protect against head injuries.

36. Improved attachment of seats to prevent breaking loose in an accident—seat attachments should be able to withstand a minimum force of 20 g.'s or better.

37. Inertia reel seat belts of adequate strength and design.

38. Hydraulic steering.

39. Constant radius of curvature in window glass to avoid distortion.

40. Fuller sweep design of windshield wipers.

41. Automatic carbon-monoxide detector.

42. Securely fastened seat cushions.

43. Reduction of severe low-frequency vibration in trucks and tractors.

44. Design of seats molded to person's natural pressure distribution.

45. Bumpers shaped smoothly.

SAFETY FEATURES INSTALLED

It may be pertinent to point out that the automobile industry has already installed so-called safety packaging features as standard equipment in at least two instances, where the device in question was in replacement of, rather than in addition to, a basic structure of the automobile. I am referring to the newly designed door latches and the modified steering wheel designs on current model automobiles. Since all automobiles must have door latches and steering devices of some description, presumably the selection of designs offering greater safety for the occupants than other designs need not materially increase the cost of the vehicle.

Although there is no guarantee that future cars will be so equipped, the Government can at present, by purchasing current standard automobiles, automatically assure the procurement of vehicles which are equipped with some type of modified steering wheel design featuring a recessed hub, and some type of door latching mechanism made available subsequent to the publication, in August 1954, of a Cornell study demonstrating that previous types of latches in use often failed to keep doors closed under accident conditions. This study also indicated that, when doors did not stay closed, one in three car occupants was thrown out of the car and subjected to a doubled risk of injury and a five-fold increase in risk of fatality or extremely serious injury. The value of a modified steering assembly was suggested by Cornell evidence that drivers were both more frequently and more seriously injured by protruding steering wheel hubs—frequently a cause of crushing chest injuries—than by any other observed feature of automobile design.

Although every major manufacturer has changed—and presumably improved—these two elements of design since 1955, there is no evidence that the results were based on any type of uniform minimal standards or specifications. On the contrary, each company has produced its own versions of these items. Furthermore, in the absence of any pertinent requirements, there is nothing to prevent the elimination of genuine improvements on current cars, by a stroke of the stylist's pen, in the planning of future models.

Still another factor for consideration is the fact that, although we can recognize a recessed steering wheel hub at

sight, we cannot tell whether it was recessed as an afterthought, for appearance's sake, or was actually designed to collapse progressively under impact, absorbing force which would otherwise be transmitted to the driver. Similarly, few if any of us can determine, by mere visual inspection, whether a given type of door latch, however different in appearance from its predecessors, is more likely to hold in an accident than another type.

The improvement of passenger packaging is evidently not to be accomplished, in any permanent and fully effective sense, simply by adding an occasional device from time to time, the way one shifts the chrome trim from year to year. As evidence that the industry has not fully accepted its responsibility to work consistently toward a better passenger package, it may be pointed out that the instrument panel of a certain 1959 model was designed with unusually sharp radius bends in the metal, resulting in a structure far more dangerous to the occupants than the instrument panel of the preceding year's model. Presumably the change was directed by no more substantial motive than the whim of the stylist in question.

I do not believe that changes of this nature can be excused on the grounds that a safer design is a more expensive one. On the contrary, the complexities of the unfavorable design which replaced a superior one must have involved an increase in production cost, if anything.

It is apparent that minimum requirements are needed not only to assure that present cars are designed to exploit available knowledge of how injuries are caused, but also to guarantee that design factors offering increased passenger protection are retained year after year, or are replaced by others offering equal or better protection than their predecessors.

POLICY DECISION BY CONGRESS NEEDED

The General Services Administration, in a report to the committee, said that enactment of H.R. 1341 is not necessary because that agency now has authority to specify necessary safety features. In that letter, the Administrator of the agency says:

Responsibility for safety standards applicable to the purchase or operation of Government motor vehicles is being exercised by General Services Administration, pursuant to sections 201(a) and 206(a) of the Federal Property and Administrative Services Act of 1949, authorizing the Administrator of General Services respectively to prescribe policies and methods of procurement and supply, and standard purchase specifications. Our Federal Supply Service Standard 122 prescribes the accessory equipment, including safety devices, to be furnished the Federal Government with motor vehicles purchased for its use. Any further requirements for motor vehicle safety devices would normally become a part of this standard.

That is very true, but the cold facts are that the General Services Administration is not now specifying known safety features and devices which leading experts in the field believe should be the very minimum for any passenger carrying vehicle.

The committee takes the position that setting up safety standards for Government vehicles is of the highest importance. It is a policy decision that the Congress, as the policymaking branch of the Government, should make and should make now.

In the July hearings, Mr. Paul C. Ackerman, vice president, engineering, Chrysler Corp., and chairman of the Engineering Advisory Committee of the Automobile Manufacturers Association, speaking for the industry, sounded a note of optimism when he said:

The increasing interest of professional and civic organizations as well as governments has facilitated the accumulation of new knowledge of safety. Research is progressing at an accelerating rate and we have every reason to expect significant additional progress in the years immediately ahead.

Accordingly, we believe that the public interest will best be served by strengthening the cooperation between the automobile industry and public bodies to develop new knowledge in every phase of safety, and by intensifying educational efforts to convince car owners of the value of safety features and practices.

We need to know more about the causes of accidents to reach the best conclusions. The manufacturers, universities and others are attempting to develop these facts.

NEED FOR ADDITIONAL RESEARCH

Later, in his statement, Mr. Ackerman said:

We feel the Federal Government can and should have a major and positive role to play in the safety progress that must lie ahead. There is a recognized void in the field of research, a void that should be filled as fast as possible with information about the human aspects of motor vehicle operation on the highways of the Nation. There is a lesser but still important void in the information we now have about highway design, traffic engineering, and ways to make each most effective.

We believe that the Federal Government should continue to play an even greater part in supporting and coordinating such research, as well as in encouraging sound regulation and enforcement liaison between States and regions in meeting mutual traffic problems.

Even a cursory look at the record will show that we should be spending more money on highway traffic research to meet this appalling national problem. We are spending vast sums on other problems which are significant but no more important.

The Public Health Service is spending about $1 million a year on research projects in the accident prevention field. Accidents of all types are the third leading cause of death in the United States, exceeded only by cancer and heart disease and various diseases of the circulatory system. Compared with what we are doing in other fields, we are only scratching the surface in research into accident prevention.

An estimate made by the National Heart Institute is that in fiscal year 1959 we spent $78,800,000 on research on heart and circulatory diseases. The estimated research expenditure for each death due to heart disease was approximately $87. For each death from cancer, the expenditure on research was approximately $360.

Let us take a look at Federal appropriations for research and education in the field of agriculture. In fiscal year 1959 that figure was $185,633,000. In fiscal year 1958 it was $172,469,000. The budget estimate for fiscal 1960 was $184,486,000.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Mr. Chairman, I want to remind the gentleman of another factor, and that is the matter of drunken driving on the highways. If we eliminated that we would save a great many lives. One of the Members mentioned the figure of 700,000 deaths between now and 1975 because of automobile accidents. We could reduce that number and avoid a lot of suffering if we eliminate drunken drivers on our highways, as we ought to do. They have been dealt with too leniently, in my opinion.

Mr. ROBERTS. I certainly agree with the gentleman and I appreciate his contribution. Of course, the gentleman knows that that is a State matter into which I think we could not properly go here in the Congress. But it is certainly a problem that needs attention by the various jurisdictions which do have cognizance of that matter.

Mr. BROCK. Mr. Chairman, will the gentleman yield further?

Mr. ROBERTS. I yield to the gentleman.

Mr. BROCK. Mr. Chairman, I want to compliment the gentleman from Kansas for bringing out that point. Dr. Goddard, then the Chief of the Accident Prevention Program, Division of Special Health Services, Department of Health, Education, and Welfare, pointed out that "over a 7-year period, all drivers in one-car accidents who died within 4 hours after entrance in the hospital, 45 or 50 percent of them had blood alcohol above the legal limit, which is 1.5."

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, may I at the outset join the many colleagues of the gentleman on both sides of the aisle in congratulating the gentleman from Alabama for the leadership he has given over a period of many years on this very important field of safety in the design and operation of motor vehicles. It is a sad commentary that here we have such a serious problem to which so little attention is devoted. I am especially interested in the experience the gentleman has had in dealing with the auto industry as to why more effort and energy and time is not given to better safety design. It is only a guess on my part, but to me it seems obvious that a great deal of money is spent by the auto industry in the design of superfluous features of an automobile. I am willing to submit as I do here on the floor that the automotive industry has spent a lot more money and time and effort in designing the ridiculous tail ends of automobiles than they have on the safety features in the front end. Let me give you just one aspect of this, and that is the compressibility of

an automobile. On an impact test, we know that the slightest amount of give greatly absorved the impact and the shock, yet we have rigid construction in the auto frame where immediately the slightest impact is carried almost totally to the occupants of the car. Try parking your automobile against a steel bar or a concrete block as you come to a parking lot. Just a slight bump gives you an impact that is transmitted immediately to the occupant. We know there is a space in the front end of these new vehicles of anywhere from 12 to 16 inches which, if it could be used in such a way and if the automobile was so constructed that there would be a sort of collapsibility in the construction so that there would be a give for those 12 to 16 inches, I am sure that many of these head-on collisions and other collisions would result in a reduced impact on the occupants. Would the gentleman feel free to give us some comment on his estimate and what his opinion may be be on the efforts of the auto design people are making to improve the safety features of the automobile in comparison to this nickelodeon type of emphasis on the external, nonfunctional, nonimportant features of an automobile? Does he feel there is a sense of responsibility and awareness such as there ought to be on the part of the auto industry? I do not mean to have the gentleman put himself on the spot in any way at all, but I do know the gentleman has encountered resistance most often perhaps, in the form of lethargy, but I think also a deliberate resistance in some avenues from those who are more interested in promoting the sales of automobiles by glittering gadgets rather than devoting more time and attention to the basic, fundamental safety design of the vehicle itself.

Mr. ROBERTS. I might say to the distinguished gentleman, first of all, I appreciate very much his compliment and appreciate very much the fact that he has been before our subcommittee and has shown an intense interest in this matter. I believe the gentleman sponsored the appropriation which was given to the Department of Commerce under section 117 of the Highway Act of 1956, which provided for a study which was released in March of this year on road and highway safety. In answer to the gentleman's question as to whether or not I think improvement in design could be made, let me say to the gentleman, I certainly am not an expert nor are any of the members, so far as I know, on the subcommittee on which I serve. I do believe, as pointed out in the resolution of the American Medical Association that the American people have been too much at the mercy of those who want to engineer for beauty of design and that there has been insufficient effort on the part of the industry to sell safety to the American people. We feel on the subcommittee we had some part in getting the Automobile Manufacturers Association to finally adopt a resolution saying that they would agree not to unduly stress the speed and horsepower and those things at the expense of safety.

I might say that I think they have done a very good job in living up to the sense of that resolution.

We had testimony before the committee not only by automotive experts but also by experts in the field of mechanical engineering. One of them, by the way, Dr. James Ryan, came from the University of Minnesota, where he was head of the department of engineering. This gentleman has done a tremendous lot of work in this field, especially through the use of hydraulic bumpers, to the extent that he drove his own automobile into a brick wall at a speed of 23 miles an hour; and, although he was held in only by a lap belt, he was not hurt and the car was not severely damaged.

We believe many things can be done. When a car stops in a collision and the passenger keeps on going, the thing that injures him is what he hits. We believe that technical devices such as crash paneling and knobs and door handles which do not protrude, deep-dish steering wheels, so that the steering post does not act as a spear to go through the abdomen or chest, are very important matters in design and are principles that can be built in with very little cost. Actually it takes no more metal, fabric, or plastic to build a steering wheel that is safe than it does the conventional steering wheel; and, by the same token, it takes no more metal to build a safety lock than it does one that protrudes. We think that if emphasis is put at the proper place, the design of cars can be much improved from the safety factor. This bill provides not regulation, not domination, but leadership in the field of safety.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. AVERY. First let me say that although I have some reservations about this bill I certainly recognize the tremendous amount of work that has been done on the bill both by the gentleman from Alabama who now has the floor, and by other members of the subcommittee. I wonder if the gentleman could tell me with respect to page 1 where certain categories are set out whether that would preclude leasing by the Government of Hertz cars unless they were equipped as the bill defines in later sections?

Mr. ROBERTS. I assume the gentleman has reference to a portion of the bill that I shall attempt to clarify with some amendments. Some questions have been raised about that and I will have an amendment which I believe will clear up that section. It will be offered at the proper time.

Mr. AVERY. Along with the amendment which the gentleman says he will submit during the third reading of the bill I presume that covers cars that are provided to the House under a leading arrangement for the leadership of the House.

Mr. ROBERTS. I think the amendments would apply to cars furnished to all purchasers by the Government, both Federal and District of Columbia, except those exempt by the bill.

Mr. AVERY. I thank the gentleman for yielding.

Mr. ROBERTS. I thank the gentleman for his contribution.

Mr. Chairman, I reserve the balance of my time.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 5 minutes.

Mr. MEADER. Mr. Chairman, will the gentleman yield for a question?

Mr. BENNETT of Michigan. I yield.

Mr. MEADER. I want to refer to the colloquy between the gentleman from Michigan and the gentleman from Alabama with reference to deep-dish steering wheels. I believe the question was whether or not that item was included upon vehicles now being purchased by the Government. The gentleman from Alabama raised that question with the vice president of the Chrysler Corp. when he was testifying before his subcommittee with reference to standard equipment furnished on motor vehicles purchased by the Government. I believe the record of the hearings is clear that deep-dish steering wheels and safety locks are standard equipment on all of the Chrysler line, including the Plymouth. I believe that appears in the hearings.

I would like, if the gentleman will yield further, to refer to a statement made by the gentleman from Minnesota [Mr. BLATNIK], concerning expenditures of the automotive industry for research and development of safety devices. On page 75 of the committee hearings there is a statement in which some explanation is given of the research done by the automotive companies' own engineers, and in addition to that the industry is granting outside organizations money to investigate traffic safety problems. In the current year I think it runs to $1,750,000.

Mr. BENNETT of Michigan. The gentleman is correct.

Mr. Chairman, this bill will put the Federal Government in the business of designing and engineering automobiles. That is the plain, obvious meaning of the wording of the bill, and the only effect it is intended to have. I do not think the Federal Government, the Bureau of Standards, or the Secretary of Commerce are qualified either by experience or training, and I do not think the people who are working for them are qualified by experience or training to design and engineer automobiles. Yet this bill would give them that responsibility and that function so far as Government-purchased automobiles are concerned.

What is a safety device? It is almost any conceivable part of an automobile. I do not know of anything connected with the structure of an automobile that could not be regarded as a safety device or as a safety unit. The type and shape of the radiator, the shape of the hood, the size and length of the frame, the thickness of the steel that goes into the top of the car, the thickness of the steel that goes into the frame of the car, the horsepower of the engine, the design of the engine, whether it is as safe as it ought to be or whether a different type engine in an automobile would be safer, are all

safety factors in a way, and it would then be a matter of discretion for the Secretary of Commerce working through the Bureau of Standards.

Everyone favors the Congress doing whatever it can to improve safety in automobile construction, but bear in mind that as long as human beings drive automobiles you are going to have accidents. In fact, most accidents are caused either by human error and judgment or by negligence; or, as the gentleman from Kansas pointed out a few minutes ago, through drunken driving, which involves another category.

You can build almost any type of automobile structure that you want to build and you are not going to stop accidents. True, the thicker the steel is in the top of the car the less liable it would be to dent in the case of an accident. The same thing is true, for example, of bumpers. Many people believe that in addition to having bumpers on the rear of the automobile and on the front of the automobile, we should also have them on the sides, so that with someone coming up a side street the side bumper would help protect the occupants of a car to a greater degree.

Emphasis has been laid on seat belts. That is the device the Government authorizes in the purchase of cars, but what good is a seat belt if it is not used? You have other safety devices in a car, the windshield defroster, rear-view mirrors, and things of that type that must be properly used by the driver of the car. If they are improperly used they are of no use whatsoever. If you should require seat belts in every Government automobile, you would have to send along a policeman or a supervisor for each car to see that people riding in the car had the seat belt fastened. You would do the same as the stewardess of an airline does.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Michigan. There is no question but what the author of this bill has the best of intentions. But these matters of safety cannot be legislated so easily.

As the gentleman has so well pointed out, the automobile industry has invested large sums of money in studying safety. Everything that goes into a car is an item of safety, the tires, the windows, and everything else, and once the Government enters into the business of the construction of automobiles it would be a bad day for the Government and for the automobile industry itself, which is suffering from its own troubles right now.

Therefore, I want to associate myself with the remarks of the gentleman.

Mr. BENNETT of Michigan. I thank the gentleman.

As I stated, if the basic device, so called, is not used or is not properly used by the occupant, or by the driver, it does not function and it has served no purpose.

I want to call your attention to another thing. At the present time there are several types of safety devices which are being manufactured, but they are not included in the so-called standard equipment of a car.

Now, to install these devices which are not now commonly installed in a standard equipped car would cost $750. You can see that there is pretty good reason why many of these things are not put on the car by the average person, because you have reached a point of saturation; or, if we have not reached it yet, we soon will. So, if the General Services Administrator exercised the authority he now has, he could spend $750 extra for each car he purchased to put these safety devices on presently manufactured cars.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I would agree, of course, that it may cost more money. But, what is the additional cost as a new model comes out each year? What has it cost these last 2 or 3 years to put these fancy rear end fins on that look like the rear end of a boat, a hydroplane? What is the contribution of all the cost in the design and manufacture of all that elaborate rear end, either toward safety or toward economy or toward efficiency of operation? It is put there to have a pleasing effect, put there as an appeal just to promote sales, and that costs money. I am not unmindful of the point that the gentleman is making; in fact, I am sympathetic to it. Of course, we do not want to be dictatorially telling the auto people what designs they must offer, but certainly even to the layman you do not have to be an engineer to know that there is a lot of waste of money that goes into the design and manufacture of a lot of these expensive forms and shapes and bends. First you have one taillight signal, then you have a double taillight signal, and then you have a triple taillight signal, vertically, and then you switch them horizontally. But, what purpose does the alteration and design of this tail end serve? What does it contribute by way of operation or safety? We are merely asking and suggesting that those who do know their business in the design and manufacture to place a little more emphasis on the functional and on the safety aspects and less on the frills and designs to stimulate sales.

Mr. BENNETT of Michigan. I think there is something to be said in favor of what the gentleman has pointed out. Perhaps some of the things that are presently put on automobiles, certainly many of the things, are not put on primarily for safety; they are put on for convenience, for beauty, for attractiveness, something that will sell to the public; something that the public wants. This is the basic reason I am opposed to this bill, because I do not think that any Federal bureaucrat, regardless of who he is, ought to be given authority by Congress to design and engineer automobiles. That is what this bill does. I do not think the Secretary of Commerce is any better equipped to design a car than the automobile companies. And, what would be the result? This applies only to cars purchased by the Federal Government, but if this thing is good, this authority on the part of the Secretary of Commerce is good, insofar as the Government-owned cars are concerned, then why should he not have the same authority to fix these safety standards and engineer these cars for the public at large?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Well, with reference to the colloquy with the gentleman from Minnesota [Mr. BLATNIK] they could have fins on the backs of cars, under the terms of this bill, 10 feet high, could they not?

Mr. BENNETT of Michigan. Yes.

Mr. GROSS. And they could put on 50 feet of chrome and all of the other gingerbread. This bill does not change that at all.

Mr. BENNETT of Michigan. Not only that, but it gives the authority to the Secretary of Commerce, by presumption or by inference, that he ought to make these cars safer. In other words, the present steel top is not thick enough, so they ought to have it a half inch thicker. The bumpers are not large enough, so they ought to enlarge them and put more of them on. This bill provides for standardization of safety devices on Government cars. Now, if it is carried to its logical and sensible conclusion, the same authority ought to be given over the cars used by the public, and there are between 57 million and 58 million cars on the public highways today. I do not think the average driver wants somebody down here in Washington to engineer and design his car for him. It destroys completely the right of buyer choice.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman.

Mr. MEADER. With reference to the colloquy the gentleman had with the gentleman from Minnesota [Mr. BLATNIK] on page 79 of the hearings, Mr. Ackerman, the witness on behalf of the automotive industry, answered Mr. BROCK'S question as follows:

> Mr. ACKERMAN. Mr. BROCK, I would not want to leave the impression here that we put ornamentation or chrome on the cars at the expense of any known improvement to safety. Certainly, we put ornamentation on, because we feel that we still have to get the car in the hands of the owners.

Is that not exactly the point? These automobile companies are competing to sell their products to the consumer. The consumer is the one who decides whether he wants tailfins or whether he does not want them. If we were operating as they are in Russia, we could have the Secretary of Commerce design the automobiles and we would all get the same car, but it might not be what we wanted. It would no longer be a free economy or a free market where the desires of the consumer are the ultimate test of a product.

Mr. BENNETT of Michigan. And it would not necessarily prevent accidents.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to my colleague.

Mr. KNOX. Mr. Chairman, I should like to associate myself with my colleague from Michigan [Mr. BENNETT]. I have all the confidence any one man could have in the great engineering ability that has brought the automotive industry up to its present high standard. We do not have to go back too long to recognize the great strides that have been made in safety devices and in all matters of automobile construction, without Federal regimentation. Therefore, I do not believe this legislation is necessary. It would put the Federal Government into the business of determining what safety factors should be incorporated in the building of an automobile that Federal employees use.

Mr. BENNETT of Michigan. I thank my colleague for his contribution.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Ohio.

Mr. VANIK. I should like to inquire of the gentleman from Michigan what effect this bill would have on the acquisition by the Federal Government of automobiles manufactured in foreign countries. Many of these automobiles are bought by our Government and they have no safety glass, they have speed ratios that do not meet the braking ratios, and so forth. What effect would this sort of legislation have on such cars that are purchased by our Government?

Mr. BENNETT of Michigan. If it had the effect of our not purchasing any of them, I would be in favor of the bill.

Mr. VANIK. Does the gentleman agree that we ought to insist that any automobile purchased by our Government anywhere in the world ought to have safety glass?

Mr. BENNETT of Michigan. I do. There is at present in the law ample authority for the General Services Administrator to purchase such safety devices as he wishes to purchase, which are presently manufactured, upon the request of the department or agency which is getting the automobile. That is already in the law. He has implemented it by regulations. He has authorized safety belts, for instance. Safety glass is standard equipment in all Government cars; windshield washers, defrosters, and heaters, things of that kind—rear view mirrors.

Mr. VANIK. Can the gentleman tell me whether the automobiles that our Government purchases from foreign manufacturers possess such safety devices?

Mr. BENNETT of Michigan. I cannot answer that question; I assume they do. I do not believe the General Services Administrator would purchase a foreign car without these devices or safety factors. Furthermore I know that in our State of Michigan, for example, a foreign car, in order to be licensed—and I think this is true in most other States—would have to have safety glass and many of these other things that we are talking about. Otherwise they could not drive them.

Mr. VANIK. It is my understanding that automobiles purchased by our Government in foreign countries do not have to meet these standards. A great many of these automobiles operate without safety glass or many of these other safety devices that we think are so important for Federal employees to have in this country.

Mr. BENNETT of Michigan. I think they should be required wherever they are purchased or however they are purchased. Certainly the Administrator has the authority to do that.

Mr. VANIK. It is the gentleman's contention, then, that this is not necessary; this could be done by administrative action rather than legislative action of Congress.

Mr. BENNETT of Michigan. Congress has already given this authority to the General Services Administrator. All this bill would do is give the Secretary of Commerce authority to engineer and design automobiles for the future, for all Government use.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman.

Mr. MEADER. Is it not true that the General Services Administrator today has ample authority to incorporate in his specifications for the purchase of motor vehicles any proved safety devices without any action by Congress or by the Secretary of Commerce?

Mr. BENNETT of Michigan. That is right.

Mr. MEADER. In other words, the authority to meet the problem that this bill is ostensibly aimed at already exists in law.

Mr. BENNETT of Michigan. That is right. The only authority the General Services Administrator does not have is, he cannot design an automobile himself. He must buy safety equipment that is available through a manufacturer. He, himself, does not go into the automobile designing and engineering business as this bill would put the Secretary of Commerce. I want to call your attention to this significant fact. This bill deals with government owned and operated automobiles. The accident frequency rate of automobiles driven by the government is less than the frequency rate of automobiles driven by the general public. Here are some statistics given to me by the General Services Administrator. According to the National Safety Council, 1,888 commercial fleet operators had an accident frequency rate in 1958 of 1.55 per 100,000 miles. In other words, about an accident and one-half for every 100,000 miles of driving. These are commercial fleet operators. Here are some government agencies and their frequency rate. For example, the Post Office Department which operates vehicles night and day all over the country, every day in the year under the most hazardous kind of driving conditions, had the frequency rate of only 2.05 in 1957, and they brought it down to 1.96 in 1958. The Department of the Air Force had a frequency rate of 0.77; the Department of Commerce 1.01; the General Services Administration 0.65; Atomic Energy Commission 0.92; Treasury 0.73; Veterans' Administration 0.63; Department of the Army, where you might expect the accident frequency would be greater, 0.82; and the Department of the Navy 1.17. I mention this merely to show that the accidents on the part of government owned and operated vehicles is less than the nationwide frequency of automobiles driven by the public.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I am delighted to yield to the gentlewoman.

Mrs. GRIFFITHS. Is it not assumed that the Federal Government, making the demand for certain safety devices, would now, of course, pay the bill? It would pay the bill for the safety devices that it asked for; would it not?

Mr. BENNETT of Michigan. On the government-owned cars, yes.

Mrs. GRIFFITHS. So that it is conceivable that having made the request for the purchase of automobiles with these safety devices that the government could be purchasing the entire sets of jigs and dies and fixtures and tools that make these safety devices which would thus make the automobiles purchased by the government the most expensive automobiles ever purchased; is that not correct?

Mr. BENNETT of Michigan. That is right. There is no way to estimate what the cost of this bill might be. It certainly would depend solely on the discretion of the Bureau of Standards. They would design it completely. No one knows how much that will increase the cost, except we are certain it will be tremendous.

Mrs. GRIFFITHS. So that certain safety devices could be purchased for, let us say, 500 automobiles and the jigs and fixtures be paid for, and when it comes to additional numbers of automobiles, the new fixtures would be paid for; could that not be true?

Mr. BENNETT of Michigan. Yes, it would.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. ROBERTS. Let me say to the gentlewoman, there is no intent in this bill whatsoever to put the government in the business of designing cars. In the first place, the government has purchased only about 10,000 automobiles a year. We know there are certain devices which the engineers and experts say will improve the chances of survival in case the car is in a crash. The gentleman from Michigan appeared before the Committee on Rules and threw out a figure of the cost of about $40 million. We only buy 10,000 cars a year, and that would mean you are going to pay $4,000 an automobile for safety devices. There is no use cluttering up the RECORD with a lot of things that are not in the bill that are not within the intent of the bill and that never will be.

Mr. BENNETT of Michigan. Mr. Chairman, I must decline to yield further to my colleague. At this point, let me ask the gentleman this question.

How much does he think it is going to cost? Can he give us any precise idea as to what it will cost?

Mr. ROBERTS. According to the testimony before the committee, safety locks are now on cars. We had an estimate from the Cornell study of the Ford Motor Co. that they could equip a car with the necessary crash paneling and seat belts at a cost of $32. We had a further statement that if the holes were predrilled in the manufacturing process that the seat belt metal attachments could be put on for as little as 50 cents a unit.

Mr. BENNETT of Michigan. Of course, Mr. Chairman, there is no way of estimating with any degree of accuracy what it will cost. The cost would depend entirely on the type of automobile.

Actually this bill is giving the Secretary of Commerce authority to practically design and engineer an automobile, so the gentleman's reference to item by item safety devices does not paint a clear picture.

Much is being done in the safety area. Most of the State legislatures have passed laws requiring certain devices they think are minimal to qualify an automobile for license.

There is no need for this type of legislation, and certainly not in the manner in which this bill attempts to do it.

As an example of how ridiculous this thing might work out in the matter of safety standardization for automobiles; ice and snow tires are no doubt necessary safety precautions in driving a car in the wintertime in northern Michigan, but such tires would be absolutely useless on a car driven in Miami, Fla., or in many of the Government installations in the South. An air-conditioning unit, which costs $400 or $500 might very well be a significant safety item in some of the Southern States where temperatures go up to 100 and 110 degrees, to keep a driver cool, to keep him breathing fresh air, to help keep him awake. You can associate very well such a device with safe automobile driving in hot parts of the country, but in the part of the country where I come from an air conditioning unit would certainly not be in the interest of either safety or convenience.

So by requiring that no car could be purchased unless it had all this uniform standard equipment could very well put the Federal Government into the business of telling the automobile manufacturers and the American public what kind of cars they must drive.

Mr. ROBERTS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I come to the well today with mixed emotions. I do not like to be alined on the opposite side of the fence from my two distinguished colleagues and friends, the gentlemen from Alabama [Mr. ROBERTS], and the gentleman from Ohio [Mr. SCHENCK]. I served with these gentlemen on the Committee on Traffic Safety, the select committee that went into this problem and gathered together all of these facts and statistics that have been published throughout this country, and I think very well. However, I am vigorously opposed to the bill which is before the House today, and I want to make it clear that if this bill were a safety measure designed to correct the highway death toll situation that has developed throughout this country I would be here waving a banner for it. It does not do that.

This bill is at most a promotional scheme in which the Federal Government is placed in the position of a promoter trying to bring about the regimentation of the entire citizenship of this country in the matter of the kind of automobile they can have and the kind they cannot have. It poses many, many different problems. In the first place, let me say to those who fear the loss of our markets to foreign countries, the automobile people have priced themselves out of the market right now. Take the average fellow earning $5,000 or $6,000 a year and the price of an automobile to him at $5,000 or $3,500; it scares him to death. Financing has been extended to 3 years. That is one of the reasons why you have these foreign cars coming in, one of the reasons the sales of foreign cars have increased from around 50,000 to somewhere around 600,000 today, although I may be slightly wrong in those figures. Add a lot of gadgets to these cars, and the cost goes up. In the final analysis that is what this bill is intended to do, it is intended to require that a person who buys an automobile must buy one with seat belts or some other gadgets that the automobile manufacturer can sell the Secretary of Commerce or the man to whom the Secretary delegates the power to determine these standards.

This bill is a hunting license for these dealers and manufacturers who build special gadgets; and, of course, the automobile manufacturers are delighted to sell any gadget that costs an additional $10, $20, or even $50, when they are going to make a profit out of it. For instance, suppose the Secretary of Commerce man should say, "Well, it is safer to have one of these electric eyes on your car that dims the lights." Do you know how much those cost? They cost somewhere around $49 to put them on a car.

What are you going to say to some of your constituents in a year or two when they come to you and say, "Mr. Congressman, why do I have to buy a car with a lot of gadgets on it I do not want? I do not want seat belts, I do not want this electric eye, I do not want a few other things that they put on these cars, but I have to buy them and I cannot afford to pay for them."

What are you going to say to them? You will say, "I was in Congress at that time but I did not realize where it was going." Then there is going to be a demand for the repeal of the whole thing because it is not serving the purpose and will not serve the purpose it was intended to serve in the first instance.

Let us look at the bill as it was originally drawn. The bill as originally drawn created a situation where every Member of Congress would have to meet the standards set up by the Secretary of Commerce for this reason: Every one of you use your own private cars for Federal Government business during some time in the year. You do it in Washington, you do it in your own district. This bill says that any car purchased for the use of the Federal Government or agency for 1 minute—it does not say for the full year—has to have these safety devices. That could very easily be construed to mean if you used your car and you deducted on your income tax the expenses for it, you either have to make it comply with the standards or you have to stop deducting the expenses for the use of it for the Federal Government. That is exactly what we are doing here.

Suppose a man set out on committee business from the Congress or from maybe one of the Departments downtown on an airplane and he has to rent a car to go some place to attend to his business. He cannot do it unless that man can give him a certification that the car has met all of the requirements of the Secretary of Commerce.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROBERTS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROGERS of Texas. Mr. Chairman, there is a great deal that could be said about this bill in opposition to it that I think most Members of the House will be deeply interested in. There is one point I want to make that I think is of great importance. Not one division of this Government has given a favorable report on this bill—not one. The General Services Administration, the Defense Department, the Secretary of Commerce, the Bureau of the Budget; every one of them have in effect condemned the bill. What is going to happen to that bill when it gets to the White House if the President of the United States follows the advice of the people that he appointed to office? We are standing here wasting our time right now. The President will probably veto it, if it passes.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Virginia.

Mr. HARDY. I heard what the gentleman said about use of the private automobile, if it did not comply with all of the regulations of the Secretary in connection with safety devices. You know, we receive some cents a mile every session. Would the gentleman say we cannot accept that 20 cents a mile if we drive our own private automobile up here? Is that Government business?

Mr. ROGERS of Texas. I would say we would be on loose ground if you did because you are using it for Federal purposes under the bill as it is written now.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Alabama.

Mr. ROBERTS. I would like to clear up that point. It was raised in the Rules Committee. The bill was drafted by the Legislative Counsel's office. There is some doubt as to whether it would apply to a purchased car used on Government business. I shall offer a clarifying amendment which will restrict it to Government-purchased cars used on Government business.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HARDY. Let us be sure we get this point cleared up. There are some committees in the House that have staff people who use their own private automobiles on committee business. That is certainly Federal governmental business.

Mr. ROGERS of Texas. Yes.

Mr. HARDY. They have expense accounts, and they have to be submitted in order to be reimbursed. If we are going to undertake to have a prohibition against them, it is going to seriously hamper committees.

Mr. ROBERTS. There is no point in going rabbit hunting on this bill. I told the gentleman in clear and unmistakable language this amendment that I shall offer will apply to Government purchased cars used on Government business.

Mr. HARDY. I suppose there is no problem about military vehicles. Is that taken care of in this bill?

Mr. ROBERTS. The bill specifically exempts military vehicles.

Mr. HARDY. Would that include vehicles such as jeeps?

Mr. ROBERTS. Jeeps are not included. It does not include military vehicles.

Mr. ROGERS of Texas. It does include passenger vehicles used by the military.

Mr. ROBERTS. It applies to passenger vehicles.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Are they going to amend Members of Congress right out of this bill and turn them over to the ravages of the highways?

Mr. ROGERS of Texas. Of course that is the situation that has developed. You are not going to be as safe in your automobile as the fellow riding in a Federal car may be, according to their arguments.

There is one other point I want to make. An attempt was made here about a year or a year and a half ago to equip all cars with seat belts. One fellow observed that he was against safety belts because they were too uncomfortable to sit on.

Now, that is the whole thing in a nutshell. You can put safety belts on every car that is manufactured, but you cannot make the people buckle those safety belts around them. Now, this bill, so far as Government purchases are concerned, I presume will have to do with these little carts that the postmen run around in. Now, if safety belts are required by the Secretary of Commerce to go on all passenger vehicles, you are going to use more manpower buckling and unbuckling the safety belts on the postmen than you will delivering the mail. Now, that is just exactly what is going to happen. You are going to be in a situation where you have to have this new safety standard on each particular type of vehicle being used in a particular area or for a particular purpose.

Now, what is that going to do? It is going to create a demand on the part of the Secretary of Commerce to set up an entirely new division with a large bunch of new employees to make more raids on the Federal Treasury to pay their salaries with, to do something that the letters contained in this report from all of the departments say "We have the power and the right to do it right today and we can do it, and we are against the enactment of this bill."

I oppose this legislation because it expands bureaucracy, opens the door for tremendous expenditures of tax money, is starting the trend to complete regimentation of the motorist, and could do much damage to the sale of American-made automobiles.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, I seldom appear in the well of the House and do so today only because of the very great importance that I assess to this particular legislation being considered.

Mr. Chairman, it has been my privilege to be a member of the Highway Traffic Safety Committee since its beginning. I want to pay my respects, my very sincere respects and commendation, to our chairman, the distinguished gentleman from Alabama [Mr. ROBERTS], and to the members of the committee who have served on that committee, both past and present, for their devotion to this job of automobile and highway traffic safety. We have had many fine hearings. The chairman could show you several volumes of books showing these fine and very worthwhile hearings. We have seen many wonderful demonstrations in that they were so clear in what they showed. We have examined into drivers' license laws, we have examined into enforcement of traffic laws, and we have examined into the possibility of encouragement of the adoption of a uniform traffic code for the entire United States, which I personally believe would be very helpful.

Now, I would also like to commend the entire automotive industry, because the entire automotive industry has been working together on these safety questions. They have been conducting their tests together. They have exchanged and pooled engineering information. I understand they have a cross-licensing arrangement on various safety devices. So, the industry itself is well aware of its responsibility in this field.

Now, there has been too much emphasis on horsepower and speed in various advertisements in the past, and this has been changed in large measure by the efforts of this particular Highway Traffic Safety Committee. There have been a good many things said here today which are completely hair splitting in an effort to divert attention from the real purpose of this legislation. As the chairman has said, there has been a good deal of rabbit hunting in this matter, and certainly that is not the intention of this legislation and certainly will not be the purpose of this legislation.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I am delighted to yield to my friend from Texas, a former and highly valued member of our subcommittee.

Mr. ROGERS of Texas. Mr. Chairman, I want to commend the gentleman for his dedication to the solution of many of these problems in which I think everyone should be interested. His reference to one matter points up one of the most important developments that we have had. That is the horsepower situation. No bill has been introduced which I think strikes at the root of the trouble. Is it not a fact that a great number of the accidents on our highways are caused by people between the ages of 15 and 24 who are engaged in reckless driving, at high speeds, and who are using horsepower that they probably should not have anyway?

Mr. SCHENCK. I would say to my distinguished friend from Texas that probably a very substantial number of accidents are caused by the improper use of the great horsepower that has been made available.

Mr. ROGERS of Texas. Will the gentleman answer my question?

Mr. SCHENCK. This bill, of course, does not reach the problem of horsepower. The idea that the Federal Government should enter into the matter of the design and engineering of automobiles is just complete "pish-posh." That has no relationship to this legislation at all.

Mr. ROGERS of Texas. Will the gentleman yield for one other question?

Mr. SCHENCK. A brief question.

Mr. ROGERS of Texas. Is it not a fact that the automobile industry itself has been the one that has developed whatever safety devices have been developed; that is, the deep-dish steering wheel, the padded dashboard, the door lock that keeps the door from flying open?

Mr. SCHENCK. I would say to my friend from Texas that the automobile industry, as I have indicated before, has done a great deal of work, but they were not entirely of themselves alone inspired in the development of these features. Many of them came about through studies conducted by the Crash School at Cornell University, and other similar efforts.

Mr. Chairman, certainly everybody agrees that the automobile industry is tremendously important in our national economy. We do not wish to do anything which would reflect harmfully on the industry itself or reflect harmfully on its great impact on our national economy. It has been said that sales are influenced by design, by strips of chrome, by various kinds of paint, by styling, by trying to incorporate comfort into the car, by trying to improve the operation of the car. But the design of the passenger compartment itself, as has been so well said by the gentleman from Minnesota [Mr. BLATNIK] leaves much to be desired. For instance, most automobiles today have low roofs and many of us have difficulty in getting into an automobile today especially when we are

wearing a hat. If the car had a couple of extra inches of roof space, added head room space, there would be fewer fatal accidents.

It should be very simple also to place a strip of padding over the top of the windshield. It would be very simple to recess the knobs on the control panel of the car. It would be very simple to have a standardized type of door lock so that the doors would not fly open if the car were involved in an accident. It would be very simple to do away with projections on the front of the car upon which many pedestrians and others have been impaled.

The deep-dish steering wheel has been mentioned. That was a fine development. But there are other developments it would be fine to have. It would be fine to have seat belts. Personally, as the gentleman from Michigan has said, I would have preferred legislation dealing with the entire sale of automobiles in interstate commerce. But this legislation is a good start.

Certainly, we cannot think for one moment that any Secretary of Commerce and his associates are going to go off halfcocked and make all sorts of absurd types of demands for devices that have no use or excuse, economically or otherwise. And so I feel that this is a good start in the right direction. It permits the Federal Government to assume the leadership that is so necessary in the development of automobiles designed for greater safety in the transportation of people.

Mr. Chairman, I can speak only for myself. I never try to speak for any other Member of this House or tell him how he should vote. I am speaking only for myself, but I personally shall support this bill with everything that I can. I want to be on record as being in favor of the right kind of safety legislation in the interest of the people. I do not want it ever shown that because of some sort of trumped up, hair-splitting type, of question that I am willing to have less safety in automobiles. As we have been discussing this legislation this afternoon, in the 2 hours of general debate on this bill, nine people who were live human beings at 10 minutes to 1 will be statistics at 10 minutes of 3. Two hundred and forty who were well, happy people, who were contributing to the support of themselves and their families and the Government—240 people who were doing that at 10 minutes to 1, according to our clock, will be injured more or less seriously by 10 minutes to 3. Yet, we are here trying to develop all sorts of arguments against this measure and why we think that this and that might occur because we dare to suggest that the Secretary of Commerce set some safety standards for automobiles purchased and used by the Federal Government for passenger-carrying purposes. Certainly, it seems to me that we must take a positive forward step. I can speak only for myself, as I indicated, and I am going to take the most positive step I can at this time in supporting this legislation for safer and better designed automobiles from the standpoint of the passengers and the public in general. Somebody said, why do you not build an automobile like you build a ship with boiler plate all around it? My friends, if you stop an automobile suddenly at 25 miles per hour, the people in the car do not stop, they continue to go at 25 miles per hour and the instant when they stop is when the injuries occur. We have seen picture after picture and evidence after evidence and article after article. It does not strike home until it happens to one of our own, a member of our own family. So my colleagues, I personally am going to be for more safety. Personally, I am going to support this legislation. I personally am going to do everything I can to encourage further legislation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Iowa.

Mr. GROSS. As to these figures that the gentleman gave of 240 people killed or injured or both—were they Government employees driving Government-owned vehicles?

Mr. SCHENCK. No, but let me tell my friend from Iowa that in the past year there were 673, if I recall the figures correctly, 673 Air Force personnel alone, fatally injured in automobile traffic accidents, more I believe, than were killed in air accidents in the Air Force this past year. It has been said that we spend about $25,000 of taxpayers' funds to train and develop an airman or Air Force officer. Let us cut that in two. We still have lost economically in addition to the 673 lives about $8 million. Yet, the chairman says here that this padding can be put on these cars and a few little changes made for between $25 and $30.

Mr. GROSS. How many of these servicemen were traveling in Government-owned vehicles and how many of them were traveling in their own vehicles when they were killed? This bill deals with Government vehicles, you know.

Mr. SCHENCK. I imagine those figures are available. The point is that they were casualties of the Air Force and their fatal accidents are mourned by their families and friends just the same as if they had been lost in combat and in addition the taxpayers of this Nation had invested tremendous sums of money in them.

First, we can well afford to develop a little safer automobile, not only for the Government employee and those who are going to ride in these Government-owned cars, but from the standpoint of damage they may do to the general public on the highways of this Nation.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield.

Mr. ROBERTS. I would like to commend the gentleman from Ohio who served on this subcommittee ever since its formation 3½ years ago. He has been devoted and dedicated to his work and I appreciate very much his loyalty in supporting this legislation. I want to say to the gentleman that in pointing out that the Air Force in 1957 lost some 673 men in automotive accidents, it should be compared to the somewhat higher toll from air crashes of 698. At one time in the Korean conflict we were losing more people in automotive vehicle accidents than we were in the frontline of battle.

Mr. SCHENCK. I thank the gentleman and I urge the adoption of this bill.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, in answer to the gentleman from Alabama with reference to accidents in Korea, the gentleman's bill exempts all vehicles designed or used for military field training, combat, or tactical purposes. How are you going to save lives in the military service when they are exempted from your own bill?

Mr. ROBERTS. I would say to the gentleman from California that if my bill is adopted then these vehicles that caused these deaths would be equipped with at least minimum survival safety features.

Mr. YOUNGER. Not necessarily during combat. When this was before the committee for a vote I do not recall one word being said or brought to the attention of the committee as to the present authority of the Administrator of GSA over safety devices.

Mr. ROBERTS. If the gentleman will yield, I think that question was raised, but the point is that if they had the authority they did not exercise it. They buy stripped-down models. Do you know what they buy a station wagon for? For around $1,700, one that would cost me $3,400; and they pay $1,490 for a four-door sedan. They are stripped-down models, it is true, but they have safety locks on the doors to keep them from opening on impact. As a matter of fact, many of them have safety-type steering wheels, but none of them have crash paneling or any protection for the head, or sun visors. Some of them make no effort to tie down the seats, either front or rear, to keep them from collapsing on impact.

Mr. YOUNGER. The gentleman from Alabama is correct, but I was not talking about that. I was talking about that authority which now exists for the Administrator to specify everything that he thinks is necessary for safety; and he does have authority now to specify these features.

Those facts were not developed before the committee. There was no discussion of it when we had the full committee there.

Mr. ROBERTS. Was the gentleman present at that meeting when the matter was considered?

Mr. YOUNGER. I certainly was present; yes.

Mr. ROBERTS. The gentleman should have inquired about the bill. As I remember, the gentleman voted for the bill.

Mr. YOUNGER. I did, thinking there was nothing in this legislation that would give this protection. I did not have time to make further inquiry. As a matter of fact the hearings, as I recall, were not printed at the time when we had the vote. They may have been but I do not recall that the hearings

were even printed at that time, and, very frankly, after looking into this since that time I cannot support the measure.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. ROGERS of Texas. There are two things I would like to make clear: First, in the matter of this Cornell University study referred to by the gentleman from Ohio, that research was financed through industry contributions. I do not know whether all the automobile companies contributed, but many of them contributed substantially to the program.

Second, a lot of statistics have been quoted here with regard to the number of deaths and injuries, and the implication left that there has been no advance or improvement. That is not true at all, for percentagewise there has been a great deal of headway made. Today there are a great many more automobiles on the highways than there were last year or the year before. We should not use these accident statistics until up-to-the-minute revision can be made. Progress is being made at the present time because the figure has stood around 38,000 to 40,000 deaths each year. Of course we want these measurably reduced. But this bill does not do that.

Mr. YOUNGER. I think the large number of deaths as included in these statistics very clearly indicates it is the intent of those advocating this measure that they now want to put those devices on designs for everybody to have them. Frankly, I am just as interested in the safety of my constituents as I am those who are on the Federal payroll. If you are going to require those on the Federal payroll, and it is essential for safety, then the next step is we will have to require it for our own people in good conscience.

Mr. ROBERTS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, next month will mark the 40th year of my membership in the International Brotherhood of Electrical Workers. I am proud to be a member of this union, one of the many labor organizations which has had a splendid record during its 68 years of existence. Therefore, I am quite dismayed to learn that many persons seem to believe that the International Brotherhood of Electrical Workers and the International Union of Electrical, Radio, and Machine Workers are one and the same organization.

James B. Carey is president of the International Union of Electrical, Radio, and Machine Workers. He has no connection with the International Brotherhood of Electrical Workers. Mr. Carey's union's initials are IUERMW and much of this confusion could be avoided if this abbreviation were used in referring to his group.

Gordon M. Freeman is president of the International Brotherhood of Electrical Workers. The brotherhood headed by Mr. Freeman has traditionally been abbreviated as the IBEW.

The IBEW was organized in St. Louis in 1891 and has 750,000 members in every part of the United States and Canada. Its members are employed in electrical construction; in public utilities; in every form of communication—telephone, plant and traffic, as well as telephone manufacturing—radio and television, broadcasting and recording, as well as manufacture, service and repair; on railroads; in every form of electrical appliance and electronics manufacturing; in atomic energy installations; in ship and plane and submarine installations; in Navy yards and other Government installations, on the TVA and in other electrical fields.

IBEW members helped build the *Nautilus*, the Univac and to man the equipment at Cape Canaveral. They also keep the railroads operating and help provide electric energy for the entire Nation.

Mr. ROBERTS. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of this legislation.

Being a new member of this Committee, on Health and Public Safety, first of all I want to say that this committee has gone into this problem very thoroughly, that our chairman and the ranking minority member of the committee on the minority side have studied this problem for many, many years. This being my first year on the committee, when this problem came up I looked at this particular matter with a good bit of skepticism because I wondered, too, if this type of legislation would do any good; second, whether it is the proper approach; and, third, whether there really was a problem at all to deal with. I sat in committee and heard the witnesses testify, men who are devoting a great deal of their life to research on this very problem, research which they tell us can bring about he saving of lives, a reduction in the number of injuries, a reduction in loss of property in many instances. I think we ought to listen to that advice if we can properly take it and apply it in this field. I am sure you realize that each year we have almost 40,000 lives lost in automobile accidents, that we have approximately 5 million people injured in automobile accidents, and that the property damage results in a figure of something between $5 and $7 billion a year.

Now, I think that pretty much points up a problem that the Federal Government should take leadership in. The only opposition I have heard to this bill is the fact that if we put some safety devices in Government cars, passenger-carrying cars, the people may not use them; they may not strap the seat belts across them, or they might not shut the door well enough so that the safety lock catches. The other argument is, Why? We already have the authority; that the GSA now can do it. Those are the two arguments used in opposition to this legislation, and the only purpose that this legislation can bring about—and it is so stated—is to exert leadership in this field.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from New York.

Mr. TABER. I wonder why it is that after 3½ years of study the committee did not bring in a bill which provided that safety standards should be required. Then we would not be passing the buck, but we would be doing something.

Mr. ROGERS of Florida. Well, I think the gentleman has made a very fine point; I think that is an excellent point, and I am glad to see that the gentleman from New York feels that we need some legislation of this type. I agree that perhaps we could have gone further and required it on all automobiles. However, we felt that this approach was more of a voluntary approach and that leadership being exerted by the Federal Government would be the most effective first step we could take.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield, I appreciate the contribution by the distinguished gentleman from New York. But the fact remains that in writing the act on these safety devices the Bureau of Standards has a long and distinguished record of cooperation, not only with agencies of the Federal Government but with State agencies, local and State divisions, and with the industry itself. They will do exactly what they did when we put the refrigeration safety device bill through. They called in NEMA, which is the group which represents the electrical manufacturing association. They called in engineers. They called in the public. They called in other experts, and they held hearings and allowed these people to be heard. In that way you get an expert's viewpoint; you get an expert's problem. They are not going off into some corner and write these standards; they are not going off alone and try to write these standards, because the report which forms a part of the legislative intent says they must write these standards in cooperation with industry and with experts and researchers and the public.

Mr. ROGERS of Florida. I thank the gentleman.

Now, I want to comment that the automotive industry is doing a very fine job to help bring about research in this field. They have made many contributions and they are continuing to. Is it not really a litle ridiculous for us to have these advances in research made and then not take advantage of them? And that is all that this bill is asking. It is showing the intent of the Congress that we want to benefit from some of the research that has been done by the automotive industry. Furthermore, we want to exert a little more leadership in it, and I feel that this is the first step we should take to improve this problem of 40,000 deaths a year and 5 million injuries a year and damage to the extent of $5 billion to $7 billion a year. It is time for us to act.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield further, let me say this, that in the hearings industry was represented. We had a full hearing. They had all of their vice presidents in charge of engineering to come into our hearings. And, I could tell you as a Member of this body that 4 out of 5 members of the automotive industry were willing to endorse this bill and so communicated that fact. But one objected, and that is the reason there is opposition to this bill today.

Mr. ROGERS of Florida. I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am very much interested in the gentleman's statement. I would like to ask him and the other members of the committee why they are not willing to consider a bill that I introduced for several years which would limit the speed to 50 miles an hour during the long holiday weekends. That is the period, by far, that the greatest number of deaths and injuries occur. Motorists tell me they can control their cars at 50 miles an hour but they often cannot if they go over that speed. I hope the committee will consider my bill. It at least is a trial, and if it works, it will be a wonderful thing.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield, I will say to the distinguished gentlewoman it has always been the intent of this subcommittee and the full committee to try to stay within the Federal jurisdiction, and we think that would be an invasion of States rights and that the matter of speed limits should be confined to State jurisdiction.

Mrs. ROGERS of Massachusetts. It seems to me it is like a war. We try to prevent death and injuries during war. Certainly this is a very horrible kind of war. We are killing day by day more people than we do in war. I feel so strongly about this, and I know the gentleman does. Let us have a war to save lives on the highways. Our children are being killed and we do not seem to do anything about it at all. I do not mean that the committee has not done a lot, but it is not reaching the problem. If we must wait for the different States to act, we shall lose millions upon millions more lives.

Mr. ROBERTS. I certainly agree that a lot more ought to be done than we have been able to do. The lady can see what a battle it is to pass a simple bill like this.

Mrs. ROGERS of Massachusetts. I am with the gentleman. I am going to help all I can.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. ROGERS of Texas. There is one thing that should be cleared up in view of what the gentleman from Alabama [Mr. ROBERTS] said about opposition to this bill. I do not know whom he is talking about when he says that one group out of the automobile industry is opposed to the bill. I want the record to be thoroughly clear that no one has talked to me about opposing this bill, no one from the automotive industry. As a matter of fact, the automotive industry is for the bill, because they will sell many additional appliances, devices that go on these automobiles, and it is going to up the cost of the taxpayer in the final analysis. But I think the record ought to be thoroughly clear as to who this individual is that is supposed to be opposing this bill and bringing about this opposition.

Mr. ROGERS of Florida. I am sure if the gentleman will speak to the gentleman from Alabama, he will be glad to furnish the information.

Mr. ROGERS of Texas. I think the record ought to show it.

Mr. ROGERS of Florida. If the gentleman will speak to the gentleman from Alabama, I am sure he can get the information. I cannot give the gentleman the name; I do not know. But I do want to say this, the record at all times was very clear that there would be no great cost involved in this bill, that we could have many of these safety features for a very nominal cost, just as they have installed in many instances the safety doors, just as they did with the refrigerators, when they put a lock on them, and which has meant so much to the safety of young people in America. It is time for us to take leadership here. This is one of the great problems facing the country today. We have these deaths occurring year after year and we do not want, it seems, to face the problem. It is time for us to assert leadership.

Mr. Chairman, I hope the House will support the bill strongly.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. YOUNGER. Like my good friend, the gentleman from Texas, I want to make this record very clear that I have never talked to anybody in the automobile industry about this. Nobody has been around my office concerning this bill. My only objection is that this bill has not had adequate attention by the full committee.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. ROGERS of Texas. Mr. Chairman, I think the name of the person, whoever it is, who is supposed to be generating this opposition, ought to be put in the RECORD. There has been an open accusation on this floor that the opposition was generated by somebody. I feel in all fairness to those of us who are opposing the bill that we should know, and the people of the country are entitled to know, if someone on the outside is trying to block this bill.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield further?

Mr. MEADER. I yield to the gentleman.

Mr. YOUNGER. I should like to ask the chairman of the committee, the gentleman from Alabama, whom he was referring to.

Mr. ROBERTS. Mr. Chairman, I should like to say to the gentleman that I am under no obligation to tell him the name of the person. The gentleman has known me for many years here. He knows that I do not make reckless statements. The information came to me through Mr. John Moore who is Director of the Crash Injury Research Project at Cornell.

The report shows that the industry put out a press release saying, "We heartily endorse the objectives of H.R. 1341." It is in the report. Then they go on and say, "However, the Department under section 112 has the right to prescribe these specifications." But the fact remains that they are not, and have not prescribed any safety devices to amount to anything.

Mr. MEADER. Mr. Chairman, on page 71 of the committee hearings occurs the statement to which the gentleman from Alabama [Mr. ROBERTS] has just referred. It reads as follows. This is the press release:

> The engineering advisory committee of the Automobile Manufacturers Association presented the industry's position on five bills in a statement to the House Permanent Subcommittee on Health and Safety, headed by KENNETH A. ROBERTS, Democrat, of Alabama.
>
> The industry also endorsed the objectives of the proposal by Congressman ROBERTS (H.R. 1341) to equip the Government's passenger-carrying vehicles with specified safety features, saying:
>
> "We feel that governments should set an example for the public by adopting available safety equipment for use on Government-owned vehicles."
>
> However, it questioned the need for Federal specification of automotive design standards as "an unnecessary duplication of effort and expense."

And then the gentleman from Alabama went on to say:

> That statement looks kind of like a yo-yo to me.

Mr. Chairman, I commend the gentleman from Alabama and his subcommittee for the study it has made of highway safety in the past 3½ years.

The subcommittee visited Michigan and visited the Chrysler proving ground which is located in my congressional district. They graciously invited me to sit with the subcommittee in the briefings by the engineers of the Chrysler Corp. and in the demonstrations that were made of safety devices and experimental safety measures under study by the Chrysler Corp.

I commend the gentleman for the study that is revealed in these hearings. I will say for my part, no one from the automotive industry called me to take an interest in this legislation. I discussed it with my colleague, the gentleman from Michigan [Mr. BENNETT], and I read the hearings with a great deal of interest.

The subcommittee included a great deal of information on safety devices that have been developed in recent years voluntarily by the automotive industry

and on research for further improvements on safety. The hearings include pictures of various devices and explanations of them starting on page 134 of the committee hearings.

I do not believe there is a single Member of this House who is in favor of hazard and opposed to safety. I do not believe anyone could attempt to use this bill, H.R. 1341, to say that anybody who opposes the bill is really opposed to safety. That would be a very misleading and unfair oversimplification.

I am just as interested as the subcommittee of the gentleman from Alabama [Mr. ROBERTS] in studying this very important problem of safety which will become more and more critical as our automobile population and automobile travel rapidly increase.

I do not believe the subcommittee can state what percentage of accidents are due to the design and engineering of motor vehicles. I do not believe there are any statistics to show how many serious injuries result from design and engineering features of a motor vehicle.

We all know there are many factors that enter into automobile accidents such as human negligence and human error, road conditions, weather conditions, the condition of the driver with respect to fatigue and so on. All of these factors enter into automobile accidents. How many accidents are the result of the design of the vehicle, there is nothing in this record to show. As a matter of fact, Dr. Goddard on page 36 of the hearings said a study is now being made in the Greater Boston metropolitan area by the Harvard Medical School attempting to make a study of all the causative factors of accidents.

I believe sufficient power already exists in the General Services Administrator to do everything this bill seeks to accomplish and it would only be confusing to get another department of the Government involved.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I respect my friend, the gentleman from Alabama, the author of this legislation. I know his motives are the best, and he certainly is acting in good faith. But the effect of his legislation would have a serious impact on the entire automobile driving public throughout the United States. My basic objection to this legislation is the fact that it gives the Secretary of Commerce authority to design automobiles and engineer them. I would have no objection to legislation that made specific categories of safety devices required on automobiles in interstate commerce. I think that would be a fair and honest approach, but why does this not apply to every automobile owner. Let me tell you why. How do you think the motorist would feel if Congress passed legislation requiring everybody to have power steering on his automobile at a cost of $180 per car or a headlight beam changer costing $50. There is no question that these things are safety devices, but would the American public want them forced upon them? If you want to do it that way, why do you not do it directly? Why do you not propose legislation and name these devices that you say are so necessary to be put on an automobile instead of delegating to a bureaucrat who knows nothing about automobile design and manufacturing?

You are starting with 10,000 Government cars. What is next? There are 55 million more cars in the United States. You cannot legislate fairly this way. Those devices that are proven necessary for minimum safety will be required anyway, but this is not the way to provide minimum standards. You cannot tell the American public what kind of automobiles they must drive.

I hope the bill will be defeated.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no motor vehicle manufactured on or after the effective date of this section shall be acquired, by lease, purchase, or otherwise, by any officer or employee of the Federal Government for use by the Federal Government unless such motor vehicle is equipped with such reasonable safety devices as the Secretary of Commerce shall require which conform with standards prescribed by him in accordance with section 2.

SEC. 2. The Secretary of Commerce shall prescribe and publish in the Federal Register commercial standards for such safety devices as he may require under authority of the first section of this Act. The standards first established under this section shall be prescribed and published not later than one year from the date of enactment of this Act.

SEC. 3. As used in this Act—

(1) The term "interstate commerce" includes commerce between one State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico and another State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico.

(2) The term "motor vehicle" means any vehicle, self-propelled or drawn by mechanical power, designed for use on the highways principally for the transportation of passengers except any vehicle designed or used for military field training, combat, or tactical purposes.

(3) The term "officer or employee of the Federal Government" includes an officer or employee in or under the legislative, executive, or judicial branch of the Government of the United States, a Member of or Delegate to Congress, a Resident Commissioner, an officer or employee of the government of the District of Columbia, and a member or former member of the Armed Forces of the United States, including the Regular and Reserve components thereof, the Fleet Reserve, the Fleet Marine Corps Reserve, the Coast and Geodetic Survey, and the Public Health Service.

SEC. 4. This Act shall take effect on the date of its enactment except that the first section of this Act shall take effect one year and ninety days after the date of publication of commercial standards first established under section 2 of this Act. If such standards as so first established are thereafter changed, such standards, as so changed, shall take effect one year and ninety days after the date of publication of such changed standards.

Mr. ROBERTS (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, strike out lines 7 through 11, inclusive.

Page 2, line 12, strike out "(2)" and insert in lieu thereof "(1)".

Page 2, line 17, strike out "(3)" and insert in lieu thereof "(2)".

The committee amendments were agreed to.

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: Page 1, line 5, strike out "any officer or employee of".

Page 2, strike out line 17 and all that follows down through and including line 2 on page 3, and insert in lieu thereof the following:

"(2) The term "Federal Government" includes the legislative, executive, and judicial branches of the Government of the United States, and the government of the District of Columbia."

Mr. ROBERTS. Mr. Chairman, the reason for the amendment is that in drafting the bill some question arose over the language in line 5 on page 1 with respect to "the lease, purchase, or otherwise by any officer or employee of the Federal Government."

The purpose of the amendment is to eliminate any idea that it applies to private purchases used for Government business. The best example I can think of in this regard is use of a car by a Member of Congress or a rural mail carrier. It would not apply to them. It would apply only to Government purchases that are used for Government business.

This question was raised in the Rules Committee. Another question that will be eliminated by the amendment is that on page 2 we struck all language from line 17 down through and including line 2 on page 3, and substitute as a definition for the term "Federal Government" the following: "The legislative, executive, and judicial branches of the Government of the United States, and the government of the District of Columbia."

This takes out a good deal of surplus language that was contained in those lines.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. GROSS. That would still leave Members of Congress under this bill?

Mr. ROBERTS. No, it would not leave Members of Congress in it except for the automobiles furnished to the Speaker and the minority leader.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. AVERY. The gentleman will recall that earlier in the afternoon I asked him about cars leased by employees of the Federal Government. I

understand the gentleman's amendment would exempt them.

Mr. ROBERTS. The gentleman from Kansas is correct, and I will say this to him: I do not think it is the intent of the bill to reach vehicles that are leased, certainly not vehicles that are leased for a very short period of time. I would be glad to take that out in conference on the bill if the bill is approved by the House.

Mr. AVERY. If the gentleman will yield further, why not take it out right now?

Mr. ROBERTS. If the gentleman wants to offer an amendment to strike it out I will be glad to accept it.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the subcommittee what is the incidence of accidents involving Government-operated vehicles as compared with other vehicles?

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ROBERTS. Let me say to the gentleman that the idea is erroneous that there is a different incidence of accidents among Government employees compared with other drivers. It is no greater. But we believe that the Federal Government should take leadership in things like pure food and drugs, like we did in safety in refrigerator door construction, and like we did with our airplanes, like we did with the railroads, like we did with the Flammable Fabrics Act, where we set certain standards of flammability. We did not take over that industry; we do not take over this one.

Now, that is a long answer to the gentleman's question. But the point is, we believe the example of the Federal Government will draw the trend away from foreign imported cars which have now reached the half million a year mark. I think it will encourage the public to want these devices on the car, and once that fact is known to the manufacturers they will become standard equipment. If they save lives, if they keep an injury from being a death, they ought to be on everyone's car.

Mr. GROSS. I am opposed to the bill and to the amendment. If the bill is good, why not spread the good things of life to everybody, including Members of Congress. I am opposed to the gentleman's amendment, because I want to be protected against those Members of Congress who are driving foreign cars. This bill, in my opinion, is another foot in the door to the U.S. Treasury. I have not yet heard anyone provide an estimate of what this is going to cost the Federal Government.

Mr. ROBERTS. I can say that according to the report the Department spent $200,000 to make the report, and they say that we are spending in the Department $6½ million on campaigns, safety campaigns, slogans, posters, and things of that sort.

Mr GROSS. The gentleman does not intend to dispense with that by this bill, does he?

Mr. ROBERTS. I suspect we could spend $32 a car, about $322,000 a year, on this, and if we saved the lives of 10, 20, or 30 of our servicemen the bill would be well worth the effort.

Mr. GROSS. The gentleman spoke about rabbit hunting in this debate. I think there has been a lot of rabbit hunting done around here on the part of the proponents of this bill.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. There is no possible way of determining what the cost will be.

Mr. GROSS. Of course not, because there are no standards.

Mr. BENNETT of Michigan. The gentleman refers to $32 a car. This bill gives the Secretary of Commerce the right to design a whole automobile. How in the world can anybody foretell at this point what kind of an automobile he is going to come up with or how much it will cost? We are sure it will cost a lot of money on the part of the taxpayers of the country and the motoring public. They are going to be forced to put these things on they do not want.

Mr. GROSS. It is my understanding that the General Services Administration already has the authority to require safety features on automobiles owned by the Government. Does this bill take anything away from the General Services Administration? Apparently not. I see nothing in the bill that does.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. MEADER. It will simply set up an additional and duplicating bureaucracy in the Department of Commerce which will feel it has a mandate from the Congress to set up a list of safety devices and to establish standards, to hold hearings and so forth. They will have to have personnel to do that. There will be some additional cost in the way of administrative personnel which is wholly unnecessary because the whole job can be done right now by the General Services Administration.

Mr. GROSS. The gentleman from Michigan is correct. How many high-priced consulting firms will be employed by the Department of Commerce? What will that cost with respect to this legislation?

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. YOUNGER. I would like to ask the gentleman from Alabama [Mr. ROBERTS]: This last amendment that he proposes is not a committee amendment, is it?

Mr. ROBERTS. It is simply a clarifying amendment.

Mr. YOUNGER. Was that discussed at our meeting when the bill was approved?

Mr. ROBERTS. No; this amendment was not discussed at the full meeting.

Mr. YOUNGER. Now we are trying to write legislation on the floor which should have been done in the committee?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the gentleman from Alabama a question or two about his amendment. A question was raised earlier in the debate as to whether or not these standards would be applied to automobiles rented by a Federal Government employee or by a Member of Congress or by a committee clerk on official business when they went by air or train and had to rent an automobile. Will the gentleman from Alabama clear that up?

Mr. ROBERTS. I may say to the gentleman from Texas my idea is it would not be in the interest of economy to require safety devices on those automobiles. It does apply to them at the present time.

Mr. ROGERS of Texas. And with the gentleman's amendment it would still apply?

Mr. ROBERTS. I understand the gentleman from Kansas may offer an amendment to strike the word "lease".

Mr. ROGERS of Texas. How is the gentleman going to get around the "or otherwise"? Those words are in there. If you acquired the automobile by purchase or otherwise, that would mean any right or color of ownership or right to use it by bailment, lease, or other means.

Mr. ROBERTS. I would assume if it is under the control of the Federal Government for a permanent time it would apply to that automobile as the language is written in the bill at the present time.

Mr. ROGERS of Texas. Does not the gentleman think it would be better if the bill was confined to what its purpose is. As I understand, it was for the operation of Federal leadership, that it would be confined to those automobiles purchased by the Federal Government and title taken by the Federal Government.

Mr. ROBERTS. I might say to the gentleman that there was no testimony as to any number of vehicles that are leased by the Federal Government. The only testimony we had was as to Government purchases. That was the intent of the legislation.

Mr. ROGERS of Texas. Now, the other question has to do with the definition of the term "Federal Government." I believe the language includes the legislative, the executive, and the judicial branches of the Government of the United States. So, actually the matter would still be up in the air, more or less, as to whether or not a Member of Congress who was using his car on official business might be covered by this act, would it not?

Mr. ROBERTS. Well, I will say to the gentleman that I think the amendment clarifies that part. It is certainly not the intent that it apply to anything but Government-purchased cars used on Government business.

Mr. ROGERS of Texas. What about a committee clerk who was using his car more or less as a bailor to the Federal Government but using his car as bailee agent of the Government. Using it for Federal business and was getting paid a per diem on it?

Mr. ROBERTS. I do not believe it would apply to that particular situation.

Mr. ROGERS of Texas. Does not the gentleman from Alabama think that this matter ought to be thoroughly clarified before we pass a bill of this kind?

Mr. ROBERTS. I think we have discussed that.

Mr. ROGERS of Texas. One of the big troubles about this piece of legislation is that there is too much that is left in suspended animation. No one knows exactly where we are going, and we are fixing to pass a law here having to do with all of the automobiles used by the Federal Government not only in this country but, mind you, in foreign countries, because there is no exception made to it. We are fixing to set up another bureau to spend a lot of the taxpayers' money for something, and I certainly think the people of this country are entitled to know what they are getting if we move into that area.

Does the gentleman desire me to yield?

Mr. ROBERTS. Mr. Chairman, would the gentleman yield?

Mr. ROGERS of Texas. I will be happy to.

Mr. ROBERTS. I would think that on automobiles purchased by the Federal Government abroad it would be necessary that they contain such safety devices as are required by the Bureau of Standards.

Mr. ROGERS of Texas. Would the gentleman answer this question? Do you think under this bill that the Secretary of Commerce would have the right to set up one group of standards for a German make automobile, another for a French make automobile, and another for an American make automobile?

Mr. ROBERTS. I would think this, that the Secretary of Commerce would probably have to require American-made automobiles to be purchased, even if to be used abroad, under the language of this bill.

Mr. ROGERS of Texas. Well, suppose the automobiles were purchased over there with counterpart funds. As I understand, they could be purchased by using counterpart funds. Certainly the people of those countries are going to insist that the automobile purchases be made in the country from which the counterpart funds came, and I think rightfully so.

Mr. ROBERTS. I am sorry I cannot answer the gentleman's question as to counterpart funds.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened very carefully to the debate on this bill, and I have read the bill in full. I approached it with an entirely open mind. I am now convinced, after listening to the argument and consideration of this measure, that it is a good one. It seems to me that we have been rather slow in starting something along this line. The safety of our lives and of our health is one of the most important things that we could consider. The Government requires safety standards in buildings, and so forth. The Government always requires protection against fire hazards, against doors opening toward the inside, and there are other safety standards that are required. And we all know that more people are being killed and injured on the highways than by fire. It seems to me that we should take this step, and it is a moderate step. If the bill becomes law and works well, as I believe it will, if it is properly administered, then the public generally will begin to demand safety standards in automobiles and we will save, over a period of time, thousands upon thousands of lives of our good people and millions of dollars that are now being lost in the destruction of property. So I think that the cost, if there is any extra cost, would be infinitesimal compared to the saving that society would make and that our people would enjoy. As a matter of fact, I do not see why it should cost any more at all.

There are some unnecessary gadgets that are put on automobiles now that could well be left off under the operation of this bill, as I see it. Actually I believe the cars could be sold at a cheaper price, constructed more cheaply than they are now. That is the way it appears to me. But even if it should cost some more, and I think it would not cost a whole lot more, certainly the saving in property and in life would be many, manifold greater than the cost.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the gentleman.

Mr. WIER. Let us take a specific example. Let us take the last Labor Day weekend which is always a criterion of these catastrophes. Out of the 350 people killed over the weekend and probably four or five thousand injured, what percentage of those were Government employees?

Mr. MORRIS of Oklahoma. I think it was not a very large percentage, but this is just a step in the right direction. If it works well eventually all America, in my judgment, will require these safety devices.

Mr. WIER. As a matter of fact, I would venture the guess that the average Federal employee driving a car, whether his own or a Government car, is a lot more careful than the civilian driver.

Mr. MORRIS of Oklahoma. That may be true and as an average it probably is. May I say this in conclusion, Mr. Chairman, that this will not stop all accidents and injuries; of course not. There are many other avenues we must approach. There is the question of drunk driving that has been mentioned, that is a most serious matter. But that has to be handled by the States. I doubt seriously that Congress would be able to take jurisdiction in that field. There is the question of reckless driving and too much speed. I would like to see the time come when they will put governors on these automobiles so that they could not run over a certain reasonable speed. I think we are getting too speedy for our highways. At least, let our highway construction catch up with the modern day automobile.

We are just killing too many people. There will never be a time, of course, when we will be completely safe, human carelessness being what it is. Even when a person is perfectly sober and is a good driver, occasionally he will make an honest mistake and cause destruction to himself and others.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the gentleman.

Mr. GROSS. This is the best place in the world for the gentleman to offer an amendment to put governors on cars, if the gentleman thinks that would be acceptable. That would be the only standard in the bill, if the gentleman would just offer an amendment to put governors on all cars, including the chauffeur-driven Cadillacs around here.

Mr. MORRIS of Oklahoma. I probably would support such an amendment. Mr. Chairman, I want to compliment this committee. This is a great committee. They have devoted hours and days and weeks and even years to a study of this matter. I would not like to invade their province, however, by offering an amendment here, without their having studied it. But I will say that if this bill works well, in my judgment the committee probably will come out with such a bill. At least I hope so. But we should make progress in this important matter of safety. Now, I do not believe it would be proper for me to offer such an amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ROBERTS].

The amendment was agreed to.

Mr. BENNETT of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan: Strike out all after the enacting clause and insert the following: "That the Secretary of Commerce (hereinafter referred to as the 'Secretary' shall conduct a thorough study for the purpose of—

"(1) determining the extent to which motor vehicles used by the several departments and agencies of the Federal Government, or particular classes or types of such motor vehicles, should be equipped with safety devices, and

"(2) developing recommended commercial standards for those safety devices with which, in his judgment, such motor vehicles or particular classes or types thereof should be equipped.

"SEC. 2. As soon as practicable, but not later than January 31, 1961, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to the first section of this Act, together with such recommendations, if any, based upon the findings made in such study, as he may deem to be necessary for the promotion of safety.

"SEC. 3. As used in this Act the term 'motor vehicles' means vehicles, self-propelled or propelled or drawn by mechanical power, designed for use on the highways principally for the transportation of passengers, except any vehicle designed or used for military field training, combat, or tactical purposes."

Mr. BENNETT of Michigan. Mr. Chairman, the purpose of this amendment is to authorize the Secretary of Commerce, through the Bureau of Standards, to make a study to determine the extent to which motor vehicles used

by the various departments and agencies of the Federal Government should be equipped with safety devices and then report back to Congress and let Congress take action on his report. We are giving the Secretary of Commerce in this bill, if it is passed, as I said previously, absolute authority to design automobiles and to engineer them. He may require anything relating to safety to be put in an automobile. Why is it necessary to delegate that tremendous authority to any agency of the Federal Government? We should first find out what gadgets and safety devices are necessary to be put on these cars, and if they are so necessary in the public interest and if they are so found to be necessary, then we should legislate to require that they be on every motor vehicle that is sold in interstate commerce. But do we want to legislate blindly and completely in the dark? Here are some of the things that the Secretary of Commerce could do under this and require John Q. Public to put on his automobile under the guise of safety. He could require him to have a constant level riding device, an installation referred to as a torsion air ride. That keeps your car on an even keel going around a turn and prevents skidding. What is its cost? It is approximately $106.30. Most people get along without this device. It is a comfortable thing to have, but if a man drives around a corner slowly enough and carefully enough, then he gets around the corner. The man who can afford to pay $106.30 for that device on his car ought to be able to have it and he can have it if he wants it. But why force it on the man who doesn't want it? There is an electric eye beam which automatically dims your lights when you meet another car. That costs $50. It is a fine and convenient thing. But should Congress by giving this authority to the Secretary of Commerce enable him to say that everybody in this country who buys an automobile must have one of those things on his car? That is exactly the kind of thing you would be doing. Here is the cost of six seat belts; heating and defrosting unit for both rear and front windshields. That costs $207. Certainly, these are safety devices and many people have them on their cars. Many other people do not buy them. There is power steering and power brakes. Those are all safety factors on an automobile, but are you going to pass legislation here requiring that every person who buys an automobile pay $180 for power steering on his automobile whether he wants it or not? Are you going to make him pay $38 for power brakes? That is also a safety device. The gentleman from Florida [Mr. ROGERS] said a few moments ago that this bill is just a little harmless advice that we are giving the Secretary of Commerce. Here he is completely in error. This is arbitrary authority that a bureaucrat is directed to use. Nobody has any idea what it will cost and no one knows what kind of automobile he is going to come up with. He might come up with a perfectly square automobile. He may take off all the chrome. He could make it completely unattractive so that the public would not wish to buy it, yet, they would have to buy it if they want an automobile because Congress says the Secretary of Commerce, in the interest of safety, will have the authority to design and engineer automobiles for the American public.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. ROGERS of Florida. I must point out that I do not share the gentleman's concern, of course, because as the gentleman said earlier in debate, one of his reasons for objecting to the bill is that the General Services Administration, according to the gentleman's own statement in the debate has the authority presently to require all of these things. Now the gentleman knows and I know——

Mr. BENNETT of Michigan. That is on Government-owned automobiles.

Mr. ROGERS of Florida. Yes.

Mr. BENNETT of Michigan. Permit me to answer the question.

Mr. ROGERS of Florida. I wish the gentleman would allow me to finish my statement.

Mr. BENNETT of Michigan. The authority that exists is to purchase existing safety devices. The authority that this bill gives is to have the Secretary of Commerce design and engineer automobiles.

Mr. ROBERTS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. I would like to point out that we could be unreasonable in our approach here. It is true, according to the letter from the General Services Administration, they say presently all they have to do is to put in their specifications that they have to have these automatic dimming lights. That could be done now. All they have to do is to put that in the specifications. You could go right on down the list just as the gentleman from Michigan has been reading off a list of different items of what could happen under this bill. But, the gentleman simply does not want to do this to show that the Congress wants something done in this field. If we can do it, let us show them that we want something done on this matter of safety. It can save lives. We know that because of the research that has taken place. I have seen the movies taken at the Cornell University research project. I have seen movie after movie and fact after fact showing how these safety features can save lives.

Let us assert a little leadership here, let us be reasonable. The department is not going to do any more toward raising costs than they are doing right now, today; but if they know that we want them to take a little action I think we will see it taken. This is simply an added incentive to give them a little impetus.

Mr. ROBERTS. I thank the gentleman.

The gentleman from Michigan, of course, offers an amendment the effect of which if adopted would be to wipe out the bill.

As to this business of study, this committee has been studying this for the past 3½ years. Here is a study paid for by the Congress on Federal highway safety which cost the Congress $200,000. I read out of this report, from page 119, where they say that the 10 public agencies which provided most of the cost of the highway safety activities spent about $6,500,000 annually for this purpose.

The Bureau of State Services has spent since 1956 a total of $887,000 in studies of accidents and injury prevention. The National Institutes of Health has spent $1,820,000 on the study. What we are trying to do in this bill is to give the public some return for these tremendous amounts of money that have been spent on studies.

The gentleman says that under the bill the Secretary of Commerce may build a square car, may build some other type of car. There is no intent in this bill for any such action to be taken by the Secretary of Commerce. They have a year in which to publish standards. They have a year and 90 days after the publication of those standards before the bill goes into effect. Congress is going to be meeting here all that time. They have got to come here when the matter of appropriations arises and the gentleman can certainly follow what the Secretary of Commerce does under this bill.

All I can say is that his amendment merely authorizes a study of all the studies that have already been made.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. BENNETT of Michigan. If the study that has been completed is sufficient why does not the gentleman state and specify in the legislation what standards the Secretary of Commerce should set?

Mr. ROBERTS. Because I am not an expert. I am putting the authority in the only body about which I know anything in this field that is competent to set standards, and that is the Bureau of Standards.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. GROSS. It is in the General Services Administration now, is it not?

Mr. ROBERTS. If it is there, I will say to the gentleman, it has never been exercised, or if it has been exercised it has been exercised very poorly.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. MACHROWICZ. In connection with the new small cars which the three largest automobile manufacturers are sponsoring, there is quite a controversy over which is the safer, the rear end motor or the front end motor. One of the companies is pushing the rear end motor; the other two manufacturers are going to stick with the conventional front end motor. Would it be possible under this bill for the Department of Commerce to enter into this field of competition and say which it should be?

Mr. ROBERTS. No; it would not.

Mr. MACHROWICZ. The bill would permit that.

Mr. ROBERTS. No, the bill does not go that far. The bill states "such reasonable safety devices"; it does not say anything about the placement of the motor.

Mr. MACHROWICZ. Under this bill he could very well say that it should be a rear end motor.

Mr. ROBERTS. I do not think he could.

Mr. MACHROWICZ. He certainly could under the terms of the bill.

Mr. ROBERTS. No; I do not think so. It says "such reasonable safety equipment or safety devices."

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman from Alabama what effect this legislation would have on the purchase and utilization of automobiles by members of the Armed Forces.

Mr. ROBERTS. On page 2 of the bill, line 14, it states "designed for use on the highways principally for the transportation of passengers, except any vehicle designed or used for military field training, combat, or tactical purposes."

Mr. MAHON. It then would apply to military vehicles, for many such vehicles do carry passengers.

Mr. ROBERTS. Those that carry passengers; that is correct.

Mr. MAHON. What has been the attitude of the Department of Defense with respect to this matter? Were witnesses before the gentleman's committee?

Mr. ROBERTS. One witness who appeared before the committee was Colonel Stapp, the head of the Aero Medical Unit at Wright Field, Dayton, Ohio. He testified that he believed that through the use of safety devices and better packaging they could save many of the people in the Armed Services; and as you know they do lose a great number in passenger vehicles in the Air Force.

Mr. MAHON. Do they advocate this legislation?

Mr. ROBERTS. The Department did not, but Colonel Stapp, who is also a doctor, did very strongly.

Mr. MAHON. Did the Department of Defense oppose the legislation?

Mr. ROBERTS. The Department of Defense is opposed to the legislation.

Mr. MAHON. Does the gentleman think this legislation would actually have any very material effect on the accident rate, the death rate, and so forth?

Mr. ROBERTS. I can only repeat to gentleman what the experts told us, experts from the American College of Surgeons, the National Safety Council, Gen. George J. Stewart, and others. In their opinion, they told us it would have a very great effect on cutting down the great toll of death and injury on our highways.

Mr. MAHON. Does not the gentleman think the great toll of death on our highways is brought about by reasons other than those that are affected by this bill?

Mr. ROBERTS. I may say to the gentleman that, of course, the driver has a lot to do with it, but I do not think you are going to change human behavior a great deal. We are not going to complete our highway program for 15 years. We know that these devices will be a step in the right direction. This bill is not offered as a cure-all or as a panacea. It simply will put the Federal Government on the side of safety.

Mr. MAHON. What would probably be the increase in Federal employees that will result from the passage of this bill?

Mr. ROBERTS. I doubt seriously if it will require many additional people in the Department of Commerce. I did not mention that in the implementation, but in prescribing the standards involved in the refrigerator bill they used the same personnel they had on other experiments and on other tests. A good deal of this help will come from the industry, it will come from organizations like the American Testing Association and the Society of Automotive Engineers. A good bit of it will be voluntary. The Bureau will act primarily as a liaison group to get these people together on what is a safety device.

Mr. MAHON. Would the various manufacturers of safety devices undertake, in your judgment, to bring pressure to bear on representatives of the Department of Commerce in order to get their type of contrivance adopted as a mandatory safety device?

Mr. ROBERTS. I will say to the gentleman from Texas I do not know what pressure will be brought. If a man has an invention or an idea that is patentable, if he believes it will make a contribution, certainly it is in our democratic tradition to give him a hearing and let him present his device. I think we should not foreclose anyone who has some contribution to make, and I am sure the gentleman is in agreement with that viewpoint.

Mr. MAHON. Did the hearings leave the inference that the safety device development would proceed more rapidly under this legislation than it has proceeded otherwise without this legislation? The gentleman and I know there have been many improvements made in so-called safety devices.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENNETT].

The question was taken; and on a division (demanded by Mr. BENNETT of Michigan), there were—ayes 31, noes 43.

So the amendment was rejected.

Mr. AVERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AVERY: On page 1, lines 4 and 5, after the word "acquired" strike out the comma and all that follows down to the word "by" on line 5 and insert the words "by purchase".

Mr. AVERY. Mr. Chairman, this amendment has been discussed already sufficiently this afternoon. When you start to define the terms under lease whereby the provisions of this bill might be made applicable, it almost becomes impossible to write clear legislative language. So the effect of the amendment would be to confine the provisions of the bill strictly to vehicles acquired by purchase by the Federal Government in which title passes to the Federal Government.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Alabama.

Mr. ROBERTS. The gentleman has a good amendment, in my opinion, and one that will improve the bill; therefore, I accept his amendment.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Minnesota.

Mr. WIER. Are you making it possible for them to buy foreign cars without complying?

Mr. AVERY. Did the gentleman say "foreign cars"?

Mr. WIER. That is right.

Mr. AVERY. There is nothing in my amendment that would throw any light on that matter at all. It is strictly up to the policy of the Federal Government, although I might say to my friend I do not think it is the policy of the Federal Government to purchase foreign cars.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

We have already eliminated the word "by" on line 5 by a previous amendment. We have struck out, I believe, everything from "by any officer or employee of the Federal Government" down to "for use" in line 6, is that not true?

Mr. ROBERTS. I will say to the gentleman that the amendment offered by the gentleman from Kansas does not affect anything that has already been done by amendment. His amendment simply leaves the language "shall be acquired" but strikes "by lease, purchase, or otherwise."

Mr. YOUNGER. Down to the word "by" on line 5, and there is no word "by" on line 5, because we have already stricken it.

Mr. ROBERTS. Well, I will say to the gentleman that the amendment which was adopted simply struck out "any officer or employee." It did not strike the word "by." And what we have left is clear, and I think the gentleman's amendment will further make it a stronger bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. AVERY].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1341) to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards, pursuant to House Resolution 342, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BENNETT of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BENNETT of Michigan. I am, Mr. Speaker.

The SPEAKER. The clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BENNETT of Michigan moves to recommit the bill H.R. 1341 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 31, noes 57.

Mr. BENNETT of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. Under a previous agreement, the rollcall will have to go over until Wednesday. Does the gentleman withdraw his point of order?

Mr. BENNETT of Michigan. I would like a vote on it, Mr. Speaker. Will this go over until Wednesday?

The SPEAKER. There has been a unanimous-consent agreement entered into that any rollcalls will go over until Wednesday.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Unless the gentleman from Michigan [Mr. BENNETT] objects to the vote on the ground that a quorum is not present, the vote by division would be binding, would it not?

The SPEAKER. We would have to take the vote on Wednesday, of course. Does the gentleman withdraw his point of no quorum?

Mr. BENNETT of Michigan. Mr. Speaker, I have objected to the vote on the ground that a quorum is not present and made the point of order that a quorum is not present.

The SPEAKER. No vote may be had on the bill until Wednesday. There was a unanimous-consent agreement that any rollcall votes would go over until Wednesday.

Mr. BENNETT of Michigan. Mr. Speaker, I withdraw my point of no quorum.

USE OF GREAT LAKES VESSELS ON THE OCEANS

Mr. GEORGE P. MILLER submitted a conference report and statement on the bill (H.R. 4002) to authorize the use of Great Lakes vessels on the oceans.

GENERAL LEAVE TO EXTEND ON H.R. 1341

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill H.R. 1341.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

DEPRESSED DOMESTIC MINING AND MINERAL INDUSTRIES

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 177) declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 177, with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

Mr. ASPINALL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, before making the formal statement that I have to give to the Committee on the legislation which is now before us, I wish to make three or four short introductory remarks, and, if possible, allay any fears that some individuals may have about this legislation.

This legislation simply asks the Congress to express its position relative to the present condition of the mining industry and to ask the departments of the executive branch of Government to make a further study of the condition of the domestic mining industry and to report back.

There is no sleeper in this legislation. The committee has studied the matter for a considerable length of time. We agreed in the committee on the approach that we are taking.

The committee, as far as I know, is unanimous in its support of the resolution. We do not point the finger of criticism toward any particular branch of Government. We simply state that the situation is not good, that both branches of Government, the legislative and the executive, must assume some responsibility for this situation as it now is and that we should work together in trying to come to some straightforward, permanent policy that would help the domestic mining industry on which so much of our economy depends.

There has been a statement that the domestic mining industry is healthy, that it is in a better condition than it has been in decades past. Let me advise that although the national income from the domestic metals and nonmetals industry in 1958 was $4,830 million almost $700 million of that was the Government purchase program for uranium. Subtracting the uranium support program it is easily apparent that the domestic mining industry in these particular segments was not as good as it was in 1951, 1952, or 1953, and this at the same time when the gross national product was increasing by leaps and bounds.

The resolution does not propose an increase of stockpiles. While we were before the Committee on Rules, I was asked this question: Does this propose that we will go back to the stockpile approach? It does not. The hearings which we had reveal, and I will state it very simply, that the building of stockpiles is not a satisfactory foundation on which to build a stable and healthy domestic mining industry. The resolution does not provide for or propose to authorize the spending of any Government moneys. There are no moneys involved here whatsoever except those moneys that might be necessary downtown to help arrive at some program, and this can be taken care of from the general appropriations given by the Congress to those departments.

Mr. Chairman, the need for the quick adoption of House Concurrent Resolution 177 is abundantly established by the record of the extensive hearings on the measure held in June and July before the Subcommittee on Mines and Mining, and by the committee report on the measure—House Report No. 708.

The fairly satisfactory state of health of our mining industry when considered as a whole does not warrant our overlooking the fact that the health of certain individual segments of the industry is far from satisfactory, and in some cases is actually desperate, as I shall mention.

I commend to the attention of the members of this committee the hearings and the report as the most comprehensive and up-to-date treatment now available on the state of our domestic mining and mineral industries. Many Members of Congress, Government officers, and members of the mining industry have contributed generously of their time and knowledge in establishing this record.

The hearings contain statements of 21 Members of the House, two State Governors, and 67 other persons. These include mine executives, mineworkers, State officials, and others. All of these people endorsed the purposes of the resolution. The resolution is endorsed by the State department of mines or the State mining association of nine States. It is endorsed by the chairman of the Western Governors' Mineral Advisory Council. Clearly, the resolution reflects a wide cross section of opinion.

All that these people are asking is that we maintain in this country a sound and healthy domestic mining and minerals industry. Such an industry is essential to the long-range growth and prosperity of the country, and is vital to its defense.

A disturbing element is the overall decline in mining employment. The members of this committee are well aware of the severe unemployment in anthracite, bituminous coal, and certain metal mining industries. However, it is not so much the overall mining situation toward which the resolution is addressed as it is the critical situation in certain

areas and industries. These industries must be studied and approached on a case-by-case basis to a large extent.

Perhaps more disturbing is the seeming excessiveness to which our government has gone in sacrificing the well-being of our mining and mineral industries and the workers who comprise them to accomplish our foreign policy objectives. When our foreign policy conflicts with our domestic mining policy, it seems that the latter has been sacrificed at times, ruthlessly.

The members of this committee are familiar of course, with the great extent to which Government or Government-sponsored programs have stimulated and aided foreign minerals production. Some of the means by which this has been done is through purchase contracts, loans, grants, technical assistance, and barter transactions. Directly, indirectly, or perhaps inadvertently, the effect has been to stimulate competitive foreign mineral development and production. World overproduction and lower foreign production costs are the primary cause of present troubles in the depressed domestic mining and minerals industries.

In terms of size and number of establishments shut down, and number of workers and families distressed, the individual mining industry in greatest jeopardy at present is the lead and zinc industry. Most of the other industries that are especially distressed at this time are concerned with the production of critical or strategic minerals which were stimulated a few years ago by the stockpile program and other related Government actions, and are now virtually abandoned by the Government to practically free-trade competition from foreign sources. This list includes antimony, low-iron asbestos, chromite, cobalt, columbium-tantalum, fluorspar, manganese, and tungsten.

The anthracite industry is caught between a declining market and increasing costs. Bituminous coal is troubled by several difficult types of problems.

The once prosperous gold mining industry has dwindled under Government policies so that less than a dozen lode mines are operative where gold is the principal product. Silver mining is caught in a squeeze between rising costs and the fixed Government price for the sale of silver.

Geographically speaking, the Tri-State region of Kansas, Oklahoma and Missouri is perhaps the worst sore spot. Formerly the principal domestic source of lead and zinc, mining there is now virtually at a standstill. It is questionable whether mineowners can much longer prevent the total loss of their mines from flooding and other causes. The economic depression in the Tri-State communities approximates that of the Great Depression of the 1930's as to its human or social effects.

A very alarming development that has come to my attention is the attitude of some high Government officials that the Government has no interest in the economic status of the domestic mining industry now that Government stockpile objectives have been met. It is a sensible course of action and it is the policy of Congress to maintain a national stockpile. But the stockpile was never designed to take the place of a sound and healthy domestic mining industry and obviously it cannot do so.

Although the purpose of our hearings was to analyze the state of the affected industries, some of the witnesses commented on various types of Government action that might be taken. There are as you know various measures of differing types now pending in several committees. The consensus of the witnesses was that some major segments of industry, such as lead and zinc, cannot survive unless the Government permits them to maintain a fair share of the domestic market. No one asked or suggested the complete exclusion of foreign materials. The main suggestions were for tariffs or import taxes to maintain domestic production on a competitive basis, with subsidy devices to be used in specialized instances.

Mr. Chairman, the resolution is short and self-explanatory. It declares that it is in the national interest to foster and encourage a sound domestic mining industry, to provide for the orderly discovery and development of domestic mineral deposits, and to continue research pertaining to the use of domestic minerals. It states that national stockpiles do not in themselves assure national security and economic well-being. It states that Government efforts to date have not been effective in alleviating the conditions found to exist, and that unnecessary delay in recovery would result in damage to the physical mine properties, waste of human and natural resources, loss of productive capacity, and detriment to the Nation as a whole.

The essential purpose of the resolution is to stimulate the executive branch to take a fresh approach and a new look at these important problems. Section 1 of the resolution requests the President to have studies made, to advise the Congress of actions taken or proposed, and to submit any reorganization plans or legislative drafts that may be called for.

Mention is made of reorganization plans, in view of considerable dissatisfaction in the mining industry with the diffusion that now exists as to matters affecting it within the executive branch. At least nine major departments and offices are involved—Interior, Defense, State, Commerce, Agriculture, OCDM, GSA, AEC, and the Federal Tariff Commission. It is common knowledge that there are now pending in both Houses of Congress measures that would provide for centralization in one department of the mineral policies of the Government.

Mr. Chairman, the sponsors of the resolution, on the record that has been established, firmly believe that the actions contemplated by the resolution are necessary for the welfare of the country. Concurrence on significant phases of the policy content of the resolution has been received from the Department of the Interior. Some of the other departments felt that the resolution was unnecessary, but offered no objection to it. Opposition to the adoption of the resolution came only from the Secretary of Commerce. However, at a later date he testified before a committee of the other body that a slight amendment, bringing in the idea of an economically sound basis for the affected industries, would make the text of the resolution unobjectionable from the standpoint of his Department.

The resolution is needed to awaken the executive branch and its agencies to the pressing needs that have been outlined. Much educational value has already been gained from the hearings and the committee report. I urge that the resolution be adopted.

PROGRAM FOR AUGUST 25

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I want to advise the Members of the House that the chairman of the Committee on Ways and Means tomorrow will call up several bills reported out of that committee by unanimous consent, and I would like the details of the bills to appear in the RECORD so the Members will be advised and informed:

H.R. 6779, to amend section 170 of the Internal Revenue Code of 1954—relating to the unlimited deduction for charitable contributions for certain individuals.

H.R. 8725, to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws and for other purposes.

H.R. 6155, to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations organized after August 31, 1951.

H.R. 135, to provide an income credit in the case of civil service annuities received by nonresident alien individuals not engaged in trade or business within the United States.

H.R. 6777, to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death.

H.R. 6249, to liberalize the tariff laws for works of art and other exhibition material and for other purposes.

I do not state that they will be taken up in this order, but these bills will be called up by the chairman of the Committee on Ways and Means tomorrow by unanimous consent.

Mr. BERRY. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I take this time to commend the committee for its action. It is high time, in my opinion, that we focus the attention of our people in the United States to the plight of our domestic mining and minerals industry. The approach here is very sensible. It is high time that we mobilize all of the forces in Government in a sensible, intelligent way to seek to maintain our own internal security by preserving our mining and minerals industry.

Mr. BERRY. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, in the southern Appalachian region, of which Virginia is a part, lies perhaps the largest undeveloped low-grade manganese

deposit in the United States. The deposit is undeveloped only because the Government over the years has discriminated against this region. West of the Mississippi River there are three Government low-grade manganese purchase depots and stockpiles to each of which was assigned a quota of 6 million long ton units; east of the Mississippi River there is none. Based on extensive field surveys, the so-called Burgess report concluded that "there are sufficient reserves of low-grade manganese ores in the Southeastern States to warrant a purchase depot" and that "the present and prospective operators and small workers will deliver 6 million long ton units of acceptable ore by June 30, 1958." In 1956, Congress passed legislation which included authorization for such a depot for our region. Because the bill was unsatisfactory in other particulars, the President vetoed it.

The Director of the Office of Civil and Defense Mobilization has advised the Congress that the low-grade quotas authorized under current law were filled by the deliveries made during the second quarter of 1958 and that "there is no defense justification for any further purchase program by this agency." However, the Secretary of the Interior, although concurring in the foregoing, advises by letter dated February 2, 1959, that "should the national security in the future make it advisable to renew the low-grade purchase program, the location of a depot within the southern Appalachian region undoubtedly would receive consideration." I earnestly submit that recent international developments make it advisable to reactivate the program, at least insofar as required to repair the discrimination which has been practiced against eastern low-grade producers and stimulate the exploration and discovery necessary for an adequate domestic reserve.

By reason of cheap foreign labor, cheap water transportation, and low tariff rates, the United States has filled over 90 percent of its manganese stockpiles from foreign sources, either through direct purchase or barter of agricultural commodities. The May 30, 1959, issue of American Metal Market announced that the Commodity Credit Corporation has just recently tentatively contracted to exchange surplus farm commodities for Indian manganese under Public Law 488. While foreign barter and purchases may have resulted in some temporary economy, the long-range effect has been to jeopardize the defensive posture of the United States. Foreign purchases have closed down many domestic mines and have almost completely curtailed domestic exploration. It take several months to activate a known deposit of manganese and sometimes several years to locate new deposits for future activation. In the event of war, with coast lines blocked, sealanes closed and naval tonnage pressed into military transportation, these foreign sources would no longer be available. At that point, it would be too late to embark upon a program to encourage domestic exploration and production.

Such a program must be started in peacetime and maintained in peacetime so long as international tension creates a war-threat climate. The only possible incentive for domestic exploration, discovery and development is a ready market and a guarantee that the ready market will continue to exist for a period long enough to protect the necessary capital outlay of private enterprise.

How vital additional exploration, discovery, and development in America is can best be illustrated by a recent estimate of the Bureau of Mines concerning the world's total explored reserves of high-grade manganese. According to that estimate, Soviet Russia has 88 percent; the United States has less than 1 percent. Unless some action, either administrative or legislative is taken promptly, manganese exploration in America will expire before the end of the current calendar year. The last pertinent directive of the Office of the Defense Mobilization in 1956 extended the life of the high-grade carload lot program until January 1, 1961, or until 28 million long dry ton units had been delivered. Based on the rate of current deliveries, that quota will be exhausted sometime this fall.

While Virginia, being the second largest high-grade manganese producer in the continental United States, is vitally concerned about the high-grade program, we are no less concerned about the low-grade program. Unlike the high-grade producer, the low-grade producer must pay the freight from the mine to one of the western depots. These freight costs render low-grade production in the East economically impractical. Accordingly, the low-grade ores which result as a byproduct of the high-grade mining process and the low-grade wad deposits which lie in such abundance in the southern Appalachian region and which could do so much to relieve America of her dependence on foreign ores, cannot be exploited. This is admitted and corroborated in a memorandum of the Office of Defense Mobilization dated August 18, 1954, an excerpt of which reads as follows:

> It is recognized that establishment of a depot in Virginia could result in discoveries of new ore reserves in the course of mining ores for the depot, that this production would increase the domestic contribution to the manganese supply and that it would in effect eliminate a discrimination in favor of the West since no depots exist in the East.

Mr. Chairman, I confess that I know very little about the other strategic metals and minerals which are involved in House Concurrent Resolution 177. But I do know that neither war nor peace can be waged without steel and steel cannot be made without manganese. If the philosophy and purposes stated in House Concurrent Resolution 177 are to be fully effectuated, it will be necessary to do three things with respect to manganese, namely:

First. To increase the quota and extend the life of the high-grade carload lot program.

Second. To reactivate the low-grade program and endow it with a life span long enough to justify the necessary capital investment by private enterprise.

Third. To establish a low-grade stockpile and purchase depot east of the Mississippi River to serve the vast known deposits and stimulate the exploration and development of new deposits in the Southern Appalachian region.

Mr. BERRY. Mr. Chairman, I yield such time as he may require to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I rise in support of the pending resolution. I was the author of a similar resolution and I am very much interested in this legislation. I want to commend the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL], for his diligence in bringing this resolution before the House for consideration today. I also want to commend the gentleman from Oklahoma [Mr. EDMONDSON] for his efforts to obtain assistance for the mines in Oklahoma. He has a very distressed situation among the lead and zinc mines in his district. As a member of a subcommittee, of which Mr. EDMONDSON was chairman, I visited this area in April and saw firsthand the desperate plight of the miners and mine operators. I believe only a couple of small mines were operating in the entire area. The gentleman from Pennsylvania [Mr. SAYLOR] has also been most energetic in his efforts to assist not only the coal mining industry, but the entire domestic mining industry, and he deserves great credit for his efforts.

Those who are interested in mining, and those who want to do something to help our domestic mining industry, should read the hearings held by our committee on this resolution. I am sure you will enjoy reading the statements made by mining leaders from many States, who are personally familiar with conditions today. During the years I have served in Congress I have never seen a more complete and exhaustive study made of any industry.

The problems facing the different segments of the mining industry are not all the same. However, it soon became obvious in the hearings that perhaps the main difficulty is from the imports of cheap foreign metals, which are destroying the markets which our domestic mines have enjoyed over the years. Our domestic producers cannot compete with the low wages paid in these foreign countries, and they have consistently fought to maintain our high living standards. I feel they should be commended for doing so, and I want to see our American miners continue to enjoy the best wages and highest standards of living to be found anywhere in the world.

I want to recommend the hearings to those who are interested in the problems facing our domestic mining industry. You will find clearcut and convincing statements from those who are experts in the mining field. When you finish reading the hearings you will be impressed with the importance of the mining industry to the economy of our Nation. Certainly, as Members of Congress, we have an obligation to exert

every possible effort to find a way to assist our domestic mines and put these miners back to work. That is the purpose of this resolution, which should be passed by a unanimous vote.

Mr. Chairman, I represent a large coal producing area, and I have noted the decline of the coal mining industry over the years. The problems facing the coal industry are somewhat different from those facing other types of mining. We have seen coal lose markets to other fuels, and some of these markets are lost forever. However, I have been impressed with the optimism that prevails in the coal mining industry, and there is a feeling that coal is coming back as a fuel within the next 10 years or so. Our problem is to keep our mines operating so that they will be ready when the demand comes. I personally feel that coal is coming back as an industrial fuel, and that the markets will increase in the years ahead. I feel that the Coal Research Commission that is being established in other legislation will be most helpful in finding new uses for coal.

Mr. Chairman, I also represent the Cripple Creek and Victor gold mining district in Colorado. Mr. Merrill E. Shoup, of Colorado Springs, president of the Golden Cycle Corp., and a gold mine operator, presented the plight of the gold mining industry. The price of $35 per ounce, fixed by law, is wholly unrealistic, and gold cannot be produced at this price.

We have been concerned over the withdrawal of gold from this country by foreign nations, and our gold reserve is less than $20 billion at this time. Surely we should be interested in building up our stocks of gold, rather than see them depleted at such a rapid rate. To do this we must find a way to increase the production of gold, and Mr. Shoup suggested a bonus of $70 per ounce to be paid by the Government on newly mined gold. I feel that his suggestion has merit, and I hope it will receive careful consideration.

Mr. Chairman, I want to do all that I can to assist our domestic mining industry. The situation is acute in many areas, as you will note from the hearings. By the passage of this resolution we call attention to the need for immediate help if our domestic operators are to survive. We should produce our own metals so far as possible, and not be dependent on foreign production. We cannot afford to let our mines close, as in many cases they will never reopen.

Mr. Chairman, I urge the adoption of this resolution.

Mr. BERRY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, I support the pending resolution. It is very necessary and worthwhile to help an important segment of our entire economy, the domestic mining industry. In my opinion, much good will come from the approval of the measure, and I hope it will be adopted.

Mr. BERRY. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, first I would like to add my word of commendation to the chairman of the Interior and Insular Affairs Committee for bringing this resolution not only to the committee but to the House floor for action.

Certainly no harm can come from the passage of such a resolution, and possibly a great deal of good may result.

While this resolution is directed to the executive branch of Government, I am confident nothing will be accomplished until Congress itself decides to protect the American mining industry from complete destruction through the importation of foreign mineral products.

It is the importation of foreign minerals that has destroyed the American mining industry and will continue to destroy the American mining industry until tariffs and quotas are levied on such imports. Congress sits idly by and condemns the executive branch for not protecting the industry through the peril point and escape clause in the Reciprocal Trade Act.

With one hand the Congress directs the executive branch and the State Department of the executive branch to contract with these foreign countries for the imports of their mineral products, and then on the other hand when these imports do come in and do flood our market and put our mining industry out of business, they condemn the executive branch for not invoking the peril point and the escape clause provisions of the act.

The responsibility, Mr. Chairman, is that of Congress. It is Congress that represents the people of these United States and the industries of these United States. It is Congress and Congress alone that has the authority to levy import tariffs, quotas, and duties. That authority, that responsibility, and that duty is placed upon the shoulders of Congress, and we cannot shift it to some other branch of Government.

Those who espouse the one-world philosophy contend that we must keep our borders free to all foreign imports, and if we have an industry which cannot compete with foreign competition, the companies engaged in such industry should go out of business and the people employed in such industry should find work elsewhere because, they contend that Americans, with all their ingenuity and efficiency, must be able to compete with countries less fortunate than ours.

This argument, Mr. Chairman, does not take account of the fact that our industries and our mines are not given an opportunity to compete on the same basis with foreign industry and foreign mines. This argument does not take into account the fact that the cost of operation of a mine or an industry in the United States cannot start on an equal footing with its foreign competitors.

That argument does not take into account the fact that the cost of operation of a domestic mine or a domestic industry, which must be added to the cost of the product before we can hope to begin to compete, are such items as salaries, taxes, and foreign aid.

Competitors of the American mining industry operating foreign mines are able to hire help working for one-half or one-third of the salary that must be paid to American workmen. Not only that, but they are working 12 hours a day 7 days of the week, where labor in the United States operates under wage-hour laws, minimum wage laws, a cost-of-living standard that is being forced higher and higher annually. The labor expense, which is a large part of the domestic mining cost cannot be offset by efficiency in operation.

The second thing the internationalists forget in their contention that domestic industry must be more efficient to compete with foreign industry and foreign minerals, is taxes. The internationalists would like to have us forget that our foreign competitors are not required to add onto the cost of their production, the defense of their country. The American taxpayer defends them. The American mine and the American mining industry carries a heavy burden of taxes to defend their competitors in these foreign countries. American labor carries a heavy burden of taxes to defend, if you please, the laborers in these foreign countries who are in competition with them. Yes, the American producer is required to add to his product the cost of the defense of not only the peoples of these foreign countries, but the very industries that are in competition with them. This cost must be added to the cost of the domestic product, all of which is free to the foreign competitor.

Not only is the domestic mining industry and domestic labor defending them, but they are at the same time required to finance these countries for the operation of their own government. Through foreign economic aid and public assistance, we are constructing public powerplants and reclamation projects for the nations within whose borders the competing mines are located. They are not required to pay taxes to finance these programs in their country. The American taxpayer, the American miner, and the American laborer are carrying that burden for them—a burden which must be added to the product we are producing and must be added to the cost of our minerals before we are permitted to even begin to compete with foreign imports.

The third unfair competition the American mining industry is required to meet, and which is added to the cost of the product produced domestically, was brought out forcefully on the House floor last week when we were debating the extension of Public Law 480.

Not only are the American industrialist, the American laborer, and the American miner required to pay taxes to maintain the agricultural support program, but in addition to that, we turn around and give to the people of these competing countries the food and fiber necessary for them to be able to live on a starvation wage that is being paid by the mines in these foreign countries.

Not only is the domestic mining industry required to pay taxes to maintain and defend his foreign competitor, and at the same time compelled to compete with low salaries and low standards of living, but in addition to that, he is forced through Public Law 480, through our foreign aid program, and through these other assistance programs to provide the food, free of charge in many instances, that goes into the household

of the laboring man employed by these competing industries.

No, Mr. Chairman, the internationalists argue that if the American industrialist and the American miner are not able to compete with foreign industry and foreign minerals through greater efficiency, greater per capita and greater per hour production, then they should go out of business.

Equalize these burdens, Mr. Chairman, and American industry and American mines will meet the competition of any country in the world. Equalize the variance in the standard of living, equalize the variance in the salary differential, require them to pay for the food that the American taxpayer has purchased from the American farmer, require them to levy their own taxes to finance their own public works programs, and, Mr. Chairman, require them to levy their own taxes to pay for their own defense and the defense of the rest of the free world, and our mines and our industries will compete with the mines and industries of any country in the entire free world.

Until that is done, it is the duty and the obligation of this Congress to levy upon the foreign importer the cost of this unequal burden that is levied upon the American producer, the American laborer, and American industry, through an import tariff or an import duty, or at least, Mr. Chairman, an import quota.

I sincerely hope this House will pass this resolution. I hope some good will come from it, but I know, as every Member on this House floor must know, that this Congress cannot shift its responsibility and that this problem cannot be solved until Congress is willing to fulfill the obligation and duty reposed in it by the Constitution and protect these industries as the Founding Fathers provided they should be protected and, as we have learned by experience, they must be protected if the economy of this Nation and the strength of this Nation is to be preserved.

Mr. SAYLOR. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first I want to pay tribute to the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL], for having been the leader in sponsoring this resolution and seeing to it that full and complete hearings were held by the Interior and Insular Affairs Committee on a matter which I know is affecting not just one congressional district but the entire economy of the United States.

In a country such as ours, where business after business can point to the economic trends and show that at the present time the number of people employed, the gross volume of business, profits, and everything else are on the ascendancy, it is rather startling to hold hearings and invite representatives of the mining and minerals industry to come before your committee and hear the representatives from each and every segment of that industry testify that today there are less people employed than there were in 1952; that their volume, dollarwise and tonnagewise, in segment after segment of the mining industry is lower than it was in 1952.

Representatives of each segment of the mining industry testify that, as far as their domestic production is concerned on a dollar basis, they are lower now than they were in 1952.

Mr. Chairman, I think that the members of this committee should be startled by these employment figures. In 1952 there were 885,000 people employed in the mining industry in the United States. In March of 1959 there were 686,000 employed in the mining industry in this country, a loss of approximately 25 percent of the employable people in a 6-year period.

Employment in U.S. mining industries, 1939 and 1952–59

[Thousands]

Year	All mining	Metal mining	Iron ore mining	Copper mining	Lead-zinc mining	Anthracite	Bituminous coal	Nonmetals	Oil and gas
1939	845	103.0				89.0	388.0	76.0	189.
1952	885	99.8	33.5	26.5	21.2	63.4	327.8	103.8	289.8
1953	852	106.0	40.1	28.6	17.8	54.0	288.9	105.9	297.4
1954	777	99.3	35.2	27.9	16.4	41.1	226.7	105.1	298.8
1955	770	101.0	34.2	28.9	16.6	31.3	218.7	108.3	317.1
1956	807	108.3	35.1	33.3	17.4	29.3	228.6	115.2	324.8
1957	809	111.2	38.9	32.6	16.7	28.4	230.0	113.3	326.2
1958 (average)	721								
March	733	95.9	31.3	28.9	14.1	22.8	206.3	105.0	302.6
June	717	92.9	30.4	28.2	13.3	19.2	190.1	111.8	303.2
September	711	90.7	31.8	28.4	11.4	18.5	187.2	113.0	301.5
December	713	93.4	30.3	30.2	12.7	19.6	192.2	107.3	300.7
1959: March	686	92.9	32.3	29.0	12.4	16.4	179.8	104.2	292.8

Source: Monthly Labor Review.

Now, the resolution which we are considering stresses first the importance to our national economy of the domestic mining industry. I think that every economist in this country will agree that if this country is to remain strong, if it is to remain sound economically, every segment of our country's economy must be strong. Every person that has appeared before our committee has stressed the fact that in the communities wherein you have mines the economy in that area is down.

It is interesting, if you will study the reports of the Department of Labor and notice the distressed areas in this country, you will find that practically every distressed area in the United States is an area wherein one of the principal industries is mining.

The second thing which this resolution calls attention to is the fact that as a matter of national security we did accumulate large stockpiles of strategic metals and minerals and in doing so we increased production in some sections of our country and stimulated mines in some areas. However, these same programs artifically and abnormally stimulated foreign development and expansion of foreign production capacity far beyond the needs of their own country and also our own. But now that the requirements of the stockpile have been met, the competition which our domestic mines have from foreign imports means that they can no longer produce at a profit and have no alternative but to shut down, or operate at a loss. One of the things that startled me as I listened attentively to the hearings was the number of companies which, under the various programs that our country has initiated in other parts of the world, have spread out and are developing mining properties in other parts of the world and are now bringing those mined products into the United States. Now, these foreign mining operations have been far overexpanded beyond the normal needs of those foreign countries themselves and this excess production has been brought directly to the United States.

Now, another thing that startled me was to realize that while there are upon the statute books of the United States provisions which might protect some of our industries, various Government agencies have refused to use the methods that are available to protect our domestic mining industry. I might say that as I have looked at this situation, you know, if we returned to a good, old-fashioned Republican protective tariff, maybe the domestic mining industry in this country would be in pretty good shape. And, I would suggest to the people downtown who are going to take a look at this protective tariff as a means of saving not only this industry, but many others as they prepare an overall program that they might make possible the continued development of our domestic mining industry and let us try to protect these folks at home.

One of the important differences between the resolution which the Members of the House are being asked to consider and the one which is being considered by the other body is that we are asking the executive branch of the Government to make a review of the existing programs for the purpose of using these programs more efficiently to provide for increased production on a domestic basis and on an economically sound basis. This is no request for any handout, this is an honest effort to get all of the agencies of Goverment that have anything to do with our domestic minerals policy, to sit down, iron out their differences. Then, when they have agreed to a set of ground rules that are economically sound to all, operate on the same set of rules. I think that is a very important factor.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield at that point?

Mr. SAYLOR. I am happy to yield to my distinguished colleague, the Chairman.

Mr. ASPINALL. Is it not true that the last report we have had from the executive department, from the President's Cabinet Committee on Minerals Policy, which set a policy, is dated November 30, 1954?

Mr. SAYLOR. That is correct. It seems to me that it is high time this Congress and the executive branch of Government get together and give the mining industry a program that they can follow and on which they can make a decent profit and keep the people in this country employed. After all, the Good Book says, "Charity begins at home," and the domestic mining industry has not come to our committee—and I think this is very important—asking for a handout. All they ask is the opportunity so that they will not have to take their money and go to foreign countries to make a living. But that being Americans, they can operate in our own country, keep our own people fully employed and keep our Nation developed so that we can produce our own minerals and not have to import them from other countries.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the distinguished gentleman from Utah.

Mr. DIXON. Mr. Chairman, I commend the gentleman for his statement. It reflects exactly the facts that exist in many parts of the country. Also I commend our chairman, the gentleman from Colorado [Mr. ASPINALL], for the work he has done in that direction. This is not a myth. What you have heard today is not a myth. It represents one of the most dire needs in our country. I can tell you, from the State of Utah, that three-fourths of our lead zinc mines have closed on account of foreign competition. Our miners are out of work. Our mining towns are ghost towns. They have got to have some help. I sincerely hope that this resolution is passed .

I thank the gentleman for his kindness in yielding.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the distinguished gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Mr. chairman, I, too, wish to commend my colleague from Pennsylvania [Mr. SAYLOR], for the work he is doing here in conjunction with other members of his committee including of course, the distinguished chairman, in the interest of fine American citizens who find themselves out of work, the kind of work they want to do, the kind of work they have been taught to do. They are forced to come to Government, and because of their own Government's policies undertake to have Government reverse those policies and provide work for them here in this country of ours so that they may do the things which the country must have done.

Specifically I refer to the men who are engaged in mining of all kinds, who are facing competition from abroad. And in that category I should like to include workers in many lines of industry who today find themselves forced to be idle, or to go into some other area of employment to which they are not particularly adapted. And they have to do so because this Government, in my judgment, is encouraging producers from abroad to manufacture, in many instances with substandard labor, and ship those goods to the United States, where we are providing a market for their products.

I will say to the distinguished gentleman from Pennsylvania that anyone who looks at the entire national picture and sees the vast increase of imports into the United States, anyone who visits any one of our great department stores today and sees the products from abroad being given a preferred position of sale to American consumers, can do nothing else but admit that something is being done which is bound to lower the American standard of living, if it is allowed to continue without some protection.

Mr. Chairman, I want to commend the gentleman and his committee, necessarily within the limited area to which they have given their attention, on bringing this matter to the attention of the people of the United States. I hope in due course, certainly in the next session of this Congress, we shall see fit to examine this entire field before the harm comes to the American economy which is threatened.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to my colleague from Pennsylvania.

Mr. FENTON. I, too, congratulate the gentleman from Pennsylvania and his very fine committee for bringing this resolution before us. For many years I have been trying to tell the Congress of the United States of the plight in which the mining industry finds itself, particularly as it applies in my own community to the anthracite mining industry. Your report on page 7 indicates the employment in the various mining industries in the United States. As you look at that table, you find that the anthracite mining industry has gone down from the year 1939 when they had some estimated 89,000 employees to 16,000 miners today. I could go back even further than that to 1917 and 1918 when we, in the anthracite fields, had a population of about 144,000 or 145,000 miners. Now they are down to the number of 16,000. It just indicates that if we were to get into another depression or some other emergency, we would have trouble finding miners to operate the mines that we have today. So I think it is very appropriate that this resolution be passed.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to my colleague from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, I congratulate the great Committee on Interior and Insular Affairs for bringing out this resolution.

Mr. Chairman, I rise to support the resolution. My State has long been a contributor to our mineral self-sufficiency in war and peace. The contributor of the small miner to this picture cannot be measured by shipping records alone. He has been the explorer and prospector that has found the deposits and developed them. We can ill afford to permit the extinction of this man, his skills and organization. He is the support of much of our frontier. The dollars we pay for the product of his mines go to meet his payrolls—power, supplies, and transportation. They all feed back to sustain the local economy.

Any set of conditions that destroys this domestic mining industry impairs our national security, both miiltary and nonmilitary. For instance the last manganese mines in my State have just been shut down. For the miners, their families and the owners it is a hardship, but it can be a catastrophe to our country and our national security. For us to rely solely upon long ocean hauled imports of millions of tons of a strategic mineral such as manganese while our own deposits remain underdeveloped is certainly unwise from the standpoint of military and nonmilitary defense and the maintenance of the industrial base that supports them. This resolution should help to create the climate for the essential moves.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to my colleague from Iowa.

Mr. GROSS. Do I get the impression that this resolution is made necessary by reason of the foreign imports of minerals; is that correct?

Mr. SAYLOR. I can say that in my opinion foreign imports are the greatest single contributing factor.

Mr. GROSS. I wonder where some of the people were a couple of years ago when the trade agreements extension act was passed—I do not mean the gentleman from Pennsylvania presently in the well of the House nor the gentleman from Iowa—but there were a good many people who voted to extend the trade agreements act a year or two ago; were there not?

Mr. SAYLOR. That is correct, many who voted to continue the trade agreements are now beginning to feel the squeeze in their own congressional districts.

Mr. GROSS. With the progressive 5 percent reduction in tariffs and duty; is that not right?

Mr. SAYLOR. That is correct.

Mr. GROSS. On Wednesday of this week, we will have a bill before us to rehabilitate the New England fishing fleet because it is being punished because of the foreign imports. So we will have that bill up on Wednesday to take care of some of the free trade people; those who have been advocating free trade, and compensatory payments from the U.S. Treasury. We will get a good treatment of that on Wednesday of this week, that is the compensatory payment idea. I do not know, perhaps, all I ought to know about this resolution or about the mining industry, but I am wondering how we are going to separate the sheep from the goats down here on this subject of foreign trade. Are we just going to go to the U.S. Treasury and give them compensatory payments, if they are hurt by foreign imports and, if so, when do we get to the bottom of this Treasury in so doing?

Mr. SAYLOR. If I had my way, we would not go to the Treasury. I believe the Congress in the past has provided some protective measures, and the Congress in the future should provide more measures. After all, one of the most important duties we have as elected Members of the House of Representatives is to take care of the folks at home, and

some of the things that we have done in the past look as if we had been looking out at the world and forgotten about the folks at home. Now, our past actions are coming home to roost and they are the cause of some of the problems in this country, which some of us warned about and our warnings were disregarded.

Mr. GROSS. The gentleman is absolutely correct. I just do not know how we can continue what we are doing. I just do not see how we can continue to permit the cheap products of cheap foreign labor in foreign countries to continue to come in and displace the productivity of the American laboring man unless we are going to put ourselves on a world price level.

Mr. SAYLOR. I might say to my colleague and to the other members of the Committee what I have said again and again—I am perfectly willing to help to raise the standards of the other peoples of the world to our level, but I refuse to be a party to lowering the standards of the American people to that of some of the other nations of the world just to meet this foreign competition.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. VANIK. I am interested in this resolution but I regret it does not go further, because I think there are a great many other things than the impact of imports. On page 75 of the report dealing with the subject of bituminous coal the statement is made that the export of bituminous coal has become a substantial factor. Does the gentleman feel that we can cut back on imports and not have a corresponding reaction from other parts of the world on the exports we make of bituminous coal?

Mr. SAYLOR. Let us look at just what happened in bituminous coal. Since we began to export bituminous coal some Western European countries——

Mr. VANIK. Western Germany.

Mr. SAYLOR. Found that their miners were being put out of work because we could mine coal in this country and deliver it to Germany cheaper than they could produce it themselves. They immediately put an embargo on American coal. This is typical of the action of our Reciprocal Trade Agreements Act, all the reciprocity is our giving it to other nations and getting nothing in return.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, this resolution I think is the outgrowth of a crisis brought about by two things: First, increased foreign production; and second, downward revision of national stockpiling requirements. These have been important contributing factors to the emergency which exists right now, today, in our domestic mining industry.

There are no mines in the Fourth Missouri District, but there are in the neighboring Seventh, also the Eighth Missouri District. I was a member of a special subcommittee which last April went out to hold hearings in that area. I refer to the so-called lead belt area. Southwest of St. Louis, Mo., there they were operating just 1 or 2 days a week, solely and only to maintain the mines and prevent them from being flooded, because once they are flooded there is irrevocable damage and one that cannot be repaired both from a financial standpoint, and as a matter of safety from an engineering approach.

As the chairman of our committee, the gentleman from Colorado [Mr. ASPINALL] said, the purpose of the resolution is to stimulate the executive branch, and not to be critical of anyone, anything, or any department. This is not partisan and should not be made partisan. Maybe the appropriate word is "stimulate," but whether it results in alerting, awakening, or whatever the process, it is hoped that the desired result can be accomplished in studying this problem and focusing attention on the serious situation in the domestic mining industry.

Let me reaffirm an observation recently made that there need be no conflict with our reciprocal trade agreements, but simply action provided for in such agreements. This resolution if acted upon certainly can be highly beneficial and helpful. It should be adopted and I urge favorable action on the resolution.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman, I rise in support of the resolution.

Mr. Chairman, what has happened to our domestic mining program and our minerals industry during the past several years is a disgrace to our present administration. The development of a stable domestic mining and minerals industry is absolutely essential to the security of America. It is ridiculous and absurd to assume for even a minute that this country can survive another war under our present foreign policy, depending to such a very large extent on the importation of minerals from foreign countries.

Why have we forgotten so soon? Only a few short years ago we had to establish a national agency to channel critical materials into the most important and urgent military and civilian programs. I refer, of course, to the War Production Board. Through a controlled materials plan and an elaborate priority system, our dwindling stockpiles of nonferrous metals, of steel, of critical building materials, of Freon for refrigeration, and many other basic materials were distributed with the utmost care and deliberation. Every industry had a representative division in Washington to contribute to the overall job. Steel became so scarce that substitute materials had to be used.

Under the Hyde Park Declaration, Prime Minister Mackenzie King and President Roosevelt agreed to combine the resources of both the United States and Canada in an effort to build a strong continental defense. This was because we did not have either basic minerals or plant facilities to meet the emergency. The lack of tungsten limited production of electronics equipment so badly needed. In order to eke out in a limited way the tremendous demand for silver for industrial use, all nonessential use of this metal was prohibited. Construction was sharply curbed and authorized only for military production or to meet the barest community requirements. Have we already forgotten all this? Stockpiling is not alone the answer. We need current production and we need a stabilized mining and minerals industry.

Today, mining in the western part of our country is dead. Virtually every tungsten producing property in the State of Nevada has been closed. Pioche, Nev., looks like a ghost town. Pioche, but a few years ago, was a thriving lead and zinc producing area. Gold cannot be recovered profitably at its present monetary value. We cannot compete domestically with the cost of Chilean copper.

After waiting for 10 years, I recently arranged a meeting with the Secretary of the Treasury. At that meeting I asked him point blank to define our present gold mining policy. Frankly, after talking with him for an hour and a half, I am more confused than ever. We do not have a clearly defined policy and we might as well face it. What is the answer? I think the administration's point 4 program is wrecking not only the economy of this Nation but our security as well. What use is it to attempt to buy friendship if we, the strongest Nation on the face of the earth, cannot industrially mobilize in the event of invasion? What good is Korean tungsten if we cannot bring it into this country during an emergency, when it would be so vitally needed? What good are our tungsten mines, filled with water, that could not possibly be reactivated in time to prevent our total destruction? And what good is a peacetime economy warped by administration policy in an attempt to increase the productivity of 80 other nations at the expense of limiting our own productivity? But to add insult to injury, under the present so-called mutual security program we are not actually increasing the productivity of other countries.

For example, a recent report submitted to the Honorable SAM RAYBURN by Congressman WILLIAM L. DAWSON, chairman of the Committee on Government Operations, stated that we forced excessive cash grants into the Lao economy at a faster rate than it possibly could be absorbed, causing an excessive Lao Government foreign exchange reserve reaching, at one point, $40 million, equal to a year's aid; inflation, doubling the cost of living from 1953 to 1958; and profiteering through import licenses and false invoices which made possible the purchase of U.S. cash grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip. Much of the overspending was the direct result of a determination to maintain a 25,000-man Lao army.

Expenditures requested for domestic programs must be justified in detail and can then be expended only for the purposes for which they are appropriated. The amounts requested are scrutinized minutely and more often than not the

amounts are cut and limited. Yet, we force our cash dollars into the Kingdom of Laos at the rate of $40 million a year, disrupting their economy and doubling the cost of living in a period of 5 years.

I could go on, but all of you know the sad saga of what was first adopted as the Marshall plan. You all know the story of our aid to the Dominican Republic—of the $600,000 annually the United States pays to the son of Dictator Trujillo, who is chief of his father's air force, and of his extravagance.

I am concerned not only with the possibility of a world crisis, although in the event of a third world war I have grave doubts that we could again recover industrially as we did prior to and during World War II—I am concerned with preserving a normal peacetime economy. I am concerned with increasing our national productivity in order to increase the national income other than by increasing our taxes. I am concerned with the employment of hundreds of thousands of people who are today living in once thriving mining communities, hopefully praying that some day they can return to the mines they love. And most particularly, I am concerned with the State of Nevada, which 100 years ago contributed so much wealth to the preservation and development of our Nation.

Therefore, I request that favorable consideration be given House Concurrent Resolution 177, as it does memorialize the President to place a plan before the Congress to maintain and develop a sound and stable domestic mining and minerals industry, without critical dependence upon foreign sources.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I rise in support of House Concurrent Resolution 177. As a sponsor of identical legislation and as a member of the Interior and Insular Affairs Committee, I urge prompt enactment of this legislation.

Mr. Chairman, it is indeed paradoxical that our mining industry has been allowed to languish at the very time when the mineral needs of the Nation are expanding. Nearly everyone agrees that our country stands on the threshold of an era of unparalleled economic expansion. All agree that natural resources will be required for this economic development. Yet, mines continue to close, domestic production continues to fall and chronic unemployment continues as the norm for the Nation's miners.

I believe this is a serious situation requiring immediate remedial action. From the standpoint of a sound economy, it is essential that a stable domestic mining industry be fostered; from a standpoint of our national defense, it is equally essential to develop domestic mineral reserves adequate for any foreseeable national emergency.

We in the West are proud of the role mining has played in the development of our section of the Nation. We are confident that mining can be of equal importance to our present economy. Rich deposits of mineral wealth exist throughout the West. Small independent mining operators stand ready to insure the proper and expeditious development of these natural resources. All that is lacking is a national policy providing necessary incentives for the expansion of this essential industry.

Passage of the legislation now under consideration will effectively declare congressional dissatisfaction with the lack of a mining program and congressional support for a policy of encouragement for the discovery and development of mineral wealth. Enactment of House Concurrent Resolution 177 is consequently of signal importance and I ask its prompt approval.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I strongly support this resolution. I hope the Congress will pass it without delay. And I hope the President will heed its message.

This Nation is pursuing a minerals policy that is shortsighted and unwise.

No thinking person opposes reasonable imports of minerals. In fact, reasonable imports are essential.

But one trip to the tristate lead and zinc mining area and you will see that our own domestic mining industry is in serious trouble because of excessive imports. People who have devoted their lives to mining are out of work and have lost all faith in the future.

Mine owners are pumping surface water out of idle mines at heavy monthly expense.

They feel, and have ample proof to justify their feelings, that America is more interested in developing foreign mines than in preserving American mines.

They feel that there is no place in America's planning for the American miner.

Surely a better minerals policy can be devised. Surely there are ways to limit imports to reasonable quantities and not completely destroy our domestic mining industry. Surely there is a place in America for a Missourian or Kansan or Oklahoman who wants to mine lead and zinc for a living.

This resolution asks the President to review the national minerals policy and to come up with a better program.

I urge the House to pass this resolution and pass it now.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SAUND].

Mr. SAUND. Mr. Chairman, I rise to support the resolution. It is a good resolution but it is late and of course provides no immediate relief to the small mining industry.

There is no substitute in our military and civil defense economy for an active and productive mining industry. The attainment of a measure of self sufficiency in our mineral industry is worthy of our best efforts. Stockpiling alone is not a substitute. The maintenance of the mines, with their specially skilled staffs is a far greater source of strength and security and it may be of even greater importance as a deterring factor in our defense picture.

Whatever the complex reasons may be, our small mines over the last several years have been closing down. Almost none remain. Just 3 weeks ago all the manganese mines closed down. They were producing our No. 1 strategic and critical metal. The carlot program that kept these small manganese producers in business provides us annually with only enough manganese to meet our requirements for less than 3 weeks. A sound policy can be developed but, in the meantime, steps should be taken to keep the industry alive.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I want to thank the chairman for yielding to me. I want to compliment the chair of this committee and the committee for bringing out this resolution. I am highly in favor of this resolution and hope it is adopted.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from New Mexico [Mr. MONTOYA].

Mr. MONTOYA. Mr. Chairman, I wish to congratulate the members of the committee for initiating this great step. It may open the eyes of the policymakers to the plight of the mining industry in this country.

The United States is the largest consumer of manganese in the world and yet today practically every manganese producer has been closed down and thousands of skilled metal miners have been forced out of employment because our governmental agencies prefer to place the safety and security of our Nation in foreign production for this No. 1 strategic metal rather than keeping our mines open.

I am informed that the Government has a $165 million contract with AMAPA, a Brazilian company, 49 percent of which is owned by the Bethlehem Steel Corp., for manganese to be imported into this country for stockpile but refuses to honor the commitments made to small businessmen in the manganese industry in the United States that the carlot program would be continued until June 30, 1961, as made in open testimony by Dr. Arthur S. Flemming, then director of ODM, in a Senate hearing when he said:

> There is no question in my mind at all but that under the present rules of the game, which includes the 10,000-ton limitation, that we would be in a position to accept whatever is put to us through June 30, 1961.

Relying on this promise, mining people invested their savings in mining operations, built roads over the desert in California, Arizona, New Mexico, and other States, built camps, mills, and mining plants in an all-out effort to produce a vital metal for their country. They were closed down on August 5 by arbitrary action on the part of those who prefer to place our Nation in total dependence on foreign production.

Of course low costs of production exist where labor is cheap in Africa, Brazil, and India. They are also cheaper in the

U.S.S.R. where for years we depended upon that country for the bulk of our production. In 1949 Russia simply cut us off. This could happen today elsewhere in spite of the multi-million-dollar loans being made to foreign producers by an international loaning agency largely financed by American taxpayers. Our Navy does a good job in protecting the sea lanes but what is the cost per ton of manganese imported? Our ships are subsidized because we believe it is in the national interest. We subsidize many other defense industries but we let our manganese industry go to pot.

Steel cannot be made without manganese. Fourteen pounds is used in every ton. Manganese is indispensable for an industrial country. Our requirements will increase as the Nation grows. It is a heavy tonnage industry and yet the limitations placed on the procurement from small producers was placed at 28 million units—650,000 long tons—about enough to meet current consumption for 4 months. Think of it, only 4 months, and yet while the manganese producers have pleaded with their Government for a continuation of the program until 1962, as promised by Dr. Flemming, they have been given a close down order by the OCDM.

We need a realistic program to encourage and continue the production within this country. We need to keep our mines operating if for no other reason than to prevent gouging of consumers by foreign producers such as has been done in the case of nickel and other metals by importers when we found ourselves in short supply and our requirements great.

The cost of continuing the domestic carlot manganese program is trivial indeed when you consider the benefits to be derived therefrom. Surely our enthusiasm for pouring money abroad cannot justify our neglect of domestic programs which involve the national interest. It is not in the national interest to liquidate the domestic manganese industry. I favor the resolution with the hope that pending the formulation of a long-term program, the agencies involved will see fit to continue the manganese carlot program and prevent the continuation of the destruction of American industry and our very economy which is presently taking place.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I do want to congratulate the great chairman of this committee and the members of the committee for the excellent work they have done. I certainly hope this resolution passes and that the administration takes cognizance of the resolution and acts upon it. It may mean a great deal to my State of Kansas.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, I am grateful to the chairman of the Committee on Interior and Insular Affairs, my distinguished colleague, the gentleman from Colorado [Mr. ASPINALL], for granting me this time to support the pending resolution.

Although the resolution does not directly mention bituminous coal, the hearings and the report of the committee certainly demonstrate that the language of the bill in its stress on a "sound and stable domestic mining and minerals industry" clearly contemplates the inclusion of coal within its terms.

Our national security rests on a healthy bituminous coal mine industry just as surely as on the adequacy of other critical minerals. As a Nation we cannot afford to shut down mines, allow machinery to rust, displace miners, and then expect to go into emergency production if a crisis should develop. Furthermore, all talk of a full and expanding economy comes as small comfort to the unemployed coal miners of my State of West Virginia and the other great coal mining areas of the land. That is why I am grateful that the pending resolution deals with this problem not only in terms of industrial prosperity and company income, but more particularly in relation to the human factors of unemployment in depressed areas.

I believe that it has been amply demonstrated that rising imports of residual oil have seriously threatened the coal industry, and the recent slight cutback in such imports will afford a slight measure of relief. I trust that passage of this resolution will further strengthen actions to curb the ruinous competition of foreign residual oil.

In a national emergency, coal is the most dependable fuel we have. We must take active steps to protect and strengthen this vital industry through the kind of policy which I believe this resolution will help to crystallize. I would think that some attention should also be paid to the effects of tax policies on our overburdened coal industry.

In short, Mr. Chairman, I am convinced that this resolution is in the national interest and I urge its adoption.

Mr. VANIK. Mr. Chairman, I support House Concurrent Resolution 177 with considerable reservations. I hope that it will not result in mandatory controls over the import of minerals and residual oils.

A report published today by the American Enterprise Association, prepared by Dr. William H. Peterson, of New York University, indicates that current mandatory controls over the import of oil into the United States has resulted in higher prices, thereby contributing to the inflationary impact. Our economy cannot afford an extension of price-support programs.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, this resolution is a very valuable one and I commend the committee for bringing it out. I rise in support of it. Let me explain very briefly why I think this is sound public policy and sound economics as well.

When you operate an industry like mining on a feast-and-famine basis, as we have operated for far too long in the United States, you have a rapid acceleration of mining communities on the boom side. I have several in my district that mushroomed. You also build and extend the mines.

Then when the prices fall you shut down the mines, you leave the people stranded or they move away, you destroy the business and you see the mining machinery go to rack and ruin. My district has more mills lying idle as tourist attractions than it has operating mills.

Then when a new need for minerals arises again, the price rises rapidly because there is no regular source of domestic supply. You have to reassemble the crews, you have to go back into the mines and pump them out and reestablish them, or open new ones because the old ones have been ruined.

From the standpoint of sound public policy, it would be better to maintain a going operation, a stable labor force, a basic working crew, a set of operating mills, and mines in good repair. If the country had a mining policy which provides a guaranteed continuing program that would keep alive the basic sources of supply in this country, it is really unlikely that the prices would bound up as they have from time to time in the past, because you would have a domestic business which you could expand at a much lower cost. The real cost to the community in the policy we have followed is not always reflected in the profits or loss of mine industries. It is also reflected in the lives of the people in those communities.

I commend the committee for its report. The American people need an assured supply. They need to avoid the waste of men, material, and mine reserves that our past policies have created.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I wish that every Member of this body could have been with the subcommittee mentioned by the gentleman from Colorado [Mr. CHENOWETH] which visited the tristate mining area last April. I wish you could have seen in the midst of this land of plenty the idle mines, the silent mills, the shutdown installations across that great area and have observed at firsthand the human misery and human suffering that accompany a shutdown of this kind. This subcommittee looked at the mine situation and talked to the people. We visited a small town where 700 families are on food relief as a result of the shutdown in the Missouri-Kansas-Oklahoma area. We saw vividly at firsthand the impact of what has been described by this committee as a real national emergency. It is not possible for other Members of the House to make that tour, but it is possible for them to look at the hearings and read the record made all over the United States as to what has happened to our mining industry.

You can turn to those pages of these hearings and find at page 148 where the mines in New Jersey and in Virginia are shut down. You can turn to page 97 and find the testimony of the director of the State of Oregon's department of geology and mineral industries, Mr. Hollis M.

Dole, that "unless a sympathetic or understanding Government reverses or corrects its present policy, metal mining in Oregon is finished."

You can turn to page 95 and find there the witness from Utah, Mr. Miles Romney, who testified that "the small mines in Utah are gone." He stated further:

> We have three lead and zinc mines operating in Utah today. These three mines operated last year at a loss of $1 million.

You can turn to the picture in Idaho and find the miners in Idaho are closing down their great cobalt industry.

You can turn to the witness testifying for New Mexico, Mr. William F. Darmitzel, and find there the statement that the lead and zinc industry "for all practical purposes was completely closed down by the end of 1958."

The same condition obtained in New Mexico's fluorspar industry. "Our producers were priced out of the market by foreign competition."

In my own tri-State area there was testimony by Mr. Tom Kiser, that "in 1947 to 1949 we produced 14.8 percent of the U.S. annual domestic production of zinc. In 1958 we produced 2.1 percent. Today our production is zero."

You can turn to the State of Colorado, page 79, and you will find there the testimony of Mr. Bob Palmer, speaking for the Colorado mining industry, where he says:

> Lead and zinc studies show that in 1939 there were 1,455 mines operating in the State. * * * Today, Mr. Chairman, only four major mining operations in this field can actually be listed, and at least two of these are operating close to the precipice of destruction or on the ragged edge.

Mr. Palmer said further:

> The destruction of the domestic metal industry is the result of the lack of a domestic mineral policy, together with a well-conceived plan, carefully carried out, designed to increase production of practically all metals abroad and to encourage their importation into the United States at prices below the cost of production within our borders.

Whatever the reason is, there is need today in this country to take another look at this situation and to come up with some new answers. The mining industry in our country is entitled to nothing less than a new approach to this problem. It is entitled to constructive and imaginative programs to put the miners of the Nation back to work. That is what this resolution calls for. It calls for recommendations. It calls for new ideas. It calls for action in a field that has too long been neglected.

Mr. Chairman, I am proud to be a sponsor of the legislation. I am proud of the fact that it has bipartisan support, and I believe I will have reason to be proud in a few minutes of a practically unanimous vote in this House in support of this resolution.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I think the debate that has occurred in connection with this resolution must point up to each Member present that this legislation purports to deal with a very limited field in which the great difficulty confronting the employees in the mining industry finds a similar relationship in many, many industries in the country. Reference was made a bit ago to the reciprocal trade agreements program, to which I personally attribute a great many of the ills that are reflected in unemployment in industrial and mining areas of the Nation. The suggestion was made by one of the distinguished gentlemen that the reciprocal trade agreements program had no direct relationship to this difficulty in the mining areas. Perhaps I do not correctly quote the gentleman, but I just want to say to the Committee that the reciprocal trade agreements program is directly related to this matter of unemployment in many, many areas.

Putting it another way, with the reciprocal trade agreements program and the so-called commitments we have made under that program, we are limited in the relief which this great Congress of the United States can give to the unemployed miner, to the unemployed worker in many, many of our industries. While we might want to exercise our jurisdiction as legislators in the Congress of the United States and pass a law directing that this or that be done to help the unemployed miner by safeguarding his job against destructive imports or to help the gentleman who is unemployed in industry because of cheap foreign imports, we find that we cannot do it without paying a penalty through compensatory tariff cuts. Very often we forget that these alleged reciprocal trade agreements in fact have not proved to be reciprocal, and we are the ones who make the sacrifice and the other nation does not abide by its concession made to us. Time after time it has been proved that when these negotiators of ours, originally described as "Yankee traders" make their agreements abroad and come back home, we find that unhappily the other country, hardly before the ink is dry on the agreement, through depreciating their currency or voiding the agreement, have, in effect, wiped out the concession which they made to us. In fact, instances exist where the foreign country raised more barriers against American exports abroad than there were at the time we started with the reciprocal trade agreement program. American manufacturers today cannot ship many American-produced articles into Western Europe because quota barriers and other trade restrictions have been raised against our exports. Today this great Congress is called upon to consider legislation which will authorize American business to send our dollars abroad to build plants, under the promise of preferential tax treatment so that we can service markets from factories we are to build abroad.

But now I come back to the point as to why we in Congress here have not seen fit to protect the jobs of our American citizens. If we do something that imposes a quota, if we in any way whatever tend to interfere with the trade agreements program, under which the foreigner is today taking our market, my friends, we have to pay for it. We have to say to some other manufacturer in this country or to some other industrialist, "You are going to be called upon to pay for the protection given to one American industry by less protection for your industry because we are committed to unilaterally abide by the trade agreements concessions even though the other signatories to those agreements do not."

Under the reciprocal trade agreements program when we undertake to protect the American worker who is threatened with unemployment, where we undertake to protect an industry providing domestic jobs, we have to, in effect, obtain permission of the GATT member countries and if a member country asks us to make concessions in some other area as compensation, we have to pay dollar for dollar for the protection we have bought for the American worker.

This reciprocal trade program, I repeat, is not reciprocal because we do not get the concessions that are promised. We do not insist on them. We sit back and let the other countries have their way with us. And then if and when—and a case in point is in front of us right now—if and when we want to protect the jobs of our own workers, if we want to reopen certain mines which under the reciprocal trade program are facing unfair competition, we have to pay the other country by making concessions in some other field of industrial output.

So I say that this area is worth while for a studious examination of this picture. I hope the resolution may find its counterpart in many other industries or in an overall review by the appropriate committees of Congress of this entire subject. And I hope that may be done certainly during the next year. I note the distinguished chairman of my great committee, the Committee on Ways and Means, on the floor. I hope, Mr. Chairman, that we will see fit to examine into this subject which is of ever-increasing importance to the American people as imports of foreign goods are threatening the employment of skilled American workmen. I hope that our committee may have the opportunity of going into this subject in the next year.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. BERRY. Will the gentleman agree with me that there are three principal reasons why our domestic mining and other industries cannot compete with foreign mines and foreign industries? First, because of the salary differential, because of the minimum wage we have in this country, whereas in foreign countries some of them may be working for one-fourth of the wages that our people get, and not only that, but working 12 hours a day, 7 days a week. In this country the period of employment is limited.

Mr. SIMPSON of Pennsylvania. I do agree that one of the factors is the unequal labor situation.

Mr. BERRY. And the second is taxes.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SIMPSON] has again expired.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from Missouri [Mr. CARNAHAN] such time as he may desire.

Mr. CARNAHAN. Mr. Chairman, I rise in support of this resolution.

I speak in support of House Concurrent Resolution 177 and commend my colleague, the gentleman from Colorado [Mr. ASPINALL], and his committee for the diligent efforts put forth for a healthy and strong mining and minerals industry—an essential if America is to remain secure.

I appreciate this opportunity to speak in behalf of the most important lead mining area in the United States, and one of the most important in the world which is located in my congressional district in Missouri. The Lead Belt of Missouri has been producing lead for over 100 years, and we in Missouri are proud of the part our lead resources have played in war and peace to the benefit and prosperity of the Nation. It is, therefore, particularly distressing to Missourians, and to me, to find the Lead Belt in a precarious position with production and employment curtailed owing to the extraordinary flood of imports from foreign countries with which the lead output of Missouri must compete.

The Lead Belt has for some time been on a 4-day week. The principal mining companies of my district have accumulated large unsold stocks of lead in an effort to maintain employment as long as possible, but were ultimately forced to curtail production.

I realize the importance of mutually satisfactory international political and commercial relationships, and that it is long-established congressional policy to lower trade barriers, reciprocally, wherever possible. But, it is also clearly the intent of Congress not to injure American industry in doing so. Congress very carefully put in the Reciprocal Trade Agreements Act safeguards to protect the American business and industry jeopardized by extraordinary foreign competition.

I do not think any industry has been more carefully examined and evaluated than the lead mining industry by the Tariff Commission, charged, as it is, with making recommendations when injury to industry is indicated by a tariff cut. I do not think there is anything more that the lead mining industry can do to present the equity of its case than it has already done. I strongly feel that it is time for action to be taken to remedy the plight of the miners.

Even though there are many of our people who do not like Government subsidies, I went along with the administration's bill of last year to provide subsidies for the lead miners in lieu of a tariff. That, too, failed in the House by a very close margin although overwhelmingly carried in the Senate. Without using either tariffs or subsidies, about the only other device was quotas on imports. This the President imposed on imports of both lead and zinc in raw material form only, but not, be it noted, on manufactured lead products. The quotas were set by the President at 80 percent of imports during the years of 1953, 1954, 1955, 1956, and 1957. These happen to be years of excessively heavy imports and 80 percent of these heaviest import years is more than the economy can absorb. Unfortunately, as the lead market price indicates, the lead quota has not been sufficiently effective. To be effective it must be tightened. Some foreign countries, I believe, are now becoming acutely aware of the restrictive and troublesome manner in which quotas always operate. I should not be surprised to find them now reconciled to a tariff increase rather than to have quotas continue.

There is another highly important aspect of quotas which must be given more attention; namely, the loophole open to the manufacturers of lead products to import such articles as pipe, sheet, solder, storage battery parts, and other items made of lead, if the domestic lead price rises by virtue of the imposition of quotas on the raw material. As I have already indicated, the manufactured items are not subject to quotas. This loophole has led to serious impairment of vital markets of the American lead miners.

Since the Tariff Commission acts in making recommendations for relief only when injury has actually been proven, I suggest that measures be taken so that, whenever an increased tariff or quota on agricultural or mineral raw materials is recommended, it should also provide a compensatory adjustment in the rates or quotas on articles manufactured from those agricultural or mineral raw materials.

I have been observing the effort of the State Department trying to bring about some voluntary adjustment, worldwide, of lead and zinc production to consumption. This would be helpful to improve the domestic situation, but some more formal, long-term solution is necessary. My mining friends tell me that the country possesses a large potential supply of metals and minerals, and that there are still opportunities awaiting the miner's pick or drill to develop our latent mineral resources. Missouri has established a great production record mineralwise. I hope to see this record continue. I will continue to support in the Congress whatever incentives are necessary for our mining companies to assume the speculative risks which necessarily accompany prospecting for more mineral deposits.

I express my appreciation and the appreciation of the people of my district for the work of a special subcommittee of the Committee on Interior and Insular Affairs headed by Representative ED EDMONDSON, of Oklahoma, that investigated the situation in the tristate region of Kansas, Oklahoma, and Missouri. At my request, my colleague from Missouri, WILLIAM J. RANDALL, a member of the subcommittee, was kind enough to visit the Lead Belt area in Missouri. Upon his return he advised me that he considered the situation in that area extremely serious.

I quite agree with this committee that the plight of the lead-zinc industry is the direct result of administrative procrastination. Actions that have been taken were not only too little and too late but they did not use the existing administrative authority for remedies such as that available under the escape clause provision of the latest Trade Agreement Extension Act.

An emergency exists in my district and I urge the House to adopt this resolution which is certainly in the national interest and which would foster and encourage the maintenance and development of a sound and stable domestic mining and minerals industry.

Mr. HARGIS. Mr. Chairman, the present sad plight of the hard-pressed miners and mine operators in the lead-zinc areas of my home district make the passage of House Concurrent Resolution 177 a matter of great concern to me. The aims and purposes outlined in this resolution are truly commendable, and are worthy of unqualified support.

We need to make every possible effort to restore domestic mine and mineral production to a high level. We must do something to curb unemployment in mining areas. And above all, we must take steps toward ending the ruinous policy of impoverishing this Nation's mining areas through continued and excessive purchases of foreign imports. Immediate action is imperative.

In April this year, I went along with four of my House colleagues—ED EDMONDSON, of Oklahoma; CHARLIE BROWN and WILLIAM J. RANDALL, of Missouri; and J. EDGAR CHENOWETH, of Colorado—for a firsthand look at the lead-zinc situation in the tristate area of Kansas, Oklahoma, and Missouri. The tour included sections of my own congressional district in southeast Kansas.

The conditions we found were appalling, and they are no better now. Decreased prices because of foreign imports have caused a virtually complete shutdown of the mines for 2 full years. Unemployment in this area is as bad as it was during the worst years of the depression in the 1930's. Two-thirds of the miners and their families have left this once-prosperous region. Many of those remaining are enduring privation and hardship.

In Picher, Okla., alone, we found that more than 700 families were on relief. Many were dependent on Government distribution of surplus foods.

This was once the leading lead and zinc production area in the United States. Now, employment has shrunk from thousands of men to fewer than 100 men. The few that are left are fighting a constant battle, through pumping and maintenance, to prevent mining properties that are still valuable from deteriorating.

We need a full-fledged plan for reorganization of the entire Government-related program. And this should be followed promptly by remedial legislation. Action must be taken to assist this essential industry—reduce economic losses in the mining areas—and put an end to the personal tragedies resulting from unemployment and dire need. This program is an urgent necessity.

It is up to Congress to begin corrective measures at once. The resolution now being considered is a meritorious effort. Its passage would be a long and decisive step in the right direction.

Mr. ASPINALL. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Texas [Mr. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I am delighted to yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I most heartily endorse this great resolution from a great committee.

Mr. ROGERS of Texas. Mr. Chairman, I had not intended to speak on this resolution because I think the membership of the House is well aware of the problems involved. Most of them will remember that last year an attempt was made by this same committee to bring to the floor of this House and pass a minerals stabilization bill that would shore up the sadly defective minerals industry in this country. At that time charges were made that it was subsidy, that we should not subsidize this industry. Again this year we had hearings on this very sick industry and tried to come up with something that we thought would perhaps open the door to solving the problem.

The heads of the minerals industry throughout this Nation came before our committee. I think we had as good a panel on this subject as you could gather together anywhere.

The big problem that we are faced with is the question of how we are going to cure these ills, whether it is going to be by subsidy, whether it is going to be by tariff, whether it is going to be by quotas, or whether it is going to be by some other means. The fact is that we must cure the ills of this industry because it is an industry involving thousands upon thousands of American citizens who depend upon it for a livelihood. Something must be done to correct the situation and bring about a stabilization of a most important industry.

Few people realize that with our moving into the so-called space age we are treading upon very dangerous ground when we begin to depend upon foreign sources for many of the strategic minerals we need. We are also treading on very dangerous ground even though we have those minerals, if we allow the mines to become so economically unstable that they must be closed.

Some people say that is all right, we will use this foreign ore now and save our own. The time may come when we will need our own strategic minerals and we will not have the time to put these mines into operation to bring about a fulfillment of our needs. I know there has been much said about stockpiling of materials, and the statement has been made that we have a tremendous amount in the stockpile. When we are dealing with an economic situation, we can also take this into account—that the surplus stockpile of these minerals and metals is not a bad thing in itself. They do not deteriorate with age. We have places that we can store them throughout the United States and it will not injure anyone and it will not cost hardly anything. As a matter of fact, there are many places now owned by the Federal Government where there would be no cost involved. But the number one thing involved in this whole situation is Mr. John Q. America. He is depending upon this for a livelihood and when we use these foreign sources of ore and say, "Well, we are sorry but we got these materials cheaper over there so we are going to let these mines be closed." Where is that fellow going to get a job? He has to go into some other segment of our economy and that has got to be spread out and extended further in order to take care of him. So why do we not face up to the issue and meet it head on and solve this problem while we have a chance?

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas [Mr. HARGIS] may extend his remarks previous to the remarks of the gentleman from Texas [Mr. ROGERS].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Whereas the Constitution empowers the Congress to make all needful rules and regulations respecting the Territory or other property belonging to the United States, to regulate commerce with foreign nations and among the States, and to provide for the common defense and general welfare; and

Whereas mining and the extraction of minerals from Federal, State, and privately owned lands situated within the United State and its Territories and possessions are basic industries upon which the transporting, processing, and distributing industries and the consumers of the Nation depend; and

Whereas the interests of national security have brought about Government programs for the establishment and maintenance of national stockpiles of strategically important metals and minerals and for the development of mine and plant capacities for the production thereof; and

Whereas the administration of these and related programs, through Government purchases, contracts, loans, grants, technical assistance, barter, and other means, has resulted in the abnormal and artificial stimulation of foreign metal and mineral exploration and development and the expansion of foreign capacities for the production of metals and minerals; and

Whereas increased foreign production of certain metals and minerals, together with downward revision of national stockpile requirements, has resulted in depressed domestic prices for these materials, drastic curtailment of domestic production, economic disaster to individual firms, hardships for dependent industries, extensive unemployment, and severe contraction of business in the affected communities; and

Whereas an emergency exists since further delays in the recovery of the domestic mining and mineral industries would cause irreparable damage to mining and mineral properties, wastage of human and natural resources, and loss of production capacity, and would have a depressing effect upon the national economy and threaten national security; and

Whereas all governmental efforts to date have not been effective in alleviating these detrimental effects: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is requested—

(a) to have reviews made at once of the existing programs of the departments and agencies of the executive branch with the purpose of using them more effectively to provide for increased production and employment in critically depressed domestic mining and mineral industries;

(b) to advise the Congress at the earliest possible date as to the actions taken or proposed to be taken to this end; and

(c) to submit any reorganization plans or recommendations for legislation that may be necessary to accomplish this objective.

SEC. 2. It is the sense of the Congress that it is in the national interest to foster and encourage (a) the maintenance and development of a sound and stable domestic mining and minerals industry; (b) the orderly discovery and development of domestic mineral resources and reserves on Federal, State, and privately owned lands; and (c) mining, mineral, metallurgical, and marketing research to promote the wise and efficient uses of domestic metal and mineral resources.

SEC. 3. It is the sense of the Congress that the maintenance and development of a sound and stable domestic mining and minerals industry, without critical dependence upon foreign sources, is essential to national security and the welfare of the consuming public, and that this objective is independent of and cannot be accomplished by the maintenance of national stockpiles for planned defense needs in a single emergency or the existence of productive capacity based upon the importation of foreign materials.

Mr. ASPINALL (during the reading of the concurrent resolution). Mr. Chairman, I ask unanimous consent that the concurrent resolution be considered as read, and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Missouri [Mr. RANDALL] stated a short time ago that there was no conflict between this resolution and the reciprocal trade agreements. There may be no "conflict," in the strict sense of the word, but very definitely the resolution is before the House because of conflict in the operation of the Trade Agreement Act. In other words, the resolution would not be here were it not for the Reciprocal Trade Agreements Act. I am going to be very much interested in looking up the record of those who voted for the extension of the Trade Agreements Act last year when it was before the House, and those who now support a resolution of this kind. This is again the result of giving away the markets of this Nation to foreign countries.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. RANDALL. With reference to the remarks made a few moments ago about a conflict, the point I was trying to make was I think the mining industry would be very happy if the plan worked as it was originally conceived under the Reciprocal Trade Agreements Act, but it is not working.

Mr. GROSS. Of course, but the gentleman said there was no conflict.

Mr. RANDALL. Perhaps that was an error to use the word "conflict." What I meant was that they were not poles apart. I meant that it could work under the reciprocal trade agreements.

Mr. GROSS. I doubt very much that it could because we are finding more and more evidences of injury to American industry and labor. I am disturbed by section 2 of the resolution and I would like some assurance from the chairman of the committee with reference to that section, which reads as follows:

SEC. 2. It is the sense of the Congress that it is in the national interest to foster and encourage (a) the maintenance and development of a sound and stable domestic mining and minerals industry.

Just what does that language entail? May I preface that by pointing out that the House just completed debate on a bill the proponents of which said that only a year or two ago the House voted for a resolution authorizing a study of safety features on Government-owned vehicles. Now comes a bill to implement the study. I do not know what it is going to cost; no one else knows what the bill which was just debated is going to cost.

My question is: What is this resolution going to cost at some future time?

Mr. ASPINALL. This bill should not cost anything—if the gentleman will yield.

Mr. GROSS. I am happy to yield to my friend from Colorado.

Mr. ASPINALL. This bill provides that the executive department can get advice that is necessary as to what should be done by using the officers and the employees of the departments interested in this area of operation.

Mr. GROSS. Are we then going to run into the question of compensatory payment out of the Treasury to take up the slack for the damage that has been done?

Mr. ASPINALL. If the gentleman will yield, I was one of those who supported the Reciprocal Trade Agreements Act of 2 years ago. I did so with the understanding that we would have from the executive department some aid as far as the execution of that particular program was concerned by the different provisions we had in it, especially with what was known as the peril-point and the escape clauses. The administration has used them but I do not believe they have used them effectively. I am not offering any pointed criticism at the present time, I am just asking them to look over the problem again.

Mr. GROSS. The whole record of administration of the Trade Agreements Act refutes any reason to believe that the peril-point and escape clauses have been or will be used as intended. The whole history of the administration of the act shows that the peril-point and escape clauses have not been made effective in the past; and some of us, especially the gentleman from Pennsylvania [Mr. SIMPSON], tried to cure that, but he did not succeed; he did not get the necessary number of votes on the right side of the aisle to cure it when the Trade Agreements Act was last extended.

Mr. ASPINALL. I have no quarrel with my friend from Iowa. It simply means I see matters a little differently than he does, but I do think the industry known as the domestic mining industry in this country is sick at the present time.

Mr. GROSS. We are going to have more resolutions of exactly this type until the Congress of the United States decides to do something about the Trade Agreements Act; decides to quit playing Santa Claus all over the world, and decides to quit playing fast and loose with the productivity of American labor and industry.

Coming before the House on Wednesday is a bill that I hope you will read. Unless you have already seen the bill you are going to be interested by one of the provisions. It provides that in the case of the New England fishing industry, damaged by virtue of foreign imports of fish, and where the President has overturned the Tariff Commission finding of relief under the escape clause, that Federal subsidies shall be used to rebuild the fishing fleet. This is the beginning, if the bill is approved, of compensatory payments to industry and labor where damaged by foreign imports. This, like the resolution before us, will be dealing with effect and not cause.

I have every sympathy for all those engaged in the mining industry in this country who are fighting a losing battle against foreign imports but I warned when the so-called Reciprocal Trade Act was up for extension that it would live to haunt those who voted for it and I submit again for the record that there are only two alternatives—either revise the Trade Act to protect those who are being injured or face widespread raids on the Federal Treasury to provide compensation.

I reiterate that there will be more and more resolutions of this kind in the months ahead unless Congress takes firm and courageous action to protect American labor and industry.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Con. Res. 177) pursuant to House Resolution 347, he reported the concurrent resolution back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Under the agreement previously entered into further proceedings will go over until Wednesday.

Does the gentleman withdraw his point of no quorum?

Mr. GROSS. Yes; I withdraw the point of no quorum.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, August 24, 1959, to file a report on the bill H.R. 8725, a bill to amend the Internal Revenue Code of 1954, to make technical changes in certain excise tax laws, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

BONDING OF CERTAIN LICENSEES

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 2317, to amend section 7 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, lines 8 and 9, strike out "third, fourth," and insert "third (except the last sentence thereof)."

Mr. McMILLAN. Mr. Speaker, the purpose of the amendment is merely to clarify a possible inconsistency that may arise upon enactment of the proposal. The amendment makes no change in the substance of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PROPERTY TO ASSOCIATION OF OLDEST INHABITANTS OF DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 303, to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 4 and 5, strike out "convey, without monetary consideration," and insert "convey."

Page 3, after line 11, insert:

"SEC. 3. The conveyance authorized by this Act shall be conditional upon the Association of the Oldest Inhabitants of the District of Columbia paying to the Commissioners of the District of Columbia as consideration for the property conveyed an amount equal to 50 per centum of its fair market value as determined by the Commissioners after appraisal of such property."

Mr. McMILLAN. Mr. Speaker, the purpose of the amendment adopted by the Senate conditions the conveyance of the property to the Association of the Oldest Inhabitants of the District of Columbia upon the payment by the association to the Commissioners of the District of Columbia of an amount equal to 50 percent of the fair market value of the property as determined by the Commissioners after appraisal of the property. There is no objection to this amendment on the part of any of the parties concerned.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, what time is this sought to be conveyed?

Mr. McMILLAN. The Commissioners have to have an appraisal made on the property.

Mr. GROSS. Does it have anything to do with the stadium?

Mr. McMILLAN. It is not connected with the stadium. This property was owned by the old fire station, and it seemed necessary to tear down the old fire station.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

PROVIDING REGULATION OF CLOSING-OUT AND FIRE SALES IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2318) to provide for the regulation of closing-out and fire sales in the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 12, strike out "District Commissioners" and insert "Commissioners of the District of Columbia."

Page 4, line 8, strike out "damaged."

Page 4, line 10, strike out "as damaged merchandise."

Page 5, line 9, after "Act" insert "and regulations promulgated under the authority of this Act."

Page 5, after line 20, insert:

"SEC. 9. The Commissioners are authorized to promulgate regulations to carry out the purposes of this Act, including, without limitation, regulations limiting the period of time a closing-out sale or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise may be conducted, subject to extension as authorized by section 5: *Provided,* That no such regulation shall be put in effect until after a public hearing has been held thereon."

Page 5, line 21, strike out "9" and insert "10."

Page 5, line 23, strike out "10" and insert "11."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina.

There was no objection.

Mr. McMILLAN. Mr. Speaker, the amendments 1, 2, 3, and 4 are simply for the purpose of clarification.

Amendment 5 provides that the Commissioners shall have authority to promulgate regulations to carry out the provisions of the act with a proviso that no regulation shall be put into effect until after a public hearing has been held thereon.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on House Concurrent Resolution 177.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

JOHN A. BURNS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I was unable to be present on the 20th of this month when several of our colleagues were giving their tributes to our friend and coworker, John A. Burns, the last Delegate from the Territory of Hawaii, as he was making final preparations to turn his representative responsibilities over to his successor, the Honorable DANIEL INOUYE, who took his oath today as the first Member of Congress from our newest State. I wish to say "thank you" to Delegate Burns for a job well done and services well performed. At the same time I desire to wish Representative INOUYE the best of success in his new responsibilities.

In my remarks today I have no desire to trespass upon the role of a eulogist. Neither do I desire to assume the task of a judge or an appraiser. Rather would I speak as a friend of him whom I seek to honor—as one who has lived closely with him for whom I hold great admiration and brotherly affection. Feeling the hesitation of the poet I might say with him:

Words, once my stock, are wanting to commend
So great a servant and so good a friend.

Accordingly, I would write a treatise on friendship if it were in my power to express my thoughts as I would like. As I speak I fully appreciate that—

Praise from a friend, or censure from a foe
Are lost on hearers that our merits know.

It is my honest opinion that during my years in this body no one has made more friends for himself from among our Members than has John A. Burns. At the same time no one has undertaken to be a better friend to his fellows than has John A. Burns. He came to Congress dedicated to one labor—to one love and that was to so serve his people that their ambition of decades might be realized—the attainment of the status of full sisterhood among the sovereign States of the Union. Remembering the limitations which I gave myself when I began these remarks, and recalling now the sacrifices and services of the legion of others who helped in the struggle, may I say that it is my studied and considered opinion that to John A. Burns more than to any one other individual should go the credit for the final victory. It was his personal decisions, made with the full knowledge of the risk to his own welfare, that brought the victory when it came. I shall be glad to leave to historians the responsibility for writing the full record. But may I add this much at this time. When others, before his service and during his service, permitted selfishness of personal attainment and political partisanship to frame their decisions and actions, John Burns with his unselfishness and keen insight as to what was necessary kept his eye on the 50th star and saw to it that it was given the place to which destiny beckoned it.

John A. Burns rode the crest of success with the humility of a Christian gentleman. He received his accolades and plaudits as becomes one who knows when a task is well performed but without attempting by any thought or act on his part to take from a legion of others the credit due them.

With one goal attained he immediately made his preparations to win if possible the right and privilege of serving his people still further. He fought a great and clean fight. The changing fortunes of politics have temporarily denied him the responsibilities which he sought. But after the battle he returned to us with no bitterness on his tongue or in his spirit. His eyes are as friendly and bright as ever. When he speaks of his fellow citizens of Hawaii his affection and love for them remain as constant and enduring as ever. As he leaves us he returns to them to continue his efforts in their behalf. I may not be here when Jack returns to Congress, but return he will. He has walked tall and straight, clean and sure, humble and confident, strong and good among us. I join with his friends—universal in this body—in wishing him, his good wife Beatrice, their two sons and daughter, life's share of happiness and good fortune along the way—enough success to bring joy sufficient to chase away the despair of temporary setbacks—but always the confidence that abides with the knowledge of service well rendered.

A LETTER TO MARDI AND CINDY EPPS

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Dave Epps, of Sweet Home, Oreg., died unexpectedly June 29. He was the warm and valued friend of many persons in Oregon and elsewhere. At the time of his death he was serving as the State chairman of the Oregon Democratic Central Committee.

He left a wonderful wife, Nancy, and two small daughters, Mardi and Cindy. This insertion today is in the form of a letter for Mardi and Cindy, Mr. Speaker, in the hopes that they will file it away to read when they reach voting age. This will be about 1973 for Mardi, the older, and a little later for Cindy.

So here is the letter to Dave's girls:

Dear Mardi and Cindy: You loved your daddy because he was a warm, affectionate, fun-loving, sympathetic, and thoughtful daddy. Many other persons, outside of your family, loved and respected him, too. I was one of them.

We first met back in 1952 when we both campaigned for Adlai Stevenson. Those were the days when Oregon Democrats had real trouble making their party effective.

His hometown newspaper, the Sweet Home New Era, expresses very well what your neighbors thought of your daddy. The following editorial was published August 7, 1959:

A SEVERE LOSS TO SWEET HOME

Many words of commendation and praise have been said of Dave Epps after his untimely death, most of them pertaining to the impressive mark he had put upon the political scene of Oregon. Few words, however, have credited Dave with the accomplishments for which he will be best remembered in Sweet Home—his civic and personal achievements in the city he chose for his home and business.

Being friends—and the people of Sweet Home can consider him a close friend—who were used to seeing Dave in the function of his daily operation of his business and while he was participating in the many civic activities in which he was interested, we are the ones who will most feel his absence and will most severely feel his loss.

Dave was friendly to each person he met and his personality was the type that gave an added life to each meeting he attended because of his presence. In recent years he made his most impressive mark locally as president of the Sweet Home-East Linn Chamber of Commerce and as president of the local Rotary club. As a final tribute, we would like to use the words of Stewart Weiss, a friend who was active with Dave in both of these organizations:

"Dave Epps was the friend of all. Master of the witty use of words, he never deliberately harmed anyone. He was a leader in the causes he believed to be right. Unafraid to take a position that might not be popular, he strove for the betterment of all people as he believed the right to be. His type of leadership was rare and will be sorely missed. His kindly acts and words created a memory of him that will endure through the years to come. We have lost a good friend, but are richer for our friendship with him."

Bill Tugman, longtime editor of the Eugene Register-Guard and now editor-publisher of the Port Umpqua Courier, is a shrewd judge of men, especially politicians. Here is what he had to say about your daddy in the Register-Guard, April 7, 1952:

PROBLEMS OF DEMOCRATIC PARTY IN OREGON

A rather distinguished looking gent with a silvery thatch walked into the office the other afternoon and said he was running for delegate to the Democratic National Convention from the Fourth Congressional District. Noting the blankness of the editorial stare, he grinned and said:

"I'm Dave Epps. Un-huh, I guess I've changed a bit. I'm in the furniture business now at Sweet Home and Albany. Haven't done so bad, either. I'm still a Democrat and I can afford to have a little fun in politics."

So we told Dave to "set," and he did. Dave played some pretty potent baseball and basketball at the University of Oregon back in 1929, graduated, took a whack at law school, knocked about a bit at odd jobs through the depression years, went to war and became one of the "top EM's" in Europe, saved a little money, came home, bought a paper at Mill City, and graduated into furniture business.

"It took me a long time to find out what it's all about. I guess that happens to a lot of fellows who get involved in athletics. Nothing else meant much until I got a lot of bumps."

Then the talk turned to politics and what ails the Democratic Party in Oregon. We have thought for many years that Democratic weakness in Oregon—in spite of registered strength—was due to conflict between old line and New Deal Democrats. Dave (who trains with Dick Neuberger, Monroe Sweetland, Howard Morgan, and what might be called the liberal wing), has a different theory:

"It's a struggle between the Portland boys who play politics for what's in it and people like Sweetland and a few others who think the Democratic Party ought to mean something. You may think of 'em as radical, but they're sincere. The other faction plays it big city style. You know what I mean."

One of the most obvious weakneses of the Democratic Party in Oregon has been a dearth of able candidates for office at any level. Dave thinks that trouble will be corrected in a few years—if the young progressive element can gain firm control and get rid of some of the old boys who play it "Chicago style" in Multnomah County. We said:

"Looks to us like you've got a three-way spit—the old 'Jeffersonians' who vote Republican, the Multnomah crowd you speak about, and the younger progressive element."

Dave thinks NEUBERGER is doing a wonderful job, now that he has matured, says DICK is doing an effective job of selling the Democratic Party to every type of audience. (Dave himself has always had a touch of evangelism and apparently does pretty well on the luncheon club circuit in his own right.

The boys grow up. Dave Epps, the prosperous businessman, has rounded out his education with a lot of things not taught in classrooms. He recalls what Goodwin Thacher told him one time when he was "getting his lumps":

"It's what you do and learn after you leave college that counts."

Married? Yes—and "expecting," after these many years. Not quite sure that this business success is real. Can't help being happy about it, though. Still a Democrat. One that can "run for fun."

"I wonder how many men have a lot of 'lost year?' "

That question is too profound. It's more difficult that Democratic Party politics.

Forest Amsden, another keen appraiser of politicians, on July 1, 1959, paid tribute in the Coos Bay World to the frankness and warmth for which your daddy was noted:

PRAISE OF FOES WON BY EPPS

Dave Epps' death Monday night brought statements of sorrow from friends and enemies alike. This is to be expected. In the unwritten code of politics, the attack stops in times of personal tragedy. But there was no straining or artful wording in the statements about Epps from Republicans.

He was liked and respected by his opposites.

As chairman of the Oregon Democratic Party during its greatest troubles in recent years (the defeat of the Democratic Governor and the rift between Senators) he had little chance to achieve success through demonstrable achievement. And a number of Democrats, unjustly, blame at least part of both troubles on him.

Nevertheless, he kept on plugging, usually with good humor. On the several "good government" projects—such as the study of voting laws—participated in by representatives of both parties, he played straight. He was even known to praise good work on the other side. He tempered his bluster with warmth. And there never was doubt about his enthusiasm.

Within his own party dissident factions made his life miserable. But most of the dissidents respected Epps because they knew where he stood—sometimes painfully so because he was bluntly outspoken. He frequently spoke his mind on first meeting without introductory small talk, which left a lasting and occasionally traumatic impression.

He was no outstanding political philosopher, as he was dedicated to making the best of what is. But he fought the battle of the moment well and preserved friendships, always a difficult achievement in politics.—Salem Capital-Journal.

The Oregon Journal on July 2, 1959, stressed his honesty and his unaffectedness, qualities we like to see in people—and especially in politicians:

DAVE EPPS WAS ALWAYS HONEST

Dave Epps, whose untimely death cut short a successful business and political career, was a paradoxical figure.

He came from a conservative background—his father was a Portland police captain. In high school and college one of his major interests was athletics. He became a furniture dealer.

He started his political career as a Republican, but even as a Republican, in his first try for office, he advocated public distribution of Bonneville Dam power, extension of civil service, a unicameral legislature and producer and consumer cooperatives.

Shortly after this first try for office he became a Democrat and member of the Oregon Commonwealth Federation. All of this earned him, at that time, an "extreme left" label. Despite the fact that in his position as State Democratic chairman he flailed away at the opposition, Epps never created the enmity which frequently characterizes political activity.

He was one of those who picketed the campaign train of RICHARD NIXON in the hectic days of 1952 just before NIXON made his celebrated television performance defending his campaign fund. Yet after NIXON became Vice President, Epps visited him and apparently the two got on famously.

Newspapermen knew him for an honest, straightforward approach which frequently

involved relating the bad as well as good in intraparty politics.

Perhaps the paradox was not so much in Epps as it was in the society in which we live.

Epps was always himself and was completely honest about it. Society isn't used to such an approach, particularly among its politicians. The State has lost an honest and respected citizen.

Even the opposition agreed about his honesty and sincerity. Here the Albany Democrat-Herald on July 3, 1959, mentions the personal sacrifices he made, unflinchingly, in support of his beliefs;

EVERYBODY LIKED DAVE

While he had many political foes, David C. Epps had few personal foes, and of those few, if any, none have we ever heard question his honesty and sincerity.

Even in the heat of political arguments, in which he was often engaged, Dave Epps never became vindictive toward nor abusive of his opponents. His convictions were strong and he defended them diligently. He never flinched at making personal sacrifices in supporting the principles in which he believed but never allowed himself to become totally blind to the other fellow's viewpoint.

Dave Epps was an ardent and capable sportsman during his young manhood. He was an outstanding basketball and baseball player, good enough to play semipro baseball and might have been able to go on up the baseball ladder had he elected to make that sport his career. He chose, however, to abandon it in favor of social and political pursuits, but carried into all his endeavors the same sportsmanship he had displayed in the gymnasium and on the baseball diamond.

Dave was personable, public spirited, and was endowed with a sense of humor that effectively staved off any ill feeling that may have threatened to mar political debates in which he took part.

We ourselves sometimes took issue with Dave Epps, but never failed to enjoy our contacts with him, not infrequently profiting from them, and we have frankly, from time to time, said so. We know he will be missed at Sweet Home and, for that matter, throughout the State, for the respect in which he was held was not only local but statewide. We share with his family and closer friends the grief we know they feel over his untimely departure.

The State Republican house organ, the Oregon Voter, July 11, 1959, refers to his "personable influence in the trend in political thinking in Oregon." Their words are as follows:

David Claire Epps, 51, so widely and popularly known as Dave Epps, Democratic State central committee chairman who died unexpectedly June 29 will be remembered by political friend and foe as a political leader whose personality and affability transcended any difference in political philosophy, a characteristic that made him very effective. With his political philosophy Oregon Voter could not always agree but we always responded to his personable good nature in a political contest. He was a dedicated Democrat, once a Republican, and on his way to prominence espoused the now-discredited Commonwealth Federation. He served in war so ably as to receive the Bronze Star. At one time he headed the American Civil Liberties Union in Oregon; was a candidate for secretary of state in 1946 and on several occasions for the legislature. Much to his credit he found time with all his political activity to be a civic leader. History may record his personable influence in the trend in political thinking in Oregon. In recent years he steered many of his party candidates to success, and held together the Oregon Democratic Party when factional difference threatened it seriously.

On August 1, 1959, the Oregon Democrats sponsored a memorial dinner for your daddy. Senator KENNEDY was the main speaker and he was introduced by Congresswoman EDITH GREEN. Many heartfelt words of praise and sorrow were spoken. I know your mother must have them tucked away for you girls.

Your daddy did many fine things for people, not only in politics but in other areas also. Here is a story from the New Era telling of what he did for four refugees:

SWEET HOME IS NEW HOME FOR FOUR DISPLACED PERSONS

"They were very kind to me over there. I'm glad to have them here," said Dave Epps, Sweet Home furniture dealer, as he watched four Yugoslavian refugees eat their first breakfast in Oregon today.

When he met them at the Union Station this morning, it was the first time Epps, an ex-GI, had seen his European friends in 4 years. It also was the first time he had been with them when he was not in uniform. He is their sponsor in this country.

For the Glavan family—Leo and Helen and their son, Branko, 22, and daughter, Mira, 19—it is a new world, a new life.

ARRIVED MONDAY

They arrived in New York City Monday aboard the Army transport *Marine Jumper*. After a few days with friends there, they were whisked by train to Portland, where they were met by Mr. and Mrs. Epps, a reception committee of the Council of Catholic Women, and by Miss Ellen Schank, Catholic resettlement worker.

The reception committee brought an interpreter, who wasn't needed. All the Glavans speak English—in fact, the senior members of the family speak Czechoslovakian, German, Italian, and French.

MET IN ITALY

Epps met them while he was serving in Italy. The Glavans even then were displaced persons, having left their native Yugoslavia. When they wanted to come to the United States, Epps was glad to help. They will go to Sweet Home with him, where he has employment waiting.

As Epps says: "They are certain to make good citizens. They are alert, capable, and intelligent."

Branko, most voluble of the four Americans-to-be, looked around the hotel dining room after breakfast and smiled:

"I still can't believe it is true we are here at last. It is like a dream."

These editorials and the news story are only part of the evidence that your daddy was an outstanding and well-loved man for many reasons. I am going to close with an editorial written by another great and warm Oregon Democrat, Monroe Sweetland, also a close friend of your daddy.

These words were published in the Milwaukie Review July 1, 1959:

DAVID C. EPPS—1907–59

Every great cause must have, if it be truly great, a few utterly dedicated men or women. Oregon democracy, in its broader sense and in its partisan application, has had such a man in David Claire Epps. Suddenly, on Monday evening, death came to him.

To Dave Epps liberalism was a dedication. Only rarely in politics do men come along who seek neither power or profit or position for themselves, but only the success of the common cause. Warmhearted and outgoing, with boundless enthusiasm, Dave enlivened and enriched every person, every group, he touched. His monuments are all around us in the better Oregon he loved greatly and helped to build. To his mother, to his wife Nancy, and to his daughters Mardi and Cindy he leaves a rich, unforgettable heritage.

His motto might well have been:

"There was no limit to the good he could do, because he never asked who'd get the credit."

Indeed, your daddy left us all with a rich, unforgettable heritage. As citizens of a free country we salute him because we know our freedom and our happiness depend on his kind of devotion. We shall do our best to honor his memory by remembering his example.

With every good wish.

Sincerely,

CHARLES O. PORTER,
Member of Congress, Fourth District, Oregon.

HON. DANIEL K. INOUYE, FIRST CONGRESSMAN FROM THE STATE OF HAWAII

Mr. WOLF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I wish to take this opportunity to congratulate Mr. DAN INOUYE, the first Congressman from the State of Hawaii. I am sure that he will bring great honor to the State of Hawaii and to the United States just as Hawaii will become an important and integral part of our Federal Union. Indeed, this is a great day for the United States for the swearing in of the Hawaiian Representatives to the Congress shows that the United States finally realizes the importance of Asia and its great cultural heritage, which can and will enrich the civilization of mainland United States.

FINANCIAL POSITION OF THE TREASURY

Mr. WESTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WESTLAND. Mr. Speaker, I am sure each Member of the House is concerned about the financial position of the Treasury and would support any sound method to improve its cash balance. Yet, no action has been taken on legislation I introduced which would immediately place more than $103 million in the Treasury for current use and would save the Federal Government approximately $3,650,000 a year without costing the taxpayer one red cent.

I am referring to my bill H.R. 5691, the old currency bill, which lies before the Committee on Banking and Currency. This legislation is the same as legislation I introduced back in 1957.

For 2 years now this committee has been sitting on legislation which would help solve part of our fiscal problem. For 2 years, Congress has had within its power a means of improving the cash position of the Treasury, but there has not been any hearing.

The gentleman from Kentucky [Mr. SPENCE] has introduced similar legislation, although it may be more detailed than my own. I do not care which bill is considered by the committee and the House. All I am concerned with is the improvement and savings that are possible. I believe either bill would receive unanimous consent of the members of the committee. Every day this legislation remains in committee the Government loses $10,000 a day and the opportunity to increase the cash in its hard-pressed Treasury.

This legislation, Mr. Speaker, has the support of the Treasury, and the Department has prepared a memorandum which explains the bill. I believe the material contained in this memorandum should be read by all Members of the House and, under unanimous consent, I include it in the RECORD immediately following my remarks.

TREASURY MEMORANDUM RE DRAFT OF PROPOSED BILL TO AUTHORIZE ADJUSTMENTS IN ACCOUNTS OF OUTSTANDING OLD SERIES CURRENCY, AND FOR OTHER PURPOSES

The proposed legislation would provide (1) that certain outstanding currency issues be liquidated as such, and constituted a part of the outstanding debt bearing no interest, and (2) that the amount of each denomination of each kind of old large-size currency now outstanding that has been destroyed or irretrievably lost and so will never be presented for redemption, be determined and written off the Treasury statements and accounts.

Old large-size paper currency means any paper currency issued prior to July 1, 1929, and gold certificates issued subsequent to July 1, 1929, and prior to January 30, 1934. The Treasury and the Federal Reserve System are carrying gold, silver, and other reserves against this old currency, a large portion of which, in all probability, has been destroyed while in circulation, and consequently, will never be presented for redemption. The adjustments authorized by the bill would free these reserves and permit the Treasury to obtain the benefit of their use for current purposes. The bill provides for the amount of this old currency which is outstanding to be carried as a part of the public debt bearing no interest, and any such old currency presented to the Treasury would be redeemed from the general cash in the Treasury and the amount of public debt outstanding would be correspondingly reduced. The proposal would have the effect of improving the Treasury's cash position by more than $100 million. This would consist of about $32 million in gold, which would increase the balance in the general fund of the Treasury, and more than $68 million additional cash, including about $37 million to be received from the Federal Reserve banks on account of Federal Reserve notes. These adjustments would not constitute public debt subject to the debt limitation.

This approach to an adjustment of the old large-size currency accounts is along the line of the precedent established by law and regulations for the adjustment of discontinued national bank circulation and Federal Reserve bank notes.

The bill would also authorize the Secretary of the Treasury to determine the amount of the old currency which, in his judgment, has been destroyed or irretrievably lost and so will not be presented for redemption, and to reduce accordingly the amount, or amounts, thereof outstanding on the records of the Treasury. Except for writeoffs of $8,375,934 in 1880 and $4,842,066.45 in 1920 of the fractional currency issued in the 1870's, the Treasury has never reduced its outstanding currency accounts for currency held in private ownership and destroyed by fires, floods, or in other ways. For example, about $1,100,000 of old Treasury notes of 1890, which have not been issued since 1893, are outstanding, and only about $25,000 of such notes have been presented for redemption in the last 18 years.

The proposed bill also contains a provision to permit the Treasury to withhold from destruction pieces of each currency issue to provide a historical collection of the paper currency of the United States.

There are enclosed a number of statistical statements relating to currency in circulation.

Enactment of this bill would benefit the Treasury without impairing in the least the redeemability of the old currency.

FEDERAL TAX RATES

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I would like to call attention to the fact that I am today introducing a bill which is identical to H.R. 3000 and H.R. 3001, the companion bills which were introduced, respectively, by the gentleman from Florida [Mr. HERLONG], and the gentleman from Tennessee [Mr. BAKER].

I consider it a great privilege to join with these distinguished members of the Ways and Means Committee and others who have also introduced bills identical to H.R. 3000 and H.R. 3001 because it is my deep conviction that these bills encompass the most realistic and enlightened proposals for the reform of Federal tax rates and methods that this body has been called upon to consider for a long time.

It would be presumptuous—even futile—to attempt to improve on the unassailable case made for the adoption of H.R. 3000 and H.R. 3001 in the joint remarks of the gentleman from Florida and the gentleman from Tennessee before this body on January 21. These remarks have been widely hailed as a magnificent appraisal, in depth, of the tax-wrought erosion of our economy and a well-documented prospectus delineating the manner in which the measures provided in the bills would restore the economy to increasingly greater rates of sustained, non-inflationary growth.

I shall, therefore, confine my remarks to some of the features of these proposals with the sincere hope that they will serve to bring about a re-reading of the joint remarks of the authors by all the Members of this body, because if this is done it is certain that a majority—and from both sides of the aisle—will urge an immediate consideration of the bills by the Ways and Means Committee.

Mr. Speaker, I make that prediction with assurance, secure in the knowledge that when the proposals in the bills are weighed against the ever-worsening effects of our Federal tax system on our national well-being the critical urgency for prompt action will become entirely obvious.

It is hardly necessary for me to provide a bill of particulars of all the domestic ills stemming from our present and debilitating Federal tax rate structure. There is concrete evidence, on every side, of the manner in which it attacks the very foundation of our economy by draining off—through excessive and confiscatory rates—vast amounts of potential capital funds so vital to the proper functioning of the process of free competitive enterprise.

The rate of our economic growth is a prime barometer, as it reflects the unbearable weight of heavyhanded taxation. The steadily declining figures show that our rate of growth—as measured by the gross national product—has dropped to an average of 2 percent for the 6 years ending in 1958 whereas the rate of growth for the 60 years preceding the depression of the 1930's was 4 percent a year.

But, we do not need to resort to cold statistics to prove the point. Every taxpayer is aware of the pernicious way in which the tax structure stifles individual initiative and business enterprise by denying proper and earned rewards for success; how it appropriates the savings that otherwise could provide the job-creating capital for financing the start and development of business. It is upon the success of these processes that all economic growth depends.

It is just as evident that the fallout from the degenerative taxation bomb has such a sterile effect on economic progress as to bring on or intensify inflation, recession, and unemployment.

How then can there be any possible, objective refutation of the pressing need for enacting H.R. 3000, H.R. 3001, and my bill which deal so forthrightly with the tax-born problems by providing for the moderation of both individual and corporate income tax rates over a 5-year period; the establishment of more realistic depreciation rules; the deferring of taxes for individuals on long-term capital gains until such time as the taxpayer "disinvests" and the reduction of confiscatory rates of taxes on estates and gifts?

The long overdue and comprehensive reform embraced in these bills would be manifest in benefits spreading throughout the economy, principally because they substitute long-range and positive solution for the ineffectual, piecemeal approach which have marked our remedial efforts up to now.

The authors of the bills gave high priority to the need for this reversal of governmental tactics as the following passage from their introductory remarks so perceptively points out:

The Nation cannot correct the fundamental tax problems of our times by nibbles and bites. By removing tax blocks to progress our bills would contribute more than any other possible Government action to our domestic welfare and national security.

Any tax method or rate which impedes the accumulation, use of or preservation of capital is a tax on human betterment and national strength. Our Federal tax structure

must stand convicted of this fault. By use of its capital-destroying tax rates and methods we have prevented our economy from achieving anything like its potential for progress.

A singular illustration of the futility of stop-and-go prescriptions for economic ailments lies in our recent experiences with unemployment. Here we chose to ignore the fundamental fact that all jobs spring from and are irrevocably tied to capital. Instead of resorting to the real and lasting solution—an increase in the flow of investment funds unleashed by reform of personal and corporate tax rates—we elected to deal only with the effect and voted funds to permit the States to prolong unemployment compensation payments. Not one single job was created by this wrong-end treatment despite the tremendous expenditures involved.

This deplorable passing up of a golden opportunity to deal competently with the fountainhead of the trouble takes on an even more tragic complexion when arrayed against the backdrop of the provisions of these present proposals. These bills would release a veritable flood of private, job-creating capital funds by reducing—in five annual steps—the first bracket personal tax rate from 20 to 15 percent and bringing the top rate down from 91 percent to 47 percent, with corresponding reductions in the interim rates.

This is a frontal attack on the real culprit—the sharp progression in the tax rates—which has been choking off the greater bulk of risk capital.

Another glaring example of ineffectual, catch-as-catch-can dealing is the manner in which the small-businessman situation has been handled at the national governmental level. Even granting them to be well-intentioned, the hearings, the studies, the investigations, have brought too few changes for the better. I submit that there have been no satisfactory results because there seems to be an obsession, on the part of some, to treat the small businessman as a problem child instead of as a respected member of the business community, who has problems. The erratic piecemeal approach, has failed to penetrate to the root cause of the trouble besetting him.

The root cause, Mr. Speaker, is the Federal tax structure which makes it virtually impossible for the businessman to increase his capital by plowing back earnings or attracting the investment of individuals. With proper access to his own and outside funds—which these bills would make possible—the opportunity for full-fledged expansion will be available, consistently, to the small businessman and his major stumbling block thus removed.

My singling out of the small businessman should not give the impression that the bills are designed to afford him preferential treatment. That is far from the actual case. The beneficial reforms extend throughout the business community, to the large and medium-sized businesses as well as to the small. And the small businessman would be the first to testify to the fact that the flourishing of his business, depends, in large measure, on the success of businesses in general, regardless of size.

I come now to the matter of the revenue effect of the bills. Naturally, this was of grave concern to me, as it undoubtedly is to most Members of this body. Therefore, I made a special study of this aspect of the bills and I am pleased to report that I share the conviction of the authors that, with passage of the bills, economic growth over the next 5 years would be more than adequate to offset any revenue loss from rate reduction.

In support of their contention, the authors had this to say in their remarks:

> It is roughly calculated that each 1 percent annual increase in the rate of economic growth, as measured by the gross annual product, will produce a billion dollars in Federal revenues. It is also estimated that the revenue effect of our bills would average out at less than $3.5 billion annually, or the equivalent of a 3.5 percent of economic growth. Thus, if with enactment of this legislation economic growth should average 5 percent annually over the next 5 years there would be an average annual surplus of revenue increase of at least $1.5 billion over the requirements for effectuating the reforms provided.

Mr. Speaker, I believe that my strong opposition to deficit spending and my efforts in pursuit of economy in Government are matters of record. In the light of this background it is especially gratifying for me to be able to point out that these bills have a built-in safeguard against a renewed wave of deficit spending.

This safety valve is a provision that permits postponement of succeeding reductions after application of the first year's reductions in the event that a determination by the President, as of November 15 in any year, that spending for the fiscal year is running in excess of $77 billion and a state of budget unbalance is threatened.

It will be recognized that the current fiscal year's Presidential budget estimate was chosen as the benchmark when the original bills were drafted, in January of this year, and that the events that have transpired support the soundness of the choice of the $77 billion figure.

By helping to hold budgetary appropriations the bills perform another worthwhile and badly needed service by striking an important blow for economic growth in its ceaseless struggle against the danger of being overrun by the growth of the Government. Government growth can only be had at the expense of economic growth—upon which it feeds—and any policy that holds Government spending in check will, in conjunction with reform of tax rates and methods, contribute greatly to the routing of obstacles in the path of economic growth.

For far, far, too many years we have been taking the easy fiscal road by seizing the added Federal revenues resulting from economic growth and using it for public expenditures — in many cases seeking new ways to spend it — instead of applying it, as it should be, to increasing the rate of economic growth through tax rate reform.

Mr. Speaker, as compelling as are the domestic reasons for reform of tax rates and methods, another and ominous threat, the bold challenge of Soviet Russia to outstrip us in a deadly serious economic race, should make us more determined than ever to remedy the unfortunate situation to which unsound tax policies have relegated us.

We must remember that the Soviets do not enter struggles unless they feel they have the upper hand. They know, of course, that they could never hope to surpass our productive might if the business community had the freedom of unfettered access to adequate financial resources to withstand the challenge. Therefore, since they are fully aware of the strangling effect of our present Federal tax structure, they are banking more on the handicaps we are imposing on ourselves, than on their ability to beat us in an equal contest.

I spoke earlier of our declining rate of growth. In sharp contrast to our current 2 percent average is Russia's spectacular climb to an estimated growth rate of 8 percent. This is a spectacle steeped in irony. In effect, the Soviets have usurped the economic dynamism that has been our country's trademark since the turn of the century.

For a Nation that has always prided itself on unfailingly meeting headon its internal problems and challenges from abroad, we now find ourselves in the position of retreating from an economic dilemma even though the ultimate fate of our country could very well depend on its solution.

It would be understandable, even acceptable, if the solution was not readily at hand. But it is. It lies in the speedy passage of this legislation because, as the authors of the original bills contended in their remarks:

> Our bills would contribute more than any other possible Government action to our domestic welfare and national security. In enabling the economy to grow more rapidly and consistently than in recent years, these bills would—
>
> Increase the supply of venture capital, thus insuring a rebirth of the American genius for the starting and development of businesses;
>
> Provide new and better job opportunities;
>
> Counter the challenge of Russian communism for world economic leadership;
>
> Insure adequate revenues for military preparedness, and all other necessary Federal expenditures; and
>
> Smother inflation with growth.

Mr. Speaker, I concur, most heartily, in this appraisal of the benefits that passage of the bills would bring to our country. Nothing is to be gained, and much may be lost by delay. I am positive that the start of the 5-year cycle of reductions proposed will launch our country on a program that would raise our living standards to new heights and crush, once and for all, Soviet Russia's aspirations to supplant us as the world's economic leader.

MILLIONS NOT FOR DEFENSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include an article.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following is an article by Mary V. R. Thayer:

MILLIONS NOT FOR DEFENSE—CULTURE IS COIN OF DIPLOMACY

(By Mary V. R. Thayer)

A very few years back, "culture" was almost a dirty word, regarded alike with suspicion by simple citizens and doughty Congressmen. But just look at culture now. People are crazy about it. Nations are swapping it like mad. And Congress, with scarcely a struggle, appropriates around $215 million annually to underwrite international cultural, educational and technical exchanges, while private institutions spend an equal sum.

Why this almost-sudden popularity? Well, culture has lost its highbrow tinge. Now it's spread to include all facets of everyday life. Athletics, machinery, jazz, plumbing, even comics in addition to the more conventional arts, have made the cultural grade. But most important, statesmen have discovered culture as the most persuasive instrument in making friends and influencing people. And down in the State Department they've coined a new slogan: "Cultural diplomacy survives political diplomacy." It's true, too. Thousands of Latin American music lovers will remember the Washington National Symphony Orchestra concert, not the rock-throwing of the Castro brothers; and, over in Russia, Moscovites will sigh for that gorgeous electric kitchen long after the acid Khrushchev-Nixon repartee blurbs.

Yet, curiously, with all this lavish spread of cultural exchange, no one knows precisely where all the money goes, nor has the value of these expenditures at home and abroad been appraised.

Here's how, so far, the U.S. Government's cultural pie has been sliced and approximately what the dollars buy: $129 million by the International Cooperation Administration; $35 million by the Defense Department; $20 million by the State Department; $20 million for the U.S. share in multinations spending, and $10 million by the U.S. Information Agency.

The ICA funds go to technical assistance programs including training and teaching here and overseas, defense spending, some of which is necessarily secret, is invested in military advisory missions abroad, training of foreign officers here and a variety of special projects like the Army Language School. The USIA uses its funds for libraries, Voice of America broadcasts, motion picture and literature distribution, all in foreign countries. The multination agencies, in which the U.S. pays its share (and more) are various organizations in the United Nations and the Organization of American States. The State Department employs this particular sum mostly for exchange of persons activities.

Naturally, in this wide field where so many different government agencies, so many separate interests and organizations are involved, there's sure to be duplication. Something simply had to be done to straighten out culture.

And now, a long overdue move has been made to clear the cloudy picture, fix greater emphasis on U.S. cultural relations and give cultural diplomacy a big boost. Last December, under the provisions of a bill jointly sponsored by Senator J. WILLIAM FULBRIGHT, (Democrat, of Arkansas), and Senator HUBERT HUMPHREY (Democrat, of Minnesota), a job with an exhausting title—Special Assistant to the Secretary of State for Coordination of International Educational and Cultural Relations—was created. Former Minister to Rumania Robert Helyer Thayer was tapped for the task, which primarily was one of cultural coordination among Government agencies and assurance that these international programs were consistent with U.S. foreign policy.

Then, in June, culture was promoted again. The State Department set up a Bureau of International Cultural Relations with Thayer as head. For the first time the State Department's cultural activities are being shepherded into a spot of their own.

Scorned less than a decade ago, culture is now sitting pretty as a very important factor in international relations. Under Bureau chaperonage fall such things as UNESCO relations; exchange of students and "leaders"; an advisory committee on the arts; the much publicized East-West contacts which have been building up better palships with Russians; and cultural presentations, an office which sends such stars at Satchmo Armstrong and "Oklahoma" zinging to foreign parts as our cultural ambassadors.

How can anyone untangle such masses of often unrelated "culture" which tentacles all over the world? First step is to find out just what agencies and organizations are doing, what they're spending and why. Private institutions cooperate companionably to avoid competition. But, it's rumored, Government agencies tend to go their own sweet and congressionally sweetened way.

So first thing Thayer did was to launch a survey of cultural activities in 15 Government agencies. Next, he hopes to persuade some private organization to undertake a similar cataloging in every foreign country.

It will take a year, he estimates, to assemble this basic information, and not until then can policy recommendations be made to Government agencies. Once corraled, this tremendous windfall of cultural information will be made available to everyone, and kept updated by IBM machines which, in their uncanny way, will keep track of every single exchange activity, both governmental and privately paid for. Thus, it is hoped, duplication will be avoided, expenses reduced, and the Bureau of International Cultural Relations prepared to cope with the avalanching culture boom, spurred by cheaper travel, easier communications, and the curiosity of once-isolated peoples.

Robert Thayer is well backgrounded for his difficult cultural chores. His father, the late Dr. William Greenough Thayer, was headmaster of St. Mark's School in Southboro, Mass., for more than three decades. As a young lawyer, Thayer was one of the bright young men who toiled as assistant district attorney in New York County in the days when Tom Dewey was racket-busting. After running up a distinguished wartime Navy record, he acted as special assistant to John Foster Dulles on trust territories at the first United Nations conference.

In the early fifties, he was an attaché of the U.S. Ambassador in Paris, and then, after 2 years as Minister to Romania, returned to the State Department Intelligence Division. He's had a hand in politics, too, working as GOP treasurer in New York State, and, in 1946, taking on the thankless job of running for Congress in a 100 percent Democratic district in Coney Island.

THE 20TH ANNIVERSARY OF THE INFAMOUS MOLOTOV-RIBBENTROP AGREEMENT WHICH TOUCHED OFF WORLD WAR II

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 45 minutes.

Mr. PUCINSKI. Mr. Speaker, I have asked permission to address the House today to remind my colleagues that yesterday, August 23, marked the 20th anniversary of the Molotov-Ribbentrop Pact, which touched off World War II.

I believe it is of utmost importance that we recall this infamous agreement between the Soviet Union and the Nazis at this particular time when our Nation is preparing to greet the boss of the Communist conspirators, Premier Nikita Khrushchev, here in this country in another 3 weeks.

It is my firm belief that if the President would review Soviet treachery in 1939, and recall that the thousands of American boys who had to make the supreme sacrifice in World War II could have been spared if the Soviet Union had not given Hitler the green light to touch off World War II, perhaps Mr. Eisenhower's decision to invite Boss Khrushchev to this country might have been avoided.

Let there be no doubt in the mind of a single American that the Soviet Union is just as responsible for World War II as was Hitler. And try as anyone may, the Molotov-Ribbentrop agreement stands as indelible proof of this indisputable fact.

It is indeed regrettable that the thousands upon thousands of American Gold Star Mothers whose sons died in World War II; the thousands upon thousands of American veterans who are today still in our hospitals or walking the streets as cripples from injuries received in World War II; the thousands upon thousands of European refugees who are now Americans and who have lost all of their possessions to Nazi-Soviet aggression, and finally, the thousands upon thousands of Americans whose relatives were destroyed by the Nazi butchers in the concentration camps and the Soviet butchers at Katyn and other Communist torture centers, are being asked by the President and the Vice President and other responsible Americans to pay respect to Mr. Khrushchev—one of the coconspirators in the Molotov-Ribbentrop pact.

Those two monuments in front of the National Archives Building on Pennsylvania Avenue proclaim the philosophical message that, "What is past is prologue; study the past."

It is clearly apparent to me that those who have engineered the invitation to Khrushchev to visit this country have been blind to this admonition. We as Americans can only pray that their folly will not lead ultimately to a third world war when it is safe to assume America would indeed find it difficult to survive.

Let there be no doubt in anyone's mind that the secret pact signed on August 23, 1939, between Soviet Foreign Commissar V. M. Molotov and Nazi Foreign Minister Joachim von Ribbentrop cleared the way for the beginning of World War II. That the tragic effects of this agreement upon the course of world history have been great goes without saying.

God grant that I could have the ability to impress upon every American who in just 3 short weeks will be asked, as Mr. NIXON has suggested, that we show Mr. Khrushchev the same courtesies that the Russian people extended to Mr. NIXON, the striking parallel between

events and the conduct of the Communist leaders today and their conduct during the period immediately preceding Hitler's plunge into Poland. I am sure that if every American was made aware of this striking parallel, he would denounce Khrushchev's pending visit to this country with all the vigor capable by a human being.

In reviewing the events which preceded the signing of the Molotov-Ribbentrop pact, I shall show here today that we as Americans who want to preserve peace, but an honorable peace, must, for the sake of survival, study the past.

I should like to emphasize, just as strongly as I know how, that the importance of the Molotov-Ribbentrop pact lies in the fact that it was a pact of war. It was a pact that gave Hitler a free hand to crush Poland, knowing full well he could do so with impunity from the Soviet Union.

It is indeed the height of hypocrisy for Boss Khrushchev to benignly proclaim in Moscow that he is coming to America as a peaceful man, when at this very moment, with the full blessings of the Moscow rulers, the Communists are plotting an assault on Laos. Can there be any doubt in your minds what this despot who is coming here with the blood of millions of European people on his hands is going to tell the Chinese Communists when he arrives in Peiping to participate in the 10th anniversary of their rape of China on October 1, following his visit to America?

Yes, my colleagues, I beg of you to study the Molotov-Ribbentrop Pact so you can understand the full depth and meaning of Communist treachery. Here was the formula for deceit. This pact stands out as a shining example of how the Communist mind operates and how the Soviet rulers will use any tools of deception to ultimately force international communism upon the entire world.

When you understand the full significance of the Molotov-Ribbentrop Pact and how it helped establish the Soviet rulers to their present position of dominance, you can then only realize that Khrushchev's boast to Mr. NIXON that his grandchildren will live under socialism—which to the Soviet rulers means communism—was no hollow boast and cannot be treated lightly by the free world.

The world has forgotten too soon that the Soviet armies sat idly by while the free West was locked in deadly battle with the Nazi forces during roughly the first half of World War II, and the Communists in this country did everything they could to cripple our own war effort until that day when Hitler finally plunged his armies into Russia. I have said and will continue to say that the Soviet Union was just as responsible as was Hitler and we in this country today cannot in good conscience absolve Khrushchev of his guilt in this conspiracy.

The circumstances that produced the Molotov-Ribbentrop Pact are fascinating, and for us today, they are instructive. The year 1939 was a critical year for the Western World. Europe was divided into three major camps: Great Britain and France, representing the status quo powers; Nazi Germany and Italy on the side of revisionism; and Soviet Russia, the great question mark in the balance of power in Europe. British and French interests were predicated upon the firm belief that the European system established at Versailles following World War I had to be preserved. Nazi Germany wanted to revise this system by regaining territories lost as a consequence of the Treaty of Versailles; but even more, to assert German domination over the European Continent. In a word, Nazi Germany wanted to reverse the established order by reducing French and British power and creating a new status quo only this time in the Nazi image. Soviet Russia, hostile to both the status quo powers and Nazi Germany, was in fact the vital counterpoise in the precarious balance of power in 1939. Whichever way the Russians threw their weight would inevitably be a determining factor—indeed a vital one—in the course of European history.

At this time, the United States played no key role on the European Continent. After World War I, it was content with a policy of disengagement from European affairs. For the Nazis and Communists, American power could only be calculated as possibly a long-term potential factor for the status quo nations. Nor did the Japanese directly enter into the European picture. Although the Japanese were allied with the Nazis in an anti-Communist pact, they were, nonetheless, totally taken up with their attempted conquest of China and the business of establishing a new order in the Far East.

Such was the general power alinement in Europe at the end of 1938 and early 1939.

Two events occurred at this time which were to have a direct bearing upon the shift in this power alinement: One was the concessions made by the status quo powers to Nazi Germany at Munich in September 1938; the other was the destruction of the Czechoslovak Republic in March 1939. Both events meant a further decline in the power of the status quo nations to maintain their system; it meant also a dangerous attempt by the Germans to upset the delicate balance on the European Continent. It was a clear assertion of German claims to hegemony in Central and Eastern Europe. Munich and the collapse of Czechoslovakia were for all practical purposes public declarations by France and Britain that they abdicated their interests in Eastern Europe. By their refusal to resist German pressure during these months of crisis they, in effect, opened the floodgates for the expansion of German power into Eastern Europe.

After the destruction of Czechoslovakia by Hitler, the Western Powers were shocked from their lethargy of appeasement. Britain and Poland undertook immediate negotiations for a mutual assistance pact directed against Germany. This was concluded on August 25, 1939. The Baltic States, clinging to the phantom of neutrality, tried desperately to remain aloof from the impending struggle. On the other hand, France, Britain, and the Soviet Union began negotiations to establish a peace front to contain Germany's aggressive ambitions. For the next 4 months it appeared that the Russians were casting their lot with the Western Powers, despite their insistence upon direct guarantees for the independence of states along the east European border and further guarantees against direct and indirect aggression.

Differences suddenly dissolved in the course of negotiations when on July 24 the Soviet Government made some apparent concessions. London and Paris had great expectations that Moscow was determined to conclude a pact that would mean establishing a "peace front" as a deterrent to further German aggression. On August 11 special British and French military missions arrived in Moscow to confer with Soviet military authorities. They were feted with cordial and respectful enthusiasm. However, all this was only an empty gesture; for Molotov's concessions to the British and French were no more than a cunning move to gain time and create the impression in the official German mind that the Russians were about to establish a "peace front." If successful, they could strike a better bargain with the Germans with whom they were carrying on simultaneous negotiations. As events later proved, the Russians were playing a dual game; one with the West and one with the Nazis.

Early in the spring of 1939, straws were in the wind of a Nazi-Soviet rapprochement. At the 18th Congress of the Russian Communist Party in March 1939 Stalin laid down terms for continued peace with Russia which included the preservation of the integrity and inviolability of the Soviet frontiers. On May 3, Soviet Commissar Litvinov was replaced by Molotov. Litvinov, described as being "notoriously anti-German," had long symbolized the Soviet policy of collective security with the West, a policy of which he had been the vociferous champion. Soviet motivations remained in doubt, however, until July 22, when trade discussions were resumed in Berlin. Simultaneously, political discussions were carried on and culminated in the Molotov-Ribbentrop Pact on August 23, 1939. Attached to the nonaggression pact was a secret protocol, later brought to light, which called for the division of Eastern Europe into spheres. By the terms of the protocol western Poland and Lithuania were placed in the Nazi sphere; eastern Poland, Estonia, Latvia, and Bessarabia were placed in the Soviet sphere. Determination of the Soviet-Nazi boundary in Poland was to be a subject for future discussion. A subsequent protocol was concluded on September 24, 1939, after Poland fell to the Nazi and Soviet invaders. In this agreement Lithuania was placed in the Soviet sphere and certain adjustments were made for the partition of Poland.

World opinion outside of Germany and Russia was shocked by the news of this pact. It would have been appalled had ever the secret stipulations been published and the consequences of the agreement known.

Today, with the benefit of some historical perspective, we can evaluate the real meaning of the Molotov-Ribbentrop agreement. In the simplest terms, this pact was a pact of war, and for bringing on this war the Soviet Union must share with Nazi Germany equal responsibility. The equilibrium of Europe had depended solely upon Soviet Russia; it was the Russians who held the vital counterpoise in the balance of power. Whichever way their Government chose to cast its weight was destined to be the determining factor in deciding the question of war or peace. Taking what the highest bidder had to offer, the Soviet Union which seemingly had more to gain in the short run from a German rapprochement, chose the path of conquest for itself, a choice which meant war for the rest of Europe, and for itself, immediate aggrandizement through seizure of the Baltic States, eastern Poland, and other areas on the borderlands of Eastern Europe. Thus, the Soviets succeeded, temporarily, in partial fulfillment of their fundamental objective of Communist world dominion. By diverting German aggression to the West, the Russians hoped to create in addition the conditions for what they termed the "second imperialist war" among the Western Powers, from the ruins of which, according to Communist dogma, the U.S.S.R. might thereafter stand supreme among nations with strength unimpaired and energy undiminished ready to advance the cause of world communism.

CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL WARFARE IN TODAY'S PREPAREDNESS PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, I wish to call to the attention of my colleagues a matter of importance to national security. I speak now of the chemical and biological warfare programs of the Department of Defense which are referred to in a news item appearing in the press of August 14, 1959; an item which was based on a press release from the office of Congressman KASTENMEIER.

I want to read this news item to you, and I do so on the assumption that it accurately reflects the statement which my honorable colleague from Wisconsin made to the press. I quote:

CHEMICAL WARFARE QUIZ URGED

A congressional investigation of the Defense Department's chemical and biological warfare program was urged yesterday by Representative ROBERT W. KASTENMEIER, Democrat, Wisconsin.

He said this should be undertaken before the Department develops "odorless, invisible, and substanceless killers which could detroy whole cities and poison the entire atmosphere with a 50-mile radius."

"There should be a full and open discussion of the hazards involved in this type of program before the weapons are developed by the Soviet Union and the United States," he said.

KASTENMEIER quoted Lt. Gen. Arthur G. Trudeau, Chief of Research and Development for the Defense Department, as stating it is difficult, if not impossible, to counteract biological and chemical agents since they cannot be detected.

KASTENMEIER urged the Department to "lift the veil of secrecy which surrounds this area" on the premise the dangers should be made known to the American people.

Now I want to take a little time to discuss the implications of this news item and more particularly the concepts expressed because I sincerely believe that they could, unwittingly to the author I am sure, cause harm to our national defense should they be left unanswered. I might add here that my knowledge of the current status of chemical and biological warfare programs upon which I base my answers comes from the testimony I was privileged to receive in my capacity as a member of the Appropriations Committee during the hearings on the Defense Department budget in April of this year, coupled with the information contained in this excellent report which I hold in my hand entitled "Research in CBR—Chemical, Biological, and Radiological Warfare." This report was prepared by the House Committee on Science and Astronautics under the very capable direction of the distinguished gentleman from Louisiana, the Honorable OVERTON BROOKS, and it is based on both the open and executive session hearings before the full committee, held on June 16 and 22, 1959. It is a most thorough study of a subject the facts of which have been too long withheld from the American people and I commend it to your sincere attention as a matter of the highest priority.

Before I proceed, I would like to say that I am glad to see the interest which Congressman KASTENMEIER is taking in chemical and biological warfare. I only wish that he had studied this report of the Science and Astronautics Committee or attended their hearings before speaking to the press, for I am convinced that had he done so, he would have taken a different attitude toward this most serious matter.

First of all, the gentleman from Wisconsin urges a congressional investigation of the Defense Department's chemical and biological warfare programs before the Department develops "odorless, invisible, and substanceless killers which could destroy whole cities and poison the entire atmosphere within a 50-mile radius." My distinguished colleague is further quoted as saying:

There should be a full and open discussion of the hazards involved in this type of program before the weapons are developed by the Soviet Union and the United States.

Mr. Speaker, the Defense Department's chemical and biological warfare programs have been thoroughly studied and carefully screened by both the House Appropriations Committee and the Science and Astronautics Committee. Individual members of both the House and Senate have been briefed on these programs and have visited a number of the laboratories and plants where this work is carried on. I know, for example, that the gentleman from Arkansas [Mr. NORRELL] maintains an intense interest in the Pine Bluff biological warfare facilities which are in his congressional district and has visited there several times. A complete report of the status of these programs is made annually to the members of the congressional reserve unit and in fact several of their meetings have been held at chemical and biological warfare installations. Congress is not unaware of what is happening in this most important field of national defense.

I shall mention only briefly the inaccuracy in the statement concerning the destruction of whole cities because it is clearly evident that the one thing these agents will not do is to destroy cities. Unlike the high explosive and nuclear weapons, chemical and biological weapons would leave cities undamaged and undestroyed. They are effective only against personnel, animals, and crops. And they can be only temporarily incapacitating. After the shocking destruction and death of the last war this fact should invite most hopeful scrutiny.

Congressman KASTENMEIER certainly cannot mean that a congressional investigation would prevent the Soviet Union from developing weapons of this nature. There is nothing the Soviets would like better than to have us vulnerable to chemical and biological weapon attacks, and nothing would be more likely to invite such attacks than the knowledge that this vulnerability exists.

And I want to interject here that our sole concern does not necessarily arise from the known Russian capability to use chemical and biological weapons. Unlike the nuclear club, the entrance fee for membership into the field of chemical and biological weapons is relatively cheap. Even if we and the Russians could agree on a foolproof system of inspection that would guarantee the abolishment of these weapons—and our experience with the Russians does not appear to favor such an agreement—we would still have no assurance that some other nation would not proceed to build up a capability. Mr. Speaker, these weapons are the poor man's nuclear bomb, and although designed for other purposes, in many ways they are just as dangerous, just as effective, and just as serious to national defense. Let me quote here from the Science and Astronautics Committee report:

One can conceive the possibility that a very powerful nation with great industrial resources and standing military forces could be toppled by a latter-day David of a smaller nation by quiet and sustained effort in the CBR field. Only a thoroughgoing research program of our own, coupled with proper attention to warning devices and civil defense will insure that this country is not the Goliath to fall.

I am in complete agreement with the final statement of the gentleman from Wisconsin as reported in the press. He urges the Department of Defense to lift the veil of secrecy which surrounds this area on the premise that the dangers should be known to the American people. I want to say that this is almost exactly the recommendation of the Science Committee, made after an exhaustive study of this work. This committee recommends:

There is an urgent need for greater public understanding of the dangers and uses of CBR if proper support is to be given to our defenses and counter measures.

Mr. Speaker, I share the concern of my colleague in this most serious matter for the CBR field offers potentially a dangerous likelihood of international anarchy and we in the Congress have serious responsibilities to see that everything possible is done to reduce and minimize these dangers.

I am concerned that perhaps we are not placing sufficient emphasis on this work and not supporting it at levels compatible with the efforts of the Communist nations. For the best guarantee we can have that CBR will not be used anywhere against the free world if for the United States to establish a capability second to none.

I am particularly concerned about the weakness of our civil defense efforts against these forms of warfare. We know that the Soviets have a vast program in operation to provide for the defense of their civilian population. And we have been warned not once but many times in public statements of Russian leaders, both political and military, that the next war will include the use of chemical and biological weapons.

Mr. Speaker, the possibilities which confront us today in this area were virtually unknown even a few years ago. What may lie ahead will be even more important, for as science and technology advance there will be concurrent advances in weapons of warfare. I wish to join the gentleman from Wisconsin in urging that the Congress take a deeper interest and a more important role in this work that is being carried on by the Department of Defense. For in the words of the Science and Astronautics Committee report:

> Perhaps CBR research for another decade would not alter the general military balance of power. But if it does, and the United States has not gained the same capability as others, the cost to the Nation would be beyond calculation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORD (at the request of Mr. ARENDS), on account of official business as delegate to Interparliamentary Union in Warsaw, Poland.

Mr. HOLLAND (at the request of Mr. ALBERT), for 3 days, on account of death in family.

Mr. DERWINSKI (at the request of Mr. ARENDS), on account of official business as delegate to Interparliamentary Union in Warsaw, Poland.

Mr. ADAIR (at the request of Mr. ARENDS), on account of official business as delegate to Interparliamentary Union in Warsaw, Poland.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 20 minutes, today.

Mr. BARR, for 30 minutes, on tomorrow.

Mr. JARMAN, for 1 hour, on August 26.

Mr. HOLIFIELD, for 45 minutes, on Wednesday and Thursday next.

Mr. NELSEN, for 1 hour, on August 26.

Mr. BROYHILL, for 15 minutes, on August 26.

Mr. BRAY, for 15 minutes, on August 31, and for 15 minutes, on September 1.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DOYLE.

Mr. PORTER and to include extraneous matter.

Mr. ALGER.

Mrs. KEE.

Mr. RAY.

Mr. QUIE in two instances and to include extraneous matter.

Mr. ADAIR and to include extraneous matter.

Mr. DAGUE and to include extraneous matter.

Mr. PATMAN, to extend his remarks following the passage of the Small Business Administration bill and include certain extraneous matter.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. MORRISON.

Mr. CARTER.

Mrs. KELLY.

SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTIONS REFERRED

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 662. An act to amend section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen; to the Committee on Agriculture.

S. 861. An act to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government; to the Committee on Agriculture.

S. 1136. An act to provide for the transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof; to the Committee on Interior and Insular Affairs.

S. 1216. An act to approved an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1221. An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands; to the Committee on Interior and Insular Affairs.

S. 1282. An act relating to acreage allotments for durum wheat; to the Committee on Agriculture.

S. 1514. An act to amend the act of August 9, 1955 (69 Stat. 618); to the Committee on Interior and Insular Affairs.

S. 1735. An act to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

S. 1737. An act to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields; to the Committee on Interstate and Foreign Commerce.

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam; to the Committee on Public Works.

S. 2539. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

S.J. Res. 128. Joint resolution to establish a commission to formulate plans for a memorial to James Madison; to the Committee on House Administration.

S. Con. Res. 53. Concurrent resolution to print additional copies of hearings on "Fallout From Nuclear Weapons Testing"; to the Committee on House Administration.

S. Con. Res. 72. Concurrent resolution to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War"; to the Committee on House Administration.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 4329. An act to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly Airport site, Virginia, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration;

H.R. 7978. An act making supplemental appropriations for the fiscal year ending June 30, 1960, and for other purposes; and

H.J. Res. 115. Joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval bills and a joint resolution of the House of the following titles:

On August 21, 1959:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 255. An act to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear;

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 per centum or more degree disability within three years after separation from active service shall be presumed to be service connected;

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the Act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as Lake Mendocino;

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within two years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes";

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3365. An act to authorize the crediting of certain services for purposes of retired pay for nonregular service, and for other purposes;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85-818;

H.R. 7112. An act to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

H.R. 7165. An act for the relief of Filip Lawensztejn (Harry Lipa Lewenstein);

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; and

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

On August 24, 1959:

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 4329. An act to provide for the conveyance to any public or private organization of the State of Virginia of certain dwellings acquired in connection with the Chantilly Airport site, Virginia, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 7978. An act making supplemental appropriations for the year ending June 30, 1959, and for other purposes; and

H.J. Res. 115. A joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 25, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1326. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to plans for works of improvement relating to the Blackberry River and North Branch Park River watersheds, Connecticut; Taylor Creek watershed, Florida; Potato Creek watershed, Georgia; Crab Orchard Creek watershed, Kentucky; East Fork of Clarks River watershed, Kentucky and Tennessee; SuAsCo watershed, Massachusetts; Bowman-Spring Branch watershed, Nebraska; Santa Cruz River watershed, New Mexico; Willakenzie Area watershed, Oregon; Greene-Dreher watershed, Pennsylvania; Caney Creek watershed, Texas; pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1327. A letter from the Assistant Secretary of Agriculture, transmitting a report for June 1959 of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions; to the Committee on Appropriations.

1328. A letter from the Assistant Secretary of Agriculture, transmitting a report on a violation involving an overobligation as of January 30, 1959, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1329. A letter from the Acting Administrator, General Services Administration, transmitting a notice of a proposed disposition of approximately 1,500,000 pieces of partially processed quartz crystals now held in the national stockpile, pursuant to the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

1330. A letter from the Acting Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1331. A letter from the Secretary of Commerce transmitting a report on aviation war risk insurance as of June 30, 1959, pursuant to title XIII of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

1332. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to a plan for works of improvement relating to the Caney-Coon Creek watershed, Oklahoma, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

1333. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in certain cases of aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 107. An act to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title; without amendment (Rept. No. 964). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua; without amendment (Rept. No. 965). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938; without amendment (Rept. No. 966). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds; without amendment (Rept. No. 967). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2118. An act to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for

other purposes; without amendment (Rept. No. 968). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 24. A bill to provide that certain real property of the United States situated in the State of Nevada shall be held in trust for members of the Fort McDermitt Paiute and Shoshone Tribe of Indians of the Fort McDermitt Indian Reservation, Nev.; with amendment (Rept. No. 970). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 4279. A bill to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division; with amendment (Rept. No. 971). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4874. A bill to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; without amendment (Rept. No. 972). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 4952. A bill to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands; without amendment (Rept. No. 973). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER. Committee on Merchant Marine and Fisheries. H.R. 5004. A bill authorizing and directing the Secretary of the Interior to undertake continuing research on the biology, fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters; with amendment (Rept. No. 974). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 5813. A bill to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes; without amendment (Rept. No. 975). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 6669. A bill to amend the act of July 14, 1945, to provide that the Louisiana State University and Agricultural and Mechanical College may use certain real property heretofore conveyed to it by the United States for general educational purposes; with amendment (Rept. No. 976). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8043. A bill to amend the Agricultural Act of 1956; with amendment (Rept. No. 977). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8074. A bill to amend section 602 of the Agricultural Act of 1954; without amendment (Rept. No. 978). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 8726. A bill to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.; without amendment (Rept. No. 979). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 135. A bill to provide an income credit in the case of civil-service annuities received by nonresident alien individuals not engaged in trade or business within the United States; with amendment (Rept. No. 980). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 4714. A bill to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.; without amendment (Rept. No. 981). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6155. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951; with amendment (Rept. No. 982). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 6108. A bill to provide for the establishment of the Arkansas Post National Park, in the State of Arkansas; with amendment (Rept. No. 983). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6249. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; with amendment (Rept. No. 984). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 6777. A bill to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death; with amendment (Rept. No. 985). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 5764. A bill to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln's Birthplace, and for other purposes; with amendment (Rept. No. 986). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. S. 1372. An act to extend the jurisdiction of the domestic relations branch in the municipal court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia; without amendment (Rept. No. 988). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEORGE P. MILLER: Committee of conference. H.R. 4002. A bill to authorize the use of Great Lakes vessels on the oceans (Rept. No. 990). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 6779. A bill to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions to certain individuals); with amendment (Rept. No. 991). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 8725. A bill to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes; with amendment (Rept. No. 992). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6136. A bill to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin; without amendment (Rept. No. 961). Referred to the Committee of the Whole House.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 8437. A bill to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500; without amendment (Rept. No. 962). Referred to the Committee of the Whole House.

Mr. COOLEY: Committee on Agriculture. S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.; without amendment (Rept. No. 963). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia; without amendment (Rept. No. 987). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia; without amendment (Rept. No. 989). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H.R. 8765. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSEN of Minnesota:

H.R. 8766. A bill to extend the conservation reserve program for 3 years, and for other purposes; to the Committee on Agriculture.

By Mr. BOGGS:

H.R. 8767. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. DEROUNIAN:

H.R. 8768. A bill to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. HERLONG:

H.R. 8769. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp

and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. JOHNSON of Maryland:

H.R. 8770. A bill to provide that the silver service originally donated to the battleship *Maryland* by the State of Maryland shall be transferred to the Maryland Historical Society; to the Committee on Armed Services.

H.R. 8771. A bill authorizing and directing the Secretary of the Interior to undertake continuing research on the biology fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters; to the Committee on Merchant Marine and Fisheries.

By Mr. McINTIRE:

H.R. 8772. A bill to amend the Rural Electrification Act to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes; to the Committee on Agriculture.

By Mr. THOMSON of Wyoming:

H.R. 8773. A bill to amend title 38, United States Code, to provide for payment of benefits to the widow of any World War I veteran who was married to him for 1 year or more; to the Committee on Veterans' Affairs.

By Mr. CARTER:

H.R. 8774. A bill to bring employees of the agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. COAD:

H.R. 8775. A bill to bring employees of the agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa:

H.R. 8776. A bill to bring employees of the agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. WOLF:

H.R. 8777. A bill to bring employees of the agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. MICHEL:

H.R. 8778. A bill to amend the act of October 9, 1940, to provide that the 10-year statute of limitations applicable to claims against the United States shall not bar the payment of such claims where they are filed with an appropriate agency of the United States during such 10-year period; to the Committee on Government Operations.

By Mr. SIKES:

H.R. 8779. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimp and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. COHELAN:

H.R. 8780. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. EDMONDSON:

H.R. 8781. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. KOWALSKI:

H.R. 8782. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MORRISON:

H.R. 8783. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. OLIVER:

H.R. 8784. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. PORTER:

H.R. 8785. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. RIVERS of Alaska:

H.R. 8786. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. WESTLAND:

H.R. 8787. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. RHODES of Pennsylvania:

H.R. 8788. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 8789. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 8790. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H.R. 8791. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. THOMPSON of Louisiana:

H.R. 8792. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. WILLIS:

H.R. 8793. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 8794. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. STRATTON:

H.R. 8795. A bill to prohibit advertising in commerce of articles produced in the Soviet Zone of Germany unless the advertisement clearly states that fact; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL:

H.R. 8796. A bill to declare that the United States holds title to certain land in trust for the White Mountain Apache Tribe, Arizona; to the Committee on Interior and Insular Affairs.

By Mr. THOMSON of Wyoming:

H.J. Res. 506. Joint resolution authorizing the President of the United States to designate the year 1960 as Pony Express Year; to the Committee on the Judiciary.

By Mr. FENTON:

H. Con. Res. 408. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. GRAY:

H. Con. Res. 409. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. NATCHER:

H. Con. Res. 410. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. SILER:

H. Con. Res. 411. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. VAN ZANDT:

H. Con. Res. 412. Concurrent resolution to create a Joint Committee on a National Fuels Policy; to the Committee on Rules.

By Mr. RANDALL:

H. Con. Res. 413. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. HECHLER:

H. Con. Res. 414. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. BROOKS of Louisiana:

H. Res. 353. Resolution providing for the printing of additional copies of the hearings on space propulsion; to the Committee on House Administration.

H. Res. 354. Resolution providing for the printing of additional copies of the hearings on missile development and space sciences; to the Committee on House Administration.

By Mr. CURTIN:

H. Res. 355. Resolution favoring an international agreement for a suspension of nuclear weapons tests; to the Committee on Foreign Affairs.

By Mr. DURHAM:

H. Res. 356. Resolution to authorize printing of additional copies of the Joint Committee print entitled "Summary-Analysis of Hearings on Biological and Environmental Effects of Nuclear War"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Joint Resolution No. 9 of the Nevada State Senate, a joint resolution to amend the Social Security Act to provide assistance for adults living in public nonmedical institutions; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to appropriate moneys for the Interstate Highway System for the fiscal years

1961 and 1962; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H.R. 8797. A bill for the relief of Augustus Silvera Gordon also known as Franklin Gordon; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 8798. A bill for the relief of Romeo Gasparini; to the Committee on the Judiciary.

H.R. 8799. A bill for the relief of Col. Alfred P. Kitson; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado:

H.R. 8800. A bill for the relief of Kiriaki Papapaschaly; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 8801. A bill for the relief of the Maco Warehouse Co.; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 8802. A bill for the relief of Rev. Thomas Kolakowski; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 8803. A bill for the relief of Nimia R. Concepcion, M.D.; to the Committee on the Judiciary.

H.R. 8804. A bill for the relief of Salvadora Galope Batol; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H.R. 8805. A bill for the relief of Mrs. Andja Mirich; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 8806. A bill for the relief of the Philadelphia General Hospital; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8807. A bill for the relief of Theodoros Spiros Psitos; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 8808. A bill for the relief of Dr. Irfan A. Orer; to the Committee on the Judiciary.

By Mr. WESTLAND:

H. Con. Res. 415. Concurrent resolution honoring the memory of Mrs. Elsie Winters Mitchell, who was killed in Oregon by the explosion of a Japanese balloon bomb during World War II, and expressing congressional recognition of her heroism in attempting to prevent the death of five children in such explosion; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

261. The SPEAKER presented a petition of the city clerk, Alameda, Calif., petitioning consideration of their resolution with reference to requesting that every effort be expended in behalf of legislation which will continue the financing of the Federal interstate highway program; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

DAV Services in Oregon

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 24, 1959

Mr. PORTER. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Oregon citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Oregon, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran. Its present national commander is Bill H. Tribley, of Crestline, Kans. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its National Service Headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The two DAV national service officers in Oregon are Mr. Gerald S. Kelsey and Mr. James W. Hudson, located at the VA Regional Office, 208 South West Fifth Avenue, Portland, Oreg. The department commander is Mr. Dan Cole, 2520 J Street, Springfield, Oreg., and the department adjutant is Mr. T. F. Van Laningham, 429 South West Fourth Avenue, Portland, Oreg.

The three VA hospitals in Oregon are a 1,000-bed DOM hospital at Camp White, a 567-bed GM hospital at Portland, and a 670-bed NP hospital at Roseburg. VAVS representatives: Camp White, Patrick Graham; Roseburg, Charles T. McCoy; Portland, George Youmans.

During the last fiscal year, the VA paid out $52,414,000 for its veteran program in Oregon, including $13,730,806 disability compensation to its 17,408 service-disabled veterans. These Federal expenditures in Oregon furnish substantial purchasing power in all communities. Only about 11 percent—1,859—are members of the 27 DAV chapters in Oregon.

This 11 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Oregon veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	31,357
Claims folders reviewed	26,131
Appearances before rating boards	12,892
Compensation increases obtained	2,634
Service connections obtained	792
Nonservice pensions	828
Death benefits obtained	430
Total monetary benefits obtained	$933,996.15

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Oregon veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefit, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans, not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult, too many times impossible. A claims and rating record board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About eight-tenths of 1 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Oregon, with a consequent loss of about $224,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Oregon to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 3,538 of whom, during the last 8 years, were Oregon residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members, and other social-minded Americans, by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds, and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $5 per DAV member.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Oregon by sending in donations to the DAV Service Foundation, 1707 18th Street NW., Washington 9, D.C.

Every serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations, and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice, the DAV.

Reply to the Carey Letter

EXTENSION OF REMARKS
OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 24, 1959

Mr. RAY. Mr. Speaker, under leave heretofore granted, I place in the RECORD a copy of my reply to the form letter sent to many Members of Congress by Mr. James B. Carey last week:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 24, 1959.

JAMES B. CAREY,
President, IUERMW,
Washington, D.C.

DEAR SIR: I have your letter of August 18 regarding my vote for the Landrum-Griffin bill, H.R. 8400. You do not like my vote on that bill and, of course, I take no exception to your so advising me.

I take strong exception, however, to your suggestions that I voted to punish or repress or weaken all labor unions, or that I yielded to pressure from any business organization. Those suggestions have no basis in fact.

My vote was determined by my own judgment, exercised in the light of my own conscience as to what was needed to protect the public and particularly union members and their families and small business against such abuses of power, whether by management or union officials, as have been exposed in various committee hearings. The foregoing statement has special importance in connection with the provisions in H.R. 8400 which relate to the bill of rights, organizational picketing, secondary boycotts, hot cargo, and no man's land. Enactment of H.R. 8400 will not, in my judgment, interfere with any legitimate union activity of which I have been informed.

You may be sure that I studied the effects of H.R. 8400 before I decided how to vote upon it. In that process I carefully considered the views of all who had written to

or talked with me about abuses of power by either labor officials or management, and I talked with union officials and everyone else who came in to discuss H.R. 8400. Some union members who live in my district think that H.R. 8400 does not go far enough to protect them against loss of their union cards—and that means their livelihood—without a fair hearing.

Many union members and their families live in my district and you may be sure I advised union officials who had talked with me as to how I would vote.

Members of unions in my district are good citizens. They will resent and reject, as do I, your notion that if unions are to be strong, their officials must be allowed to continue abuses of power of the kind which H.R. 8400 seeks to prevent.

Taken as a whole, your letter confirms the need for legislation such as H.R. 8400.

Yours truly,

JOHN H. RAY,
Member of Congress.

Inter-American Development Bank

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include copy of my newsletter which was released today.

KEENOTES BY REPRESENTATIVE ELIZABETH KEE, OF WEST VIRGINIA

WASHINGTON, August 24, 1959.—Quite often Congress passes significant legislation which is largely if not completely ignored by the press and the public. A case in point is the Inter-American Development Bank which was recently created by Congress with a capitalization of $1 billion.

The United States will provide $450 million of the capital. Latin American nations will provide $550 million and will be represented on the governing board.

The significance of the new Bank lies in the fact that it marks an entirely new departure in our economic relationship with friendly nations to the south. Economic aid, in the form of direct grants and gifts, are to be played down. Instead, our Latin neighbors will look to the new Bank for loans to provide the capital necessary for economic development.

The United States is prone to forget just how important Latin America is to this country. Trade between the two areas runs into the hundreds of millons each year. Also, it is important to our national security to make sure that Communist regimes do not gain a foothold in the Western Hemisphere.

All of our neighbors to the south, with the possible exception of Mexico, are experiencing dangerous economic difficulties. All of them need to expand trade and to speed up industrial development. The United States cannot provide all of the capital that is needed. Even if we could, it would not be good policy to do so. The countries themselves need to feel they have a vital stake in their own development programs.

The new Bank will fill this great need. It is going to be a businesslike operation. Borrowing nations will have to come up with sound programs which bank officials can accept as having a good chance of paying off.

This is a cooperative venture. Direct grants or gifts are too one sided to be completely effective.

This shift of emphasis in our economic aid program in Latin America is significant. I hope it will point the way to a gradual elimination of the economic aid program on the present basis.

Also, this year Congress approved another far reaching international financing plan which attracted very little attention. This was the International Development Association which is to be an adjunct of the World Bank.

It is hoped this new Bank can put to useful, productive work much of the $3 billions in foreign currency which the United States has acquired since the end of the war. It would work like this: Country X applies to the World Bank for a loan of $50 million. The World Bank feels it cannot loan but $30 million. The new organization would then make a secondary loan of $20 million, almost all in foreign currency of various kinds which can be used to buy materials in all parts of the world.

The new organization should make it possible for the World Bank to greatly step up its operations. And the more the Bank can loan, the less will be the need for direct grants of money by the United States to underdeveloped nations struggling to build a sound economy.

The people are getting tired of Congress voting billions each year for gifts to foreign countries. The new loan programs offer a sound, workable alternative and they should be much more successful. It puts our economic relations on a sound, businesslike basis and should in the long run help end the annual drain on our Treasury.

Carey Letter Is Unworthy of U.S. Labor Movement

EXTENSION OF REMARKS
OF
HON. ALBERT H. QUIE
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. QUIE. Mr. Speaker, along with many of my colleagues in the House of Representatives, I received a threatening letter several days ago from Mr. James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers.

Because Mr. Carey resorted to outright intimidation, he has been justifiably criticized in the press and by many people, regardless of their views on labor reform legislation.

I am sure that, in addition, Mr. Carey received many answers to his letter from the Members of Congress he vowed reprisal against. As one such Member, I sent him my answer on August 20.

At this time, Mr. Speaker, under leave to extend my remarks, I insert in the RECORD Mr. Carey's letter and my reply:

INTERNATIONAL UNION OF ELECTRICAL,
RADIO AND MACHINE WORKERS,
Washington, D.C., August 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

AUGUST 20, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio, and Machine Workers, Washington, D.C.:

DEAR MR. CAREY: Throughout the day I have been rereading your threatening letter of August 18.

I can't tell you how sorry and disappointed I am to receive such a letter from a man who has been elected to a very high position in the labor movement. The letter is not only unworthy of you, but it embarrassed the great membership you are obliged to represent.

Up to now, the mail I received on labor legislation has been extremely helpful. The great majority of letters, cards, and wires were from people in the first district who favored the Landrum-Griffin bill. But I must say that the people who supported the Elliott and Shelley bills were just as kind and considerate as they could be in their letters to me.

People who are just as partisan in their opinions as you, Mr. Carey, were courteous, reasoned, and balanced in their judgments.

For example, until you wrote nobody implied that I was uninformed, stupid, or a tool of special interest groups. I was not threatened in any way until your letter arrived. The people who have disagreed with me have managed to tell me so without shaking their fists—in a spirit of the interchange of ideas, without resorting to abuse.

Since the Landrum-Griffin bill has passed, the response has been gratifying. Even folks who are still unconvinced that the Landrum-Griffin bill was the best we could do, share in a sense, the belief of the Washington Post and Times Herald which says editorially today:

"We do not think the labor movement will suffer any real loss. * * * Nor will any union be killed by a reasonable compromise of the present Senate and House bills—unless it be some racket-ridden units that are a disgrace to organized labor in any event."

You did not ask me why I supported the Landrum-Griffin bill, but I believe you deserve to know why. I feel the bill provides the best means by which we can correct the abuses which exist in some areas of the country, and still remain true to the goal in not being punitive to the many unions which have been dealing fairly with their memberships.

Your letter is really unique, Mr. Carey, in that you have not given me your views on the important subject of labor legislation.

Its purpose was to convey a threat. I am not, in any way, afraid of what you pledge to do to me because I believe that such a threat, underscored as it is with anger and revenge, will get nowhere.

But, if I may, I would like to give you a word of advice. You hold a very responsible position in the labor movement, and I am sure that the many fine people you represent are looking to you for leadership. You owe it to these people to be an effective spokesman for labor. Because you wrote the letter you did, you damaged your effectiveness greatly. I believe that you owe your constituents—the rank and file electrical, radio, and machine workers—a great deal. You might begin repaying their confidence by exercising the reasoned, temperate leadership they have a right to expect.

Sincerely yours,

ALBERT H. QUIE,
Member of Congress.

A Bill To Make Civil Service Retirement Available to ASC Employees on a Voluntary Basis

EXTENSION OF REMARKS
OF
HON. STEVEN V. CARTER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. CARTER. Mr. Speaker, today I introduced a bill in the House of Representatives which proposes to extend to the employees of the agricultural stabilization and conservation committees the opportunity to come within the purview of the Civil Service Retirement Act. I am joined in the introduction of this bill by the other Democratic Members of the House from Iowa, the Honorable MERWIN COAD, NEAL SMITH, and LEONARD WOLF.

All of us have, in recent weeks, received considerable mail from ASC people in our congressional districts of Iowa in which they have protested a ruling by the Iowa State ASC Committee making retirement mandatory at age 65. As you know, Mr. Speaker, the retirement age under civil service is specified at 70 years of age.

It seems to me somewhat shortsighted to force these men into retirement at age 65 when they have accumulated such a wealth of experience and when they still have several years of valuable service they could render to the program. Furthermore, such a mandatory ruling fails to take into account a man's individual capabilities and makes chronological age the only criterion of his value and effectiveness in his profession.

I want to emphasize that this bill would not force people to come under civil service retirement who do not desire to do so. This is intended to be purely a voluntary matter. The proposed piece of legislation is designed simply to empower the Secretary of Agriculture to prescribe and issue such regulations as may be necessary to make civil service retirement available to the persons desiring to take advantage of it.

I wish to point out that the Department of Agriculture has no policy which will prohibit a man in the ASC service from working until the age of 70 years.

I should add that my understanding of this matter is that the State committees are presently authorized to request and obtain an employee's resignation for reasons of unfitness or inability to perform his duties. Therefore, such a bill as I have proposed here would not preempt any prerogatives that the State committees now have in the area of personnel management. The purpose of the bill is simply to establish certainty as to retirement from ASC service where such certainty does not now exist. Judging from my mail, the ruling by the Iowa State Committee has had an unsettling effect on the morale of ASC employees, and it is simply my wish to restore that morale and at the same time make it possible to utilize the professional capabilities of ASC employees to the fullest extent.

The text of the bill follows:

H.R. 8774

A bill to bring employees of the agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purposes of the Civil Service Retirement Act, employees of the agricultural stabilization and conservation county committees shall be held and considered to be employees of the Government of the United States.

(b) The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of such Act with respect to such employees.

SEC. 2. Notwithstanding any other provision of law, annuity benefits under the Civil Service Retirement Act resulting from the operation of the first section of this Act shall be paid from the civil service retirement and disability fund.

James B. Carey: Humorist

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr DAGUE. Mr. Speaker, a rereading of the letter I received last week from Mr. James B. Carey, president of the International Union of Electrical, Radio & Machine Workers, confirms my original conclusion that the man is a humorist. The very fact that Mr. Carey sets out to intimidate those who voted for the Landrum-Griffin bill marks him as either a man with a sense of humor or as one who is so naive that he thinks Congress will grovel in the face of his awesome threats. Of course, there is the possibility that Mr. Carey is just another arrogant labor leader who is inclined to use his muscles rather than his head but I really do not think so.

In any event I have dignified his outburst to the extent of the following reply:

AUGUST 24, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio & Machine Workers, Washington, D.C.

DEAR MR. CAREY: Thank you very much for your letter of August 18. I am having it reproduced for circulation among my constituents in order to acquaint them with the ill temper and bad manners of certain labor leaders, which would seem to further justify our support of the so-called Landrum-Griffin labor reform bill.

Incidentally, I am amazed that you are so poorly informed in regards to the voting habits of the people of my district. In each campaign in which I have sought reelection the leaders of organized labor have hit me with everything in the book. That I have been victorious each time attests to the conservatism of the voters rather than to my popularity.

Again my warmest thanks for the best piece of campaign material I have ever received.

Very truly yours,

PAUL B. DAGUE.

It has always been my firm conviction that the leaders of organized labor have been completely out of step with the thinking of the people in the Ninth Congressional District of Pennsylvania. Public reaction, however, to such bald threats as made by Mr. Carey is, in my opinion, accurately reflected in the following editorial which appeared in the Daily Local News of West Chester, Pa., on August 21, 1959:

THREATS

The type of letter received yesterday by Members of the House who voted for the Landrum-Griffin labor reform bill warning them that labor union members will try to throw them out of office represents the kind of thing that should not be countenanced in this country.

Representatives are chosen to represent all of the people and not the interests of simply one group of constituents. No Member of the House in recent weeks could mistake the sentiment of the people as a whole in regard to the need for curbing certain labor leaders of whom James R. Hoffa is a fair example. Because the public demanded effective labor legislation at this session of Congress, the Landrum-Griffin bill was approved by a margin of 178 votes.

Every House Member who supported that bill received a letter yesterday from James B. Carey, AFL-CIO official, warning them of what union members intend to do because they voted for what the union considers "punitive repressive" labor legislation.

Every properly registered citizen has the privilege of going to the polls at election time and voting for the candidate which he feels is best qualified for the office to be filled. Once elected, the official must be free to vote for legislation which he feels best serves the welfare of the people as a whole. He must be free to do this without fear of threats or reprisals. Otherwise, he could not possibly represent the people as he should.

It is also the privilege of every citizen to keep in touch with elected officials so that they may know how they (the people) feel in regard to current legislation. Officials welcome such contacts. But no official welcomes the kind of communication that has reached supporters of the Landrum-Griffin bill. In effect it said—because you voted for that bill, we're out to get you.

One Representative termed the letter "bitter and ill tempered," and in a reply wrote: "Please do not insult me by threats." That probably pretty well summed up the feelings of the 229 House Members who were the targets of Carey's letter.

The Honorable PAUL B. DAGUE, who represents Chester and Lancaster Counties in the House, told the local News last night when he feels that he must bow to corruption in the ranks of union labor then his effectiveness as a Member of the House is over. Representative DAGUE supported the Landrum-Griffin bill on the first vote when it squeezed through with only 28 votes to spare. He was also in the "aye" column on the final vote. His stand in regard to the kind of labor legislation needed to deal with corruption is thus a matter of record.

James B. Carey also sent letters to 201 other House Members who saw fit to vote against the bill, pledging them his support. That is his privilege. But letters which breathe of intimidation and mailed to rep-representatives who voted in the interests of the national welfare, have no part in a Nation which believes in a free and representative government.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the newsletter of August 22, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

AUGUST 22, 1959.

The first session of the 86th Congress is struggling to a close, many Members think, although in the next breath some concede the possibility of endless debate ahead. Here's a roundup.

Controversial issues to be carried over include minimum wage, aid to education, aid to depressed areas, Federal unemployment compensation, Federal health insurance, social security expansion, interest rate ceiling removal (and others?).

Controversial issues considered earlier and scheduled for further action include labor reform, housing, and the farm program. New items for House debate include Public Law 480, (surplus food disposal), civil rights, highways and gasoline tax increase, and foreign investment tax incentive (H.R. 5).

Controversial clashes of viewpoint continue and include the political front, for example, who's for big spending, and the balanced budget; our international policy embodied in foreign aid (including food surplus disposal) and the Khrushchev visit.

Public Law 480, the Agricultural Trade and Assistance Act of 1954, to dispose of surplus commodities, with amendments, was the week's big floor debate, centered around a barter provision. The big question—should the United States dispose of our surplus food products in exchange for strategic materials for our national stockpile rather than sell for foreign currency, which currency may or may not be of any use to the United States. If not, then the food in effect becomes a gift. The complicated, confusing, and at times self-defeating nature of this program led me to observe in debate that the problems confronting us arise because of a very basic problem, quite overlooked; namely, that the Federal Government is not set up nor intended constitutionally to be in the distribution of food, clothing or other necessities, neither at home nor abroad. The original emergency nature of disposal of farm surpluses has now, in my view, been distorted so that surpluses are encouraged, Government regulation fostered, and the free market destroyed in the United States and throughout the world. The fact is, our surpluses endanger the economies of other nations, too. This basic fault of the program itself was not debated. Government has been accepted as a food distributor at the taxpayers' expense. All I can hope to do is to keep the criticism alive, until the people demand an accounting. This I have done and shall so continue.

Civil rights, already through the Senate, will probably be before the House soon. The Democrat leadership is committed to advance in this field. The questions to be resolved: (1) A tough bill or a relatively innocuous one? (2) This year, or next (election) year? Odds are, in my opinion, an innocuous bill this year, because: (1) Few can show any real need (other than political in some districts) for further legislation; and (2) many Republicans may feel constrained to cooperate with those Southern Democrats who helped in enacting a legitimate labor reform act. I expect a bill to extend the Civil Rights Commission and give the Justice Department a little greater authority to investigate local election practices. The gasoline tax increase may take time, now that the Ways and Means Committee has voted out a 1-cent increase for 22 months and a later 5-percent excise tax allocation to highways. I am among those opposing a tax increase. (See newsletters of July 25 and August 1). Highways can be built without more tax, I believe.

Earlier controversial issues yet to be resolved are headed by labor reform, which is now in conference between the House and Senate. Housing could continue as a tremendous struggle in view of the veto, the Senate's attempt to override (both Texas Senators so voted), and the legitimate needs embodied in the earlier outrageous bill, that require that a bill be passed. The present suggested compromise is only a lesser degree of the faults of the vetoed bill, including more public housing direct loans for college classrooms (back door Treasury financing beyond Congress' control), urban renewal (though reduced), and others. As before, this bill probably will be held until the last minute and then railroaded through. As for agriculture, the general recommendations of the President for reduced price-support levels and eased acreage requirements will get little if any attention, I believe, even though the President may urgently so request of Congress.

The interest rate ceiling's removal (see newsletters of June 13, 27, and July 11) so urgently requested by Treasury Secretary Anderson to reduce the cost of Government financing has become a political football. By a party line vote (Democrats for, Republicans against), the Committee on Ways and Means voted to shelve such needed action until next year. The Government thus is forced to continue to compete with families and small business men for the available money in the short-term loan market. As I see it, it is wrong for Congress after spending the money to tie the hands of the Secretary in financing the Government debt.

So Congress struggles on, not all good, not all bad, but just like people. Congress will improve only as the people force improvement by demanding right action. Adjournment date is anyone's guess.

Prelude to Annual Report by Congresswoman Edna F. Kelly

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mrs. KELLY. Mr. Speaker, every year it has been my practice to submit a report to my constituents in the 10th Congressional District in New York on important legislation enacted during the session of Congress. In my report, which of necessity is brief, I try to be factual on key legislation enacted. The report this year will only cover the first session of the 86th Congress and should be sent out shortly after the adjournment of Congress. It is, of course, impossible to predict with accuracy when Congress will adjourn and, more important, what specific legislative measures will be enacted into law. At this point I have, therefore, decided in a preliminary statement to describe to the people of my district the difficult and complicated atmosphere hovering over this session. This, then, is the prelude to my report.

The first session of the 86th Congress convened and will adjourn with war clouds engulfing the entire world. The density of the clouds fluctuated with the actions of the leaders of the Kremlin. As heavy and ominous as the clouds were with the appearance of the sputnik and lunik, they increased with the overt, aggressive actions of the "comrades" in the Middle East, the Far East, Tibet, Latin America, Central America, including Cuba, in Europe again with the Berlin impasse and once more in southeastern Asia, Laos.

A diminishing of the war clouds followed appeasement of the comrades in the Ministers' meeting, a pending but never accomplished summit meeting, and finally plans for an exchange of heads of state.

Thus, it can be said with no exaggeration that Congress met and will adjourn in one of the most trying times in the history of the United States.

The international outlook for the Democratic-controlled Congress was not made felicitous by the Republican-controlled executive branch of the Government. Congress convened labeled by President Eisenhower, in his role as leader of the Republican Party, as being controlled by "political radicals, spendthrifts, and gloom-dogglers."

Bear in mind that when Congress convened, President Eisenhower, in his state of the Union message, promised "a sensible posture of defense against the growing might of the Soviet Union," and in the next breath he warned we must "guard against feverish building up of vast armaments." The observing public saw Congress placed publicly between the horns of the dilemma.

Congress was faced with the problem of meeting the Soviet menace, of placat-

ing the administration in its request for the highest budget in "peacetime," of grappling with a $9 billion interest on the national debt, of increasing the limit on the national debt, and of passing a Mutual Security Act. Domestic issues became secondary and/or dependent upon the cost of meeting the Soviet menace, balancing the budget and controlling inflation.

The entire policy of the Republican administration was in a state of fluctuation. A cooperative state of mind and action on the part of Democratic legislators was tried to the point of frustration. President Eisenhower requested legislation and then vetoed bills because they were too much or too little. Most of the bills passed to date have been cut below the President's recommendations.

A most astounding turnabout has been the long negotiations for exchange visits of Khrushchev and President Eisenhower. The same man who recently lamented the apathy of Americans in the face of the Soviet menace has invited the head of the Soviet regime to be a guest of the United States. This appears to many to be a colossal swallowing of principle, a betrayal of our civilization, a quashing of the loyalty we owe to American youths who perished at the hands of Soviet treachery, and a gross insult to the millions of once free men enslaved by that dictatorship.

Adherence to the absolute moral principles upon which our country was founded should dissuade us from conferring respectability and legitimacy to the dedicated enemy of free men and free institutions.

This action, preceded by the humiliation inflicted upon the Western representatives at Geneva, makes it more difficult to understand. President Eisenhower predicated a summit meeting on progress made at Geneva. What progress? The West did not bring up the question of the captive nations. East German observers were given equal status with the observers of West Germany which conferred de facto recognition of East Germany. What happened to the demand that the Berlin and Germany problems be considered as one? The West capitulated and conceded them as separate issues. What happened to the challenge of the blockade of Berlin? This has been shelved. The United States now speaks of "rights of access" after proving that the West had rights of occupation since 1945. Now we are practically conceding that the Soviet has rights to terminate this agreement.

The intended visit of the Soviet Premier is repugnant to me because no credence can be placed upon the word of a Mikoyan, a Kozlov, or a Khrushchev. The gain, if any, does not outweigh the loss of trust by our allies, the creation of more apathy and misinterpretation by Americans, causing a quasi-insecurity among free people everywhere, and the propaganda use this visit will be made of in Moscow and other capitals inimical to the U.S.S.R. All of this created confusion in Congress on legislation without positive leadership from the executive branch.

The reversal of policy and the confused and confusing pattern of weak executive leadership has, in effect, pulled the rug from under the Congress. Despite this background, I predict that the record of the 86th Congress, 1st session, will make history on the positive side of the ledger, thanks to a strong and dynamic democratic leadership.

Itinerary of Annual Official Tour of the Fourth District of Indiana

EXTENSION OF REMARKS
OF
HON. E. ROSS ADAIR
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. ADAIR. Mr. Speaker, with the adjournment of the 1st session of the 86th Congress, I am preparing for my annual official tour of the Fourth District of Indiana, to meet with the constituents I am privileged to represent.

This year I am planning to visit a number of the post offices in the district and will be available for conferences and interviews at each of these places. I believe this will be convenient for persons who desire to discuss legislative or governmental matters with me.

These official tours of the district are always most helpful. They afford a first-hand opportunity of obtaining views of constituents on the most important legislative issues of the day and at the same time of furthering the understanding between the people and their Representative in Congress.

Upon the completion of the tour, I will then have my district office—room 925, Lincoln Tower, Fort Wayne—open to carry on my official duties while I am home between sessions of the Congress. Meanwhile, my office here—room 1511, House Office Building—will be open as usual for the conduct of official business.

I cordially invite my friends and constituents to call upon me for whatever service or assistance I can render with respect to their problems relative to legislative or governmental matters, either while I am on the tour or in my office.

The itinerary of my official tour is as follows:

October 14, 9:30 a.m.: Post office, Ossian.

October 14, 11 a.m.: Post office, Bluffton.

October 14, 2 p.m.: Post office, Decatur.

October 14, 4 p.m.: Post office, Berne.

October 15, 10 a.m.: Post office, Garrett.

October 15, 11:30 a.m.: Post office, Auburn.

October 15, 2:30 p.m.: Post office, Butler.

October 15, 4:30 p.m.: Post office, Waterloo.

October 20, 10 a.m.: Post office, Angola.

October 20, 1:30 p.m.: Post office, Fremont.

October 20, 4 p.m.: Post office, Lagrange.

October 21, 10 a.m.: Post office, Albion.

October 21, 1:30 p.m.: Post office, Kendallville.

October 21, 4 p.m.: Post office, Ligonier.

October 22, 9:30 a.m.: Post office, Columbia City.

October 22, 1:30 p.m.: Post office, South Whitley.

October 22, 4 p.m.: Post office, Churubusco.

Food Donations Set Record

EXTENSION OF REMARKS
OF
HON. ALBERT H. QUIE
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. QUIE. Mr. Speaker, the record set by the administration in donating nearly 3 billion pounds of surplus foods during fiscal year 1959 is surely a record of which all Americans can be proud.

It has been announced recently that this food has been provided for use in our own school-lunch programs and charitable institutions as well as to needy persons at home and abroad. The distribution shows an increase of 5 percent over the previous fiscal year, and marks a high point in donations of Government-owned foods.

The increase has been distributed to domestic outlets, as donations to needy persons, schools, and institutions total more than a billion pounds for the year—a considerable rise over the 871,600,000 pounds distributed the previous year and a tremendous increase from the figure of 161,100,000 pounds in 1953.

Foreign distribution amounted to 1,867,200,000 pounds in donations in fiscal 1959, compared to the 24 million pounds donated in 1953. The administration reports that increased donations of wheat flour were offset by decreased amounts of cheese which was removed from the list of foreign donations last year.

I believe the administration deserves unsparing praise for the manner in which it is handling this important feature of our surplus disposal program. Foods acquired through surplus removal and price support programs are distributed to eligible recipients in our country through designated agencies of State and local governments—while distribution in 91 countries has been handled by voluntary church and welfare organizations. It is important to note that surplus foods are donated for relief overseas only after they have been made available to meet needs in our own country.

Because I believe it is important for all of us to see where the food is going in our own country, I am including a table which sets forth the numbers of

needy persons in family units who received donated commodities in June 1959:

Alabama	127,127
Arizona	50,423
Arkansas	178,341
California	23,215
Colorado	18,799
Connecticut	587
Delaware	3,062
District of Columbia	29,604
Georgia	30,878
Illinois	79,281
Indiana	75,485
Iowa	65,919
Kansas	11,370
Kentucky	280,968
Louisiana	120,604
Maine	56,543
Maryland	44,532
Massachusetts	4,114
Michigan	380,343
Minnesota	33,314
Mississippi	179,055
Missouri	93,153
Montana	8,877
Nevada	992
New Hampshire	6,703
New Jersey	13,789
New Mexico	35,628
New York	364,056
North Dakota	5,320
Ohio	113,568
Oklahoma	232,186
Pennsylvania	735,368
Puerto Rico	595,430
Rhode Island	11,432
South Dakota	23,994
Tennessee	149,458
Texas	118,138
Utah	11,667
Vermont	11,633
Virginia	37,404
Washington	3,977
West Virginia	295,345
Wisconsin	40,076
Wyoming	7,468
Trust territory	3,218
Samoa (American)	2,905
Total	4,715,349

Mr. Speaker, the total figure of 4,715,349 should be compared to the 100,000 needy persons in family units who received donated food in fiscal 1953. This is truly a great demonstration of the worth and success of this vital program.

Review of Record of 1st Session of 86th Congress

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, August 24, 1959

Mr. WILEY. Mr. President, during the weekend, I was pleased to comment over Wisconsin radio stations on the record of the 1st session of the 86th Congress.

Naturally, it is possible in a broadcast to touch only the highlights of the manifold, complex legislative actions in Congress.

Generally, however, I feel that—when Congress winds up—the record of accomplishments will be moderately good, particularly in two major fields of which have been required bipartisan cooperation:

First, keeping the peace; and

Second, successfully recovering from our economic setback.

I was privileged, also, to review the tasks still ahead of us upon which constructive action is needed prior to adjournment.

And finally, the broadcast covers problems that—as we all recognize will remain unresolved in a number of fields.

I ask unanimous consent to have the text of the broadcast printed in the CONGRESSIONAL RECORD.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

WILEY SAYS KEEPING PEACE AND RECOVERING FROM RECESSION ARE TWO MAJOR ACCOMPLISHMENTS OF NATION—EVALUATES RECORD OF 86TH CONGRESS MODERATELY GOOD

(Address by Senator WILEY over Wisconsin radio stations.)

Friends, I welcome the opportunity to be with you.

As you know, the adjournment of Congress is not far away.

In reviewing our progress in Congress, and as a nation, it is important to take a look at the record.

Insofar as it reflects bipartisan accomplishments, I believe the record is moderately good.

With adjournament there will, of course, be efforts—often "colored" in a partisan manner—to evaluate its record by either attempting to take credit for the accomplishments, or, conversely attempting to blame the other party for failures.

Without engaging in such partisanship, however, I would like to review the record briefly, including achievements we have made as a nation.

Question. Senator WILEY, what are the major marks of progress?

Answer. Although there have been advancements in a great many fields, I believe that two major accomplishments stand above the rest in the record. These include: keeping the peace; and successfully recovering from the economic recession.

PREVENTING WORLD WAR III

First of all, we have supported policies and programs that have helped to keep the peace; for the most part, this means preventing the cold war from degenerating into a hot war.

By and large, our foreign policy has had bipartisan support. Naturally, honest men may differ on national policy.

Overall, however, I believe the Nation can be gratified that the majority of its leaders—both Republican and Democrat—have been big enough to rise above lesser considerations and work for what is best for the country.

We are aware, of course, that keeping the peace and promoting greater security is not something that can be achieved—then forgotten. Rather, this is a continuous task.

Although there has been a superficial "thaw" in the East-West relations, we must remain alert and keep our powder dry.

Around the globe, the Communists are continuing their efforts at penetration of more areas and seeking control of more people.

Consequently, we must not be deceived by the words of peace of Khrushchev or any other Communist; rather, it will be necessary to keep up our guard—until words of peace are backed up with actual deeds.

Among the steps that Congress still must take is the approval of an adequate mutual security program—to further strengthen the alliance of free nations.

UNITED STATES MAKES ECONOMIC COMEBACK

Question. What is the second major accomplishment, Senator WILEY?

Answer. I believe the fact that we have successfully recovered from the economic recession is a real victory for the country.

Contrary to predictions of the prophets of gloom and doom, the Nation—despite an economic setback—did not succumb to a major depression. Instead, the Congress, administration leadership, and, most important, the confident outlook of Mr. and Mrs. Average Citizen, demonstrated the spirit and zeal necessary to prevent what might have been a serious depression, with ultimately disastrous international results.

Again, it is gratifying to acknowledge that—though there were differences of views at times—the leadership of both parties again rose to the challenge.

Now, it is true—that, economically speaking, inflation still plagues us—the cost of living is high—and there are still a number of unemployed. However, there also is a number of factors that brighten the outlook.

Question. What are these, Senator WILEY?

Answer. Today, the Nation is experiencing new highs in the economic field. These include the gross national product—that is, the value of all goods and services—amounts to about $485 billion; and national income is at a record high of $374 billion; civilian employment is at a peak of over 67 million.

In Wisconsin, too, the outlook is brightening.

According to a recent survey, the State hit record high levels in a great many facets of the economy.

Employment has hit a high level of 1,582,300—although this still leaves about 2.5 percent of the labor force unemployed (as compared, however, to 5.4 percent this time last year).

Average weekly earnings for production workers in our manufacturing industries are earning an average of $94.57 weekly—an increase of 7.1 percent over last June.

The trend in homebuilding is up over last year;

Sales of cars and trucks are well above comparable 1958 levels;

Department stores sales gained 12 percent in the 5-month period beginning in January;

Business and corporations have set a new record—up nearly 50 percent over last year.

We recognize, of course, that we still have economic problems—including the need for action to reach an early settlement of the steel strike. Based on the record, however, I believe we can continue to deal with these successfully.

There has, of course, been real progress, also, in a great many other fields.

Question. Senator WILEY, we appreciate a quick look at the record of major accomplishments. Now, looking ahead, what are the jobs that must still be completed by the 86th Congress prior to the adjournment of its 1st session?

JOBS STILL TO BE ACCOMPLISHED BY 86TH CONGRESS

Answer. There are, of course, a number of major tasks ahead of us. These include:

Providing financing for the highway program;

Enacting an effective labor reform law;

Strengthening our civil rights status;

Enactment of a good housing program;

Approval of funds to strengthen our mutual security alliance.

In addition, there are a substantial number of other bills still pending on the calendars in both the Senate and House of Representatives that deserve the consideration of Congress.

WHAT CONGRESS—OR THE COUNTRY—FAILED TO ACCOMPLISH

Question. Are there any fields in which it looks like Congress—and the country—still must face serious challenges in the future?

Answer. Yes. Unfortunately, solutions have not yet been found for a number of problems. These include:

First, the farm problem. Despite high costs, the economic outlook for the American farmer has not been substantially improved, nor have surpluses been reduced;

Second, we need tax reform, along the lines recommended in the Wiley bill, S. 1885, to establish a Hoover-type Tax Commission to make an overhaul of the overall tax system.

Third, the economy has not succeeded in mustering forces to block inflation. Regrettably, this economic hazard is still reducing the buying power of dollars, diminishing value of savings, investments in bonds, and life insurance; making it extremely difficult for folks on modest retirement incomes to meet the high costs of living and otherwise plaguing the economy.

Unfortunately, this general but brief review does not provide an opportunity to touch upon activities in a great many other important fields. These include: conservation, veterans' programs, education, programs for the aging, brightening the outlook for youth, and a great many others.

COMPLETION OF THE ST. LAWRENCE SEAWAY

Prior to closing, I would like to mention one more significant major mark of progress; that is, the completion of the St. Lawrence Seaway. Dedicated in June of this year, there has been a tremendous increase in the first-season traffic through the improved, deepened, and modernized waterway.

As a sponsor of the seaway law, I am particularly happy that the completed project promises fulfillment of the great expectations which we envisioned in enacting legislation for U.S. work on the St. Lawrence program.

STOPPING THE "CHICAGO WATER STEAL"

Question. Senator WILEY, now turning to a closely related subject, we recall that the bill, H.R. 1, proposing to divert more water from Lake Michigan, was favorably reported out of the Public Works Committee this week.

Answer. Yes; unfortunately, the measure is now before the Senate. As things look now, it may come up for consideration next week.

Question. What is your strategy, Senator WILEY?

Answer. Naturally, I shall fight the bill. Among other things, I shall attempt to have the measure recommitted to committee; this time to the Foreign Relations Committee, where it rightfully belongs.

Question. Why do you say that, Senator?

Answer. In the U.S. Senate, legislation affecting our relations with other countries, and relating to treaties with other nations, should be handled by the Foreign Relations Committee.

The dangerous water diversion bill touches upon both these criteria in these areas of activity.

First, it threatens to jeopardize our relations with our good neighbor, Canada, by diverting waters of the Great Lakes in which Canada has a vital interest; and secondly, the unilateral action to divert dangerously large volumes of water threatens to violate our treaty with Canada relating to the utilization of common waters between the two countries.

Time after time, the Canadian Government has resoundingly voiced its strong opposition—and wisely, I believe—to the proposed water steal legislation.

The Congress of the United States, I believe, ought not to let go unnoticed the voice of a friendly government in such a critical matter.

There are, of course, sufficient reasons at home why the bill should not be enacted. If this is done, it will seriously jeopardize safe shipping, reduced tonnage carried on the lakes, damage lakeshore property, and impair dock facilities and port and harbor development projects. In addition, it would endanger the St. Lawrence Seaway and threaten to damage beaches and resorts.

CONCLUSION

Question. Thank you, Senator WILEY, for this preadjournment review of the record of the 1st session of the 86th Congress.

Answer. I have been happy, once again, to have the opportunity to discuss with you a variety of programs, issues, and challenges.

Now, this is your senior Senator, ALEXANDER WILEY, saying "Thanks for listening."

Health Coverage Needed for Retired Career Federal Civilian Employees

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 24, 1959

Mr. MORRISON. Mr. Speaker, today I have introduced legislation to provide voluntary health benefits coverage for retired career civilian employees of the Government. I do so in recognition of my responsibility as chairman of the Civil Service Subcommittee of the House Committee on Post Office and Civil Service.

My bill is a companion bill to the bill introduced Friday in the Senate by Senator RICHARD L. NEUBERGER, who has rendered such an outstanding service to the Government and Federal civilian employees in developing the legislation which became S. 2162, providing a comprehensive governmentwide health benefits program for 2 million active Federal civilian employees.

My bill provides health coverage for career retired civil employees on the same basis that active employees and those who will retire after June 30, 1960, are covered in the Federal Employees Health Benefits Act of 1959, which passed the Senate on July 16 by a vote of 81 to 4 and early this week was unanimously reported by the House Post Office and Civil Service Committee.

ANNUITANTS AND GOVERNMENT SHARE COSTS

This bill would provide health benefits coverage for approximately 260,000 retired Federal employees, Federal employees disabled while in service for the Government, and their spouses and minor children. The premiums under this bill are the same as provided for under the Federal Employees Health Benefits Act of 1959, and are not to exceed $3.80 per month for an annuitant who enrolls for himself only, and $9.20 for an annuitant who enrolls for himself and members of his family. These premiums would be matched equally, on a 50–50 basis, by the Federal Government. The retired annuitant may have a free choice of plans: a service benefit plan, such as offered by Blue Cross-Blue Shield; an indemnity plan, such as offered by the insurance industry; a group practice prepayment plan, such as offered by the Kaiser Foundation on the west coast and Group Health Asosciation here in Washington, D.C.; and an employee organization plan, such as offered by national employee organizations.

CONTRACTS, COVERAGE, ANNUITY DEDUCTIONS

Specific health benefits would be negotiated by the U.S. Civil Service Commission, as the administering agency, with the various carriers. Annuitants would have 90 days after July 1, 1960, to elect coverage, and those who had not elected coverage within this period would lose the opportunity to do so. The annuitant's contribution, which would equal one-half of the cost, would be withheld by the Civil Service Commission from the annuity check.

COSTS

Reliable figures as to the family composition of the presently retired annuitants of our Government are not readily available and, of course, the cost of such a program could not be ascertained until this information is studied by the Civil Service Commission. Another factor in determining costs would be the number of annuitants who might elect coverage under this voluntary health plan. However, reliable estimates place the first year's cost of health coverage for retired Federal civil employees at around $40 million, which cost will be shared equally by the Federal Government and by the annuitant. The first year's cost will be the greatest since the presently retired and those who retired prior to July 1, 1960, is a group which inexorably will decline in size.

PRIVATE INDUSTRY PROTECTS RETIRED EMPLOYEES

The Federal Government cannot ignore the progressive examples of many large private employers who sponsor health benefits programs and have included in these programs persons already retired. These number, for example, the Arkansas Power & Light Co., B. F. Goodrich Co., Eastman Kodak Co., Goodyear Tire Co., Firestone Tire Co., Gilmore Belt & Rubber Co., American Sugar Refining Co., Swift & Co., Minnesota Mining & Manufacturing Co., and the First National Bank of Oregon.

If present retirees are not included in health benefits legislation on the same basis as future retirees will be included under the Federal Employees Health Benefits Act of 1959, large groups of retired employees may be penalized because they may lose such health insurance as they now have, or if they do not lose it, the premiums for continuing the insurance may be so greatly increased and become so high that it will be difficult for them to continue it. The reason for this is that many retirees are now insured in small local groups or under the

plan established by the National Association for Retired Civil Employees—NARCE—or other plans composed of active employees which allow them to continue such coverage after retirement. When the Federal Employees Health Benefits Act of 1959 becomes effective on July 1, 1960, the presently active employees may promptly abandon these policies and seek coverage under the favorable terms of the new act. Without an influx of new members and newly retired members, the rates for these policies would become prohibitive, since the group would continue with only the presently retired, who, of course, become older each year.

It is my opinion that the need of older people in our area for voluntary health coverage has long been neglected. Providing health coverage for presently retired Federal employees would prove an important step forward in meeting the health needs of our older people. It is well known that the need for health services is extremely critical in older groups. We must not shut our eyes to this urgent need.

CHAIRMAN OF CIVIL SERVICE COMMISSION RECOGNIZES NEED

Chairman Roger W. Jones of the U.S. Civil Service Commission, in a letter to Senator RICHARD L. NEUBERGER dated May 18, 1959, stated:

> Anyone who expressed indifference to the plight of our already retired employees in being unable to obtain adequate health insurance at a price they can afford to pay would be callous indeed. * * * To require retirees to assume all or a major portion of the cost would put the insurance out of their financial reach. The only possibility which suggests itself would be to consider already retired employees as a separate group from active employees and try to work out separate legislation for them.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE FAVORS

The report of the Secretary of Health, Education, and Welfare on S. 2162 contains the following statement:

> In making this recommendation, we have not overlooked the fact that the bill does not address itself to the problem of health insurance for those who are already retired, a fact that has given us much concern. We consider it essential that legislation for active employees and future retirees be supplemented in the near future by providing similar protection for those already retired. While we recognize the complexity of the problems involved in providing effective health benefit coverage to those already on annuities, the pressing health insurance needs of retired Federal employees suggest the importance of an early formulation of ways and means to meet their problems * * *. The Bureau of the Budget advises that it perceives no objection to the submission of this report to your committee.

NEW YORK PROVIDES HEALTH COVERAGE FOR ITS RETIRED STATE EMPLOYEES

The State of New York has wisely made health benefits coverage available to its retired State employees as of June 1, 1958, with the State paying 50 percent of the cost of the coverage for the retired employees. I am pleased also to report that our northern good neighbor, the Dominion of Canada, has adopted a national hospitalization program which includes its already retired senior citizens.

Health coverage for retired employees on a voluntary basis also has been endorsed by the insurance industry and the Blue Cross and Blue Shield plans. I am also pleased to report that the Government Employes' Council of the AFL–CIO, representing over 600,000 Federal employees who are members of the AFL–CIO affiliated unions, have endorsed coverage for retired Federal civil employees.

As chairman of the Civil Service Subcommittee of the House Post Office and Civil Service Committee, it is my hope that health coverage for presently retired Federal civil employees and those who retire prior to July 1, 1960, will take effect on July 1, 1960, the same date when coverage begins for active and future retirees.

Legislation to provide voluntary health coverage to our career retired Federal civil employees is of vital importance and our Government, the Nation's largest employer, will be following in a pattern already established by progressive private industry and our most populous State, the State of New York.

White House Issues Text on Flag of the United States of America, Its Use and Background, Issued in Connection With Proclamation by President Eisenhower on Admission of Hawaii as the 50th State

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EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 24, 1959

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I am pleased to present the text of a statement issued Friday, August 21, 1959, by the White House giving the background history of the flag of the United States of America. This official statement was issued in connection with the addition of the 50th star to the flag of the United States on the official admission of Hawaii as the 50th State of the Union.

This statement is so informative and pertinent to the development of the flag of the United States as the symbol of our beloved Nation now that two additional stars have been added to the blue background of our national emblem on account of the admission of both Alaska and Hawaii as the 49th and 50th States, respectively, that I am sure the within text, as issued by the White House will not only be of interest but of historical value to all Americans.

Furthermore, Mr. Speaker, I commend to all interested that they obtain copies of Public Law 829 of the 77th Congress and Public Laws 107 and 396 of the 83d Congress. These, I am informed, may be obtained from the Government Printing Office.

WHITE HOUSE TEXT ON FLAG LISTS ITS USE AND BACKGROUND

(Text of a statement issued by the White House giving background on the history of the flag. The statement was issued in connection with the addition of a 50th star to the flag on the admission of Hawaii as a State.)

THE NATIONAL FLAG

In connection with the admission of Hawaii as a State of the Union, the President today issued an Executive order adding the 50th star to the Union of the flag. The new flag will supersede the 49-star flag which was prescribed on the admission of Alaska as a State of the Union.

By law, the new 50-star flag will become the official flag of the United States on July 4, 1960, the birthday of the Union. Display of the new flag before that time would be improper. However, it would not be improper to display the 48-star flag or the 49-star flag after that date; with limited exceptions agencies of the Federal Government will continue to display the 48-star flag and the 49-star flag so long as they remain in good condition and until existing stocks of unused flags are exhausted. It is appropriate for all citizens to do the same.

Following is certain information with respect to the historical and symbolic aspects of the national flag:

History of national flag

Before we became a Nation, our land knew many flags. Long ago, the Norsemen probed our coastal waters sailing under the banner of the black raven. Columbus carried a Spanish flag across the seas. The Pilgrims carried the flag of Great Britain. The Dutch colonists brought their striped flag to New Amsterdam. The French explored the continent under the royal fleur-de-lis. Each native Indian tribe had its own totem and insignia. Immigrants of every race and nationality, in seeking a new allegiance, have brought their symbols of loyalty to our shores.

During our Revolution, various banners were used by the not-yet-united colonies. A green pine tree with the motto, "An appeal to Heaven," was popular with our young navy. The rattlesnake's warning "Don't tread on me," was displayed by aroused colonists along the Atlantic seaboard. The Moultrie liberty flag, a large blue banner with a white crescent in the upper corner, rallied the defenders of Charleston, S.C., in 1776. The Bunker Hill flag was a blue banner with a white canton filled with a red cross and a small green pine. The flag of the maritime colony of Rhode Island bore a blue anchor under the word "Hope." Strikingly similar to the Stars and stripes was the flag carried by the Green Mountain Boys of Vermont at the Battle of Bennington on August 16, 1777.

When Washington took command of the Continental Army at Cambridge, Mass., in 1776, he stood under the Grand Union Flag which continued to show a dependence upon Great Britain. The canton of this flag was filled with the crosses of St. George (England) and St. Andrew (Scotland).

The first Stars and Stripes was created by the Continental Congress on June 14, 1777. This date is now observed nationally as Flag Day.

In this flag the 13 stars, representing a constellation, were arranged in a variety of designs. The most popular—with the stars in a circle so that no State could claim precedence over another—is known as the Betsy Ross flag, in honor of the seamstress who is supposed to have sewn the first one.

As the American frontier expanded, two new States were added to the Union, and these were incorporated into the flag. This meant that 2 stars and 2 stripes were added to the design—making a total of 15 each. It was this flag that withstood enemy bombardment at Fort McHenry, Md., September 13–14, 1814, and inspired Francis Scott Key to write "The Star-Spangled Banner."

Later, when other States were added to the Union, the Congress, feeling that more stripes would blur the basic design, returned to the original 13 red and white stripes.

Since 1818, each new State has brought a new star to the flag. This growing pattern of stars could be said to reflect the growing dimensions of America's responsibilities, as the 13 stripes reflect the constant strength of our country's traditions.

The 50 States and the dates of their entry into the Union:

Alabama, December 14, 1819.
Alaska, January 3, 1959.
Arizona, February 14, 1912.
Arkansas, June 15, 1836.
California, September 9, 1850.
Colorado, August 1, 1876.
Connecticut, January 9, 1788.
Delaware, December 7, 1787.
Florida, March 3, 1845.
Georgia, January 2, 1788.
Hawaii, August 21, 1959.
Idaho, July 3, 1890.
Illinois, December 3, 1818.
Indiana, December 11, 1816.
Iowa, December 28, 1846.
Kansas, January 29, 1861.
Kentucky, June 1, 1792.
Louisiana, April 30, 1812.
Maine, March 15, 1820.
Maryland, April 28, 1788.
Massachusetts, February 6, 1788.
Michigan, January 26, 1837.
Minnesota, May 11, 1858.
Mississippi, December 10, 1817.
Missouri, August 10, 1821.
Montana, November 8, 1889.
Nebraska, March 1, 1867.
Nevada, October 31, 1864.
New Hampshire, June 21, 1788.
New Jersey, December 18, 1787.
New Mexico, January 6, 1912.
New York, July 26, 1788.
North Carolina, November 21, 1789.
North Dakota, November 2, 1889.
Ohio, March 1, 1803.
Oklahoma, November 16, 1907.
Oregon, February 14, 1859.
Pennsylvania, December 12, 1787.
Rhode Island, May 29, 1790.
South Carolina, May 23, 1788.
South Dakota, November 2, 1889.
Tennessee, June 1, 1796.
Texas, December 29, 1845.
Utah, January 4, 1896.
Vermont, March 4, 1791.
Virginia, June 25, 1788.
Washington, November 11, 1889.
West Virginia, June 20, 1863.
Wisconsin, May 29, 1848.
Wyoming, July 10, 1890.

Customs and usage as to flag of the United States

Laws have been written to govern the display of the flag and to insure a proper respect for it. Custom has decreed certain other observances in regard to its use. As a symbol of the Nation, standing for our heritage of liberty and justice, the flag is naturally held in highest honor by all citizens.

In recent years, the Congress of the United States of America has drawn together "The existing rules and customs pertaining to the display and use of the flag." These can be found in Public Law 829 of the 77th Congress and in Public Laws 107 and 396 of the 83d Congress. Copies may be obtained from the Government Printing Office.

SENATE

TUESDAY, AUGUST 25, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of mercy and grace, bowing at this noontide altar, we would subdue the day's noisy claims to silence as we listen for the divine voice which guides and blesses and reassures.

We would submit ourselves to the test of Thy white, scorching purity with which nothing unclean can live and to the rebuke of Thy absolute honesty in the searching scrutiny of which no refuge of lies can stand.

By the judgment of that purity and that honesty deliver us from the dangerous sophistries which afflict our day of elevating cleverness above goodness, and humor above honor.

Give us to know that our true life, our very effectiveness in the daily duty placed in our hands, depends always on the degree of the surrender, or failure to surrender, our self-centered inclinations to the final control of Thy will in which alone is our peace.

We ask it in the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 25, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 24, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 24, 1959, the President had approved and signed the following acts and joint resolutions:

S. 196. An act for the relief of Grover J. Cole;

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes;

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958;

S. 1590. An act for the relief of the Government of the Republic of Iceland;

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto;

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State;

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand; and

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

EXECUTIVE MESSAGES REFERRED

As in executive session, the acting President pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict; and

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war.

The message also announced that the House had passed a bill (H.R. 8599) to amend the Small Business Act, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 1579. An act for the relief of Basile Ignatios Mavridis;

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr.;

H.R. 2317. An act to amend section 7 of "an act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7638. An act for the relief of the estate of Sakihara Koki;

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago in the State of Illinois, as hereinafter described; and

H.R. 8159. An act to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION TO PAY CLAIMS FOR DAMAGES AND JUDGMENTS RENDERED AGAINST THE UNITED STATES (S. Doc. No. 48)

A communication from the President of the United States, transmitting a supplemental appropriation to pay claims for damages and judgments rendered against the United States, in the amount of $348,508, together with such amounts as may be necessary to pay indefinite interest and costs (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

SUPPLEMENTAL APPROPRIATION, OFFICE OF CIVIL AND DEFENSE MOBILIZATION (S. Doc. No. 49)

A communication from the President of the United States, transmitting a supplemental appropriation request of $9 million for the fiscal year 1960 for the "Salaries and expenses" appropriation of the Office of Civil and Defense Mobilization (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PETITION

The ACTING PRESIDENT pro tempore laid before the Senate the petition of F. E. Lackey, of Hopkinsville, Ky., favoring the House approved version of the labor-management relations bill, as it relates to secondary boycotts, which was referred to the Committee on Labor and Public Welfare.

RESOLUTION OF THE COMMISSIONERS' COURT OF GALVESTON COUNTY, TEX., ON THE FEDERAL HIGHWAY PROGRAM

Mr. YARBOROUGH. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Commissioners' Court of Galveston, Tex., on August 17, 1959, in which its members favor continuation of the Federal aid highway program at its original schedule.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

On this the 17th day of August 1959, the Commissioners' Court of Galveston County, Tex., convened in regular session at a special term thereof with the following members thereof present: Theodore R. Robinson, county judge; Irwin P. Dantin, commissioner precinct No. 1; Jimmie Vacek, commissioner precinct No. 2; R. W. Palmer, commisisoner precinct No. 3; Jack Lawrence, commissioner precinct No. 4; and John R. Platte, county clerk; by Gertrude McKenna, chief deputy, when the following proceedings, among others, were had, to wit:

"Whereas it has come to the attention of the commissioners' court that the Federal aid highway program is in jeopardy of being curtailed unless immediate action is taken by Congress to finance such long needed and worthy program. The program as originally scheduled precipitated the organization of contracting firms to help carry forward the program and any delay would only result in the dissolution of such organizations and consequent lessening of competition thereby resulting in increased costs to carry the program forward at a later date: Therefore be it

"Resolved by the Commissioners' Court of Galveston County, Tex., That they wholeheartedly favor such Federal aid highway program proceeding according to the schedule as originally planned and favor Congress taking whatever action is necessary to carry forth such program; be it further

"Resolved, That a copy of this resolution be sent to the Honorable LYNDON JOHNSON and RALPH YARBOROUGH and Congressman CLARK W. THOMPSON."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MONRONEY, from the Committee on Post Office and Civil Service, with an amendment:

S. 2402. A bill to clarify the authority of the Postmaster General to provide for the expeditious, efficient, and economical transportation of mail, and for other purposes (Rept. No. 805).

By Mr. ROBERTSON, from the Committee on Banking and Currency, with amendments:

H.R. 7244. An act to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies (Rept. No. 810).

By Mr. SPARKMAN, from the Committee on Banking and Currency, with amendments:

H.R. 8305. An act to amend the Federal Credit Union Act (Rept. No. 814).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn (Rept. No. 811);

H.R. 6368. An act to amend the Tariff Act of 1930 to place certain pumice stone on the free list (Rept. No. 812); and

H.R. 6579. An act to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning (Rept. No. 813).

FEDERAL ASSISTANCE FOR PROJECTS TO SOLVE JUVENILE DELINQUENCY CONTROL PROBLEMS—REPORT OF A COMMITTEE—MINORITY AND SUPPLEMENTAL VIEWS

Mr. CLARK. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 694) to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems, and I submit a report (No. 809) thereon. I ask unanimous consent that the report be printed, together with minority and supplemental views.

The PRESIDING OFFICER (Mr. FREAR in the chair). The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

STUDY OF EFFECT OF INCREASED DIVERSION OF WATER FROM LAKE MICHIGAN INTO ILLINOIS WATERWAY—REPORT OF A COMMITTEE—MINORITY AND INDIVIDUAL VIEWS

Mr. CHAVEZ. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, and I submit a report (No. 808) thereon. I ask unanimous consent that the report be printed, together with minority and individual views.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Mexico.

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senator from New Mexico [Mr. CHAVEZ] is agreeable to having the Senator from Kentucky [Mr. COOPER] and the Senator from Maine [Mr. MUSKIE] file their views with the report later in the day. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I call the attention of the Senate to page 16784 of yesterday's RECORD, where I gave notice the Senate would consider H.R. 1 at an early date. At the time I gave the notice, I hoped it would be possible for us to take up the bill today. But because the report had not been filed then, I desire all Senators to be on notice that the bill will be taken up at the earliest possible date, which I think will probably be tomorrow.

REPORT ENTITLED "FEDERAL DISASTER RELIEF" (S. REPT. NO. 807)

Mr. HUMPHREY, from the Committee on Government Operations, submitted a report entitled "Federal Disaster Relief," which was ordered to be printed.

REPORT ENTITLED "GOVERNMENTAL ORGANIZATION FOR SPACE ACTIVITIES" (S. REPT. NO. 806)

Mr. SYMINGTON. Mr. President, from the Committee on Aeronautical and Space Sciences, I submit a report entitled "Governmental Organization for Space Activities." I ask unanimous consent that the report may be printed, with an illustration.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Missouri.

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "THE STATUS OF WORLD HEALTH"

Mr. HUMPHREY, from the Committee on Government Operations, reported the following original resolution (S. Res. 175) to print additional copies of Senate report on "The Status of World Health," which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Senate report numbered 161, Eighty-sixth Congress, first session, entitled "The Status of World Health."

ADDITIONAL FUNDS FOR INVESTIGATION OF HEALTH AND MEDICAL RESEARCH ACTIVITIES

Mr. HUMPHREY, from the Committee on Government Operations, reported an original resolution (S. Res. 176) providing additional funds for the investigation of health and medical research activities, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That S. Res. 42, Eighty-sixth Congress, agreed to February 3, 1959 (authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of Federal executive branch departments and agencies in the field of health and medical research), is hereby amended by striking out "$45,000" and inserting in lieu thereof "$55,000."

PROGRAM OF ASSISTANCE TO CORRECT INEQUITIES IN CONSTRUCTION OF FISHING VESSELS—PART 2 OF REPORT NO. 803

Mr. SCHOEPPEL. Mr. President, on behalf of myself, and the Senator from Kentucky [Mr. MORTON], I submit minority views on the bill (S. 2578) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes. I ask unanimous consent that the minority views may be printed as part 2 of Senate Report No. 803.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Eric H. Hager, of Connecticut, to be Legal Adviser of the Department of State;

Walter C. Dowling, of Georgia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund; and

Vance Brand, of Ohio, to be Managing Director of the Development Loan Fund.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANDOLPH:

S. 2591. A bill for the relief of Adel Nassib Masri; to the Committee on the Judiciary.

By Mr. ENGLE (for himself and Mr. MAGNUSON):

S. 2592. A bill for the relief of J. S. Barrett; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 2593. A bill to permit the use of two foreign-built hydrofoil vessels in the coastwise trade of the Commonwealth of Puerto Rico; to the Committee on Interstate and Foreign Commerce.

By Mr. NEUBERGER (for himself, Mr. MORSE, Mr. MURRAY, Mr. MANSFIELD, Mr. MAGNUSON, Mr. JACKSON, and Mr. CHURCH):

S. 2594. A bill to require that the three U.S. Commissioners on the International Joint Commission of the United States and Canada be appointed by the President by and with the advice and consent of the Senate; to the Committee on Foreign Relations.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 2595. A bill to authorize the Secretary of the Interior to make payments to certain Indians for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range; to the Committee on Interior and Insular Affairs.

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

S. 2596. A bill to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GOLDWATER:

S. 2597. A bill for the relief of Saeko Higa; to the Committee on the Judiciary.

By Mr. ELLENDER (for himself and Mr. LONG of Louisiana):

S. 2598. A bill to amend the Federal Boating Act of 1958 to extend until January 1, 1961, the period when certain provisions of that act will take effect; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY:

S.J. Res. 136. Joint resolution authorizing the erection in the District of Columbia of a memorial to Mary McLeod Bethune; to the Committee on Rules and Administration.

RESOLUTIONS

DISCHARGE OF JUDICIARY COMMITTEE FROM FURTHER CONSIDERATION OF S. 2391, THE CIVIL RIGHTS BILL

Mr. JAVITS (for himself and Mr. CASE of New Jersey) submitted a resolution (S. Res. 174) to discharge the Committee on the Judiciary from the further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote, which was ordered to lie over 1 day under the rule.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT ENTITLED "THE STATUS OF WORLD HEALTH"

Mr. HUMPHREY, from the Committee on Government Operations, reported an original resolution (S. Res. 175) to print additional copies of Senate Report on "The Status of World Health," which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HUMPHREY, which appears under the heading "Reports of Committees.")

ADDITIONAL FUNDS FOR INVESTIGATION OF HEALTH AND MEDICAL RESEARCH ACTIVITIES

Mr. HUMPHREY, from the Committee on Government Operations, reported an original resolution (S. Res. 176) providing additional funds for the investigation of health and medical research activities, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HUMPHREY, which appears under the heading "Reports of Committees.")

ADDITIONAL FUNDS FOR SELECT COMMITTEE ON SMALL BUSINESS

Mr. SPARKMAN (for himself and Mr. SALTONSTALL) submitted the following

resolution (S. Res. 177); which was referred to the Committee on Rules and Administration:

Resolved, That in discharging the duties imposed upon it by Senate Resolution 58, Eighty-first Congress, agreed to February 20, 1950, as amended, the Select Committee on Small Business is authorized to expend the sum of $10,000 from the contingent fund of the Senate in addition to any other moneys available to the committee for such purpose. The authority contained in this resolution shall expire January 31, 1960.

PRINTING AS A SENATE DOCUMENT REPORT ENTITLED "FACILITY NEEDS—SOIL AND WATER CONSERVATION RESEARCH"

Mr. HAYDEN submitted the following resolution (S. Res. 178); which was referred to the Committee on Rules and Administration:

Resolved, That the report of the findings of the working group appointed by the Secretary of Agriculture, entitled "Facility Needs—Soil and Water Conservation Research," be printed as a Senate document.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 807, ENTITLED "FEDERAL DISASTER RELIEF MANUAL"

Mr. HUMPHREY (for himself and Senators MURRAY and MANSFIELD) submitted the following resolution (S. Res. 179); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on Government Operations 8,000 additional copies of Senate Report Numbered 807, Eighty-sixth Congress, entitled "Federal Disaster Relief Manual," reported to the Senate by the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he submitted the above resolution, which appear under a separate heading.)

INTERNATIONAL JOINT COMMISSION APPOINTMENTS SHOULD BE CONFIRMED BY THE SENATE

Mr. NEUBERGER. Mr. President, on behalf of my colleague, the senior Senator from Oregon [Mr. MORSE], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Montana [Mr. MANSFIELD], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the junior Senator from Idaho [Mr. CHURCH], and myself, I introduce, for appropriate reference, a bill to require Senate confirmation of Presidential appointments to the U.S. section of the International Joint Commission which is charged with responsibility for settling international waterway problems between Canada and the United States under the treaty of 1909.

The bill proposes in legislative form a recommendation which I first made to the Senate in December 1955, when I reported to the chairman of the Senate Committee on Interior and Insular Affairs on my trip to British Columbia to look into the status of plans for hydroelectric development on the upper Columbia River in Canada.

I introduced an identical proposal in the 85th Congress.

The International Joint Commission is currently engaged in efforts to secure an agreement whereby the Columbia River may be harnessed in huge reservoirs to the benefit of both Canada and the United States. The developments at stake are of vital importance to the people of the Northwest. They involve hundreds of millions of dollars, and such great rivers as the Columbia, Yukon, and Stikine.

The work of the International Joint Commission, and the role of its Chairman in making U.S. policy in negotiations with Canada, are important enough to merit the attention of the Senate, especially when every vice consul and third secretary of any U.S. Embassy, and every postmaster and every collector of customs are subject to confirmation by the Senate.

Furthermore, outside the President's Executive Office itself, there are to my knowledge, no positions paying $20,000 a year—the salary of the chairman of the U.S. section of the International Joint Commission—which do not require Senate confirmation.

The proposal which I introduce today has added pertinency because of the fact that a vacancy presently exists in U.S. membership on the Commission due to the untimely death in July of the Honorable Douglas McKay, who had served as International Joint Commission Chairman since 1957.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2594) to require the three U.S. Commissioners on the International Joint Commission of the United States and Canada be appointed by the President by and with the advice and consent of the Senate, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the three United States Commissioners authorized to be appointed to the International Joint Commission of the United States and Canada, pursuant to the treaty between the United States, Canada, and Great Britain, signed January 11, 1909, shall hereafter be appointed by the President by and with the advice and consent of the Senate. Each such Commissioner serving on the date of enactment of this Act shall continue to serve until his successor (as designated by the President at the time of nomination) takes office, but in no event shall any such Commissioner serve for longer than ninety days after the date of such enactment unless reappointed as herein provided.

DISCHARGE OF JUDICIARY COMMITTEE FROM CONSIDERATION OF S. 2391, THE CIVIL RIGHTS BILL

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I am going to object to any requests for additional time until we have made available 3 minutes to all Senators who wish to use time during the morning hour.

The PRESIDING OFFICER. Objection is heard.

Mr. JAVITS. Mr. President, the point of no return has now been reached in the effort to pass a meaningful civil rights bill at this session. Indeed, the disturbing rumor persists that perhaps time has run out on our chances of passing such a meaningful civil rights bill in the Senate before adjournment. We must effectively quash this rumor by taking the positive courses of action that are open to us; and that is what I propose that we do today.

I had hoped that the Senate majority leadership, which has repeatedly pledged action on civil rights, would have been able to secure it before now. But it has not. It seems very clear, and has been noted by the Chairman of the Constitutional Rights Subcommittee of the Judiciary Committee, the Senator from Missouri [Mr. HENNINGS], himself an ardent civil rights advocate, that there is practically no hope of committee action.

It has now become the duty of every Senator to make every possible contribution he can toward securing floor action on civil rights. It must be taken by those of us who refuse to be stampeded into adjournment because Premier Khrushchev is coming to visit the United States. If we default in our responsibility to seek action on urgently needed civil rights legislation, using Premier Khrushchev's arrival as the reason, I believe such an excuse will be unacceptable to the great majority of the American people who demand action on these vital issues.

For this reason, I believe all the alternatives to bringing up a bill and allowing the majority to work its will must be made available. These include a motion to discharge the committee, as well as the addition of civil rights provisions by amendment to other bills. It must be recognized that amendments to other bills, certainly a legitimate and useful legislative tool under the circumstances, depend for their effectiveness on the other bills being brought up at all—although they may contain some needed legislation. The motion to discharge the committee is specific, direct, and efficacious, and gives the majority full opportunity to act on the specific legislation before the committee. It is at least another alternative.

Mr. President, 2 years ago, this was an historic week for the U.S. Senate. On August 29, 1957, the Senate approved the civil-rights bill conference report, and

the first major civil-rights bill in more than 80 years was enacted by the Congress. How far we are now from that situation in this session when we consider the disorder in Little Rock, bombings of homes, schools, churches, and synagogues, and all of the other difficulties which we have experienced since. We are still a long way from a civil-rights bill.

Accordingly, Mr. President, on behalf of myself and the Senator from New Jersey [Mr. CASE], I submit a resolution to discharge the Judiciary Committee from further consideration of Senate bill 2391, to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote.

The PRESIDING OFFICER. The time available to the Senator from New York, under the 3-minute limitation, has expired.

Mr. JAVITS. Mr. President, I ask that the resolution lie over for 1 day, under the rule.

The PRESIDING OFFICER. The resolution will lie over 1 day, under the rule.

The resolution (S. Res. 174) ordered to lie over 1 day under the rule, is as follows:

Resolved, That the Committee on the Judiciary be, and hereby is, discharged from further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote.

Mr. JAVITS. Mr. President, I ask unanimous consent that the remarks I was unable to make because of the time limitation, be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The conclusion of the statement submitted by Mr. JAVITS is as follows:

STATEMENT BY SENATOR JAVITS

If Premier Khrushchev visits the Senate while he is in Washington, I hope he will have the opportunity to see both sides debating their differences on civil rights legislation on the Senate floor. I can think of no news story that I would rather have the people of Africa, Asia, and those living behind the Iron Curtain read than that one. Indeed, its worldwide effect may be greatly enhanced if Premier Khrushchev is here at the time. But should the Russian Premier pay us a visit and find this Chamber deserted, its Members departed without having dealt with civil rights legislation, then the Communist propagandists can have a field day again over the problems of race relations in the United States of America. The worldwide effect of such situations as Little Rock and the bombings of homes, schools, churches, and synagogues is thereby enhanced.

Under those circumstances, to say "but wait until next year," would have a hollow ring for, in a presidential election year, adjournment pressures will conspire even more viciously against passage of a civil rights bill. Let every Member here who wants to adjourn and yet wants civil rights legislation be honest with himself—it is either now or probably 2 years from now—not 1960. I move that we act now.

Two years ago, this was a historic week for the U.S. Senate. On August 29, 1957, the Senate approved the conference report and the first major civil rights bill in more than 80 years was enacted by the Congress.

On July 1, 1959, I called attention to the responsibility of the majority to bring up a civil rights bill this year and placed in the record the timetable of action on the civil rights bill in 1957, and warned that in 1959, we were already dangerously behind the 1957 pace. I made similar observations in a statement here on the floor earlier this month on August 13. During the July debate, the following exchange took place between the majority leader, Senator JOHNSON, and myself:

"Mr. JAVITS. In my own time, I should like to ask the majority leader, who always is so gracious and courteous to all of us, if he will answer the following question; and if he does not choose to answer it, I shall have no complaint. But I should like to ask the question of him: Is there in his statement the implication—I do not impute it; I only ask him; and if my question is inartistic I hope he will correct me—that the only way we can act on proposed civil-rights legislation at this session will be by acting on a bill reported from the Judiciary Committee; or does he believe the Senate will be given such an opportunity, regardless of whether such a bill is reported in the regular way from that committee?

"Mr. JOHNSON of Texas. Of course, there is no such implication, and no one knows that better than the Senator from New York.

"Mr. JAVITS. I am glad to be assured of that."

Subsequently the assistant majority leader, Senator MANSFIELD, and I had a further colloquy, as follows:

"Mr. MANSFIELD. How can the majority leader or the policy committee of the majority call up a bill which has not been reported from the committee, or give consideration to a bill which, as I understand the situation, has not even been considered by the House, except in committee?

"Mr. JAVITS. I pointed out, Mr. President, when I began my address—and obviously the Senator was not present—that there are three ways in which we can get action on the proposed legislation. The first is to discharge the committee. The second is to get a bill from the committee. The third is to act upon a House bill.

"I am pointing out in this speech that we are at the point of no return. If we do not do one of these three things very shortly, in my opinion, we shall not have civil rights legislation passed in this session of Congress."

Thus, it is clear that the majority leadership feels that it cannot tell the committees what to do, but it does intend to call up civil rights legislation if an opportunity presents itself to do so. I had great faith that this would be the case, and was particularly encouraged by the statements of the majority leader during the Senate's debate last week on Senate Resolution 130, during which the majority leader stated to the Senate: "I think the Senate should always have an opportunity to permit a majority to work its will. I do not want to see the Senate refused an opportunity to work its will."

In view of these encouraging statements, I feel that it is my duty as a Member of the Senate who is seriously troubled by the thought that we may not have adequate opportunity to consider civil rights legislation during the present session, to make available an opportunity through the exercise of the leadership function to call up civil rights legislation for floor action.

I am therefore offering on behalf of myself and Senator CASE of New Jersey a motion to discharge the Judiciary Committee from further consideration of S. 2391, the civil rights bill now under consideration by it.

There is ample precedent for the motion which I am about to make. On nine occasions during the last 50 years, motions were made to discharge committees of the Senate from the consideration of specific matters. Among these was a resolution to discharge a committee from further consideration of the proposed constitutional amendment on women's suffrage—a powerful example of congressional action in the civil rights field.

On January 9, 1959, the first day on which bills could be introduced in the Senate this year, a group of civil rights bills was introduced by me in cosponsorship with eight other Senators. On January 20, 1959, the Senate majority leader introduced his civil rights package and called upon the Senate to provide in the civil rights field the "leadership that the American people yearn for," and on February 5, the administration's civil rights bills, sponsored by 13 Senators, were introduced. And yet, as of August 25, 1959, there is reportedly a stalemate in the Senate Judiciary Committee which has been struggling for weeks to report out a bill. We have waited long enough. We must do everything in our power to present the majority leadership with the undeniable opportunity to bring civil rights legislation to the floor where it will then become a bipartisan responsibility to enact a meaningful bill.

I therefore send to the desk a resolution to discharge the Committee on the Judiciary from further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote, and ask that it lie over for 1 day under the rule.

Mr. CASE of New Jersey. Mr. President——

Mr. JAVITS. Mr. President, will the Senator from New Jersey yield?

Mr. CASE of New Jersey. I yield.

Mr. JAVITS. Mr. President, I wish to announce that the resolution to discharge the Judiciary Committee has been submitted by me together with the Senator from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. I thank the Senator from New York.

Mr. President, it is not often that the Senate has to resort to discharge of a committee in order to carry out its legislative responsibilities. But the situation with regard to civil rights has become so critical that drastic action is necessary.

At the beginning of the session a number of bills to protect civil rights were introduced. I joined in sponsoring several of them: S. 456, S. 810, S. 957 and S. 960. Referred to the Senate Constitutional Rights Subcommittee, they languished there for many weeks. Somehow the subcommittee was unable to gather a quorum of members even for the simple purpose of setting a termination date to hearings. The hearings themselves extended over 2½ months. Finally, the subcommittee did act, but once again the full Judiciary Committee finds itself unable to act on a civil rights bill.

The majority leadership has assured the Senate that it would have an opportunity to act on civil rights legislation provided a bill was reported out of committee. But the leadership has pointed out that it has no power to require a committee to act.

In these circumstances, Mr. President, our course is clear. Let us discharge the committee of further responsibility in the matter and thus make it possible for

the Senate as a whole to fulfill its responsibility. For we do indeed have a responsibility. The Senate must not stand idly by while citizens are denied the elementary right to vote, while there is open defiance of law and the Constitution by State and local authorities.

Failure to act only reflects on the Senate itself. It would demonstrate once again the helplessness of the Senate at the hands of a determined few. Surely the Senate will not consent to the attempted burial of civil rights legislation. Through the discharge procedure we can at last deal with this issue which so vitally affects millions of Americans, which indeed goes to the heart of our whole democratic way of life.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 807, ENTITLED "FEDERAL DISASTER RELIEF MANUAL"

Mr. HUMPHREY. Mr. President, on behalf of myself, the senior Senator from Montana [Mr. MURRAY] and the junior Senator from Montana [Mr. MANSFIELD], I submit a resolution to print an additional 8,000 copies of Senate Report No. 807, a "Federal Disaster Relief Manual."

The publication of this manual has been hurried because of the earthquake which struck Montana and Wyoming.

I would add I hurried the publication of the manual because the senior Senator from Montana [Mr. MURRAY] came to me early last week to discuss the disaster relief program. I was delighted to be able to tell him that we had this manual in process.

This resolution is necessary because I now find that to take care of the needs of Montana, additional copies are required.

The Montana delegation certainly deserves credit for the decisive and effective way it has worked to solve the many problems created by this earthquake and their efforts to speed relief from human suffering.

This manual is going to help the people of Montana. It is going to be of great help to other communities stricken by disasters.

I regret that Montana has been hit by this catastrophe, but I join with all my colleagues in thanks that this area of Montana most heavily hit has a light population and the loss of life has been low.

I am also proud to call attention to the magnificent effort by the Forest Service and the effective work of its smoke jumpers. These "paratroopers of peace" have saved hundreds of lives, and each year they save millions of dollars worth of timber from fire destruction.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 179) was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed for the use of the Committee on Government Operations 8,000 additional copies of Senate Report 807, Eighty-sixth Congress, entitled "Federal Disaster Relief Manual", reported to the Senate by the Committee on Government Operations.

PROHIBITION OF EXAMINATION OF MINISTERS OF RELIGION IN CERTAIN CASES—AMENDMENTS

Mr. KEATING. Mr. President, I submit, and ask to be printed and lie on the table proposed amendments to H.R. 4192, which is now pending on the Senate Calendar under General Order No. 683.

H.R. 4192 would prohibit the examination in the District of Columbia courts of any minister of religion in connection with any communication made to him in his professional capacity without the consent of the party to such communication.

The purpose of the amendments is to extend the provisions of H.R. 4192, as reported by the Committee on the District of Columbia, to all of the Federal courts.

Recognition of the clergyman-penitent privilege is advocated by almost all the authorities on the law of evidence. As was pointed out by Judge Fahy in a recent decision of the Court of Appeals for the District of Columbia Circuit, "Sound policy—reason and experience—concedes to religious liberty a rule of evidence that a clergyman shall not disclose in a trial the secrets of a penitent's confidential confession to him, at least absent the penitent's consent."

Early this session, I introduced a bill (S. 965), cosponsored by the senior Senator from Minnesota [Mr. HUMPHREY], which would have accorded recognition both to the clergymen and news reporters' privilege under Federal law. Unfortunately, the pressure of other work and additional circumstances has thus far prevented consideration of this important measure by the appropriate subcommittee of the Committee on the Judiciary. However, while there may be some controversy about the news reporters' privilege, I do not believe that anyone would deny the desirability of giving legal recognition to the clergymen's privilege.

The District of Columbia Committee action, which I heartily commend, offers an excellent opportunity to deal with this problem in regard to all the Federal courts. I hope that the District of Columbia Committee will see fit to accept my amendments since I see no reason to limit the benefit of its action to the courts of the District of Columbia.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. KEATING. Mr. President, I ask unanimous consent that the amendments be printed at the conclusion of my remarks.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On page 1, line 6, immediately after the word "the" insert the words "United States and the".

Amend the title so as to read: "An Act to prohibit the examination in the courts of the United States and the District of Columbia of any minister of religion in connection with communications made by or to him in his professional capacity without the consent of the parties to such communications".

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AUTHORITY TO REPORT AMENDMENTS

Mr. HUMPHREY. Mr. President, on behalf of the Senate Committee on Agriculture and Forestry, I ask unanimous consent to file committee amendments tonight to S. 1748, the bill to extend Public Law 480.

The PRESIDING OFFICER. Without objection, it is so ordered.

Subsequently, Mr. HUMPHREY, from the Committee on Agriculture and Forestry, reported amendments to Senate bill 1748, which were ordered to be printed.

LIMITATION OF APPLICABILITY OF ANTITRUST LAWS TO CERTAIN DESIGNATED PROFESSIONAL TEAM SPORTS—ADDITIONAL COSPONSORS OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the names of the junior Senator from North Dakota [Mr. YOUNG], the junior Senator from California [Mr. ENGLE], the junior Senator from Massachusetts [Mr. KENNEDY], the junior Senator from New Jersey [Mr. WILLIAMS], the junior Senator from South Dakota [Mr. CASE], the senior Senator from Colorado [Mr. ALLOTT], the senior Senator from Maryland [Mr. BUTLER], and the junior Senator from Nevada [Mr. CANNON] be added as cosponsors of Senate bill 2545, a bill to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, when the bill is next printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS ACT—ADDITIONAL COSPONSORS OF BILL

Mr. NEUBERGER. Mr. President, on Friday, August 21, 1959, I introduced, with the cosponsorship of other Senators, the bill (S. 2575) to provide a health benefits program for certain retired employees of the Government. I ask unanimous consent that the name of the distinguished junior Senator from Indiana [Mr. HARTKE] be added as a cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the name of the able junior Senator from Iowa [Mr. MARTIN] be added as cosponsor of S. 2575, the bill to provide a health benefits program for certain retired employees of the Government. When I introduced S. 2575 consent was given for the bill to lie on the table for 3 days so other Senators could join in its sponsorship, but the name of the Senator from Iowa was not included due to a miscalculation of time available to additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT COMMITTEE ON NATIONAL FUELS POLICY—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the orders of the Senate of August 18 and 20, 1959, the names of Senators ALLOTT, ANDERSON, BARTLETT, BEALL, BIBLE, BUTLER, CAPEHART, CARLSON, COOPER, CURTIS, DIRKSEN, DODD, DOUGLAS, ENGLE, GRUENING, HARTKE, HENNINGS, HRUSKA, HUMPHREY, KEATING, KEFAUVER, KERR, KUCHEL, LANGER, LAUSCHE, MANSFIELD, MCCARTHY, MCGEE, MCNAMARA, MORSE, MORTON, MOSS, MURRAY, MUSKIE, NEUBERGER, SALTONSTALL, SCOTT, WILEY, YARBOROUGH, YOUNG of North Dakota, and YOUNG of Ohio were added as additional cosponsors of the concurrent resolution (S. Con. Res. 73) to create a Joint Committee on a National Fuels Policy, submitted by Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia) on August 18, 1959.

AMENDMENT OF RULE TO PROHIBIT SUBSTANTIVE CHANGES IN CONGRESSIONAL RECORD—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor of the resolution (S. Res. 168) to amend Senate rules so as to prohibit substantive changes in the CONGRESSIONAL RECORD, submitted by me and the distinguished senior Senator from Colorado [Mr. ALLOTT] on August 20, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF REPORT ON MODIFICATION OF PROJECT FOR NAVIGATION ON BLACK WARRIOR, WARRIOR, AND TOMBIGBEE RIVERS, ALA. (S. DOC. NO. 50)

Mr. CHAVEZ. Mr. President, I present a letter from the Acting Secretary of the Army, transmitting a report dated June 10, 1959, from the Chief of Engineers, Department of the Army, together with accompanying papers, on a modification of the project for navigation on Black Warrior, Warrior, and Tombigbee Rivers, Ala., at Jackson lock and dam, with respect to acquisition of certain lands for wildlife purposes, pursuant to the Fish and Wildlife Coordination Act approved August 12, 1958. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address delivered by him before the National Federation of Teachers, Minneapolis, Minn., August 20, 1959.

By Mr. NEUBERGER:

Sketch of the career of Elizabeth A. Smart, late legislative secretary of the Women's Christian Temperance Union.

By Mr. MCCARTHY:

Newsletter of the Honorable JOSEPH E. KARTH, Representative in Congress from the State of Minnesota, dated August 20, 1959.

NOTICE OF HEARING ON H.R. 5747, TO AMEND THE UNITED STATES CODE WITH RESPECT TO CONCEALMENT OF ASSETS IN CONTEMPLATION OF BANKRUPTCY

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, September 1, 1959, at 10:30 a.m., in room 2300, New Senate Office Building, on the bill H.R. 5747, to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy.

At the indicated time and place, all persons interested in the above bill may make such representation as may be pertinent.

The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from Missouri [Mr. HENNINGS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Connecticut, chairman [Mr. DODD].

ANNOUNCEMENT OF PUBLIC HEARINGS TO BE HELD JOINTLY BY CONSTITUTIONAL AMENDMENTS SUBCOMMITTEE AND JUVENILE DELINQUENCY SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY ON SENATE JOINT RESOLUTION 116, SENATE JOINT RESOLUTION 133, AND S. 2562

Mr. KEFAUVER. Mr. President, on behalf of the senior Senator from Missouri [Mr. HENNINGS] and myself, I wish to announce public hearings, to be held jointly by the Constitutional Amendments Subcommittee and the Juvenile Delinquency Subcommittee, on Senate Joint Resolution 116, Senate Joint Resolution 133, and S. 2562.

All of these pieces of proposed legislation deal broadly with the subject of the publication and dissemination of obscene material. The two joint resolutions contain proposals for constitutional amendments, and the bill proposes changes in sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code and section 259b of title 39 of the United States Code.

It is my hope that these hearings will constitute a frontal attack on the whole broad problem of traffic in lewd, obscene, and pornographic literature and other material. The subcommittees will not only receive testimony on the various proposals before them, but will also listen with interest to any other suggestions for the control of this problem at either the State or Federal level.

Many Senators have sponsored or cosponsored the proposals which will be the subject of the hearings. I wish to pay tribute to all of them for their interest and support in this matter. Without in any way detracting from my appreciation of the efforts of the others, I wish particularly to thank the chairman of the Committee on the Judiciary and the chairman of the Post Office and Civil Service Committee for their support and assistance. I also wish to thank the chairman of the Juvenile Delinquency Subcommittee for agreeing to have joint hearings on this subject, which is of mutual interest to our two subcommittees.

The hearings will begin at 10:30 a.m., Friday, August 28, in the caucus room, 318 Old Senate Office Building. A tentative list of witnesses for that day will be Postmaster General Arthur E. Summerfield; Dr. Daniel A. Poling, editor of the Christian Herald; Mr. Charles H. Keating, Jr., chairman of Citizens for Decent Literature, Inc., with headquarters in Cincinnati, Ohio; and Rabbi Julius Mark, of New York.

Other well-known religious leaders have been invited to tetsify at the hearing on August 28 or later. Other persons who wish to testify or file statements for the record should contact the counsels of either subcommittee—Mr. Bernard Fensterwald, Jr., Subcommittee on Constitutional Amendments, 252 Old Senate Office Building, or Mr. Arthur Bernstone, Subcommittee To Investigate Juvenile Delinquency, 241 Old Senate Office Building.

CRISIS IN LAOS

Mr. MANSFIELD. Mr. President, a serious situation has developed in Laos. According to press reports, fighting is now going on between government forces and certain rebel bands in the northern and eastern regions of the country. These are regions which have a common border with Communist North Vietnam and China.

The situation, Mr. President, is not new, even though it now threatens to get out of hand. Since the end of the war, Communist-backed forces led by one prince of the realm have been in almost continuous revolt against the government in the capital of Vientianne, which, for the most part, has been under other princes of the realm.

To meet this situation, the Geneva Conference on Indochina in 1954 set up in Laos, a Control Commission, consisting of India, Canada, and Poland. Under this Commission, an agreement was

brought about between the Lao factions. The Pathet Lao which was, and is, Communist dominated, agreed to set aside its arms and integrate its two battalions into the Royal Army in return for political participation in the government. The Control Commission was then withdrawn.

The agreement has now broken down. Political cooperation is at an end; and former rebel battalions and guerrillas have been reactivated, with the aid, certainly, of the Vietminh, and probably of China, as well. Latest reports indicate that the rebels have penetrated the country to points very close to Vientianne.

The recent events in Laos are not likely to remain isolated. An aggressive change in the status of that country has serious significance, particularly for South Vietnam, for Cambodia, for Thailand, and for Burma—in short, for just about all of southeast Asia. The ramifications from that point become wider, and have an influence on the relations between India, China, the Communist bloc, and the free nations, as well.

The time to deal with this sort of situation is now. What is most needed to deal with it is accurate information. That is hard to come by in a nation as remote in time and distance as Laos. Nevertheless, we—this Nation—have got to get the best information obtainable. Laos is the scene of an aid-program of relatively, enormous proportions, an aid-program which recently has been under heavy Congressional criticism, and which the administration has contended had stopped Communism, an aid-program under which we have recently enlarged our military aid mission in Laos.

The members of the Southeast Asia Treaty also need accurate information on the situation. They need to know, indeed, whether they are confronted with vigorous resumption of the southward march of Communist aggression, which was temporarily suspended in 1954.

The United Nations needs to know the facts. Laos is a member of that body, and, regardless of its size or remoteness, is fully entitled to such protection as can be afforded against unprovoked aggression.

It seems to me that India also needs accurate information. It is, after all, quite directly concerned in any dangerous developments in southeast Asia, perhaps more so than any other large nation.

In the circumstances, Mr. President, it seems to me highly important that we, SEATO, the U.N., and India seek to get beneath the propaganda in this matter and try to get the facts as the first step in preventing a struggle in the jungles of Laos from touching off a very serious explosion in southeast Asia.

AFL–CIO POSITION ON KHRUSHCHEV VISIT

Mr. KEATING. Mr. President, the recently announced position of the AFL–CIO regarding the ensuing visit to the United States by Premier Khrushchev is very significant. Whether or not we agree with the AFL–CIO's position in this matter is not particularly important. What is important is that this position is altogether contrary to the doctrine of Russian communism and the obvious expectations of the Soviet leaders.

The orthodox Russian portrayal of the American social structure is that of a beleaguered and haried proletariat held firmly in check by Wall Street interests and monopolist industiral barons. The irony of the Russian view is clearly revealed in the decision of the AFL–CIO not to participate in the reception for Premier Khrushchev, a reception in which a significant number of the organized interests in our society, including many business and industrial groups, have tacitly or openly agreed to participate. I am not criticizing those who have seen fit to participate, but am stressing the significance of this important omission from that list.

In taking this position, the AFL–CIO has clearly demonstrated to the Soviets and to the world that Americans respect and prize the right of every individual to formulate and defend his own opinion. Organized labor's action thus clearly reflects the essence of American democracy on the eve of the visit by Premier Khrushchev, the one individual who most fully represents the Communist dogma to which our way of life and system of Government are diametrically opposed.

Mr. President, I ask unanimous consent that an excellent editorial on this subject which appeared last week in the Christian Science Monitor be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 22, 1959]

WORKERS OF THE WORLD

The AFL–CIO's decision to take no part in the reception of Premier Khrushchev when he visits the United States next month may put the big labor organization out of step with the Government and many other sections of the American community. But it will shatter the Moscow-made image of America as a country opposing communism because of the grip of Wall Street.

And it will keep AFL–CIO right in line with worker opinion throughout most of the Western World. Often this opinion expresses itself through socialist organizations. Americans too often associate socialism with communism. Now, right in their own country, they can see how working-class communities (whether bearing socialist labels or not) respond to Communist advances.

They do so almost instinctively, with less regard for the nuances of diplomacy than the rest of the community shows. They speak out of an acute memory of how communism has abused worker confidence in many countries, destroying the freedom of workers it had promised to help, and perpetrating brutalities against little people and big people alike wherever it has fastened its controls.

The AFL–CIO statement on the Khrushchev visit remembers Hungary. In this it is similar to earlier statements by European labor parties as when European Socialists rejected Khrushchev overtures regarding the Middle East in 1957 with references to Soviet oppressions in satellite countries.

Seen alone, the AFL–CIO attitude is striking; taken in context with that of workers' organizations in the Western World as a whole it is profoundly significant.

LIVE AND LET LIVE

Mr. LANGER. Mr. President, we are fast approaching the Labor Day weekend when people all over the country take advantage of the long weekend for hurried trips back home or to visit a friend. Statistics show that these long weekends have caused many traffic deaths and traffic accidents that have caused misery to people for a long time. It would be wonderful if one such long weekend could be passed without traffic tragedies.

All types of appeals have been made to people to drive carefully during such long weekends and during the course of the year. The President's Traffic Safety Committee has devised many programs to urge upon the people to drive carefully. They have inaugurated "Traffic Safety Sabbath" where clergymen of the Catholic, Protestant, Eastern Orthodox, Jewish, and other religious faiths are urged to give sermons entitled "Thou Shalt Not Kill" stressing traffic safety on the highways. Traffic safety, like the correction of juvenile delinquency, is a matter of proper attitudes by the people.

Recently I read an editorial in the D.C. Traffic Safety Reporter, written by Maj. Harry Marks, of Modesto, Calif., which deals with attitudes of people in traffic problems, as follows:

There are many things that cities can do, if they will, to increase traffic safety—if there is citizen support for such a program. But there are major areas in which their needs reach beyond their authority and ability.

Cities cannot, for example, correct by official action a fundamental error in attitude which unfortunately is both prevalent and accepted among the general public—the idea that there is something funny about getting a traffic citation. Probably the greatest single need in traffic safety is for people—everybody, individually—to regard every traffic violation as a serious matter. Consider for a moment the attitude of your own friends and acquaintances. Isn't it true that 9 out of 10 will report as a humorous episode the receipt of a traffic citation—even those most aware of the tremendous responsibility of each individual driver? Don't you try yourself to make jokes about it when a friend gets cited? If a person fired a gun down the main street of a city, endangering even one life, he would be promptly jailed. Yet another person speeds down the same street in a car, endangering many lives—and it is considered a sort of game—something to get away with. A car traveling 30 miles an hour has far greater lethal potential than a bullet from a .45 automatic.

Traffic safety is not only a matter for the Nation's highways, it is also a problem for in-city traffic. There is also a great obligation on the part of the pedestrian.

Another interesting article in the D.C. Traffic Safety Reporter is entitled "How To Walk and Stay Alive." It is as follows:

HOW TO WALK AND STAY ALIVE—10 STEPS TO SAFETY

Two-thirds of all traffic fatalities and one-third of those injured in motor vehicle acci-

dents in the District of Columbia are pedestrians. This is grim evidence of the difficult and dangerous situation in which the pedestrian is placed under present-day traffic conditions.

This problem is not beyond solution. The driver must take necessary care for the protection of the person on foot. The pedestrian must take precautions to protect himself.

The following rules are for the guidance of all pedestrians:

W—ear or carry something white when walking on the street at night.
A—lways look left, then right before starting across the street.
L—ook out for cars turning corners.
K—eep your umbrella away from your face, so that your vision is not blocked.
S—tepping into traffic lanes from behind or in front of parked cars is dangerous.
A—lways cross intersections at right angles—not diagonally.
F—or your own protection, wait at the curb until you are sure you can cross safely.
E—xtra care is needed crossing wet or slippery streets. Cars take longer to stop.
L—ook out for traffic before entering or leaving a streetcar or bus.
Y—ou are protected by traffic lights. Cross only on the green signal.

Mr. President, I know that every State and city conduct traffic safety conferences to improve the safety of the pedestrians and the driving public. The exchange of ideas on traffic safety is a healthy thing. It is my fervent hope that the public will become so educated in traffic safety that the day will come when traffic accidents and traffic deaths will be brought to naught.

THE STRUGGLE TO SAVE THE INDIANA DUNES

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter to the editor of the Washington Post and Times Herald of yesterday, by Mr. Freeman Morgan, Jr., urging that the Indiana Dunes be made into a national park or monument; and I also ask unanimous consent to have printed, in connection with the same proposal, an article which was published in yesterday's Washington Post and Times Herald, written by the well-known columnist, Mr. Marquis Childs, entitled "Battle of Beaches Is Warming Up."

Mr. NEUBERGER. Mr. President, in the Washington Post and Times Herald for August 25, 1959, appeared a most encouraging column by the distinguished syndicated journalist, Marquis Childs.

Mr. Childs has heralded the nationwide effort to save our scenic beaches and shorelines—particularly at such beauty spots as Indiana Dunes on Lake Michigan, Padre Island on the gulf coast, Cape Cod along the Atlantic, and Oregon Dunes and Sea Lion Caves along the great Pacific.

I believe Mr. Childs' column should come to the attention of the Senate, where Senators like PAUL DOUGLAS, JAMES MURRAY, CLINTON ANDERSON, ERNEST GRUENING, GORDON ALLOTT, and others are fighting to keep our seacoasts and shorelines from being exploited.

As Americans find more leisure time, pressure will increase for the use of our waterways and shorelines everywhere. We must act now to preserve those sections with outstanding scenic and recreation potential. The availability of shoreline usable for recreation is rapidly vanishing before commercialism. It is my hope that we can obtain favorable consideration of legislation to save our shorelines during the 86th Congress. Such an achievement would benefit Americans for generations to come.

For these reasons I am glad the distinguished Senator from Illinois has asked that the article by Marquis Childs from the Washington Post and Times Herald of today be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the letter and column were ordered to be printed in the RECORD, as follows:

STORY OF THE DUNES

I have watched with interest and some alarm, the struggle to save the Indiana Dunes for the people waged by Senator PAUL DOUGLAS and other friends of nature. Interest, because I have known and loved the dunes since I first saw them in 1917. Alarm, because of the general apathy I find on the issue which must be changed if we are to overcome the selfish forces of political power and big industry.

A century ago the dunes belonged to my family. My great grandfather, Lansing Morgan, cut millions of feet of pine that was used to build Chicago into the great city that it is. With the timber gone for a while, the lumber industry moved on and most of the 8-mile Morgan tract reverted to the State. One mile was saved for future development and soon after the turn of the century it began to flourish as a recreation center for people from Fort Wayne to Chicago.

Cottages were built by the hundreds and picknickers swarmed to Waverly Beach (as the Morgan estate was then known) by the thousands. In the middle 1920's the property was purchased by a syndicate of public-spirited millionaires to form the nucleus of a State park. The Chicago Prairie Club property and another mile of undeveloped property were added to the Morgan estate to create the Indiana Dunes State Park.

In the early days of the park, the Governor of Indiana had a summer capital there. A beach hotel was erected to accommodate weekend visitors. Several acres were developed as a second to none swimming beach and the rest retained in its natural setting.

The sand is cleaner than on any other public beach I have ever seen. The water is clean with a sand bottom. From Memorial Day to Labor Day, the temperature of the water is ideal for swimming.

Most of the time the dunes are quiet and tranquil, offering the nature lover a relaxed respite from the cares of the world. But I love it best when the Lake Michigan storms whip up 25-foot waves that come crashing far up the beach and the wind whistles through the trees with a mournful tune. Then it is that we see nature's triumph over man, glorified and majestic!

We have camped in parks from Florida to Ontario and from Connecticut to Minnesota, but my family prefers the dunes to any other campsite. The new turnpikes have made the dunes available to travelers from all over. For a half century it was the playground of a relatively limited area. Now it is only 10 minutes off the main route for any Indiana Turnpike tourist. It is a wonderful place to rest and relax.

Let your Congressman know that you would rather visit a dunes park on your next trip West than another steel mill.

FREEMAN E. MORGAN, Jr.

TAKOMA PARK, MD.

BATTLE OF BEACHES IS WARMING UP

(By Marquis Childs)

This is the time of year when vacationers begin to take a last, long, loving look at the line of the surf and the generous expanse of sun and sand. They know that all too soon jobs, the city, the old routine will catch them up again.

The vanishing American seashore, source of pleasure, strength, relaxation for millions of Americans is currently the subject of a drive in Congress. Conservationist Senators are pushing measures to save the last remnants of natural shoreline. They are opposed by a powerful lobby of industrial and speculative interests.

The argument of the conservationists is that with America's exploding population there will soon be no shoreline left that preserves the natural beauty and the sense of solitude and lonely grandeur that were part of America's heritage. Unless national parks are created of what remains it will all go into overcrowded beach developments intensively exploited or for industrial uses.

The argument of the opposition is simple—the right of private developers to go where they like and do what they please. That, too, is part of the American heritage, a privilege going back as far as the privilege to seek solitude and commune with nature; the right of a Thoreau to be alone on Walden pond.

But with an ever more crowded America the conservationists are pressing to save a small part of the past so that later generations will have a glimpse of what the earlier America was like. Because it is threatened by imminent industrial development the most urgent pressure is on to save the Indiana dunes.

The 25-mile expanse of duneland on Lake Michigan between the industrial center of Gary and Michigan City has steadily disappeared as industry, with smoking chimneys and mill towns, has spread. Today approximately 3½ miles remain, which Senator PAUL DOUGLAS, of Illinois, is trying to save as a national park.

He has, however, a powerful opponent in the Bethlehem Steel Corp., which has acquired much of the land for a projected $350 million plant development. With it goes an industrial harbor and related housing developments. Bethlehem acquired the property from a company set up by Clint W. Murchison, one of the Texas billionaires whose speculation in land reaches into every corner of America.

Important political interests are also involved. While he fought the St. Lawrence Seaway, which has opened the Michigan lake shore to steel development, former Senator William Jenner of Indiana is now cashing in on it with a company to promote the harbor development. The entire Indiana delegation favors the project.

A Senate Interior Subcommittee failed to approve the Douglas bill. But it is believed that nevertheless the full committee may report it out favorably.

With the bipartisan support of Senator RICHARD NEUBERGER, Democrat, of Oregon, and Senator GORDON ALLOTT, Republican, of Colorado, a second bill would give the Secretary of the Interior authority to select three shoreline sites to become national parks. If this should pass, the sites selected are likely to be the Indiana Dunes, a stretch of untouched shoreline on Cape Code in Massachusetts and the dunes area and Sea Lion Caves in Oregon. These, with a fourth site, Padre Island, Tex., have been approved by the National Park Service Advisory Board.

Reported to have administration backing, this measure would cost an estimated $15 million. Still a third bill with 18 sponsoring Senators, including such veteran conservationists as CLINTON ANDERSON, of New Mexico, and JAMES E. MURRAY, of Montana, takes in additional sites and the cost would be $85 million.

Should all of these measures get caught in the jam now promising to develop, with major legislation held up until the end of the session, they would carry over to next session. This is the hope of their sponsors who insist that even if work is started on the steel plant for the Indiana Dunes site it will not be too late to take the land by right of eminent domain and preserve it for the use of the public.

Powerful as are the interests seeking to block any of these measures there are impressive forces on the other side. Out of the great impetus that Theodore Roosevelt gave to the conservation movement, scores of organizations have continued to carry on the fight to stop the spreading blight of urbanism and industrialism.

YOU ARE RIGHT, MR. PRESIDENT, TO TRY

Mr. CASE of South Dakota. Mr. President, a headline in the morning paper reads: "Ike's Visit to Soviet Unwise—Might Bring Bitter Disappointment." That captions an article by former President Harry S. Truman.

Mr. President, against that point of view I want to place a sentence spoken by President Dwight Eisenhower when he set off for Geneva 4 years ago. It was this:

> Pessimism never won any battle in war or peace.

In other words, Mr. President, one must try.

Not failure to reach all of one's goals, but failure to try is the great crime. What we believe ought to be done, we should try to do. More than that, what ought to be done, we may confidently try to do.

I voice these thoughts today, Mr. President, because I believe that when President Eisenhower flies to Europe tomorrow, the hope and prayers, the courage and the confidence of the American people will ride with him. He will not ride alone.

It is easy in these days of decision to hedge and to promote hate. It is simple to say that nothing can be done to improve the climate of public opinion in the world. It takes no brain sweat to dismiss every proposal with a doubt.

But, Mr. President, I do not believe the people of the world are doomed to dwell forever in a dismal philosophy of defeat. Progress has been made.

Men talk lightly of Geneva, 1955. They forget that Geneva brought to Austria a peace treaty which had been haggled over for years. They forget that Geneva gave Yugoslavia firm ground to stand on her own.

And who would have predicted that when Vice President NIXON went to Russia and Poland he would have found such a feeling of the people for peace and friendship?

The road of progress in the international field is not a speedway. Age-old prejudices between nations yield slowly. Land legitimacy bogs down in an antiquity of claims and counterclaims. Progress is found by inching ahead.

A month ago, headlines told of a resolution on captive nations. Was it entirely an accident that last week three major cities of what would have been called captive nations were thrown open to visitors?

Mr. Khrushchev, like any head of a government, has his Monday morning quarterbacks and second-guessers, as well as his political rivals at home. But whenever, and for whatever reason, the Russian premier proposes to lift the Iron Curtain a bit, our concern for the ideals of freedom should lead us to encourage, not discourage, him and to explore the possibilities for progress.

Mr. Khrushchev may or may not come to the United States with any new proposals. Personally, I think he will. I credit him with self-interest. He can gain no stature in history by leading the Russian people into an atomic war. If he is to be greater than Stalin, whose methods he denounced, he cannot succeed by adopting them in a more revolting degree.

There are steps by which he could establish a basis for good faith. I will mention two:

First. Withdrawal of Russian troops from Hungary.

Second. Release of new and more credible information on the fate of the American flyers who were shot down near the Turkish-Russian border.

Statements the past few days discount the idea that Mr. Khrushchev has hinted at an access corridor for West Berlin. Probably he has not. But is it impossible that a middle Germany might be established under a trusteeship of the United Nations, to be composed of West Berlin and an equal number of German people in East Germany, to the west and south of Berlin, automatically providing a bridge between the East and the West, all free in time to make their own arrangements and decisions on affiliation or unification?

Our position in West Berlin will stand examination. What will happen if the Russians simply announce the withdrawal of their troops and officials from East Germany? What then? Do we at the point of arms tell Russia she must stay in East Germany?

Do we really prefer to deal with a Russian directorate than to let the German people deal with each other?

Does the United States want to maintain troops in West Berlin always? Of course not—but neither will we withdraw them until there is some guarantee that the West Berliners can live in freedom.

So why not try to find suitable guarantees?

To ask such questions, Mr. President, it seems to me is to make clear that the President of the United States is acting with the utmost respect for his responsibilities in proposing an exchange of visits with the Russian Premier and in setting off tomorrow for a preliminary round of visits with the great powers of Western Europe.

And as he takes off, I for one, say to him: "President Eisenhower, you do not ride alone. The hopes and prayers, the courage and the confidence of the American people ride with you."

FEDERAL EXCISE TAX ON GASOLINE

Mr. GORE. Mr. President, I expressed to the Senate yesterday my opposition to an increase in the Federal excise tax on gasoline.

Highway users, I pointed out, already are paying in direct Federal excise taxes more than the entire cost of the highway construction program. My colleagues will recall that highway user taxes were substantially increased in 1956, and I strongly feel that we should not expect this same group to assume an even greater share of the burden of highway financing, particularly when they are already paying more than the cost of the highways.

Just this morning while coming to the office, I was presented with another example of the effect an increase in the gasoline tax would have upon highway users. The driver of the taxicab in which I was a passenger thanked me for opposing more taxes on gasoline. He said that he already paid about $300 a year in taxes on gasoline. In addition, of course, he pays other taxes, as others do.

From his business, the taxidriver told me, he must make a living for himself, his wife, and children. It is understandable that he was most concerned over suggestions that the gasoline tax be raised even higher. Any increase in the tax would reduce his net income and would mean that he and his family would have to try to live on less.

This is but one of many examples which could be cited of the adverse effect any increase in the gasoline tax would have upon the already heavily taxed highway user.

The driver of the pickup truck, companies engaged in the transportation of goods and persons—practically all segments of the transportation industry would feel the impact of a tax increase.

Neither the worker who drives to work, the small businessman who delivers his products, the driver of the family automobile, nor anyone buying gasoline would escape the additional burden created by a gasoline tax increase. Gasoline is essential to our way of life, a necessity. It is already the most heavily taxed essential.

When completed, the vast National System of Interstate and Defense Highways will benefit all segments of the economy, not highway users alone. It is necessary for the security and well-being of all.

There is a real threat of a collapse of the program. A solution must be found. Since the completed Interstate Highway System would benefit all, it is grossly inequitable to impose further taxes upon highway users as a price for continuation of the program. Yesterday, I introduced a bill which would provide for a continuation of the program within the

1960 budget estimates without creating an undue hardship upon the already overtaxed highway users. I solicit consideration.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Utah.

Mr. MOSS. I should like to associate myself with the remarks of the Senator from Tennessee, and to urge adoption of the bill he has introduced in the Senate.

I should like to ask the Senator from Tennessee if it is not true that approximately a fourth of the price now paid for gasoline products is already taxation paid to the States and to the Federal Government.

Mr. GORE. Mr. President, first I wish to thank the Senator from Utah for his support, and I wish to call to the attention of the Senate that it was the able Senator from Utah who made the suggestion, I believe on August 7—I reread his remarks this morning—that the Defense Department bear a part of the cost of constructing the System of Interstate and Defense Highways.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. I ask unanimous consent to proceed for 2 additional minutes.

Mr. JOHNSON of Texas. Will the Senator from Tennessee let the Senator from Utah get recognition in his own right? Then we might not have to have an objection to any Senator taking more than 3 minutes until other Senators have had the floor.

Mr. MOSS. Mr. President, I am very happy to associate myself with the Senator from Tennessee, and I shall be glad to yield to him in a moment.

I point out to the Senate that the Interstate Highway System, when it was first conceived and adopted, was conceived as a defense measure in part, and consequently appropriations made to the Defense Department logically fall into this category, and could logically be devoted to the building of this great interstate highway.

I also direct the attention of the Senate to the numerous reports which have been made by the Comptroller General under the Budget Accounting Act and under the Accounting and Auditing Act, which indicate many areas where there is a great deal of waste and duplication in the Military Establishment.

It is my idea that if the Chiefs of the Defense Department are called upon to find within their appropriation an amount of money equal to 1 percent of the appropriation made to the Department, that could readily be done without impairing the efficiency or the ability of the Defense Department to provide for our national defense and for proper research and advancement, and this money then could be devoted to the building of the great Interstate Highway System.

I certainly concur with the able Senator from Tennessee in his idea that we can find in the appropriations heretofore made an amount sufficient to permit the highway system to go forward, for all of us agree that the program must not be allowed to stop or even to slow down severely, but it must go forward, because it is essential to our national defense and to our national well-being. But I agree that we cannot further load onto the backs of highway users the cost of this program, because transportation gasoline is an essential of our life, and we can no longer continue to load the tax onto the backs of those least able to pay.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to say that I agree with the Senator from Utah that the Senator from Tennessee has come forth with a most reasonable and the best suggestion to finance highway construction at this time.

Mr. GORE. Will the Senator yield?

Mr. MANSFIELD. I am happy to yield.

Mr. GORE. I am indeed grateful and encouraged that two distinguished colleagues of mine will tender their support of this proposal. Others have done so in private. I thank the Senator.

Mr. MOSS. I was happy to support the amendment the Senator from Tennessee proposed when the supplemental appropriation bill was before the Senate, to devote additional amounts of excise taxation to the program, because I thought that was a reasonable solution.

I do not believe that we should approve any Federal increase in the tax on gasoline. In the first place, gasoline is already taxed excessively. Approximately a fourth of the amount we pay now for a gallon of gasoline is included in tax. Moreover, the Federal Government is continually invading a field of taxation which reasonably should be left to the States, and all the States have State gasoline taxes, many of them 6 or 7 cents or even more, and if the Federal Government now imposes an even greater burden on gasoline, the price of gasoline will then be inhibiting the purchasing power of our people, who, as I have said, have a necessity for the use of the highways and for the purchase of gasoline.

So I am very happy and much pleased to join with the Senator from Tennessee in his observations, and will support his bill.

THE EARTHQUAKE IN MONTANA

Mr. DWORSHAK. Mr. President, the recent earthquake in Montana has caused widespread interest and concern throughout the United States. The tragic consequences, involving loss of lives and destruction of property, have aroused the interest of Members of Congress. If any Federal financial assistance is needed to supplement the efforts of the State of Montana, such help will be forthcoming promptly.

Reports received from the field indicate that various Federal agencies, such as the Forest Service, the Army Engineer Corps, and the Park Service, have had representatives diligently at work at the site of the disturbances. These agencies have full authority to proceed with efforts to repair the damages and restore roads and other facilities essential for the transaction of business.

It is most encouraging to learn that the number of visitors to Yellowstone Park has not decreased to any great extent. Apparently, the traditional resourcefulness and pioneering spirit of the West are reflected in the efforts of Federal and State agencies and individuals to overcome the effects of the earthquake.

A congressional delegation made an inspection trip over the past weekend to acquire first-hand information and to determine the need of any action by the Congress. I have received a report from Gov. J. Hugo Aronson, of Montana, that State authorities are cooperating in every way. The extent of damages is being accurately assessed, and Governor Aronson has scheduled a meeting of all agencies for Friday, August 28, in his office in the State Capital to determine requirements and plan a course of action.

I can assure Governor Aronson, of Montana, that citizens of Idaho are sympathetic and are cooperating to relieve the distress resulting from this catastrophe.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a telegram which Governor Aronson has dispatched to several Members of Congress concerning the meeting which is scheduled for Friday, August 28, 1959, in Helena, Mont.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HELENA, MONT., *August 24, 1959.*

Senator HENRY C. DWORSHAK,
Senate Office Building,
Washington, D.C:

Copy of following wire sent today Senators MURRAY, MOSS, and Representatives METCALF and ANDERSON: "Meeting of all agencies has already been scheduled Friday, August 28, 10 a.m., my office to assess situation and determine requirements. You or your representative are cordially invited. Meantime all agencies functioning beautifully in a coordinated effort. Certain types emergency Federal funds such as flood control and small business loans are already in action. Federal civil defense survey teams have been on the job several days and will report at Friday meeting. Declaration of disaster area by President can only supply damage funds to State, county, and cities involved after expenditure of local funds in excess of one-fourth million dollars. Publicity damage to our great recreational area should be avoided. If you have specific funds or areas overlooked, please advise. Time for decision is Friday after all facts are before us."

GOV. J. HUGO ARONSON.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. MANSFIELD. I am delighted to have that concrete evidence of the distinguished Senator's support of what is being done in Montana. The Idaho highway patrol has rendered exceedingly great assistance to the Montana area; and so far as the Montana delegation is concerned, we, too, have been in contact with Governor Aronson, and we stand ready to support him to the limit.

Mr. DWORSHAK. I thank the Senator from Montana. I can assure him that in eastern Idaho there is a deep

interest in the results of the earthquake, because many of our citizens take advantage of the wonderful recreational facilities in the Yellowstone Park and the area near the site of the earthquake.

ATTENDANCE AT OREGON CENTENNIAL CELEBRATION

Mr. NEUBERGER. Mr. President, during Senate consideration last Friday of S. 2065, the bill authorizing an appropriation for the 21st Century Exposition in Seattle, Wash., the eminent senior Senator from Ohio [Mr. LAUSCHE] stated that attendance at the Oregon Centennial celebration was 10 percent of what was anticipated by a research study made in advance of the events celebrating Oregon's 100th birthday. In his remarks, the Senator from Ohio did not relate the basis or assumptions made by Stanford Research Institute in forecasting attendance figures at the Oregon Centennial events, so I believe clarification is in order. The Oregon Centennial Commission has achieved an outstanding accomplishment at the Centennial and International Trade Fair, in the face of many handicaps. Considering the diverse events held throughout the State of Oregon in honor of its 100th birthday, attendance figures are most impressive.

I have been advised by Hon. Anthony Brandenthaler, chairman of the Oregon Centennial Commission, that total statewide attendance figures for the exposition in Portland and events in 42 other cities of the State under centennial commission auspices totaled 3,565,000, as of August 24. This was 60 percent of the number of persons estimated to attend the Oregon Centennial. Moreover, Mr. Brandenthaler explained that the celebration has 3½ weeks to go, and this period should provide the best daily attendance figures for the entire 100 days of the centennial observance.

It should be emphasized that the attendance predictions, 6 million persons, of the Stanford Research Institute, were predicated on four basic premises: First, that the commission have available the sum of $11.3 million for operating expenses; second, that the celebration run for 150 days; third, that the new $7.5 million Portland Exposition-Recreation Building be completed and available without cost; and fourth, that there be no other events outside of Portland.

But these conditions have not prevailed. Instead, the commission had a total of $3,490,000 available for both operations and capital investment; the E–R building was not available; the centennial exposition will run only 100 days, rather than 150; and commemorative events, estimated at a total of 350, were held throughout the State of Oregon, so that Oregon residents everywhere could take part directly in the State's 100th birthday.

In my opinion, the Oregon Centennial Exposition has been a successful venture, a worthy tribute to our State's 100th birthday. I am sure that the able senior Senator from Ohio did not intend to imply any criticism of the centennial commission's management of the many events, but I would not want the impression to continue to exist among my colleagues that attendance figures represented a failure, or a lack of interest in Oregon centennial of statehood.

Mr. President, I ask consent to include with my remarks a telegram received from Chairman Brandenthaler, of the Oregon Centennial Commission, setting forth the facts about centennial exposition attendance data, and an informative editorial from the Oregon Journal of August 1, 1959, entitled "Facts on Centennial Forecasts."

There being no objection, the telegram and editorial were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *August 24, 1959.*

Senator RICHARD NEUBERGER,
U.S. Senate,
Washington, D.C.:

The Stanford Research completed a survey at our request in order that we might proceed with our Centennial celebration and International Trade Fair to fit the situation of our area. In the recapitulation of their survey, they emphasized these salient points:

1. We obtain through appropriations and contributions, $11,300,000.

2. With this amount of money, we could expect an attendance of approximately 6 million people over a period of 150 days.

3. That we would have the use of our new $7,500,000 exposition recreation building in Portland, Oreg., free for the exposition.

4. That during this period of our exposition there would be no other events in our State and all efforts would be concentrated in bringing the people into our exposition in Portland.

5. That no portion of the money suggested was to be spent on capital expenditures.

However, it was necessary for us to follow a different procedure.

1. Instead of the amount of money Stanford Research suggested necessary, we received two State appropriations totaling $2,590,000 and raised $900,000 from local industrial firms, a total of $3,490,000.

2. The exposition recreation building that the Stanford Research contemplated we use, is now only one-fifth completed. Contrary to their suggestion, as we had no completed building, we had to spend $2,400,000 of our total of $3,490,000 for the rehabilitation of the grounds and building we are now using.

3. We made it an overall State exposition rather than to concentrate all our efforts in our Portland location. In other words, we gave whatever assistance possible to some 350 State commemorative events which to date have had an approximate 2,540,000 attendance total.

4. Yesterday, August 23, at our Oregon Centennial and International Trade Fair in Portland, we had our 1,025,000 total attendance. Thus our total statewide attendance figures to date are approximately 3,565,000 or 60 percent of our estimated total, for our 100-day duration, with approximately 3½ of our best weeks to go. The length of our exposition will be only 100 days, not 150. Our Centennial and International Trade Fair ends September 17.

5. The institute estimated we would have 10 foreign nations at our exposition. Instead, we have 24 foreign nations besides an additional 22 foreign industrial firms participating.

6. These nations have, as a rule, in the past stayed from 7 to 15 days for the length of the international trade fairs. In our instance however, they are remaining for the full 100 days, the length of the exposition.

ANTHONY BRANDENTHALER,
Chairman, Oregon Centennial Commission, Portland, Oreg.

[From the Oregon Journal, Aug. 1, 1959]

FACTS ON CENTENNIAL FORECASTS

As the Oregon Centennial Exposition at Portland passes the half-way mark with a total atendance of around 700,000, there has been some loose talk about where are those 8 million people the Stanford Research Institute promised us?

And there is considerable speculation as to whether early and overoptimistic attendance estimates scared a lot of regular tourists away from Oregon this year, creating the fear that they'd have to sleep in the trees if they tried to buck centennial crowds.

Well, let's look at the record:

It is true that in the early promotional stages of the exposition the World Fair crowd kicked some big figures around—from 5 million to 8 million. But in justice to the Stanford Research Institute, which made the original study and presented various attendance estimates—depending upon the type of exposition we elected to present—based its original figures of 5 million to 10 million total draw on several assumptions that never materialized.

Stanford Research Institute figured, first, that we would have a 120- to 150-day exposition, instead of the 100-day show we are having. It assumed generous support from the big regional corporations. It was then assured that the $8 million Portland city exposition-recreation center (Memorial Coliseum) would be available as the core of the exposition, that the State would appropriate $3 million, and Multnomah County $300,000. It estimated that $2 million would be available for preliminary expenses, beyond capital expenditures, costing around $15 million.

Thus we are dealing with an entirely different set of conditions. We have a 100-day show, a regional exposition with an outstanding International Trade Fair. The Memorial Coliseum is still under construction. The State put up $2,538,000 altogether, over half of it essential to revamp PI buildings and grounds. The county invested around $61,000, most of it for access roads, and the city put $10,000 into the county centennial committee program. Regional support has been moderate, not generous. We received no Federal or other out-of-State grants or buildings. We were on our own.

In light of these drastically changed conditions, we aren't doing badly. Not badly at all. Current estimates of ultimate total attendance at the halfway mark range between 1,350,000 and 1,600,000. Tony Brandenthaler, chairman of the Oregon Centennial Commission, predicts the gate will go over 1,500,000. With an average daily attendance to date of 13,900 we're near the break-even point.

And what's more important from a statewide centennial observation point of view is the fact that special centennial events throughout the State are drawing big, enthusiastic crowds. The Portland exposition (which the Stanford report envisioned as the one big centennial show) isn't the whole centennial celebration by any means. It's only an important segment of it.

The Journal suggests that in the next 50 days Oregon people can make up in large measure for any disappointments in total exposition attendance encountered during the first half.

We don't pretend to have a World Fair such as we attempted in 1905, let alone anything comparable to previous fairs in San Francisco, Chicago, and New York.

But we do have an excellent regional exposition, top entertainment features, lots of free attractions and a beautiful international garden. We have ample parking space at the exposition, and there still are plenty of good accommodations for tourists throughout the State.

Out-of-State visitors don't have to sleep in the trees, as they described the situation at the Lewis and Clark Fair of 54 years ago.

It's come one, come all—with lots of fun for everyone at a very reasonable cost. And no apologies. None is needed.

CRIME AND RACIAL PROBLEMS OF NEW YORK CITY

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk a letter to the editor of Newsweek of August 17, 1959, signed by Charles E. Brunn, of Brooklyn, N.Y.

The letter to the editor is entitled "Troubled Metropolis." Mr. Brunn praises Newsweek for its frank article of July 27, 1959, on the crime and racial problems of New York City.

I ask that this letter be printed in the body of the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TROUBLED METROPOLIS

As a native New Yorker, I congratulate you on your special report "Metropolis in a Mess" (July 27). New York today is a vivid proof that the intellectual ideals of equality and public service, when carried to extremes by vote seekers, result in a tyranny of community decay. The city will soon become a dead end jungle of racial and economic chaos past salvation. There is no escape from the degeneracy of a welfare city.

CHARLES E. BRUNN.

BROOKLYN, N.Y.

THE EMANCIPATION OF THE BOILED PEANUT AND THE CIVIL RIGHT TO EARN A LIVING

Mr. JOHNSTON of South Carolina. Mr. President, last week the distinguished junior Senator from New York [Mr. KEATING] announced his intention to offer highly controversial civil rights amendments to H.R. 4938, a universally supported bill to free peanuts grown for boiling purposes from Federal acreage and marketing restrictions.

The move by the Senator from New York, of course, was announced with tongue in cheek, for he knows that most peanuts grown for boiling purposes are cultivated in Southern States, such as South Carolina, against which his civil rights legislation is directed.

In his zealous drive to force civil rights legislation upon people of the Nation, the New York Senator has chosen a most inappropriate bill as a vehicle for his amendments. This bill he has chosen is designed to emancipate boiled peanuts from Federal restrictions. The proposed Keating amendments would not only prevent the emancipation of the boiled peanut from Federal restrictions, but would also cause the small farmers who grow boiled peanuts to remain tied up in Federal regulatory slavery.

By his announced action, the New York Senator is destroying the civil right of millions of boiled peanuts, the right to be boiled. But, more seriously, the Senator from New York is destroying the greatest civil right that any American has—the right to earn a living—the right to grow and sell boiled peanuts, in this instance. There are hundreds of farmers in South Carolina, a large percentage of them Negroes, who grow peanuts for boiling purposes. These farmers, unless the Senator from New York withdraws his proposed amendments, will be deprived of a principal source of income, and thousands upon thousands of people in the South who heretofore have eaten boiled peanuts at baseball games and at other sports and public events will be deprived of that pleasure.

Boiled peanuts cannot be replaced by a substitute. There is no delicacy that compares with boiled peanuts. Other things are excellent in their own class, but a properly boiled peanut knows no comparison.

The report to support the boiled peanut bill, written in legal terms, states that "in some parts of the United States peanuts are boiled and eaten as a green vegetable similar to spinach or other fresh garden produce." From a legal aspect this language might hold up; but I assure Senators that it by no means describes the treatment a peanut receives when it is boiled, nor does it imply the proper conditions under which a boiled peanut is eaten.

When one consumes boiled peanuts he will find they are as far removed from a mess of boiled spinach as boiled peanuts are from a mess of civil rights amendments.

Over the weekend I called the South Carolina Department of Agriculture, which hurriedly located some green peanuts on the Columbia Farmers' Market and shipped them to me. Incidentally, the Columbia Farmers' Market is one of the finest such markets in the Nation.

The peanuts have been boiled by the Senate chef, and will be on the tables in the Senators' dining room today, and also at the press table in the Senate dining room. Also they will be available at the Republican policy committee luncheon today. So little is known about the boiled peanut in Washington that I wanted the lawmakers of this great body to receive the benefit of tasting this delicacy.

Mr. President, it is amazing how little is known about the boiled peanut in Washington. The Library of Congress, which knows, or is supposed to know, everything about everything and everybody, could find nothing on the boiled peanut. The Library provided me with a book over 300 pages long on the history, cultivation, harvesting, and marketing of the peanut, but it contained nothing on boiled peanuts.

Our Senate chef, Ross Destito, who has prepared some of the fanciest foods known in the world—including South Carolina wild game and assorted foods—had never even seen a green, or raw, peanut at close hand, much less boiled a peanut. I had to go down in the kitchen and instruct him on how to boil those peanuts.

So I feel confident that it was because of his lack of knowledge regarding the importance of the boiled peanut that the distinguished Senator from New York chose the boiled peanut bill as a vehicle for his highly controversial civil rights legislation. As every Member of the Senate knows, civil rights legislation will never pass attached to the peanut emancipation bill. Certainly any bill would be more germane and proper as a vehicle than the bill emancipating peanuts.

I implore the Senator from New York to revise his strategy and announce that he will not use the boiled peanut bill for his civil rights legislation.

I assure the Senator from New York that I do not grow the peanuts for boiling purposes—I only eat them after they have been boiled. Attachment of so-called civil rights legislation to the boiled peanut bill will only work economic hardship of hundreds of small farmers—white and Negro—who are trying to make a living. His amendments will make the bill unpalatable. Boiled peanuts cannot be mixed with civil rights.

To make an honest living, I believe, is the greatest of all civil rights, and I implore the Senator from New York not to destroy this right of peanut farmers by his legislative maneuver. Do not make them suffer because of legislative differences on a subject that is not germane.

Mr. President, I hope every Senator will eat some of my boiled peanuts. I am sure, once they have consumed this delicacy, they will be convinced of the significance of the boiled peanut, its tastiness, and of the importance of keeping it segregated from civil rights legislation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSON of South Carolina. I yield.

Mr. JAVITS. My colleague, the distinguished junior Senator from New York [Mr. KEATING], is not present at the moment. If he were, I am sure he would respond to the peanut challenge. I shall do so in his place, because I think he did exactly the right thing in offering his amendments to the peanut bill.

I think the distinguished Senator from South Carolina, who has just completed his speech, and whom I understand perfectly on the subject, has a very easy way to handle the matter. He is a member of the Committee on the Judiciary. All we are looking for is some regular procedure by which proposed civil rights legislation may be debated and dealt with. The great pride of American constitutional Government is that the majority can manifest its will. Its will should not be frustrated. If it is frustrated, it will try to find ways and means in which to avoid frustration. One way is to put a rider on a peanut bill. Another is to seek to discharge the committee from its consideration of the matter, a method which the Senator from New Jersey [Mr. CASE] and I initiated this morning.

But there is a very easy solution for our southern friends: Simply let us come to grips with civil rights. Let the Committee on the Judiciary report any bill it wishes to report, skimpy and skeletonized as it may be, so long as regularization of procedure, by which they apparently place such great store,

is carried through. We shall be more than happy to cooperate. But simply give us a chance to express the people's will and the Senate's will on civil rights.

Mr. JOHNSTON of South Carolina. I am one of the 15 members of the Committee on the Judiciary. I am one member of the committee who has been opposed to any civil rights bill. I shall continue, so far as I myself am concerned, to be against any bill on civil rights.

AMENDMENT OF ACT OF JUNE 14, 1926, AS AMENDED BY ACT OF JUNE 4, 1954

The PRESIDING OFFICER (Mr. McCARTHY in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1436) to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869), which were, to strike out all after the enacting clause and insert:

That subsection (b) of section 1 of the Act of June 14, 1926, as amended by the Act of June 4, 1954 (68 Stat. 173, 174; 43 U.S.C. 869), is further amended to read as follows:

"(b) Conveyances made in any one calendar year shall be limited as follows:

"(1) For recreational purposes:

"(A) To any State or Terirtory, for not more than three recreational sites, six thousand four hundred acres in all.

"(B) To any political subdivision of a State or Territory, six hundred and forty acres.

"(C) To any nonprofit corporation or nonprofit association, six hundred and forty acres.

"(ii) For public purposes other than recreation:

"(A) To any State, Territory, or agency or instrumentality thereof, for any one program, six hundred and forty acres.

"(B) To any political subdivision of a State or Territory, six hundred and forty acres."

SEC. 2. The last sentence of section 3 of the same Act is repealed.

And to amend the title so as to read: "An act to amend the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., sec. 869)."

Mr. MOSS. Mr. President, the House of Representatives has returned S. 1436 to the Senate with an amendment. On behalf of the Committee on Interior and Insular Affairs, I move that the Senate disagree to the House amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Moss, Mr. GRUENING, and Mr. ALLOTT conferees on the part of the Senate.

LAW RISKEN RETIRES

Mr. MANSFIELD. Mr. President, yesterday I spoke to the Senate about the death and loss of an accomplished newspaperman in my State. Today I wish to speak about the passing of another of Montana's dedicated newsmen, but this is a far more pleasant task. I speak of the retirement of Law Risken, managing editor of the Montana Standard and the Butte Daily Post, and a close friend for many years.

Law Risken's life has been a good life full of wonderful experiences and devotion to the fields of news and publishing. He has served the cities of Anaconda and Butte for 40 years in various capacities and since 1943 he has been manager of the Post Publishing Co.

Law is retiring to a less active status but he will not retire completely from the newspaper field. He has been given the post of editor emeritus of the Butte newspapers and I am confident that we shall continue to hear from Law Risken for many more years to come. During World War I Law was a reporter and later the managing editor of the Amaroc News, the first daily newspaper ever published by American military forces. After the war he returned to Montana where he soon became one of the most respected names in the Montana press.

Law Risken is being succeeded by Thomas E. Mooney, another veteran newspaperman. His home is in Helena where he has been news editor of the Independent-Record since 1943. Tom Mooney is a Montana man and has worked his way up in the field of journalism from the days when he used to cover the courthouse and city hall for the Independent-Record. Now as the news managing editor of the Montana Standard and Butte Daily Post I am sure that his stature in the Montana press will continue to grow.

I want to wish Tom every success in his new post and I know that we will continue to benefit from the advice and counsel of Law Risken for many years to come.

Mr. President, I ask unanimous consent to have two articles and one editorial from the Montana Standard, and one from the Great Falls Tribune, all dated August 18, printed at this point in the RECORD.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Montana Standard, Aug. 18, 1959]

LAW RISKEN RETIRES AS EDITOR—T. E. MOONEY IS NAMED AS SUCCESSOR

Law Risken, longtime Butte and Montana newspaper executive, retired from active duty today to become editor emeritus of the Butte newspapers, it was announced by Don Anderson, president of the Lee Newspapers of Montana. With his retirement, Thomas E. Mooney, veteran newspaperman from Helena, has been named managing editor of the Montana Standard and the Butte Daily Post, Mr. Anderson announced. Mr. Mooney has been news editor of the Helena Independent-Record since 1943.

With the recent sale of the Anaconda Co.'s newspapers in Montana to the Lee group, Mr. Risken, who had been editor of the Standard and general manager of the Post Publishing Co. for a number of years, retired after 40 years service with Anaconda. However, at the request of Lee officers he agreed to remain with their papers during the transition period of the new ownership, which began June 1.

Mr. Anderson stated Monday that Mr. Risken, as editor emeritus, will have an office in the Post-Standard building and act as consultant for the news and editorial staffs of the Butte papers.

Mr. Risken, a native of Wisconsin, was reared in Anaconda and attended grade and high school there. He was a cub reporter for the old Anaconda Standard before World War I in which he served with the 3d Division in France. In Germany with the American army of occupation after completion of hostilities he was called in as a reporter for the Amaroc News, the first daily newspaper ever published by American military forces. He later became managing editor of the Amaroc. Upon discharge from the Army he came to Butte and became a reporter for the Butte Miner. Later he went to the Anaconda Standard in Butte as sports editor and reporter. When the Anaconda Standard became the Montana Standard he was named city editor and later managing editor. In 1938 he went to Helena as editor and manager of the Helena Independent and while in Helena was also in charge of the Montana Record-Herald for several years. He returned to Butte in 1943 as manager of the Post Publishing Co. and managing editor of the Butte papers. Mr. Risken became editor of the Standard in 1945 upon retirement of E. G. Leipheimer, one of Montana's most highly regarded editors, along with his other duties.

Mr. and Mrs. Risken, the former Rosemary McGee of Butte, have three children, John H. Risken, Helena attorney; Law L. Risken, a materials buyer for the Boeing Co. in Seattle, and Mrs. Earl Coyne, of Butte.

Mr. Mooney is a native of Helena, born in 1911. He graduated from Helena schools, including Helena High School and in 1932 received a degree in journalism from Montana State University. After college he did public relations work in Glacier National Park for the National Park Service. He joined the staff of the Montana Record-Herald in Helena in 1935 as a reporter. Subsequently he covered city runs, the courthouse, city hall, and statehouse. In 1940 Mr. Mooney became city editor of the Record-Herald, continuing in that position until the Helena Independent and Record-Herald were merged in 1943. He then became news editor of the Independent-Record.

Mr. Mooney is married to the former Corinne Darlington, of Missoula. They have two sons, Lawrence P. Mooney, now doing graduate work at the University of Iowa, and Philip E. Mooney, who is employed by the Union Bank & Trust Co., of Helena. Both of the sons hold bachelor degrees from Montana State University.

Mr. Mooney is the son of Mr. and Mrs. J. A. Mooney, of Missoula. His father is a retired railroad engineer.

[From the Montana Standard, Aug. 18, 1959]

EDITOR RISKEN FINALLY MAKES NEWS AFTER HANDLING IT FOR YEARS, BUT WON'T LIKE IT

(By George McVey)

Law Risken isn't going to like this. He always operated on the theory newspapermen handled the news. They didn't make it. But now Law, himself, is making some news. We on the staff thought Law's friends ought to get in on it. Law, himself, doesn't know about this story.

The fact is, Law Risken is retiring. He isn't letting loose completely. He's just slowing down a little. After today he'll be editor emeritus of the Montana Standard and the Butte Daily Post.

When he took over as editor of the Montana Standard about 15 years ago, relieving E. G. Leipheimer, the big story was about Mr. Leipheimer. Law got about two lines. That's all he wanted. And in reality, that was all that he needed.

Most everybody knows Law. He can stand at Park and Main all day and call most everybody that passes by his first name.

He can do about the same thing on the main streets of Anaconda and Helena.

And we doubt that there's a town in the State that does not have a friend of Law Risken's.

Born in Shullsburg, Wis., Law grew up in Anaconda. He went through the grades and

high school there. He worked in the smelter. But he said that wasn't for him. Then he went to work as a cub reporter on the old Anaconda Standard.

When the First World War came along, Law enlisted. He eventually landed with the famous 3d Division. With this outfit Law went through five major engagements in France.

It was a 3d Division machinegun outfit that stopped the Germans at Chateau Thierry in late May of 1918. There was a bridge across the Marne River at this town. The Germans needed it. They were on their way to Paris, or so they thought until they met this machinegun outfit from the 3d.

They never got any farther. We've heard there are still Germans floating down the Marne.

But you'd never get this story out of Law. This is how he tells it: "I was behind a tree."

After the war Law Risken went to Germany with the 3d Division which occupied a key spot along the Rhine in the American army of occupation.

The Army looked at his record and discovered he'd been a newspaper reporter. The Army was starting a newspaper to be printed in Coblenz. It was the first daily paper ever printed by an American military force. For once, the Army got a square peg in a square hole. Law went to work as a reporter on the Amaroc News. He was managing editor of the paper when he was discharged in December 1920.

Returning to the United States, Law became a reporter on the old Butte Miner. He returned to the Anaconda Standard in Butte as sports editor and reporter.

Since then he has held about every job on the Anaconda Standard which became the present Montana Standard. Additionally, he put in a 5-year shift as editor and manager of the Helena Independent, and also supervised the Montana Record Herald for a period before it was merged with the Independent.

Law Risken's editorials have been printed in newspapers all across the country.

He possesses a sly humor which found its way into most of his writings. He also has a way of looking at situations so that he could see the whole as well as all of the parts. These two attributes helped to make a fine newspaperman of Law Risken.

His ability to make friends also was a great help in the news game.

In the old days when competition for news was hot, Law's ability to get more into a story and to see stories where others saw only a blank, gave his opponents many a tough day with their city editors.

And it wasn't long until Law himself was a city editor.

And, later, inevitably, he became managing editor. And then on up.

So the Montana Standard has had the Risken imprint for a long time. He's covered many an important story. When he was on the staff of the Amaroc News he interviewed all the big brass and the celebrities who visited the American army of occupation on the Rhine.

And then most of them filed by after Law returned to Butte. He interviewed them again.

After his stint in Helena, Law returned to Butte in 1943 to become manager of the Post Publishing Co. and managing editor of the Butte papers. He became editor of the Montana Standard in 1945.

Actually, Law retired from the Anaconda Co. when the Lee newspapers took control 3 months ago. He was asked by Lee management to remain on as editor and manager of the Butte papers for a while until arrangements could be made to relieve him. He was the honored guest at a Butte Press Club dinner at the time of his retirement from Anaconda.

And now, at the request of the Lee management, he is remaining in an advisory capacity. He has the job all editors aspire to—editor emeritus. And he says he'll like it better when he gets so he can pronounce it.

Law is an ardent fisherman and a lover of the out of doors, so we around the office don't expect to see too much of him.

So when one of those situations that only a mind like Law possesses can see through, we expect we might have to go look him up. It's fortunate we will know where to find him.

Around the office here, we thought you people out there ought to know about Law Risken, even if you already knew all about him. It's worth telling again and again and again. And, really, we haven't told nearly all.

[From the Montana Tribune, Aug. 18, 1959]

LAW RISKEN, LONGTIME BUTTE NEWSMAN, RETIRES

BUTTE.—Law Risken, longtime Butte and Montana newspaper executive, retired from active service Monday to become editor emeritus of the Butte papers.

Thomas E. Mooney, veteran editor from Helena, was named to replace him as managing editor of the Montana Standard and Butte Daily Post.

Risken's retirement and Mooney's appointment were announced by Don Anderson, president of the Lee Newspapers of Montana, who said Risken will continue as a consultant for the news and editorial staffs of the two Mining City dailies.

Risken planned to retire with the Anaconda Co.'s June sale of its newspapers to the Lee group, but, at the request of Lee officers, remained with the papers through the transition period of new ownership. He had 40 years service with the Anaconda Co.

Risken, born in Wisconsin, was reared and educated in Anaconda.

He was a cub reporter for the old Anaconda Standard before World War I, when he served with the 3d Division in France.

In Germany, with the American Army of occupation after the war, he was called in as a reporter for the Amaroc News, the first daily newspaper ever published by American military forces. He later became managing editor of the Amaroc.

After his Army service, Risken returned to Montana and became a reporter for the Butte Miner. Later he went to the Anaconda Standard in Butte as sports editor and reporter. When that paper became the Montana Standard, he was named city editor and later managing editor.

Risken moved to Helena in 1938 as editor and manager of the Helena Independent. While in the Capital City he also was in charge of the Montana Record-Herald for several years.

He returned to Butte in 1943 as manager of the Post Publishing Co. and managing editor of the Butte papers. He became editor of the Standard in 1945 on retirement of E. G. Leipheimer.

Mooney, born 48 years ago in Helena, was graduated from Helena schools and received a 1932 degree in journalism from Montana State University.

After college he did public relations work in Glacier National Park, then joined the staff of the Montana Record-Herald in Helena as a reporter in 1935.

For the Record-Herald he covered city runs, the courthouse, city hall and capitol, then became city editor in 1940. When the paper was merged with the Helena Independent in 1943, Mooney was named news editor of the new paper, the Independent Record.

Mooney is married to the former Corinne Darlington of Missoula. They have two sons, Lawrence P. Mooney, doing graduate work at the University of Iowa, and Philip E. Mooney, employed by the Union Bank & Trust Co. of Helena.

Risken and his wife, the former Rosemary McGee of Butte, have three children, John H. Risken, Helena lawyer; Law L. Risken, materials buyer for the Boeing Co. in Seattle, and Mrs. Earl Coyne of Butte.

[From the Montana Standard, Aug. 19, 1959]

WELCOME, TOM

With our salutation to Law Risken, we also extend a warm welcome to Tom Mooney, new managing editor of the Butte newspapers.

He is no stranger to this community. He was born and reared in Montana, is a graduate of Montana State University, and has been a sparkling member of our craft in Helena for the past 25 years.

Tom brings deep experience and good newspaper training to his new position. He has covered every possible assignment on the Montana scene with distinction. His work as a reporter during 11 sessions of the Montana Legislature has given him an insight into Montana affairs that can be matched by few other journalists.

Mooney is well known and highly respected by members of the staff of the Helena papers. We predict that before many months have passed he will be equally regarded by staff members and citizens here in Butte.

He has a reputation for skill and integrity. We consider ourselves fortunate to have a man of his capacity to succeed the able Law Risken.

FEDERAL DISASTER RELIEF MANUAL

Mr. HUMPHREY. Mr. President, I submit for filing as an official report of the Senate, a report of the Committee on Government Operations relating to Federal disaster relief.

This is a most important document, one which will be of great assistance to mayors, Governors, and all other public officials throughout the country. It is a complete handbook on disaster relief—to my knowledge the first ever published covering all Government programs—which will greatly expedite operation of the Federal program.

Today, there are fully half a hundred Federal agencies, bureaus, and offices which have statutory responsibility for providing disaster assistance either under the provisions of the Federal Disaster Act or under other statutes which give them specific authority in certain areas. However, because of the vast complexities of the disaster program considerable confusion has existed at local governmental levels as to first, what Federal assistance is available; second, which agency of the Government provides it; and third, where local officials apply for relief.

For that reason, at my direction, the staff of the Committee on Government Operations, the Legislative Reference Service of the Library of Congress, and the Federal agencies concerned have prepared a complete disaster handbook which documents the Federal assistance available, detailing the responsibilities, the locations of regional offices, and the specific services Federal agencies provide.

Four categories are covered. These are: First, assistance available; second, responsibilities, as provided by specific statutory authority, or as directed in

agreement with the Office of Civil and Defense Mobilization, or within the normal statutory authority of the agency; third, to whom assistance is rendered, whether directly to individual sufferers, through State or local governments, or to those instrumentalities themselves; and fourth, where to apply, whether to the regional office, the Office of Civil Defense Mobilization, or directly to the national or regional offices of the Federal agency providing the assistance.

In my opinion, the widespread distribution of this information to Governors, the mayors of our cities, and all other officials who are responsible for disaster relief will clarify much of the confusion which previously has existed. It will, I am confident, aid in more expeditious execution of the Federal program.

The manual covers the disaster operations of OCDM, all Cabinet departments, and other Federal agencies, bureaus, and offices, together with an appendix containing the major statutes, Executive orders, and regulations relating to disaster relief. A detailed index is included.

Mr. President, I think the Senate will be interested in knowing that since the brief press notice of this document was issued, over 1,000 requests for the handbook have already been received by the Committee on Government Operations. I believe the handbook will do much to expedite cooperation between Federal, State, and local governments.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, I want to take this opportunity to commend the Secretary of the Department of the Treasury, Robert B. Anderson, for the constructive leadership he has given toward the creation of an International Development Association for the purpose of assisting underdeveloped countries of the world.

The purpose of the International Development Association would be to supplement the financing of the International Bank for Reconstruction and Development, better known as the World Bank. Whereas the World Bank makes only hard currency loans, it is envisioned that the International Development Association would offer financial assistance to underdeveloped countries, which cannot qualify for hard currency loans, by accepting the repayment of loans in local currencies, rather than in dollars or gold, as is required by the World Bank.

This coming month, the Governors of the World Bank will meet to consider the creation of the International Development Association; and there is a possibility that next year there will be presented to the Congress a specific plan regarding American participation in such a program. The creation of such an association merits our careful consideration.

Mr. GORE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. GORE. I am sure the Senator from Minnesota is aware that this idea came from the mind and the heart of our distinguished friend, the junior Senator from Oklahoma [Mr. MONRONEY].

Mr. HUMPHREY. Mr. President, apparently the Senator from Tennessee, with his excellent vision, has seen the next page of my manuscript, because, as I did last week, I was just about to pay tribute to the distinguished junior Senator from Oklahoma [Mr. MONRONEY].

Mr. GORE. I had not anticipated the Senator's remarks; but I knew the statement should be made, and I am glad he is going to make it.

Mr. HUMPHREY. I am delighted to have the Senator from Tennessee join me in making that statement. I am sure his joining me in making the statement emphasizes the feeling of the Members of the Senate toward the junior Senator from Oklahoma [Mr. MONRONEY]. They have great admiration and respect not only for his creative ideas, but also for his constructive work in this body.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Minnesota will permit me to associate myself with the tribute he is paying to the junior Senator from Oklahoma [Mr. MONRONEY].

Mr. HUMPHREY. Mr. President, I am more than pleased to have that association by the distinguished majority leader. Let me point out that, of course, the comments I have made in regard to the junior Senator from Oklahoma [Mr. MONRONEY] apply in equal measure to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. MANSFIELD. I, too, wish to join my colleagues, because the Senator from Oklahoma [Mr. MONRONEY] has had to wait a long time for his "baby" to get out of the diaper stage, let alone develop more greatly as regards growth to maturity. The recognition he so justly deserves is certainly long overdue.

Mr. HUMPHREY. Mr. President, now that these laudatory supporting statements have been made, I should like to proceed to state what I was about to state to the Senate on this point.

Mr. President, we are indebted to the junior Senator from Oklahoma [Mr. MONRONEY] for the work he has done to promote this idea. The current interest in the International Development Association is, as a matter of fact, a direct result of the resolution introduced by the Senator from Oklahoma in February of last year. I wish to compliment him for his vision and his foresight and his hard work in promoting this sound proposal. I want him to know that he has my full support and backing in this endeavor.

The Senator from Tennessee knows that I mentioned this matter last week, in the course of a few brief remarks here in the Senate. But I want the entire country to know that from that one Senator came that most constructive idea which finally was embraced by the administration; and I believe that all of us want to compliment the administration, and particularly the Secretary of the Treasury, Mr. Anderson, for his foresight in joining with the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, will the distinguished Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Mr. President, let me say to my distinguished colleagues that this is almost like a birthday. I have never felt more happy than I am now, because of the very kind words spoken about the International Development Association. I refer to the remarks just made here by the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Tennessee [Mr. GORE], the junior Senator from Montana [Mr. MANSFIELD], the majority leader, the senior Senator from Texas [Mr. JOHNSON], and other Senators.

Actually, I think this development is the product of many, many Members of the Senate, including those I have named and many others, not the least of whom is the distinguished senior Senator from Connecticut [Mr. BUSH], who was very helpful in getting the resolution through.

I believe the important thing is to note that all the activities of all the Senators who have encouraged this idea for an International Development Association demonstrate that the constitutional requirement of the Senate's "advice and consent" in regard to foreign policy does have a meaning, and is not a sterile phrase. The Senate does have a right to advise in regard to foreign policy, and the genesis of the International Development Association was in the action taken by the Senate itself, by means of its passage of Senate Resolution 264.

I compliment all those in the administration, including the Secretary of the Treasury, Mr. Anderson, and the Under Secretary of State, Mr. Dillon, as well as the head of the World Bank, all of whom have had a hand in helping shape the International Development Association. However, the original leadership was by the Senate; and the help of the Senators I have mentioned and many others was most important in making possible the development of the proposal to the point it has reached today.

I thank the Senators for their compliments, which I do not deserve, but which, like all of us, I still love to hear.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD two excellent editorials in support of the International Development Association. The first is from the Christian Science Monitor of August 19, 1959, and the second is from the Washington Post of August 25, 1959.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 19, 1959]

ANOTHER INTERNATIONAL LENDING AGENCY

With the World Bank and various other international lending agencies in operation, it might be supposed that the needs of the underdeveloped or developing nations

were being quite adequately served, at least in prospect. And so it may be, for some financial experts question seriously the need of any further organizations in this field.

Yet the very growth of development projects brings to light many specialized needs, some of which are still unanswered. To meet one such set of conditions, Robert B. Anderson, Secretary of the Treasury, is sounding out other governments on the possibility of adding an International Development Association to the International Bank for Reconstruction and Development (World Bank).

The Association would have $1 billion capital, $320 million from the United States, and would draw from other nations in the proportion of their contributions to the World Bank. It would make loans which the World Bank cannot make but which in many instances would supplement World Bank financing.

Like the U.S. Development Loan Fund, the Association would be empowered to accept payment in local currencies, not necessarily in dollars or gold. But unlike the DLF, part of the support would come from other countries, such as West Germany, Belgium, and Japan. The Government in Bonn has already expressed its support for the plan.

The soft currencies acquired by the organization could be used chiefly for relending to pay labor costs and buy local materials for development projects. When the projects in turn become productive they could help lift the currencies of the borrowing nations to a convertible status.

This is the long-range hope of an International Development Association. It deserves serious consideration.

[From the Washington Post, Aug. 25, 1959]

THE IDA MAKES HEADWAY

It is highly gratifying that under the leadership of Treasury Secretary Anderson, negotiations have progressed rapidly toward creation of an International Development Association to assist underdeveloped countries. The Governors of the World Bank will consider the matter further at their September meeting, and it is possible that a specific plan will be laid before Congress next year regarding American participation.

The proposal for this new international lending agency has grown out of the resolution submitted by Senator MONRONEY in February 1958. The purpose of IDA would be to supplement the established lending activities of the World Bank and of individual member nations with a new, international source of loans repayable on longer terms, at lower interest rates and, when warranted, in local currencies.

Many of the emergent nations of Asia and Africa have found it impossible to qualify for the hard currency, 6 percent loans of the World Bank. The IDA would not only help to meet their needs but encourage wider participation in such an assistance program by the other industrial nations which would subscribe capital to the institution. If the project continues to be pushed vigorously, as it should be, the IDA ought to be in business in 2 years.

MEDICAL REHABILITATION OF THE DISABLED IN 37 COUNTRIES OF THE WORLD

Mr. HUMPHREY. Mr. President, I should like to mention to my colleagues that in early September there will be issued another in the series of reports under the Senate's international health study.

These reports are published by the Committee on Government Operations, and, in particular, by its Subcommittee on Reorganization and International Organizations, of which I am chairman. This subcommittee is conducting the health study, pursuant to Senate Resolution 42, 86th Congress.

The specific publication which I mention today concerns "Medical Rehabilitation of the Disabled in 37 Countries of the World."

This report brings together, for the first time, in official form a summary of major efforts for medical rehabilitation of the handicapped in the United States, in the Soviet Union, and in 35 other countries of the world.

It is a fortunate coincidence that at the very time when this subcommittee has been engaged in editing this particular material, in cooperation with the U.S. Office of Vocational Rehabilitation, I have been at work on a related matter which is very close to my heart and to the hearts of the people of my own home State.

I refer to the superb contributions of an organization which is rightly recognized as one of the greatest pioneers in developing and using new and effective techniques for meeting the needs of the disabled. I refer, of course, to the Sister Elizabeth Kenny Foundation of Minneapolis, Minn.

This foundation will, of course, be appropriately mentioned in the course of the publication by the subcommittee to which I have earlier referred. The foundation is a symbol of the very finest types of activity of American voluntary organizations at home and abroad.

In Minneapolis, on Monday, August 17, there were gathered for a foundation fund-raising rally some 550 representatives from five States of the upper Midwest—from Minnesota itself and from our neighbors, Wisconsin, North Dakota, South Dakota, and Iowa. It was my privilege to prepare an address for them. These 550 individuals are community leaders. They are men and women dedicated to service of their fellow men. Basically, they collect funds; but also, they stimulate interest and they convey helpful information to their neighbors on the work of this foundation. They point out that the foundation is the living symbol of the undying work of a remarkable woman—Sister Elizabeth Kenny—of whom all mankind is proud.

It is my hope that the committee publication to be issued by our Senate subcommittee will give further well-deserved encouragement to the Sister Elizabeth Kenny Foundation. It will demonstrate, in effect, the international significance of the work of its officers, of the members of its board of trustees, and of all the volunteers whose assistance is indispensable to the foundation's work and to the work of similar groups at home and abroad.

They are truly doing God's work. These men and women, of every religion and national background, are pooling their efforts, so as to bring new dignity, new happiness, and fulfillment to the disabled.

Mr. President, it was to have been my privilege last week to address the Sister Elizabeth Kenny Foundation annual meeting at Minneapolis. However, because of the work of the Senate, I was unable to attend the meeting, even though the 550 representatives from those five States of the upper Midwest were present. I had prepared an address to deliver to them; but, under the circumstances, it had to be delivered there by Mr. Julius Cahn, staff director of the International Health Study Subcommittee.

It is my hope that the work of the foundation will continue to grow and expand.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, excerpts from the address I prepared for delivery on August 17—and which was delivered there for me—to the Sister Elizabeth Kenny Foundation.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY URGES PREMIER KHRUSHCHEV SUPPORT "SOVIET-AMERICAN INSTITUTES FOR HEALTH"

(Excerpts of address prepared for delivery by Senator HUMPHREY at the Hotel Radisson, Minneapolis, August 17, 6:30 p.m., before "Kickoff Rally," Sister Elizabeth Kenny Foundation)

A banquet which is a "kickoff" for a great fund-raising drive always brings to mind the traditional "kickoff" in a football game.

Both types of "kickoffs" start with a great hush, and then cheers.

But, in this instance, there is no opposing team blocking your way. The whole crowd is with you in spirit. And, in certainty, you are going to march down the field for a financial touchdown.

To each and every one of you, let me say: the people of our region look to every one of you as "quarterback ball carriers" who are going to bring this splendid humanitarian campaign to a complete success.

In the hearts of the people of our area, there is already a particularly deep admiration for the inspiring record which has been achieved by the Elizabeth Kenny Foundation.

I would like to talk to you tonight about this record and about some of the parallel interests of our Senate subcommittee, conducting the international health study, of which you have heard.

A SPECIAL PURPOSE AND A SPECIAL DRIVE

First, however, let me submit to your county chairman, and other members of the foundation team, that you are truly called unto a special purpose at this time.

This is no ordinary year and no ordinary drive. It is not simply that polio, as such, is unfortunately once again on the march, inflicting tremendous damage, particularly on the young. It is not simply that the American people are fortunately becoming increasingly aware of the vast variety of other crippling disabilities which arise from diseases of the brain; diseases of the spinal cord or nerves, as well as from arthritis, fractures, amputations and diseases of the muscles. Nor is it that currently there are so many appeals from so many other sources. Rather, it is for all these reasons and more that your particular drive is of special importance.

OUR NEED FOR SKILLS OF THE HANDICAPPED

For today, this country of ours is short of skills, especially in certain key areas of activity, like engineering. The greatest "pool" of unused skills in America is composed of our handicapped citizens.

Our capitalizing on the talents of the disabled—young and old—can truly represent the difference between America finding

or not finding adequate skills for the great scientific, industrial, and agricultural challenge which now confronts us. Today, too, more than ever before, the eyes of the world are on the American people and on how we treat our disabled citizens.

In a little less than a month, the Premier of the Soviet Union is going to visit our country. I am going to talk a little later on about that visit and what might come from it. For the moment, let me say simply this: The Soviet Union has, as you are well aware, a system of state medicine, that is, socialized medicine. There is no concept there of our type of independent, private, voluntary activity.

Yet people in the Soviet Union have benefited directly and indirectly from the pioneering work of Elizabeth Kenny and of the Sister Elizabeth Kenny Foundation. Elizabeth Kenny herself went behind the Iron Curtain in 1948 to help cope with a polio epidemic.

Unfortunately, her example of creative individualism, now symbolized by the superb facilities of the Elizabeth Kenny Institute, could not exist, as such, in the U.S.S.R. itself. But the example which you set, is and can be an eye opener and an inspiration to the world. Even in free countries, there are relatively few institutions which can match the magnificent facilities which you serve in the drive which starts tonight.

SENATE STUDY HAS RECEIVED PRAISE OF FOUNDATION

During the year in which we have carried on the Senate's international health study, there have been countless instances in which the noble name of the Elizabeth Kenny Foundation has come to our attention throughout the world.

In personal conversations last November and December in Europe; in letters from Europe, Latin America, and elsewhere, the good deeds of the Kenny Foundation have been reported to us.

In addition, our subcommittee has been in contact with physicians and rehabilitation leaders throughout the 50 States of the Union. Time after time, reference has been received as to the work of the foundation. And always it has rightly been a reference of pride, of praise and of tribute.

MINNESOTA LEADERSHIP IN FOUNDATION

The fact too, is that so closely has the State of Minnesota become intertwined in the history of the foundation that the name of Minnesota physicians, in particular, has repeatedly come up in such correspondence and discussion from all over the Nation.

I would not want in any way to underestimate the expert services of health officials, doctors, and laymen of other States who have served with and in the foundation. Let me, however, say this brief word of well-deserved tribute to men like: National executive director, Marvin Kline; to Dr. Paul Elwood, medical administrator of the Elizabeth Kenny Institute; to Dr. Frank H. Krusen, chief of physical medicine and rehabilitation, Mayo Clinic; Dr. Frederick J. Kottke, professor of physical medicine and rehabilitation, University of Minnesota; Dr. Miland E. Knapp, director of rehabilitation, Elizabeth Kenny Institute; Dr. E. J. Huenekens, chief of staff of the institute; Dr. Gaylord W. Anderson; Dr. Wallace H. Cole and others too numerous to mention.

HOW YOUR WORK AND SENATE'S WORK INTERTWINE

But now let me tell you about the specific parallel interests of the Senate health study and the Elizabeth Kenny Foundation. Last month, our subcommittee held hearings in Washington at which distinguished medical experts testified. One of the first statements which we heard came from Dr. Albert Sabin, of Cincinnati, concerning the trial of oral vaccine against poliomyelitis. This represents an important milestone and one to which the foundation has made a particular contribution.

Similarly, we heard testimony on the subject of epilepsy, which afflicts one and one-half million individuals throughout our country. Here, again, by its relentless and diverse work in neurology, your foundation has contributed immeasurably. In its work on Parkinson's and related diseases, you have helped achieve better understanding of how the brain and central nervous system function and what steps can be taken in the event of damage.

Similarly, the Kenny Foundation has been concerned with coping with the results of birth injuries and congenital disorders. In this connection, let me mention that one of the very first types of institutions which I visited in Europe was a neonatal clinic at the Maternity Hospital in Paris. There, and elsewhere, I discussed with medical leaders the problem of preventing and minimizing birth damage. That means helping to assure the greatest possible health for expectant mothers, the best possible health for the fetus as it develops, as well as for the infant during that crucial time, when he or she first appears in the world.

And I could cite other examples of the parallel interests of the foundation and our Senate health study. In fact, one of the future publications to be released by our subcommittee will concern this vital subject of rehabilitation itself throughout the world. A section of that publication will be devoted to the great international efforts of this foundation, particularly in its training services for Latin American and other physicians. For while the foundation primarily contributes to well-being in America itself, it has generously contributed to the world pool of knowledge as well.

IMPORTANCE OF TEAM CONCEPT

It is natural that our subcommittee should find widespread evidences of the work of the foundation abroad. Why? Because the enlightened modern concept which guides the foundation is, we find, one of the most important single concepts which the United States can contribute to science everywhere.

It is your concept of the team and the team approach—the bringing together of diverse, well-trained medical specialists and medical personnel to cope with the problems of the whole human being. This team concept which has been so well accepted in the United States—thanks, in large part to pioneering by this foundation—needs to be demonstrated further, elsewhere in the world.

THE LARGER MEANING OF THE FOUNDATION'S WORK

But there is a larger meaning to the work of the foundation. The meaning is severalfold. First, the foundation itself is the living embodiment of the remarkable vision, courage, and achievements of one human being, a woman. The fact is that there are other women, throughout this and other lands, who, if given the proper opportunity, can make, if not comparably great contributions, at least some contribution to the healing arts.

The dynamic force of American womanpower has still not been capitalized upon to the fullest by the American people. This is despite the fact that women in this country participate and contribute probably in more phases of life, especially in voluntary organizations such as this, and in a freer and more equal manner than anywhere else on earth.

But women can do, will do, want to do, and should do far more, for example, in the field of medicine itself. We all know glowing examples from Dr. Elizabeth Blankwell's days onward of what women have accomplished as doctors, particularly, as well as in the capacity of nurses, therapists, and medical technicians. But we have today a severe shortage of nurses and of these other specialists. And we have a critical shortage of doctors as well.

Only around 8 percent of America's doctors are women. By contrast, in the Soviet Union 75 percent of its doctors are women. The reasons for that large Soviet proportion are many. But the fact is that, whatever the reasons, we in the United States would benefit from having more women doctors and from more women in the healing and related arts. That means more women chemists, biologists, physicists, and others.

Consider, for example, that only 2 percent of U.S. engineers are women. Yet, engineering is more and more essential for national survival, yes, for development of such fields as medical electronics and in other medical fields as well. So let's get busy to bring more women into professional life. Let's attract them into these occupations; let's break down the barriers which bar them or discourage their advancement.

OUR INDEBTEDNESS TO FOREIGN SCIENCE

Now, let me refer to a second larger meaning of our purpose tonight. It is that we remember that the foundation is the living embodiment of the deeds of an immortal woman who was not born on our shores.

The fact that we honor an Australian-born leader symbolizes, it seems to me, the enormous indebtedness which we in America owe to foreign countries. And in no single field is our indebtedness greater than in the field of medicine.

The very first publication which was issued by our Senate subcommittee demonstrated how, in every single field of medical science (cancer, heart disease, neurology, arthritis, metabolic and other disorders) foreign scientists have bequeathed to us and to all mankind a legacy of discoveries, which has transcended national boundaries. Elizabeth Kenny was not simply an Australian, she was the symbol of the universality of science.

That is why we who are interested in medical science are so hopeful that the House of Representatives will approve a Senate-passed bill, Senate Joint Resolution 41, which I cosponsor, to establish a National Institute for International Medical Research.

For this bill, authored by the Senate's foremost single champion of health legislation, the Honorable LISTER HILL, will enable the Elizabeth Kennys of tomorrow—foreign scientists, men and women—to contribute more effectively to world medical research.

THE SPIRITUAL MEANING OF YOUR EFFORTS

And there is a third meaning of our work tonight: It is a meaning which goes to the heart of all the religious faiths represented in this audience. For whatever your creed, I know that in your scriptures, in the teachings of the great saints, prophets, or wise men of your faith, is this concept: that "the good which we do is returned to us."

Elizabeth Kenny brought good to the American people, and the good was returned to Australia and to all the world.

The good which you bring to the world through this foundation, as Americans, returns to us—if not in tangible, then certainly in intangible ways.

The good which you, the people of the States of Minnesota, North and South Dakota, Iowa, and Wisconsin make possible through meetings such as tonight will return to you—tangibly and intangibly—in abundant ways almost impossible to calculate.

SOVIET-U.S. AGREEMENT ON MEDICAL COOPERATION

But now let me return to the meaning of the visit next month of Premier Nikita Khruschchev. You will recall that on December 1, 1958, I had met in Moscow with the Soviet Premier. I believe that you will recall, as

well, that in the initial period of our discussion, I had concentrated with him on expanding Soviet-American medical cooperation. I had proposed to him a five-point health program. He had agreed to every single one of those points.

The points included expanding the Soviet-U.S. medical exchange program, increasing the two-way flow of medical books, magazines, and correspondence, Soviet-U.S. cooperation in an International Health Year, cooperation in perinatal research, and cooperation in rehabilitation.

Obviously, this was not a purely American and certainly not a partisan subject. For, as I recalled to him, as to other officials elsewhere, in the state of the Union message which had been delivered by the President of the United States in January 1958, there had been a sound appeal to the Soviet Union to cooperate with us in important medical fields, particularly in combating cancer and heart disease. The Soviet leader had enthusiastically agreed.

The big problem, however, is that it is a long way between agreement on generalities with the Soviet Union and the carrying out of those generalities by concrete deeds. This unfortunate gap between promise and fulfillment, however, is not unique to the Soviet Union. The fact of the matter is that, unfortunately, here in the United States, Washington, D.C., has often been long on high statements and short on prompt and specific fulfillment. I do not say this in any partisan sense, but simply as a matter of fact. This is a subject which, I repeat, is nonpartisan and which always must remain so. At the same time, it is a field which will benefit from down-to-earth frankness, rather than simply lofty pronouncements.

A SUGGESTION TO PREMIER KHRUSHCHEV

Therefore, when the Soviet Premier visits the United States, in addition to his shaking hands and appearing in photos with officials, with factory workers and farmers and little children; in addition to making speeches before the United Nations and other assemblies, I respectfully suggest that the Soviet leader announce a program of specific deeds. He could choose few better fields than health. Let him visit a great facility such as the Elizabeth Kenny Institute and let him then proclaim his specific health cooperation program.

Here is a historic opportunity, not simply for propaganda, but for the kind of epochal deeds which speak far more eloquently than words and which count far more in the annals of history. They will count in lessening East-West tension as well.

The lesson of past history is that the Soviet Union can definitely make a tremendous contribution to the advancement of medical science. The history of the Russian people is replete with scientific contributions. In the days both before and during the present regime, Russian scientists have ranked high, particularly in the fields of psychology and in the central nervous system.

It was with great pleasure, therefore, that I welcomed the appointment of a distinguished Soviet neurologist as Assistant Director of the World Health Organization, Dr. N. I. Graschenkov. I have been happy to pay tribute to Dr. Graschenkov in the course of a published report and have been in correspondence with him, as well as with other officials of the World Health Organization.

Recently Dr. Graschenkov, writing to me as an individual, kindly commented on the importance of intensified research into the disorders of the human brain. He added these words, which I should like to quote now—not because they refer to me personally, but because they refer to bridging the overall gap between the United States and the U.S.S.R.—"I would also like to thank you for your tribute to Soviet pioneering in many fields of science. You were the first influential American statesman to plow the soil during the cold war time. I am sure that people in both countries will never forget it."

The Soviet people would not forget American deeds which would bring health and happiness to Russians and to all mankind. By these deeds, we would help encourage more understanding. We would help to banish the clouds of conflict. We would, as I have often said, help to disarm the international atmosphere of tension. But let me follow my own suggestions and get more specific.

SOVIET-AMERICAN HEALTH INSTITUTES

The Elizabeth Kenny Foundation is synonymous with physical medicine and rehabilitation.

The Soviet Union is a nation which was cruelly devastated by war. Millions of her citizens, civilians and members of her armed forces were not only killed, but deafened, blinded, and crippled in the savagery of World War II.

I propose, therefore, that we send over not simply as brief exchange visitors, but as 1-year and 2-year scientists in Soviet hospitals and sanitoria more—many more—of the very best American specialists in physical medicine and rehabilitation, and that the Soviets, in turn, send their very best specialists to us as well.

I propose that there be established, at the start on a small scale, Soviet-American Institutes of Health. That means that in advanced, scientific institutions there be established new Soviet-American research laboratories for example, in physical medicine and rehabilitation.

These laboratories, financed respectively by the respective governments, or in the instance of the United States, by private contributions would be specifically staffed by nationals of the two countries, working side by side.

In other words, let's not scatter our exchange effort, as helpful as that can be within limits. Let's put under our new roof a facility which we can easily locate and see and hear and touch—a concrete new example of binational cooperation. And let's not do this in Moscow or in Washington, let's do it at the grassroots of both nations in some appropriate center where the greatest experts can battle, as well, against, say, cancer or heart disease.

My proposal means, too, that in Soviet universities, there be established Soviet-American medical chairs, i.e., professorships, fellowships, in physical medicine and rehabilitation. And, naturally, I suggest that we reciprocate as well.

In other words, let us within Moscow, Leningrad, Kiev, and in other Soviet cities establish new and specific facilities which are, in effect, international zones of peace—zones of enlightment—zones of healing.

Let us carve on the doors of new wings of hospitals, new wings of clinics, and laboratories the words "Soviet-American Institute of Cooperation." But most important, let us write in the one place where it can never be effaced—in the hearts of human beings—the words, "Soviet-American cooperation."

Let us bring Soviet brain specialists to the United States to operate and display their very best technique on our patients. Let us send our best neurosurgeons to the Soviet Union—not simply to teach, but to heal—with their brilliant minds, hands, and skills.

If this sounds surprising to you, let me say that it is by no means unique or unprecedented. For example, not long ago, a California doctor wrote to me how, on a visit to a Soviet hospital, he had been invited by a Soviet woman obstetrician to perform an operation on a patient, and how the experience had successfully demonstrated Soviet-American cooperation in action. In other words, let's not simply talk peace and cooperation; let's live it—do it—achieve it.

You may remember that I have previously urged "food for peace," "schools for peace," "loans for peace," "health for peace."

I say, let us get still more specific. Let us have surgery for peace, rehabilitation for peace, obstetrics for peace, pediatrics for peace. Yes, brains for peace.

The Soviet Union can contribute a great deal of knowledge about the biochemical and electrical features of the human brain. Let us find out what makes the human brain tick, and then let us see if (applying a favorite Soviet term) we can condition the human mind for peace, for health, for cooperation.

CONCLUSION

This then is my message for you "touchdowners" tonight. It is a message of salute to all of you, who by your deeds, carry out the type of grassroots leadership which is so essential if our country is to become still healthier and happier. It is a message of applying on the international scale what is applied here in Minneapolis so well. Here, individuals of every race, creed, color, and ancestry are enabled, by the healing arts, to realize the dignity, the fruition which God intended for them.

Premier Nikita Khrushchev can take his cue from Sister Elizabeth Kenny. It is a cue of inspiring deeds which can thrill the hearts of mankind—the kind of deeds which echo down through the corridors of time, long beyond the normal lifespan of any one individual. In this way, "health for peace" becomes not simply words, but deeds which can bring joy to the heart of generations unborn.

WILDERNESS PRESERVATION

Mr. HUMPHREY. Mr. President, this year it was my privilege to introduce, on behalf of myself and several of my Senate colleagues, the wilderness preservation bill, S. 1123. The purpose of this measure is to preserve for future generations certain federally owned lands in their natural state.

The support for this proposed legislation on the part of conservation groups and within the Congress itself has been most encouraging and heartening to those of us who for so long a time have been urging the enactment of such a bill. The Senate Committee on Interior and Insular Affairs is presently considering this bill, and I am hopeful that it will favorably report it in the near future, so that the Senate may act upon it during this session of the Congress.

In the Minneapolis Tribune of August 16, there appeared an article setting forth the present status of the wilderness bill. I ask unanimous consent, Mr. President, that this article, entitled "Senate To Debate What To Do With U.S. Wildernesses," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTY MILLION ACRES INVOLVED—SENATE TO DEBATE WHAT TO DO WITH U.S. WILDERNESSES

WASHINGTON.—Whether Congress wants American wildernesses to be enjoyed forever by Americans or just read about in history books is being argued backstage on Capitol Hill.

A decision that may put the question to a floor vote is expected next week.

Concerned are 50 million acres of American lands that have retained their primitive status through the years.

Leading the movement to preserve these spots, found in some sections of national parks, wildlife refuges, and national forests, is Senator HUBERT HUMPHREY (Democrat, of Minnesota). He is joined by 17 Senate colleagues.

Two years of hearings have been held. The hearings have indicated that modern commercial life, as represented by those interested in the leasing of minerals, prospecting, oil bearing, stock raising, lumbering, and others seeking to put the land to work, oppose the wilderness plan.

Pressures apparently have been put on Congress. The wilderness preservation measure, introduced for a third time since 1956, is now before the Senate Committee on Interior and Insular Affairs.

Thus far, 53 proposed amendments have been offered to emphasize or intrude upon the original motion that the wilderness areas be preserved as places "untrammeled by man, where man himself is a visitor who does not remain."

The committee waded through these proposed amendments again Friday.

It reached no conclusions, and will try again Tuesday. Whether the bill would then be reported out with a favorable recommendation remained in doubt.

It was pointed out, though, that a committee does not usually spend so many hours—as this committee has—considering a measure unless it intends to take favorable action eventually.

Control of the wilderness preservation system is one of the large issues to be resolved. The legislation proposes establishment of a new separate council. Pending amendments would eliminate this provision and leave controls with the departments and agencies now in charge.

Whether Indian-controlled lands should be preserved as wilderness or opened to improvements for the economic benefit of the Indians is another problem.

Still another principal issue is whether the present wilderness area might be expanded to other spots which appear to qualify but are not now in that official category.

It is proposed, too, that wilderness areas not be added in the preservation system unless Congress approves.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that a letter of August 15, 1959, addressed to the editor of the Washington Post, written by Howard Zahniser, executive secretary of the Wilderness Society in Washington, D.C., and published in the Post under the title "Using the Wilderness," be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

USING THE WILDERNESS

W. D. Hagenstein of the Industrial Forestry Association misrepresents the proponents of the wilderness bill in his August 11 letter called "Wise Use or No Use?" His response to the cooperative overtures of those who have striven so earnestly to make this an acceptable measure to all concerned is both disappointing and damaging to the public interest.

For one thing, the policy involved is not one of nonuse but of use. Both in and out of Congress the sponsors of this measure have looked upon wilderness preservation as wise use, and the wisest use for a portion of our country. The wilderness bill specifies that the areas it preserves shall be for "recreational, scenic, scientific, educational, conservation, and historical use and the enjoyment by the people." Wilderness preservation is indeed part of the multiple-use land mangement of which Forester Hagenstein says we need more.

Mr. Hagenstein also is misleading when he insinuates that the wilderness bill is an easterner's bill. As Charles Callison of the National Wildlife Federation recently wrote in the Spokane, Wash., Spokesman Review, "The ablest and most articular advocates of wilderness preservation come not from the East but from the West." All of the Montana congresisonal delegation—in both Senate and House—are sponsors of the wilderness bill, as well as are other western legislators. The fact is its support is nationwide as well as national in its interest.

When Mr. Hagenstein says the wilderness proposal "would grab 17 percent of all Federal land in Washington State; 16 percent in Wyoming; 15 percent in Montana; 12 percent each in California and Arizona" he is not only exaggerating but ignoring the fact that all of the land involved is within national parks or wildlife refuges, or within wilderness reservations of the national forests or some other category of land already devoted to such use. Only 8 percent of our national forest land is involved and less than 2 percent of our country.

It may be that Mr. Hagenstein's trouble is that, to use his own word, he wants to "grab" for his industrial forestry some of these lands now being preserved.

The proponents of the wilderness bill do not wish to interfere with other programs. They respect them. They have gone to great effort to design a wilderness bill that fits into our overall public land programs without conflict.

Senator JAMES E. MURRAY, of Montana, recognized this when he spoke in the Senate on February 19 and said:

"In my opinion, it is very unfortunate that some of the commercial interests have exaggerated the effect of this splendid wilderness proposal.

"The timber people are not going to be 'closed down' or left without resources to grow. The bill is not going to terminate any grazing permits held by livestock men. The oil and minerals industries are not so hard pressed for raw material that they need the right to punch holes in our most valuable scenic areas, which have exceptional recreational and scientific values, and will continue to contribute to watershed, game propagation, and other uses.

"For 25 years, I have fought for the economic development of the West and of the Nation. I have supported measures to aid every industry now opposing the wilderness bill. I shall continue to do so, for my interest in their prosperity and growth is not diminished in any way.

"My decision to support the wilderness bill is not a difficult one to make, for the facts show that it is a good measure, and that its enactment will not actually injure those who are expressing the greatest fear of it."

So said Senator MURRAY, of Montana. No lands now available for timber cutting are included in the wilderness preservation program.

If Mr. Hagenstein as an Industrial Forestry Association representative objects to this reasonable program, it must be because he thinks some of the lands now preserved should be cut.

If so he emphasizes the importance of this timely legislation.

HOWARD ZAHNISER.

PROHIBITION OF USE OF AIRCRAFT OR MOTOR VEHICLES TO HUNT CERTAIN WILD HORSES OR BURROS

Mr. MANSFIELD. Mr. President, after consultation with the majority and the minority leadership, I ask unanimous consent that the Senate immediately proceed to the consideration of Calendar No. 814, House bill 2725, to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2725) to amend chapter III of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement covering the purpose of this bill be incorporated at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REPORT ON H.R. 2725

PURPOSE

The purpose of the proposed legislation is to amend chapter 3 of title 18, United States Code, by adding a new section 47 imposing criminal penalties for the use of an aircraft or motor vehicle in hunting any wild unbranded horse, mare, colt, or burro running at large on public land or ranges, with the purpose of capturing or killing those animals. The new section would similarly bar the pollution of any watering hole on public land or ranges for the purpose of trapping, killing, wounding, or maiming any of such animals.

STATEMENT

The proposed legislation is similar to S. 2167 of the 86th Congress. Reports were obtained from the Department of Agriculture and the Department of the Interior on S. 2167 recommending amendments to the legislation designed to relieve the Department of the Interior from any adverse effect in connection with the proposed legislation. Copies of these reports are hereto attached.

Hearings were held in the House in regard to this matter and the House in its report came to the conclusion that the suggested amendments could not be included in the proposed legislation, stating that—

The insertion of a proviso of this sort would have the effect of all but destroying the effectiveness of the legislation. Its impact as a criminal statute would be seriously weakened by the fact that the Government would be empowered to engage in the proscribed activities.

House Report No. 833 on H.R. 2725 sets forth the facts surrounding this legislation and the committee deems that that report should be included herein, as follows:

"The new section 47 provided for in H.R. 2725 is required to protect the remnants of our once extensive herds of mustangs which still remain is the remote areas of our Western States, and to bar the cruelty which is an inseparable part of the mechanized methods which must be used in order to make the capture of these wild horses financially attractive.

"The mustang played an important part in the history of the West. Indians and early pioneers captured and used wild horses, and these horses were often necessary to their existence. As the West was

settled the remnants of these wild horses sought out the remote canyons and high rim rock as their last refuge. Today the very existence of the last of the horses in a wild state on the public lands and ranges of the United States is endangered because their capture has become a commercially profitable venture. The use of the domestic horse on the farms and in the cities of the United States has declined to a low figure, for the horse has largely been replaced by other means of transportation and mechanical power. At the same time there has been a growing demand for horsemeat for pet food, and this demand became particularly marked in the years following World War II. As a result, the capture of wild horses for slaughter became a profitable proposition for the horse hunter. In Nevada alone in those years following World War II, more than 100,000 wild horses were removed from the State.

"The traditional method of rounding up horses with crews of cowboys was too slow and costly for men bent on cashing this sort of gain. They found that an airplane could be used to drive wild horses from their refuges in the rimrock to the flatlands where they could be captured. The method followed was to drive the mustangs from the rough and rugged rimrock at a breakneck speed. When these planes dive on the horses, the tendency of a group of horses is to scatter and attempt to hide. To counter this, a shotgun is commonly carried in the plane, and is used frequently to flush the horses from hiding and to keep them bunched and running in the direction desired by the hunters. After the horses have been driven onto the flatlands, they are chased by trucks, and are pursued to the point of exhaustion.

"Testimony before this committee establishes that one reprehensible, but effective, means of capture is to burden the exhausted horses at this point with heavy and terrifying devices, for example heavy truck tires, which are attached to them by skillful ropers operating from the trucks. At other times the horses may be driven into box canyons and cornered there. Fan-shaped trapping corrals are used where the horses are thrown into violent contact with the enclosing wires and suffer serious and painful injuries which in some cases have resulted in death from loss of blood. After capture the horses are sometimes tied and left where they lie until sufficient horses are obtained to begin loading operations. One method of tying is 'sidelining' where a front and hind foot are tied together, and when the animal struggles its legs become severely 'burned' or rubbed raw by the rope. In loading the horses on trucks to transport them to slaughter, they are dragged up a ramp by saddle horses.

"Witnesses before the committee have testified that as a result of these methods of capture, colts often are left behind where they have little hope of survival. Apparently the men engaged in the activity do not feel that the colts are of sufficient weight to justify the haul to the processing centers. These suppliers are paid by the pound, and other than that the horses be ambulatory the condition of the horses at the processing center is apparently not important.

"The Department of Agriculture has stated to the committee in its report on this bill that it 'is sympathetic toward the objective of the bills to use humane methods of hunting wild horses' but asks that a proviso be included so that the Federal Government will be allowed to engage in the activities defined as criminal under the new section. The Department of the Interior states that it is opposed to 'any form of cruelty, poisoning, or indiscriminate slaughter' of the animals with which H.R. 2725 and its companion bills are concerned. However, that Department also urges the inclusion of a proviso which would have the effect of providing an exception for Federal activity. This proviso would permit the very activities made criminal by subsection (a) of the new section to be carried on by the Government or its permittees. The language recommended by the departments for addition to subsection (a) is as follows: ': *Provided*, That the aforesaid activities may be permitted, for purposes of carrying out Federal responsibilities, by the particular Federal land management agency responsible for management of the said public land or ranges, or such Federal agency may authorize such activities in accordance with the terms and conditions of permits issued by such agency.'

"The committee has carefully weighed this suggestion, and has concluded that the amendments cannot be included. The insertion of a proviso of this sort would have the effect of all but destroying the effectiveness of the legislation. Its impact as a criminal statute would be seriously weakened by the fact that the Government would be empowered to engage in the prescribed activities. The provision of similar immunity for those granted Federal permits is objectionable for the same reason. This section would be included in title 18, 'Crimes and Criminal Procedure' of the United States Code, and would be a criminal statute. A reading of the reports of the Agriculture and Interior Departments in this connection discloses that these Departments are properly concerned with range management. However, this committee feels that this emphasis has led those Departments to misconstrue the purpose and effect of the provisions of H.R. 2725. The exception urged by the Departments is devoid of standards as a guide for the activities there concerned. As a matter of fact, it is very difficult to see how sufficient standards could be drafted to convert criminal activity under the general terms of the subsection to accepted practice under the exception.

"The committee has considered the question of potential overgrazing of public lands as it may relate to the horses receiving protection from this legislation. At the hearing on the bill, the Government witnesses agreed that the numbers of wild horses at large on public lands have dropped to a low figure because of the removal operations which have been conducted in recent years. Mrs. Velma B. Johnston, of Wadsworth, Nev., one of the principal witnesses at the hearing on the bill, stated concerning the numbers of these horses and the conditions under which they now exist:

" 'Today's wild horse is not the glamorous mustang of long ago—the fiercely proud, valiant, and beautiful animal that roamed our western country when this century was young. He is, for the most part, underfed, scrubby, and inbred. Since he has become the target for wholesale mechanized roundups, he has been driven almost from the face of the earth, and has had to split up into small bands, and live where forage is scarce. He has been pushed to environments where no horse should be able to endure, yet he has adapted to that environment and, with barely a fighting chance, has survived. His habitat is high in remote areas where other livestock does not run, and he comes down only when driven to by lack of feed and water. For this, he is pursued and captured.'

"It is therefore apparent that the existence of these widely scattered small bands of wild horses on public lands is not a pressing problem. While the argument of the Department of the Interior is couched in terms of conservation, it is difficult to discern just where that Department would draw the line and permit wild horses to exist with at least a degree of protection by the United States. Mr. Gerald Kerr, range staff officer of the Bureau of Land Management, stated at the hearing on the bill:

" 'It is our firm belief that there is little danger that either the wild horses or burros will be exterminated. The horses now described as wild are animals that were turned loose or escaped from their owners. This escape or release process is going on constantly. There is a general tendency for the wild herds to increase in numbers from this source and from reproduction. It is the purpose of the Bureau of Land Management to prevent the growth of these herds to such numbers as to provide serious competition with game animals and permitted livestock. There is no need, however, nor intent to exterminate them.'

"Yet the Department's attitude toward the wild horses at large on public lands is such that it is not clear whether any horse would be regarded as entitled to protection. The same witness stated:

" 'Wild horses, as such, do not exist on public lands today. The unclaimed and abandoned horses now using the Federal ranges are remnants of extensive horse ranch operations which were conducted on the public ranges of the West until the early 1930's.'

"Apparently the Department's reference to the 'wild horse' has particular reference to the descendants of Arabian-Andalusian horses introduced to our continent by the early Spanish explorers, and the Department's view would apparently rule out horses which might be traced to stock which might have been used on ranches or farms in years past. Here again the approach of the Department has all but ignored the purpose of this bill which is to accord protection to any unbranded horse, mare, colt, or burro running at large on the public land or ranges. These horses exist in a wild state. As noted above in the statement of the Department's witness, these horses maintain their numbers from reproduction, as well as from addition of some strays. The testimony of Mrs. Johnston adequately shows that the horses existing in the wild have the physical characteristics and qualities which have long been associated with the horse known as the mustang. There should be no problem with identifying the animals entitled to the protection of the new section proposed in the bill.

"The committee has concluded that there is a clear-cut requirement for the Congress to act. The record of the hearing on H.R. 2725 contains a letter from Sheriff C. W. (Bud) Young, of Washoe County, Nev., expressing his support for legislation prohibiting the use of aircraft or motor vehicles in hunting wild horses. Sheriff Young urged Federal legislation with these words:

" 'The present Federal law is definitely inadequate to prosecute violators and while it is true that we do have a State law, because of legal opinion, the Federal law takes precedence, which therefore—again—brings up to the point where violators cannot be prosecuted to the fullest extent necessary.'

"The Nevada law contains language which is very similar to that contained in H.R. 2725. However it must be noted that the following language of the Nevada statute contains language which would grant precedence to Federal law, and therefore the need for Federal legislation is clearly demonstrated. The relevant section of Nevada law is as follows:

" '569.420 Hunting of wild horses, burros by aircraft, motor vehicles unlawful; pollution of watering holes to aid capture unlawful.

" '1. It shall be unlawful for any person, under the provisions of NRS 569.360 to 569.430, inclusive—

" '(a) To hunt wild horses, mares, colts, or burros by means of airborne vehicles of

any kind or motor-driven vehicles of any kind.

"'(b) To pollute watering holes in order to trap, kill, wound, or maim such animals.

"'2. The provisions of NRS 569.360 to 569.430, inclusive, shall not be construed to conflict with the provisions of any Federal law or regulation governing the hunting or driving of horses, mares, colts, or burros by means of airborne or motor-driven vehicles (3.5: 95: 1913; added 1955, 254).'

"ANALYSIS OF THE BILL

"Subsection (a) of the bill provides for the addition of a new section 47 to chapter 3, 'Animals, Birds, Fish, and Plants,' of title 18 of the United States Code. The new section is divided into three subsections.

"Subsection (a) of the new section

"Subsection (a) is the subsection barring the use of aircraft or motor vehicles in the capture or killing of 'any wild unbranded horse, mare, colt, or burro running at large on any of the public land or ranges.' The quoted words clearly define the horses and burros protected by this provision. The word 'wild' refers to horses or burros existing in a wild or free state on public lands. The language used is broad enough to apply to any horse or burro existing in a free or wild state on public land or ranges, and this plus the requirement that they be unbranded is sufficient to differentiate these horses from horses whose ownership can be traced to some individual. It should be noted that this classification does not rest upon the origin of the horses in terms of bloodlines or similar technical limitations. Rather the committe feels that this subsection contains objective standards for the identifying of the animals concerned. The subsection further provides for a penalty of a $500 fine or 6 months' imprisonment or both for the violation of these provisions.

"Subsection (b) of the new section

"Subsection (b) would bar the pollution of any watering hole on public land or ranges with the purpose of trapping, killing, wounding, or maiming any of the animals referred to in subsection (a). This language would serve to further protect these wild horses and burros from persons using these means of capturing them. A penalty of $500 or 6 months' imprisonment or both is also provided for the violation of the provisions of this subsection.

"Subsection (c) of the new section

"Subsection (c) defines the terms 'aircraft' and 'motor vehicle' in broad language. 'Aircraft' is defined as any contrivance used for flight in the air. 'Motor vehicle' is defined as any self-propelled vehicle designed for running on land including, but not limited to, automobiles, automobile trucks, automobile wagons, or motorcycles.

"Subsection (b) of the bill provides for the amendment of the analysis of chapter 3 of title 18 so as to include the catchline of new section 47.

"CONCLUSION

"The testimony received by this committee in connection with the hearing on this bill, and the evidence presented in support of the legislation, clearly shows a need for legislative action. The committee, therefore, recommends that the bill H.R. 2725 be considered favorably."

Mr. MANSFIELD. The Sunday edition of the New York Times this past weekend carries the story headlined "Mustang of West Going to the Dogs—Once Abundant Wild Horse, Hunted as Food for Pets, Is Facing Extinction."

This fine news account begins by stating that "the last of the West's wild horses—the mustangs immortalized in legend and history—are fighting a losing battle for survival."

This in brief is a tragic situation that has been brought to the attention of the Congress this year. Several weeks ago the House passed H.R. 2725, a bill which would prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on Federal lands. This bill was introduced by the distinguished Congressman, WALTER BARING, of Nevada. Soon after Mr. BARING took the lead in this attack on the inhumane slaughter Senators CANNON, COOPER, MURRAY, NEUBERGER, BUSH, and I joined in the introduction of companion legislation here in the Senate. I am very pleased to note the expeditious action taken by the chairman and members of the Senate Judiciary Committee in reporting this bill favorably.

I can see absolutely no reason why anyone would oppose the humanitarian nature of this legislation. This bill does not set up a refuge and would not prevent future hunting of these animals when necessary, but it does prevent the inhumane methods now being used to catch these animals, who are then taken away to slaughterhouses and made into pet food.

This bill would make it illegal for hunters to use airplanes, jeeps, and other methods of harassing and mistreating these animals. In the early days of the Nation's history, the mustang or the wild horse was in abundance and roamed throughout the West. Today there are probably fewer than 15,000 of these animals left. The official tabulation from the Bureau of Land Management estimates that there are 11,444 of these animals still roaming our Federal lands. The largest groups are found in the State of Nevada, with slightly more than 6,000 in number. In my State of Montana there are less than 200. A great deal of the credit for bringing this unfortunate situation to the attention of the general public and the Congress goes to the Society for Animal Protective Legislation; Mrs. Velma Johnston, of the Double Lazy Heart Ranch, in Nevada; Mrs. Roger (Christine) Stevens, of New York. Mrs. Johnston and Mrs. Rogers have worked long and hard in behalf of this humanitarian project, and they know of this deplorable situation from firsthand experience.

The Federal Government is constantly setting up refuges and preventing the extinction of many different species of animals, fish, and fowl; and I am very pleased that we are able to provide some protection for the wild horse, one of the first inhabitants of the American Continent.

Mr. President, I ask unanimous consent to have several items printed at the conclusion of my remarks in the CONGRESSIONAL RECORD. They are a report from the Bureau of Land Management dated July 24, 1959, a feature story in the Washington Star of July 12, 1959, a news story from the Christian Science Monitor of July 20, 1959, and a New York Times article dated August 23, 1959.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., July 24, 1959.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Your request of July 10 for statistical and background information concerning abandoned or unclaimed horses and burros now in the Western States, is acknowledged.

We have kept a close check on this matter the past several years, requesting statistics from our field offices periodically. On lands administered by the Bureau of Land Management our latest information as to the numbers of these animals, by States, is tabulated below:

California	950
Oregon	920
Idaho	250
Nevada	6,200
Utah	589
Colorado	380
Montana	195
New Mexico	100
Wyoming	1,860
Total	11,444

We are informed that a limited number of these animals have been seen on Indian reservations and wildlife refuges.

As far as a specific control program to regulate their numbers is concerned, the Bureau has none. We are interested only in controlling these animals to the extent of conserving forage needed for licensed livestock and big game using our Federal range lands. They multiply rapidly and if a check is not maintained on their numbers they create major problems in forage conservation and land management. As a rule, they are gathered by private individuals and concerns.

The leaflet enclosed contains some information on the subject which you may find of interest.

Sincerely yours,

EARL J. THOMAS,
Acting Director.

[From the Washington Sunday Star, July 12, 1959]

MUSTANGS AT BAY—CONGRESS EYES WILD HORSES' LAST STAND

(By Ann Cottrell Free)

A horse drama as impassioned as any to come out of our Wild West via the pages of history or TV studios will hit the boards on Capitol Hill this Wednesday.

Its principal audience—a House Judiciary Subcommittee—will help determine how the drama is going to turn out. For its outcome hinges on whether Congress will outlaw the use of aircraft and motor vehicles in rounding up wild horses and burros on Government-owned public lands.

Not since trigger-happy hunters, firing the then new breech-loader gun, brought the American bison to near extinction 70 years ago has there been such concern over the treatment of animals belonging to the American heritage.

Unlike the buffalo, these horses are rarely shot on the range. But through high-volume mechanized roundups they are brought back alive for shipment to centers for conversion into pet food. They once numbered into the hundreds of thousands. Today only about 20,000 remain.

No fast draws from the hip are expected at the hearing which brings to center stage a fight that has raged in the wings for years. The gunsmoke will come from sizzling words

instead. Every man a hero may call—by implication, at least—his opposite number fool or villain. And the leading lady—a true girl of the Golden West—will bring dash and charm that her male opponents may find hard to match.

She is Velma B. Johnston, of Double Lazy Heart Ranch, Wadsworth, Nev. Standing 5 foot 6 in her high-heeled cowgirl boots, this woman has crusaded for years in behalf of the horses—reportedly dodging bullets in the doing.

Many of the wild horses are descendants of the fiery Arabian-Andalusian horses brought here by Spanish explorers. The strays and runaways were called mestangos, soon becoming mustang. (There is no native American horse, except the little prehistoric creatures that migrated to Asia or died out before the early age of man.)

By 1800, the mustangs were about 2 million strong. Indians and early pioneers caught them, broke them, and rode them. In later years they were joined by all sizes, shapes, and blood lines. Many of them look scrubby and rundown, but they retain a fiery independent spirit.

Wary of hunters, the herds hug the canyons and the high rimrock. But after World War II the demand for horsemeat for pet food grew. Hunters realized there was "gold in them thar hills." They took to using planes in a big way to flush the fiery mustangs out to the flat lands. There, trucks take over. Men strapped to the truck sides, lasso them as they race away in terror. At the end of the rope heavy truck tires are fastened. Exhausted from running and the new weight, the horses slow down. If they resist capture, they are thrown, hog tied, and loaded into trucks. Several days on scanty rations may pass before they are killed.

Many humanitarians and conservationists believe this kind of roundup to be both terrifying and unfair.

SPORT ENCOURAGED

Mechanized roundups have been encouraged and in some cases paid for by cattlemen who lease public lands to graze their livestock. They consider the wild horses a threat to the already skimpy food supply. The U.S. Government shares their view.

(The Bureau of Land Management of the Department of the Interior leases public lands for livestock use under the Taylor Grazing Act of 1934. Hunting and fishing permits for public lands are granted usually by State authorities.)

The efforts of "Wild Horse Annie"—as Mrs. Johnston is known—are beginning to pay off. Nevada now forbids mechanized roundups, except those called for by the Bureau of Land Management on the public lands—which make up nearly 88 percent of the State. Horse hunting in Nevada has been a high volume, good-money affair, resulting in the reduction of the herds in 15 years from 100,000 horses to 5,000.

Wyoming now requires payment for every stray horse taken from the range. Horsemeat hunters find that this cuts their profits to the bone.

The campaign picked up strength when Mrs. Johnston's Congressman, WALTER S. BARING, introduced a bill to outlaw motorized roundups—whether BLM financed or not—on public lands.

Since then seven Senators and three House Members of both parties have put their names to identical or similar bills.

They are Democratic Senators MIKE MANSFIELD and JAMES MURRAY, of Montana; HOWARD W. CANNON, of Nevada; PAUL DOUGLAS, of Illinois; RICHARD L. NEUBERGER, of Oregon, and Republicans PRESCOTT BUSH, of Connecticut, and JOHN S. COOPER, of Kentucky.

House sponsors are J. CARLTON LOSER, Democrat, of Tennessee, and ALVIN O'KONSKI, Republican, of Wisconsin. A separate bill to put an end to the use of public land horses for horsemeat was introduced by Representative MERWIN COAD, Democrat, of Iowa.

Public interest has grown steadily, particularly since a popular magazine carried a piece last year called "The Mustangs' Last Stand." Mail to Congress is piling up just as it did a year ago on the humane slaughter bill. Judiciary Committee member JOHN E. HENDERSON, Republican, of Ohio, wrote his constituents that the letters "confirm my belief that most Americans are unselfish and have a warm spot in their hearts for animal welfare."

Being against bills involving the heart puts the Interior Department in a hard-to-explain spot. Its officials will try to convince Subcommittee Chairman THOMAS J. LANE, Democrat, of Massachusetts, and colleagues that mechanized roundups can be more humane. Interior, therefore asks that the Government be given sole authority for the roundups. But it asks also for the right to employ hunters using planes and trucks.

Acting Interior Secretary Elmer F. Bennett in a recent letter to Judiciary Chairman EMANUEL CELLER, Democrat, of New York, buttressed his case with arguments that Government control of roundups could drive "bootleg" horse hunters off the range.

GRAZING DEPLETION

Also he maintained that uncontrolled herds would compete for food against the other wildlife on the Government's public lands.

A line in Mr. BENNETT's letter about being against "cruelty, poisoning and indiscriminate slaughter" prompted an Interior press release that led hasty readers into thinking the Department had approved the Baring bill. The release caption: "Interior Favors Protection of Wild Horses on Western Lands."

Representative BARING replied immediately that the Interior amendment would render his bill "useless."

Mrs. Roger Stevens, of the Society for Animal Protective Legislation, and Fred Myers, of the Humane Society of the United States, maintain that the old "pros" in the business—the horsemeat hunters—might be retained by BLM for the job.

A compromise between the two stands may be in order. If establishment of sanctuaries—now that the wild-horse population is at an alltime low—might be one answer.

But if that should be impractical from the standpoint of fencing, could quasi-sanctuaries be established? Instead of fencing the horses in, could they be more easily handled if food, water and salt-lick stations were provided them?

If their numbers multiplied too rapidly, they could be caught—probably without resort to aircraft and trucks—at the food stations by more gentle means. Among those means is the tranquilizer gun which is growing in popularity among animal handlers.

The setting of standards and methods could be done by a public advisory committee in cooperation with BLM. It could include representatives of interested groups—not forgetting "Wild Horse Annie."

Such an advisory board worked quite successfully after the passage of the humane slaughter law.

The first act, opening here Wednesday, will set the stage, raise a number of questions and could lead to a final happy curtain: Wild horses headed for their last roundup under conditions acceptable to all except the mustangs.

[From the Christian Science Monitor, July 20, 1959]

MUSTANGS HEARD IN CONGRESS

(By Josephine Ripley)

WASHINGTON.—Members of Congress have been startled by an unusual stampede of mail in recent weeks.

They have been bombarded with thousands of letters from constituents, not about world affairs, about inflation or taxes—but about wild horses.

Thousands of Americans all over the country are calling for the last roundup—mechanized roundup, that is, by which wild horses are flushed out of canyons by low-flying planes, pursued across the desert by speeding trucks, and reduced to exhaustion by cruel and inhumane methods before being shipped off for slaughter as horsemeat.

SENTIMENTS VOICED

Representative JOHN E. HENDERSON, Republican, of Ohio, expressing the sentiments of many of his colleagues has stated:

"The volume of mail which I have received on this subject and the comparison with the number of letters which I have received on many measures of world-shaking importance confirms my belief that, by and large, Americans are unselfish and have a soft spot in their hearts for the animal kingdom."

Congress has before it bills which would prohibit or regulate this type of roundup which has grown and flourished with meat, used mainly in canned dog and cat food.

This latest tale of the Wild West has, like all westerns, a cowgirl as its leading lady. Billed as "Wild Horse Annie," she recently stated—and impressed—Members of Congress by her demure and ladylike appearance when she testified before a House Judiciary Committee.

She is Mrs. Velma B. Johnston, of Double Lazy Heart Ranch in Wadsworth, Nev., a longtime crusader for wild horses.

She cries out against the rapidly approaching extinction of the wild mustang, as well as against the "atrocities and brutalities" practiced in its capture.

CRUELTY DEPLORED

Many of these wild horses are descendants of the spirited Arabian-Andalusian horses brought here by the Spanish explorers. These were the steeds used by the Indians. Strays became known as mestangos, later being dubbed "mustangs."

Some 15 years ago, there were some 100,000 wild horses in Nevada, Mrs. Johnston told the subcommittee. Today, due to the demand for horsemeat as pet food, the number has been reduced to about 5,000, she said.

In order to capture their quarry, the truck-riding cowboys of today lasso the panic-stricken animals. A heavy truck tire is fastened to the end of the lasso. The horse drags the heavy tire until he falls from exhaustion.

Other and more cruel methods are employed to exhaust the animals to make capture easy. They are then piled into trucks, often sustaining broken legs in the process, according to the testimony of witnesses, as they are shipped off to slaughter centers.

UNITED STATES IN ODD POSITION

In a situation of this kind, one would expect to find the Federal Government on the side of the humanitarians and opposed to the flying cowboy roundup. But the Government is in an odd position.

These roundups in many cases take place on Federal lands which are leased by the Government to ranchers for grazing land for cattle and sheep. It is claimed that wild horses, in the past at least, have often reduced the forage on these lands to the point

where it is insufficient to sustain legitimate herds.

For this reason, the Department of the Interior has protested legislation to prohibit the mechanized roundup. Instead, it asks that the Government be given sole authority for such roundups. But it wants to use planes and trucks for the purpose.

But the Government would not, of course, resort to the atrocities attributed to the commercial hunters.

The bill introduced by Representative WALTER S. BARING, Democrat, of Nevada, would outlaw motorized roundups of any kind, whether by the Government or private enterprise. Similar bills have been introduced in the Senate.

Members of Congress have been amazed that a 1-day hearing on a subject of such apparently limited interest had aroused such nationwide response.

"We have been getting a tremendous amount of mail from all over the country," reported a clerk on the House subcommittee. It has come not only to the subcommittee, but to individual Members.

Mr. HENDERSON, a committee member, reports that "persons from all over the United States who have been touched by the account of treatment given these animals have been writing to me urging my support of legislation."

[From the New York Times, Aug. 23, 1959]

MUSTANG OF WEST GOING TO THE DOGS—ONCE ABUNDANT WILD HORSE, HUNTED AS FOOD FOR PETS, IS FACING EXTINCTION

WASHINGTON.—The last of the West's wild horses—the mustangs immortalized in legend and history—are fighting a losing battle for survival.

The few remaining herds, numbering perhaps 15,000 animals, are being rounded up and sold as pet food. Pursued by trucks and aircraft, the horses are driven to exhaustion. Canneries buy the inexpensive horsemeat to help satisfy the appetites of America's 26,000,000 dogs.

Wild horses roamed America at least 15,000 years ago, the National Geographic Society says. The first hunters who pushed southward from the Bering Strait stalked them for food. Eventually, these primitive little horses became extinct, but nobody knows why.

Spanish conquistadors reintroduced the horse to America. In the late 17th century, Indian raids forced the Spanish to abandon many new settlements and missions in New Mexico. Large numbers of horses were left behind, and they reverted to the wild.

SOUTHWEST HERDS IMMENSE

Immense herds grazed the grasslands of the Southwest. New recruits constantly swelled the mustang ranks. Indians turned loose many tired and footsore domestic mounts. Other horses strayed from ranches, or were rounded up and driven off by wild stallions.

In 1777, Fray Morfi, a Franciscan missionary who traveled through Texas, wrote that wild horses "are so abundant that their trails make the country, utterly uninhabited by people, look as if it were the most populated in the world. All the grass on the vast ranges has been consumed by them, especially around the waterings."

At one time probably a million horses ran wild on Texas prairies, and another million ranged the plains northward to Canada. Nineteenth century maps marked vast stretches of the Southwest as "Wild Horse Desert."

The true mustang was of Spanish stock, with Arab and Barbary strains predominating. The term "mustang" came from mesteño, a Spanish word meaning strayed or wild. Light and fast, mustangs were unequaled for toughness and endurance, and they came in every conceivable color. Cowboys preferred "coyote dun." Indians liked the grays and pintos that blended with the landscape.

HARD TO CATCH OR TAME

Both settlers and Indians captured wild horses, but they were hard to catch and harder to tame. Frontier songs and stories featured lengendary stallions that nobody could ever trap.

Without the mustang, the West might not have been won so rapidly. Mustang stock supplied the Pony Express, the Mountain Men, and the cowpokes. Eastern horses of English strain did not predominate until the frontier was closed forever. By 1890, the true mustang was almost gone.

Present-day mustangs have hardly a trace of Spanish blood. They are descended from domestic animals released when new power machinery made them obsolete. Unclaimed and unwanted, mustangs compete with wildlife and domestic stock for water and grass, tear down fences, and lure away tame mares.

The mustang will always be a symbol of the old West, however. Such place names as Mustang Prairie, Pinto Canyon, and Wild Horse Mountain cherish the memory.

Mr. KUCHEL. Mr. President, decent Americans in every part of the Nation and from every walk of life will applaud the action the Senate is about to take here today. For example, I recall the very great and unselfish interest demonstrated in this humane legislation by a talented motion picture actress, Miss Peggy Taylor, of California. While on location in Nevada, working in a new motion picture, she was shocked and sickened at the cruel and wanton killing of wild horses by people motivated solely by the desire to make money. She urged me to support H.R. 2725. Others have done likewise. I am glad to support it today as simply decent and humane legislation prohibiting planes and autos—or trucks—from killing wild horses on U.S. property.

The average person is completely unaware of the almost unbelievable vicious cruelty used in the killing of wild horses in order to supply a cheap source of meat for pets. So far as I am concerned, my family's good-looking Belgian sheep dog would not want to eat any such meat if he knew the wanton manner by which it was brought to the canning factory.

I am delighted to be able to participate in the passage of this very worthwhile proposed legislation.

Mr. MANSFIELD. I thank the distinguished minority whip. I wish to state for the record that the real impetus behind this bill was furnished by the Representative from Nevada, Mr. BARING, a lady known by the name of "Wild Horse Annie", whose real name is Velma Johnston, who lives on a ranch at Wadsworth, Nev., and Mrs. Roger Stevens, of New York. Both of these ladies worked long, hard, and effectively in behalf of the legislation.

Mr. President, I urge that the bill be passed.

Mr. KUCHEL. Mr. President, I should like to be associated in this endeavor not only with the able majority whip, the two Senators from the State of Nevada, and the Representative from the State of Nevada, but also with "Wild Horse Annie".

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 2725) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote by which H.R. 2725 was passed be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEETING BETWEEN MR. EISENHOWER AND MR. KHRUSHCHEV

Mr. KEFAUVER. Mr. President, this week President Eisenhower will be leaving for Bonn, Paris, and London to talk with our allies before talking with Mr. Khrushchev.

I approve of the invitation to Mr. Khrushchev to visit the United States. I also approve of Mr. Eisenhower's trip around the circuit to see the other heads of government, prior to those talks.

But I think that we should not deceive ourselves as to the difficulties and dangers inherent in this type of personal diplomacy between the heads of nations.

It is obvious that in Bonn and Paris grave doubts have arisen over the proposed exchange of visits. I am sure that President Eisenhower will do his best to ease those doubts, but it will not be an easy task. Both France and Germany want to be sure that their own positions are not weakened—that nothing which they consider vital slips away during the conversations between the master of the Kremlin and the occupant of the White House. This is understandable. We have only to recall that there were many doubts expressed in the United States when Mr. Macmillan visited the Soviet Union. In a system of more or less equal partners on one side, and an undisputed master on the other, these recurring doubts will continue to arise.

Khrushchev's trip most certainly will be a success from his standpoint if he manages to sow the seeds of distrust between Washington, London, Paris, and Bonn. If those seeds take root and grow, then he will have achieved what I believe to be the No. 1 aim of Moscow, the wrecking of NATO.

Throughout the NATO area there have been during recent years various steps toward building what began as a purely military alliance into a true Atlantic community.

I think our best defense against the wiles of Mr. Khrushchev on his forthcoming visit is to refuse to take our eye off that ball. We should be gracious and hospitable, we should show him our stoves and refrigerators and kitchen sinks with disposals, and anything else he wants to see, but we should show him also that we are serious about building our Atlantic community.

We did this last June in London, in the meeting of the Atlantic Congress, which some of us had a hand in setting up and attended. I think the Congress was im-

pressive to the Kremlin because it showed free people uniting—650 delegates from 14 nations, uninstructed by their governments, speaking freely as citizens, and arriving, in the words of the declaration, at the conclusion that "the time is ripe for these nations to build an Atlantic community with responsibilities extending to military, political, economic, social and scientific fields."

The Kremlin certainly took note of the Congress. It was denounced in Tass and Isvestia and in brodcasts to the satellites. But as for Mr. Khrushchev, he began to smile—to propose visits and otherwise set about presenting himself as not really a bad fellow after all. This is the old tactic, always used when the West is pulling together, designed to get our eye off the ball and make us relax.

The best thing we could do, while being hospitable, is take the next step recommended by the Atlantic Congress, and call together the smaller convention, as proposed by Senate Concurrent Resolution 17, sponsored by the Senator from Minnesota [Mr. HUMPHREY] and other Senators, which this U.S. Congress should pass before adjourning.

This smaller convention, unlike the Atlantic Congress, would meet for as long as necessary. It would be composed of delegates from the NATO nations and any others they chose to invite. It would have the opportunity to basically study and recommend to the free governments further steps which must be taken in the political and economic fields to really establish the community we think exists and know must be established.

It would be our most impressive way of showing Mr. Khrushchev that while we want to be friendly, we are not going to be hoodwinked. Instead, we are going right on with our work. That is the kind of evidence he respects, and I think it is the only kind.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Indiana.

Mr. HARTKE. I want to commend the Senator from Tennessee again upon the fine work he has been doing in this field and the fine work he did at the NATO meeting in London. I think that the business people, the laboring people, and the people attending on behalf of religious organizations of the United States understood for the first time what was meant by living together in an Atlantic community.

Mr. KEFAUVER. I thank the Senator. The Senator from Indiana has been interested in the work of the Atlantic Congress. The Senator attended as a delegate and made a substantial contribution to the deliberations, for which we are all grateful.

Mr. HARTKE. I thank the distinguished Senator from Tennessee for those kind remarks.

I should like to ask the Senator from Tennessee if it was his general impression that those people who attended from the NATO nations had a feeling a military alliance alone was not sufficient?

Mr. KEFAUVER. That is certainly true. It is felt that although NATO was created in the beginning largely as a military alliance we have passed to the point where it is necessary to consider economic, social, cultural, and educational problems if our alliance is going to continue and be effective. We are confronted with a different kind of opposition from the Soviet world today than the kind we were confronted with 10 years ago when NATO was created. If we are going to have real unity it is necessary to do something in the political, economic and cultural fields.

Mr. HARTKE. I should like to further ask if it was the Senator's general impression that the people desired to share with us, not alone money, but energy and intelligence in a way in which we could combat the terrific force which is attempting in all manners to undermine the unity of the West against Soviet aggression.

Mr. KEFAUVER. I certainly received that very definite impression from the 650 outstanding people who attended the Atlantic Congress as delegates.

I will say further to my distinguished colleague from Indiana that in my opinion the people of the 15 NATO countries are away ahead of their governments, and I include the executives as well as the legislative branches of the governments. They want to find effective means of bringing about closer cooperation and better unity. They have shown this desire by unanimously approving the substance of the resolution, Senate Concurrent Resolution 17, sponsored by the distinguished Senator from Minnesota [Mr. HUMPHREY] and other Senators, now under consideration in the Committee on Foreign Relations. I hope very much the resolution will be favorably reported by the committee and passed by the Congress before the present session is over.

I know the Senator from Minnesota has shown great leadership in advancing the resolution. I am happy to say that I have good reason to believe the Secretary of State is in favor of the resolution which the Senator from Minnesota has sponsored.

Mr. HARTKE. I join with the distinguished Senator from Tennessee in complimenting the Senator from Minnesota for presenting the resolution, with other Senators. I hope the Senator will use his influence, which I know is considerable, and his conversation, which is very persuasive, to bring this matter before the Congress before we adjourn. I hope we can achieve satisfactory results, in the best interests of peace and of the people throughout the world who want peace.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my colleague from Minnesota.

Mr. HUMPHREY. First, I wish to thank the distinguished junior Senator from Indiana for his kind and gracious remarks. I only hope we will be able to act affirmatively on Senate Concurrent Resolution 17. It shall be my purpose in the Committee on Foreign Relations to seek affirmative action.

We have been awaiting the kind of support from the State Department we had hoped would be forthcoming. As the Senator from Tennessee indicated, there is reason to believe that the present Secretary of State is very sympathetic toward the objectives and purposes of Senate Concurrent Resolution 17.

I say to my colleagues in the Senate that the Senator from Tennessee [Mr. KEFAUVER] has been in the vanguard of the movement to strengthen the free nations of the world, through the type of conference which is advocated in Senate Concurrent Resolution 17.

The meeting in London last June, which I had hoped to be able to attend, was a very productive meeting. The proceedings of that meeting and the reports were all to the good. As the Senator from Tennessee indicated in his remarks, the Soviet Union did take note of what happened at the London Conference in June and did try to use its propaganda to destroy the effectiveness of that Conference. Nevertheless, the Conference was a singularly effective meeting and has paved the way for greater solidarity among the allies.

It is my feeling, in the light of some recent developments, particularly as they relate to the Republic of France, Great Britain, and the United States, that the meeting of the leaders of the NATO countries in the Atlantic Community is more urgent today than ever before in our history. The North Atlantic Treaty Organization has relied almost entirely upon its military aspects as the source of strength. We need to broaden that concept. We need to make the NATO program a much greater and much bolder venture in international cooperation than simply the military function.

Such a meeting as is proposed in Senate Concurrent Resolution 17, with the leaders meeting so long as is necessary to discuss the improvement of relationships among the free nations, particularly of the Atlantic Community, I think, would be very constructive.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. HUMPHREY. I thank the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I simply wish to express appreciation for the statement of the Senator from Minnesota and for his leadership of the Committee on Foreign Relations, as well as in the Senate, in furthering this very intelligent effort to further unify the nations in our NATO organization.

Mr. CLARK. Mr. President, if I may, I should like to briefly commend the Senator from Tennessee for the remarks he has made in support of the Atlantic Congress resolution. I wish to express to the Senator my support of his leadership in this regard. My regret is that I could not get the floor earlier, in order to say more than these few brief comments of commendation and support.

Mr. KEFAUVER. Mr. President, if I may be recognized, I should like to thank my colleague from Pennsylvania for his

statement and for his efforts and work, both since he has been in the Senate and before he came to the Senate, in support of NATO.

PLEA FOR BETTER PROGRAMING BY THE TELEVISION INDUSTRY FOR THE PROTECTION OF YOUTH

Mr. LANGER. Mr. President, I note from the ticker tape that the National Congress of Parents and Teachers called on the television industry today to cut out violence and vulgarity in TV programing. "We will try to convert the mounting protests against shoddy TV programing into intelligent discussion that can be helpful both to the TV industry and to the viewing public," said Eva Grant, editor of the National Parent-Teacher magazine.

Mr. President, as a member of U.S. Senate Subcommittee To Investigate Juvenile Delinquency, I call attention to the fact that we held hearings on this subject and called on the TV industry to curtail crime and violence that had an impact on our youth during 4–8 p.m. programing. Our campaign to curtail indecent literature applies also to vulgarity on TV.

I wish to congratulate the Parent-Teachers Congress on their stand, and I hope the TV industry will give serious study to the recommendations.

Our youth deserve the consideration.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. KUCHEL. Mr. President, what is the unfinished business?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The unfinished business is H.R. 2411, on which a unanimous-consent agreement has been reached.

Mr. KUCHEL. Mr. President, I ask unanimous consent that, notwithstanding the previous unanimous-consent agreement entered into, the distinguished senior Senator from Vermont be permitted to address the Senate at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVATE U.S. INVESTMENT ABROAD

Mr. AIKEN. Mr. President, I think it will be found by an examination of the RECORD that yesterday it was ordered that I should be recognized to speak between the end of the morning hour and the taking up of the unfinished business.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. AIKEN. Mr. President, a pattern has been steadily forming in the legislative proposals coming before us which I have been watching with more interest than enthusiasm.

A crude title for them would be "Private Enterprise at Public Expense."

I recognize that Congress has frequently legislated in fields of normally private activity. In these measures, the implementation of national policy has been the prime objective. The use of private resources and energies has been the means of attaining that objective.

However, I have been wondering lately whether we may not be reversing that formula, and turning the national objective into an instrument for private advantage.

There appears to be a trend in that direction in some of the proposals being advanced to make it attractive for American business and investment to move into those areas of the free world which are important to U.S. foreign policy.

It is our official policy to encourage private investment abroad. It is a sensible policy. Private U.S. investment can and should play a major part in international economic development, especially in those countries which are now receiving the benefits of our mutual security programs.

In speaking on this point at a meeting of the Colombo plan nations at Seattle last November, the President said:

> The resources of American private capital are far larger than the amounts which our Government can provide. Most of the productive talent and resources of our society are in private hands. * * * If this country is to be of greatest help to less developed countries, therefore, its private resources will need to be drawn upon to the greatest extent possible.

Our State Department, with other agencies of Government, is currently studying ways to enlist a more effective participation by private enterprise in the achievement of our foreign objectives.

However, that does not mean that there is much of a problem about encouraging American business to establish operations abroad. There is no difficulty about that. American private business has made that clear.

The problem which the Government faces is, rather, to influence private business in locating in the specific areas in which our foreign policy interests lie.

Interest among Americans in business potentialities in foreign countries has been growing steadily since the end of World War II. More and more companies have established branches or subsidiaries, have invested in foreign companies, have licensed their patents and processes for a share of the profits, or have found other avenues for foreign expansion of their activities.

Almost daily there are new announcements by American companies of plans to start or expand operations in foreign countries. More than 3,000 U.S. companies are now engaged in foreign production. They include 99 of the Nation's 100 largest industrial corporations.

Ten years ago the foreign sales of goods produced abroad by American companies amounted to about $12 billion. By 1958 that figure had risen to an estimated $30 billion, with net earnings from that source in 1957 exceeding $3 billion.

Private U.S. investment abroad has been very selective. It has gone into countries which themselves offer markets for the products manufactured there, and which have the manpower, skills, and facilities to produce them. It has directed its production to lines most likely to find ready buyers.

It has boldly entered upon the foreign manufacturer's home ground to compete with him in the production of goods destined for export to the United States, as well as to other countries. A well-known example of this is American investment in Western European motorcar production.

This selectivity is understandable. Business executives must base their actions on sound business standards and judgment. Underlying the decision by an American company to produce abroad has been the natural desire to expand its markets and thus add to its profits. Private investors are not usually in the business of economic development, as such. Any contribution they make to international economic development is, nevertheless, a welcome byproduct.

Henry Kearns, Assistant Secretary of Commerce for International Affairs, put it succinctly to a House subcommittee last December in this way:

> American business will, of course, support our national foreign policy. But, in the strictly economic sense, American companies invest abroad for just one reason—to make money by doing an efficient production job. * * * There are other considerations, of course, but each is directly related to the profit motive.

Corporations eager to enter into foreign operations have generally stayed away from the less developed countries. Although this has been due in large measure to profit considerations, it has been caused also by unfavorable governmental conditions.

These include political instability, inflation, import restrictions, and nonconvertibility of currency. There are also the risks which go with military or autocratic regimes; expropriation, special edicts against foreigners, such as requirements to take in local partners or do business through existing local corporations, and the like. The threat of communism, menacing as it is, is not the only deterrent.

Statistics for 1957 show that less than 2 percent of total private American investment in manufacturing abroad is found in the less developed countries of southeast Asia, Africa, and the Middle East.

Ninety-two percent is in Western Europe, Canada, and Latin America; and 6 percent in such industrialized or better developed countries as Australia and Japan.

From the present outlook, the direction of this business flow is not due for a significant change. A demand for American-type products has developed in Canada and Western Europe, and is

now appearing in Australia and Latin America.

This market calls for American products that can more successfully and profitably be filled by foreign production than by export from the United States.

Many leading countries of Western Europe and Latin America continue to follow policies which make it tempting for American business to locate within their borders, and American business can see, hear, and understand.

It is sad, but true, that from the standpoint of international development the incentives are often greatest where least needed, and lacking where most urgently required.

We cannot easily cast aside the economic facts of life, nor quarrel with sound business principles and practices.

Yet, in the broad considerations of our national well-being and our international responsibilities, we must take other things into account.

The Soviet pattern of economic assistance, too, is highly selective, but not in the manner or for the reasons which have been attributed to American foreign investment. We might say the reasons are just the opposite.

Under the Soviet's Communist system, what we call foreign private investment does not exist as such. It is but one arm of Soviet governmental operation. There is no private business choosing for itself preferred areas of investment, and determining how it will operate and what it can most profitably produce. The decisions are governmental, are political in motive, and can shift with the needs of the Soviet purposes.

Unhampered by the considerations which make good businessmen cautious, the Soviets can concentrate on areas where there is little or no private U.S. investment. These areas are usually short on skills, techniques, and needful natural resources. These and other discouragements to private investment from the outside are many, and the troubled lands must look to other sources of relief.

Economic misery quickly breeds social and political unrest, and where the ideological struggle is sharpest, the greater is the degree of vulnerability to Soviet advances, which, to say the least, are not primarily altruistic.

Carefully picking their targets among the areas having difficulties internally or with the West, or in an established neutralist position—or balancing on the edge of it, the Soviets take good aim and are able to make large political gains with much display, and little outlay.

I do not mean to suggest that we must hurry to beat the Soviets at their own game.

In the first place, we do not play their kind of game.

In the second place, it is not our policy with regard to the people of the less developed countries, beset as they are with all kinds of problems and dangers, to use them or their territory as the weapons or battleground for an East-West ideological struggle.

The principal reason for our policy of assistance to those peoples has been often stated, and by this time it should be well understood. It is rooted in our desire to encourage the economic growth of free nations, for both practical and humanitarian reasons. From this basic principle can come a stable political world order, and an acceptance of the idea of the freedom and dignity of the human individual.

In the earlier postwar years, the programs of foreign assistance were almost entirely governmental. Aside from a few Government-supported international bodies, our principal associates in this work were the American voluntary relief agencies—sectarian and nonsectarian. Their dedicated work goes on, and will continue as long as human misery calls.

The participation of private investment came a little later; and, as I have mentioned, there has since followed a firm national trend toward turning the task of economic development into the healthy channels of private enterprise.

Few will disagree with this policy. It means the transfer of a people from the dreariness and futility of the charity line to the dignity and productiveness of the work line. It gives them bootstraps of their own to pull.

Of course, policies are not self-operating. Somebody has to do something about them. It will take more than an invitation, or even a plea on bended knee, to draw private investment from places which offer safe operation and reasonably assured profit to areas of more doubtful commercial prospect.

That is where the incentives, the inducements, the encouragements, come in. The need for them is unquestioned.

But equally certain is the necessity that they produce the desired results.

To be effective, they must lead to the place to which the finger of our foreign policy points—there and nowhere else.

These incentives must have as their paramount purpose the fulfillment of that policy. If they do not, they put us into the business of promoting private gain and possible exploitation under the false cloak of humanitarian concern.

None of us wants that. Yet, unless we watch ourselves carefully, we will fall into that position. Some signs of it are already appearing.

As a part of the Government's search for proper methods of encouraging private investment in critical areas, two surveys have been made in recent months at the request of the executive branch.

Both of these reports—known respectively as the Straus and Boeschenstein reports—were in general agreement on two points: that the incentives are clearly warranted; and that they should include greater authority to guarantee private loans and investments, and changes in U.S. tax laws to promote the flow of capital abroad. A number of specific proposals along these lines were recommended in each report.

I am frank to say that when I first read these reports I wondered how it would be possible for an investor to lose money in a foreign business venture if all the recommendations were put into effect.

Many of the recommendations in the two executive reports, as well as proposals from other sources, are contained in pending legislation. I will not take the time of the Senate to detail their provisions, but will limit myself to some general observations.

Running through much of the proposed legislation are provisions for tax relief for American investors abroad. There are deferrals, reduction, and outright exemptions.

H.R. 5 is devoted entirely to that subject. It is of worldwide application, and is not limited to the implementation of our policy relative to the less developed countries. Looked at coldly, it is a tax escape measure for corporations which choose to make their money abroad. The tax stimulants are, in reality, bounties for doing business somewhere else instead of in the United States. The bill does not help corporations or individuals who stay here and take their chances in the whirl of domestic competition and the other worries which send some businesses in search of greener pastures overseas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I am glad to yield to the Senator from Oregon.

Mr. MORSE. As the Senator knows, he and I, as members of the Foreign Relations Committee, have frequently had conversations about the problems he is discussing this afternoon. I find myself very much in sympathy with the Senator's position. The Senator may recall that in one of our conversations we discussed the fact that one of the things which has troubled me about the drive that is in progress for what amounts to tax exemptions for American corporations doing business abroad, is that those sponsoring that overlook the great expenditure of American taxpayers' money to protect them abroad. The fact that they are doing business abroad does not mean that we, the taxpayers, are not digging pretty deeply in our own pockets and bearing a considerable amount of the cost of their doing business abroad, in the sense that a part of the whole foreign policy expense of the country is indirectly connected with their protection.

Therefore I am not deeply moved by them when they say, "After all, we are in Mexico," or "We are in Argentina," or somewhere else, "doing business, and we should not be taxed at home."

If we were to say, "All right; go it alone," there would be quite a hue and cry from them. The senior Senator from Oregon has always taken the position, in regard to our Middle East problem, that a considerable part of the great cost to the American taxpayer, indirectly, lies in the protection afforded to corporations doing business abroad. It has indirectly cost the American taxpayer a great deal of money. A great corporation abroad such as Aramco receives protection from American taxpayers; yet it enters into deals with the King of Saudi Arabia to increase local taxes in Saudi Arabia, and cut down on royalties, as a gimmick for getting around paying into the Treasury of the United States the fair tax it should pay.

I may say to the Senator from Vermont that I am as open minded in this matter as I know he is, but a problem exists in the field of foreign relations. The Senator from Vermont deserves the thanks of the American people for the speech he is making today.

Mr. AIKEN. I thank the Senator from Oregon for his statement. I know he is very much concerned, indeed, over the situation about which I am speaking. I am speaking as I am today not because I have a special desire to be heard, but because I think it is time the American people and Congress should wake up to what is going on; otherwise we shall find out in a few years what real trouble is.

There is no need for special incentives to encourage investment in countries with good business prospects. Intelligent business will find its way there; it already has.

Moreover, incentives of worldwide application will lend little to the movement toward economic development in the critical areas. They would only add to the attractiveness of the healthier business climates, and perpetuate the existing avoidance of the areas which our foreign policy is designed to help.

In testifying on H.R. 5, Assistant Secretary Lindsay of the Treasury pointed this out, adding that his Department would approve legislation which would, in fact, promote the flow of United States investment to the less developed regions of the free world—tax relief measures specially adapted to the policy of economic development of those areas.

On that basis, and not overlooking a potential revenue loss of about a half-billion dollars, the Treasury expressed disapproval of the principal features of the bill. In my judgment, the Treasury is right.

Last week the House committee tentatively approved the bill, with a few changes. The changes do not follow the Treasury's recommendation that the bill be limited as to countries. They do include, on the other hand, the addition of foreign branches of banks and insurance companies to the protection and benefits of the bill.

From another source comes the suggestion that as a matter of official policy we should place as much emphasis on the encouragement of U.S. international trade as an objective, as we do on the economic development program.

A candid reason given for such a policy is the vigorous competition of our friends in the free world, some of these foreign competitors being subsidized by their governments. It is urged, in effect, that our Government should take appropriate counterbalancing steps.

Among them are the setting up of Government staffs to give exclusive attention to such matters, special procedures under the antitrust laws, and supplementing with public funds the resources of American financial institutions investing abroad.

I know of one program which has been worked out which would provide that much of the new Development Loan Fund, which has recently been provided, be turned over to private banking interests, for their use at a nominal rate of interest, which would probably mean almost nothing at all.

Another example worth mentioning, with which we are already familiar, is the ICA guarantees against losses from expropriation, confiscation, and inconvertibility of currency.

When the Foreign Relations Committee was considering the Mutual Security Act of 1959, it found that about three-fourths of the $400 million in guarantees which had been issued covered investments in Western Europe, where American corporations are establishing branch plants.

While the committee recognized the importance of such protection in the hectic period following the war, it had no difficulty in deciding that the necessity for guaranteeing investment in Western Europe no longer exists. Accordingly, language was inserted to limit those guarantees to projects furthering "the development of the economic resource and productive capacities of economically underdeveloped areas."

That is the way the legislation was approved by Congress.

There is a further aspect concerning U.S. investments abroad that must not be overlooked. We must be concerned about the effects of encouraged or subsidized private investment abroad upon the American economy. A resolution has been submitted by the Senator from Wisconsin [Mr. PROXMIRE] calling for an investigation into this matter. The Committee on Banking and Currency has held hearings on it. We can leave it to the able chairman and members of that committee to come up with the facts and the solutions.

One or two thoughts come to mind, however. While there are no precise figures on the total U.S. direct private investment in industries abroad, some estimates place the present value of those investments at about $50 billion. The Department of Commerce has estimated that as of 10 years ago $12 billion of American private investment had gone into operations in which U.S. companies had at least 25 percent ownership. The Department calculates that this figure has now risen to $28 billion. I just noticed on the news ticker that the Department estimates that the amount has now passed the $40 billion mark.

The rate of this increase is indicated by the fact that the book value of such investment which went into manufacturing ventures abroad during 1957 was $7.9 billion, more than double the $3.8 billion so invested during 1950.

The exact extent to which such investment contributes to foreign competition against American industry is not easy to determine. Actually, with such a large and important part of our industry operating abroad, much of the so-called foreign competition may not be competition at all, as between companies. The competition is rather between foreign and domestic labor—between jobs here and jobs there. It may be competition for purchasing power between the people in another country and the people of the United States.

There can be no question that our export position is deteriorating in proportion to our direct investment in production overseas.

In 1958 American nonmilitary merchandise exports dropped to $17.4 billion from the $19.4 billion of the year before. First quarter figures for 1959 indicate that the decline continues.

American exports of capital goods declined to $4.2 billion in 1958 from $4.4 billion in 1957, with early 1959 figures showing a similar downward trend.

There are no convincing signs of an early improvement in the shrinkage in our trade balance. Obviously, the continued exodus of American industry and American capital, and the expansion of the operations already established in other countries will not improve our trade position, unless there are counterbalancing benefits.

In the light of this trend, it becomes increasingly urgent that Congress demonstrate its awareness of what is happening, and shape its action accordingly.

Some of the things we have been asked to do smack of supporting private programs in the hope that somewhere along the line the fruits of our action will catch up with our national objective of strengthening our own economy and winning the cold war for the free nations.

That may explain why the encouragement of private investment in the less developed areas is quite properly a major element in our foreign policy. It may explain also why the executive branch is seeking new and better ways to accomplish it.

From what we have seen, American private enterprise is already more than willing to establish itself abroad, and there is sound economic purpose behind its selection of the countries to which it goes.

It does not need to be pushed out and away from home, but if it is to serve the aims of our foreign policy, there must be something to pull it into the right places.

The less developed areas themselves have to be the attraction to American investment. The incentives, the inducements, must be in the form of natural and manmade resources, facilities, and environment which make the establishment and operation of commercial enterprise feasible.

These areas should be able as well to attract private investment from other countries of the free world. If our policy aims with respect to the less developed regions are genuine—as they are—there can be no valid objection to this.

The United States has already provided means to assist those areas in meeting this problem.

Through the Development Loan Fund have come loans of $812 million through June 30 of this year.

Loans from surplus commodity sales proceeds have been especially utilized in the less developed countries.

In the mutual security program are projects for vocational training, the eradication of disease, the promotion of education, technical assistance, the building of highways, the installation and improvement of modern means of communication, the development of

power, and others with which we are familiar.

Public Law 480, in its several ways, makes a great and worthwhile contribution.

Then, again, there is the investment guaranty provision. This could be of immense help, if—as Congress has insisted in the 1959 Mutual Security Act—it is limited to, and used in, the vital areas.

Our very liberal participation in the World Bank and International Monetary Fund has provided both hope and material assistance to otherwise handicapped peoples.

The resources and facilities of the Export-Import Bank, which from 1952 through 1958 loaned $4.6 billion, are available in appropriate circumstances.

The new Inter-American Bank should make itself felt in our neighboring American countries before too long.

All of these agents must be utilized, constantly studied, improved, and expanded. They must be adapted to changes in the direction and emphasis of our foreign policy. They must bear a realistic relationship to the specific plan or problem at hand. If they fall short, others must be devised.

Everything should not be left to the Government, however. Private investment can use the same initiative, imagination, and ingenuity which have marked its successful entry into many foreign fields.

There is no equal substitute for the quality and method of production, competitive skill, salesmanship, unceasing research and development, and the other unmistakable marks of American private enterprise.

Given the opportunity, with a reasonable chance for success, it knows how to take care of itself and, in the process, contribute to the general good. It has. It can. It will.

Private banking in the United States needs to take a stronger role in international financing. Too much of this responsibility has been left to public institutions. To the extent that it is necessary and economically sound for industry to go abroad, our private banks can find it to their interest to do the same.

I am mindful of the independence of action and the degree of self-interest which are embodied in the very nature of private enterprise. There are limits to the Government's ability to steer the course of private business, and to substitute Government objectives for normal commercial goals.

Nevertheless, we in Congress, as the representatives of all the American people, have a clear-cut responsibility. It is to legislate for the strength, welfare, and security of our country, of all our people, to insure a peaceful and prosperous America in a world of free men.

This is especially important to remember with regard to the matters I have been discussing.

It is our duty to see that the economic development program is brought to satisfactory fulfillment.

This means more than merely moving business into the underdeveloped countries, for whatever gain it may bring to that business.

It means more than a provisional improvement in living conditions, which could fall back to their former level with the stoppage of outside assistance.

The putting of money and effort into the economic development of those less developed lands, coupled with the movement of invigorating private investment, should be geared to the building of permanent economic self-sufficiency. The purchasing power of the people of the recipient nations must be raised and made stable. Their developing industry must be conditioned for expansion into the channels of world trade, with studied priority given to products and manufactures which are not already in heavy supply in the world markets. Unless this is done, we shall miss the target by a wide margin.

There may be those who, at first sight, will look upon these expansions of industry and commerce in underdeveloped countries as a threat to our own business interests. Unfortunately, some segments of American business may feel this impact, and will have to make appropriate adjustments.

At the same time, this increased purchasing power, these additions to the flow of world commerce, and the new opportunities which are generated thereby, can be of great benefit to the American business community as a whole.

What we gain as a Nation, each of us will ultimately share.

The total advantage to our national well-being is what we seek.

Included in this advantage will be not only the maintenance of our position in the economic world, but also the contribution which world development will make to the attainment of our foreign policy objectives.

This broad outlook should guide us in what we do.

Mr. KUCHEL. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from California.

Mr. KUCHEL. First of all, Mr. President, I congratulate my colleague, the distinguished senior Senator from Vermont, for his excellent and penetrating address on a uniquely difficult but supremely important subject—the many-sided problem of investing American dollars abroad and their being placed there in the economic stream, not only by private American business, but also as a result of national policy through laws passed by the Congress of the United States.

The Senator from Vermont, with the keen intellectual perception which always is associated with his comments in the Senate, has referred to the manner in which the Communist bloc utilizes its governmental moneys through investment in specific areas purely for political reasons, as distinguished from what the Senator from Vermont accurately termed the practical and humanitarian basis upon which American mutual security policy has been established and upon which the Development Loan Fund has been created—although over some opposition, unhappily.

I remember that in my first or my second year here, I listened to the able senior Senator from Vermont [Mr. AIKEN] and other Senators as they fashioned the mutual security program in such a way that, for the first time in our history, our mutual security policy was placed largely on a loan basis, rather than on a grant basis—thus accomplishing what the able Senator from Vermont has referred to just now, namely, treating nations as our equals—not indulging in giveaway programs.

What the Senator from Vermont now has said about the most careful screening of proposed legislation which will protect the people of the United States from "going overboard," as it were, to invite private capital to be invested abroad, will, I believe, be of considerable service to the people of the United States.

I simply wish to have the RECORD indicate my appreciation of the speech the able Senator from Vermont has made, and my promise that it will be read and studied with profit by Senators on both sides of the aisle.

Mr. AIKEN. I thank the Senator from California very much.

When he stated that this subject is a difficult one to discuss, he made an understatement. In fact, it is so hard to put together the pieces of this entire world picture, and also, in connection with it, the pieces of the domestic picture, that it was with considerable trepidation that I undertook to do so.

However, I know that the people of the United States and the Congress of the United States must be able to see this picture and to understand this situation. Under this program, we are providing industry with incentives to leave our country. As I have tried to point out, if they would go to the underdeveloped countries, and there would build new business which would add to the world's customers and would raise the purchasing power of the people living there, so that they could use more goods and services, that would be a good investment.

However, instead of that, the large percentage of them have been going to Western Europe, where they can hire good labor for considerably less than the wages paid in the United States, with the result that, even if other costs are comparable, it is possible to produce at much less cost.

Then these proposals which are made to the Congress—and one of them is in a bill pending in the House—are that, in spite of the fact that those industries go into a climate where it is safe to operate and where the promise of return is very large, they still want to be exempted from their share of the costs of running their own Government at home. I do not know how long we can continue with this trend, which is accelerating.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KUCHEL. The Senator from Vermont is exactly correct. We have had too many examples of companies that have gone abroad, have constructed factories there, and have hired foreign labor, in order to compete not only with their competitors, but actually to compete with themselves here in America.

Mr. AIKEN. The Senator is correct. Some of those products have been imported into the United States to compete with themselves. I am afraid some industries are making the mistake of thinking that in moving their industries out of this country, to countries where they can hire labor cheaply, and where other costs are lower, they will be in a position to expand their markets. As a matter of fact, they are engaged in destroying the finest market they will ever have, the market which is represented by the purchasing power of the people of the United States, including the labor which they employ, whose wages have permitted them to be the best customers in the world.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. First, I regret that I could not be present to hear all of the Senator's address, but, as Senators know, the Senator from Vermont made available to some of us copies of his address prior to his presentation. Yesterday a copy of the speech came to my office. This morning I had an opportunity to read it. I spoke to the Senator from Vermont about it and commended him before he even made it here in the Senate.

This address gives us, in a very concise form, a full word picture of the many kinds of international economic assistance that our Government is offering around the world. We tend to deal with projects such as the Development Loan Fund or the World Bank separately. We do not get the full scope of the great amount of activity in which our Government is engaged at present in terms of international investment or international economic assistance. The fact that that point has been made in and of itself is a service. The Senator from Vermont has repeatedly stated in the Committee on Foreign Relations, as well as in the Senate itself, the scope of these financing activities and has reminded us of the tremendous amounts of money, running into many billions of dollars, involved in our international economic activities from a governmental point of view.

There were two other points on which I wanted to comment in the speech of the Senator from Vermont. The first is that the Senator has stated what our purpose is in economic assistance. It is not to wage the cold war, as the Senator has pointed out. The purpose, and it was stated quite succinctly, is, as the Senator has stated:

> In the second place, it is not our policy with regard to the people of the less developed countries, beset as they are with all kinds of problems and dangers, to use them or their territory as the weapons or battleground for an East-West ideological struggle.
>
> The principal reason for our policy of assistance to those peoples has been often stated, and by this time it should be well understood. It is rooted in our desire to encourage the economic growth of free nations, for both practical and humanitarian reasons.

Mr. President, I think this needs to be stated. I think we constantly tend to look upon everything we do as an overt struggle with communism, when in fact, the effort is to defeat the Communist menace by building up the economies of free nations.

Finally, I want to commend the Senator upon the conclusion in his remarks by pointing out what is involved which is to the benefit of the United States. The Senator said in his address:

> The putting of money and effort into the economic development of those less developed lands, coupled with the movement of invigorating private investment, should be geared to the building of permanent economic self-sufficiency. The purchasing power of the people of the recipient nations must be raised and made stable.

I shall not quote any further, except to say, here is the chance for better markets, here is the chance for more business. What the Senator is talking about is baking a bigger pie of the world's economy out of which there will be greater opportunities for everyone, rather than trying to cut the same size pie into smaller pieces for more people and more countries.

I think we are indebted to the Senator from Vermont for pointing out that we need cooperation between Government and private industry, Government financing and private financing. A great deal of such financing is Government financing, as the Senator has noted. We should go into such financing on a kind of selective basis, not, as was pointed out, by going, for example, into Belgium or France or other countries in Western Europe, with private American capital, to build American-owned factories, to ship highly processed or refined goods back into the American market or back into the normal dollar market. That is a kind of back door competition with this country, rather than utilizing these funds to develop industries in countries where there is now no market.

I thank the Senator for yielding to me. I wish I had the time to engage in further colloquy, but both the Senator from Vermont and I are due over in the Committee on Agriculture and Forestry. I wish to assure him of my appreciation of this thoughtful message, and feel it will lend a great deal of helpful information to the American public.

Mr. AIKEN. I am going to stay long enough to thank the Senator for his remarks, because they summarize my statement. I think the Senator has explained the purpose of my statement to the people who may read it as well as my original remarks themselves. In fact, I hesitated to undertake this talk which I have given today. I regard it as a crude effort to put emphasis upon a critical situation, and I hope other Members of the Senate will take this matter up, and that there will be no letup in the discussion of this problem, because there cannot be. We are going to be in trouble if we do not recognize the situation for what it is.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. McCARTHY. I wish to join my colleague from Minnesota [Mr. HUMPHREY] in commending the Senator from Vermont for having pointed up this important problem. As has been suggested by the senior Senator from Minnesota, and as has been agreed to by the Senator from Vermont, as I understood it, we are quite willing to make this effort to expand production all around the world; but it is the Senator's opinion—and I certainly share it—it is not appropriate to do it if by giving special tax concessions it will result in industrial production in other parts of the world which will come back to compete with our own economy. That would be most unwise. As we have learned in dealing with the economy of the United States, in the case of accelerated depreciation, for example, which was granted to almost all industries, it is necessary to limit such concessions to special segments in industry which are needed in our economy.

Certainly for anyone to come in to say, "Let us open up the doors so far as foreign investment is concerned," without regard to particular need, without regard to economic justification, or without regard to our general foreign policy, would be unwise, in the same way.

Mr. AIKEN. The Senator from Minnesota is correct in his statement. I thank the Senator. I sincerely hope the Senator will continue to do everything he can to make the situation before us plain to as many people as possible. I am sure he will.

Mr. McCARTHY. I assure the Senator, as a member of the Committee on Finance, I will certainly insist on a full discussion. I know the Senator's remarks will be carefully attended to.

Mr. MANSFIELD. I should like to ask a question of the Senator from Vermont.

Mr. AIKEN. I yield.

Mr. MANSFIELD. In connection with the address the Senator has made, a copy of which I read with great interest, can the Senator tell us what has been the effect of these investments overseas, so far as the gold reserves are concerned? It is my understanding that we used to have about $24 billion in the reserves and at the present time the reserves are down to $18 billion or $19 billion.

Mr. AIKEN. I did not refer to the gold situation in my talk because I was reluctant to take more time from the time for business of the Senate. I am glad that the Senator from Montana has brought up that matter.

I can say that as of August 20, 1957, 2 years ago, we had gold valued at $22,625,383,953.61.

At that time, there were outstanding certificates against the gold amounting to $22,129,392,415.31. Thus there was left a balance, against which there were no certificates outstanding, of $495,991,538.30.

As of August 20, 1959, we had gold valued at $19,600,301,215.61. That is a decrease of some $3 billion in our gold reserves in 2 years' time. As of August 20, 1959, there were certificates outstanding against the gold supply for all except a balance of $111,350,050.30.

The gold situation has deteriorated. I do not know how much a cause for alarm there has been. A drop of $3 billion is a drop of some 13 to 14 percent

in 2 years' time. It seems to be a considerable drop in our gold reserves.

I do not know enough about this situation to discuss it intelligently, but I know enough about it to know we should be concerned about it.

Mr. MANSFIELD. Yes. I thank the Senator from Vermont.

Mr. AIKEN. I thank the Senator from Montana for bringing up the subject. I ask unanimous consent, Mr. President, to have the figures with regard to the gold position of the United States, furnished to me by the Bureau of Accounts, Treasury Department, printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

GOLD POSITION OF UNITED STATES

As of Aug. 20, 1959	
(560,008,606.2 ounces):	
Value of worth	$19,600,301,215.61
Certificates outstanding against	19,488,951,165.31
Balance	111,350,050.30
As of Aug. 20, 1957	
(646,439,541.5 ounces):	
Value of worth	22,625,383,953.61
Certificates outstanding against	22,129,392,415.31
Balance	495,991,538.30

Information received from Commissioner Robert W. Maxwell, Bureau of Accounts, Treasury.

Mr. LONG of Louisiana. Mr. President, did I correctly understand the Senator from Vermont to say that the foreign claims against our gold holdings in this country leave us only about $100 million worth?

Mr. AIKEN. I referred to the certificates outstanding against our gold supply. Two years ago there was a balance of $496 million, approximately, and now the margin is down to approximately $111 million.

Mr. LONG of Louisiana. My impression is that about this time a year ago we had some $7 billion of gold which we could call our own, not subject to foreign claims or foreign dollar holdings. I knew that the figure had declined, but I did not have the impression it was down so low.

Mr. AIKEN. I am using the figures furnished by the Treasury Department of the United States. This information is as of August 20, 1959, compared with figures for August 20 of 2 years ago.

Mr. LONG of Louisiana. Can the Senator give us the total foreign dollar holdings against that gold at this time?

Mr. AIKEN. I do not know what may be the foreign dollar holdings. I have the report, but it is rather difficult to find the information quickly. The overall certificates against the gold amount to within approximately $111 million of the total.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. AIKEN. That will depend upon how tolerant the Senate is.

Mr. JAVITS. Mr. President, I think the gold question is extremely important and very touchy. There is a lot of dispute about what has caused the gold drain, and there is also a lot of dispute about whether we had more gold than was good for us or for the world trade in times before. I, therefore, respectfully make a suggestion to the Senator from Vermont, that he might make a part of his remarks some authoritative statement from the Treasury Department as to the existing gold situation. That would clear up any "fuzzy" questions as to how much gold we have, what are the charges against it by foreign nations, what we can call our own, and so on.

Mr. AIKEN. Mr. President, I stated before that I did not discuss the gold situation because I did not feel prepared to do so. I have in my hand the daily statement of the U.S. Treasury for August 19, 1959, and if there is no objection, I ask unanimous consent to have it printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Daily statement of the U.S. Treasury, Aug. 19, 1959

The deposits and withdrawals shown in this statement are those that affect the account of the Treasurer of the United States. Receipts and expenditures of the U.S. Government on a budgetary basis, showing surplus or deficit, reported daily prior to Feb. 17, 1954, are now published in a separate monthly statement available shortly after the middle of the following month.

ACCOUNT OF TREASURER OF THE UNITED STATES

ASSETS		LIABILITIES	
Gold (oz. 560,012,632.4)	[1] $19,600,442,135.18	Gold certificates, etc	$19,488,951,815.31
		Balance of gold	111,490,319.87
Total	19,600,442,135.18	Total	19,600,442,135.18
Silver (oz. 1,741,339,335.5)	2,251,428,634.12	Silver certificates, etc	2,412,043,266.00
Silver dollars (oz. 147,619,291.5)	190,861,306.00	Balance of silver	30,246,674.12
Total	21,442,289,940.12	Total	2,442,289,940.12
Gold balance (as above)	111,490,319.87	Board of trustees, Postal Savings System:	
Silver balance (as above)	30,246,674.12	5-percent reserve, lawful money	51,500,000.00
Subsidiary coin (oz. 6,235,486.5)	8,619,991.65	Other deposits	18,848,971.37
Other silver bullion (oz. 210,217,868.2)	153,146,617.42	Uncollected items, exchanges, etc	37,922,157.45
Other coin and currency	90,778,938.99		
Unclassified-collections, etc	39,609,325.07		
Deposits in:			
Federal Reserve banks:			
Available funds	516,937,848.22		
In process of collection	193,296,440.66		
Special depositaries, Treasury Tax and Loan Accounts	4,608,015,345.71	Balance [2]	6,093,552,023.38
Other depositaries	449,681,650.49		
Total	6,201,823,152.20	Total	6,201,823,152.20

CASH DEPOSITS AND WITHDRAWALS

Classification	This month to date	Corresponding period last year	Fiscal year 1960 to date (beginning July 1, 1959)	Corresponding period fiscal year 1959 (beginning July 1, 1958)
DEPOSITS				
Internal revenue:				
Individual income taxes withheld [3]	$2,043,496,190.09	$1,862,036,542.57	$2,946,047,819.75	$2,725,646,595.42
Individual income taxes other [3]	85,358,799.46	68,536,692.45	480,814,456.99	365,485,988.96
Corporation income taxes	135,739,661.33	148,536,412.26	735,443,438.23	606,227,455.98
Excise taxes	827,477,061.56	679,154,172.13	1,589,937,527.96	1,559,119,055.37
Employment taxes:				
Federal Insurance Contribution Act and Self-Employment Contributions Act [3]	570,802,562.87	495,542,005.52	881,916,608.37	833,424,617.38
Railroad Retirement Tax Act [4]	43,463,954.17	37,489,332.45	58,326,492.18	45,232,222.64
Federal Unemployment Tax Act	488,797.39	551,171.23	1,275,014.02	1,521,858.70
Estate and gift taxes	60,354,188.67	55,201,099.42	182,089,490.44	166,201,501.60
Taxes not otherwise classified	15,842,668.75	16,503,789.04	20,794,554.36	22,300,259.08

[1] Amount on Aug. 19, 1958, was $21,085,983,391.74.
[2] Balance corresponding day last year was $6,746,106,928.10.
[3] Distribution made in accordance with provisions of sec. 201 of the Social Security Act, as amended, for appropriation to the Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund.
[4] Amounts equal to taxes on carriers and their employees (minus refunds) are appropriated to the railroad retirement account.

Daily statement of the U.S. Treasury, Aug. 19, 1959—Continued

CASH DEPOSITS AND WITHDRAWALS—Continued

Classification	This month to date	Corresponding period last year	Fiscal year 1960 to date (beginning July 1, 1959)	Corresponding period fiscal year 1959 (beginning July 1, 1958)
DEPOSITS				
Customs	$74,333,512.69	$41,845,068.40	$163,891,012.27	$111,133,740.03
Deposits by States and Railroad Retirement Board in unemployment trust fund	414,723,804.02	289,344,277.74	498,271,645.39	340,834,340.40
Veterans' life insurance funds	28,942,588.45	28,818,795.28	69,586,775.21	70,608,331.45
All other	227,970,508.26	206,245,381.33	524,934,820.48	521,544,987.51
Total	4,528,994,297.71	3,929,804,739.82	8,153,329,655.65	7,369,280,954.52
Deduct: Refunds of receipts	98,035,874.48	78,617,797.38	267,667,988.28	220,361,077.50
Net deposits	4,430,958,423.23	3,851,186,942.44	7,885,661,667.37	7,148,919,877.02
WITHDRAWALS				
Defense Department:				
Military	2,299,797,416.74	2,584,960,232.72	6,014,726,926.21	5,926,248,503.42
Civil	37,326,534.65	38,252,337.62	136,666,563.87	101,061,529.10
Foreign-aid programs	55,037,482.89	101,699,165.07	446,654,489.01	353,045,752.00
Veterans' Administration	304,440,873.54	296,729,302.64	734,665,695.02	732,763,377.42
Interest on the public debt	223,130,498.65	358,926,091.46	472,240,088.62	534,545,426.95
Federal employees' retirement funds	68,726,230.87	55,185,060.56	139,276,654.71	112,909,318.43
Federal old-age and survivors insurance trust fund	834,125,012.09	708,022,854.05	1,669,615,494.01	1,418,515,387.35
Railroad retirement account	73,554,478.20	62,554,469.58	149,234,258.62	126,225,722.43
Unemployment trust fund	115,717,950.84	206,860,849.52	277,809,898.99	528,992,758.72
Veterans' life insurance funds	33,276,734.61	38,755,370.75	94,143,757.59	95,565,413.21
All other	926,187,660.15	978,024,837.72	2,564,347,379.01	2,518,849,104.54
Total	4,971,320,873.23	5,429,970,571.69	12,699,381,205.66	12,448,722,293.57
Government corporations, etc	394,871,671.61	512,062,873.34	780,805,114.58	636,438,930.97
Clearing account	[1] 436,368,720.29	[1] 1,133,734,044.70	[1] 1,045,120,855.33	[1] 986,737,547.01
Total withdrawals	4,929,823,824.55	4,808,299,400.33	12,435,065,464.91	12,098,423,677.53

[1] Contra entry (deduct).

CHANGES IN THE PUBLIC DEBT [1]—AUG. 19, 1959

Classification	This month to date	Corresponding period last year	Fiscal year 1960 to date (beginning July 1, 1959)	Corresponding period fiscal year 1959 (beginning July 1, 1958)
Increase (+) or decrease (−) in the gross public debt:				
Public issues:				
Marketable obligations:				
Treasury bills	+$1,184,850,000.00	−$13,986,000.00	+$6,181,137,000.00	−$7,981,000.00
Certificates of indebtedness	−13,496,665,000.00	+5,577,937,000.00	−13,497,004,000.00	+5,594,820,000.00
Treasury notes	+13,294,973,000.00	+144,972,000.00	+13,321,314,300.00	+212,412,000.00
Treasury bonds	−6,846,600.00	−2,874,953,700.00	−22,295,400.00	−3,333,706,950.00
Other	−10,138.00	−19,714.50	−73,315.50	−56,971.00
Total marketable obligations	+976,301,262.00	+2,833,949,585.50	+5,983,078,584.50	+2,465,487,079.00
Nonmarketable obligations:				
United States savings bonds	−284,950,210.64	−138,776,183.76	−582,485,022.72	−225,022,318.79
Treasury bonds, investment series	−48,603,000.00	−150,565,000.00	−96,138,000.00	−247,519,000.00
Other	−4,688,574.40	−10,793,656.52	+5,780,125.38	+34,966,713.57
Total nonmarketable obligations	−338,241,785.04	−300,134,840.28	−672,842,897.34	−437,574,605.22
Total public issues	+638,059,476.96	+2,533,814,745.22	+5,310,235,687.16	+2,027,912,473.78
Special issues	−111,037,000.00	+144,379,000.00	−805,548,000.00	−254,945,000.00
Other obligations	−515,500.00	−848,330.00	−2,361,245.00	−2,675,380.00
Change in gross public debt	+526,506,976.96	+2,647,345,415.22	+4,502,326,442.16	+1,770,292,093.78
Gross public debt at beginning of month or year	288,681,726,543.42	275,466,164,424.37	284,705,907,078.22	276,343,217,745.81
Gross public debt this date	289,208,233,520.38	278,113,509,839.59	289,208,233,520.38	278,113,509,839.59
Guaranteed obligations not owned by Treasury	108,958,325.00	106,330,625.00	108,958,325.00	106,330,625.00
Total gross public debt and guaranteed obligations	289,317,191,845.38	278,219,840,464.59	289,317,191,845.38	278,219,840,464.59
Deduct debt not subject to statutory limitation	416,052,227.34	428,291,422.84	416,052,227.34	428,291,422.84
Total debt subject to limitation [2]	288,901,139,618.04	277,791,549,041.75	288,901,139,618.04	277,791,549,041.75

EFFECT OF OPERATIONS ON PUBLIC DEBT

Deposits (−)	−$4,430,958,423.23	−$3,851,186,942.44	−$7,885,661,667.37	−$7,148,919,877.02
Withdrawals (+)	+4,929,823,824.55	+4,808,299,400.33	+12,435,065,464.91	+12,098,423,677.53
Investment of Government agencies in public debt securities (net), excess of investments (+) or redemptions (−)	−150,147,082.68	+107,489,976.25	−641,707,211.67	−211,912,719.65
Sales and redemptions of obligations of Government agencies in market (net), excess of sales (−) or redemptions (+)	−70,206,568.30	+10,167,665.44	−378,323,431.40	+20,127,608.10
Accrual of disc. on sav. bonds and Treasury bills (+)	+54,566,857.25	+11,548,607.86	+452,276,170.72	+153,629,561.17
Public debt red. incl. as cash withdrawals (−)	−63,354,812.65	−66,355,677.97	−222,483,143.26	−138,060,106.65
Total	+269,723,794.94	+1,019,953,029.47	+3,759,166,181.93	+4,773,288,143.48
Increase (+) or decrease (−) in balance of the Treasurer of the United States	+256,783,182.02	+1,627,392,385.75	+743,160,260.23	−3,002,996,049.70
Increase (+) or decrease (−) in public debt	+526,506,976.96	+2,647,345,415.22	+4,502,326,442.16	+1,770,292,093.78

[1] Includes exchanges.

[2] Statutory debt limit was changed by the act approved June 30, 1959, from $283,000,000,000 to $285,000,000,000. The limit, including temporary increases, was $280,000,000,000 from Feb. 26 to Sept. 2, 1958; $288,000,000,000 from Sept. 2, 1958, to June 29, 1959; and $290,000,000,000 on June 30, 1959. From July 1, 1959, to June 30, 1960, the limit is $295,000,000,000. Thereafter it will revert to $285,000,000,000.

Daily statement of the U.S. Treasury, Aug. 19, 1959—Continued

MEMORANDUM ON INTERFUND TRANSACTIONS

Noncash items omitted from both deposits and withdrawals on p. 1:				
Interest on investments in Federal securities held by trust funds, etc.	$21,130,770.60	$7,241,478.45	$23,556,668.20	$9,138,455.64
Transfers between trust funds	24,011,861.12	21,563.68	329,833,735.35	125,154,049.82
Transfers from general fund to trust funds [3]	794,868.87	14,706,504.05	31,549,637.46	25,724,489.09
Transfers between general funds			2,086,573.10	1,407,366.03
Reimbursements to general fund from trust funds			3,406,830.47	3,371,919.79
Transfers to civil service retirement fund	89,373,728.83	110,591,250.61	198,889,140.96	223,785,662.03
Interest paid to Treasury by Government agencies	19,194,369.50	5,253,115.08	55,169,250.24	17,231,374.70
Payment of capital funds by Government agencies to Treasury				
Total	154,505,598.92	137,813,911.87	644,491,835.78	405,813,317.10
Noncash items omitted from withdrawals on p. 1 and added to public debt:				
Discount accrued on savings bonds			127,346,012.97	121,409,562.00
Discount accrued on Treasury bills	54,566,857.25	11,548,607.86	324,930,157.75	32,219,999.17
Total	54,566,857.25	11,548,607.86	452,276,170.72	153,629,561.17
Public debt redemptions included in withdrawals on p. 1: [4]				
Discount included in savings bond redemptions	35,920,417.40	43,247,630.29	131,631,768.16	103,697,018.69
Discount included in Treasury bill redemptions	27,283,115.40	9,881,489.06	100,485,403.73	35,108,799.38
Redemptions of Armed Forces leave bonds	128,725.00	215,500.00	312,100.00	214,825.00
Redemptions of international monetary fund notes (net)		13,000,000.00	−10,000,000.00	−1,000,000.00
Redemptions of excess profits tax refund bonds [5]	12,354.85	508.62	13,021.37	1,863.58
Redemptions of adjusted service bonds	10,200.00	10,550.00	40,850.00	37,600.00
Total	63,354,812.65	66,355,677.97	222,483,143.26	138,060,106.65

U.S. SAVINGS BONDS—SERIES E AND H

Sales—cash issue price	$200,250,284.09	$246,376,905.75	$550,679,242.84	$664,610,383.25
Accrued discount on series E			119,407,849.80	114,824,265.65
Total	200,250,284.09	246,376,905.75	670,078,092.64	779,434,648.90
Redemptions—for cash, at current redemption value [6]	311,864,314.63	254,066,703.09	819,158,218.78	671,770,564.99

[3] Does not include appropriations of receipts to Federal old-age and survivors insurance trust fund, Federal disability insurance trust fund, highway trust fund, and railroad retirement account.

[4] Redemptions of Armed Forces leave bonds, etc., and discount earned on savings bonds and Treasury bills are included in cash withdrawals when the securities are redeemed.

[5] Reported as refunds of receipts.

[6] Includes minor amounts of series A through D, the last bonds of which matured in April 1951.

Mr. BUTLER. Mr. President, will the Senator yield so that I may address a question to the Senator from New York?

Is it not impossible to know the extent of the claims of foreign nations and foreign nationals on our gold supply, inasmuch as dollars in the hands of individuals abroad do not become claims on our gold until they find their way into a central bank?

Mr. JAVITS. The dollars are not a direct claim on gold, necessarily.

Mr. BUTLER. As soon as dollars reach the central banks they are. There may be millions of dollars which may later become a claim in the hands of persons who are willing to hold them so long as they think the Government of the United States is able to pay in gold. We therefore have no way of knowing what the claims against our gold may be.

Mr. JAVITS. The Treasury Department can give a pretty good estimate of what is called the gold drain. If the Senator will allow me, I will obtain that information and put it in the RECORD.

Mr. BUTLER. I should like to have the Senator include an estimate of the figures to which I have referred, because they are very important.

STEEL IMPORT SURGE

Mr. GOLDWATER. Mr. President, the steel strike has been on now longer than many people feel it should have been. We have begun to observe some of the side effects of this unfortunate strike.

Mr. President, Italian fabricated steel transmission towers will begin arriving in New York shortly for assembly along a 150-mile New York Power Authority line between Niagara Falls and Syracuse, N.Y.

Akron's Goodyear Tire & Rubber Co., and Firestone Tire & Rubber Co. have turned to France and Belgium for certain types of wire for tire reinforcing. Borg-Warner Corp., of Chicago, is experimenting with foreign steel, and finding the metal up to domestic quality.

Mr. President, although the figures are not yet available, imports of steels in the first half of 1959 seem sure to have exceeded the 1.7 million tons of steel imported in all of 1958.

Mr. President, the American people should have warning of this. Since December of 1958 the United States has imported every month more steel than it has exported, for the first time in the history of this country's entrance into steel production.

Mr. President, there is an article I am going to ask to have printed in the RECORD at this point in my remarks, which bears so completely and cogently on this point that I hope my colleagues will take time to read it. The article was published in the Wall Street Journal of July 29, 1959. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEEL IMPORT SURGE: IT HITS RECORD, SEEMS LIKELY TO REMAIN HIGH EVEN AFTER STRIKE ENDS—GOODYEAR CITES SAVINGS ON BELGIUM WIRE—A JAPANESE PRODUCER BOOSTS CAPACITY—ITALY GRABS TWO BIG ORDERS

(By Ray Vicker and Jeffery Pemberton)

PITTSBURGH.—Italian fabricated steel transmission towers will begin arriving in New York shortly for assembly along a 150-mile New York Power Authority line between Niagara Falls and Syracuse, N.Y.

Akron's Goodyear Tire & Rubber Co. and Firestone Tire & Rubber Co. have turned to France and Belgium for certain types of wire for tire reinforcing. Borg-Warner Corp. of Chicago is experimenting with foreign steel, and finding the metal up to domestic quality.

This broad interest in foreign steel is helping push steel imports to record levels. U.S. steel companies and many American steel users say the current steel strike is only speeding a trend that already was picking up momentum for a more basic reason: Foreign steelmakers on many steel items simply are offering lower prices than their U.S. competitors.

Although figures are not yet available, imports in the first half of 1959 seem sure to have exceeded the 1.7 million tons imported in all of 1958.

EXPORTS ARE SLIPPING

Imports reflect only a part of the loss of business by U.S. steelworkers. Exports of U.S. mills are slipping, as imports rise. And indirect steel imports in the form of machine tools, automobiles, typewriters, farm tractors, screen doors, steel tanks, and a host of other steel products are rising too.

Exports of steel mill products in the first 5 months of 1959, the latest period for which precise figures are available, totaled 850,000 tons, down 37 percent from a year earlier. Imports in the same period were 1.5 million tons, up 224 percent from the corresponding 1958 period, reports the American Iron and Steel Institute, New York headquartered trade association for the steel industry.

For 6 months through May, imports have exceeded exports, each month. This pattern runs counter to all experience. "We've had five previous strikes and never before have steel imports exceeded exports in this manner," says an official of U.S. Steel Corp. "Net imports have been increasing steadily since last December. That can't be something due just to the strike."

Foreign steel imports are of special importance today because they have been injected into the current labor strife in steel. Industry contends high labor costs price domestic producers out of export markets and invite competitive imports. The Steelworkers Union argues imports are too insignificant beside domestic output to rate much attention. The industry agrees imports this year are likely to amount to less

than 5 percent of domestic production but contends the growth of this percentage is a matter for deep concern.

R. L. Gray, president of Armco Steel Corp., of Middletown, Ohio, says: "At Armco we do not believe that it would be wise to keep foreign steel out of the United States by use of high tariffs. There is only one sound way to compete. That is by reducing our cost of production. The time has come for labor leaders and management to join in working to preserve the jobs of American steel workers from destruction by foreign competition."

The import picture, of course, is clouded by the prestrike inventory building of steel by consumers. Part of the first half imports represent an abnormal order bulge due to strike hedging. So in the weeks ahead some let down is to be expected.

Moreover, foreign mills have been receiving so much business they now are allocating steel. Then, too, their prices have climbed as demand has grown, wiping out in some cases most or all of the price advantage their products have enjoyed over domestic quotations.

LONG TERM BUYING

But many U.S. steel buyers indicate they will be looking to Europe and Japan for steel long after the steel strike is over. Some orders now on books of foreign mills are for delivery of steel to U.S. customers on jobs stretching into 1960.

Those transmission towers for the New York Power Authority, involving 7,000 tons of steel, are due for delivery starting August 1, with order completion set for October 1, 1960. The order for the towers went to Soceta Anomima Electrificazione, Milan, Italy, on a bid of $1,371,451. The lowest American bid, by Bethlehem Steel Co., was $2,166,048.

The same Italian firm captured another big transmission tower job from a Bethlehem subsidiary, Bethlehem Pacific Coast Steel Corp., San Francisco. Bonneville Power Administration, Bonneville, Oreg., awarded a $3,324,556 contract to the Milan firm for fabricating 14,000 tons of steel transmission towers. Bethlehem's bid amounted to $4,074,406. Delivery dates on the Bonneville contract extend into March, 1960.

An analysis shows foreign steel sales so far have been concentrated chiefly in such specific products as reinforcing bars, barbed wire, pipe, tubing, structural shapes, and wire products such as nails, staples and fencing. Most of these products require a lot of man-hours to make, say steel companies.

In items such as cold rolled sheets, electrical sheets, tin plate, and other mass-produced, high-volume products, foreign mills can't even begin to compete, either price-wise or quality-wise, U.S. steel men say.

THE PERCENTAGE RISES

In the 16th floor office of Pittsburgh Steel Co. here, Kenneth F. Maxcy, Jr., manager of product development, spreads a statistical sheet atop his desk. Between puffs of his pipe, he calculates imports in 1959 may amount to 4.8 percent of U.S. total domestic steel shipments, figuring a 1 month's steel strike. This compares with 3.4 percent last year and with 1 percent in 1954.

U.S. exports of steel products have been running around 4 to 6 percent of total mill shipments annually in recent years, but fell to 2 percent of shipments in the first half of 1959.

Indirect imports of steel in finished products are almost impossible to compute, say steel men. But there is no question that the amount of steel brought into the United States in this form is rising. The estimated 600,000 foreign cars expected to enter the United States this year, up from 380,000 in 1958, represent steel on wheels.

Sears, Roebuck & Co. of Chicago, reports 5 to 8 percent of the steel fencing products it now sells are imported. In addition, a smaller percentage of other Sears products made of steel are arriving from European ports. Included are sewing machines, shotguns, motor scooters, and bicycles.

That same tale is told by many another American merchandiser.

Shuffling statistical tables on his desk, Mr. Maxcy gloomily says of steel imports: "This is a long-term trend. Imports are going to be a continuing problem."

CLOSING A DEPARTMENT

Convinced of this, Pittsburgh Steel closed its merchant trade steel operations in May, ending 58 years in this phase of the steel business. Now it is concentrating on other products. Merchant trade products include fencing, nails and wire, items especially hard hit by foreign competition.

The areas in which imports so far have been concentrated make up about 20 percent of the total U.S. steel market, U.S.-made wire products account for 5 percent, pipe and tubing for 11.2 percent, and reinforcing bars for 3.4 percent of total domestic mill shipments. The plate market, which accounted for 8.8 percent of U.S. mill shipments in 1958, is just beginning to feel foreign competition.

On the west coast, around 40 percent of all butt weld pipe now sold comes from foreign sources as does over 60 percent of the barbed wire.

One U.S. reinforcing bar manufacturer in the Southwest estimates that foreign sales in that area, in the period just before the strike, outpaced its sales by 10 to 1. An official of this firm complains: "We don't have an order for even a single pound of reinforcing bars for delivery after the strike."

Jones & Laughlin Steel Corp., which in the past has shipped as much as 24,000 tons of barbed wire annually from its mills, now is practically out of business in this product, says a company report.

Experiences of companies differ widely, according to their product mix and to the location of their mills.

Inland Steel Co. of Chicago, with its wide range of flat rolled products, says it so far has not been hurt by foreign steel. But Van H. Leichliter, president of United States Steel's American Steel & Wire Division, complains that foreign steel importers "are making large inroads into our markets."

SWITCHING TO EUROPE

A spokesman for Youngstown Sheet & Tube Co. says: "One of our customers in a nearby State has been buying 5,000 to 6,000 tons of rods a year. Recently, this company switched to rods from West Germany, Belgium, and Luxembourg. The reason? Lower prices."

Browse through manifests of arriving ships, listing their steel cargoes by points of origin and destination in this country, and you find a widely diverse roster of American manufacturers. They range from big tire makers, tank fabricators and chemical companies to a tiny producer of mops and wringers.

The gulf coast and west coast areas up to now have been the biggest users of steel imports, because they have ocean ports and are some distance from the chief U.S. steelmaking centers in the East and the Midwest.

The gulf coast led the country in steel imports last year with 41 percent of total imports. And 19 percent came through the Galveston Customs District alone, notes Charles Walker, Galveston collector of customs. During the first half of 1959, estimates Mr. Walker, Galveston District imports "probably increased 25 to 50 percent over the first 6 months of 1958."

The deepened St. Lawrence Seaway this year is making steel imports more attractive to midwestern manufacturers by cutting shipping costs. Where imports previously were often unloaded at east coast and gulf coast ports and then shipped by truck or rail to the Midwest, they now are being shipped in growing volume direct to Great Lakes docks.

IMPORTS SOAR AT CHICAGO

At the port of Chicago, imports have risen spectacularly. A survey by the Chicago Association of Commerce and Industry puts June imports into the district—partly inspired by strike hedging, of course—at 35,635 tons. That's almost equal to the total for all of 1958, when 37,722 tons came in.

In Cleveland hardly a week goes by when a ship doesn't tie up to deliver tonnages of a special Belgian wire for Goodyear at nearby Akron. Used in sturdy over-the-road truck tires, the wire is imported from Europe because that's "the only place we can get it cheaply enough to compete," says a Goodyear spokesman.

SUNBEAM AND LINCOLN ELECTRIC

Sunbeam Corp., big Chicago appliance maker, reports it's bringing in steel parts for its Iron Master, an iron and mangle combination, from its own plant in Glasgow, Scotland. Lincoln Electric Co., Cleveland producer of welding equipment, discloses it recently has received some 500 tons of steel electrode wire from France. Price: About $20 a ton less than comparable U.S. wire.

A few users of imported steel even claim certain foreign steel items are of higher quality than U.S.-made products. Listen, for example, to Ralph Falk, general manager of Pacific Steel & Supply Co., an Oakland, Calif., construction steel jobber. "Nails are a good example of a field where the Japanese have not only underpriced U.S. producers but beaten them in quality as well. The latest thing in nails is what we call cut nails," says Mr. Falk, offering an illustration. Cut nails "are shaped to hold better than straight nails. Our major domestic suppliers are still turning out the old straight nails but the Japanese are offering us top quality cut nails."

An official of Laclede Steel Co., St. Louis, terms the quality of foreign pipe "very good," and says reinforcing bars made abroad by the open hearth process are "equal to ours." However, reinforcing bars made overseas by the Bessemer steelmaking process (now falling from favor in the United States are "not as good as ours," according to Laclede.

Quality of the Belgian, French, and Japanese steel bought by Interlocking Fence Co., Morton, Ill., is "just as good as United States Steel," says an official.

Importing agents and mill representatives handling foreign steel, sensitive to charges that imports threaten U.S. jobs, are seeking to play down the effects of imports. A Midwest buyer of imported steel cites a letter received recently from his supplier urging the customer to keep mum about its imports. One New York importer, tongue in cheek, coolly predicts total U.S. steel imports in 1959 will be "on a par" with 1958—even though the 1959 figures already are running ahead of the full year 1958.

There are plenty of signs, though, that foreign steel is not as readily available as it was only a few weeks ago. Steel demand is rising in other countries, as well as the United States. So delivery dates are being extended, with some mills now quoting 4 months' delivery, compared with an average of 6 weeks earlier this year.

An official of Indussa Corp., a big New York importer handling products of five mills in France, Belgium, and Luxembourg, reports mills placed it on an allocation basis in the second quarter. Allotments were half the monthly average in 1958.

ANOTHER CUT

"Then our third quarter allocation was cut in half again," says this official. Meanwhile, prices have climbed to where some products now are selling at slightly higher than domestic prices.

Imports of Japanese steel have risen sharply this year. In April, for example, they amounted to some 45,000 tons, compared with only 35,000 tons for the entire first quarter of 1958, according to I. Okamoto, assistant manager of the New York sales office of Yawata Iron & Steel Co., Japan's largest producer. Yawata has shipped mostly wire rod and galvanized sheet steel to the United States so far this year. The rod goes for prices between $10 and $20 a ton cheaper than the comparable United States-made product, Mr. Okamoto reports.

Mr. Okamoto predicts a decline in Japanese shipments to the United States later this year because of a much tighter market in Japan. Yawata has been exporting about 15 percent of its 4-million-tons-a-year capacity to the United States and now Japanese customers are clamoring for more metal. But Yawata, looking to the future, is increasing its ingot capacity to 5 million tons.

A big New York importer of Benelux steel from Belgium, the Netherlands, and Luxembourg says, "Our mills are booked solid for 4 months. This will make it harder for U.S. buyers to get steel." But he emphasizes that any downturn in U.S. imports won't mean European mills are losing interest in American sales. "European steel producers are considering the United States as a continuing market," he declares.

THE PROPER PLACE FOR AIRLIFT

Mr. KUCHEL. Mr. President, I ask unanimous consent that, notwithstanding the order previously entered, the distinguished junior Senator from Oklahoma [Mr. MONRONEY] may be permitted to address the Senate for not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. SYMINGTON. Mr. President, I have had the privilege of reading some of the remarks about to be made by the distinguished junior Senator from Oklahoma. The Senator has yielded to me because I must attend a meeting of the Agriculture Committee. It will require about 3 minutes to place in the RECORD these remarks in support of the position of the Senator from Oklahoma with respect to the airlift.

The need for increased national airlift capacity seems to be so obvious that it is both sad and bewildering that so much discussion has to take place without providing any solution to the problem.

These facts seem inescapable: First, there is a limit to our financial resources so that wherever possible we must plan for a working partnership of civil and military capacity; second, the Air Force in particular is short of the money needed to guarantee this Nation's security; and, third, there is a deficit in airlift whether for cargo or for combat troops.

When we consider these facts it seems obvious that the policy of the Air Force and the Department of Defense must be to carefully husband all funds and use them first and foremost to strengthen our combat capacity. This means that the Air Force must not spend money it does not need to spend nor conduct operations that can better be done by the commercial airlines.

When I raised the question in hearings about the need for more airlift, I well recall General White, the Chief of Staff, saying that "when we do not have all the money in the world and we have to apply our best judgment as to the priorities, inevitably to my mind airlift comes after the strategic, the air defense, and the offensive tactical forces." You may quarrel that General White should squeeze out a somewhat higher priority for airlift, but you certainly cannot quarrel with his orderly analysis. When you have only so much money, the frills must be discarded and certainly a Government-owned and operated airline comes close to being a luxury we cannot afford.

Under these circumstances I am unable to see how anyone can justify expenditures for new aircraft, or for operating costs if these are to be directed to improving MATS airline operation as against MATS combat readiness.

The simple fact is that MATS cannot be both a commercial-type airline, with 480 stewardesses, and a combat airlift force constantly on the alert, comparable to the Strategic Air Command.

It is important to note that the Army and Marine Corps can only obtain adequate airlift through the Air Force; and while the Air Force continues to build up its airline operations, it also continues to refuse to give the Army that lift impartial experts believe is essential if we are to handle a possible limited war.

That type war is now considered far more probable than any nuclear war.

Today the United States is not capable of lifting and properly supporting overseas a single division—and this despite our scores of worldwide commitments.

It is a situation of course known by our guest of next month, and no doubt is one reason why he and his satellites and allies are filling vacuums in such places as Berlin and Laos.

Therefore, if there is money available for airlift, surely it should be used to increase the mobility of the Army and Marine ground troops, and not for additional military competition against our civilian airlines.

I congratulate my able and distinguished colleague from Oklahoma for the fine presentation he has been making to Congress on this subject, with respect to which he is our authority.

Mr. MONRONEY. I thank the Senator for those remarks, and also for the great support he has given to the effort to make MATS a more effective military force, with the emphasis on the military airlift rather than on an airline operation.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the 20 minutes previously granted the Senator from Oklahoma [Mr. MONRONEY] to address the Senate commence as of now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, during the past 2 years, and particularly during this session of Congress, there has been a growing controversy over the Military Air Transport Service—its role, its need for new equipment, and its relation to civil air transportation.

This controversy has been most apparent in connection with military appropriations. In considering the Department of Defense appropriation bill many hours were devoted in committee, on the Senate floor, and in conference to the question of the relation of MATS to civil air carriers—specifically as to what portion of its funds should be restricted to use for procurement of commercial air transportation. In considering the supplemental appropriation bill, many hours were devoted to the question of providing funds for procurement of modern aircraft for the MATS strategic fleet. These particular issues have now been settled—but this controversy has produced misunderstandings and accusations which I deeply regret. Its intensity has led me to attempt today to discuss, in a calmer atmosphere, the considerations which have led many of us to take positions which have been interpreted—I believe unjustly—as antagonistic to MATS. I hope that I can correct this impression and perhaps lay the groundwork for a fresh appraisal of military air transportation policies, in the interest of a common effort to develop the maximum military strength at minimum cost to the American people.

While I do not claim to speak for anyone else, I believe that my views are widely shared—in the Congress, in the Department of Defense, in the Air Force, in the agencies of the government concerned with civil air transportation, and in the aviation industry. On my part, they are the result of 2 years during which I have devoted a substantial portion of my time to this subject, as chairman of a special subcommittee of the Committee on Interstate and Foreign Commerce to study the operation of MATS.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the distinguished Senator from Massachusetts, the ranking minority member of the Armed Services Committee, and a leader on the Appropriations Committee.

Mr. SALTONSTALL. I thank the Senator. I appreciate his courtesy in yielding to me. I must keep an appointment in my office.

I am very glad that the Senator from Oklahoma has brought up this subject. He knows, and I know, that for the past 2 or 3 years we have had a very strenuous discussion in connection with the military appropriation bill; and in addition, this year, in connection with the supplemental appropriation bill, with relation to this subject, namely, the question of MATS versus commercial aircraft.

I feel that MATS has a very important function to perform, as the Senator has stated, namely, military air transport.

We rely on our commercial airlines. We want them to be modernized. We want MATS to be modernized, to carry out its function.

The controversy to which I have referred has existed between the commercial airlines and MATS, as to their relative functions in carrying cargo and passengers. As I told a distinguished former officer of the Government the other day, a man who is now in this business, I believe it would be extremely helpful if the Secretary of Defense, the Secretary of the Air Force, General Quesada, of the Federal Aviation Agency, and one or two of the leading officers of commercial companies would get together and see if they could not straighten out this problem, so that we shall not have a controversy every year in the Appropriations Committee.

Last year, as the Senator knows, first we argued as to the amount that had to be used for commercial lines. It was $85 million.

We had a controversy in connection with the supplemental appropriation bill, on the question of modernizing the cargo-carrying fleet of MATS, and its relationship to commercial carriers.

If we could straighten out this controversy, so that MATS would perform its function and commercial aircraft could serve as a reserve to carry out their function in peacetime, we would accomplish a real objective, without subjecting the Appropriations Committee every year to a very great controversy. Anything the Senator can do to help in this direction will be greatly appreciated by me, and I know it will be greatly appreciated by every other member of the Appropriations Committee.

Mr. MONRONEY. Mr. President, I appreciate the helpful statement of my colleague. What we need to do is to reexamine our planning and redefine the purposes of the military air transport system. If it is to be a military force, as I think it should be, we should direct those in charge to emphasize the military aspects. If the Congress wishes it to continue to be primarily an air line, we should emphasize that factor. Someone must make the decision.

I heartily approve the suggestion of the distinguished Senator from Massachusetts. It is time to sit down and, with more light and less heat, decide the vital question. This decision will save us many millions of dollars or cost us many millions of dollars. Either it will provide a better reserve air fleet, with more air lift for less money, or it will continue to give us less airlift for more money.

Mr. SALTONSTALL. I shall be glad to join the Senator in requesting the Secretary of Defense to discuss the subject when he thinks the time is ripe.

Mr. MONRONEY. I thank my colleague for his statement.

The Military Air Transport Service performs a number of specialized functions, such as air-rescue and air weather service. However, its primary responsibility, and the one I would like to discuss today, is to provide strategic air transport. It is important to remember that MATS performs a dual function in this field: it is the manager or forwarding agent for the Department of Defense for all overseas air transportation; and it is also an air carrier, operating a fleet of more than 400 transport aircraft. In its managerial role, MATS charges each of the three services a rate, according to a published tarififf, with its total collections depending on the amount of air transportation requested by the three customer services. It is MATS's responsibility to provide air transportation of the passengers and cargo delivered to it—by scheduled commercial common carrier, by commercial contract carrier, or by MATS' own fleet of transport aircraft.

In fiscal 1960, 93 percent of military-passenger traffic will move between areas served by scheduled commercial carriers. Fifty-seven percent of military-passenger traffic can be handled by these carriers in present passenger aircraft. But MATS proposes to procure only 37 percent of its passenger requirements from commercial carriers, and to provide 63 percent of its requirement with its own planes.

In fiscal 1960, 89 percent of military cargo traffic will move between areas served by scheduled commercial carriers. Twenty-nine percent of military cargo traffic can be handled by these carriers in present cargo aircraft. But MATS proposes to procure only 10 percent of its cargo requirements from commercial carriers, and to provide 90 percent of its cargo requirements with its own planes.

In order to appreciate the significance of these facts, it is necessary to examine the role of MATS in our Nation's defense.

THE ROLE OF MATS

MATS primary defense responsibility is—or should be—to provide immediately available airlift of military personnel and equipment to overseas points in the event of war or military emergency—the so-called hard core requirement.

Its secondary responsibility is to provide, both in peacetime and in an emergency, routine overseas air logistics—the movement of people and things. A portion of this second responsibility involves missions of a special nature—the movement of oversized, classified, or explosive cargo, or movement to destinations involving unusual risk. But by far the greater part of such movements are no different from those handled by civil carriers in their daily operations. It is therefore not surprising, once the decision is made to handle this routine traffic primarily in MATS planes, that MATS has become an airline—the biggest in the world—with published schedules, stewardesses, and planes identical to those flown by its civil competitors.

There has been a growing conviction, both in the Congress and in the Department of Defense, that the peacetime airline operations of MATS is in direct conflict with its ability to discharge its primary responsibility in an emergency. This is true for a number of reasons. The amount of traffic being carried on MATS planes requires a high rate of utilization. In fiscal 1959 each aircraft in the MATS strategic transport fleet was in use an average of 4.2 hours per day. At any given time the great majority of its planes are scattered all over the world, performing the routine chores of delivering supplies and replacements to our overseas military forces. Not only must its planes be recalled and necessary maintenance performed before MATS could conduct any large-scale movement of troops, but some arrangement must be made on a crash basis for commercial aircraft to take over routine air logistics, on which overseas units depend.

Contrast to this the situation which would prevail if MATS, in its role as shipping agent for the Department of Defense, were to rely on commercial carriers for the routine movement of military passengers and cargo. It would permit a low normal rate of utilization of MATS aircraft, and insure their immediate availability in the event of emergency. It would permit MATS to respond to an emergency, without the disruption of routine air logistics, which the civil carriers would continue to furnish in time of military emergency.

A second factor, in addition to MATS employment in a routine airline operation, which severely limits our emergency airlift capacity is the lack of modern cargo troop carrying aircraft.

At the end of fiscal 1960, MATS will have 442 aircraft in its transport fleet. Of these, 191 are obsolete passenger aircraft. Of the remaining cargo aircraft, only the C–133, of which MATS will have 33, is reasonably modern, and it is unsuitable for troop transport. The bulk of the cargo- and troop-carrying capacity of MATS is provided by 218 C–124's, an aircraft first designed in 1947, first produced in 1948, and production of which was terminated in 1955.

A similar situation prevails in the civil airlines. They have adequate passenger capacity to immediately assume movement of substantially all military passenger traffic, but have no modern cargo aircraft. Just as MATS unquestionably must have more modern cargo aircraft for its hard-core emergency responsibilities, so the civil air carriers must have more modern cargo aircraft to fully perform the routine air logistics function.

THE NEW POLICY

The solutions to these problems will, of course, be apparent: First, an orderly transfer of the routine logistic function from the MATS fleet to the civil carriers, to the extent of their present capacity to perform it; second, a comprehensive program to develop and encourage the civil carriers to procure modern cargo aircraft to provide the capacity required to perform the air logistic function in time of peace and permit its expansion in an emergency; and, third, modernization of the MATS strategic transport fleet in terms of its primary hard-core mission, and not in terms of its former airline mission.

I wish to make clear that this is not a program which is being imposed on the Department of Defense against its will, but one which the Department has officially, recently, and repeatedly endorsed. It was proposed, after extensive conferences, in a letter which the Senator from Missouri [Mr. SYMINGTON] and I wrote to the Secretary of Defense in March of this year. In an answering letter from

Assistant Secretary Perkins McGuire, the Department of Defense stated:

Our study currently of the overall airlift situation indicates that continuity of the overseas logistic pipeline must be assured if we are to take recurring cold war crises in our stride. Such an assurance would be possible only if the airline industry possessed the capacity to perform an overseas air logistic support function and the continued availability of this capacity to the Department of Defense during periods of emergency were assured. While the industry has the capacity to provide passenger lift, it does not have the capability—quantitative or qualitative—to meet the cargo requirement which is some 80 percent of the total. The development of a true cargo aircraft which you propose would greatly assist commercial air carriers in assuming their proper role in the MATS requirement.

We fully support the measures you proposed. A viable U.S. aircargo industry could effectively complement the MATS military fleet which must be maintained to perform the essential movements during the first hours and days of a war which, because of their nature and timing, must be performed by military aircraft, manned by military crews. As a long-range objective, subject to the availability of economical long-rage commercial cargo aircraft, civil cargo airlift will be contracted for in peacetime to support to a substantial degree overseas logistic supply.

This letter, and similar testimony by the Department of Defense before the Holifield committee in the House, was hailed by many of us who had followed MATS' policy closely as a significant change of that policy. An analysis of current capacity of the civil carriers was undertaken, and its result reported to the Appropriations Committee, with the recommendation that increased funds be earmarked for procurement of air transportation from civil carriers. Within the Federal Aviation Agency and the Civil Aeronautics Board work was accelerated on a bill to facilitate procurement of modern cargo aircraft. Several carriers ordered new cargo aircraft. One carrier, since joined by others, submitted to the Department of Defense a comprehensive plan for peacetime and wartime air transportation, and three of these carriers filed tariffs substantially below MATS own costs and average contract rates. Conferences were held with several manufacturers on possible designs for modern cargo- and troop-carrying aircraft which might be suitable for both military and civil use, with the resulting economies from quantity production.

What followed this burst of optimism is now sad history. The Air Force not only opposed the effort to increase the funds earmarked for procurement of commercial airlift, but proposed to decrease the amount to the level actually spent for that purpose last year, and conducted as vigorous a lobbying campaign as I can recall on a particular appropriation item. The Air Force also renewed a request to procure, not cargo aircraft, but converted jet passenger planes, whose usefulness for the hard-core mission is at best dubious, but whose usefulness for deluxe passenger service is unquestioned. Finally, the progress on the bill to facilitate purchase of cargo aircraft by civil carriers has been stalled by, of course, the Secretary of the Air Force.

MODERNIZATION OF MATS

The need for modernization of MATS perhaps justifies some further comment. There is of course no question that MATS fills an urgent defense need, and one which has received far too limited a share of our defense budget. We have had a series of recent lessons that the primary requirements in coping with limited wars or other emergencies are effective ground forces and the ability to deploy them quickly.

This means specialized air transport and requires specialized aircraft. The characteristics required of such a plane are fairly obvious. It must be able to lift a substantial load—certainly at least 50,000 pounds; at intercontinental range. Because we cannot predict, or select, its destination, it must be able to operate into and out of fairly primitive airfields with short runways. It must be designed for easy and quick loading without elaborate ground handling equipment. It must be designed to transport effective troops—and that means fully equipped, with the weapons and vehicles of todays army. Because our total fleet must be able to quickly deploy forces in effective strength, it must involve substantial numbers of aircraft, and therefore the plane must be the most economical workhorse which is adequate to the job. Maximum economy of production and maximum civil reserve capacity would require that these features be incorporated in a plane equally suitable for civil use.

No plan to reequip MATS in these terms has been submitted to Congress. MATS' recent proposals bear as little relation to the realities as would a proposal to reequip the tank corps with Cadillacs.

If the Department of Defense will present a comprehensive plan for a modern military air transport program, and will give some concrete evidence of their stated intention to get MATS out of the airline business, I am confident that they will find strong support in the Congress.

Nor will the transfer of routine logistics to civil carriers permit substantial reduction in the size of the MATS fleet. I am convinced that even were the present fleet devoted to the hard-core requirements, and completely freed from routine logistics, we would still be short of the airlift we actually need. While the greater capacity of modern cargo aircraft should permit a reduction in the number of aircraft required, there is a definite minimum number because of the number of separate missions involved in the hard-core requirements.

USE OF CIVIL CARRIERS

Why is it important that MATS concentrate on its military mission and immediately begin transfer of the routine logistic function to the civil air carriers? During fiscal year 1960, traffic handled by MATS will account for 85 percent of the entire scheduled cargo movement and 40 percent of the entire scheduled passenger movement between the United States and oversea points. Approximately 26 percent of military cargo traffic can be handled by scheduled carriers in their present aircraft. By the end of fiscal 1960 they will be able to handle more than 65 percent. Substantial additional capacity is available from supplemental carriers.

The PRESIDING OFFICER. (Mr. ENGLE in the chair). The time yielded to the Senator from Oklahoma has expired.

Mr. MONRONEY. Mr. President, inasmuch as I yielded approximately 5 minutes to other Senators before I began my remarks, I ask unanimous consent that I may be permitted to utilize the full amount of time yielded to me, by proceeding at this time for an additional 4 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered; and the Senator from Oklahoma may proceed for an additional 4 minutes.

Mr. MONRONEY. Mr. President, it is very well for the Defense Department to assert that "as a long-range objective, subject to the availability of economical long-range commercial, cargo aircraft civil cargo airlift will be contracted for in peacetime to support to a substantial degree oversea logistic supply." But unless there is some concrete evidence to confirm that intention, commercial carriers can hardly be expected to purchase significant quantities of such aircraft, to greatly expand their capacity, while 40 percent of their present capacity goes unused. Nor can they purchase the quantities of such aircraft required unless they receive assistance in financing their purchase. Such assistance, in the form of a Government guarantee of private loans, secured by the aircraft, could be conditioned on both the suitability and availability of the aircraft for military use in an emergency requiring airlift beyond the capacity of the MATS fleet.

I am convinced that through such a program we can: First, provide a modern MATS fleet adapted to its hard-core requirements; second, provide a civil air logistic system of greater capacity and continuity than the present MATS-operated system; and, third, provide a tremendous civil reserve fleet of cargo aircraft, and insure its availability for military use; all at a cost to the Government no greater than that required to keep the present inadequate system in operation.

TRAINING NEEDS OF MATS

It has been suggested that the weakness of this program is that it would not provide the training needed by MATS to maintain proficiency to perform its wartime role. MATS has indulged in the fiction that the number of hours to be flown by its crews and aircraft are scientifically determined, solely on the basis of training requirements, and that only by sheer coincidence does the capacity generated thereby correspond to the amount of airlift required by its customers, less the amount required by law to be moved by commercial means. This has been facetiously labeled the "anyhow theory," and justifies the entire MATS airline operation on the basis that it hauls things out of the well-known military devotion to economy, since "the planes are going anyhow." Let us examine briefly the "anyhow theory."

There is no question that adequate peacetime training — adequate both quantitatively and qualitatively—is essential to wartime performance; but that training must be related to the wartime task.

Brig. Gen. Albert T. Wilson, MATS Deputy Chief of Staff, acknowledged to the Subcommittee on Military Air Transportation of the House Committee on Government Operations, that only 15 percent of MATS flying hours were actually required for its qualification and proficiency training program. The number of hours flown by other units, with missions no less demanding, confirms the accuracy of this estimate.

While MATS crews averaged 55 to 69 flying hours a month, those of the SAC Strategic Support Squadron averaged only 30. While the aircraft in the MATS fleet were utilized 4.4 hours a day, those of the SAC Strategic Support Squadron were utilized only 1½ hours a day. MATS' own troop carrier aircraft, the element of its fleet with the most difficult wartime role, averaged a rate of utilization of only 2.28 hours a day.

What, then, is the nature of the training which requires the remaining hours flown by MATS aircraft? General Wilson described it as "the second general area of our training—that to which we devote 83 or 84 percent of our total flying hours—the exercise of the overall transport system."

While a well-developed and well-exercised peacetime air-logistic system is necessary to permit its expansion to wartime levels, if MATS should not operate that system at all, for the reasons I have discussed, it follows that its exercise can also be left to the civil airlines.

The peacetime military transport missions which MATS must perform, because of the size, nature, or destination of the cargo, will certainly provide the 15 percent of its present flying hours necessary to maintain proficiency.

The other training which MATS urgently needs is the exercise of military airlift, and this training, with troops and combat equipment, it is not getting and cannot get while its resources are largely committed to operating a scheduled airline. This type of exercise is the one needed to maintain its military proficiency, and is the one which we must insist upon, even though it diminishes the number of hours flown in regular airline operations.

CONCLUSION

In closing, let me say a word of personal thanks and encouragement to all those in the Air Force, the Department of Defense, the civilian agencies of the Government, and the aviation industry, who know these things to be true, and have fought to hurry the changes which must come. You have been threatened, insulted, frustrated, and vilified because you have defiled that most precious altar—the military status quo But you labor in your Nation's interest; and, because of your efforts, someday the word "military" in the name "Military Air Transport Service" will no longer describe an airline's customers, but will again mean "of or pertaining to soldiers, arms, or war."

Mr. President, I yield the floor.

Mr. SCOTT. Mr. President, in connection with the remarks made this afternoon by the junior Senator from Oklahoma on the need for a greater national airlift capacity, I ask unanimous consent to have inserted in the RECORD, following his address and related colloquy, an editorial from the Washington Star of August 23 on this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COORDINATED AIRLIFT?

Four certificated American-flag transocean airlines have applied to the Civil Aeronautics Board for approval of a joint effort to work out with the Government, particularly with the Department of Defense, a plan for strengthening their position and expanding their role in handling governmental air transport requirements in either peace or war. The four are Trans World, Seaboard & Western, Northwest, and Pan American.

The proposal offers promise for resolving the long-discussed question of coordinating the airlift capabilities of the Military Air Transport Service and the privately owned industry. That the airlines are essential in meeting governmental needs has been emphasized repeatedly by congressional committees, Defense Department spokesmen and others. Elwood Quesada, Administrator of the Federal Aviation Agency, has stated that "minimum Government activity and maximum private enterprise could provide the required capability at the least cost to the taxpayer and greatest benefit to the Nation's economy and welfare." A spokesman of the CAB itself told a House committee that the Board felt that "a policy decision should be promptly made" on the relative roles of the civil and military carriers. The industry's suggestion offers a starting point for negotiating an operating formula.

MILITARY AND CIVILIAN AIR TRANSPORT SERVICE

Mr. CAPEHART. Mr. President, I am sure all Senators recognize the importance of both the Miliary Air Transport Service and the U.S. flag international airlines to the maintenance of our military and economic strength.

Each plays a vital role in its own field. To lose sight of the real importance of either one to the detriment of the other is, I am sure, completely outside the thinking of anybody who knows the facts.

One, the Military Air Transport Service, is wholly a function of government. The other, the international airlines, is primarily a private commercial enterprise with obvious overtones of importance to the defense of our hemisphere.

The facts are, of course, that both carry personnel and both carry cargo. It is inevitable that in the operation of two such vast transport systems, conflicts may arise. They have arisen, as I am sure all Senators are aware.

I am equally sure that there is not a single official of this Government, including any Member of the Congress, who has any desire that the Military Air Transport Service operate to the disadvantage of our international airlines. You just do not do that kind of thing under the private enterprise system.

On the other hand, all of us are equally aware, I am sure, of the tremendous importance of the Military Air Transport System. Certainly the international airlines are aware of the importance of MATS.

As I have said, controversies do arise. Recently four certificated U.S. flag international airlines requested permission from the Civil Aeronautics Board to work out a joint program for solving this whole problem. That, in my opinion, would be in the national interest. That is the way we do things in this country.

For a long time many of us on both sides of the Capitol have been concerned about Government competition with private enterprise in any and every field.

This concern extends to air transportation in the same degree it does to any other field of enterprise.

We need the international airlines. We need MATS. We could not do without either one.

To help them solve their problems is to protect the public interest in each, and to assist them in resolving whatever controversies they might have, it seems to me, is a responsibility of the Congress. I for one am perfectly willing to lend my support to any such effort.

FREE IMPORTATION OF TOURIST LITERATURE

The Senate resumed the consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930, so as to provide for the free importation of tourist literature.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. YARBOROUGH] to strike out section 4, relating to wood moldings. On this question, under the provisions of the unanimous-consent agreement, debate is limited to 30 minutes for each side.

The Chair understands that, under the agreement, the Senator from Texas [Mr. YARBOROUGH] has control of 30 minutes and the Senator from New Mexico [Mr. ANDERSON] has control of 30 minutes.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Nevada [Mr. BIBLE] 10 minutes on the amendment.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. YARBOROUGH. I understand that the Senator from Nevada does not intend to speak now on the pending motion.

Mr. MANSFIELD. That is correct. But I understand that he will speak for only approximately 5 minutes.

Mr. BIBLE. That is correct. I believe it will take me only about 5 minutes to speak on the subject which I desire to discuss.

The PRESIDING OFFICER. Is the Senator from Montana acting on behalf of the majority leader?

Mr. MANSFIELD. Yes; Mr. President.

The PRESIDING OFFICER. Very well.

The Senator from Montana has yielded 5 minutes to the Senator from Nevada [Mr. BIBLE], who now is recognized.

CRIME PREVENTION IN WASHINGTON, D.C.

Mr. BIBLE. Mr. President, in recent weeks Washington, D.C., has been struck by an outbreak of hoodlumism, both juvenile and adult, which has focused attention on law enforcement generally in this Capital City.

As chairman of the Committee on the District of Columbia, I believe the Senate is entitled to know what the facts are and what steps are being taken to cope with this alarming problem.

First of all, let me say that this city is not alone in outbreaks of hoodlum violence. Newspapers almost every day tell about similar incidents in the country's major cities. As the legislative governing body of this city, Congress should give to this problem the attention it properly deserves.

After the recent outbreak of violence on the streets here, I conferred with Robert E. McLaughlin, President of the Board of Commissioners of the District of Columbia. It was concluded that one major step toward alleviating the increase in serious crimes and hoodlumism recorded in the first 6 months of this year would be to add another 500 policemen to the Metropolitan force.

At the present time, its authorized strength is approximately 2,500, and the force has been filled to that full complement. It is the belief of those who have considered and discussed this question at length that the proposed addition of 500 policemen is one of the means which might be used in order to bring about more effective law enforcement in the Nation's Capital.

To have more policemen patrol the streets in the business and residential areas of this city will certainly go a long way toward putting hoodlums and would-be hoodlums on notice that such violence must cease.

If Congress were not in the final weeks of this session, I had hoped it might immediately authorize the appropriation of additional funds, in order to put the additional 500 policemen on the streets of this city now. However, a budget request for $2,500,000, to add 500 men to the 2,500-man police force of the District of Columbia, is now being processed by the District of Columbia Commissioners.

If the Commissioners believe the District government can absorb a part of the added costs for such additional policemen between now and the first part of 1960, then I believe ample justification can be shown to Congress that the need now exists.

Mr. MANSFIELD. Mr. President, will the Senator from Nevada yield to me?

Mr. BIBLE. I yield.

Mr. MANSFIELD. I wish to commend the distinguished senior Senator from Nevada, the chairman of the Committee on the District of Columbia, for bringing up this matter on the floor at this time.

It was only a week or 10 days ago that the distinguished junior Senator from West Virginia [Mr. BYRD] laid before the Senate the record of depredations and crimes which had been committed in the District of Columbia in the few days immediately preceding his remarks. There was the case of an Air Force sergeant from Bolling Air Base who was murdered by hoodlums who were attempting to get into his car. There was the case of the wife of the former Under Secretary of Defense, Mrs. Quarles. There was the case of the policeman who was beaten up by a group of hoodlums and was put in the hospital in very serious condition. There have been other cases, some reported, some unreported.

After all, this is the Nation's Capital. It has a good police force. It has an outstanding Chief of Police in Chief Murray. But it needs help right now in view of the fact that there are millions of people from all over the United States visiting their Capital. Those visitors and the residents of Washington are entitled to every possible protection.

While I knew of the chairman's talk with Commissioner McLaughlin and the proposed plan for a 500-man increase in the police force next year, I think that is waiting too long. Only today a supplemental appropriation request was sent to Congress by the Executive. Why would it not be possible to get at least half of that 500-man increase in that bill, in order that the people of Washington may be protected and be given the type of protection they are entitled to?

Mr. BIBLE. I certainly appreciate the contribution of the Senator from Montana, who has always been a leader in this field. I would say that we are at the present time considering the advisability of submitting to the Appropriations Committee which is now considering other supplemental items the item providing for some increase in the police force for the District of Columbia. I do not know exactly what that figure will be because, of course, there is involved the problem of the number that can be adequately trained and the number of policemen that can be absorbed at one time.

I am hopeful that in the next day or two, and before the Appropriation Committee completes its hearings on the supplemental appropriation bill, the Commissioners will be in a position to appear before the committee and testify as to the number of men that can be used by the police department right now, be it 100, 150, or 200. I think that not only would it have a salutary effect, but I think that such action would be justified from the viewpoint of having increased and more effective law enforcement.

Mr. MANSFIELD. Will the Senator yield further?

Mr. BIBLE. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. It would save money, for one thing, in damages prevented. It would take care of the necessity of having policemen patrol singly when in certain areas they should patrol in pairs. It would overcome the discrepancy caused when a number of policemen are on leave or on vacation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. I yield 5 more minutes to the Senator from Nevada.

I happen to notice present on the floor a member of the District of Columbia Committee who, I think, has been very sympathetic to police and other problems in the District of Columbia and who, I hope, will give his support to the proposal.

Mr. BIBLE. Mr. President, I likewise notice that the distinguished junior Senator from Rhode Island [Mr. PASTORE] is in the Chamber. I would like to mention his presence in line with this discussion. I have discussed this matter with the junior Senator from Rhode Island, who is the very able chairman of the Subcommittee on District of Columbia Appropriations. He has lent great effort to this particular problem. I am sure he is sympathetic with it.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BIBLE. I am very happy to yield at this point to the junior Senator from Rhode Island.

Mr. PASTORE. I merely want to say it is quite regrettable that the officials of the District of Columbia represented to us a short while ago that they would like very much to release from parking meter surveillance certain police officers and transfer them to active police work, and thereby allow the police department to engage certain civilians to do that kind of work, which is not strictly police work. That proposal was not sustained in conference, which is regrettable.

I am very much interested in the proposal which was made to me informally by the distinguished Senator from Nevada, who is chairman of the legislative Commitee on the District of Columbia, to the effect that more police officers be engaged in order that more police work might be done, which is necessary in order to stop some of the crime incidents that have occurred in the District of Columbia in recent weeks.

I do not know whether or not the police department has engaged the full contingent of officers it is authorized to engage under the laws of the District, but I would assume if the departure required more police officers, there would not be any reluctance on the part of Congress to see that the department gets an adequate number of police officers to sufficiently and adequately protect the rights, lives, and property of people in the District of Columbia.

Mr. BIBLE. I appreciate the sentiments of the Senator from Rhode Island. In the first instance, the police department is up to its authorized strength of 2,500. I am certain the department can make an adequate showing, and I am informed it is the present feeling of the present chief of police that the department can use another 500 men. If the department cannot absorb that number at one time, it certainly could absorb a lesser number at one time.

Mr. PASTORE. There need not be any apprehension on the part of any Member of Congress that the chief of police would willy-nilly start hiring men who would not be qualified to serve as police officers. The whole record of the department has been one of being pretty careful about the qualifications of the young men it engages to perform police duties. If the contingent has not been up to full strength at times, it is due to the fact that the department has been cautious in engaging the right kind of personnel. I think Congress can have

the assurance that if the full 100 cannot be hired, the department will hire only those who will become good police officers for the District of Columbia.

Mr. BIBLE. I concur in what the Senator from Rhode Island has said. I have a high regard for the present chief of police.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. MANSFIELD. Mr. President, I yield 2 additional minutes to the Senator from Nevada.

Mr. BIBLE. I believe with some additional monetary assistance the chief of police can do better.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. MANSFIELD. May I say I hope sincerely that the chairman of the Legislative Committee and of the District of Columbia Appropriation Subcommittee will be able to get together with the Commissioners so that, if necessary, moneys can be appropriated in the supplemental appropriation bill under consideration for the purpose of increasing the police force. We have an outstanding chief of police in Chief Murray, a man who is loathe to ask for money, and who gets a dollar's worth out of every dollar expended in his department. I hope action will be forthcoming shortly, so this matter can be taken care of as soon as possible.

When I previously mentioned some of the incidents of crime, I forgot to mention that a Member of the other body ran across a group of hoodlums and he was cursed by them. That group had knocked down a man and beaten him into insensibility. Such crimes are getting to be endemic in the District of Columbia. It is high time to do something to bring them to an end.

Mr. BIBLE. I could not agree more with the Senator from Montana.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BIBLE. May I have 2 more minutes to touch on two other facets of this question?

Mr. MANSFIELD. I yield 2 additional minutes to the Senator from Nevada.

Mr. BIBLE. Mr. President, more policemen on the streets—though it will help solve the problem—is not the whole answer, by any means, to this city's crime problem. The District's single and overburdened juvenile court judge has a backlog of cases which does not even permit the wayward boys to be brought in for a speedy preliminary hearing. In some instances, the young hoodlums, who are awaiting trial, are out on the streets doing more violence.

I sincerely hope that Congress will approve this session a bill passed by the Senate on April 10, 1959, authorizing two additional juvenile court judges for the District of Columbia. This will be another step in this law enforcement problem.

Likewise, Mr. President, I understand that an antiloitering law for juveniles is being proposed as another deterrent. If these proponents will submit the proposed legislation, then our committee can proceed with hearings on the bill. I am told that this bill would not bear the stigma many people feel attaches to an actual curfew law, and instead of restricting law-abiding youngsters, would strike at the juvenile delinquents.

Mr. President, I ask unanimous consent, to be printed as a part of my remarks in the body of the RECORD, a statement from the Federal Bureau of Investigation giving the crime ratio in the major cities of the country. In 1958, Washington, D.C., showed a decrease of 5.3 percent in serious crimes. That record is not being kept this year with serious crimes in 1959 showing monthly increases from 10.3 to 17.9 percent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Crime index offenses reported,[1] cities 500,000 to 1,000,000 population, by calendar years

[From FBI reports]

City	Calendar year				
	1954	1955	1956	1957	1958
Baltimore	15,322	16,330	17,151	15,424	15,303
Boston	6,122	8,551	10,195	11,439	11,393
Buffalo	3,367	3,406	3,457	3,706	3,628
Cincinnati	3,869	3,869	4,113	4,082	3,998
Cleveland	6,477	5,174	6,741	8,261	7,994
Houston	9,355	9,968	10,675	13,247	15,620
Milwaukee	3,717	3,493	4,444	5,057	[2]
Minneapolis	6,221	5,435	6,380	6,406	7,437
New Orleans	7,532	8,391	12,123	12,277	13,905
Pittsburgh	6,961	8,252	9,247	10,500	11,466
St. Louis	16,866	18,177	19,458	21,628	23,354
San Francisco	12,480	14,281	15,391	15,762	17,088
Washington	12,036	11,357	10,038	10,169	9,629

[1] Includes murder, nonnegligent manslaughter, robbery, aggravated assault, burglary, larceny ($50 and over), and auto theft. The FBI did not report forcible rape for individual cities prior to 1958, therefore, that category is excluded from this report.
[2] Not reported by the FBI.

Offenses known to police, cities 500,000 to 1,000,000 population, calendar year 1958

[From FBI reports]

	1950 population, (thousands)	Murder and nonnegligent manslaughter	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny over $50	Auto theft	Total
Baltimore	950	100	96	798	2,224	3,807	3,923	4,451	15,399
Boston	801	27	64	523	448	3,113	2,739	4,543	11,457
Buffalo	580	19	16	191	247	1,184	380	1,607	3,644
Cincinnati	504	30	85	242	288	1,379	1,141	918	4,083
Cleveland	915	73	50	1,107	524	2,939	1,026	2,325	8,044
Houston	596	117	110	597	1,130	7,790	2,593	3,393	15,730
Milwaukee	637	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Minneapolis	522	8	16	389	95	3,449	1,948	1,548	7,453
New Orleans	570	55	117	1,191	625	4,417	3,059	4,558	14,022
Pittsburgh	677	27	94	884	671	4,499	2,378	3,007	11,560
St. Louis	857	91	220	2,222	2,432	9,543	4,583	4,483	23,574
San Francisco	775	34	144	1,518	1,217	6,087	2,303	5,929	17,232
Washington	802	74	58	639	2,329	3,316	1,548	1,723	9,687

[1] Only 11 months of reports received by the FBI.

Crime index offenses reported,[1] cities 500,000 to 1,000,000 population, by calendar years

City	Calendar year					Percent change			
	1954	1955	1956	1957	1958	1954–58	1955–58	1956–58	1957–58
Baltimore	15,322	16,330	17,151	15,424	15,303	−0.1	−6.3	−10.8	−0.8
Boston	6,122	8,551	10,195	11,439	11,393	+86.1	+33.2	+11.8	−.4
Buffalo	3,367	3,406	3,457	3,706	3,628	+7.8	+6.5	+4.9	−2.1
Cincinnati	3,869	3,869	4,113	4,082	3,998	+3.3	+3.3	−2.8	−2.0
Cleveland	6,477	5,174	6,741	8,261	7,994	+23.4	+54.5	+18.6	−3.2
Houston	9,355	9,968	10,675	13,274	15,620	+67.0	+56.7	+46.3	+17.9
Milwaukee	3,717	3,493	4,444	5,057	[2]	[2]	[2]	[2]	[2]
Minneapolis	6,221	5,435	6,380	6,406	7,437	+19.5	+36.8	+16.6	+16.1
New Orleans	7,532	8,391	12,123	12,277	13,905	+84.6	+65.7	+14.7	+13.3
Pittsburgh	6,961	8,252	9,247	10,500	11,466	+64.7	+38.9	+24.0	+9.2
St. Louis	16,866	18,177	19,458	21,628	23,354	+38.5	+28.5	+20.0	+8.0
San Francisco	12,480	14,281	15,391	15,762	17,088	+36.9	+19.6	+11.0	+8.4
Washington	12,036	11,357	10,038	10,169	9,629	−20.0	−15.2	−4.1	−5.3
Average percent change [3]						+32.1	+24.4	+12.7	+6.0

[1] Includes murder, nonnegligent manslaughter, robbery, aggravated assault, burglary, larceny ($50 and over), and auto theft. The FBI did not report forcible rape data for individual cities prior to 1958; therefore, that category is omitted from this report.
[2] Data for Milwaukee for 1958 not reported by the FBI.
[3] Milwaukee is excluded from computation of the average percent change.

Source: FBI reports.

Offenses known to police—Crime index of the Federal Bureau of Investigation, calendar year 1958

City	1,000 population 1950 Census	Crime index offenses	Offenses per 1,000 population
Baltimore	950	15,399	16.2
Boston	801	11,457	14.3
Buffalo	580	3,644	6.3
Cincinnati	504	4,083	8.1
Cleveland	915	8,044	8.8
Houston	596	15,730	26.4
Milwaukee	637	(1)	
Minneapolis	522	7,453	14.3
New Orleans	570	14,022	24.6
Pittsburgh	677	11,560	17.1
St. Louis	857	23,574	27.5
San Francisco	775	17,232	22.2
Washington	802	9,687	12.1

[1] Not reported.

Offenses cleared by arrest, calendar year 1958

Classification	Percent cleared	
	District of Columbia	National Average [1]
Murder, nonnegligent manslaughter	97	94
Manslaughter by negligence	100	90
Forcible rape	84	73
Robbery	78	43
Aggravated assault	90	79
Burglary, breaking or entering	62	30
Larceny-theft	44	20
Auto theft	41	27
Total	57	(2)

[1] Average clearance rate of 1,972 cities reported by the Federal Bureau of Investigation.
[2] Not reported.

Offenses known to police—Crime index of the Federal Bureau of Investigation, calendar year 1958

City	1,000 population 1950 census	Crime index offenses	Offenses per 1,000 population
Akron	275	3,958	14.4
Atlanta	331	9,516	28.7
Birmingham	326	5,408	16.6
Columbus	376	7,088	18.8
Dallas	434	7,904	18.2
Denver	416	10,974	26.4
Fort Worth	279	5,187	18.6
Indianapolis	462	7,842	17.0
Jersey City	299	2,538	8.5
Kansas City, Mo.	457	4,538	9.9
Long Beach	251	7,979	31.8
Louisville	369	8,244	22.3
Memphis	407	5,254	12.9
Newark	439	11,948	27.2
Oakland	385	5,516	14.3
Omaha	251	2,457	9.8
Portland	374	6,511	17.4
Rochester	332	2,425	7.3
St. Paul	311	3,669	11.8
San Antonio	408	9,501	23.3
San Diego	494	6,555	13.3
Seattle	468	10,220	21.8
Toledo	304	4,497	14.8

Mr. BIBLE. In conclusion, Mr. President, any crime is too much crime, whether it be in the Nation's Capital City or elsewhere. Certainly all law enforcement agencies must redouble their efforts whenever and wherever they can to meet the problems of hoodlumism, juvenile and adult alike.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I am delighted to yield.

Mr. MANSFIELD. I also wish to join the Senator in his plea for more judges in the juvenile court. If at least one of the two vacancies could be filled it is quite possible some of the difficulties confronting the people of the District would be attended to, and crime lessened to some degree.

Mr. BIBLE. I thoroughly concur with the remarks of the Senator from Montana. I hope the bill will pass the House in the very near future.

Mr. President, I yield the floor.

FREE IMPORTATION OF TOURIST LITERATURE

The Senate resumed the consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time necessary for the call of the roll being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Mansfield
Allott	Gore	Martin
Anderson	Green	Monroney
Bartlett	Gruening	Morse
Beall	Hart	Morton
Bennett	Hartke	Moss
Bible	Hayden	Mundt
Bridges	Hennings	Murray
Butler	Hickenlooper	Muskie
Byrd, Va.	Hill	Neuberger
Byrd, W. Va.	Holland	Pastore
Cannon	Hruska	Prouty
Capehart	Humphrey	Proxmire
Carlson	Jackson	Randolph
Carroll	Javits	Robertson
Case, N.J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S.C.	Scott
Chavez	Jordan	Smathers
Church	Keating	Smith
Clark	Kefauver	Sparkman
Cooper	Kennedy	Stennis
Cotton	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Ellender	Long, La.	Williams, N.J.
Engle	McCarthy	Williams, Del.
Ervin	McClellan	Yarborough
Fong	McGee	Young, N. Dak.
Frear	McNamara	Young, Ohio
Fulbright	Magnuson	

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. KERR], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from Connecticut [Mr. BUSH], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. CURTIS] are necessarily absent.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, on the question of agreeing to the amendment of the Senator from Texas [Mr. YARBOROUGH], I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ANDERSON. Mr. President, I understand that while I was out of the Chamber, and in the absence of the majority leader, the acting majority leader, the Senator from Montana [Mr. MANSFIELD], yielded 15 minutes of the time under my control, under the provisions of the unanimous-consent agreement, in the belief that there was available time which could, in place of the time then yielded, be made available to me.

I wonder whether the time thus yielded from the time available to me may be restored to my control. I should like to have the time yielded under those circumstances restored to the time under my control, rather than to proceed under the present circumstances, under which the other side has 30 minutes available, but I have only 15 minutes available, under my control.

If there is objection to my request, I shall not protest.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. How much time remains available?

The PRESIDING OFFICER. Thirty minutes remain available under the control of the Senator from Texas [Mr. YARBOROUGH], and 15 minutes remain available under the control of the Senator from New Mexico [Mr. ANDERSON].

Mr. JOHNSON of Texas. Do I correctly understand that the Senator from Montana [Mr. MANSFIELD] yielded 15 minutes of the time under the control of the Senator from New Mexico [Mr. ANDERSON]?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New Mexico [Mr. ANDERSON] may have available to him an additional 15 minutes, so as to have available to him a total of 30 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, despite the fact that this matter was discussed at some length last Friday, I believe several minutes should be devoted to explaining, first, just what is before the Senate at this time.

House bill 2411, which was passed by the House of Representatives, provided for the admission, duty-free, of certain types of tourist literature from foreign nations.

The bill was amended so as to provide for the free importation, under the appropriate tariff paragraphs, of models of inventions, original paintings, and other works of the fine arts.

The purpose of the bill is stated in only 5 lines in the committee report, from which we find that—

> The purpose of H.R. 2411 is to amend paragraph 1629 of the Tariff Act of 1930, by adding at the end thereof a new subparagraph providing for the free importation of tourist literature issued by certain groups or organizations and which relate chiefly to travel facilities outside the United States.

Mr. President, to a bill to which no one objected, inasmuch as the bill provided for the admission, duty free, of tourist literature, there was added in the committee an amendment which would raise 4,000 percent the tariff on wood moldings imported into the United States. The former tariff was $1 a thousand board feet; and the amendment would change the ad valorem tariff to approximately $46 a thousand feet, or an actual tariff increase of approximately 4,000 percent.

It is respectfully submitted to the Senate that such a provision is not a wise one and is not in accordance with the practices of this Government.

On the very day when the Senate was debating this matter, last Friday, this body adopted two resolutions which called on the Tariff Commission to investigate conditions in the lead industry and in the zinc industry. Manifestly, Mr. President, both of those industries have suffered greatly, and are in desperate condition because of imports. But this body did not summarily vote to impose a duty on such imports. Instead, it called for the making of a tariff study.

However, in connection with the matter now before the Senate, no study has been made. I am not surprised that the proponents of the Anderson amendment did not request the making of a study, for undoubtedly the making of such a study would result in a negative report or recommendation, inasmuch as at this time the imports of such moldings amount to only approximately three percent of the total amount of such moldings used annually in the United States.

Mr. DIRKSEN. Mr. President, at this point will the Senator from Texas yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. DIRKSEN. I was given to understand that, in connection with the Anderson amendment, or motion, if there were any serious objection to it, the author of the amendment would withdraw it.

I have no way of knowing what the understanding was, unless I ask the chairman of the Finance Committee about it. I believe the understanding should be stated to us now.

Mr. BYRD of Virginia. Mr. President, the understanding was that if there were objection during the call of the Unanimous Consent Calendar, the Senator from New Mexico would withdraw the amendment. Is that correct?

Mr. ANDERSON. That is correct. The objection came up in connection with the Unanimous Consent Calendar; and the chairman of the committee was anxious to have the bill passed. So was the Senator from New York, because of the provisions in regard to art objects.

The Senator from Utah [Mr. BENNETT] moved the adoption of the amendment; and the amendment was agreed to.

I then stated to the chairman that if trouble developed in regard to passage of the bill during consideration of the Unanimous Consent Calendar, he would be privileged to drop the amendment and let the bill go through.

Let me say that, of course, the practice of adding riders to bills is a well-known one, and such riders are added to bills at every session; there is nothing unusual about that.

Mr. DIRKSEN. Mr. President, I appreciate that such procedure is not unusual. But I believe there was a firm understanding that if there appeared to be objection and opposition to the substance of the amendment, it would be withdrawn.

I thought that if that were the case—and of course it is quite evident that there is opposition, as expressed by the Department of Commerce, the Department of State, and others—probably the distinguished Senator from New Mexico would then prefer to withdraw his amendment.

Mr. ANDERSON. I dislike to take up the time of the Senator from Texas. I will yield 2 minutes on my own time.

The statement of the Senator from Illinois is correct as to what would happen on the call of the Consent Calendar. The bill was brought up by motion, which is a completely different process. When it was brought up, I would have been very happy to have had a show of hands or a voice vote or anything else to dispose of it in 5 or 10 minutes. However, it was proposed to have an hour and a half on the side, a total of 3 hours. I thought that was too long. We went to the Senator from Texas and worked out an understanding to have 30 minutes on each side. I would have cut that time still further if that had been the desire. But the point of the objection was that if it came up on the Consent Calendar, and there was any objection to it, it could be dropped.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield to the Senator from Illinois.

Mr. DIRKSEN. I merely wish to say that the State Department opposes the measure. The Department believes it points the way to specific remedies similar to this in other cases, and somehow impairs the whole fabric that has been built up in the matter of trade. The Department of Commerce takes an equivalent view of the matter. Under the circumstances, I believe the Yarborough amendment, which would strike the Anderson amendment, ought to prevail, and that the Anderson amendment should not be written into this bill.

Mr. YARBOROUGH. I thank the Senator from Illinois for putting in the RECORD a statement of the position of the State Department, the Department of Commerce, and other governmental departments. This is one measure which I think State, local, and Federal agencies all oppose.

I have in my hand a telegram dated the 23d day of August from the mayor of El Paso, Tex., stating his firm opposition. I have one telegram from Woodrow Bean, county judge of El Paso County, Tex., in which the city of El Paso is located, stating his firm objection.

We placed telegram after telegram in the RECORD Friday. I shall not labor the RECORD with others.

There was one telegram placed in the RECORD last Friday, out of the scores of telegrams, as to which the man who sent it telephoned me later and said he wanted it withdrawn. He is the head of the Ready Built Lumber Co., and I ask unanimous consent that that telegram be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Aside from that one, telegrams have been increasing every day from people in my State who are opposed to this measure. Why? Because we have a very favorable balance of trade with Mexico.

I hold in my hand a record from the Department of State dated August 24, 1959, which shows that in the year 1958 the United States exported to Mexico $885 million worth of goods. Mexico is our best customer after Canada. That year we imported from Mexico $458 million worth of goods, so our exports into Mexico exceed imports by nearly 2 to 1.

I have telegrams from Mexico in Spanish, which have been translated by the Library of Congress. They are militant in their opposition to this proposal. The people of El Paso are militant in opposition against it. There is a population of about 300,000 on the United States side of the Rio Grande, and a population of about 300,000 at Juarez, and there is a great flow of trade across that southwestern border, and it is in favor of the United States. The Anderson amendment will be a red flag in the bull's face. Mexico does not have to wait for legislation. She can place embargoes against our products. American industry will be helped more if our proposal is passed than if it is defeated. In the hearings before the committee, there was no real showing of hurt or injury under the present imports.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. PASTORE. The junior Senator from Rhode Island is curious about whether or not there have been any escape clause proceedings brought under the tariff law with respect to wood molding.

Mr. ENGLE. Mr. President, will the Senator yield, so that I may answer the question?

Mr. YARBOROUGH. Will the Senator yield on his own time to answer? My time is limited. I would like to yield to the Senator to answer the question, but I wish he would yield on his own time.

Mr. ENGLE. We cannot proceed under the escape clause because molding is in the same classification with lumber. We could not possibly raise the tariff requirement on lumber sufficiently to be of any help to those in the molding business.

Let me read to the distinguished Senator a paragraph from a letter I wrote to Representative WILBUR MILLS, who is chairman of the House Ways and Means Committee, on February 24, 1959:

> We talked to some people in the Tariff Commission and were informed that since molding occupies the same legal status as lumber under current definitions there is no practical way of getting at this situation. We asked why they couldn't change the definition of lumber to exclude molding, and we were informed that the present definition is based on some language in an

old court decision and has been in use so long that the Tariff Commission people think that the definition has had what amounts to congressional sanction.

Consequently, we introduced legislation putting molding in a different category.

Mr. PASTORE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ANDERSON. I yield 2 more minutes to the Senator.

Mr. PASTORE. The junior Senator from Rhode Island is very much in sympathy with the objectives sought to be accomplished, but if we grant an exception, it will lead down the path of confusion. We have just been through an exhaustive investigation of the difficulties which have faced the textile industry. We in Rhode Island are in very much the same position with respect to jewelry, screws, small tools, pearls, and that sort of product. We are confronted here with a proposal which is designed to help one particular industry. Why is not the proper procedure to redefine molding, take it out of the category of lumber, and make it subject to proceedings under the escape clauses which are available to other products?

Mr. ENGLE. Ah, a second Daniel, a Daniel. That is what we are attempting to do.

Mr. ANDERSON. That is just what we are trying to do.

Mr. PASTORE. Is the junior Senator from Rhode Island correct, then, in understanding that what the proposal does is merely change the definition of "molding" so that the escape clause procedures may be availed of?

Mr. ANDERSON. The Senator is completely correct.

Mr. PASTORE. If that is the case, I shall vote for it.

Mr. ENGLE. Mr. President, will the Senator yield me one more minute?

Mr. YARBOROUGH. I ask the Senator to yield on his own time.

Mr. ENGLE. Let me say to the distinguished Senator from Rhode Island that I am glad he has brought up the matter, as I should like to state what is happening. American operators have picked up their plants, lock, stock, and barrel, and with their management know-how, have moved their plants across the Rio Grande, where they operate with 80-cent-a-day labor, whereas labor in the United States costs over $2 an hour. I asked the Senator from Texas last week what he thinks is going to happen when they start moving cotton mills across the Rio Grande.

Mr. PASTORE. I want to get this matter as clearly explained as possible, for the sake of the RECORD. Originally my objection to the proposal was based on the fact that I thought an exception was being created for this one particular industry. I understand this proposal does not ipso facto give tax relief. All it does is help redefine what "molding" is, so as to have it excluded from the category of lumber, and to make available escape clause procedures under the Tariff Act. Is that correct?

Mr. ANDERSON. The Senator is correct. In 1930 Congress passed a bill putting wood molding under a 40-percent tariff. That tariff has now come down to 17 percent. The Customs Bureau, however, says that was designed to help the woodworkers in Michigan. Thereafter it placed wood molding in the same category with lumber, sawed and planed, which it is not. We are trying to get relief. It is said we do not need legislative relief, that we can get relief under the escape clause. However, since molding is classed with lumber, there is no relief there. The only way to get relief is to have the term "wood molding" redefined, so that it will not be classified as raw lumber.

Mr. YARBOROUGH. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. CARROLL. Mr. President, will the Senator yield? I do not want to impose upon the Senator, if he is short of time.

Mr. YARBOROUGH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. YARBOROUGH. How much time do the proponents of the amendment have remaining?

The PRESIDING OFFICER. Twenty minutes remain to the Senator from Texas.

Mr. YARBOROUGH. I yield 1 minuate to the distinguished Senator from Colorado.

Mr. CARROLL. I was much interested in the remarks of the Senator in the colloquy with the junior Senator from Rhode Island. If I correctly understand what I think I heard, we are considering a proposal not merely to provide an escape clause remedy or relief. Am I incorrect in that assumption, I ask the Senator from California? This proposal is not simply for the purpose of providing an escape clause remedy?

Mr. ENGLE. It could do both. It could put the moldings under a 17-percent tariff. If that is not an adequate tariff, the escape clause procedure would be available.

At the present time these moldings, which are very different from the raw lumber, are under the same designation as the raw lumber. As a consequence, the escape clause provision is of no value.

When this material is put into the classification it should be in, which will bring it under the 17-percent rate, to which the Senator from New Mexico [Mr. ANDERSON] referred, then subsequently, if that is not an adequate rate, the escape clause procedure would be available. We do not contemplate that at this time.

Mr. CARROLL. If I correctly understood the remarks of the distinguished Senator from New Mexico, the escape clause in this situation is practically meaningless.

If I correctly understand the situation, what is being attempted now is to establish a tariff which does not exist at this time. Is that not correct?

Mr. ENGLE. No. We already have a tariff. We seek to put another article under it.

Mr. CARROLL. That is correct.

Mr. ENGLE. Which article is now a misfit, since it is called plain, common raw lumber, when it is not, and everybody knows it is not.

Mr. YARBOROUGH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. YARBOROUGH. To whose time is this colloquy being charged?

Mr. ENGLE. To the time of the Senator from Texas.

The PRESIDING OFFICER. The time was yielded to the Senator from Colorado by the Senator from Texas.

Mr. YARBOROUGH. I yielded only 1 minute, Mr. President.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YARBOROUGH. The Senator from Texas should be charged only 1 minute, because he yielded only 1 minute.

Mr. CARROLL. Mr. President, will the Senator from Texas yield for a question?

Mr. YARBOROUGH. Well, Mr. President——

Mr. CARROLL. This is important. The impression has been gained that the procedure is merely an escape clause procedure.

Mr. YARBOROUGH. Mr. President, the question was asked of the other side, and the other side is making what we think are erroneous arguments.

Mr. President, I should like to say, for the information of the Senate, that Senators will find, after a study of the bill, that there is a tariff on the lumber. It is claimed that the tariff is not enough. Certain Senators want to raise the tariff by 4,000 percent. The escape clause procedure is available right at the present moment to these manufacturers. What has not been told the Senate is that there is more than one provision in the escape clause procedure. If too much of the molding is manufactured, a quota can be put on the importation of it. The raising of the duty is not the only remedy which is available, for the quota can be placed on imports.

Why do the opponents not favor the escape clause procedure? It is because only 3 percent of the total amount of moldings used in the United States are included in the imports.

The opponents have not shown any injury in the record. We challenged them to show the injury. They did not show any injury. They did not show that any mill was closed. They did not show that any mill was actually carted across the river into Mexico and reopened there. There is no proof of that in the record.

The proof in the record does show—on pages 69, 70, and 71—that the production in New Mexico has gone down in the last year. Why has that happened? It is because the new President of Mexico, Adolfo Lopez Mateos, when he was inaugurated last year said that Mexico was going to conserve its resources. I sat on that occasion in that great opera palace in Mexico with the distinguished

senior Senator from Oregon [Mr. MORSE], the chairman of the subcommittee which deals with Latin American affairs of the Committee on Foreign Relations.

Mexico has reduced production of lumber items. In Mexico one cannot cut timber simply because he desires to. Instead, one has to get a government permit to do so. Mexico has reduced the amount of cutting which is allowed.

The amount of production of lumber products has fallen, but the value of the imports has risen, because there has been an increase in prices.

Mr. PASTORE. Mr. President, will the Senator yield for a simple question?

Mr. YARBOROUGH. I yield to the Senator from Rhode Island.

Mr. PASTORE. Is it not a fact, as has been stated by the Senator from New Mexico and the Senator from California, that in order for the makers of the moldings in the United States to obtain relief under the escape clause procedure they must show an adverse condition in the entire lumber industry?

Mr. YARBOROUGH. No, it is not.

Mr. PASTORE. Is that not the question which is involved?

Mr. YARBOROUGH. No. The manufacturers have to show that they are affected. If a man has a molding mill, all the man who makes the molding has to show is that he is affected. He does not have to show the whole industry is affected.

Mr. PASTORE. If the moldings are in the same category with the plain cut lumber, then one has to show, under the escape clause procedure, that the whole lumber industry is in trouble.

Mr. YARBOROUGH. No; one does not.

Mr. PASTORE. Mr. President, I should like to have my question answered from the other side, then.

Mr. YARBOROUGH. No; one does not. One has to show that the molding industry is affected, because it has a different kind of mill, with a different kind of equipment.

Mr. PASTORE. But the procedure is not particularized in that way under the escape clause. If the moldings are characterized as being cut lumber, then in order for a manufacturer to seek a remedy under the escape clause procedure he must show that the whole industry is affected.

Mr. YARBOROUGH. No; one does not have to do that.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. YARBOROUGH. How much time do I have remaining?

The PRESIDING OFFICER. Fifteen minutes remain to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, Friday the proponents of the Anderson amendment brought in some samples of the glued moldings and finger jointed moldings, and they complained that the Tariff Commission had put those over in the category of the furniture moldings or architectural moldings. That was the ruling, which was in their favor. Why, the Tariff Commission has extended the ruling and has said, "If that finger jointed molding or if that glued molding is used, we will put it in the category of the architectural or furniture molding and put a duty on it." When that presentation was made by the opponents of my amendment, they were actually complaining of a ruling which was in their favor, which put a duty on the moldings and put them in the category mentioned.

Therefore, this kind of a molding is ruled upon separately. How would we know the value of what is produced in the United States? How would we know the value of the imports? We know that simply because there are separate invoices kept on the separate products.

Mr. President, I must also point out that, in the RECORD, the opponents of my amendment did not offer any proof about any actual injury. They did not prove that there was any plant which was closed, or that there were any men thrown out of work, as is contended on the floor of the Senate.

It has been shown that the Mexican production has been reduced, because of the policy of the government to attempt to conserve its resources.

We have received wires and telegrams stating that it takes longer to produce the trees for the lumber in Mexico. It may take as long as 175 years to grow a stand of trees to the size necessary for the lumber. There is a slow growth in the mountains, where there is a very small amount of rainfall. This is not something which can be grown in 10 years. That is why Mexico has been putting more and more of a quota on the cutting of these products, and production has gone down.

This procedure will seriously disrupt the trade, because it is one thing Mexico does export. We export twice as much in dollar values to them. We are cutting off our noses to spite our faces, if we say that we will not permit 3 percent of the moldings used to come in from Mexico.

I think the people of El Paso have a right to be able to buy the moldings from Mexico, or from New Mexico. They are great purchasers of moldings from New Mexico. El Paso is a large city, the largest between Los Angeles and Denver.

I do not think our opponents should have the right to come in and bypass the Tariff Commission and to bypass every kind of a study which has been required for a long time, such as those on zinc and lead, to say, "We are going to put an embargo on Mexican moldings and make all the purchasers come to New Mexico and buy from a New Mexico plant."

California certainly has not been hurt in this procedure. The proof is in the record. It comes from people in Texas and from people in other parts of the country, who tried to order moldings from firms in California.

I should like to read a portion of a letter written September 30, 1958, to the Lumbermen's Sash & Door Co., Dallas, Tex. This will show why the people in my State want to import the moldings. This company wired to the California firm, and was told:

> We are booked solid through the end of November.

That was in September 1958. I should like to read a portion of a letter of July 6, 1959, to the Dealers' Wholesale Supply, Inc., of Detroit, Mich. It is from Morgan Gardner, Claremont Wood Products Co., Chico, Calif. It says:

> Thank you for your inquiry of July 2. We regret that we cannot quote at this time as we are oversold and temporarily off the market.

There is attached to the letter a complete list if the categories and types of moldings.

There is another letter of July 7, 1959, from Clear Pine Products, Inc., Nubieber, Calif., which says:

> We are unable to quote either of these. Our order file is full through the month of August, and we do not have production capacity or lumber available to take on any additional business.

There is another letter from Dant & Warnock, Inc., at Menlo Park, Calif., March 12, 1959, addressed to the Lumbermen's Sash & Door Co., Dallas, Tex. It says:

> Regarding ponderosa pine moldings, solid and finger joint, we are sorry but at the present time we are in a heavily oversold position on moldings.

They are like the dog in the manger—they are not hurt now. They might want to sell something to some man at sometime next year, which he cannot get. However, they are not hurt now. They have not shown any injury, in the record.

Mr. ANDERSON. I yield 5 minutes to the distinguished Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. Five minutes is yielded to the senior Senator from Oregon.

Mr. MORSE. I desire to cover two or three points in my remarks, and leave the others for the Senator from New Mexico.

Mr. President, I wish to establish my position in support of the amendment of the Senator from New Mexico by reading a very brief statement from an Oregon witness who appeared before the committee, which I think is an adequate reply to the Senator from Texas. It will be found on page 63 of the hearings. I read:

> Mr. HANSON. Mr. Chairman and gentlemen, my name is John Hanson, representing Ponderosa Molding, Inc., of Redmond, Oreg. My company is typical of the average molding manufacturer operating throughout the United States. Molding producers are characteristically small business enterprises, generally located in small rural communities. My concern employs approximately 60 men in a community of less than 4,000 population. We attempt, for our own business success and the stability of the community, to operate on a year-around basis. Although our product is not entirely seasonal, we do have peaks and lows in demand which create a fluctuation in the selling price of our products. Our minimum wage is now $2.05 per hour with an average wage scale in excess of $2.50 per hour. Being strictly a remanufacturer we purchase our lumber from sawmills on the open market in direct competition

with other molding manufacturers. We are not members of any established molding group or organization as none exist. We therefore are on our own completely as individuals to rise or fall with our own ability in the national economy.

I am well acquainted with the problem presented to American producers by Mexican molding. It has been my experience in the past several years, wherever we ran into competition with Mexican moldings, that it was impossible for us to compete in the same market. As a result, my company has had to withdraw from territories supplied by the Mexican producers and seek markets elsewhere where their competition was not direct. This is so because their prices were so low it was impossible for us to sell and stay in business. This has caused an inevitable depression for American producers resulting in cutthroat competition for Americans competing in these markets.

From my standpoint, as a small molding manufacturer, and as a representative of this group, I respectfully urge that the committee give favorable consideration to the Anderson molding amendment.

With that testimony as the foundation on which I wish to build my argument, Mr. President, I wish to say that there are American concerns operating molding establishments across the border, and they are operating them with dollar-a-day labor.

Mr. President, I am not seeking to discriminate against Mexican molding. I am asking that we stop Mexican discrimination against American molding, because we are dealing here with a problem of definition.

What we are considering is not raw lumber, it is manufactured lumber, and I think it is perfectly clear that the Tariff Commission in treating it as raw lumber at a dollar a thousand instead of the 17 percent ad valorem tax, has been discriminating against American molding.

The Senator referred to my position as chairman of the Latin-American Subcommittee. As chairman of that committee, Mr. President, I am not working against the best interests of Latin America when I take the position I assume on this issue.

The Senator from Texas would seem to attempt to have Senators believe that because exports to Mexico exceed imports from Mexico, therefore we should not proceed to protect American molding manufacturers who are being discriminated against by American-owned concerns operating molding establishments with cheap labor across the Mexican border.

Mr. President, Mexico needs exports that we ship to her, and she needs them in order to develop her productive power so that she can export to other countries which receive her exports to a greater extent than they would be able to do otherwise.

We must deal with this problem of reciprocal trade, Mr. President, by asking the simple question: Is it reciprocal?

I am for reciprocal trade, but reciprocal trade means reciprocity. We do not have an example of fair reciprocity in regard to the particular issue now before the Senate. I wish to say further that I disagree with the argument of the Senator from Texas that because Mexico produces a much smaller supply of lumber than does the United States, therefore we should not enact the Anderson amendment.

The question before us is: What is the effect of the practice that is now being followed on the small molding mills in this country which are paying decent American wages and which find themselves in unfair competition with manufacturers of Mexican molding?

The point is as to a definition. It is a matter of going back to the clear intent of Congress, and through this amendment binding the Tariff Commission into including molding as manufactured lumber and not as raw lumber. That is all we have to do.

As the Senator from California [Mr. ENGLE] pointed out to the Senator from New Mexico, we have before us the question as to whether or not the Anderson amendment would eliminate the Mexican discrimination against American molding. If the amendment would not do so, then we could go into the question of whether or not escape clause procedures, as referred to by the Senator from New Mexico, might be availed of.

Mr. PASTORE. There is one point the junior Senator from Rhode Island would like to have made clear once and for all. Is it the understanding of the distinguished Senator from Oregon that as long as the moldings remain in the classification of cut lumber, in order to obtain relief under the escape clause procedures, there must be an evaluation of the entire lumber industry?

Mr. MORSE. That is my opinion.

Mr. PASTORE. I should like to get that cleared up, because it is quite important.

Mr. ANDERSON. I believe that is not so.

Mr. PASTORE. In other words, is it so that the molding-making companies of the United States could go in and show a case of their own with relation to moldings under the escape clause procedure?

Mr. ANDERSON. I think they could. The department keeps pointing out they can use the escape clause.

Mr. PASTORE. Why should not the molding manufacturers stand on their own two feet?

Mr. ANDERSON. It is because the Treasury Department and the customs officials keep calling a piece of lumber that looks like the article I have in my hand raw lumber.

Mr. MORSE. I desire to reexpress my judgment just as I gave it to the Senator from Rhode Island. It is my judgment that until we get the definition changed as a matter of law, the molders have no effective remedy in the escape clause.

I close, Mr. President, by pointing out that we must come to grips with this problem. It is here before us. The question is whether a foreign industry is to put out of business a domestic industry through a discriminatory arrangement always brings in these matters; situation if we continue to yield to the kind of pressure that the State Department always brings in these matters; namely, the idea of not hurting foreign relations. I have yet to find the State Department coming in and making a recommendation to protect a single American industry in regard to reciprocal trade. Let some one name one instance when the State Department has ever come in to protect an American industry.

The sad fact is the State Department has pursued a rather consistent program, to the effect that reciprocal trade means that a foreign country should get by with a discriminatory trade arrangement, as Mexico does in this case. In the interest of protecting these American industries that are being subject to the unfair competition of certain foreign industries where they have this cheap labor, where they are coming in and doing damage, where there in fact is no reciprocity, we must establish some precedents, and if we vote against the Anderson amendment this afternoon, in my judgment we will establish a bad precedent that will rise to haunt us.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. ALLOTT. If the Senator's idea is correct, of course he argues very well that there is no particular reason why we should not also tack onto this bill an amendment to provide relief for the fluorspar industry, the lead industry, the zinc industry, the textile industry, and several others, except the present rule of germaneness under which we happen to be operating.

If it is not right to say that molding is the same as a cut piece of lumber, why is it right to say that a molding is just the same as a joined piece of lumber?

Mr. MORSE. No. I think the distinction is that this is an amendment which goes to a matter of definition. In the lead industry and in the zinc industry there is no question as to what lead is or what zinc is. Our issue here is an issue of fact. All one has to do is to see to believe. Our issue of fact is as to whether or not the piece of molding which I exhibit to the Senator is raw lumber or manufactured lumber.

Mr. ALLOTT. I point out to the distinguished Senator that his distinction is one without meaning. Really, the thing he is trying to do, regardless of what we call it—and I am not sure but I partially agree with him—is to change the tariff rate. The Senator is trying to seek relief without going before the Tariff Commission. If this method is so easy, should we not also apply it in the same manner, through other bills, to lead, zinc, fluorspar, aluminum, alumina, and all the rest of them?

Mr. MORSE. What the Senator does not agree with me about is that we have an existing provision of law. We are taking the position that, as a matter of definition, the Tariff Commission is not following the law. So, in order to make the situation perfectly clear, we had better write the definition in. What is involved is not a distinction without a difference. There is involved a very important distinction of definition, and until we have the definition cleared up, we cannot protect this industry.

Mr. ANDERSON. Mr. President, I yield myself 5 minutes.

This question arose in 1930. The able former Senator from Michigan, Mr.

Couzens, took the floor of the Senate and proposed an amendment to include articles under paragraph 411 at a rate of 40 percent. Those articles were wood moldings, and carvings used principally in architectural and furniture decoration. Senator Couzens acted because of the furniture situation at Grand Rapids, to be sure, but he acted also because there were complaints from the State of Maine that the woodworkers were being discriminated against. The bill passed, with the Senator's amendment in it.

Later in the same year the Department of the Treasury said that the legislative history showed that this provision was designed to protect woodworkers and furniture workers, and therefore they would hold that material such as I hold in my hand, which is not raw lumber, was really raw lumber. For a long time the Treasury Department even held that finger-jointed molding was raw lumber.

Only last December, when the heat became a little too much for it, the Treasury retreated from that position, and said, "We will regard that also as manufactured lumber," and changed the definition. I submit that those two pieces, one of which carries a 17-percent duty, and the other which is admitted practically free as raw lumber, show how silly the Treasury definitions are.

We tried for years to do something about the situation. Finally we came up with a provision which clarified the definition, so that there would be no dispute about it.

We find that there is danger from what is going on. The able Senator from Louisiana [Mr. LONG] presided during the hearing. He asked many questions of these individuals in an effort to determine their labor scales and their costs.

Today I received from the Association of Cotton Textile Merchants of New York—people who happen to know me because of a previous connection—an appeal to try to help them in their peculiar situation. They point out that the shipment from Hong Kong of textiles into American markets is very rapidly increasing. It was $670,000 in 1956; $5,762,000 in 1957; $17,600,000 in 1958; and a figure of between $35 million and $40 million is expected in 1959.

That is what happened to us in the molding business. Some ask, "Why do you worry about that? All they are doing is closing down the plants on our side of the line." It was said that nothing like that had happened.

I have received a telegram addressed to me from El Paso, Tex.

Mr. YARBOROUGH. Mr. President, will the Senator yield? I will use half a minute on my own time.

Mr. ANDERSON. I yield.

Mr. YARBOROUGH. Does the Senator claim that the figures he is reading with respect to Hong Kong relate to wood moldings?

Mr. ANDERSON. No; I do not. However, Mexico now produces cotton; and the next step, by the same sort of people who brought about this situation with respect to moldings, is to go across the line and build a textile mill in Juarez, employing labor at 80 cents a day, and then start bringing Mexican textiles into this country. Some will say, "Oh, Mexico is such a fine friend that we must not do that." Mexico withdrew from the reciprocal trade arrangements in order to do this very thing.

Did they close anything down? Let me read this telegram from El Paso, Tex.:

EL PASO, TEX., *August 22, 1959.*

Senator CLINTON ANDERSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Frank Davis and myself, Leo Elwert, are operating a wood-molding plant in El Paso, Tex. Please vote in our favor to put a heavy duty on Mexican lumber. They should pay on moldings. There are hundreds of car loads and truck loads of moldings shipped duty free into the United States. We need protection. Most all the plants are American owned. They pay no tax and cheap labor. Please help us Americans.

FRANK DAVIS.
LEO ELWERT.

The other day I read into the RECORD a list of those who had closed their plants, people who were in trouble in California. I know that we can find people temporarily in a position in which they are unable to fill orders. One might collect telegrams from such people and claim that no one needs help.

Why was the senior Senator from California [Mr. KUCHEL] in this discussion the other day? Why was the junior Senator from California [Mr. ENGLE] in the discussion? A man sent an item to the newspapers and circulated it to all Members of Congress, to the effect that this question arises only because the Senator from New Mexico is trying to protect two little plants in New Mexico.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PASTORE. Did I correctly understand the Senator to say a short while ago that there was a time when the construction and interpretation of the provision with respect to moldings was precisely as the Senator is suggesting in this amendment, if enacted?

Mr. ANDERSON. No. When the bill was passed in 1930 wood moldings were included in the bill. At that time very little wood molding was coming into the country. Now approximately 15 percent of wood molding used in this country is imported. All the wood moldings coming into Texas, New Mexico, and Arizona are imported from Mexico. They represent a substantial share of the market.

That is the way it occurs. Because the imports at that time were not significant, the Treasury Department ruled that these moldings were raw lumber, sawed and planed. Even though they were finger jointed or rounded, they were classified as raw lumber.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PASTORE. I can understand why a molding is not the same as raw lumber. I think we have passed that point. But why is it the same as furniture decoration? What is the justification for placing it in that category?

Mr. ANDERSON. At the time the question arose Senator Couzens of Michigan was trying to protect the furniture makers of Grand Rapids, and he, therefore, included furniture decoration. But he was also cognizant of the situation in the State of Maine, where great importations were coming into this country from across the Atlantic. Therefore, he joined with his friends and put in a provision for wood moldings. At the same time the Senators who were interested—as frequently happens—proposed their amendment on the floor of the Senate, and it was adopted.

The Treasury Department tried to interpret it. The Department said that Senator Couzens was interested only in furniture workers, and that he was not interested in wood moldings.

Mr. PASTORE. Why cannot household moldings be placed in a category of their own, so that relief can be sought for that category?

Mr. ANDERSON. That is what we tried to do. We thought they were placed in a category in section 412, so that wood moldings would be protected. That was the first time wood moldings ever appeared in a tariff act. The Treasury Department says we do not pay any tariff on wood moldings. But it is there. The Department says the tariff was put on for the furniture manufacturers.

Mr. PASTORE. Would not the effect of this amendment, if adopted, be to place wood moldings, which are much more improved than ordinary lumber, in the category of a manufactured product, but not as highly processed as architectural moldings or portrait moldings, which receive a very preferential treatment?

Mr. ANDERSON. The law set forth the rules which apply to wood moldings used in architectural or furniture decoration. The Treasury then said, "That means furniture decorations." We say it means architectural decorations. We have been trying to persuade the Treasury. It rendered one opinion in 1915, and another in 1930. It was only when lawsuits were threatened that the Treasury Department changed this classification from that of ordinary lumber, which took jobs away from American working men. No one objects to decent competition. But a 16- or 17-percent tariff is not adequate to represent the difference in costs between the two areas. The Department objected to that. It wanted it to come in as raw lumber, planed and sawed; and that is wrong.

Mr. PASTORE. Mr. President, will the Senator answer one further question?

Mr. ANDERSON. Yes.

Mr. PASTORE. If this amendment shall be enacted, what will be the difference in tariff treatment as between the moldings which the Senator has on his desk and the moldings which are used for picture framing?

Mr. ANDERSON. None. It means anything that is used for architectural purposes.

Mr. PASTORE. Is that not going a bit too far?

Mr. ANDERSON. No, because picture molding is a relatively small item. It is the molding which is used for house construction, and molding for that purpose is used in luxury housing. If the Senator will check with the Housing Administration, he will learn that cheap houses, which run as high as $10,000 in cost, use very little molding in them. It is used in the more expensive houses.

We see no reason why this precedent should be started, because if it can be done with lumber, it can be done with textiles and almost anything else.

The Senator from Rhode Island knows the situation which arose with respect to wool tops, where the identical practice was taking place, and an effort was made to make it impossible to use a special tariff device.

Mr. PASTORE. The Senator from New Mexico strikes a very sympathetic not with the junior Senator from Rhode Island when he speaks of textiles. But the fact of the matter is that textiles are pretty well defined. We do not have any trouble at all with reference to the interpretation.

What I cannot assimilate too easily here is that if we are not putting this description in a very sensitive category, where there is a high tariff only because of the quality of importation, such as picture frame molding.

Mr. ANDERSON. The picture frame molding business in the United States is not a tremendous business. But Congress, in an amendment offered on the floor of the Senate, said that all wood moldings used in architectural or furniture decoration should bear a certain tariff. It has not been possible to get the Treasury Department to enforce the law. The Department says that since molding is simply sawed and planed wood, it is like raw lumber. For a long time they admitted finger-jointed material when it was not planed.

There is only one way in the world to get it, and that is to say to the Treasury Department, "We do not care if you cannot see the difference. This is wood molding, and it is within the meaning of the present law." We have tried every other device; it simply does not get done.

Mr. YARBOROUGH. Mr. President, I yield 1 minute to the Senator from Kansas.

Mr. CARLSON. Mr. President, I regret to find myself in disagreement with the Senator from New Mexico. I rarely do.

There has been much discussion today about the importation of Mexican molding. When we deal with this problem, we are dealing with all types of molding, including mahogany molding which comes from the Philippines.

I direct attention to some questions I asked and to a letter which I received, which appear on pages 32 and 33 of the hearings. I ask unanimous consent to have printed at this point in the RECORD a letter I received from the Frank Paxton Lumber Co., of Kansas City, in opposition to this proposal.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. CARLSON. Mr. Chairman, I have a question. Mr. Weitzel, my knowledge of moldings is limited to having bought a few hundred feet in the last few years and of using a few moldings for picture frames, so I am not a specialist in this field.

I have received a number of complaints from Kansas and the Middle West in regard to this proposed amendment, and I think I would like to at least place one letter in the record, Mr. Chairman, from the Frank Paxton Lumber Co., of Kansas City.

This is a very large concern, and one sentence of the letter reads:

"I am keenly interested in this matter as the Frank Paxton Lumber Co. imports Philippine mahogany moldings from an American manufacturer operating in the Philippines, and this business would be subject to serious adverse effects if the Anderson amendment to H.R. 2411 is adopted."

Do you have any comments on that?

Mr. WEITZEL. We, of course, Senator Carlson, are not completely familiar with the domestic industry economics or the import situation; but we do feel that there is a regularized way of handling problems that this domestic industry feels they have today, and that way, established in the Trade Agreements Act, is through escape clause proceedings.

We are not expert in all of such matters, and the Tariff Commission is expert in balancing these difficult interests, and in determining the facts.

Senator CARLSON. Could you tell me what would happen in case the Anderson amendment is approved by this committee and the Congress to the importation of this particular type of mahogany moldings from the Philippine Islands?

Mr. WEITZEL. Does the letter further describe the type of moldings, Senator Carlson?

Senator CARLSON. No; it does not.

I gather from the testimony here this morning there are many types and many ways to make these moldings.

Mr. WEITZEL. If it were what we call one-piece molding, simply planed, there would be a very large duty increase, because today mahogany one-piece moldings of that type are duty free. This would impose a 17 percent duty on such moldings.

There is also a small import tax on them.

Economically, I do not imagine that would be too significant. So it would amount to a change from duty free to 17 percent ad valorem.

Senator CARLSON. I can appreciate their interest in that. That is all, Mr. Chairman.

(The letter referred to follows:)

FRANK PAXTON LUMBER CO.,
Kansas City, Mo., July 8, 1959.

Senator FRANK CARLSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARLSON: Inasmuch as I reside in the State of Kansas, at 4917 Glendale Road in Johnson County, I am taking the liberty of writing you regarding a matter which greatly concerns me.

I understand the Senate Committee on Finance is holding public hearings on Thursday, July 16, on a bill, H.R. 2411, to which amendment has been proposed by Senator ANDERSON which would have the effect of special duty, to an ad valorem duty of 16⅔ percent. I am keenly interested in this matter as the Frank Paxton Lumber Co. imports Philippine mahogany moldings from an American manufacturer operating in the Philippines and this business would be subject to serious adverse effects if the Anderson amendment to H.R. 2411 is adopted. We, therefore, strongly oppose the said Anderson amendment to H.R. 2411 and can find in our long experience in dealing with both domestic and imported woods no reason for disturbing the long standing and generally accepted classification of ordinary moldings as lumber, subject to no ad valorem duties.

Your study of and interest in this matter would be appreciated. I understand that Mr. James D. Williams, Jr., of the law firm of Barnes, Richardson & Colburn, is following this matter and may call on your office in connection therewith. Any assistance you can give Mr. Williams will be appreciated.

Thanking you in advance for your consideration and help, I am

Yours very truly,

WINTHROP WILLIAMS,
Manager.

Mr. CARLSON. Mr. President, I have received many letters and telegrams from the Middle West in opposition to this proposal. I feel that the matter requires more time and attention than we are able to give it on the floor of the Senate this afternoon. We should by all means not adopt the amendment of the Senator from New Mexico at this time.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. CARLSON. I yield.

Mr. MORSE. The matter will be in conference, will it not?

Mr. CARLSON. It will be in conference.

Mr. MORSE. There will be time in conference for a full discussion of the subject. If we do not get it in conference there can be no consideration of it.

Mr. CARLSON. Personally, I hope the amendment will not be approved this afternoon.

Mr. YARBOROUGH. Mr. President, I yield 3 minutes to the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, I shall not undertake to deal with the details of the pending proposal. I submit that the Senate should not adopt the amendment of the junior Senator from New Mexico. To do so would be to violate two principles which the Government has found stand it in good stead. For one thing, it would be in contravention of the whole trade program concept. It would be a precedent to return to the legislative jungle on the myriad items which are subject to varying import duties. This woud be an unfortunate practice to adopt. If we take such action for this item, then why not for jewelry, for medicine, and many other individual items?

Second, the proposal is in violation of the good neighbor policy. We should be acting against one of our closest and best neighbors if we adopted the amendment. I suggest that the Senate would not, upon consideration, wish to do this, and should not.

Mr. YARBOROUGH. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, I contemplate casting my vote in support of the views urged by the distinguished junior Senator from Texas. I do so primarily on the basis that the bill, H.R. 2411, deals mainly with what I would call works of art. It deals with "models

of inventions and of other improvements in the arts, to be used exclusively as models." It deals with "original paintings in oil, mineral, water, vitreous enamel, or other colors, pastels," and so forth. It deals with sculpture, statuary, and similar items named in the bill. It deals with "works of the free fine arts," not provided for heretofore in the bill from which I am reading.

It deals with works of art, collections in illustration of the progress of the arts, and similar things.

It is now contemplated to include in the bill what has thus far provoked argument as to whether it is plain lumber or some highly improved variation of the lumber. I cannot see my way clear to include in the definition of "art," "sculpture," "statuary," "paintings," and the other artistic provisions, what has provoked a dispute as to whether it is plain lumber or an improved form of lumber.

I subscribe to the views of the junior Senator from Rhode Island [Mr. PASTORE]. We are moving it into the delicate field of production, far beyond what the item justifies.

Mr. YARBOROUGH. Mr. President, I yield myself 2 minutes. It has been developed in the colloquy between the distinguished Senator from Rhode Island [Mr. PASTORE], the distinguished Senator from New Mexico [Mr. ANDERSON], the distinguished Senator from California [Mr. ENGLE], and the distinguished Senator from Ohio [Mr. LAUSCHE], that what is sought here is to impose the same tariff on moldings used in house construction that is imposed on picture moldings and architectural moldings such as we see around the borders of the Senate Chamber, moldings worked by hand. That is an architectural molding.

It was ruled in 1930 by Secretary of the Treasury A. W. Mellon what constituted such moldings. There is a difference between the architectural molding, of the type we see around the Chamber, and the simple kind of molding, such as the Senator from New Mexico [Mr. ANDERSON] held in his hand.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from Raymond L. Telles, Jr., mayor of El Paso, Tex.; a telegram from Woodrow Bean, county judge of El Paso, Tex.; and a telegram from the Tom Kuhn Lumber Sales Co., of Houston, Tex.; also, a letter dated August 24, 1959, from the Department of State, appealing for the defeat of the amendment, because, as the letter states, the United States sells Mexico $885 million worth of goods a year.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

EL PASO, TEX., *August 23, 1959.*

Hon. RALPH YARBOROUGH,
U.S. Senator,
U.S. Senate:

Your opposition to Anderson amendment to H.R. 2411 is fully appreciated by El Paso. This punitive tariff bill, if enacted, would destroy the orderly flow of commerce between our two great nations. Also the possibility of retaliation by Mexico could place El Paso in a most undesirable position economically.

RAYMOND L. TELLES, Jr.,
Mayor, El Paso, Tex.

EL PASO, TEX., *August 23, 1959.*

Senator RALPH YARBOROUGH,
Senate Office Building:

Appreciate your leading the opposition to Anderson amendment to H.R. 4211. No new molding production has been started in Mexico in the last 3 years. In fact, six small marginal plants have been closed down due to competitive conditions. The small plants representing about 10 percent of total production are all 100 percent Mexican ownership: The big plant at Casa Grandes is 100 percent Mexican owned; and the two large plants at Juarez are both 51 percent Mexican owned with the American ownership of 49 percent operating the plants. The biggest danger lies in possible breakdown of United States-Mexican trade between border cities. Our new bridge, on which you were so helpful, will be of no value if we start to destroy trade with Mexico. Your position and support of our historic foreign trade policy is a great credit to you and your party.

WOODROW BEAN,
County Judge, El Paso County, Tex., City of El Paso, Tex.

HOUSTON, TEX., *August 22, 1959.*

Senator RALPH YARBOROUGH,
Senate Office Building:

I urgently request that you use all your influence to defeat the Anderson amendment to bill H.R. 2411. This will increase duties to 17 percent on moldings from Mexico, will put me out of the molding business, and make it difficult for my customer to get the moldings they need at this time. West coast suppliers cannot supply the moldings needed in my territory.

TOM KUHN LUMBER SALES,
TOM KUHN.

DEPARTMENT OF STATE,
Washington, August 24, 1959.

Hon. RALPH YARBOROUGH,
U.S. Senate.

DEAR SENATOR YARBOROUGH: Supplementing the Department's letter of May 21 to Senator Byrd concerning S. 913 and in response to your request for more specific information covering imports and exports with Mexico, I am pleased to inform you as follows.

As you will note from the following table, we export to Mexico more goods than we import from Mexico. I might add that Mexico was our second most important export market in 1958. The value of our merchandise trade with Mexico, in millions of dollars, is as follows:

	Exports	*Imports*
1954	642	328
1955	711	397
1956	851	401
1957	903	430
1958	885	458

In regard to importation of wood moldings from Mexico, only limited information is available. An accurate compilation of statistics for recent years would require several weeks time. The lack of adequate data is one of the reasons why we have recommended that a thorough investigation be made by the Tariff Commission under the escape-clause procedure before any action is taken. However, based on an examination of invoices, we are informed that 6,901,000 board feet of wood moldings, having a value of $1,702,000, were imported from Mexico during the period October 1957 to March 1958, inclusive. Assuming that these figures are representative for an entire year, the total value of wood moldings imported from Mexico by the United States would be somewhere in the neighborhood of $3.5 million.

Precise data concerning U.S. domestic production of wood moldings during this period are not readily available. However, according to the best information available to us at this time, U.S. domestic production of wood molding was valued at about $113 million in 1954; and domestic production of softwood lumber was about 27 billion board feet annually during the past 2 years.

I hope the foregoing information will be helpful to you.

Sincerely yours,

THOMAS C. MANN,
Assistant Secretary.

Mr. YARBOROUGH. Mr. President, the 1958 imports into the United States amounted to only $458 million, whereas the exports from the United States in the same year amounted to $885 million worth. Thus, the American industry had a trade balance of 2 to 1 in its favor.

Mr. President, at this time I yield a minute and a half to the Senator from Pennsylvania [Mr. CLARK].

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Pennsylvania is recognized for a minute and a half.

Mr. CLARK. Mr. President, since I spoke last Friday in support of the motion of the Senator from Texas [Mr. YARBOROUGH], and in opposition to the amendment of the Senator from New Mexico [Mr. ANDERSON], I have received from small business concerns in Pennsylvania three more telegrams in which I am urged to oppose the Anderson amendment. I ask unanimous consent that those telegrams be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

AUGUST 21, 1959.

Urge you to oppose Anderson amendment to H.R. 2411.

M. L. CLASTER & SONS, INC.
MILTON KRAUSS.

BELFONT, PA.

BETHLEHEM, PA.,
August 21, 1959.

Senator JOSEPH CLARK,
Senate Office Building,
Washington, D.C.:

Desire you register strong opposition Anderson bill, H.R. 2411. This small supply Mexican molding approximately 3 percent should not be cut off. Definitely inflationary.

SCHOLL LUMBER CO.
C. G. SCHOLL, *Owner.*

AUGUST 25, 1959.

Senator JOSEPH S. CLARK,
U.S. Senate:

We want to go on record as being opposed to the Anderson amendment to H.R. 2411. The volume of moldings arriving in the United States from Mexico is very, very small as compared to the total manufactured. We think the competition in this market is healthy.

Mr. M. R. MARSEON,
Vice President, Wholesale Lumber and Flooring Co., Pittsburgh, Pa.

(Retail lumber dealers within an area of 100 miles of Pittsburgh buy lumber products, including ponderosa pine moldings, from California, Oregon, and Mexico.)

Mr. CLARK. Mr. President, it has been said that we have to come to grips with this matter. Indeed we do. But I suggest that we should not do so in this

way. This is the old logrolling way which Congress used to use in writing tariffs by means of logrolling and back scratching, before the days of the Cordell Hull reciprocal trade agreements. Let us not proceed in this way to deal with the subject of tariffs with friendly nations. Such matters should be handled through the Tariff Commission, by means of comprehensive review, and through the method of reciprocal trade agreements or treaties.

Therefore, Mr. President, I urge that the motion of the Senator from Texas [Mr. YARBOROUGH] be agreed to.

Mr. ANDERSON. Mr. President, I yield 2 minutes to the Senator from California [Mr. ENGLE].

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. ENGLE. Mr. President, I doubt that the pending issue will be decided on the basis of which side is able to submit the thickest stack of telegrams.

The junior Senator from Texas [Mr. YARBOROUGH] stated that the people of California are not injured. I think I know more about what is happening to the people of California than does the Senator from Texas [Mr. YARBOROUGH]; and I am prepared to submit a long list of names of people and producers in California who have urged adoption of the Anderson amendment.

But, Mr. President, I believe that the Senate should not make up its mind on the basis of whether someone in Texas has been able to scurry around and have sent to the Senate 150 telegrams in which those who send the telegrams state they would like to buy cheap Mexican moldings.

I believe that the question before us is whether the Senate is willing to permit American business, with its managerial knowhow, to move across the Rio Grande and establish itself south of that river, where it will take advantage of Mexican labor wages at 80 cents a day, as compared with American workmen wages of $2.05 or $2.10 an hour, and thus obtain in Mexico, and thus divert to Mexico, the business of American firms, and thus displace the American employees of those American firms.

If that is the right thing to do, Senators should vote in favor of the motion submitted by the junior Senator from Texas [Mr. YARBOROUGH]. But if that movement to Mexico is wrong, Senators should vote, accordingly, against the motion of the junior Senator from Texas [Mr. YARBOROUGH], and in favor of the amendment of the Senator from New Mexico [Mr. ANDERSON].

No doubt there will be similar situations in which American businessmen will attempt to move their businesses across the Rio Grande, in an endeavor to obtain the benefit of the differential in wages—that is to say in this case the difference between the Mexican labor wages of 80 cents a day and the American labor wages of $2.05 or $2.10 an hour—and thus attempt to preempt the American market, and thereby put American workingmen out of work. If that is wrong—and I submit that it is wrong—the amendment of the Senator from New Mexico should be agreed to.

Mr. ANDERSON. Mr. President, I rise now to speak for only a moment or two in regard to a statement made by the Senator from Ohio [Mr. LAUSCHE]. The Senator from Ohio said the bill relates to paintings and works of art. But if the Senator from Ohio will examine the bill, he will find that the bill originally related only to tourist literature; and the provision in regard to paintings and works of art was later added to the bill. If there is objection to making one addition to the bill, objection should also be made to making another addition to it.

The Senate should realize that this means was the only one available to us, because the Senate is not permitted to originate tariff bills or revenue-raising bills. Therefore, we had to use this route, which was the only one we could use; and thus we have followed this route.

The PRESIDING OFFICER. Does the Senator from New Mexico yield back the remainder of the time under his control?

Mr. ANDERSON. I do.

Mr. YARBOROUGH. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. Two minutes.

Mr. YARBOROUGH. Mr. President, I yield those 2 minutes to the distinguished majority leader.

The PRESIDING OFFICER. The senior Senator from Texas [Mr. JOHNSON] is recognized for 2 minutes.

Mr. JOHNSON of Texas. Mr. President, I rise in support of the motion of the junior Senator from Texas [Mr. YARBOROUGH].

Mr. President, I have had made to me a good many representations in regard to this controversy. However, I do not believe all the facts in connection with it have been brought to the attention of the Senate.

Therefore, Mr. President, I wish to bring to the attention of the Senate, first, the fact that the importations from Mexico, although important to Mexico, represented only approximately 3 percent of the total imports of such wood moldings to the United States in 1958.

If the motion of the junior Senator from Texas [Mr. YARBOROUGH] is rejected, I believe great injury will be done to one of the best customers of the United States. I am fortified in that viewpoint by the Under Secretary of Commerce, who on May 22, 1959, had the following to say:

> The increase in duty which would be occasioned by the subject bill is sizable and would appear therefore to require a strong factual justification.

Mr. President, I submit that a factual justification has not been made.

The Under Secretary of Commerce further said:

> In the light of the above, the Department does not recommend enactment of S. 913.

Mr. President, what did the Assistant Secretary of State say? Congress has spent months and years developing the reciprocal trade programs; and this matter involves one of the best customers of our country—in fact, the second best customer the United States has. The Assistant Secretary of State wrote, on May 21, 1959, a letter in which he made the following statement:

> While precise statistics are not available, it appears that domestic production is large in camparison with imports of wood moldings. Nevertheless, if domestic producers of the products involved feel that they are being caused or threatened with serious injury by increased imports due to trade agreement concessions, there is an established procedure through which they can seek relief. This is section 7, the escape-clause provision, of the Trade Agreements Extension Act of 1951, as amended. Resort to this provision is the appropriate method for handling this matter, and legislation does not appear necessary.
>
> For the foregoing reasons, the Department of State is opposed to the enactment of this legislation.

Mr. President, in view of the fact that the committee report does not list any injury to any American manufacturer, and in view of the statement by the Department of Commerce that this increase in duty is not in the best interests of the Government, and in view of the statement by the Department of State, I believe the motion of the junior Senator from Texas [Mr. YARBOROUGH] should be agreed to.

The PRESIDING OFFICER. All available time, under the unanimous-consent agreement, has been used or yielded back.

The question is on agreeing to the motion of the junior Senator from Texas [Mr. YARBOROUGH] to strike out section 4, which relates to the duties on wood moldings.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Connecticut [Mr. BUSH] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 64, nays 23, as follows:

YEAS—64

Allott	Butler	Case, N.J.
Bartlett	Byrd, Va.	Church
Beall	Byrd, W. Va.	Clark
Bennett	Carlson	Cooper
Bridges	Carroll	Cotton

Dirksen	Johnston, S.C.	Randolph
Douglas	Keating	Robertson
Ellender	Kefauver	Schoeppel
Ervin	Kennedy	Scott
Fong	Lausche	Smathers
Fulbright	Long, Hawaii	Smith
Gore	Long, La.	Sparkman
Gruening	McCarthy	Stennis
Hart	McClellan	Symington
Hennings	McGee	Thurmond
Hickenlooper	McNamara	Williams, N.J.
Hill	Mansfield	Williams, Del.
Holland	Martin	Yarborough
Hruska	Morton	Young, N. Dak.
Humphrey	Moss	Young, Ohio
Javits	Prouty	
Johnson, Tex.	Proxmire	

NAYS—23

Aiken	Goldwater	Magnuson
Anderson	Green	Morse
Bible	Hartke	Mundt
Cannon	Hayden	Muskie
Case, S. Dak.	Jackson	Neuberger
Chavez	Jordan	Pastore
Dworshak	Kuchel	Talmadge
Engle	Langer	

NOT VOTING—13

Bush	Frear	Russell
Capehart	Kerr	Saltonstall
Curtis	Monroney	Wiley
Dodd	Murray	
Eastland	O'Mahoney	

So the motion of Mr. YARBOROUGH was agreed to.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF PERIOD FOR FILING CLAIMS FOR CREDIT OR REFUND OF OVERPAYMENT OF INCOME TAXES IN CERTAIN CASES

Mr. BYRD of Virginia. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives on H.R. 2906.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendment, agree to the request of the House for a conference and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow there be the usual morning hour, for the introduction of bills and the transaction of other routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, will the distinguished majority leader yield, while Senators are present?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I should like to inquire of the majority leader whether there are any other legislative items to come before the Senate tonight, and whether there will be any roll calls.

Mr. JOHNSON of Texas. I will say to the distinguished minority leader, so far as I am informed there will be no roll calls. I will try my best to protect the Senator. Unless there is a yea-and-nay vote on the bill, I know of none.

Mr. BYRD of Virginia. I think there is no objection.

Mr. JOHNSON of Texas. Mr. President, I know of no contemplated roll calls. We may consider some noncontroversial bills.

I should like to announce, for the information of the Senate, that in addition to H.R. 1, to which I referred yesterday, which was ordered reported yesterday which I expect will be considered by the Senate tomorrow, the following bills have been cleared and will be considered, not necessarily in the order of priority in which I list them:

Calendar No. 133 (S. 91) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition of payment of annuities and retired pay to officers and employees of the United States, to clarify the operations of such act, and for other purposes.

Calendar No. 398 (H.R. 6190) to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes.

Calendar No. 447 (S. 1789) to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes.

Calendar No. 518, (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Calendar No. 559 (S.J. Res. 39) to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives.

Calendar No. 581 (S. 2026) to establish an Advisory Commission on Intergovernmental Relations.

I call this to the attention of the Senator from Maine [Mr. MUSKIE]: Calendar No. 591 (S. Con. Res. 11) to invite friendly and democratic nations to consult with India.

Calendar No. 596 (S. 1697) to amend the Mutual Defense Assistance Control Act of 1951.

Calendar No. 664 (S. 2522) to provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food stamp allotment programs.

Calendar No. 669 (S. 2282) to amend the act of July 17, 1952.

Calendar No. 693 (S. 1734) to amend sec. 409(c) of the Communications Act of 1934 with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission.

Calendar No. 700 (S. 1654) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

Calendar No. 710 (S. 2449) to extend the International Wheat Agreement Act of 1949.

Calendar No. 720 (H.R. 5888) to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority certain lands in South Boston, Mass., in exchange for other lands.

Calendar No. 729 (S. 2504) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

Calendar No. 733 (H.R. 6904) to establish an Advisory Commission on Intergovernmental Relations.

Calendar No. 734 (H.R. 6888) to amend sec. 4132 of the Revised Statutes, sec. 37 of the Merchant Marine Act, 1920, sec. 2 of the Shipping Act, 1916, and sec. 905(c) of the Merchant Marine Act, 1936, as amended.

Calendar No. 761 (H.R. 5067) to repeal sec. 217 of the Merchant Marine Act, 1936, as amended.

Calendar No. 768 (S. 1015) for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co. of Henderson, N.C.

Calendar No. 770 (H.R. 2717) for the relief of Eber Bros. Wine & Liquor Corp.

Calendar No. 782 (S. 981) for the relief of T. W. Holt & Co.

The last three bills are private bills to which there was objection when they were called on the call of the calendar. The Senator from New York [Mr. KEATING] and the Senator from Florida [Mr. SMATHERS] will be interested in those bills.

Calendar No. 811 (S. 2467) to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

Calendar No. 813 (S. 2431) to provide for the striking of medals in commemoration of the 100th anniversary of statehood of the State of Kansas.

Calendar No. 815 (S. 2578) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

Calendar No. 816 (S. 2517) to amend sec. 7 of the Federal Home Loan Bank Act, as amended.

Some of those bills are noncontroversial, and may be considered.

Mr. McNAMARA and Mr. ALLOTT addressed the Chair.

Mr. JOHNSON of Texas. I yield to the Senator from Michigan.

Mr. McNAMARA. I understood the majority leader to say that he is considering taking up H.R. 1 tomorrow.

Mr. JOHNSON of Texas. That is correct.

Mr. McNAMARA. Will we have the report and hearings printed and available tomorrow?

Mr. JOHNSON of Texas. I anticipate we will. The chairman of the subcommittee asked that we not hold action up and that we act on the bill either Monday or Tuesday. I understand we had a week which was given to people to prepare for consideration.

The Senator from New Mexico filed a report earlier today. I will try to have it on the desks of Members in the morning. I think it has been more than a week since the committee acted and ordered the report printed.

This is a matter which we have debated a good deal. I think most Members of the Senate are familiar with it. Several reports are available. I think two Members wanted to file supplementary or individual views. I asked both of them to get them ready. The chairman filed a report.

Mr. CHAVEZ. I asked permission to have the minority views printed.

Mr. JOHNSON of Texas. If Senators want them printed, they may be, because they have been given that permission.

Mr. McNAMARA. We held, this year, extensive hearings on this bill. There have been many new angles presented, but Senators have had to date, no opportunity to get any report. It seems to me unless the hearings are printed and available it is not proper to consider the bill, and I hope the majority leader will give that real consideration.

Mr. JOHNSON of Texas. I do not want to say now whether the hearings are printed and available or not. I will check into that. I asked that that be done. Unless somebody is holding them up, there has been ample time to have them printed.

How long has it been since the hearings were concluded?

Mr. CHAVEZ. The hearings were concluded a couple of weeks ago. I believe it was a week ago last Friday.

Mr. JOHNSON of Texas. The bill was ordered reported more than a week ago?

Mr. CHAVEZ. The bill was ordered reported on August 17.

Mr. JOHNSON of Texas. I understood the report was to have been filed yesterday. It was held up, through some oversight.

Mr. McNAMARA. The hearings are what I am interested in.

Mr. CHAVEZ. The hearings will be available, I am sure.

Mr. JOHNSON of Texas. I understand that precautions have been taken and copies of the hearings will be available to the Senator, if he desires them, tomorrow. I asked that that be done several days ago, because I anticipated we would have difficulty.

Mr. McNAMARA. I received a request from the Senator from Ohio [Mr. LAUSCHE] for a copy of the hearings.

The Senator also asked for a couple of days time, to study the hearings, but that is not my request.

Mr. JOHNSON of Texas. I think we have taken every precaution possible, to give every Senator as much time as we reasonably could in connection with this matter.

Mr. ALLOTT. Mr. President, may we have order in the Chamber?

Mr. JOHNSON of Texas. The bill was ordered reported by the committee more than a week ago. We waited a week for a report. Yesterday the report was due to be filed, but it was not filed. We waited until today, and the report was filed today. The Senator also received permission to have minority and individual views printed.

Mr. CHAVEZ. That is correct. Those will be printed. They will be available tomorrow.

Mr. JOHNSON of Texas. I am told that the hearings will be available. The Senate will stay in session late tomorrow, if necessary, and we will come in early on the next day and sit late the next evening, if it is necessary. We have been told that there will be no unanimous-consent agreement in connection with limitation of time. All Members should be prepared to vote whenever the debate is concluded.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Does the Senator want to ask a question?

Mr. ALLOTT. I wish to ask a question with respect to Order No. 572, which is a bill to validate certain extended oil and gas leases.

Mr. JOHNSON of Texas. That bill has not been cleared yet by the policy committee.

Mr. ALLOTT. May I inquire whether there is objection to that bill?

Mr. JOHNSON of Texas. There is.

Mr. ALLOTT. May I inquire who is objecting?

Mr. JOHNSON of Texas. I am, for one.

Mr. ALLOTT. Is there anyone else? If there is, I should like to talk to the Senator about it.

Mr. JOHNSON of Texas. I shall be glad to talk with the Senator about it.

Mr. ALLOTT. It is a noncontroversial bill, and if there is anyone who has any objection, I would like to talk to him.

Mr. JOHNSON of Texas. I will be glad to talk to the Senator from Colorado. I am available at any time.

Mr. ALLOTT. I thank the Senator.

EXCHANGE OF CERTAIN MORTGAGES FOR GOVERNMENT BONDS

Mr. DIRKSEN. Mr. President, during the discussion on Senate Resolution 130 last Thursday I received unanimous consent to include in the body of the RECORD an amplification of my remarks. I submit such a statement now, and ask consent that it be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DIRKSEN

Last week the Senate passed a resolution expressing disapproval of the proposed exchange of FNMA mortgages for Treasury bonds. I believe this action was unfortunate. It is an accomplished fact, however.

The Senator from Florida [Mr. HOLLAND] summarized well what we were really doing on the floor last Thursday. He called it an "exercise in futility." Let me read his words:

"It seems to me that if the Senators are complaining about the terms of the law under which these officials are operating, Senators should have made a proposal here either to change the law or to repeal it. I believe that an approach as futile and as meaningless as the one now taken is not quite worthy of this fine body of men and one very wonderful woman. * * *

"This kind of exercise in futility is not only bad for the health and temper of the Senate, but is destructive of the high reputation of this very fine institution with the public and in our own minds" (p. 16530 of the August 20 RECORD).

The Senator from Ohio [Mr. LAUSCHE] stated: "I do not want to be one to imply baseness and, in effect, dishonesty on the part of the Chief Executive of the Nation when he speaks to the 170 million American people and openly expresses his judgment in regard to what will be best.

"I do not wish to be one to tell the 2,800 million people of the world that the President of the United States had any purpose to be on the brink of dishonesty in stating what he believed should be done" (p. 16521 of the Aug. 20 RECORD).

The resolution passed, unfortunately. But I do want to spell out for this RECORD just what was involved in last Thursday's action.

FNMA's proposed action was taken as a means of balancing the budget in line with the expressed intent of Congress that FNMA liquidate these mortgages.

In the law, Congress specifically instructed FNMA to liquidate these mortgages in an "orderly" manner. Specifically, the law states that FNMA should liquidate this portfolio whenever it can do so (1) without adverse effect on the home mortgage market generally, and (2) with minimum loss to the Federal Government.

The administration's proposal (to which S. Res. 130 objects) was based on this expressed congressional intent that FNMA liquidate the mortgages.

One way to liquidate these mortgages would be to sell them in the mortgage market directly. This procedure has been frequently followed in the past, under both Democratic and Republican administrations.

However, the administration devised a plan under which the liquidation meant both less effect on the home mortgage market and less loss to the Federal Government—in short, it more fully met both the requirements set forth by Congress in the 1954 law.

The administration proposed the following operation:

FNMA would offer $335 million of its VA mortgages (out of a total of about $1 billion) to private investors in exchange for 2¾-percent Treasury bonds. The Treasury bonds which FNMA would thus acquire would in turn be credited to FNMA. This credit of $335 million would enable FNMA to finance $335 million of its other activities without impact on the Federal Budget for fiscal 1960.

This operation would cause less disturbance to the home mortgage market than outright sale of the mortgages. If FNMA sold the $335 million, they would be in direct competition with new home mortgages to the full extent of the $335 million. But, under the administration's proposal, FNMA would swap the mortgages for funds which are not now in the mortgage market.

This operation would also cause less loss to the Federal Government. If FNMA sold the mortgages outright, it would have to do so at a discount. Under the administration's proposal, FNMA will exchange the mortgages at par for Treasury bonds.

An added advantage of the administration proposal is that it will help balance the budget for fiscal 1960. FNMA is com-

mitted to engage in $335 million worth of special assistance activities in fiscal 1960. If the money were not available to FNMA via this administration proposal, FNMA would have to finance the $335 million directly in the Federal Budget.

Now, against this perfectly honest administration proposal for carrying out Congressional intent, along comes Senate Resolution 130.

Senate Resolution 130 expresses the sense of the Senate that the proposed exchange should not take place. Does Senate Resolution 130 change the law? Does it change the expressed congressional intent that these mortgages be liquidated? It does not.

Senate Resolution 130 merely expresses disapproval. It looks askance. It tells the President he shouldn't do what Congress told him to do in 1954.

Senate Resolution 130 lists three reasons—and only three reasons—why the proposed exchange should not take place:

(1) "Loss of income from the mortgage loans"; specifically, that FNMA will no longer receive interest income on these mortgages.

(2) "Loss of tax revenues"; specifically, that the Treasury will lose revenue because private investors might take a capital loss on the exchange.

(3) "Adverse effect upon the home mortgage market"; specifically, that mortgage funds will be spent on FNMA's portfolio and will thus detract from funds available for new home mortgages.

I want to expose each of these three charges to the light of day.

First, Senate Resolution 130 charges that FNMA would lose money under the administration's proposal since FNMA will no longer receive interest payments on these mortgages.

Fundamentally, the issue here is whether FNMA is in business to make money or for other purposes.

Of course, any time anyone sells an income-producing asset, he foregoes future income. Now, if FNMA is in business to make money off mortgages, then by all means it should hold on to them; not only that, FNMA should try to buy more mortgages to make more money. However, if—as Congress stated in 1954—FNMA's function is "to manage and liquidate" this particular portfolio of mortgages, then it must sell or exchange them whenever the situation warrants.

There is no way to liquidate the mortgages—as directed by Congress—and still enjoy interest income from them.

That would be having your cake and eating it too.

Most important, the only alternatives would cost the Government more.

Alternative one: If FNMA sold the mortgages outright (instead of exchanging them) it could do so only at a discount; this would mean loss of principal, not just a nebulous concept of lost future income.

Alternative two: If FNMA held on to these mortgages, the full impact of its $335 million in special assistance activities would hit the budget for fiscal 1960.

Thus the alleged loss to the Federal Government amounts to a hypothetical future loss of less than $13.4 million—as compared with an equivalent impact of $335 million in fiscal year 1960, if the administration's proposal is not carried out.

So, the first charge on which Senate Resolution 130 is based is erroneous.

Second, Senate Resolution 130 charges that the Treasury would lose tax revenues under the administration's proposal. This charge is just plain inaccurate.

The tax experts tell us that any tax loss in fiscal 1960 would be fully matched by a tax gain in later years as mortgages matured. So there is no net tax gain or loss whatsoever. Only if we take the narrow and fiscally shortsighted view of 1960 is there any loss at all.

Third, Senate Resolution 130 charges that the administration's proposal would have an adverse effect on the home mortgage market. What about this charge?

The $335 million proposed for liquidation compares with total mortgage lending in excess of $30 billion during the past year, considering only recorded nonfarm mortgages of $20,000 and under. The $0.3 billion which FNMA wants to exchange would hardly make much of a dent on this kind of mortgage market.

In 1954, Congress must have had in mind a time when this portfolio could be "liquidated without adverse effect on the home mortgage market. If any such time exists, it is now, when the home mortgage market is close to an alltime peak.

So we see that on a minute's examination of the facts, no one of the three charges raised by Senate Resolution 130 stands up.

The astonishing fact is that in the debate last Thursday these three stated reasons for opposing the exchange were scarcely mentioned. Instead, the burden of the attack was that this exchange was some kind of questionable "deal."

Some of the language used to describe this plan—which is sponsored by the President of the United States—was deplorable in my book. Let me read back some of the language used to describe the exchange:

"Bailout * * * to the barefoot boys of Wall Street" (p. 16511 of the August 20 RECORD).

"An utterly unwarranted break to holders, mostly large corporations, insurance companies, and banks" (p. 16514 of the August 20 RECORD).

"Operation Horse Trade" (p. 16509 of the August 20 RECORD).

"Benefit which would be bestowed upon the holders of the long-term bonds" (p. 16508 of the August 20 RECORD).

"About the best trade since Father Knickerbocker bought Manhattan Island for $24" (p. 16511 of the August 20 RECORD).

"A real 'dilly' " (p. 16518 of the August 20 RECORD).

All I need to say about these intemperate charges is that if they were true—if there were a grain of truth to them—why aren't they mentioned in Senate Resolution 130 or the committee's report.

Instead, Senate Resolution 130 cooks up three other charges, which are equally erroneous.

There is much else that could be said on this subject—the fact that Democratic administrations sold almost a billion of these mortgages with never a peep of objection from Congress—the fact that the real purpose of the exchange is to finance positive housing programs of FNMA which we all support—the fact that failure to make this exchange will raise the already burdensome public debt another $335 million.

My purpose, however, is merely to make these few closing remarks on the subject. I simply want the RECORD to show the emptiness of the case against this proposed exchange.

I regret that the Senate took the action which it did.

RACIAL PROBLEMS IN NEW YORK

Mr. THURMOND. Mr. President, this morning the senior Senator from New York joined with the senior Senator from New Jersey in offering a resolution to discharge the Senate Judiciary Committee from its further consideration of so-called civil rights legislation. This action indicates an extreme lack of patience and a lack of appreciation of the deep-seated emotional problems connected with racial matters.

Perhaps the senior Senator from New York believes that he has the solution to problems concerning the races. It is my own personal opinion that the solutions to such problems do not lie in legislation—and particularly such solutions do not lie in Federal legislation, since the problems are not uniform in either type or degree. If, indeed, the senior Senator from New York feels that he has solutions to problems arising from racial differences, there is no better place where they could be applied than in the largest city of his own State.

This is more than amply illustrated by an editorial published in the New York Times today, Tuesday, August 25, entitled "Child-Gang Murders." The editorial is as follows:

"Girl Slain, Six Hurt as Two Gangs Fight." That was yesterday's headline, but here are some others, telling part of the story of New York in July and August: "Police Slay Youth in Gang War Fight"; "Boy in Gang Fight Dies of Shooting"; "Two Held in Killing in Gang Rumble"; "Two Teenagers Get 5 to 20 Years for Fatal Beating in Park Here"; "Racial Resentment Is Cited in Shooting"; Youth Sentenced in Park Slaying"; "Three Indicted in Murder"; "Brooklyn Boy, 15, Seized as Killer"; "Four Held in Beating of Physician Here"; "Boy Held in Homicide—Accused of Strangling Woman in Robbery That Netted $1.10"; "Policeman Slashed at Teenage Dance"; "Kings Court Jailed 538 Youths in Year"; "Bronx Boy, 15, Held in Slaying of Girl."

These are headlines from the last 2 months. The catalog is not complete, of course. This is just the worst of it. Some of it, the latest shocking incident on the lower East Side, involves racial conflict, as between Negroes and Puerto Ricans. Some of it is merely bestial brutality, without rhyme or reason.

Only recently the city administration had been voicing satisfaction over the comparative lull in young gang rumbles. Then the storm breaks again. Obviously there is no room for satisfaction. The hunt for the causes of juvenile delinquency and for its remedies cannot rest. We, in this city of many races and shades of color, still have lessons to learn in living together. And we still need more policemen on the streets. When will that word reach city hall?

In view of the action of the senior Senator from New York this morning, the last sentence of the editorial might well be changed from "When will that word reach city hall?" to "When will that word reach the New York Senator?"

FREE IMPORTATION OF TOURIST LITERATURE

The Senate resumed the consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD before passage of H.R. 2411 an explanation of the part of the bill dealing with modern art.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF H.R. 2411 AS AMENDED TO LIBERALIZE THE TARIFF LAWS FOR WORKS OF ART AND OTHER EXHIBITION MATERIAL, AND FOR OTHER PURPOSES

INTRODUCTION

For many years museums, dealers, and private collectors have been distressed by

certain inconsistencies in the tariff laws for works of art. The present language has led to such confusion that free entry for sculpture depends almost entirely upon its subject matter as shown by the title, but it can be made of almost anything: painting may represent anything or nothing, but must be made of certain materials; signed etchings come in free; but lithographs, signed or otherwise, do not; and modern tapestries are free only if they were woven in a certain French factory.

These difficulties do not appear to reflect any intent of Congress. They arise at the administrative level when the inadequate wording of the present text is given the narrowest possible interpretation.

The present series of amendments are the result of some ten years' work by a Committee on Customs of the American Association of Museums. They are an attempt, by means of the most careful possible rewording of tariff paragraphs 1720, 1807, 1809, 1811, and 1812, to make the law clear enough to eliminate all obstacles to the free importation of original works of art and flexible enough to cope with inevitable innovations in style and material. If this is accomplished, administrative practice will be greatly simplified and will conform for the first time with the simple intention of Congress to admit works of art free of duty.

1720

Paragraph 1720 provides for the free entry of models. At present the words "to be used exclusively as models and incapable of any other use" prevent the free entry of architectural and other models for use in exhibitions.

It is proposed that the paragraph read "to be used exclusively as models and as exhibits in exhibitions at any college, academy, school, or seminary of learning, and society established for the encouragement of the arts, science, or education, or any association of such organizations, and incapable of any other use."

This would permit museums, schools, and societies such as the Architectural League to import such models free of duty for exhibition. (Museums may now enter them under Permanent Exhibition Bond, but this method entails useless restrictions and formalities, and many potential exhibitors may not use it.)

1807

Paragraph 1807 contains all the principle provisions for importing works of the "free fine arts." Its obvious intent is to provide free entry for all bona fide original works of fine art, as opposed to useful designs, patterns, replicas, copies, etc., all of which are dutiable under paragraph 1547. This privilege is a tremendous help not only to American art museums, but to dealers and private collectors. Public collections benefit twice, through their own imports and through the growth of American private collections from which they receive loans, donations, and bequests.

However, the language of the paragraph, which has not been revised since 1930, has encouraged the growth of regulations through which part of the benefits have been lost. Many works of fine art, recognized as such by everyone, including the customs examiners, must be denied free entry because no specific provision for them can be found in the language of the paragraph. Such works must then be entered under paragraph 1547 as "works of art not especially provided for" or even (frequently) under paragraphs which were not intended to cover original works of art and which work considerable hardship when applied to very valuable objects. Two paragraphs often used in this way are 1023 (20 per cent ad valorem) and 1413 (17½ per cent ad valorem) for "manufactures not especially provided for" of hemp and paper respectively. When these paragraphs are used, the duty is invariably based upon the value as a work of art which is often in excess of $10,000 (when as "manufactures of hemp and paper" this value might be 15 cents). These regulations vastly increase paper work for importers and the Customs Service. They cause needless delay and have sometimes forced importers to take court action against the Government. Above all, they frustrate the intent of Congress.

MATERIALS

Paragraph 1807 includes a list of traditional artists' materials, which was apparently meant to include all those used in bona fide works of art. But artists are constantly using new materials, many of which are not manufactured as "art supplies"; and works incorporating such materials are excluded by implication.

For example, more and more artists in this country and abroad are making "collages," that is pictures made of paper, cloth, small objects (manufactured or not), etc., pasted, glued, sewn, pinned, or nailed together and often combined with drawing or painting in traditional mediums. Collage as a fine arts medium was invented by Picasso and Braque about 1912. The best collages of these artists are now valued as high as $20,000. Collages by Picasso, Gris, Braque, Matisse, Schwitters, Burri, and other important twentieth century artists are in the collections of most of the great art museums of the United States, including:

(a) The Metropolitan Museum of Art, New York.
(b) The Art Institute of Chicago.
(c) The Philadelphia Museum of Art.
(d) The Baltimore Museum of Art.
(e) The Museum of Modern Art, New York.
(f) The San Francisco Museum of Art.
(g) The Columbus Gallery of Fine Art.
(h) Yale University Art Gallery.

Several are illustrated in Masters of Modern Art edited by Alfred H. Barr, Jr., Museum of Modern Art, New York, 1954.

Neither the esthetic nor the commercial value of modern works of art depends in any way on the materials of which they are made. This is generally recognized by artists, dealers, scholars, collectors, and museum officials. Paragraph 1807 is therefore modified to include some of the materials typical of collages and the words "in any other media" added to allow free entry to these and works in any new mediums that may come into use by professional artists.

PRINTING PROCESSES

In the same way original prints in limited editions printed by hand can be made in other ways than those listed in the paragraph, especially by lithography, and the purpose of the paragraph is defeated by the implied limitation to specified techniques. The paragraph has therefore been changed to include prints made by other hand-transfer processes.

EDITIONS OF SCULPTURE

Three-dimensional works of art other than unique models and constructions are customarily cast from molds or reproduced by other quasi-mechanical means in strictly limited editions of usually no more than ten replicas. Each unit is finished by hand, and the first is not more valuable or more original than the last. In exceptional cases an edition is completed by associates after the death or incapacity of the sculptor. In addition to the edition one sculptor's model made by hand in less permanent material is often preserved. This too is considered an original work of art.

Such editions are a normal feature of professional production in sculpture and do not constitute mass-produced commercial reproductions. The practice is traditional and not a recent innovation. It is recognized in the present wording of the paragraph; but the limitation to three replicas, the customs regulation that they must be the first three made, and failure to mention the sculptor's model raise obstacles to the importation of certain works identical with those admitted free.

In view of the large number of American museums and private collectors interested in casts of the same work, the wording is changed to admit the sculptor's model and not more than ten replicas.

ABSTRACT SCULPTURE

The present language of the paragraph would seem to allow free entry to all bona fide sculpture without regard to its form or title. However, a Treasury ruling of 1916 (T.D. 36309) requires sculpture to consist of "imitations of natural objects, chiefly the human form . . . in their true proportion of length, breadth, and thickness . . . ." As a result of the famous Brancusi Bird in Space decision of 1928 (T.D. 43063) sculpture, though still required to represent a natural form, need no longer render it in its exact proportions. Although in his decision in the Brancusi case Judge Waite recognized that "There has been developing a so-called new school of art, whose exponents attempt to portray abstract ideas rather than to imitate natural objects," customs officials are still required to follow the 1916 ruling and deny free entry to all frankly abstract sculpture, which makes no claim to derivation from any natural form. (At the same time paintings and drawings are admitted whether abstract or not if made from traditional materials.) Thus it happens at times that free entry for sculpture hinges entirely upon its title. Recently a piece of sculpture—not purely abstract—with the French title "Masque" was first denied free entry on the grounds that a mask is not a "natural" object, but later admitted when it was shown that "Masque" may also be translated "masker" or "masquerader" and that this was the correct rendering in the particular case in hand.

Abstract sculpture is being produced here and abroad by many artists who have forsaken the idea of duplicating or distorting the human or animal form. Their works are included in many museums and private collections and are commonly illustrated in publications on the art of our time.

Since the 1916 ruling bars a large and increasing proportion of all the sculpture being made from duty free entry, the words "made in any form" have been inserted in this bill.

1809(C)

Paragraph 1809 grants museums and educational institutions the privilege of entering otherwise dutiable exhibition material under bond. Things entered in this way must be kept on the premises of the importing institution and produced for periodic inspection by customs officials. They may be transferred to other eligible institutions with the permission of the Collector of Customs, but under no circumstances to a commercial gallery.

TRANSFER WITHOUT PERMISSION

Since all institutions privileged to use this paragraph must first establish their noncommercial character, there is no risk that objects freely transferred from one to another might be put to illegitimate use. Thus the permission required for each move imposes a useless burden on the institutions and the Government.

TRANSFER WITH PERMISSION

Benefit and other non-profit exhibitions must often be held on the premises of commercial organizations. It would be useful if

material entered under exhibition bond might be shown in such exhibitions with permission.

The changes in this paragraph have therefore been made to simplify the work of the Customs Service as well as that of institutions privileged to use the paragraph and to increase the availability of such material for educational and cultural use.

1811(a)

Paragraph 1811 provides for the free entry of antique articles. Because of the specific date (prior to 1830) used in paragraph 1811 as a criterion for free entry the paragraph applies every year to older material. When the Tariff Act of 1930 was passed the importer was required to establish an age of 100 years for goods imported under this paragraph. Now he must prove they are 129 years old. This paragraph is constantly of use to American museums and collectors, but its usefulness diminishes with the passage of time.

It is therefore suggested that a simple age requirement of 100 years be substituted for the date 1830. This was the system used in tariff acts prior to that of 1930.

At the suggestion of the Treasury Department the word "artistic" has been deleted before the word "antiquities" in this paragraph to lessen administrative difficulties. The paragraph has also been amended to allow the entry of antique frames at any port of entry so that they will not be restricted to ports of entry specified for antique furniture.

If it is the consenus that free entry under this sub-paragraph should be granted only to works produced prior to 1930, it is my hope and that of my associates that the other changes recommended will be retained and that sub-paragraph (c) will be incorporated.

1811(c)

Objects representing the material culture of primitive peoples may be considered antique at an earlier age than is customary for other artistic antiquities. Some reasons for this are:

1. Within the past 50 years many of the cultures represented by such objects have disappeared, diminished, or changed radically.

2. In the absence of records it is often impossible to be certain of the age of such material.

3. The very preservation of such material frequently depends upon its possession by a museum, especially when it is no longer valued by its makers.

4. In many culture areas objects more than 50 years old are almost nonexistent because of the perishable materials used and the corrosive effect of climate and vermin in the local environment.

These objects are seldom if ever capable of any use other than study and display, and they do not compete with any American products. An age of 50 years is more than enough to bar all modern commercial products and imitations made for the tourist trade.

1812

Paragraph 1812 allows for free entry of Gobelin tapestries made by hand for use exclusively as wall hangings. The word gobelin has been applied to all fine tapestries. However, in the text of paragraph 1812 it is written with a capital G and has been taken to mean only those tapestries actually made at one of the two Gobelin factories in France and accompanied by a certificate from the manager of one of these plants.

It would be a great convenience to American museums and private collectors if the many modern tapestries not made at the Gobelin factory could be imported as duty free works of art. At present many tapestries designed by Picasso, Lurcat, Maillol, Miró and Léger, and other modern artists are denied free entry because they are not Gobelin tapestries. In this bill the paragraph is amended to allow free entry for other hand woven tapestries made for use as wall hangings.

On behalf of the American Association of Museums and the National Committee to Liberalize the Tariff Laws for Art, I urge your support of the changes proposed in the amendment to H.R. 2411 so that free entry will be provided for all bona fide works of art.

DOROTHY H. DUDLEY,
Registrar, The Museum of Modern Art and Chairman of the American Association of Museums Committee on Customs.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 2411) was passed.

The title was amended so as to read: "An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes."

Mr. YARBOROUGH subsequently said: Mr. President, I move that the vote by which H.R. 2411 was passed be reconsidered.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY ASSISTANCE TO REPATRIATED AMERICAN NATIONALS WITHOUT AVAILABLE RESOURCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 811, Senate bill 2467.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2467) to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

STIMULATION OF PRODUCTION AND CONSERVATION OF COAL — CONFERENCE REPORT

Mr. MOSS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 4, and agree to the same.

JAMES E. MURRAY,
FRANK E. MOSS,
GORDON ALLOTT,
Managers on the Part of the Senate.

WAYNE N. ASPINALL,
ED EDMONDSON,
JOHN P. SAYLOR,
J. ERNEST WHARTON
(by proxy),
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MOSS. Mr. President, I move that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

So the report was agreed to.

Mr. SCHOEPPEL. Mr. President, through a misunderstanding, S. 2578 was reported yesterday without the separate minority views of the junior Senator from Kentucky [Mr. MORTON] and myself. The report has been printed with only the individual views of the senior Senator from Ohio [Mr. LAUSCHE] and the junior Senator from South Carolina [Mr. THURMOND]. I ask unanimous consent that the separate minority views of the junior Senator from Kentucky and the senior Senator from Kansas on S. 2578, to provide a program of assistance to correct inequities in the construction of fishing vessels, and so forth, may be printed separately.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPORTATION OF SURPLUS AGRICULTURAL PRODUCTS

Mr. JOHNSTON of South Carolina. Mr. President, it was my intention to submit an amendment to S. 1748, to provide that shipments of surplus agricultural commodities destined to foreign countries exported under the Public Law 480 program, must be delivered directly to the export vessel at a U. S. port. However, my colleague, the senior Senator from

Maryland [Mr. BUTLER] has also foreseen the harmful situations which may arise under the terms of the bill in absence of such an amendment, and he has introduced his amendment to remedy those situations.

I now wish to go on record as being in favor of the amendment; and with the Senator's permission, I would like to cosponsor the measure.

On July 23 the Department of Agriculture issued notice of a new policy order which will result in complete disruption of the well-established and orderly way in which our surplus agricultural commodities are exported under title I, II, and III provisions of Public Law 480 of our foreign aid program. Beginning September 1, for the first time in history, American grain inspectors will be allowed to inspect American surplus grain at Canadian ports. For the first time the transshipment of this grain through Canadian ports will be permitted. For the first time grain and other surplus commodities going to foreign countries under Federal auspices will be inspected at and shipped through non-American ports, in great volume and for an indefinite period of time.

This may sound quite harmless on the surface. But consider for a moment what can and will happen once this radically different method of handling export grain takes effect.

There will be a serious and sudden cutback in the amount of grain shipped to, stored at, and loaded from our Atlantic and gulf ports. This will deal these ports a staggering financial blow, and not one will fail to feel the effect. Everyone from the grain elevator owner to the stevedore on the dock will suffer. Millions of dollars of public and private capital invested in grain-handling facilities at these ports will lie idle. I am sure Senators will agree that such debilitation of our ports is a serious matter. As soon as the bars are let down and our tremendous stocks of surplus commodities start flowing through Canadian ports, stagnation of our own ports will begin.

The volume of the grain involved under Public Law 480 is hard to conceive. It amounts to nearly half of all the grain usually exported through our Atlantic and gulf ports, and is estimated to have a value in excess of $3 billion. Records show that shipments totaled nearly 300 million bushels in the fiscal year ended June 30 alone. That is a great deal of grain.

Although grain accounts for most of the tonnage, I point out that grain is not by any means the only commodity involved. All surplus agricultural commodities covered by title I, II, and III of Public Law 480 are included. To give an idea of how many interests will be affected, some of the other large volume commodities also included are tobacco, cotton, butter, dried milk and other dairy products, poultry, lard, vegetable oil, and rice.

In this connection, I have discussed this problem with officials in South Carolina; and the State ports authority people tell me this is an extremely dangerous precedent. While the initial steps by the Department of Agriculture would only affect grains, we could eventually expect other commodities possibly to be shipped out of other foreign ports, reducing traffic in ports all over the United States.

One can readily see that anything disrupting the normal flow of these items through our ports would disrupt the balance of our national economy. Our transportation industry will be among those seriously affected.

The American merchant marine, already in financial difficulties and faced with ever-increasing foreign competition, will be all but out of the picture once this change is made. Although American exports normally must be placed in American-flag ships at the minimum ratio of one for one, if there are not enough American ships available at the time of loading, this requirement is not binding. And American ships—especially the ocean-going variety—are in an extreme minority on the Great Lakes and the St. Lawrence Seaway.

This is a case in which the taxpayer has subsidized this surplus grain every step of the way, from the sowing of the seed to its storage in public elevators. Suddenly, the taxpayer is denied this last chance to get some of his money back. The money we spend to ship this grain overseas in foreign vessels is not only lost forever to American shipowners and businesses, but also represents a considerable loss to America at large.

The merchant marine, of course, is not the only part of our transportation industry to feel the effects of this arbitrary action by the Department of Agriculture. Our land carriers will lose the comparatively long hauls from the Midwest to our ocean ports. And when anything the size of this grain movement is snatched away from a segment of the economy whose principal livelihood is derived from transporting volume goods, there is bound to be financial hardship and debilitation reaching out in all directions.

There is no quarrel here with the St. Lawrence Seaway. Opponents of this high-handed move by the Department of Agriculture are not opponents of the St. Lawrence Seaway. The protection of our own U.S. ports is the main issue, and it is our duty to see that this protection is afforded.

There are other ways in which this unreasonable action will harm America and its businesses. American ship chandlers and all the people from which they buy goods will be affected. This is true because a ship gets its supplies at the last port of loading, and that port in this case will be Canadian. Thus, instead of American goods being placed aboard, Canadian or other goods will be used, regardless of the nationality of the ship. All phases of American labor is adversely affected by the policy of the Department of Agriculture.

At American ports, a dual system of grain inspection is used. Under the present system, an agriculture employee checks the work of employees of States or private commercial organizations licensed by the Department. In this way, there is a doublecheck on the quality of the grain. No provision for such a system has yet been made under this new setup.

Furthermore, there is no provision for an appeal service at Canadian inspection points, such as is called for by the U.S. Grain Standards Act of 1916. The importance of allowing interested parties to appeal the grade given a particular shipment by a particular inspection team is obvious and necessary.

Finally, there is the legal aspect. Questions have been raised as to the legality of this abrupt change in the rules. The U.S. Grain Standards Act is in part a criminal statute. As such, it contains provisions for the prosecution for failure to comply with the act. How, I ask, can our Department of Agriculture implement the criminal provisions of the act, or extend its jurisdiction to a foreign country—even when that country is our good neighbor to the north? Congress and Congress alone can give such authority, and no such authority has been given to date.

Lastly, I point out to you the unreasonable—almost ludicrous—aspect of this move by one of our Federal agencies charged with fostering American economic growth. Under this plan, millions of tons of subsidized agricultural products will be diverted to ports outside our borders and to ships of other nations at a time when our own economy—and particularly those segments which have to do with transportation—is in the condition it is today. There is no assurance that this system of beyond-the-border grain inspection will not spread from the Atlantic and gulf ports to the Pacific Northwest, bringing to that area the same sort of disruption and hardship.

The problem presented by this new policy, I am happy to say, can readily be solved by the passage of this amendment, providing that when these products leave the country, they must do so through an American port. By this amendment, our ports, our carriers, our grain interests, and the taxpayers at large would not be deprived of their rightful share of this important segment of American commerce.

I am encouraged to have the assurance that other Senators, including the senior Senator from West Virginia [Mr. RANDOLPH], who now stands beside me, will support the position I have just stated.

Mr. HART. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HART. I was not present in the Chamber at the outset of the Senator's remarks. This, I take it, is a subject which was debated at some length in the other House within the past few days.

Mr. JOHNSTON of South Carolina. It has been. There is also an amendment pending in the Senate, submitted by the Senator from Maryland [Mr. BUTLER].

Mr. HART. Would the Senator from South Carolina agree that if the saving to the taxpayers of the United States through the use of St. Lawrence Seaway would be substantial, about the only interest that could be said to be protected and gain ground as a result of the proposed amendment would be, at the most,

100 shippers on the eastern and Gulf ports?

Mr. JOHNSTON of South Carolina. Not only that, but when commodities are loaded in another country, there is not the same protection.

Mr. HART. Does not the Senator know that the Secretary of Agriculture has agreed that the Port of Montreal will be supplied with an adequate inspection staff from the Department of Agriculture?

Mr. JOHNSTON of South Carolina. That is true; but in the case of criminal statutes, I ask how we would enforce a criminal statute if it were violated in Canada.

Mr. HART. I assume that the use of the St. Lawrence Seaway reflects a saving of some 15 to 17 cents a bushel of grain moved.

If the amendment which it is proposed to submit, as I understand it, is adopted, the taxpayer, the shipper, indeed, the ultimate user of these foods will be disadvantaged in substantial sums of money.

Mr. JOHNSTON of South Carolina. Why cannot that food be loaded in the United States?

Mr. HART. Some of it will be. As I understand, the amendment is aimed to prevent the topping off at Montreal of shipments which move from the upper lakes through the limited draft of the seaway to Montreal. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. HART. There will be a large movement in American bottoms through the Great Lakes, but I suggest that we seriously ought to question this amendment to see if it is not a renewal of the battle which was waged for so many years, and which we in the Midwest—indeed, the Nation—thought had been won. We believe the railroads must step aside for the benefit of the economic growth of the whole Nation.

This is a question which was debated for years in the seaway fight. I would be surprised if the wheat farmers of the Dakotas and the Far West could do anything except suffer substantially if we were misled into the adoption of this amendment, in the notion that it is a pro-American gesture.

If the amendment is offered, I hope that this exchange of views of today will serve to alert all of us to what is really behind the amendment. I am certain that it is offered by the Senator from Maryland in what he believes to be the best interests of his State.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DOUGLAS. I support what the Senator from Michigan has said. It is well known that not all the Lake States agree on all subjects. But on this subject we do agree, namely, we do want to get the benefits of the St. Lawrence Seaway. The construction of the St. Lawrence Seaway was fought for many years by the railroads and by the Atlantic ports. We have now been able to have it constructed. But if we cannot ship goods, if we cannot ship wheat from the lake ports, and it has to be taken by rail to the gulf or the Atlantic coast and there be put on seagoing ships, we will lose the advantage of the seaway.

So while Wisconsin and Michigan unfortunately will differ with Illinois over the diversion of water from Lake Michigan, in the battle which we hope will be fought out tomorrow, nevertheless on the seaway issue and on other points we are together. We are desirious of maintaining friendly relations with Canada.

If the amendment does what I think it will do, the result will be that Canada will lose a large portion of its business in the form of shipments to Montreal. While Canada at times is unreasonable in the demands which it makes, nevertheless, we want Canada and the United States to act together in the development of the seaway.

So I hope the Senator from South Carolina [Mr. JOHNSTON] who is one of the most amiable Member of this body, and whom we all like very much, will not urge this amendment, because if he does, on this point, then those of us who tomorrow will be struggling with one another on the Lake Michigan water diversion bill will, on the day after tomorrow, be united in the defense of the seaway and will be working for friendly relations with our sister in the snows to the north.

Mr. HUMPHREY. Mr. President, the particular amendment to which the Senator from South Carolina addressed himself was offered in the other body and was, I am happy to report, rejected there. That amendment provided for a 50–50 shipping ratio between foreign bottoms and domestic bottoms, so as to give special consideration to the American merchant marine with respect to agricultural commodities.

Mr. JOHNSTON of South Carolina. That is true, provided the ships are available. If the shipments are to be made from Canada, it can easily be said that American ships are not available.

Mr. HUMPHREY. The Senator from South Carolina raises a very good point. In other words, he is saying, on behalf of the amendment proposed to be offered by the Senator from Maryland, that the American merchant marine does not service some of the ports along the St. Lawrence Seaway. Well, let the American merchant marine get busy. Let them service the ports of the United States. The Middle West is a rich, productive part of the Nation. As a matter of fact, the second largest seaport in the United States is Duluth, Minn. We have no restrictions on American ships; in fact, we love them and want them. I think most of the ships which operate there are American ships.

I hope it will not be necessary to punish the great Middle West, which is served by the St. Lawrence Seaway, because we have not been afforded oceangoing ships operating under the American flag. I hope that oceangoing ships under the American flag will come to the lake port cities. There is no law against that. It is simply that the ship operators did not believe the market was going to be there.

I will make a prediction: The port of Duluth-Superior will produce more commerce than any of the ports of the Gulf States or the Eastern Seaboard save one—New York City.

I see no reason why the lake ports should be penalized. Furthermore, I see no reason why our farm producers should be penalized by excessive rates, when we can get reasonable rates through ocean shipping or lake shipping with foreign ships.

When the amendment is offered to the bill to renew or extend Public Law 480, I assure the Senator from South Carolina that just as we from the Midwest stood valiantly and fought for the seaway, which today is a reality, and is one of the greatest assets of the North American Continent, so we shall see to it that the St. Lawrence Seaway will not be made merely some sort of private park. It is supposed to be utilized as a means of transportation for the good of the North American Continent, the defense of the United States, and international commerce.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC BUILDINGS ACT OF 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 700, S. 1654.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1654) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Public Buildings Act of 1959".

SEC. 2. No public building shall be constructed except by the Administrator, who shall construct such public building in accordance with this Act.

SEC. 3. The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, any building and its site which he determines to be necessary to carry out his duties under this Act.

SEC. 4. (a) The Administrator is authorized to alter any public building, and to acquire in accordance with section 5 of this Act such land as may be necessary to carry out such alteration.

(b) No approval under section 7 shall be required for any alteration and acquisition authorized by this section the estimated maximum cost of which does not exceed $200,000.

SEC. 5. (a) The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, such lands or interests in lands as he deems necessary

for use as sites, or additions to sites, for public buildings authorized to be constructed or altered under this Act.

(b) Whenever a public building is to be used in whole or in part for post office purposes the Administrator shall act jointly with the Postmaster General in selecting the town or city wherein such building is to be constructed, and in selecting the site in such town or city for such building.

(c) Whenever the Administrator is to acquire a site under this section, he may, if he deems it necessary, solicit by public advertisement, proposals for the sale, donation, or exchange of real property to the United States to be used as such site. In selecting a site under this section the Administrator (with the concurrence of the Postmaster General if the public building to be constructed thereon is to be used in whole or in part for post office purposes) is authorized to select such site as in his estimation is the most advantageous to the United States, all factors considered, and to acquire such site without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

SEC. 6. (a) Whenever the Administrator deems it to be in the best interest of the United States to construct a new public building to take the place of an existing public building, he is authorized to demolish the existing building and to use the site on which it is located for the site of the proposed public building, or if, in his judgment, it is more advantageous to construct such public building on a different site in the same city, he is authorized to exchange such building and site, or such site, for another site, or to sell such building and site in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

(b) Whenever the Administrator determines that a site acquired for the construction of a public building is not suitable for that purpose, he is authorized to exchange such site for another, or to sell it in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

(c) Nothing in this section shall be deemed to permit the Administrator to use any land as a site for a public building if such project has not been approved in accordance with section 7.

SEC. 7. (a) In order to insure the equitable distribution of public buildings throughout the United States with due regard for the comparative urgency of need for such buildings, except as provided in section 4, no appropriation shall be made to construct any public building or to acquire any building to be used as a public building involving an expenditure in excess of $100,000, and no appropriation shall be made to alter any public building involving an expenditure in excess of $200,000, if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, and such approval has not been rescinded as provided in subsection (c) of this section. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress a prospectus of the proposed project, including (but not limited to)—

(1) a brief description of the building to be constructed, altered, or acquired under this Act;

(2) the location of the project, and an estimate of the maximum cost of the project;

(3) a comprehensive plan for providing space for all Government officers and employees in the locality of the proposed project, having due regard for suitable space which may continue to be available in existing Government-owned buildings and in rented buildings;

(4) a statement by the Administrator that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action; and

(5) a statement of rents and other housing costs currently being paid by the Government for Federal agencies to be housed in the building to be constructed, altered, or acquired.

(b) The estimated maximum cost of any project approved under this section as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction or alteration costs, as the case may be, from the date of transmittal of such prospectus to Congress, but in no event shall the increase authorized by this subsection exceed 10 per centum of such estimated maximum cost.

(c) In the case of any project approved for construction, alteration, or acquisition by the Committees on Public Works of the Senate and of the House of Representatives, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.

(d) The Committees on Public Works of the Senate and of the House of Representatives, respectively, shall not approve any project for construction, alteration, or acquisition under subsection (a) of this section whenever there are thirty or more projects the estimated maximum cost of each of which is in excess of $100,000 which have been approved for more than one year under subsection (a) but for which appropriations have not been made, until there has been a rescission of approval under subsection (c) or appropriations are made which result in there being less than thirty such projects.

SEC. 8. (a) In carrying out his duties under this Act, the Administrator shall acquire real property within the District of Columbia exclusively within (1) the area bounded by E Street, New York Avenue, and Pennsylvania Avenue Northwest, on the north; Delaware Avenue Southwest, on the east; Virginia Avenue and Maryland Avenue projected in a straight line to the Tidal Basin, Southwest, on the south; and the Potomac River on the west (including properties within said area belonging to the District of Columbia; but excluding those portions of squares 267, 268, and 298 not belonging to the District of Columbia, the square known as south of 463, all of square 493, lots 16, 17, 20, and 21 and 808 in square 536, and lots 16 and 45 in square 635); and (2) the areas designated as squares 11, 19, 20, 32, 33, 44, 59, and 167, all of said areas being within the District of Columbia.

(b) The purposes of this Act shall be carried out in the District of Columbia as nearly as may be practicable in harmony with the plan of Peter Charles L'Enfant and such public buildings shall be so constructed or altered as to combine architectural beauty with practical utility.

(c) Whenever in constructing or altering a public building under this Act in the District of Columbia the Administrator determines that such construction or alteration requires the utilization of contiguous squares as a site for such building, such portions of streets as lie between such squares and such alleys as intersect such squares are authorized to be closed and vacated if such closing and vacating is mutually agreed to by the Administrator, the Board of Commissioners of the District of Columbia, and the National Capital Planning Commission. The portions of such streets and alleys so closed and vacated shall thereupon become part of such site.

SEC. 9. The Administrator is authorized to carry out any construction or alteration authorized by this Act by contract, if he deems it to be most advantageous to the United States.

SEC. 10. (a) The Administrator, whenever he determines it to be necessary, is authorized to employ, by contract or otherwise, and without regard to the Classification Act of 1949, as amended, or to the civil service laws, rules, and regulations, or to section 3709 of the Revised Statutes, the services of established architectural or engineering corporations, firms, or individuals, to the extent he may require such services for any public building authorized to be constructed or altered under this Act.

(b) No corporation, firm, or individual shall be employed under authority of subsection (a) on a permanent basis.

(c) Notwithstanding any other provision of this section the Administrator shall be responsible for all construction authorized by this Act, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

SEC. 11. (a) The Administrator shall submit to Congress each January, promptly after the convening of Congress, a report showing the location, space, cost, and status, of each public building the construction, alteration, or acquisition of which is to be under authority of this Act and which was uncompleted as of the date of the last preceding report made under this Act.

(b) The Administrator and the Postmaster General are hereby authorized and directed to make such building project surveys as may be requested by resolution by either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, and within a reasonable time shall make a report thereon to the Congress. Such report shall contain all other information required to be included in a prospectus of the proposed public building project under section 7(a) of this Act.

SEC. 12. (a) The Administrator is authorized and directed to make a continuing investigation and survey of the public buildings needs of the Federal Government in order that he may carry out his duties under this Act, and, as he determines necessary, to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act.

(b) In carrying out his duties under this Act the Administrator shall cooperate with all Federal agencies in order to keep informed of their needs, shall advise each such agency of his program with respect to such agency, and may request the cooperation and assistance of each Federal agency in carrying out his duties under this Act. Each Federal agency shall cooperate with, advise, and assist the Administrator in carrying out his duties under this Act as determined necessary by the Administrator to carry out the purposes of this Act.

(c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building.

(d) Clause (1) of section 210(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)) is amended by striking out the words "ten years", and inserting in lieu thereof the words "twenty years".

SEC. 13. As used in this Act—

(1) The term "public building" means any building, whether for single or multitenant occupancy, its grounds, approaches, and appurtenances, which is generally suitable for office or storage space or both for the use of one or more Federal agencies or mixed ownership corporations, and shall include: (i) Federal office buildings, (ii) post office, (iii) customhouses, (iv) courthouses, (v) appraisers stores, (vi) border inspection facilities, (vii) warehouses, (viii) record centers, (ix) relocation facilities, and (x) similar Federal facilities, and (xi) any other buildings or construction projects the inclusion of which the President may deem, from time to time hereafter, to be justified in the public interest; but shall not include any such buildings and construction projects: (A) on the public domain (including that reserved for national forests and other purposes), (B) on properties of the United States in foreign countries, (C) on Indian and native Eskimo properties held in trust by the United States, (D) on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, including research in connection therewith, (E) on or used in connection with river, harbor, flood control, reclamation or power projects, or for chemical manufacturing or development projects, or for nuclear production, research, or development projects, (F) on or used in connection with housing and residential projects, (G) on military installations (including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense), (H) on Veterans' Administration installations used for hospital or domiciliary purposes, and (I) the exclusion of which the President may deem, from time to time hereafter, to be justified in the public interest.

(2) The term "Administrator" means the Administrator of General Services.

(3) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

(4) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government including any wholly owned Government corporation and including (A) the Central Bank for Cooperatives and the regional banks for cooperatives, (B) Federal land banks, (C) Federal intermediate credit banks, (D) Federal home loan banks, (E) Federal Deposit Insurance Corporations, and (F) the Federal National Mortgage Association.

(5) The term "alter" includes repairing, remodeling, improving, or extending or other changes in a public building.

(6) The terms "construct" and "alter" include preliminary planning, engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions necessary for the construction or alteration, as the case may be, of a public building.

(7) The term "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

SEC. 14. This Act shall not apply to the construction of any public building—

(1) for which an appropriation for construction is made out of the $500,000 made available for construction of small public building projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended, in the third paragraph, or for which an appropriation is made in the fourth, sixth, seventh, and eighth paragraphs, under the heading "GENERAL SERVICES ADMINISTRATION" in title I of the Independent Offices Appropriation Act, 1959,

(2) which is a project referred to in the first proviso of the fifth paragraph under the heading "GENERAL SERVICES ADMINISTRATION" in title I of the Independent Offices Appropriation Act, 1959,

(3) for which an appropriation for direct construction by an executive agency other than the General Services Administration of a specified public building has been made before the date of enactment of this Act.

SEC. 15. The performance, in accordance with standards established by the Administrator of General Services, of the responsibilities and authorities vested in him under this Act shall, except for the authority contained in section 4, upon request, be delegated to the appropriate executive agency where the estimated cost of the project does not exceed $100,000, and may be delegated to the appropriate executive agency where the Administrator determines that such delegation will promote efficiency and economy. No delegation of responsibility or authority made under this section shall exempt the person to whom such delegation is made, or the exercise of such responsibility or authority, from any other provision of this Act.

SEC. 16. Nothing contained in this Act shall be construed to limit or repeal—

(1) existing authorizations for the leasing of buildings by and for the use of the General Services Administration or the Post Office Department, or

(2) the authorization for the improvement of public buildings contained in title III of the Act entitled "An Act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes", approved May 27, 1958 (72 Stat. 134; 39 U.S.C., secs. 1071, 1075).

SEC. 17. The following provisions of law are repealed except as to their application to any project referred to in section 14:

(1) The first sentence of section 6 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes", approved September 1, 1916 (40 U.S.C. 23).

(2) The first sentence of the last paragraph under the side heading "LIGHTING AND HEATING FOR THE PUBLIC GROUNDS" under the subheading "UNDER ENGINEER DEPARTMENT" under the heading "UNDER THE WAR DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and twelve, and for other purposes", approved March 4, 1911 (40 U.S.C. 24).

(3) The proviso in the sixth paragraph under the side heading "In the Office of the Comptroller of the Currency" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making additional Appropriations and to supply the Deficiencies in the Appropriations for the Service of the Government for the fiscal Years ending June thirty, eighteen hundred and seventy, and June thirty, eighteen hundred and seventy-one, and for other Purposes", approved July 15, 1870 (40 U.S.C. 32).

(4) Section 9 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and eight, and for other purposes", approved March 4, 1907, as amended (40 U.S.C. 33).

(5) That part of the fourth from last paragraph under the subheading "BUILDINGS AND GROUNDS IN AND AROUND WASHINGTON" under the heading "UNDER THE WAR DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-four and for other purposes", approved March 3, 1883 (40 U.S.C. 59), as reads "; and all officers in charge of public buildings in the District of Columbia shall cause the flow of water in the buildings under their charge to be shut off from five o'clock postmeridian to eight o'clock antemeridian: *Provided*, That the water in said public buildings is not necessarily in use for public business".

(6) Section 2 of the Act entitled "An Act to authorize the Secretary of the Treasury to suspend work upon the public buildings", approved June 23, 1874, as amended (40 U.S.C. 254).

(7) The thirty-first and thirty-second paragraphs under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety, and for other purposes", approved March 2, 1889, as amended (40 U.S.C. 260 and 268).

(8) The fifth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and ten, and for other purposes", approved March 4, 1909, as amended (40 U.S.C. 262).

(9) The proviso in the fortieth paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-three, and for other purposes", approved August 7, 1882, as amended (40 U.S.C. 263).

(10) The proviso in the last paragraph of section 5 of the Act entitled "An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes", approved March 4, 1913 (40 U.S.C. 264).

(11) Section 35 of the Act entitled "An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes", approved June 25, 1910, as amended (40 U.S.C. 265).

(12) Section 3734 of the Revised Statutes of the United States, as amended (40 U.S.C. 267).

(13) The last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-six, and for other purposes", approved March 2, 1895, as amended (40 U.S.C. 274).

(14) The second and fourth provisos in the paragraph with the side heading "Furniture and repairs of furniture" under the subheading "PUBLIC BUILDINGS, OPERATING EXPENSES" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes", approved July 1, 1916, as amended (40 U.S.C. 275 and 282).

(15) The fourth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and one, and for other purposes", approved June 6, 1900, as amended (40 U.S.C. 276).

(16) That part of the proviso in the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-three, and for other purposes", approved August 5, 1892, as amended (40 U.S.C. 277), which reads ": nor shall there hereafter be paid more than six dollars per day to any person employed outside of the District of Columbia, in any capacity whatever, whose compensation is paid from appropriations for public buildings in course of construction, but the Secretary of the Treasury may, in his discretion, authorize payment in cities of eighty thousand or more inhabitants of a sum not exceeding eight dollars per day for such purposes".

(17) So much of the eighth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes", approved March 3, 1887, as amended (40 U.S.C. 278) as reads ", and hereafter where public buildings shall be completed with the exception of heating apparatus and approaches but one person shall be employed by the Government for the supervision and care of such building".

(18) Titles I and III and sections 401 and 406 of the Public Buildings Act of 1949 (40 U.S.C. 352, 353, 354, 297, 297a, 298, and 298c).

(19) Except for sections 3 and 8, all of the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926, as amended (40 U.S.C. 341 and the following).

(20) The proviso in the next to last paragraph under the subheading "MISCELLANEOUS PUBLIC BUILDING PROJECTS" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1928, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1928, and for other purposes", approved December 22, 1927 (40 U.S.C. 342a).

(21) Section 3 of the Act entitled "An Act authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings", approved January 13, 1928, as amended (40 U.S.C. 348).

(22) Subsections (c) and (e) of the Act entitled "An Act to amend the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes,' approved May 25, 1926 (Forty-fourth Statutes, page 630); the Act entitled 'An Act to amend section 5 of the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926,' dated February 24, 1928 (Forty-fifth Statutes, page 137); and the Act entitled 'An Act authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia to be used as space for public buildings,' approved January 13, 1928 (Forty-fifth Statutes, page 51)", approved March 31, 1930, as amended (40 U.S.C. 349 and 350a).

(23) The Act entitled "An Act to authorize the Secretary of the Treasury to accept donations of sites for public buildings", approved June 27, 1930, as amended (40 U.S.C. 350).

Mr. CHAVEZ. Mr. President, the bill was introduced by the distinguished Senators from Minnesota [Mr. MCCARTHY and Mr. HUMPHREY]. It was fully considered by the committee before it was reported.

I desire to make a statement on the bill and also to present an amendment which was offered by the committee.

The committee amendment to S. 1654, as reported by the Committee on Public Works with an amendment, would exempt certain buildings of the Customs and the Immigration and Naturalization Services from the provisions of the Public Buildings Act.

The Immigration and Naturalization Service is in a different situation. That Service does not need buildings of the type of the average public buildings. Generally, the Immigration and Naturalization Service has buildings on the borders, to accommodate immigrants who are arrested and are detained for several days. So it has no need there for buildings of the type of the public buildings which are constructed in the large cities of the country.

Section 1252(c) of title 8 of the United States Code covers the authorization for the acquisition of land and the erection of or the remodeling of buildings, sheds, enclosures, or quarters, for the detention of aliens awaiting deportation.

Mr. President, buildings costing $2 million or $3 million will not be built on the borders, to accommodate such persons temporarily.

Section 68 of title 19 United States Code contains the authorization for the acquisition of land and the erection along our Canadian and Mexican borders of buildings, sheds, and office quarters, including living quarters for officers, where none are otherwise available, for employees of the Customs Service and the Immigration and Naturalization Service. The total cost of these facilities, including the cost of the site, shall not exceed $30,000 for any one project for the use of one department, or $60,000 where the facilities are provided for the joint use of the two departments.

The facilities erected along our borders for the use of the Customs Service and the Immigration and Naturalization Service are, for the most part, small and inexpensive buildings, usually located in isolated places. They may be constructed with local labor and indigenous materials—adobe, cinder blocks, asbestos shingles, or local lumber—and without extensive plans and specifications. The number constructed would be very small, probably not to exceed 2 or 3 a year.

The committee believes it fitting that the Customs Service and the Immigration and Naturalization Service be permitted to continue operating under existing law, as at present, without the necessity of obtaining prior approval for each small facility constructed, or of having the responsibility delegated to them by the Administrator of General Services Administration.

Under the provisions of Senate bill 1654, border stations are included under the definition of public buildings. In the past, the Committee on Public Works has considered projects for construction of border stations at Brownsville, Tex.; Jackman and Madawaska, Maine; West Palm Beach, Fla.; and San Ysidro, Calif. The committee expects the services to continue to follow present procedures in obtaining approval for construction of larger projects on our borders or in our larger cities. Where practicable, these agencies should utilize space in existing Federal buildings, for carrying out their operations, and should have their space requirements included in proposed new Federal buildings.

The committee believes that exemption of the Customs Service and the Immigration and Naturalization Service from the requirements of Senate bill 1654 will promote efficiency and economy in the operations of these services.

Mr. President, let me cite an instance: El Paso, Tex., is a large city, and much work is done there by the Immigration and Naturalization Service. Some 60 miles to the west is Columbus, N. Mex.; and some 60 miles farther to the west, and in Mexico, but close to the border, is the little town of Agua Prieta. If a Mexican migrant is caught at that point, why is it necessary to have, to accommodate him in it, a building costing $500,000?

I have outlined the situation dealt with by the bill, which was introduced by the junior Senator from Minnesota [Mr. MCCARTHY], on behalf of himself and his colleague [Mr. HUMPHREY].

Mr. President, to the committee amendment, I submit an amendment which provides authority for such small, low-cost buildings, to be used to accommodate a few prisoners.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 28, in line 3, it is proposed to delete the period after the word "act", to insert a comma, and to insert a new subsection (4), as follows:

(4) within the purview of 8 U.S.C. 1252(c) or 19 U.S.C. 68, as amended.

Mr. MCCARTHY. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. MCCARTHY. I should like to ask the chairman of the committee what application, if any, this measure has to buildings constructed by executive agencies with nonappropriated funds.

Mr. CHAVEZ. The term "executive agency" is defined in section 13(4) on page 26, and includes certain Government corporations, such as Federal land banks and the Federal Deposit Insurance Corporation, which might construct buildings with their own funds which are not appropriated by Congress.

Section 7 outlines the procedure for approval of projects, with the provision that no appropriation shall be made to construct any public building until so approved. My interpretation would be that the act does not apply to buildings constructed with nonappropriated funds.

For instance, let me say to the Senator from Minnesota that the Director of the Federal Deposit Insurance Corporation came to see me; and there was no objection whatsoever by that agency. It simply did not want to be included under the proposed provision. That agency has funds which it obtains as a result of its own operations, and which it uses for that entirely proper activity.

As I have stated, my interpretation would be that the act does not apply to buildings constructed by means of the use of nonappropriated funds.

Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with this matter, an exchange of correspondence between the General Services Administration and the Federal Deposit Insurance Corporation, in regard to the interpretation of this matter. Included in the correspondence is a letter addressed to Mr. J. E. Moody, Assistant Commissioner for Acquisition and Disposal, General Services Administration, under date of August 18, 1959, signed by Royal L. Coburn, General Counsel of the Federal Deposit Insurance Corporation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., August 18, 1959.

Mr. J. E. MOODY,
Assistant Commissioner for Acquisition and Disposal, General Services Administration, Washington, D.C.

DEAR MR. MOODY: Upon my return to the office following our conference with yourself, Mr. Knott, and other members of the General Services Administration staff pertaining generally to the purchase of ground by the Corporation and the erection of a building thereon, I have had an opportunity to relay to the members of our Board of Directors the general purport of our meeting.

At the outset, you may well appreciate that our Corporation does not desire to embark upon a program as important as it is now contemplated if such actions shall be in conflict with Federal law.

I have advised the Directors that it was your view that H.R. 7645, which passed the House, would be approved by the Senate during the current session of Congress with only minor changes from the bill that passed the House of Representatives. I have further told the Directors that it was the view of GSA that H.R. 7645 would not be applicable to the building program presently contemplated by the Corporation. This view arises from the fact that section 2 contains the only restriction of the act and that this provision must be read in conjunction with section 7 of the bill.

Section 7 of the bill contemplates a prospectus of each proposed project to be presented to the Senate and House Committees on Public Works before any appropriation can be made for such project. In view of the fact that the Corporation does not need any appropriated funds to carry into effect its proposed building program, the provisions of the act are not applicable to our project.

You have told us that General Services Administration continues its recommendations to the Corporation to proceed with the overall program, and you have indicated that GSA will continue in an advisory capacity in accordance with our prior agreements and understandings.

I would appreciate it very much if you would, in accordance with the understandings of our conference this afternoon, advise the Corporation in writing as to the attitude of the staffs of the Fine Arts Commission and National Capital Planning Commission in reference to our contemplated building program and, at the same time, verify our understanding of your views in reference to the interpretation of H.R. 7645. Upon the basis of this communication from you, the Board of Directors shall take action at its meeting Thursday with reference to the exercise of the options to purchase the several parcels of real estate.

May I take this opportunity to express our appreciation to you, Mr. Knott, and the members of your staff for the friendly and helpful advices and cooperation that you have given to us in this matter.

With kindest personal regards,

Sincerely yours,

ROYAL L. COBURN,
General Counsel.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., August 20, 1959.

Mr. ROYAL L. COBURN,
General Counsel, Federal Deposit Insurance Corporation, Washington, D.C.

DEAR MR. COBURN: Your letter of August 18 asks that we verify your understanding as stated therein of our views, expressed at our conference of August 18, as to the applicability of H.R. 7645 to your proposed building program. You also ask that we advise you as to the attitude of the staffs of the Fine Arts Commission and National Capital Planning Commission with respect to the project.

Your statement of our views concerning the applicability of H.R. 7645 is substantially in conformity with our interpretation.

We have been informally advised by the staff of the National Capital Planning Commission that they are in accord, in principle, with your proposed building program, it being understood that they probably will have some recommendations as to building height and building lines. It is our view that it would be premature at this time to discuss the proposal with the Fine Arts Commission since they are primarily concerned with the exterior appearance of the structure and we have no building plans to display to them as of this date.

Sincerely yours,

J. E. MOODY,
Assistant Commissioner for Acquisition and Disposal.

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCCARTHY

Senate bill 1654, as amended, provides continuing authority for the GSA Administrators to carry out a program for the repair, remodeling, improvement, and new construction of public buildings. Certain special purpose facilities closely related to activities of the various departments and agencies of the Federal Government are not encompassed by the bill. The bill in no way affects the leasing authority of the Post Office Department nor its improvement program through the postal modernization fund.

The bill is intended to provide a basis upon which the GSA would proceed in the selection of public buildings projects which are badly needed. The so-called lease purchase act was designed to allow the GSA to perform overall planning and construction of new buildings, however, this program expired on July 22, 1957 and since that time there has been no general authority which would permit a program of new building construction, rehabilitation or repair to existing buildings.

The bill does not specify a monetary authorization. The bill does, however, specify that, under certain conditions, approval by the Committees on Public Works of the Senate and the House of Representatives must be obtained before appropriations can be made to construct, alter, or acquire any public building. The conditions under which approval of committees is required are as follows:

(a) GSA is authorized to alter buildings under his control and to acquire lands therefor. Committee approval is not required where the maximum cost does not exceed $200,000.

(b) GSA is authorized to construct or acquire buildings. Committee approval is required for those involving an expenditure of more than $100,000.

(c) GSA is required to furnish a prospectus containing information on proposed buildings to the committees when their approval is required.

(d) GSA would be permitted to proceed with an approved project without further approval of committees if cost is increased by reason of increased construction or alteration costs as long as the increase is not in excess of 10 percent.

(e) The committees would be prohibited from approving any new project whenever there are more than 30 or more projects, the estimated maximum cost of each in excess of $100,000, which have been approved for more than 1 year and for which no appropriations have been made until there has either been appropriations or recessions of approval which result in the number of such approved projects dropping to less than 30. Committees may rescind, by resolution, its approval if appropriations have not been made.

(f) The GSA and Post Office Department are authorized and directed to make building project surveys upon direction by resolution of either the Senate or House Public Works Committees.

The bill contains provisions relating to acquisition of property in the District of Columbia. These provisions are simply a repetition of existing authority. The bill calls for reports on buildings programs and a continuation of investigations for public buildings. The bill repeals a number of laws which have become obsolete.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question now is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. CHAVEZ. Mr. President, the Committee on Public Works had before it for consideration both Senate bill 1654 and House bill 7645. The latter bill is entitled "An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes." House bill 7645 has been passed by the House of Representatives.

The Senate Commitee on Public Works has, of course, reported Senate bill 1654, with an amendment—namely, to strike out all after the enacting clause and insert certain language.

During the consideration of Senate bill 1654 here on the floor, an amendment

which I submitted to the committee amendment has been agreed to; and then the committee amendment, as thus amended, was agreed to.

Mr. President, I now ask unanimous consent that the Committee on Public Works be discharged from the further consideration of House bill 7645, and that the Senate proceed to the consideration of that bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senate will proceed to consider the House bill.

The Senate proceeded to the consideration of the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

Mr. CHAVEZ. Mr. President, I submit the following amendment to House bill 7645: strike out all after the enacting clause, and insert the text of Senate bill 1654, as it has been amended today by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 7645) was read the third time, and passed.

Mr. CHAVEZ. Mr. President, I ask unanimous consent that Senate bill 1654 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I move that the vote by which House bill 7645, as amended, was passed be reconsidered.

Mr. KEATING. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendment to House bill 7645, request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHAVEZ, Mr. NEUBERGER, Mr. MCCARTHY, Mr. CASE of South Dakota, and Mr. PROUTY conferees on the part of the Senate.

Mr. CHAVEZ. Mr. President, I ask that the bill be printed with the Senate amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INTERNATIONAL EDUCATION DEVELOPMENT

Mr. HUMPHREY. Mr. President, a great deal is being written in newspapers and magazines as to what is wrong with education today in America. While there is certainly a great need for more attention being given to providing adequate educational facilities and more trained teachers, it should not be forgotten that America has indeed a great educational program.

We can be proud of the strides which our country has made in the field of education. The other day my attention was called to an article by Dr. Benjamin Fine, telling of the number of foreign students who are coming to our country every year to study. Dr. Fine states in his article, "The United States has become the educational mecca of the world."

He goes on to say that more students from foreign lands are attending colleges and universities in the United States than ever before. They are to be found in more than 1,500 of the 2,000 institutions of higher learning.

All in all, more than 57,000 students from 130 countries around the world are presently studying here in the United States. This is an increase of 10 percent over 1958, and a 50 percent increase over 5 years ago.

Whereas there are more than 57,000 foreign scholars in this country, there are only 10,000 American students now studying abroad. As Dr. Kenneth Holland, president of the Institute of International Education, has stated, this is a "national tragedy." Dr. Holland is quoted as saying, "We must send more of our students to Asia, Africa and other lands. Unless we do, how can we understand the language, cultures, mores and living conditions of these vast areas of the world?"

I agree completely with Dr. Holland's statement. I have for many years advocated more emphasis on educational exchange programs. We have a great deal to learn from other nations just as they do from us. The gains cannot be measured only in terms of the studies of specific subjects, but also in terms of greater understanding of the people of other lands.

To promote international educational programs, I have introduced a resolution, Senate Concurrent Resolution 68, expressing the sense of the Congress that greater emphasis must be given to international educational development. It is my hope that there will be established an international educational development foundation. This coming year I plan to introduce a detailed bill setting forth the specifics of such a program and the function and financing of such a foundation.

In conclusion, Mr. President, I ask unanimous consent that the article by Dr. Benjamin Fine, to which I have referred, entitled "Foreign Students Flock to the United States," be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN STUDENTS FLOCK TO U.S.—IN ALL CATEGORIES, 57,574 ARE HERE; 10,000 AMERICANS STUDY ABROAD

(By Dr. Benjamin Fine)

NEW YORK.—The United States has become the educational mecca of the world.

More foreign students are attending colleges and universities in this country than ever before. They are found in more than 1,500 of the 2,000 institutions of higher learning.

A nationwide study by the Institute of International Education, disclosed exclusively to this writer, shows that 47,245 men and women are here from 130 countries around the world. Another 10,329 foreign citizens are here on educational assignments, ranging from work in agricultural experiment stations, to field work in zoology. The study will be made public in a few days.

POSTWAR PHENOMENON

The current all-time record of 57,574 students represents an increase of 10 percent over last year, and 50 percent over 5 years ago. The number of foreign students in this country is growing so rapidly that many educators are concerned lest the colleges fail to take necessary precautions to provide the visitors with a good educational program.

This rush to come to the United States on the part of the scholars of the world is a fairly recent phenomenon. Until World War II the eyes of the world's leading scientists, physicians, engineers and liberal arts students were upon the old and respected institutions of Britain, Germany or Austria. A scholar, whether from this country or abroad, went to Oxford or Cambridge, Heidelberg, the Sorbonne or Vienna.

Now the scholars flock here. American education has come of age.

Of foreign students in this country, 33.5 percent come from the Far East, 21 percent from Latin America, 14 percent each from Europe and the Middle East. Twelve percent are from Canada and Mexico, 3.5 percent from Africa.

Canada leads the list with 5,432 students; China is in second place with 3,837. Chinese students represent stranded students from the mainland and students from Taiwan, Hong Kong, and Macao. India is in third place with 3,198 students, Korea is fourth with 2,471, Japan is fifth with 2,235, Iran sixth with 2,104, and the Philippines seventh with 1,805 students.

ENGINEERING MOST POPULAR

More than half are enrolled as undergraduates. The rest are taking graduate study, or are classified as "special" students.

Engineering is the most popular field for foreign students in this country. The study notes that 10,682 of them are taking engineering, while 9,472 are in the humanities.

Natural and physical sciences follow with 6,737, and social sciences with 6,432. Business administration, medical sciences, education and agriculture follow in that order.

Every one of the 50 States has some foreign students. More than 25 percent of the total are in New York and California.

A record number of 1,937 foreign faculty members are teaching on campuses in this country. Five years ago there were only 635. Foreign professors are found at 288 U.S. colleges and universities. They represent 71 countries.

SAMPLE OF U.N. IDEA

A college with students from 80 or more foreign lands sees the United Nations in action on a man-to-man basis. By and large, peace and harmony prevail.

At the University of Wisconsin, students from the United Arab Republic, Iraq, Jordan and Lebanon go to classes side by side with those from Israel. Tensions found at the top political level are not present in the academic life.

Sons and relatives of foreign leaders, members of U.N. delegations and outstanding scholars in their own countries are found on the campuses.

Virtually every college and university reports that the foreign students have made a definite contribution to the campus life, in and out of the classroom. Colleges provide an opportunity to American students to

understand the people and problems of other lands.

STAY-AT-HOME AMERICANS

The importance of the foreign student program was stressed by Dr. Kenneth Holland, president of the Institute of International Education. The Institute, at 1 East 67th Street, New York City, serves as a clearinghouse for all foreign students who come to this country, or who go abroad to study.

However, Dr. Holland expressed dismay at the fact that relatively few Americans go abroad to study. He termed this a national tragedy. Although more than 50,000 foreign scholars are in this country, only 10,000 American students are abroad. Most of these are in France, Britain, Italy or Germany.

"We must send more of our students to Asia, Africa and other foreign lands," Dr. Holland said. "Unless we do, how can we understand the language, culture, mores and living conditions of these vast areas of the world?"

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 33) favoring suspension of deportation in the cases of certain aliens, which were, on page 2, strike out line 1; on page 2, strike out line 5; on page 2, strike out line 8; on page 2, strike out line 20; on page 3, strike out line 8, and on page 4, strike out line 6.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate agreed to Senate Concurrent Resolution 33, to record congressional approval of suspension of deportation in certain cases in which the Attorney General has suspended deportation pursuant to section 244(a)(5) of the Immigration and Nationality Act.

On July 7, 1959, the House of Representatives agreed to Senate Concurrent Resolution 33 with amendments to delete six cases from the resolution.

The amendments are acceptable, and I move that the Senate concur in the House amendments to Senate Concurrent Resolution 33.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

PETER R. MULLER

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 510) for the relief of Peter R. Muller, which was, to strike out all after the enacting clause and insert:

That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Peter R. Muller. From and after the date of the enactment of this Act, the said Peter R. Muller shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided*, That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate passed S. 510, to grant the status of permanent residence in the United States to the beneficiary, with a proviso to insure that the bill would not waive the beneficiary's ineligibility to U.S. citizenship by reason of his previous application for exemption from the draft.

On July 7, 1959, the House of Representatives passed S. 510, with an amendment to cancel outstanding deportation proceedings in behalf of the beneficiary. The amended bill contains the proviso included in the bill as passed by the Senate.

The amendment is acceptable, and I move that the Senate concur in the House amendment to S. 510.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

RELIEF OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House Joint Resolution 354, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
August 6, 1959.

Resolved, That the House agree to the amendment of the Senate numbered 1 to the resolution (H.J. Res. 354) entitled "Joint resolution for the relief of certain aliens," with an amendment, as follows: In the language to be inserted by said amendment, strike out ", Sirijo Tanfara."

That the House agree to the amendment of the Senate numbered 2, with an amendment, as follows: In lieu of the word "three" in said amendment, insert "two."

Mr. MANSFIELD. Mr. President, on July 24, 1959, the Senate passed House Joint Resolution 354 with an amendment to include the cases of two additional aliens, who were the beneficiaries of individual Senate bills. On August 6, 1959, the House of Representatives concurred in the Senate amendment with an amendment to delete one of the additional cases.

I move that the Senate concur in the House amendment to the Senate amendment to House Joint Resolution 354.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

LEA LEVI

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 967) for the relief of Lea Levi, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond which may have issued in the case of Lea Levi. From and after the date of the enactment of this act the said Lea Levi shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate passed S. 967, to grant the status of permanent residence in the United States to a 58-year-old native of Turkey and citizen of Italy.

On August 11, 1959, the House of Representatives passed S. 967, with an amendment to provide only for cancellation of outstanding deportation proceedings in behalf of the beneficiary. Under the language of the bill, as amended, the beneficiary will be permitted to remain in the United States, but she will be unable to proceed toward citizenship.

I move that the Senate concur in the House amendment to S. 967.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

ARGYRIOS G. GEORGANDOPOULOS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 554) for the relief of Argyrios G. Georgandopoulos, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond which may have issued in the case of Argyrios G. Georgandopoulos. From and after the date of the enactment of this Act the said Argyrios G. Georgandopoulos shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate passed S. 554, to grant the status of permanent residence in the United States to a 51-year-old native and citizen of Greece.

On August 11, 1959, the House of Representatives passed S. 554, with an amendment to provide only for cancellation of outstanding deportation proceedings in behalf of the beneficiary. Under the language of the bill, as amended, the beneficiary will be permitted to remain in the United States, but he will be unable to proceed towards citizenship.

I move that the Senate concur in the House amendment to S. 554.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

JOSEF JAN LOUKOTKA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1945) for the relief of Josef Jan Loukotka, which were, in line 4, after "Loukotka" insert "Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik"; in line 7, strike out "fee" and insert "fees"; in line 8, strike out "alien" and insert "aliens"; in line 10, strike out "one number" and insert "three numbers", and to amend the title so as to read: "An act for the relief of Josef Jan Loukotka,

Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik."

Mr. MANSFIELD. Mr. President, on July 24, 1959, the Senate passed S. 1945 to grant the status of permanent residence in the United States to a 23-year-old native and citizen of Czechoslovakia. The bill was requested by the Secretary of the Army.

On August 18, 1959, the House of Representatives passed S. 1945 and amended it to add two similar cases which were also requested by the Secretary of the Army and which are in the same category as the beneficiary of S. 1945.

I move that the Senate concur in the House amendments to S. 1945.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

FEDERAL LOAN INSURANCE AUTHORIZATION — HIGHWAYS — INTEREST RATE ON TREASURY BORROWING, AND RATE GOVERNMENT CAN PAY ON SAVINGS BONDS—MESSAGES FROM THE PRESIDENT

Mr. MANSFIELD. Mr. President, the Senate is in receipt of two messages from the President of the United States. I ask unanimous consent that they be referred to the appropriate committee, and printed in the RECORD.

The PRESIDING OFFICER. Without objection, the messages will be referred to the Committee on Finance, and printed in the RECORD.

The messages from the President are as follows:

To the Congress of the United States:

On Wednesday of this week I shall leave for Europe on a mission important to the security and welfare of the American people. This mission will require my absence from the country for about ten days. Unavoidably, it comes while the Congress is in what may be the concluding days of a session, and while important items of legislation are under consideration.

Before I leave I should like to comment on two matters that involve Government programs now in progress which would be seriously hampered in the absence of appropriate action by the Congress.

1. FHA LOAN INSURANCE AUTHORIZATION

The Congress is well aware of the important services performed by the Federal Housing Administration in insuring mortgage loans for Americans who wish to buy homes. Not all homes are purchased under FHA, but a large number are, and it is important that there be no forced reduction in its activities. Yet this is exactly what will happen if additional loan insurance authorization is not available to FHA at an early date.

The administration has repeatedly requested the Congress to grant FHA an increase in its loan insurance authority. I renew this request, and suggest that it be passed in a separate piece of legislation. An increase in FHA's loan insurance authority should not be made contingent upon the possibility of approval by the President, after the Congress has adjourned, of legislation which contains features that the administration finds seriously objectionable and that are entirely unrelated to FHA's home loan insurance program.

2. HIGHWAYS

As I have repeatedly stated, there is an urgent national need for legislation to allow the Interstate Highway Program to proceed at a steady rate. Both the Congress and the Executive are justly proud of the vast highway construction program enacted in 1956. A good beginning has been made on this program, and it is inconceivable that it should be allowed now to come to a halt. For traffic safety and convenience, as well as to meet the requirements of a growing economy, it is essential that we continue to build new, modern roads.

Last January I recommended a temporary increase of 1½ cents in the Federal tax on gasoline in order to maintain the planned highway construction schedule on a pay-as-you-go basis. The recent action by the Ways and Means Committee of the House of Representatives in approving an increase of 1 cent for two years represents a step in the right direction. Although it would mean some slowing down of present construction rates, a 1 cent tax increase would allow a reasonable rate of progress to be maintained.

A small increase in the tax on gasoline is the best way to put the Interstate Highway Program on a self-supporting pay-as-you-go basis. I must express again my objection to proposals that would, in the absence of foreseeable budget surpluses, divert receipts from the General Fund of the Treasury that are collected from various excise taxes on automobiles. The transfer of these receipts to the Highway Trust Fund would only shift the fiscal problem from the Highway Trust Fund to the General Fund, which is already in precarious balance. I should also make clear that I do not favor proposals that would finance anticipated deficits in the Highway Trust Fund over the next several years by the issuance of bonds.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

To the Congress of the United States:

On June 8, I transmitted to Congress a message requesting legislation that would (1) remove the artificial limitation which the law now imposes on the interest rate at which the Treasury is allowed to borrow money for more than five years, and (2) remove a similar limitation on the rate the Government can pay on savings bonds.

Last week, the Committee on Ways and Means of the House of Representatives voted to suspend consideration of these proposals for the remainder of this session. This action was a grave disappointment to me.

The American people have a tremendous stake in this proposed legislation. Failure to enact it means that—

1. Millions of thrifty Americans cannot be fairly treated, since the Treasury will be unable to pay a fair rate of interest on savings bonds;

2. The cost of living may rise further, as the Treasury will be forced to manage our $290 billion debt in a way that adds to pressure on prices;

3. Responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

I would like to make two things absolutely clear:

First, the administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

Second, if the requested legislation is not enacted, those in the Congress who are unwilling to pass it must assume full responsibility for the possibly serious consequences.

This country's outstanding public debt of almost $290 billion is held by our citizens and financial institutions, and by foreign central banks and investors who have accumulated dollars as part of their reserves. Each investor has his own investment requirements. He buys different kinds of securities in order to meet those needs. Common to all investors, however, is the requirement that the rate of interest paid on the securities be fair and equitable in the light of other investment opportunities and, secondly, that the purchasing power of their invested dollars will not be impaired.

These considerations apply directly to the way in which the Government handles its debt. There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds. And there should be no question as to our determination to manage our debt soundly and in the best interests of all of the people.

We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and far-sighted Americans have saved. But Congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility.

To manage the public debt in a sound manner the Treasury must be able to borrow money for long as well as short periods of time. A 1918 statute now prescribes, however, that we cannot pay more than 4¼ percent for long-term money. So long as the present prosperity contributes to a strong demand for credit, and thus keeps the cost of new long-term borrowing higher than 4¼ percent, we will not be able to borrow for periods longer than five years.

Let me suggest one simple parallel to show why the Treasury should be able to borrow for longer periods. Suppose that an individual had a mortgage on

his home that had to be renewed every few months. He would be exposed to every shift in the economy and to every change in financial conditions. Yet, the Congress in effect is forcing the Treasury into this type of exposed position. It is saying to the Treasury, "When you have any borrowing to do, do it all on a short-term basis."

Within the next twelve months the Government must borrow $85 billion to cover maturing securities, redemptions, and seasonal cash needs. This Government, with its great financial resources, can normally carry a sizeable amount of short-term debt. But it cannot afford to rely exclusively on borrowing that must be continually renewed. Yet, if the Congress insists that we continue to finance wholly with short-term securities, the whole $290 billion debt will grow shorter and shorter. This will make it even harder to handle in the future.

The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash. Moreover short-term securities are more likely to become lodged in commercial banks. When a commercial bank acquires a million dollars of Government securities, bank deposits rise by a million dollars. This is the same as a million dollar increase in the money supply. When the money supply builds up too rapidly relative to production, inflation is the result. The piling up of an excessive amount of short-term debt poses a serious threat that may generate both the fear and the fact of future inflation at an unforeseeable time.

Now, while the Nation is enjoying a period of rapid economic advancement, we want to keep the cost of living steady. And, if we act wisely, we should be able to do so. We must live within our means and we must exercise all the necessary precautions in the use of credit. We have made good progress toward preventing excessive Government spending. But we may fail in our efforts to keep prices from rising if we do not handle our debt in the proper way. This is why the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions.

The need for sound debt management stems not only from domestic considerations. Foreign investors have substantial holdings of our securities, as well as other claims on this Nation. With so large a financial stake in our economy, these foreign central banks and other foreign investors have a very practical interest in the manner in which we handle our affairs. It is essential that they, too, continue to view the American dollar as a strong and stable currency. In a free market economy, confidence is not the simple result of legislation. It is earned by adherence to sound practices.

Let me state as plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices. The Treasury already has the authority to borrow at any rates of interest on obligations up to five years. What we are seeking is the authority, already possessed by all other borrowers, to obtain funds for longer periods as well. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case—the Government could not get what it needs.

The need for Congressional action with respect to the existing 3.26 percent interest rate ceiling on savings bonds is equally pressing. The Government occupies a dual trusteeship position with respect to the 40,000,000 Americans who own savings bonds and the 8,000,000 people who purchase them regularly. The average holder looks to the Government for a fair rate of return, reasonably competitive with other savings opportunities. The Treasury has announced that when the ceiling is removed, it will immediately raise the rate from 3.25 percent to 3.75 percent on all newly issued E and H Bonds, if held to maturity. Whenever legislation is enacted, this rate increase will be made retroactive to June 1, 1959. In addition, the future return to the investor on savings bonds purchased before June 1 and held to maturity would be increased by ½ of one percent. These actions would result in fair and equitable rates of return on savings bonds.

The second part of the trusteeship relationship of the Government with respect to holders of savings bonds involves the purchasing power of the dollar invested in the bonds. The savings bond holder expects the Government to try to insure that the future value of his savings will not be eaten away by progressive erosion of the dollar. To help assure that the value of the dollar will be protected, the whole debt management proposal should be enacted.

Each of these trusteeship considerations is vital; the thrifty American is entitled to both.

The issue with respect to our legislative proposals is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market. By adopting the administration's proposals, the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency.

No issue of greater importance has come before this session of Congress. In the best interests of the American people, I urge the Congress to enact the administration's proposals at this session.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

AGREEMENT ON IMPORTATION OF EDUCATIONAL, SCIENTIFIC, AND CULTURAL MATERIALS—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive I, 86th Congress, 1st session, an Agreement on the Importation of Educational, Scientific, and Cultural Materials, which was opened for signature at Lake Success, N.Y., on November 22, 1950, and entered into force on May 21, 1952, and that the agreement, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Agreement on the Importation of Educational, Scientific, and Cultural Materials, which was opened for signature at Lake Success, N.Y., on November 22, 1950, and entered into force on May 21, 1952. The Agreement was signed in behalf of the United States on June 24, 1959.

I transmit also, for the information of the Senate, the report of the Acting Secretary of State with respect to the Agreement.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

(Enclosures: (1) Report of the Acting Secretary of State, (2) certified copy of Agreement on the Importation of Educational, Scientific, and Cultural Materials.)

ADJOURNMENT

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 17 minutes) the Senate adjourned, under the previous order, until tomorrow, Wednesday, August 26, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 25, 1959:

DEPARTMENT OF THE TREASURY

David A. Lindsay, of New York, to be General Counsel for the Department of the Treasury, to succeed Nelson P. Rose.

JUDGE, U.S. COURT OF CLAIMS

James Durfee, of Wisconsin, to be judge of the U.S. Court of Claims, vice Benjamin H. Littleton, retired.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 25, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Proverbs 15: 8: *The prayer of the upright is the Lord's delight.*

Almighty God, we are grateful for the invitation and the privilege of coming unto Thee through the old and familiar way of prayer.

Grant that we may realize that no therapy can do more for us than the ministry of prayer, keeping our minds clear to know the truth, and our hearts courageous to pursue life's highest goals with patience and persistence.

Help us to feel that Thou art always able and willing to bring to our aid the strengthening resources of Thy divine grace as we struggle to overcome our hardships and handicaps.

May we have the wisdom and the will to stand up under the pressures of life and the faith that sees beyond them for Thou hast not created us for failure but for victory.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 1579. An act for the relief of Basile Ignatios Mavridis;

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr.;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7638. An act for the relief of the estate of Sakihara Koki;

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago, in the State of Illinois, as hereinafter described;

H.R. 8159. An act to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H. Con. Res. 186. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000;

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war;

H.R. 8160. An act to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 540. An act for the relief of Maybell King;

S. 594. An act for the relief of Lionie Tarpinian;

S. 673. An act for the relief of Stamatis Zeris;

S. 1033. An act for the relief of certain aliens;

S. 1149. An act for the relief of Captain Thomas J. McArdie;

S. 1257. An act granting the consent of Congress to the Wabash Valley Compact, and for related purposes;

S. 1433. An act for the relief of John Axel Arvidson;

S. 1583. An act for the relief of Yom Tov Yeshayahu Briszk;

S. 1624. An act for the relief of Ivan Curko;

S. 1712. An act to extend the application of the Motorboat Act of 1940 to certain possessions of the United States;

S. 1862. An act for the relief of Harve M. Duggins;

S. 1891. An act for the relief of Donald G. Coplan;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1944. An act to amend the Bankruptcy Act in regard to the verification of pleadings;

S. 1980. An act for the relief of Alvaro Rodriguez Jimenez;

S. 2022. An act for the relief of Lily Ang;

S. 2028. An act for the relief of Candace Elizabeth Lee Johnson (Kyung Hee Lee);

S. 2052. An act to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2101. An act for the relief of Ourania Ben Blikas;

S. 2130. An act to authorize a payment to the Government of Japan;

S. 2154. An act for the relief of Ante Grgas Pivac;

S. 2181. An act to amend the Mineral Leasing Act of February 25, 1920;

S. 2186. An act for the relief of Marta Nagy;

S. 2187. An act for the relief of Martha L. Hortobogyi;

S. 2197. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on food, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used;

S. 2349. An act to amend title 28, United States Code, with respect to fees of United States marshals, and for other purposes;

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park;

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government; and

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes.

FARM SURPLUSES AND UNDERNOURISHED PEOPLE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, speaking of costs, the U.S. Government spends $1 billion a year just to store in bulging warehouses the surplus farm products that it cannot put to good use.

The world envies and mocks the helpless agricultural plenty of the United States.

It is true that about 1.4 million persons in charitable institutions are receiving surplus food from the USDA, and some 15 million schoolchildren are taking part in the school lunch program.

But over 7 million Americans receiving public assistance checks under the various programs, plus many others who are needy but are unable to get assistance because of residence requirements and other technicalities, are existing on substandard diets.

The stock argument used to block a wider distribution of surplus foods is that it would disrupt the normal channels of trade.

But spokesmen for various segments of the food industry have, from time to time, informed the House Committee on Agriculture that they would welcome the opportunity to participate in a meaningful program of helping to provide supplementary food to the Nation's needy.

Especially if it would mean better diets for the lowest income families and the elimination of present disposal practices which in effect compete with the regular food stores in areas now distributing surplus foods.

Up to now all of the responsibility for local distribution of the surplus commodities has rested upon the States and the communities participating. The Federal Goverment ships the commodities into the States in carload lots to central receiving points. It is then transported at State or local expense to distribution depots.

The Committee on Agriculture, in approving the establishment of a food-stamp plan with a new and more effective method of distribution, was determined that our surplus food should be used to help feed the hungry.

On August 20, the House, by a decisive vote of 305 to 53, passed a bill to provide needy families with Government stamps entitling them to free foods at their local grocery.

By that action we expressed our opinion that the present distribution system is not doing the job.

In recent years community after community has voiced its criticism of the program now in operation—the lack of variety in the kinds of food made available, the high costs to localities of warehousing—and refrigeration for butter and cheese when available—as carloads of food arrived on such an erratic schedule that distribution dates had to be planned on a monthly basis in order to accumulate enough foods to warrant summoning needy eligibles to a central depot. Furthermore, this method had all the humiliating aspects of a bread line.

Labor surplus areas with empty industrial buildings and lower tax revenues found it difficult or impossible to finance the transportation, warehousing, and distribution costs.

Nowhere have the deficiencies of the present distribution system, in terms of meeting the needs of our people, been more dramatically shown than in a tabulation prepared by the U.S. Department of Labor, and covering the month of March 1959.

Even in those areas of the Nation most hard hit by unemployment—the surplus labor market area—many communities do not participate in the present distribution system.

In Lawrence, Lowell, Fall River, New Bedford—the four major labor surplus areas in Massachusetts—not one needy person was the recipient of surplus food during that period.

H.R. 1359 breaks the bottleneck of distribution costs. It utilizes in a practical manner the food distribution skills and know-how of the American food industry in the distribution of surplus food to the needy, through neighborhood stores in which the recipients of surplus food customarily make their normal food purchases.

The Federal Government would compensate the food industry for any expenditures in connection with the use of the regular stores for distributed foods, including redemption of the stamps either through an exchange of food stocks or in currency, or both.

The surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance—financial or otherwise—granted needy persons by a State or any political subdivision thereof.

Instead of leaving such food spoil in warehouses or rot in the fields for want of harvest, this is a sensible way to utilize our plenty for the benefit of those who do not have enough to eat.

CRIME IN THE DISTRICT OF COLUMBIA

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, alarm has been sounded by officials of the District of Columbia by reason of the steady rise in crime during the last 6 months in the Nation's Capital.

The Chief of Police has been authorized to request $2½ million to add 500 additional police to the presently authorized 2,500. Very likely this action will not occur until the 2d session of the 86th Congress.

In my opinion something can be done for the safety of people in the District from these assaults and robberies on the streets which are now so common. It is a disgrace to this city to permit these conditions to continue.

I have introduced a bill to authorize the assignment of two companies of U.S. Marines as a temporary auxiliary to the Metropolitan Police force.

To avoid what might be a constitutional question, the measure permits the Commissioners of the District of Columbia to request the Secretary of Defense to assign marines for police duty in the District under the direction of the Chief of Police.

Let me make it perfectly clear that the proposal is not intended in any sense as a declaration of martial law in the District, nor does it reflect upon the efficiency of the police department.

It seems to me that, under the circumstances, the police are probably doing the best job possible, but I think the assignment of a few hundred marines to patrol the streets in this city would have an immediate effect of curbing the activities of these gangs of loafing hoodlums who constantly place in jeopardy the lives and property of the people.

I believe the Secretary of Defense would have no difficulty in finding well trained and qualified personnel out of the Marine Corps whose present duties are not essential to other activities for the assignment I propose.

THE SAVINGS BOND PROGRAM MERITS IMMEDIATE REALISTIC TREATMENT

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the House Ways and Means Committee, as I understand, has decided to delay until next year facing up to the issue of eliminating or increasing the 4¼ percent ceiling on new Treasury bonds. I feel this is a mistake and could be serious. The point of my rising this morning is to urge that immediate consideration be given to removing the ceiling on Government savings bond interest. There are something like $42 billion of these savings bonds in the hands of approximately 40 million individuals in this country. If the savings bonds program continues to deteriorate, it will result in the need to issue other types of Government securities. As it is now, between the present time and next January, there will be $7 billion worth of other Government securities reaching maturity. This amount would be larger if savings bond holders started cashing their bonds. All of which will require that the Treasury do more short-term financing which weakens the Federal debt structure and, as I said earlier, could be serious.

If, Mr. Speaker, the Congress does nothing about the interest ceiling on long-term bonds, at least it would seem to be advisable that before we adjourn some action be taken to increase the amount of interest that the Federal Government will pay on savings bonds.

The savings bond program merits immediate realistic treatment.

PROPOSED GASOLINE TAX

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to reivse and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, it appears the machinery is being greased for a 1 cent to 1½ cent increase in the gasoline tax. Apparently, the increase is to be on a so-called temporary basis, but I am sure all Members of the House know that there is nothing so permanent in Washington as a temporary tax. Congress could very well clip a billion dollars off the foreign giveaway bill and make a good downpayment on the fund for road construction. Then it should direct that all Federal taxes presently being levied upon motor vehicles, be used on the highway building program.

Mr. Speaker, I am opposed to either a 1-cent increase or 1½-cent increase in the gasoline tax.

HOUSING LEGISLATION—COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill, S. 2539.

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the gentleman could give us any information as to what action might be expected to be had on the measure, if the report is filed.

Mr. McCORMACK. I cannot give any definite information except to say I am hopeful that the Committee on Rules will meet tomorrow and report out a rule, in which event I will call it up this

week—the probabilities are that I would call it up this week.

Mr. GROSS. Mr. Speaker, further reserving the right to object, what is the gentleman's request?

Mr. McCORMACK. It is with reference to the housing bill, for the Committee on Banking and Currency to have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

U.S. DISTRICT COURT, DURANT, OKLA.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7979) to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection:

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the limitations and restrictions contained in section 142, title 28, of the United States Code, shall be waived insofar as pertains to holding court by the United States District Court for the Eastern District of Oklahoma at Durant, Oklahoma.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING A COMMISSION ON STATE TAXATION OF INTERSTATE COMMERCE AND INTERSTATE AND INTERGOVERNMENTAL TAXATION PROBLEMS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

Mr. PATMAN. Mr. Speaker, reserving the right to object, has this bill been considered by a House committee?

Mr. WALTER. A similar bill was considered by a House committee and reported unanimously. It is my intention to ask unanimous consent to strike out all after the enacting clause in the Senate bill and substitute the House bill which was reported out unanimously.

Mr. PATMAN. How far does it go in denying the States the right to levy taxes?

Mr. WALTER. It does not interfere except in those cases in which an out-of-State company is doing business in the State through solicitation alone.

I am not so sure that the Supreme Court in its decisions went as far as small business in this country feel it went. However, it is very significant to note that after the decisions in these cases were handed down certiorari was denied in two other cases involving solicitation alone and that is the reason for the apprehension expressed by small business throughout the Nation.

Mr. PATMAN. Does this bill have a limitation on it as to time?

Mr. WALTER. The House bill does. One difference between the Senate and House bill is, I may say to the gentleman, that in the House bill it is intended that a committee of the Congress make a complete study of this question and report back to the House any recommendations that it chooses to make concerning permanent legislation. In the Senate bill, an independent commission is created for that purpose.

The effect of the enactment of this legislation at this time will hold in abeyance the effectiveness of what some people think the Supreme Court decided in respect to solicitation by an out-of-State business.

Mr. PATMAN. For what period of time?

Mr. WALTER. Until January 1961.

Mr. PATMAN. By passing this bill, then, we are not enacting permanent legislation.

Mr. WALTER. We are not enacting permanent legislation.

Mr. LANE. Mr. Speaker, reserving the right to object, I would like to say to the gentleman from Pennsylvania that I assume he is going to offer as a substitute House Joint Resolution 450, a resolution which was reported unanimously by the Committee on the Judiciary, for the bill S. 2524; and, of course, as a member of the Committee on the Judiciary, I am in favor of the bill introduced by the gentleman from Pennsylvania. I think it has a great deal of merit.

I have before me a telegram from one of my constituents in which they state that they feel that House Joint Resolution 450 should be amended in lines 7 and 8 in reference to salable inventory in warehouse; that it may invite taxation of their customers and seriously damage the warehouse business. I hope the author of the bill will take this matter into consideration. Of course, it is not amendable at this stage. I shall ask permission to revise and extend my remarks, but I am in favor of the bill filed by my colleague.

Mr. Speaker, does a State have the power to tax income derived from the sale of goods within the taxing State even though the sales were in interstate commerce? The Supreme Court has decided that it has this taxing power. But what if the person making the sale has no office, inventory, warehouse, or other place of business in the taxing State? What then?

The implication is that the State can tax income derived from sales even under these circumstances. This raises serious questions with respect to the exclusive power of Congress to regulate interstate commerce under the Constitution. Will this open the Pandora's box of duplicating tax powers that would slow down interstate commerce—under the maximum application of this decision—by placing 50 separate tax roadblocks in the way of interstate commerce?

Business is worried by this frightening possibility. And the Congress is disturbed by this indirect weakening of the Constitution that would fragment and Balkanize our national economy.

The material progress of our Nation has been aided by an economic freedom unparalleled in world history. The uninterrupted flow of commerce has created a mass market, unimpeded by tax boundaries set up by the individual States. Europe has taken due note of this. It is moving away from the economic provincialism of the separate countries, toward the creation of a common market area.

In the United States, the recent Supreme Court decision threatens to reverse our progress by permitting each State to tax the income derived from the sale of goods within that State, even though such orders are filled by shipment or delivery from a point outside the State. A State has the right to tax the net income of a corporation which is incorporated under its laws, and to tax the net income of an individual who, under the laws of such State is domiciled in, or a resident of, such State. But no State should have the power to tax an out-of-State business that does not maintain at least an office or other fixed business activity within the taxing State.

After its decision on the Northwestern and Stockham cases, the Supreme Court denied certiorari in two cases in which the activities of the out-of-State business was limited to the solicitation of orders within the taxing State. No office, salable inventory, warehouse, or other place of business was maintained in the taxing State. While this was not a decision on the merits, and although grounds other than the precedents of the Northwestern and Stockham cases were advanced as a basis for sustaining the Brown-Forman and International Shoe decisions, "the fact that a tax was successfully imposed in those cases has given strength to the apprehensions which had already been generated among small and moderate size businesses."

The prospect of filing tax returns in each of the 50 States, "as well as an unpredictable number of cities," plus the maintenance of voluminous records, plus the retention of legal counsel and accountants who are familiar with the tax practice of each jurisdiction is enough to scare many small enterprisers out of business. With producing States taxing payrolls, and marketing States taxing sales, those firms doing an interstate business could be taxed up to 100 percent of net.

The redtape required of business would make the redtape of Government

look like streamlined efficiency by comparison. Many small businesses would be strangled by taxes and paperwork.

Is solicitation alone a sufficient activity for the imposition of a State income tax upon an out-of-State business? Even the Supreme Court decision is not clear on this. How can we reconcile the demand of the States for greater revenue, with the necessity of keeping our economy free from the kind of taxation that will impede the flow of commerce?

In an effort to meet both the current situation and to provide for a permanent solution, the bill reported out of the House Judiciary Committee, would do two things:

First, with respect to the taxable years ending after December 31, 1958, and beginning before January 1, 1961, it provides that the simple solicitation of orders by an out-of-State business would not subject it to income taxation in the market State. This is first-half-of-the-bill stopgap legislation, to relieve the present anxieties of the business community.

Secondly, it gains the respite of time and provides that the Committees on the Judiciary of the Senate and the House of Representatives shall study the entire problem of State taxation of income from interstate commerce, and shall present proposals for permanent legislation to the Congress by February 1, 1961.

House Joint Resolution 450 is a reasonable measure, designed to provide temporary relief, while it sets in motion the careful studies that are necessary to arrive at a fair and just solution of this problem.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. McCORMACK. As I understand, if unanimous consent for the consideration of this bill is granted the gentleman intends to offer an amendment striking out all after the enacting clause and substituting the provisions of the bill reported by the Committee on the Judiciary.

Mr. WALTER. Yes.

Mr. McCORMACK. With no other amendment.

Mr. WALTER. With no other amendment.

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Speaker, the recent decision of the U.S. Supreme Court in *Northwestern States Portland Cement Co.* v. *Minnesota* and *Williams* v. *Stockham Valves & Fittings, Inc.*, 358 U.S. 450 (1959) has caused serious apprehension in the commercial community over the scope of State power to tax income derived from interstate commerce. Although a majority of the Court maintained that the decision in those cases was entirely consistent with the standards established in earlier cases, the breadth of the language in the opinion raises considerable uncertainty as to the kind and amount of local activity within a State which will be considered sufficient to support the imposition of a tax on income derived from interstate commerce.

A strict reading of the Northwestern and Stockham cases indicates that those cases are authority only for the proposition that a tax may be imposed when the out-of-State business maintains at least an office or other fixed business activity within the taxing State. However, shortly after the Northwestern and Stockham decision was handed down, the Supreme Court denied certiorari in two cases in which the activities of the out-of-State business was limited to the solicitation of orders within the taxing State—*Brown-Forman Distillers Corp.* v. *Collector of Internal Revenue*, 359 U.S. 28 (1959); *International Shoe Co.* v. *Fontenot*, 359 U.S. 984 (1949). No office, salable inventory, warehouse, or other place of business was maintained in the taxing State. In denying certiorari, the Court left undisturbed the decision of the State court upholding a State tax on income derived from solicitation alone. While it is true that the denial of certiorari is not a decision on the merits, and although grounds other than the precedents of the Northwestern and Stockham cases were advanced as a basis for sustaining the Brown-Forman and International Shoe decisions, the fact that a tax was successfully imposed in those cases has given strength to the apprehensions which had already been generated among small and moderate size businesses.

The Committee on the Judiciary and many Members of Congress have received hundreds of letters from such firms expressing their consternation at the prospect of having to file tax returns in what may eventually be each of the 50 States as well as an unpredictable number of cities, even where the firm maintains no fixed establishment in those States and cities. These businesses are concerned not only with the costs of taxation, but also with the inescapable fact that compliance with the diverse tax laws of every jurisdiction in which income is produced will require the maintenance of records for each jurisdiction and the retention of legal counsel and accountants who are familiar with the tax practice of each jurisdiction. This will mean increases in overhead charges, in some cases to an extent that will make it uneconomical for a small business to sell at all in areas where volume is small.

Although it may be argued that the Supreme Court has not yet decisively disposed of the precise question of whether solicitation alone is a sufficient activity for the imposition of a State income tax upon an out-of-State business, the very fact that this question is unresolved is perhaps the strongest argument for Congress to act at this time. Businessmen should not be forced to guess about their tax liability. Nor should they be subject to the kind of State taxation which would "Balkanize" the American economy. The committee recognizes that the problems raised by State taxation of interstate commerce are numerous and complex. Involved are such basic but conflicting interests as, on the one hand, the demand of the States for greater revenue and, on the other, the necessity that we keep our economy free from the kind of taxation that will impede the flow of commerce.

In an effort to meet both the current situation and to provide for a permanent solution, this bill does two things. First, it provides a temporary minimum standard applicable only with respect to the taxable years ending after December 31, 1958, and beginning before January 1, 1961. This standard would prohibit a State or political subdivision therof from imposing a tax upon the income of any business engaged in interstate commerce unless during the taxable year that business has maintained an office, salable inventory, warehouse, or other place of business in that State or has had an officer, agent, or representative who has maintained an office or other place of business in that State.

By this standard, the simple solicitation of orders by an out-of-State business would not subject it to income taxation in the market State. In terms of case law, this bill would not affect fact situations such as those in the Northwestern and Stockham cases. In both of those cases the out-of-State business maintained an office in the market State and under the standard in this bill they would remain subject to taxation. The bill would, however, alter the result in situations like Brown-Forman and International Shoe so far as the taxable years covered by the bill are concerned.

Secondly, the bill provides that the Committees on the Judiciary of the Senate and the House of Representatives shall study the entire problem of State taxation of income from interstate commerce and shall present proposals for permanent legislation to the Congress by February 1, 1961. A special subcommittee of the House Judiciary Committee has already been created for this purpose and has scheduled hearings for October of this year.

Mr. POFF. Mr. Speaker, reserving the right to object, and I shall not, I would like to concur in what has been so eloquently said by the gentleman from Pennsylvania. This is essentially stop-gap legislation and it is understood by all concerned that a more extensive and thorough study will be made before the terminal date of this legislation.

The gentleman from Massachusetts [Mr. LANE] raised one caveat which should have further study, and doubtless future experience will disclose others. I feel at this time, however, that it is essential to move in this vital field before Congress adjourns.

Mr. Speaker, I withdraw my reservation of objection.

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, I support House Joint Resolution 450. Although this is temporary legislation, it takes a great step forward in bringing some certainty into the field of State taxation of interstate business.

It recognizes the problems that have been created by recent Supreme Court decisions for those companies which engage broadly in interstate commerce. It also takes into consideration the vast burden of such commerce which might be created if local taxation were allowed to increase and multiply without restriction.

I point out and support the provision of this bill which proposes to set up a commission to study this whole difficult problem. In this we have a guarantee that serious and thorough examination of this tax situation will be made. We can, therefore, be hopeful that a permanent and lasting solution will soon be forthcoming.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—IMPOSITION OF MINIMUM STANDARD

SEC. 101. (a) No State, or political subdivision thereof, shall have power to impose, for any taxable year ending after the date of the enactment of this Act, a net income tax on the income derived within such State by any person from interstate commerce if the only business activities within such State by or on behalf of such person during such taxable year are either, or both, of the following:

(1) the solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State; and

(2) the solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective client or customer of such person, if orders by such client or customer to such person to enable such client or customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(b) The provisions of subsection (a) shall not apply to the imposition of a net income tax by any State, or political subdivision thereof, with respect to—

(1) any corporation which is incorporated under the laws of such State; or

(2) any individual who, under the laws of such State, is domiciled in, or a resident of, such State.

(c) For purposes of subsection (a), a person shall not be considered to have engaged in business activities within a State during any taxable year merely by reason of sales in such State, or the solicitation of orders for sales in such State, of tangible personal property on behalf of such person by one or more independent contractors.

(d) For purposes of this section—

(1) the term "independent contractor" means a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities; and

(2) the term "representative" does not include an independent contractor.

SEC. 102. (a) No State, or political subdivision thereof, shall have power to assess, after the date of the enactment of this Act, any net income tax which was imposed by such State or political subdivision, as the case may be, for any taxable year ending on or before such date, on the income derived within such State by any person from interstate commerce, if the imposition of such tax for a taxable year ending after such date is prohibited by section 101.

(b) The provisions of subsection (a) shall not be construed—

(1) to invalidate the collection, on or before the date of the enactment of this Act, of any net income tax imposed for a taxable year ending on or before such date, or

(2) to prohibit the collection, after the date of the enactment of this Act, of any net income tax which was assessed on or before such date for a taxable year ending on or before such date.

SEC. 103. For purposes of this title, the term "net income tax" means any tax imposed on, or measured by, net income.

SEC. 104. If any provision of this title or the application of such provision to any person or circumstance is held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

TITLE II—COMMISSION ON STATE TAXATION OF INTERSTATE COMMERCE AND INTERSTATE AND INTERGOVERNMENTAL TAXATION PROBLEMS

Establishment of Commission

SEC. 201. There is hereby established a commission to be known as the Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems (hereinafter referred to as the "Commission").

Membership of the Commission

SEC. 202. (a) The Commission shall be composed of fourteen members as follows:

(1) Three who are members of the Committee on Finance of the Senate, to be appointed by the President of the Senate;

(2) Three who are members of the Committee on Ways and Means of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) Three who are officers in the executive branch of the Government, to be appointed by the President; and

(4) Five to be appointed by the Conference of Governors.

(b) The members of the Commission shall select a Chairman and a Vice Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 109 of the Revised Statutes (5 U.S.C., sec. 99).

Duties of the Commission

SEC. 203. (a) The Commission shall make a full and complete study of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce for the purpose of recommending to the Congress proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived. Such standards shall be designed to permit a State to require businesses which are engaged in interstate commerce within such State to assume an equitable share of the tax burden imposed by such State and shall, at the same time, be designed to protect such businesses from being obstructed in their interstate activities by reason of being subjected to a multiplicity of State income tax laws which are not uniform in theory, substance, application, and administration. In particular, but without limitation, the Commission shall endeavor to recommend uniform standards for determining—

(1) what proceeds from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce constitute income which is subject to taxation by the States;

(2) the total taxable income of a business engaged in interstate commerce which is subject to taxation by the States in which the business conducts its activities; and

(3) the portion of the total taxable income of a business engaged in interstate commerce which each State in which such business conducts business activities may subject to taxation.

(b) The Commission shall make a full and complete study of the problems arising from the exercise of the taxing power at the Federal, State, and local levels of government for the purpose of recommending methods to—

(1) eliminate overlapping areas of taxation at the various levels of government;

(2) avoid competition for revenue by the various levels of government;

(3) improve tax administration and collection practices at all levels of government;

(4) coordinate and simplify tax laws at all levels of government; and

(5) ease the burden of compliance by taxpayers with the tax laws of all levels of government.

(c) The Commission shall make a report to the Congress and the President, not later than March 31, 1961, of the results of its study under subsection (a) together with its recommendations for proposed legislation. The Commission shall make a final report to the Congress and the President, not later than March 31, 1962. Such final report shall contain the results of its studies under subsection (b) together with any recommendations for proposed legislation, and any supplemental results of its study under subsection (a), together with any supplemental recommendations for proposed legislation.

(d) The Commission shall cease to exist at the close of June 30, 1962.

Powers of the Commission

SEC. 204 (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, paper, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C., secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or the Vice Chairman when acting as Chairman.

Appropriations, expenses, and personnel

SEC. 205 (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this title.

(b) The members of the Commission shall serve without compensation, but each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(c) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(d) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Strike out all after the enacting clause and insert the provisions of House Joint Resolution 450, as follows:

TITLE I—TEMPORARY MINIMUM STANDARD

SEC. 101. A State or political subdivision thereof may not impose a tax upon the income of any business engaged in interstate commerce for any taxable year unless, during that year, the business has maintained an office, salable inventory, warehouse, or other place of business in that State or has had an officer, agent, or representative who has maintained an office or other place of business in that State.

SEC. 102. The provisions of section 101 shall apply only with respect to taxable years which end after December 31, 1958, and which begin before January 1, 1961.

TITLE II—STUDY AND REPORT BY CONGRESSIONAL COMMITTEES

SEC. 201. The Committees on the Judiciary of the Senate and House of Representatives shall conduct studies and investigations of pertinent State revenue laws and the effect and implications of the Supreme Court decision in Northwestern States Portland Cement Co. against Minnesota, and T. V. Williams, as State Revenue Commissioner, against Stockham Valves and Fittings, Inc. (358 U.S. 450), as well as other decisions in the Federal courts with respect to the authority of States to tax income derived exclusively from interstate commerce and shall report to Congress with their proposals for permanent legislation on or before February 1, 1961.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar resolution (H.J. Res. 450) were laid on the table.

INCOME TAX TREATMENT OF CERTAIN STOCKS HELD AT DEATH

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6777) to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 421 of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) SPECIAL RULES WHERE OPTION PRICE IS BETWEEN 85 PERCENT AND 95 PERCENT OF VALUE OF STOCK.

"(1) TREATMENT AS ORDINARY INCOME.—If no disposition of a share of stock acquired by an individual on his exercise after 1949 of a restricted stock option is made by him within 2 years from the date of the granting of the option nor within 6 months after the transfer of such share to him, but, at the time the restricted stock option was granted, the option price (computed under section (d)(1)(A)) was less than 95 percent of the fair market value at such time of such share, then—

"(A) in the event of any disposition of such share by him before he dies, or

"(B) if he dies while owning such share, in the event of any disposition of such share by the estate of the decedent or by a person who acquired such share by bequest or inheritance or by reason of the death of the decedent,

there shall be included as compensation (and not as gain upon the sale or exchange of a capital asset) in gross income for the taxable year in which falls the date of such disposition the amount specified in paragraph (2).

"(2) AMOUNT OF ITEM.—The amount referred to in paragraph (1) is—

"(A) in the case of a share of stock acquired under an option qualifying under clause (i) of subsection (d)(1)(A), an amount equal to the amount (if any) by which the option price is exceeded by the lesser of—

"(i) the fair market value of the share at the time of disposition, or

"(ii) the fair market value of the share at the time option was granted; or

"(B) in the case of stock acquired under an option qualifying under clause (ii) of subsection (d)(1)(A), an amount equal to the lesser of—

"(i) the excess of the fair market value of the share at the time of disposition over the price paid under the option, or

"(ii) the excess of the fair market value of the share at the time the option was granted over the option price (computed as if the option had been exercised at such time).

"(3) BASIS.—

"(A) If paragraph (1)(A) applies, the basis of the share in the hands of the individual at the time of disposition shall be increased by an amount equal to the amount includible in his gross income by reason of such disposition.

"(B) If paragraph (1)(B) applies, the basis of the share in the hands of the person referred to in such paragraph—

"(i) shall be reduced by the excess (if any) of the amount, which would have been includible in the gross income of the employee under this subsection if he had not died but had disposed of such share at the time he died, over the amount which is includible in gross income under this subsection, or

"(ii) shall be increased to the extent (if any) that the amount includible in gross income under this subsection exceeds the amount which would have been includible in the gross income of the employee under this subsection if he had not died but had disposed of such share at the time he died.

"(4) DEDUCTION FOR ESTATE TAX.—Subsection (d)(6)(B) shall apply in respect of a share to which paragraph (1)(B) of this subsection applies in the same manner and to the same extent as such subsection (d)(6)(B) applies in respect of a restricted stock option."

(b) Subsection (d)(4)(B) of such section 421 is amended by adding at the end thereof the following: "The preceding sentence shall not apply in the case of a termination of such joint tenancy by reason of the death of the employee; but for purposes of subsection (b) the survivor shall be treated as having acquired such share by reason of the death of the decedent."

(c) Subsection (d)(6)(C) of such section 421 is amended—

(1) by striking out "held" in clause (i) and inserting in lieu thereof "sold", and

(2) by striking out "the last sentence of subsection (b)" in clause (ii) and inserting in lieu thereof "subsection (b)(3)(A)".

SEC. 2. The amendments made by the first section of this Act shall apply if the death of the employee referred to in section 421 of the Internal Revenue Code of 1954 occurs after December 31, 1958.

Mr. MILLS. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLS: Strike out all after the enacting clause and insert the following: "That (a) subsection (b) of section 421 of the Internal Revenue Code of 1954 is amended to read as follows:

"'(b) SPECIAL RULES WHERE OPTION PRICE IS BETWEEN 85 PERCENT AND 95 PERCENT OF VALUE OF STOCK.—

"'(1) TREATMENT AS ORDINARY INCOME.—If no disposition of a share of stock acquired by an individual on his exercise after 1949 of a restricted stock option is made by him within two years from the date of the granting of the option nor within six months after the transfer of such share to him, but, at the time the restricted stock option was granted, the option price (computed under subsection (d)(1)(A)) was less than 95 percent of the fair market value at such time of such share, then—

"'(A) (i) in the event of any disposition of such share by him, or (ii) in the event of his death while owning such share (including a joint ownership described in subsection (d)(4)(B)) unless subparagraph (B) applies, or

"'(B) if he dies while owning such share and such share is acquired by his surviving spouse either by reason of survivorship in the case of a joint ownership described in subsection (d)(4)(B) or by bequest or inheritance as provided in paragraph (5)(A), in the event of any disposition of such share by such surviving spouse, or in the event of the death of such surviving spouse while owning such share (including a joint ownership described in subsection (d)(4)(B)).

there shall be included as compensation (and not as gain upon the sale or exchange of a capital asset) in gross income for the taxable year in which falls the date of disposition, or for the taxable year closing with the death of the employee or his surviving spouse, as the case may be, the amount specified in paragraph (2).

"'(2) AMOUNT OF ITEM.—The amount referred to in paragraph (1) is—

"'(A) in the case of a share of stock acquired under an option qualifying under clause (i) of subsection (d)(1)(A), an amount equal to the amount (if any) by which the option price is exceeded by the lesser of—

"'(i) the fair market value of the share at the time of disposition, or at the time of the

death of the employee or his surviving spouse, as the case may be, or

"'(ii) the fair market value of the share at the time the option was granted; or

"'(B) in the case of stock acquired under an option qualifying under clause (ii) of subsection (d)(1)(A), an amount equal to the lesser of—

"'(i) the excess of the fair market value of the share at the time of disposition, or at the time of the death of the employee or his surviving spouse, as the case may be, over the price paid under the option, or

"'(ii) the excess of the fair market value of the share at the time the option was granted over the option price (computed as if the option had been exercised at such time).

"'(3) BASIS.—

"'(A) If paragraph (1)(A) applies to any disposition of a share, the basis of the share in the hands of the individual at the time of disposition shall be increased by an amount includible in his gross income by reason of such disposition.

"'(B) If paragraph (1)(B) applies to any disposition of a share, the basis of the share in the hands of the surviving spouse at the time of such disposition—

"'(i) shall be reduced by the excess (if any) of the amount, which would have been includible in the gross income of the employee under this subsection if he had disposed of such share at the time he died, over the amount which is includible in gross income under this subsection, or

"'(ii) shall be increased to the extent (if any) that the amount includible in gross income under this subsection exceeds the amount which would have been includible in the gross income of the employee under this subsection if he had disposed of such share at the time he died.

"'(4) DEDUCTION FOR ESTATE TAX.—If an amount is required to be included under paragraph (1)(B) in gross income of the surviving spouse, there shall be allowed to such surviving spouse a deduction with respect to the estate tax attributable to the inclusion in the taxable estate of the deceased employee of the excess (if any) of the fair market value of such share at the time of the employee's death over the price paid for such share. For this purpose, the deduction shall be determined under section 691(c) as if such excess were an item of gross income in respect of the decedent under section 691 and as if the amount includible in gross income under this subsection were an amount included in gross income under section 691 in respect of such item of gross income.

"'(5) SPECIAL RULES ON BEQUEST TO SPOUSE, ETC.—

"'(A) APPLICATION OF PARAGRAPH (1)(B).—For purposes of paragraph (1)(B), a surviving spouse does not acquire a share of stock by bequest or inheritance as provided in this subparagraph unless—

"'(i) the spouse acquires such share by bequest or inheritance on or before the last day of the 15th month after the death of the employee, or

"'(ii) the Secretary or his delegate is notified (in such manner as the Secretary or his delegate shall by regulations prescribe) on or before such last day that the spouse reasonably may be expected to so acquire such share and the spouse does so acquire such share after such last day.

"'(B) STATUTE OF LIMITATIONS.—If the Secretary or his delegate is notified (as provided in subparagraph (A)(ii)) that a spouse reasonably may be expected to acquire by bequest or inheritance a share of stock to which paragraph (1) applies, then—

"'(i) the statutory period for the assessment of any deficiency attributable to the omission of any amount in respect of such share from the gross income of the employee for the taxable year closing with his death shall not expire before the expiration of three years from the date the Secretary or his delegate is notified (in such manner as the Secretary or his delegate shall by regulations prescribe) that the spouse acquired, or failed to acquire, such share, and

"'(ii) such deficiency may be assessed before the expiration of such three-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.'

"(b) The last sentence of subsection (c) of such section 421 is amended to read as follows: 'A similar rule shall be applied in the case of a series of such distributions and in the case of distributions in respect of stock acquired by a surviving spouse in the manner provided in subsection (b)(1)(B).'

"(c) Subsection (d)(4)(B) of such section 421 is amended to read as follows:

"'(B) JOINT TENANCY.—The acquisition of a share of stock in the name of the employee and another jointly with the right of survivorship or a subsequent transfer by the employee (or, after his death, by his surviving spouse) of a share of stock into such a joint ownership shall not be deemed a disposition, but a termination of such joint ownership (except to the extent such employee or such surviving spouse acquires ownership of such stock and except in the case of a termination of such joint ownership by reason of the death of the employee) shall be treated as a disposition occurring at the time such joint ownership is terminated.'

"(d) Subsection (d)(6)(A) of such section 421 is amended by striking out 'and' at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof '; and', and by adding at the end thereof the following new clause:

"'(iii) for purposes of subsection (b)(1)(A), if such person dies while owning such stock (including a joint ownership described in paragraph (4)(B), he will be considered as having disposed of such stock at the time of his death.'

"(e) Subsection (d)(6)(C) of such section 421 is amended—

"(1) by striking out 'held such share at the time of his death,' in clause (i) and inserting in lieu thereof 'disposed of such share at the time of his death,', and

"(2) by striking out 'the last sentence of subsection (b)' in clause (ii) and inserting in lieu thereof 'subsection (b)(3)(A)'.

"SEC. 2. The amendments made by the first section of this Act shall apply if the death of the employee referred to in section 421 of the Internal Revenue Code of 1954 occurs after December 31, 1958."

Mr. MILLS (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON], the author of each bill, as well as myself, may be permitted to extend our remarks after the passage of each bill which will be called up today by me.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, under present law, where an option granted an employee to buy stock qualifies as a "restricted stock option," tax on any gain to the employee is postponed until the time he sells the stock. If the option price was 95 percent or more of the price of the stock at the time of the granting of the option, any gain realized at the time of the sale of the stock is a capital gain. Where the option price is 85 to 95 percent of the value of the stock at the date of the granting of the option, any gain, to the extent of the spread between the option price and the price at the date of granting the option, is taxed as ordinary income and any additional gain as capital gain. Generally, both the ordinary gain and the capital gain in this case are taxed when the stock is sold.

An exception to this general rule exists, however, in the case of these options involving an ordinary income element if the employee dies after he has purchased the stock but before he has sold it. In such cases, the ordinary income element is taxable to the decedent employee in his last income tax return. H.R. 6777, as amended by the Committee on Ways and Means, amends these provisions to provide that where the stock actually passes to the employee's surviving spouse, the ordinary income element in the stock is not to be taxed until the surviving spouse sells the stock, or disposes of it at death or otherwise. Under the bill, the stock may pass to the wife by bequest or inheritance or as the result of survivorship in the case of joint ownership—through a joint tenancy. A special limitation is provided denying the postponement of the tax beyond the death of the employee unless within 15 months of his death the spouse either received the stock or the Treasury Department was notified that the spouse was likely to receive the stock.

The amendments made by the bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable THOMAS J. O'BRIEN, are to be effective for employees dying in 1959 and later years.

The Committee on Ways and Means was unanimous in recommending enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation relates to the restricted stock option provision of the Internal Revenue Code. The bill would change existing law to make it clear that under circumstances where the stock passes to the surviving spouse of the person who received the restricted stock option that the taxation of the ordinary income element would be deferred until the spouse dies or disposes of the stock. Under the bill the stock may pass to the wife by bequest or inheritance or as the result of survivorship in the case of joint ownership. It is required that such a transfer to the spouse must occur within 15 months of the employee's death or alternatively the Treasury must be given notice within that period that the stock may go to the spouse and then the Treasury must be informed of the subsequent disposition of the stock.

Mr. Speaker, this legislation has been ordered favorably reported by the unanimous action of the Committee on Ways and Means.

UNLIMITED DEDUCTION FOR CHARITABLE CONTRIBUTIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6779) to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals), which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection the Clerk read the bill as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That section 170 (b) (1) (C) of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions by certain individuals) is hereby amended by adding at the end thereof the following new sentence: "For purposes of this subparagraph, if the sum of the charitable contributions and the income taxes for any period of two consecutive taxable years within the ten preceding taxable years exceed 90 percent of the sum of the taxpayer's taxable income for such period of two consecutive taxable years, both of the taxable years within each such period shall be deemed to satisfy the 90-percent test; but no taxable year shall be included in more than one period of two consecutive taxable years."

SEC. 2. The amendment made by section 1 of this Act shall apply to taxable years beginning after December 31, 1948; but no credit shall be allowed, nor any refund made, in respect of any overpayment resulting from this amendment for any taxable year beginning prior to January 1, 1959.

Mr. MILLS. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLS: Strike out all after the enacting clause and insert the following: "That section 170(b)(1)(C) of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions by certain individuals) is amended by striking out 'In lieu of the amount of income tax paid during any such year,' and inserting in lieu thereof the following: 'For purposes of this subparagraph, if the sum of the charitable contributions and the income taxes paid during the taxable years in any period of two consecutive taxable years within such ten preceding taxable years exceeds 90 percent of the sum of the taxpayer's taxable incomes for such two consecutive taxable years, and if the sum of the charitable contributions and the income tax so paid during each such consecutive year exceeds 75 percent of the taxpayer's taxable income for such year, the 90 percent test shall be considered satisfied with respect to both such consecutive taxable years; but no taxable year shall be included in more than one period of two consecutive taxable years. In applying the preceding sentences of this subparagraph, in lieu of the amount of income tax paid during any taxable year,'.

"SEC. 2. The amendment made by the first section of this Act shall apply in respect of deductions allowable under section 170 of the Internal Revenue Code of 1954 for taxable years beginning after December 31, 1956; but no credit shall be allowed, nor any refund made, in respect of any overpayment resulting from such amendment for any taxable year beginning before January 1, 1959."

Mr. MILLS (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6779, as amended by the Committee on Ways and Means, is to provide that, for the purpose of the unlimited charitable contribution tax deduction allowed under present law, the 90-percent test will be considered as satisfied for each of any 2 consecutive years where it is met on the basis of the average of contributions, taxes and income in the 2-year period. The charitable contributions and taxes, however, in each of these 2 years, must represent at least 75 percent of the income of that year. The amendment would be effective for the calendar year 1957 and subsequent years, but no refunds or credits would be paid as a result of the change for any year prior to the calendar year 1959. This legislation was introduced by our colleague on the Committee on Ways and Means, the Honorable RICHARD M. SIMPSON. Similar bills were introduced in this Congress by the Honorable HALE BOGGS—H.R. 2736—and the Honorable VICTOR A. KNOX—H.R. 6788.

Under present law, in order to be eligible for the unlimited charitable deduction the taxpayer must in the current year and in 8 out of the 10 preceding years have given 90 percent of his taxable income to charity or in payment of Federal income taxes. It has been brought to the attention of the committee that there have been cases where taxpayers did not qualify for the unlimited deduction because of year-to-year fluctuations in the charitable contributions, even though in 8 out of the last 10 years more than three-fourths of income went to charity or for taxes, and even though the 90-percent test would have been met if it had been computed on the basis of the average charitable contributions and taxes paid in 2-year periods. The committee concluded that in cases of this type, where the individual has clearly given the bulk of his income to charity and for taxes, it is unfortunate that the benefit of the unlimited charitable contribution deduction should be denied merely because of year-to-year variations in the charitable contributions.

The Committee on Ways and Means was unanimous in recommending enactment of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation that has just passed the House relates to the unlimited charitable contribution deduction that under present law is available to taxpayers who in the last 10 years have paid charitable contributions and income taxes equal to 90 percent of his taxable income in each of 8 years. The legislation would amend the test of eligibility contained in existing law by providing that the 90-percent test could be satisfied for each of any 2 consecutive years if the test is met on the basis of the average contribution taxes and income in the 2-year period. A safeguard is included in the bill to require that in each of the 2 years in which averaging occurs the contributions and taxes must represent at least 75 percent of the income of that year.

Mr. Speaker, this legislation has, in my judgment, an extremely important and meritorious public purpose in that it provides an inducement for private charitable purposes and thereby alleviates the demands on governmental entities.

EXCLUSION FROM GROSS INCOME OF CERTAIN AMOUNTS DISTRIBUTED BY UNITED STATES TO NONRESIDENT ALIEN INDIVIDUALS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 135) to provide an income credit in the case of civil service annuities received by nonresident alien individuals not engaged in trade or business within the United States, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to payments made on or after January 1, 1956, section 143(b) of the Internal Revenue Code (relating to withholding of tax at source on dividends, interest, and so forth, paid to nonresident aliens) is hereby amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof the following: ": *Provided further,* That in the case of annuity payments made pursuant to the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., title 5, ch. 14), to a nonresident alien individual not engaged in trade or business within the United States, the amount of each such payment subject to withholding is that portion thereof constituting gross income which is in excess of an amount (ratably apportioned in accordance with regulations prescribed by the Secretary over the payments made during the calendar year) bearing the same proportion to (1) $600 in the case of a nonresident alien who will not attain the age of sixty-five before the close of his taxable year, or (2) $1,200 in the case of a nonresident alien who will attain the age of sixty-five before the close of his taxable year as the number of months in such year during which such nonresident alien received such an annuity bears to twelve months."

SEC. 2. Effective with respect to amounts received on or after January 1, 1956, section 211(a)(1)(A) of the Internal Revenue Code (relating to tax on nonresident alien individuals not engaged in trade or business with-

in the United States) is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: ": *Provided*, That in the case of annuities received pursuant to the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., title 5, ch. 14), the amount of such annuities received during the taxable year shall be deemed, for purpose of this subparagraph, to be the excess of the amount received over that proportion of (i) $600 in the case of a nonresident alien who has not attained the age of sixty-five before the close of such year, or (ii) $1,200 in the case of a nonresident alien who has attained the age of sixty-five before the close of such year, as the number of months in such year during which such nonresident alien received such an annuity bears to twelve months."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 402(a) of the Internal Revenue Code of 1954 (relating to the taxability of a beneficiary of an employees' trust) is amended by adding at the end thereof the following new paragraph:

"'(4) DISTRIBUTIONS BY UNITED STATES TO NONRESIDENT ALIENS.—The amount includible under paragraph (1) or (2) of this subsection in the gross income of a nonresident alien individual with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as—

"'(A) the aggregate basic salary paid by the United States to such employee for such services, reduced by the amount of such basic salary which was not includible in gross income by reason of being from sources without the United States, bears to

"'(B) the aggregate basic salary paid by the United States to such employee for such services.

In the case of distributions under the Civil Service Retirement Act (5 U.S.C., sec. 2251), the term "basic salary" shall have the meaning provided in section 1(d) of such Act.'

"SEC. 2. (a) The first sentence of section 402(a)(1) of the Internal Revenue Code of 1954 (relating to general rule for taxability of beneficiary of exempt trust) is amended by striking out 'paragraph (2),' and inserting in lieu thereof 'paragraphs (2) and (4),'.

"(b) Subsection (d) of section 871 of such Code (relating to the tax imposed on nonresident alien individuals) is amended to read as follows:

"'(d) CROSS REFERENCES.—

"'For doubling of tax on citizens of certain foreign countries, see section 891.

"'(2) For tax treatment of certain amounts distributed by the United States to nonresident alien individuals, see section 402(a)(4).'

"SEC. 3. The amendments made by this Act shall apply only with respect to taxable years beginning after December 31, 1958."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, as amended by the Committee on Ways and Means, H.R. 135 would exclude from U.S. tax for nonresident alien individuals the portion of amounts paid to them by the United States as civil service annuities and other retirement benefits for services performed abroad as employees of the United States. The amendment would be applicable for taxable years beginning after December 31, 1958.

Under present law, a nonresident alien working for an American Embassy or other Government agency abroad is not subject to U.S. tax on his salary, since this is considered to be income from sources without the United States. In the case of U.S. civil service retirement pensions, however, while no tax is due on the amount which had been set aside by the Government for such future retirement, such an annuity is taxable to the extent that it represents earnings on this amount, because this is considered as investment income from sources within the United States.

The Committee on Ways and Means has been advised by the Department of State that the imposition of this tax has caused severe hardships and engendered resentment against the United States, in that nonresident alien employees consider these pensions to be deferred compensation and that they expect them to be tax free, since their earned income is tax free. The committee was further advised that many foreign governments have objected to the imposition of this tax.

The Committee on Ways and Means was advised that the Departments of State and Treasury and the Bureau of the Budget favor enactment of this legislation, which was introduced by our colleague on the Committee on Ways and Means, the Honorable EUGENE J. KEOGH, and the committee approved the bill unanimously.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House was unanimously reported by the Committee on Ways and Means. The legislation would exclude from U.S. tax with respect to nonresident alien individuals the portion of amounts paid to them by the United States as civil service annuities and other retirement benefits for services performed abroad as employees of the United States.

Mr. BENTLEY. Mr. Speaker, I would like to speak in support of H.R. 135 which would amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries.

Earlier this year Mr. KEOGH, the author of the above bill, introduced H.R. 135, and I later introduced H.R. 6847 which was identical. These bills had the same objective but the State and Treasury Departments both opposed their enactment. In opposing the bill the State Department suggested similar legislation which had been previously recommended by the Treasury Department after consultation with the Department of State and the Civil Service Commission. Upon receipt of a copy of this report from the committee chairman, I immediately introduced the suggested legislation which became H.R. 7673.

After receiving favorable reports from both State and Treasury Departments on my bill H.R. 7673, the Ways and Means Committee decided to amend H.R. 135 in such a manner as to made it identical to H.R. 7673 and report it favorably.

By way of clarifying the objectives of this bill, Mr. Speaker, the purpose is to provide tax relief for nonresident alien individuals receiving civil service annuities after retiring from U.S. Government employment abroad. Since such persons are classified as nonresident aliens not engaged in trade or business in the United States, their earnings from such employment are exempt from income tax. Upon retirement, however, that portion of the civil service annuities in excess of the allowance for investment in the retirement fund is subject to the flat rate of 30-percent withholding tax imposed on income derived by a nonresident alien from sources within the United States.

Speaking as one who spent several years in the Foreign Service, I can assure you that the imposition of this tax upon the annuities of nonresident aliens has caused great hardship and in some instances has engendered resentment against the United States because of its failure to comply with what is assumed to be its contractual obligation to pay retired alien employees a pension not subject to withholding tax. Actually, nonresident alien employees consider their pension as deferred compensation, and since their earned income is not taxable, they expect their pensions also to be tax free. When one realizes that in many cases these pensions amount to $600 or less per year, it is indeed unfortunate that it is subject to a 30-percent tax and I certainly feel that it makes our Government look somewhat ridiculous in the eyes of foreign governments.

I would like to quote from a letter I received under date of June 29, 1959, from Mr. Marciso San Agustin, president, National Association of Retired Civil Employees, Chapter 9, Cavite City, Philippines:

> Your great and magnificent Government had done much in our country. The independence that we now enjoy was due to your magnanimous generosity. We, your former employees, are highly grateful for our retired status, and only claim and beg for a little more compassion to our distressed situation in our retired status, now that we are old, mostly infirm, almost crippled, unable to devote ourselves to any useful or gainful occupation with which to increase our small income, now being slashed by the inexorable 30-percent levy from our annuities. We only ask to be allowed to enjoy a little sunshine in our miserable homes during the remaining years of our lives.

In closing, Mr. Speaker, I am glad my colleagues have taken favorable action on H.R. 135 to remove this 30-percent tax from the annuities of our retired nonresident alien employees abroad.

TECHNICAL CHANGES IN CERTAIN EXCISE TAX LAWS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8725) to

amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Coral.

Section 4001 of the Internal Revenue Code of 1954 (relating to the imposition of tax in respect to jewelry and related items) is amended by striking out "Coral".

SEC. 2. Sales at retail.

Section 4051 of the Internal Revenue Code of 1954 (relating to definition of price) is amended to read as follows:

"SEC. 4051. Definitions.

"(a) PRICE. In determining, for the purposes of this chapter, the price for which an article is sold, there shall be included any charge for coverings and containers of whatever nature, and any charge incident to placing the article in condition packed ready for shipment, but there shall be excluded the amount of tax imposed by this chapter, whether or not stated as a separate charge. A transportation, delivery, insurance, installation, or other charge (not required by the foregoing sentence to be included) shall be excluded from the price only if the amount thereof is established to the satisfaction of the Secretary or his delegate, in accordance with the regulations. There shall also be excluded, if stated as a separate charge, the amount of any retail sales tax imposed by any State or Territory or political subdivision of the foregoing, or the District of Columbia, whether the liability for such tax is imposed on the vendor or the vendee.

"(b) SOLD AT RETAIL.

"(1) IN GENERAL. For purposes of this chapter the term 'sold at retail' means any sale of an article subject to tax under section 4001, 4011, 4021, or 4031 other than a sale to a person in the business of selling any article at wholesale or at retail for the purpose of the resale of such taxable article by such person.

"(2) ISOLATED OR OCCASIONAL SALE.—The term 'sold at retail' shall not include an isolated or occasional sale of an article by a person who is not in the business of selling any article at wholesale or at retail.

"(3) JEWELRY.—An article listed in section 4001 shall be considered as sold for resale if it is sold for incorporation in, and sale as part of, another article.

"(4) SALE FOR FURTHER MANUFACTURE.—The term 'sold at retail' shall not include the sale of—

"(A) an article listed in section 4011 or 4031, for use by the purchaser as material in the manufacture of, or as a component part of, any article to be sold by him, or

"(B) an article listed in section 4021 for use by the purchaser as material in the manufacture of, or as a component part of, (i) an article not listed in such section, or (ii) an article listed in section 4021 to be sold by him."

SEC. 3. Nonprofit educational organizations.

(a) EXCEPTION.—Section 4057 of the Internal Revenue Code of 1954 (relating to the exemption from retailers excise taxes for nonprofit educational organizations) is amended—

(1) by striking out "Under" and inserting in lieu thereof "(a) EXEMPTION.—Under";

(2) by striking out the second sentence thereof; and

(3) by adding at the end thereof the following new subsection:

"(b) DEFINITION.—For purposes of subsection (a), the term 'nonprofit educational organization' means an educational organization described in section 503(b)(2) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided the primary function of such school is the presentation of formal instruction and provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on."

(b) DEFINITION.—Section 4221(d)(5) of the Internal Revenue Code of 1954 (relating to definitions in respect of certain tax free sales) is amended by adding at the end thereof the following new sentence:

"The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided the primary function of such school is the presentation of formal instruction and provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on."

(c) ADMISSION TAX EXEMPTION.—Section 4233(a)(1)(A)(ii) of the Internal Revenue Code of 1954 (relating to admissions tax exemptions) is amended to read as follows:

"(ii) an educational organization described in section 503(b)(2) which is exempt from income tax under section 501(a); an educational organization of a government or political subdivision thereof, if such organization normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on; or a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided the primary function of such school is the presentation of formal instruction and provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on."

(d) EXEMPTION FOR SERVICES AND FACILITIES TAXES.—Section 4294(b) of the Internal Revenue Code of 1954 (relating to exemption from certain facilities and services taxes) is amended by adding at the end thereof the following new sentence:

"The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided the primary function of such school is the presentation of formal instruction and provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on."

SEC. 4. Definition of calculating or computing machines.

(a) DEFINITION.—Part I of subchapter E of chapter 32 is amended by adding at the end thereof the following:

"SEC. 4193. Definition.

"For purposes of section 4191, the terms 'calculating machines' or 'computing machines' includes calculating or computing machines or systems regardless of size or design."

(b) Technical Amendment.—The table of sections for part I of subchapter E of chapter 32 is amended by adding at the end thereof the following:

"Sec. 4193. Definitions."

SEC. 5. Payments for capital improvements.

(a) Section 4243(b) of the Internal Revenue Code of 1954 (relating to assessments for capital improvements) is amended to read as follows:

"(b) Payments for Capital Improvements.—Notwithstanding any other provision of this part, there shall be exempted from the provisions of section 4241 any amount paid as dues or membership fees or as initiation fees—

"(1) For the construction or reconstruction of any social, athletic, or sporting facility, or

"(2) For the construction or reconstruction of any capital addition to, of capital improvement of, any such facility, or

"(3) For furnishings or equipment (including installation charges) for any such facility, to the extent that such furnishings or equipment are required for the use of such facility upon the completion of the construction or reconstruction described in paragraph (1) or (2),

except that, in the case of any such amount which is not expended for such construction, reconstruction, furnishings or equipment (including installation charges) within 3 years after the date of payment of such amount, the exemption provided by this subsection shall cease to apply upon the expiration of such three-year period, and the club or organization, rather than the person who made such payment, shall be liable for any tax imposed by section 4241 in respect of such payment, as if such payment had been made on the first day following the expiration of such three-year period."

SEC. 6. Special wire service in company business.

Section 4253(f) of the Internal Revenue Code of 1954 (relating to exemptions in respect of special wire service in company business) is amended to read as follows:

"(f) Special Wire Service in Company Business.—No tax shall be imposed under section 4251 on the amount paid for—

"(1) so much of any wire mileage service or wire and equipment service as is used in the conduct, by a common carrier or a telephone or telegraph company or radio broadcasting station or network, of its business as such; or

"(2) any telephone line or channel which constitutes general telephone service (within the meaning of section 4252(a)) provided that (A) such line or channel is used by a common carrier or a telephone or telegraph company or radio broadcasting station or network in the conduct of its business as such, and (B) such line or channel connects stations between any two of which there would otherwise be a toll charge."

SEC. 7. Sales or transfers of capital stock and similar interests.

(a) Imposition of Tax.—Section 4321 of the Internal Revenue Code of 1954 (relating to imposition of tax) is amended to read as follows:

"SEC. 4321. Imposition of Tax.

"There is hereby imposed on each sale or transfer of shares or certificates of stock, or of rights to subscribe for or to receive such shares or certificates, issued by a corporation, a tax at the rate of 4 cents on each $100 (or major fraction thereof) of the actual value of the certificates, of the shares where no certificates are sold or transferred, or of the rights, as the case may be. In no case shall the tax so imposed on any such sale or transfer be less than 4 cents on the transaction involving the sale or transfer. In the case of

the sale or transfer of shares or certificates of stock, the tax imposed on any such sale or transfer shall shall not be more than 8 cents on each share."

(b) Certification as to Value by Transferor or Transferee.—Section 4323(b) of the Internal Revenue Code of 1954 (relating to the certification of value by a transferor or transferee) is amended to read as follows:

"(b) Certification as to Value by Transferor or Transferee.—Where shares or certificates of stock, or of rights to subscribe for or to receive such shares or certificates, are presented for transfer and the tax thereon is paid by the use of adhesive stamps, such shares, certificates, or rights shall be accompanied by a certification signed by the transferor or his agent or the transferee or his agent as to the actual value of the shares, certificates, or rights so transferred, and any corporation or transfer agent to whom such shares, certificates, or rights are presented shall be entitled to rely on such certification without further inquiry."

SEC. 8. Coin-operated devices.

(a) Imposition of Tax.—Section 4461 of the Internal Revenue Code of 1954 (relating to imposition of tax) is amended to read as follows:

"SECTION 4461. Imposition of tax.

"(a) IN GENERAL. There shall be imposed a special tax to be paid by every person who maintains for use or permits the use of, on any place or premises occupied by him, a coin-operated amusement or gaming device at the following rates:

"(1) $10 a year, in the case of a device defined in paragraph (1) of section 4462(a);

"(2) $250 a year, in the case of a device defined in paragraph (2) of section 4462(a); and

"(3) $10 or $250 a year, as the case may be, for each additional device so maintained or the use of which is so permitted. If one such device is replaced by another, such other device shall not be considered an additional device.

"(b) EXEMPTION. For purposes of this section a device defined in paragraph (2)(D) of section 4462(a) shall be classified under paragraph (1) and not paragraph (2) of subsection (a) if—

"(1) the charge for each operation of such device is not more than 10 cents,

"(2) such device never displays, offers, or dispenses a prize other than merchandise of a maximum retail value of $1,

"(3) such device is actuated by a crank and operates solely by means of a non-electrical mechanism, and

"(4) such device is not operated other than in connection with and as part of carnivals or county or State fairs."

(b) DEFINITION OF COIN-OPERATED DEVICES.—Section 4462(a) of the Internal Revenue Code of 1954 (relating to definition of coin-operated amusement and gaming device) is amended by striking paragraph (2) and inserting in lieu thereof the following:

"(2) Any machine which is—

"(A) A so-called 'slot' machine which operates by means of the insertion of a coin, token, or similar object and which, by application of the element of chance, may deliver, or entitle the person playing or operating the machine to receive, cash, premiums, merchandise, or tokens,

"(B) A machine which is similar to machines described in subparagraph (A) and is commonly known as claw, crane or digger machine,

"(C) A machine which is similar to machines described in subparagraph (A) and is operated without the insertion of a coin, token, or similar object, or

"(D) A machine which is similar to machines described in subparagraph (B) and is operated without the insertion of a coin, token, or similar object."

SEC. 9. Effective dates.

(a) IN GENERAL.—The amendments made by sections 1, 2, 3(c), 4, and 7 shall take effect on the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

(b) NONPROFIT EDUCATIONAL ORGANIZATIONS.—The amendments made by section 3 (a), (b), and (d) shall be effective as if they were a part of the Excise Tax Technical Changes Act of 1958 on the date of its enactment and subject to the effective date provision of section 1(c) of such Act.

(c) PAYMENTS FOR CAPITAL IMPROVEMENTS.—The amendments made by section 5 shall apply only with respect to amounts paid as dues or membership fees or as initiation fees on or after the first day of the first calendar month which begins more than ten which begins more than ten days after the Act for construction or reconstruction of any social, athletic, or sporting facility (or for any capital addition to, or capital improvement of, any such facility) begun on or after January 1, 1959, or for furnishings or equipment (including installation) which are required for the use of such facility upon the competition of such construction or reconstruction.

(d) SPECIAL WIRE SERVICE.—The amendment made by section 6 shall be effective as if it was a part of the Excise Tax Technical Changes Act of 1958 on the date of its enactment and subject to the effective date provisions of section 133(b) of such Act.

(e) COIN-OPERATED DEVICES.—The amendments made by section 8 shall apply with respect to periods after June 30, 1960.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"SECTION 1. Exemption of coral from jewelry, etc., excise tax on certain semiprecious stones.

"(a) EXEMPTION.—Section 4057 of the Internal Revenue Code of 1954 (relating to the imposition of tax in respect of jewelery and related items) is amended by striking out 'Coral'.

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

"SEC. 2. Nonprofit educational organizations.

"(a) EXEMPTION.—Section 4057 of the Internal Revenue Code of 1954 (relating to the exemption from retailers excise taxes for nonprofit educational organizations) is amended—

"(1) by striking out 'Under' and inserting in lieu thereof '(a) EXEMPTION.—Under';

"(2) by striking out the second sentence thereof; and

"(3) by adding at the end thereof the following new subsection:

"'(b) DEFINITION.—For purposes of subsection (a), the term "nonprofit educational organization" means an educational organization described in section 503(b)(2) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.'

"(b) DEFINITION.—Section 4221(d)(5) of the Internal Revenue Code of 1954 (relating to definitions in respect of certain tax-free sales) is amended by adding at the end thereof the following new sentence: 'The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;'.

"(c) ADMISSIONS TAX EXEMPTION.—Section 4233(a)(1)(A)(ii) of the Internal Revenue Code of 1954 (relating to admissions tax exemptions) is amended by adding at the end thereof the following: 'or a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;'.

"(d) EXEMPTION FOR SERVICES AND FACILITIES TAXES.—Section 4294(b) of the Internal Revenue Code of 1954 (relating to exemption from certain facilities and services taxes) is amended by adding at the end thereof the following new sentence: 'The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income under section 501(a), if school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.'

"(e) EFFECTIVE DATES.—The amendments made by subsections (a), (b), and (d) shall take effect as of January 1, 1959. The amendment made by subsection (c) shall take effect on the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

"SEC. 3. Certain payments for capital improvements

"(a) EXEMPTION FROM CLUB DUES TAX.—Section 4243(b) of the Internal Revenue Code of 1954 (relating to assessments for capital improvements) is amended to read as follows:

"'(b) PAYMENTS FOR CAPITAL IMPROVEMENTS.—Notwithstanding any other provision of this part, there shall be exempted from the provisions of section 4241 any amount paid as dues or membership fees or as initiation fees—

"'(1) for the construction or reconstruction of any social, athletic, or sporting facility, or

"'(2) for the construction or reconstruction of any capital addition to, or capital improvement of, any such facility, or

"'(3) for furnishings or fixtures (including installation charges) for any such facility, to the extent that such furnishings or fixtures are required, by reason of the construction or reconstruction described in paragraph (1) or (2), for the use of such facility upon completion of such construction or reconstruction;

except that, in the case of any such amount which is not expended for such construction, reconstruction, furnishings or fixtures (including installation charges) within three years after the date of payment of such amount, the exemption provided by this subsection shall cease to apply upon the expiration of such three-year period, and the club or organization, rather than the person who made such payment, shall be liable for any tax imposed by section 4241 in respect of such payment, as if such payment had been made on the first day following the expiration of such three-year period.'

"(b) TECHNICAL AMENDMENT.—Section 4241(b) of such Code (relating to who pays club dues tax) is amended by striking out 'The' and inserting in lieu thereof 'Except as provided in section 4243(b), the'.

"(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply only with respect to amounts paid on or after the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act for construction or reconstruction of any social, athletic, or sporting facility (or for any capital addition to, or capital improvement of, any such facility) begun on or after January 1, 1959, or for furnishings or fixtures (including installation) required for the use of such facility upon the completion of such construction or reconstruction begun on or after such date.

"SEC. 4. Exemption for certain general telephone service.

"(a) EXEMPTION FROM TAX.—Section 4253 (f) of the Internal Revenue Code of 1954 (relating to exemptions in respect of special wire service in company business) is amended to read as follows:

"'(f) COMMON CARRIERS AND COMMUNICATIONS COMPANIES.—No tax shall be imposed under section 4251 on the amount paid for—

"'(1) any wire mileage service or wire and equipment service; or

"'(2) the use of any telephone or radio telephone line or channel which constitutes general telephone service (within the meaning of section 4252(a)), but only if such line or channel connects stations between any two of which there would otherwise be a toll charge,

to the extent that the amount so paid is for use by a common carrier, telephone or telegraph company, or radio broadcasting station or network in the conduct of its business as such.'

"(b) EFFECTIVE DATE.—

"(1) Subject to the provisions of paragraph (2), the amendment made by subsection (a) shall apply with respect to amounts paid on or after January 1, 1959, for services rendered on or after such date.

"(2) The amendment made by subsection (a) shall not apply with respect to amounts paid pursuant to bills rendered before January 1, 1959. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no bill was rendered before such date, such amendment shall apply except with respect to such services as were rendered more than two months before such date. In the case of services rendered more than two months before such date, the provisions of subchapter B of chapter 33 of the Internal Revenue Code of 1954 in effect at the time such services were rendered shall apply to the amounts paid for such services.

"SEC. 5. Sales or transfers of stock rights, etc.

"(a) IMPOSITION OF TAX.—Section 4321 of the Internal Revenue Code of 1954 (relating to imposition of tax) is amended to read as follows:

"'SEC. 4321. IMPOSITION OF TAX

"'There is hereby imposed on each sale or transfer of shares or certificates of stocks, or of rights to subscribe for or to receive such shares or certificates issued by a corporation, a tax at the rate of 4 cents on each $100 (or major fraction thereof) of the actual value of the certificates, of the shares where no certificates are sold or transferred, or of the rights, as the case may be. In no case shall the tax so imposed on any such sale or transfer be—

"'(1) more than 8 cents on each share, or

"'(2) less than 4 cents on the sale or transfer.'

"(b) CERTIFICATION AS TO VALUE BY TRANSFEROR OR TRANSFEREE.—Section 4323(b) of the Internal Revenue Code of 1954 (relating to the certification of value by a transferor or transferee) is amended to read as follows:

"'(b) CERTIFICATION AS TO VALUE BY TRANSFEROR OR TRANSFEREE.—Where shares or certificates of stock, or of rights to subscribe for or to receive such shares or certificates, are presented for transfer and the tax thereon is paid by the use of adhesive stamps, such shares, certificates, or rights shall be accompanied by a certification signed by the transferor or his agent or the transferee or his agent as to the actual value of the shares, certificates, or rights so transferred, and any corporation or transfer agent to whom such shares, certificates, or rights are presented shall be entitled to rely on such certification without further inquiry.'

"(c) EFFECTIVE DATE.—The amendments made by subsection (a) and (b) shall take effect on the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

"SEC. 6. Coin-operated devices commonly known as claw, crane, and digger machines, etc.

"(a) Rate of occupational tax.—Section 4461 of the Internal Revenue Code of 1954 (relating to occupational tax on coin-operated devices) is amended by inserting '(a) IN GENERAL.—' before 'There' at the beginning thereof, and by adding at the end of such section the following new subsection:

"'(b) REDUCED RATE.—In the case of a device which is defined in paragraph (2) of section 4462(a) and which is commonly known as a claw, crane, or digger machine, the tax imposed by subsection (a) shall be at the rate of $10 a year (in lieu of $250 a year) if—

"'(1) the charge for each operation of such device is not more than 10 cents;

"'(2) such device never dispenses a prize other than merchandise of a maximum retail value of $1, and with respect to such device there is never a display or offer of any prize or merchandise other than merchandise dispensed by such machine;

"'(3) such device is actuated by a crank and operates solely by means of a nonelectrical mechanism; and

"'(4) such device is not operated other than in connection with and as part of carnivals or county or State fairs.'

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to periods after June 30, 1960."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, last year the Congress passed the Excise Tax Technical Changes Act of 1958, which constituted a comprehensive revision of the technical and administrative provisions of the Federal excise taxes. In a technical revision bill of this magnitude, almost of necessity there are changes made which after experience in actual operations will require further modifications. The purpose of H.R. 8725, as amended by the Committee on Ways and Means, is to effect six such modifications which experience under the 1958 act has shown to be needed.

In general, these changes would: First, delete from the tax on jewelry "coral" when sold as a stone and not as a part of a piece of mounted jewelry; second, make it clear that the exemptions from retailers', manufacturers', communications, and transportation taxes for nonprofit educational organizations include parochial schools which are merely an activity of a church, as well as those which are separate educational organizations, and similarly modify the exemption for nonprofit educational organizations in the case of the admissions tax; third, modify the exemption from the club dues tax presently available in the case of payments for capital improvements so as to exempt such payments whether made as dues, membership fees, or initiation fees, where spent for construction or reconstruction of, or capital addition or improvement in, facilities, or for furnishings or fixtures, within 3 years after date of payment; fourth, restore the exemption, in the case of communications taxes, formerly provided for common carriers and communication companies in the case of leased wires now classified as general telephone service which connect two stations for which a toll charge would otherwise be made; fifth, modify the documentary stamp tax applicable to transfers to make it apply in the case of stock rights or warrants on the basis of the value of the rights or warrants rather than on the basis of the value of the underlying stock; and, sixth, reduce from $250 to $10 the occupational tax applicable to so-called claw, crane, or digger machines used at carnivals or fairs where the charge is not in excess of 10 cents, the merchandise prizes provided have a value of not more than $1, and the machines are activated by a nonelectrical mechanism.

Enactment of this legislation, which was introduced by our colleague on the Committee on Ways and Means, the Honorable BURR P. HARRISON, is favored by the Treasury Department, and the committee was unanimous in approving the bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation, which has just passed the House, has been made necessary by the action of Congress last year in passing the substantive changes contained in the Excise Tax Technical Changes Act of 1958. The bill would make a number of clarifying amendments pertaining to certain retailer excises, communication excises, club dues taxes, documentary stamp taxes, and occupational taxes. It is appropriate that the House should pass this legislation at this time.

LIBERALIZATION OF TARIFF LAWS FOR WORKS OF ART AND OTHER EXHIBITION MATERIAL

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6249) to liberalize the tariff laws for works of art and other exhibition material, and for other purposes, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1720 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1720), is amended to read as follows:

"PAR. 1720. Models of inventions and of other improvements in the arts, to be used

exclusively as models and incapable of any other use, except as they may be used in educational and cultural exhibitions."

SEC. 2. Paragraph 1807 of such Act, as amended (19 U.S.C., sec. 1201, par. 1807), is amended to read as follows:

"PAR. 1807. Original paintings in oil, mineral, water, or other colors, pastels, original drawings and sketches in pen, ink, pencil, or water colors, or original works of art in any other media including applied paper and other materials, manufactured or otherwise, such as are used on colleges, artists' proof etchings unbound, and engravings and wood cuts unbound, lithographs not over twenty years old or prints made by other hand transfer processes unbound, original sculptures or statuary; but the terms 'sculpture' and 'statuary' as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other material, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors only, and the term 'original', as used in this paragraph to modify the words 'sculptures' and 'statuary', shall be understood to include the original work or model and not more than ten castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale and regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed. The terms 'painting', 'drawing', 'sketch', 'sculpture', and 'statuary', as used in this paragraph, shall not be understood to include any articles of utility or for industrial use, nor such as are made wholly or in part by stenciling or any other mechanical process; and the terms 'etchings', 'engravings', and 'woodcuts', 'lithographs not over twenty years old', or 'prints made by other hand transfer processes', as used in this paragraph, shall be understood to include only such as are printed by hand from plates, stones, or blocks etched, drawn, or engraved with hand tools and not such as are printed from plates, stones, or blocks etched, drawn, or engraved by photochemical or other mechanical processes."

SEC. 3. Paragraph 1809 of such Act, as amended (19 U.S.C., sec. 1201, par. 1809), is amended to read as follows:

"PAR. 1809. (a) Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition purposes within the territorial limits of the United States by any State or by any society or institution established for the encouragement of the arts, science, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision within five years after the date of entry hereunder and such articles shall be subject at any time within such five-year period to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this paragraph shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"(b) In connection with the entry of works of art and other articles claimed to be free of duty under this paragraph, surety on bonds may be waived in the discretion of the collector.

"(c) Articles entered under this paragraph may be transferred from one institution to another, subject to a requirement that proof as to the location of such articles be furnished to the collector at any time, and such articles may be transferred temporarily to a commercial gallery or other premises for educational, scientific, agricultural, or cultural purposes or for the benefit of charitable organizations, and not for sale, upon an application in writing in the case of each transfer describing the articles and stating the name and location of the commercial gallery or premises to which transfer is to be made, and provided in the case of any transfer under this paragraph the sureties, if any, on the bond assent in writing under seal or a new bond is filed. No entry or withdrawal shall be required for a transfer under this subparagraph."

SEC. 4. Paragraph 1811 of such Act, as amended (19 U.S.C., sec. 1201, par. 1811), is amended to read as follows:

"PAR. 1811. (a) Works of art (except rugs and carpets made after the year 1700), collections in illustration of the progress of the arts, works in bronze, marble, terra cotta, parian, pottery, or porcelain, objects of art of ornamental character or educational value, and artistic antiquities, which shall have been produced prior to one hundred years before their date of entry, but the free importation of such objects shall be subject to such regulations as to proof of antiquity as the Secretary of the Treasury may prescribe. Antique frames on original works of antique or modern art may be entered at any port of entry.

"(b) Violins, violas, violoncellos, and double basses, of all sizes, made in the year 1800 or prior year.

"(c) Ethnographic or artistic objects made in the traditional aboriginal styles of the North, Central, and South American countries and of the Caribbean Islands, the countries of the African continent, and of the islands of Micronesia, Melanesia, Polynesia, Indonesia, and Australia, and made at least fifty years prior to their date of entry."

SEC. 5. Paragraph 1812 of such Act, as amended (19 U.S.C., sec. 1201, par. 1812), is amended to read as follows:

"PAR. 1812. Gobelin and other handwoven tapestries used as wall hangings."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That paragraph 1720 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1720), is amended to read as follows:

"'PAR. 1720. Models of inventions and of other improvements in the arts, to be used exclusively as models, or exclusively as exhibits in exhibitions at any college, academy, school, or seminary of learning, any society or institution established for the encouragement of the arts, science, or education, or any association of such organizations.'

"SEC. 2. Paragraph 1807 of such Act, as amended (19 U.S.C., sec. 1201, par. 1807), is amended to read as follows:

"'PAR. 1807. (a) Original paintings in oil, mineral, water, vitreous enamel, or other colors, pastels, original mosaics, original drawings and sketches in pen, ink, pencil, or watercolors, or works of the free fine arts in any other media including applied paper and other materials, manufactured, or otherwise, such as are used on collages, artists' proof etchings unbound, and engravings and woodcuts unbound, lithographs or prints made by other hand transfer processes unbound, original sculptures or statuary; but the terms "sculpture" and "statuary" as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other material, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors only, and the term "original", as used in this paragraph to modify the words "sculptors" and "statuary", shall be understood to include the original work or model and not more than ten castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale and regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed. The terms "paintings", "mosaic", "drawing", "work of the free fine arts", "sketch", "sculpture", and "statuary", as used in this paragraph, shall not be understood to include any articles of utility or for industrial use, nor such as are made wholly or in part by stenciling or any other mechanical process; and the terms "etchings", "engravings", and "woodcuts", "lithographs", or "prints made by other hand transfer processes", as used in this paragraph, shall be understood to include only such as are printed by hand from plates, stones, or blocks etched, drawn, or engraved with hand tools and not such as are printed from plates, stones, or blocks etched, drawn, or engraved by photochemical or other mechanical processes.

"'(b) Original works of the free fine arts, not provided for in subparagraph (a), subject to such regulations as the Secretary of the Treasury may prescribe as to proof that the article imported represents some school, kind, or medium of the free fine arts. The term "original works of the free fine arts" as used herein shall not be understood to include any article of utility or for industrial use.'

"SEC. 3. Paragraph 1809 of such Act, as amended (19 U.S.C., sec. 1201, par 1809), is amended to read as follows:

"'PAR. 1809. (a) Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition purposes within the territorial limits of the United States by any State or by any society or institution established for the encouragement of the arts, science, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this paragraph within five years after the date of entry hereunder and such articles shall be subject at any time within such five-year period to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this subparagraph (a) shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"'(b) In connection with the entry of works of art and other articles claimed to be free of duty under this paragraph, surety

on bonds may be waived in the discretion of the Secretary of the Treasury.

"'(c) Articles entered under this paragraph may be transferred, subject to such regulations as the Secretary of the Treasury may prescribe, from an organization specified in subparagraph (a) to another such organization or temporarily to a commercial gallery or other premises for exhibition and not for sale.'

"SEC. 4. Paragraph 1811 of such Act, as amended (19 U.S.C., sec. 1201, par. 1811), is ameded to read as follows:

"'PAR. 1811. (a) Works of art (except rugs and carpets made after the year 1700), collections in illustration of the progress of the arts, works in bronze, marble, terra cotta, parian, pottery, or porcelain, artistic antiquities, and objects of art of ornamental character or educational value which shall have been produced prior to the year 1830, subject to such regulations as to proof of antiquity as the Secretary of the Treasury may prescribe. Picture frames classifiable under this subparagraph may be entered at any port of entry.

"'(b) Violins, violas, violoncellos, and double basses, of all sizes, made in the year 1800 or prior year.

"'(c) Ethnographic objects made in traditional aboriginal styles and made at least fifty years prior to their date of entry, subject to such regulations as to proof of antiquity as the Secretary of the Treasury shall prescribe.'

"SEC. 5. Paragraph 1812 of such Act, as amended (19 U.S.C., sec. 1201, par. 1812), is amended to read as follows:

"'PAR. 1812. Gobelin and other hand-woven tapestries fit only for use as wall hangings, and valued at not less than $20 per square foot.'

"SEC. 6. This act shall become effective with respect to merchandise entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6249, as amended by the Committee on Ways and Means, is to amend paragraphs 1720, 1807, 1809, 1811, and 1812 of the free list of the Tariff Act of 1930, as amended, so as to liberalize the definition of "works of art" which may be imported duty-free to include modern art forms and to ease restrictions on the importation of articles of educational or artistic value when they are meant for exhibition and not for sale. All these free list paragraphs, the amendments to which are explained in detail in the committee report on this bill—House Report No. 984—can be characterized as containing provisions relating to the encouragement in the United States of the industrial and free fine arts.

The committee has been advised that some of the existing provisions of our tariff laws are antiquated and tend to sharply reduce the number of abstracts, collages, lithographs, and primitive carvings imported for the enjoyment of the general public. The pending bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable LEE METCALF, has been drafted in cooperation with the Treasury Department to fully modernize these antiquated provisions, and the committee is of the belief that it will contribute to the cultural development of our Nation.

Favorable reports were received on this legislation from the Departments of State, Treasury, and Commerce, the National Gallery of Art, the National Collection of Fine Arts, and the Commission of Fine Arts, as well as an informative report from the U.S. Tariff Commission. The committee unanimously recommended its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 6249 would liberalize the definition of works of art under our tariff laws so as to include modern art forms and to ease restrictions on the importation of articles of educational or artistic value when they are meant for exhibition and not for sale.

Mr. FULTON. Mr. Speaker, I support H.R. 6249, a bill to liberalize the tariff laws for works of art and other exhibition material. I have introduced a similar bill in this session of Congress and believe that legislation of this type will benefit all the people of the United States by making works of art more readily available for exhibition and other purposes.

There is no national monopoly on objects of art and I can see no valid purpose in restricting the importation of valid works of art by tariff laws and regulations.

H.R. 6249 would allow original paintings and sculptures, special models and exhibition material on the arts and sciences and certain antiques to enter the country without tariff restrictions.

The enactment of this legislation would allow the American people to participate freely into the great world reservoir of art and culture which will result in a fuller cultural life for Americans who appreciate our heritages from all peoples of the world. I strongly favor this legislation which will facilitate cultural and educational exchange which will so greatly benefit our people, and encourage cultural progress.

INCOME TAX EXEMPTION FOR CERTAIN NONPROFIT ORGANIZATIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6155) to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(c)(14) of the Internal Revenue Code of 1954 is amended by striking out "1951" and inserting in lieu thereof "1957".

SEC. 2. The amendment made by this Act shall apply only with respect to taxable years beginning after December 31, 1955.

With the following committee amendment:

Page 1, line 8, strike out "1955" and insert "1958".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, under present law an exemption from income tax is provided for nonprofit, mutual organizations having no capital stock which are operating for the purpose of providing reserve funds for, and insurance of, shares or deposits in domestic building and loan associations, cooperative banks or mutual savings banks. However, in order for any such mutual deposit guarantee fund to qualify for tax exemption under present law, it must have been organized before September 1, 1951. H.R. 6155, as amended by the Committee on Ways and Means, moves forward to September 1, 1957, the date before which these organizations must have been organized in order to obtain tax exemption, such change to apply for taxable years beginning in 1959 and subsequent years.

There are four such organizations presently existing—which perform essentially the same type of services as the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation, Federal corporations which are exempt from income taxation—three of which were organized before September 1, 1951, and therefore qualify for tax exemption. The fourth, however, was organized after that date—but before September 1, 1957—and is therefore denied exemption. The pending bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable JACKSON E. BETTS, would correct this discrimination by moving forward the date before which these organizations must have been organized in order to qualify for tax exemption. All other existing requirements for such exemption are left unchanged by the bill.

The Treasury Department has expressed no opposition to this legislation, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 6155 would amend the Internal Revenue Code of 1954 to provide exemption for a corporation or association of the type described in section 501(c)(14) if it was organized prior to September 1, 1957. As amended by the Committee on Ways and Means, the bill would apply to taxable years beginning after December 31, 1958.

The bill is intended to correct a specific situation which arose with respect to the Ohio deposit guarantee fund, an organization which insures the deposits in 105 Ohio building and loan associations. Present law exempts from taxation nonprofit organizations operated to provide reserve funds for, and insurance of, shares or deposits in mutual savings banks, cooperative banks, or domestic

building and loan associations. However, the exemption is restricted under present law to such organizations which were organized before September 1, 1951. The Ohio fund is taxable solely because it was organized in 1956.

There are four such deposit guarantee funds now in existence: two in Massachusetts, one in Connecticut, and the one in Ohio. All of them provide two services for their member banks: they guarantee deposits—with powers to aid members in difficulty or to pay depositors in full—and they maintain a fund which may be used to make loans to member banks which are basically sound but which are short of liquid assets. While they operate somewhat differently from the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation, they provide essentially the same services for their members.

The FDIC and the FSLIC are Federal corporations and are exempt from income tax. Three of the four existing deposit guarantee funds are exempt under present law because organized before September 1, 1951. There appears to be no reason for discriminating against the Ohio deposit guarantee fund, which performs precisely the same functions, simply because of its later organization date. This bill would remove that discrimination for present and future years.

The Treasury has indicated that it does not oppose this bill as amended, and the Committee on Ways and Means was unanimous in recommending its enactment.

PROVIDING ASSISTANCE IN ACQUIRING SPECIALLY ADAPTED HOUSING TO CERTAIN VETERANS SERIOUSLY DISABLED

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7373) to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out all after line 4 and insert:

"'§ 801. Veterans eligible for assistance

"'The Administrator is authorized, under such regulations as he may prescribe, to assist any veteran, who is entitled to compensation under chapter 11 of this title, based on service after April 20, 1898, for permanent and total service-connected disability—

"'(1) due to the loss, or loss of use, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, or

"'(2) which includes (A) blindness in both eyes, having only light perception, plus (B) loss or loss of use of one lower extremity, and such permanent and total disability is such as to preclude locomotion without the aid of a wheelchair,

in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor. The regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (1) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (2) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (3) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans."

PROVIDING THE SAME EDUCATIONAL BENEFITS FOR CHILDREN OF SPANISH-AMERICAN WAR VETERANS WHO DIED OF A SERVICE-CONNECTED DISABILITY AS ARE PROVIDED FOR CHILDREN OF VETERANS OF WORLD WAR I, WORLD WAR II, AND THE KOREAN CONFLICT

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2773) to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

After line 6, insert:

"SEC. 2. In the case of any individual who is an eligible person within the meaning of section 1701(a)(1) of title 38, United States Code, solely by virtue of the amendments made by this Act, and who has reached his eighteenth birthday but has not reached his twenty-third birthday on the date of enactmnet of this Act, the period referred to in section 1712 of title 38, United States Code, shall not end with respect to such individual until the expiration of the five-year period which begins on the date of enactment of this Act."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in and a motion to reconsider was laid on the table.

LIMITING THE PRIORITY AND NONDISCHARGEABILITY OF TAXES IN BANKRUPTCY

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 348.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2236 to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Idaho, pending which I yield myself at this time such time as I may consume.

Mr. Speaker, House Resolution 348 makes in order the consideration of H.R. 2236, which would amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy. The resolution provides for an open rule and 1 hour of general debate.

Section 5 establishes the time of application of the provisions of this bill. The purpose of the committee amendment is to clarify the legislative intent of section 5. It is the intention of the Committee on the Judiciary that in bankruptcy proceedings which have been initiated before the effective date of this legislation, the substantive rights of the parties shall be the same as they are under present law. Thus, debts for taxes of such an estate would not be dischargeable, and the Government would have a priority unlimited in time.

Insofar as procedure is concerned, section 5(b) provides that the provisions of the bill are to govern proceedings so far as applicable in cases pending when it takes effect. The scope of this subsection deals with procedures. Its purpose is to apply section 1 of the bill to cases pending on the effective date of this legislation where questions within the scope of section 1 are raised.

This bill would make dischargeable in bankruptcy debts for taxes which became legally due and owing more than 3 years preceding bankruptcy. It would also limit the priority accorded to taxes in the distribution of bankrupt estates to those taxes which became legally due and owing within 3 years preceding bankruptcy.

The bill does not require the expenditure of funds.

I urge the adoption of this resolution.

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the purpose of the bill is to provide relief for the financially unfortunate—not to create a tax-evasion device.

The bill would make two major changes in the status of overhanging tax liabilities in bankruptcies.

First. It would permit the discharge of Federal, State, and local tax liabilities extending back more than 3 years, except in certain limited cases.

Second. It would also remove the priority of tax claims extending back more than 3 years over general creditors' claims.

The Treasury Department has expressed opposition to the bill, stating, among other things, that both the discharge of taxes and the removal of priority of tax claims in bankruptcy proceedings would alter a longstanding congressional policy.

H.R. 2236 is supported in principle by the National Bankruptcy Conference, American Institute of Certified Public Accountants, Commercial Law League of America, National Association of Credit Men, and American Institute of Accountants.

The committee report stated that the cost to the United States in decreased revenues, if any, could not be estimated because of its dependence upon economic factors and administrative practices which cannot be predicted. The bill would not require the expenditure of funds.

I might point out that an identical bill passed the House in the 85th Congress, but was not acted upon by the Senate.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STATUTORY LIENS AND THE POWERS OF THE TRUSTEE

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 350 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7242) to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill an amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE], and myself such time as I may require.

Mr. Speaker, House Resolution 350 makes in order the consideration of H.R. 7242, which seeks to amend the Bankruptcy Act relating to statutory liens and the powers of the trustee. The resolution provides for an open rule and 1 hour of general debate.

H.R. 7242 deals with two problems in the administration and distribution of a bankrupt estate. The first of these is the problem of preserving the recognized interests of security holders. The second concerns the powers of the trustee.

One of the fundamental purposes of the Bankruptcy Act is to assure an equitable distribution of the bankrupt's assets. Ideally, this would be accomplished by giving each creditor a pro rata share of the estate. However, the demands of social, economic, and political policy have resulted in deviations from a strict rule of equality among creditors. Through the creation of priorities and the recognition of security interests, favored treatment has been accorded to certain classes of creditors. Thus, the Bankruptcy Act has traditionally recognized that a lien is a valid property right which must be satisfied out of the assets to which it attaches before any part of those assets becomes available for distribution to unsecured creditors.

To overcome the problems created by the failure of the Bankruptcy Act to clearly define the term "statutory lien," section 1 of the bill clarifies the meaning of this term.

This bill requires no additional expense to the United States.

I urge the adoption of this resolution.

Mr. Speaker, I have no further requests for time.

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill is the result of a careful reexamination of several provisions of the Bankruptcy Act, and has been under study by the Judiciary Committee since the 85th Congress.

The need for legislative action has been demonstrated by the development of decisional doctrine which has created serious questions relating to the position of secured creditors and the rigths of the trustee.

H.R. 7242 deals with two problems in the administration and distribution of a bankrupt estate:

First. Preserving the recognized interests of security holders.

Second. Concerning the powers of the trustee.

The enactment of this legislation would cause no additional expense to the United States.

The bill has received the endorsement of National Bankruptcy Conference, American Bar Association, Illinois State Bar Association, American Bankers Association, New York State Bankers Association, and Pennsylvania Bar Association. It has also been endorsed by a number of local groups.

The Judiciary Committee received reports from the Judicial Conference of the United States, which supports the bill; and from the Treasury Department, which opposes it.

Mr. Speaker, I have no further requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LIMITING THE PRIORITY AND NONDISCHARGEABILITY OF TAXES IN BANKRUPTCY

Mr. FORRESTER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2236) to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2236, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FORRESTER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this bill seeks to amend the Bankruptcy Act by limiting the priority and nondischargeability of taxes in bankruptcy. The bill is supported in principle by the National Bankruptcy Conference, American Institute of Certified Public Accountants, Commercial Law League of America, National Association of Credit Men, and American Institute of Accountants.

An identical bill passed the House late in the 85th Congress though was not acted on by the Senate. Since a bill identical in form has already been passed upon by this body, I know that this honorable body is familiar with the proposed legislation, and that no extended debate or explanation is necessary.

I will state however that under existing law debts for taxes are not affected by discharge in bankruptcy. Additionally, taxes are entitled to a priority payment, in advance of the payment of any dividend to general creditors. This applies to all taxes whether due to Federal, State, or local governments. So far as I can remember such has been the law.

Nevertheless, the enormous increase in the tax burden during recent years and the consequent impact on both the distribution of a bankruptcy state and its financial rehabilitation require a modification of that status. Because of income taxes and other taxes, which can amount to huge sums, in many cases an honest but financially unfortunate debtor cannot make a fresh start because he is burdened down by what is an overwhelming liability for accumulated taxes. Facing up to this positive fact, fairness to individuals demand some time limit upon the extent of taxes excepted from discharge. To meet the situation that I have just described, by voting some relief and at the same time being certain that such relief would not encourage recourse to bankruptcy, as device for evading tax obligations has not been an easy task. The gentleman from North Carolina [Mr. WHITENER], the author of the present bill, has given much time and thought to the proposed legislation, and it should be and really is, his prerogative to explain this legislation to you in detail.

I will yield the time to the gentleman for that purpose, and I know that he will be glad to answer any question that this honorable body would like to propound to him.

Mr. POFF. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, so far as I know, this legislation has the unanimous support of the minority members of the House Committee on the Judiciary. It has received considerable study and extended consideration by the Subcommittee on Bankruptcy. Witnesses have been notified and every interested person afforded an opportunity to express his views. There were minor objections raised by the Department of the Treasury, but we feel that those objections have been largely answered in a definitive manner in the committee report, which is available to the membership of the House.

For that reason, Mr. Chairman, I urge the passage of this legislation.

Mr. FORRESTER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, H.R. 2236 is practically identical to H.R. 12802, which was passed by the House of Representatives in the final days of the 85th Congress but was not acted on by the Senate. The only difference between the two bills is the new section 5(a) in H.R. 2236, which is designed to meet an objection expressed by the Treasury Department.

This bill is supported in principle by many business firms and citizens throughout the country. Included in the supporting organizations are the following: National Bankruptcy Conference, American Institute of Certified Public Accountants, Commercial Law League of America, National Association of Credit Men, and the American Institute of Accountants.

The purpose of this bill is to make dischargeable in bankruptcy debts for taxes which became legally due and owing more than 3 years preceding bankruptcy. It would also limit the priority accorded to taxes in the distribution of bankrupt estates to those taxes which became legally due and owing within 3 years preceding bankruptcy. At this point I would like to point out that while the purpose of the bill is to make dischargeable certain taxes it is not its purpose or function to create a tax evasion device. In section 2 of the bill we have specifically provided that no relief shall be given to a bankrupt upon his taxes when the bankrupt has failed to make a return required by law or where he has made a false or fraudulent return. We have further provided that the bill shall not operate to discharge a tax claim which has been reduced to a tax lien by the taxing authorities.

The underlying intent of the Bankruptcy Act is to provide a means for the effective rehabilitation of the bankrupt and to bring about an equitable distribution of the bankrupt's assets among creditors. The bill which we now have under consideration is a furtherance of this fundamental policy expressed by Congress in the enactment of the laws now affecting bankrupt estates. It is our considered judgment that H.R. 2236 is absolutely necessary if there is to be a further fulfillment of the underlying aims heretofore expressed by the Congress.

Unless this step is taken the honest, but financially unfortunate, debtors of this Nation will be prevented from making a fresh start in their economic and financial life. The overhanging liability of all forms of taxes, without regard to their antiquity, will serve as a continuing millstone around the neck of the economic unfortunates whom we call bankrupts unless relief is immediately provided.

I would further point out that under existing law the practical effects of this overhanging tax liability brings about a very discriminatory situation as between individual bankrupts and incorporated bankrupts. It is true that the same law applies to the individual bankrupt and the corporate bankrupt as legal fiction, but the practical situation is that when a corporate bankrupt leaves the bankrupt court with a discharge there is nothing other than a legalistic tax liability overhanging it because the corporate bankrupt ceases to exist. This is not true of the individual or the unincorporated bankrupt who has a very practical and definite overhanging tax liability since such bankrupt cannot physically liquidate the burden of this liability.

It seems clear, therefore, that this discriminatory situation should be eliminated in order that individual and unincorporated bankrupts may be rehabilitated and become earning and taxpaying economic units in our economy. It is my firm conviction that this will result in increased tax revenue to the various taxing governmental agencies rather than prove to be detrimental to the interest of the Federal, State, and local governments which they represent.

When a similar bill was introduced in the 85th Congress it provided for a 1-year limitation for tax claims. The subcommittee, of which I am a member, felt that this was entirely too limited and that tax claims within the 3 years preceding the bankruptcy would more properly be the ones from which there should be no discharge. It was our feeling that this would discourage the use of the bankruptcy court for the purpose of evading tax obligations, and it was at the same time felt that the 3-year period would be feasible for an honest and industrious debtor to reestablish himself as a member of the taxpaying society of our country. In this connection I might point out that there is authority in other nations for the 1-year period. The statutes of Australia, Belgium, and Germany provide for limitation of tax priority to 1 year, and to a limited degree the same is true in England. In France the period is 2 years. We can readily see that other nations have found that a more restricted treatment of tax claims than is proposed in H.R. 2236 has not been burdensome to their government so there is ample precedent for the provisions which we urge upon you today.

The Treasury Department has expressed mild opposition to this bill, but we believe that the only objection which the Department expressed which carries substantial merit has been met by our amendment of section 5(a) which, as rewritten, says:

> Nothing in this act shall operate to release or extinguish any right existing under the Bankruptcy Act before the effective date of this act.

The inclusion of this new language would prevent any windfalls to private creditors which are now subordinated to tax obligations. It would make the act apply only to bankruptcy proceedings hereafter instituted.

Mr. Chairman, I am of the opinion that this bill which I introduced on January 12, 1959, is worthy of the unanimous approval of the House of Representatives since it will have a very salutary effect upon the economic life of our country and, particularly, those who find themselves unfortunately brought into the bankruptcy courts.

I urge immediate approval of the legislation.

Mr. POFF. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

Mr. FORRESTER. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (a) of section 2 of the Bankruptcy Act, as amended (11 U.S.C. 11), is amended by inserting after paragraph (2) the following new paragraph:

"(2A) Hear and determine, or cause to be heard and determined, any question arising as to the amount or legality of any unpaid tax, whether or not previously assessed, which has not prior to bankruptcy been contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction, and in respect to any tax, whether or not paid, when any such question has been contested and adjudicated by a judicial or administrative tribunal of competent jurisdiction and the time for appeal or review has not expired, to authorize the receiver or the trustee to prosecute such appeal or review;".

SEC. 2. Clause (1) of subdivision a of section 17 of such Act, as amended (11 U.S.C. 35), is amended to read as follows:

"(1) are taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof within three years preceding bankruptcy: *Provided, however,* That a discharge in bankruptcy shall not release a bankrupt from any taxes (a) which were not assessed in any case in which the bankrupt failed to make a return required by law, (b) which were assessed within one year preceding bankruptcy in any case in which the bankrupt failed to make a return required by law, (c) which were not reported on a return made by the bankrupt and which were not assessed prior to bankruptcy by reason of a prohibition on assessment pending the exhaustion of administrative or judicial remedies available to the bankrupt, or (d) with respect to which the bankrupt made a false or fraudulent return, or willfully attempted in any manner to evade or defeat; but a discharge shall not be a bar to any remedies available under applicable law to the United States or to any State or any subdivision

thereof, against the exemption of the bankrupt allowed by law and duly set apart to him under this Act: *And provided further*, That a discharge in bankruptcy shall not release or affect any tax lien."

SEC. 3. Clause (4) of subdivision a of section 64 of such Act, as amended (11 U.S.C. 104), is amended to read as follows:

"(4) taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof which are not released by a discharge in bankruptcy: *Provided, however*, That no priority over general unsecured claims shall pertain to taxes not included in the foregoing priority: *And provided further*, That no order shall be made for the payment of a tax assessed against any property of the bankrupt in excess of the value of the interest of the bankrupt estate therein as determined by the court;".

SEC. 4. If any provision of this Act, or any amendment made by it, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions of this Act, or other amendments made by it, or applications thereof which can be given effect without the invalid provision or application.

SEC. 5. (a) Nothing in this Act, or in the amendments made by it, shall operate to release or extinguish any penalty, forfeiture, or liability incurred under the Bankruptcy Act before the effective date of this Act.

(b) The amendments made by this Act shall govern proceedings so far as applicable in cases pending when it takes effect.

SEC. 6. This Act shall take effect on the ninetieth day after the date of its enactment.

Mr. FORRESTER (interrupting the reading of the bill). Mr. Chairman, I move that further reading of the bill be dispensed with and that the bill be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 4, strike out section 5 and insert:

"SEC. 5. (a) Nothing in this Act shall operate to release or extinguish any right existing under the Bankruptcy Act before the effective date of this Act."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 2236) to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy, pursuant to House Resolution 348, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AMENDING BANKRUPTCY ACT RELATING TO STATUTORY LIENS AND POWERS OF TRUSTEE

Mr. FORRESTER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7242) to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7242, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FORRESTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 7242 deals with two problems in the administration and distribution of a bankrupt estate. First is the problem of preserving the recognized interest of security holders. The second concerns the powers of the trustee. Because of court decisions quite at variance with each other, it is imperative that additional legislation be passed dealing with these two problems. The National Bankruptcy Conference has been successful in having legislative proposals submitted and legislation introduced on this subject. Hearings were held in spring of 1958 and the Subcommittee on Bankruptcy and Reorganization ordered the bill favorably reported with amendments, but same were not passed on by the full committee.

The distinguished gentleman from Virginia [Mr. POFF] is well known to this House as an outstanding scholar of the law, and to be a man that perplexing legal problems affords challenges. That gentleman is author of the present bill, and this bill reflects the findings and recommendations of the gentleman from Virginia [Mr. POFF], Subcommittee 4, and the full House Judiciary Committee. The Judicial Conference supports this bill. We are fortunate to have the gentleman from Virginia [Mr. POFF] on the floor today, and I know that he will willingly and effectively explain to you any portion of this bill that you would like to question him about.

Mr. POFF. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, first of all, may I reciprocate most sincerely and most fully the kind remarks which my distinguished chairman has seen fit to make about me. Certainly, no person could have a higher privilege than I enjoy in sitting on his subcommittee where I am always assured of the ultimate in fair treatment. The gentleman from Georgia is himself a distinguished scholar and practitioner of the law. Under his direction, our subcommittee gave full and complete treatment to what is, perhaps, one of the most complex and complicated problems which the House could be called upon to consider. As indicated by the gentleman from Georgia, this legislation has the unequivocal support of the Bankruptcy Conference, the Judicial Conference of the United States, several State Bar Associations and other organizations concerned with the substance and procedure of bankruptcy law. This bill, as was the bill previously considered by the House, was included on the Consent Calendar which was called on August 17. By reason of the objection filed by the Treasury Department in all cases which might possibly affect revenue, the bill was passed over without prejudice. However, since the departmental report was first prepared and submitted to the Congress, there have been certain court decisions bearing upon one of the objections raised by the Treasury Department, and we feel that the other departmental objections have been fully and effectively answered in the committee report on the bill.

Mr. Chairman, the Bankruptcy Act as originally conceived had two essential purposes: First, to afford relief to distressed debtors, grant them a new start, and offer them an opportunity to rehabilitate themselves; and, second, to insure an equitable distribution of the bankrupt's estate and to encourage and stimulate the extension of secured credit by assuring such creditors that, upon the debtors' insolvency, their debts would be repaid before the debtors' assets were concealed, clandestinely transferred to relatives, or distributed on a preferential basis to friends or confederates.

A recent decision of the Third Circuit Court of Appeals in the case of *In re Quaker City Uniform Co.*, 238 2d 155 (3d Cir. 1956), threatens to frustrate the second essential purpose. If that decision is left unchanged, it will (a) restrict the volume of credit available to small business, (b) increase interest rates and (c) make the terms of what credit is available more stringent and burdensome to the borrower.

In order to appreciate the full impact of the Quaker City decision, it is necessary to review and understand the rules of seniority and priority in the scheme of distribution of a bankrupt estate. Fundamentally, creditors and claimants against an estate fall into three broad classes: First, secured creditors; second, creditors with priorities specifically authorized by the Bankruptcy Act; and, third, unsecured general creditors.

Under the second class, the Bankruptcy Act assigns priority to claims against the estate as follows: First, cost of administration of the bankrupt estate; second, wages not exceeding $600 earned within 3 months preceding bankruptcy; third, taxes; and, fourth, rents for 3 months preceding bankruptcy.

In the distribution of the bankrupt estate, the trustee is required to satisfy the claims of those in the first class out of the property to which their liens attach. Anything left in the estate at that point must be used to pay the claims of those in the second class in consecutive order of priority. There-

after, whatever is left—if anything—is distributed among the general creditors who enjoy no liens or priority rights.

As previously explained, the first class enjoys the highest dignity in the distribution of the bankrupt estate. The Bankruptcy Act contemplated that this class should consist of creditors who have perfected liens growing out of consensual arrangements with the debtor prior to and not in anticipation of bankruptcy and creditors who enjoy valid liens by operation of law, such as mechanic's liens, warehousemen's liens, and so forth. These statutory liens normally attach to real property or, if to personal property, are accompanied by possession. However, after the passage of the Bankruptcy Act, many State legislatures sought to elevate to the first class a wide variety of unsecured creditors who, the legislatures felt, were entitled to rights superior to general creditors. They did so by creating many new liens by statute. Creditors who, under the Bankruptcy Act, were intended to fall in the second or third classes, were raised by State statute to the level of secured creditors. Relationships which were really no more than debtor-creditor were given lien status in the event bankruptcy intervened. Such liens were created on personal property unaccompanied by possession. The result was that the order of distribution contemplated by the Bankruptcy Act was frequently upset. The Chandler Act of 1948 sought to rectify this by postponing all "statutory liens on personal property unaccompanied by possession" to administrative costs and wage claims, and the 1952 Act invalidated such statutory liens against the trustee. However, the Bankruptcy Act does not specifically define "statutory liens." This failure has been the source of serious confusion in the minds of bankruptcy referees and Federal judges.

For instance, the first decision by the Third Circuit Court of Appeals in the Quaker City case held that a chattel mortgage, which arose from a contractual agreement, was a statutory lien simply because a State statute authorized it and provided for its recordation. Although this particular decision—which was later withdrawn—no longer has the force of law, in order to avoid subsequent confusion in future cases, the bill H.R. 7242 specifically defines a statutory lien as "a lien arising solely by force of statute upon specified circumstances or conditions, but shall not include any lien provided by or dependent upon an agreement to give security, whether or not such lien is also provided by or is dependent upon statute."

While the definition of statutory lien incorporated in section 1 is an important provision of the bill, the most important part of the bill is contained in section 5. Section 1 tells us what a statutory lien is and what it is not; section 5 tells us what legal effect will be given to certain types of statutory liens.

Section 5 is designed to correct another problem highlighted by the Quaker City decision. I have reference to what has been called the circuity of lien problem which affects the order of distribution of the bankrupt estate. The problem can best be understood by reviewing the facts and decisions in the Quaker City case.

Long before bankruptcy, a creditor had advanced money to the debtor and the debtor had granted the creditor as collateral security a chattel mortgage upon his personal property. The arrangement was the result of a "meeting of the minds" and the formal contract was duly recorded as required by statute. When bankruptcy ensued there were four kinds of claims against the estate, namely, first, the chattel mortgage; second, rents; third, wages; and, fourth, the cost of administration.

Under ordinary circumstances and applying the rules of seniority and priority of the Bankruptcy Act as previously outlined, the estate would have been distributed first to the chattel mortgage holder as a secured creditor; second, in payment of the costs of administration; third, in payment of wages and fourth, in payment of rents.

However, under a law of the State of Pennsylvania, a landlord's lien for rent was declared to be superior to the lien of a chattel mortgage. In its second decision, the Third Circuit Court of Appeals applied the Pennsylvania law and ruled that the chattel mortgage lien must be subordinated to the rent lien. Since under the Bankruptcy Act the rent lien is postponed to administrative expenses and wages claims, the chattel mortgage lien—which otherwise would have enjoyed the first dignity in the distribution of the estate—was accorded a dignity subordinate to all other claims. The only assets in the estate were the cash proceeds of the sale of the very personal property to which the chattel mortgage lien attached. Even so, the assets were consumed by the other claimants and neither the landlord nor the chattel mortgage creditor received anything whatever. This is a dramatic but certainly not a unique example of the injustice which can be wrought by the application of the circuity of lien provision.

Section 5 of H.R. 7242 would correct this problem. It would do so by providing that all liens invalidated against the trustee shall be invalid as against all liens indefeasible in bankruptcy. In addition, section 5 provides new standards for the treatment of certain statutory liens. Under present law, the criteria for invalidating statutory liens turn on questions of whether the property is real or personal and, if personal, whether or not the lien is accompanied by possession. H.R. 7242 establishes standards which we feel are more functional and responsive to the policy of the act. It invalidates, first, those statutory liens which would not be good against a bona fide purchaser; and, second, those statutory liens which depend for their perfection upon (a) the insolvency of the debtor, or (b) the distribution or liquidation of his property, or (c) a levy upon the debtor's property by some creditor other than the lienor. Such floating liens should not enjoy the same dignity as properly perfected contractual liens or noncontingent statutory liens which are good against a bona fide purchaser.

The bill also invalidates statutory rent liens and liens for distress of rent, whether statutory or not. Under present law, a statutory lien for rent on personal property unaccompanied by possession or distraint is already invalidated. Although invalidated, they are accorded a restricted priority under the present bankruptcy law, provided priority is authorized under State law. H.R. 7242 grants this priority to all invalidated rent liens, whether statutory or common law, and whether State law accords priority or not. It is important to understand that section 5 will not invalidate a contractual rent lien.

As used in this bill the term "invalidate" is, of course, of limited application. It does not affect transactions outside of bankruptcy. The liens which are invalidated under the bill are invalidated only against the trustee in bankruptcy.

Section 6 of the bill proposes a noncontroversial amendment to section 70c of the Bankruptcy Act which deals with the status of the trustee as a hypothetical creditor in the assembling of the bankrupt's estate. Apparently confusing this section with section 70e, the Second Circuit Court of Appeals in the case of *Constance* v. *Harvey* (215 F. 2d 571 (1954)) identified the trustee's rights under section 70c as those enjoyed by an ideal creditor. In other words, the court held that the trustee could assume the identity of a nonexisting creditor at any point of the time prior to the onset of bankruptcy which would antedate and thereby impair or destroy the lien of any existing secured creditor. Section 6 would abrogate that decision and make it plain that the trustee cannot assume such an identity prior in time to the date of filing the bankruptcy petition.

This legislation has the unqualified endorsement of the American Bar Association, the Judicial Conference of the United States, and the National Bankruptcy Conference. On August 17, H.R. 7242 was called on the Consent Calendar but was passed over without prejudice on a motion made at the request of the Treasury Department which has filed objections to certain features of the bill. The Treasury Department points out that a statutory lien which is not enforceable against a bona fide purchaser unless record is under present law enforceable against the trustee in bankruptcy. The Department then maintains that if such a lien is also to be made invalid against the trustee, there will be an adverse effect on the status of Federal tax claims.

The objection contains its own answer. To protect itself completely from subsequent bona fide purchasers and trustees in bankruptcy, the Treasury Department need only comply with section 6323 of the Internal Revenue Code which simply requires a notice of lien to be filed in the appropriate office. Certainly this requirement is consistent with the concept of fairness which is implicit in recording.

Moreover, the notice which the Treasury Department would have to file to meet the bona fide purchaser test is the same notice which the Government

would have to file if it is to protect itself from the assertion of his rights as a judgment creditor. The standing of a judgment creditor is one which the trustee was intended to have from 1910 onward and which is expressly conferred upon him by the amendment to section 70c in this bill.

The Department is also opposed to the provision of this bill disallowing as against the trustee that portion of a lien which is attributable to a penalty.

Section 57j, in its present form, disallows penalties against the bankrupt estate. The rationale of this provision is that the purpose of a penalty is to penalize the wrongdoer. Imposed against the bankrupt estate, it penalizes not the wrongdoer but his creditors. There is not the slightest doubt under present law that an unsecured penalty is not allowable against the estate. There is no reason, nor does the Treasury Department advance one, why a penalty should be treated differently solely because it happens to be secured by a lien.

In summary, the enactment of this bill; first, would neither hurt nor help the bankrupt; second, would leave unsecured creditors in the position contemplated by the Bankruptcy Act; third, would restore the dignity of contractual liens; fourth, would restore and preserve uniformity in the application of the rules of seniority and priority in the distribution of the bankrupt's estate; and fifth would restore certainty and confidence in security transactions which would stimulate the availability of credit to small businessmen, wage earners and consumers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield.

Mr. GROSS. Mr. Chairman, like the Federal Government, I am not exactly broke, but I am pretty badly bent. I am impressed that the gentleman would say that this legislation, as the preceding legislation would be of some benefit to the bankrupt. I thank the gentleman for yielding.

Mr. POFF. I hope the gentleman does not anticipate that he may be in that unfortunate category at some future date.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Ohio, the distinguished ranking minority member of the Committee on the Judiciary.

Mr. McCULLOCH. I should like to ask the gentleman from Virginia whether or not in his opinion the bill which is before us would adversely affect a statutory mechanic's lien.

Mr. POFF. Mr. Chairman, I believe the committee report deals with that very point.

An ordinary mechanic's lien, if perfected and valid against a bona fide purchaser will not be adversely affected by this legislation; as a matter of fact, Mr. Chairman, a valid and perfected mechanic's lien might under certain circumstances enjoy a dignity superior to the dignity which it now enjoys.

Mr. McCULLOCH. Will the gentleman yield for a further question?

Mr. POFF. I yield.

Mr. McCULLOCH. I particularly noted the careful language which the gentleman used because he is such an able lawyer, and I know that he wanted to be exactly right in response to the questions. I would like to amplify the question further by saying that if a person who pursuant to State law still had time to perfect his or its mechanic's lien but had not yet done so, and there was a petition filed in bankruptcy, would this bill adversely affect the claim of the creditors who might still perfect a mechanic's lien pursuant to State law?

Mr. POFF. Of course, as the gentleman has indicated in his question, the exact nature of the State law with respect to perfection of the lien would have a bearing on the answer to his question. However, in general, I can say that the answer to his question is negative.

Mr. McCULLOCH. One further question, Mr. Chairman. Further boring into this particular point: If a residence was being built for a person who became insolvent and filed a petition in bankruptcy and that person had contracted for work and labor or material to go into that house and he had a period of 90 days under State law to perfect his mechanic's lien after the furnishing of the last item and before that 90 days expired, the home builder filed a petition in bankruptcy, would the right of the laborer or materialman to file and perfect a lien valid against the trustee be affected by the bill before us?

Mr. POFF. First of all, may I say that under section 70 as now written the trustee may, under appropriate circumstances, upset the lien if it is not perfected on the date of bankruptcy. This bill makes no substantive change in this respect. The right of the laborer or materialman in your hypothetical question would not be impaired to any greater extent under this bill.

Mr. McCULLOCH. Would the gentleman further say it would not derogate from the ability of a workman to perfect a mechanic's lien after the date of the bankruptcy if it were perfected within the time prescribed by State law?

Mr. POFF. This bill would not impair any right which the workman in such case has under the bankruptcy law today.

Mr. McCULLOCH. I want to thank the gentleman for a very explicit answer to a very difficult question. I want to join with what the distinguished gentleman from Georgia and the distinguished gentleman from Virginia have said concerning the work of this subcommittee on this most difficult and technical legislation. In addition, the full Committee on the Judiciary spent considerable time on this proposal and it was finally reported by that committee by a well-nigh unanimous vote.

I thank the gentleman for yielding me the time.

Mr. FORRESTER. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, this legislation is designed to eliminate what has been characterized as a first-rate legal puzzle insoluble on any known legal principle. The legislation would bring order out of great chaos which has been created by conflicting decisions in the various circuits. I think the most dramatic exposé of the need for this legislation is found in the Quaker City Uniform case which went to several different tribunals and wound up with a different conclusion by each of those tribunals and in the process confounded legal scholars on this question of the order of priority.

The gentleman from Virginia has brought forward a bill which we think will be a salutary step to take in the field of bankruptcy law. I know that the question has been raised about certain State legislation in various areas now affected by bankruptcies, but I would point out to those who concur in my thinking that we should preserve the rights of the States, that we should be equally viligant in preserving the express provisions of the Constitution which very specifically provides that the field of bankruptcy is one for Federal legislation. The States did not reserve any powers in that field when the Constitution was adopted, hence there is no invasion of States rights involved in Federal bankruptcy legislation.

I believe that enactment of this legislation will—if I may disagree with the gentleman from Virginia in his response to the question of the gentleman from Iowa—be of benefit to potential bankrupts in that it might prevent many people from becoming bankrupt. In the present state of the law those people who are engaged in extending credit in in security transactions to the individual business concerns of the country are very much in doubt as to the real security which they have when they take a chattel mortgage. If nothing else, this legislation will bring about some certainty and some assurance to those who extend credit as to the position of their claims in the event of subsequent insolvency on the part of the borrowing institution or business concern.

I urge adoption of this legislation.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Virginia.

Mr. POFF. I want to commend the gentleman from North Carolina for his excellent statement concerning the doctrine of delegated and reserved powers. The gentleman is an eloquent exponent of the States rights principle which is based on the concept of reserved powers. The corollary to that concept, of course, is the concept of delegated powers. I am pleased he has called attention to the fact that bankruptcy is a part of the delegated powers in the Constitution.

Mr. WHITENER. I thank the gentleman. He has done a very noteworthy job in bringing forward this legislation and I hope it will have great success in the other body.

Mr. POFF. Mr. Chairman, I have no further requests for time.

Mr. FORRESTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (11 U.S.C. 1) of the Bankruptcy Act approved July 1, 1898, as amended, is amended by inserting after paragraph 29 the following new paragraph:

"(29a) 'Statutory lien' shall mean a lien arising solely by force of statute upon specified circumstances or conditions, but shall not include any lien provided by or dependent upon an agreement to give security, whether or not such lien is also provided by or is also dependent upon statute, and whether or not the agreement or lien is made fully effective by statute."

SEC. 2. Subsection j of section 57 of said Act (11 U.S.C. 93(j)) is amended by inserting in the first line after the word "Debts" a comma and the words "whether or not secured by lien".

SEC. 3. Clause (5) of subsection a of section 64 of said Act (11 U.S.C. 104(a)) is amended to read as follows:

"(5) debts other than for taxes owing to any person, including the United States, who by the laws of the United States is entitled to priority, and rent owing to a landlord who is entitled to priority by applicable State law or who is entitled to priority by paragraph (2) of subdivision c of section 67 of this Act: *Provided, however,* That such priority for rent to a landlord shall be restricted to the rent which is legally due and owing for the actual use and occupancy of the premises affected, and which accrued within three months before the date of bankruptcy."

SEC. 4. Subsection b of section 67 of said Act (11 U.S.C. 107(b)), is amended to read as follows:

"b. The provisions of section 60 of this Act to the contrary notwithstanding and except as otherwise provided in subdivision c of this section, statutory liens in favor of employees, contractors, mechanics, or any other class of persons, and statutory liens for taxes and debts owing to the United States or to any State or any subdivision thereof, created or recognized by the laws of the United States or of any State, may be valid against the trustee, even though arising or perfected while the debtor is insolvent and within four months prior to the filing of the petition initiating a proceeding under this Act by or against him."

SEC. 5. Subsection c of section 67 of said Act (11 U.S.C. 107(c)) is amended to read as follows:

"c(1) The following liens shall be invalid against the trustee:

"(A) every statutory lien which first becomes effective upon the insolvency of the debtor, or upon distribution or liquidation of his property, or upon execution against his property levied at the instance of one other than the lienor;

"(B) every statutory lien which is not perfected or enforcible at the date of bankruptcy against one acquiring the rights of a bona fide purchaser from the debtor on that date, whether or not such purchaser exists: *Provided,* That where a statutory lien is not invalid at the date of bankruptcy against the trustee under subdivision c of section 70 of this Act and is required by applicable lien law to be perfected in order to be valid against a subsequent bona fide purchaser, such a lien may nevertheless be valid under this subdivision if perfected within the time permitted by and in accordance with the requirements of such law: *And provided further,* That if applicable lien law requires a lien valid against the trustee under section 70, subdivision c, to be perfected by the seizure of property, it shall instead be perfected as permitted by this subdivision c of section 67 by filing notice thereof with the court;

"(C) every statutory lien for rent and every lien of distress for rent, whether statutory or not. A right of distress for rent which creates a security interest in property shall be deemed a lien for the purposes of this subdivision c.

"(2) The court may, on due notice, order any of the aforesaid liens invalidated against the trustee to be preserved for the benefit of the estate and in that event the lien shall pass to the trustee. A lien not preserved for the benefit of the state but invalidated against the trustee shall be invalid as against all liens indefeasible in bankruptcy, so as to have the effect of promoting liens indefeasible in bankruptcy which would otherwise be subordinate to such invalidated lien. Claims for wages, taxes, and rent secured by liens hereby invalidated or preserved shall be respectively allowable with priority and restricted as are debts therefor entitled to priority under clauses (2), (4), and (5) of subdivision a of section 64 of this Act, even though not otherwise granted priority.

"(3) Every tax lien on personal property not accompanied by possession shall be postponed in payment to the debts specified in clauses (1) and (2) of subdivision (a) of section 64 of this Act, and to all liens indefeasible in bankruptcy.

"(4) Where a penalty not allowable under subdivision j of section 57, is secured by a lien, the portion of the lien securing such penalty shall not be eligible for preservation under this subdivision c.

"(5) This subdivision c shall not apply to liens enforced by sale before the filing of the petition, nor to liens against property set aside to the bankrupt as exempt, nor to liens against property abandoned by the trustee or unadministered in bankruptcy for any reason and shall not apply in proceedings under section 77 of this Act, nor in proceedings under chapter X of this Act unless an order has been entered directing that bankruptcy be proceeded with."

SEC. 6. Subsection c of section 70 of said Act (11 U.S.C. 110(c)) is amended to read as follows:

"c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee shall have as of the date of bankruptcy (without the benefit of any fiction of relation back prior to bankruptcy and without any added rights of a creditor extending credit at an earlier date) the rights and powers of: (1) a creditor who obtained a judgment against the bankrupt upon the date of bankruptcy, whether or not such a creditor exists, (2) a creditor who upon the date of bankruptcy obtained an execution returned unsatisfied against the bankrupt, whether or not such a creditor exists, and (3) a creditor who upon the date of bankruptcy obtained a lien by legal or equitable proceedings upon all property, whether or not coming into possession or control of the court, upon which a creditor of the bankrupt upon a simple contract could have obtained a lien, whether or not such a creditor exists. If a transfer is valid in part against creditors whose rights and powers are conferred upon the trustee under this subdivision, it shall be valid to a like extent against the trustee. In cases where repugnancy or inconsistency exists with reference to the rights and powers in the subdivision conferred, the trustee may elect which rights and powers to exercise with reference to a particular party, a particular remedy or a particular transaction, without prejudice to his right to maintain a different position with reference to a different party, a different remedy or a different transaction."

With the following committee amendments:

Page 2, line 6, strike out the quotation marks and the period at the end of the line and substitute a comma and quotation marks.

Page 4, line 18, strike out the word "state" and substitute in lieu thereof the word "estate".

Page 6, line 15, after the word "obtained" insert the word "such".

Page 6, line 20, after the word "in" strike out the word "the" and substitute in lieu thereof the word "this".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE) having assumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7242) to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes, pursuant to House Resolution 350, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that Subcommittee No. 3 of the Committee on the Judiciary may sit tomorrow during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SOUTH DAKOTA HOSTS SOIL CONSERVATION SOCIETY OF AMERICA FOR COMMEMORATIVE CONSERVATION STAMP CEREMONY

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, the conservation of the Nation's soil and water resources is less dramatic than some

of the events now making newspaper headlines, but it is certainly one of the most essential undertakings of our time. Our entire future is dependent on maintaining these resources in productive, usable condition.

Tomorrow, in Rapid City, S. Dak., there will be a special recognition of all the men and women—and all the organizations—engaged in this great soil conservation work. On Wednesday morning, August 26, the Post Office Department will issue the world's first soil conservation stamp in Rapid City. It is being issued to commemorate more than a quarter of a century of intensive work to protect and improve our vital soil resources.

The Post Office Department picked the time and place for putting out this stamp to coincide with the opening of the 14th annual meeting of the Soil Conservation Society of America, whose membership is composed of the leading professional soil conservationists of the country.

South Dakota is proud of the honor and the privilege of serving as host for the special stamp ceremonies—and for the professional conservationists whose valuable work serves all of us so well.

I also want to take this occasion to pay tribute to the supervisors and cooperators of the 2,861 soil conservation districts of the country. Day in and day out, these are the men and women who are in the front lines of the fight against soil erosion, drought, land damage, and floods. There are now 1,800,000 of these farmers and ranchers cooperating in the work of soil conservation districts. Together, they control over a half a billion acres or nearly half the farmland of the Nation. Their number is growing each month.

These soil conservation districts, in my home State and in all the other States of the Nation, are in the finest tradition of American self-government. They are formed under State laws by a process of public hearings and referenda. They assume the initiative; they develop their own programs; they make their own decisions. Their affairs are directed by a board of supervisors—men who serve without pay and who are elected by their neighbors. Every farmer or rancher who cooperates in his district does so on a completely voluntary basis—for the primary purpose of protecting and developing his land and water resources.

This great movement has attracted support and encouragement from just about every segment of our society, including schools, churches, farm organizations, merchants, industry, banks, and government. Together, all of these people and organizations constitute a team—the world's finest and most effective soil conservation team.

I am sure that the members of the soil conservation districts feel a strong bond with other conservationists of the Extension Service, the Forestry Service, the National Parks, and Fish and Wildlife personnel, and the agricultural conservation program.

It is this team, now functioning so effectively for all of us in town and country alike, which is being honored in South Dakota tomorrow.

CONGRESS "INVITES KHRUSHCHEV" TO LIBERATE CAPTIVE NATIONS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, summer is fading, and in the drowsy heat of Virginia all appears to be serene.

Beneath the green lawns of Arlington National Cemetery, 92,000 Americans sleep. But their spirits are restless like an unheard murmur carried by the gentle air that lazily caresses the flags above their graves.

For them there is no peace.

Honor moves them to protest with voices that are stilled forever.

Who is to speak for them and the conscience of freedom?

Presidents, Congressmen, statesmen, soldiers, pioneers from every field of creative thought and action; their vision, courage, and devotion has earned for our Nation the trust and confidence of all who believe in a better future for mankind.

Their work is done, their mortal journey is over, but their great spirit cannot rest.

Across the Potomac, in the free world Capital of Washington, they "see" their busy inheritors fragmented by the pull and haul of day-to-day problems.

While the moments of truth which inspired Americans of the past are lost in the confusions of the living.

Only on quiet Sundays, when the Capitol is empty, can one hear the bell from Arlington toll.

Tolling for those who have eyes but do not see the desecration to freedom that will occur on September 15, 1959.

When officials of the U.S. Government pay homage to the Communist dictator from Moscow.

Welcoming the sworn enemy of our freedoms to receive our fawning hospitality.

Suing for the illusion of peace in abject humiliation.

Discouraging oppressed peoples everywhere by appeasement masquerading as courtesy.

While Congress is silent as "Desecration Day—Minus 21–20–19"—comes nearer and nearer.

Why does Congress overwhelmingly support the resolution to oppose the entry of Red China into the United Nations but neglect to support the resolution opposing the entry of Red Russia's Khrushchev into the United States?

That resolution was introduced on May 20.

There was ample time to bring it up for consideration by the House.

There still is time to act on it before "Desecration Day."

A second resolution was offered last week expressing respect and friendship for the Russian people, and inviting them to visit the United States, but opposing any invitation to Khrushchev or other Communist officials.

I now submit a third resolution, to implement and give substance to the resolution passed by Congress designating the third week of July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities.

We must be consistent to convince Khrushchev of our sincerity and determination. I therefore ask Congress to give immediate approval of this new resolution expressing our unyielding opposition to any recognition, actual or implied, of Red Russia's enslavement of the captive nations.

Does Khrushchev think that we are only kidding, or that we will allow anyone to bargain away this principle?

Let us straighten out Khrushchev on this vital issue, without any possibility of misunderstanding on his part:

"Khrushchev, restore sovereignty and independence to the captive peoples if you want genuine peace."

By clearly and forcibly stating this principle, we shall carry forward and strengthen that part of the Captive Nations Week resolution which said—and I quote:

> It is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence.

And:

> These submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties.

Well spoken in July.

How implemented in August to overcome the vacillation and weakness implicit in the invitation to Khrushchev?

There is time—but not much—for Congress to break its silence and to redeem our national honor.

For "Desecration Day" is approaching—"Minus 20–19–18."

There is stillness at Arlington.

Only we can vindicate their faith in us and speak up for the conscience of freedom.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MACHROWICZ, for the period from August 26, 1959, to September 12, 1959, on account of participation in sessions of Interparliamentary Union—official business.

Mr. O'BRIEN of New York (at the request of Mr. DOLLINGER), for the balance of the week, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 30 minutes, on Thursday.

Mr. CONTE, for 30 minutes, on August 26.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in two instances and to include extraneous matter.

Mr. DOYLE and to include extraneous matter.

Mr. MONTOYA.

Mr. SLACK.

Mr. FLOOD and to include a speech by Mr. JOHANSEN of Michigan.

Mr. TOLL and to include extraneous matter.

(At the request of Mr. MARSHALL, and to include extraneous matter, the following:)

Mr. MURPHY.

Mr. ROOSEVELT.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 540. An act for the relief of Maybell King; to the Committee on the Judiciary.

S. 594. An act for the relief of Lionie Tarpinian; to the Committee on the Judiciary.

S. 673. An act for the relief of Stamatis Zeris; to the Committee on the Judiciary.

S. 1033. An act for the relief of certain aliens; to the Committee on the Judiciary.

S. 1149. An act for the relief of Capt. Thomas J. McArdle; to the Committee on the Judiciary.

S. 1433. An act for the relief of John Axel Arvidson; to the Committee on the Judiciary.

S. 1583. An act for the relief of Yom Tov Yeshayahu Briszk; to the Committee on the Judiciary.

S. 1624. An act for the relief of Ivan Curko; to the Committee on the Judiciary.

S. 1712. An act to extend the application of the Motorboat Act of 1940 to certain possessions of the United States; to the Committee on Merchant Marine and Fisheries.

S. 1862. An act for the relief of Harve M. Duggins; to the Committee on the Judiciary.

S. 1891. An act for the relief of Donald G. Coplan; to the Committee on the Judiciary.

S. 1915. An act for the relief of Chung Ching Wei; to the Committee on the Judiciary.

S. 1944. An act to amend the Bankruptcy Act in regard to the verification of pleading; to the Committee on the Judiciary.

S. 1980. An act for the relief of Alvaro Rodriguez Jimenez; to the Committee on the Judiciary.

S. 2022. An act for the relief of Lily Ang; to the Committee on the Judiciary.

S. 2028. An act for the relief of Candace Elizabeth Lee Johnson (Kyung Hee Lee); to the Committee on the Judiciary.

S. 2052. An act to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition; to the Committee on the Judiciary.

S. 2081. An act for the relief of Yadwiga Boczar; to the Committee on the Judiciary.

S. 2101. An act for the relief of Ourania Ben Blikas; to the Committee on the Judiciary.

S. 2130. An act to authorize a payment to the Government of Japan; to the Committee on Foreign Affairs.

S. 2154. An act for the relief of Ante Grgas Pivac; to the Committee on the Judiciary.

S. 2181. An act to amend the Mineral Leasing Act of February 25, 1920; to the Committee on Interior and Insular Affairs.

S. 2186. An act for the relief of Marta Nagy; to the Committee on the Judiciary.

S. 2187. An act for the relief of Martha L. Hortobogyi; to the Committee on the Judiciary.

S. 2197. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on food, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used; to the Committee on Interstate and Foreign Commerce.

S. 2349. An act to amend title 28, United States Code, with respect to fees of United States marshals, and for other purposes; to the Committee on the Judiciary.

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park; to the Committee on Interior and Insular Affairs.

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 1579. An act for the relief of Basile Ignatios Mavridis;

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr.;

H.R. 2317. An act to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7638. An act for the relief of the estate of Sakihara Koki;

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago in the State of Illinois, as hereinafter described; and

H.R. 8159. An act to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes.

ADJOURNMENT

Mr. MARSHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 59 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 26, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1334. A letter from the Chairman, U.S. Advisory Commission on Educational Exchange, transmitting the 22d semiannual report on the educational exchange activities conducted under the U.S. Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.) from January 1 through June 30, 1959 (H. Doc. No. 216); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOLL: Committee on the Judiciary. H.R. 7571. A bill to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution; without amendment (Rept. No. 993). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. House Resolution 309. Resolution providing for sending the bill (H.R. 4583) for the relief of the county of Cuyahoga, Ohio, with accompanying papers, to the Court of Claims; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 2539. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; without amendment (Rept. No. 1040). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAHILL: Committee on the Judiciary. S. 36. An act for the relief of Page A. Wilson;

without amendment (Rept. No. 994). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. S. 1392. An act for the relief of Isabel M. Menz; without amendment (Rept. No. 995). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1650. An act for the relief of Edmund A. Hannay; without amendment (Rept. No. 996). Referred to the Committee of the Whole House.

Mr. KASEM: Committee on the Judiciary. S. 1667. An act for the relief of the widow of Col. Claud C. Smith; without amendment (Rept. No. 997). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 464. An act for the relief of Julia Mydlak; with amendment (Rept. No. 998). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 640. An act for the relief of Annibale Giovanni Pellegrini; with amendment (Rept. No. 999). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 696. An act for the relief of Mrs. Annie Voisin Whitley; without amendment (Rept. No. 1000). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 977. An act for the relief of Nassibeh Mildred Milkie; with amendment (Rept. No. 1001). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1071. An act for the relief of Nettie Korn and Manfred Korn; without amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1081. An act for the relief of Arshalouis Simeonian; without amendment (Rept. No. 1003). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1171. An act for the relief of Katharina Hoeger; with amendment (Rept. No. 1004). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1298. An act for the relief of Concetta Meglio Meglio; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim; with amendment (Rept. No. 1006). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1613. An act for the relief of Matilda Kolich; without amendment (Rept. No. 1007). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1627. An act for the relief of Mrs. Paula Deml; with amendment (Rept. No. 1008). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1792. An act for the relief of Lilia Alvarez Szabo; without amendment (Rept. No. 1009). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1837. An act for the relief of Marguerite Fueller; with amendment (Rept. No. 1010). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2021. An act for the relief of Irene Milios; without amendment (Rept. No. 1011). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2238. An act for the relief of Kenzo Hachtmann, a minor; without amendment (Rept. No. 1012). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1516. A bill for the relief of Juan D. Quintos, Jaime Hernandez, Delfin Buencamino, Soledad Gomez, Nieves G. Argonza, Felididad G. Sarayba, Carmen Vda de Gomez, Perfecta B. Quintos, and Bienvenida San Agustin; without amendment (Rept. No. 1013). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1607. A bill for the relief of Mrs. Anne Morgan; with amendment (Rept. No. 1014). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 1639. A bill for the relief of Patrick Muldoon; with amendment (Rept. No. 1015). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2310. A bill for the relief of Hoo W. Yuey; without amendment (Rept. No. 1016). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 3115. A bill for the relief of Doris A. Reese; without amendment (Rept. No. 1017). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 3781. A bill for the relief of Mrs. Anna Loftis; with amendment (Rept. No. 1018). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 3782. A bill for the relief of the estate of Willard Phillips; with amendment (Rept. No. 1019). Referred to the Committee of the Whole House.

Mr. KASEM: Committee on the Judiciary. H.R. 4826. A bill for the relief of Arthur E. Collins; with amendment (Rept. No. 1020). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5160. A bill for the relief of William Joseph Vincent; without amendment (Rept. No. 1021). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6023. A bill for the relief of William J. Kaiser; with amendment (Rept. No. 1022). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 6081. A bill for the relief of M. Sgt. Emery C. Jones without amendment (Rept. No. 1023). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6402. A bill for the relief of Victor Stiglic; without amendment (Rept. No. 1024). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 6449. A bill for the relief of Mrs. Virginia Miles; with amendment (Rept. No. 1025). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 6720. A bill for the relief of Andrew Choa; without amendment (Rept. No. 1026). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6809. A bill for the relief of Lt. (jg.) James W. Little; with amendment (Rept. No. 1027). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6948. A bill for the relief of Miss Marion A. Cramer; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 7036. A bill for the relief of William J. Barbiero; with amendment (Rept. No. 1029). Referred to the Committee of the Whole House.

Mr. LINDSAY: Committee on the Judiciary. H.R. 7116. A bill for the relief of George W. Gibson; with amendment (Rept. No. 1030). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7365. A bill for the relief of Mrs. Neil C. Player; without amendment (Rept. No. 1031). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7640. A bill for the relief of James F. Conroy; with amendment (Rept. No. 1032). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8217. A bill for the relief of Orville J. Henke; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8251. A bill for the relief of Tatsumi Ajisaka, and others; with amendment (Rept. No. 1034). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 8312. A bill for the relief of Arthur C. Berry and others; without amendment (Rept. No. 1035). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8653. A bill for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N. V. (Royal Interocean Lines); with amendment (Rept. No. 1036). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 8761. A bill for the relief of the estate of Charles H. Biederman; without amendment (Rept. No. 1037). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. House Resolution 351. Resolution providing for sending the bill (H.R. 7694) with accompanying papers to the U.S. Court of Claims; without amendment (Rept. No. 1038). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON of Texas:

H.R. 8809. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 8810. A bill to amend the Internal Revenue Code of 1954 and the Highway Revenue Act of 1956 to provide revenue for the highway trust fund; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 8811. A bill to amend the Internal Revenue Code of 1954 and the Highway Revenue Act of 1956 to provide revenue for the highway trust fund; to the Committee on Ways and Means .

By Mr. BAKER:

H.R. 8812. A bill to amend the Internal Revenue Code of 1954 and the Highway Revenue Act of 1956 to provide revenue for the highway trust fund; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H.R. 8813. A bill to amend the Internal Revenue Code of 1954 and the Highway Revenue Act of 1956 to provide revenue for

the highway trust fund; to the Committee on Ways and Means.

By Mr. BURLESON:

H.R. 8814. A bill to authorize the assignment of U.S. marines to assist in law enforcement activities in the District of Columbia; to the Committee on Armed Services.

By Mr. GEORGE:

H.R. 8815. A bill to amend the Internal Revenue Code of 1954 to impose certain additional excise taxes on wagering and liquor, with the proceeds to be applied to the reduction of the national debt; to the Committee on Ways and Means.

By Mrs. GRANAHAN:

H.R. 8816. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. JONES of Alabama (by request):

H.R. 8817. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer or spouse who is a permanently and totally disabled veteran; to the Committee on Ways and Means.

By Mr. KASEM:

H.R. 8818. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MATTHEWS:

H.R. 8819. A bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments; to the Committee on Agriculture.

By Mr. MURPHY:

H.R. 8820. A bill to provide for the conveyance of certain lands which are a part of the Des Plaines public hunting and refuge area and the Joliet Arsenal Military Reservation, located in Will County, Ill., to the State of Illinois; to the Committee on Armed Services.

By Mrs. ST. GEORGE:

H.R. 8821. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. THORNBERRY:

H.J. Res. 507. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. BAILEY:

H. Con. Res. 416. Concurrent resolution expressing the sense of the Congress with respect to the transportation of explosives and other dangerous articles in interstate commerce; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. Con. Res. 417. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MURPHY:

H. Res. 357. Resolution expressing the sense of the House of Representatives that DeWitt Clinton should be suitably honored; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KASEM:

H.R. 8822. A bill for the relief of George C. Hausmann; to the Committee on the Judiciary.

By Mr. MACK of Illinois:

H.R. 8823. A bill for the relief of Richard E. Bray; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 8824. A bill for the relief of Aznife Achkhanian; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 8825. A bill for the relief of Bronislawa Slepowronska; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

262. The SPEAKER presented a petition of Jodie Aldridge, Nashville, Tenn., relative to a redress of grievance relating to our Federal judges in regard to their actions dealing with our schools; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Unemployed Versus Unemployable

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 25, 1959

Mr. LANE. Mr. Speaker, some people are out of work because there is no demand at the moment for their knowledge or skill. Farmworkers, and others whose employment is seasonal become unemployed during periods of each year. Industries lay off help during fluctuations within the economic life of a particular enterprise, or during a general economic decline.

These people are out of work temporarily.

Heretofore classified as "unemployed," is another, separate and distinct group known as the unemployable.

We became conscious of their particular problems after World War II. The decline of some older, and unprogressive enterprises that were concentrated in one-industry communities, brought us face to face with the new challenge of chronic labor-surplus areas.

Most of these displaced workers were no longer young. They had been molded by occupations requiring little or no skill. When their jobs disappeared, they had little to offer the new growth industries that might move in to fill the economic vacuum of these distressed areas. In an age of increasing labor skill and labor specialization, they were unwanted.

They became known as the unemployables.

In our efforts to solve this human as well as economic problem, we are developing Federal legislation to assist in the recovery of these areas. Grants to encourage the building of modern plants and to provide the services needed by growth industries are essential. But if we overlook the employables, this assistance will not be productive or constructive. Putting it plainly, they need training in new job skills, in order to be of value to themselves, their families, and their communities. To focus thinking on this problem, I ask consent to reprint in the RECORD this recent editorial from the Evening Tribune, published in Lawrence, Mass.

UNEMPLOYED VERSUS UNEMPLOYABLE

With U.S. employment getting back to the record highs it established before the recession, we find a sharper light focusing on the "hard core" unemployed who have been out of work 15 weeks or more.

Some 900,000 fall into this category, and of them nearly 550,000 have been without jobs more than half a year.

The people in the hard core group are not faceless. Most live in areas that have become more or less permanent pockets of depression—coal mining sectors in Kentucky, West Virginia, Pennsylvania, once thriving textile producing communities in New England, and so on.

The bulk of the chronically unemployed are nonwhites. And for the most part the individuals in this hard core are unskilled workers, traditionally the last to be hired, usually left by the wayside in all but the great booms.

Congress has not yet been able to manage effective aid to distressed regions. But any program would seem limited in promise which did not contain plans for lifting these people out of their unskilled status.

In this increasingly mechanized age, to be unskilled may mean not only being unemployed but being unemployable.

The Food Stamp Plan

EXTENSION OF REMARKS

OF

HON. JOHN M. SLACK, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 25, 1959

Mr. SLACK. Mr. Speaker, under leave to extend my remarks, I wish to extend the strongest possible endorsement for the amendment of Public Law 480 to include the food stamp proposal submitted by Representative SULLIVAN. From the human standpoint, I fail to see how there can be valid objection to this proposal. I have no quarrel with the operations of Public Law 480 itself. Presumably it has met a need to the satisfaction of a majority of my colleagues during recent years. At this point, however, a new need has arisen, and this is a domestic American need which should be closest to our hearts.

I believe most of us are familiar with the facts of the case, the millions of Americans who now receive surplus agricultural commodities, and the relationship between those millions and the

number of millions of Americans who are chronically unemployed, the victims of technological advance in industry.

Some of us may be less familiar with the human conditions created by the need to subsist for periods of a year or more on a diet of three or four surplus commodities, as has been the case in the past. Careful inquiries among the long-term unemployed in certain depressed communities in my District have established to my satisfaction that families in these circumstances are receiving less than half of the necessary quantities of nutrients required to sustain health.

Ever since the opening of this session I have been very much disturbed by these findings, and particularly by the implications of those findings as applied to the children of needy families. In our deliberations since January we have discussed hundreds of bills and resolutions which were aimed at some improvement in the social, economic or political conditions prevailing in our country. In the climate of a growing wave of material prosperity, however, we have not undertaken to deal with the problems of those who do not presently share in improved economic conditions.

Area redevelopment legislation appears to be stalled, and this is a development which I believe we will have cause to regret. The number of areas with surplus labor is growing, rather than declining. The number of needy persons receiving surplus agricultural commodities is increasing. The number of communities whose industry is failing to keep pace with technological advance is also growing. One day we must deal effectively with this situation. For the moment, however, we must, as a minimum acknowledgment of our responsibilities to fellow human beings, act to make available to the needy at least such foods as will maintain a dietary standard sufficient to maintain sound health. If we do not, these needy will become a progressively greater charge on their communities and on this Government.

Many of us have submitted bills calling for the appropriation of funds for the purchase of a wide range of foods for distribution to the needy. None of these bills has received committee consideration, and prospects for them are bleak. The food stamp plan is another approach to the same problem. For those who doubt that it will work, I say, we have no choice but to try it, in lieu of the failure of this Congress and the administration to offer anything else.

There are some 75 Members of this House who represent districts in which there are located depressed areas, and in which the distribution of surplus agricultural commodities is an important economic and political factor to be reckoned with. I cannot speak for all of them, but for myself, I congratulate the gentlewoman from Missouri [Mrs. SULLIVAN] for the skill and determination with which she has led the fight to bring this proposal before us, and for the dignity and patience with which she has borne defeats during several previous efforts to accomplish this same purpose.

Passing of an Outstanding Woman: Miss Elizabeth A. Smart, Legislative Secretary of Woman's Christian Temperance Union

EXTENSION OF REMARKS
OF
HON. RICHARD L. NEUBERGER
OF OREGON
IN THE SENATE OF THE UNITED STATES
Tuesday, August 25, 1959

Mr. NEUBERGER. Mr. President, I doubt if I ever met an advocate of a cause who was more fair, more understanding or more gentle and kindly than Miss Elizabeth A. Smart, of the Woman's Christian Temperance Union, who died last week of cancer.

Miss Smart was an educated woman of infinite patience, who represented the temperance movement with dignity, integrity, and fairness. She was never intolerant or antagonistic of those who disagreed with her. She never threatened, bullied, or attempted belligerence. A person of brilliance, she made no effort to display her learning ostentatiously. One never learned from Miss Smart herself that she was a distinguished member of the bar, the wearer of a Phi Beta Kappa pin, the author of many learned papers on government and the law. She rarely touted her own prowess.

I counted her as my friend. I shall always recall with pride that she invited me to be the principal speaker several years ago at the annual memorial services held by the Woman's Christian Temperance Union in Statuary Hall in tribute to the historic Miss Frances Willard, of Illinois. I doubt if Frances Willard, herself a person of courage and honor, could have had a more fitting admirer and devotee than Elizabeth Smart. Their qualities were quite similar and parallel in many respects.

Because Elizabeth Smart died of cancer, I shall think of her when I renew my efforts for a crash program of medical research which seeks the answer to the grim riddle of cancer. Having suffered from this disease myself, I have a particular interest in its conquest—especially when we know that it recently has claimed such useful lives as those of John Foster Dulles, Matthew M. Neely, Elizabeth A. Smart, and many others. Friends closer to Miss Smart than I was privileged to be, have told of the characteristic serenity and bravery with which she faced death.

Mr. President, in memory of Miss Elizabeth Smart, of the Woman's Christian Temperance Union, of which she was the longtime and capable legislative secretary, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a sketch of her career and causes, which has been prepared at my suggestion by Clayton Wallace, executive director of the National Temperance League, Inc.

Members of the Woman's Christian Temperance Union are fortunate, indeed, to have been represented here in our Capital for nearly two decades by this woman of refinement, education, and compassionate motives. All who knew her will continue to honor and respect her memory. Miss Elizabeth A. Smart was a remarkable and gifted person.

There being no objection, the sketch was ordered to be printed in the RECORD, as follows:

ELIZABETH A. SMART

Miss Elizabeth A. Smart, who had served since 1940 as legislative secretary of the National Woman's Christian Temperance Union, died after a long illness in Washington, D.C., on August 16, 1959. Miss Smart had also been national corresponding secretary of the National WCTU in Chicago from 1948 to 1950 and consultant at the United Nations for the World WCTU.

A native of New York State, Miss Smart was admitted to the New York State bar, and was owner of the Washington County Post, of Cambridge, N.Y., her legal residence. She was a member of the American Academy of Political and Social Sciences, Washington County, and New York State Bar Association, Women's Bar Association of District of Columbia, National Association of Women Lawyers, National League of American Pen Women, Phi Beta Kappa, etc.

Miss Smart was for several years the secretary of the National Temperance and Prohibition Council and was chairman of its legislative committee at the time of her death. She was active on Capitol Hill, spending much of her time in contacting Senators and Congressmen on behalf of temperance legislation. She was the author of the Washington Letter which appeared regularly in the Union Signal, giving complete information about bills relating to the problems of alcohol and narcotics and other legislative matters with which her organization was concerned. The Washington Letter was published from 1940 until the present time.

Miss Smart was deeply devoted to the cause of temperance and worked sacrificially for national legislation to ban liquor advertising, and for other measures to reduce drinking and encourage total abstinence. She was able and courageous in her crusade for beneficial laws. Elizabeth Smart will long be remembered as a kindly, conscientious, consecrated, and competent temperance leader whose life was a powerful influence for all that is good.

An Organization Liberal

EXTENSION OF REMARKS
OF
HON. HERMAN TOLL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 25, 1959

Mr. TOLL. Mr. Speaker, Tuesday, August 25, 1959, is the first anniversary of the death of the Honorable Charles M. Finley. He died while serving his second term as councilman in the city of Philadelphia. He represented the ninth councilman's district of the city of Philadelphia with great devotion to the people of the district and to the city.

Charlie Finley, as he was affectionately called, was widely known in the city, the State of Pennsylvania, and in the Nation. He was friendly to people in all walks of life and was well regarded by members of both political parties and also

by independent voters. He was an organization man and represented the 50th ward in the county committee of Philadelphia for a great many years. He had also represented the sixth senatorial district in the Democratic State Committee for many years, and was a member of its policy group.

In addition to his splendid organizing ability, which developed a highly successful political organization, and his allegiance to the city, State, and National Democratic organizations, he was also popular with independent voter groups and from time to time agreed with positions which they supported, when he felt that it was for the public benefit.

He was very devoted to the development of La Salle College and lent his efforts to support the enlargement of the college and its prestige.

He was a strong supporter of public libraries—and succeeded in acquiring two new city owned libraries for his district—which rapidly became the most heavily used branch libraries in Philadelphia.

He was greatly interested in the spare time problems of the people of his district and obtained for his constituents three new recreation centers, the substantial improvement of one and the purchase of ground for another.

He was especially zealous in his protection of the property rights of his constituents and intervened on their behalf frequently to preserve residential neighborhoods. He served as chairman of the city council committee on municipal zoning development and zoning with great distinction. The whole city benefited by his intelligent administration in municipal development and zoning problems.

His death was a great loss to his community, to his friends, relatives and colleagues, and to his wife, to whom he was devoted. He left his mark upon the public as a man who was a politician, in the best sense of the word, a liberal, and an outstanding citizen.

The Captive Peoples Pray for Help

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 25, 1959

Mr. LANE. Mr. Speaker, on July 17, the White House issued a proclamation designating the third week in July as Captive Nations Week, and urging the people of the United States of America to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the peoples of these captive nations.

This was an inspiring declaration that raised the hopes of the oppressed peoples within the Communist empire.

Yet, within 2½ weeks, there occurred the most amazing reversal of policy in American history.

On August 3, the White House announced that it had invited Soviet Dictator Khrushchev to visit the United States, and to enjoy the hospitality of the American people.

And the captive nations were plunged into despair.

Would the United States and Soviet Russia agree to noninterference in one another's domestic affairs?

If so, that would mean the end of hope for millions in the captive countries.

What had happened to the United States which, from the days when it had won its own independence, had been loyal to the principle of liberty with justice for all?

Who can trust the United States after "Desecration Day," when the officials of the U.S. Government welcome the Red dictator who is responsible for so much of the world's misery?

The victims of Russian communism pray, not in the churches that have been closed to them by atheistic despots, but from behind the locked doors of their homes.

Praying that the unpredictable behavior of the U.S. Government does not represent the freedom-loving American people who would never compromise with evil.

Praying that the voice of the American people will be heard above the vague and vacillating pronouncements of its Government.

"Dear God, we know that the American people are not afraid of the truth. We know that they do not worship materialism, closing their hearts to the cry of humanity. We have seen their courage and their generous spirit. From our own relatives who left our homeland to seek a better life in America and found it there, we have heard how they live up to the responsibilities of freedom.

"Washington, Lincoln, Wilson, Roosevelt, these were the leaders who spoke up for human rights.

"But where is the conscience of America, now, when the Government opens its arms not only to our oppressor, but to the Red tyrant who is also determined to destroy free America?

"The policy of the American Government cannot represent the true beliefs of the American people because they would not change so overnight.

"Father in Heaven, intercede for us.

"Help our pleas to break through the rigid barriers which enslave us, so that they may reach and touch the conscience of the American people.

"We do not ask them for the charity of material things, because we know they would be quick to give it.

"We do not ask them to risk their security and their lives to effect our liberation.

"But we do ask for their moral support, which is the soul of America and its greatest strength.

"When Khrushchev, the master of deceit is visited upon the American people, we ask them to protest in an orderly manner.

"So that firmness in the right as God gives us to see the right will prevail over the counsels of those who seek an accommodation with tyranny.

"When all seems lost, we have faith in the power of prayer.

"Help us to reach the hearts of a great, free people so that they may speak up for liberty with justice, and repudiate the shameful spectacle of 'Desecration Day' that is being thrust upon them.

"We pray for universal freedom under God."

Land Office of the State of New Mexico

EXTENSION OF REMARKS
OF
HON. JOSEPH M. MONTOYA
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 25, 1959

Mr. MONTOYA. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to challenge an insertion placed in the March 10, 1959, CONGRESSIONAL RECORD by my esteemed colleague and friend, Congressman LEE METCALF, of Montana. Articles which he quotes are not only without basis of fact in many respects but, in my opinion, wholly uncalled for with respect to the land office of the State of New Mexico and the present commissioner of public lands, Murray E. Morgan. I honestly cannot believe that LEE METCALF knew of the untruth and gross injustice of these articles concerning our land office because I know him to be a man of integrity and sincerity.

May I quote from one of the articles:

A few States are doing a conscientious job of managing their lands, but the administration of State lands in New Mexico is among those having the weakest record, and in New Mexico the land is administered by an elected land commissioner who generally is representative of the livestock interests.

Mr. Speaker, nothing could be further from the truth. Mr. Morgan, the present commissioner, is a former newspaper editor and publisher. His predecessor was a businessman. In fact, of the 16 land commissioners who took office in New Mexico, I doubt if over 2 were ever associated with livestock interests. I have known Murray Morgan quite well for many, many years and I certainly consider him to be a judicious, conscientious, fair, and honest man. My convictions most certainly are borne out by the overwhelming majorities he has enjoyed in both of his races to the elective post of land commissioner.

Mr. Speaker, I contend strongly and with unequivocal basis in fact that the administration of State lands in New Mexico has been a shining example of efficiency, economy, and honesty. In House Report No. 1778 to accompany H.R. 5992 in the 80th Congress, 2d session, New Mexico was specifically cited as a "good example" of how well the States had proven their ability to administer public lands.

In the report our House committee stated:

The evidence is conclusive that private interests operating under State controls have

been eminently more successful in developing our oil resources than under Federal control. The State of New Mexico furnishes a good example. There are 11,500,000 acres of State owned lands in New Mexico, while the Federal Government owns in excess of 34 million acres. At the present time over 6 million acres of State lands, or 52 percent are under lease for oil and gas exploration, while only a little more than 2 million acres of Federal lands, or about 6 percent are under lease for oil and gas exploration.

In the five public land States producing oil and gas, the Federal Government owns approximately 36½ percent of the acreage but produces only about 13 percent of the oil and gas produced in these States. The 1946 total production from these lands was approximately 62 million barrels, while the production from State and privately owned lands in the same States was in excess of 380 million barrels. Thus, it will be seen that in these five "public land" States, where Federal and State owned lands are in direct competition with each other, development has been much faster and production has been much greater under State regulation than under Federal control. The total annual production of oil from the vast federally owned domain in 1946 was less than 12 days' production of the Nation. It must be conceded that the Federal Government has made a pitiful showing with respect to the development of public lands for oil and gas purposes.

Mr. Speaker, in the 83d Congress, Senate Report No. 133, to accompany Senate Joint Resolution 13, refuted the "oil grab" charge of the opposition to State ownership of the tidelands by saying:

For years the charge has been made, and it is still being made, that those who believe that the States themselves are best qualified to own and manage the lands and resources within their State boundaries are somehow participating in an "oil grab" as "stooges" of the oil industry. Nowhere in the long and voluminous record is there a scintilla of evidence even remotely substantiating such a charge.

The record of New Mexico's administration of the public lands entrusted to her keeping by Congress speaks for itself and is a matter of pride for the State and a matter of satisfaction to those beneficiary institutions who benefit from the revenues derived from these lands.

New Mexico administers her 13 million acres of State lands on 2½ percent of the revenue from those lands. The Federal Government administers its lands on 10 percent supplemented by additional appropriations by Congress. Last year New Mexico averaged a return of better than $2 an acre from her 13 million acres of land, while the Bureau of Land Management averaged less than $1 an acre from the lands it administers. I would like to point out at this time that New Mexico, like other Western States, was prohibited from selecting lands known to be mineral in character, and that this remarkable record of earnings is in spite of this fact.

New Mexico, at the present time, through economical administration and efficiency of operation, has accumulated the sum of over $155 million in its permanent funds for beneficiaries of the State land office. Besides this it has over the years given the beneficiaries over $125 million for current operating budgets and the program has been so carefully handled that none of the permanent funds have ever been lost.

Mr. Speaker, may I also point out that unlike the complicated and seemingly slow procedures in the Federal oil and gas lease field, our New Mexico State land office has the reputation of expeditious and uncomplicated administration of such important matters. Our State oil and gas leasing procedures are on a strictly competitive basis on known geological structures and the leasehold interest can be depended upon, once it is established pursuant to land office directive. The same is true with respect to sale of State lands for in New Mexico everyone has an equal chance pursuant to advertising and public auction sale to the highest bidder. Seldom, if ever, would there be any possible cloud on title once the land office has completed the sale or issued a lease.

In short, Mr. Speaker, I believe that the record of performance of our State land office clearly refutes any charges that it is in consort with special groups or that it is operating in an inefficient manner.

Special Report on Labor Legislation by Representative Joseph E. Karth

EXTENSION OF REMARKS
OF
HON. EUGENE J. McCARTHY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, August 25, 1959

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the recent newsletter of my distinguished colleague from Minnesota, Representative JOSEPH E. KARTH.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SPECIAL REPORT ON LABOR LEGISLATION

WHAT THE PRESIDENT DIDN'T TELL YOU ABOUT THE GRIFFIN-LANDRUM LABOR BILL

On Friday, August 14, the House of Representatives passed the Griffin-Landrum labor bill, H.R. 8400. This bill has gone to a House-Senate conference committee which will attempt to iron out the differences between the Senate passed Kennedy-Ervin bill, S. 1555 and the House bill.

In the past 2 weeks my office has received hundreds of telegrams, letters, and cards expressing opinions on various measures dealing with labor reform legislation. My mail ran as heavy for the Griffin-Landrum bill as it did against that proposal.

As you might expect, those favoring the Griffin-Landrum proposal were mostly businessmen, executives, and professional people. Most of the mail opposing this proposal originated from labor union officials and men and women who are working people. Most of the letters asking for the Griffin-Landrum bill did not cite the need for a "strong labor-management bill"—rather they mentioned only a strong labor bill.

Almost every letter which was directed to me asking for strict Federal control over the affairs of unions, used James Hoffa and the charges against teamsters as the basis for the urgent need for legislation.

On Friday, August 7, I wired James R. Hoffa and asked him to resign his union offices. I sincerely feel that the enemies of labor unions are using him as an excuse to panic Congress into passing an antiunion measure. I am sorry that Hoffa did not accept my suggestion to quit and perform a real service for the labor movement whose interest he professes to want to advance.

A TRUE LABOR-MANAGEMENT REFORM PROPOSAL

Previously, I introduced a labor-management bill, H.R. 8540, which I am sure would have accomplished the avowed purpose of getting rid of crooks and racketeers, but not destroying the legitimate, free, democratic trade unions.

Everyone knows my background as a local union officer and as an international representative for the Oil, Chemical, and Atomic Workers. I have negotiated labor contracts with huge companies such as the Minnesota Mining and with small companies such as the Sweney Paint Co.

I believe I know what is involved in labor-management negotiations better than most any Member of Congress. I also believe that my experience qualifies me to determine what type of legislation will correct abuses and what provisions will actually be damaging to unions and business and might do serious harm to the functioning of a free, economic society.

THE GRIFFIN-LANDRUM BILL

Let me cite just a few examples of why I could not support the Griffin-Landrum bill.

1. It will discourage, if not stop altogether, responsible people from running for union office. Because of wording in the law, a local union officer can easily be booby-trapped into court action while conducting his union's legitimate business. He must then bear all legal defense costs himself, lose wages for the time he is in court and must wait until acquittal before his union can even offer to reimburse him. Many small locals could never afford to pay his costs in any event.

2. By giving State courts jurisdiction in a labor dispute involving small business, the Griffin-Landrum bill can lead to real trouble. For example, a St. Paul building contractor, who cannot qualify as being in interstate commerce under NLRB rules, may well find that if he wants to do business in Wisconsin, Illinois, Iowa, or the Dakotas he will have to check all the State laws, and municipal and county ordinances that may affect relations with his employees. Should he run into legal trouble he might find himself as defendant before a justice of the peace or a municipal judge completely unfamiliar with any phase of labor law. The bill I supported provides specifically that the National Labor Relations Board must handle cases of this type, thereby giving a clear understanding to business and labor as to the laws under which they must operate.

3. This bill imposes undue expense on the small union in its harsh reporting requirements. Only by having the Secretary of Labor review some 40,000 cases can any of them be granted exemption. In my opinion, a proper provision would authorize the Secretary of Labor to demand a report only if he has been informed of abuses or improper procedures.

4. The Griffin-Landrum bill has completely inadequate reporting provisions for employers, thus failing to get at the Sheffer-man-type middleman. Any true reform bill should include safeguards against such foul operations.

5. The Griffin-Landrum bill has a bonding provision which eliminates all but five bonding companies, both within and outside the United States. (These companies are those

who bond Federal employees.) If for some reason the five companies should refuse to bond a union officer or employee he could not hold office. It seems to me all legitimate bonding companies should be eligible. It appears that special interests have been introduced into this bill.

6. The Griffin-Landrum bill outlaws all hot cargo contracts, even those which have nothing to do with teamsters. This will greatly encourage the unscrupulous employer who is making products under sweatshop conditions. In effect, it will make a union man handle products which are being made under conditions that undermine his economic standards, and foster business-wrecking, cutthroat competition. In some cases it could force a worker to go through legitimate picket lines.

7. The Griffin-Landrum bill outlaws all organizational and recognition picketing by an uncertified union under conditions which give no recognition to the many cases where organizational picketing is a vital necessity in a union's legitimate organizing efforts.

In provisions such as this, one can readily see why the southern Congressmen were so eager to join with the Republicans to pass this bill. The South has been looking for means to stop union organization, so that they can continue to lure northern industry to a land of cheap labor. The southerners are not mainly interested in labor reform; they are interested in cheap labor, and the Griffin-Landrum bill will be one more assurance, along with their right-to-work laws, segregation laws, and poll taxes to keeping it that way.

8. The Griffin-Landrum bill makes no provision for voting by economic strikers. Failure to cover this, again points out that eliminating the cause of abuses was not uppermost in the minds of those who want the Griffin-Landrum bill.

9. The Griffin-Landrum bill does not give the Secretary of Labor or the Attorney General the right to bring action against union officers who discriminate because of race, creed or color. Why? Republicans and southern Congressmen joined to defeat such an amendment. Does this indicate they really want to protect the rights of the poor worker?

In addition to these points, I believe that passage of the Griffin-Landrum bill as it now stands will result in legal harassment that will break many unions because of the costs of litigation. You might call the bill a "full-employment" measure for lawyers and a complete confusion bill for small business.

I hope the conference committee will correct the unworkable and unjust provisions of the bills passed by the Senate and the House. If they do not, and these provisions become the law of the land, I predict that the public will be clamoring for repeal within 2 years.

A Resolution That De Witt Clinton Be Suitably Honored

EXTENSION OF REMARKS

OF

HON. WILLIAM T. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 25, 1959

Mr. MURPHY. Mr. Speaker, I call attention to the Members of the House to a resolution I have introduced today that De Witt Clinton, one of our great statesmen, be honored by placing his portrait on a revenue stamp, bond, or similar document.

For decades millions of our citizens have carried the picture of an American statesman in their pockets every day. Almost daily that picture has traveled everywhere on earth—into private homes, into schools and universities, into factories and offices, into royal mansions and national parliaments, onto athletic fields, and onto this earth's bloodiest battlefields. I would say that it is the world's most traveled face. That picture was a portrait-in-miniature and it appeared on revenue stamps on all cigarette packages that are taxed for revenue. And that small picture was a portrait of De Witt Clinton, a New York statesman and one of the most gifted of the Founding Fathers of our Republic.

It is with a certain degree of sadness, that, as a member of the Foreign Affairs Committee, I must look to the withdrawal of that portrait from circulating among our foreign friends. De Witt Clinton's picture will not make these universal tours as the U.S. Internal Revenue stamp, class A 20 of series 125 has been dropped this summer from all cigarette packages. In a peculiar way, it will be a loss to the free world as that great American face, framed in blue, preached in his own silent fashion of the dignity and of the opportunities to be had and cherished under the democratic ways of life.

To the host of people who were interested enough in his identity to investigate and make a simple research of his life, De Witt Clinton's career and deeds provoke admiration for our country that could inspire his memorable achievements for her and his fellow men. For incredible, indeed, was this life based on self-sacrifice, service to others, and idealism. And what a pity it will be to let his memory disappear into that shadowy land of almost complete obscurity.

A hasty epitome of his career discloses only too well the solid worth of De Witt Clinton's contributions to the infant democracy that was the America of his day. As a young boy outside of Newburgh, N.Y., he had to do a man's work on the family farm as his father was away fighting as an officer in the patriots army seeking American independence. With the war over and won, De Witt could pursue his studies in a nearby academy. Later he enrolled at Columbia College and graduated from that institution receiving his diploma from the hands of George Washington, the President of the United States. Thus, he is among the first graduates of the now Columbia University, honor man of his class, and he was the graduation speaker—talking for a half hour in Latin on the values of liberal arts.

De Witt Clinton later studied law and was admitted to the State bar in 1790 at the age of 21. His uncle, George Clinton, was called the father of New York State because he was elected the first Governor and served for six successive terms for a period of 18 years. It was but natural, therefore, that De Witt Clinton should turn to politics and he became his uncle's secretary. Later he was elected to the State legislature, then to the senate of the State. In 1802 he was U.S. Senator representing New York here in our Capitol. Resigning his duties in Washington, he ran for mayor of New York City. He was elected mayor and 11 times he was returned to that post by his people. In 1812 he ran for President of the United States and was defeated by James Madison in a close election. Subsequently, he was elected Governor of New York three times and he died while in that office.

In a letter of introduction to President Jefferson when De Witt first went to Washington as U.S. Senator, his uncle wrote, among other things—

> This is my nephew * * * you will not find him without gifts of mind * * * and in politics, his motives are ever pure.

These may be the clues to De Witt Clinton's popularity with the electorate, his many sided gifts and his purity of intentions in their use. They truly made him an outstanding statesman. As a writer—W. R. Alger—once said:

> True statesmanship in the art of changing a nation from what it is, into what it ought to be.

De Witt Clinton seemed to be ever guided by this principle. As a young legislator in New York he helped to overthrow the system of allowing the Governor to propose all names for office holders, and instituted a general replacement of the defeated party members by the members of the party victorious in the elections. As U.S. Senator Clinton, he introduced the 12th amendment to the Constitution to prevent the recurrence of the tie votes for President as in the case of the 1800 elections. As mayor of New York City he promoted public education, city planning, city fortifications, public sanitation, and relief of the poor. He constantly advocated the removal of political barriers on Roman Catholics, the abolition of Negro slavery, and the softening of the severity of punishment for debtors.

When Governor of New York he never forgot the needs and the potentialities of the city he served so well. Nor did he forget the potential greatness of his native State. In 1815 he presented a memorial to the New York Legislature about the construction of a canal that would join the Hudson River to Lake Erie. This was to be the Erie Canal—an amazing dream and a colossal undertaking for that era. The ordinary canal of that day was 30 miles and the Erie Canal was to be 364 miles long. He foresaw the benefits to the people settled in the Middle West. He foresaw his own State grow with great strides through this canal. Towns and cities would be expanded, new ones would rise and agriculture, commerce and manufacturing would increase and wealth would pour into his State from all directions. And his beloved New York City would grow to unbelievable size and become the metropolis of the Nation.

Two years later the bill authorizing the building of the canal was passed. As canal commissioner and Governor, De Witt Clinton unceasingly pushed this project, notwithstanding the constant bitter and unremitting harassments

from political enemies and foes of the canal.

Eight years passed and in 1825 the canal was a reality and Governor Clinton had triumphed. In the next 9 years it paid off the State's entire cost with interest—the amount of $8½ million. It cut freight rates from Buffalo to Albany from $100 a ton to $15 a ton, and travel time from 20 days to 8 days. The land boom along its right-of-way alone justified its existence, and the population of New York City soon tripled itself and more.

De Witt Clinton could have gone to greater national prominence; he could again aspire to the Presidency but for the loyal affection and support he held for a man who had flowered forth on the national scene. He loved and advocated the deepest support for Andrew Jackson for President of the United States. He would never oppose him. Sufficient for him were the daily sacrifices and services he could render his people in New York. And these services were multiform. He was completely interested in the arts and sciences, living out the theories he enunciated on his graduation day. He was interested in education and followed the system of John Lancaster. He was founder and president of the New York Historical Society, president of the American Philosophy Society, and president of the American Science Association. His was a many-sided genius and an intellectual sea that seemed to touch every shoreline of thought.

His uncle, Gov. George Clinton, once wrote of him that his motive in politics were pure. Nothing so proved the point better than those last days of his life. Although seriously ill in bed, he left that sick bed because as Governor he had a duty to perform for justice sake. A condemned criminal had asked for a review of his case and Governor Clinton felt that justice lay on this poor man's side. As a result of this action, De Witt died suddenly soon afterward and he died in debt, leaving his family in want. He who had done so much for his people through sacrifices, service, and idealism, had left nothing for his own burial, and like his Master, he was buried in another man's tomb. Surely his was pure public service, honest statesmanship; he never commercialized his dignity as a public servant by compromise.

As humanity divides itself today into "lifters and leaners" with so many all too willing to lean on others, it is refreshing to recognize a real lifter, a man always willing to shoulder the burdens of office without flinching, and a man who counts not the cost in serving others. Even American historians have been a little unkind to Mr. Clinton and few of our Americans are cognizant of his true greatness. We can at least thank the kind providence that kept his memory alive by a living picture even though it is small and so often taken for granted on a simple cigarette package. There was none so handsome in all Washington when he was here as U.S. Senator.

May we look forward to the day when that picture will appear on our postage, currency, or our savings bonds. As he now leaves those revenues stamps, let us at least take him into our hearts. His deeds, his words, his genuis for public good and freedom must inspire us all—and most of all our neighbors living under oppression and in political darkness beyond the seas.

Statement of Senator Richard Neuberger in Support of the Franklin Delano Roosevelt Memorial

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 25, 1959

Mr. ROOSEVELT. Mr. Speaker, the action taken by this Congress in approving House Joint Resolution 115, which authorizes the purchase of land and architectural competition for the erection of the Franklin D. Roosevelt Memorial, has been a most heartwarming experience for me and the members of my family.

I wish to take this means to thank my colleagues, and particularly the members of the Franklin Delano Roosevelt Memorial Commission, for making possible this everlasting tribute to my father.

Mr. Speaker, among those who took an active interest and part in this endeavor is my admired friend and colleague, Senator RICHARD L. NEUBERGER, of Oregon, a member of the Commission.

May I say I was most impressed by his clear presentation of the facts before the Senate Committee on Rules and Administration. And I might add, his remarks about Franklin Delano Roosevelt mean much to me and my family, as does the action of our distinguished majority leader, the Honorable JOHN W. MCCORMACK, who introduced the resolution during the early days of the session.

I deem it a personal privilege and honor, Mr. Speaker, to have the opportunity to insert in the RECORD the complete text of Senator NEUBERGER's statement of August 19, 1959, in support of the F.D.R. memorial.

STATEMENT OF SENATOR RICHARD L. NEUBERGER, OF OREGON, BEFORE SENATE COMMITTEE ON RULES AND ADMINISTRATION ON HOUSE JOINT RESOLUTION 115, AUGUST 19, 1959

Mr. Chairman and members of the committee, I appreciate the opportunity to appear today in behalf of House Joint Resolution 115, which is vital to the paying of an overdue tribute to a great American, Franklin Delano Roosevelt. As a member of the Franklin Delano Roosevelt Memorial Commission, I should like to review briefly the background and provisions of this legislation.

House Joint Resolution 115 was introduced January 9, 1959, by Representative JOHN W. MCCORMACK, a congressional member of the Roosevelt Memorial Commission. It was reported favorably by the Committee on House Administration on March 13, and was passed unanimously by the House on July 23, 1959.

The provisions of House Joint Resolution 115 are simple: It reserves a 27-acre portion of West Potomac Park near the Tidal Basin as a site for the proposed Roosevelt Memorial. It authorizes the Commission to hold a competition for design of the proposed memorial and authorizes not more than $150,000 to be appropriated for expenses in conjunction with the competition.

In considering this measure, these points should be noted:

Planning: In holding the competition, the Roosevelt Memorial Commission will consult with the Commission of Fine Arts, the National Capital Planning Commission, and the National Park Service. The proposed memorial will not be a "sore thumb" architecturally in the effective implementation of Washington, D.C., planning.

Indeed, the National Capital Planning Commission not only approved the Tidal Basin site for the proposed memorial, it raised the 10 acres originally recommended by our Commission to 27 acres.

In addition, the House Committee on House Administration, in favorably reporting House Joint Resolution 115 last March had this to say about the site selection:

"In recommending the passage of House Joint Resolution 115, the Committee on House Administration is of the opinion that no more appropriate site for the proposed Franklin Delano Roosevelt Memorial could be chosen than the one recommended in West Potomac Park. The erection of the memorial in that particular section of the Nation's Capital would be fulfilling the postwar goal and dream of the late President that the temporary buildings erected on the Mall and adjacent parklands, many of them dating back to the First World War, would be removed as soon as possible after the conclusion of World War II. Most of these temporary buildings still remain in this area although the purpose for which they were erected is no longer valid.

"The Committee on House Administration commends the Franklin Delano Roosevelt Memorial Commission for its painstaking efforts which have resulted in recommending that portion of West Potomac Park which lies between Independence Avenue and the inlet bridge as a most proper location for this memorial."

The Advisory Committee to the Roosevelt Memorial Commission has recommended, and House Joint Resolution 115 specified, that the proposed memorial shall harmonize in all respects with the Washington Monument, Jefferson Memorial, and Lincoln Memorial. Chairman of this Advisory Committee is the eminent American architect Pietro Belluschi, who was formerly a resident of my State of Oregon and is now dean of the School of Architecture and Planning of the Massachusetts Institute of Technology. The other members of the committee, who will assist our Commission on conducting the memorial design competition, are similarly distinguished architects and planners.

Finally, the design chosen will be submitted to Congress for approval.

Financing: The $150,000 authorized by the resolution will be used for expenses in the conducting of the design competition and for cash prizes to winners of the competition. If architects had been retained to submit designs for the memorial, the cost would have been approximately the same, if not more.

Erection of the memorial itself is proposed to be financed through private subscription.

Mr. Chairman, these briefly are the cold details of this legislation. There are, however, more than just a few facts involved in the measure which the committee is considering today.

It is not sufficient to say that Franklin Delano Roosevelt served as President of the United States longer than any other man has served or likely will serve in the capacity.

Neither is it sufficient to say that he guided our Nation through 12 of the most difficult years in our history—out of a great economic calamity and through most of the world's worst conflict. Words are not capable of carrying the meaning of Franklin Roosevelt's service to this land.

A monument cannot completely convey this meaning adequately. But it can indicate to future generations some of the depth of the respect and love of a grateful people for a great leader.

Mr. Chairman, the paying of this deserved tribute has been overly delayed. In the 14 years since the Nation mourned the death of Franklin Roosevelt, we have seen many men honored—not unjustifiably—for lesser service. Formation of the Franklin Delano Roosevelt Memorial Commission was authorized by Congress in 1955 for the purpose of proposing a memorial. The Commission has met and submitted three interim reports. We now come to the action phase.

The House has acted unanimously. As the days of the session of Congress wane, I need not stress the necessity for swift approval on the part of the Senate. I urge that this committee give rapid and favorable consideration to House Joint Resolution 115 in order that we may proceed with the overdue honoring of a great American.

Education: The Federal Role

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, August 25, 1959

Mr. HUMPHREY. Mr. President, on Thursday evening, August 20, I had the privilege and honor of addressing the national convention of the American Federation of Teachers, meeting in Minneapolis, Minn.

Because of the attention directed in this address to legislation now pending before the Congress, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD my address, entitled "Education: The Federal Role."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EDUCATION: THE FEDERAL ROLE

(Address by Senator HUBERT H. HUMPHREY before the National Federation of Teachers, Minneapolis, Minn., Aug. 20, 1959)

Ladies and gentlemen, it is a singular privilege to be asked to speak to you tonight.

You know, I always feel at home with teachers. After all, I'm a sort of refugee from a classroom. And in the realm of public affairs, I honestly try to carry on what you begin in the classroom.

I salute you as teachers; I salute you also as an important and articulate part of the American labor movement. It is heartening to find teachers who say, as you do, "our strength is our affiliation with the AFL–CIO." And it is heartening that the teachers in their embattled struggles, from Calumet to New York, have had the support of the labor movement, which for years has been in the forefront of the struggle for public education as an essential requirement for political and economic democracy.

This is more than just a matter of mutual aid among those who work for a living, regardless of the color of their collars. Teachers in their fight for professional standards and for their rights as employees are also fighting the battle of the community for better schools. In this they have earned the support of all of us.

Within the labor movement your union has been a symbol of the importance of education and social progress, and a powerful force against the corrupting influence of those who have betrayed the labor movement from within. Congress will act this year to eliminate corrupt practices without crippling legitimate union activities. In treating the disease of corruption in unions, we do not want to prescribe a treatment that maims the patient in trying to cure the diease.

Many years ago, when I worked in the field of workers' and adult education, I learned to appreciate all the more the crucial importance of public schooling in our democracy. I learned that the decisions of men and women as citizens, as voters, as union members rested in large part on the basic education they received in our schools.

This is true even more today than it was 20 years ago. For all the importance of science and technology in our educational system, in our lives and in our progress and survival as society we will stand or fall by our ability to cultivate human beings and train citizens. In the crucial competition for the preservation and triumph of freedom, we will stand or fall by our quality as a nation of citizens. This is the true meaning of educational systems to which you are devoting your lives. If you succeed, we cannot fail.

The greatest asset of any education system—along with its students—is not the classroom, nor the laboratory, the library nor the playing field. Its greatest asset is its teachers.

And, by the same token, an educational system cannot rise above its teachers. Through them flows the essence which a society imparts to its children.

The perilous world in which we live today forces us to reappraise both the educational structure and the educational tasks of our American society. We know that we are not doing as well as we can.

But to do better, we must understand clearly why we need to do better.

There is of course the direct competitive challenge of the Soviet Union. In fact, the very fact of Premier Khrushchev's forthcoming visit to the United States is a vivid demonstration of what a determined and well-financed educational drive has done to take a backward nation to a position of enormous strength and prestige in the world.

Among those of us most concerned with the massive challenge to our society from the Soviet Union have been our own scientists and engineers. Dr. Edward Teller and Adm. Hyman Rickover have repeatedly warned us that Soviet advances in science and engineering threaten actually to surpass achievements in our country.

It is not merely a question of what we ought to be doing in education. It has come down to a categorical imperative: We must consider education in terms of the life and death struggle among nations.

It should be sufficient to emphasize that we should set higher priorities on education because it is the right thing to do—because education is an indispensable means for enriching the lives of people—for raising the levels of human capabilities and for deepening understanding.

Yes, we are falling behind the efforts of other nations; and, equally important, we are falling behind our own needs, our own potentials. We are falling behind our own ideals.

Our own true needs and purposes, everywhere in the world, are to fulfill the real traditions and promise of America. As we do this, we grow stronger everywhere. As we fail to do this, we grow weaker everywhere.

I do not intend to discuss with you what you ought to teach, or how you ought to teach. These are questions of the greatest public importance, to be determined professionally within your profession. They are not within the scope of Government. The prime responsibility of Government is to marshal effectively the material resources of the Nation so that what ought to be taught can be taught, taught well, and taught to every American—taught to every American up to the highest level of education he can attain.

I have no doubt that, if we can provide the material means, the education system and particularly its teachers can shape the content of education to express our highest intellectual and moral values.

In saying this, I do not imply that the quantity of education can take the place of quality. But quantity is everywhere a precondition of quality. When there are not enough classrooms and teachers, when teachers are grossly underpaid, when many students of ability are excluded from the educational process through lack of means, to talk only about quality of education without reckoning its costs and accepting responsibility for meeting those costs would be a fraud.

On the contemporary scene, my friends, our quantitative defaults in education are surcharged with qualitative defaults. When we say, as a nation, that we cannot afford to be better, that it would be "inflationary" to spend more for education, we are not talking sound economics. We are talking nonsense, and worse, downright immorality. We are saying that we value frills and luxuries more than the goods and services most vital in our lives. And when our productive resources of manpower and machines, if fully used, could give us both the essentials and the luxuries, the moral default of idle resources becomes even more apparent.

I know that all of you here are familiar with this default. But evidently, the Nation at large is not, or it would take arms in righteous indignation. And so I trust you will bear with me, while I bring a few facts to the strengthening of your cause.

You all know the dimensions of our classroom shortage in the public schools of the United States.

The number of classrooms built was not much more than those required to accommodate increased enrollments and replace classrooms abandoned as unfit or obsolete. A 200,000-classroom shortage today would be a conservative estimate.

To eliminate this shortage within 5 years, to replace classrooms abandoned and to cover new enrollments of more than 1.2 million students a year, requires about 107,000 new classrooms yearly during the next 5 years. This would require a 5-year construction program of about $4 billion.

The States and localities, despite heroic efforts, have in recent years been able to expend about $2½ billion a year for classroom construction. If, by the greatest efforts, they should average about 3⅓ billion annually over the next 5 years, they could build 82,000 classrooms a year. This would still be about 25,000 short of the minimum need. By 1965 we would still be about 125,000 classrooms short.

If the Murray-Metcalf bill were enacted, and if funds thus made available were apportioned by the State and localities between capital outlays and teachers' salaries in accord with customary patterns, there would be about $900 million available for classrooms each year for the next 4 years. This would just about close the gap.

Second, as to the shortage of public school teachers and the inadequacy of their pay.

In the spring of 1959, the consensus among leading educators was that the shortage of teachers in our public schools was about 140,000. Of this, about 40,000 were needed

to reduce the student-teacher ratio to workable levels. And about 100,000 were to replace teachers with insufficient training.

The task over the next 5 years, if realistically faced, is to recruit about 60,000 teachers a year to meet accumulated and accumulating needs, plus about 70,000 new teachers each year to replace those leaving the public school system. With this level of entrants into the teaching field, provided they are of high standard, it is estimated that the current qualitative shortage might be substantially eliminated 5 years hence.

It has been found impossible to recruit qualified teachers at this rate at prevailing levels of teachers' pay. Average pay in the public schools is now estimated at $4,775; nearly one-fifth of all classroom teachers receive less than $3,500; and only one-fifth receive as much as $5,500. If we want the number and quality of teachers we need, we must be prepared to pay for them.

For the sake of justice, as well as for the sake of recruiting qualified teachers, we need to increase teachers' pay in the public schools over the next 5 years about 50 percent. Such an advance would bring teachers' salaries close to parity without advancing pay in other comparable areas of work.

States and localities cannot carry all of this increased burden, even if they expand their efforts more rapidly in the years ahead than in recent years. The Federal Government, with greater resources of national revenue, must act in the national interest to assert the priority of the Nation's education system. To do this, Federal contributions toward teachers' pay will need to become an established part of the finance base for education.

Enactment of the Murray-Metcalf bill, of which I am a sponsor, would go a long way toward meeting the needs.

As we look to our school system to lay the base of a competent and informed citizenry, so we look to our colleges and universities for the development of our intellectual leadership. And here, too, we are falling short.

The task of education in a democracy is to develop every intellect to the utmost of its capacity. It is a national disgrace that perhaps as many as 150,000 of our most gifted young people are barred from college because they cannot afford the cost.

The Defense Education Act of 1958 only scratches the surface of the need. At the time it was passed, I protested vigorously but in vain against its niggardly terms and grudging conditions. This is why I have proposed my students' aid bill, with appropriations for scholarships rising gradually to $184 million a year by fiscal 1963. I have also proposed tax credits, up to $450 a year for parents paying college tuition and fees.

Federal funds are also needed to assist the expansion of physical plants at colleges and universities, and for related purposes.

My friends, what are the main objections to an expanding educational program along these lines? Especially, what are the objections to the Federal participation which is essential to this expansion?

The first objection is an offspring of the spirit of segregation. My views on this subject are known to you all. I am happy that the AFT has taken a similar view. As a one-time teacher, I share your pride in your firm advocacy of the advancement of school desegregation. I do not see how anyone who is true to the vows of this profession can take any other position. I note, too, that it has cost you the support of some who would otherwise be your adherents. This is something else that you and I have in common.

The second objection is that Federal aid would mean Federal interference in the education process. In fact, by providing Federal grants to the States, which then could use the money for either classroom construction or teacher salaries, we can restore local control. How much control over education does a local school district have when it is bonded to the limit, operating on split shifts in aging, inadequate buildings with underpaid teachers who do not have minimum teaching qualifications? The legislation I have introduced to give Federal aid to States for school construction and teacher salaries expressly prohibits any Federal control. In 1950, as chairman of the Senate School Construction Subcommittee, I sponsored the bill which became law and now provides money for school construction in areas where families in Federal service put too heavy a burden on local school facilities. Since that time Congress has appropriated more than $1.8 billion for construction and operations of schools in such areas. There has never been the slightest hint of Federal control in the administration of this money.

The third objection is that we cannot afford the cost. This merits close attention, because of the fog of cultivated ignorance on this subject.

What is the Federal Government now spending for education? The amount proposed in the President's original budget for fiscal 1960 comes to only $2.68 per year for every man, woman, and child in the United States. It comes to only about six-tenths of 1 percent of the total proposed Federal budget. It comes to less than one-tenth of 1 percent of the estimated total output of goods and services of the United States.

This is indeed a sad commentary upon our scale of national values, as registered by the budget of the Government of all the people.

We are told, however, that there are so many other essentials in the Federal budget that there is room only for a token payment toward our educational needs. This is far from the truth. The truth is that, as we have the needs, so too we have the resources, if we will but use them.

There is no true economy in neglecting the greatest priorities of our national needs, among which education ranks very high. It has not been sound economy, even by the narrower and more traditional economic tests. The same restrictive thinking which has neglected the great priorities has led to policies which have repressed our general rate of economic growth.

The slowdown in the rate of economic growth since the end of the Korean war has meant idleness of men and machines which has cost the country tens of billions of dollars. As a consequence, tax revenues of Federal, State, and local Governments, during the period 1953–58 along, were $30 to $35 billion less than they would have been under conditions of full employment and normal economic growth. With these additional revenues, we could have met the great priorities of our national needs, without budgetary deficits or inflation.

Those of us who have urged policies for economic growth for the past 3 or 4 years have been scoffed at, laughed at, and chastised from the highest official places. Now I am glad to see that we have made some converts in those same places. The Cabinet Committee on Price Stability for Economic Growth, under the chairmanship of the Vice President, which at the end of June was sounding the alarums of inflation, now, less than 2 months later, has discovered that the "inflation" has been brought under control after all and solemnly proclaims the importance of economic growth. Now that we have converted them, I hope they succeed in converting those who make the budget and the economic policies of the Government.

We should know, by now, that we cannot protect the Federal budget by neglecting the needs of the Nation.

So, where should we go from here—and how?

Where would the money come from to do this job?

There are those who say that we should cut back on nonessentials, at at least on luxuries, in order to get the things we need most. If this were necessary, I would favor it.

There are those who say that we should raise tax rates or impose new taxes to support these essential programs. If this were necessary, I would favor it.

I would vote for either of these if that was the only way to get the schools and other things we need so greatly. But this approach seems to me to neglect the productive power—the new technology—which is the hallmark of America.

We cannot afford, in the space age, to divide scarcity. We need instead to plan to share abundance. Our needs are not for one kind of public service, but for many. Our needs are for more public services, as well as for more private economic progress.

What makes democracy stronger than totalitarianism is not superior power to suppress one kind of progress in order to attain another. Our greater inherent strength, the great strength of democracy, is in the ability of free people to plan and use their free system, to sustain their values and serve their needs more fully than the totalitarians. We do not seek to excel them in the taxes which the state, in one form or another, imposes. We can excel them in the energies which we voluntarily release and put to use in the service of all men.

But this voluntary release of our energies requires purposefulness and planning. It requires a concert of action at all levels, private and public, local, State, and Federal.

If we attain this concert, we can activate and maintain the 5-percent average annual growth rate urged by the Rockefeller report and other competent studies. This growth rate would yield us, for the period 1958–64 as a whole, about $400 billion more of national output than would result from the low average annual growth rate of less than 2½ percent from 1953 through 1957.

It would yield about $70 billion in Federal, State, and local revenues, at existing tax rates. In Federal revenues alone, the yield would be more than $50 billion.

On this basis, we could not only do the education job; we could also enlarge social security, improve health services, clear slums and redevelop urban areas, expand national security efforts, and participate in international economic cooperation on a worthy scale—and without inflation.

A Federal budget geared to these tasks, in a fully expanding economy, while it would increase in dollars, would steadily shrink in relation to the total economy. The budget would thus become less burdensome, easier to balance, and less inflationary.

We have the resources to meet our needs—and then some. The only question is whether we use them or let them languish. The only question is whether we can expand our thought, expand our action, expand our concept of private and public responsibility, to the challenge of the times.

We live not only in the space age of missiles, but also in the space age of economic and technical capabilities. We must lift our vigor and our courage to space-age proportions.

As we do so, our goal is not to outstrip another country or another society. Our goal is to realize, fully and freely, the best of ourselves.

Our aim is not to outstrip an adversary. It is to show the world what a free society is capable of, not only in material things but in the riches of mind and spirit which have been the greatness of democracy.

Our task is to make ourselves strong, not to fight a war but to prevent one—not to flaunt our strength, but to show that the strong can be also wise and patient and firm and persistent in the pursuit of peace.

Address by Hon. August E. Johansen

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 25, 1959

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Congressman AUGUST E. JOHANSEN, of Michigan, to the 93d annual banquet, State Camp of Pennsylvania, Patriotic Order Sons of America, at the Abraham Lincoln Hotel, Reading, Pa., Monday evening, August 24, 1959:

THE WAR WE ARE WAGING

Mr. Toastmaster, members of the State Camp of Pennsylvania, Patriotic Order Sons of America, distinguished guests, ladies and gentlemen, I am greatly honored by the invitation to address your 93d annual banquet, in this 112th year of the Nation's oldest patriotic society of native Americans. I doubly appreciate your invitation because I have been advised that it was extended on the suggestion of two gentlemen whom I regard very highly.

One of these gentlemen is a most distinguished Pennsylvanian, a great American, and one of this Republican's very favorite Democrats, the Honorable FRANCIS E. WALTER, chairman of the House Committee on Un-American Activities, on which I am presently privileged to serve.

The other is the brilliant, enormously hard-working and completely dedicated staff director of that committee, Mr. Richard Arens.

The fact that both of these gentlemen are members of the Patriotic Order Sons of America is a tribute alike to them and to the order.

I hope you will pardon one further personal reference. I am happy to report that I have a relationship to the great State of Pennsylvania which I believe can be regarded as advantageous both to me and to the Keystone State.

The obvious advantage which I can claim is that I am a native of Pennsylvania. The advantage which the State can claim is that I was removed therefrom early in my first year of life, thereby absolving Pennsylvania of any responsibility for subsequent developments in my career—political or otherwise.

Mr. Toastmaster, since the subject of my address "The War We Are Waging," has to do with the international Communist conspiracy, and with the resistance of America and Americans to that conspiracy, my remarks would scarcely be realistic or timely if they ignored a major development which has occurred since I accepted your invitation.

I refer, of course, to the August 3 announcement of the impending visit of Premier Khrushchev to the United States and the scheduled return visit of the President of the United States to Soviet Russia.

In broaching this matter I am mindful of two admonitions. I recall the words of Ecclesiastes, or "The Preacher" that there is "a time to keep silence, and a time to speak." Perhaps the order in which the two alternatives are listed is itself a broad hint as to the proper priorities. Nevertheless, Ecclesiastes did make it clear that there is "a time to speak."

Furthermore, I also recall the admonition and warning of Abraham Lincoln that "to keep silent when one has the duty to speak out is a sin."

I would not knowingly be guilty of irresponsible or inflammatory speech, particularly in a matter as grave as this. But I believe that there are circumstances in which silence likewise can be irresponsible. I further believe that public silence, if widely and generally imposed or acquiesced in, either as a matter of supposed expediency, or because of moral indifference, or a "father knows best" state of mind, or an atmosphere of blackmail threats, could go far toward snuffing out and suffocating the priceless flame of freedom and honest dissent.

Therefore, I have chosen to speak my judgment and my conscience on this matter again tonight, as I have already done on earlier occasions.

Let me sum up my views on the subject under three main points:

1. I believe the Khrushchev invitation was a grievous mistake. It is a step which I regret and deplore. Having said that, and except as this opinion has a bearing on my views of how we may deal most wisely, firmly, and effectively with the situation we now face. I see no useful purpose in belaboring that point. Let me say only this, that in my judgment Mr. Khrushchev himself had provided, long before the invitation was extended, the most convincing and compelling reason why such an invitation ought not to have been forthcoming.

In the same breath with his warning in 1956 that "we will bury you," Mr. Khrushchev also said, "If you don't like us, don't accept our invitations and don't invite us to come to see you." I have no doubt that the fact that the invitation to Mr. Khrushchev was extended in the face of this very blunt statement will be exploited to the utmost by Khrushchev and the leaders of international communism, in their propaganda efforts to equate the invitation, and all "courtesies" ensuing therefrom, with American approval—of communism, Soviet rule, Communist interpretations of "peace" as noninterference with nibbling subversion, and approval of the unsavory Mr. Khrushchev himself.

2. There is, as the old adage points out, no use crying over spilt milk. But it is immensely important in this business that we avoid spilling any more milk. I address that comment alike to the leadership of the Nation, to the over-cautious "let's don't do anything that will rock the boat" segment of the public and the public-opinion molders, and to those who are sincerely outraged by the invitation to, and the pending visit of, Mr. Khrushchev.

So far as the national leadership is concerned—including the State Department and some of the cooperative columnists and commentators who obligingly echo its views—I see a grave danger of overzealous efforts to "shush" expressions of disapproval of Mr. Khrushchev, and what he stands for, prior to and during his visit.

Certainly there must be every possible safeguard against violence or threat of violence. That is not only proper, but it is a major obligation of the Government and the American people. But any propaganda effort to regiment, overawe, or frighten the American people into silence is, both from the standpoint of principle and of the practicalities, a grievous blunder.

As an example of what I am talking about I refer to last Saturday's Drew Pearson column. Mr. Pearson claims that the State Department is worried that if there is "too much criticism" of Mr. Khrushchev's projected visit "he might do what he did regarding his proposed visit to Scandinavia." And then Mr. Pearson added—whether he was speaking for the State Department or Pearson probably isn't too important—"Cancellation of the Khrushchev trip to the United States after all the advance buildup would lead to seriously strained relations between the United States and Russia."

I seriously question the accuracy of that conclusion. I believe the statement falls into the same category as most of the arguments for a "peace at any price" approach to Soviet Russia. I believe Mr. Khrushchev will see to it that Soviet-American relations become "seriously strained" or somewhat thawed whenever he thinks either state of affairs will serve his purposes.

Be that as it may, I believe we are here treading on very dangerous ground for quite a different reason. I believe the line of argument advanced by Mr. Pearson, or the State Department, or whoever it is, involves the possibility of "seriously strained relations" between the American people and their Bill of Rights.

I see no significant difference between a blackout on American criticism of international communism, or of Mr. Khrushchev, or of Mr. Khrushchev's visit, on the grounds that such criticism might displease Mr. Khrushchev, and a blackout on such American criticism as a direct result of a demand or decree from Mr. Khrushchev. Furthermore, I don't believe Mr. Khrushchev himself would see very much difference, either.

Somewhere along the line we had better recognize the fiendish skill of Communist blackmail techniques and make it clear to all concerned that submission to such blackmail is too high a price even for a vague hope that world tensions will be relaxed.

If we are going to have anything really important to show Mr. Khrushchev, now that he apparently is coming over here, it is this: Evidence that we understand Communist methods and goals; that we are united as a free people—notwithstanding all of the diversities of free people—in our opposition to both the methods and goals of communism; and, most important of all, that we have a vigor of will and purpose adequate to meet and survive their challenge.

I suspect it is going to take more than the amiability and protocol of a sightseeing tour provided by our leaders, and more than tongue-tied politeness on the part of our people, to accomplish an effective and convincing showing on this score.

3. It is an American tradition and, in the final analysis a practical necessity, that only one voice can speak authoritatively for the Nation in foreign affairs. That is the voice of the President of the United States. That voice is truest, most effective, most powerful when it is evident to all the world—and particularly to those who represent peril to our country—that it speaks the sentiments and will of the overwhelming majority of the American people.

The record is clear that international communism in this present crisis seeks to drive a wedge between the people and their leadership, that it seeks to go over the head of the President of the United States to invoke what the Communist worker calls "public opinion for peace (and) peaceful coexistence * * * the most powerful political force in the world."

Even as international communism adopts this tactic—of which Mr. Khrushchev's visit is a major item—it does not hesitate to denounce the Nation's leadership, and the leaders of capitalism, as "merchants of death" and enemies of peace. That tactic must not be permitted to work.

Neither can those—and I am one—who have questioned the wisdom of the Khrushchev visit permit a difference of judgment on this matter to stand in the way of earnest hopes and prayers and earnest efforts to encourage and support firmness, courage and clarity in the words that the President of the United States will soon be speaking to our friends abroad, to the peoples of captive nations, to Mr. Khrushchev and the leaders of world communism, to the people of Soviet Russia, and I trust to the American people themselves.

A long time ago it was written: "If the trumpet give an uncertain sound, who shall prepare himself to the battle?"

May the President of the United States speak clearly and faithfully for the people of the United States in the days just ahead. At the risk of seeming presumptuousness, I hope that the President will, with discretion but great firmness and faultless timing, say something like this to all concerned:

"Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. We must not participate in any such false agreement. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history, we would have sold out our freedom of men for the pottage of a false peace."

At the risk of seeming presumptuousness, I voice the hope that the President will courageously speak, both privately and publicly, for "an observance of human rights and an end to subversion organized on a worldwide scale."

At the risk of seeming presumptuousness, I venture the hope that the President will bring a firm and bold reminder to Mr. Khrushchev that "the American people feel strongly that certain peoples of eastern Europe, many with a long and proud record of national existence, have not yet been given the benefit of (the) United Nations wartime declaration (of the right of peoples to choose the form of government under which they will live)."

At the risk of seeming presumptuousness, I venture the hope that the President will impress the fact—as his best judgment dictates with respect to time and place—that (for 42 years) "the activities of international communism have disturbed relations between other nations and the Soviet Union" (by seeking) "throughout the world to subvert lawful governments and to subject nations to an alien domination (thereby adding) to distrust and therefore to international tension."

At the risk of seeming presumptuousness, I venture the hope that the President will not forbear to say to Mr. Khrushchev—in the complete candor of private conference if not in the glare of public discussion—that "in the aftermath of (the subjugation of Hungary by naked armed force) world respect for and belief in Soviet promises (sank) to a new low."

At the risk of seeming presumptuousness, I venture the hope that the President of the United States will emphasize, as earnestly as words can do, that "the Soviet Union has nothing whatsoever to fear from the United States * * * anywhere * * * in the world, so long as its rulers do not themselves first resort to aggression," but that "open measures of armed attack * * * would start a chain of circumstances which would almost surely involve the United States in great military action."

And because you may indeed by now think me unpardonably presumptuous in seeming to put words in the President's mouth let me say that every statement with regard to which I have expressed a hope is a statement which the present President of the United States has heretofore made, and in every instance made publicly, and in some instances made in the presence of Mr. Khrushchev himself.

We, the people, are not of little faith, Mr. President, with respect either to your leadership, or ourselves, or our cause. But we know the value of emphasis by repetition. We need to hear our own will and voice speaking through your voice.

We need, and we need urgently, the unifying and clarifying trumpet call of words telling us, telling Mr. Khrushchev, and telling the world once again that peace can be established "only if we stand uncompromisingly for principles." In the face of the smiles of communism, we need to discipline our own eager friendliness, our sometimes impulsive good will, and even our deep desire for peace.

We need to remind ourselves, to be reminded yet again by our leadership, and to remind those who appear to proffer the hand of friendship, that the smiles of communism are belied today in the captive nations, belied in Tibet, belied in Latin America, belied in Laos, belied in Berlin, and belied by Communist activities within our own country.

We need to recall the words of Lenin that "as long as capitalism and socialism exist, we cannot live in peace; in the end, one or the other will triumph, a funeral dirge will be sung either over the Soviet Republic or over world capitalism."

We need to recall, even as he visits us with a display of amiability, that Mr. Khrushchev himself has said: "If anyone thinks that our smiles mean the abandonment of the teachings of Marx, Engles, and Lenin, he is deceiving himself cruelly. Those who expect this to happen might just as well wait for a shrimp to learn how to whistle."

We need to recall the boast of Dmitri Manuilski, onetime head of the Soviet delegation to the United Nations, spoken in the early 1930's:

"War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 to 30 years. To win we will need the element of surprise. The bourgeoisie will have to be put to sleep.

"So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clinched fists."

And, finally, as a footnote to all this—and as a reminder that an early President of the United States enunciated the Monroe Doctrine—I point out the statement made last week by Gen. C. P. Cabell, Deputy Director of Central Intelligence, to the National Security Commission of the American Legion. I quote:

"The Communist Party of the Soviet Union also gives specific direction on what Latin American Communist Party action should be. For example, the Communist Party of Cuba, called the Popular Socialist Party, has been given guidance on how to penetrate and exploit the government of Fidel Castro. Primary targets for Communist penetration in Cuba are the agrarian reforms, trade unions, and the Army. These targets of the Communist Party of the Soviet Union are so important that back in May of this year they sent under alias to Cuba a Soviet intelligence officer, Vadim Kotchergin, as a member of a Soviet trade union delegation. His assignment was to give guidance to Cuban Communists. Kotchergin has since returned to Moscow."

To my fellow Americans, who offer the sincere but superficial comment that "talking is better than shooting," I offer the double observation: First, that there seems to be quite a little shooting going on today and, second, that no one knows better than the Communists that talk can be as deadly and fatal as bullets.

And, to my equally sincere and superficial fellow citizens who shudder at the prospect of "stalemate," I point out that the Communists themselves with their fondness for the word "nyet" seem much less apprehensive of a stalemate. And, I further point out that an equally firm American "no" holds no graver peril for us and, indeed, is infinitely safer than continued concessions and piecemeal surrender through appeasement.

We know from the record, Mr. President, and there is, I am sure, no occasion to remind you of the fact that "firmness in the right as God gives us to see the right," has been rewarded not once but many times in this administration by lessened pressures and tensions and by receding threats of armed force.

We have the faith that it will continue to be so and that in such firmness—rather than in the undisciplined longing for peace and eagerness to be friends on which the Communist leaders place their openly declared expectations of ultimate triumph—lies the surest and, indeed, the only hope for peace with justice and for the survival of free men and nations.

Text of the Two Public Laws of the United States of America Governing Rules and Customs Pertaining to the Display and Use of the Flag of the United States of America—Also Correct Flag Courtesy Suggestions Issued by Veterans of Foreign Wars (VFW) as Handy Reference for Pocket Use

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 25, 1959

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I am pleased to present the full text of the two statutory provisions of Congress governing the display and use of the flag of the United States of America.

On account of the coming into the Union of the United States of America of the two newest States, to-wit, the State of Alaska and the State of Hawaii, and the resulting addition of two stars to the flag of the United States of America, making a total of 50 stars therein, it appears very pertinent, appropriate, informative, and guiding to all concerned that these two public laws, to-wit, 829 of the 77th Congress and 107 of the 83d Congress, be now made available to yourself and all the Members of this great legislative body. No doubt they, as the case with myself, are receiving many inquiries in the premises.

Furthermore, the Veterans of Foreign Wars of the United States have appropriately published a very neat vest pocket size card entitled "Correct Flag Courtesy." And so, I am pleased to accompany the text of this card with this extension.

The above-mentioned matters follow:

CORRECT FLAG COURTESY

This is a reminder of how to properly pay tribute to the American flag. It has been specifically designed by the VFW as a handy reference that you can carry in your pocket at all times.

During the ceremony of hoisting or lowering the flag, or when the flag is passing in a parade or a review, all persons should face the flag, stand at attention, and salute.

Those present in uniform should render the right hand salute.

Men not in uniform, should remove their headdress with the right hand and hold it at the left shoulder, the right hand being over the heart.

Men without hats should salute in the same manner.

Women should place the right hand over the heart.

The salute to the flag in a moving column should be rendered at the moment the flag passes.

When the national anthem is played and the flag is not displayed, all present should stand and face toward the music.

Those in unform should salute at the first note of the anthem, retaining this position until the last note.

All others should stand at attention, men removing their headdress.

When the flag is displayed, all present should face the flag and salute.

HOUSE JOINT RESOLUTION 359

Joint resolution to amend Public Law Numbered 623, approved June 22, 1942, entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law Numbered 623, approved June 22, 1942, entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America", be, and the same is hereby amended to read as follows:

"That the following codification of existing rules and customs pertaining to the display and use of the flag of the United States of America be, and it is hereby, established for the use of such civilians or civilian groups or organizations as may not be required to conform with regulations promulgated by one or more executive departments of the Government of the United States.

"SEC. 2. (a) It is the universal custom to display the flag only from sunrise to sunset on buildings and on stationary flagstaffs in the open. However, the flag may be displayed at night upon special occasions when it is desired to produce a patriotic effect.

"(b) The flag should be hoisted briskly and lowered ceremoniously.

"(c) The flag should not be displayed on days when the weather is inclement.

"(d) The flag should be displayed on all days when the weather permits, especially on New Year's Day, January 1: Inauguration Day, January 20; Lincoln's Birthday, February 12; Washington's Birthday, February 22; Army Day, April 6; Easter Sunday (variable); Mother's Day, second Sunday in May; Memorial Day (half staff until noon), May 30; Flag Day, June 14; Independence Day, July 4; Labor Day, first Monday in September; Constitution Day, September 17; Columbus Day, October 12; Navy Day, October 27; Armistice Day, November 11; Thanksgiving Day, fourth Thursday in November; Christmas Day, December 25; such other days as may be proclaimed by the President of the United States; the birthdays of States (dates of admission); and on State holidays.

"(e) The flag should be displayed daily, weather permitting, on or near the main administration building of every public institution.

"(f) The flag should be displayed in or near every polling place on election days.

"(g) The flag should be displayed during school days in or near every schoolhouse.

"SEC. 3. That the flag, when carried in a procession with another flag or flags, should be either on the marching right; that is, the flag's own right, or, if there is a line of other flags, in front of the center of that line.

"(a) The flag should not be displayed on a float in a parade except from a staff, or as provided in subsection (i).

"(b) The flag should not be draped over the hood, top, sides, or back of a vehicle or of a railroad train or a boat. When the flag is displayed on a motorcar, the staff shall be fixed firmly to the chassis or clamped to the radiator cap.

"(c) No other flag or pennant should be placed above or, if on the same level, to the right of the flag of the United States of America, except during church services conducted by naval chaplains at sea, when the church pennant may be flown above the flag during church services for the personnel of the Navy.

"(d) The flag of the United States of America, when it is displayed with another flag against a wall from crossed staffs, should be on the right, the flag's own right, and its staff should be in front of the staff of the other flag.

"(e) The flag of the United States of America should be at the center and at the highest point of the group when a number of flags of States or localities or pennants of societies are grouped and displayed from staffs.

"(f) When flags of States, cities, or localities, or pennants of societies are flown on the same halyard with the flag of the United States, the latter should always be at the peak. When the flags are flown from adjacent staffs, the flag of the United States should be hoisted first and lowered last. No such flag or pennant may be placed above the flag of the United States or to the right of the flag of the United States.

"(g) When flags of two or more nations are displayed, they are to be flown from separate staffs of the same height. The flags should be of approximately equal size. International usage forbids the display of the flag of one nation above that of another nation in time of peace.

"(h) When the flag of the United States is displayed from a staff projecting horizontally or at an angle from the window sill, balcony, or front of a building, the union of the flag should be placed at the peak of the staff unless the flag is at half staff. When the flag is suspended over a sidewalk from a rope extending from a house to a pole at the edge of the sidewalk, the flag should be hoisted out, union first, from the building.

"(i) When the flag is displayed otherwise than by being flown from a staff, it should be displayed flat, whether indoors or out, or so suspended that its folds fall as free as though the flag were staffed.

"(j) When the flag is displayed over the middle of the street, it should be suspended vertically with the union to the north in an east and west street or to the east in a north and south street.

"(k) When used on a speaker's platform, the flag, if displayed flat, should be displayed above and behind the speaker. When displayed from a staff in a church or public auditorium, if it is displayed in the chancel of a church, or on the speaker's platform in a public auditorium, the flag should occupy the position of honor and be placed at the clergyman's or speaker's right as he faces the congregation or audience. Any other flag so displayed in the chancel or on the platform should be placed at the clergyman's or speaker's left as he faces the congregation or audience. But when the flag is displayed from a staff in a church or public auditorium elsewhere than in the chancel or on the platform, it shall be placed in the position of honor at the right of the congregation or audience as they face the chancel or platform. Any other flag so displayed should be placed on the left of the congregation or audience as they face the chancel or platform.

"(l) The flag should form a distinctive feature of the ceremony of unveiling a statue or monument, but it should never be used as the covering for the statue or monument.

"(m) The flag, when flown at half staff, should be first hoisted to the peak for an instant and then lowered to the half-staff position. The flag should be again raised to the peak before it is lowered for the day. By "half staff" is meant lowering the flag to one-half the distance between the top and bottom of the staff. Crepe streamers may be affixed to spear heads or flagstaffs in a parade only by order of the President of the United States.

"(n) When the flag is used to cover a casket, it should be so placed that the union is at the head and over the left shoulder. The flag should not be lowered into the grave or allowed to touch the ground.

"SEC. 4. That no disrepect should be shown to the flag of the United States of America; the flag should not be dipped to any person or thing. Regimental colors, State flags, and organization or institutional flags are to be dipped as a mark of honor.

"(a) The flag should never be displayed with the union down save as a signal of dire distress.

"(b) The flag should never touch anything beneath it, such as the ground, the floor, water, or merchandise.

"(c) The flag should never be carried flat or horizontally, but always aloft and free.

"(d) The flag should never be used as drapery of any sort whatsoever, never festooned, drawn back, nor up, in folds, but always allowed to fall free. Bunting of blue, white, and red, always arranged with the blue above, the white in the middle, and the red below, should be used for covering a speaker's desk, draping the front of a platform, and for decoration in general.

"(e) The flag should never be fastened, displayed, used, or stored in such a manner as will permit it to be easily torn, soiled, or damaged in any way.

(f) The flag should never be used as a covering for a ceiling.

"(g) The flag should never have placed upon it, nor on any part of it, nor attached to it any mark, insignia, letter, word, figure, design, picture, or drawing of any nature.

"(h) The flag should never be used as a receptacle for receiving, holding, carrying, or delivering anything.

"(i) The flag should never be used for advertising purposes in any manner whatsoever. It should not be embroidered on such articles as cushions or handkerchiefs and the like, printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard; or used as any portion of a costume or athletic uniform. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.

"(j) The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning.

"SEC. 5. That during the ceremony of hoisting or lowering the flag, or when the flag is passing in a parade or in a review, all persons present should face the flag, stand at attention, and salute. Those present in uniform should render the military salute. When not in uniform, men should remove the headdress with the right hand, holding it at the left shoulder, the hand being over the heart. Men without hats should salute in the same manner. Aliens should stand at attention. Women should salute by placing the right hand over the heart. The salute to the flag in the moving column should be rendered at the moment the flag passes.

"SEC. 6. That, when the national anthem is played and the flag is not displayed, all present should stand and face toward the music.

Those in uniform should salute at the first note of the anthem, retaining this position until the last note. All others should stand at attention, men removing the headdress. When the flag is displayed, all present should face the flag and salute.

"SEC. 7. That the pledge of allegiance to the flag, 'I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation indivisible, with liberty and justice for all,' be rendered by standing with the right hand over the heart. However, civilians will always show full respect to the flag when the pledge is given by merely standing at attention, men removing the headdress. Persons in uniform shall render the military salute.

"SEC. 8. Any rule or custom pertaining to the display of the flag of the United States of America, set forth herein, may be altered, modified, or repealed, or additional rules with respect thereto may be prescribed, by the Commander in Chief of the Army and Navy of the United States, whenever he deems it to be appropriate or desirable; and any such alteration or additional rule shall be set forth in a proclamation."

Approved, December 22, 1942.

S. 694

An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(c) of the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America", approved June 22, 1942, as amended (36 U.S.C., sec. 175 (c)), is amended by adding at the end thereof the following new sentence:

"No person shall display the flag of the United Nations or any other national or international flag equal, above, or in a position of superior prominence or honor to, or in place of, the flag of the United States at any place within the United States or any Territory or possession thereof: *Provided,* That nothing in this section shall make unlawful the continuance of the practice heretofore followed of displaying the flag of the United Nations in a position of superior prominence or honor, and other national flags in positions of equal prominence or honor, with that of the flag of the United States at the headquarters of the United Nations."

Approved July 9, 1953.

SENATE

WEDNESDAY, AUGUST 26, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting, each new day's dawning brings to us the wondrous thought that we are with Thee. The long travail of the ages makes clear that where there is no vision, the people perish, as idealism goes down before the brute facts of force and chaos.

Grant unto us, we pray, as individuals and as a nation, a sense of honor so strong that in a supreme test we resolve to dare all and, if need be, to die, rather than to bow down before false gods.

We beseech Thee that Thou wilt pour upon Thy servant, our President, a double portion of Thy sustaining grace and the spirit of discernment and understanding, as this very hour he wings his way over the Continent where in a great crusade he led to victory the forces of freedom.

In the present crisis, as he counsels with the allies, who stand with us for justice and human dignity and a peace with healing in its wings, may that unity of purpose be strengthened and ever prove a phalanx which no forces of tyranny can sever.

Desiring for ourselves nothing that we do not ardently desire for the whole world, with charity for all who are imbued with good will—

So may the shadows fall apart,
And so the west wind play
As all the windows of our heart
We open to the day.

We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 25, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 25, 1959, the President had approved and signed the following acts and joint resolution:

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.;

S. 2210. An act to provide for the disposition of the Philadelphia Army Base, Philadelphia, Pa.; and

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 135. An act to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries;

H.R. 2236. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 6155. An act to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951;

H.R. 6249. An act to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 6777. An act to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals);

H.R. 7242. An act to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes;

H.R. 7979. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.; and

H.R. 8725. An act to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred as indicated:

H.R. 135. An act to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries;

H.R. 6155. An act to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951;

H.R. 6777. An act to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); and

H.R. 8725. An act to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes; to the Committee on Finance.

H.R. 2236. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 7242. An act to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes; and

H.R. 7979. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.; to the Committee on the Judiciary.

H.R. 6249. An act to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; placed on the Calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Passport Reorganization of the Committee on Government Operations.

The Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that the Senate turn to the consideration of the Executive Calendar.

The PRESIDING OFFICER (Mr. FONG in the chair). Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Philip A. Ray, of California, to be Under Secretary of Commerce;

Clyde E. Herring, of Iowa, to be an Interstate Commerce Commissioner;

Howard G. Freas, of California, to be an Interstate Commerce Commissioner; and

Abe McGregor Goff, of Idaho, to be an Interstate Commerce Commissioner.

EXECUTIVE REPORTS OF POSTMASTER NOMINATIONS AND HANDLING OF EXECUTIVE NOMINATIONS BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina. Mr. President, I yielded the floor to allow the Senator from New York [Mr. JAVITS] to begin his discourse at a quarter to 2. At that time I was about to submit the nominations of 191 postmasters, which I now report favorably to the Senate.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. JOHNSTON of South Carolina. I also invite the attention of the Senate to the fact that up until the beginning of this year the President had submitted 7,356 nominations to the Senate. The Senate confirmed 6,908. Only 348 nominations were not confirmed during this 6-year period. The President this year has submitted 1,476 nominations. Of these 801 have now been reported to the Senate.

This is in marked contrast to the record of the Republican controlled 80th Congress with a Democrat President when during 1948, of 1,373 nominations submitted by President Truman, the Senate confirmed only 523.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of J. Walter Yeagley, of Indiana, to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. ATTORNEY

The Chief Clerk read the nomination of Lynn J. Gillard, of California, to be a U.S. attorney for the northern district of California for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles D. Read, Jr., of Georgia, to be a U.S. attorney for the northern district of Georgia for the term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William B. Jones, of Kentucky, to be a U.S. attorney for the western district of Kentucky for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Russell E. Ake, of Ohio, to be a U.S. attorney for the northern district of Ohio for the term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARSHAL

The Chief Clerk read the nomination of John H. Phillips, of Mississippi, to be a U.S. marshal for the northern district of Mississippi for the term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

BOARD OF PAROLE

The Chief Clerk read the nomination of Lewis J. Grout, of Kansas, to be a member of the Board of Parole for the term expiring September 30, 1965.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Gerald E. Murch, of Maine, to be a member of the Board of Parole for the term expiring September 30, 1965.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SUBVERSIVE ACTIVITIES CONTROL BOARD

The Chief Clerk read the nomination of James R. Duncan, of Virginia, to be a member of the Subversive Activities Control Board for a term of 5 years, expiring August 9, 1964.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Walter C. Dowling, of Georgia, to be an Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Eric H. Hager, of Connecticut, to be a legal adviser of the Department of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERNATIONAL MONETARY FUND

The Chief Clerk read the nomination of Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEVELOPMENT LOAN FUND

The Chief Clerk read the nomination of Vance Brand, of Ohio, to be Managing Director of the Development Loan Fund.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H.R. 6733. An act for the relief of Paul & Beekman, Inc., and others (Rept. No. 815).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.J. Res. 281. Joint resolution authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific festival, and for other purposes (Rept. No. 816); and

S. Res. 169. Resolution concerning the desirability of holding an international exposition in the United States (Rept. No. 817).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H.R. 8464. An act to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park (Rept. No. 821); and

H.R. 8593. An act to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis (Rept. No. 822).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 234. Concurrent resolution authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs";

H. Con. Res. 378. Concurrent resolution authorizing the printing of the 16th Report of the Commission of Fine Arts as a House document;

S. Res. 170. Resolution to increase the amount of funds for the Committee on the Judiciary (Rept. No. 818);

S. Res. 171. Resolution printing as a Senate document a "Letter to the President of the United States From the President's Committee To Study the U.S. Military Assistance Program and the Committee's Final Report";

S. Res. 175. Resolution to print additional copies of Senate report on "The Status of World Health";

S. Res. 176. Resolution providing additional funds for the investigation of health and medical research facilities (Rept. No. 819);

S. Res. 177. Resolution providing additional funds for the Select Committee on Small Business (Rept. No. 820);

S. Res. 178. Resolution authorizing the printing of the report entitled "Facility Needs: Soil and Water Conservation Research" as a Senate document; and

S. Res. 179. Resolution to print for the use of the Committee on Government Operations additional copies of Senate Report No. 807, entitled "Federal Disaster Relief Manual."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 2599. A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2600. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Finance.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself, Mr. MONRONEY, and Mr. MURRAY):

S. 2601. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

S. 2602. A bill to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the product of the soil; to the Committee on Labor and Public Welfare.

By Mr. WILLIAMS of New Jersey:

S. 2603. A bill for the relief of Ante Svoronic; to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO ELECTION OF CERTAIN SMALL BUSINESS CORPORATIONS AS TO TAXABLE STATUS

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a new version of Senate bill 2477, relating to small business corporations.

The new bill drops certain provisions of the previous bill, and I ask unanimous consent that the bill be printed in the RECORD, together with an explanation of it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and explanation will be printed in the RECORD.

The bill (S. 2600) to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status, introduced by Mr. ANDERSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Stock owned by husband and wife.

Section 1371 of the Internal Revenue Code of 1954 (relating to definitions applicable to certain small business corporations) is amended by adding at the end thereof the following new subsection:

"(c) Stock Owned by Husband and Wife.—For purposes of subsection (a)(1) stock which—

"(1) is community property of a husband and wife (or the income from which is community income) under the applicable community property law of a State, or

"(2) is held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common,

shall be treated as owned by one shareholder."

SEC. 2. Net operating loss in case of deceased shareholders.

Section 1374(b) of the Internal Revenue Code of 1954 (relating to allowances of net operating loss to shareholders) is amended by inserting after "the taxable year of the corporation ends" the following: "(or for the final taxable year of a shareholder who dies before the end of the corporation's taxable year)".

SEC. 3. Definition of "includible corporation."

Section 1504(b) of the Internal Revenue Code of 1954 (relating to definition of includible corporation) is amended by striking out paragraph (8) thereof.

SEC. 4. Effective dates

(a) The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1957.

(b) The amendments made by sections 2 and 3 of this Act shall take effect on the day after the date of the enactment of this Act.

The explanatory statement presented by Mr. ANDERSON is as follows:

EXPLANATION OF THE BILL

SECTION 1

Under section 1371(a) of existing law, a small business corporation may not have more than 10 shareholders. It is clear from the manner in which the word "shareholder" is used throughout subchapter S that each person having a community or common interest in stock must be counted as a shareholder. This rule unduly limits the permissible number of shareholders where the stock is held by a husband and wife as community property, as tenants by the entirety, or in other forms of joint ownership. In such cases, generally only one of the spouses is the real owner of the stock for practical purposes, yet the other spouse must now be counted as a shareholder.

Section 1 of the bill would remedy this situation by providing that, in determining the number of shareholders of a corporation, the husband and wife owning stock jointly or as community property shall be counted as only one shareholder. For all other purposes of subchapter S, including the requirement that all shareholders consent to the election, each spouse would continue to be considered as a shareholder.

Section 1 would become effective as of the day after the date of enactment of the bill.

SECTION 2

Section 1374 of present law allows the shareholders of an electing small business corporation to deduct their pro rata share of the corporation's net operating loss. However, a shareholder who dies before the end of the corporation's taxable year is deprived of his share of the net operating loss which occurs in the corporation's taxable year in which he dies. This inequity results from the fact that the statute requires the deduction to be taken for the shareholder's "taxable year in which or with which the taxable year of the corporation ends." In the case of death, this condition cannot be met. This result was never intended and section 3 of the bill prospectively would eliminate this defect.

SECTION 3

Under section 1371, a small business corporation is defined as a corporation which, among other things, is not a member of an

affiliated group. Standing alone, this requirement would prevent an electing small business corporation from having an 80 percent-owned subsidiary. This rule is intended to preclude the accumulation of corporate earnings in a subsidiary and thus avoid the taxation of those earnings to the shareholders of the subchapter S corporation. However, paragraph 8 of section 1504(b), which was added to the code apparently in order to insure this result, has the opposite effect by permitting the acquisition of a subsidiary by a subchapter S corporation after the election has been made. This apparent drafting error would be corrected by section 6 of the bill which would eliminate paragraph 8 from section 1504(b). This amendment would be effective as of the day after the date of enactment.

STUDY OF EFFECT OF INCREASING DIVERSION OF WATER FROM LAKE MICHIGAN INTO ILLINOIS WATERWAY—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, which were ordered to lie on the table and to be printed.

CONGRESSIONAL ELECTIONS ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 12, 1959, the names of Senators GRUENING, MCCARTHY, PROXMIRE, ENGLE, MCNAMARA, WILLIAMS of New Jersey, DOUGLAS, RANDOLPH, MORSE, CLARK, HENNINGS, CHAVEZ, ALLOTT, and NEUBERGER were added as additional cosponsors of the bill (S. 2535) to establish an agency of the legislative branch of the Federal Government authorized to conduct the elections of Members of the Senate and the House of Representatives, introduced by Mr. HART on August 12, 1959.

POWER OF STATES TO IMPOSE INCOME TAXES ON INCOME DERIVED FROM INTERSTATE COMMERCE—PRINTING OF SENATE BILL 2524

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, be printed as passed by the House of Representatives, to show the Senate bill in roman type and the House amendment in italics.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF HARRY F. STIMPSON, JR., TO BE AMBASSADOR TO PARAGUAY, BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador of the United States of America to Paraguay.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

NOTICE OF HEARING ON NOMINATION OF JAMES DURFEE, TO BE JUDGE OF THE U.S. COURT OF CLAIMS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Wednesday, September 2, 1959, in room 2228, new Senate Office Building, on the nomination of James Durfee, of Wisconsin, to be judge of the U.S. Court of Claims, vice Benjamin H. Littleton, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1436) to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869), disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mrs. PFOST, Mr. RUTHERFORD, Mr. SAYLOR, and Mr. CHENOWETH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. WHITTEN, Mr. CANNON, Mr. JONAS, and Mr. TABER were appointed managers on the part of the House at the conference.

MONTANA MAIDEN IS MISS INDIAN AMERICA

Mr. MANSFIELD. Mr. President, an attractive and charming 19-year-old Blackfeet Indian girl from Browning, Mont., has been chosen as Miss Indian America. She is Delores Marie Racine, who lives with her grandparents, Mr. and Mrs. William Spanish, two very dear friends of mine, at Browning.

Miss Racine was chosen from 73 candidates representing 45 tribes at the All-American Indian Days celebration in Sheridan, Wyo. As winner of the beauty contest she received a 2-year scholarship at Sheridan Junior College. At the present time Delores is in California, where she is to be the guest of Disneyland for 3 weeks.

I take this opportunity to extend my very best wishes and congratulations to Miss Racine. I know she will be a fine credit to all of us as Miss Indian America.

Mr. President, I ask unanimous consent to have a newspaper article from issues of the Great Falls Tribune, Billings Gazette, and Miles City Star, printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Great Falls Tribune, Aug. 18, 1959]

MISS INDIAN AMERICA VISITS HERE EN ROUTE TO CALIFORNIA

Delores Marie Racine, who recently was chosen as Miss Indian America, visited in Great Falls Monday en route to California.

She was traveling by Western Air Lines and it was her first airplane ride. She is a 19-year-old Blackfeet girl reared at Browning by Mr. and Mrs. William Spanish, her grandparents.

She was wearing a beaded deerskin gown made by her great grandmother 125 years ago when she arrived here.

Miss Racine was chosen from 73 candidates representing 45 tribes at the All-American Indian Days celebration in Sheridan, Wyo. Miss Racine is a graduate of Flandreau (S. Dak.) High School and studied last year at Haskell Institute in Kansas.

As winner of the beauty contest she receives a 2-year scholarship at Sheridan Junior College where she will take a business course. She will be a guest of Disneyland for 3 weeks.

MISS INDIAN AMERICA NAMED

SHERIDAN, WYO.—Delores Marie Racine, a 19-year-old beauty whose family is renowned in Blackfeet tribal history, was selected Sunday night as Miss Indian America.

It was the third time the Browning, Mont., teenager had competed in the contest, a feature of the All-American Indian Days. She was chosen from a field of 15 Indian girls.

They were judged on beauty, intelligence, poise, and knowledge of Indian tribal lore.

First alternate in the judging was Ramona Beth Russell, of the Crow Tribe at Lodge Grass, Mont. Second was Pearl Ann Rowland of the North Cheyenne Tribe in Montana, and third was Georgianna Davenport, of the Sac Fox Tribe in Iowa.

Miss Racine was third in the 1956 competition, and appeared again in the 1957 contest. Her grandfather was Wades-in-the-Water, son of Running Crane, one of the last hereditary chieftains of the Montana Tribe.

She attended Flandreau Indian School near Sioux Falls, S. Dak., and studied for 1 year at the Haskell Institute at Lawrence, Kans. She was given a 2-year college scholarship, which she said she will use for studies at Sheridan Junior College here.

Disneyland amusement park near Los Angeles invited Miss Racine to be hostess at the park's Indian village.

Louise Ann Hammond, of the Ute Mountain Tribe, represented Colorado, and Wyoming's entry was Ramona Catherine Hungary of the Northern Arapahoe Tribe.

[From the Billings (Mont.) Gazette, Aug. 11, 1959]

MONTANA INDIAN GIRL IS WINNER

SHERIDAN, WYO.—Delores Marie Racine, 19-year-old Blackfeet Tribe beauty from Browning, Mont., was selected Sunday night as Miss Indian America from a field of 15 Indian girls.

It was the third time Miss Racine has competed in the contest, a feature of the All-American Indian Days celebration.

A panel of judges selected Miss Racine on the basis of beauty, intelligence, poise, and knowledge of Indian tribal lore.

The new Miss Indian America is a member of a family renowned in Blackfeet tribal history. Her grandfather was Wades-in-the-Water, son of Running Crane, one of the last hereditary chieftains of the Montana Tribe.

Miss Racine attended Flandreau Indian School near Sioux Falls, S. Dak., and studied for 1 year at the Haskell Institute at Lawrence, Kans. She was awarded a 2-year college scholarship, which she said she will use for studies at Sheridan Junior College here.

A spokesman for Disneyland amusement park near Los Angeles invited the winner to be hostess at the park's Indian village.

Miss Racine was third in the 1956 competition, and appeared again in the 1957 contest.

First alternate in the judging was Ramona Beth Russell, of the Crow Tribe at Lodge Grass, Mont.

ARTICLES BY GOV. LUIS MUÑOZ-MARÍN

Mr. MANSFIELD. Mr. President, in the magazine section of the New York Times, August 16, 1959, there was published a perceptive article on Puerto Rico by the distinguished Governor of the Commonwealth, Luis Muñoz-Marín. The article describes the unique political status of "free association" which now links Puerto Rico with the United States. It outlines the advantages which flow to each under this arrangement, advantages which would not accrue to either under statehood or independence.

These advantages have been very great, and they have been mutual. They have been realized in the fields of economic development, commerce, defense and foreign relations. Most important, the Commonwealth status has brought about a great advance in mutual respect between American citizens of Puerto Rico and the United States.

Mr. President, the Governor of Puerto Rico is one of the outstanding men of this Nation and of the Americas. Equally, the evolution of the Commonwealth status in Puerto Rico which he did so much to bring about is one of outstanding achievements in the contemporary human affairs of this hemisphere. His article does much to increase our understanding of Puerto Rico and the island's exceptional Governor.

Yesterday, the distinguished and beloved senior Senator from Wisconsin [Mr. WILEY] inserted the article from the New York Times by Governor Muñoz-Marín in the RECORD. I had intended to do so. Since that is not now necessary, I shall, instead, compliment the able Senator from Wisconsin for the excellence of his judgment and his alertness in bringing this exceptional article to the attention of the Senate.

Mr. President, I ask unanimous consent that an article from the Christian Science Monitor of August 6, 1959, entitled "Puerto Rico: A Bridge," be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

PUERTO RICO: A BRIDGE

(By Richard L. Strout)

SAN JUAN, P.R.—How the lizard stuck there I don't know. It was three men's height up the vertical white wall of La Fortaleza, upside down, and conspicuous as a fly on a porcelain bathtub. If it cared to, it could look out on the Caribbean and particularly San Juan Bay where the Conquistadores came in their humpbacked ships and built this fortress which is now the Governor's mansion of Luis Muñoz-Marín, whom some people think is the greatest Spanish-speaking person now alive and whom others hate.

The new part of La Fortaleza was built around the time that the Pilgrims were landing in Cape Cod, but the lichened battlements of the older part were here to defeat Sir Francis Drake when he and his heretic pirates tried to wrench the Antilles from the Spanish defenders. Half palace, half fortress, it is to this day—with Ponce de Leon, who never found his Fountain of Youth in Florida, buried around the corner in the Cathedral, with the beady-eyed descendants of the original lizards looking down and wondering about this year's fly crop.

The Governor showed us around and let us wander through the sunken garden shaded by exotic trees, walled by history, and possibly the most exquisite garden on earth, with lush improbable tropical flowers that look as though they had been invented, impromptu, on the spot.

Puerto Rico, one of the most densely populated areas on earth was a colorful tropical slum when Governor Muñoz took over. By a judicious mixture of capitalism, socialism, and hard work, and with the support of the United States, the island has just about doubled its standard of living in 15 years. It has shown excitable revolutionaries of Latin America that there may be peaceful ways to self-fulfillment and prosperity.

Faced by no immigration quotas to the mainland, Puerto Rico could get rid of its explosive population surplus for the time being (until rising living standards automatically cut down the birth rate) and, free from tariff barriers, Puerto Rico could export its goods to the continental market.

There may be two ways of looking at what followed. No low-cost Southern State ever enticed New England factories by such lavish offerings of tax exemption and cheap labor as Puerto Rico has subsequently used—deliberately and skillfully—to attract industries from all over the mainland. The Federal minimum-wage law does not apply here, and new industries get 10 years' tax exemption.

But the emergency justified it. Per capita income has risen from $127 in 1920 to $480 today, Governor Muñoz told us; the birth rate has dropped from 40 per thousand to 31 per thousand (it is 23 per thousand in the United States); and the death rate has plummeted from 18 per thousand to 7 per thousand. Overall population hasn't gone down as you would have expected, however, because people live longer.

So now when Vice President NIXON is hooted and stoned in Venezuela, he is cheered in Puerto Rico, and while Cuba goes through a revolutionary turmoil, Puerto Rico, across the bay, raises its standard of living another notch, and hears another concert by Pablo Casals. "Fomento" is the word; it means development.

The government could not get capitalists to start the luxury hotels it wanted to rival Florida's gold coast, so it put up $5 million of its own in the poverty-racked land, got Conrad Hilton, the hotelman, to run the Caribe Hilton and now makes a million a year from its investment—which it thriftily plows back in other state investments.

Statehood for Alaska and Hawaii has brought political problems, too. Why not statehood for Puerto Rico? The answer is that immediate statehood, with a minimum-wage law and Federal income taxes, would ruin the island. But the statehood party is growing (though still a small minority).

Then there is the still smaller party demanding outright independence. They picketed the visiting Governors' conference, chanting "Freedom." Their demands seem to have no connection with reality and are unlikely to get very far—not because "freedom" (and U.S. tariff barriers) would instantly end prosperity but because Puerto Rico can have independence any time it wants, and knows it. "How can you cry 'freedom,' " demands Gov. Muñoz-Marín, "when all the doors are open?"

What the United States has on its doorstep nobody quite knows. It is an independent but allied "commonwealth" with common citizenship and the Spanish tongue. It is very poor, but no longer in rags. It has a sense of going places. Perhaps it is a bridge; a bridge to undeveloped, backward countries. What America says in the cold war is important; but what it does is more important. It is doing something big in Puerto Rico.

TRIBUTE TO SENATOR FONG, OF HAWAII

Mr. MANSFIELD. Mr. President, I wish to take this opportunity to compliment the distinguished senior Senator from Hawaii [Mr. FONG], who has presided over the Senate for the first time. The Senator from Hawaii has shown an excellent grasp of the legislative process, and I congratulate him for the way in which he has conducted himself in the chair, while acting as the Presiding Officer of the Senate.

WHEAT CONTROLS

Mr. DIRKSEN. Mr. President, in the August 10, 1959, edition of Newsweek there was published an account under the title "Wheat Controls," which is at once both whimsical and tremendously serious. The article deals with the referendum on wheat. I think what is disclosed in the article certainly merits the attention of the Congress and also of the Department of Agriculture. The matter is so timely and of such importance I believe it merits inclusion as a part of my remarks, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENSELESS?

As president of Chicago's Board of Trade, the commodity market where 92 percent of the world's wheat is traded, Robert C. Liebenow dislikes Government controls. So, when he found a loophole in the Government's wheat-support law wide enough to drive a combine through, Liebenow set out not long ago to prove that the regulations were silly.

Liebenow, a bull-shouldered, 36-year-old lawyer, gathered 38 friends, including 15 board of trade associates and 14 wives. They went to John W. Scott, a wealthy, sympathetic farmer in Gilby, N. Dak., and jointly leased 20 acres of his 1,500-acre farm for a year. Scott contracted to plant the land in wheat.

THE PLOT

Then the well-heeled tenant farmers, led by Liebenow, applied to the Agricultural Stabilization and Conservation Committee for absentee ballots to vote in the North Dakota wheat referendum on July 23. At issue in the election: Should the wheat-control and price-support program, in which the United States has $3 billion invested, be continued?

Liebenow and his friends voted no. Reasoning correctly, that the 39 votes would be challenged, the city farmers sent a Washington lawyer to North Dakota the night of the balloting. Agriculture officials were amused at first. Then they realized that Liebenow, who had made a painstaking study of wheat quota laws, was right: A farmer owning less than 15 acres of wheat couldn't vote in the referendum, although he is subject to the results. But any number of farmers with a fractional interest in more than 15 acres have the right to cast one vote apiece. As a result, Agricultural officials wound up counting all but 1 of the 39 ballots, and it was thrown out because it failed to meet the deadline.

Although Liebenow and his friends lost the election (wheat growers taking part in the referendum voted 2 to 1 to uphold controls and supports for the 7th consecutive year), they claimed they made their point. Liebenow said: "If a farmer like John Scott has only 1 vote for his 1,500 acres, and 39 of us have 39 votes for our fractional shares, is this a true referendum?"

IT'S SILLY

In Washington, Senator MILTON R. YOUNG, a North Dakota Republican and member of the Senate Agriculture and Forestry Committee, said Liebenow's elaborate attack on the law was "pointless and silly." Asked if an amendment was needed, YOUNG said "people generally are not going to all that trouble to defeat the law. Most of the town folks in rural communities favor these programs about as much as the farmer himself." Representative DON L. SHORT, a Republican North Dakota wheatgrower himself, agreed that the Chicagoans' move didn't threaten the wheat program because not many people will go to such unrealistic extremes to vote.

But Agriculture Department officials were less confident, and admitted they were looking for ways to tighten the law. And Liebenow made it clear that his campaign against wheat quotas was not over. He said: "We are going to make every Member of Congress aware of how ridiculous this whole thing is."

MANAGEMENT OF THE PUBLIC DEBT

Mr. DIRKSEN. Mr. President, over 2 months ago the President of the United States requested of the Congress three pieces of legislation which would enable him to manage the public debt efficiently, economically, and in the public interest.

One of these three requests, the increase in the statutory public debt limit, was quickly granted. None of us liked to see the debt go up, but we did what we had to do.

The other two requests had to do with fair, realistic interest rates on, first, long-term Treasury bonds, generally; and, second, savings bonds, specifically.

Last week, the Democratic majority on the House Ways and Means Committee voted down, by an almost straight party vote, these two important requests for responsible management of the public debt.

In my judgment, this action was regrettable for two reasons.

First, failure to give the U.S. Treasury needed flexibility in managing the debt will foster inflationary conditions.

Second, failure to remove the artificial rate ceiling will not even accomplish the supposed objective—it will not even hold down interest rates. Instead, all the debt will go into short-term securities where there is no interest rate ceiling. This will drive up short-term interest rates to astronomical heights.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement issued by Secretary of the Treasury, Robert B. Anderson, following announcement of the Ways and Means Committee action. This is an eminently reasonable but concerned statement which merits the attention of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF THE TREASURY ANDERSON IN ANSWER TO INQUIRIES, AUGUST 18, 1959

The action of the Ways and Means Committee this morning in conection with the administration's debt management proposals is a matter of grave concern. The Nation cannot afford to sit idly by at a time of rising levels of business activity and allow a situation to continue in which both the fact and the fear of future inflation can be generated.

We have tried to make it clear that under present restrictions the Government in the management of the debt can actively contribute to inflationary pressures by being confined to short-term financing, which, the shorter it gets, is more nearly like money.

We have tried to make it clear that the Government has a dual responsibility to 40 million savings bonds holders. First, we should see to it that they get a fair return on their savings and, second, we should take such actions as will help guarantee their savings against loss in the purchasing power of the invested dollar.

We have tried to make it clear that vital to the security of the free world is the maintenance of international confidence in our collective resolve to maintain sound financial systems. Because of our position as a leader in this community of nations, many countries hold large dollar deposits with us and have large investments in our securities. They have therefore a real concern in the way in which the United States manages its financial affairs. In asking to have the artificial restrictions removed from our debt management legislation, we seek to assure the people both at home and abroad that we will manage the debt in a way consistent with the preservation of the dollar as an international standard of value.

The administration will continue to earnestly urge appropriate action to obtain adequate flexibility in the management of our debt. This is a matter of such great importance as to require the best efforts of all Americans on a bipartisan and national basis.

ROOKIE SENATOR OF THE YEAR

Mr. DIRKSEN. Mr. President, long ago I became acquainted with a correspondent in Washington by the name of Holmes Alexander. I see him infrequently. I always enjoy visiting with him. I think he writes a column for a number of newspapers. I have always considered him to be one of the most objective reporters in the Nation's Capital.

Mr. Alexander wrote an article recently under the caption "Rookie Senator of the Year," which refers to our distinguished friend and compatriot from Pennsylvania, the Honorable HUGH SCOTT. The article is at once so timely and so objective that I think it merits a place in the CONGRESSIONAL RECORD, and I ask unanimous consent that it be printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia (Pa.) Bulletin, Aug. 18, 1959]

ROOKIE SENATOR OF THE YEAR: ALEXANDER SELECTS HUGH SCOTT BY A PHOTO

(By Holmes Alexander)

WASHINGTON.—There is a strong strain of boobosity in every panel of politicians, and from a negative viewpoint the 18 freshmen in the 86th Senate is a distinguished group—the incident of boobosity is very low.

In picking the rookie Senator of 1959, one has the pleasure of consorting with intelligent, sophisticated men—and the difficulty of segregating ermine from mink, and of choosing favorites among some good friends.

One thing you ask when a House member rises to the Senate is this—does he grow? Senators WINSTON L. PROUTY, HARRISON A. WILLIAMS, Jr., EUGENE J. MCCARTHY, and STEPHEN M. YOUNG are all former Representatives. The question gets a loud affirmation only in the case of YOUNG.

EX-REPRESENTATIVES

PROUTY did some excellent work on the labor bill, but has not otherwise shone. It may be that PETE WILLIAMS and GENE MCCARTHY—both youngish, handsome, leftish—have big futures in the Senate and in the Democratic Party, but it was STEVE YOUNG—oldish, puckish, unpredictably liberal—who stole a big piece of the show at the present session.

YOUNG succeeded because he is an intense believer in his political creed and because he is gifted with a warm, witty personality which reaches out like an encircling arm.

Another newcomer who combines the qualities of brain and breast is PHIL HART, of Michigan, who is a comer despite a rather inconspicuous maiden session.

YOUNG is the best of this group, but he doesn't quite reach the finals.

DODD OF CONNECTICUT

Three freshmen Senators remain in contention for the title.

TOM DODD, of Connecticut, would be my pick as the best Democrat in the election class of 1958. Last autumn his attorney was threatening to sue me for some campaign rhetoric in this column, and I was not prepared to like DODD when we met at the beginning of the session.

But I like him now—and admire him. By several measurements of what makes a good Senator, this man is very good indeed.

Although a faithful Democrat, DODD has left the party line rather than go wrong. He was the only freshman Democrat to vote for confirmation of Lewis Strauss. He is one of the few nonsouthern Democrats to join Republicans in sponsoring anti-Communist legislation for internal security.

Although anything but a showoff, he has pushed his special knowledge (as a former Nuremberg trials prosecutor) into foreign policy debates—something rarely done by nonmembers of the Foreign Relations Committee. From the Berlin crisis last spring to the Eisenhower-Khrushchev exchanges of this summer, DODD has been the most consistent Democratic voice to shout warnings against concealed surrender to Soviet demands.

KEATING AND SCOTT

He is the best Democratic freshman, and one of the very best new school, nonleftist Democratic liberals on the Hill.

But the best Senate rookie, regardless of party, has got to be either KEATING, of New York, or SCOTT, of Pennsylvania. Both are former Representatives who have risen instantly to senatorial heights. Both are Eisenhower Republicans who have veered, both left and right, from the White House line. Both are strong, hard-working, well-spoken, high-minded gentlemen, with troops of admirers and no consequential enemies in either political camp.

How to choose between them?

SCOTT, I think, cast the best single vote. It was one on May 22, with only four other Senators, to repeal all farm price-support programs and to freeze the current farm surplus.

KEATING is, perhaps, the more subtle thinker as illustrated in his speeches against Supreme Court usurpation.

SCOTT may be the White House's most forceful champion in the Senate, as was shown in his support of Lewis Strauss.

WRITER'S CHOICE

KEATING may be the Senate's most industrious Republican. As chairman of the GOP calendar committee, he is probably on the floor as much or more than any member of his party.

SCOTT does the two-party system enormous service by engaging in regular television dates with his Democratic colleague, JOE CLARK, of Pennsylvania.

KEATING does the conservative position equal credit by serving as contrast to his ultraliberal Republican colleague, JACOB JAVITS.

Both SCOTT and KEATING are alert guardians of their States' interests, as well as being wide awake to national affairs.

There aren't two better Senators on Capitol Hill than these two Republican rookies.

It happens that SCOTT is a personal friend of mine, while KEATING is only an acquaintance. If somebody bade me to choose the better man, I would say something like this:

The New Yorker penetrates more deeply into the philosophy of human government. The Pennsylvanian is a little more muscular and flat-footed and seems a shade—a microscopic shade—more concerned with placing emotional patriotism as a high American virtue.

Too often, he says, young people see the U.S.A. image as the "lady with the ladle" rather than the "lady with the lamp."

By a photo finish and on the thesis of Americans-over-all the Honorable HUGH SCOTT comes home as rookie Senator of the year.

EDUCATION IN THE SPACE AGE

Mr. HILL. Mr. President, as we know, we have had a great debate in this country during recent months, and particularly since the Russians launched sputnik, as to education, and more particularly as to the curriculums in the schools, the courses being taught, and whether we are giving sufficient emphasis to the proper courses.

In the last session of Congress, as Senators will recall, we passed the National Defense Education Act. Before presenting the bill to the Senate, we conducted long hearings before the Senate Committee on Labor and Public Welfare. Many distinguished witnesses appeared before the committee. I recall our first witness was Dr. Detlev Bronk, former president of Johns Hopkins University and at present the head of the Rockefeller Institute for Medical Research. Dr. Bronk is also president of the National Academy of Sciences. He is one of our most distinguished scientists and one of the most outstanding men in the United States today.

Dr. Bronk was followed in his testimony by many other distinguished scientists, educators, and other people who were interested in education and in the training of the youth of our country.

One of the biggest problems we face today is that we must challenge, train, and educate our youth to meet the new age in which we live—this space age, so to speak—an age of jet airplanes, of nuclear energy, and of hydrogen bombs. This is an age when science and technology, we know, have made tremendous advances and have brought about many changes in the lives of the American people and, for that matter, in the lives of many people throughout the world.

I think the Senate would be much interested in an article which appeared in last Sunday's New York Times on certain changes proposed with reference to the U.S. Military Academy at West Point. Of course, as we know, the U.S. Military Academy has for many, many years been our great institution, financed and run and operated by the military under the sponsorship of Congress and of the Government, for the training of the officer personnel of the United States Army, and for many years for the training of officer personnel of the U.S. Air Corps.

This article is captioned "West Point To Broaden Studies in the Sciences and Humanities—Fewer Vocational Courses Due in Fall as a Result of Long Reappraisal."

The article, incidentally, is written by Mr. Hanson W. Baldwin, who is considered one of the famous authorities on the defenses of the United States and the security of our country.

He is a most gifted writer and a profound student of the problems of the defense of the United States.

The article says:

Changes leading to a new look will be instituted at the U.S. Military Academy this fall.

They are the first to be made in the West Point curriculum as the result of 2½ years of factfinding, evaluation and soul searching by the Military Academy.

But they follow other alterations in customs, traditions, disciplinary methods and tactical and physical education, which are creating a different way of life at the Academy.

I emphasize the words "a different way of life."

Certainly as Senators we all know that we are living in a different world, and we must have in many particulars a different way of life, and particularly in the training and the education and the preparation of our youth.

The article continues:

More nuclear physics, electronics, chemistry studies of the effects of radiation; more time for the social sciences and foreign languages, and strengthened instruction in the fundamentals of written and spoken English and in logic and research techniques are the changes to be instituted this fall.

The time required for these subjects will be made available by reducing time given in the past to "vocational" subjects—tactical instruction, military hygiene and physical education, or by shifting instruction in these subjects to the summer camp period.

So now more of these studies are to be shifted to the summer camp training, and more emphasis is to be laid on languages, on science, on history, and on a study of English literature and those subjects in the winter season.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HILL. Mr. President, I ask unanimous consent that I may yield to the Senator from Arizona with the understanding that the time he may take will not come out of my time.

The VICE PRESIDENT. Without objection, it is so ordered.

MAJ. GEN. WILLIAM PARKER FISHER'S ASSIGNMENT AS COMMANDER OF THE EASTERN AIR FORCE OF THE MILITARY AIR TRANSPORT SERVICE

Mr. GOLDWATER. I thank my distinguished friend from Alabama and my chairman.

Mr. President, I wish to record the departure from the Washington scene of the able Air Force Director of Legislative Liaison, Maj. Gen. William Parker Fisher.

I have often thought that the duties of a Director of Legislative Liaison are certainly among the most challenging to be found in our complex Government. General Fisher and his staff are our direct links with the vast Air Force structure. Not only must General Fisher give us responsive replies to thousands of letters which we send to him every year on behalf of our constituents but must also keep each Member of Congress informed of the many changes which take place in the Air Force. He must be responsive to the needs of our congressional committees. He is responsible for a comprehensive Air Force legislative program.

In all of these many and challenging duties, General Fisher has ably discharged the great trust which we have placed in him. He is an officer of great ability and absolute integrity.

I wish him the greatest success in his new assignment as Commander of the Eastern Air Force of the Military Air Transport Service. I congratulate his successor, Maj. Gen. Thomas C. Musgrave, Jr., upon his appointment as Di-

rector of the Air Force Legislative Liaison and I wish him well in his new duties.

I wish to thank the Senator from Alabama.

Mr. HILL. Mr. President, it was a pleasure to yield to the distinguished Senator from Arizona. He is not only a member of the Senate Committee on Labor and Public Welfare, on which I have the pleasure of serving with him, but he is one of the most distinguished officers in the Reserves of the United States Air Force. He is so distinguished and such a wonderful pilot and leader that he is now a general in the Reserves of the United States Air Force. So I was delighted to yield to the Senator from Arizona.

Mr. GOLDWATER. I thank the Senator.

Mr. HILL. I am very proud of him.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HILL. I yield with the understanding that it does not come out of my time. I yield to my distinguished friend, the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I concur in the observation of my distinguished colleague, the Senator from Alabama, about my distinguished colleague, the Senator from Arizona. He is in truth and in fact a distinguished military man and has a great record in that regard and is still manifesting unremitting activity in that field.

EDUCATION IN THE SPACE AGE

Mr. HILL. Mr. President, before I resume my comments about education in the space age, I wish to say there is no finer man today wearing the uniform of the Air Force of the United States, no more devoted, no more dynamic man, than the distinguished Senator from Arizona. I am delighted to have my good friend from Illinois join me in this tribute to the distinguished Senator from Arizona.

Now, Mr. President, I was calling to the attention of the Senate at this point about the changes in the curriculum, in the course of education at the U.S. Military Academy at West Point. I read further from the article in the New York Times:

The changes stem from an extensive series of studies, surveys, and evaluations, instituted 2½ years ago by the Superintendent, Lieut. Gen. Garrison H. Davidson.

General Davidson felt that the Regular Army officer of the future would require a far more extensive field of knowledge than he does today. He thought that West Point stood at a very important crossroad in its development.

The surveys and studies took many different forms.

To lay the foundation, the superintendent appointed a board of officers—a colonel, two lieutenant colonels, two majors—to appraise the qualities and attributes which will probably be essential to an officer in the Regular Army during the period 1968–78.

QUESTIONNAIRE USED

A wide-ranging questionnaire, with suggestions for change invited, was distributed to 13,000 graduates of West Point (7,800 or some 60 percent replied, including the President of the United States) and to 3,000 selected nongraduate Army officers (2,586 responded, including 102 outstandingly successful officers of two-star rank or higher).

In other words, they were either major general, lieutenant general, or full general.

The article continues:

A working committee at West Point examined the curriculum from 1802 to 1945 in detail; another committee produced a thorough study on "The Present Curriculum and Future Trends."

Then a committee of outside consultants with educational and military qualifications, headed by Dr. Frank H. Bowles, president of the college entrance examination board, reviewed these results and made their recommendations.

And finally the academic board, through its own committees and by other means, wrestled with the entire problem. The commandant of cadets, then Brig. Gen. John L. Throckmorton—

One of the ablest and wisest men in the United States today—

who is responsible for the tactical training and discipline of the corps and is also a member of the athletic board, directed a series of studies pertinent to these fields.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HILL. In just a moment.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield with the understanding that it will not come out of my time. I should like to be permitted to conclude my statement.

Mr. JAVITS. Mr. President, I am constrained to object. As Senators know, I have a resolution on the calendar which cannot be considered unless it is considered before the end of the morning hour.

I have never done this before. Members know that my action represents no ill will, I am sure. I am constrained to object to the Senator from Alabama continuing beyond his 3 minutes.

Mr. HILL. Mr. President, will the Senator withhold his objection in order that I may ask him a question?

Mr. JAVITS. Of course.

Mr. HILL. This statement relates to a great institution, the U.S. Military Academy, in the great State of New York. As we know, in many ways New York sets an example and gives much stimulation and challenge to us, not only in the field of education, but in many other fields. Surely the distinguished Senator from New York, while the Senator from Alabama is speaking of the U.S. Military Academy at West Point, N.Y., would not object to the Senator from Alabama concluding his remarks about a great academy in the State of New York.

Mr. JAVITS. The Senator from New York is dealing with what he thinks is an institution of the whole United States, its policy, and its Constitution; besides which, I think the Senator from Alabama knows that no Senator would interrupt a Senate committee chairman unless he really felt that the situation was extreme, and required it. I know the Senator will forgive me; but this is a body in which the going is a little rugged at times. I therefore object.

The VICE PRESIDENT. Objection is heard.

Mr. HILL. Mr. President, I ask unanimous consent that the remainder of the article to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

IMAGE CREATED

The board of young officers, which attempted to project a full-sized image of the ideal Army officer of the future stressed in its conclusions the qualities and attributes needed by tomorrow's officers.

These were defined as: the ability to think; a fund of general knowledge; character, philosophy and personality; the ability to communicate, described as "a definite weakness in the Regular officer corps at present"; military attributes and skills, and the West Point trademark, military bearing and courtesy and social assurance in all elements of society are expected of the West Pointer.

The questionnaire list read like a rollcall of the great and near-great of the Army for the last half century, and it included replies that ranged from the sublime to the ridiculous.

The nongraduates polled, particularly a group of senior officers who are among the most successful and outstanding in the Army, were especially appreciative of the role of West Point in leavening the entire Army.

There were criticisms from the nongrads but most of them dealt with the past: a "tendency toward insularity" and "snobbish and clannish" officers.

INTEGRITY LAUDED

The nongraduates concentrated their praise on the motivation, character and integrity of the West Point graduate.

Their replies, a summary report found, "attest to the solidifying impact of the Academy on the Army, the overall value of its graduates, and the fact that the Army derives from West Point its standards and ideals."

The graduates polled were from the classes of 1900 to 1954. They were more critical of their alma mater than the nongraduates. One quoted Gen. Simon Bolivar Buckner, who was killed on Okinawa in World War II, as saying the thing that is wrong with the officer corps "is that it's too damn much the same as when we were cadets."

The long gray line, ranging in rank from junior captains to the President of the United States, General of the Army Douglas MacArthur, General of the Army Omar N. Bradley and a host of others, seemed to agree that the West Point honor system was a keystone of the Academy's training and that violent innovation in methods, objectives and curriculum should be avoided. But change, many of them felt, was needed.

CRITICISM VOICED

A sizable group declared that the young West Pointer was too stiff and ill at ease upon graduation; had led too sheltered a life; was not adjusted to the vast gulf between the privileges of a first classman and the hard, unromantic, sacrificing, frustrating type of work and association, he could expect to encounter in the Army.

"The vast difference," one 1953 graduate commented, "between the well disciplined Corps of Cadets and the less intelligent, less motivated units in the Army can be a tremendous shock to a naive graduate."

More emphasis on practical leadership training, better indoctrination in the care and feeding of young lieutenants was urged.

Some suggestions were:

Teach the young officer how to dress in civilian clothes; discourage the wearing of neon ties and flashy sports shirts; improve

the courses in public speaking and in languages; discourage early marriages and improve the type of girl the cadet meets; make a careful selection of incoming cadets on the basis not only of comparative scholastic capability but of character, leadership qualifications and personality; eliminate at least 5 percent of each graduating class for ineptitude; improve the faculty.

WOMEN AS TEACHERS

One graduate even advocated the addition of some carefully selected and highly qualified women instructors to the West Point faculty.

The statistical interpretation of this extensive questionnaire is still continuing but it has produced some interesting conclusions. Often frequently suggestions were:

Make all appointments competitive; relax restrictions; expand a current course, particularly English and deemphasize athletics.

About 8 percent of the graduates declared that the average graduate does not have sufficient intellectual curiosity or a sufficiently inquiring mind.

Sixty-nine percent felt that West Point should "stress the development of skills in individual sports such as golf, tennis, and handball, which would allow continued personal participation throughout a career."

VALUE OF SPORTS

However, the statistical interpretations of the careers of the graduates found "a significant relationship between leadership and participation while cadets in football, baseball, and basketball," and other team sports.

From all these and other studies came the conclusions that are now being implemented.

The curriculum committee decided that basically, the officer of tomorrow "still will have to be a generalist capable of leading troops in battle" and will not be "radically different from the traditional West Point product." "On the other hand," the committee said, "the raw material available for developing this product is in some respects quite different from what has been available in the past. The modern candidate is indoctrinated in a value system in which dollar success is the paramount virtue."

The report said "all means available must be employed to increase the caliber of the entrant," the "professional and other extra-academic education must clearly inspire a dedication to the professional service life" and "the academic education must be presented so as to challenge the cadet and to stimulate genuine intellectual curiosity."

PHYSICAL CHANGES

This fall's curriculum changes have been prefaced by other changes in other fields.

The new West Point look includes physical, psychological and, in a sense, moral changes.

There are new buildings; the old Riding Hall is now a complex of auditoriums and magnificent classrooms. When new barracks, now under contract, are completed, there will be two cadets to a room instead of the present three or four.

There is even a new cadet summer uniform of tropical worsted blouse and trousers convertible to officer's use, which will save the first classman money when he pins on the gold bars of a second lieutenant.

Slowly a better system of selecting candidates is taking hold. There is a new outlook; the famous honor system: "A cadet does not lie, cheat, or steal," is now interpreted not so much by a "poop sheet" (instruction sheet) as by conscience.

The plebe (freshman) must still brace and memorize, but much of the nonsense and abuse that has crept into the plebe system is being eliminated. The plebe must know instantly the number of days to the Army-Navy game, to Christmas, and to graduation; but upper classmen no longer "crawl his frame" in the shouting manner of a tough drill instructor, instead they reprimand the erring firmly and soberly.

REFORM IN DISCIPLINE

The plebe's double system of disciplinary jeopardy, the corps regulations and the fourth-class system, has been abolished. Physical exercise meted out as punishment by upper classmen is taboo, even though it took one suspended cadet to get the point across.

The near riots of hundredth night (the 100th night before graduation), when the plebes became kings for an evening, and food, shaving cream and water were used as missiles, have been abolished.

The reduction tension of plebe year is at least partly responsible, authorities believe, for this last year's record; there were fewer plebe resignations and fewer academic failures in the fourth class in the 1958–59 year than in any of the previous 5 years.

The cadets, as a whole, are receiving more opportunities for practical leadership. The first classmen have more privileges or authorizations, but more responsibilities, too.

Theoretically the first classman can go to a movie every night if he wants to; he can even take a drink on the reservation, though only in an officers' quarters and at the West Point mess at the invitation and in the presence of an officer.

RUNTS WEEDED OUT

Even the "runts" and the "flankers" have been weeded out in what is called Project Equality, this change which will be completed with the class of 1960.

In the past, in the interest of a nicely graduated line at dress parade the height differential in each of the corps' 24 companies could be no more than 2 inches; thus, the "runts" stood in serried ranks, every man between 5 feet 6 inches and 5 feet 8 inches tall; whereas the "flankers"—the tall boys—towered 6 feet 4 inches to 6 feet 6 inches. Now a full foot differential in height is allowed in each company.

Project Equality has reduced the symmetry of dress parade but has equalized not only the heights but the competitive chances of each company in intramural sports.

The football players and athletes, too, are parceled out among the companies in approximately equal packets; once they were all assigned to M Company, closest to the gym.

ATHLETICS UNCHANGED

There has been no basic change in either intramural or intercollegiate sports, although the retirement of Col. Earl (Red) Blaik as football coach may actually deemphasize this sport, as some graduation wish.

But "P.E." or physical education as a whole is a basic part of the West Point system and it will remain so.

Collectively the changes add up to a slow and gradual, but definite, military new look.

But to those old grads who look to past and are horrified at change in the citadel of tradition, there is room for comfort, the authorities say.

Cadets are still cadets. They still walk the area as "area birds," hour after sagging hour, paying the penalty for excess demerits.

They still play pranks; this last year a group of exuberant youngsters, who called themselves "The Moles" roamed the Plain at night. Their favorite task was the removal of the breech block of the reveille gun, which rouses just and unjust from slumber at 5:50 a.m.

And plebes, despite their new magna carta, are still plebes.

PEANUTS

Mr. KEATING. Mr. President, I rise to deal briefly with the subject of peanuts. To paraphrase a Roman, I come to praise the peanut, not to bury it. Salted or roasted peanuts are a delicacy, in my judgment, beyond compare. I am sure all of us are grateful for the introduction to the boiled peanut the senior Senator from South Carolina [Mr. JOHNSTON] so graciously provided yesterday through the facilities of the Senate restaurant.

I must say, however, that the reaction to the boiled peanut, as a delicacy, which has been expressed within my hearing has been—to put it mildly—rather mixed. Certain gourmets have, in fact, come to me with a plea that I do everything in my power to remove the boiled peanut from the culinary scene.

Let us say, in all honesty, that the consumption of boiled peanuts is an acquired taste, that it requires a certain sophistication of the palate which, alas, is not mine. It is possible that the senior Senator from South Carolina does not share my enthusiasm for Long Island oysters on the half shell. Every man to his taste. I want to be fair about this.

But, of course, I haven't the least desire to kill the bill which would, as the distinguished senior Senator from South Carolina has so pungently phrased it, preserve the civil right of millions of peanuts to undergo boiling. I am, however, interested in the civil rights of human beings.

In proposing civil rights amendments to the peanut bill, I am merely resorting—and most reluctantly—to a parliamentary maneuver forced upon those of us who want civil rights legislation by those who do not want civil rights legislation.

And the solution to this problem is perfectly simple.

Let those who have driven us to such devices now relent and permit the civil rights issue to face the light of day, here on the floor of the Senate, in the course of normal Senate procedure.

I have no desire whatsoever to disturb the livelihood of those who grow peanuts for boiling, however dubious I might consider it a contribution to the pleasures of the dining table or the nine-inning snack at the ball park.

Just give us a chance to face honestly the obvious need for additional legislation to guarantee that all Americans, regardless of race, color or creed, shall enjoy the same rights as citizens of this great land, and the boiled peanuts will take care of themselves.

SECRETARY MITCHELL'S REPORT ON THE STEEL STRIKE

Mr. KEATING. Mr. President, a number of editorials from New York City newspapers discuss Labor Secretary Mitchell's role as a factfinder in the current steel strike. The editorials are unanimous in pointing out that as a result of Secretary Mitchell's recently released report on the strike, the public is now eminently better informed on the facts and figures involved in the dispute between the steel unions and the major steel companies. All of the editorials praise the Secretary for his forthright and impartial conduct in this controversy.

Mr. President, I want to join in commendation of Secretary Mitchell for his excellent service to the Nation in clearly and fully presenting the material which he has gathered on the steel strike. I am confident that he will continue in his vigorous efforts.

Mr. President, I ask unanimous consent that these editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Mirror, Aug. 21, 1959]

THE STEEL REPORT

Thanks to Labor Secretary James P. Mitchell, the Nation now has a clearer picture of the steel industry and, therefore, of the steel strike.

President Eisenhower had directed the Secretary to dish up the facts objectively. Mitchell fulfilled the assignment so well that both the steel union and the steel industry found comfort in his report.

It's clear that this strike is not one involving either downtrodden workers or predatory employers.

The industry is doing better than well; so are the workers as far as wages are concerned. We hope the strike can be settled soon, but we're pleased that the President, short of the development of a national emergency, which hasn't occurred yet, has adopted a hands-off policy.

Some real honest collective bargaining is indicated instead of just going through the motions.

It's time to realize that steel has led the inflation spiral, and time for some sober reflection upon the fact that American steel is being outpriced by foreign steel, and we are presently importing more steel than we are exporting.

Imported steel means more jobs for workers in other countries, fewer jobs for Americans.

[From the New York Daily News, Aug. 21, 1959]

MITCHELL ON STEEL

We'd call Secretary of Labor James P. Mitchell's report on the steel strike completely impartial.

This array of facts and figures pleased both United Steelworkers President David J. McDonald and R. Conrad Cooper, top negotiator for the steel companies.

How pleasing the report is to the general public is another question. It shows the steel industry to be among the Nation's most flourishing, with the companies making huge profits and the workers—when they work—drawing better wages than any others except the coal miners and building mechanics.

Far be it from us to begrudge the steelers this prosperity. But would it be too impolite to ask that, in settling their latest fracas, they use some self-restraint?

The bill for any steel wage and price increase will be paid by the general public. That will be inflationary, as everybody in steel well knows; and how about some consideration for the continued stability of the general public's—and the steel people's—hard-earned dollars

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[From the New York Herald Tribune, Aug. 20, 1959]

THE PERSISTENT STEEL STRIKE

The findings which Secretary of Labor Mitchell disclosed yesterday as a result of a personal investigation of the steel strike overwhelmingly confirm what the public has felt all along. This is that the steelworkers are earning wages well above the average for industry in general, and that steel prices have gone up higher and faster than other prices, wholesale and retail.

Mr. Mitchell made no recommendations as to the settlement of the dispute, now well into its second month. But the fact that the figures were compiled by an impartial authority, and that this authority was the Secretary of Labor, ought to have considerable weight with both management and labor. It certainly will with the public.

Mr. Mitchell said the other day that neither side had yet made a really serious effort to reach agreement, and that, he repeats, still goes. In view of the fact that the steelworkers are doing so well, and the industry has been gathering in such enviable profits for a number of years, the strike is hard to understand, much less sympathize with. Or are the negotiators going to wait until the end of next month when the shortage of steel becomes really serious and the Government may be forced to step in? That has happened in the past. But it is a precedent that labor and management both would do better to shun.

The right way is to negotiate in earnest for a settlement that reaches beyond the combatant interests to protect the Nation against another round of inflation.

[From the New York World-Telegram and Sun, Aug. 20, 1959]

THE STEEL FIGURES

The Labor Department's figures confirm the impression that the steel industry has led the inflation parade.

Productivity has been increasing at a rate around 3 percent a year—58 percent since 1940.

But employment costs have gone up 125 percent in the same period and the prices of basic steel products have gone up 178 percent.

Average hourly earnings of steelworkers are higher than in most other industries—$3.10 an hour compared to $2.23 in manufacturing as a whole and $2.68 for the autoworkers.

Profits, depending on the way they are figured, are as high or higher than industrial averages. In the first half of this year they were higher, any way you figure.

There is plenty of justification here for the steel company stand against another inflationary, price-raising wage increase.

There is also justification for a steel price cut to stem the inflationary tide the industry has helped create.

Added incentive for such a trend is provided by the Labor Department's figures on steel exports, which are falling, and imports, which are rising. Lost sales hurt both employment and profits.

Labor Secretary Mitchell's impatience at the halfhearted bargaining of these two opposing well-off giants is amply justified.

The administration has good grounds for insisting that steel management and union start bargaining in good faith.

[From the New York Times, Aug. 20, 1959]

STEEL STRIKE FACTS

Appointed as a one-man commission to report on the facts behind the steel strike, Secretary of Labor Mitchell has produced an imposing document that adheres strictly to his assignment. This booklet, which centers around "Wages, Productivity, Price and Profits," contains an enormous amount of factual material, much of it of necessity going well beyond the scope of the immediate controversy in the interest of providing the public with the economic background of the issue.

It begins, for example, with such fundamental material as a description of the nature and pattern of the industry itself and the place it occupies in the national economy; at the other end of the scale it comes down to an almost topical subject, the fact that in recent months imports of steel products into the United States have exceeded exports for the first time in postwar history. Quoting "industry sources" as its authority, the study suggests that this has reflected preparation for the strike—the stepped-up imports being for stockpiling and the relatively lower level of exports being attributable to steel's limited availability.

It is doubtful that this comprehensive, detached and well-documented background report will change the minds of those who feel strongly one way or another about the merits of the present wage controversy. Moreover, it is not likely to tempt the average, objective observer to feel that he is now in a position to render a judgment on the case. That is a tribute to the balanced manner and the completeness with which comparative statistics are presented here.

For example, on the subject of wages, we learn that "gross hourly earnings in steel rose $1.43, or by 85 percent, between January 1950, and May 1959"; on the other hand, "basic wage rates (which exclude the effects of premium pay for overtime, etc., as well as changes in incentive earnings and in skill levels) increased $1.08 an hour, or 66 percent, for all wage earners combined as a group." One can approach the question from either of these directions, or one can also measure it with still different results in terms of "net spendable earnings per worker" or on the basis of annual earnings of wage employees, meaning, broadly speaking, production workers.

Similarly, in the case of the industry's profits. These, as the Mitchell study points out, can be stated in terms of "profits in relation to sales" or as "profits as a return on net worth." During the postwar period steel industry profits have been higher than for manufacturing as a whole measured by the first test. But the report notes, profits in relation to sales must generally be higher in industries with high capital requirements, and "capital investment in steel per dollar of revenues is about one-quarter higher than in the case of manufacturing as a whole."

Close to the heart of the present steel dispute—some say that it is the heart itself—is the question of output per man-hour, which is intimately related to the demands of the companies for a stronger voice in the determination of work rules in their plants. If one thing is likely to surprise many readers of this study it is the fact that, despite an increase in the capital investment per production worker from $9,000 in 1947 to about $20,000 in 1957, the industry's postwar rate of annual increase in hourly output per worker has been but 3 percent, which compares with 3.7 percent for manufacturing as a whole.

WHAT YOU CAN DO ABOUT THE FARM SCANDAL—LETTER

Mr. MURRAY. Mr. President, recently, one of my constituents, Marvin L. Haag, of Galata, Mont., wrote a letter to Reader's Digest commenting on its article "What You Can Do About the Farm Scandal" condensed from a Life magazine editorial.

Mr. Haag is a farmer. I believe he has pointed out in his letter several points which the people who live in cities, and the people who write editorials for metropolitan newspapers and magazines, should think about.

I ask unanimous consent that his concise letter be printed in the RECORD immediately following these remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GALATA, MONT., *August 20, 1959.*

SIRS: I read your article "What You Can Do About the Farm Scandal," condensed from a Life editorial. I realize that this is the feeling prevailing among our city friends already, among the class who are not closely connected with farming and are not aware of the facts as they really are. As a grain farmer myself, being born and raised on the farm and having much money invested in land and machinery with other expenses, and not realizing near the income my city friends imagine, and seeing my family and I being gradually forced into a price and cost squeeze, I am going to do some expense cutting too (hear that, you workers at General Motors and International Harvester?). As much good as we get from the articles of your magazine, we can do without these publications, if we must cut to the bare essentials. So you can think again if you have imagined that only farmers are benefiting from the support program. Citizens in our smaller towns know the truth and are as much concerned as we farmers are. The price support income works right through the whole American economy, and our friends in the larger cities are benefiting more than they are aware, I am sure.

Your article leaves the impression that (1) farmers are responsible for the prices consumers pay for food, (2) only farmers are subsidized, and (3) that the $5.4 billions expended in the support program is lost to the Government. The above impressions are very misleading and a little checking on the part of our city friends will reveal the facts as they really are.

To the first impression, the truth is that our prices have been on the downgrade for the last several years while food prices have been going up. Actually you city people are responsible for these increases through being responsible for increasing the cost of handling and processing. The second impression is worse. Who is benefiting from the majority of the tax dollar spent for defense? And don't tell me it isn't General Motors, or Du Pont or United States Steel. Actually the whole American economy benefits from subsidies in one form or another. In reference to the third impression, the fact is that the Government is out only the difference between the prices advanced through loans and the amount received through the disposal program, which is but a small portion of the $4.5 billions in the support program.

Another article in your magazine seems to lack sympathy for the rural electrification program. By the way, electricity is certainly nice, whether we live on the farm or in the city. Actually that money is all being paid back with interest, so please don't call that Government spending. If any of you urban dwellers still think of these as subsidies, think also of the school, housing, and other projects which are initially paid for out of taxpayers' money.

Another impression, very prevalent today, is that our wheat supplies are a surplus, a burden and weight around our necks. Actually it is a God-sent blessing, a healthy reserve. It is an asset, not a liability. The world needs more food, not less. As long as there are people starving, it is our duty to feed them. It is also an opportunity, for our food dollar will do far more than our guns-and-ammunition dollar toward stemming the tide of communism. There is no surplus as long an anyone is suffering for the lack of food. Let's raise more grain and store it, against the time of shortage, and also at the same time feed the hungry while we can. Crops and food reserves are God given, and we should thank Him for them. Earlier this summer, we had it dry and crop prospects were not good, even when we had done all we could in the way of good farming, but God gave the increase through a 3-inch rain just in time and now we have another good crop, to be harvested in just a few days. It seems like our friend, Secretary of Agriculture, Ezra Taft Benson would think in this way, and want to support our farming industry in feeding the world.

A reserve, storage, and food donation program is a God-like program of righteousness and the Bible says, "Righteousness exalteth a nation but sin is a reproach to any people." Do we want God's continued blessing on our country? Then let's seek His way and do right by our fellow man.

I am sending a copy of this letter to Life and also to some of our Representatives in Congress. I would appreciate it if you could print it.

Yours truly, a farmer, fellow citizen, and taxpayer too.

MARVIN L. HAAG.

PURCHASE OF MATERIAL FOR NATIONAL STOCKPILE

Mr. ROBERTSON. Mr. President, in the Eighth Annual Report of the Joint Committee on Defense Production, which I released last January as chairman of that committee, one of the recommendations made was to limit purchases of materials for the national stockpile and the Defense Production Act inventory to revised defense needs.

That report brought out the fact that the Government had spent nearly $8 billion for strategic and critical materials and that as of June 30, 1958, inventories included unneeded or substandard materials which had cost $680 million but which had lost three-fourths of that value.

I recalled in my comment on the report that the General Services Administration, acting on recommendation of the joint committee, had renegotiated aluminum purchase contracts to avoid buying metal not needed for stockpile purposes and that these agreements, obtained through cooperation with the companies, had resulted in saving the Government more than $96 million.

Now it is my pleasure to call attention to another action in the interest of the taxpayers and in line with the policy recommended by the Joint Committee on Defense Production.

The General Services Administration announced this week agreements with the International Nickel Co., of Canada, Ltd., which will relieve our Government of all existing obligations to purchase nickel from that company. This will relieve the Government from adding approximately 26 million pounds of unneeded nickel to its stockpile, which already contains a surplus of this material, and will reduce by more than $25 million the amount of money our Government would have had to pay out in cash under the contracts.

The GSA announcement described the International Nickel Co.'s action in reaching this agreement as most cooperative and constructive. I wish to endorse that statement as well as to commend the GSA for its continuing interest in economy and in keeping our defense production program in line with changing needs.

We still are obligated, under other contracts, to pay out a billion dollars of the taxpayers' money for unwanted materials, including a third of a billion dollars for nickel alone. These contracts were made because of emergency conditions and military planning requirements that have drastically changed. Whatever the merits of the contracts when they were made, it is important now to reduce these costly commitments wherever that can be done by means that are fair to both the Government and the contracting companies.

I hope, therefore, that the GSA will continue to seek settlements of the type made with the aluminum companies and with the International Nickel Co. and that the industries involved will seek new outlets for their production in the free market as a substitute for the promised Government purchases. In the long run, I am sure, this will serve the best interest of private industry as well as the taxpayer and the Government.

Mr. President, I should like to include with my remarks the text of GSA's announcement of its agreement with Inco, giving details and the figures on Government savings.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

AUGUST 25, 1959.

The General Services Administration announced today that under agreements reached with the International Nickel Co. of Canada, Ltd., the Government will be relieved of all existing obligations to purchase nickel from that company for the Government stockpile. Under the agreements, International Nickel has agreed to cancel all remaining deliveries of nickel under the company's "market price" contract. International Nickel has also agreed that the nickel remaining deliverable under the company's premium price contract for production of nickel from high cost, marginal ores will be diverted into the market instead of being delivered to the Government. The Government, in turn, will pay the company the difference between the market price and the contract price under the premium price contract, payment to be made in Government-owned nickel oxide sinter, which is in excess supply.

Commenting on today's agreements, GSA Administrator Floete said:

"The agreements reached today with International Nickel will relieve the Government from adding approximately 26 million pounds of nickel to its stockpile, which already contains a surplus of this material. Furthermore, they reduce by more than $25 million the amount of money the Government would have been obligated to pay out in cash under these contracts.

"International Nickel's action in reaching agreement with GSA with respect to these nickel purchase contracts has been most cooperative and constructive."

OBSCENITY IN THE MAILS

Mr. EASTLAND. Mr. President, the August 1 edition of the Tablet, published in Brooklyn, N.Y., contains a splendid editorial on the "crisis for morality" in this country. The editorial involves the rising tide of obscenity, indecency, filth, and pornography in current literature and discusses the decision by Judge Frederick vanPelt Bryan when he ruled that the book entitled "Lady Chatterley's Lover" should be given access to the

mails. I agree with the Tablet that this was a calamitous decision legally as well as morally, both from the standpoint of the power of the Postmaster General to ban obscene books and pornographic material from the mails and from the standpoint of the individual State and local community to set its standards for morality and public decency within the community. Something must be done by Congress to protect the children from these purveyors of filth and indecency in films, books, magazines, and all other forms of communication media.

Mr. President, this is a very interesting editorial. I think the Senate should take note of its contents. The Tablet is a very influential, powerful publication in the city of New York. The title of the editorial is "Crisis for Morality." It reads:

CRISIS FOR MORALITY

Federal Court Justice Frederick van Pelt Bryan's decision that the book "Lady Chatterley's Lover" is mailable is calamitous legally as well as morally.

Postmaster General Arthur E. Summerfield had rejected the book under the Federal obscenity law but Judge Bryan ruled he has "no special competence or technical knowledge which qualifies him to render an informed judgment entitled to special weight in the courts."

This is an astounding declaration. The fact is that the judge himself can claim no special competence or technical knowledge. But neither special competence nor technical knowledge is needed. Regardless of education or literary experience, most men instantly recognize indecency, obscenity, unchastity, immorality.

Further, the people of the United States, through their elected representatives, did not demand special competence. But the people did legally empower and direct the Postmaster General to exclude from the mail "every obscene, lewd, lascivious, indecent, filthy, or vile article."

It is obvious his judgment and discretion are essential to the functioning of the law. But Judge Bryan insists the Postmaster "has no special weight in the courts." Unfortunately, the average layman gets the impression that not even the law is entitled to special weight in the courts.

Judge Bryan also declares that book was put out by a reputable publisher; that the latter has a good list of distinguished writers and serious works; that it consulted recognized literary critics and authorities on English literature before it published the book; that they all agreed it should be published; that the book was distributed through leading bookstores throughout the country as a serious work of literature without any attempt to appeal to the prurient minded; that it has a preface by Archibald MacLeish and an introduction by Mark Scholer together with numerous favorable criticisms from various newspapers.

None of this has any relation whatsoever to the question of the obscenity of the book.

Obscenity in a book is its use of filthy terms and indecent suggestions. Its acclaim by well-known writers and favorable newspaper comments and editorials cannot gild its lewdness or blot out its lascivious disgusting implications.

Judge Bryan admits that the book "contains a number of passages describing sexual intercourse in great detail with complete candor and realism. Four-letter Anglo-Saxon words are used with some frequency."

He insists, however, that U.S. taxpayers must help pay the bill for its distribution "even if it be assumed that these passages and this language taken in isolation tend to arouse shameful, morbid, and lustful sexual desires in the average reader."

When the courts insist that the arousing of shameful, morbid, and lustful sexual desires is protected by the constitutional guarantee of free speech, our beloved country has indeed reached a point of crisis.

Congress is our last hope against this perversion of the Constitution. Let all Americans interested in morality and decency ask their Senators and Congressman if they favor Judge Bryan's peculiar views, and if not, what they intend to do about it. The Tablet will be happy to make these views public.

ATTITUDE OF ORGANIZED LABOR TOWARD VISIT TO UNITED STATES BY PREMIER KHRUSHCHEV

Mr. EASTLAND. Mr. President, I have another article, on another subject.

On the occasion of the forthcoming visit of Premier Nikita S. Khrushchev to the United States, the AFL–CIO has been asked to express its attitude toward the visit. The executive council of the AFL–CIO has stated its attitude in a resolution which was published in the New York Times of August 21, 1959. I believe the resolution is of material interest to all Senators, and I shall read it:

UNITY HOUSE, PA., August 20.—Following is the text of the resolution on Premier Nikita S. Khrushchev's coming visit to the United States adopted today by the executive council of the American Federation of Labor and Congress of Industrial Organizations:

"President Eisenhower has invited Nikita Khrushchev, the head of the Soviet Union, to visit the United States in the near future.

"From various sources there have come to us queries as to what is our attitude to the forthcoming visit of Mr. Khrushchev."

The VICE PRESIDENT. The time of the Senator from Mississippi has expired.

Mr. EASTLAND. I thought I had 3 minutes on the second insertion.

The VICE PRESIDENT. The Chair did not hear the Senator request an extra 3 minutes for another insertion. Is this the second insertion?

Mr. EASTLAND. Yes.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. JAVITS. Are we operating under the 3-minute rule for each item?

The VICE PRESIDENT. The Senator is correct.

Mr. JAVITS. I respectfully ask the Chair to enforce that rule.

Mr. EASTLAND. This is a different item, Mr. President.

The VICE PRESIDENT. The Senator is recognized for 3 minutes on the second item.

Mr. EASTLAND. I continue to read:

"It is not for the AFL–CIO executive council to approve or disapprove an invitation extended by our President to the head of another government. We do not, therefore, have any comment to make on the wisdom of the President's invitation. At the same time, we must all face the situation realistically.

"The Soviet regime continues to be a totalitarian dictatorship. It is dedicated to aggression and world domination. It has destroyed all democratic rights and liberties in its own country. It is now seeking to subvert and destroy the rights and liberties which we Americans cherish dearly in our country.

"There is not a shred of evidence to show that the Kremlin rulers have changed the nature or aims of their regime or even slackened their drive to conquer the world and remold it on the pattern of Soviet tyranny.

"It has been reported that Vice President NIXON, during his visit to the U.S.S.R., indicated he would urge American labor to join actively in an exchange program with the so-called unions of Soviet Russia. It is, therefore, necessary to set the record straight.

"In this situation, the executive council reaffirms its declaration of February 1959, against exchanging delegations with dictatorship countries. We further reiterate our wholehearted support of the ICFTU (International Confederation of Free Trade Unions) policy against exchanges of delegations with the so-called trade unions in Communist or any other totalitarian countries.

"The AFL–CIO is an organization of free trade unions. There are no Soviet counterparts with which we of the AFL–CIO can have such exchanges. The Kremlin dictatorship strictly prohibits the Soviet workers from organizing free trade unions. The so-called trade unions in the U.S.S.R. are nothing but agencies of the Communist dictatorship.

"Consequently, it is out of the question for the AFL–CIO to give recognition to the head of a government which does not permit its own workers to have any free trade unions. American labor could never participate in honoring the head of a government which seeks to destroy human freedom in any form.

"Furthermore, as a free trade union movement, the AFL–CIO is not bound to agree with every domestic or foreign policy of our Government.

"For example, the American labor movement has always firmly opposed U.S. recognition of the Franco dicatorship. But our Government has recognized and has even given economic aid to this dictatorship."

The VICE PRESIDENT. The Senator's time has again expired.

Mr. EASTLAND. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

Mr. JAVITS. Mr. President, reserving the right to object—although I shall not object, and I do not want to be cast in the role of a villain—I should like to ask the Senator this question: The Senator is very much interested in the matter of the discharge resolution I have submitted. I will not object to the additional 1 minute which has been requested; but will the Senator be kind enough to inform me whether he expects to use time on any other items?

Mr. EASTLAND. Well, I can use time on any other items.

Mr. JAVITS. I am asking the Senator.

Mr. EASTLAND. But at this time I do not know whether I will use time on any other items or not. I have some other matters to go into the RECORD.

If the Senator from New York objects to the additional minute I have requested, I can, later during the morning hour, place the rest of this resolution in the RECORD.

Mr. JAVITS. I will not object to the additional 1 minute; but I only suggest to the Chair that it is very clear to me and to all of us that the limitation on time with respect to when the discharge resolution may be brought up is well known to all, including the Senator from Mississippi; and it seems to me we are beginning to demonstrate one of the

weaknesses of the rule which allows discharge motions or resolutions to be considered, namely, that they have to await the completion of all other morning business.

I shall propound some parliamentary inquiries in my own time; but in the meantime, without setting any precedent, I shall not object to the additional minute requested.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? Without objection, it is so ordered; and the Senator from Mississippi may proceed.

Mr. EASTLAND. Mr. President, this has nothing to do with the resolution to discharge the Judiciary Committee from the further consideration of the civil rights bill or any other bill. I think the distinguished Senator from New York is, in this maneuver, very able, and I think it is a very smart maneuver; but I think it will result in the destruction of a labor bill.

I read further from the resolution of the AFL–CIO:

"Such governmental actions do not mean that the AFL–CIO should welcome Franco to our shores in the event our Government should ever invite him to visit the United States.

"By the same token the President's invitation to Mr. Khrushchev does not mean that the AFL–CIO should participate in honoring this head of a foreign government which runs a vast network of forced labor camps and which ordered the murder of thousands of Hungarians fighting for their national independence and freedom."

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I wish to propound a parliamentary inquiry to the Chair: At what point in the proceedings before 2 o'clock will the discharge resolution, which is listed in the calendar under "Resolutions and Motions Over Under the Rule," be laid before the Senate?

The VICE PRESIDENT. When other Senators no longer have morning business to present to the Senate.

Mr. JAVITS. If and when the discharge resolution is laid before the Senate, will it be debatable?

The VICE PRESIDENT. It will be debatable until 2 o'clock.

Mr. JAVITS. It will be debatable until 2 o'clock, will it?

The VICE PRESIDENT. That is correct.

Mr. JAVITS. At that time, I understand, the unfinished business will be called up.

The VICE PRESIDENT. The Senator is correct.

Mr. JAVITS. In what way can I have the resolution supersede the unfinished business?

The VICE PRESIDENT. By motion.

Mr. JAVITS. By motion? I thank the Chair.

The VICE PRESIDENT. Such a motion, of course, would be debatable.

Mr. JAVITS. The motion will be debatable?

The VICE PRESIDENT. That is correct.

HOME RULE POSITION NOT THE ONLY ISSUE UPON WHICH TO JUDGE NEW CONGRESSMEN

Mr. NEUBERGER. Mr. President, there has been local criticism of Representative DANIEL K. INOUYE, of Hawaii, because he has indicated doubts about the wisdom of immediate home rule for the District of Columbia.

Representative INOUYE's statement was the result of questions put to him immediately upon his arrival here from Honolulu, even before he took the oath of office.

Mr. President, ever since I came to Washington in early 1955, I have been a fervent advocate of home rule for the District of Columbia. My record will demonstrate this. Yet I believe that the very attitude of the local press toward Representative INOUYE constitutes a threat to effective congressional support of home rule. Let me explain what I mean.

In the District, there is a virtual obsession with home rule and related local matters. When I first arrived in this city with Mrs. Neuberger, early in January of 1955, prior to being sworn in as a Senator, I was asked two questions by the local press. They were these:

First. What did I think of home rule for Washington?

Second. Did I intend to press seriously a proposal I had written for the New York Times magazine, some 8 years earlier, that the National Capital be moved to the more salubrious and scenic atmosphere of Denver, Colo.?

Mr. President, all of us are addicted to tag lines. But the oversimplification inherent in labels such as home rule leads to unfair assessment of men and misunderstanding of issues. A Congressman's political complexion is a composite of his position on many matters, not merely a single question of public policy. To paint a political portrait based on one element in the broad spectrum of national affairs can only leave an impression of doubtful validity. Let the Washington, D.C., press judge DANIEL K. INOUYE on his entire House record, not merely as regards local home rule.

I recognize that the local angle is the motivating force behind many reporters' questions. But it seems to me there exists a danger that it can become an obsession. What will happen when home rule is granted? When new Senators and Representatives arrive here from the 51st State, will they be bombarded with queries as to how they feel about Washington, D.C., city ordinances dealing with meter maids or the comparative merits of jackhammers or blasting powder for removing old trolley platforms?

I yield to none in my recognition of the quality, integrity, and probity of the local press in this community. But I would respectfully suggest to my fellow journalists in Washington, D.C., that they give a new Congressman a chance to draw a breath, unpack his toothbrush, and move into his offices, before they besiege him with questions about the future of the District of Columbia.

SOUTHEAST LEADS IN UNITED STATES MANUFACTURING

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Southeast Leading United States in Manufacturing," published in the newspaper the State, of Columbia, S.C., for Sunday, August 23, 1959. The article should be of extreme interest to every Member of the Senate. It points out that 7 Southern States, including my native South Carolina, have since World War II outstripped the Nation as a whole in progress in 14 of 16 major fields of manufacturing.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTHEAST LEADING UNITED STATES IN MANUFACTURING

The 7-State southeastern region of Alabama, Florida, Georgia, Mississippi, Tennessee, and the Carolinas since World War II has exceeded the Nation as a whole in rate of progress in 14 of 16 major fields of manufacturing with several of the southeastern States doubling, trebling and even quadrupling their productive capacity, the Charleston field office of the U.S. Department of Commerce reports.

The fields in which the region has paced the Nation are foods, textiles, apparel, lumber, paper, stone, clay and glass, primary and fabricated metals, transportation, furniture, chemicals, leather, electrical machinery and tobacco.

In another, printing and publishing, the region equaled the Nation's gain of 85 percent, but in the production of electrical machinery it lagged behind, the Commerce Department said.

Comparing the situation today with that of 1947, the Commerce Department said 10 postwar years had brought the following advances in value added by manufacture of goods produced in the Southeast and the Nation in the various lines of activity:

Food and kindred products, Southeast, 165 percent and United States, 81 percent.

Textiles, Southeast, 18 percent and a 3 percent decline for the Nation.

Apparel, 206 percent in the Southeast and 36 percent in the United States.

Lumber and wood products, Southeast, 78 percent and the United States 31 percent.

Paper and its products, Southeast 188 percent, and 99 percent for the Nation.

Stone, clay and glass, 370 percent for the Southeast, and 116 percent for the United States.

Primary metals, 209 and 131 percent, respectively.

Fabricated metals, 330 and 94 percent.

Transportation equipment, 2,111 and 215 percent.

Furniture and fixtures, 515 and 82 percent.

Chemicals and allied products, 793 and 132 percent.

Leather and its products, 95 and 23 percent.

Electrical machinery, 2,467 and 147 percent.

Tobacco manufacturers, 104 percent for the Southeast, and 94 percent for the Nation.

In the production of machinery, except electrical, the region's post-war progress was 86 percent and that for the Nation, 104 percent.

Here is how the various States participated in the Southeast's advancement from 1947 through 1957:

South Carolina: Food and kindred products, $33.9 million to $62.6 million, 85 percent, textiles, $558.7 million to $641.3 million, 15 percent, apparel, $38.3 million to $83.7 million, 118 percent, paper and its products, $36.9 million to $87.3 million, 136

percent, and furniture and fixtures, $6.5 million to $12.4 million, 91 percent. Overall value, from $794.3 million to $1,335.1 million, up 68 percent.

Alabama: Production of food and kindred products went from a value added by manufacture of from $55.2 million to $112.9 million, 104 percent, apparel, $21 million to $77 million, 267 percent, paper and it products, $39.9 million to $79.2 million, 98 percent, stone, clay and glass products, $31 million to $75.3 million, 143 percent, primary metals, $169.7 million to $476.9 million, 181 percent, fabricated metals, $38.2 million to $89 million, 133 percent, machinery, except electrical, $26.5 million to $56.3 million, 112 percent, and chemicals and allied products, $46.1 million to $132 million, 186 percent. Alabama's overall manufacture output went from a value of $876.9 million to $1,711.4 million, or 95 percent in the 10 years, which fell slightly short of the Nation's 99 percent.

A WORLDWIDE OFFENSIVE AGAINST CANCER—ADDRESS BY SENATOR STUART SYMINGTON

Mr. NEUBERGER. Mr. President, Mrs. Eleanor Roosevelt, who is celebrating her 75th birthday this year, is to me the symbol of the good Samaritan, one who cares fervently for the plight of others. It seems fitting and right that in this year we should see the founding of a new medical research project bearing the name of this great "First Lady of the World."

In May of this year, I had the privilege and honor of addressing the founding dinner of the Eleanor Roosevelt Institute for Cancer Research, which is to be established at the American Medical Center at Denver.

On August 16, the distinguished junior Senator from Missouri [Mr. SYMINGTON] spoke to the second patron membership dinner of the Eleanor Roosevelt Institute for Cancer Research, in Denver, on the topic "A Worldwide Offensive Against Cancer."

Because the excellent address by the eminent Senator from Missouri so well summarizes the history of the battle for funds for medical research, I ask unanimous consent that the main body of his speech be inserted in the body of the RECORD.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

A WORLDWIDE OFFENSIVE AGAINST CANCER

It is indeed a great honor and privilege to speak here tonight on behalf of the Eleanor Roosevelt Institute for Cancer Research.

It is most fitting that this institute, dedicated to the fight against man's most ancient and insidious enemy, should bear the name of a truly great woman whose compassionate concern for the health and welfare of the peoples of the world has already earned her a distinguished place in the annals of mankind.

It is also a source of deep gratification to me that my friend, Congressman JAMES ROOSEVELT, of California, is chairman of your national development committee.

In thinking about what I might say to you tonight, I read through your pamphlet "The Search for Forty Million Lives."

That pamphlet defines cancer, which comes from the Latin word meaning crab, as "a progressive growth of tissue not adequately controlled by restraining forces within an individual's body, proceeding without regard to the needs of the body, leading ultimately, if unchecked, to the destruction of the individual in which it arose."

I prefer a more vivid definition of cancer given on the floor of the U.S. Senate more than 30 years ago by the late Senator Matt Neely, of West Virginia, who died in 1958 of the very disease he had been fighting legislatively for more than three decades.

Referring to the description by Charles Dickens in "A Tale of Two Cities" of the horrors of the guillotine in revolutionary France, Matt Neely on May 18, 1928, stood in the well of the Senate and uttered these prophetic words:

"I propose to speak of a monster that is more insatiate than the guillotine; more irresistible than the mightiest army that ever marched to battle; more terrifying than any other scourge that has ever threatened the existence of the human race. The name of this loathsome, deadly and insatiate monster is cancer. It is older than the human race. Evidence of cancer has been found in the fossil remains of a serpent that is supposed to have lived millions of years ago. Records made on papyri by the ancient Egyptians show that the cancer curse was known in the valley of the Nile more than 2,000 years before the birth of Christ."

At that time, Senator Neely noted that cancer took 125,000 lives annually. He warned the Senate that the annual toll from cancer would rise appreciably unless a major medical research offensive was mounted against it. Today, as we note the 260,000 lives lost to cancer each year, we realize the wisdom of Senator Neely's words.

In 1928, Senator Neely proposed an appropriation of $100,000 to the National Academy of Sciences to make a thorough investigation of the incidence of cancer in this country.

Pointing out that the Congress had already appropriated $10 million to eradicate the corn borer, and $5 million for the investigation of turberculosis in animals, Matt Neely pleaded for an initial Federal appropriation to combat cancer.

But the Congress was not fully convinced of the menace of cancer; therefore it cut the sum to $75,000. And on the floor, it was further reduced to $50,000.

In 1937, Matt Neely succeeded in getting through the Congress legislation creating the National Cancer Institute. For a number of years, however, the new institute struggled along on tiny annual appropriations.

In 1946, therefore, Neely, then a Member of the House of Representatives, introduced a bill to appropriate $100 million to be used over whatever period was needed to mount a large-scale research offensive against cancer.

Neely noted that, during World War II, cancer killed twice as many people as did enemy bullets. He further noted that the entire $100 million appropriation sought in his bill was less than half a day's cost of our participation in World War II. Despite his eloquent pleas, the bill went down to defeat.

A magnificent fighter, Neely read on the House floor the names of the 104 Republicans and 35 Democrats who had voted against the bill; and undaunted by his defeat, he closed his speech with these courageous words:

"Let us exercise our common sense and learn a lesson from the thrilling chapter which our country has contributed to the history of the world. Let us emulate the example set by the immortal Franklin Roosevelt and the eminent Winston Churchill in mobilizing the experts of the two hemispheres and, through their united efforts, solving the problem of making the atomic bombs which cost us $2 billion. Let us similarly mobilize the experts of the world for united, concentrated action on the single problem of finding a cure for cancer. And let us place at the disposal of these assembled experts an initial appropriation of at least $100 million with which to destroy a foe that has proved itself to be twice as deadly and dangerous as all the bloodthirsty minions who, at the commands of the infamous Hitler and Hirohito, waged war against the world."

I have dwelt in some detail upon Matt Neely's legislative battle against cancer because his seeming defeat turned into victory during the last few years of his life.

Under the leadership of the able chairman of the Senate Labor and Public Welfare Committee, Senator LISTER HILL, of Alabama, the funds for the National Cancer Institute have gone up from $21 million in the fiscal year 1955, to the $90 million voted by the Congress for the National Cancer Institute on July 30 of this year.

When Matt Neely in 1946 pleaded for $100 million in cancer appropriations over an unspecified period of time, little did he realize that only a few years later our annual cancer appropriation would approach $100 million. We still have a long way to go, however, in the fight against cancer.

As the Denver Post, which has done such a superb job over the years in alerting the people of the Rocky Mountain empire to the problem of cancer, noted in an editorial on April 22, 1957:

"The battle against cancer has developed into mankind's greatest and costliest war on disease. The attack is being waged by thousands of scientists in hundreds of hospitals and laboratories, but there is no victory, or even a truce, in sight."

As we all know well, unless a preventive or cure is found for cancer, 40 million Americans will be afflicted with this disease; and 25 million Americans will die of it.

It is enough to state that cancer strikes two out of every three American families, and that it kills one man, woman, or child every 2 minutes in the United States.

In the debate this year on the Senate floor on appropriations for the National Cancer Institute, Senator HILL noted that cancer costs this country $12 billion a year in hospital costs and lost economic productivity.

In criticizing the inadequate sum proposed by the administration for the National Cancer Institute during the coming year, Senator HILL noted that the $58 million spent in 1958 for cancer research was less than one-half of 1 percent of the annual economic cost of this disease.

In supporting Senator HILL's successful move for an increase in the appropriations for the National Cancer Institute from the $75 million proposed by the administration to the $110 million in the Senate Appropriations Committee bill, the distinguished majority leader, Senator LYNDON JOHNSON, took the floor to remind his colleagues that the Senate had lost five of its most distinguished leaders to cancer in the past decade: Kenneth Wherry, Robert A. Taft, Arthur Vandenberg, Brian McMahon, and Matt Neely.

Senator JOHNSON also noted that the irreparable loss to cancer of two of our greatest atomic scientists, both of whom succumbed to the disease at the age of 53—Enrico Fermi and John von Neumann.

On the very day that the Senate appropriations hearings on cancer research were held, that hard-working patriot, former Secretary of State, John Foster Dulles, was laid to rest.

I am of the firm belief that our governmental attack on cancer must be greatly accelerated until that point is reached when we begin to make serious inroads upon its ravages.

I favor a balanced budget and a sound fiscal policy, but not at the expense of human life and human productivity. By the same token, I favor a greatly accelerated citizen's fight against cancer. For that reason I am delighted that our renowned American Medical Center here in Denver is increasingly turning its effort to cancer research and cancer treatment.

You have a magnificient tradition of compassionate aid to the sick irrespective of race, creed, or color. From that time in 1904 when your forefathers set up the first six tents for the care of persons suffering from tuberculosis, you have blazed the trail in bringing medical aid to those unable to afford it.

Over the past 55 years, you have treated more than 10,000 patients from every State in this country and many countries overseas, and you have never charged a single penny for this magnificient service.

Now that tuberculosis is gradually yielding to the inroads of medical research, you are turning your attention to the greater problem of cancer.

Speaking at the founders' dinner of your new institute in New York City earlier this year, my distinguished colleague, Senator RICHARD NEUBERGER, of Oregon, who is himself a remarkable example of a complete recovery from a serious form of cancer, noted that "as the name of her illustrious husband is forever associated with the conquest of infantile paralysis, so the name of Mrs. Roosevelt may in the future be linked with the possible conquering of an even more formidable medical problem—that of cancer."

At that very same dinner, Mrs. Roosevelt, with characteristic modesty and brevity, told of her hopes for the new institute in these simple and moving words:

"I have in the past refused to give my name to any institution in this country. This institute, however, will serve such a vital purpose that I have consented to make an exception in this single instance. The institute can be of the greatest value for the estimated 40 million Americans now alive who will be stricken by cancer.

"I hope that eventually this institute will be able to broaden its scope to help cancer research in other countries. In this way it can make a profound contribution to the health and peace of the entire world."

I submit to you that this great democracy could make no greater contribution to the health and peace of the entire world than in developing a cure for cancer.

Just a month ago a Senate Government Operations Subcommittee, headed by that able and devoted public servant, Senator HUBERT HUMPHREY, released an important document called "Cancer: A Worldwide Menace."

That document pointed out that cancer kills 2 million people a year in all parts of the world; that it is rising in its incidence in 33 countries; and that it is the second leading cause of death in the United States, the Soviet Union, and most of Europe.

In transmitting the document to Senator JOHN MCCLELLAN, of Arkansas, Senator HUMPHREY noted that cancer "is a disease whose ultimate conquest will undoubtedly involve an unparalleled effort of worldwide biomedical research."

While we remain complacent and engage in endless arguments about the soundness of our fiscal budget, the Soviet Union is moving rapidly toward a preeminent position in the field of science and medical research.

This year an official medical mission from the U.S. Public Health Service, headed by Dr. Thomas Parran, a former U.S. Surgeon General, described Russian progress in medicine since 1917 as "impressive as the appearance of sputnik."

In their official report, the American doctors noted that Russia had worked out a massive 15-year plan for the medical research conquest of cancer and heart disease.

In the 42 years since the 1917 revolution, the Russian leaders have concentrated heavily upon medical research and health measures designed to build a more productive society, and as a result of these Herculean efforts the length of life of the average Russian citizen has increased from 40 years in 1917 to approximately 67 years today. Furthermore, Russia is turning out 16,000 doctors a year, more than twice as many as we are turning out in this country.

In an effort to win the uncommitted peoples of the world over to communism, Russia is exporting 2,000 doctors a year for work in the underdeveloped areas of the world. She is also helping underdeveloped countries in the building and financing of modern hospitals and medical clinics.

All of us are glad to note that, within the past year, the U.S. Congress has moved to restore America to a position of leadership in world health and medical research.

On August 1958 Senator LISTER HILL, who has contributed more to the health of the American people than any legislator in the history of this great Republic, introduced a joint resolution to set up a National Institute for International Health and Medical Research designed to pool the medical research efforts of the scientists of the world in a combined attack upon the major diseases now afflicting the peoples of the world.

In reporting the resolution to the floor of the Senate, Senator HILL said:

"It is in the recognition that disease and disability know no international boundaries that research in the health sciences fostered on an international basis holds great promise of advancement to benefit all peoples; and that an effort on the part of the United States to advance health sciences in the interest of all peoples can be a potent instrument of peace and good will, that the committee has acted upon this joint resolution."

In official testimony endorsing this legislation, Dr. Howard A. Rusk, an old friend of mine from Missouri, who gave up the private practice of medicine in St. Louis to become a world leader in the field of rehabilitation, noted that "the International Health and Medical Research Act of 1959 is essentially a humanitarian program directed toward a global assault on mankind's most important enemies—disease and disability. But it has tremendous political implications, for its rehabilitation aspects emphasize our belief in the United States of America that man's mission on earth is to heal and not to hurt, to build and not to destroy."

I am proud to be a cosponsor of this legislation, and I am delighted to report to you that it passed the Senate in May with only 17 dissenting votes. Hearings have now been completed on the House side, and there is a good chance that it will clear the Congress this year.

More than 300 years ago, an old English philosopher declared: "If every man would but mend a man, the world would all be mended."

From the bottom of my heart, I wish you Godspeed and good luck in the dedicated work of the Eleanor Roosevelt Institute for Cancer Research; and I want to pledge to you my continued efforts on behalf of a healthier America and a healthier world.

GANG VIOLENCE IN NEW YORK CITY

Mr. JOHNSTON of South Carolina. Mr. President, the Charleston, S.C., News and Courier of August 25, 1959, has published an article entitled "Youth Charged in New York Gang Violence."

I wish to read the first paragraph of this article, for I think it is very significant. The story is datelined New York City and is written by the Associated Press. It reads:

The leader of a youth gang bent on vengeance was accused Monday of killing a 15-year-old girl in the climax of a savage outbreak of violence in New York's changing lower East Side.

Mr. President, I repeat:

In the climax of a savage outbreak of violence in New York's changing lower East Side.

Mr. President, the article details how the violence and gang warfare reported in this story is a direct result of forced integration. The article states that for many years the area of the city where the riot occurred was heavily Jewish and Italian in nature. As children of the earlier immigrants moved to the suburbs, Negroes and Puerto Ricans moved in to replace them and tensions have risen. Mr. President, this indictment contained in the article in no uncertain terms lays the blame for the rioting and general disregard for law and order on forced integration.

Mr. President, this is not the first article which I have placed in the RECORD regarding racial strife, violence, hatred, and prejudices that exist in large northern cities. For several months, now, I have been bringing to the attention of the Senate the terrifying problems confronted by large northern and western cities which have been practicing forced integration for several years now.

The purpose of my bringing these items to the attention of the Senate is not to embarrass any community or any race of people, but to emphasize to the Members of the Senate who are promoting civil rights that, in fact, they are only really promoting civil strife. Wherever we find forced integration—and I emphasize forced integration—we find a general lack of respect for law and order.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charleston (S.C.) News and Courier, Aug. 25, 1959]

TEENAGER KILLED—YOUTH CHARGED IN NEW YORK GANG VIOLENCE

NEW YORK.—The leader of a youth gang bent on vengeance was accused Monday of killing a 15-year-old girl in the climax of a savage outbreak of violence in New York's changing lower East Side.

Police said John Cruz, 17, admitted firing the volley of shots that killed the Negro girl, Theresa Gee, as she sat on a bench in front of a housing project.

"I did not know I was shooting a girl," sobbed Cruz, a Puerto Rican, to detectives. Police said she was apparently only an accidental victim of the shots aimed at the Sportsmen gang by the Forsyth Street Boys, headed by Cruz. Both gangs contain a mixture of Negroes and Puerto Ricans.

Cruz was charged with homicide and with felonious assault in the shooting of two others.

YOUTH STABBED

Besides the girl, four persons were shot and a man and two youths stabbed—one critically—during Sunday night's outbreaks.

Once started, the clashes exploded like a string of firecrackers. The rows ended a truce arranged 3 years ago by an Episcopal minister, the Reverend C. Kilmer Myers.

He and others have worked to keep down trouble in the tenement area, which was for many years heavily Jewish and Italian. As the children of the earlier immigrants moved to the suburbs, Negroes and Puerto Ricans moved in to replace them, and tensions have risen.

The Gee girl was a former friend of Frank (Brother) Boyd, president of the Sportsmen, a 17-year-old Negro who has long been in trouble with the law, but apparently this had nothing to do with her death.

EVENTS RECONSTRUCTED

Police reconstructed the night's events and their background this way:

Tension had risen between the gangs after school ended in June. Saturday night, a Sportsman paired off with a Forsyth "deb"—a girl under gang protection—at a settlement house dance. Tempers rose but a fight was avoided.

But the next night a score of Sportsmen invaded Sara Delano Roosevelt Park, stronghold of the Forsyth boys. Cruz, armed with a .22 rifle, was waiting there with several pals.

The Sportsmen charged, wielding clubs, knives, and wire whips. Cruz fired, but hit instead one of his own gang members, Luis Santos, and Manuel Cintron, 11, a bystander.

The outnumbered Forsyths fled, but the Sportsmen knifed two of them.

Cruz and an unidentified companion then moved deep into Sportsmen territory. About 100 people—adults and juveniles—were lounging in front of the Lillian Wald housing project when the two arrived.

They threw a gasoline bomb to light up the area and show up their targets. Cruz then opened fire.

Theresa was struck in the head. A Sportsman, Robert Combs, was shot in the stomach. The Negro boy was reported later in serious condition.

Another girl, Ernestine Singleton, 15, was shot in the leg.

Cruz and others were caught when police rounded up some 200 neighborhood youths in the aftermath.

One final incident marked the night. Donald Fitzgerald, 23, a Negro, was stabbed by a gang of Puerto Rican youths who apparently thought he was a member of one of the other gangs.

ARTICLE BY SENATOR YOUNG OF OHIO ON THE CONFLICT-OF-INTEREST PROBLEM

Mr. NEUBERGER. Mr. President, we have come to expect challenging new ideas and courageous innovations from our friendly and able colleague, the junior Senator from Ohio [Mr. YOUNG]. Senator YOUNG has brought to the Senate Chamber vigorous ideas and a fearless approach to public issues. His crusading zeal is exemplified by an informative and effective article entitled "Washington's 'Conflict of Interest' Mess," published in Coronet magazine for September 1959. Our colleague, Senator YOUNG, has written this article in collaboration with Al Toffler, a well-known journalist.

In his article in Coronet magazine, Senator YOUNG has demonstrated the same vigorous approach which symbolized his own action in March of this year, when he listed all of his own personal financial holdings and commonstock portfolio with the Honorable Felton M. Johnston, Secretary of the Senate. Senator YOUNG's article asks many of us in public life what is going to be done about a conflict of interest when a legislator's private holdings come into conflict with his public responsibilities to the people.

I am pleased to report that Senator YOUNG, and his collaborator have written favorably of proposed legislation which I have introduced in the Senate, along with the distinguished senior Senator from New Jersey [Mr. CASE], to require all Members of Congress and all major Federal officials to report publicly all gifts and income over $100 which derive from real estate, stocks, speeches, writings, outside law connections, or other sources. With his characteristic fairness and kindness, Senator YOUNG also has cited the $500 article fee from American Heritage magazine, which I contributed as a scholarship to Portland State College after American Heritage had sought postal relief legislation which I regarded as equitable and in the public interest.

I know that many Members of the Senate and many Members of the House will want to read Senator YOUNG's very persuasive article from Coronet magazine for September; and I ask unanimous consent, Mr. President, that it be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Coronet magazine, September 1959]

WASHINGTON'S "CONFLICT OF INTEREST" MESS

(By Senator STEPHEN M. YOUNG, Democrat, of Ohio)

On March 26, 1959, I wrote one of the most difficult letters of my life. Friends urged me not to write it. My own family was shocked when I first suggested it. I was told that no other Senator in history had done what I contemplated doing. I was warned that I would be ostracized by my colleagues if I persisted in carrying out my plan.

Yet it was a simple letter. Addressed to Felton Johnston, Secretary of the U.S. Senate, it informed him that I had sold all of my stock in Pan American World Airways; that I intended to sell all my stock in two sugar companies; and that he could make public a complete list of all my financial holdings. The list was included and given to the press.

Simple as it was, this letter touched on one of the most controversial and painful paradoxes in American politics—conflict of interest—the clash between the private interests and public responsibilities of a public official.

In the last decade, Congress has spent millions to investigate conflicts of interest on the part of officials in the executive branch. Its findings have been scandalous.

In 1958, a House group revealed that Presidential Assistant Sherman Adams accepted gifts from Boston Industrialist Bernard Goldfine and contacted two Federal agencies in his behalf. The disclosures led to Adams' resignation.

In 1955, Air Force Secretary Harold Talbot resigned after admitting to the Senate Permanent Investigations Subcommittee that he had erred in writing letters on official Air Force stationery and telephoning leading industrialists from his Pentagon office in connection with the affairs of the private firm in which he was still a partner.

These are only a few of the conflict of interest cases Congress found in recent years while doing its duty as watchdog over the Federal Government. But during these shocking revelations affecting executive agencies, nobody cocked an inquisitive eye in the direction of Congress. There was nobody to watch the watchdog.

Yet Congress, too, is riddled with real and potential conflicts of interest.

One of the most common conflicts stems from the outside law firms. Sixty-one Members of the present Senate are lawyers. So are 242 Members of the House of Representatives. Many maintain ties with their law firms, even after election. Sometimes this results in a clash of personal interest with public responsibility.

A glaring example of the conflict of interest arising from a legislator's continuing affiliation with a law firm was the case of Ohio Senator John W. Bricker, the man I replaced. During his years in the Senate, Bricker remained a partner of the Columbus, Ohio, law firm of Bricker, Marburger, Evatt, and Barton.

One of the major clients of the firm was the Pennsylvania Railroad. In 11 years, Bricker's firm collected $380,547 from the Pennsylvania. Then the issue of the St. Lawrence Seaway arose before the Senate.

The St. Lawrence Seaway is a great project which will bring new industry, commerce and wealth to Ohioans. Officials of the Pennsylvania Railroad were violently opposed to the seaway. Bricker voted against it.

Last November, Ohioans voted to retire Senator Bricker to private life. This case points up a problem that affects many Members of Congress, no matter how honest.

In the field of agriculture, certain Members of Congress, as farmers, have collected various sums from the Federal Government under the farm loan and subsidy program. Some also sit on the committees which help shape agricultural legislation. This doesn't mean they necessarily vote for laws from which they would benefit.

The conflict of interest problem also crops up frequently on the congressional committees which deal with commerce.

On the House side, this situation gave rise to an embarrassing incident while a subcommittee of the House Interstate and Foreign Commerce Committee was investigating the Federal Communications Commission. The chairman of the parent committee, Democratic Representative OREN HARRIS of Arkansas, owned a 25-percent interest in a small station, KRBB, in El Dorado, Ark.

At the very time his subcommittee was investigating the FCC, his station was requesting FCC approval of a planned modification of its equipment. Asked whether or not there was a conflict of interest in this situation, HARRIS retorted, "I think a lot of people would have that viewpoint, but I don't see anyone setting up a howl about other Members of Congress who are in a similar situation." After newspaper criticism, however, Representative HARRIS sold his interest.

Other Members of both Houses have heavy investments in oil and natural gas companies. Time and again, the controversial issue of the depletion allowance faces them. The depletion allowance is a special tax deduction granted to oil and gas producers. It is now fixed at 27½ percent of their gross income.

Every time efforts have been made to reduce this allowance, each Member who owns gas or oil stock is faced with a decision involving his own private interests as well as national policy. Even if a Member is deeply convinced that the 27½-percent depletion allowance is good for the country, he must know, as he votes for it, that he is at the same time bolstering his own stocks.

Democratic Senator JOSEPH CLARK, of Pennsylvania, like many others, has voted against his own interests more than once. He is a stockholder in the Humble Oil & Refining Co., an affiliate of Standard Oil of New Jersey. Yet CLARK has been a leader in efforts to reduce the depletion allowance, cosponsoring a bill to that effect this year. Should his bill ever become law, his own stocks might very well drop in value.

Conflicting interests invade the life of the public official at many points. The Democratic Truman administration was criticized when the public learned that E. Merl Young,

a Reconstruction Finance Corporation official, had accepted an $8,540 royal pastel mink coat from a lawyer who represented a firm that had obtained a loan from the RFC. A similar furor arose over acceptance by Mrs. Truman and various White House aids of $390 food freezers from a Chicago businessman who had received a favor from Gen. Harry Vaughan, one of Truman's assistants.

These scandals had their Republican parallel in the Sherman Adams case, and in the controversy over President Eisenhower's acceptance of gifts for his personal use and for his Gettysburg farm, including a $4,000 tractor; a rowboat; a Golfmobile; trees; furniture; an original painting by Grandma Moses; several dozen head of cattle; horses; hogs; chickens; a putting green; hunting dogs; mink-lined pigskin gloves; two flower gardens and a pony cart. It has been estimated that the value of such gifts exceeds $60,000.

But the question of gifts also haunts Members of Congress. Most show discretion and refuse anything that seems to come "with strings attached." Some even fix an arbitrary limit. For example, Democratic Senator PAUL DOUGLAS, of Illinois, will return any gift valued at over $2.50.

One reason that conflict of interest problems arise is that Congressmen usually find it a strain to live on the $22,500 salary that goes with the job. A Senator or Representative normally must maintain two homes, one in Washington and the other in his State or district. Sometimes he has to dip into his own pocket to help pay for staff and office expenses when he finds his official allowance for this purpose is too small. Many Members travel more than their expense allowance permits.

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Another big expense arises from social activities. When a Senator goes into a restaurant with visiting constituents, he usually picks up the tab. This is expensive. But many legislators prefer to pay the expense rather than accept a free meal or drink. Even more costly is the terrifying expense of campaigning for election. Unless they are independently wealthy, many candidates find themselves in debt even after a successful campaign.

To keep their family budgets on an even keel, many legislators undertake a back-breaking schedule of public speaking. A hard-working, top-ranking Senator can gross $7,500 in about 2 weeks of lecturing, at an average $750 per lecture. Out of this, he must pay 30 percent to the booking agency, plus his own travel expenses and, of course, taxes. A Representative usually earns less, his lecture fees ranging from $250 to $500 per engagement.

These are all nonpolitical talks and create few problems. But Members of Congress also speak frequently before trade associations, unions, chambers of commerce, and the like. They often receive a fee for doing so. Sometimes they hardly have had a chance to return to Washington before a representative of the organization arrives looking for a legislative favor.

Two years ago, Democratic Senator RICHARD NEUBERGER, of Oregon, who was a top-flight magazine writer before entering politics, needed a bit of extra money to help cover expenses. So he spent part of his vacation writing an article on Oregon history for American Heritage, a highly respected historical magazine. For this article he was paid $500.

Shortly afterward, the American Heritage came before the Senate Post Office and Civil Service Committee to request legislative relief. Because the magazine is bound in hard covers rather than soft, it could not qualify for second-class mailing privileges.

Senator NEUBERGER, a member of the Post Office Committee, agreed that the publication deserved second-class privileges. But since he had received, not long before, a $500 check from the magazine, he saw the potential conflict of interest.

Senator NEUBERGER took the graceful way out. He supported the legislation out of conviction and donated his check to the Portland State College in Oregon. He has since, also, introduced comprehensive legislation designed to deal with the conflict of interest problem. It would require all Members of Congress—and Federal officials whose appointments must be confirmed by the Senate—to report all gifts and income over $100 deriving from real estate, stock, speeches, outside law firms or other sources.

While I don't pretend to have a foolproof answer to the conflict of interest dilemma, I do know what my conscience demanded of me.

When I came to the Senate, I was assigned to the Committee on Agriculture and Forestry, which helps set quotas for the import of sugar from Central America. I owned 154 shares of South Porto Rico Sugar Co. stock and 100 shares of the Cuban-American Sugar Co. stock. This meant that my actions on the Agriculture Committee could, conceivably, affect my own private interests. I preferred to sell these stocks, and I took a loss to do so.

Similarly, when I was assigned to the Senate Aeronautical and Space Sciences Committee, I learned that our missile base at Cape Canaveral is largely operated by Pan American World Airways. I sold my Pan American stocks as well.

Realistically, I don't believe it is mandatory for a member of Congress to get rid of all his holdings. The important thing is that his financial background be open to public scrutiny. I own several thousand shares of petroleum stocks. Along with my dividend checks have come letters and literature urging me—amusingly enough—to write my Congressman to vote to retain the 27½-percent depletion allowance for all oil and gas companies.

As a member of the House, I actually voted to reduce the allowance to 15 percent, and am presently cosponsoring a Senate bill which would do just that. I chose to hold my petroleum stocks. But I feel that as long as my constituents know this, they can judge whether or not I have voted in the public interest.

In short, I believe the only answer to the conflict of interest paradox is complete frankness. The public shouldn't be asked to take its lawmakers on sheer faith. It has every right to judge the man's performance against his financial background. Complete and candid disclosure need not cost anyone a cent. Yet it can help strengthen public confidence in their Congress.

Until public officials are willing to make their financial affairs public, the corrosive acid of cynicism will continue to undermine our democracy. And cynicism not only saps the faith of Americans in their form of government, but leads to political apathy—the breeding ground of corruption.

The doubts and fears that I had before I wrote my letter to the Secretary of the Senate have vanished. I know now that what I did was right—and I would unhesitatingly do it again.

THOMAS JEFFERSON COOLIDGE

Mr. BYRD of Virginia. Mr. President, on August 6, 1959, Thomas Jefferson Coolidge, of Brookline and Manchester, Mass., died at the Beverly Hospital, following a heart attack. Private funeral services were held Saturday afternoon, August 8, in Manchester; and interment was at the Mount Auburn Cemetery, Cambridge, Mass.

He is survived by his wife Catherine; their sons, Thomas Jefferson, Jr. and John Linzee; their daughter, Catherine; and his brother, William.

Mr. Coolidge, a great-grandson of Thomas Jefferson, was born in Manchester in 1893. Following his graduation, in 1915, magna cum laude in mathematics, from Harvard, Mr. Coolidge became one of the outstanding business and financial leaders in the Boston area. In 1934, he became special assistant to the Secretary of the Treasury, in charge of fiscal affairs; and later he became Under Secretary of the Treasury. He subsequently was a member of the Finance Committee of the League of Nations.

Mr. Coolidge became a director of the United Fruit Co. in 1925, and was elected chairman in 1938, serving until his retirement last year. He was chairman of the trust committee of the Old Colony Trust Co.; director and member of the executive committee of the Boston Edison Corp.; chairman of the Bay State Corp.; and director of the First National Bank of Boston, the New England Mutual Life Insurance Co., and the United Fruit Co. He was also a trustee of the Isabella Stewart Gardner Museum, the Museum of Fine Arts, Peter Bent Brigham Hospital, and trustee and treasurer of the Humane Society of Massachusetts.

Mr. Coolidge was an outstanding American, and rendered public services in many and most effective ways.

APPOINTMENT OF REPRESENTATIVE ZABLOCKI, OF WISCONSIN, TO GENERAL ASSEMBLY OF UNITED NATIONS

Mr. PROXMIRE. Mr. President, I was delighted this morning to receive a letter from Secretary of State Christian A. Herter informing me that Representative CLEMENT J. ZABLOCKI, of Milwaukee, and the Fourth Congressional District of Wisconsin, has been nominated as a representative of the United States to the 14th session of the General Assembly of the U.N. beginning September 15, 1959.

CLEM ZABLOCKI is a fine man as well as a splendid Congressman. He has served his district with great distinction since 1949. As a member of the House Foreign Affairs Committee, he has made a remarkable record for good judgment, high ability, and solid hard work. Of course, this appointment is richly deserved. More than that, it serves our country well for the President to send a man of Representative ZABLOCKI's experience and high quality to the U.N. I am happy to take this occasion to congratulate Representative ZABLOCKI on his appointment and President Eisenhower for having made it.

PROFESSIONAL BOXING

Mr. KEFAUVER. Mr. President, this morning's Washington Post carries an Associated Press article on its sports page quoting Gov. Edmund G. Brown, of California, as saying that professional boxing "smells to high heaven," and that if Congress does not force a cleanup, he

might recommend abolition of all fights in California. The same article also quotes Governor Brown as stating:

From what I have seen of this situation, I think you're going to have to have some national laws on this subject because this boxing business is apparently infiltrated with racketeers and gangsters.

Certainly, anyone who has followed in the press the strange shenanigans surrounding the promotion and management of the world's heavyweight contest between Ingemar Johansson and Floyd Patterson must of necessity have wondered exactly what happened to Mr. William Rosensohn, the promoter of this fight. For a short while it appeared that a new promoter had arrived on the scene in boxing circles, but, if we are to believe published reports of what happened to Mr. Rosensohn, he was somehow eliminated from the scene.

The promotion of professional championship boxing contests is of tremendous magnitude. It includes managing and executing contracts; leasing suitable arenas; negotiating and executing contracts for the employment of matchmakers, advertising agencies, and press agents; organizing, assembling, and arranging other details necessary to the exhibition of the contests; selling tickets and rights to make motion pictures of the contests and to distribute them throughout the United States and in foreign countries; and selling rights to transmit the contests by radio and television throughout the United States and foreign countries.

In the case of United States against International Boxing Club of New York, decided January 31, 1955, the Supreme Court held that the promotion of professional championship boxing contests on a multistate basis and selling rights to televise, broadcast, and film such contests for interstate transmission constituted trade and commerce among the several States within the meaning of the Sherman Act.

Mr. President, the time has come when the Congress should investigate the promotion of professional boxing contests, looking to the enacting of proper laws. I have directed that the staff of the Senate Antitrust and Monopoly Subcommittee begin an investigation of this matter preliminary to the holding of public hearings.

I ask unanimous consent that the article to which I referred and which appeared this morning in the Washington Post and Times Herald, as well as an article from Newsweek magazine of August 17, discussing the Rosensohn matter, be included in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 26, 1959]

GOVERNOR MAY STOP BOXING IN CALIFORNIA

SACRAMENTO, CALIF., August 25.—Gov. Edmund G. Brown says professional boxing "smells to high heaven" and if Congress doesn't force a cleanup he might recommend abolition of all fights in California.

He told his news conference today he is seriously considering making such a recommendation to the 1961 legislature.

"From what I have seen of this situation, I think you're going to have to have some national laws on this subject because this boxing business is apparently infiltrated with racketeers and gangsters," he said.

Brown's remarks followed a report from Attorney General Stanley Mosk on next Friday night's middleweight championship bout in San Francisco between Carmen Basilio and Gene Fullmer.

Mosk reported "a curious relationship between persons associated with Basilio and the criminal element." He urged firm State control on distribution of the purses.

The athletic commission, Mosk said, should insist that none of Basilio's purse go to his comanagers, Joseph Netro and John De John, nor to Gabe Genovese or Frankie Carbo.

Mosk said Netro and De John told a New York grand jury that they intended to pay Genovese, convicted of illegally operating as as undercover fight manager, "his usual share" of Basilio's purses.

Jack Urch, executive secretary of the athletic commission, said Basilio signed a new contract with promoters today giving him 100 percent of his purse.

"What he does with it after the fight is his business," Urch said. "But if he makes any payoff, he'll never fight in California again."

In Las Vegas, gamblers made Basilio a 2 to 1 favorite to whip Fullmer. Both men are former champions, seeking the National Boxing Association's middleweight crown, withdrawn from Sugar Ray Robinson for lack of activity.

[From Newsweek, Aug. 17, 1959]

THE "CHAMP," THE MUDDLE

When Ingemar Johansson took the world heavyweight championship away from Floyd Patterson last June, the whole episode seemed like a fairytale. Johansson, the untested fighter, was the Prince Charming who rescued Bill Rosensohn, the untested promoter, from the dragon—Cus D'Amato, Patterson's manager. Rosensohn and Johansson were going to settle down and live happily ever after, passing their hours counting receipts from championship fights. It was all a lovely dream.

Last week the dream was dead and Rosensohn told the sad and grubby story of how it had been killed. He alleged that D'Amato, by threatening to back out of the June bout, had forced him to accept a New York lawyer named Vincent Velella as a controlling (two-thirds) partner in Bill Rosensohn Enterprises. This happened a week before the fight. Besides, Rosensohn charged, D'Amato had also made him sign away all ancillary (radio, TV, movie) rights to future Patterson fights. Rosensohn reluctantly accepted the loss of the ancillary rights because he was desperate to have the Johansson fight held as scheduled. As for Velella, Rosensohn assumed that he would share the profits but would not demand a voice in running the show.

Velella, however, had other ideas. Two weeks ago, when Rosensohn thought he was riding high, Velella demanded a stockholders' meeting and, with two votes to Rosensohn's one, installed Irving Kahn, president of TelePrompTer and a bitter Rosensohn rival, as a member of the board of directors. Rosensohn could take no more. Last week he quit as a director of his own company and announced that his third of the stock was for sale, an offer no one has taken up.

Who would promote the rematch? With Velella, as the head of Bill Rosensohn Enterprises (and presumably D'Amato's man, to boot), holding a 90-day contract on Johansson's services and D'Amato controlling the challenger, Rosensohn's chances seemed slim.

But Rosensohn was still banking on his close personal friendship with Johansson. Last week he flew to Paris and met with the Swedish fighter. At the end of the week, Rosensohn apparently had two courses of action in mind:

He hoped that after the 90-day option expired, bidding for Johansson's services would be open. Then, if his personal relationship could earn him a contract with the champion, he would negotiate with D'Amato.

The New York district attorney, Frank Hogan, had begun an investigation into the entire promotional background of the first fight, based on Rosensohn's disclosures. If the district attorney's probe could prove that Rosensohn had been coerced into accepting Velella, then possibly the contract could be voided and Rosensohn would again be in charge of Bill Rosensohn Enterprises.

To boxing men, the situation looked so muddled that almost everyone agreed there would be no heavyweight championship fight in 1959. Hogan's investigation might drag on for months and there was little chance that the Velella-Rosensohn vendetta would be settled.

Without Johansson's right hand in action, the boxing picture, so bright only 6 weeks ago, was turning bleak again.

FULL SPEED AHEAD FOR THE FEDERAL HIGHWAY PROGRAM

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I be permitted to speak for 5 additional minutes.

Mr. JAVITS. Mr. President, reserving the right to object, may I say to my dear friend and colleague I have never objected before to extensions of time. I hope never to have to again. I must today. But I will say once the resolution we have submitted is laid before the Senate, I shall be glad to yield to Senators who wish to do things that call for additional time. I understand only too well that the hour of 2 o'clock will come without our disposing of the matter, but I do wish to have it laid before the Senate. Therefore, I object.

The VICE PRESIDENT. Objection is heard. The Senator from West Virginia is recognized for 3 minutes.

Mr. BYRD of West Virginia. I am sorry my friend the Senator from New York has objected. I would have made this request had his resolution not been pending. Mr. President, a number of my distinguished colleagues in the Congress and many other officials have recently spoken out with the greatest urgency in a plea for the continuation of the Federal roadbuilding program.

On behalf of my State of West Virginia, as well as the United States as a whole, I wish to add my voice to those who have expressed grave concern regarding the possibility of a slowup in the Federal highway program.

The national plan for federally aided roadbuilding is no fly-by-night program to be turned on and off like a spigot of water. In order to derive the greatest benefit from such a program, in order to make every mile of road count toward the national welfare, we must adhere to a consistent and well-developed schedule.

Yet today, through action or lack of action by the Congress, we face the possibility of delays and drastic cutbacks in the national highway program.

In order to comprehend fully the tremendous impact of the Federal roadbuilding program on the national economy, let me review the dimensions of

federally aided highway construction plans and projects.

The passage of the Federal Aid Highway Act of 1956 provided for the accelerated construction of the National System of Interstate and Defense Highways. It also increased Federal aid for the primary and secondary road systems, together with their urban extensions.

The most important aspect of the Federal road building is, of course, the Interstate Highway System. When completed, this system will provide 41,000 miles of high-standard expressways connecting most of the cities of 50,000 or more population. The building of these highroads will be the largest public works program ever attempted.

Specifically, the Federal Aid Highway Act of 1956, augmented by the Federal Aid Highway Act of 1958, provided for a long-range, multibillion dollar roadbuilding program for the United States, Hawaii, and Puerto Rico. Authorizations of Federal funds for highway aid to the States may be summarized as follows:

First. $25.8 billion for the Interstate System, spread over the fiscal years 1957–69, with costs to be shared on a 90-percent Federal, 10 percent State basis.

Second. Steadily increasing amounts for the ABC program—primary, secondary, and urban extension State roads—rising from $825 million for fiscal year 1957 to $925 million for fiscal 1961, to be matched by the States on the traditional 50–50 basis.

Third. A special fund of $400 million set up to accelerate the ABC program of State roads, thereby stimulating employment. For this fund, costs are shared on a two-thirds Federal, one-third State basis. The funds were to be placed under contract by December 1, 1958, with provision that construction contracts specify completion of December 1, 1959.

Our modern American economy, characterized as it is by swift technological changes, depends for a healthy state of being upon a delicate balance of many converging factors. During the post-World War II era, generally described as a prosperous one, we have experienced at least three recessions, one of which occurred just recently. A broad, long-range program of road construction provides a solid and continuous undergirding of the entire economy, which helps to alleviate such economic catastrophes.

The highway building program will stimulate activity in many sectors of the economy, both directly and indirectly connected with such construction. As a result of the demand created for many, many products by roadbuilding on such a vast scale, the Federal program is expected to give rise to an average of 880,000 jobs a year spread throughout 190 industries. The Bureau of Roads has estimated that about 442,000 men will be employed directly on highway construction jobs at the peak of the program.

Some of the materials which will be major items of demand include an estimated 12 billion gallons of petroleum products, 2 billion pounds of explosives, 75 million gallons of paint, and 12 million new traffic signs. The Bureau of Public Roads has estimated that the construction for the period covered by the Federal-Aid Highway Act of 1956 will require 49 million tons of steel, 1,339 million barrels of cement, 128 million tons of bituminous material, and 9,710 tons of aggregate.

In addition, large markets will be generated for such diverse items as aluminum, seeds, fertilizer, chemicals, engineering tools, electronic computers, photographic supplies, and a host of other products. Highway construction stimulates commercial and industrial activity throughout every State in the Union.

There are other immeasurable gains which derive from a good highway system. America's progress has been built on her superb transportation system. Without excellent highways, the standard of living this Nation has enjoyed never could have been achieved.

The landowner benefits when his land is made accessible by roads. Businessmen benefit particularly by construction of expressways around or through metropolitan areas. Such roadways relieve congestion in cities, thus making traffic conditions more favorable for local customers. Studies show that an increased volume of steady local business usually results from the building of throughways in metropolitan areas.

Good roads are essential in promoting commerce within and among the States. Good roads are essential in transacting public business.

A slowdown in the Federal roadbuilding program cannot help but have a deleterious effect upon the entire economy.

Many construction companies, other companies producing construction materials, and machinery companies, to name only a few types of firms, have made commitments based on the continuance of the construction program at current rates. Huge losses will accrue to these companies and layoffs will follow. If Senators will examine financial analyses of firms in these fields, they will find that during 1958 many corporations in construction and related industries showed losses. Such adverse business conditions could with great ease spread to other sectors of the economy.

Furthermore, a delay in the roadbuilding program will inevitably result in increased costs. Between 1954 and 1958 the cost estimates of completing the Interstate System rose 12 percent, or about $3.7 billion. A continuation of rising highway-building costs would, of course, boost the long-range cost of the entire program.

Waste and inefficiency would likewise be incalcuable. For instance, construction would be suspended on many routes, leaving facilities already in place unconnected. According to R. R. Bartelsmeyer, president of the American Association of State Highway Officials, in testimony before the House Ways and Means Committee on July 24, 1959:

> It is definitely not the type of work that can be turned on and off a year at a time, and be done efficiently.

The following quotation from a statement by the chief engineer of the State of Missouri is an excellent summary of the severe hardships resulting from cutbacks in the road construction program:

> Now, I encounter considerable opinion that many Members of Congress are thinking that the road program could be slowed up. I sincerely believe that a slowup is a mistake. The State highway departments have obtained personnel to carry out the program; contractors have increased their personnel and equipment to carry out the program; equipment people are geared to an increased program, as well as producers of necessary materials. * * * The highway program makes an overwhelming contribution to the peacetime economy of the country, as well as to the great need in times of defense.

THE PROBLEM OF UNEMPLOYMENT IS STILL WITH US

The truth of the matter is that, today, at this time of increasing prosperity throughout the nation, there is still a large reservoir of unemployed. As of July 1959, there were 3,744,000 persons without jobs in the United States. Furthermore, although there has been marked recovery from the economic lows of 1957–58, many major cities of the United States, in fact, 179 of them are still suffering from extensive unemployment. Much of this unemployment stems from the migration of large industrial plants to other localities. Many of these large cities were hit by the recession long before it became generally acknowledged in 1957–58. These 179 areas may well be described as "chronically depressed."

I have mentioned the special $400 million road fund set up by the Federal Government as one means of stemming the downswing in the private sector of the economy. Many authorities credit the road program with playing an effective part in pulling the country out of the recent recession. Therefore, if we falter now, we may well plunge the country again into economic chaos. Those regions such as New England, and several mid-Atlantic and mid-Western States, which are now plagued with joblessness, will have their economic woes aggravated, and a snowballing reaction may then set in.

To indicate the vast importance of the roadbuilding program to some of those regions with critical unemployment problems, let me point out the magnitude of road construction projects in a number of salient States.

I will start with my own State of West Virginia, which has 3 major and 11 smaller areas of substantial labor surplus, particularly in coal mining. In my State, the total cost of construction, surveys, designs, and right-of-way acquisition on the Interstate Highway System, completed or underway, as of December 31, 1958, was $55,656,000. Of this total, $48 million was Federal funds. In addition, active and completed work on the ABC Federal highway program, as of the same date, amounted to $61.5 million. Of this, almost $16 million was Federal funds.

Now, these are substantial sums of money, and, I am confident, they have aided to some degree in reducing unemployment in West Virginia.

Let us go on to the State of Pennsylvania, with 8 major areas, including Philadelphia and Pittsburgh, and 18 minor centers of critical unemployment. Pennsylvania has accounted for a large portion of interstate highway funds. At the close of last year, total costs of work completed or under way on the Interstate Highway System were more than $293 million. Of this, $252 million was Federal funds. In Pennsylvania, some $190 million have been spent on the ABC Federal-aid highway program. For these roads, the Federal Government provided more than $91 million.

Suppose I cite Massachusetts as an example of a New England State which has been beset by sharp declines in industry, especially textiles. Seven major areas of substantial labor surplus are still listed for Massachusetts.

Again, the road program in this State has been of the greatest significance in bolstering the economy. As of December 21, 1958, the cost of the interstate highway program totaled $143 million, more than $100 million being supplied by the Federal Government. An additional $74 million was extended upon active and completed work in the ABC highway program.

And take the State of Michigan, center of the automotive industry. Eight metropolitan areas, including Detroit, Flint, Lansing, and Grand Rapids are classified as cities with serious unemployment. Michigan is direly in need of a public works program. As of the close of 1958, the total cost of projects on the Interstate Highway System completed or underway was $212 million. Of this amount the Federal Government furnished $184 million.

An additional $39 millions represent active or completed work on the ABC Federal-aid highway construction, at the year's end, 1958. Slightly more than half was provided by the Federal Government.

These are all large sums of money, and judiciously spent have provided considerable employment. I repeat, those States with urgent unemployment problems have derived timely and immeasurable benefits from the Federal roadbuilding program.

Although in my talk today I have stressed the economic importance of the Federal roadbuilding program, nevertheless I believe that in these times of international tension, the defense aspects of highway transportation must be emphasized. All highways potentially serve national defense, but the Interstate System, with its large mileage of expressway-type highways, will be of inestimable value to the defense effort.

This Interstate System will provide, better than any roads ever built, the three basic services which highways render to national security: the movement of troops, the transportation of supplies, and the continuity of essential production.

Even though it is the most cherished hope of all Americans that the cold war will ease, still we must never be complacent. We must constantly be alert to the real and underlying dangers to world peace. Therefore, it would be foolhardy to overlook even one measure of national defense. And the Interstate Highway System is a critically important aspect of the national defense.

In closing, I wish to say this. If we wish to proclaim to all the world that we have the best and finest economic system ever devised; if we wish to broadcast our achievements to all the world, then surely we cannot overlook these depressed pockets in our land. Surely we cannot be complacent about these festers upon the homefront. Surely we cannot allow the American way of life to appear so callous that it has no regard for those who are unfortunately cursed with long sieges of unemployment. I believe that the Federal Highway building program, vital in itself to our way of life, is also tailor made to form one means of dealing with the pressing economic problem of blighted areas.

Today I am not advocating any particular method of meeting the financial crisis in the Federal roadbuilding program. I merely wish to stress the fact that we cannot afford not to continue full implementation of federally aided road construction.

I ask unanimous consent to include with my remarks an article from the Huntington (W. Va.) Advertiser of August 12, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWENTY STATES HAVE STOPPED NEW SUPERHIGHWAY UNDERTAKINGS

WASHINGTON.—More than 20 States already have shelved new superhighway projects because of a financing crisis in the big Federal-State roadbuilding program.

Officials said today 23 States have stopped seeking bids on interstate road projects or have stopped awarding new contracts, and the list is growing steadily.

The States are doing this on a temporary basis. They will wait and see what Congress does about highway financing before they tackle new projects.

Congress now is deadlocked on replenishing the highway trust fund which pays roadbuilding bills. President Eisenhower wants to do this by boosting the 3-cent Federal gasoline tax to 4½ cents.

REJECTS TAX INCREASE

The House Ways and Means Committee again rejected yesterday a gasoline tax increase as a source of revenue. It adjourned without setting a date for further consideration of how to provide the funds.

Some committee sources said, however, a possible compromise might include some increase in the gasoline tax, plus diversion of other motoring tax revenues to the highway trust fund.

The extra money has to be raised because the highway law requires that the program be kept on a pay-as-you-build basis.

Unless the cash is forthcoming, the Bureau of Roads will cancel plans to apportion to the States $2½ billion in highway funds for the fiscal year that begins July 1, 1960. Also, it will apportion only $500 million for the following fiscal year, instead of the planned $2,200 million.

This would bring the interstate program to a complete, if temporary, halt—something that seems unlikely at present.

There is a more immediate problem, however, that is causing more and more States to shelve new projects.

OCTOBER DEADLINE

Starting in October, the Federal Government won't be able to pay its road bills on time unless more funds are provided.

This is of vital concern to the States because they pay the entire cost of interstate superhighways, then are reimbursed by Uncle Sam for 90 percent of the outlay.

The 23 States which have halted the letting of new superhighway contracts include Maryland.

Construction work already in progress is going ahead in all of these States. Only projects in the planning stage are affected.

In addition to these States, four others have told highway officials they will stop awarding contracts by the end of next month and seven others, including West Virginia, say they will stop contracting by the end of the year.

JUVENILE GANG CRIMES IN WASHINGTON, D.C.

Mr. BYRD of West Virginia. Mr. President, a week ago I spoke on this floor about the alarming number of juvenile gang crimes that are occurring here in Washington, the Capital of America. I referred to several of the brazen "wolf pack" incidents which have been taking place on downtown streets—the robbings, beatings, knife attacks, and murders.

Since my first comments in regard to this matter, I have begun an exploration of various ways in which it might be possible to take corrective steps against this menace.

One possible approach which I wish to discuss at this time is one that has been pending before the Congress for several years. It is a relatively simple step, which we might take without great expense; yet it is one which somehow has never been brought to fruition, despite years of serious effort.

I am referring to the proposal to expand the present Juvenile Court of the District of Columbia, until it is headed by three judges instead of one. A bill to realize this end—S. 1456—was passed by the Senate on April 10 of this year, but it still has not received final congressional approval, and time is drawing close for the adjournment of the Congress.

I wish to go on record, Mr. President, as respectfully but strenuously urging our colleagues in the other body to take favorable action upon this bill. I think it is a meritorious bill, and one which is important to the law enforcement process in our Nation's Capital.

Of course, the bill is no panacea; but its potential to help meet Washington's growing youth-gang problem is, I believe, significant. The provision of two additional judges for the Juvenile Court of the District of Columbia would permit the effective hearing and judging of virtually all youthful offenders who are arrested in this city; whereas, at present, only a portion of the juveniles apprehended by the police actually are brought to hearings. Even those who now are brought to hearings usually are left at liberty for weeks or months while their cases are pending in the towering backlog of hearings in the court. And then, when they finally face the judge, it is only for a brief, hurried moment as the

court tries to clear as many cases as possible each day.

This is not effective judicial procedure, which will teach our errant youth to respect the law and to face their responsibilities as citizens. The juvenile delinquent's rebellion against society surely cannot be cured if the institution of society which deals with him itself presents a picture of hurried inadequacy.

I would like to quote a few lines from the hearings by the Senate Committee on the District of Columbia which led to the Senate passage of S. 1456. The present lone judge of the juvenile court, the Honorable Orman W. Ketcham, made this comment to the members of the committee:

During the past year, the court's operations were carefully studied to determine whether its basic philosophies and responsibilities were being adequately carried out. It is our reluctant conclusion at this time that they are not being fully accomplished.

The juvenile court definitely needs more time and more personnel to deal with these difficult problems. The primary bottleneck today comes from the fact that there is but one judge. The court had one judge in 1906 when it was first established. It continued to have only one judge when it was reorganized in 1938, and it still has but one judge.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The time of the Senator from West Virginia has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may continue for 2 additional minutes.

Mr. JAVITS. Mr. President, for the reasons heretofore stated, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to continue for 30 seconds.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I regard this as rather astonlishing: that this court, which had one judge in 1906, when the population of Washington was around 30,000 people, still has but one judge today, when the population of Washington proper is approaching a million. Of course, the staff of the court has multiplied over the years; it now has an authorized staff of 95 persons, divided into five divisions. But, still, all the juveniles actually tried must face the lone judge who heads the court.

And the number of juveniles being brought into court is increasing at a very disturbing rate. I wish to again quote Judge Ketcham's testimony at the hearing.

Mr. President, I ask that the excerpt be printed in the RECORD, instead of taking the time to read it.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

If the trend remains steadily upward. The court hearing * * * between 1950 and 1957 showed these changes: In 1950, they were totaled as 9,980; and in 1957, they were 17,916. I do not believe that you could reasonably compare the figures of one judicial administration of the juvenile court with others, but, in each period, the trend is the same, steadily upward.

This is attributable, in my judgment, to population increase, to accelerated dependencies among some elements of the population, and to various increases in the court's jurisdiction over the years.

During this time, only the number of judges has failed to grow—during the past 50 years, everything else has grown.

Mr. BYRD of West Virginia. Mr. President, at another point in the hearing, the Honorable E. Barrett Prettyman, chief judge of the District of Columbia circuit, also spoke in support of the bill to increase the court to a three-judge court.

Mr. President, under the circumstances I ask unanimous consent that the testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Washington has grown tremendously in the years since one judge was sufficient for the juvenile court work. Moreover, the problem of juvenile delinquency has grown in recent years in greater proportion than has the increase in population. * * * The barebones statistics, which you have before you, demonstrate the need for three judges. The single statistic of some 13,000 matters for hearing in the year 1958 is enough to prove the point. Even three judges would carry a caseload of an average of 12 hearings a day, day in and day out, for 300 days a year, and this hearing load is only part of the work, perhaps really the less important part, of the juvenile court. * * *

* * * The major purpose, of course, is to make good citizens out of poor material. One important aspect of that task is to teach respect for the law and for authority. Where the court is compelled by the sheer weight of its load to process all these matters as quickly as possible, to eliminate all semblance of deliberation, and to forego any opportunity to explore with some degree of care the possibilities in regard to each child, it is not teaching much of a lesson in good citizenship. * * *

* * * Juvenile court work ought to be absolutely current. When a child is not brought to book for a delinquency until 6 or 8 months after the event, the whole point of the proceeding is lost on him.

Mr. BYRD of West Virginia. Mr. President, on these eloquent arguments, I rest my plea for prompt action on S. 1456, to provide two additional judges for the Juvenile Court of the District of Columbia.

The only final summation I wish to make is to have inserted a portion of an editorial which appeared in the Washington Evening Star on Monday. The editorial, I believe, sums up the situation excellently, and I ask unanimous consent to have an excerpt from it printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Ten days ago Representative DIGGS, Democrat, of Michigan, saw a gang of juveniles attack, beat, and rob a man at Logan Circle. The Michigan Congressman said they behaved like a "pack of wolves." Now it develops that one of these wolves had been arrested earlier on serious charges but had not been brought to trial because a hopelessly overloaded juvenile court was unable to process the case. The boy, a 16-year-old suspected yoker, has been awaiting trial for 8 months. If the court calendar is adhered to, his case will not be brought up for trial before Chirstmas. Of course, this case could be pushed ahead. But that would simply mean that another case would have to be pushed back.

There is still another disgraceful facet of this situation. In the past fiscal year, 447 boys and girls were brought before Juvenile Court Judge Ketcham as being delinquent, homeless, or beyond control of their parents. During the same period of time 853 juveniles, in similar situations, were brought into the court, but never saw the judge. With his many other duties he was unable to give personal attention to these cases, and they had to be handled by the court staff.

This reveals a situation that is unnecessary and bad in two respects. It is bad in one respect because it permits vicious young hoodlums to prowl the streets for upward of a year after they have once been picked up by the police on serious charges. Yet experience has shown that prompt trial and punishment does more than anything else to discourage young criminals. It is bad in the second respect because the chances of reform are better if a delinquent is brought before a judge rather than some member of the court staff. Finally, this deplorable situation is unnecessary because an effective remedy is readily available.

The remedy is the bill to add two judges to the juvenile court bench—a bill which passed the Senate months ago, which is unanimously supported by all individuals and agencies concerned with law enforcement in Washington, and which without question would be passed by the House if it could be brought to a vote.

TRIBUTE TO MAJ. GEN. W. P. FISHER

Mr. THURMOND. Mr. President, in its day-to-day dealings with the Air Force, the Congress has been very much aware of the presence of the Air Force Director of Legislative Liaison, Maj. Gen. W. P. Fisher.

After nearly 2 years as Director of Legislative Liaison, this fine officer is leaving Washington for a new assignment with the Military Air Transport Service.

General Fisher has been closely associated with Members of the Senate since March 1958. He has been a forceful and eloquent representative of the U.S. Air Force. His services have been of utmost assistance in providing us with a greater understanding of the roles, missions, and requirements of the Air Force, and in providing clear-cut answers to questions raised by congressional constituents relative to Air Force policies, procedures, operations, and programs. General Fisher's assistance has been especially noteworthy in affording many of us the opportunity to visit and see for ourselves the tremendous progress and operation of our U.S. Air Force. It is through personal visits and contacts with the Air Force personnel on the job in the field that we best understand the importance and urgency of the work we are doing and must do as Members of the Senate.

I regret that General Fisher is to leave Washington. At the same time, I am pleased that he is assigned as commander, Eastern Transport Air Force, McGuire Air Force Base, N.J., where he will have an opportunity to continue his outstanding service to the United States of America.

THE LANDRUM-GRIFFIN LABOR REFORM BILL

Mr. THURMOND. Mr. President, last week I placed in the Appendix of the RECORD editorials from almost every daily newspaper published in South Carolina in support of strong and effective labor reform legislation. Every one of these editorials has commended the House for its action in approving the Landrum-Griffin labor reform bill and has expressed the view that this action represents the overwhelming majority thinking of the people, not only in South Carolina, but in the Nation as a whole.

On Tuesday, August 25, 1959, another important daily newspaper in South Carolina, the Times and Democrat, of Orangeburg, S.C., which is edited by Edward H. Sims and is published by James L. Sims, published an editorial supporting the action of the House and urging the Senate to pass effective labor reform legislation. I ask unanimous consent that this excellent editorial be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. The editorial reads as follows:

The most impressive thing about the House labor bill, which moved through the lower body by an impressive 303–125 margin, is the fact that it was written quietly, and with a minimum of fanfare and publicity.

The two authors of the bill, one a Republican, held many closed hearings, and reporters and sensational testimony were avoided.

The chairman of the House Education-Labor Subcommittee which wrote the bill is Representative PHIL M. LANDRUM, of Georgia. He is the Democrat, and his counterpart on the committee, the Republican, is Representative ROBERT P. GRIFFIN, of Michigan.

Both LANDRUM and GRIFFIN are quiet workers, and do their work in thorough, plodding fashion. In writing the recent labor bill, they used the committee's staff counsel, and took some 40 days of testimony, hearing approximately 100 witnesses.

Listening to both labor and business representatives they decided—and the subcommittee with them—that the major labor abuses involved in today's labor relations problem are secondary boycotting and blackmail picketing. Both these Representatives believe the Landrum-Griffin bill, as it passed the House, virtually halts both.

As this is written, a conference committee is seeking to compromise the Landrum-Griffin bill with the Senate version, authored by Senator JOHN KENNEDY and Senator SAM ERVIN, both Democrats, of Massachusetts and North Carolina, respectively.

It is no secret among members of the Eisenhower administration, and among those who think that effective labor legislation is badly needed today, that the Kennedy-Ervin bill is a mild bill. While Senators disagree whether it is a sop for labor, or whether it is actually a mild bill which will accomplish considerable good, there is hardly no disagreement on the fact that the Landrum-Griffin bill goes much further in seeking to curb labor abuses than does the Kennedy-Ervin bill.

President Eisenhower has said that the Landrum-Griffin bill is a good start toward cleaning up the abuses and racketeering in some labor unions today. The Democrats, who traditionally get the labor vote, are guilty, to a degree, of timidity in dealing with the labor union abuses problem of today, eyeing the 1960 presidential election. This criticism, of course, cannot be applied in blanket form to all Democrats, and certainly does not apply to many southern Democrats, who are traditionally more conservative than their northern party colleagues.

It is evident, however, that the American people are in the mood for an effective labor reform bill. If the compromise bill is too weak, President Eisenhower is closer to getting what he wants now, in the way of labor reform legislation, than he has been at any time during the year. Mr. Eisenhower's view, we believe, represents the majority thinking in this country.

POLICE AUTHORITY IN NORTHERN CITIES CHALLENGED BY LAWLESS NEGROES

Mr. THURMOND. Mr. President, I call attention to an editorial from the August 25, 1959, issue of the News and Courier, of Charleston, S.C., which points up a very important problem in the Nation's Capital and also in many large cities to the north of Washington. It is entitled "Police Authority in Northern Cities Is Challenged by Lawless Negroes." The News and Courier is very ably edited by Mr. Thomas H. Waring, of Charleston, S.C.

The editorial reads as follows:

Contempt for the fundamental law of the land—the constituted authority of the policeman—is growing in our Nation's Capital.

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems of the schools and the grim story of bastardy in the classrooms.

Less known but even more disturbing is the story of assaults against policemen. Statistics are not always easy to come by in the District of Columbia, but some figures were released recently when the Washington Star published an account of a brutal beating of a policeman by a gang of street toughs.

Police Chief Robert V. Murray disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the first of January until July 31, 138 policemen have been assaulted. For the same period last year, it was 106.

Refusal to respect the policeman's badge is becoming distressingly frequent in a number of northern cities with large numbers of aggressive Negro migrants. Police Commissioner Paul Kennedy, of New York City, recently ordered heavy police reinforcements into Harlem and other Negro neighborhoods following a near race riot. Press reports indicate that a mood of sullen resentment against police has arisen in New York. Political opportunists, of whom U.S. Representative ADAM CLAYTON POWELL is one, are encouraging disrespect for the law of the land, by charges of "police brutality" and demands for more Negro policemen.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. THURMOND. Mr. President, I ask unanimous consent for 2 more minutes, to finish the editorial.

Mr. JAVITS. Mr. President, I am constrained——

Mr. THURMOND. Will the Senator permit me to have 2 more minutes? Then I will be through.

Mr. JAVITS. I should like to ask the Senator if there are any other items he has to present.

Mr. THURMOND. I do not have any more items. This is my last item.

Mr. JAVITS. Very well. I shall not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? Does the Senator from New York object?

Mr. JAVITS. I do not.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. The editorial concludes:

Nor is New York the only community that faces serious trouble along this line. Boston, St. Louis, and St. Paul are among the cities where Negroes lately have actively resisted police. Negroes are chronic offenders against the police in Los Angeles. The Negro press in that city continually wars with the Los Angeles police department which is considered one of the best in the Nation.

Northern cities with large Negro populations cannot long delay a reappraisal of their attitude toward aggressive racial elements. Defiance of the police by Negroes breeds greater defiance and contempt for the processes of law. Unless checked by stern action, the aggressive Negro elements will destroy the civic peace of several major northern cities.

We do not intend to preach to northerners on ways to restore public order. In a number of southern communities the problem of aggressiveness has been handled by a combination of official firmness and able work by both white and Negro policemen.

We hope that northern cities will not let liberal ideology, which bars racial separation, prevent them from devising practical solutions to their problems of race crime and race lawlessness. So much is at stake in those cities that it would be a national tragedy if twisted ideologies prevented return to the rule of law.

AUTHORITY TO REGULATE WAGES AND WORKING CONDITIONS ON FARMS NOT GIVEN TO DEPARTMENT OF LABOR

Mr. STENNIS. Mr. President, during consideration of the appropriations bill providing funds for the Departments of Labor, and Health, Education, and Welfare, I expressed grave concern in proposed regulations which the Department of Labor had under consideration at that time to regulate agricultural wages and working conditions. At my request and through the assistance of the chairman of the subcommittee having the bill in charge [Mr. HILL], the following language was included in the committee report:

It has come to the attention of the committee that the Department of Labor has had under consideration the issuance of rules under the Wagner-Peyser Act, which would require farmers with respect to agricultural employment to submit to regulation by the Department over farm housing, transportation, wages and hours, and related matters. The Wagner-Peyser Act authorized the establishment of a national system of public employment officers as a means of assisting workers to find available job opportunities and employers to find available workers. It conferred no regulatory authority over either the workers or employers. The U.S. Employment Service, as its name implies, is solely

a service agency. Except for the authority contained in title V of the Agricultural Act of 1949, as amended, which provides for temporary employment of Mexican farmworkers in the United States where such employment will not adversely affect the wages and working conditions of domestic agricultural workers, there has not been delegated to the Department of Labor any authority to impose regulations concerning hours, wages, compulsory bargaining or the like with respect to agricultural employment as defined in the act. On the contrary, the Congress has consistently exempted agriculture from such controls because of the great difference between conditions affecting agriculture and those affecting industry. Therefore, in providing funds for the carrying out of the Bureau of Employment Security programs, it is directed that such funds not be used directly or indirectly to impose with respect to agricultural employment regulations relating to wages, hours, bargaining, or other conditions of employment, except as may be expressly authorized by law.

Mr. President, unfortunately this language was not included in the conference report.

I ask unanimous consent to have an article from "This Week in Washington," written by Clinton Davidson, printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS WEEK IN WASHINGTON

(With Clinton Davidson)

MATTER OF PRINCIPLE

The basic philosophy underlying our democratic system of a division of responsibility between the legislative, judicial, and administrative branches of government is being tested in Washington this week.

The public has been invited to hear and participate in debate over whether an administrative agency should issue an order having the effect of law without the specifically stated consent of Congress.

Secretary of Labor James Mitchell will decide, on the basis of the arguments, whether to make permanent a tentative order that would delegate to his subordinates the power to establish minimum wages and working conditions for more than 1 million hired farmworkers.

The question, however, is much deeper and broader than that of applying minimum wages to farmworkers. It involves the whole concept of the function of an administrative agency, of which there are literally hundreds in Washington.

Law by interpretation

Is a law just what Congress says, or is it what the lawyers in an administrative agency interpret it to be?

Some interpretation frequently is necessary, but that interpretation should not go beyond the clear intent of Congress. No agency should ever assume it has any authority simply because Congress has not said it doesn't have it.

It is conceded that Congress never has specifically granted the Secretary of Labor authority to set minimum wages for farmworkers. But it is argued by those backing the order, neither has it ever said that he cannot issue such an order. So, it is contended, issuance of the order would not be a violation of any law.

This, we think, is not valid reasoning. The order, if put into effect and not reversed, could become a precedent that would open the way for other agencies to, in effect, make laws by interpretation.

A legal ruling

Months ago Secretary Mitchell, an able and conscientious administrator, asked Attorney General William P. Rogers for an official ruling on whether he had the authority to issue the proposed order.

After long study Mr. Rogers ruled (1) that the authority was implied in the 30-year-old Wagner-Peyser Act which established the U.S. Employment Service in the Labor Department, and (2) that there is nothing in any law specifically prohibiting him from issuing such an order.

The order, if made effective, would delegate to the U.S. Employment Service authority to require that farm employers who obtain out-of-State workers through USES pay at least the prevailing wage in their area.

The farm employer also would have to agree to meet housing standards acceptable to the USES, and to pay transportation of the workers from their home and return when the USES determines that to be a common practice.

The question isn't whether these regulations are fair and reasonable, but rather the fundamental issue of the authority of an administrative agency to make rules and regulations not clearly authorized by Congress. This seems to us to be a serious threat to our constitutional division of authority between the legislative and administrative branches of government.

PUBLIC LAW 480—STATEMENT BY SENATOR STENNIS

Mr. STENNIS. Mr. President, I commend the Senate Committee on Agriculture and Forestry for its favorable report to extend the Agricultural Trade Development and Assistance Act, better known as Public Law 480, and hope that the Senate will give overwhelming support for this 1-year extension.

The bill as reported would provide an increase in authorization of $1.5 billion under title I, an increase of $300 million under title II, and extend this law to December 31, 1960.

This legislation for the past several years has proved to be an important instrument in exporting great quantities of surplus agricultural commodities which would have otherwise been impossible. Since the beginning of this program in 1955, approximately 4 million bales of cotton have been exported under this program. In addition, 840 million bushels of wheat, 33.5 million bags of rice, 3.3 million pounds of tobacco, 120 million pounds of meat, 285 million pounds of dairy products, 180 million pounds of lard, as well as other commodities, have been exported.

During the past fiscal year more than one-half the total U.S. wheat exports were handled under Public Law 480 and about 750 million bushels of soybean oil and cottonseed soil, amounting to about 65 percent of the total edible oil exports, about one-third of the rice exports, and about one-fifth of cotton shipments.

The fact that our surplus commodities continue to pile up, even with strict acreage controls, reemphasizes the importance of Public Law 480. It is becoming more evident each day that we need to strengthen and stimulate exports under Public Law 480 as well as other export programs which Congress has authorized.

I am especially concerned by the sharp reductions in exports of cotton from 5.7 million bales in the 1957 and 1958 crop year to 2.8 million bales for the crop year ending August 1, 1959.

There is every indication that new export markets will become more difficult to obtain in future years as other countries move toward self-sufficiency in agriculture. There is also the serious threat that Russia and Red China will, in the next few years, make an all-out effort to increase commerce with other countries in the free world. Agriculture must be prepared to meet this threat with firm and objective action by our own Government.

Mr. President, the Public Law 480 program has been conducted on a sound business principle in such a way as to improve trade relations with other countries. It has not displaced dollar markets because of safeguards which require that sales must be over and above normal dollar sales.

The expenditure of foreign currencies in foreign countries has been put to good use. Substantial amounts of funds received for agricultural commodities are used for military construction. They are also loaned back to countries for economic development, and in many cases have been used for programs which would have otherwise required dollar expenditures.

Approximately $220 million worth of foreign currencies have been used by the Treasury Department to provide U.S. agencies such as the State Department, Defense Department, and U.S. Information Agency with money to provide oversea expenditures. I have been very much impressed with the use of currencies in foreign countries to develop marketing research programs, advertising programs and other programs which have long-range potentials of developing increased markets of U.S. surplus agricultural commodities. Barter transactions also offer impressive opportunities in disposing of surplus agricultural commodities. This program will become even more important as we face new competition with Russia and Red China. I urge the Department of Agriculture to review their policy in regard to barter with the hope that a better program can be worked out.

Our Military Construction Subcommittee has also given special attention to the use of foreign currencies in the construction of military housing, and this year we were successful in including an amendment which would require the Defense Department to use available currencies for all types of oversea military construction. This new authorization should lay the groundwork for expanding this type of transaction in the years ahead.

Public Law 480 is a sound approach for building good trade relations with other countries and at the same time greatly assisting in exporting surplus agricultural commodities. I hope that the Senate will give their full approval to the measure providing for the extension of this important legislation, which is now pending on the Senate Calendar.

CHALLENGE TO POLICE AUTHORITY IN NORTHERN CITIES

Mr. JOHNSTON of South Carolina. Mr. President, I bring to the attention of the Senate an editorial from the News

and Courier, of Charleston, S.C., on Tuesday, August 25, 1959, entitled "Police Authority in Northern Cities Is Challenged by Lawless Negroes." I shall not burden the RECORD with reprinting.

However, Mr. President, I call this article to your attention because it fits in with a proposal by Representative OMAR BURLESON, of Texas, who has introduced legislation (H.R. 8814) that would authorize the assignment of U.S. Marines to assist in law enforcement in the city of Washington, D.C.

Mr. President, I quote from this editorial from the News and Courier:

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems in the schools and the grim story of bastardy in the classrooms.

Less known but even more disturbing is the story of assaults against policemen. Statistics are not always easy to come by in the District of Columbia, but some figures were released recently when the Washington Star published an account of a brutal beating of a policeman by a gang of street toughs.

Police Chief Robert V. Murphy disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the 1st of January until July 31, 188 policemen have been assaulted. For the same period last year, it was 106.

Mr. President, I would never condone the use of Marines or troops in any locally governed American city, unless it were Washington, D.C. I believe in local law enforcement officers and local authorities handling problems within their jurisdiction. However, I would say this emphatically: There is a greater need for the U.S. Marines to be used in Washington to assist in law enforcement than there ever was any need for troops to be used in Little Rock, Ark., against schoolchildren.

In fact, I would say that Marines today are needed in several cities of the United States to quell racial violence and disorder, and they are more needed than we ever needed troops in Little Rock. However, I would be opposed to the use of troops even in New York or Chicago or Boston, or any other city in America, except perhaps Washington, which is a Federal city.

Representative BURLESON yesterday pointed out that the District of Columbia is seeking $2½ million to add 500 additional policemen to the District of Columbia police force.

This seems to me an extravagant cost for forced integration, which we have in Washington and which has brought about all the crime and violence that we see and read about in the papers every day.

Mr. President, I again emphasize that I would never condone the use of Federal troops or Marines in any city of America, except perhaps Washington, because it is a Federal city, but I sincerely feel that the use of such troops or Marines would certainly be more justified in some cities of America than they were ever needed in Little Rock, Ark.

As to Representative BURLESON'S proposal that Marines be used to patrol the streets of Washington in order to safeguard law-abiding citizens from violence of all sorts, it seems to me it would be much more economical for the Federal Government to use the Marines as he has proposed than to spend $2½ million to add 500 more policemen to the force.

Mr. President, I ask unanimous consent that the editorial to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POLICE AUTHORITY IN NORTHERN CITIES IS CHALLENGED BY LAWLESS NEGROES

Contempt for the fundamental law of the land—the constituted authority of the policeman—is growing in our Nation's Capital.

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems in the schools and the grim story of bastardy in the classrooms.

Less known but even more disturbing is the story of assaults against policemen. Statistics are not always easy to come by in the District of Columbia, but some figures were released recently when the Washington Star published an account of brutal beating of a policeman by a gang of street toughs.

Police Chief Robert V. Murphy disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the 1st of January until July 31, 138 policemen have been assaulted. For the same period last year it was 106.

Refusal to respect the policeman's badge is becoming distressingly frequent in a number of northern cities with large numbers of aggressive Negro migrants. Police Commissioner Paul Kennedy, of New York City, recently ordered heavy police reinforcements into Harlem and other Negro neighborhoods following a near race riot. Press reports indicate that a mood of sullen resentment against police has arisen in New York. Political opportunists, of whom U.S. Representative ADAM CLAYTON POWELL is one, are encouraging disrespect for the law of the land, by charges of police brutality and demands for more Negro policemen.

Nor is New York the only community that faces serious trouble along this line. Boston, St. Louis, and St. Paul are among the cities where Negroes lately have actively resisted police. Negroes are chronic offenders against the police in Los Angeles. The Negro press in that city continually wars with the Los Angeles Police Department, which is considered one of the best in the Nation.

Northern cities with large Negro populations cannot long delay a reappraisal of their attitude toward aggressive racial elements. Defiance of the police by Negroes breeds greater defiance and contempt for the processes of law. Unless checked by stern action, the aggressive Negro elements will destroy the civic peace of several major northern cities.

We do not intend to preach to northerners on ways to restore public order. In a number of southern communities the problem of aggressiveness has been handled by a combination of official firmness and able work by both white and Negro policemen.

We hope that northern cities will not let liberal ideology, which bars racial separation, prevent them from devising practical solutions to their problems of race crime and race lawlessness. So much is at stake in those cities that it would be a national tragedy if twisted ideologists prevented return to the rule of law.

ANALYSIS OF INTERNATIONAL SUGAR MARKET SITUATION

Mr. JOHNSTON of South Carolina. Mr. President, I recently asked the Library of Congress to give me an analysis of the international sugar market situation.

This report shows that the United States, in consuming 3,438,000 tons of Cuban sugar in 1958, gave the Government of Cuba, or the dealers through which we purchase this sugar, a premium price, higher than the general world market. The U.S. market meant a premium price to Cuba of roughly the difference between 3.50 cents per pound and 5.77 cents per pound, less, of course, the shipping costs from Cuba to New York.

The average price of raw sugar, free alongside ship, was 3.50 cents per pound at Cuban ports in 1958. However, they were permitted to sell out their quota amount in the U.S. market, which is a restricted market and carries a higher price tag, at an average price of 4.77 cents per pound laid down in New York or laid down with duty paid at 6.27 cents per pound.

Mr. President, the United States is the principal consumer of Cuban sugar, and we have for many years protected that country by giving it preferential trade agreement treatment. It is my thought that any nation which is receiving so much from another nation, as Cuba is from the United States, should be less hostile to us and more friendly to us. Certainly we are in a position to bargain our sugar markets with Cuba for more cooperation, for peace in the Caribbean area.

Mr. President, I ask that this study of the international sugar market situation, that is the questions I asked the Library of Congress and resulting answers, be printed in the RECORD as part of my remarks. This report shows that we are giving millions of dollars to a country which is confiscating our property.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL SUGAR MARKET SITUATION

1. What is the world market price?

Though a considerable part of the sugar which moves in international trade is a matter of negotiation under short-term or long-term special arrangements, the No. 4 contract on the New York Coffee and Sugar Exchange, Inc., generally serves as the world market price. This contract, calling for centrifugal raw sugar of 96 degrees polarization, f.a.s. Cuba, was quoted (spot) at 2.65 cents per pound at the close of the market August 3, 1959.

2. How much does United States pay Cuba for sugar?

The average price for raw sugar, free alongside ship, Cuban ports, in 1958 was 3.50 cents per pound. However, they are permitted to sell up to their quota amount in the U.S. market, which market being a restricted market, carries a higher price tag—an average price in 1958 of 5.77 cents per

pound laid down in New York, or laid down with duty paid at 6.27 cents per pound in that year.

Thus the U.S. market in 1958 meant a premium price to Cuba on more than 3 million tons of roughly the difference between 3.50 and 5.77 cents per pound, minus, of course, the cost of shipping from Cuba to New York.

3. How much sugar does the United States import from Cuba?

In 1958, the adjusted quota for Cuban sugar admitted to the U.S. market was 3,438,000 tons. For 1959 the initial quota was set at 3,060,000 tons.

In general we may assume that the Cuban part of the quota was entirely filled.

4. What is the price of domestic sugar?

The average wholesale price of raw sugar, duty paid, New York, was 6.27 cents per pound, in 1958. The wholesale price of refined sugar, New York, for that year was 9.1 cents per pound; the average retail price per pound in leading cities of the United States was 11.3 cents per pound in 10-pound bags.

5. How much is grown in the United States?

The preliminary figures for the 1958 crop show 590,000 tons (raw value) of cane sugar and 2,225,000 tons (raw value) of beet sugar resulting from domestic production of sugarcane and sugar beets, a total of about 2,815,000 tons.

6. How much is consumed in the United States?

Domestic disappearance in 1958 was, according to preliminary figures, 9,109,000 tons, or about 97.3 pounds per capita on a refined basis.

7. Does the United States have a surplus of sugar? If so, what does it cost to store it and how much is the surplus?

We produce domestically less than one-third of the sugar we use. Visible stocks, or carryover of working stocks, sometimes approach 2 million tons.

Also, there are years when the acreage allotments on sugarcane, or the final allotment on sugar beets, may produce raw sugar in excess of the domestic quotas for that particular year, thus resulting in a carryover to be dealt with in setting acreages for the next year.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I believe I have 3 minutes on each subject. Is not that true?

Mr. JAVITS. Mr. President——

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

INCREASE IN PERSONAL INCOME—LOUISIANA IS NUMBER ONE

Mr. LONG of Louisiana. Mr. President, for some time the U.S. Department of Labor has been issuing a very worthwhile publication entitled "The Labor Market and Employment Security." This fine publication covers a great variety of subjects relating to labor forces and to employment in general.

Recently it was decided that a series of articles would be published discussing changes in the labor market and personal income from the period 1947 to 1957. It is my pleasure to report to Senators that the first of these series of articles is an article about the great State of Louisiana, which I have the honor, in part, to represent in this body. The reason why Louisiana is the subject of the first article is that personal income has increased in Louisiana during the last decade more than in any other State in the entire Union.

The article undertakes to analyze the nature of this development and the cause for it. It is noted that there has been a considerable shift in the population trend and that the area of south Louisiana, which has deep water transportation facilities, has developed and expanded the most rapidly. It is in this field that the Congress has probably made its greatest contribution toward the prosperity of Louisiana.

Some years ago, industries were extremely fearful of locating behind levees on the Mississippi River because of the danger of floods. With improved flood control and thanks to the cooperation of Federal, State, and local governments, industry now has confidence in its ability to settle safely behind levees on the Mississippi.

I should like to mention one additional aspect of this subject that is more controversial in nature. During the past decade, Louisiana has been one of the leaders and perhaps the most outstanding State in the Nation in expanding social services for its citizens. This program has brought considerable controversy. Some have contended that State taxes to finance public welfare and expanded educational opportunities would discourage industry from locating in Louisiana. Each forward step in providing better health, highways, and additional public services has been met with the hue and cry that the cost of paying for such advancements would cause industry to shy from Louisiana. Yet, after 10 years, we can look back upon our accomplishments and see that it is possible for a State to have both social progress and economic progress. In fact, the record seems to indicate that one complements the other instead of subtracting from it. I know that all Louisianians will take pride in the revelation of this article to which I refer and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHANGES IN LOUISIANA LABOR MARKET AND PERSONAL INCOME, 1947–57

(Prepared by Noble H. Ward, Reports and Analysis Unit, Louisiana Division of Employment Security)

During the post-World War II period, the State of Louisiana enjoyed an unusual degree of economic progress. This industrialization was particularly evident in the southern half of the State, which has been the location of one of the country's most striking industrial booms. The rapidly developing industrialized region along the Mississippi River between the New Orleans and Baton Rouge metropolitan areas holds a tremendous potential for the future economic life of this part of the Nation.

Since the end of World War II, per capita personal income in Louisiana increased more rapidly than in any other State and rose almost twice as rapidly as the average for the United States. This article presents reasons for this outstanding climb in per capita income, with particular emphasis on the changes in the State's population and patterns of employment.

Louisiana's strategic location at the mouth of the Mississippi River gives the State an important industrial advantage. The climate is temperate, and is influenced mainly by the network of bays, lakes, and bayous, the proximity of the Gulf of Mexico, and the State's nearness to the subtropical latitude. The terrain is divided into rolling hills, delta land, coastal marshes, and prairies. Long agricultural growing seasons characterize both the northern and southern parts of the State.

The most important natural resources in Louisiana are petroleum, natural gas, salt, sulfur, timber, and water. The State ranks second in the Nation in the production of sulfur and natural gas, and third in crude petroleum and salt production. Over half the State is in forest land, and about 1 billion feet of timber is cut each year. Still a great agricultural State, Louisiana is the number one producer of sugarcane, spring strawberries, and sweetpotatoes, and is currently in third place in rice production.

The Mississippi River gives the State's industries worldwide access to raw materials which can be carried directly to many points in the State by cheap water transportation. Louisiana's finished products can be transported to these same world markets by this inexpensive method of transportation. The Mississippi River and its tributaries also provide transportation to and from the midcontinent of the United States and make it possible for industries in Louisiana to have access to many domestic raw materials and markets. Other transportation facilities in Louisiana are more than adequate to support an expanding economy, and have been and will continue to be an important factor in the location of new industries in the State.

New manufacturing firms locating in the State, or manufacturing firms already located in the State which desire to expand their facilities, enjoy a favorable tax attitude in Louisiana. Under the provisions of the State's tax exemption law, such firms are exempt for 10 years from all property taxes on the cost of the new plant, or expansion cost of an old plant. During 1947–57, tax exemptions amounting to slightly over $2 billion were granted.

POPULATION CHANGES

The total population of Louisiana increased by 1,223,491 or 68 percent, between 1920 and 1957. Between 1947 and 1957, the State's population increased by 19 percent, from 2,579,000 to 3,068,000, according to census estimates.

The rural-urban distribution of the population has changed drastically. This change was in line with nationwide trends, but the shift in Louisiana was at a much more rapid rate as the population became much more urbanized in the 37 years since 1920. The urban [1] portion of the population increased from 34.9 percent of the total in 1920 to 58 percent in 1957, while the rural nonfarm [2] segment showed only a minor change, increasing from 22.6 percent to 25 percent. However, the farm population, which represented 42.5 percent of the population in 1920, dropped to only 17 percent in 1957. (See chart 1.) (Chart not printed in RECORD.)

Louisiana's greatest population change took place between 1930 and 1950 when the growth was 27.7 percent. During the same period, the national increase was 22.7 percent. The movement from farm to nonfarm activities was much more pronounced in Louisiana than in the Nation as a whole, amounting to 76.6 percent, compared with a national increase of 39.9 percent. The vil-

[1] Defined by the Bureau of the Census as persons living in cities of over 2,500 population.

[2] Defined by the Bureau of the Census as persons in villages or communities of under 2,500 population, but not living on farms.

lage segment of the population (rural nonfarm) was more stable during this period—rising 46.1 percent compared with 31.8 percent for the United States. Rural farm population fell sharply both in Louisiana (down 31.4 percent) and in the United States as a whole (down 23.7 percent). (See chart 2.) (Chart not printed in RECORD.)

TABLE 1.—*Percentage changes in population segments, Louisiana and United States, 1930 to 1950*

	United States	Louisiana
Total	+22.7	+27.7
Rural farm	−23.7	−31.4
Rural nonfarm	+31.8	+46.1
Urban	+39.9	+76.6

Source: U.S. Bureau of the Census.

The decline in agricultural population in Louisiana from 1930 through 1957 is largely the result of mechanization of farm activities. The thousands of seasonal farm laborers formerly needed for cotton picking and sugarcane cutting have been reduced drastically, because a great part of this work is now performed by machinery. Improved techniques in planting and cultivation have been conducive to greater production from fewer acres. In addition, agriculture's importance in the Nation's economy has declined in relation to other activities during this period of business expansion and prosperity. These shifts which have been more rapid in Louisiana than in the Nation as a whole, evolved as a result of more and varying job opportunities, and have affected the entire economic structure of the State.

INDUSTRIAL EMPLOYMENT PATTERN, 1947–57

Chart 3 (not printed in RECORD) shows the number of persons employed by major industry divisions in Louisiana in 1957, and percent changes from 1947. Although these data are self-explanatory, there are several points that should be emphasized. Employment in mining (primarily crude petroleum and natural gas production) more than doubled. The widely publicized offshore oil drilling was a part of this growth in mining.

Employment in construction almost doubled. A significant portion of this was in the high-wage industrial plant construction activities in the lower Mississippi region where most of the State's new petroleum, petrochemical, and other new facilities are located.

Agricultural employment decreased nearly 18 percent. The increase in transportation and public utilities was relatively small. In contrast, employment in manufacturing declined 2.7 percent between 1947 and 1957, while rising in the Nation as a whole.

The uneven rate of growth in the various industry divisions altered Louisiana's structure between 1947 and 1957. This is seen in table 2, which shows proportions of total employment in Louisiana and the United States by major industry divisions. The proportion employed in agriculture declined considerably in Louisiana and the Nation, with the greater decrease in Louisiana. Louisiana and the United States as a whole both experienced declines in the proportions in manufacturing and transportation and public utilities. The drop in Louisiana's proportion in manufacturing was significant—from 19.7 percent to 15.6 percent. In Louisiana, and the United States as a whole, the proportion in all other nonagricultural divisions increased, except that in the United States the proportion in mining declined, while in Louisiana it more than doubled. (Mining in Louisiana, as was indicated above, is primarily crude petroleum and natural gas production.)

TABLE 2.—*Percent of total employment by major industry division, Louisiana and the United States, 1947 and 1957*

	United States		Louisiana	
	1957	1947	1957	1947
Total [1]	100.0	100.0	100.0	100.0
Agriculture	10.7	16.0	16.5	24.7
Mining	1.4	1.9	4.9	2.8
Contract construction	4.8	3.8	7.2	4.4
Manufacturing	28.8	29.6	15.6	19.7
Transportation and public utilities	7.1	8.0	9.1	10.4
Trade	19.4	17.8	20.3	17.0
Finance, insurance, and real estate	4.0	3.2	3.1	2.0
Service	10.9	9.3	9.8	8.1
Government	13.1	10.6	13.5	10.9

[1] Excludes nonagricultural self-employed, unpaid family workers, and domestics.

Source: For nonagricultural employment, Bureau of Labor Statistics and BLS-BES-State agency; for Louisiana agricultural employment, Louisiana Division o-Employment Security; and for U.S. agricultural em' ployment, "Statistical Abstract of the United States.'f

The employment loss in agriculture in Louisiana was not accompanied by a loss of income. Improved techniques enabled farmers to produce more agricultural products with fewer workers and with fewer acres under cultivation—thus making many workers available for nonagricultural pursuits. Fortunately, advances in industrialization were sufficient to absorb a large proportion of these workers.

The decline in manufacturing employment during the 1947–57 period was accompanied by a change in the kind of manufacturing industries in the State. This change involved an increase in the proportion of higher value-adding manufacturing industries.

In 1947, the lower value-adding manufacturing industries (lumber, food, textiles, and apparel) represented 53.7 percent of the States total manufacturing employment; by 1957, this segment had decreased to 39.8 percent. At the same time, the higher value-adding manufacturing groups (chemicals, petroleum, and paper) increased their proportion of the total manufacturing employment from 28.3 percent to 34.4 percent.

Accelerating this transition was the fact that the industries attracted to Louisiana were the technically progressive chemical and petrochemical industries which rank among the highest in both value added per employee and increase in value added per employee. These industries are traditionally high-wage paying.

Between 1947 and 1956, value added by manufacturing per employee in Louisiana increased 98 percent. The corresponding figure for the United States was 56 percent. The increase boosted Louisiana to first place among 13 States in the South and Southwest in 1956, with an average value added per manufacturing employee of $10,360. The corresponding average for the United States was $8,130.

Higher earnings per employee in nonmanufacturing industries between 1947 and 1957 also contributed to increased per capita income. Table 3 shows average weekly earnings in covered employment for selected manufacturing and nonmanufacturing industries for 1947 and 1957, with percent changes. Average weekly earnings in contract construction increased 85.3 percent during the 1947–57 period while employment doubled in the industry. Average weekly earnings in crude petroleum and natural gas production, the highest-paying nonmanufacturing industry, increased 71.4 percent between 1947 and 1957. Employment in this industry more than doubled.

It must be kept in mind, of course, that the Federal minimum wage has been increased twice in this decade. In addition, unionization is more prevalent in the newer type manufacturing industries and in construction than it was before and during World War II.

TABLE 3.—*Average weekly earnings of workers covered by the Louisiana employment security law, 1947 and 1957* [1]

Industry	Average weekly earnings, 1947	Average weekly earnings, 1957	Percent increase, 1947–57
Total, all industries	$42.98	$76.52	78.0
Total, manufacturing	43.33	84.97	96.1
Selected manufacturing industries:			
Food and kindred products	34.49	67.74	96.4
Textiles and apparel	31.93	51.90	62.5
Lumber and wood products	30.24	50.71	67.7
Paper and allied products	54.62	94.03	72.2
Chemicals and allied products	55.79	113.04	102.6
Products of petroleum	71.38	121.86	70.7
Fabricated metal products	48.55	97.29	100.4
Transportation equipment	51.88	95.35	83.8
Total, nonmanufacturing	42.80	73.66	72.1
Selected nonmanufacturing industries:			
Crude petroleum and natural gas production	65.55	112.32	71.4
Contract construction	44.21	81.94	85.3
Wholesale and retail trade	39.74	62.21	56.5
Finance, insurance, and real estate	48.41	78.12	61.4

[1] Averages are for "All employees"; Louisiana coverage requirements are 4 or more employees.

Source: Louisiana Division of Employment Security.

INDUSTRIAL EXPANSION AND OCCUPATIONS

Concurrent with the changes in the employment pattern of the States during the 1947–57 period were many occupational changes. The most outstanding occupational development was brought about by the 17.6 percent decline in agricultural employment. During this period, as agricultural employment was decreasing and the State was becoming more industrialized, there was a movement of farm labor into the industrialized areas of the State. Here workers found jobs requiring varying degrees of skill. But all such jobs paid higher rates than their former jobs in agriculture.

With the advanced techniques developed by progressive manufacturers in petrochemicals, petroleum refining, and other manufacturing, more jobs were created in the professional, technical, and the skilled categories.

Since employment in construction was at the highest level in the State's history, there was an increase in all the construction industry occupations, including those

in the professional, skilled, semiskilled, and unskilled categories.

An influx from out of State of professional and skilled workers to fill some of these newly developed jobs in Louisiana also occurred.

PER CAPITA INCOME CHANGES

Along with the changes in the patterns of employment in Louisiana and the United States since 1947, there has been considerable increase in real per capita income. Table 4, shows per capita personal income in constant-valued (1947–49) dollars. The table also shows the percentage of the national average which each value represents.

Louisiana's real per capita income rose from $934 in 1947 to $1,303 in 1957, an increase of 39.5 percent. This was almost double the Nation's gain of 21.7 percent. Louisiana's per capita income increased from 67.4 percent of the national average of $1,385 in 1947 to 77.3 percent of the national average of $1,686 in 1957. Louisiana's percent gain in per capita income and increase in percent of the national average was greater than that of any of the adjoining States.

TABLE 4.—*Real per capita personal income, 1947 and 1957, Louisiana and the United States (1947–49 dollars)*

	1957	Percent of United States	1947	Percent of United States	Percent increase 1947–57
United States	$1,686	100.0	$1,385	100.0	21.7
Louisiana	1,303	77.3	934	67.4	39.5

Source: U.S. Department of Commerce, Survey of Current Business.

Table 5, drawn from Department of Commerce data, shows the increase in total personal income, stated in current dollars, produced by the various industries in the State. In contrast to the national average, a great increase in personal income resulted from mining activities. Contract construction and government also resulted in more than 200 percent advances in personal income between 1947 and 1957.

TABLE 5.—*Personal income by major source, Louisiana, 1947 and 1957*

	Millions of dollars		Percent increase
	1957	1947	
Personal income	4,804	2,272	111.4
Wage and salary disbursements	3,284	1,381	137.8
Farms	47	44	6.8
Mining	264	68	288.2
Crude petroleum and natural gas	245	60	308.3
Mining and quarrying, except fuel	18	7	157.1
Contract construction	284	76	273.7
Manufacturing	652	332	96.4
Wholesale and retail trade	587	268	119.0
Finance, insurance, and real estate	122	42	190.5
Banking and other finance	53	18	194.4
Insurance and real estate	68	24	183.3
Transportation	255	143	78.3
Railroads	81	58	39.7
Highway freight and warehousing	44	16	175.0
Other transportation	130	68	91.2
Communications and public utilities	115	48	139.6
Telephone, telegraph, and other communications	52	19	173.7
Electric, gas, and other public utilities	63	29	117.2
Services	330	150	120.0
Hotels and other lodging places	17	9	88.9
Personal services and private households	116	70	65.7
Business and repair services	46	14	228.6
Amusement and recreation	17	13	30.8
Professional, social, and related services	134	44	204.5
Government	617	203	203.9
Federal, civilian	109	68	60.3
Federal, military	150	35	328.6
State and local	358	100	258.0
Other industries	13	6	116.7
Other labor income	138	36	283.3
Proprietors' income	622	488	27.5
Farm	154	216	−28.7
Nonfarm	469	271	73.1
Property income	489	218	124.3
Transfer payments	354	173	104.6
Less: Personal contributions for social insurance	83	24	245.8

Source: U.S. Department of Commerce, "Personal Income by States, Since 1929" and "Survey of Current Business," August 1958.

To sum up, Louisiana's unusual economic progress during the post-World War II period was characterized by a relative decline in agricultural employment and a relative rise in all types of nonagricultural employment except manufacturing and transportation and public utilities.

Economically, the decrease in total manufacturing employment was not detrimental to the State. Employment in the low-wage-paying manufacturing industries has been declining for a number of years, as discussed above. This employment loss has almost been offset by increased employment in some of the highest-wage-paying manufacturing industries in the Nation. There was a tremendous increase in value of manufactured products.

There has been a substantial rise of employment in crude petroleum and natural gas production, and contract construction. Both of these are high-wage-paying industries.

Due to Louisiana's abundant natural resources, there is every reason to believe that the type of industries which located in the State during the 1947–57 period will continue to be attracted to it. Consequently, Louisiana may expect further relative improvement in the per capita income of her inhabitants.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, if morning business is concluded, I ask the Chair to lay before the Senate Senate Resolution 174, which is lying over since yesterday, under the rule.

Mr. MANSFIELD. Mr. President, morning business is not concluded. It is my understanding that the Senator from New York [Mr. JAVITS] wishes to speak for approximately 15 minutes during the morning hour.

Mr. JAVITS. Oh, no.

Mr. LONG of Louisiana. Mr. President, I have further morning business.

Mr. JOHNSTON of South Carolina. Mr. President, I have some additional morning business.

The PRESIDING OFFICER. The Senator from New York [Mr. JAVITS] has the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that he be confined to 3 minutes. He has been enforcing that limitation upon us.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. JAVITS. I yield for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Under the rule, when the preliminary items of business have been transacted and the Chair lays before the Senate a resolution of the type mentioned—Senate Resolution 174—the 3-minute limitation no longer applies. Is that correct?

The PRESIDING OFFICER. The Senator from Florida is correct.

Mr. HOLLAND. But the 2 o'clock limitation of time covered by the morning hour continues to prevail?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLAND. I thank the Chair.

Mr. JAVITS. Mr. President, I now ask the Chair to inquire whether there is any other morning business; and if there is none, I ask that the Chair lay before the Senate Senate Resolution 174.

The PRESIDING OFFICER. Is there further morning business?

Mr. LONG of Louisiana. I have some morning business to offer, but if the Senator from New York wishes to have his resolution laid before the Senate, I will not object.

Mr. JAVITS. I thank the Senator.

DISCHARGE OF JUDICIARY COMMITTEE FROM CONSIDERATION OF S. 2391, THE CIVIL RIGHTS BILL

The PRESIDING OFFICER. The Chair lays before the Senate Senate Resolution 174, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. *Resolved,* That the Committee on the Judiciary be, and hereby is, discharged from further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. DIRKSEN. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. JAVITS. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Illinois will state his inquiry.

Mr. DIRKSEN. Is the resolution which has just been stated now the pending business of the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. May I inquire, further, how long it will remain the pending business?

The PRESIDING OFFICER. At 2 o'clock, at the conclusion of the morning business, the resolution will be placed on the calendar.

Mr. JAVITS. Mr. President, I should like to explain this procedure. I believe the Senate is very well acquainted with the situation. I desire to explain what has happened this morning, so that all other Americans may understand it, as well as we.

The distinguished senior Senator from New Jersey [Mr. CASE] and I have invoked a procedure of the Senate which allows a motion to be made to discharge a committee from the further consideration of a bill, which enables the bill to be called up as of right; but the rules of the Senate provide that this may be done only during the morning hour, and after other morning business has been completed.

It is very well known that Senators could very easily have consumed all of the time in the morning hour with perfectly legitimate morning business. Under the 3-minute rule, a Senator can discuss as many items as he pleases, and that would have been the end of this proposal until another occasion. But it was apparently deemed advisable not to do that. I think that is a wise decision. I will explain why. It goes to the fundamental purpose which I have in submitting the discharge resolution.

The idea I am trying to present to the Senate is that when two distinguished Senators like the Senator from Missouri [Mr. HENNINGS], who is the chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, which has this type of proposed legislation in hand, and my colleague, the distinguished junior Senator from New York [Mr. KEATING], who also is a member of the Committee on the Judiciary, both tell us, on almost successive days, that it is absolutely hopeless to expect that any proposed civil rights legislation will be reported by the Committee on the Judiciary, it is time for the Senate, in recognition of its responsibilities, to look to other means.

There are various other means. One means is to discharge the committee. That is the most direct and efficacious means. It will bring the civil rights bill to the floor of the Senate. The other means is to attach amendments to some other bills. Those bills may be very good bills in themselves, or they may not. In any case, it would be necessary to string along with those bills. Those bills would not have to be called up unless they were of crucial importance. Hence, the whole operation could be bypassed.

But a resolution to discharge is direct and clear. It will bring up the civil rights bill; and when the resolution goes on the calendar at 2 o'clock, as it will now that this situation has been established, it will be absolutely in the control of the majority leader to bring up the civil rights bill. That is all the Senator from New Jersey [Mr. CASE] and I have sought to establish. It would be ridiculous at this stage to seek to displace the majority leadership by moving that our business shall displace the unfinished business. That, incidentally, as I shall seek to establish by a parliamentary inquiry, can be done by any Senator moving to displace the pending business with other business at some proper stage of the proceeding. It can be done at any time.

But what is important to establish is that in order to bring up a civil rights bill at this session, all the techniques are available to the majority leader. He can call up the bill to which amendments have been offered by the Senator from Missouri [Mr. HENNINGS] and the Senator from New York [Mr. KEATING]; or, now that this resolution will be placed upon the calendar, the majority leader can call up the civil rights bill directly. It will take nothing but a majority vote of the Senate to sustain the resolution, in which case the civil rights bill will be the pending business before the Senate. That is the whole purpose of what we have done.

I may say, in deference to my southern colleagues, who feel very strongly about this matter, that I believe they realize that they too are served by the rules of the Senate, which are extremely important to them. Therefore, it is also extremely important to them to see to it that the rules of the Senate are observed, even in matters which they conceive to be against what they sincerely believe in, on the ground that when the idea of the letter, if not the spirit, of the rules is maintained in the Chamber, it is a very good thing for any kind of minority, whether religious, social, or political, in our country.

So I understand the procedure which has just taken place. I disclose it very frankly. But we will have accomplished our purpose, a legitimate purpose. Even the opposition can recognize it as a legitimate purpose. The legitimate purpose is to present to the majority leader—and I repeat something I have been saying for months—present to the majority leader, representing the Democratic side, the responsibility for bringing before the Senate a civil rights bill.

We have the responsibility—the so-called bipartisan coalition which believes in civil rights—to put into such a bill what we think ought to be in it, and to attempt to have it passed; but the majority leadership has the responsibility of bringing up the bill. So by this procedure, that opportunity, that option is distinctly placed in the hands of the majority.

Mr. President, within the short time remaining to me, I propound the following parliamentary inquiry: Is it a fact that the resolution which is now before the Senate, and which will in a few minutes be placed on the calendar, may be called up on motion at any time in the same way as any other bill or resolution?

The PRESIDING OFFICER. At the conclusion of the morning hour, the resolution will be placed on the calendar and will be subject to being called up by motion in the same way any other resolution is called up by the majority leader.

Mr. JAVITS. Mr. President, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Is it a fact also——

Mr. JOHNSTON of South Carolina. Mr. President, I did not catch the last words—did the Presiding Officer say "by the majority leader"?

The PRESIDING OFFICER. By majority vote.

Mr. JOHNSTON of South Carolina. Is it not also customary for the majority leader to notify the Senate in advance what bills will be taken up? Would it not be a little out of order to take a bill up simply out of the clear blue sky?

The PRESIDING OFFICER. That is not a parliamentary inquiry.

Mr. JAVITS. Mr. President, I have the floor for the very few minutes remaining before 2 o'clock, and I do not yield.

A parliamentary inquiry: Is the resolution, which will be placed on the calendar, in any way privileged?

The PRESIDING OFFICER. It is not a privileged resolution.

Mr. JAVITS. Finally, Mr. President, may the resolution be called up on motion at any time, according to the rules, to displace any other item of pending or unfinished business?

The PRESIDING OFFICER. A motion may be made to take it up, and if a majority votes to take it up, it will displace any pending business.

Mr. JAVITS. I have asked these questions—and I am perfectly well acquainted with the answers—because I simply wished to nail down the accomplishment, which is the only purpose the Senator from New Jersey [Mr. CASE] and I sought in this rather unusual procedure.

Mr. President, I ask unanimous consent to have printed as a part of my remarks an analysis entitled "Procedure and Precedents Pertaining to Discharge of Committees of the Senate," prepared by the Legislative Reference Service of the Library of Congress. I think it will be very useful to Senators because it shows why we have proceeded as we have and what are the various rights which are involved.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

PROCEDURE AND PRECEDENTS PERTAINING TO DISCHARGE OF COMMITTEES OF THE SENATE

Senate procedure for the discharge of committees is governed by rule XXVI, clause 2, of the "Standing Rules of the Senate," and by the pertinent precedents.

Clause 2 of rule XXVI provides that "all reports of committees and motions to discharge a committee from the consideration of a subject, and all subjects from which a committee shall be discharged, shall lie over 1 day for consideration, unless by unanimous consent the Senate shall otherwise direct."

Although Senate committees are infrequently discharged, lest retaliation ensue, the procedure for their discharge is a simple one.

Any Senator may introduce a resolution that a committee be discharged from further consideration of a matter which has been referred to it. If objection is raised to immediate action, the resolution must lie over 1 legislative day. (See "Senate Procedure" by Watkins and Riddick, pp. 300–302). This action may be sought by those who feel that a committee is unreasonably delaying or preventing the Senate's consideration of a matter favored by a majority. Or the discharge resolution may be introduced by the chairman of a committee as a means of putting an end to dissension within the committee itself.

PRECEDENTS BEFORE 1909

Gilfrey cites three pertinent precedents in his "Precedents of the United States Senate" (1789–1909), as follows:

Forty-first Congress, 2d session; Journal, page 419, March 28, 1870.

"Mr. Sherman submitted a motion that the Committee on the Judiciary be discharged from the further consideration of the bill (H.R. 1536) to admit the State of Texas to representation in the Congress of the United States.

"*Ordered*, That the consideration of the said motion be postponed to tomorrow."

Forty-first Congress, 2d session; Journal, pages 424, 425, March 29, 1870:

"Mr. Sherman moved that the present and all other orders be postponed to tomorrow for the purpose of enabling the Senate to proceed to the consideration of the motion yesterday submitted by him, to discharge the Committee on the Judiciary from the further consderation of the bill (H.R. 1536) to admit the State of Texas to representation in the Congress of the United States.

"After a division of the question, both branches passing in the affirmative it was—

"*Ordered*, That the Committee on the Judiciary be discharged from the further consideration of the bill (H.R. 1536), and thereupon the Senate proceeded to consider the said bill as in Committee of the Whole; and the bill having been amended on the motion of Mr. Sherman by striking out the last proviso, it was reported to the Senate, and the amendment was concurred in.

"*Ordered*, That the amendment be engrossed and the bill read a third time. The said bill as amended was read the third time; and on the question shall the bill pass, it was determined in the affirmative; yeas 47, nays 11." (See Congressional Globe, pp. 2271, 2272).

Forty-second Congress, third session; Journal, page 98, December 20, 1872:

"Mr. Windom submitted a motion that the Committee on Appropriations be discharged from the further consideration of the bill (H.R. 3131) making appropriations to supply deficiencies in the appropriations, etc., and asked that the Senate proceed to the present consideration of the motion.

"Mr. Edmunds objected to the present consideration of the motion, and made the point of order that the motion of Mr. Windom, being in the nature of a resolution, must, under the 26th rule of the Senate, if its consideration be objected to, lie over 1 day for consideration.

"The President pro tempore submitted the question of order to a decision of the Senate, viz: 'Is it in order for the Senate to consider on the day it is submitted a motion to discharge a committee from the further consideration of a bill?'

"After debate, it was determined in the negative: yeas 22, nays 23." (See Congressional Globe, pp. 322–327.)

Fifty-sixth Congress, second session; Journal, page 234, February 28, 1901:

"The President pro tempore (Mr. Frye) laid before the Senate the resolution submitted by Mr. Pettigrew on the 26th instant to discharge the Committee on Education and Labor from the further consideration of the bill (H.R. 6882) limiting hours of daily service of laborers and mechanics employed upon work done for the United States or any Territory or the District of Columbia, thereby securing better products, and for other purposes, and that the Senate proceed to consider the same.

"Mr. Platt of Connecticut, raised a question of order, viz: That the consideration of the resolution was not in order during the morning hour; that it not only proposed to discharge the committee from the consideration of the bill, but to consider it on the same day, and therefore the resolution was not in order.

"The President pro tempore sustained the question of order, and decided that the resolution was not in order."

PRECEDENTS SINCE 1909

A survey of the Senate Journal for the past 50 years reveals nine instances in which motions were made to discharge committees of the Senate from the consideration of specific matters. Four of these motions were adopted. On February 18, 1931, the Committee on Finance was discharged from the further consideration of a bill to increase the loan basis of adjusted service certificates. On April 21, 1932, the Committee on Rules was discharged from the further consideration of a resolution to change the name of the Committee on Pensions to the Committee on Veterans' Affairs. On June 7, 1938, the Committee on Commerce was discharged from the further consideration of a resolution for an investigation of the Tennessee Valley Authority. And on August 9, 1950, the Committee on Foreign Relations was discharged from the further consideration of a bill to build and operate a bridge across the St. Lawrence River near the city of Ogdensburg, N.Y.

The following excerpts from the Senate Journal show the action taken in each of these nine instances:

Sixty-fifth Congress, first session; CONGRESSIONAL RECORD, pages 5667–5701, August 1–2, 1917; Journal, pages 213, 265, September 20, 1917:

August 1–2, 1917:

"Senator Cummins submitted a resolution that the Committee on Woman Suffrage be discharged from the further consideration of the resolution (S.J. Res. 2) proposing an amendment to the Constitution of the United States conferring upon women the right of suffrage.

"Pending debate.

"The Presiding Officer (Mr. Swanson in the chair) announced that the hour of 2 o'clock having arrived, under the rule the resolution would go to the calendar."

September 20:

"The Senate proceeded to consider the resolution submitted by Senator Cummins.

"*Ordered*, That it be postponed indefinitely."

Seventy-first Congress, third session; Journal, pages 220, 230, 234, 243, 245, February 17, 1931:

"Senator Ashurst submitted a motion that the Committee on Finance be discharged from the further consideration of the bill (H.R. 17054) to increase the loan basis of adjusted-service certificates, and that the Senate proceed to its consideration.

"Mr. Smoot objected to the consideration of the motion.

"The Presiding Officer (Mr. Fess in the chair) held that under rule XXVI a motion to discharge a committee must lie over for a day.

"On motion by Senator Ashurst that the rule be suspended in order that his motion to discharge the committee might be considered,

"The Presiding Officer held that, under rule XL, a motion to suspend a rule must also lie over for a day.

"From a decision of the Chair, Mr. Ashurst appealed to the Senate.

"The Presiding Officer stated the question to be, Shall the decision of the Chair stand as the judgment of the Senate?

"When

"Mr. Ashurst withdrew his appeal.

"Calendar day February 18:

"On motion by Mr. Harrison, and by unanimous consent,

"*Ordered*, That upon the convening of the Senate on tomorrow it proceed to the consideration of the bill (H.R. 17054) to increase the loan basis of adjusted-service certificates.

"Calendar day February 19:

"The Senate, under its order of yesterday, proceeded to consider the bill (H.R. 17054).

"The Senate resumed the consideration of the bill (H.R. 17054).

"Pending debate.

"On motion by Mr. Copeland to amend the said bill,

"Pending debate.

"The Senate resumed the consideration of the bill (H.R. 17054).

"Mr. Copeland withdrew his amendment.

"After debate no amendment being made,

"*Ordered*, That the bill pass to a third reading.

"The said bill was read a third time.

"On the question, Shall the bill pass?

"It was determined in the affirmative: Yeas, 72, nays 12.

"So it was

"*Resolved*, That the bill pass.

"*Ordered*, That the Secretary notify the House of Representatives thereof."

Seventy-second Congress, first session; Journal, pages 395, 401, 414, 422, 589, 594, 595; April 14, 18, 21, 25, 1932; June 13, 15, 1932:

April 14, 1932:

"Senator Brookhart submitted a motion that the Committee on Rules be discharged from the further consideration of the resolution (S. Res. 26) to change the name of the Committee on Pensions to the Committee on Veterans' Affairs, and defining its jurisdiction."

April 18, 1932:

"*Ordered* by unanimous consent,

"That it be passed over temporarily."

April 21, 1932:

"The Senate proceeded to consider the said motion.

"After debate, Mr. Brookhart's motion was agreed to; and

"*Ordered*, That the resolution be placed on the calendar."

April 25, 1932: The motion of Senator Brookhart that the Senate continue the consideration of the resolution was not agreed to."

June 13, 1932:

"The resolution having been reached on the calendar, an objection to its consideration was interposed by Senator King.

"Senator Brookhart made a motion that the Senate proceed with the consideration of the resolution notwithstanding the objection.

"On the question of agreeing to the motion of Mr. Brookhart,

"It was determined in the affirmative: Yeas 63, nays 9.

"So Senator Brookhart's motion was agreed to, and

"The Senate resumed the consideration of the said resolution.

"The question being on agreeing to the amendment heretofore proposed by Senator Brookhart,

"It was determined in the affirmative.

"On motion by Senator Vandenberg to further amend the said resolution,

"Pending debate."

June 15, 1932: "Motion by Senator Brookhart that the Senate proceed to the consideration of the resolution (S. Res. 26) was not agreed to."

June 15, 1932:

"The resolution having been reached, an objection to its consideration was interposed by Senator King.

"Senator Brookhart made a motion that the Senate proceed with the consideration of the resolution notwithstanding the objection.

"On the question of agreeing to Senator Brookhart's motion,

"It was determined in the affirmative: Yeas 49, nays 20.

"So Senator Brookhart's motion was agreed to; and

"The Senate resumed the consideration of the resolution.

"The question being on agreeing to the amendment heretofore proposed by Senator Vandenberg,

"After debate,

"It was determined in the affirmative: yeas 39, nays 32.

"So Senator Vandenberg's amendment was agreed to

"The resolution was further amended on the motion of Senator Ashurst.

"On the question of agreeing to the resolution as amended,

"Pending further debate."

Seventy-third Congress, second session; Journal page 453, May 28, 1934:

"Senator Shipstead submitted a motion that the Committee on Finance be discharged from the further consideration of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-compensation certificates.

"Senator Robinson of Arkansas raised a question of order, viz, that the motion was not in order.

"The PRESIDING OFFICER (Mr. Clark in the chair) sustained the point of order."

Seventy-fifth Congress, third session; Journal, pages 197, 457, March 4, June 7, 1938:

March 4, 1938:

"Senator Norris submitted a motion that the Committee on Commerce be discharged from the further consideration of the resolution (S. Res. 246) for an investigation of the Tennessee Valley Authority.

"Ordered, That the motion lie over 1 day under the rule."

June 7, 1938:

"On motion by Senator Norris, and by unanimous consent,

"Ordered, That the Committee on Commerce be discharged from the further consideration of the said resolution and that it be postponed indefinitely."

Seventy-ninth Congress, first session; CONGRESSIONAL RECORD, volume 91, part 9, pages 12236, 12311, 12498; Journal, pages 525, 532, 546, 547, December 18–19, 21, 1945; Seventy-ninth Congress, second session; CONGRESSIONAL RECORD, volume 92, part 8, page 10334:

December 18, 1945:

"Senator Revercomb submitted a resolution (S. Res. 207) that the Committee on Military Affairs be discharged from the further consideration of the joint resolution (S.J. Res. 116) to direct and require the discharge of certain members of the Armed Forces, to prohibit the drafting of certain persons into the Army or Navy, and for other purposes.

"On motion of Senator Revercomb, and by unanimous consent,

"Ordered, That the resolution lie over 1 day under the rule."

December 19, 1945:

"S. Res. 207 was laid before the Senate.

"Pending debate.

"The hour of 2 o'clock having arrived,

"Ordered, That the resolution be placed on the calendar."

December 21, 1945:

"The Senate resumed consideration of S. Res. 207.

"Pending debate."

July 29, 1946:

"Without objection, S. Res. 207 was indefinitely postponed, because the purpose of that resolution had been fulfilled by other legislation."

Eightieth Congress, first session; Journal pages 447, 459, 468, 470, 472, 482, 484, 489, 531, 532, 542, 552, July 14, 16–19, 21, 24–26, 1947:

July 14, 1947:

"Senator Kem submitted a resolution (S. Res. 150) that the Committee on the Judiciary be discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary elections in the Fifth Missouri Congressional District on August 6, 1946.

"Ordered, That the resolution lie over 1 day under the rule."

July 16, 1947:

"The Senate resumed consideration of the resolution (S. Res. 150).

"The question being on agreeing to the resolution,

"Pending debate,

"The hour of 2 o'clock p.m. having arrived,

"The resolution was placed on the calendar."

July 17, 1947:

"Senator Wherry made a motion that the Senate proceed to the consideration of the resolution (S. Res. 150).

"Pending debate."

July 18, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate."

July 19, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"On motion by Senator Wherry, and by unanimous consent,

"Ordered, That the further consideration of the motion be temporarily laid aside."

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate."

July 24, 1947:

"The Senate resumed the consideration of Senator Wherry's motion.

"Senator George made a motion that further consideration of Senator Wherry's motion be postponed until January 3, 1948.

"Pending debate.

"Senator Ferguson submitted a motion to lay on the table the motion of Senator George.

"The question recurring on the agreeing to Senator Ferguson's motion to lay Senator George's motion on the table,

"It was determined in the affirmative: Yeas 45, nays 30.

"So Senator George's motion was laid on the table.

"The question recurring on agreeing to Senator Wherry's motion to proceed to the consideration of the resolution.

"Pending debate.

"On motion by Senator Wherry, and by unanimous consent,

"Ordered, That the pending motion to proceed be temporarily laid aside."

July 25, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate.

"On motion by Senator Taft that the further consideration of the motion be postponed until 12 o'clock the next day,

"It was determined in the affirmative."

July 26, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Senator Taft raised the question as to the presence of a quorum.

"(The resolution remained on the calendar until the end of the session.)"

* * * * *

Eightieth Congress, second session; Journal, pages 305, 336, 337, May 10, 20, 1948:

May 10, 1948:

"Senator Knowland submitted a resolution (S. Res. 232) that the Committee on Interior and Insular Affairs be discharged from the further consideration of the bill (H.R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

"Ordered, That the resolution lie over one day under the rule."

May 20, 1948:

"The Senate resumed the consideration of the resolution (S. Res. 232).

"The question being on agreeing to the resolution,

"After debate,

"The question being taken,

"It was determined in the negative: Yeas 20, nays 51.

"So the resolution was not agreed to."

Eighty-first Congress, second session; Journal, page 585, August 9, 1950:

"The bill (S. 3862) authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N.Y., having been reached [on the call of the Calendar of Unobjected Bills], on motion by Mr. Ives, and by unanimous consent,

"Ordered, That the Committee on Foreign Relations be discharged from the further consideration of the bill (H.R. 8944) of an identical title.

"The Senate proceeded, by unanimous consent, to consider the said bill; and no amendment being made,

"Ordered, That it pass to a third reading.

"The said bill was read the third time.

"Resolved, That it pass.

"Ordered, That the Secretary notify the House of Representatives thereof.

"Ordered, by unanimous consent, That the bill S. 3862 be postponed indefinitely."

Mr. JAVITS. Mr. President, in the few minutes remaining, I may say that I believe we are dealing with one of the really fundamental issues of domestic and international policy in the United States. I may say, too, that I feel I am dealing with one of the fundamental tenets of my party; in fact, I think the No. 1 distinguishing point of my political party, which had its origin in this very kind of struggle. This is not the struggle for civil rights in itself; it is but a way of dealing with the difficulties which the struggle creates. It is the struggle for equal opportunity and the dignity of mankind. It is for that reason that it represents not only a domestic issue, but an enormous international issue, as well. I know of no single piece of domestic proposed legislation which will so deeply affect the struggle for peace, which will depend on 1 billion people throughout the world whose skins are yellow or black, who will have to decide whether they wish the world to be led by the United States or the Soviet Union, than what we do to provide equal opportunity for and to uphold the dignity of man in the United States.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of New Jersey. The Senator from New York has expressed our joint thoughts in this matter far better than I could myself, and with eloquence, simplicity, and complete fairness. I think we have accomplished the purpose which we set out to accomplish by making it very clear that the leadership now has the power to bring this matter before the Senate at any time it chooses to do so. I thank the Senator from New York.

Mr. JOHNSTON of South Carolina. Mr. President, a point of order. It is now 2 o'clock.

The PRESIDING OFFICER. It is not 2 o'clock according to the clock which the Chair is observing. [Laughter.]

Mr. JAVITS. Mr. President, I am sure the Chair will interrupt me at 2 o'clock. I shall retain the floor until that time.

I express my gratitude to the present Presiding Officer for his very fair rulings and very firm hand, as I also thank the Vice President, who preceded the present occupant of the chair, for ruling so fairly and firmly in this matter.

Mr. President, all of us are common citizens of the United States. I think my southern brethren, as well as those in other parts of the country, will bless the day when we were able to proceed in this way.

The PRESIDING OFFICER. The hour of 2 o'clock has arrived; and debate on Senate Resolution 174 is terminated, and the resolution will go to the calendar.

EMERGENCY REPATRIATION ASSISTANCE ACT OF 1959

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 2467) to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 2467, be laid aside, and that the Senate proceed to the consideration of House bill 1, to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, for navigation, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON of South Carolina. Mr. President, I wish to propound a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, I have moved that the unfinished business be laid aside, and that the Senate proceed to the consideration of House bill 1, so that it be made the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. WILEY. Mr. President, I understand that, for the first time, the printed record of the committee hearings on House bill 1 is now on the desk of each Senator.

Mr. MANSFIELD. Mr. President, I should like to have the Senate vote on the motion I have made just now. I have not heard a parliamentary inquiry propounded.

Mr. WILEY. Mr. President, I am now raising——

The PRESIDING OFFICER. The motion is debatable; and the Senator from Wisconsin may proceed.

Mr. WILEY. I thank the Chair.

Mr. President, I started to say that, for the first time, the printed record of the committee hearings on the bill now has been placed on the desk of each Senator.

I have heard several Senators say they would like to have time to read the record of the committee hearings and to understand what the issues are and what the evidence is. I believe that matter should receive consideration.

I understand that one of the questions which should be debated, before the Senate makes this bill the pending business, is whether consideration of the bill should be delayed until all Senators have time to read the hearings and the reports and understand what the issues are and what the facts show. I am sure I am not the only Member of the Senate who feels that way on this subject.

I may also say, in regard to this matter, that other Senators can leave when they wish, and can be gone for days; but when the question is one of how the Senate should deal with matters which relate to, let us say, a difference between five of the States of the Union, in regard to this Illinois district, and differences between Canada and the United States of America, certainly there should be sufficient time for Senators to learn what the testimony on those issues has been.

It is true that the committee which took the evidence met, at times, with only three or four of its members present. Other members of the committee have stated that they want to read the evidence.

I understand that in the committee, the vote on the question of tabling was 7 to 7; and I understand that the next committee vote was on the question of reporting the bill to the Senate, and that that question was decided by a vote of 6 to 8. But the evidence taken before the committee had not then been printed and made available to all the committee members; and the Members of the Senate as a whole have not heretofore read that record. It has been placed only today on the desk of each Senator.

So it seems to me only fair that consideration of this matter should be postponed for a few days.

I understand that the Senator from Ohio [Mr. LAUSCHE] wishes to be heard on this subject; and at this time I yield to him.

Mr. MANSFIELD. Mr. President, may I be heard on this matter? I would say that, to judge from what the——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. Does he yield?

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield to me, for that purpose?

Mr. WILEY. I have already yielded to the Senator from Ohio [Mr. LAUSCHE]. After he has spoken, I am sure he will yield.

Mr. LAUSCHE. Mr. President, I have no objection to permitting the Senator from Montana to speak now, provided the Senator from Wisconsin does not lose the floor.

Mr. MANSFIELD. Mr. President, with that understanding, I would point out that what the Senator from Wisconsin has already stated gives an indication of what lies ahead for the Senate.

The printed hearings have been ready since 9 o'clock this morning. The Senator from Wisconsin is a reasonable man. I think he is aware of the strong possibility that there will be 2 or 3 days of debate, if not more, on this measure. I hope we can reach agreement to have the bill taken up, and the debate on it begun, and all points in regard to it brought out into the open.

Mr. WILEY. I do not think there is any question about that.

But I repeat that when we consider the important matter of the relations we have with our best friend—Canada—every Senator should have an opportunity to review the facts and the evidence; and the only way that can be done is to give each Senator an opportunity to study the volume of the committee hearings and the report and the minority and other views—I understand there are three of the latter—and take time to digest them.

My only thought is that if that is done, inasmuch as there are already on the calendar plenty of bills and other measures to be dealt with by the Senate, the consideration of House bill 1 could well go over until Monday, by which time every Member could have ascertained what the issues in regard to it are.

I am sure there would be no objection to having other measures considered in the meantime. After all, on yesterday the Senator from Texas listed a whole group of other measures which are ready for consideration by the Senate.

So it seems to me that the procedure I have proposed is a fair and a proper one.

Thereafter, if the issue is whether the bill should be referred to the Foreign Relations Committee, every Member will have had an opportunity to understand what has been said by the representatives of Canada and what has been said by the representatives of various branches of our Government; and by that time all Members will have had an opportunity to assimilate that information, and will be able to proceed, not on the basis of what I say, not on the basis of what the Senator from Illinois [Mr. DOUGLAS] says, not on the basis of what any other individual Member of the Senate says, but on the basis of what the printed records show. I believe that should be done.

Mr. MANSFIELD. Mr. President, at this point, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. MANSFIELD. I wish to point out that the Senate will be in session until a late hour tonight, and will convene early tomorrow morning, and will remain in session until late tomorrow night, and will convene early the following morning. Furthermore, the majority leader and the minority leader agreed, and so notified the Senate, that this measure would be the next order of business.

So I hope that the senior Senator from Wisconsin [Mr. WILEY], with his usual good judgment, will permit us to proceed with this measure, because during the next few days all Senators will be able to read all of the hearings and all of the reports and all of the minority and other views.

Furthermore, all of us recall that a certain familiarity with the bill already exists, and therefore the bill should not require too much new reading to be undertaken at this time.

Mr. WILEY. I realize how fecund, I would say, my distinguished friend, the Senator from Montana, is. But I still say that the situation is that, in order to be fair to the Members who are not on the committee, they should have an opportunity to read this material and to digest it. If we allowed 24 hours, that would provide such an opportunity to some of the Members of the Senate who have spoken to me about this matter. Some of them have said to me, "We have talked to Members of the House and to others, and we want a chance to look at the record"—in other words, to do as the late Al Smith said. It seems to me that will be only fair. In view of the combination that is against us, I am sure there should be no question about accepting such a proposal—particularly in view of the fact that we have been told that there are now on the calendar sufficient measures to keep the Senate busy the rest of the week. Then, by Monday, the Senate can take up this measure.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. LAUSCHE. Mr. President, yesterday I wrote to the majority leader a letter in which I suggested to him that consideration of this measure be deferred, so that I and other Senators could have an opportunity to study the transcript of the evidence taken at the committee hearings. In my letter, I pointed out the significance of this bill.

In my opinion, its significance resides in the fact that it is contemplated that Congress, by means of the provisions of this bill, shall take from the State of Ohio property rights which belong to the State of Ohio and give them to the State of Illinois.

Ohio is a part of this Union. It was admitted into the Union, and it joined the Union not in the belief that its property would be taken by the Congress of the United States and given to one or more sister States.

Secondly, the bill is important because it deals directly with the treaty agreement that we have made with the Dominion of Canada. That subject will be rather widely discussed on the Senate floor. It was last year.

But there are two propositions involved. One, this Government's contemplation of breaking a treaty with Canada; and, secondly, taking from the States properties which belong to them and giving those properties to sister States.

Now, may I direct my attention for the moment to the meaning of the transcript of evidence. I tried to get this transcript the day before yesterday. I tried yesterday, and was told that it would not be available earlier than today. We did get the transcript this morning. But I submit to Senators, humbly and respectfully, that with the work a Senator has, he cannot just break loose and begin reading this 480-page document. To my State this bill is of such importance that I will want to know what is in the evidence, and I contemplate reading it, even though I have to read it on the floor of the Senate. I will not be caught the way I was last year when declarations were made about the contents of the transcript of the evidence, without my being able to intelligently answer.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. In just one moment. Last year there was put on my desk, at the 11th hour, not the print of the evidence, but the rough-printed pages of the evidence. Today, this year, we get this book at the 11th hour.

I respectfully submit that if the transcript of the testimony means anything to me from a utilitarian standpont, it ought to be available to a Senator in ample time to read it and know what it contains.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield, provided I do not lose the floor.

Mr. DOUGLAS. Since the Senator from Ohio has stated it is his intention to read the 480 pages to the Senate, and since I see on the desks of my good friends from Wisconsin piles of documents, and knowing their stalwart energy, is it not likely that the debate will continue for such time that they will not only have a chance to read all the hearings, but will be able to set up classes in reading, if necessary, to assist Senators who may have trouble?

Mr. LAUSCHE. I, of course, would like to read this document in my office in my leisure time. I think we can save time by making that opportunity possible. I think the Senator from Illinois will have to concede that this document is intended to inform the Senators as to what took place at the hearings. That is its purpose, and its purpose cannot be served unless Senators have an opportunity to read what this book does contain.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield for a question.

Mr. DOUGLAS. The Senator said that he intends to read this entire document to the Senate.

Mr. LAUSCHE. The Senator from Ohio has stated that he will learn what the document contains—unless an opportunity is granted to him to do otherwise—in the manner the Senator from Illinois has just described.

Mr. DOUGLAS. I think it is evident that the Senator from Ohio has one of the most eloquent voices here in the Senate. He will read the document with all the emphasis and all the shadings of which his great organ voice is capable, and at the end of it we will know it very thoroughly.

Mr. LAUSCHE. May I say to the Senator from Illinois that, judging from the weakness of his position in advocating that water out of the Great Lakes basin should be diverted for the purpose of helping Chicago dispose of its sewage, I can see why he is arguing in the manner that he is. Ohio wants nothing but fair treatment from this Congress. I regret to say that in the request that this bill contains, the city of Chicago is asking this Congress to take away from Canada and from Ohio and New York and Wisconsin and Michigan and Pennsylvania and Indiana, property which belongs to those governmental units, and give it to Chicago to spare it from spending the necessary money to build a sewage-disposal plant.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. MANSFIELD. Mr. President, may I ask who has the floor?

The PRESIDING OFFICER. The distinguished Senator from Ohio has the floor.

Mr. MANSFIELD. May I ask the Senator from Ohio if it would be at all possible in the near future to come to a vote on the motion pending before the Senate, so we can get started on the hours, days, and perhaps weeks we shall have to spend on this bill?

Mr. LAUSCHE. Mr. President, what is the motion?

Mr. MANSFIELD. The motion is to make that bill the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. PROXMIRE. Mr. President, will the Senator from Ohio yield so I may speak on it?

Mr. MANSFIELD. The Senator from Wisconsin will be able to speak once the bill is laid before the Senate. There is no limitation of time on it. It will be a great relief to many Senators to have it laid before the Senate. Perhaps the Senator will get some votes.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. As I understand, the motion of the Senator from Montana is that the Senate take up H.R. 1. Is that correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. The position of the senior Senator from Wisconsin, myself, and the Senator from Ohio, is that we do not approve of this motion, but, instead, think that the bill should be taken up on Monday. Is that a convenient way to handle it?

Mr. MANSFIELD. No; that would be a very inconvenient way to handle it, if I may say so, because the leadership on both sides of the aisle informed the Senate this bill would become the pending business today, if the Senate will allow us to come to a vote on it.

Mr. PROXMIRE. The position of the Senators from Ohio and Wisconsin is that we would greatly prefer not to have this bill become the pending business, because we have just received the material which we have to study at least for a couple of days, in order to debate the question.

Mr. MANSFIELD. The Senator from Wisconsin has read and reread that material in years past. He knows that book from beginning to end. I may say I know a dilatory tactic when I see it,

even if it is being committed by a Democrat. [Laughter.]

Let us get down to making this bill the pending business. There is no limitation of time on debate. The Senator can have all the time he wants. But a promise has been made by the leadership, and I think we can observe it.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. While I have read the hearings of 1954, 1956, and 1958, and the House hearings of 1959, the Senate committee hearings of 1959, which are by far the most comprehensive and consist of 480 pages, were not made available until 9 o'clock this morning.

I saw the volume only within the last hour or so. This book contains 480 pages of extremely important material. It will take me at least a couple of days to familiarize myself with it thoroughly, to consult with my staff, to consult with my colleagues, and to be in a position to engage in a proper debate on this matter.

I can see no reason in the world, in view of the other measures which are pending on the calendar, why we cannot defer action until Monday.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. I will admit that the hearings are not as interesting as "Advise and Consent." However, I would say that the average Senator—and the Senator from Wisconsin is above the average—could go through those 480 pages, with his background of knowledge and his vast understanding of this problem from his point of view, in the 5½ hours which have elapsed since the hearings were made available. I would say that in large part the hearings are repetitious of what the Senator has read in years past.

Mr. PROXMIRE. Mr. President, may I reply to the Senator from Montana?

Mr. LAUSCHE. Mr. President, I yield if it is understood I do not lose my right to the floor.

Mr. PROXMIRE. Reading this record will not take 5½ hours; it will take considerable time. This book is not a novel. "Advise and Consent" is a brilliant novel. I enjoyed it very much. It took me several days to read the novel.

This matter is one which needs to be studied, to be weighed, to be checked and to be evaluated. It will take considerable time to study the matter.

Furthermore, the committee report is several pages long. It contains a number of contradicting opinions written by a number of different Senators who express minority views and so on. This report has just been made available to us.

Mr. President, there is no question in my mind, in view of the fact that it will not delay the Senate for a minute if we proceed to consider other matters which are available before us, that by far the most fair and the best procedure is to follow the lead of the Senators from Wisconsin and the Senator from Ohio and to vote against considering the bill at the present time.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. What is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from Montana.

Mr. MANSFIELD. That the bill, H.R. 1, be made the pending business.

Mr. LAUSCHE. Mr. President, I ask for a yea-and-nay vote on the motion.

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

Mr. LAUSCHE. And, Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. There are sufficient Senators present.

Mr. LAUSCHE. Very well; I withhold my request.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WILEY. Mr. President, I object. We do not have a quorum present now. We want a quorum.

The PRESIDING OFFICER. Objection is heard. The Clerk will resume the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Fulbright	Mansfield
Allott	Goldwater	Martin
Anderson	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hickenlooper	Neuberger
Byrd, W.Va.	Hill	Pastore
Cannon	Holland	Prouty
Capehart	Hruska	Proxmire
Carlson	Humphrey	Randolph
Carroll	Jackson	Robertson
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio
Frear	Magnuson	

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from Montana to proceed to the consideration of H.R. 1.

Mr. LAUSCHE. Mr. President, I move that further consideration of the pending motion be deferred until 2 o'clock tomorrow afternoon. I do so because I feel that Senators ought to have an opportunity to study the contents of the evidence taken at the hearings. Two days ago I sought this report. It was not available. Therefore I made inquiry for it, and I was told that it would be presented today.

I have already made this statement, but I want to repeat it, because there are other Senators on the floor now who were not here previously. The purpose of the report becomes completely meaningless unless Senators have an opportunity to study it, and all I ask is that this matter be deferred until tomorrow at 2 o'clock so that Senators, including myself, will have an opportunity to study the text of the hearings.

Mr. MANSFIELD. Mr. President, in view of the advance notice given by both the majority and minority leadership, and in view of the pledges made, I am forced to move that the motion of the Senator from Ohio be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Fulbright	Mansfield
Allott	Goldwater	Martin
Anderson	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hickenlooper	Neuberger
Byrd, W.Va.	Hill	Pastore
Cannon	Holland	Prouty
Capehart	Hruska	Proxmire
Carlson	Humphrey	Randolph
Carroll	Jackson	Robertson
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio
Frear	Magnuson	

The PRESIDING OFFICER. A quorum is present. The question before the Senate——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Will the Chair explain to the Senate what it is about to vote on?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from Ohio [Mr. LAUSCHE] to postpone until 2 o'clock p.m. consideration of the motion of the Senator from Montana to proceed to the consideration of House bill 1.

Mr. MANSFIELD. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The Senator from Ohio has moved that the motion to proceed to the consideration of House bill 1 be postponed until 2 o'clock p.m. tomorrow. The motion by the Senator from Montana is to table the motion of the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio has made the motion that further consideration of the motion of the Senator from Montana to proceed to the consideration of House bill 1 be postponed until 2 o'clock p.m. tomorrow. The Senator from Montana has made a motion to lay on the table the motion of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I believe I correctly understand the explanation of the Chair. The Senator from Ohio made a motion to defer until 2 o'clock p.m. tomorrow action on the motion to proceed to the consideration of the lake diversion bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. LAUSCHE. The Senator from Ohio made the motion in order that Senators may have the opportunity——

Mr. DIRKSEN. Mr. President, that is not a parliamentary inquiry.

Mr. LAUSCHE. Let me finish the statement.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DIRKSEN. Mr. President, I ask for the question.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NEUBERGER (when his name was called). On this vote I have a pair with the majority leader, the distinguished Senator from Texas [Mr. JOHNSON]. If the majority leader were here, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT] the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that if present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent, and, if present and voting, would vote "yea."

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business.

The result was announced—yeas 66, nays 21, as follows:

YEAS—66

Allott	Goldwater	Magnuson
Anderson	Green	Mansfield
Beall	Gruening	Morse
Bennett	Hartke	Morton
Bible	Hennings	Moss
Bridges	Hickenlooper	Mundt
Byrd, Va.	Hill	Murray
Byrd, W.Va.	Holland	Muskie
Cannon	Hruska	Pastore
Carlson	Humphrey	Randolph
Case, S. Dak.	Jackson	Robertson
Chavez	Johnston, S.C.	Saltonstall
Church	Jordan	Smathers
Cotton	Kefauver	Smith
Curtis	Kerr	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Eastland	Long, Hawaii	Talmadge
Engle	Long, La.	Thurmond
Fong	McCarthy	Williams, N.J.
Frear	McClellan	Yarborough
Fulbright	McGee	Young, N. Dak.

NAYS—21

Aiken	Dworshak	Martin
Bush	Ervin	Prouty
Capehart	Hart	Proxmire
Carroll	Javits	Scott
Case, N.J.	Keating	Wiley
Clark	Lausche	Williams, Del.
Cooper	McNamara	Young, Ohio

NOT VOTING—13

Bartlett	Hayden	O'Mahoney
Butler	Johnson, Tex.	Russell
Dodd	Kennedy	Schoeppel
Ellender	Monroney	
Gore	Neuberger	

So Mr. MANSFIELD's motion to table Mr. LAUSCHE's motion to defer the consideration of Mr. MANSFIELD's motion until tomorrow was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] that the unfinished business be laid aside and that the Senate proceed to the consideration of Calendar No. 817, House bill 1, to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

On this question, the yeas and nays have been ordered.

Mr. LAUSCHE. Mr. President, at this time, is it within the power of the Senate to vacate the order for the yeas and nays on this question? If it is, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. The Senator from Ohio requests unanimous consent that the order for the yeas and nays be rescinded.

Is there objection?

Mr. CASE of New Jersey. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the motion that the unfinished business be laid aside, and that the Senate proceed to the consderation of House bill 1.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER (when his name was called). On this vote I have a pair with the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON]. If the senior Senator from Texas [Mr. JOHNSON] were present and voting, he would vote "yea"; and if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 72, nays 19, as follows:

YEAS—72

Allott	Goldwater	Magnuson
Anderson	Green	Mansfield
Beall	Gruening	Morse
Bennett	Hartke	Morton
Bible	Hayden	Moss
Bridges	Hennings	Mundt
Byrd, Va.	Hickenlooper	Murray
Byrd, W.Va.	Hill	Muskie
Cannon	Holland	Pastore
Carlson	Hruska	Randolph
Carroll	Humphrey	Robertson
Case, S. Dak.	Jackson	Saltonstall
Chavez	Johnston, S.C.	Schoeppel
Church	Jordan	Smathers
Cotton	Kefauver	Smith
Curtis	Kennedy	Sparkman
Dirksen	Kerr	Stennis
Douglas	Kuchel	Symington
Eastland	Langer	Talmadge
Ellender	Long, Hawaii	Thurmond
Engle	Long, La.	Williams, N.J.
Fong	McCarthy	Williams, Del.
Frear	McClellan	Yarborough
Fulbright	McGee	Young, N. Dak.

NAYS—19

Aiken	Ervin	Prouty
Bush	Hart	Proxmire
Capehart	Javits	Scott
Case, N.J.	Keating	Wiley
Clark	Lausche	Young, Ohio
Cooper	McNamara	
Dworshak	Martin	

NOT VOTING—9

Bartlett	Gore	Neuberger
Butler	Johnson, Tex.	O'Mahoney
Dodd	Monroney	Russell

So Mr. MANSFIELD's motion was agreed to; and the Senate proceeded to the consideration of House bill 1, to require a study to be conducted of the effect of

increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, which had been reported from the Committee on Public Works, with amendments on page 3, line 18, after the word "diversion", to insert "the studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes."; and on page 5, line 15, after the word "amount", to insert a colon and *"Provided,* That nothing in this Act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of one thousand cubic feet per second, or any other amount if hereafter recommended. Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada. But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan."

The PRESIDING OFFICER (Mr. CANNON in the chair). The pending business is H.R. 1.

PUERTO RICO DOES NOT WANT TO BE A STATE

Mr. FULBRIGHT. Mr. President, the Governor of Puerto Rico, one of the outstanding statesmen of the free world, wrote an interesting article for the New York Times magazine, published on August 16, "Puerto Rico Does Not Want To Be a State."

This article analyzes so lucidly the issues involved in this interesting question of the relations between a large and a small State that I think it is worthwhile incorporating in the CONGRESSIONAL RECORD.

I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUERTO RICO DOES NOT WANT TO BE A STATE

(By Luis Muñoz-Marín)

SAN JUAN, P.R.—Puerto Rico, now a vigorous self-governing Commonwealth within the American political system, would be smothered if some of its misguided stateside well-wishers, like Senator DENNIS CHAVEZ, of New Mexico, and Representative VICTOR ANFUSO, of New York, had their way. They have introduced or proposed to introduce bills for Puerto Rican statehood. The bills have no chance of approval in Congress, and only minority support in Puerto Rico.

Recently, in the lobby of a Washington hotel, an old friend greeted me, "Well, Governor, pretty soon we should be seeing you up on the Hill as a Senator from the 51st State." He meant it as a high compliment to Puerto Rico, and I was touched by both his warmth and enthusiasm. In the wake of Alaskan and Hawaiian statehood, a similar status for Puerto Rico seemed logical, simple and desirable to him. He melted into the milling crowd of the lobby before I had an opportunity to outline to him the great complexities of Puerto Rico's circumstances, which make statehood neither logical nor desirable for Puerto Rico or the United States.

When I say that it is far better for Puerto Rico to remain a Commonwealth, it is with no insensitivity to the high honor which statehood implies. Nor is it because we seek independence—we definitely do not. Nor does it mean we are content to be less than a federated State—because, definitely, we are not less, but only different. Nor is it because we do not wish to share in the common expenses of the Federal Union, of which we are a part in a new way—since Puerto Rico is now proposing a formula by which it would begin to pay into the Federal Treasury as its economic growth allows it to do so.

Puerto Rico's history has been far different from that of Alaska and Hawaii, and the understandable tendency to speculate on possible statehood for Puerto Rico after the rapid accession of Alaska and Hawaii can lead men of good will far astray. Puerto Rico was a populous island with a long history and a well-defined culture when it first came into the American orbit in 1898 following the Spanish-American War. Alaska and Hawaii, on the other hand, were sparsely settled and ripe for colonizing from the mainland.

Alaska and Hawaii became incorporated Territories, clearly destined for cultural integration and eventual statehood. Puerto Rico's special circumstances were early recognized when it became the first unincorporated Territory, which implied that it would not be slated for statehood. At the same time it would have been obviously contrary to the American spirit that Puerto Rico should remain a colony forever.

Economic factors were very different, too. Both Alaska and Hawaii have been for many years notably wealthier than Puerto Rico is even now after 14 years of rapid economic progress since the end of World War II. The net annual average income of Hawaii, and probably of Alaska, is more than $1,800, very little below the 1957 national average of $2,027. Puerto Rico's per capita income of $470 is still less than half of that of the lowest income State of the Union, Mississippi. Puerto Rico has little land in relation to population, no fuels, no significant mineral resources. That is why we have called the program by which we progress "Operation Bootstrap."

These economic and cultural factors have, since 1898, made Puerto Rico's political evolution unique, and clearly different from that of Alaska and Hawaii. Indeed, as late as 1940, many sober, informed men in the United States considered Puerto Rico's economic and political problems "insoluble," and were resigned to Puerto Rico's being a dependent poorhouse on a kind of permanent dole from the Federal Treasury, a place where poverty and hopelessness would constantly churn up social and political instability.

It took a double-barreled attack on these problems in Puerto Rico, itself, to lead to the relative prosperity of today, and to the visible social and political health and vigor of the island. First came the attack on poverty, temporarily foreclosing political debate. Only when "Operation Bootstrap" was well under way did Puerto Rico address itself to finding a political status which answered the needs of its special relationship with the United States and its own economic and cultural circumstances.

To those who forget that peoples are the creators of political formulas and not their slaves, Puerto Rico seemed to have no way to turn. Continued existence as a Territory or colony was impossible. The corrosive effects of colonialism, even a benevolent colonialism, could no longer be accepted, especially in the postwar period. Neither dignity, nor the swift course of history, nor common sense, nor the American tradition, would permit the continuation of such a system in the American context.

In contemplation of the inevitable end of colonialism, a sterile debate had raged for many years in the island between adherents of independence and those of statehood. The great majority of Puerto Ricans rejected independence on two counts: Puerto Rico's economy was by then so integrated with that of the United States that separation would have meant economic suicide and, equally important, Puerto Ricans had developed a deep and genuine attachment for their fellow U.S. citizens and for U.S. political institutions.

The great majority also rejected the possibility of statehood as totally unrealistic. Economically, statehood then would have meant another form of ruin for Puerto Rico—and still would, as we shall see in a moment.

The circumstances called for the same kind of political pioneering which created the Original Thirteen States themselves—a new projection which would be in the spirit of the 20th century, taking due recognition of the mutual interests of both the United States and Puerto Rico. The concept of a self-governing Commonwealth had been foreseen as long ago as 1912 by Henry L. Stimson, then Secretary of War under President Taft. With far-sighted statesmanship Stimson observed that he saw no inconsistency between U.S. citizenship for Puerto Ricans and the ideal that Puerto Rico should have, when ready for it, completely autonomous local government within the American system.

This is essentially what happened when Puerto Rico became a Commonwealth in 1952. The official Spanish translation is Estado Libre Asociado—Associated Free State: Puerto Rico, in the generic sense of the term, is a new kind of State. Puerto Ricans are U.S. citizens, sharing with their fellow citizens in the continental United States a common defense, a common foreign policy, a common market, a common currency and the operation of practically all Federal laws. Puerto Ricans differ from other Americans in that they do not vote in national elections, have no voting representation in Congress, and have, on the other hand, autonomy in directing their local affairs, including the collecting and spending of their own taxes.

Nearly 7 years after its hopeful inception, how is the Commonwealth doing? It is doing remarkably well, I am happy to report. "Operation Bootstrap" has raised the per capita income from $121 in 1940 to today's $470. Living standards have virtually doubled in 15 years, perhaps the most rapid economic advance in any underdeveloped region in the world.

Certainly development has been dramatic enough to attract high officials, technicians, and students from all over the world to study our methods. Nearly 9,000 visitors from 107 different countries—from Nepal to Saudi Arabia, from Morocco to Bolivia—have studied how we have raised life expectancy from 46 years in 1940 to 68 years today, how we are rapidly winning the fight against illiteracy and how a whole people can be raised, in a few years, from despair and deepest poverty to relative prosperity and dynamic purposefulness.

The creation of the Commonwealth had political as well as economic lessons for the world. It was a notable achievement, in the

postwar era, to end a colonial relationship in such a constructive, fruitful manner, devoid of the bitterness and violence which characterized the end of colonialism in many parts of Asia, the Near East and Africa. Puerto Rico clearly gave the lie to the persons (Communists and others) who are always ready to raise the cry of "imperialism" against the United States. It was patently impossible to square imperial exploitation with a people who are self-governing who sent 40,000 of their sons into the Armed Forces during the Korean conflict (90 percent of them volunteers) and who are so effectively dramatizing the quality of U.S. democracy to thousands of earnest observers from all over the world.

The dignity of self-government has not only engendered an explosion of energy in economic affairs in Puerto Rico but has seen a lively ferment in cultural realms as well. No one who has visited Puerto Rico recently can be immune to the feeling that things are happening. The Casals Festival, lively drama, ballet, opera, and symphony orchestra seasons are all part of the energized local scene. Puerto Rican painting and writing are in obvious renaissance. A people with new pride and new confidence and new creativity are clearly on the march.

In the light of this progress, it may seem strange that the sterile debate regarding possible statehood at any time in the foreseeable future should have been revived in Puerto Rico. Certainly persons who make any serious study of Puerto Rico's economics are aware that statehood, at this time, or for many generations to come, would mean a fatal crash for the island. It would be like a fully loaded airplane about to be airborne having half its motors suddenly stopped.

Federal taxes would about double the already high tax load that the Commonwealth must impose upon itself in order to keep its public works and public services in line with its rapid economic development. Federated statehood would mean either breaking the back of the taxpayer and thus making further economic development impossible or cutting the public services so drastically that their decay would constitute a bottleneck for private enterprise and economic development.

There has been nothing automatic about Puerto Rico's progress to date. Only hard, uphill work has brought it about. And while this progress has been notable enough to attract interest in many countries, our living standards, as I have indicated, are still far below those of the mainland United States.

The Federal Government has long been cognizant of the different economic situations of Puerto Rico and the harsh handicaps imposed by a population concentration of 658 persons per square mile in a mountainous island with virtually no resources. Never, since Puerto Rico was first associated with the United States, has the Federal Government applied Federal taxes here. This was to give the island a chance of economic development as well as to honor the principle of "no taxation without representation." Without this to compensate for the other disadvantages I have mentioned, Puerto Rico would still be in deepest poverty.

Most Federal grants-in-aid apply in Puerto Rico. These grants, like those allowed to the States, are apportioned on the theory that they will benefit the United States as a whole. Matching funds for building certain roads and for hospital construction are cases in point.

The U.S. tariff is collected in Puerto Rico on foreign imports—which, by the way, are few, since most of our trade is with the United States—but the receipts go into the Commonwealth treasury after the cost of collection is deducted. In this way American manufacturers are protected from foreign competition while the Puerto Rican treasury is benefited. This is important because Puerto Rico is one of the world's greatest per capita consumers of U.S. products, spending $700 million a year on them. The Federal excise tax on Puerto Rican rum, while it serves to protect American distillers, also reverts to the Commonwealth.

On the other hand, our association with the United States imposes some penalties on the Puerto Rican economy, for which our treasury is not compensated. Under the Sugar Act of 1946, for example, Puerto Rico loses considerable potential income by being denied the right to refine more than 11 percent of its own sugar production. In addition, shipping rates between Puerto Rico and U.S. ports are artificially high because they are governed by the coastwise shipping laws confining cargoes to American vessels. While these laws have the legitimate objective of subsidizing U.S. shipping for defense purposes, in practice they place a heavy share of this defense load on Puerto Rican consumers.

From the U.S. point of view, the accession of a State unable to pay Federal taxes except at the cost of economic ruin is obviously inconceivable. Puerto Rico, which as a Commonwealth is a showcase of American democracy before the world, would as a Federated State, become exactly the opposite: an economy in shambles, having to be kept alive by a WPA type of charity, with a people far more hopeless than during the worst of the great depression.

Nor has the United States the desire or interest to force the cultural assimilation of Puerto Ricans in Puerto Rico. Indeed, the fact that Puerto Ricans are probably the most bilingual people in the hemisphere, with deep understanding of and ties to both their fellow U.S. citizens and their Latin neighbors, has made Puerto Rico a valuable meeting place for people and ideas at a time when Latin America is in a state of far-reaching flux. Its unique position has been an undoubted asset for the United States in sensing changing currents in Latin America, and in translating its hemisphere policy into action.

But even now, however limited our means, Puerto Rico wants to make it clear that it intends to begin contributing to the Federal Treasury as its economic circumstances permit. There is now a bill before Congress whose purpose is to define the permanent association of Puerto Rico with the United States. One principle is clearly established: that Puerto Rico wishes, of its own accord and within its abilities, to help shoulder the Federal burden by contributing money to the Federal Government and by performing some functions in Puerto Rico now underwritten by U.S. taxpayers.

Puerto Rico is not looking for a "free ride." On the contrary, it is just as anxious to carry its share of the financial load as its sons were to risk their lives in Europe and Korea—as a matter of pride and dignity, as our contribution to the whole.

When the strident chorus of nationalism begins to fade in Europe, Asia, Latin America, and Africa, some ingenious formula may permit the rational regrouping of new and old sovereign units on a sounder economic basis, just as the United States and Puerto Rico found a workable formula. The world has become too small, too complex, too interdependent to permit indefinite political fragmentation at the price of widespread poverty. Where blind insistence on rigid, 19th century style sovereignty exists in defiance of economic logic, new forms of federalism are called for. Puerto Ricans are proud that they are contributing to the American political system a new form of federalism.

In dedicating the Puerto Rico Supreme Court Building, Chief Justice Earl Warren expressed this in words that remind us of the creative political genius of the United States:

"In the sense that our American system is not static, in the sense that it is not an end but the means to an end—in the sense that it is an organism intended to grow and expand to meet varying conditions and times in a large country—in the sense that every governmental effort of ours is an experiment—so the new institutions of the Commonwealth of Puerto Rico represent an experiment—the newest experiment and perhaps the most notable of American governmental experiments in our lifetime."

A new way of abolishing colonialism has been born.

THE EXCHANGE OF TEACHERS PROGRAM

Mr. FULBRIGHT. Mr. President, the teacher-exchange program of our Government has been a very successful one, and I take great pleasure in asking unanimous consent to have printed in the body of the RECORD a recent release by the Department of Education, giving up-to-date information about the program.

There are few activities which our Government has carried on in recent years that have been administered more efficiently and with greater results than this exchange-of-teachers program.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Five hundred and sixty-four teachers from the United States and 39 other areas of the world are taking part in the 1959–60 teacher exchange program, Lawrence G. Derthick, U.S. Commissioner of Education, announced today.

"This brings to nearly 5,500 the number of teachers from the United States and 64 other countries who will have participated in this Office of Education program since its inception 14 years ago," Commissioner Derthick said.

"These exchanges are a part of the Department of State's international educational exchange porgram. They are an important contribution to the people-to-people effort to build international understanding and goodwill through education."

Seminars in Colombia, France, Germany, and Italy already have been attended by 135 American teachers this summer. Another 109 from 27 States left the United States on August 14 for the United Kingdom.

One hundred British counterparts, with whom the U.S. group will trade positions for 1 year, arrived at New York City aboard the *Queen Mary* on August 18, accompanied by 21 dependents. Three married couples are in the group.

Seventy-four teachers from Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, France, Germany, Italy, the Netherlands, New Zealand, and Norway will also arrive in the United States during the month of August. An equal number of Americans will go to these countries.

Another 119 instructors from this country will go abroad on one-way teaching assignments that do not require a direct exchange, and 31 from other countries will visit the United States on the same basis.

Among those going to the United Kingdom, chiefly from public and nonpublic elementary and secondary schools, are a teacher of the deaf, a teacher of the speech handicapped, a teacher of photography, and teachers of Spanish, French, and German, who will exchange with British teachers in their same teaching specializations. One married couple, both teachers, is included in this group. One hundred and twenty dependents are accompanying the group.

During the week of August 24 the British teachers will join exchange teachers from other countries at the Office of Education in Washington, D.C., for orientation sessions before going to their U.S. classrooms. In Washington they will stay at the Sheraton-Park Hotel.

Mr. MANSFIELD obtained the floor.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Missouri.

AN ACCURATE DEFENSE ANALYSIS

Mr. SYMINGTON. Mr. President, on Monday the junior Senator from Pennsylvania [Mr. SCOTT] gave us the benefit of his observations on a pamphlet of the Democratic Advisory Council, entitled "The Military Forces We Need and How To Get Them."

The Senator makes his two principal points in his opening paragraphs that, first, the pamphlet is "somewhat confused"; and second, that it "appears to be arguing the possibility of limited nuclear war, as against a war of conventional weapons, or an unlimited nuclear war."

Let us take these criticisms in order.

First, that the pamphlet is confused.

When a reader finds a document confused, the trouble may be in the pamphlet, or in himself.

Have others found it confused?

Mr. Walter Lippmann did not. He wrote of it on June 25:

> The pamphlet deserves a very careful reading.
>
> There is a large literature already existing which is critical of our defense policy. Having read a good deal of it, I would venture to say that this pamphlet is much the best in its field, evidently quite expertly informed, reasonable, and civilian in its temper, and lucidly written.
>
> It ought not to be brushed aside as a partisan document. For, in fact, the argument it makes has the support of large numbers of Republicans, especially of those who have paid close attention to the problem of defense, and of many of the military men who by common consent are leaders in military thought.
>
> * * * * *
>
> It would be a very useful thing if the administration issued a thoroughgoing, fully considered reply. This would not be easy to do because within the Pentagon and within the administration itself there are so many who agree with the pamphlet. But it would be a true public service if the President, who does not agree, would see to it that there is a reply.

Incidentally, the speech of the distinguished junior Senator from Pennsylvania is not—let us all hope—the "thoroughgoing, fully considered reply" for which Mr. Lippmann asked.

Mr. Arthur Krock did not find it confused. On June 26 he wrote that—

> This pamphlet deserves to be evaluated by impartial students of the problem as a distinct contribution to the discussion of the paramount issue of these times. The paper has political touches. But for the most part it is a serious effort, recognized as such by the informed and by those wishing to be informed.
>
> The general conclusions are that the United States should build up its conventional and long-range ballistic missile forces, can probably pay the bill, and that at any rate the bill would be cheaper than the cost of the consequences of letting the Soviet Russians believe they could wage successful war against the United States. Dean G. Acheson, Paul H. Nitze, and James King, the authors of the pamphlet, have in these conclusions expressed an opinion shared by military and diplomatic experts who are wholly uninfluenced by partisan considerations.
>
> * * * * *
>
> * * * the pamphlet merits respectful study by the political and military branches of the Government.

Moving out of Washington, the Greensboro (N.C.) News is typical of editorial comment on the pamphlet:

> Dean Acheson deserves the thanks of his countrymen for focusing a debate on U.S. defense policies. He expresses the worries of those who fear that the Eisenhower administration is failing to provide free world military protection.

So, apart from the internal evidence provided by the Senator's speech, it seems pretty clear that it is not the pamphlet which is confused.

I turn, therefore, to the speech.

Second. The pamphlet, he says, "appears to be arguing the possibility of limited nuclear war as against a war of conventional weapons or an unlimited nuclear war."

It is odd that others have not received any such impression from the pamphlet.

Mr. Lippman's analysis is quite different from the Senator's and has the advantage of being correct. He wrote:

> The two main points of the pamphlet are familiar enough. The first one deals with the missile gap which, on the admission of Secretary McElroy, is likely to bring it about that in the next 3 years the U.S.S.R. will have in intercontinental ballistic missiles a supremacy of 3 to 1. This could mean that during these years the U.S.S.R. would be theoretically capable of knocking out the bulk of our Strategic Air Force. The pamphlet does not say that the U.S.S.R. would, or is likely to, try for such a Pearl Harbor. But it is right in saying that the existence of this theoretical power would have an important effect on the political relations between the West and the Communist powers.
>
> The other point, which is also familiar, is that defense cannot be allowed to depend solely on nuclear weapons—the big ones which are suicidal or the small ones which would be devastating to our allies and to the uncommitted countries.
>
> The pamphlet contains a carefully reasoned and persuasive argument why expenditures should be increased to close the missile gap and to increase our conventional forces.
>
> * * * * *
>
> What interested me most in the pamphlet, given the fact that it was written under the auspices of Mr. Dean Acheson, was the illuminating candor with which it explains how things have changed since the Truman administration. The critical change is this: Our original strategy in NATO was based on our possession at the time of a monopoly of nuclear weapons. Under those conditions, a small ground force backed by the irresistible power of the Strategic Air Force was quite sufficient to hold in check the enormously superior masses of the Red Army.
>
> Our monopoly was broken by the Soviets in 1949 and this has brought with it, as the U.S.S.R. developed its bombs and its missiles, a radical change in the balance of power. We are far from being defenseless against this new might of the Soviet Union. But there is no doubt that our allies in Western Europe and our client states in Asia are far more vulnerable than they were 10 years ago. This could have serious political consequences, if the missile gap is allowed to become so wde that this country, which is the ultimate protector of the non-Communist world, becomes itself highly vulnerable.
>
> No matter what it costs, this must not be allowed to happen.

Mr. CLARK. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senate will be in order.

Mr. LONG of Louisiana. Mr. President, I make the point of order that the Senate is not in order. Senators cannot hear the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. Visitors in the galleries will cease conversation. The Senate is attending to important business, and must be in order.

The Senator from Missouri may proceed.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FREAR. Is the Senate in order?

The PRESIDING OFFICER. The Senate is in comparatively good order, compared to what it has been.

Mr. SYMINGTON. I thank the Presiding Officer.

Mr. President, Mr. Lippmann has fully grasped the thesis of the pamphlet. Since it would seem to have eluded the distinguished Senator, unfortunately his attack is upon something not said at all. One can only wonder whether he has been following closely events of the past few months.

Let me illustrate.

The Senator states that:

> The Democratic Advisory Council jumps from the fact that Russia has increased her nuclear striking capability over the past 5 years to the conclusion that the United States has less ability for retaliatory destruction. In quantitative terms, it is assumed that as the enemy grows stronger we must weaken. * * * Little emphasis is given to the imperative fact that, in order to insure against retaliation which might destroy her, Russia must guarantee that her first nuclear strike to all intents and purposes annihilates our ability to strike back. No basis for that possibility is indicated in this pamphlet; nor is the matter actually dealt with face to face by the pamphleteers.

How could my friend have read that part of the document—because it deals with this precise matter. I quote from the document:

> Not only has Russia broken the American monopoly on the weapon, but it is dangerously ahead on long- and medium-range missile delivery. The Secretary of Defense concedes that on present expectations the next 3 years will give the U.S.S.R. a superiority over the United States of three to one in intercontinental ballistic missiles.
>
> Even this gloomy statement may be optimistic. If present programs of production are maintained on both sides—and there have been no decisions to change the U.S. program—the U.S.S.R. may achieve a capacity to destroy U.S. retaliatory power at a risk which they might regard as worth running. To put the matter more graphically: Russian missiles, raining down on SAC aircraft and

missile bases, could end our capacity to retaliate, much as a knight in armor was rendered powerless when he was knocked off his horse and could not get to his feet again. Clearly, such a relative disadvantage in military strength would downgrade our capacity to deter war or prevent Soviet blackmail.

Now, as to familiarity with recent events. The pamphlet is criticized for urging that, while NATO ground forces, even if they attain present goals, will be inferior in numbers to Soviet forces available to face them, their combat effectiveness can be made adequate for their strategic mission by what the pamphlet's authors call futurization of them by a vigorous flow of scientific and military invention.

This idea seems quite preposterous to my learned friend. He said:

> Here is one of the most typical examples of naivete to be found in the pamphlet—when the pamphleteers make their entire case depend upon the ability of our country to invent something in the future * * *
>
> Those who have written the pamphlet seem to rely upon having our scientists make some inventions, although the writers of the pamphlet do not specify what the inventions might be. Certainly such an attitude is typical of the schoolboy-writing nature of the pamphlet.

In criticizing these proposals as examples of "naivete" and of "schoolboy-writing," the Senator perhaps overlooked a front page story in the New York Times of June 26 last. It dealt with the retirement from the Army of Gen. Maxwell D. Taylor, its Chief of Staff. The headline of the Times' story is "General Taylor Says He Quit Over Lag in Modernization." The text, reporting the general's remark at the National Press Club, states:

> In response to a question on why he was retiring for which he had been prepared in advance, General Taylor said:
>
> "I have several mixed reasons why I am retiring, only one of which I will tell you. For 4 years I have struggled to modernize the Army and my success was limited. So I decided I would do one thing for the country and withdraw an obsolescent general from the inventory."
>
> Army aides at the luncheon meeting recalled that General Taylor had sought unsuccessfully to win approval for a $3 billion-a-year weapons modernization program.

It was for this program that the pamphlet urged the same amount this great general had sought so unsuccessfully.

Those of us who have studied the matter know of the inventions which have been made, and are ready to be purchased, if we decide that modern and mobile ground troops—Army and Marine Corps—are essential to our security and that of the free world.

Mr. President, I have read carefully the pamphlet of the Democratic Advisory Council.

The more one studies all aspects of our defense, the more one becomes impressed with the basic worth of the pamphlet's analysis.

The only major change I would have suggested would have taken the form of certain recommendations which would have had the effect of offsetting much of the increased expenditures proposed.

At the end of the article, the advisory council suggests a noncumulative additional defense expenditure of $7½ billion a year. Incidentally, this is less than the increase proposed by the Rockefeller report.

I would have offset this recommendation by advocating a reorganization of the Defense Department on the basis of the unprecedented progress attained in this nuclear space age, instead of continuing to let the Department drift in tradition.

Such a reorganization would go a long way toward the elimination of the service rivalries, and the great waste and duplication now characteristic of our defense effort.

To the extent any such actions are not taken, however, this pamphlet of the Democratic Advisory Council is correct in recommending additional expenditures if we are to maintain an adequate military posture.

Only yesterday President Eisenhower justified his proposed visit to Russia by stating in part:

> We are putting now, just in the engines and the training and preparations of war, something on the order of $41 billion every year. No one seems to think—to stop—to stop to think about what that is doing to this country. We have got to get before the Congress right now the most serious problem in debt management that you could possibly imagine.
>
> Well, now, these expenditures are the things that are making this problem, and it has to be handled intelligently, in turn, or we are going to be in trouble.

If this is the way the President feels, why then does he not accede to the urgent recommendations some of us have been making for years, a recommendation again made only this week by the able senior Senator from Kentucky, and reorganize the Defense Department? If he did so, based on testimony before various committees, it is clear to me that he could save the American taxpayer tens of millions of dollars a week.

Whether this advice is taken or not, and especially because of the further disintegration of the position of the free world in Europe and many other places, including Laos, it would be wise for this administration to give careful attention to the thoughtful recommendations contained in this excellent pamphlet.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for a request, apart from what he has said? I do not like to retain the floor. I would, with the permission of the Senate, turn the floor over to the distinguished senior Senator from New Mexico [Mr. CHAVEZ] so that upon completion of the remarks of the Senator from New Mexico I can fulfill commitments I made to recognize the Senator from South Dakota [Mr. CASE] and then the Senator from Florida [Mr. HOLLAND].

I ask that the Senators be recognized on that basis.

Mr. SYMINGTON. I shall be very glad to cooperate in any way. I do, however, want to say to my friend, the assistant majority leader, that the distinguished senior Senator from Florida has been waiting for some time. I should be very glad to yield, if I may, first to the Senator from Pennsylvania for a question.

Mr. MANSFIELD. Surely. I simply wanted the Senator to take over the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. WILLIAMS of Delaware. I object.

Mr. SYMINGTON. I yield to the senior Senator from Pennsylvania.

Mr. ALLOTT. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. CANNON in the chair). The Senator from Colorado reserves the right to object.

Mr. MANSFIELD. So long as my request has been turned down, I retain the floor, and I yield to the Senator from Missouri.

Mr. SYMINGTON. I yield to the Senator from Pennsylvania for a question.

Mr. CLARK. Mr. President, will the Senator from Montana yield to me briefly?

Mr. MANSFIELD. I yield to the Senator from Missouri and he can yield to the Senator from Pennsylvania.

Mr. SYMINGTON. I thank the assistant majority leader.

Mr. CLARK. Mr. President, I regret that my colleague from Pennsylvania is not on the floor to hear this most interesting comment on his speech. I ask the Senator from Missouri, did he not notify my colleague from Pennsylvania that he intended to make this speech as soon as he could obtain the floor?

Mr. SYMINGTON. The Senator from Pennsylvania is correct. His colleague's office was notified at 9:45 this morning.

Mr. CLARK. Mr. President, I notice that the Senator from Missouri referred to the Rockefeller report in the course of his remarks. That report was made by Governor Nelson Rockefeller of New York, was it not, and did it not deal with our defense needs?

Mr. SYMINGTON. The Senator is correct on both counts.

Mr. CLARK. Am I not correct in saying, with respect to the substantive conclusions of the Rockefeller report, that they were pretty much in line with the substantive conclusions of the Democratic Advisory Council report in that both reports indicated that we need to spend substantially more money for our defense, and that we are in danger of falling behind the Russians, and that this was no time for us to stop?

Mr. ALLOTT. I call for the regular order.

Mr. SYMINGTON. The Senator from Pennsylvania is correct.

The PRESIDING OFFICER. The regular order is that the Senator from Montana has the floor and can yield only for a question.

Mr. MANSFIELD. I yield to the Senator from Missouri for a question. Or I will yield to the Senator from Pennsylvania for a question, to be answered by the Senator from Missouri.

Mr. CLARK. I thank my friend for yielding.

By way of asking a final question of the Senator from Missouri: Is the Senator not satisfied, as I am——

Mr. ALLOTT. I call for the regular order.

The PRESIDING OFFICER. The regular order is that the Senator from Montana can yield only for a question to be asked of the Senator from Montana.

Mr. MANSFIELD. I yield to the Senator from Pennsylvania for a question.

Mr. CLARK. I ask my friend from Montana, is he not satisfied from having heard the brilliant speech of the distinguished Senator from Missouri, the Senator from Missouri has made a telling reply to the Senator from Pennsylvania [Mr. SCOTT] in his somewhat smug assumption that all is well with our national defense?

Mr. MANSFIELD. May I say, in reply, that the Senator from Missouri always makes a speech meriting the consideration of the Senate and the people of the country, and in doing so I think he has consistently performed a great public service to the Nation.

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. LONG of Louisiana. Since we are being technical at this time, is it not required, under the rule, that a parliamentary question cannot be addressed to a Senator, but must be addressed to the Presiding Officer?

Mr. MANSFIELD. Mr. President, since we are being technical, I would say the rule is that such a question cannot be addressed to a Senator, but must be addressed to the Presiding Officer.

The PRESIDING OFFICER. The Senator is advised that a Senator making a request must make it through the Presiding Officer.

Mr. SYMINGTON. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. I yield for a question.

Mr. ALLOTT. Will the majority leader yield for a question?

Mr. MANSFIELD. With the permission of the Senator from South Dakota, to whom I promised to yield a long time ago and who has been waiting patiently, I yield for a question providing that he has the right to lead up to that next question in any way he sees fit.

Mr. CASE of South Dakota. Mr. President, I should like to ask the distinguished majority leader, did he not yesterday deal with the subject of crimes and mugging and problems of that sort in the city of Washington?

Mr. MANSFIELD. Yes, indeed.

Mr. CASE of South Dakota. May I say to the Senator that I read his remarks with interest and I should now like to ask unanimous consent that I may insert following these remarks an article that appears in the September Reader's Digest entitled, "Dogs That Keep the Peace." This article deals with the problem of control of crime and relates how dogs have been used effectively by the police of London, by the police in the city of Baltimore, and other points. I think it is very much in order that I commend it to the Members of the Senate District Committee, to the law officers in the District of Columbia, to the District Commissioners. I think it offers a fruitful field for consideration at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOGS THAT KEEP THE PEACE

(By Charles G. Leedham)

Police departments across the United States, faced with steadily rising crime and handicapped by severe shortages of men and money, are begininng to take notice of a successful crime-prevention idea that requires no more men and little more money—trained police dogs.

Only limited use has been made of police dogs in this country. But where they have been tried, they have achieved striking success. In New York City, for example, Macy's department store has wiped out a plague of after-hours pilferage with nighttime patrols of dogs and handlers. And the Baltimore police force's K–9 squad of 40 dogs, established in 1956, is credited with over 500 arrests in its first year of full operation.

To find out what promise trained dogs hold for American police work generally, I went to England where police have had more than a decade of experience with regular patrols of dogs in London alone, police dogs were responsible for 1,850 arrests in 1958 and the finding of 36 missing persons. As more dogs are put to work, their arrest score rises steadily.

The dogs contribute protection and assistance quite beyond human range. "In normal circumstances," remarks Capt. J. M. Rymer-Jones, an assistant commissioner of London's Metropolitan Police, "the criminal has all the advantages—darkness, initiative, and often number. The presence of one trained police dog can often make a single constable as effective as six."

Half an hour after a recent burglary, police dog Rex and his handler arrived in a radio car. Rex took a scent from articles handled by the thieves and began to track along twisting streets and alleys. After a quarter-mile he stopped and growled at a dark doorway. Police found four juveniles hiding in the house, with the loot.

A trained dog can handle crowd situations that would otherwise require several policemen. On one occasion, the last performance of a rock-and-roll show in the Lewisham district poured 1,500 excited, screaming juveniles into the streets. Keyed up by the music, they began breaking shopwindows and molesting passersby. The constable on the beat called for aid. Three police dogs tumbled out of radio cars, and within minutes the area was silent. The subdued rioters stood quietly as the dogs prowled among them, and the only sounds heard were the police orders to "break it up" and "move along, now."

Lost children are frequently found by England's police dogs, too—and not only children. On a bitterly cold January night, an ailing elderly man wearing only pajamas disappeared from his home. A police dog took the mans' scent from clothing, circled the house and set off through a gap in the garden fence, leading his handler to a pond a mile distant where the man was lying semiconscious in shallow water. There was no doubt that the dog saved the man's life.

England's dog squads began in the first postwar years, when increasing crime became a serious problem to the London police. The wooded area of Hyde Park, for example, was the scene of several hundred nocturnal crimes, ranging from purse snatching to assault. Foot patrols had little effect, for the park's wandering paths and dark corners afforded perfect hiding places and escape routes for criminals.

Captain Rymer-Jones, then in charge of the area, decided on an experiment. With a squad of trained Labradors and handlers, he sent patrols into the park each night immediately after dark. The results were dramatic.

With their acute sense of smell and hearing, the dogs routed startled criminals from their hiding places. After the first surge of arrests, word got around quickly in London's underworld that Hyde Park was no longer a safe refuge for hoodlums.

The trained police dog seems to have a sixth sense about criminals. Veteran handlers cannot fully explain it, but it seems to stem from an ability to detect fear, or perhaps literally to smell the "cold sweat" of a hoodlum frightened by the presence of the dog.

The London complement has now grown to 200 on-duty dogs. The preferred breed is the German shepherd, although other types such as the Labrador and the Doberman have also proved effective.

At the Surrey Constabulary Headquarters in Guildford, I watched Sgt. Harry Darbyshire starting a year-old Doberman on a month's course of training. Under the sergeant's gentle but insistent urging, the dog picked up a heavy iron dumbbell and, neck straining, managed to carry it across the training yard. A hard job for a young dog, but he was developing the strength and grip he would need in action.

Later the dog-in-training learns "man work." He learns to track, following faint human scent in any weather, over fields, roads, through heavy undergrowth, and finally over city streets and sidewalks. He learns to search a building, room by room and floor by floor, for a hidden criminal. He learns, too, the vital attack—to leap and clamp his jaws hard on the right forearm. He is taught first to grab at a canvas arm guard dragged around in play, then encouraged to go for it when it is on the arm of a trainer playing the part of a criminal. But he is trained to attack only when so ordered, when attacked himself, or when a suspect is attempting to escape. He learns that a snarl and a show of teeth will almost always freeze a criminal.

Most important, he learns that every human is to be treated gently until the situation or a command directs otherwise. A dog sent after a suspect must detain the subject by circling him and barking until his handler arrives; but he must not touch him, for questioning may well show the man to be innocent.

Somewhere in this training the dogs develop their strange awareness of wrongdoing. Nothing else seems to explain many arrests credited to them. Take a busy Thursday evening last November on the outskirts of teeming Soho, the entertainment district in the center of London, where police dog Shah II and his handler were walking through a stream of pedestrains. At a corner, Shah raised his head and showed interest in a lot where a new building was going up. His handler slipped the leash to let him dash into the jungle of construction materials and machines. From behind a large stack of bricks, Shah barked loudly, and there were screams for help. The constable found two men cowering before the menace of Shah's bared teeth. In front of them was a pile of buglarly loot which they had been dividing.

The dog's greatest value is in ordinary foot patrols, keeping watch over a neighborhood. London police feel that if there were more dogs on the streets, the balance would be tipped even further against the criminal.

Baltimore, far ahead of other American cities in the use of dogs, has had a similar experience. Stationed around Johns Hopkins and other large Baltimore hospitals, the dog patrols have cut almost to zero the for-

merly serious problem of the mugging and robbing of nurses and hospital visitors. Walking their beats in depressed, crime-ridden areas, the dogs strike terror and respect into the hearts of potential troublemakers. They have caught burglars hiding under cars, brought down gunmen fleeing through crowded streets, flushed night prowlers from apartments.

The experience at Macy's has followed the same pattern. Seven years ago a special brand of thieves was harassing this world's largest store—staying in the store after closing, hiding in the shadowy acres of counters and stockrooms overnight, and walking out in the morning with nicely wrapped bundles of valuables. Then Macy's installed a squad of Dobermans under the direction of Frank Fay, head of the store's security. Every night, the dogs with their handlers cover the building from subbasement to 19th floor, patrolling along the aisles and through stockrooms and vacant offices. After a few arrests the word got around. Today actual "catches" are so rare that mock criminals—members of the squad dressed in protective clothing—hide in dark spots from time to time so that the dogs won't become discouraged by weeks on end of futile searching.

Such is the record. It is a record that might well be noted for action by every American community which feels the need for more police protection.

Mr. SYMINGTON. In view of the parliamentary situation, I should like to ask the Senator from Montana if he does not feel that I should be grateful to the Senator from Pennsylvania for his very kind remarks with respect to my talk.

Mr. MANSFIELD. I certainly could not find myself in disagreement with what the junior Senator from Missouri has just said.

Mr. SYMINGTON. May I also ask if the distinguished Senator from Montana, the assistant majority leader, does not feel that I should be grateful to him for the kind and gracious remarks he has been good enough to make this afternoon?

Mr. MANSFIELD. Mr. President, modesty forbids my answering.

Mr. HOLLAND. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I should like to have the floor in my own right.

Mr. MANSFIELD. Very well. Will the Senator from Florida then see that the Senator from New Mexico [Mr. CHAVEZ] obtains the floor? He is to handle the bill.

Mr. HOLLAND. I cannot see that any other Senator obtains the floor.

Mr. MANSFIELD. Mr. President, I yield the floor.

Mr. HOLLAND. First, a great many Senators on this side of the aisle were attempting to be generous during the morning hour by postponing the placing in the RECORD of matters we deemed to be important. Those Senators include the Senator from South Carolina [Mr. JOHNSTON], the senior Senator from North Carolina [Mr. ERVIN], the junior Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. TALMADGE], the Senator from Louisiana [Mr. LONG], and various other Senators, including myself.

I wish the RECORD to show that fact, because I failed to hear the distinguished senior Senator from New York [Mr. JAVITS], in expressing his gratitude to other Members of this body for the chance to make a short speech just before 2 o'clock, recognize that many other Senators had foregone what they expected to do and had the right to do. Our action was taken at the request of the acting majority leader [Mr. MANSFIELD], and to cooperate with our leadership, so that the Senator from New York might have the opportunity he desired.

We like to be courteous when we do not forfeit any substantial right, and were willing to be heard a little later in the day.

Mr. JAVITS subsequently said: Mr. President, prior to 2 p.m., when we were discussing my discharge resolution, I failed to express my appreciation of the courteous action of the acting majority leader [Mr. MANSFIELD], and I failed to extend to him my thanks. Earlier today he was most cooperative in making it possible for me to have my say, and in making it possible for me to do what I felt needed to be done. But for his cooperation, courtesy, and kindness I and those who were associated with me in that connection would have had to be on the qui vive for days on end, in order to obtain the same result.

I also wish to express my appreciation of the courtesy of the Senator from Florida [Mr. HOLLAND] and other Senators—and I desire to extend to them my thanks—who withheld the making of insertions in the RECORD, during the morning hour, inasmuch as they, too, realized that it would be pointless to put over to another time the matter I then wished to discuss. All of us realize, I am sure, that the matter would come up sooner or later, in any case. Certainly it was most courteous of those Senators to postpone the making of insertions in the RECORD until after we had had that discussion.

So. Mr. President, finally, I could have asked unanimous consent that the Senate might proceed with my discharge resolution, notwithstanding the fact that debate on the unfinished business, Senate bill 2467, was then in order. However, there had been notice that the Senator from Florida [Mr. HOLLAND], and perhaps other Senators, would object. Hence, I did not make such a request. The Senator from Florida has authorized me to use his name in that regard.

Mr. HOLLAND. Mr. President, I appreciate the graciousness of the Senator from New York [Mr. JAVITS] in making the comment he has made just now, and which I believe it would have been proper for him to make earlier in the day as I stated some time ago. I am glad to have his remarks appear in the RECORD following my earlier brief remarks on the same subject.

I assure the Senator from New York that I have no feeling about the matter; but I also assure him that I thought the distinguished acting majority leader, the junior Senator from Montana [Mr. MANSFIELD], was most effective in bringing the matter to the conclusion which was reached, and without causing, I may say, any of those of us who are keenly opposed to the bill the Senator from New York was seeking to have discharged from further consideration of the Judiciary Committee, to lose any rights we had. As the Senator from New York well knows, and as the rules clearly show, the measure in question—the resolution to discharge the committee from the further consideration of the civil rights bill—can be brought up by motion just as well after it has been placed on the General Orders Calendar as it could from the calendar on which it had already appeared since yesterday, inasmuch as it had lain over for 1 day, as required by the rule which applies to all resolutions of that type. The measure can be brought up by identical procedure from either calendar.

So I believe the Senator from New York has done everything which should be done to make the situation clearer, and also to give recognition of the fact that the Senator from Montana [Mr. MANSFIELD] played a very helpful part in bringing the matter to its culmination.

I think that all my associates on this side of the aisle showed a fair, and, indeed, a generous attitude, in what they did, and I am glad the Senator recognizes that fact.

Mr. JAVITS. I would not wish to debate with the Senator the effect of our move or what might not or might have been done. The main point of my statement was to show my gratitude to the Senator from Montana [Mr. MANSFIELD] and to refer to the personal relations which are involved here and about which I reported.

Mr. HOLLAND. I thank the Senator.

INTERNATIONAL COMPETITION FOR THE AIRLANES OF THE WORLD

Mr. HOLLAND. Mr. President, much has been said in recent weeks concerning international competition for the airlanes of the world. I have had called to my attention an article entitled "Air Landing Rights" from Time magazine of August 17, 1959, which discusses new facets of international competition in this field. I would like to quote certain parts of the article which I think will be of interest to the Senators now on the floor, and I ask unanimous consent that the entire article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the article may be printed in the RECORD as requested.

(See exhibit 1.)

Mr. HOLLAND. Mr. President, I should like to quote a few paragraphs from the article. I ask Senators to attend to them, because I think they are important to our place in commercial air transportation in the world.

The first quotation is as follows:

Despite last week's OK on new competition, U.S. lines found some cheer in the decisions. They showed a real change in U.S. policy to conform to the new competitive facts. What made the decision different was not so much what the United States granted—BOAC, Air France, and Air India were entitled to the routes under reciprocal exchanges—as the manner of giving. France had formally denounced its bilateral air route agreement with the United States 13 months ago, insisted on getting double trackage rights, i.e., the right to serve any U.S. city where a U.S. carrier originates a flight for France.

The second quotation is as follows:

Now the State Department and the President, who has the final say about what international routes the United States gives out, are ending the giveaway period in favor of more horse trading and stricter rule watching. The new trend was forced by the awareness that U.S.-flag lines could follow the downward path of the U.S. maritime industry.

The third quotation—and I am particularly happy that the present Presiding Officer is the distinguished Senator from Nevada [Mr. CANNON], who has an intimate knowledge of and great concern with the matter of commercial aviation, as well as military aviation, and the status of our country in the field of international aviation is as follows:

As the only private, nonsubsidized air fleet in the world, U.S. carriers must find a better way to face competition if the United States is to keep its place as a powerful air Nation. The most obvious solution would be Government subsidy, but most airlines themselves admit that this is a last resort. What they want is for the United States to show a tougher stand in route bargaining and in enforcing current agreements. In the next 5 years the jets will force a revamping of virtually all of the 54 bilateral agreements between the United States and other nations. Unless the United States trades much more shrewdly with foreign airlines, U.S.-flag carriers may not be able to compete in the jet age.

I think this article is of great importance and value to all Senators, particularly those who are deeply concerned with aviation.

EXHIBIT 1

AIR LANDING RIGHTS: NEW FACTS OF INTERNATIONAL COMPETITION

As U.S. international airlines enter the jet age, the United States is junking a belief as outdated as its piston planes. The belief was that U.S.-flag carriers could hold their lead over a growing flock of aggressive foreign competitors without a drastic change in U.S. air policy. Last week the U.S. airlines got a new warning of the onward march of foreign competition. From the State Department came an announcement that Air France will get an additional U.S. gateway at Baltimore and a polar route to the U.S. west coast. BOAC will get the right to land at Tokyo on its San Francisco-Hong Kong run, which is expected to take $7,800,000 yearly away from U.S. lines. A CAB examiner recommended that Air India be authorized to fly into the United States.

But the biggest threat is Russia's Aeroflot, the world's largest commercial airline. Its 1,600 planes fly 350,000 route miles, serve 500 airports from Kamchatka to London. Airmen expect that one of the points of discussion between President Eisenhower and Premier Khrushchev will be yet another jump for Aeroflot: the right to carry passengers to and from the United States.

If Aeroflot gets rights into New York, Pan American World Airways will fly into Moscow. But the exchange does not tell the whole story. Aeroflot, which now matches International Air Transport Association rates (though it does not belong to IATA), is expected to behave for a while. But airlines fear that, as a totally subsidized state airline, it will eventually cut fares to aid Russia's economic offensive.

Despite last week's OK on new competition, U.S. lines found some cheer in the decisions. They showed a real change in U.S. policy to conform to the new competitive facts. What made the decisions different was not so much what the U.S. granted—BOAC, Air France, and Air India were entitled to the routes under reciprocal exchanges—as the manner of giving. France had formally denounced its bilateral air route agreement with the United States 13 months ago, insisted on getting "double trackage" rights, i.e., the right to serve any U.S. city where a U.S. carrier originates a flight for France. The State Department flatly refused.

CAB and the State Department have not always been so alert to protect the interests of U.S.-flag lines. When Great Britain and the United States laid down the basic postwar air route pattern in Bermuda in 1946, the United States was the only nation equipped with planes to operate long-distance service. It campaigned for a free competition agreement, but the plane-short British forced a compromise that provided for an equitable exchange of traffic between nations signing a bilateral pact. Since then the United States has often ignored breaches by foreign airlines, drawn criticism from U.S. carriers for giving out fat new routes without getting much in return.

Now the State Department and the President, who has the final say about what international routes the United States gives out, are ending the giveaway period in favor of more horse trading and stricter rule watching. The new trend was forced by the awareness that U.S.-flag lines could follow the downward path of the U.S. maritime industry. Though 70 percent of all air passengers between the United States and foreign countries are U.S. citizens, the share of traffic carried by U.S. carriers has fallen from 75 percent in 1949 to 60 percent today. In the first quarter this year, BOAC nudged out Trans World Airlines as the second biggest transatlantic carrier (No. 1: Pan American), the first time a foreign-flag line has flown ahead of a U.S. line.

Foreign carriers have rushed into the United States in such numbers that 40 now draw from the U.S. market versus 22 in 1949. Most of them get far more than U.S. carriers out of the bargain, often add extra flights to siphon off as many passengers as possible in violation of the spirit of the Bermuda agreement. In return for permitting Pan American to serve Amsterdam, KLM flies into New York and Houston. Result: last year KLM collected $29.4 million on 86,225 U.S. passengers, while Pan Am got only $1,700,000 from 2,842 Dutch passengers. While cutting into U.S. markets, foreign carriers are strengthening themselves against inroads into their home territory; for example, European carriers got IATA to place a special tariff on transatlantic jet flights because they do not have jets to compete with the Boeing 707.

As the only private, nonsubsidized air fleet in the world, U.S. carriers must find a better way to face competition if the United States is to keep its place as a powerful air nation. The most obvious solution would be Government subsidy, but most airlines themselves admit that this is a last resort. What they want is for the United States to show a tougher stand in route bargaining and in enforcing current agreements. In the next 5 years the jets will force a revamping of virtually all of the 54 bilateral agreements between the United States and other nations. Unless the United States trades much more shrewdly with foreign airlines, U.S.-flag carriers may not be able to compete in the jet age.

FEDERAL REGULATORY AND ADMINISTRATIVE AGENCIES

Mr. HOLLAND. Mr. President, yesterday in Miami, Fla., an address was delivered before the American Bar Association by a distinguished Floridian, a member of the Civil Aeronautics Board, Mr. Louis J. Hector.

The speech is well reported in the Washington Post of this morning, under the title "Hector Says Regulatory Agencies Try To Do Impossible and Fail."

I believe Senators have known for a long time that the regulatory agencies were asked to perform a double task—that which was administrative and regulatory, and that which was judicial—and that it was difficult to wear both hats satisfactorily.

For the first time in my experience a scholarly discussion of that intolerable problem was made by Mr. Hector yesterday in his fine speech to the American Bar Association. I ask unanimous consent that the article from the Washington Post of this morning be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HECTOR SAYS REGULATORY AGENCIES TRY TO DO IMPOSSIBLE, AND FAIL

(By Carroll Kilpatrick)

A sharp criticism of the practices of Federal regulatory agencies, together with an indictment of the basic premises on which they were established, was made yesterday by one of the leading regulatory officials in Washington.

The critic was Louis J. Hector, a member of the Civil Aeronautics Board, who said in a speech before the American Bar Association in Miami that the regulatory agencies are trying to do the impossible.

His remarks were regarded as especially significant because of their source and because they reflect a growing criticism, from academic sources and from industry, of regulatory agencies and the role they are supposed to play.

Criticism of the agencies since they were created in the New Deal days has been muted. But of late they have been under increasing attack, partly because they have the effect of stifling economic freedom and because they attempt to do two opposing jobs: regulation and adjudication.

CALLS FOR OVERHAULING

"If we tried to make our foreign policy or plan our national defense in this way, we would still be a third-rate power," Hector said.

"And if we keep on trying to plan our national transportation system this way, we will wake up in a national emergency one day and find that it won't do the job.

"Clearly these procedures must be overhauled."

Hector indicated that he was not proposing minor reforms but major surgery. Agencies like the CAB, the Federal Power Commission, and the Federal Communications Commission are trying to combine policy-making and adjudication—in other words, be both Congress and the courts, he suggested. The basic premise is wrong, he charged.

Under growing criticism from Congress and the public and from the businesses they are charged with regulating, Hector said the agencies have tried to protect themselves by insisting that they are acting more and more like courts of law.

"The paradoxical result," Hector said, "has been not a greater amount of real judicial process but a lesser amount—more judicial trappings, perhaps, but less of substance.

"As an organization tries to give the appearance of full judicial procedure in every matter, both big and small, inevitable compromises and subterfuges are required to get all the work done. These compromises inevitably spread throughout the organiza-

tion and in the long run there is less true judicial process in any matter, big or small."

Hector recited the history of what is known as the Seven States Case recently before the CAB. In 1955, it became apparent that railroad passenger service in the Dakotas, Nebraska, Iowa, Illinois, Wisconsin, and Minnesota was becoming so inadequate that new local air service was essential.

THREE YEARS FOR CASE

In December 1955, the CAB ordered an investigation to develop a new air program for the area. Because of what Hector called the built-in inefficiency of the CAB's process of reaching a decision in a matter of this kind, it took it 3 years to conclude the case.

Many witnesses were heard, but "neither the Board nor the examiner had specified just what sort of information they wanted," he said, so a number of witnesses "did not provide very much useful information."

"The Board never went out and actively sought the facts," he said. "Anyone who was interested just came in and brought whatever data he thought might be useful."

In the beginning, the Board gave the examiner "no real policies to guide him in the formulation of a major new local service plan," Hector said. The result was that "he floundered around for 2 years formulating his own plan only to have the Board disagree with him on basic policy and do the whole job over."

BASIC FLAW NOTED

The basic flaw is the belief that administrative agencies can combine policymaking and adjudication, Hector said.

"Administrators and judges have such completely different codes of ethics that a commissioner who tries to act like a judge is accused of trying to regulate in an ivory tower, while one who tries to act like an administrator is accused of becoming too friendly with the litigants," Hector said.

The CAB is now and for 2 years has been engaged in another major case. It involves an overhaul of airline fares. Possibly because he is still sitting as a judge in that case, Hector did not refer to it, but it promises to make the Seven States case seem brief and clearly managed by comparison.

Millions of words of testimony already have been taken in the fare investigation, while the traveling public and the airlines wonder whether one or both is being cheated in the meantime.

Hector urged the critics and defenders of the administrative agencies to recognize the need for major changes.

HE POINTS OUT NEED

"All the critics agree, I think, that adjudication must be performed by men occupying basically the position of judges, and that the executive and Congress must keep their hands off," he said.

"But policymaking is a different thing. This should be made by the executive, it is increasingly felt, within the broad policy determinations of Congress."

He indicated he agreed with critics who say:

"Give to the executive the functions of rulemaking, policy formulation, planning and routine administration. Give to a special expert tribunal or group of tribunals the task of deciding major litigated cases and of hearing appeals from administrative decisions. If there is a job of prosecution, give it to a separate agency."

Mr. HOLLAND. Mr. President——

Mr. CHAVEZ. Mr. President——

Mr. HOLLAND. I should like to point up the meaning of Mr. Hector's fine address by reading two paragraphs, if my distinguished friend from New Mexico will indulge me for a moment. The first is this:

The basic flaw is the belief that administrative agencies can combine policymaking and adjudication, Hector said.

"Administrators and judges have such completely different codes of ethics that a commissioner who tries to act like a judge is accused of trying to regulate in an ivory tower, while one who tries to act like an administrator is accused of becoming too friendly with the litigants," Hector said.

There could not be a more truthful statement than that.

The closing paragraph is as follows:

He indicated he agreed with critics who say:

"Give to the executive the functions of rulemaking, policy formulation, planning, and routine administration. Give to a special expert tribunal or group of tribunals the task of deciding major litigated cases and of hearing appeals from administrative decisions. If there is a job of prosecution, give it to a separate agency."

I hope the suggestion of Mr. Hector will meet with careful study by the Senate and House Committees on Interstate and Foreign Commerce.

PRESIDENT'S HIGHWAY RECOMMENDATIONS

Mr. KUCHEL. Mr. President, I have repeatedly sought legislation which would prevent the complete and chaotic destruction of the interstate highway construction program by placing it on a sound financial basis. Many times have I urged enactment of the President's recommended 1½-cent-per-gallon increase in the gasoline tax on the temporary 5-year basis which he outlined. Just before taking off for Europe, the President sent to the Congress a special plea to provide the revenues needed to carry on this highly important construction on a reasonably dependable timetable. In his message, the President said the action taken by the House Ways and Means Committee in providing for a 1-cent increase for 2 years in the Federal tax on gasoline was a step in the right direction though it falls short of his goal. It would mean some slowing down of the highway program, but at least it seeks to keep planned highway construction on a pay-as-you-go basis.

Mr. President, I heartily endorse the President's forthright statement, especially his insistence that a small temporary increase in the Federal gasoline tax is the best way to keep the highway program moving. Heaven knows we have had more than enough of deficit financing. I would still like to see the Congress enact the 1½-cent increase. The House committee proposal would save us from the seductive trap of taking money from the general fund of the Treasury to meet the current needs of highway construction. This would be, as I said once before, robbing Peter to pay Paul.

Mr. President, we need to recognize that the American people are far more ready to accept the facts of financial responsibility than is generally believed. Most Americans willingly accept the sound notion that "you can't have your cake and eat it too." The President's request is founded on this solid base.

Americans have always been willing to meet a responsibility when they understand its purpose. The incalculable damage which will overtake the States if funds are not made available can hardly be imagined. But a good example is the road that goes nowhere in the current novel "The Ugly American." Surely we cannot go on postponing the inevitable day of reckoning, if this program is not put on a pay-as-you-go basis. I believe the American people are willing to assume the small additional temporary burden involved for the great benefits to be received. I urge the Congress once again to heed the President's sound advice. While, as I say, I personally would prefer to see the 5-year gasoline tax increase raised on the original recommendation of the President, we shall have made the best decision if, at the very least, we approve legislation along the lines of the House Ways and Means Committee action, and thus avoid the skyrocketing addition of another $1 billion of borrowing.

THE ROSEBURG, OREG., DISASTER

Mr. MORSE. Mr. President, yesterday, in furtherance of my efforts to obtain full compliance with safety regulations designed to prevent tragic loss of lives and property, such as occurred in the early morning hours of August 7, 1959, in Roseburg, Oreg., I wrote to Senator MAGNUSON urging prompt action on S. 1806.

My Senate colleagues will recall that on August 19, I addressed the Senate, relating the facts of the terrible disaster that struck Roseburg through the explosion of a dynamite and ammonium nitrate-laden truck. In my letter I asked that S. 1806 be acted upon promptly by the committee and by the Senate. I ask unanimous consent that there be printed at this point in my remarks a copy of my letter addressed to Senator MAGNUSON.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 25, 1959.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MAGGIE: Last Wednesday in the Senate I discussed in some detail the terrible disaster that struck Roseburg, Oreg., in the early morning hours of August 7. Although the facts have not been formally compiled and announced by the Interstate Commerce Commission as yet, the reports I have received indicate that the Roseburg disaster was caused by the explosion of a dynamite and ammonium nitrate-laden truck which had been parked beside a building in the heart of the business section of Roseburg during the evening of August 6. A fire which broke out in the building adjacent to the truck is said to have caused the explosion.

Before I made my speech in the Senate on August 19, you will recall that I talked to you about the bill, S. 1806, to revise the Transportation of Explosives Act, which you introduced in the Senate on April 27, 1959.

At that time, you indicated that you consider this legislative proposal to be of an urgent nature and that you would cooperate in obtaining its early consideration in the Senate Committee on Interstate and Foreign Commerce. Let me say to you that the people of Roseburg, Oreg., and residents of every city in the Nation owe you a deep debt of gratitude for having introduced S. 1806 and for expressing your willingness to obtain early action in committee.

In my opinion, this legislative proposal is one of the most important items now pending in the Congress. The safety of hundreds of thousands of people over the length and breadth of the Nation is closely related to the protection that will be afforded through the passage of this bill. Not for a moment would I disparage the excellent record made by the carriers who haul large quantities of explosives daily without causing loss of life or property, but I am firmly convinced that the amendment is required as a deterent to the few who may be indifferent to the safety of others in the transportation of explosives.

S. 1806 contains a number of important provisions but the most significant, in my opinion, are those which make the full power and authority of the Interstate Commerce Commission under the Transportation of Explosives Act and the maximum penalties of the act applicable to contract and private carriers as well as to common carriers.

As pointed out in Senate Report No. 281 of the 85th Congress, the Transportation of Explosives Act, adopted nearly 50 years ago, needs revision in many respects in order that it may effectively and efficiently regulate the transportation of dangerous explosives and other materials of hazardous nature. Transportation media and systems of today are far more intricate and complicated than they were 50 years ago when the Transportation of Explosives Act was put on the statute books. But the point I wish to emphasize particularly is the fact that the transportation of explosives by contract and private carriers involves just as much potential danger to the people of our Nation as does the transportation of these materials by common carriers.

What was said in 1957 in Senate Report No. 281 with respect to the penalties for violations of the Transportation of Explosives Act is germane today. I quote from page 2 of that report:

"In its present form the Transportation of Explosives Act applies to common carriers only and violations of its provisions are subject to maximum penalties of $10,000 or 10 years imprisonment or both. On the other hand, the very same violations when committed by private or contract carriers are prosecuted under section 222(a) of the Interstate Commerce Act which carries a maximum penalty of only $100. The bill would therefore remove this anomaly and would extend the provisions of the Explosives Act to include contract and private carriers."

The above-quoted comments applied to the bill, S. 1491, which was reported favorably by the Senate Committee on Interstate and Foreign Commerce on May 2, 1957. S. 1806, which you introduced this year, seeks to accomplish the same objectives as S. 1491 of the 85th Congress.

As an aside, I should point out that you and Senator SMATHERS are to be commended for having brought S. 1491 to the floor of the Senate in 1957 and for having achieved its passage in the Senate. Had the House responded as did the Senate in 1957, the Roseburg disaster might never have occurred.

The fact as reported to me concerning the Roseburg explosion indicate that a truck operating as a private carrier by the Pacific Powder Co. of Tenino, Wash., was loaded with approximately 6 tons of high explosives consisting of dynamite and ammonium nitrate. The truck reached Roseburg early in the evening of August 6 and was parked for the night, with the brakes securely fixed and the cab locked. It was left unattended in the heart of the business district of Roseburg. The building near which the truck was parked caught fire, and the firemen who were called to the scene recognized immediately the danger inherent in a truckload of explosives standing beside a burning building. According to the story as it was told to me, the firemen tried to move the truck by the use of a jeep equipped with a winch but they were unable to tow the truck because of its firmly set brakes. The explosion which ensued almost immediately caused at least 16 deaths, resulted in more than 52 cases of severe injury and brought about millions of dollars of property damage losses.

Had your amendment to the Transportation of Explosives Act, as envisaged in S. 1806, been on the statute books on August 7, 1959, the terrible Roseburg disaster of August 7 might never have occurred. I say this in all sincerity because the very effective penalties applicable to common carriers instead of relatively minor penalties applicable to private and contract carriers would have had tremendous deterrent effects against the parking of the truck and its explosive contents unattended in the early hours of August 7. Had S. 1806 been on the statute books, the company shipping the explosives would have been subject to a potential maximum penalty of $10,000 and possible maximum imprisonment of 10 years for its officials instead of a relatively nominal penalty.

It is imperative that no time be lost in enacting S. 1806 because every day and every night in numerous parts of the U.S. private and contract carrier trucks are carrying explosives capable of inflicting enormous injury, such as that which was inflicted in the Roseburg case, and are endangering the people in heavily populated communities.

I would be the first to concede that the enactment of S. 1806 and the more rigid safety requirements it involves, may cost shippers of explosives more money than they now spend in shipping by private and common carriers. However, when human lives and enormous property values are at stake, I am not for a moment impressed by the so-called increased cost argument. The few pennies of additional cost that will be involved in the shipment of each unit of explosives will, in my opinion, be far outweighed by the savings of lives and property in consequence of the more rigid safety requirements inherent in S. 1806.

Bearing in mind the intense and prolonged suffering of scores of human beings who were injured in the Roseburg disaster; the anguish of those who perished in this catastrophe, and the distress of the surviving relatives and friends of those whose lives were lost, I have no patience with those who suggest that S. 1806 would involve some additional cost to shippers and users of explosives. Nor am I impressed with the arguments of those who insist that passage of S. 1806 will put them out of business. When human lives are at stake, I intend to work for the preservation of those lives even though higher transportation costs may be involved. I hope we are not at the point in America where we are placing the existence of certain types of business above the value of human lives.

For the foregoing reasons, I feel that the passage of S. 1806 is a must for this session of the Congress. The people of Roseburg, Oreg., the State of Oregon, and, indeed, the entire Nation will be grateful to you for everything you can do to bring about the early passage in committee and in the Senate of S. 1806, which is of such great importance to the protection of human life.

With appreciation and best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, in order that the nature of the safety regulations applicable to transportation of explosives by motor carriers may be brought to the attention of my colleagues, I also ask unanimous consent that several paragraphs of the Motor Carrier Safety Regulations of the Interstate Commerce Commission be included at the conclusion of my remarks. These regulations are to be found in the Code of Federal Regulations, title 49, part 197.

There being no objection, the paragraphs are ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. MORSE. Mr. President, the Roseburg disaster taught us at least one lesson of tremendous importance, namely, that private carriers and contract carriers hauling dangerous explosives in interstate commerce should be subjected to the same strict requirements and sanctions that are applicable under existing law with respect to common carriers in interstate commerce. S. 1806 would do that job and it is my sincere hope that this bill will be enacted by the Congress and signed by the President before the adjournment of this session.

EXHIBIT 1

TITLE 49, CODE OF FEDERAL REGULATIONS, PART 197—TRANSPORTATION OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES BY MOTOR VEHICLES

SEC. 197.1. Driving rules—

(b) Motor vehicles not to be left unattended at any time: Motor vehicles transporting class A or class B explosives shall not be left unattended at any time during the course of transportation. Nothing contained in this paragraph shall be construed to relieve the driver of any requirement for the protection of any such motor vehicle when disabled or stopped upon any street or highway as provided in part 192 of this subchapter.

(c) Motor vehicles not to be left unattended on streets or highways: Motor vehicles transporting dangerous articles other than class A or class B explosives shall not be left unattended upon any public street or highway except when the driver is engaged in performing normal operations incident to his duties as the operator of the vehicle to which he is assigned. Nothing contained in this paragraph shall be construed to relieve the driver of any requirement for the protection of any such motor vehicle when disabled or stopped upon any street or highway as provided in part 192 of this subchapter.

(d) Avoidance of congested places: Motor vehicles transporting explosives and other dangerous articles shall be so driven as to avoid, so far as practicable, and, where feasible, by prearrangement of routes, congested thoroughfares, places where crowds are assembled, streetcar tracks, tunnels, viaducts, and dangerous crossings.

* * * * *

(h) Parking in congested places: Except where the necessities of the operation make impracticable the application of this paragraph, no motor vehicle transporting any class A or class B explosive shall be parked, even though attended, on any public street adjacent to or in proximity to any bridge, tunnel, dwelling, building, or place where persons work, congregate, or assemble.

PROPOSED CONFIRMATION OF INTERNATIONAL JOINT COMMISSION APPOINTEES

Mr. MORSE. Mr. President, yesterday my colleague, Senator NEUBERGER, introduced the bill, S. 2594, to require Senate confirmation of future appointments of commissioners to serve on the U.S. section of the International Joint Commission. I was glad to cosponsor this bill because I believe that those who represent the United States on the Commission should be dedicated public servants as well as individuals who are fully aware of the importance of the water resource development program of the Pacific Northwest. In fact, these positions are of such great significance, not only to the Pacific Northwest, but to the Nation as a whole, that future appointments to this body should require Senate confirmation.

As my colleague pointed out, S. 2594 is identical to S. 2602 of the 85th Congress, which was introduced on July 22, 1957. When S. 2602 was introduced, Senator NEUBERGER made a very forceful explanatory statement. It appears in volume 103 of the RECORD, part 9, at pages 12271 to 12274. I strongly recommend that the Members of the Senate read the explanatory statement, particularly the remarks appearing at page 12272.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi;

S. 1945. An act for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik; and

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. CHAVEZ. Mr. President, the pending matter before the Senate is consideration of House bill 1; is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAVEZ. We have heard a great deal about the proposed legislation. We have been hearing about it for several years. Much has been said with reference to the diversion of waters from Lake Michigan, in the State of Illinois.

This is not that kind of proposal; but because of the idea some people have that some of the waters of Lake Michigan should be diverted, legislation was introduced providing for a study—and a study only—of whether or not it would be dangerous to divert that water.

House bill 1 provides for a study by the Health, Education, and Welfare Department of the Federal Government and by the Army Engineers. They would study the situation for a period of 3 years, during which time they would be allowed to divert 1,000 cubic feet per second of water for 1 year only, to be used in a study of the 3-year period, in order to make recommendations as to whether or not the use of the extra thousand cubic feet per second would in any way be detrimental to any proposal to divert the waters of Lake Michigan.

The chairman of the subcommittee which held hearings for months, not only this year, but in a prior year, is the distinguished Senator from Oklahoma [Mr. KERR]. I shall yield to him in order that he may explain the bill a little further.

Mr. KERR. Mr. President, H.R. 1 has been before the Senate a number of times, and each time the Senate was permitted to do so it voted favorably on the bill.

H.R. 1 is a bill to provide a basis for a study of the effect of increased diversion of water from Lake Michigan of 1,000 cubic feet per second upon commerce among the several States, navigation on the Great Lakes, and their connecting waterways, and the Illinois Waterway; and also of the effect of such diversion upon the conditions of sanitation in the Illinois Waterway in the immediate vicinity of Lake Michigan, about the area of the Chicago Sanitary District.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, it is the intention of the leadership to have the Senate remain in session until 7 or 7:30 tonight.

I hope it will be possible to have an agreement—and I ask unanimous consent for that purpose—that when the Senate recesses tonight, it recess to meet tomorrow morning at 10 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I may say, furthermore, that it is proposed to have the Senate remain in session late tomorrow evening, perhaps as late as 8, 9, or 10 o'clock.

Mr. WILEY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. WILEY. I noticed the last remark of the Senator from Montana, in which he said it was planned to have the Senate remain in session late tomorrow night. I believe the Senator is acquainted with the fact that the Republicans are entertaining in one of the hotels downtown the distinguished senior Senator from Hawaii [Mr. FONG].

Mr. MANSFIELD. No; I am not.

Mr. WILEY. That event is planned for tomorrow night. It has been arranged for a number of weeks. I doubt whether it would be very comfortable to have all the Republicans leave under those circumstances.

Mr. KERR. I, for myself, would like to say that that would be an experience. I should like to find out how comfortable it would be. [Laughter.]

Mr. WILEY. I ask the distinguished Senator from California if I am correct in my statement.

Mr. KUCHEL. I did not hear the statement of the Senator from Wisconsin.

Mr. WILEY. I said that tomorrow night the Republicans plan to entertain the Republican Senator from Hawaii [Mr. FONG].

Mr. KUCHEL. The Senator is correct.

Mr. WILEY. Is that to be at 6 or 7 o'clock, and at what hotel?

Mr. KUCHEL. At about that time, at the Mayflower Hotel.

Mr. WILEY. That event has been arranged for many weeks. If the Senator from Montana could arrange his timepiece accordingly and not accommodate our good friend, the Senator from Oklahoma [Mr. KERR], in the way he suggested, I am sure it would be an accommodation to the Republicans.

Mr. MANSFIELD. We will take it into consideration; but I point out that probably at about the same time the Republicans are entertaining Senator FONG at the Mayflower, the Democrats will be entertaining Senator LONG of Hawaii on the Senate floor.

Mr. WILEY. That is an added reason why we should get away about 6 o'clock. Will the Senator from Montana give me some information on that subject?

Mr. MANSFIELD. I will talk to the Senator tomorrow about it and will see what we can do.

Mr. WILEY. I suggest that the Senator from Montana talk to the Senator from Illinois [Mr. DIRKSEN] and other Republicans who really arranged for this occasion. I did not have anything to do with it. I am a sort of outsider.

Mr. KERR. I did not have anything to do with it, either. I am just as ashamed of it as is the Senator from Wisconsin. [Laughter.]

Mr. WILEY. The Senator from Oklahoma knows about something else besides oil.

Mr. KERR. I hope the Senator from Wisconsin might learn from the Senator from Oklahoma.

Mr. WILEY. I learn every day.

Mr. KERR. Even about oil.

Mr. WILEY. Grease them up.

Mr. KERR. Mr. President, I was discussing H.R. 1 before the interruption concerning the world-shaking event of the Republicans entertaining the new Republican Senator was injected into the

situation. I do not blame the Republicans for feeling good at the addition of one Republican to the Senate of the United States. It is an unusual event. It is one worthy of being noted, an experience to provoke activity and celebration.

Ah, it is even told in Holy Writ how when the one lost lamb was returned to the fold, that event was more important than the momentous assiduity concerning the safety of the 99.

Mr. WILEY. The Senator from Oklahoma has been reading the Scriptures lately.

Mr. KERR. It just might be, Mr. President, as noteworthy a situation as the passage of H.R. 1 by the Senate. But I hope it will not immobilize the Senate to have the addition of the Republican Senator from Hawaii. I hope we might be able to continue to function in the orderly manner set up and provided in the rules of procedure.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KERR. Mr. President, I was about to say, H.R. 1 is a bill to provide additional diversion of water from Lake Michigan into the Illinois Waterway, and to provide a study to determine the effect of such diversion upon the navigation of the Great Lakes, of the Illinois Waterway, and other waterways connecting with the Great Lakes, and also upon the problem of sanitation in the Chicago Sanitary District.

The bill pertains to the waters of the United States of America, the navigation of those waters, commerce by transportation on those waters, and sanitary conditions in connection with the use of those waters. Therefore, it is very appropriately before the Senate.

Much has been said about the effect of the bill, if enacted, upon our esteemed and cherished neighbor to the North, the Dominion of Canada.

Mr. President, I wish to say that I have as high a regard for the relationship of our country with the Dominion of Canada as does any other Member of this body. I have so high a regard for Canada that I would do nothing to impair or question the integrity of the sovereignty of the Dominion of Canada; and I have so high a regard for Canada that I would not erroneously inject into a question relating to the proposed legislation before the Senate of the United States the question of our relationships with Canada, when the bill before the Senate is entirely limited in its effect to waters which are under the exclusive jurisdiction of the United States of America. I have such high respect for Canada that I would not attempt to put her skirt in an embarrassing posture, in order that I might arrange it in such a way that I could hide behind it—believing that Canada not only would have her modesty outraged, but also would have her dignity highly offended. I would no more seek to create the fictitious issue of a Canadian interest in this proposed legislation than I would—if I were upon the street, and were accosted by a policeman—seek to disrobe some available lady and disguise myself in her clothing, in order that I might thereby escape arrest as a result of a matter of my own responsibility.

Mr. President, 1,000 cubic feet of water a second of the waters of the United States of America, each day, for 1 year, is the volume involved in the issue before the Senate.

It has been said here that property rights of many sovereign States of the United States of America are about to be impaired. The Constitution of the United States charges the Congress with the responsibility of the regulation of commerce between the States, and the development of our navigable streams and waterways on a basis which will be for the benefit of all the States of the Union. Certainly in so doing, the principle that what helps one helps all is recognized, in addition to the principle that the rights of the United States should be safeguarded and promoted without impairing the rights of any State. Such is the proposal of House bill 1.

The testimony taken before the committee was that the diversion of this water might affect the water level of Lake Michigan by one-quarter of an inch. However, Mr. President, the level of that body of water varies, over the years, by as much as 7 feet, in the cycles between wet periods and dry periods, and by as much as 18 to 20 inches every year.

Yet it is claimed that the enactment of this bill would do great damage to port areas on Lake Michigan other than those immediately adjacent to Chicago, and that the enactment of the bill also would do irreparable damage to the water level of the other Great Lakes and the water level of the St. Lawrence River, by reason of the fact that the diversion of this quantity of water would lower the level of Lake Michigan by one-quarter of an inch.

The evidence before your committee was that the diversion of this water would hurt no one. I ask Senators how it could hurt anyone, if it affected the level of Lake Michigan by one-quarter of an inch, when, by reason of the operation of the natural rainfall and the dry periods and the wet periods, the water level varies as much as 7 feet.

Mr. President, as I have said, the problem is a very simple one; and it can be settled only by the Congress of the United States. The problem has to do with the development of navigation and transportation on one of our waterways; and this question is within the sole and exclusive jurisdiction, prerogative, and responsibility of the United States of America. The problem relates to the waters of a lake, no part of which is as close as 35 miles to Canada. In connection with the problem, a treaty has been referred to; and it has been stated that the treaty prevents the taking of the action proposed. However, Mr. President, the waters of Lake Michigan were specifically excluded from the treaty. The treaty was negotiated by a great American Secretary of State, Elihu Root. He was not a member of the Democratic Party; but, Mr. President, his ability as a great authority on international law and as an able Secretary of State has never been questioned by persons of either party. In seeking the approval of the treaty referred to by the opponents of this bill, he told the Foreign Relations Committee of the United States Senate that the waters of Lake Michigan were specifically excluded from the provisions of the treaty. Why, Mr. President? Because, inasmuch as those waters are the sole and exclusive responsibility and a natural resource of the United States of America, those waters, that natural resource, would neither appropriately be the subject of international negotiation with a country which had no interest in them, nor would it be lawful for a Secretary of State to undertake action with reference to that great natural resource, which is the exclusive asset of the United States of America, by means of a negotiation having to do with the international waterways between the two great countries.

So pending bill relates to water resources of the United States, in connection with which one State has a great need which can be met without doing the slightest damage to any other State; and the bill relates to a program for a very temporary period of time—1 year—and a directive to the Department of Health, Education, and Welfare and the Department of the Army to bring back to the Congress a report in regard to the effect on navigation, commerce, and sanitation of such a diversion, in order that a question which has been so highly controversial, and about which so many conflicting claims have been made, can then appropriately be considered by the Congress of the United States, in connection with the question of what, if any, future action should be taken by the Congress in regard to these water resources.

As I said a little while ago, this proposed legislation has been before the Senate many times. It has twice been passed by the Senate, when greater quantities of water were involved in the proposed legislation than is the case in the present bill. And it would be my hope, Mr. President, that the Senate would soon vote on this bill.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Could the Senator give us some graphic idea as to just how much is a thousand cubic feet per second? It is hard for me to picture that quantity. I wonder if the Senator could indicate what it means in the overall effect.

Mr. KERR. It amounts to about 750,000 acre-feet in a year.

That is not an exact figure, but approximate. It amounts to about 650 million gallons of water a day.

Mr. LONG of Louisiana. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. KERR. Yes.

Mr. WILEY. I should like to ask the distinguished Senator from Oklahoma to read the first and second committee amendments into the RECORD. Then I should like to ask some questions concerning them.

Mr. KERR. The first amendment begins on page 3, line 18, of the bill. I am sure the distinguished Senator from Wisconsin is not asking me to read because I am the only one who can do so, but I am glad to conform to his request, anyway.

Mr. WILEY. Does the Senator want my glasses?

Mr. KERR. I want to tell the Senator it is not what one is looking through, but looking to, that counts.

Mr. WILEY. It is what one is looking at that counts.

Mr. KERR. It may be. [Laughter.]

The amendment reads:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.

Mr. WILEY. In relation to that provision, concerning the additional 1,000 cubic feet, how much is the district taking now?

Mr. KERR. At the present time there are 1,500 cubic feet per second being diverted from Lake Michigan into the vicinity and area of the sanitary district and out through the Illinois Waterway.

Mr. WILEY. Have they diverted three rivers?

Mr. KERR. Mr. President, I am sure that the Senator will develop the subject that he has just asked me about. I would not want to make an answer to his question which would be at all inaccurate or lacking in the qualities of illumination. There are some streams which might be regarded as rivers in the area where they flow which have had the course of flowage changed. I must say that they would not assume the dignity of being called rivers in the State of Oklahoma.

Mr. WILEY. The reason why I am asking these questions is that the distinguished Senator from Louisiana [Mr. LONG] asked how much water was being taken.

Mr. KERR. I believe the Senator from Louisiana asked me how much was to be taken by the terms of this bill.

Mr. WILEY. Yes. The answer was 1,000. Is it not a fact that at the present time they are taking about 3,100 cubic feet per second?

Mr. CHAVEZ. 1,500 feet.

Mr. KERR. 1,500 cubic feet per second are being diverted from Lake Michigan. That is all the water now being diverted from Lake Michigan. In addition to that, the pumpage by people in Chicago and that area taken from the sands which have communication with the lake, and which therefore probably are supplied with water from the lake through the sewage system of the Chicago area, go into the waterway; but the diversion from Lake Michigan as such, as the Senator well knows, at this time is 1,500 cubic feet per second.

Mr. WILEY. How much water besides that used for diversion is being taken? The Senator has mentioned sands contiguous to Lake Michigan.

Mr. KERR. I would not know.

Mr. WILEY. Is not the total 3,100 feet?

Mr. KERR. I would not be in a position either to verify that statement or to deny it, I will say to my friend from Wisconsin.

Mr. WILEY. Very well. Now, would the Senator mind reading the second committee amendment that has been suggested to the bill?

Mr. KERR. The Committee on Public Works added this amendment beginning on page 5, line 15:

Provided, That nothing in this Act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of one thousand cubic feet per second, or any other amount if hereafter recommended. Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada. But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan.

Mr. WILEY. Were either of these two amendments incorporated in any of the previous bills?

Mr. KERR. Neither of the two amendments which I have read at the request of the Senator from Wisconsin was in any previous bill before the Senate.

Mr. WILEY. I notice the last amendment——

Mr. KERR. I will say to the Senator from Wisconsin that these amendments were put in the bill in the hope that fears expressed by the Senator from Wisconsin and other opponents of the bill might be allayed. Much was said to our committee that the matter before the committee was not in reality a proposal to divert 1,000 cubic feet per second of water for a year, but for an unlimited time; that if the Congress of the United States ever enacted a bill to divert 1,000 cubic feet per second, although the bill specifically limited the time of such diversion to a year, it would be a diversion which would continue on ad infinitum. It was for that purpose that the amendment was placed in the bill, in order that it might be made crystal clear, definite, and positive that nothing in this act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of 1,000 cubic feet per second, or any other amount hereafter recommended.

Mr. President, much has been said about the question of relations with our Canadian neighbor. The fact is that only last year there was before the committee a letter from the Government of Canada in which it was specifically stated no objection existed to the diversion of 1,000 cubic feet per second for a year.

I wish to say that I understand Canada has taken a different position since then. Who knows? Since Canada did not oppose the bill last year, although it does oppose the bill now, by the time the Senate passes the bill and the Congress approves it, if it does, Canada may again have assumed the posture of no objection.

In order that the highest respect might be paid to the Canadian Government, and that recognition might be given to the fears of opponents of the bill, the sentence was inserted in the bill:

Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada.

Mr. President, in order that the absolute sovereignty of our Government with reference to these waters might neither be jeopardized nor surrendered, the sentence was added:

But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan.

Mr. HART and Mr. CASE of South Dakota addressed the Chair.

Mr. KERR. I yield to the Senator from Michigan.

Mr. HART. I thank the Senator very much.

To more clearly establish in my own mind the attitude which the committee had toward the position of our friend, the Dominion of Canada, I should like to ask a question.

Is the action of the committee an action taken with a realization that the Dominion of Canada suggests treaties may be violated if we approve the action recommended by the committee?

Mr. KERR. I will say to the Senator from Michigan, I am not aware of any position taken by the Dominion of Canada that treaties might be violated.

Mr. HART. If the Dominion of Canada in fact suggests that a treaty may be violated, would the position of the chairman of the subcommittee be different in this respect?

Mr. KERR. No; my position would be in that regard, Mr. President, that any treaty which exists, exists between our Government and the Dominion of Canada. If the Dominion of Canada feels that an act of Congress is one which would violate such a treaty, the appropriate approach is through the State Department to the President of the United States.

Under the Constitution the responsibility for navigation and commerce on our waterways is exclusively in the Congress. It is the opinion of the Senator from Oklahoma that the Congress, in the proposed legislation, would be operating in accordance with its own responsibility, prerogatives, and power. Therefore, we should take such action as we feel is our duty under that responsibility, being aware that if there is a matter between the two nations which should be submitted to the Congress it will be,

in due course, submitted by the President of the United States in the manner provided for in the Constitution and in the laws.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a short observation?

Mr. KERR. I yield.

Mr. CHAVEZ. Was it not reiterated in the committee that former Secretary Elihu Root stated in the early 1900's that no treaty obligation could be set aside because we maintain we have jurisdiction in the waters of the lakes?

Mr. KERR. The committee felt its action was entirely consistent with the statement of, and the position of, Elihu Root, the former Secretary of State; that is correct.

Mr. HART. In furtherance of the same effort to clarify in my mind the position of the committee, may I turn to the last sentence of the amendment which the Senator from Oklahoma read at the request of the Senator from Wisconsin? On page 6 the precise language is, "The exclusive control, use, and management of the waters of Lake Michigan."

I realize that I raise the question in an extreme fashion, but I think it will test the proposition I have in mind. Is it the view of the Senator from Oklahoma that if the United States wanted to do so, it is free to withdraw all the waters from Lake Michigan, instead of only 1,000 cubic feet per second? Is that the point the Senator from Oklahoma makes?

Mr. KERR. I say to the Senator, it is the position of the Senator from Oklahoma that the waters of Lake Michigan are exclusively under the control of the Government of the United States and that the Dominion of Canada has no ownership in or control over those waters.

I will say further, I actually would have a far different attitude toward the proposed legislation if men did not persist in trying to establish what I believe to be an erroneous position that Canada does have an interest in these waters. Actually, I think as a Senator of the United States I have as much responsibility in guarding the integrity of the ownership of these waters and the authority to control them vested in the U.S. Government as I have in any other phase of the proposed legislation.

As Senators know, we can give away a few billion dollars a year, and that is the extent of what we have done, but if by act of Congress, or by failure of the Congress to act, we do that which amounts to giving away what I regard to be the most precious natural resource we have, next to our soil—our water—on a basis which would be permanent in effect, to my way of thinking it would be a far graver mistake than giving away a few billion dollars a year.

Mr. HART. If I may, Mr. President, I will explain the reason for my question in the extreme example, using, instead of 1,000 cubic feet per second, all of the waters of Lake Michigan.

From our front porch in the summertime, at the Straits of Mackinac, we are not sure, though we can see both lakes, which is Lake Michigan and which is Lake Huron. Of this I am certain: If the position of the committee is that we can pull the plug on Lake Michigan, all of a sudden Lake Huron would disappear. I am trying to find out whether it is the position of the committee that the United States of America would respect its word with its neighbor to the north, if we would produce that effect?

Mr. KERR. I say to the Senator that the word of our country, to which he refers, is in a solemn, written document. I am sure the Senator has read it, and I am sure the Senator is familiar with its provisions. I am sure the Senator recognizes one of the provisions is that if either of the contracting parties feels that its rights are being jeopardized or damaged it shall protest with reference to such threat or probable action to the other Government.

Mr. HART. Is not the expression from the Canadian Ambassador to the United States a part of the committee record, and is not the Canadian Ambassador reasserting the position earlier taken by the Prime Minister that this action would jeopardize the treaty relationships?

Mr. KERR. I will say that whatever communication the Ambassador made would speak for itself. I also say to the Senator, if the communication says or is interpreted to say that Canada is in a position to prevent the United States of America from exercising its full sovereignty over Lake Michigan, it is an unwarranted position and one which is certainly not binding on the Senate of the United States.

Mr. HART. I thank the Senator from Oklahoma for his courtesy in yielding.

Mr. KERR. I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I voted to report this bill to the Senate. I felt that the primary question before the Public Works Committee, according to the custom-fixing jurisdiction over bills referred to several committees, placed upon the Committee on Public Works the responsibility for evaluating the project from a public-works standpoint. On that basis, I voted for the bill. If the bill comes to a vote here, purely on the public-works aspect, I shall vote for the passage of the bill.

I am not insensible, however, to the representations made by the Government of Canada, made in an official way, and, as I indicated during the time when the bill was before the committee, should the question of the attitude of the Canadian Government be raised, and with that the right of the Committee on Foreign Relations to consider the international aspects of the bill, I would be obliged to respect that question.

The rules of the Senate provide that to the Committee on Foreign Relations shall be referred all matters relating to the following subjects: First, relations of the United States with various nations generally, and many other things. The second, I think, is treaties.

At the time this bill was before our committee a year ago, we were given to understand that the Canadian Government had no objection to favorable action on the bill, which provided for a temporary diversion for the purpose of creating the basis for a judgment as to what a permanent diversion might do.

The situation before the committee this year was altogether different, for there we had the background of a note delivered by the Canadian Ambassador to the U.S. Government under date of April 9, 1959, which took a different position, and now we have a further note from the Canadian Ambassador, Mr. Heeney, to our State Department, dated the 21st of August 1959. That was only 5 days ago.

In this latest note of August 21 the Canadian Ambassador says that he is "instructed to inform you"—meaning the Government of the United States—"that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter."

I assume that means that he has taken note of the reporting of this bill by the Senate Committee on Public Works.

In this connection, the Ambassador writes to our State Department:

> I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note.

The above-mentioned note was the note of April 9, 1959, their note No. 184. That note of April 9, 1959, said:

> The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

Probably that note ought to be placed in the RECORD, and I now ask unanimous consent that following my remarks the entire note No. 184 of the Canadian Government, dated April 9, 1959, may appear.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CASE of South Dakota. Following the quotation I have just read, that Canada considers that many agreements and understandings would be broken, they referred to two treaties in particular: (a) the boundary waters treaty of 1909; and (b) the Niagara treaty of 1950.

In that connection they referred to the International Joint Commission supplemental agreements of October 29, 1952, and July 2, 1956, as forming the basis for the construction and operation of the hydroelectric power installations in international sections of the St. Lawrence River.

Mr. President, as far as I know, with whatever limited information I have at the present time, I think I would agree with the Senator from Oklahoma that the waters of Lake Michigan are waters of the United States, that they are entirely within the territorial boundaries of the United States, but I do recognize that when the Canadian Government takes this position, the Committee on Foreign Relations might be somewhat

concerned, and it might say that this does concern the relations of the United States with foreign nations generally, and in this instance specifically with the Government of Canada, with whom I think our relations are probably as important as with any other foreign power, if not more so. I hardly think it needs any emphasis at this time that the maintenance of friendly relationships with the Government of Canada, and an understanding relationship with the Government of Canada, is as important to the United States as it can be in relation to any other government on the face of the globe.

In view of that, and in view of this concern not casually expressed but formally expressed by a note of the Canadian Ambassador, and repeated, by way of emphasis, in this most recent note of August 21, it would make me feel, with the issue raised, that this matter should be referred to the Committee on Foreign Relations, and I would be obliged to say that if the Committee on Foreign Relations wants to examine the proposed legislation in the light of these notes, I would support a referral of the bill to that committee. I would hope that any referral would fix a date certain for reporting it to the Senate with such findings as the Committee on Foreign Relations might make.

I should like to ask the Senator from Oklahoma if it is his interpretation of the Boundary Treaty of 1909, and whatever other agreements may be in existence which pertain thereto, that the United States would have the right to erect a dam at the Straits of Mackinaw to prevent the waters of Lake Michigan from going into Lake Huron and from there proceeding on into Lake Erie and on to the St. Lawrence River.

Mr. KERR. Mr. President, I will say that I have as high regard for the Senator from South Dakota as of any Member of this body. I think the Senator is entitled to know that without his effort this bill would not be before the Senate, and his opinions are of great weight with the Senator from Oklahoma. In a few moments I will make it known why I am in disagreement with him to some extent on what he has just said.

In response to his question, I would say that if the dam he has mentioned would be one that would contain only the waters of Lake Michigan, then I believe the U.S. Government does have the authority to erect such a dam.

If it were a dam that would affect waters other than those of Lake Michigan and which are waters of an international waterway, then I would feel that such a dam should not be erected by this Government without consultation and agreement with Canada.

I say to the Senator from South Dakota that as I have attempted to understand the treaty of 1909, it has to do with the international waterway. In its language and in the testimony of the Secretary of State, who agreed to it and brought it to the Senate for ratification, it is made crystal clear the operation and effect of the treaty—it excludes the water of Lake Michigan from its operation and effect.

Mr. CASE of South Dakota. Mr. President, I read with great interest the speech which the Senator from Oklahoma delivered last year in connection with this subject. I heard a part of it; but in order that I might miss no part of it I took the RECORD along with me when I drove home after the session last year.

I was impressed by the argument the Senator made at that time that the waters of Lake Michigan were clearly waters that were, so to speak, domestic waters, and were not boundary waters. I do not have the information which would cause me to dispute that contention. If I looked into the question I might be disposed to raise some point about it. I do not know. I do not have any information which would lead me to challenge the Senator's conclusion in that respect.

The only reason why I feel, however, that the bill could be referred to the Foreign Relations Committee if the Foreign Relations Committee felt that this issue was raised, is that I think our friendly relations with Canada are extremely important; and if Canada has now explicitly and repeatedly, this year, taken the position that this proposal might break agreements, I think the Committee on Foreign Relations, if it wished to assert a jurisdictional right, could properly ask to have the bill referred to it for exploration of that phase of it.

Whether the Canadian position is justified or not is not the responsibility of the Public Works Committee to determine at this stage of the proceedings. I believe that the responsibility for exploring the international aspects rests primarily with the Committee on Foreign Relations; and it is purely on that jurisdictional question that I would vote for a referral of the bill to that committee. But, as I say, on the pure public works aspect, I do not believe that the diversion of 1,500 second-feet for a year would be harmful to the power projects on the St. Lawrence River or harmful to the cities which surround the lakes which lie, so to speak, downstream from Lake Michigan.

As the Senator from Oklahoma has pointed out, the fluctuation in various years has been as much as 7 feet from the normal; and the fluctuation within the season of any individual year runs to several inches, so I do not believe that a diversion which might, at the maximum, cause a variation of a quarter of an inch is serious of itself.

EXHIBIT 1

CHICAGO DIVERSION—CANADIAN NOTE TO UNITED STATES

(No. 184)

THE CANADIAN EMBASSY,
Washington, D.C., April 9, 1959.

SIR: I have the honor on instructions from my government to refer to proposals for legislation in the United States of America concerning an increase in the diversion of water from Lake Michigan through the Chicago drainage canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate. During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by U.S.A. authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States of America. The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

(a) The Boundary Waters Treaty, 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

If, as has been asserted by eminent U.S.A. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

(b) Niagara treaty, 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated. In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the international joint commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draft may proceed with full load to and from the ports of the upper Great Lakes. In this connection I would refer to the following matters:

(a) The construction of the St. Lawrence Seaway. Legislation in the two countries

and the several exchanges of notes concerning the construction and operation of the seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

(b) Dredging. By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place or is about to take place in the International Rapids section of the river, in the Amherstburg Channel and in the St. Clair River. These agreements are based on the implied understanding that material changes would not be made in the volume of water available for navigation;

(c) New channel. In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called southeast bend of the St. Clair River. The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water.

Because of the importance attached by the United States of America and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY.

Mr. KERR. Mr. President, I thank the Senator from South Dakota for his contribution to the debate. I remind him and other members of the committee of what I believe to be a very significant fact. I believe that the opponents of this legislation have just as vigorously denied that Canada has a right to settle this question as has the Senator from Oklahoma.

I was interested, entertained, and amused by what I regarded as two positions taken by the opponents of the bill which, if I understood them, were just as diametrically opposed as the east is to the west and the north to the south.

I have the highest regard and respect for Senators who oppose this legislation, and would no more jeopardize their right to oppose it than I would willingly permit the impairment of the rights of those who favor the legislation.

But if I rightly interpret their testimony before the committee, they actually presented more testimony against their position, that Canada has an interest in these waters, than did those who favored the legislation.

Mr. WILEY. The Senator does not mean that.

Mr. KERR. I not only mean it, but I intend to prove it.

Mr. WILEY. The Senator has not a chance.

Mr. KERR. I know I have a chance, and I may succeed.

Mr. WILEY. The Senator may not.

Mr. KERR. They were versatile, resourceful, and effective. They attacked the legislation on every front—on fronts which astounded me, and evidenced great resourcefulness on their part.

One of the objections they made to this proposed legislation was that it would infringe the rights of other States; second, that it would impair the right and ownership of Canada with respect to certain waters of Lake Michigan; third, that the matter referred to and sought to be handled under this legislation was exclusively before the Supreme Court of the United States.

The opponents were most vigorous in their protestation that the Supreme Court of the United States had exclusive jurisdiction to decide the questions referred to in this legislation; that the Congress of the United States could not legislate on the subject, because the Supreme Court of the United States had preempted control and jurisdiction of it in a case or cases pending before the Supreme Court; some of which have been before it since the late 1920's; and that, since exclusive control and jurisdiction of this subject had for more than a quarter of a century been lodged completely in the Supreme Court of the United States, it was not a matter appropriately before the Congress of the United States.

The cases in the Supreme Court referred to—and I ask the Senator from Wisconsin [Mr. WILEY] to correct me if I am in error—are as follows: States of Wisconsin, Minnesota, Ohio, and Pennsylvania against the State of Illinois and the Sanitary District of Chicago; the State of Michigan against the State of Illinios and the Sanitary District of Chicago; the State of New York against the State of Illinois and the Sanitary District of Chicago.

Those cases were brought to the committee and used as the basis for an argument that, since all the matters referred to in this legislation were before the Supreme Court of the United States in a pending case or cases, the subject matter was not one to be legislated upon by the Congress of the United States.

The Dominion of Canada was not a party to any of those cases. If this is a matter with respect to which the Supreme Court of the United States would have exclusive control and jurisdiction, to such an extent that not even the Congress, in accordance with the provisions of the Constitution with reference to the responsibility for navigation and commerce, could even legislate about it, how could it be a matter with reference to which the Dominion of Canada would have such an interest that the Congress of the United States could not legislate on it if it were a matter with reference to which the Constitution places responsibility on the Congress of the United States?

I submit that the two positions are directly conflicting. If the matter is exclusively before the Supreme Court of the United States in a case or cases between States, to which Canada is neither a party nor amicus curiae, so far as I know, how could it be a matter in which Canada had such an interest that the United States would be acting unilaterally in legislating on it?

The opponents of the bill have made the case that this is a matter for legislation by Congress, because if it is a matter with reference to which the Supreme Court of the United States could have exclusive jurisdiction, then it is either a matter about which Congress can legislate or a matter about which no country on this earth can have such an interest as to seek to prevent Congress from legislating.

Now about what we should do with reference to Canada: I would not, as I said a while ago, do anything within my power which would form the basis for any justification whatever for the impairment of the relations of the United States with our great neighbor and friend to the north. But we do both Canada and the United States a disservice if we do that which amounts to taking the position that Canada has an interest in a matter with reference to which she has no interest. There is no more basis for negotiation with Canada with reference to the water rights in Lake Michigan than there is for the distinguished Senator from Illinois [Mr. DOUGLAS] to go over and ask the distinguished Senator from Wisconsin [Mr. WILEY]: "How much money do you have in the bank? I want to know, because if it is a bank in which I have some money, I want to talk to you about how much of your account belongs to me." It would be just as farfetched and just as ridiculous.

I should like to read a few verses from the Good Book, St. Matthew, chapter 22, verse 15:

Then went the Pharisees, and took counsel how they might entangle him in his talk.

If I ever saw a similar situation, this is it.

And they sent out unto Him their disciples with the Herodians, saying, Master, we know that thou art true, and teachest the way of God in truth, neither carest thou for any man: for thou regardest not the person of men.

Tell us therefore, What thinkest thou? Is it lawful to give tribute unto Caesar, or not?

Mr. President, I never saw a more appropriate illustration.

Is it lawful to give tribute unto Caesar, or not?

They thought they had Him, Mr. President. If He said, "No," ah! Then He would offend mighty Rome, which held Jerusalem as vassal and a great host of people subject to any degree of domination a conquering country could impose. If He said, "Yes," then He would offend the nationalistic and patriotic feeling of every Hebrew. They had Him—they thought.

But Jesus perceived their wickedness, and said, Why tempt ye me, ye hypocrites?

Shew me the tribute money. And they brought unto Him a penny.

And He saith unto them, Whose is this image and superscription?

They say unto Him, Caesar's. Then saith He unto them, Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's.

Mr. President, if there was aught involved in this controversy which belonged to Canada, we should give it to Canada. If, however, the waters of Lake Michigan, as they cannot be otherwise, are the property and the responsibility and resource of the United States of America, we should render unto the United States of America the things which are of the United States of America.

As I said a while ago, the opponents of the bill made a mighty effort, the only interpretation of which is that the rights are exclusively those of the United States of America. Otherwise there would have been not the slightest foundation for their position that all these matters are so completely within the jurisdiction and under the control of the Supreme Court of the United States, not an international court, not the supreme court of this hemisphere, not a court of claims of Canada, but so completely under the exclusive control and jurisdiction of the United States of America that Congress should not interfere with the complete handling of them by the Supreme Court of the United States.

Therefore, I say that they themselves have put to flight the slightest possibility of a justification for Congress to say it is a matter in which Canada has such a proprietary interest that it is not an appropriate subject of legislation by Congress.

Mr. DOUGLAS. Mr. President, I thank the distinguished Senator from New Mexico [Mr. CHAVEZ] and the distinguished Senator from Oklahoma [Mr. KERR] for the way in which they have handled this bill, both in committee and on the floor.

It is quite obvious from the maps which have been placed in the Chamber that the Straits of Mackinac, which form the northeastern boundary of Lake Michigan, are 37 miles from the International Boundary Line. When the distinguished junior Senator from Michigan [Mr. HART] looks out on those waters and is unable to determine whether he is looking at Huron or Michigan, it is certain that he will seee that the International Boundary Line and Canadian waters are 37 miles to the east.

That is the geographical basis for the brilliant argument the Senator from Oklahoma [Mr. KERR] has just now made—namely, that the waters of Lake Michigan are exclusively American. The Senator from Oklahoma referred several times to the statement made by Secretary of State Elihu Root when he submitted the 1909 treaty with Canada. For the sake of the RECORD, I shall read Secretary Elihu Root's own words, twice repeated:

I have carefully guarded the treaty, in order not to include Lake Michigan.

Later he said:

The definition of "boundary waters" was carefully drawn in order to exclude Lake Michigan.

So the Senator from Oklahoma was on absolutely sound ground when he pointed out that Lake Michigan is exclusively an American waterway, and therefore is not subject to international jurisdiction, and was specifically excluded by the treaty which the United States negotiated with Canada, which was ratified by the Senate and also was ratified by the Canadian Parliament.

Mr. President, the opponents of this measure have so misrepresented the pending bill, that it is important for us to know at the very outset what the bill will do and what it will not do.

There have been unmistakable signs that the opponents of the bill may stage what is known as a filibuster, although nearly all the putative members of the filibustering crew are declared opponents of the filibuster.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. Does the Senator from Illinois recall the debate which occurred on this measure last year?

Mr. DOUGLAS. I well recall it; and I recall how, at 3 o'clock in the morning, the junior Senator from Wisconsin [Mr. PROXMIRE] said, "I have a speech of 294 pages, which I am prepared to give," and he was in very vigorous form; and that broke up the "show."

Mr. PROXMIRE. Does the Senator from Illinois recall how long the Senator from Illinois and the Senator from Oklahoma [Mr. KERR]—both proponents of the bill—held the floor and talked on the bill, last year; and does the Senator from Illinois recall how long the Senator from Michigan, the Senator from Wisconsin, and all the other opponents of the bill held the floor?

Mr. DOUGLAS. I think we spoke for about 1½ hours.

Mr. PROXMIRE. Mr. President, the Senator from Illinois is completely mistaken. The fact is that, last year, the proponents of the bill took almost twice as long as did the opponents of the bill.

Mr. DOUGLAS. I point out that I shall speak for approximately 18 minutes, and if not interrupted, shall then sit down; and then the opponents of the bill can speak, and the proponents of the bill will take vows of silence.

Mr. WILEY. Impossible. [Laughter.]

Mr. PROXMIRE. Mr. President, is the Senator from Illinois not an opponent of the filibuster?

Mr. DOUGLAS. Yes; I am.

Mr. PROXMIRE. Does the Senator from Illinois recall the great fight against the natural gas bill?

Mr. DOUGLAS. That was not a filibuster.

Mr. PROXMIRE. Does the Senator from Illinois recall how long he spoke on that bill?

Mr. DOUGLAS. I spoke for 3 consecutive days.

Mr. PROXMIRE. I thank the Senator. Does he recall how long his colleagues who joined him in opposing that bill talked?

Mr. DOUGLAS. We talked about 30 days.

Mr. PROXMIRE. They talked about 30 days?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Well, I can assure the Senator from Illinois that we shall not take much more time than that; and this will not be a filibuster, either. [Laughter.]

Mr. DOUGLAS. I may say that a filibuster is prolonged discussion which is intended to prevent the taking of a vote. We were not trying to prevent the taking of a vote; but we wanted the vote to be taken when Senators and the people were thoroughly informed about the nature of the bill.

The pending measure has been before the Senate many, many times.

Mr. PROXMIRE. Let me say to the Senator from Illinois that today the distinguished Senator from Ohio [Mr. LAUSCHE] has very well and very emphatically made the point, that there are 480 pages of hearings on this bill which Senators have not had an opportunity to inform themselves about; and it is the purpose of the opponents of the bill to do all we can to inform our colleagues and to inform the country of the very strong case which has been made against the bill. That will take some time. However, we have no intention—or, at least, I, for one, have no intention—of preventing the Senate from voting on this measure.

Mr. DOUGLAS. I thank the Senator from Wisconsin for his assurance.

Mr. HART. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. HART. I shall make no such self-serving statement.

However, I believe it necessary to point out that I was not here when this issue was previously debated in the Senate.

Inasmuch as I am apprehensive lest a point I have in mind not be made during the subsequent debate, because of confusion which might then exist, at this time I should like to inquire of the senior Senator from Illinois with respect to the treaty which has been referred to.

The very distinguished lawyer, Elihu Root, has been mentioned as having expressed the opinion, in regard to the treaty in question, that Lake Michigan was excluded from the treaty of 1909; and we are told that Elihu Root explicitly made that statement.

Let me ask when Elihu Root retired from the State Department or that scene; or, more precisely, did he ever express an opinion in regard to the Niagara Treaty of 1950?

Mr. DOUGLAS. Oh, no.

Mr. HART. So Elihu Root did not express an opinion in regard to the claim of the Canadian Parliament that the proposed diversion, referred to in the pending bill, would constitute a violation of the Niagara Treaty of 1950?

Mr. DOUGLAS. No. That is another point.

Mr. HART. That is a point which I wish to bring up in connection with this debate.

Mr. DOUGLAS. It is true that there was another treaty in 1950.

Mr. HART. Certainly.

Mr. DOUGLAS. Of course, there is a treaty which deals with the waters of the Niagara River, which flow from Lake Erie into Lake Ontario. But that treaty does not prescribe or require that there must be a given flow of water or a given level of water in Lake Erie itself. The treaty merely provides that the water which does flow from Lake Erie into the Niagara River is to be divided between the United States Government and the Canadian Government.

Mr. HART. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, in order to head off any charge, either by the Senator from Wisconsin [Mr. PROXMIRE] or by anyone else, that I am speaking at undue length, I shall be very brief and succinct in my remarks.

Mr. President, the O'Brien bill, H.R. 1, is a study bill, and it is not actually a diversion bill, as has been maintained. It does not provide for any permanent added diversion of the waters of Lake Michigan. It does not even call for any added diversion throughout the 3-year study period, although this was contained in earlier bills introduced some years ago.

What the O'Brien bill does is to provide for a 3-year study of the waste disposal problems of the Chicago metropolitan area with its 5 million inhabitants. This study is to be conducted by the Department of Health, Education, and Welfare and the Army Engineers with no holds barred about the subjects they are to investigate and to report upon to the Congress. They are to go into the facts about the present situation and determine whether the pollution of the Chicago River, the ship canal, and the Des Plaines River is so serious that it requires improvement. They can appraise the present efficiency of the Chicago Sanitary Disrtict. They are to study methods of reducing the pollution, including added chlorination and aeration. They are also to study the effects upon pollution of an added diversion of water from Lake Michigan for 1 year of 1,000 cubic feet per second.

In order that this latter study may be realistic, and not purely theoretical, there is to be an actual diversion of this water during 1 year of the study, but for 1 year only. The effect of such diversion upon the levels of the Great Lakes, already known to scientists and engineers, will be examined anew together with its effect upon shipping and power. Since the Lake States and cities are trying to compel Chicago to discharge its effluent into the lake, as they must necessarily do, both for their effluent and for their raw sewage, we also ask for a scientific study of this question and of lake currents and whether it would not pollute the bathing beaches—as is the effect in Milwaukee and other lake cities—and also dangerously pollute the drinking water of the Chicago-Gary area with its nearly 6 million people.

At the conclusion of the study, the Department of Health, Education, and Welfare and the Army Engineers will make recommendations to Congress as to what should be done. In order to be eminently fair to Canada, the bill is amended to specifically prohibit any permanent diversion of any additional water from Lake Michigan without consultation between the Governments of the United States and Canada, reserving, of course, all rights now existing in the United States to the exclusive control, use, and management of the waters of Lake Michigan.

It has already been mentioned that an amendment has been put into the bill broadening the study which the Department of Health, Education, and Welfare is to make; and it is important to point out that this amendment has been proposed by the Chicago sanitary district and by the proponents of this measure. This is not an amendment that has been forced upon us; this is an amendment which we ourselves propose in order to show to the Lake States and to Canada that we want to meet them 99 percent of the way, because Canada and the Lake States in times past have said, "Well, you should study the alternative methods—aeration, chlorination, the question of storm sewers, whether your system is working properly, whether you are handling industrial wastes correctly, and so forth."

We ask, therefore, that an amendment be included in the bill which would specifically require these items to be included in the study.

Now we face this extraordinary situation: that when we are doing that which Canada and the Lake States said we should do in the past, they now say they do not want the study at all. In other words, in years past the Lake States have said, "We want a study to go into these matters." Now we are saying that the study should take up these items, and yet the opposition persists—which indicates this was not the real reason for their opposition in times past.

That is all there is to this innocent little bill. It is indeed strange that our sister lake State and Canada should have created so much noise and confusion over so simple and harmless a request. But since so great an uproar has been created, and so many false charges have been made, it is well to answer certain elementary questions:

First. Is the waste-disposal system of the Chicago Sanitary District efficient?

The answer is "yes." It is the most efficient sewage disposal system in the United States, and probably in the world. Its plants have been termed by civil engineers one of the seven modern engineering wonders of America. We have spent over $400 million upon it. The district uses the method of activated sludge, the best now known, which removes 90 percent of the solids while the final effluent satisfies approximately 90 percent of the basic oxygen demand in the water.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILEY. Who is to make the study?

Mr. DOUGLAS. The Department of Health, Education, and Welfare and the Army Engineers.

Mr. WILEY. Does the bill so provide?

Mr. DOUGLAS. Yes.

Mr. WILEY. I notice a part of the report is a letter from Arthur S. Flemming, which says, in part:

> In view of the multiple interests involved and the many indirect benefits which could flow from such a study, this Department is unable to take a position on the desirability of the financing pattern proposed by the Bureau of the Budget. For the same reasons we believe that it would be unwise to permit technical staff in the employ of any of the interested parties, public or private, to perform the actual work for the study.

The Senator says it is under the Department of Health, Education, and Welfare.

Mr. DOUGLAS. I say the bill provides in section 2 that the "Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army (acting through the Chief of Engineers), shall cause a study to be made of the effect on the Great Lakes and their connecting waterways and on the Illinois Waterway of the increased annual diversion of 1,000 cubic feet of water per second."

The study is also to include the other subjects I have mentioned, which have been added by amendment.

On page 5 of the bill there is a further provision:

> Upon completion of the study authorized by subsection (a) of this section, the Secretary of Health, Education, and Welfare and the Secretary of the Army shall correlate the results of such study, and shall report such results to Congress.

That is exactly true. The study is to be conducted by both agencies, and a report is to be made by both agencies.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. AIKEN. Can the Senator advise why the limitation on the maximum amount was removed in the bill this year?

Mr. DOUGLAS. The limitation on the maximum amount?

Mr. AIKEN. As I recall, the bill last year provided that not over 5,000 cubic feet of water per second could be diverted at any one time.

Mr. DOUGLAS. The average is to be 2,500.

Mr. AIKEN. The average is to be 2,500, but the bill last year, I am sure, provided that a maximum of 5,000 cubic feet of water per second could be drawn at any one time. This year the maximum amount seems to have been eliminated.

Mr. DOUGLAS. I do not see the limitation of 5,000 cubic feet.

Mr. AIKEN. No. I wonder why that was deleted this year.

Mr. DOUGLAS. What is the question?

Mr. AIKEN. I wonder why the limitation was deleted this year. I am sure 5,000 cubic feet of water per second during the dry season was provided in the bill last year. I understand the average, of course.

Mr. DOUGLAS. I will say I personally would not object to the reimposition of the 5,000 cubic feet of water per second maximum limitation.

Mr. AIKEN. It ought to be in the bill. As the Senator from Illinois knows, I am particularly interested from the viewpoint of low cost power development, of which my State now fortunately gets 130,000 kilowatts.

Mr. DOUGLAS. As a result of the help of the Senator from Illinois.

Mr. AIKEN. That is correct. I appreciated the help. We do not want to lose any part of that, if we can help it.

Mr. DOUGLAS. I would be perfectly willing to reimpose the 5,000 cubic feet of water per second maximum at any one time.

Mr. AIKEN. If there is any likelihood that the bill will pass, there should be a maximum amount provided.

Mr. DOUGLAS. The bill is going to pass, and at an appropriate time we will propose the amendment.

Mr. AIKEN. All we lose during the period of low water at the present time is firm power.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Well, Mr. President, this is exactly what happened last year. I started to speak, and then the questioning began. It took a great deal of time.

Now my friend from Wisconsin has charged to me all the time that my questioners took. I would prefer to make a very brief speech and sit down, and then let the rest of the Senators talk on their own time.

Mr. AIKEN. I have just one more short question.

Mr. DOUGLAS. I do not want to be discourteous.

Mr. AIKEN. Does the Senator from Illinois think that consideration of the bill at this time is possibly a prelude to adjournment, as it has been in the last few years?

Mr. DOUGLAS. No; I think we have a good many pieces of legislation ahead of us to consider, including the labor bill, foreign aid, the highway bill, civil rights legislation, and so forth. The prospect of a last-minute filibuster—or the threat of a filibuster—being successful is not as great as it was last year.

The prospect to which the Senator from Vermont looks with such hope is really a mirage.

Mr. AIKEN. I am sure the Senator from Illinois would not object to setting the bill aside for consideration of the housing bill or for consideration of a highway financing bill.

Mr. DOUGLAS. I think we have set aside 3 days for this discussion. All the Senator from Illinois wants to do is to have his brief minute upon the stage, and then sit down. I hope my good friends will let me do that. I should like to say my little piece and then sit down.

Mr. AIKEN. I did not intend to disturb the Senator from Illinois or to use much time. I was simply asking for information as to why the limitation on the maximum amount was taken out of the bill.

Mr. DOUGLAS. That is a very good question, and I am very glad to meet it by saying I think it was a slip in draftsmanship, which we will be very glad to correct.

Mr. AIKEN. It must have been.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I would prefer not to yield.

Mr. LAUSCHE. Very well.

Mr. DOUGLAS. So that the Senator may talk on his own time.

Mr. PROXMIRE. If the Senator will yield for an observation, I am very sorry that the great Senator from Illinois has interpreted my earlier statement as being critical of his conduct. I thought the Senator conducted himself brilliantly and effectively the last time. The Senator can be sure that I will not accuse him of filibustering that time. I did not intend to accuse him of filibustering the last time.

Mr. DOUGLAS. The import is the same.

Mr. PROXMIRE. If the Senator will yield to the Senator from Ohio and to the Senator from Wisconsin, we simply want to do our best to bring to the attention of the Senate as much information as we can. We know the Senator from Illinois is an outstanding authority on the bill. One of the best ways to present information is to question an authority such as the Senator from Illinois, who is such a well-informed proponent of the bill.

Mr. DOUGLAS. Since the plans of the Senator from Wisconsin and the Senator from Ohio have become more evident, I think it would be better if I would simply go through my remarks and then sit down. Then the Senator from Wisconsin can talk on his own time, instead of talking on my time, and blaming me for the time which he takes.

Mr. PROXMIRE. There is no time limitation on debate, as point No. 1.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Point No. 2 is that I have assured the Senator from Illinois I will not blame him.

Mr. DOUGLAS. I am trying to protect my reputation against the attack of the Senator from Wisconsin.

Mr. President, I must decline to yield, and I will present my remarks.

Mr. PROXMIRE. I have only one other observation. That is, I know of no man in the Senate, and few men in the country, if any, who are as wise, capable, and competent as the Senator from Illinois.

Mr. DOUGLAS. Well——

Mr. PROXMIRE. If the Senator from Illinois is unable to answer questions on this issue, which he understands so well, I think it speaks volumes for the lack of merit in the proposal.

Mr. DOUGLAS. I will say, when the Senator from Wisconsin takes the floor I may interrupt him from time to time. [Laughter.] For the time being, we will postpone that.

Mr. LAUSCHE. Mr. President, the words of the Senator from Wisconsin seem to me to carry great weight. When the Senator from Illinois does not think he can answer questions, there is a justifiable inference that the Senator does not have faith in his cause.

Mr. DOUGLAS. The Senator from Wisconsin paid me a generous tribute, which I do not think is deserved, but I am ready to let his statement go in the RECORD, and let that be an answer to the rather derogatory comment of my friend from Ohio.

As I said, Mr. President, we have spent over $400 million upon our system of sewage disposal. We use the method of activated sludge, which is the best now known. This removes 90 percent of the solids, while the final effluent satisfies approximately 90 percent of the basic oxygen demand in the water.

Mr. President, I have prepared tables based on the very accurate reports of the sanitary district from 1952 on, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SANITARY DISTRICT AREA AND POPULATION

Present area of sanitary district (square miles)	869
Present estimated human population	5,000,000
Present estimated total equivalent population	[1] 8,600,000

Population forecast

Year	Human	Total equivalent [1]
1960	5,070,000	8,780,000
1985	6,487,500	12,150,000
2010	7,305,000	14,300,000

[1] Includes industrial wastes on the basis of equivalent b.o.d. of 0.17 pound per day per capita.

Source: Greeley & Hansen Engineers, July 23, 1959.

Year	Sewage treated, million gallons per day	Percent b.o.d. removal	Solids, tons per day raw sewage	Percent solids removal
1952	1,112.8	93.6	786.3	91.1
1953	1,103.8	89.6	741.5	84.7
1954	1,170.6	88.1	781.2	82.9
1955	1,183.3	86.4	876.4	82.4
1956	1,149.6	85.8	937.5	88.2
1957	1,230.7	85.6	862.0	80.6
1958	1,103.0	90.6	836.2	87.6
1959 (6 months)	1,227.2	90.5	881.2	85.5

Metropolitan Sanitary District of Greater Chicago, 1959 monthly breakdown for 4 major treatment works, January to June, inclusive

Month	Sewage treated, million gallons per day	Percent b.o.d. removal	Solids, tons per day raw sewage	Percent solids removal
January	1,065.0	91.0	806.6	86.9
February	1,186.5	85.5	875.4	78.2
March	1,250.6	90.9	880.6	86.2
April	1,250.1	90.8	869.6	84.8
May	1,314.2	92.0	898.8	86.8
June	1,296.6	92.9	956.2	90.4

Mr. DOUGLAS. The Senators from Wisconsin have made much of a slump in our efficiency in 1956 and 1957, when the basic oxygen demand satisfied went down to about 86 and when in 1957 the percentage of solids removal went down to 80.6, and they had an enjoyable time attacking the efficiency of the Chicago system and talked about the glorious

Milwaukee system, so superior they said in all respects.

That slump in the efficiency of the Chicago system was caused by the breakdown of one of the plants. But all this has been remedied, and under a new administration, the figures for June of this year are as follows: 90.4 of solids being removed and 92.9 percent of the basic oxygen demand being met. It is interesting that our critics do not bring their figures up to date. They do not go into the tremendous improvement which we have once again effected in our system.

In contrast with Chicago, nearly all the other lake cities either dump their raw sewage into the lake or use a relatively inefficient primary or sedimentation system which only removes from 40 to 60 percent of the solids. The result is that they are seriously polluting the waters and beaches and creating nuisances.

I ask unanimous consent that a table on this point be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sewage treatment by cities on Great Lakes

City	Population (metropolitan area)		Type of treatment	Removals (b.o.d.)	Percent (solids)	Remarks
	Number	Year				
Milwaukee, Wis.	1,000,000	1958	Complete	94.0	92.5	Second plant planned only provides sedimentation treatment. Milwaukee beaches closed because of pollution.
Toronto, Canada	1,416,000		Primary	[1] 35.0	[1] 45.0	Plant extensions to be finished in 1961; will provide complete treatment.
Buffalo, N.Y.	576,000	1958	do	29.0	34.2	
Erie, Pa.	160,000	1957	High rate aeration.	[1] 70.0	[1] 70.0	Plant recently completed.
Cleveland, Ohio	1,186,900	1954	Part primary, part complete.	70.4	74.7	
Toledo, Ohio	335,000	1957	Primary	37.5	47.8	Plant extensions to be finished this year; will provide complete treatment.
Detroit, Mich.	2,661,000	1958	do	36.0	51.8	
Chicago, Ill.	4,900,000	1958	Complete	90.6	87.6	

[1] Estimated.

NOTE.—In 1958, the b.o.d. in the Milwaukee plant effluent averaged 18 p.p.m., compared with only 10 p.p.m. in the effluent from the Chicago plants.

Mr. DOUGLAS. Buffalo, N.Y., for instance, which is objecting to our request, removes only 34 percent of the solids and only meets 29 percent of the basic oxygen demand. Erie, Pa., which is objecting to Chicago, only removes 70 percent of the solids and meets 70 percent of the basic oxygen demand.

Cleveland, Ohio, over which my good friend, the senior Senator from Ohio, once presided, has only 74.7 percent removal of solids, 70.4 percent oxygen demand being met.

Toledo, Ohio, only 47.8 percent of solids removed and 37.5 percent of the basic oxygen demand met.

These are very inefficient systems.

Detroit, Mich.—and Michigan has been attacking Chicago—51.8 percent of solids removed, only 36 percent of basic oxygen demand being met.

Toronto, Canada, only 45 percent of solids removed, 35 percent of basic oxygen demand met.

Now we came to Milwaukee, the city which was said to have the perfect system, whose virtues were extolled by both the senior and the junior Senators from Wisconsin, who said, "You in Chicago should be as we do in Milwaukee."

It is true that at one time Milwaukee did have an efficient system. They have a good sewage disposal plant. They use the same method which we pioneered, the system of activated sludge, and I want to congratulate the people of Milwaukee for the efficient work which has been done at that plant, because they remove 92.5 percent of the solids and meet 94 percent of the basic oxygen demand.

But that is not the whole story. In South Milwaukee, which this plant does not serve, they are dumping raw sewage into Lake Michigan, and there are many industries in Milwaukee dumping raw sawage, and the situation became so terrible that last week the commissioner of health of Milwaukee had to close 7 of the 10 bathing beaches in Milwaukee because they were dangerous to the public.

We have offered to send our best sanitary engineers to Milwaukee to help them, and we will be glad to renew this offer, but I would say to my friends from Wisconsin, "Instead of throwing filth at Chicago, go back home and clean up the mess in Milwaukee."

Mr. WILEY. Will the Senator yield?

Mr. DOUGLAS. Since I referred to the Senator's State, I think I should yield to him.

Mr. WILEY. Mr. President, I should like to correct the distinguished Senator a little. In the first place, his argument is another diversion. Let us see just what the facts are.

The lake is down 7 feet.

Mr. DOUGLAS. Does the Senator claim that we are responsible for the lowering of the lake by 7 feet?

Mr. WILEY. Just a minute now. It is down 2½ feet more than it has ever been in its history.

I asked about the Senator's previous statement, and in relation to the matter it was said that Bradford and McKinley Beaches are closed because of the degree of weed and plant growth which comes from the lower water level.

Mr. DOUGLAS. Those are the northern beaches, but not the southern beaches in Milwaukee.

Mr. WILEY. Incidentally, the water level now is 2.1 feet below its average, according to U.S. Army Engineers:

> The pollution problem here is a combination of three factors, the first being that three rivers (the Milwaukee, Menomonee, and Kinnickinnic) converge here in the city, each carrying effluent from the outlying upstream areas into the lake; secondly, there has been a great increase in ship loading and unloading in Milwaukee; thirdly, yachts and cruisers at the South Shore Yacht Club area, and there are estimated to be over 100, are equipped with marine toilets, resulting in sewerage being deposited into the lake less than 100 feet from the beach.

Mr. DOUGLAS. Who is making the statement?

Mr. WILEY. I again say that while these are the facts, the real facts, let us recognize, as I think the Senator has just said, that the particular plant that we have is doing a grand job, and it is so stated.

The letter I have quoted reads:

> I am informed by Mr. Ray Leary, chief engineer and general manager of the sewerage commission, that our plant is 97 percent efficient in removing bacteria and 93 to 95 percent efficient in the removal of solids.

Mr. DOUGLAS. I said that.

Mr. WILEY. Also that we make fertilizer, which Chicago does not, but which she throws into the stream, and that creates the conditions evidenced by the pictures that were produced in evidence.

I again say it is of no relevancy what Milwaukee has. The question is whether or not this bill refers to navigation or whether it refers to sewage cleansing. That is the issue that is raised here by the people on the side of the Senator from Illinois, and they try to make out that the object is a matter of commerce and navigation. That is the authority for the Federal Government getting its nose into the matter. Otherwise it would not have any business in entering the picture.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. May I reply to the Senator from Wisconsin first?

Mr. LAUSCHE. Yes.

Mr. DOUGLAS. I do not know who is the author of the statement the Senator read.

Mr. WILEY. It is a letter from the mayor's office.

Mr. DOUGLAS. Oh, yes. He has been very much embarrassed by this, but the commissioner of health, Dr. Krumbiegel, gave other reasons, including the fact that there was industrial waste which did not go through the plant, and the fact that there were many communities in South Milwaukee which dumped raw sewage, and including the fact that the rivers in the southern portion of the city are in an extremely unsatisfactory condition. So the health commissioner was much more specific.

But I may say in this connection that I am not interested in trying to smear

Milwaukee, but the people from Wisconsin have for years attacked Chicago and have said that we were not doing our job. I point out that we have a better record even than Milwaukee, and as compared with the other lake cities we are very much superior. Milwaukee is next to Chicago, but does not have now as good a record as Chicago, although in times past it did.

Mr. WILEY. Let me read another paragraph.

A review of news and editorial articles in the Chicago papers indicates that a well-defined and calculated effort is being made on the part of Chicago officials to cloud the diversion issue by employing the strategy of constant carping on the problem of pollution.

I hope that the above information will be of assistance to you.

Mayor Zeidler has just returned from a brief trip to Springfield, Ill., and observed first hand the pollution problem in some Illinois streams. He may be in contact with you in the very near future.

Kindest regards.

Sincerely,

JOSEPH A. DRIES,
Assistant Secretary.

The point I wish to make—and I made it once before on this floor, when the distinguished Senator from Illinois rose and spoke as he is speaking now—is that any justification of thievery because another steals is no justification for stealing. That does not mean that either of these parties steals, but this is only another diversion on the part of the city of Chicago.

Mr. DOUGLAS. No; it is not.

Mr. WILEY. It is trying to confuse the issue, and blame someone else for doing something which it is doing to the extreme.

Mr. DOUGLAS. Why is the Senator afraid of the facts?

Mr. WILEY. Why is the Senator from Illinois afraid of the facts?

Mr. DOUGLAS. I am not.

Mr. WILEY. If the Senator wishes to put on a show, I will put on a show too. I do not believe there is any use in yelling our heads off at each other. If we want to be logical, let us get at the facts.

Mr. DOUGLAS. In the past Milwaukee has done well, but unfortunately it has neglected to keep up with its population and industry growth. Matters have gone to the point where it is necessary to close 7 out of 10 bathing beaches, because of pollution.

Mr. WILEY. Are we trying Milwaukee, or are we trying to find the justification for the bill?

Mr. DOUGLAS. I am trying to show that we in Chicago are doing a good job. It is not our fault that we need additional water. If the Senator from Wisconsin will contain himself for a moment, the evidence will become clear.

Mr. WILEY. Is it not a fact that the first vote in the committee was seven to seven to table?

Mr. DOUGLAS. What has that to do with the merits of the bill?

Mr. WILEY. Is that the fact?

Mr. DOUGLAS. I think it is a fact.

Mr. WILEY. The next vote was six to eight.

Mr. DOUGLAS. I think that is true.

Mr. WILEY. We have that in the record. That shows there is a divergence of opinion as to the merits of the bill. If there were a vote in the committee now, it would be found that the bill would remain in the committee. Does the Senator wish to move to refer it back to the committee?

Mr. DOUGLAS. No; of course not. I shall proceed, if I may.

The second question that is raised is this: If the Chicago system of waste disposal is so efficient, why are the waters of the Chicago and Des Plaines Rivers and the ship canal so polluted?

I hope the Senator from Wisconsin will pay attention on this point. The answer is very simple. The relative efficiency of the sanitary district is very high, but the volume of waste which must be handled is so tremendous that the residual is still great. The sanitary district serves a population of 5 million and handles industrial waste which is the equivalent of another 3.6 million. This makes a total of 8.6 million. Even though the residual of solids is only about 10 percent, this is equal to the wastes of 860,000 people.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. No. Not at this time.

This is more than the population of Milwaukee, Toledo, Buffalo, and indeed of all the lake cities except Detroit and Cleveland.

The result is that the Illinois Waterway is badly polluted for 40 miles south of Chicago. It is not as badly polluted as the Michigan representatives attempted to show by choosing a month when there was little diversion of water. But it is still badly polluted, and this is the condition which we are seeking to cure.

The impression has been spread abroad that Chicago selfishly wants this study for its own advantage.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield in a moment.

This is far from the truth. We want to protect the communities immediately downstream from us and to be a good neighbor to them. It is primarily on their behalf that we ask for information, and ultimately for some form of remedial action.

We hope that any dislike for Chicago will not result in the denial of aid to the people in the communities to the south of us.

I now yield briefly to the Senator from Wisconsin.

Mr. WILEY. Mr. President, in order that the distinguished Senator may realize that I appreciate fully that 6 years ago Chicago's plant was one of the wonders of the world, let me say that since then approximately 420,000 square miles have been added, and the impact on the plant of sewage from that area has created a situation which was mirrored by the photographs which the gentlemen from Michigan brought before the committee.

Mr. DOUGLAS. Let me say that we did add some territory, but it added only about 3 percent to the population served. One of the troubles with Milwaukee has been that, as the population outside the city has increased, it has not added this territory, with the result that the raw sewage goes into the lake, and the beaches are polluted and closed. In other words, it is partially because Milwaukee has not done what Chicago has done that Milwaukee is in the fix in which she now is.

Mr. WILEY. I shall have to dispute that statement. I will have to say definitely that with the water down some 7 feet, and with the aggregation of weeds because of low water, the beaches outside the city have been affected. It is a combination of all those circumstances. However, the plant itself works efficiently with the sewage it handles.

Mr. DOUGLAS. Yes; but it does not handle all the sewage. The South Side plant has not yet been built; and when it is built, it will be merely a primary sedimentation plant, removing between 40 and 60 percent of the solids, as compared with 90 percent in the case of Chicago.

Mr. WILEY. Did the Senator admit that Chicago added about 420 square miles of sewage area in the past 6 years?

Mr. DOUGLAS. Yes; we have. But there has been only a 4-percent growth in population. That is one of the strengths of the system, rather than the reverse. We have taken care of outlying communities, so that they will not dump raw sewage.

Mr. WILEY. Is it true that Chicago advertises in other places, that, because of the fine sewage disposal plant it has, and because of lower taxes, manufacturing plants are being induced to come there?

Mr. DOUGLAS. I believe that the superiority of Chicago's sewage disposal plant compared with the sewage disposal system of any other city in the country does attract industry.

Mr. WILEY. The answer is "Yes."

Mr. DOUGLAS. Why should Milwaukee be jealous of that fact?

Mr. WILEY. Chicago says, "Come in, boys. We have a good sewage disposal system."

Mr. DOUGLAS. The Senator is trying to tear our sewage disposal system down, so that Milwaukee can get the industry.

The third question which is raised is as follows: Why do sanitary engineers think that the diversion of more water will reduce the pollution?

This involves some high school chemistry, but if Senators will think back, it will be found to be very simple. Fresh water contains oxygen which it absorbs from the air. As we all know, oxygen is the great purifier. It burns up impurities, either in a dry or wet condition. It kills harmful bacteria. An additional 1,000 cubic feet per second of lake water would supply an average additional 57,000 pounds a day, or more than 28 tons, of this all-important oxygen.

The fourth question that is raised is: Could not some other method do just as well as added diversion? Most sanitary engineers do not think so. But we want the other methods to be studied, and

have so provided in the amendment to which I have referred. The two alternatives that have been most frequently mentioned are (a) chlorination and (b) aeration, effected by injecting compressed air into the waters of the canal below the point of discharge of the treated sewage.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me finish the paragraph.

Both are expensive, but if the study should reveal that, all things considered, one of these methods is preferable, we will gladly comply. Other cities which are in difficulty on these problems can learn a great deal from the results of such studies.

I do not see why Milwaukee is opposing this measure, because Milwaukee has a great deal to learn. She does not know it all, as the Senators from Wisconsin have assumed in the past. Such a study as the one proposed would be of great aid to Milwaukee. We are trying to help her get out of the fix she is in.

Mr. WILEY. Then Chicago should quit its diversionary tactics and attend to its own knitting, instead of blaming Milwaukee.

How much water does the city of Chicago now take?

Mr. DOUGLAS. Between 3,200 and 3,300 cubic feet a second; 1,500 by actual diversion, and 1,760 cubic feet a second by domestic pumpage.

Mr. WILEY. Who was it who testified before the committee that $1 million a year would take care of the entire problem of chlorination?

Mr. DOUGLAS. Let the problem be studied. All we are asking for is a study.

Mr. WILEY. The Senator did not answer the question. Who was it who said that in the testimony?

Mr. DOUGLAS. Who was it?

Mr. WILEY. I am asking the Senator, because I do not recall the name.

Mr. DOUGLAS. If the Senator is asking me, he must know. I ask him, Who was it?

Mr. WILEY. I will look it up. I know it was stated, but I do not remember the name.

Mr. DOUGLAS. There is one proposal, however, which we think is especially dangerous. This is the attempt of the other Lake States to compel Chicago to return its effluent to Lake Michigan, as they now do, and as we did prior to 1899, when we reversed the flow of the Chicago River from going into Lake Michigan to the Illinois-Mississippi Waterway.

When we dumped our sewage into the lake, from which we get our drinking water, we had very bad typhoid epidemics. We do not want to go through that again, nor do we want our people to suffer from virulent gastro-intestinal diseases and disorders. Milwaukee can largely escape the consequences of its actions because of the north-to-south movements of the lake currents; also, her disposal plant is on the north side of Milwaukee, and therefore its discharge is carried south. However, South Milwaukee inherits some of this, and Kenosha and Racine also suffer from the bad habits of Milwaukee. But Chicago is near the foot of the lake.

Mr. WILEY. Has Chicago any bad habits?

Mr. DOUGLAS. Yes, we have bad habits, but we are curing them.

Chicago is near the foot of the lake, and to be compelled to discharge its effluent back into the lake would not merely put its south shore beaches out of commission, but would endanger the health of the several million people who, from the Chicago south side to Gary, Ind., get their drinking water from the lake. That is why we are asking in the bill for a study of the currents in the southern half of Lake Michigan to help determine the dangers of this course which is being pressed upon us by our sister States, and which has now been referred by the Supreme Court to Judge Albert Maris as a special master. Incidentally, such a study would be invaluable to Judge Maris in helping him to arrive at a proper decision.

My fifth question is: What would be the effect of this added diversion of 1,000 cubic feet per second for 1 year upon the levels of the Great Lakes? It is here that the imagination of the Lake States and of Canada runs riot and conjures up false and grossly exaggerated effects. At times, our opponents talk as though this would be a catastrophic fall in lake levels with terrible damage inflicted on shipping and harbors. The answer of the Army Engineers, the International Joint Commission, and competent hydraulic engineers is very direct. This is shown in the report of the U.S. Engineers, Senate Document No. 28, 85th Congress, 1st session, page 55, a memorandum of theirs dated May 1, 1958, and also Senate Document 28, 85th Congress, page 13. These show:

First, there would be no effect whatsoever on the level of Lake Superior.

Second, the maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

Third, the maximum effect upon Lakes Erie and Ontario would be one-sixth of an inch.

The lake shippers and politicians are blowing up this insignificant reduction to a horrendous loss. As a matter of fact, over 23-year cycles the level of the lakes falls and rises by as much as 6 to 7 feet. Our opponents will at times slyly imply that it is the diversion of water at Chicago which causes this 75-inch decrease.

The senior Senator from Wisconsin [Mr. WILEY] has spoken loosely of this 75-inch fall, implying that it is caused by diversion of water at Chicago. But I notice that he and his associates remain discreetly silent about the corresponding increase which always sets in later. In other words, Chicago is blamed for the fall but is not credited for the rise, when the truth is that we are not responsible for either. Both conditions are probably caused by longtime cycles in rainfall.

The seasonal rise and fall in the lake levels is approximately 1 to 2 feet. We are not responsible in the slightest degree for that.

Lowering effect of 1,000 cubic feet per second diversion for 1 year

	Inches
Lakes Michigan-Huron	¼
Lake Erie	⅛
Lake Ontario	⅛

Source: U.S. Engineers Memo Report, May 1, 1958.

Lowering effect of 1,000 c.f.s. diversion on continuing basis

	2 years	3 years	Permanent [1]
	Inch	Inch	Inch
Lake Michigan-Huron	½	5/8	1
Lake Erie	¼	3/8	5/8
Lake Ontario	¼	3/8	5/8

[1] U.S. Engineers report, p. 50.

Source: U.S. Engineers report (S. Doc. 28), 85th Cong., 1st sess., p. 55.

Natural fluctuations of Great Lakes

Cyclical fluctuations (23 years)	4 to 7 feet.
Seasonal fluctuations (annual)	1 to 2 feet.
Daily or hourly fluctuation	"Few inches to several feet."

Source: U.S. Engineers report (S. Doc. 28), 85th Cong., 1st sess., p. 13.

In view of these seasonal and cyclical fluctuations, which do affect harbor depths most markedly, how insignificant is the variation of one-sixth to one-quarter of an inch? Not even Mr. George M. Humphrey, the moving spirit among the lake shippers, and who behind the scenes is the chief opponent of the bill, can contend that such a minute lowering will affect the degree to which he can load his ore boats and other ships.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILEY. I want to read from page 303 of the hearings. It concerns what I was referring to:

> The U.S. Public Health Service has indicated that there are measures which the sanitary district can take which would be equivalent to increased diversion of water from Lake Michigan for sanitation purposes. Additional sewage treatment measures at Chicago; namely, aeration or chlorination, or a combination of the two. (See Senate Subcommittee of Public Works Committee hearings, 1958, pp. 92–93.)
>
> Based on aeration: First cost, $2 million; annual cost, $250,000.
>
> Based on chlorination: First cost—
>
> Not given.
>
> Annual cost, $550,000.

The question is, Why does the Senator raise this water issue for this little amount for Chicago, with its vast income, and with its vast population of 7 million or 8 million which it can tax?

Mr. DOUGLAS. Will the Senator read the bill? The bill specifically provides that the study is to consider the possibility of aeration or chlorination, as well as the diversion of water. We want to study these questions. If it turns out that aeration or chlorination is a better method than diversion, we will abide by the results of such a study.

Mr. WILEY. Well, that is something which means something, coming from the senior Senator from Illinois.

Mr. DOUGLAS. Will the Senator from Wisconsin take a similar pledge? Will he say that if the study recom-

mends permanent diversion, he will abide by it?

Mr. WILEY. I have no authority to make such a pledge. I would not make it.

Mr. DOUGLAS. Will the Senator make it as an individual?

Mr. WILEY. There is authority which says that chlorination or aeration will do the job. That is what I am saying.

Mr. DOUGLAS. I simply say: Let these questions be considered in the study; and if it turns out that aeration or chlorination are better methods than additional water diversion, we will abide by the decision. The trustees of the sanitary district have said, over and over again, that they will abide by the results of such a study. Will the Senator from Wisconsin, in turn, take the same pledge which we are willing to take? Will you say, Mr. Senior Senator from Wisconsin, that you will abide by the results of the study?

Mr. WILEY. I say that the Chicago district has never abided by one decree of the Supreme Court, which handled this matter.

Mr. DOUGLAS. That is slander. I must protest. We have abided by every decree. We have proceeded under the law.

Mr. WILEY. The Supreme Court said that Chicago made a mess and will not clean it up. It is Chicago's business to clean it up, the Supreme Court has said.

Mr. DOUGLAS. Why did not the Court charge us with being in contempt of court? We are not in contempt. No such charge has ever been made. We obeyed the decision of the special master of the Supreme Court in 1930. We carried it out at a cost of more than $400 million. Our original diversion was under permission from the Secretary of the Army. We have proceeded under the authority of administrative officials, of the courts, and of Congress. We will continue to abide by such authority.

Mr. WILEY. Chicago has not filed the annual reports which it was told to file. Chicago has not done that. In other words, the Court has repeatedly stated, when the matter has come before it, that Chicago made the mess; now let her go ahead and clean it up. Now Illinois simply wants the rest of the States to help her clean up the mess.

Mr. DOUGLAS. I will let the Senator from Wisconsin make his points on his own time.

As a matter of fact, the permanent diversion of a thousand cubic feet per second—for which we are not asking at this time—would only lower the level of Lakes Michigan and Huron by 1 inch and Erie and Ontario by about five-eighths of an inch. This, too, would be insignificant both in comparison with the seasonal and cyclical fluctuations and in terms of its effects on ship loadings. Incidentally, we should remember that Canada has been diverting 5,000 cubic feet from Hudson Bay into the Great Lakes system for nearly 20 years.

Therefore, we can see what little legitimate reason she has for complaint.

Canada made that diversion into the Great Lakes system at a time when our lake levels were rising and we were suffering resultant shore damage. Canada raised the level of Lake Michigan and Lake Huron by approximately 5 inches. That was an accomplished fact. Faced with an accomplished fact, the United States acquiesced, and we in Chicago have never protested. On the contrary, we believe that Canada had the right to shift waters out of Hudson Bay into Lake Superior.

Mr. WILEY. Did that mean that Canada added 5,000 cubic feet a second?

Mr. DOUGLAS. Yes, Canada added to the waters of the lakes 5,000 cubic feet a second.

Mr. WILEY. Very well; I wanted to make that clear.

Mr. DOUGLAS. And that did damage to our shorelines; but we did not protest.

Mr. WILEY. But the proposal now before the Senate is to make a diversion of water from the Great Lakes.

Mr. DOUGLAS. That is correct; and I think additional water could well be diverted by Canada in the same area.

Mr. President, as I stated a moment ago, at that time Canada added that much water to the Great Lakes, and raised their level accordingly; and, therefore, we can see what little legitimate reason she has for complaint. But, similarly, we believe that the United States has a right to shift water from Lake Michigan to the Mississippi.

And yet we are anxious to have this whole question of lake levels gone into once again.

In conclusion, let me say that Chicago will abide by the decision and recommendation of the report and of the court. It only asks that its opponents give a similar pledge.

When cornered on the points which I have mentioned, the opponents of the O'Brien bill fall back upon the argument that House bill 1 is merely a means of getting our foot in the door or, to vary the analogy, sticking the camel's nose under the tent. "Give them this study," say our opponents, "and Chicago will be back, at the end of the three years, asking for permanent diversion. Therefore, stop them now."

The answer to this contention is that we will only ask for permanent diversion if, after the 3 years' study, the Department of Health, Education, and Welfare so recommends. Even then, the further consent of Congress would be needed. But if the verdict goes against us, we will drop the matter, and proceed to use the other methods which may be recommended. I have given this pledge countless times in debates with Senator PROXMIRE—we debated this matter in both Milwaukee and Chicago—and in testimony before the Public Works Committee, and my pledge has been affirmed and upheld publicly by the members of the Sanitary Board. I repeat it once again.

We of Chicago can take this position, because all we are seeking is the truth. We are willing to be guided by it and to live by it. We believe it will confirm our contentions. But, if it does not, we will abide by the conclusion. That is why we want this study to be made, so we may know what should be done.

But up to now, our opponents have refused to give a similar pledge. They seem to be afraid that the verdict will be in our favor. Hence, up to date they will not agree to drop their opposition if the study should recommend permanent diversion.

I challenge the Senators from the Lake States, and particularly those from Wisconsin, who have been so vehement in their opposition——

Mr. WILEY. Mr. President, the Senator from Illinois is the one who has been vehement.

Mr. DOUGLAS. As I was saying, Mr. President, I challenge the Senators from the Lake States, and particularly those from Wisconsin, who have been so vehement in their opposition, to state whether they will take the same pledge that I have taken. I ask whether they will agree to abide by the recommendation of the impartial study, as Chicago is willing to do.

Does the Senator from Ohio agree to abide by it? Does the Senator from Michigan agree to abide by it?

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Does not the Senator from Illinois agree that the Army Engineers testified, and so stated in their reports, that only after a 3-year diversion could there be established by experiment, what would be the permanent impact of lowering the level of the waters of the Great Lakes?

Mr. DOUGLAS. But we are not asking for that; we are asking only for a 1-year diversion; and we are willing to say that we think that from that 1-year diversion they can obtain sufficient evidence to be able to make a recommendation.

Mr. LAUSCHE. Did not the Army Engineers testify that a 1-year diversion would not be sufficient?

Mr. DOUGLAS. Well, if the Senator from Ohio wishes to propose an amendment, so as to provide for a 3-year diversion, we will accept such an amendment. Does he propose that?

Mr. LAUSCHE. No.

Mr. WILEY. Mr. President, who is becoming vehement now?

Mr. LAUSCHE. Mr. President, I am stating to the Senator from Illinois that from the very beginning of this problem, in 1900, the city of Chicago has failed to carry out the directives of the Supreme Court. I now wish to read what the Supreme Court said in the case of *Wisconsin* v. *Illinois*, 278 U.S. 367; and I now read from the footnote which appears on page 237 of the committee hearings on House bill 1 and Senate bill 308:

That decision was later summarized by the Court as follows:

"It was decided that the defendant State and its creature, the sanitary district, were reducing the level of the Great Lakes, were inflicting great losses upon the complainants, and were violating their rights by diverting from Lake Michigan 8,500 or more cubic feet per second into the Chicago Drainage Canal for the purpose of diluting and carrying

away the sewage of Chicago. The diversion of the water for that purpose was held illegal, but the restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid so far as might be the possible pestilence and ruin with which the defendants have done much to confront themselves."

I understand that Chicago is now diverting only 3,300 cubic feet a second.

Mr. DOUGLAS. The actual diversion is 1,500 cubic feet a second; and the domestic pumpage is approximately 1,760 cubic feet a second. This is only about 60 cubic feet per second more pumpage than there was in 1930.

Mr. LAUSCHE. Yes; but the 1,760 cubic feet a second goes down the Mississippi, too, not back into the Great Lakes. Is not that correct?

Mr. DOUGLAS. Yes; I think that is true.

Mr. LAUSCHE. So 3,300 cubic feet a second are being taken out of the Great Lakes water basin——

Mr. DOUGLAS. Under permission from the Supreme Court.

Mr. LAUSCHE. That is correct.

But is it not a fact that the city of Chicago has tried to persuade the Supreme Court to grant it more, but has not succeeded in that effort?

Mr. DOUGLAS. That case is before the Supreme Court.

Mr. LAUSCHE. Yes. It is for that reason that, not being able to obtain from the Supreme Court what Chicago believes she should have, she has attempted to have the Congress change that law.

Mr. DOUGLAS. But we are not asking for any water. We are merely asking for a study.

The Senator from Ohio quoted from a decision by the Supreme Court, which I believe was rendered in the 1920's.

Mr. LAUSCHE. No; in the 1930's.

Mr. DOUGLAS. Yes; in the 1930's, but based on conditions which existed in the 1920's. That was 30 years ago.

Let me say that when Chicago reversed the flow of the Chicago River, Chicago was given permission by the Secretary of the Army to take 10,000 cubic feet a second. For a time Chicago took that amount; and then I believe Chicago reduced it to 6,500 cubic feet a second.

I believe Chicago was wrong in not moving as quickly to a modern sanitary system as she should. I believe that was an error on the part of Chicago; and I believe that the order of the Supreme Court in 1930 was correct. As a result of that order, as I have stated, Chicago has spent more than $400 million to comply. Chicago was allowed to remove 1,500 cubic feet of water a second; and that amount of removal is perfectly legal.

Now—since the city of Chicago has grown enormously in population and industry, and since the problem of waste disposal has intensified—we wish to see what is the best way to handle this terrific volume of waste. We think one method is to use additional water from Lake Michigan. We want to have a test made for only 1 year.

If the Senator from Ohio thinks that is an inadequate period of time, and if he wishes the test to be made for a period of 3 years, I shall be delighted to have it made for 3 years. But whenever it was proposed for 3 years, the opponents attacked that proposal, on the ground that 3 years would be too long.

Furthermore, we are ready to abide by the results of the study. We ask whether those on the other side are willing to abide by the results of the study.

Mr. LAUSCHE. Let me ask whether the Senator from Illinois is willing to state, here on the floor of the Senate, that after the 1-year diversion of 1,000 cubic feet a second, he will not ask the Congress to make that a permanent diversion.

Mr. DOUGLAS. I have said that we will abide by the result of the study. If the study is in our favor, we will ask for permanent diversion. If the study is not in our favor, we will not ask for it.

I simply ask whether those on the other side are ready to make a similar pledge. If the study recommends additional diversion, are they willing to comply with the results of the study? Are they, or are they not?

Mr. LAUSCHE. Yes, I will answer the question the Senator from Illinois has asked. The Army Engineers have already stated that there will be permanent and irreparable damage to the hydraulic generating capacity on the St. Lawrence Seaway and to the navigational capacity of the Seaway.

Mr. DOUGLAS. How foolish can people get about a quarter of an inch lowering of the level on Lakes Michigan and Huron and of one-sixth to one-eighth of an inch on Lakes Erie and Ontario? The Senator from Ohio quoted from the sayings of the Master in dealing with the Pharisees. I should like to give another quotation from the sayings of the Master, "Ye blind guides, which strain at a gnat, and swallow a camel."

Mr. LAUSCHE. May I say to the Senator from Illinois, in relation to the matter of the Pharisees, a reading of the decisions will point out that the greatest of ingenuity has been practiced by Illinois for 50 years in trying to get more and more water out of the Great Lakes.

Mr. DOUGLAS. On the contrary, we have been taking less and less water from the Great Lakes. We started out with 10,000 cubic feet per second, under permit granted by the Secretary of the Army. We cut that down to 6,500. The Supreme Court said that was too much and should be reduced to 1,500. We have complied with that decision. In the meantime the city has grown more rapidly than has Cleveland, and more rapidly than has Milwaukee, with the result that we have a tremendous problem, with which we have to deal.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. LAUSCHE. May I point out for the RECORD that in 1956 the State of Illinois petitioned the Supreme Court of the United States for a temporary modification of the 1930 decree. The sanitary district again moved the Supreme Court for a clarification of that decree so as to provide that Congress could determine and authorize the amount of diversion required. On motion of the complainant States, the Supreme Court, on December 7, 1956, denied the sanitary district's request.

I submit to the Senator from Illinois that the Supreme Court for 59 years has been repeatedly declaring that the city of Chicago has not acted justly with the riparian States and cities on the Great Lakes and on the St. Lawrence Seaway.

Mr. DOUGLAS. I think the Senator from Ohio may have reference to a temporary diversion of an added 8,500 cubic feet per second which was granted by the Supreme Court, not for the sake of Chicago, but to provide more water for the lock at Alton, and also as a health measure.

Mr. LAUSCHE. May I ask the Senator another question?

Mr. DOUGLAS. Yes.

Mr. LAUSCHE. Is it the purpose of this bill to procure water to make a test of what can be done by development of an artificial sewage system in the Chicago Drainage Canal, or is it the purpose of Chicago to get water for navigational purposes and hydroelectric generation?

Mr. DOUGLAS. There is no hydroelectric purpose, because there is very little power developed at Lockport. This is really a minimum——

Mr. LAUSCHE. It is principally for sewage disposal?

Mr. DOUGLAS. That is right. There will be incidental benefits to navigation.

Mr. LAUSCHE. Could we state it to be an established fact that the Senator wants this water principally for sewage, and that its use for navigation is only incidental?

Mr. DOUGLAS. The purpose is to reduce pollution in the communities downstream from Chicago.

Mr. LAUSCHE. And that navigation purposes are merely incidental and accidental?

Mr. DOUGLAS. That purpose is secondary, but it is there.

Mr. LAUSCHE. But the Senator is here saying, "We have a sewage disposal problem"?

Mr. DOUGLAS. Indeed we do, not because we are inefficient—we are extremely efficient—but because of the magnitude of the problem with which we are faced.

Mr. LAUSCHE. And because there is such a sewage disposal problem, the Senator wants the waters of the lake diverted to Chicago?

Mr. DOUGLAS. And, of course, the pollution of the canal does itself affect navigation.

Mr. LAUSCHE. But the act under which the canal was built in 1900 was one in which the Army Engineers were allowed to give authority to divert water for navigational purposes. Is that not correct?

Mr. DOUGLAS. Yes; I think that is true, but——

Mr. LAUSCHE. And under that law Chicago cannot get the water that the Senator feels it is entitled to.

Mr. DOUGLAS. Well, under the rulings of the Court, we are not able to get it.

Mr. LAUSCHE. That is, the Court said Chicago was not entitled to the water?

Mr. DOUGLAS. In 1930 the Court limited the water to 1500 cubic feet per second, but the Court also looked in the future to prospective action by Congress. It did not set itself up as the permanent arbiter in this matter.

Mr. LAUSCHE. Is it not fair to say, then, that Chicago cannot, under the existing law, go back to the Court and get the water it wants; and, therefore, it wants the Congress to change the law?

Mr. DOUGLAS. Congress has this power already; and all we want is a study. It is almost incredible that I have to repeat this over and over and over again. Senators keep talking as though this is permanent diversion. We are not proposing that. We are proposing a 3-year study, in only 1 year of which there would be diversion. There will be a study of alternative methods, including the dumping of the effluent back into the lake, which the Senator wants, and then there will be a series of recommendations, by which we will abide. I come back to the point again: We are ready to abide by those recommendations. Is the Senator?

Mr. LAUSCHE. The answer to that question, if I may say it to the Senator from Illinois, is that he is wanting to take the property of the State of Ohio. He is wanting to take the property of the States of Wisconsin, Indiana, New York, and Pennsylvania.

Mr. DOUGLAS. Those waters belong to the United States.

Mr. LAUSCHE. Those waters belong to the people of Ohio——

Mr. DOUGLAS. They belong to the United States, and Congress has the right to determine how those waters shall be used.

Mr. LAUSCHE. Under the act of 1890, under which we have been operating, the law provided that water can be diverted only for navigational purposes. The Senator wants us to abide by a test, after Chicago takes our property, and then say we shall yield. We certainly will not do it.

Mr. DOUGLAS. Well, it is very interesting that neither the Senators from Wisconsin, Michigan, or Ohio have agreed to abide by the result of the study. They are silent when challenged in that respect.

Mr. PROXMIRE. Mr. President, will the Senator yield? The Senator from Illinois has refused to yield to the junior Senator from Wisconsin. I have repeatedly sought to get the Senator to yield.

Mr. DOUGLAS. I will yield to the Senator from Wisconsin if he will answer the question: Is he willing to abide by the decisions or recommendations? Yes or no?

Mr. PROXMIRE. I may say to the Senator from Illinois that I will abide by a decision of an impartial study group. This is not an impartial study. It is a stacked deck. I believe I can prove it to the satisfaction of the Senator from Illinois if he so desires. It is a stacked deck. It is not a study of aeration. It is not a study of chlorination. It is a study only of diversion. If the Senator from Illinois will seek a study that is fair, along with the various alternatives, I will be delighted to abide by the decision or recommendations. I ask the Senator from Illinois why Illinois and the sanitary district does not abide by the decision of the Supreme Court or its findings or suggestions?

Mr. DOUGLAS. We are.

Mr. PROXMIRE. Why not wait until Judge Maris, the special master, makes his findings and abide by them?

Mr. DOUGLAS. Because he needs this study in order to make a decision. As a matter of fact, we would want to have material on whether we should return the effluent to the lake or not, and this involves a study of lake currents.

As Senators know, we are down toward the bottom of the lake, where the north-south current does not operate as well. There are some slow whirlpools rotating about. The effluent, if discharged into the lake, might go round and round.

We will have to have the study both on the surface of the water and on depths below the surface. It will be necessary to study chlorination, aeration, and whether a system of storm sewers should be put in. Everything for which the Senator from Wisconsin asked last year is to be provided. Still the Senator is not satisfied. All the Senator does is shriek, "Stacked deck, stacked deck; the verdict may go against me, so therefore I will not play."

Mr. PROXMIRE. Mr. President, will the Senator yield, since he has mentioned my name?

Mr. DOUGLAS. Certainly, I yield. If one lives by the sword, one must be prepared to die by the sword.

Mr. PROXMIRE. A fair study would be something which I should like to mention.

Mr. DOUGLAS. Is the Senator saying that the Department of Health, Education, and Welfare, and the Army Engineers would not make a fair study?

Mr. PROXMIRE. No; of course not. I am saying that the Senator proposes to give them conditions under which they would have no opportunity to make a proper study.

Mr. CHAVEZ. Mr. President——

Mr. PROXMIRE. The Senator mentioned my name, and I have asked him to yield. I would like to ask a question and to have the Senator reply.

Mr. DOUGLAS. The chairman of the committee wants to ask me a question. I will yield later to the Senator from Wisconsin, but I now yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, on page 3 of the bill a Senate amendment was inserted, which will answer the question of the Senator from Wisconsin. It can be found on line 18:

> The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams—

It is all-inclusive.

Mr. DOUGLAS. And it includes the added words: "the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes."

Now, Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to say to the Senator from Illinois that my idea of a fair study would either be a study without the diversion of water; or a study of the kind described, with 6 months of preparation, a year of study of the water before diversion, a year of study during diversion, with 6 months to make a report, followed by a similar 3-year period during which we would study the actual aeration, with the pipes put in and the water aerated, followed by another 3-year study of the chlorination, with chlorine in the water. After the 9-year period we would have a report.

I notice the Senator from Illinois seems to feel this is amusing. It seems to me this is the fair way to do it.

Mr. DOUGLAS. The Senator wants 9 years.

Mr. PROXMIRE. Perhaps.

Mr. DOUGLAS. This is a proposal for interminable delay.

Mr. PROXMIRE. I will say to the Senator from Illinois that competent people in the Public Health Service and competent engineers in the Corps of Engineers tell us that they do not need a diversion in order to tell us what the results of permanent diversion would be. The Senator knows that perfectly well, from the record.

Mr. DOUGLAS. This is purely a proposal to sidetrack the bill.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have only two paragraphs more. I am axious to conclude. If the Senator will permit, I should like to conclude and sit down, and then the Senator can claim the floor in his own right.

Mr. WILEY. I would like to ask only two questions.

Mr. DOUGLAS. May I finish my statement? Can the Senator restrain himself for about a minute?

Mr. WILEY. The Senator desires to have me wait?

Mr. DOUGLAS. Yes.

Mr. WILEY. Very well.

Mr. DOUGLAS. It is extraordinary that the Senators have not risen to the challenge which I gave them. They are mute.

Mr. HART. Mr. President, will the Senator yield? I have been standing, but I am hesitant to interrupt.

Mr. DOUGLAS. I yield.

Mr. HART. I respond to the challenge. The Senator is talking now about the question of, Will the Senators from the several affected States agree to the test?

Mr. DOUGLAS. Will the Senator abide by the results of the study?

Mr. HART. I was reminded, as the parent of eight children, that this proposal sounds exactly like the kind of

proposal parents put to their children when they are trying to "con" their children into going to bed early. There is always omitted a salient fact.

Certainly I would agree, if instead of keeping the water the Senator would provide that it be returned to the lake while the test is being made. Otherwise, the property is being taken.

Mr. DOUGLAS. I should like to refer the Senator to the chart on page 355 of the hearings, which indicates there may well be a whirlpool down at the bottom of the lake, which would affect this very definitely.

Mr. HART. Is there that much water being taken from the lake?

Mr. DOUGLAS. No. If we return the effluent to the lake the tendency, according the previous studies, is for the water to rotate in this fashion, as indicated. It would not move on, as is the case in the north, but would remain within a radius of 3 or 4 miles of the place where it started. This would result in permanent pollution. It would not only damage the filtration plants, but it would also damage the water.

Mr. HART. There is a tendency, the Senator says, for this to happen. It is a tendency which could be overcome, I assume. It is not an absolute law of nature that this would happen.

Mr. DOUGLAS. We do not know that, but the studies which have been made in the past indicate the whirlpool effect.

Mr. HART. I have responded to the inquiry of the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator.

Mr. HART. I have stated the terms on which I think a fair deal could be made.

Mr. DOUGLAS. If the Senators refuse to take this pledge, as they apparently have refused, this will show that they are afraid of the truth, that in their hearts they believe we are right, and that they are building their case instead upon the sands of prejudice and passion. And, in this case, their remonstrances should not be given credence and the O'Brien bill should be passed.

I submit that this bill maps out the only logical step to take. Let us take this matter, so vitally effecting health and sanitation, out of pressure politics and put it instead into the hands of experts. This will save Congress many headaches and much time, and it will at the same time lead to a better and wiser solution, not only for the people of Chicago and the communities downstream, but also for those of the entire United States as well.

Let us pass H.R. 1, the O'Brien bill, and get on with the many jobs before us.

Mr. ALLOTT. Mr. President——

Mr. DOUGLAS. Now I should like to yield the floor and let the Senator from Wisconsin speak on his own time. If he insists on asking a question which he feels I alone can answer, I will be glad to answer.

Mr. WILEY. I simply want to say, in relation to the remark about the bottom of the lake, we want the bill at the bottom of the lake, and nothing else.

We think the Senator has not answered in his argument today the question regarding Canada. Does the Senator agree with the argument of the Senator from Oklahoma today in relation to the jurisdiction of the Court and the jurisdiction of the Senate? Does the Senator agree with that argument?

Mr. DOUGLAS. I simply say that the Lake States are certainly in a contradictory position when they, on the one hand, say this must be handled by an international treaty and, on the other hand, assert the supremacy of the Supreme Court. That is contradictory.

We take a different postion. We say that Congress can and should act in this matter, and that the study which Congress authorizes will be of advantage to the Court. We are willing to consult with Canada if any permanent diversion is provided, but we are not willing to surrender our sovereignty.

Mr. WILEY. Is the Senator willing to abide by the decision of the Court?

Mr. DOUGLAS. Of course.

Mr. WILEY. Then why present the bill?

Mr. DOUGLAS. Because the Court needs the study to help it make the decision. Also, Congress has jurisdiction.

Mr. WILEY. That is not what one of the departments has said. One of the departments said it was not necessary to make the study. The facts are in evidence.

This afternoon we produced evidence to show how much it would cost to purify the sewage, so to speak; but, be that as it may, I have another question to ask the Senator.

Does the Senator think that the Canadian Government, which has treaties and agreements with the United States, is stating a logical and legal position?

Mr. DOUGLAS. No; I do not. Under the terms of the treaty of 1909 Lake Michigan is not international waters.

Mr. WILEY. The Senator could not convince the Prime Minister to that effect, could he?

Mr. CHAVEZ. We convinced ourselves.

Mr. WILEY. But not the Prime Minister.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am trying to yield the floor.

Mr. PROXMIRE. I understand the Senator from Illinois to say that if we wanted to ask him questions he would yield.

The PRESIDING OFFICER. The Senate will be in order. It is the understanding of the Chair that the Senator from Illinois yielded the floor.

Mr. PROXMIRE. Mr. President, has the committee amendment been laid before the Senate?

The PRESIDING OFFICER. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 18, it is proposed to insert:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. McNAMARA. What is the present status of the committee amendment?

The PRESIDING OFFICER. The first committee amendment is pending. It has not been agreed to.

Mr. McNAMARA. Will someone explain to me the purpose of the first committee amendment? Does the Chair have the information? Apparently there is no one here who is in a position to defend this amendment.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Would it be in order for the clerk to read the first committee amendment again?

Mr. McNAMARA. I have the language of the amendment before me. I want to know what it means. It is written in technical terms. I want to know its effect.

The PRESIDING OFFICER (Mr. HART in the chair). The duty of the Chair does not extend that far, even assuming the ability of the Presiding Officer, as a Senator from Michigan, to do so.

Mr. McNAMARA. I did not want to ask anyone in particular. I simply want to know what it is we are expected to vote on.

Mr. MANSFIELD. Mr. President, it is not the intention of the leadership to ask for a vote on this amendment tonight, but simply to have it pending for action tomorrow. At that time the members of the Committee on Public Works will be here to answer any and all questions which may be raised by the senior Senator from Michigan and any other Senators, based upon information which the members of the committee have in their possession. But the amendment will not be voted on tonight; it will be the pending business of the Senate tomorrow.

Mr. McNAMARA. Do I understand from the reply of the acting majority leader that the information cannot be supplied at this time?

Mr. MANSFIELD. That is true, because, unfortunately—and again it is the fault of the acting majority leader—Senators have been told that there would be no votes this evening, and they left on the assumption that as soon as the junior Senator from Wisconsin finished asking some questions, the Senate would recess.

Mr. McNAMARA. I thank the Senator from Montana.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. PROXMIRE. Will the Chair inform the Senator from Wisconsin

whether at the present time he has been recognized to speak on the first committee amendment?

The PRESIDING OFFICER. The Senator from Wisconsin has been recognized to speak on the first committee amendment.

Mr. PROXMIRE. I am speaking on the first committee amendment. Is that correct?

The PRESIDING OFFICER. In a parliamentary sense, yes.

Mr. PROXMIRE. I thank the Presiding Officer. My reason for asking for recognition is that the senior Senator from Illinois has delivered a very effective speech, one of the most effective I have ever heard on this issue—and a number of speeches have been made.

I thought, in all fairness, and for the information of all Senators, that it would be wise to bring out some of the points made by the Senator from Illinois to see just how far we can go in understanding them. For that reason, I asked the Senator from Illinois to be present so that I could ask him some questions. I know that he has retired from the floor temporarily; I hope he will return.

Mr. President, I have before me an editorial entitled "No Lake Diversion Ever Voted," published in the Milwaukee Journal. The first paragraph reads:

The new diplomatic note from Canada must make it perfectly clear to the U.S. Senate, as it should have been all along, that an act of Congress allowing Chicago to divert more Great Lakes water cannot be voted in good conscience and in good faith.

Mr. President, I hope the editorial will be read in its entirety by as many Senators as can do so before tomorrow.

It is my understanding that sometime tomorrow a motion may be made to refer the bill to the Committee on Foreign Relations. I feel very strongly that it should be referred to the Committee on Foreign Relations.

The fact is that at least two—and I believe three—of the members of the Committee on Public Works, which reported the bill favorably, feel likewise, as they have said in the committee report. It is my understanding that the six members of the Committee on Public Works who voted against reporting the bill also feel that it should be referred to the Committee on Foreign Relations. This means that a majority of the members of the Committee on Public Works, who spent many weeks considering the bill and who have explored it very thoroughly, agree, in view of the recent Canadian protest, and in view of the fact that Canada at least believes, whether we agree with Canada or not, that treaties may be violated if the legislation is enacted, that in deference to a good neighbor and a sovereign country, H.R. 1 should be referred to the Committee on Foreign Relations.

In order to provide documentation, I ask unanimous consent, first, that the entire editorial from which I have read be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO LAKE DIVERSION EVER VOTED

The new diplomatic note from Canada must make it perfectly clear to the U.S. Senate, as it should have been all along, that an act of Congress allowing Chicago to divert more Great Lakes water cannot be voted in good conscience and good faith.

Canada fears that the proposed increase in diversion, from 1,500 to 2,500 cubic feet per second, would do great harm to lakes shipping, harbor installations, dredged channels and power developments by lowering lake levels more than nature does in its cycles. This would affect Canadian rights and interests since the Dominion shares Great Lakes shore lines.

It is immaterial that the Chicago proposal is couched in terms of temporariness and experiment; it would still be a diversion by act of one party without consent of the other, wrong in principle and wrong in precedent. And Chicago's soft-soap offer to pay any resulting damages, now written into the bill, is patently as meaningless as the Canadian note implies.

The overriding fact remains that any diversion purporting to be authorized by unilateral act of Congress would violate treaties with Canada that recognize the common interest in waters of the Great Lakes Basin. And even if there were no treaties, it would ethically violate all accepted standards of comity between nations.

All but unknown or ignored in this controversy is the fact that even the present diversion is not by act of Congress. Thus any diversion bill now would be precedent setting, opening a door for more and bigger future diversions, possibly calamitous, by one country or the other in a competitive or retaliatory spirit.

The fact is that Chicago, way back at the turn of the century, was permitted to reverse the Chicago River, making it flow out of Lake Michigan instead of into it. It was the War Department that set a diversion rate for this purpose, and Chicago worked this rate all the way up to a tremendous 8,500 cubic-feet per second.

Then it was the U.S. Supreme Court in 1930, on the plea of Wisconsin and other States, that ordered Chicago to stop it—not just cut it down, but cut it out. The Court did not approve of any diversion, but as a practical matter, the reverse flow being by then too firmly an established fact, it had to leave the present 1,500 foot diversion—to maintain navigation, not to flush sewage. That's the only reason why there is any diversion at all today.

Chicago and Illinois nevertheless have persuaded the more tractable House again this year, as they have sought since 1937, to stick the legislative nose into this issue. But the Senate has a constitutional duty in foreign affairs, as a partner in exercising the treaty power. Surely it must now see how the diversion bill evokes that responsibility.

Mr. PROXMIRE. I also ask unanimous consent, Mr. President, that a series of notes from the Canadian Government to the U.S. State Department, stating the position of the Canadian Government, be printed at this point in the RECORD. Mr. President, in order to make sure that the notes are printed in the RECORD in the order which I believe will be of the greatest assistance in giving information to Senators, I ask that they be printed in inverse chronological order—that is to say, that the first one to be printed be the note of August 20; the second be the note of June 12; the third be the note of April 9—also identified as "No. 184"—and that the fourth be that of February 20, 1959. Some of them are aide memoires; some of them are memorandums; and some are identified in other ways. But all of them point out the clear, emphatic position of Canada that passage and enactment of this bill would be against Canada's best interests. Although I am sure many Senators favor enactment of the proposed legislation, if they will read these documents, they will recognize that Canada certainly deserves consideration at least by the only Senate committee which is competent to pass on such proposed legislation—namely, the Foreign Relations Committee—and that the Public Works Committee recognizes that the Foreign Relations Committee alone is competent to pass on proposed legislation of this sort.

There being no objection, the notes were ordered to be printed in the RECORD, as follows:

INFORMATION OFFICE,
CANADIAN EMBASSY,
Washington, D.C.

Following is the text of a note delivered to the State Department on August 20, 1959:

"I have the honor to refer to my note No. 184 of April 9, 1959, concerning legislative proposals to increase the diversion of water from Lake Michigan at Chicago.

"I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter. In this connection, I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note. In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with the existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

"Please accept, sir, the renewed assurances of my highest consideration.

"A. D. P. HEENEY,
"Ambassador."

JUNE 12, 1959.

His Excellency A. D. P. HEENEY,
Ambassador of Canada.

EXCELLENCY: I have the honor to refer to your note No. 184 of April 9, 1959, expressing the concern of your Government with regard to legislative proposals to increase the diversion of water from Lake Michigan at Chicago, which are now pending before the U.S. Congress.

The Department transmitted copies of this note to the Committee on Public Works of the U.S. Senate on April 16, 1959. Additionally, the Department has been giving careful study to its contents with particular regard to the allegations therein that certain enumerated agreements and understandings between the United States and Canada would be broken should unilateral action be taken to increase the diversion from the Great Lakes watershed at Chicago. It is to be noted in this connection that the Department is not in accord with all of the points made by your Government in the aforesaid note and consequently must reserve its position with respect to those allegations of a legal nature contained therein.

The Department considers that further consultation between representatives of our two Governments might prove useful. Accordingly, we would be pleased to receive the views of your Government on the desirability of such consultation taking place in the near future.

Accept, Excellency, the renewed assurances of my highest consideration.

———, ———,
(For the Acting Secretary of State).

CANADIAN NOTE NO. 184

The Honorable CHRISTIAN A. HERTER,
Acting Secretary of State,
Department of State, Washington, D.C.:

I have the honor on instructions from my Government to refer to proposals for legislation in the United States concerning an increase in the diversion of water from Lake Michigan through the Chicago Drainage Canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate.

During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by U.S. authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States.

The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular:

"(a) The Boundary Waters Treaty of 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

"If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

"If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

"(b) Niagara Treaty of 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated."

In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956 and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draught may proceed with full load to and from ports of the upper Great Lakes. In this connection I would refer to the following matters:

"(a) The construction of the St. Lawrence Seaway: Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the Seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

"(b) Dredging: By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place, or is about to take place, in the International Rapids section of the river, in the Amherstburg Channel, and in the St. Clair River. These agreements are based on the implied understanding that material changes would not be made in the volume of water available for navigation.

"(c) New channel: In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called Southeast Bend of the St. Clair River. The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water."

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY.

WASHINGTON, D.C., *April 9, 1959.*

OTTAWA, *February 20, 1959.*

On a number of occasions in the past, the Canadian Government has expressed its objections to proposals envisaging increased diversions of water from Lake Michigan at Chicago. Once again, and at the invitation of the Government of the United States through the U.S. Embassy's Aide Mémoire of February 9, 1959, the Government of Canada is anxious to make known its views on legislative proposals now before Congress, such as bill H.R. 1, which are intended to authorize an increased diversion of water from the Great Lakes Basin into the Illinois Waterway.

While recognizing that the use of Lake Michigan waters is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

ROBERT A. FARQUHARSON,
Counselor, Canadian Embassy.

Mr. PROXMIRE. Therefore, Mr. President, I earnestly plead with my colleagues to read the pages of the CONGRESSIONAL RECORD, so that they can give these matters the greatest consideration; I fervently hope that they will agree with us.

Mr. President, apparently the senior Senator from Illinois (Mr. DOUGLAS) has had to leave the floor. I realize that he made a long speech today, and was on the floor a long time. He did an outstanding and an excellent job, and certainly I understand his weariness.

At this time I should like to make several points in connection with the speech which he has made today in the Senate.

On page 3 of his speech, we find the following:

> 3. Why do sanitary engineers think that the diversion of more water will reduce the pollution?
>
> Fresh water contains oxygen which it absorbs from the air. Oxygen, as we all know, is the great purifier. It burns up impurities, either in a dry or wet condition; it kills harmful bacteria. An additional 1,000 cubic feet per second of lake water would supply an average additional 57,000 pounds per day of this all-important oxygen.

The Senator from Illinois spoke with positive knowledge and conviction on the subject. He used the figure 57,000 pounds a day. He did not say 50,000 pounds, or approximately that much. I wanted to ask him whether he was sure. Knowing him as I do, I feel sure that his answer most probably would be in the affirmative. I assume that it would be in the affirmative, because I do not think he would have made the statement in the unqualified way in which he did make it if he had not believed it was true.

I make this point for the reason that if the Senator from Illinois now knows what effect the diversion will have on the oxygen content of the water of the Illinois Waterway, then what would be the purpose of diverting an additional 1,000 cubic feet a second for a year, against the very emphatic protests of the Lake States and the very clear and emphatic protests of the Dominion of Canada?

If the Senator from Illinois already knows that—and I believe he does; and, on the basis of the testimony we have received from the Public Health Service,

I believe this testimony is well known and well established—then there is no necessity to make the proposed diversion.

I now read the next part of the speech the Senator from Illinois made today:

4. Could not some other method do just as well as added diversion? Most sanitary engineers do not think so.

I notice that the Senator from Illinois did not quote any authority. It is true that the Chicago metropolitan district has competent engineers; but I think all must recognize that those gentlemen are biased, and of course they could not speak with objectivity.

It seems to me that if the Senator from Illinois wishes to establish the correctness of his assertion—which is an extremely important one—he should be able, after 4 years of hearings and testimony by a great many witnesses, many of them most objective, to be able to refer to the testimony of at least one unbiased engineer who says that is the best way to do it.

Then the Senator from Illinois said:

But we want these other methods to be studied, and have so provided in an amendment to the bill. The two alternatives that have been most frequently mentioned are (a) chlorination, and (b) aeration effected by injecting compressed air into the waters of the canal below the point of discharge of the treated sewage.

I wanted to ask the Senator from Illinois whether he thinks that would be fair, after the proposed diversion for 1 year. But there would not be 1 year of aeration of the water of the Illinois Waterway, and there would not be 1 year of chlorination of the water of the Illinois Waterway. If there is to be a fair study of the effect and the value of the proposed diversion, on the one hand, and of aeration, in the second place, and of chlorination, in the third place, then all of them should be studied in precisely the same way, first with a 3-year study, in regard to the proposed diversion; then a 3-year study, under exactly the same circumstances, in regard to aeration; and then a 3-year study in regard to chlorination.

Mr. President, I have only a few more points to make at this time.

Mr. President, I ask that my remarks in regard to House bill 1 be printed in the RECORD immediately following the speech made earlier today by the Senator from Illinois, in view of the fact that my remarks pertain to his speech. Accordingly, I think it only fair that the Members of the Senate who will read the RECORD will have the benefit of as full a case in regard to this matter as possible, and—thus—that my presentation be printed in the RECORD immediately following that made by the Senator from Illinois.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, on page 4 of the speech of the Senator from Illinois [Mr. DOUGLAS], we find the following:

We are asking in this bill for a study of the currents in the southern half of Lake Michigan to help determine the dangers of this course which is being pressed upon us by our sister States and which has now been referred by the Supreme Court to Judge Albert Maris as a special master. Incidentally, such a study would be invaluable to Judge Maris in helping him to arrive at a proper decision.

The Senator from Illinois said over and over again that the study would be helpful to Judge Maris.

Mr. President, Judge Maris has been appointed by the Supreme Court; he is the special master. If he wanted such a study made, he would only have to request it. The fact is that the Supreme Court has empowered him to make the study; and he is in a position to make it, and he can make his position clear to the Congress and to the people of Illinois. But he has not done so.

At a meeting held in Philadelphia, attended by Judge Maris and, I understand, by attorneys from Chicago, Judge Maris did not then ask for the enactment of such legislation; and at no time has he asked for it. He has never indicated that he thought such a study would be helpful.

So I believe that any fairminded person would have to conclude, from looking at the record, that the jurisdiction of the Supreme Court would be compromised by the passage of this measure. It would be an affront to Judge Maris. It would mean that the Congress, instead of permitting the Supreme Court to make the study which it intends to make—and it already has set into motion the machinery for making it, would take the matter out of the hands of the Supreme Court, and the Congress itself would make the study.

A little later, on page 4, the Senator from Illinois made the following points:

1. There would be no effect whatsoever on the level of Lake Superior.

2. The maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

At that point, the Senator from Illinois was talking about the effect of a temporary diversion for 1 year.

My question to the Senator from Illinois is this: Why have the diversion, if the Senator from Illinois can assure the Senate at the present time that the conseqences of the diversion would be only a maximum reduction of one-quarter of an inch in the levels of Lake Michigan and Lake Huron, and if he can assure the Senate—as he did, in connection with the chart which is displayed in the Chamber—what will be the permanent effects of the diversion. If he knows what will be the effects on the lake levels and on the quality of water in the Illinois Waterway, why have a diversion which is so fervently protested against by five or six States and by the Dominion of Canada?

Furthermore, it is very significant that the Senator from Illinois said:

The maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

But the fact is that it would take 15 years to do that. But when is it proposed that the Congress be informed of the results of the study? After only 3 years. It is perfectly obvious that there is no information that would be helpful to the Congress in determining the effects of a diversion that would have its effect over a 15-year period, when the report is due only after 3 years of that 15-year period.

Then the Senator went on to say:

The maximum effect upon Lakes Erie and Ontario would be one-sixth of an inch.

Once again I should like to ask the Senator from Illinois if he is sure. If he is sure this is true, then why have a diversion of 1,000 cubic feet per second, which is strenuously opposed by a number of States and the Dominion of Canada?

On page 5 of his statement the Senator from Illinois said:

As a matter of fact, the permanent diversion of a thousand cubic feet per second—for which we are not asking at this time—would only lower the level of Lakes Michigan and Huron by five-eighths to 1 inch.

If he knows it, why have the diversion which we and the Dominion of Canada consider consists of a taking of property away from us? Why have the diversion if the Senator has the information without having a study?

Then the Senator from Illinois pointed out, on page 5, paragraph 4:

Chicago will abide by the decision and recommendation of the report and of the Court. It only asks that its opponents give a similar pledge.

Mr. President, I wanted to ask the Senator from Illinois if it is true that the Supreme Court, in 1930, asked Chicago to file two reports a year thereafter and whether or not Chicago has complied with that request. It is my understanding Chicago has been asked to do that and that Chicago has not complied with the decision of the Supreme Court. Chicago has failed to comply with the requirements and requests of the Supreme Court.

Mr. President, at the conclusion of his remarks, but not in his printed text, the Senator from Illinois said that there would be some incidental benefits to navigation from this diversion and he emphasized this two or three times. He said that the primary benefit would be to the sanitary district and to the sanitary quality of water in the Illinois Waterway.

This statement by the Senator from Illinois was flatly contradicted by Col. Arthur C. Nauman, of the Corps of Engineers, in his testimony in 1958 before the Public Works Committee, when he said there would be no beneficial effects to navigation on the Illinois Waterway by additional diversion. He has said that as clearly as it could be stated. There is no question about it. There are no incidental beneficial effects, and no competent authorities have questioned that statement. The only possible beneficial effect would be in the quality of water in the Illinois Waterway.

We have the most competent authority, the top man on pollution in the Public Health Service, who has told us that he does not need the diversion to tell us

exactly what the effect of the permanent diversion of 1,000 feet or any other amount would be on the oxygen content of the water in the Illinois Waterway.

Mr. President, there were a few other questions I wanted to ask the distinguished Senator from Illinois. As I have said, I understand why the Senator felt it was necessary to leave. I think, in all fairness, I should make these points. I was prepared to ask the Senator from Illinois these questions while he was making his excellent speech. I asked him a question in the beginning. He said after that he would not yield to me. He yielded to my senior colleague from Wisconsin and the Senator from Ohio occasionally. He refused to yield to me. I do hope in the course of the debate we shall have an opportunity to explore the points he has made, which, if they are not challenged, may perhaps persuade a number of Senators to vote for the proposed legislation. I think when those points are examined and challenged, it is clear there is no merit to the points; and when those points are refuted, the argument of the Senator from Illinois disappears.

SALE AT MARKET PRICES OF AGRICULTURAL COMMODITIES TO PROVIDE FEED FOR LIVESTOCK

Mr. MANSFIELD. Mr. President, I ask unanimously consent that H.R. 1 be temporarily laid aside and that the Senator from Wisconsin [Mr. PROXMIRE] not lose the floor, so that the Senate may proceed to consider Calendar No. 729, S. 2504, with the proviso that once action has been taken on that bill, we may return to the consideration of H.R. 1, and that the Senator from Wisconsin will retain his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent the Senate may proceed to the consideration of Calendar No. 729, S. 2504.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2054) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement indicating the need for the proposed legislation. The bill covers a drought area in the Great Plains region, and the relief it provides is very much needed at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

The bill authorizes the sale at market prices of feed grains owned by Commodity Credit Corporation to meet shortages in emergency areas. The bill thus exempts such sales from the minimum resale price provision of section 407 of the Agricultural Act of 1949. The bill also authorizes the Secretary of Agriculture to permit the harvesting of hay from conservation reserve lands under certain conditions to alleviate hardship caused by natural disaster.

SECTION-BY-SECTION EXPLANATION

Section 1 authorizes the Secretary of Agriculture to sell wheat, corn, oats, barley, rye, or grain sorghums owned by Commodity Credit Corporation at market prices to provide livestock feed in any area determined to be an emergency area under section 2. This provision constitutes a limited exemption from section 407 of the Agricultural Act of 1949, which prohibits the Commodity Credit Corporation from selling any of such commodities for "less than 5 percent above the current support price for the commodity, plus reasonable carrying charges." Sales for seed or feed are excepted by section 407(C) from this limitation if they will not substantially impair any price-support program, but in the past the Secretary has been reluctant to find that they will not.

Section 2 authorizes the Secretary of Agriculture to designate the areas in which the sales authorized by section 1 may be made. He may make such designation if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in the area. Such a designation by the Secretary would not be required to meet the more rigid conditions of Public Law 875, 81st Congress, section 2(d) of Public Law 38, 81st Congress, or section 407 of the Agricultural Act of 1949, which require certification by the Governor and a determination by the President that a "major disaster" has occurred.

Section 3 restricts sales under section 1 to persons unable to obtain sufficient feed for their livestock without undue financial hardship and who agree to use the grain purchased by them only to feed such livestock. The Secretary would, of course, be expected to work out a program under which the normal channels of trade might be used in making such sales.

Section 4 imposes a penalty to be collected by civil suit upon any person who breaches his agreement to use feed purchased under section 1 only for his own livestock. The penalty would equal the market value of the feed with respect to which the breach occurs.

Section 5 authorizes the Secretary to permit the harvesting of hay from conservation reserve lands if the Governor certifies the need therefor and the Secretary determines that such harvesting is necessary to alleviate damage, hardship, or suffering caused by a natural disaster. This authority is similar to that which the Secretary now has to permit the grazing of conservation reserve lands, and is based upon the same considerations. The committee felt that it made no sense to provide Government assistance in the importation of hay into a drought area, as has been done in the past, and at the same time to prevent hay growing in the area from being harvested. The Department has indicated that necessary safeguards to prevent abuse of permission to harvest hay might be more difficult to enforce than those applicable to grazing permission. The committee felt, however, that such enforcement problems were not more serious than many imposed on the Department in connection with other programs and should not prevent enactment of this desirable measure. Section 485.163(b)(4) of the conservation reserve program regulations provides that no annual payment will be made if the land is grazed pursuant to permission from the Secretary. It is expected that similar provision would be made if hay harvesting were permitted.

EXISTING FEED GRAIN ASSISTANCE AUTHORITY

Section 407 of the Agricultural Act of 1949 now authorizes the Commodity Credit Corporation to make available any farm commodity owned by it for use in relieving distress "in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress." Section 2(d) of Public Law 38, 81st Congress, authorizes the Secretary "in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress * * * to furnish * * * feed for livestock * * *." A Department press release describes its existing program as follows:

"4. Feed grains: If the President has declared the State a major disaster area, the Secretary of Agriculture may designate specified areas eligible for livestock feed grain programs. In extreme cases, under the disaster relief feed grain program surplus grains are made available on a temporary donation basis to State agencies for feeding distressed livestock. Under the emergency feed program, eligible farmers may receive assistance of $1 per hundredweight in the purchase of surplus grains for maintaining foundation herds of cattle, sheep, and goats. This second program operates through authorized feed dealers."

Because of the legislative and administrative history of these provisions, as well as some differences in the provisions themselves, the Department is reluctant to extend assistance under them in the case of a first-year drought, or to provide relief under them for hogs or other than foundation herds. As pointed out in the discussion herein of section 2, the criteria for designation of an area for feed assistance under the bill are less stringent than those provided for by existing law. On the other hand, where existing law authorizes donations, the bill goes only so far as to permit the sale at market prices.

IMMEDIATE NEED FOR BILL

In introducing the bill Senator MUNDT described the situation in his own State which made its introduction necessary as follows:

"This bill has been drafted to provide the Secretary of Agriculture with the necessary statutory authority to meet a critical feed situation which currently exists in many counties throughout my home State of South Dakota. South Dakota has been hit by severe drought conditions, and it appears certain that the production of corn and other feed grains is going to be far below the normal annual volume. Feed grain producers, anticipating this low harvest, are holding in storage corn and other feed grains, which would normally be moving into the market. This retention of feed from the market is occurring for at least two reasons. First, many South Dakota feed grain producers are also engaged in livestock production. Normally these farmers feed a portion of their crop, and move the remainder into the grain markets. However, this year the portion of last year's crop that would normally be marketed is being held, for it will be required to meet their own feeding needs. Second, other commercial feed grain producers are, undoubtedly, holding a portion of last year's crop in storage, awaiting a more favorable market price.

"The unfortunate result of this retention of feed by producers is that there is simply no feed available for purchase in many drought-stricken areas at the normal markets. Thus, livestock feeders and producers who are not diversified and who do not raise their own feed are not able to purchase their feed requirements.

"I have received numerous letters from livestock men and farmers who request that the surpluses owned by the Commodity Credit Corporation be made available for purchase at the existing market prices. I am advised that Commodity Credit Corporation has approximately 44 million bushels of corn in storage in South Dakota.

* * * * *

"It is patently obvious that livestock producers and feeders cannot afford to pay the premium prices for feed, which are required under the existing statutes. It is equally obvious that the current feed shortage cannot persist much longer without causing irreparable damage to the livestock industry in South Dakota. The feed shortage is so severe in some areas of the State that producers are sincerely fearful of depredation of foundation herds. Should this tragedy occur, it would be a matter of years before the South Dakota livestock industry would be fully recovered."

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of August 8, 1959, for a report on S. 2504, a bill to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

This Department does not recommend the enactment of S. 2504.

Section 1 of the bill provides notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell, at market prices, any wheat, corn, oats, barley, rye, or grain sorghums owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area.

Section 2 provides that the Secretary may designate any area as an emergency area for the purposes of this act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in such area.

Section 3 provides that the Secretary shall not sell feed grains under this act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for feed for such livestock.

Section 4 provides a penalty provision in case of misuse of feed provided under the bill.

Section 5 amends section 107(a)(3) of the Soil Bank Act authorizing the Secretary to permit producers, under emergency conditions, to harvest hay on conservation reserve acres.

Our major objection to S. 2504 stems from section 2 which would place responsibility in the Secretary for designating any area as an emergency area as a result of catastrophe if he determines there is a shortage of feed therein. No standards are provided for evaluating the extent of the catastrophe. There appears to be no need for such additional authority. Present provisions of section 407 enable the Secretary to make available such supplies of commodities, including feed grains, owned or controlled by Commodity Credit Corporation as are deemed necessary in connection with major disasters determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended. In this situation, therefore, additional authority in this field not only is unnecessary but would unduly complicate operations and determinations required to be made in view of present legislation.

The first section of the bill authorizing sales at market prices of CCC-owned feed grains including wheat, for livestock feed, in areas determined by the Secretary as emergency areas, would give rise to additional problems. For example, such sales could have price-depressing effects on the normal marketing of livestock feeds through established commercial trade channels. Aside from interference with normal commercial transactions, such sales could seriously impair effective price-support operations in the designated areas. Net result, then, may require the takeover of larger quantities of these commodities under the price support program and lead to increased losses.

Section 5 would amend section 107(a)(3) of the Soil Bank Act by authorizing the Secretary to allow the producer to harvest hay on conservation reserve acres which are under contract under certain emergency conditions. No provision is made for this in the present law which permits the farmer in a specified disaster area who has livestock to graze the designated acreage during the emergency period. Permission to harvest hay from the land would open the door to abuses of the program and defeat of the purposes by permitting the harvest of hay from the acreage and sale of that hay at a later date, long after the emergency is past. To prohibit sale would require the employment of additional persons to check and an additional procedure for checking and spot checking. Farmers participating in the program in other areas would be unable to understand why hay could be cut for storage and sale in one area and not from theirs. When under present law the growth on the land is permitted to be pastured in a disaster area, it alleviates the problems of the man who owns cattle and does not create additional problems and pressures.

In view of the telephone request for immediate submission of this report in order that the committee may consider it immediately, we have not obtained advice from the Bureau of the Budget regarding the relationship of this proposed legislation to the program of the President.

Sincerely yours,

E. L. PETERSON,
Acting Secretary.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell, at market prices, any wheat, corn, oats, barley, rye, or grain sorghums (hereafter referred to as feed grains), owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area under section 2.

SEC. 2. The Secretary may designate any area as an emergency area for the purposes of this Act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in such area.

SEC. 3. The Secretary shall not sell feed grains under this Act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for feed for such livestock.

SEC. 4. Any person who fails to carry out an agreement entered into under section 3 with respect to any feed grains purchased under this Act, or who disposes of any such feed grains other than by feeding to livestock owned by him, shall be subject to a penalty equal to but not in excess of the market value of the feed grains involved, to be recovered by the Secretary in a civil suit brought for that purpose.

SEC. 5. Section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the producer to harvest hay on such acreage if, after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster."

THE PONY EXPRESS

Mr. ALLOTT. Mr. President, the pages of American history glow with no more romantic, glorious episodes than those which deal with the era of the pony express. The spirit and daring of its riders has held the wonder of generations of American boys. The brief history of this gallant band of men is one which must be preserved, however, best we can. My distinguished friend, the very able senior Senator from Utah [Mr. BENNETT] has introduced a bill which seeks to accomplish that end, and I am privileged to cosponsor S. 2454.

In keeping with the aims of the bill and of the Pony Express Centennial celebration, I wish to invite attention to a very colorful history written by my good friend of 25 years, Rev. Raymond W. Settle. It is entitled "The Pony Express: Heroic Effort, Tragic End."

Reverend Settle spent 7 years in my hometown of Lamar, Colo., during which time my knowledge and appreciation of Western lore was enhanced by this remarkable man. As teacher, author, and clergyman, Raymond Settle has established for himself an outstanding reputation as a chronicler of the West.

So that my colleagues may share the excitement of reading again of those splendid days of yesteryear, I ask unanimous consent that excerpts from the article be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE PONY EXPRESS: HEROIC EFFORT, TRAGIC END

(By Raymond W. Settle)

Everyone connected with the Pony Express knew, from the very beginning, that it would operate only temporarily. On April 3, 1860, in a celebration commemorating the start of the first rider from St. Joseph, Mo., Alexander Majors, partner in the firm of Russell, Majors & Waddell, which founded, operated, and owned the Express, said in a speech that it was but the forerunner of "a more important and greater enterprise, which must soon reach its culmination, viz., the construction of a road upon which a tireless iron horse will start his overland journey."

Mayor M. Jeff Thompson grew prophetic on the same occasion, and said "Hardly, will the cloud of dust which envelops the rider die away before the puff of steam will be seen upon the horizon."

That a railroad from the Missouri River to the Pacific coast, which both speakers had in mind, would make the Pony Express unnecessary and terminate its service was both logical and inevitable. William H. Russell, another partner in the firm of Russell, Majors & Waddell and president of the Central Overland California & Pike's Peak Express Co., who had helped promote several short railroads in Missouri a few years before, also knew this, and so did William B. Waddell, the third partner.

Public interest in a transcontinental railroad across the plains and mountains was keen, and mounting year by year. Mayor Thompson and the people of St. Joseph had been dreaming dreams and seeing visions about the proposition for a long time. The recent completion of the Hannibal & St. Joseph Railroad, the first to be built across the State, and plans to push the Roseport & Palmetto line across the plains of Kansas to Denver, with the expectation of later extending it all the way to the Pacific coast, made them believe their little city of St. Joseph was destined to be the gateway to the boundless West.

Since the Pony Express constitutes an important segment of the story of transporting U.S. mail to the Pacific coast, it is necessary to outline that broader narrative here. It all began with the discovery of gold at Sutter's mill in California on January 24, 1848. During the following year 100,000 people rushed into that region seeking riches. In 1850 the population was estimated to be about 300,000. By the time the Pony Express was started it numbered almost 400,000.

The first agitation for mail service to the Pacific coast was promoted by immigrants to Oregon. In March 1847, a bill to provide this service, which included the building of five steamships under the supervision of the Secretary of the Navy, was passed by Congress. While the ships were being constructed, contracts for transporting the mail to Oregon via the Isthmus of Panama were let. The one for the Atlantic end of the line went to A. G. Sloo, of Ohio, and that for the Pacific to Arnold Harris, of Arkansas. In April 1848, William Aspinwall formed the Pacific Steamship Co. Sloo transferred his contract to George Law, and that of Harris went to Aspinwall. The service was to be once a month, with a stop at the infant town of San Francisco. While the first steamer, the *California*, was en route to the Pacific around Cape Horn, gold was discovered at Sutter's mill. When the ship reached San Francisco she was left stranded in the bay by her entire crew, who stampeded off to the gold diggings.

From the beginning the once a month arrangement was unsatisfactory to the people of Oregon and California. The majority in both territories, having come overland from the Missouri River, were convinced that a mail line over the same road would render far better service than a sea route via Panama.

The people of the west coast not only wanted more frequent, regular service, but also a speedier one. After several unsatisfactory attempts to establish a line on the central route by way of Salt Lake City, Congress, in 1857, authorized a semiweekly overland mail to California on a 25-day schedule, with pay of $600,000 per year.

The route, chosen by the Postmaster General, ran from St. Louis through Little Rock, Ark., El Paso, and Preston, Tex., Forts Fillmore and Yuma, Ariz., to San Diego and San Francisco—a distance of approximately 2,800 miles. In the East it became known as the Horseshoe or Ox-bow Route.

The contract to carry the mail over this long route was given to the Overland Mail Co., whose president, John Butterfield, was also one of the organizers of the American Express Co. This concern, which had much to do with the Pony Express during the last 4 months of its existence, was organized and financed by representatives of the four principal express companies in the country, the American, Adams, National, and Wells Fargo.

Before service on this line began, a storm of protest over its length was raised in California and the East. In spite of complaints, however, Butterfield laid out his route, built stations, bought equipment, and stocked it with good horses. Service began on September 16, 1858. The criticisms continued in spite of the fact that the coaches ran with amazing regularity and on schedule time.

About the time the Overland Mail Co. went into operation, gold was discovered in Colorado. The great number of people who flocked to the new El Dorado on Cherry Creek led William H. Russell and John S. Jones to organize the Leavenworth & Pike's Peak Express Co. and run a line of stages from Leavenworth, Kans., to the infant town of Denver. The organization of this company introduced Russell to the stagecoach and express business and opened to him the possibilities of transporting the mail to California over the central route. About a week before the line went into actual operation he bought J. M. Hockaday & Co.'s contract to carry mail from the Missouri River to Salt Lake City.

The Leavenworth & Pike's Peak Express Co. was destined for only a brief existence. Because of the firm's inability to pay running expenses and notes owing for equipment and stock, Russell, Majors & Waddell were compelled to take over the line on October 28, 1859. Instead of discontinuing the former, a new concern, the Central Overland California & Pike's Peak Express Co., was organized to absorb it.

Without a doubt competition with the Overland Mail Co. for the business of carrying the mail to the west coast was one of the primary reasons for organizing the new company. On May 11, 1860, the Postmaster General annulled George Chorpenning's contract for carrying the mail from Salt Lake City to the west coast, and awarded it to the Central Overland California Pike's Peak Express Co. This put the company into the stagecoach, express, and mail business for the territory from the Missouri River to California over the central route and in a position to compete with the Overland Mail Co.

Although the Central Overland now had two mail contracts on that route, the combined pay was only $260,000 per year, less than half the amount the Overland Mail Co. received. That, as experience quickly demonstrated, was not even enough to pay the actual expenses of operation. It did, however, encourage the friends and advocates of the central route to hope that a contract to carry all of the mail might be eventually secured.

In normal circumstances and with the pony express to dramatize and keep that route in the public mind, both in the East and West, the firm of Russell, Majors & Waddell and their new company might have wrested the great mail contract away from its rival, the Overland Mail Co. The struggle between the giants, however, never progressed beyond the preliminary stage of jockeying for position. The probabilities are that had the threat of civil war been abated in 1860 there would have been two lines with profitable mail contracts covering them. The one could have served southern California, and the other the central and northern portion and the Northwest. Under this arrangement good service could have been provided and the sectional controversy over the routes satisfactorily compromised.

When Congress convened in December 1860, the hoary battle of the routes was resumed. In spite of the fact that Southern influence and power declined daily by the secession of States and the resignation of Members of both Houses, the struggle promised to be almost as bitter as ever.

On February 2, 1861, the annual post route bill, which provided for a daily mail from the Missouri River to California with pay of $800,000 per year, was introduced. This did not designate the central route, but apparently its backers had it in mind. Senator William M. Gwen, of California, thought the pay should be $1 million and that the contract should go to Russell, Majors & Waddell and their Central Overland California & Pike's Peak Express Co.

William H. Russell and William B. Dinsmore, president of Adams Express Co. and also John Butterfield's successor as president of the Overland Mail Co., were both in Washington at this time. Moreover, they were without doubt carrying on negotiations relative to the consolidation of the two routes. That this was so is indicated by the fact the Post Office and Roads Committee of the Senate was debating this very thing. What happened later regarding those routes and the plan adopted by the rival companies is further evidence of it.

Unfortunately a common sense plan did not mature. While the post route bill was being debated in the Senate, and before the Post Office and Roads Committee of the same body had made a report, word reached Washington that the Overland Mail line had been "cut up by the roots" by the Confederates in Texas and all its stages stopped. This was all too true. The mail had been halted at Fort Smith, Ark., in the East and Tucson, Ariz., in the West. The stage station at Syracuse, Mo., and the principal railroad bridges on the Missouri Pacific Railroad west of St. Louis had been burned. Service on the southern route was never resumed. For a period of approximately 3 months the only mail service the people of the west coast had was carried to them by pony express and the Russell, Majors & Waddell Co., or by sea.

If this company ever received any extra pay for the added burden and expense it cheerfully bore during that interim, no record of it exists. The Overland Mail Co., however, received full pay during the time its line was out of commission and $50,000 besides for losses in stock and equipment.

With Texas out of the Union and Confederate Forces being rapidly mobilized in Arkansas and Missouri, it was obviously impossible to continue the transportation of mail to California over the southern route. For the time being the Overland Mail Co. was out of business, a casualty of the war.

The breaking up of that company's line and the stopping of mail to California over it presented the Government with as pretty a dilemma as one could hope to find. The Overland Mail Co. had faithfully discharged its obligations under its contract, and the stoppage of the mail to California could in no manner be charged to it. The case was so simple and plain that everybody's sympathy was aroused, and no one thought of attempting to find grounds for annulling the contract and awarding it to the Central Overland California & Pike's Peak Express Co. Neither was there any complaint against the Central Overland's handling of the mail on the central route; nor was there any reason for annulling its two contracts and awarding them to the Overland Mail Co. To further complicate the situation, the financial condition of both companies, plus the shattered economic structure of the whole country, made it almost impossible for either of them to secure large loans which would be necessary if one company were to attempt to carry the whole burden alone.

The truth of the matter was there was no simple, easy way out of the dilemma. The

Overland Mail Co. had the main contract for transporting mail to California, but no line over which to travel. The Russell, Majors & Waddell Co. had two minor contracts and the only open, unexposed route. What to do? Solution of the dilemma by the process of annulment and the certain ruin of one of the contractors was not considered.

And something had to be done, for the regular flow of mail to and from California had to be maintained at any cost. A movement to carry that State out of the Union, or divide it north and south, was already being promoted with some promise of success. If California seceded, her gold would be denied the hard-pressed Union. Furthermore, if that catastrophe occurred, the position of Oregon and Washington would be jeopardized.

Without a doubt the dilemma was solved by an understanding between William H. Russell, William B. Dinsmore, and congressional leaders as to what could and should be done in the crisis. Five days after the news of the disaster to the Overland Mail Co. reached Washington, the Senate Finance Committee reported the post office appropriation bill. This provided for the bodily removal of the Overland Mail Co. from the southern to the central route, letter mail on a 20-day schedule 8 months of the year and 23 days for the remaining time, and the continuation of the Pony Express semiweekly until the transcontinental telegraph line was completed. The pay was $1 million per year.

The swift, smooth progress of the bill through both branches of Congress, together with what happened immediately afterward, indicates previously considered plans, harmony, and understanding between all parties concerned.

The bill was approved by President Buchanan on March 2, 1861, and became the law of the land immediately. On March 12, E. S. Childs, Acting Second Assistant Postmaster General, officially notified Dinsmore that the Postmaster General had ordered service discontinued on the southern route by the Overland Mail Co. and that a like service was to be performed on the central route. This service was to begin July 1, 1861. Four days later, March 16, Russell and Dinsmore signed a contract in New York, under which the central route was divided into two sections with each assuming operation of one of them.

Everybody concerned with this great contract was satisfied with its provisions. Russell wrote William B. Waddell that it was "all the company could ask, and as much as I ever encouraged them to hope for, and withal an A No. 1 contract, one that will pay big money if well managed, I am content. We should get the thing up right, work it with energy, and with its results entirely relieve R. M. & W."

Russell's feeling of satisfaction with the contract was fully justified. In the first place, he and his partners, Majors and Waddell, would receive $220,000 a year more for operating over approximately half the route from the Missouri River to Salt Lake City than they were then receiving for covering the whole line to Placerville, Calif. It is true that the cost would be greater, but with improved facilities an increase in passenger and express receipts was expected. Considering the precarious condition of the company, the new contract was a windfall indeed.

Dinsmore was also highly pleased with the contract. Hiram S. Rumfield, agent for the Overland Mail Co. at St. Louis and later at Salt Lake City, said that after the service on the southern route was stopped the proposition of abandoning the business altogether was freely discussed by the officers of the company. He also said that the contract with Russell was "regarded as advantageous to the Overland Mail Co."

Technically, and according to the provisions of the bill passed by Congress, the Overland Mail Co. was the sole mail contractor on the central route. Not only that, orders for service upon that route were delivered only to that company. Under a strict interpretation of the bill the Central Overland California & Pike's Peak Express Co. would be put entirely out of the business of carrying the mail and operating the pony express over the central route.

It was not so intended and did not turn out that way. Under his contract with Russell, Dinsmore surrendered the eastern division, the best and easiest managed half of the line from the Missouri River to Salt Lake City. For his own company he retained the more difficult, hazardous western division. This was the obvious thing to do since Russell's company, being familiar with the eastern division and already established upon it, could carry on as usual during the critical period of change and readjustment. In addition the western end of the old Overland Mail line on the southern route, not having been raided as was its eastern sections, still retained intact its stock, equipment, and personnel. Therefore the simplest, easiest, and cheapest way to put the new line on the central route into operation was to move it all north from southern California to Placerville.

Convenience and economy probably account for making Placerville the western terminus of the Overland Mail Co. line instead of Sacramento. The situation regarding that short 50-mile stretch was practically identical with that on the eastern division. The Pioneer Stage Line was already successfully operating a line of daily stagecoaches between Virginia City and Sacramento. Arrangements were therefore made with that company whereby it assumed responsibility for the mail, express packages, and passengers from Placerville onward.

Under the provisions of the bill passed by Congress, the Pony Express line also ended at Placerville. The arrangement with the Pioneer Stage Line and the fact that the telegraph line now extended eastward to Fort Churchill made it unnecessary, so far as the Overland Mail Co. was concerned, for the express to go farther.

In view of the oft-repeated statement that the pony express never had official Government recognition or sanction, it is significant that the bill not only expressly stipulated that the express should be operated, but also fixed the fee to be charged. After July 1, 1861, and as long as it operated, it was a Government authorized service running on a schedule included in the law.

It has been claimed that Wells Fargo Express Co. made the reductions in pony express rates in 1861—from $5 to $2 an ounce in April and to $1 on July 1. Wells Fargo had nothing whatever to do with these changes, although on April 15 William H. Russell appointed it temporary agent for the Central Overland California & Pikes Peak Express Co. in San Francisco. Since the contract with Dinsmore was already signed, this appointment would expire on July 1. With these simple and relatively unimportant facts as a basis, the exaggerated claim has been made that Wells Fargo Express Co. rendered a great public service by reducing pony express rates.

The plain truth is that Wells Fargo Express Co. was merely acting temporarily as agent for the Central Overland California & Pike's Peak Express Co. during the interim between the passage of the bill providing for the removal of the Overland Mail Co. to the central route and the first of July, a period of a few weeks. During that period Wells Fargo's duties and responsibilities were identical with those of other agents elsewhere—in St. Louis and Chicago, for instance, where activities consisted of handling express and passenger business, pony express letters, and carrying out instructions as agent from the company. Among those instructions was the reduction of pony express rates from $5 to $2 per ounce. Thus whatever praise is due anyone for this reduction must go not to the agent but to the Russell, Majors & Waddell Co., who alone had exclusive authority to make it.

The second reduction, on July 1, was made by act of Congress, with which the Overland Mail Co. and the Central Overland California & Pike's Peak Express Co. were obliged to conform. No more need be said on this particular point. So far as the actual history of the pony express is concerned, and under normal historical circumstances, the reduction of rates in 1861 would be merely one of many minor points worthy of no more than brief mention. However, since the reduction has been made the basis for inflated claims and sweeping misstatements designed to elevate Wells Fargo to the detriment of the daring men, William H. Russell, Alexander Majors, and William B. Waddell, who founded, financed, and operated the pony express, a detailed analysis of the rate reductions is necessary here.

The question of why in April 1861, Wells Fargo Express Co. issued its first two adhesive franks, the so-called pony express stamps with the likeness of a pony express rider upon them, when it had nothing of that kind of its own, is a rather intriguing one. One answer could be for its use as agent, and the other that it was preparing to inaugurate a pony express on the 50-mile section between Sacramento and Placerville on July 1 when the Overland Mail Co. would take over the western division of the central route.

Without a doubt the starting of that line figured in the negotiations between Russell and Dinsmore, as did the arrangement with the Pioneer Stage Line prior to the passage of the overland mail bill by Congress. On June 26, 1861, Wells Fargo Co. advertised that beginning July 1 it would "run a pony express from San Francisco to Placerville on Wednesdays and Saturdays * * * connecting with the Overland Mail Co.'s pony express from Placerville to St. Joseph." The latter was, of course, the original pony express. In the meantime the Overland Mail Co. appointed Wells Fargo its agent in San Francisco. Just here it should be borne in mind that the management and operation of these pony express lines were two separate, unrelated functions. Although the advertisements stated that the Wells Fargo line would run from San Francisco to Placerville, it was understood that letters from the former city would go to Sacramento by boat.

Philatelic journals indicate that on July 1 Wells Fargo Express Co. issued three new adhesive franks. These consisted of a $1 red, a $2 green, and a $4 black, which complied with the rate stipulated in the overland mail bill. These were followed by others of 10- and 25-cent values in 1862. In addition to those bearing the likeness of a pony express rider, others of a different design were later issued.

The idea for these adhesive franks was neither new nor unique. Boyd's City Express, New York City, used them as early as 1844. The first of this type used in the United States, antedating the gummed postage stamp by about 5 years, was used by the City Dispatch Post, New York, in 1842. Adams & Co., which started in the express business in California in 1849, put out two of them in 1854. These were the earliest issued west of the Mississippi River. In 1861 scores of letter and newspaper city delivery concerns, called by various names, were in operation all over the United States, including California, most of them using adhesive franks.

Neither the fact that Wells Fargo issued these franks nor that letters bearing them

were carried over the original Pony Express line is to be taken as proof that this company had anything whatever to do with the management and operation of either the Central Overland California & Pike's Peak Express Co. or the Overland Mail Co. There was, of course, an arrangement whereby letters bearing these franks were honored, first by the Russell, Majors & Waddell Co. and after July 1 by the Overland Mail Co., and their share of the fee collected. They prove nothing except that Wells Fargo Express Co. advertised that they would run a 50-mile pony express of their own.

The contracts between Russell and Dinsmore having been signed, steps looking toward the beginning of service on July 1 were taken. In the East the Overland Mail Co. stock and equipment, whatever remained of it, was sold to Russell's company. This was possibly in exchange for similar property of the latter on the western division, and doubtless included Pony Express horses, stations, and other apparatus. E. S. Alvord was appointed general superintendent of the whole route, Hiram S. Rumfield was Overland Mail Co. agent at Salt Lake City, and H. Montfort, agent for the Pioneer Stage Line at Sacramento, filled the same office there. Fred K. Cook, assistant treasurer of the company, had his headquarters at Salt Lake City. In southern California, William Bulkley, superintendent of the Coast Route from Los Angeles to San Francisco, and his assistant, James G. Beggs, moved horses, stagecoaches, and other equipment north to Placerville. Some of the old Overland Mail Co. employees went along, but most of the station keepers, stock tenders, and Pony Express riders in the employ of the Central Overland California & Pike's Peak Express Co. retained their jobs.

It is indeed unfortunate that after almost a century the personalities of William H. Russell, Alexander Majors, and William B. Waddell, the men who founded the Pony Express, and heroically bore the disastrous expense of it, should be obscured, and the name of Wells Fargo Express Co., which was not responsible for it in any manner at anytime, be more prominently associated with it in the public mind. It is interesting to note that prior to the year 1930 there is nothing in documented history which even purports to connect Wells Fargo with the origin, management, or operation of the Pony Express. But following the lead of misinformed writers, publicity agents, and motion picture producers, vast numbers of Americans of all ages today believe this untruth.

On June 16, 1860, about 10 weeks after the first Pony Express riders took off at both ends of the line, Congress authorized the enterprise that would terminate its career some 18 months later. This was the passage of a bill instructing the Secretary of the Treasury to subsidize the building of a transcontinental telegraph line to connect the Missouri River and the Pacific coast, to an amount not to exceed $40,000 per year for 10 years.

The passage of the bill resulted in the incorporation of two companies to build the line—the Overland Telegraph Co., of California, and the Pacific Telegraph Co., of Nebraska. On July 4, 1861, Edward Creighton began building the latter company's line westward from Julesburg, Colo., toward Salt Lake City. Twelve hundred miles to the west on the same day at Fort Churchill, James Gamble set the first pole in the Overland Telegraph Co.'s eastward reaching line, and a race to be the first to reach Salt Lake City was on.

While the lines were under construction the pony express operated as usual. Letters and newspapers were carried the entire length of the line from St. Joseph to Sacramento, but telegrams only between the rapidly advancing wire ends. The pony express riders, who knew that the meeting of the lines in Salt Lake City would terminate their occupation, took a deep interest in the progress of the work. They carried news and reports from one construction crew to another and were able to forecast, almost to a day, when the job would be completed.

Creighton won the race by setting his last pole in Salt Lake on October 20, 1861. Four days later Gamble's crew arrived. On the 26th the wires were joined, and San Francisco was in direct telegraphic connection with New York. On that day the pony express was officially terminated, but it was not until November that the last letters completed their journey over the route. Thus the telegraph, and not the transcontinental railroad as prophesied by Alexander Majors and Mayor M. Jeff Thompson in St. Joseph on April 3, 1860, brought an end to the pony express.

As a final salute to the pony express the following editorial written by Mr. McClatchy, of the Sacramento Bee appeared in his Daily Bee, Sacramento, Calif., October 26, 1861:

"FAREWELL PONY

"Our little friend, the pony, is to run no more. 'Stop it,' is the order that has been issued by those in authority. Farewell and forever, thou stanch, wilderness-overcoming, swift-footed messenger. [For the good thou hast done we praise thee; and, having run thy race, and accomplished all that was hoped for and expected, we can part with thy services without regret, because, and only because, in the progress of the age, in the advance of science and by the enterprise of capital, thou hast been superseded by a more subtle, active but no more faithful public servant.] Thou wert the pioneer of a continent in the rapid transmission of intelligence between its peoples, and have dragged in your train the lightning itself, which, in good time, will be followed by steam communication by rail. Rest upon your honors; be satisfied with them, your destiny has been fulfilled—a new and higher power has superseded you. Nothing that has blood and sinews was able to overcome your energy and ardor; but a senseless, soulless thing that eats not, sleeps not, tires not—a thing that cannot distinguish space—that knows not the difference between a rod of ground and the circumference of the globe itself, has encompassed, overthrown and routed you. This is no disgrace, for flesh and blood cannot always war against the elements. Rest, then, in peace; for thou hast run thy race, thou hast followed thy course, thou hast done the work that was given thee to do."

The following notice of discontinuance of the pony express appeared as an advertisement in the Sacrameno Union, Sacramento, Calif., page 2, column 6, October 26, 1861:

"Pony express will be discontinued from date.

"WELLS, FARGO & CO.
"Agents.

"SACRAMENTO, *October 25, 1861.*"

Through approximately 18 months of variable weather, Indian disturbances, and almost insurmountable difficulties, the express had faithfully discharged its responsibilities in such a manner as to win unstinted, unanimous praise. During that time 308 runs were made, covering a total distance of 616,000 miles. On those runs 34,753 letters were carried, with the loss of only one mochila. Of the total, 23,356 letters originated in California and 11,397 in the East. Estimated receipts were $91,404, of which the West supplied about two-thirds, or $60,844.

From the very start it was evident that the people of California prized the pony express more highly than did their countrymen in the East. Everybody on the Pacific coast wanted rapid communication with the rest of the country, but most of the people east of the Missouri River, being preoccupied with the daily unfolding tragedy of the Civil War, were unconcerned. If they wrote to anyone in California at all, and the vast majority of them did not, they were content to send the missive by stagecoach or by sea, even though it took 10 or 12 days longer for it to reach its destination.

The people in the East, however, were no more backward in their use of the pony express than the U.S. Government. Prior to July 1, 1861, the various departments in Washington, including the War Department, mostly ignored it, although there were military establishments at Camp Floyd, Utah, Fort Churchill, Nev., and at various points on the Pacific coast. After that date the Pony Express carried 5 pounds of mail per run, 32 pounds per month, for the Government free of charge.

About the time Russell and Dinsmore signed their contract, an undated "Estimate of Receipts and Disbursements" from May 1, 1861, to July 1, 1862, by the Central Overland California & Pike's Peak Express Co. was prepared and a copy sent to William B. Waddell. This shows an expected 500 letters per trip each way, or 2,000 per month, with total receipts of $120,000 for the 14-month period.

This estimate, as proved by actual subsequent experience, was far too optimistic, as were most of the other items in it. Alexander Majors sadly remarked many years later that the pony express cost him and his partners $100,000. This statement made without access to actual balance sheets is, without doubt, much too conservative. The probabilities are that it cost them approximately half a million dollars.

Early in the organizing of the pony express, Benjamin Holladay, an old friend and business associate of Russell, made loans and advanced money to the Central Overland California & Pike's Peak Express Co. By July 1, 1861, when the Overland Mail Co. moved onto the central route, these loans amounted to $200,000. On April 26 of that year at a meeting of the board of directors of the Central Overland California & Pike's Peak Express Co., Russell resigned as president, and Bela M. Hughes, his old friend and formerly agent for Russell, Majors & Waddell at St. Joseph, was elected to the office. On the following July 5 in another meeting of the board, Hughes was instructed to give Holladay a note and deed of trust upon the entire personal property of the company. For some reason this was not done until 4 months later.

Since the financial status of the company showed no signs of improvement, Holladay asked for further protection of his loans and advances. Consequently, on November 22, 1861, almost a month after the pony express passed out of existence, Hughes and John W. Russell, secretary, were ordered to give him a bond in the amount of $100,000 and a mortgage upon all of its real estate. On the same day the deed of trust authorized the preceding July 5 was made to three trustees, with Holladay as beneficiary.

The progressive measures taken to protect Holladay constitute an index to the declining fortunes of the Central Overland California & Pike's Peak Express Co. Three weeks after the bond and mortgage were given, Holladay declared the bond forfeit and asked the trustees to sell the company under the deed of trust. They complied with his request, and advertised that it would be sold at auction in Leavenworth, Kans., on December 31, 1861. Other creditors, however, secured an injunction, the sale was not made, and the company went ahead as usual.

In spite of heroic measures to finance and rehabilitate the company it went from bad to worse. In derision its own employees dubbed it "Clean out of cash and poor pay." After a hearing in court the injunction was dissolved, and on March 7, 1862, the company was again advertised for sale at auction. There being no interference this time, Holladay bid it in for $100,000. He said it

owed him $208,000 and he would give it to anyone who would reimburse him for his bid and the loans he had made.

In writing this summarized account of great and involved events, the author is animated by two motives—to give everyone concerned whatever credit is due him, and to correct certain widely believed errors and misstatements of fact. The story of Wells, Fargo Express Co. is one of the most thrilling, most fascinating in the whole range of American history. Its contribution to the building of the West was incalculable, and the men who created and operated the business rank with the greatest organizers and promoters the country has produced. The measure of praise due them is exceedingly large.

On the other hand, to credit that company with important things someone else did and lavish unearned praise upon it to the detriment of the ones who actually did those things is not right. Nevertheless, that unworthy act has been committed by misinformed, careless, or selfish persons willing to profit by the misinterpretation or misstatement of thoroughly documented historical fact.

MILITARY AIR TRANSPORT SERVICE

Mr. ALLOTT. Mr. President, I have followed with a great deal of interest, as a member of the Appropriations Committee, the continuing discussion of the proper policies for future development of the Military Air Transport Service. I have concluded, as it seems to me anyone who really looks at the problem must, that the complexities of the problem are tremendous.

It is very difficult to reduce the whole problem into manageable proportions which can be handled in terms of how much money should be spent for what. But, without going into all the ramifications, it seems to me it helps to look at MATS operations in terms of its two principal missions:

First, and most important, is a hard-core mission of strategic air transportation in an emergency. This requirement necessitates instantaneous reaction on the part of airlift forces, is of a relatively short duration, and would take place during the first days of a war or general emergency. The hard-core requirements can be properly measured in terms of number of trips or sorties rather than on a ton-mile basis.

Second, the remaining MATS wartime airlift requirements are not directly related to the execution of war plans, and are sustained air logistic or airline-type requirements measurable in terms of ton-miles. These wartime, like peacetime, logistic requirements could be satisfied by either MATS military operation or civil carriers. To have these wartime requirements levied on MATS transport fleet, however, reduces MATS ability to fulfill its hard-core requirement in addition to placing a greater financial burden upon the Department of Defense in peacetime.

The hard-core requirement can best be met by a transport force operated at a low utilization rate—approximately 1 to 1.5 hours per day per aircraft—and kept in a high in-commission or readiness status in a manner similar to the combat forces it is designed to support. Although the utilization rate of about 1 to 1.5 hours would surge upward at the outbreak of war, the fleet need not sustain the increased rate, since the hard-core airlift requirement exists for a relatively short period of time. The MATS transport fleet is currently operated at a vastly higher utilization rate than the forces it is designed to support. Moreover, it is operated at a higher utilization rate than all other military air transport forces that have a hard-core mission to perform. MATS' own troop carrier units, like all other Air Force air transport forces, operates at less than one-third of the MATS transport fleet utilization rate. These military transport bills, including MATS' own troop carrier units, are hard-core transport forces.

The current MATS transport fleet utilization rate is considerably over and above that required for MATS to be capable of handling its hard-core wartime requirements. Its utilization rate, in fact, is designed to enable MATS to perform both its hard-core requirements as well as most of the sustained airline-type logistics job. In this connection, it should be noted that if the civil carriers did not possess their current capability the wartime airlift requirements to be met by MATS aircraft would be greater than is currently the case. It likewise follows that if the civil carriers' capability is increased, the MATS wartime logistics requirements would be correspondingly lessened. Thus, by increasing the civil carriers' capability, the scope and nature of MATS operation can be reduced to and concentrated upon the hard core in both peace and war, with civil carriers performing the logistics role. Such a reorientation of MATS operation would produce widespread national defense and economic benefits.

The Department of Defense, the Federal Aviation Agency, and the airlines themselves, together with all other interested groups, are working diligently to come up with a solution to this problem so critical to the national interest. I understand that some of our domestic and international airlines have requested permission of the CAB to meet with the Defense Department to work out a long-range plan. I trust and hope that permission will be granted so that we may move rapidly and promptly toward a reasonable plan for military air transportation.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

OPPOSITION TO PROPOSAL TO INCREASE FEES FOR ENTRANCE TO NATIONAL PARKS

Mr. ALLOTT. Mr. President, there has been some discussion here in recent weeks on the future of our national parks. In this regard, an article by Marion Clawson was printed in the RECORD. Coming from an area of parks, monuments, and forests, I have a deep and personal interest in the future development of these great recreational areas. We, in Colorado, and our friends, who drive many hundreds of miles to visit with us, use them and enjoy them, in many different ways. Mountain climbers—vigorous and skilled—thrill to the challenge and the grandeur of the rugged, isolated peaks in Rocky Mountain National Park. Others, who enjoy the same thrill more vicariously from the Trail Ridge Road—which is also U.S. Highway 34—often have only a few, fleeting hours to spend in the wonderful park. And so it goes: each person who can do so uses the parks and the mountain areas according to his own desire, his own time, and his own resources.

We have in this Nation a growing amount of leisure time. I agree that everything possible must be done to make our public wonders available for all of the many good uses which can come through these leisure hours. I do not agree with Mr. Clawson's theory that we should, as he suggested, increase entrance fees by more than eightfold and "to initiate other, direct measures to reduce the casual visits to national parks."

Secretary of the Interior Fred A. Seaton vigorously defended the right of all Americans to visit their national parks without paying excessive entrance fees, in a letter to Bruce M. Kilgore, editor of National Parks magazine. The editor had asked the Secretary to comment on Mr. Clawson's article in the July issue of the magazine.

Mr. President, I ask unanimous consent that Mr. Seaton's letter be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1959.

DEAR MR. KILGORE: Thank you for your letter of July 14 calling attention to the marked article "Our National Parks in the Year 2,000," by Marion Clawson, in the July 1959 issue of National Parks magazine. You invite me to comment on the article.

Mr. Clawson makes three suggestions, and on the first two I am in general agreement with him.

1. "There needs to be ample opportunity for outdoor recreation in places other than national parks." Traditionally, this Department has worked with all public agencies concerned with the provision of outdoor recreation. The Park, Parkway, and Recreation Area Study Act of June 23, 1936, was an outgrowth of this policy. You are familiar with our extensive program of cooperative planning under this law.

2. "Instead of urging people to come, let us urge them to stay. Let us try to make the visit of the typical citizen a little richer, with more emotional and intellectual depth." The Department is attempting to do everything it reasonably can to make possible a significant and meaningful experience for visitors to the parks instead of trying to rush great numbers in and out, as in a railroad station.

Major emphasis in our 10-year Mission 66 project, launched in 1956, is placed on the national park interpretive and campground program to encourage people to stay and learn more about the parks. It has also been a traditional policy of the Department to encourage wilderness preservation and the use of the back country in the parks. Many of the concessioners have cooperated in a practical manner, through provision of hikers' camps and other back country facilities and services.

3. In order to reduce casual visits to national parks, Mr. Clawson suggests that entrance fees be raised sharply—"to something in the order of $25 where they are now $3."

No matter how well-intentioned Mr. Clawson may be, and I cheerfully give him credit for being perfectly sincere, on this point it is necessary to disagree with him. It is our conviction that the kind of experience people seek in the national parks, which are supported by and belong to them, should be available to all. As Lincoln reminded us many years ago, ours is a government "for the people"—all the people. No one is in a position to say that another person will not gain significantly from a visit to a national park, even though such a person appears to be interested primarily in recreational enjoyment rather than cultural enrichment.

It is also our conviction that to provide such an opportunity a positive conservation program is necessary. Surely this country is sufficiently resourceful to develop an adequate National Park System for our expanding needs of the future. We are working toward that objective, not only by careful planning and development of existing parks, but through comprehensive planning surveys to determine the kinds and location of areas to be recommended for inclusion from time to time in the National Park System. Furthermore, we are confident the recommendations of the Outdoor Recreation Resources Review Commission will assist materially in pointing out the way to meet the long-range problems in planning outdoor recreation for the American people.

Sincerely,

FRED A. SEATON,
Secretary of the Interior.

Mr. ALLOTT. Among the remarks the Secretary made on which I should like to comment is this statement:

Instead of urging people to come, let us urge them to stay. Let us try to make the visit of the typical citizen a little richer, with more emotional and intellectual depth.

Mr. President, I submit that this is the purpose of the parks system.

Mr. Seaton further said "It is also our conviction that to provide such an opportunity a positive conservation program is necessary," for enjoyment of the park system by the people of the United States.

I am astounded that anyone would introduce for the RECORD, and with approbation, a proposal that we increase the fee system for entrance into the national parks of this country, established by all of the people of the country, old and young, rich and poor, whatever their status may be, so as to provide for fees running as high as $25 for admission to national parks.

Some people who believe or say they believe in a national park system certainly have missed the entire point of our national parks, and it would be a sad day indeed for the recreational facilities of this country if such a proposal were ever entertained.

Mr. President, I propose to speak just a few minutes to another matter.

The PRESIDING OFFICER. The Senator from Colorado is recognized for that purpose.

PROCEDURE ON THE FLOOR OF THE SENATE: PERSONAL STATEMENT BY SENATOR ALLOTT

Mr. ALLOTT. Mr. President, just recently I was forced to take issue with the majority leader on the procedure in the Senate of the United States, when I reintroduced into the RECORD the notes of the reporter which showed conclusively that the Senator from Kentucky had been recognized and the floor was usurped by the majority leader.

I wish to comment on this for a few moments because it seems to me it evidences a trend in the U.S. Senate which I regard with great fear. This was brought out more particularly today when my very good friend, who is now on the floor, the junior Senator from Montana [Mr. MANSFIELD] was holding the floor and yielded it to the junior Senator from Missouri, who spoke for some 20 minutes. During this time the Senator from Montana very properly kept his feet, and, for all purposes was in control of the floor.

I listened to all the remarks of the Senator from Missouri, and, although I take very sharp issue with his conclusions and with the statements he made, I listened to him without interruption. I think there are times when Senators have a right to speak without interruption; and though I disagree violently with the junior Senator from Missouri, and though I believe his suppositions and arguments were erroneous, I listened to him. But when the Senator from Missouri started the farming out process by yielding to another Senator, who spoke for 3 or 4 or 5 minutes, I called for the regular order.

There were some harsh words—biting words—spoken by the Senator from Missouri at that time, which he asked me if he could expunge from the RECORD. I so agreed. But the words remain.

I cannot fail to point out here that the senior Senator from Colorado has probably taken as little time of the Senate as almost any other Member of this body—certainly he has consumed far less time on the floor of the Senate during the past 5 years he has been here than have most other Members. In fact, some Members who are serving their first term have spoken far more in the short time they have been here than the senior Senator from Colorado has spoken in 5 years.

Therefore, I feel very sensitive on this point. On one occasion when I spoke on the floor of the Senate extensively on a certain matter, I was told by the majority leader that I had violated every rule in the book. This statement was expunged from the RECORD.

I wish to make one point clear. I am a lawyer. I have been a practicing lawyer for 30 years. I have a deep regard for the law, and I have a deep regard for the rules of the Senate. I try to abide by them, and I shall continue to try to abide by them. But day after day and week after week I have come to the Chamber seeking recognition to speak for perhaps 3 or 4 or 5 minutes—sometimes a little longer—and have sat here almost invariably from 3 to 5 or 6 hours while much of the time was actually consumed by one Senator who was controlling the floor and farming out time to other Senators.

I regret—and I am sure every other Senator regrets—the necessity of having to rise and ask for the regular order. I regretted it today. But at that time I had been sitting here for about an hour and a half. The Senator from Missouri tells me that at that time he had been here for 3 hours. Therefore, he was also understandably a little warm about the situation; and that was what impelled the acting majority leader to yield to him. I have no objection to that.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MANSFIELD. The distinguished senior Senator from Colorado has always kept within the rules of this body. If we were strictly to observe the rules as they are laid down in the Senate Manual, that would mean, of course, that we would have to remain at our desks while we were speaking. The Senator from Colorado always does that.

It would mean that we would not have the opportunity to parade up and down between the seats, or in front of the Chamber, because we could be called to order.

The Senator from Colorado has always observed the 3-minute limitation; and I can understand why, under certain circumstances, he calls for the regular order.

However, I think the Senator will also understand that this afternoon the situation was a little peculiar, a little different, because of the 2 hours in the morning hour, and the questions inherent in that situation.

I know that the Senator waited patiently. I know that the Senator from Missouri waited patiently. If there is any fault to be found in connection with farming out time, the fault is mine. While I did not do it under the morning hour, I did attempt to rectify some of the difficulties engendered by reason of the morning hour, by farming out time during the course of general debate, while we were trying to make House bill 1 the pending business.

So far as the Senator from Colorado is concerned, to the best of my knowledge he has always followed the rules of the Senate with nice accuracy.

Mr. ALLOTT. I thank the Senator, whom I admire, as he knows, and whom I regard as a friend, for his very kind remarks.

I wished to discuss this subject for a few minutes, because I felt that I had to make my ideas on the subject known.

I feel that in the conduct of the business of the Senate there are times when strict adherence to the exact line of the rules is not a necessity; and I shall never call for the regular order unless I feel that the rules are being abused. I serve notice that I propose, from now on, so long as I am a Member of the Senate, to call for the regular order when I feel that any privilege is being abused. I do not quarrel with the extension of the rule under which the Senator from Missouri was recognized. He had been waiting a long time. I sympathized with him because day after day I have sat here for 3 or 4 or 5 or 6 hours waiting to obtain the floor.

Only in cases of abuse will I ever object; but I put the Senate on notice that I will not personally sit here, especially

when I desire the floor, and consent that any one Senator may farm out time indiscriminately all over the Chamber, with the result that many Senators who desire recognition are left in their seats.

THE INTERPARLIAMENTARY UNION

Mr. ALLOTT. Mr. President, I should like to speak on a subject to which the Senate has paid very little attention. Some 48 years ago the United States formed a group known as the Interparliamentary Union. We were the moving force in it. It was an attempt to bring into a group known as the Interparliamentary Union representatives of the legislative bodies, parliaments, and congresses of the various countries of the world. Today 59 countries are members of that body.

Starting yesterday, the Interparliamentary Union met at Warsaw. The United States is entitled to 21 delegates to the Interparliamentary Union, and it has the next to the largest delegation, Russia having a larger one only by reason of her population. Up until last year, so far as I know, the United States has always been represented at these meetings by its delegation.

Frankly, we are in this position: This body is a meeting of legislators from all over the world. We started the organization. Some of my friends and some of the critics of it have asked, "Why do we not get out of it?" I think we should not get out of it because it has one of the greatest potentials of any organization in existence for international understanding.

The total appropriation for the maintenance of our membership in this organization was increased to $30,000 this year. I think we must admit that it has accomplished more and has done more good than any other organization toward establishing good will and contact with the men who make the laws in other countries.

The Interparliamentary Union started its meeting for 1959 in Warsaw yesterday, the first conference ever held behind the Iron Curtain. It is not being held under Soviet auspices. It is a conference of the Interparliamentary Union, which sets its own place of meeting. It met in Bangkok in 1956, in London in 1957, and in Rio de Janeiro last year.

Because of the situation on the floor of the Senate last year, we sent a very small delegation, but I must say in deference to the Senators who attended that we fared very well. Under the circumstances, they did a magnificent work because the members of the Soviet bloc were trying, of course, to spread Communistic propaganda.

In Bangkok, in 1956, the Russians were all set for a great propaganda offensive directed toward the undeclared nations of the world. But because the United States was represented at the conference in force, we were able to stymie that effort and turn the good will of those countries toward the United States.

The regrettable thing about this situation is twofold: first, that Congress itself does not realize the importance of this particular meeting; second, that we do not have, and will not be able to have, because of the situation upon the floor of the Senate, anything near a full delegation. Several Senators left last night, and I understand that other Senators will, in all probability, leave on Saturday to attend the sessions during the next week.

It is my hope, and I so recommend to the leadership on both sides of the Senate, that some means may be found, if we should find ourselves in a position to do so in another year, to recognize the importance of this particular Conference, no matter who the delegation may be; and that in some way the majority leader and the minority leader may enter into an agreement with respect to the work on the floor of the Senate, in order to enable the United States to be represented by a full delegation at the Conference.

I know that to me, personally, the attendance at the Conference broadened my depth and understanding of international relations and the problems of other countries. I am sure that in the same tone, and by the same token, we bring our ideas to those other countries, and we bring them at a significant point, which cannot be done in any other way, namely, to the men and women who make the laws of the other countries.

Mr. President, I yield the floor.

RECESS UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. PROXMIRE. Mr. President, in accordance with the order previously entered, I move that the Senate recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 15 minutes p.m.) the Senate took a recess, under the previous order, until tomorrow, Thursday, August 27, 1959, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 26, 1959:

Diplomatic and Foreign Service

Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay, vice Walter C. Ploeser.

International Atomic Energy Agency

John A. McCone, of California, to be the representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

Paul F. Foster, of Maryland, to be alternate representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

In the Marine Corps

The following-named officers of the Marine Corps to be placed on the retired list with the grade of lieutenant general, pursuant to the provisions of title 10, United States Code, section 5233:

Edwin A. Pollock
Merrill B. Twining

Lt. Gen. Vernon E. Megee, U.S. Marine Corps, to be placed on the retired list with the grade of lieutenant general, pursuant to the provisions of title 10, United States Code, section 5233.

Public Health Service

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant scientists

Lyle C. Kuhnley
Sotiros D. Chaparas
George R. Healy
Conrad E. Yunker

To be assistant scientist

Kenneth O. Phifer

To be senior assistant health services officers

Virginia Pence
William B. Parsons
Claudia B. Galiher

To be assistant health services officers

Don M. Hufhines
Charles P. Froom

II. FOR PERMANENT PROMOTION

To be senior assistant surgeons

James S. Sullivan
Paul N. Vann
Joseph O. Dean, Jr.
Charles A. Peterson
Paul G. Belau
Donald E. McMillan
Norris D. Buchmeyer

CONFIRMATIONS

Executive nominations confirmed by the Senate August 26, 1959:

Department of Justice

J. Walter Yeagley, of Indiana, to be an Assistant Attorney General.

U.S. Attorneys

Lynn J. Gillard, of California, to be U.S. attorney for the northern district of California for a term of 4 years.

Charles D. Read, Jr., of Georgia, to be U.S. attorney for the northern district of Georgia for the term of 4 years.

William B. Jones, of Kentucky, to be U.S. attorney for the western district of Kentucky for a term of 4 years.

Russell E. Ake, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years.

U.S. Marshal

John H. Phillips, of Mississippi, to be U.S. marshal for the northern district of Mississippi for the term of 4 years.

Board of Parole

To be members of the Board of Parole for the term expiring September 30, 1965, now serving under appointments which expire September 30, 1959.

Lewis J. Grout, of Kansas.
Gerald E. Murch, of Maine.

Subversive Activities Control Board

James R. Duncan, of Virginia, to be a member of the Subversive Activities Control Board for a term of 5 years, expiring August 9, 1964.

Department of State

Walter C. Dowling, of Georgia, to be an Assistant Secretary of State.

Eric H. Hager, of Connecticut, to be legal adviser of the Department of State.

International Monetary Fund

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

Development Loan Fund

Vance Brand, of Ohio, to be Managing Director of the Development Loan Fund.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 26, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Deuteronomy 9: 3: *Understand therefore this day, that the Lord thy God is He who goeth before thee.*

O Thou who art the infallible counselor of our minds, in this moment of prayer, wilt Thou answer our loftiest aspirations with Thy divine inspiration.

We are commending and committing our President to Thy gracious providence as he takes counsel with the leaders of the peace-loving nations.

May Thy Holy Spirit guide them and enable them to register a larger measure of achievement in promoting amity and concord among all the members of the human family.

Grant that, as we face wistfully a future that none can forecast or foresee, we may never be tempted to feel that the better nature of man has expended itself and is incapable of ascending to greater heights.

Help us to fortify our souls with the assurance that the future will be as radiant and bright as the promises of God.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On August 21, 1959:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 4120. An act for the relief of certain officers of the Public Health Service; and

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

On August 24, 1959:

H.R. 4242. An act for the relief of certain aliens;

H.R. 7165. An act for the relief of Filip Lewensztejn (Harry Lipa Levenstein); and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

On August 25, 1959:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as Lake Mendocino;

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 3365. An act to authorize the crediting of certain service for purposes of retired pay for nonregular service, and for other purposes;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who made outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85-818;

H.R. 7112. An act to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; and

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and a joint resolution of the House of the following titles:

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; and

H.J. Res. 444. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. CHAVEZ, Mr. NEUBERGER, Mr. MCCARTHY, Mr. CASE of South Dakota, and Mr. PROUTY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi;

S. 1945. An act for the relief of Josef Jan Loukotka; and

S. Con. Res. 33. Concurrent resolution favoring suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the House amendments to the amendments of the Senate to the joint resolution (H.J. Res. 354) entitled "Joint resolution for the relief of certain aliens."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1436) entitled "An act to amend section 1 of the Act of June 14, 1926, as amended by the Act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869)," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Moss, Mr. ALLOTT, and Mr. GRUENING to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2906) entitled "An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR,

Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) entitled "An act to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 60–4.

MILITARY CONSTRUCTION, DEPARTMENT OF DEFENSE, 1960

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. SHEPPARD, WHITTEN, CANNON, JONAS, and TABER.

PROHIBIT POLITICAL CONTRIBUTIONS MOVING ACROSS STATE LINES TO INFLUENCE CONGRESSIONAL ELECTIONS

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I am today introducing a bill which would prohibit political contributions moving across State lines to influence congressional elections.

This is a bill to return control of elections to the States and to the people. Representative government is at stake. The freedoms of our people guaranteed in the Constitution are being threatened by men like Jimmy Hoffa who boast of spending $6 million to elect his Congress. A free ballot is being threatened by men like James Carey, who openly and blatantly threaten the Members of the House who voted for the Landrum-Griffin antiracketeering bill.

Our freedom is being threatened by stupendous political slush funds that move in at the whim of some pressure group in another State and often a thousand or more miles away.

It is not in the best interest of clean representative government to have selfish interest groups to pour money across State lines to influence the outcome of congressional elections.

Mr. Speaker, the American people would be shocked and amazed to know of the millions upon millions of dollars pouring across State lines every 2 years in a bold bid to control Congress. In some areas of this country in campaigns for this House and the upper body of this Congress, the expenditures are fantastic and unbelievable. In some elections most of the money comes from out-of-State and even from foreign countries.

My bill, Mr. Speaker, will cover pressure groups of all kinds, organizations of all kinds, big business and little business. This bill, when enacted, will promote freedom at the ballot box. The American people are demanding our urgent attention to this serious threat to free congressional elections.

AMENDING SECTION 1 OF THE ACT OF JUNE 14, 1926, AS AMENDED BY THE ACT OF JUNE 4, 1954

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1436) to amend section 1 of the Act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869), with an amendment of the House thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none and appoints the following conferees: Mr. ASPINALL, Mrs. PFOST, and Messrs. RUTHERFORD, SAYLOR, and CHENOWETH.

LENDING AND BORROWING LIMITATIONS OF NATIONAL BANKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 8, strike out "is" and insert "and subsection 11(m) of the Federal Reserve Act (12 U.S.C. 248(m)) are".

Mr. HALLECK. Mr. Speaker, reserving the right to object, may I inquire of the chairman of the committee making this request whether or not the matter has been cleared with the minority members?

Mr. SPENCE. It has been cleared with the minority members and I thought it had also been cleared at the leadership level.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this bill we have before us? What does it do?

Mr. SPENCE. Mr. Speaker, H.R. 8160 would amend an existing provision which makes the limit on loans to one borrower 25 percent of capital and surplus instead of 10 percent, if the loan is in the form of notes secured by U.S. obligations.

There is a comparable restriction on State member banks in section 11(m) of the Federal Reserve Act. In order to keep from creating an unnecessary and undesirable discrimination between national banks and State member banks, the Senate Banking and Currency Committee amended the bill so as to remove the same phrase "in the form of notes" from the Federal Reserve Act.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE MEETINGS DURING GENERAL DEBATE IN THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration and the Science and Astronautics Committee may be permitted to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO RAISE INTEREST RATE ON LONG-TERM GOVERNMENT OBLIGATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 217)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

On June 8, I transmitted to Congress a message requesting legislation that would (1) remove the artificial limitation which the law now imposes on the interest rate at which the Treasury is allowed to borrow money for more than 5 years, and (2) remove a similar limitation on the rate the Government can pay on savings bonds.

Last week, the Committee on Ways and Means of the House of Representatives voted to suspend consideration of these proposals for the remainder of this session. This action was a grave disappointment to me.

The American people have a tremendous stake in this proposed legislation. Failure to enact it means that millions

of thrifty Americans cannot be fairly treated, since the Treasury will be unable to pay a fair rate of interest on savings bonds; the cost of living may rise further, as the Treasury will be forced to manage our $290 billion debt in a way that adds to pressure on prices; responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

I would like to make two things absolutely clear:

First. The administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

Second. If the requested legislation is not enacted, those in the Congress who are unwilling to pass it must assume full responsibility for the possibly serious consequences.

This country's outstanding public debt of almost $290 billion is held by our citizens and financial institutions, and by foreign central banks and investors who have accumulated dollars as part of their reserves. Each investor has his own investment requirements. He buys different kinds of securities in order to meet those needs. Common to all investors, however, is the requirement that the rate of interest paid on the securities be fair and equitable in the light of other investment opportunities, and, secondly, that the purchasing power of their invested dollars will not be impaired.

These considerations apply directly to the way in which the Government handles its debt. There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds. And there should be no question as to our determination to manage our debt soundly and in the best interests of all of the people.

We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and farsighted Americans have saved. But congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility.

To manage the public debt in a sound manner the Treasury must be able to borrow money for long as well as short periods of time. A 1918 statute now prescribes, however, that we cannot pay more than 4¼ percent for long-term money. So long as the present prosperity contributes to a strong demand for credit, and thus keeps the cost of new long-term borrowing higher than 4¼ percent, we will not be able to borrow for periods longer than 5 years.

Let me suggest one simple parallel to show why the Treasury should be able to borrow for longer periods. Suppose that an individual had a mortgage on his home that had to be renewed every few months. He would be exposed to every shift in the economy and to every change in financial conditions. Yet, the Congress in effect is forcing the Treasury into this type of exposed position. It is saying to the Treasury, "When you have any borrowing to do, do it all on a short-term basis."

Within the next 12 months the Government must borrow $85 billion to cover maturing securities, redemptions, and seasonal cash needs. This Government, with its great financial resources, can normally carry a sizable amount of short-term debt. But it cannot afford to rely exclusively on borrowing that must be continually renewed. Yet, if the Congress insists that we continue to finance wholly with short-term securities, the whole $290 billion debt will grow shorter and shorter. This will make it even harder to handle in the future.

The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash. Moreover, short-term securities are more likely to become lodged in commercial banks. When a commercial bank acquires a million dollars of Government securities, bank deposits rise by a million dollars. This is the same as a million dollar increase in the money supply. When the money supply builds up too rapidly relative to production, inflation is the result. The piling up of an excessive amount of short-term debt poses a serious threat that may generate both the fear and the fact of future inflation at an unforeseeable time.

Now, while the Nation is enjoying a period of rapid economic advancement, we want to keep the cost of living steady. And, if we act wisely, we should be able to do so. We must live within our means and we must exercise all the necessary precautions in the use of credit. We have made good progress toward preventing excessive Government spending. But we may fail in our efforts to keep prices from rising if we do not handle our debt in the proper way. This is why the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions.

The need for sound debt management stems not only from domestic considerations. Foreign investors have substantial holdings of our securities, as well as other claims on this Nation. With so large a financial stake in our economy, these foreign central banks and other foreign investors have a very practical interest in the manner in which we handle our affairs. It is essential that they, too, continue to view the American dollar as a strong and stable currency. In a free market economy, confidence is not the simple result of legislation. It is earned by adherence to sound practices.

Let me state as plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices. The Treasury already has the authority to borrow at any rates of interest on obligations up to 5 years. What we are seeking is the authority, already possessed by all other borrowers, to obtain funds for longer periods as well. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case: the Government could not get what it needs.

The need for congressional action with respect to the existing 3.26 percent interest rate ceiling on savings bonds is equally pressing. The Government occupies a dual trusteeship position with respect to the 40 million Americans who own savings bonds and the 8 million people who purchase them regularly. The average holder looks to the Government for a fair rate of return, reasonably competitive with other savings opportunities. The Treasury has announced that when the ceiling is removed, it will immediately raise the rate from 3.25 percent to 3.75 percent on all newly issued E- and H-bonds, if held to maturity. Whenever legislation is enacted, this rate increase will be made retroactive to June 1, 1959. In addition, the future return to the investor on savings bonds purchased before June 1 and held to maturity would be increased by one-half of 1 percent. These actions would result in fair and equitable rates of return on savings bonds.

The second part of the trusteeship relationship of the Government with respect to holders of savings bonds involves the purchasing power of the dollars invested in the bonds. The savings bondholder expects the Government to try to insure that the future value of his savings will not be eaten away by progressive erosion of the dollar. To help assure that the value of the dollar will be protected, the whole debt management proposal should be enacted.

Each of these trusteeship considerations is vital; the thrifty American is entitled to both.

The issue with respect to our legislative proposals is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market. By adopting the administration's proposals, the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency.

No issue of greater importance has come before this session of Congress. In the best interests of the American people, I urge the Congress to enact the administration's proposals at this session.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

FHA LOAN INSURANCE AUTHORIZATION AND HIGHWAYS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 218)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

On Wednesday of this week I shall leave for Europe on a mission important to the security and welfare of the American people. This mission will require my absence from the country for about 10 days. Unavoidably, it comes while the Congress is in what may be the concluding days of a session, and while important items of legislation are under consideration.

Before I leave I should like to comment on two matters that involve Government programs now in progress which would be seriously hampered in the absence of appropriate action by the Congress.

1. FHA LOAN INSURANCE AUTHORIZATION

The Congress is well aware of the important services performed by the Federal Housing Administration in insuring mortgage loans for Americans who wish to buy homes. Not all homes are purchased under FHA, but a large number are, and it is important that there be no forced reduction in its activities. Yet this is exactly what will happen if additional loan insurance authorization is not available to FHA at an early date.

The administration has repeatedly requested the Congress to grant FHA an increase in its loan insurance authority. I renew this request, and suggest that it be passed in a separate piece of legislation. An increase in FHA's loan insurance authority should not be made contingent upon the possibility of approval by the President, after the Congress has adjourned, of legislation which contains features that the administration finds seriously objectionable and that are entirely unrelated to FHA's home loan insurance program.

2. HIGHWAYS

As I have repeatedly stated, there is an urgent national need for legislation to allow the Interstate Highway program to proceed at a steady rate. Both the Congress and the Executive are justly proud of the vast highway construction program enacted in 1956. A good beginning has been made on this program, and it is inconceivable that it should be allowed now to come to a halt. For traffic safety and convenience, as well as to meet the requirements of a growing economy, it is essential that we continue to build new, modern roads.

Last January I recommended a temporary increase of 1½ cents in the Federal tax on gasoline in order to maintain the planned highway construction schedule on a pay-as-you-go basis. The recent action by the Ways and Means Committee of the House of Representatives in approving an increase of 1 cent for 2 years represents a step in the right direction. Although it would mean some slowing down of present construction rates, a 1 cent tax increase would allow a reasonable rate of progress to be maintained.

A small increase in the tax on gasoline is the best way to put the Interstate Highway program on a self-supporting pay-as-you-go basis. I must express again my objection to proposals that would, in the absence of foreseeable budget surpluses, divert receipts from the General Fund of the Treasury that are collected from various excise taxes on automobiles. The transfer of these receipts to the highway trust fund would only shift the fiscal problem from the highway trust fund to the general fund, which is already in precarious balance. I should also make clear that I do not favor proposals that would finance anticipated deficits in the Highway Trust Fund over the next several years by the issuance of bonds.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

QUIETING TITLE TO REAL PROPERTY ADJACENT TO ROCKY MOUNTAIN ARSENAL, DENVER, COLO.

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4714) to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. JOHNSON]?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. JOHNSON of Colorado. Yes. At the time the Government bought some 35 square miles of land it inadvertently described as being in the arsenal area part of one block which lay across a highway and railroad from the arsenal so as to include the whole block, thereby taking title to these properties without paying for the ground. Recently one of the owners tried to sell his property and discovered this cloud over his title. The agreement between the Department of the Army, the owners and all concerned, was that it would now take a special act of Congress to quiet title.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States hereby releases, relinquishes, remises, and quitclaims to the person, persons, or body corporate or politic, who, under the laws of the State of Colorado (including the laws of prescription and adverse possession), are or would be except for any claim of right, title, or interest in and to such lands on the part of the United States, the lawful owners thereof, all right, title, interest, claim, or demand that the United States may have in and to so much of the lands in blocks 80, 81, 82, 83, 93, and 94 of Irondale subdivision in section 28 and in block 5 of South Irondale subdivision in section 33, all in township 2 south, range 67 west of the sixth principal meridian in Adams County, Colorado, lying north of the south right-of-way line of State Highway Numbered 2 (United States Numbered 6) adjacent to the Rocky Mountain Arsenal, Denver, Colorado.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFETY STANDARDS FOR PASSENGER-CARRYING MOTOR VEHICLES PURCHASED FOR USE BY FEDERAL GOVERNMENT

The SPEAKER. The unfinished business is the vote on the motion offered by the gentleman from Michigan [Mr. BENNETT] to recommit the bill H.R. 1341.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BENNETT of Michigan moves to recommit the bill H.R. 1341 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. BENNETT of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 125, nays 264, not voting 46, as follows:

[Roll No. 144]

YEAS—125

Abbitt	Dooley	Meader
Abernethy	Dorn, S.C.	Merrow
Alford	Dowdy	Michel
Alger	Downing	Milliken
Allen	Everett	Moore
Arends	Frelinghuysen	Morrison
Ashley	Gary	Mumma
Auchincloss	George	Murray
Ayres	Glenn	O'Konski
Baker	Goodell	Osmers
Barden	Gross	Ostertag
Barry	Halleck	Patman
Bass, N.H.	Hardy	Pelly
Bates	Harmon	Pirnie
Becker	Hébert	Poff
Bennett, Mich.	Herlong	Quie
Bentley	Hiestand	Ray
Berry	Hoeven	Rees, Kans.
Bosch	Hoffman, Ill.	Riehlman
Bray	Holt	Robison
Brooks, Tex.	Horan	Rogers, Tex.
Broyhill	Hosmer	Rutherford
Budge	Hull	St. George
Burleson	Jensen	Saylor
Bush	Johansen	Short
Byrnes, Wis.	Jonas	Simpson, Ill.
Cahill	Knox	Simpson, Pa.
Cederberg	Lafore	Smith, Calif.
Chiperfield	Laird	Smith, Kans.
Collier	Landrum	Smith, Va.
Colmer	Langen	Taber
Conte	Lipscomb	Thompson, La.
Curtis, Mass.	McIntire	Thompson, N.J.
Curtis, Mo.	McSween	Thomson, Wyo.
Dague	Mack, Ill.	Tuck
Derounian	Marshall	Utt
Dixon	May	Van Pelt

Wainwright	Westland	Willis
Wallhauser	Wharton	Wilson
Walter	Whitten	Younger
Weaver	Widnall	Zablocki
Weis	Wier	

NAYS—264

Addonizio	Fountain	Mills
Albert	Frazier	Minshall
Alexander	Friedel	Moeller
Anderson, Mont.	Fulton	Monagan
	Gallagher	Moorhead
Anfuso	Garmatz	Morgan
Ashmore	Gathings	Morris, N. Mex.
Aspinall	Gavin	Morris, Okla.
Avery	Giaimo	Moss
Bailey	Granahan	Moulder
Baldwin	Grant	Multer
Baring	Gray	Murphy
Barr	Green, Pa.	Natcher
Barrett	Griffiths	Nelsen
Baumhart	Gubser	Nix
Beckworth	Hagen	Norblad
Bennett, Fla.	Haley	Norrell
Betts	Hall	O'Brien, Ill.
Blatnik	Halpern	O'Hara, Ill.
Blitch	Hargis	O'Hara, Mich.
Boland	Harris	O'Neill
Bolling	Hays	Oliver
Bonner	Healey	Perkins
Bow	Hechler	Pfost
Bowles	Hemphill	Philbin
Boykin	Henderson	Porter
Boyle	Hess	Preston
Brademas	Hogan	Price
Breeding	Holifield	Prokop
Brewster	Holland	Pucinski
Brock	Holtzman	Quigley
Brooks, La.	Huddleston	Rains
Broomfield	Ikard	Randall
Brown, Ga.	Inouye	Reece, Tenn.
Brown, Mo.	Irwin	Reuss
Brown, Ohio	Jarman	Rhodes, Ariz.
Buckley	Jennings	Rhodes, Pa.
Burdick	Johnson, Calif.	Riley
Burke, Ky.	Johnson, Colo.	Rivers, Alaska
Burke, Mass.	Johnson, Md.	Rivers, S.C.
Byrne, Pa.	Johnson, Wis.	Roberts
Carnahan	Jones, Ala.	Rodino
Casey	Judd	Rogers, Colo.
Celler	Karsten	Rogers, Fla.
Chamberlain	Karth	Rogers, Mass.
Chelf	Kasem	Rooney
Chenoweth	Kastenmeier	Roosevelt
Church	Kearns	Rostenkowski
Clark	Kee	Roush
Coad	Keith	Santangelo
Coffin	Kelly	Schenck
Cohelan	Keogh	Scherer
Cook	Kilday	Schwengel
Cooley	Kilgore	Scott
Corbett	King, Calif.	Selden
Cunningham	King, Utah	Shelley
Curtin	Kirwan	Sheppard
Daddario	Kitchin	Shipley
Daniels	Kluczynski	Sisk
Davis, Ga.	Kowalski	Slack
Davis, Tenn.	Lane	Smith, Iowa
Dawson	Lankford	Springer
Delaney	Latta	Staggers
Dent	Lennon	Steed
Denton	Lesinski	Stratton
Devine	Levering	Stubblefield
Diggs	Libonati	Sullivan
Dingell	Lindsay	Teague, Tex.
Dollinger	McCormack	Teller
Donohue	McCulloch	Thomas
Dorn, N.Y.	McDonough	Thompson, Tex.
Doyle	McDowell	Thornberry
Dulski	McFall	Toll
Durham	McGinley	Tollefson
Dwyer	McGovern	Trimble
Edmondson	McMillan	Ullman
Fallon	Macdonald	Vanik
Farbstein	Mack, Wash.	Van Zandt
Fascell	Madden	Vinson
Feighan	Magnuson	Wampler
Fenton	Mahon	Watts
Fino	Mailliard	Whitener
Fisher	Martin	Withrow
Flood	Matthews	Wolf
Flynn	Metcalf	Wright
Flynt	Meyer	Yates
Foley	Miller, Clem	Young
Forand	Miller, George P.	Zelenko
Forrester		

NOT VOTING—46

Adair	Bolton	Evins
Andersen, Minn.	Canfield	Fogarty
	Cannon	Ford
Andrews	Carter	Green, Oreg.
Bass, Tenn.	Cramer	Griffin
Belcher	Derwinski	Harrison
Boggs	Elliott	Hoffman, Mich.
Jackson	O'Brien, N.Y.	Siler
Jones, Mo.	Passman	Smith, Miss.
Kilburn	Pilcher	Spence
Loser	Pillion	Taylor
Machrowicz	Poage	Teague, Calif.
Mason	Powell	Udall
Miller, N.Y.	Rabaut	Williams
Mitchell	Saund	Winstead
Montoya	Sikes	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mr. Fogarty against.
Mr. Cramer for, with Mr. Carter against.
Mr. Taylor for, with Mr. Montoya against.
Mr. Miller of New York for, with Mrs. Bolton against.
Mr. Teague of California for, with Mr. O'Brien of New York against.
Mr. Kilburn for, with Mr. Powell against.
Mr. Jackson for, with Mr. Sikes against.
Mr. Harrison for, with Mr. Andrews against.
Mr. Machrowicz for, with Mr. Spence against.

Until further notice:

Mr. Mitchell with Mr. Mason.
Mr. Pilcher with Mr. Hoffman of Michigan.
Mr. Evins with Mr. Ford.
Mr. Saund with Mr. Adair.
Mr. Loser with Mr. Canfield.
Mr. Passman with Mr. Siler.
Mr. Winstead with Mr. Griffin.
Mr. Elliott with Mr. Belcher.
Mrs. Green of Oregon with Mr. Andersen of Minnesota.
Mr. Bass of Tennessee with Mr. Derwinski.
Mr. Udall with Mr. Pillion.

Messrs. RHODES of Pennsylvania, METCALF, FRIEDEL, CURTIN, and GUBSER changed their vote from "yea" to "nay."

Messrs. MORRISON, AUCHINCLOSS, and WESTLAND changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the Housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

There was no objection?

Mr. McCORMACK. Mr Speaker I desire to announce at this time that the housing bill will be brought up for consideration on tomorrow.

DEPRESSED DOMESTIC MINING AND MINERAL INDUSTRIES

The SPEAKER. The unfinished business is on agreeing to House Concurrent Resolution 177.

The Clerk read the title of the House concurrent resolution.

The SPEAKER. The question is on the House concurrent resolution.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further proceedings under Calendar Wednesday be dispensed with.

The SPEAKER. It there objection to the request of the gentleman from Massachusetts?

There was no objection.

ASSISTANCE IN THE CONSTRUCTION OF FISHING VESSELS

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 349.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Merchant Marine and Fisheries now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'NEILL. Mr. Speaker, I yield myself 30 minutes, at the conclusion of which I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 349 makes in order the consideration of H.R. 5421, to provide a program of assistance for the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status. The resolution provides for an open rule and 2 hours of general debate.

An example for the need for this legislation, the New England fishing industry is in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses. The trawlers in use have an average age of over 16 years, and because of the poor prospects of profits there is no capital available for their replacement. The use of the older vessels has resulted in higher maintenance costs, higher insurance premiums by reason of bad experience both with respect to the vessels themselves and injuries to crews, and inadequate catches

because of obsolescent gear and fishing practices.

The new England fishing industry is forced to compete not only with the lower wage costs of its competitors in Canada, Iceland, Britain, and elsewhere, but with the lower cost of vessel construction in those countries. By law, U.S. fishing vessels must be constructed in U.S. yards, and the additional cost, which according to the Department of Commerce runs as much as 42 percent, places a hopeless handicap upon the rehabilitation of the industry.

The Merchant Marine and Fisheries Committee, in reporting out this measure, struck out the provision for loans to fish processors and modified the construction subsidy provisions by reducing the amount payable annually to $1 million with a limit of 3 years on the operation of the bill, and with a ceiling of 33⅓ percent of cost upon the subsidy to be paid. In addition, appropriate provisions were incorporated similar to those in the Merchant Marine Act of 1936 relating to construction under the direction of the Maritime Administrator that in the event of requisition by the United States only book value of the vessels would be paid the owner, and with a provision for recapture of the construction subsidy in the event the vessel is not used in the fishery for which it was designed.

The basis for subsidy assistance is the failure of the President to afford relief to a segment of the industry under the Trade Agreements Assistance Act of 1951, under which the U.S. Tariff Commission, after an investigation and hearing, may report to the President that a particular industry or segment thereof is suffering injury from foreign competition. Thereupon, under section 7(c) of that act, the President may make such adjustments in rates of duty, import quotas, or otherwise to prevent or remedy the injury. This bill becomes operative with respect to the particular segments of the fishing industry only where such adjustments are not made.

This bill makes no changes in existing law.

I urge the adoption of this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not a fact that this bill would not be necessary had the Simpson amendment to the extension of the Trade Agreements Act been adopted, which would have taken away the President's overriding authority?

Mr. O'NEILL. Well, I cannot agree with you on that statement. It could be, in part, the cause, but actually the fishing industry needs help. Besides the imports, there are many other segments of the industry that are sorely in need of help because of the obsolescent vessels they are fishing with today. I think you have seen recently television broadcasts showing the new equipment that the Russian fleet has. They start out with what they call hunting ships, feeler ships, that go out and find where the catch is, and then the remainder of the trawlers come over to that spot. We do not have anything of that type. We still fish in the same manner that the fishermen used to fish 100 and 200 years ago. Today the fleet is so old and so dangerous to the members of the crew that the insurance is almost prohibitive.

Mr. GROSS. Well, you cannot replace these obsolete vessels because of the imports of foreign fish, which have made it unprofitable for the New England fisheries to operate; is that not correct?

Mr. O'NEILL. In part, I say that is one facet.

Mr. GROSS. And so those who voted for extension of the so-called Reciprocal Trade Agreements Act can take their share of the responsibility for the economic punishment inflicted on this industry; is that not correct?

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I rise to support the rule as presented by my colleague from Massachusetts [Mr. O'NEILL] and also to support the bill from the committee, H.R. 5421, and to say that I am one who did not vote to extend the Reciprocal Trade Agreements Act.

Mr. Speaker, no American enterprise has suffered more from the strange combination of unfair foreign competition, and the indifference of the U.S. Government, than the New England fishing industry. A front-page story in the May 13, 1959, edition of the Wall Street Journal carried the headline: "New Englanders Lose U.S. Fish Markets to Big New Foreign Fleets."

The story follows:

Gloucester, the Nation's second most important fishing port (only the big tuna center at San Pedro, Calif., handles more tonnage), is feeling the brunt of the import problem, but it's shared at Boston and New Bedford, Mass., and Rockland and Portland, Maine (other big fishing centers as well). These Atlantic ports send their fleets into one of the world's most important fishing grounds—a 260,000 square-mile area stretching a thousand miles from Long Island north to Newfoundland. The competition in these waters is awesome; at least 14 other nations, including Russia, have trawlers there.

Every country in the world with a fishing industry has subsidized it, with the exception of the United States. It is ironic that, out of taxes paid by people in the United States—including fishermen—our Government has helped other nations with funds that are then used, in part, to build the newer, bigger fishing trawlers with the latest technological equipment, that are forcing American fishermen out of business.

This is a classic example of a Government policy that defeats itself, and brings ruin to a basic American industry.

Our New England trawlers average 22 years in age. Practically no new trawlers have been built in the United States since 1948. Our fleet has shrunk to less than 800 vessels, 25 percent less than 6 years ago.

Either the Government should give us a ship construction subsidy or repeal the present law which dates back to 1792, preventing us from buying foreign ships for domestic fishing—

Declares Thomas D. Rice, executive secretary of the Massachusetts Fisheries Association.

Our fishing industry must compete not only with the lower wage costs and lower insurance costs, and lower product prices of its foreign competitors, but with the lower cost of vessel construction in those countries. By law, U.S. fishing vessels must be constructed in U.S. yards, at prices up to 42 percent higher than construction costs in other countries. It is utterly impossible for our fishing industry to rehabilitate itself, or, in the long run, to stay in business, burdened as it is with these crushing handicaps. To survive, it must either buy its trawlers abroad, or be provided with an equalizing construction subsidy by the U.S. Government.

The first alternative is rejected immediately because, in helping the fishing industry, it would hurt the shipbuilding industry. We need both industries—and in healthy condition—for the sake of national security and national progress. The only solution to this one of the several problems involving the fishing industry, is to provide for a subsidy to be paid by the United States for the construction of fishing vessels, in American shipyards, and for the use of the American fishing industry. This subsidy would be the difference between foreign and domestic shipbuilding costs. It is economic suicide to subsidize other nations, to the detriment of our own industries. To prevent this self-destruction it becomes mandatory to subsidize our fishing industry, because no other relief is available.

Total landings at Boston's fish pier, last year, were 123.8 million pounds. This was the lowest since 1922. Subsidy becomes necessary, not only for the reasons mentioned above but for the further reason that the President has failed to provide the relief that was sought under the Trade Agreements Assistance Act of 1951. The President did not make the required adjustments in rates of duty, or import quotas, to prevent or remedy the injury from foreign competition.

The present bill goes into action to compensate, in part, for such mistakes in Government policy that imperil our fishing industry. It is a very modest approach to the problem, providing for annual construction subsidies of only $1 million annually. It is limited to 3 years, a reasonable "trial run" to determine its effectiveness. It specifies the competent supervision to maintain standards and prevent abuses.

One thing is certain: the New England fishing fleet, already weakened by the overwhelming help provided for its foreign competitors, will deteriorate and disappear, unless the Government of the United States comes to its rescue via H.R. 5421 reported out by your Committee on Merchant Marine and Fisheries.

So, Mr. Speaker, I hope the rule will be adopted shortly and we will proceed with the debate on this bill, and that it will be passed unanimously.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. O'NEILL. I yield.

HOUR OF MEETING THURSDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a.m.

The SPEAKER pro tempore (Mr. FORAND). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from Massachusetts [Mr. BATES].

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I commend the gentleman for his magnificent fight for the great fishing industry. I want the gentleman to know that I want to do everything I can to help. I have some of these people in my district who make a living from the fishing business, and they have been very badly hurt. The gentleman deserves a great deal of credit.

Mr. BATES. I thank the gentlewoman very much.

Mr. Speaker, I have in my hand a document which describes the various forms of aid rendered to the fishing industry in practically every country of the world. Here is another document which consists of the parliamentary debate in the House of Commons in regard to its aid to the fishing industry in England. The Minister of Agriculture and Fisheries in the course of debate said, "I should like to say at the outset that the fishing industry is one of our great national industries, vital to our national larder, and, in a wider sense still, vital to our national economy and to our national security. The welfare of this industry will always be an object of the most active concern of Her Majesty's Government."

The assistance rendered to the fishing industry of the United States by our Government could easily be covered in a paragraph. However, the damage done to our fishing industry at home by direct and indirect, or lack of action, by our Government could fill volumes. Before I discuss the present bill, which in no sense is a subsidy to the fishing industry, I would like to highlight just a few of the instances in which our governmental action has hurt this industry and hurt it badly. It is an incredible, fantastic and unfair story which has brought this 300 year old industry to its knees.

The Congress in the Tariff Act of 1939 gave some protection to the groundfish industry by fixing a tariff of 2½ cents a pound for imports under 15 million pounds a year. Then the foreigners got smart and decided to cut up the fish into fillets and remove all but the edible parts. In this way, they could bring in about four times as much edible fish for the 2½-cent rate. In addition to this, inflation cut the protection in half again because the rate was per pound and not ad valorem. This then meant that the original protection was cut to one-eighth of its original value.

Now, last month, a court decision cut the 2½-cent rate to 1 cent when the fillets are cut into smaller pieces, a rate which had previously been assigned to scrap bits and pieces. Hence, the protection given to the industry was absolutely meaningless.

Faced with this situation, in 1951, the industry exercised its rights under the escape clause of the Reciprocal Trade Agreement. In its report, the Commission acknowledged the marked effect of the imports but stated it did not believe that the situation for the future was black and that perhaps it would improve. The door was left opened, however, and we were told to come back again if our predictions came true. Well, they came true and, in 1954, another decision reversed the previous decision and relief was urged by the Commission. However, the President, noting that the decision was not unanimous, asked the Commission to study it some more. It did, and in 1956, the Tariff Commission by a unanimous decision again urged the President to take immediate action.

The President, in his report said:

> I am fully aware that the domestic groundfish fishing industry is faced with serious problems. I recognize that beset as it is with problems ranging from the age of its vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead unless bold and vigorous steps are taken now to provide root solutions for the industry's problems.

Yet, he turned down the request for relief of imports even though the industry had met every economic justification for relief. The reason given in the denial of relief was because "the other nations concerned are not only our close friends but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism."

So, after 7 years of hard work, our efforts were in vain.

Now, during this same period, other adverse factors were being inflicted upon this industry.

First. The Supreme Court, ruling in the Jones case, held that the fishing industry was placed under the Merchant Marine Act for personnel insurance and denied the cheaper rates of Workmen's Compensation. Now, instead of costing $75 per man per year, it costs 10 times that amount.

Second. During World War II which was the only time when the fishermen could make money, their boats were commandeered by the Navy. Although that hurt them, they did not complain because it was important for our security.

Third. Under the mutual security bill, we have built boats for Iceland, our great competitor, and provided the latest radar and sonar equipment. Last year, a constituent of mine wanted to buy the latest fish-cutting equipment from Germany and asked that terms be arranged so that this equipment could be paid for in installments. The German manufacturer said that the money had to be on the barrelhead. He revealed that at the same time, Iceland was buying a lot of this equipment. How? With U.S. dollars under the foreign aid program.

Fourth. I now come to the essence of the bill before us. Under the Merchant Marine Act, all boats which engage in coastwise trade, must be built in the United States. The only exception is ships in the Great Lakes. Hence, the fishermen of Gloucester and Boston and elsewhere must pay 100 percent more for their boats than if they were built overseas. That is national policy through national law.

Is it fair or just or right that the impoverished fishermen should pick up the check alone for this policy which is merely to support the shipbuilding industry? Should we penalize one industry to support another? Is it any wonder that Gloucester has not built a new fishing vessel in almost 7 years? Of course, the shipbuilding industry is vital to our national defense and we must keep it going. I remember only a few years ago, when only 17 ships were being built in our country and there were no future orders. If the policy to support the shipbuilding industry is vital for our country—and I believe it is—then let the country pay for it; not the little fellows who "go down to the sea in ships."

Mr. Speaker, I trust I have pointed out enough instances whereby our Government has hurt our fishing industry severely. Let this great Nation assume its own responsibility and carry its own load and remove it from the fishermen who have been hurt too often and too hard.

Even with this bill, the load is only partially lifted but it will be most helpful. Let us in this bill follow the advice of the President when he said that—

> The industry will experience difficulties in the years ahead unless bold and vigorous steps are taken now to provide root solutions for the industry's problems.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, I want to congratulate the gentleman from Massachusetts [Mr. BATES], for his fine, able statement. He has always been a great champion of the fishing industry. As one who is not directly affected by the fishing industry—there is not too much of it in my district—I have studied this problem, I know how meritorious the industry is in asking for relief. It has suffered from the efforts of the Government to help others. We help others both at home and abroad, why not do a little bit for a great industry, one of the oldest industries in the country. We all profit in keeping it flourishing.

Mr. BATES. I thank the gentleman for his remarks and for the continued interest he has manifested in the problem for many years.

Mr. DORN of New York. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from New York.

Mr. DORN of New York. I have followed the gentleman's discussion of this subject and I recognize him as an expert. As a member of the Committee on Merchant Marine and Fisheries which wrestled with this subject, I know how the gentleman's efforts resulted in the ultimate climax today of this bill being before us. There is one thing about this

that troubles me, however. I do not represent a fishing industry, I represent a fish-eating industry. How will this affect the price of fish to the consumer?

Mr. BATES. This will not affect the price. If the fisherman can get a boat at less cost, he could perhaps sell the fish cheaper.

Mr. DORN of New York. It is the gentleman's considered opinion that as far as the consumer is concerned he will benefit by this legislation?

Mr. BATES. If the gentleman is talking about the price of fish at the marketplace, of course it has to be the same or lower than it is today. It certainly will not go up as a result of this bill.

Mr. DORN of New York. I thank the gentleman and I join in congratulating him for the work he has done.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for his indictment of the Reciprocal Trade Agreements Act. The gentleman has done an excellent job, one of the best jobs I ever heard on the House floor, of indicting the Reciprocal Trade Agreements Act. I wonder if the gentleman would be opposed to taking this $1 million a year that this bill proposes to use to subsidize the New England fishing industry——

Mr. BATES. The shipbuilding industry; not the fishing industry. At the present time the fishing industry is subsidizing the shipbuilding industry.

Mr. GROSS. All right. The $1 million to be appropriated if the Committee on Appropriations follows out this bill. Would the gentleman be in favor of taking that from the foreign giveaway program?

Mr. BATES. Now, the gentleman knows that $1 million off the mutual security bill would not amount to very much.

Mr. GROSS. And he would be in favor of taking it out of there, would he not?

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. I want to congratulate the gentleman from Massachusetts on the splendid presentation he has made. I concur with the gentleman in the remarks about the Reciprocal Trade Agreements Act and the disastrous results which it has had upon many segments of American industry. The gentleman, I think, has made out a good case for this bill, and I intend to support it.

Mr. BATES. I value the advice of the gentleman and I appreciate his comments.

Mr. ALLEN. Mr. Speaker, I have no further requests for time.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

IF THE DEMOCRATS JOIN IN THE REPUBLICANS HIGH-INTEREST POLICY, THERE WILL BE NO PARTY TO PROTECT THE PEOPLE

Mr. PATMAN. Mr. Speaker, the President has sent a message to the Congress urging us to repeal the 4¼ interest limit on long-term Government bonds. Now, I do not believe that there is a Member of this Congress who wants inflation. I am sure the President does not want inflation. But, with all due respect to the President of the United States, I think his proposal is highly inflationary. Interest rates can be inflationary just the same as wages or profits. In other words, wages and profits and interest enter into cost in a way that either one can be inflationary. In any case, it would operate in the same way as a tax increase on about 98 percent of the people of the country, and a tax reduction for about 2 percent of the families of great wealth. I hope that the Democratic Congress will stand firm in turning down this request.

REPEALING THE LAST SAFEGUARD NOW THE OBJECT OF A CRUSADE

In doing so, Congress will be following a pattern that was set 40 years ago, when near the end of President Woodrow Wilson's second term, the Secretary of the Treasury asked that this identical ceiling be lifted. A Democratic Congress at that time denied the request, and for 40 years we have been living under this 4¼-percent ceiling.

This administration has now raised interest rates as high as it can raise them, unless Congress acts to repeal this 40-year ceiling. If the Democrats buckled under and joined in this Republican policy, there would be no one left to protect the interest of the people. I do not expect that they will.

But the Wall Street money managers are not going to give up easy in this campaign to remove the last remaining safeguard the people have. In fact, all the signs point to an all-out "blitz" campaign in these closing days of Congress, to pressure through the administration's bill before the Congress adjourns. All stops are out, and all of the resources, propaganda, and pressure at the administration's command have now been thrown into this effort for still higher interest, which is, of course, the one thing closest to this administration's heart.

Yesterday the Treasury allowed itself to sell 91-day Treasury bills at the highest interest yield since the bank holiday of 1933.

At the beginning of the week one of the great national magazines, U.S. News & World Report, featured an eight-page interview with Secretary Anderson on the subject. And this so-called interview, I might add, is really a bigger and better appeal brief for the Wall Street bankers and money lenders in arguing their case to the American people.

The campaigners have even recruited Marriner S. Eccles, onetime Chairman of the Federal Reserve Board during President Roosevelt's and President Truman's administrations, to join in the campaign for the administration's high-interest bill.

And, finally, President Eisenhower has now been persuaded to put on his best and brightest suit of armor, even more gleaming than Charlemagne's, to lead the high-interest crusade, in a more determined assault than ever before. Incidentally, President Eisenhower's message to Congress yesterday seems to me to contain some arrogant statements. It says that he wants to make two things absolutely clear, and then it says:

> First, the administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

WILLING OR NOT, THE ADMINISTRATION HAS RESPONSIBILITY FOR MANAGING THE DEBT WITHIN THE LAW

Well, it seems to me that the administration already has full responsibility for managing the Federal debt, whether the Congress agrees to the administrations high interest policy or not. The administration assumed that responsibility when it was elected. And if the administration is not willing to continue its lawful responsibility, then it certainly owes the American people a better explanation than it has given yet as to why it is unable to manage the Federal debt within the interest-rate ceiling that has been the law of the land for 35 years before the administration sought election and took office.

HIGH INTEREST IS NOT CAUSED BY THE DEMAND FOR MONEY

Certainly the recordbreaking rise in interest rates which this administration has achieved cannot be explained by supply and demand factors. The increase in interest rates has no relation whatever to the demand for savings which includes the gross amount of funds invested domestically, the net amount of funds exported for foreign aid and other purposes, and the net deficit of the Federal, State, and local governments combined. In fact, in 1952 the demand for savings was a larger percentage of the national income than it has been in any year since. And again in 1953 the demand for savings was a larger percentage of the national income than it has been in any year since. How then can the almost constant rise in interest rates since 1952 be explained? How can the sponsors of the administration's proposal explain a 30-percent jump in the long-term Government-based rate, and an 88-percent jump in the bill rate between 1952 and 1957? How can the administration's spokesmen explain a further jump of 18 percent in the long-term bond rate and a like jump in the bill rate between 1957 and today?

In 1952, the total demand for savings—to finance all private investment and to finance all public and private debt—amounted to 15.4 percent of the gross national product of the country. In 1957, when interest rates had been raised to what then seemed beyond all conscience, the total demand for savings amounted to only 13.9 percent of the gross national product.

Today, preliminary data for the second quarter of 1959 indicate that the demand for savings will be back up close to the 1952 rate, and this includes, incidentally, a $9 billion increase to finance an extraordinary buildup in business inventories, largely because of the expected steel strike, which will make only a temporary demand on funds.

HIGH INTEREST NOT EXPLAINED BY TAIL-WAGGING-THE-DOG THEORY

A free market in Government securities? Is the Government merely following the market rates up, in competition with private borrowers, as we are being told? Well, the fact is that the Federal Government is issuing 75 percent of all the securities being offered for sale. Are we to believe then this "tail-wagging-the-dog" theory, that private borrowing is running up Government rates? Are we to believe that yesterday the Treasury was helpless, and could do nothing but accept the bid prices it received for its bills? Well, only 17 Government securities dealers buy one-quarter of all these bills and these dealers advise all of the large financial institutions what the bid prices should be and are going to be. Altogether we could say that this market for Treasury bills is made by no more than 100 big financial institutions, all of which are fully aware of one another's expectations as to the prices they should offer the Treasury for its bills.

IF THE PRESIDENT WANTS TO DEAL FAIRLY WITH 98 PERCENT OF AMERICAN PEOPLE, HE MUST ASK FOR LOW INTEREST

No, this high-interest policy is not to help the overwhelming majority of the people though the President seems to have been persuaded to think so. He said in his message yesterday, and I quote:

> There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds.

But I suspect the President has not considered that statement very carefully. Let me put it this way. What percentage of the families of this country own as much as $1,000 worth of Government bonds? Well, when we find such a family, one of the fortunate few, what is that family to gain by this bill to raise interest rates? It is to receive one-half of 1 percent more in interest per year. This will be $5 more a year for this fortunate family. But it is pretty obvious that as against this gain of $5 more a year that the family with $1,000 of Government bonds will have, that family is going to pay several hundred dollars more a year in increased interest charges to finance an automobile, to finance all of the household equipment and furnishings it will buy, and to finance the mortgage on the house. No, this high-interest policy is for the benefit of a few wealthy families, plus Wall Street bankers and money lenders. It is nothing more or less than a bold scheme to further redistribute the national income in favor of the wealthy.

Consider this: In 1952 personal income from interest was $12.1 billion, and it has jumped every year since—without any pause for recessions—until such income is now, in July of 1959, at the annual rate of $22.4 billion. And this does not include the billions of dollars of increased interest income which has been stored up in corporations and banks—only the personal income.

In contrast, consider this: In this same period of time farm income has gone down from $15.3 billion to $12.2 billion.

I could add that I personally know farmers who are going out of the farming business right now because, they tell me, the high interest they are already paying no longer permits them to make ends meet trying to farm.

Farm, business, and personal income—Farm interest 1952 to July 1959

SEASONALLY ADJUSTED ANNUAL RATES

[Billions of dollars]

Period	Total personal income	Proprietors' income		Personal interest income
		Farm	Business and professional	
1952	273.1	15.3	26.9	12.1
1953	288.3	13.3	27.4	13.4
1954	289.8	12.7	27.8	14.6
1955	310.2	11.8	30.4	15.8
1956	332.9	11.6	32.1	17.5
1957	350.6	11.8	32.7	19.5
1958	359.0	14.2	32.4	20.4
1959: January	369.0	13.5	33.5	21.1
February	371.0	13.2	33.7	21.3
March	375.4	12.9	34.0	21.6
April	379.0	12.2	34.3	21.8
May	381.3	12.0	34.5	22.0
June	383.8	12.1	34.7	22.2
July	384.1	12.2	34.8	22.4

Source: Department of Commerce.

HIGHER INTEREST RATES WILL CAUSE INCREASES IN UTILITY RATES AND TAXES

An increase in the interest rates on the Government's long-term securities will cause similar increases in the interest rates on all long-term rates, including all utilities and municipals.

Such increases will cause rate increases for consumers of electricity, gas, water, telephone, transportation, and so forth. This will be very inflationary.

Such increases will also cause taxes to be raised by the Federal Government, States, counties, cities and political subdivisions.

Now, in 1953, when this administration first came in, it deliberately set about to raise interest rates.

HIGH INTEREST HAS BEEN THE ADMINISTRATION'S POLICY FROM THE BEGINNING

I can give you the instance when this was first started. In the first part of 1953, within 2 months after it took office, the administration issued a 3¼ percent long-term bond. That rate was ¾ percent higher than any other long-term rate on marketable bonds in existence at that time. It was just an arbitrary increase of ¾ percent on long-term bonds. For what purpose? Did they need the money? No, they were just asking for $1 billion and they had several times that amount in the banks subject to call. They did not need the money. Therefore the bond issue was put out for the purpose of establishing higher interest rates—then 3¼ percent.

Now, today, 4¼ percent is not high enough for this administration to manage the debt the way it wants to. It would not be very pleasant to predict where interest rates would stop if we took the lid off and let this administration have its way.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. BONNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5421, with Mr. CARNAHAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BONNER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to make just a plain explanation of why this bill is before us today and the purposes of the bill.

For many years the New England fisheries have been declining chiefly because of the impact of cheap foreign fish from Canada, Iceland, Great Britain, and other countries. Various suggestions have been made to restore the industry so as to make it competitive, but none of the plans have been successful to date.

The law applying to fisheries requires that only American-built vessels be utilized in this industry. The foreign shipyards patronized by our foreign competitors can build vessels for up to 50 percent less than the cost here in the States. Handicapped as New England is by low cost of fish, the additional burden of paying up to a double price on the vessels themselves is intolerable.

The bill attempts to remedy this situation by providing a construction differential subsidy up to one-third of the cost of new vessels constructed in the United States. This approach represents no great departure from the previous law in that the bill is patterned closely after the Merchant Marine Act of 1936 under which very many of our present merchant ships have been constructed. It limits the application of the law to areas that have been the victims of the Trade Assistance Agreements Act and limits it to a period of 3 years, with a maximum expenditure by the Government of $1 million per year.

I call your attention, Mr. Chairman, to the situation that has arisen in this particular industry and to the report of the Merchant Marine Committee on this bill, dated August 5, 1959.

The report reads as follows with respect to the reciprocal trade matter:

> The basis for subsidy assistance is the failure of the President to afford relief to a segment of the industry under the Trade Agreements Assistance Act of 1951. Under

the provisions of that act, the U.S. Tariff Commission, after an investigation and hearing, may report to the President that a particular industry or segment thereof is suffering injury from foreign competition. Thereupon, under section 7(c) of that act, the President may make such adjustments in rates of duty, import quotas, or otherwise to prevent or remedy the injury.

It is not the Reciprocal Trade Act that has brought this situation on. In fairness and justice to this great segment and this great area of the Nation, it is a fact that the President has not followed the recommendation of the reciprocal trade agreements. In justice and in fairness, I think that should be called to the attention of the House for that is the basis upon which I, as chairman of the Committee on Merchant Marine and Fisheries, speak in behalf of this bill today.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. GROSS. Under the Trade Agreements Act, the President is given overriding authority, authority which some of us sought to take away from him when the act was last extended and so, therefore, it is part and parcel of the act.

Mr. BONNER. Of course, it is, but he pays no attention in this instance to the recommendation of the Tariff Commission.

Mr. GROSS. I quite agree with that, and the reason for this bill is part and parcel of the Trade Agreements Extension Act.

Mr. BONNER. You are correct.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to a distinguished member of the committee.

Mr. PELLY. In fairness to the President and his failure to act, will not the gentleman agree with me, he is doing what he is doing and following a policy that he is following because of our national security and, therefore, basically this is a matter of our national security?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES], a disguished Member of the House, went into detail with respect to that, and that is the reason I am for this bill. We certainly have to help our home folks if we expect to keep industry alive in this country.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JENNINGS. Do I understand then, if we vote for this bill, we are voting against the security of America?

Mr. BONNER. No, sir, you are not voting against the security of America. You are voting for the security of America, and you are voting for the working people who follow the sea to make their livelihood.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield further, did I understand the gentleman from Washington to say the reason the President was not acting on the advice of the Tariff Commission and following their advice was because of the security of the country?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES] went into detail on this very subject here, and I cannot add to the statement he made in explaining this situation. I think after I have finished my statement, if you will wait until after I finish my statement, I will yield.

Mr. PELLY. Mr. Chairman, will the gentleman yield just to clarify that one point?

Mr. BONNER. Certainly, I yield to a member of the committee.

Mr. PELLY. I would like to explain to the gentleman that my reference to the national security was the fact that I felt the President could not afford relief because he felt it might affect the bases we have in these countries, and the attitude of their people toward us. I would agree 100 percent with the chairman of the Committee on Merchant Marine and Fisheries that the real justification for this bill is national security.

Mr. BONNER. That is the issue here today. There is no doubt about that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I must yield to a member of my own committee, of course, and a very fine member and a working Member of this House, a man I am very happy to be associated with.

Mr. GROSS. I thank the gentleman. But, is there any question of security as between Canada and the United States?

Mr. BONNER. I happened to be in Maine recently. Practically all the trucks I saw, the fishing trucks coming down through Maine were from Canada and Nova Scotia, carrying fish into Boston, which makes it very competitive and impossible for these ships to compete with that type of competition which they have.

Mr. GROSS. We have fallen on a sad and sorry day, if there is any question of our security that depends upon Canada to the extent that we must permit their fish to come in here and undersell the U.S. market. I just do not understand why it is argued that where Canada is involved there is any danger to the United States from the standpoint of security.

Mr. BONNER. Not only is Canada involved, but other countries who are operators in ocean fishing.

Mr. PELLY. Is it not true that Canada subsidizes her fishing industry?

Mr. BONNER. That is true, as do all the great fishing nations of the world.

The bill contains many safeguards to assure that its purpose is carried out, among them being provision that any removal from a particular fishery requires payment to the Government of the construction subsidies; in other words, if these ships that are subsidized in a particular distressed area were moved to another area the ships would be liable for repayment of the subsidy. In the event that the vessel is taken by the Government for emergency use the price paid by the Government will be the depreciated value of the vessel without inclusion of the subsidy payments.

Mr. Chairman, it must be remembered that during World War I and World War II this type of vessel that is spoken of in this bill played an important part in the national defense of this Nation. Small boats are used for inshore work and minesweeping, and they were actually used in some instances in the submarine warfare. So I think and I believe that this approach will be successful in materially aiding not only the New England fisheries, but also any other fisheries of the Nation that might be caught in this situation. They will be enabled to make a start toward competing effectively with foreign competition.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JENNINGS. Is this setting a precedent that we are going to operate in this fashion when the President overrules the Tariff Commision? Are we going to be confronted with this type of legislation in other fields? Will this not lead to a subsidy of the textile industry, the steel industry, and others?

Mr. BONNER. I anticipated that question, and I will answer it in this way: These ships are competitive world wide. We cannot control their competition. Our domestic situation is entirely another matter. These ships operate out where we cannot control who competes with them. As I have said here, the competition of these ships is built and operated 50 percent less than the ships that operate from our shores.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. MACDONALD. Is it not also true that this is different than any other domestic industry?

Mr. BONNER. Is it a peculiar situation.

Mr. MACDONALD. It is different inasmuch as by law no ship which is built in a foreign yard can be used in the domestic industry.

Mr. BONNER. In any of the ports of this country. Therefore, Mr. Chairman, I urge the passage of this bill. I think the bill is fair; I think it is the proper thing to do under the conditions.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. DENT. Did I understand the gentleman to say that the crux of the matter is because of the fact that the President had failed to give consideration to the recommendations of the Tariff Commission?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES] went into detail on that matter, and he read the statement of the President. The President elected not to increase the tariff in this particular instance although the Commission, as I understand it, had recommended it twice.

Mr. DENT. Is it not also true that although the President by law has the full authority to accept or reject the recommendation of the Tariff Commission, that there is an overriding consideration in every one of the tariff settlements because of the fact that this Nation belongs to GATT and that GATT is made up of some 47 nations, in which group this United States has the same

single vote as Liberia and 45 other countries, and that we cannot establish, even if we want to establish, beyond certain recommendations made by the GATT organization, and, therefore, the Reciprocal Trade Act not being at fault as such, but the overriding influence of GATT which was created. After this Congress turned down the organization for tariff regulations another organization was born and has been instituted into our internal affairs. The President could not have established tariffs on this particular subject without permission from GATT. I believe that is true.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield, but I am taking a great deal more time than I contemplated.

Mr. BATES. I think it should be made clear that the reason this bill is before the House today is not because of the import question per se, but that is merely a corollary argument which I used in my presentation. The important thing, I think, is this: We are forced to build our boats here in the United States. If that is the national policy, then the Nation as a whole, not the fishermen alone, should bear the cost of the policy.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Pennsylvania.

Mr. DENT. In the gentleman's preliminary statement in discussing this bill he said that the reason we have to do this is because of the importation of fish and fish products, making it necessary for us to subsidize the shipbuilding in this country.

Mr. BONNER. We do not permit foreign-built vessels to operate in this trade.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Michigan.

Mr. DINGELL. Without going into the question of whether or not this affects rates and tariffs, or whether or not our tariff policy is involved, I think we can say to our colleagues who perhaps might feel very strongly on that, that this bill cannot affect whether or not we have more or less tariff on these things. It merely points out—the distinguished chairman of the committee pointed out that this condition exists—there is a need for assistance to a segment of the industry which happened to be affected by this adverse ruling of the President after proper action by the Tariff Commission.

I think what the chairman of the Committee on Merchant Marine and Fisheries has been trying to point out to the House is that this situation exists. To go into the subject of tariffs and whether the action of the President was proper or improper is really begging the question and to engage in a series of peripheral issues has no place in the discussion before us today.

Mr. BONNER. I might reply to the gentleman by saying that the committee considered permitting this type of vessel being built outside the United States.

Mr. DINGELL. That is correct.

Mr. BONNER. Our shipyards are an essential part of the national defense, our American labor is something that we are all interested in, therefore the committee would not give any consideration to permitting vessels in this trade being built outside the United States, nor did we give great consideration to registering vessels in any commerce that are built outside the United States.

Mr. TOLLEFSON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, about everything that could be said about this bill has been said and very ably so by the chairman of the committee, the gentleman from North Carolina [Mr. BONNER], and the gentleman from Massachusetts [Mr. BATES]. Both have explained the background and the basis and the reason for this bill.

As a member of the Committee on Merchant Marine and Fisheries, the problem and plight of the New England fisheries has been before us for at least 12 years. It was particularly acute 10 years ago in 1949 when this House adopted a resolution asking the State Department to investigate the reason for the decline in the fishing industry activities in New England and to report back to the Congress with recommendations as to what might be done.

The State Department did make an investigation and did find that the New England industry had been injured by the imports of cheaply produced foreign products, but made no recommendations whatsoever. That was in line with the State Department's thinking and policy as of that time and I think that philosophy and policy still exist.

What happened in the New England fishing industry is now happening to other segments of our fishing industry. Our tuna fishing industry has been hurt very seriously. The number of boats employed in tuna fishing has been cut in half. The Northwest fishing industry has been injured badly and will continue to be hurt by the importation of cheaply produced foreign products, and so will the remaining deep sea fisheries of our Nation, including the shrimp fisheries. The basis for the injury, of course, has been the increasing amount of cheaply produced foreign imports with which we cannot compete because our labor costs and other costs are higher. I think it has been made clear to the House, but I want to repeat again, that while it is the imports that have caused the damage, we would not be here with this bill at all except for the fact that the New England fisheries people, as well as the other fisheries people, must build their boats in the United States. They cannot employ foreign-built boats. They must be built in the United States. These boats, as has been stated by the chairman, cost about twice as much to build as do foreign-built vessels. This one fact take the fisheries industry out of the same category with other industries which are injured by cheaply produced foreign imports.

A number of Members of the House have asked me about other industries and have mentioned them by name, and I have tried to point out that the fishing industry is in a special category, for one reason alone, and that is that they must buy their boats in the United States. This puts them at an economic disadvantage.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Iowa.

Mr. GROSS. There would be nothing to prevent the House from passing a simple bill to provide that they can build these fishing boats in foreign yards, would there?

Mr. TOLLEFSON. That is true. The House could do so if it wants to. However, may I say in that connection that the Department of the Interior suggested this course to our committee. They recommended that Congress repeal the law presently on the books which requires that those vessels be built in the United States. However, then we are confronted with the very serious national defense problem. In the event of an emergency, we would not then have a shipbuilding industry and the shipbuilding skills which would be so essential in the event of an emergency, and I doubt very much that this Congress would consent to repealing that law.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. JONAS. The subsidy provided in this bill applies only to the construction cost of the vessel?

Mr. TOLLEFSON. That is correct.

Mr. JONAS. What part of the cost of operation of the fishing fleet is involved, in capital investment in the vessel; and, what part applies to other costs of operating the fleet? I mean, are we reaching the real problem? We do not reach the differential in labor cost, insurance cost, and all of the other costs.

Mr. TOLLEFSON. No, we do not.

Mr. JONAS. In this bill we only undertake to touch one small phase of this differential.

Mr. TOLLEFSON. That is correct.

Mr. JONAS. Now, what percentage of the total cost do you think this would touch?

Mr. TOLLEFSON. I have never heard any figures. I am sorry I could not give any accurate estimate.

Mr. JONAS. Is it the opinion of the subcommittee that if this subsidy applies only to the construction cost of a vessel, that would make the domestic fleet competitive with foreign fishing fleets?

Mr. TOLLEFSON. No, it would not completely; but it would improve the situation, we think, sufficiently to enable the New England fishing fleet to stay in business and not be run out of business.

Mr. JONAS. It would not completely cure the problem?

Mr. TOLLEFSON. No.

Mr. JONAS. It would still have the competition with foreign fleets?

Mr. TOLLEFSON. That is correct.

What this bill, in effect does, is to put the fishing industry in the same category with all the other industries in the United States that are hurt by foreign imports.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. MAILLIARD. I would like to ask the distinguished gentleman from Washington if he shares my concern about section 4 of the committee substitute in that it is a restriction, as I read this section, to an instance where application has been made for relief under the Trade Agreements Assistance Act, and has been certified by the Tariff Commission as being meritorious but denied by the President as a matter of overriding national policy. I am concerned about that for this reason: This is a rather artificial restriction. I agree that this bill should be restricted in its application to those industries where help is definitely needed, but I am thinking in terms of the tuna fishing industry on the Pacific coast, where they are in exactly the same situation as the New England fishing industry but where they could not get relief under this bill because there is no trade agreement with regard to tuna; therefore they could not go to the Tariff Commission, and yet their circumstances are exactly the same.

Mr. TOLLEFSON. Mr. Chairman, may I say to the gentleman from California that this particular matter of which he speaks has been discussed by various members of the committee. We felt in bringing this bill to the House we should bring it in in as limited a form as we can. What the gentleman says is absolutely true. The tuna fishing industry, as I indicated earlier, has been terrifically hurt by imports. The tuna boats have been cut in half in recent years, and though they are hurt just as much by the imports of products as is the New England fishing industry, they cannot get relief under this bill simply because they are not entitled because of technicalities to go to the Tariff Commission and ask for relief. They cannot even get before the Tariff Commission. Of course, I must say very frankly to the gentleman that I would have preferred personally a differently worded bill which would have enabled the tuna fishing industry to obtain this same relief. I think the gentleman has taken a sound stand in indicating, perhaps, that other language might have been better than that presently contained in the bill.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield further?

Mr. TOLLEFSON. I yield.

Mr. MAILLIARD. I was unable to come up with language that satisfied myself, so I did not offer an amendment in committee, and I do not intend to offer an amendment today because I do not want to confuse this issue. I know how desperately the New England fisheries need this assistance. I should hope that perhaps when this bill reaches the other body section 4 might be worded in such a way that it would provide that where no trade agreement exists, the Tariff Commission could, upon application, make a determination as to whether the injury was sufficient to be given this consideration. I am thinking of the tuna industry but, who knows, one day it may be the shrimp fisheries in the gulf, or some other fishery. There is no limit to the possibilities here. Yet the production of food resources from the fisheries is a very vital part of our whole economy and one that perhaps is not quite as well understood as it should be. At the same time I think we do not want to go to the expedient of permitting ships to be built abroad because the shipbuilding industry, which produces ships for fishing purposes is the same industry upon which we depend tremendously for the construction of small auxiliary craft like minesweepers, and so forth, in time of war.

Mr. TOLLEFSON. I am glad the gentleman is giving thought to some language which would make the bill more in line with my own ideas of what was needed. But, as I have indicated, it would require some carefully drafted wording and, perhaps by the time it gets over to the other body, somebody will have thought of it.

Mr. Chairman, I trust that while the word subsidy is obnoxious to many Members of the House, they will nonetheless realize that this is a much needed measure. I speak as one whose industries are not going to be helped one whit by this bill. None of the industries in my area that are being hurt by imports, and we have a great many of them, are going to be helped by this bill. But I do know the situation in New England. I have lived with it for 13 years on our committee and I realize we have got to do something. Otherwise, we are not going to have any New England fishing industry; it is that serious. I hope the House will approve our bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. PELLY. Will the gentleman agree with me that the basic issue in this legislation is not in any way setting a precedent. Basically it is simply one of following the same policy we have had with regard to our merchant ships.

Mr. TOLLEFSON. That is correct.

Mr. PELLY. Whenever an industry is damaged because it is not allowed to build its ships in foreign yards, it must build its ships in local yards and therefore at a higher cost, the Federal Government in order to sustain the skills and facilities for shipbuilding, compensates the shipbuilder for that loss.

Mr. TOLLEFSON. May I say to the gentleman that actually this House approved construction subsidies for fishing vessels away back, I believe, in 1936. But unfortunately the wording of that act is such that we found that in fact the fishing vessels could not come under it. But Congress already has spoken on this subject once. All we are asking you to do now is to speak again in language which is understandable and under which the New England fisheries can come in for some assistance.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. BAILEY. Will the gentleman explain to the Members of the Committee why it would be helpful to the east coast fisheries and not to the west coast fisheries?

Mr. TOLLEFSON. Yes; because the bill provides that the subsidy shall only go to that fishery which has appealed to the Tariff Commission for relief, where the Tariff Commission has recommended relief, but where that recommendation has gone to the President and the President for some reason of his own has said "No."

Mr. BAILEY. The west coast fisheries have not processed a case under the escape clause?

Mr. TOLLEFSON. We have not. But the day is coming, I would guess, when we will be hurt as badly as have been the New England fisheries. I am sure the day is coming because the number of imports of fish products has been increasing year by year until now they are so tremendous that it is difficult for me to understand why more of our fishermen are not out of business altogether. Many of them are, but I am speaking of the whole industry. I am surprised that some segments of our fishing industry have not closed altogether.

Mr. BAILEY. Will this legislation be broad enough so that when an industry that has not already applied to the Tariff Commission, if it does apply to the Tariff Commission and gets a favorable ruling, will benefit under it?

Mr. TOLLEFSON. The bill applies only to the fishing industry. As of the moment this is limited to those cases, as I have said, where the Tariff Commission has recommended relief but the President has denied it, and to similar cases in the future.

Mr. BAILEY. In view of the fact that I am interested in a number of them, I think perhaps the legislation might be all right in that respect, where you can convince the Tariff Commission. It is more in line with what I have been trying to do, to take away from the President the right to overrule the Tariff Commission.

Mr. TOLLEFSON. I know the gentleman's position and I subscribe to it and have supported it. I think he has done a tremendous job.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. WILSON. I have listened to the arguments in favor of this bill, and I am very sympathetic to the problems facing the New England fishermen. Our problems are almost identical, the problems faced by the tuna industry in California. Unfortunately, the tuna industry does not qualify under this bill because of the escape-clause provision. But the tuna industry does support this legislation, and we in California are supporting it because it shows that the Government is and can be interested in preventing the tuna fishing fleet and other fishing fleets from disappearing from the seas.

I hope the legislation is successful and we support it fully.

Mr. TOLLEFSON. I thank the gentleman from California.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. OLIVER. I take this opportunity to commend the gentleman for the conscientious work of the committee in the consideration and in the writing of this bill, and for the splendid way in which the gentleman has discussed the basic issues involved in the bill. I would like to ask the gentleman this question. Are there any national defense considerations in the passage of this bill, in your opinion?

Mr. TOLLEFSON. Oh, yes, indeed. I think the experience of World War II where the Navy, shall I say, confiscated or took over a great number of fishing vessels and utilized the vessels in the defense effort shows how important this is to our national defense. In addition, inasmuch as the fishing vessels have to be built in the United States, this assures the existence and the continuation of shipbuilding skills and facilities. The Navy not only utilizes fishing vessels, but they, themselves, have built in our shipyards, as the gentleman knows, a large number of small boats like minesweepers which are badly needed in time of war. Those vessels could not have been built in the United States had we not had the skills and the facilities to do so. Therein enters the national defense aspect.

Mr. OLIVER. I thank the gentleman very much for that observation. It appeared to me one of the basic and important factors in the passage of this legislation might be that we would thereby get a fleet of vessels which could be used, perhaps, in an emergency to do the many jobs that the Navy has to do and which it has been found necessary to do in past conflicts.

Mr. TOLLEFSON. As a matter of fact, the Navy today relies on information it obtains from fishing vessel operators. They are sort of outposts, you might say, with respect to seeing what other nations might be doing with ship operations or submarine operations in waters off our shores.

Mr. OLIVER. I thank the gentleman very much.

Mr. BONNER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I am happy to yield to my distinguished leader.

Mr. McCORMACK. I congratulate the gentleman from Massachusetts [Mr. MACDONALD] who introduced the bill, and the gentleman from Massachusetts [Mr. BATES] for the very fine statement he made as well as the other gentlemen who have spoken in favor of this bill on both sides of the aisle. I think this is very fair legislation. I am glad to join with my dear friend, former Speaker of the House, Mr. MARTIN, for urging the passage of the bill. As we all know, all of the fishing industry in all parts of the United States favor this bill. It is the result of months and months of negotiation before this present session of the Congress met. The entire fishing industry—north, south, east, and west and in the Great Lakes area agree. This bill comes before the House representing the united views of all of the fishing industry of our country. I strongly urge the passage of the bill because the fishing industry certainly is entitled to this compensatory consideration. Naturally, as to the suggestion made, or the recommendation that the law be waived about building fishing vessels outside the United States—no Congress would pass that, and properly so. This is one bill which will be most helpful to the fishing industry. It is the result of many years of effort as was so ably expressed by the gentleman from Massachusetts [Mr. BATES] and other Members who have spoken on this bill. I strongly urge that the Committee of the Whole adopt the bill.

Mr. MACDONALD. I thank the gentleman.

Actually, while I have been allotted 10 minutes, I do not intend to take 10 minutes because I think the waterfront has been pretty well covered. I would like to review, very briefly, exactly what this bill does. It is a very simple bill. It is a very small bill moneywise. I point out to the House that the entire amount involved in this bill is but $3 million—$1 million a year for 3 years to cover up to 33⅓ percent of the differential between domestic and foreign ship construction.

Secondly, these payments can be made only to those fisheries which have been injured and for whom the escape clause relief has been recommended by the Federal Tariff Commission, and that recommendation has been rejected by the administration. To show its need, the industry has appeared before the Federal Tariff Commission four times in 11 years and the Federal Tariff Commission on two occasions, once unanimously, set forth decisions that this industry should be relieved by having increased import duties up to 50 percent or to establish a quota formula to control the flow of imports. Neither of those recommendations were followed.

I say to the gentlemen who have made inquiry, why should not other industries in the United States be similarly treated.

I say that because the fact is that in 1729 this Congress saw fit to pass a law which in effect said that no fishing vessel constructed in a foreign shipyard may be used in the domestic fishing industry of the United States. Perhaps at one time this had some point because the effort was to protect and encourage the shipbuilding activities of a young America and the development of her trade and commerce. That time has passed, but still we do not want to injure the shipbuilding industry of this Nation which was certainly needed in World War II and would be again in case of national emergency. To those people who think of the word "subsidy" as a dirty word, I would remind them that the cost of this program, per year does not reach the cost of the storage program for surplus crops under the Benson agricultural program for a single day. So I recommend to the House that we unite and right an injustice that was done in the name of national security. It is not fair that one small segment of an important industry should have to bear the brunt of an act committed in the name of national security. If it was done in the name of national security, the result should be shared by all the taxpayers of the country.

Mr. Chairman, those of us who are vitally interested in the fishing industry in the United States have become very alarmed at the recent decline and the difficulties experienced by our domestic fishing industry. The industry as a whole is declining fast. It is losing economic stature, witn some segments already facing ruin because of the importation of foreign-caught fish. Likewise, our fishing fleets are being forced out of business by this kind of competition. Everyone knows that for some time this most important industry has been fighting a losing battle against the present policy which makes concessions to foreign competition and which simultaneously refuses to provide relief to our domestic fishing industry.

Failure to provide tariff relief and its failure to provide construction-differential payments for the fishing vessels that by law must be built at much higher costs in this country have exposed our fishing industry to the unfair competition from abroad that is driving us out of business.

I want to point out that while our U.S. fishing fleet is gradually deteriorating Russian fishing vessels have been moving into water a mere 250 miles off New England's coast with a modern oceangoing fleet. The Russians are penetrating our fishing waters in their overall efforts to defeat us through economic competition. They also use their fishing vessels for military purposes in connection with their large submarine fleet. The Russians have large, modern fishing vessels whose activity is not restricted by governmental action. We must not allow the Soviet Union to outdistance us in this field as they have in others.

I am sure the Members of the House agree with me when I say that some assistance is needed both in and out of Congress to prevent the collapse of this most essential industry. I, therefore, want to commend Chairman BONNER of the House Merchant Marine and Fisheries Committee and Chairman BOYKIN of the Subcommittee on Fisheries, as well as all the members of the parent committee for the excellent work they did in connection with this much needed proposal.

Mr. Chairman, we are considering today a bill that is designed to promote the welfare of our fishing industry.

I urge your strong support of bill H.R. 5421 which would help distressed fisheries in the United States compete with foreign fisheries which employ lower-paid labor and use ships costing 36 to 50 percent less than similar type ships built in the United States. Low-priced foreign fish imports have caused severe financial losses to large segments of our domestic fishing industry, particularly in New England. Financial losses have been so high that much of our fishing equipment is aged and inefficient, with high insurance, maintenance, and operating costs, a high injury

rate for fishermen, and inadequate fish catches because of obsolescent gear and outmoded fishing practices.

My bill would also help our domestic shipbuilding industry. American fishery vessel operators are not allowed to use low-priced, foreign-built ships. They can use only those ships constructed in the United States—United States Code, title 46, paragraph 11, and Revised Statutes 4132, as amended, passed by Congress in 1792—because we wish to maintain a healthy domestic shipbuilding industry. This is an objective worthy of your support and that is part of the reason that this bill authorizes the payment to a domestic shipbuilder of a fishing vessel 33⅓ percent of the differential between the cost of constructing a fishing vessel in the United States and such a cost in a foreign country. This 33⅓ percent differential is really lower than the average differential, because foreign shipbuilders can construct and deliver large ships to the United States for an estimated average cost of 42 percent below our costs. In Japan the differential is 50 percent; in northern Europe the differential would be about 45 percent, and in the United Kingdom and France the differential would be less.

You will note that the committee report on bill H.R. 5421 stresses the importance of a strong domestic shipbuilding industry. It states that—

> The necessity of maintaining shipyards in operating condition and good financial health in the United States has been amply demonstrated in both World War I and World War II. In both of these, the small boat yards capable of constructing fishing vessels did yeoman service in the construction of minesweepers and other auxiliary vessels for defense, and it is inconceivable that they be condemned to extinction.

The committee report stressed also the importance of providing to domestic fishery shipbuilders the differential of 33⅓ percent as a method of helping our distressed fishing industry gain a more favorable position for competing with cheap foreign imports. My bill provides that this differential is to apply only to those segments of the fishing industry which are in distress.

Our financially embarrassed fishing vessel operators would like to purchase new, American-built ships, but they are unable, or understandably reluctant, to buy any new ships, because of the higher costs. Their impoverished financial condition, poor equipment collateral, and dim future prospects are so bad, generally, that they have great difficulty, or have not been able to obtain loans from banks or from the Small Business Administration.

Fewer and fewer fishing vessels are being constructed in recent years in the United States. In 1947–49 more than 1,000 vessels were documented, but in 1957 only 601 vessels, or 40 percent less, were documented. Of these 601 vessels nearly half, or 296, were added to the fishing fleet in the South Atlantic and gulf areas mainly for shrimp fishing. In the other very important fishing areas of New England and the Pacific Coast States there were fewer fishing vessels in 1957 than in 1955. Of the 12,000 vessels of 5 net tons or over engaged in fishing activities in 1957 a considerable number were old and obsolete.

This bill asks for only $1 million per year for just 3 years, which is a short time and a small sum compared to its valuable benefits to be derived for fisheries, shipbuilders, and to the security of the United States.

The general objectives of my bill have been approved by the several Federal departments. Numerous individuals and organizations have stressed that it should be approved. The bill contains safeguards so that differentials will be safely and wisely provided only to responsible, but distressed fisheries.

Before concluding I would like to point out that under section 4 of the bill a construction subsidy shall be granted only to assist in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission.

As you probably know twice in recent years President Eisenhower has rejected two recommendations by the Tariff Commission for the relief of the New England ground fish industry. This has been done on the grounds of national security. The fishing industry has established economic justification before the Tariff Commission and demonstrated that it cannot maintain competion against foreign imports without tariff relief or some other measure of assistance. But friendly relations consideration between Iceland, other countries and our State Department have precluded relief and the fishing industry's condition continues to worsen.

I, therefore, ask: Is it equitable to assume that one industry should bear the entire brunt of our national security policies with respect to friendly nations engaged in fisheries commerce? Should this industry be forced to suffer economically for national security considerations which affect us as a Nation as a whole?

Some measure of assistance is clearly in order. I want to repeat that my bill is designed to revive an industry that is rapidly deteriorating because it is plagued by high costs and low prices. It is an industry that is struggling to maintain its equilibrium in an economic storm that threatens to throw it off course. My bill is an effort to place the fishing industry in an equitable position as compared with other economic segments in our society. If enacted into law it will save and revive the important fishing industry of the United States. I, therefore, commend this bill and strongly urge its approval.

Mr. BURKE of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Chairman, I wish to go on record in favor of H.R. 5421. While this measure will not correct all the inequities in the fishing industry as it affects New England it is a step in the right direction.

The fishing industry in New England has been in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses.

Many of the fishing trawlers are now over age and because of the poor profits there is little or no capital available for their replacement.

This is a moderate bill and should have the support of all those interested in keeping fishing industry alive in our Nation.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Chairman, I rise in support of this legislation which is designed, primarily, to recreate a modern fishing fleet in the New England area that can compete with the subsidized fisheries of foreign nations.

Those who have spoken on this bill during this debate have covered the several phases of the need for action in this field, caused both by the critical competition from imports of fish and fish products, which is forcing the New England fishing industry to its knees, and the refusal of this administration to give us relief through the provisions of the escape clause authority of the Trade Agreements Act.

Attention has been called to the existing law which prohibits the use in our coastwise commerce of boats built in foreign yards. So, if we are to be encouraged and helped to revive our industry, make jobs, and utilize the rich resources of the sea, with which we are so abundantly blessed in the North Atlantic, then, it must be through this legislation which is not a new principle for our Government. The same procedure of construction differential subsidies is applied to keep our merchant marine fleet in a healthy, modern status. Of course, this has been our practice for years, since the 1936 act to be exact, The approach of subsidies for construction of merchant ships has proved itself, not only in peacetime but has helped to save this Nation in times of war.

This bill, authorizing a modest approach of $3 million over a 3-year period for the rejuvenation of this fishing fleet, may also prove to be a national defense factor of great value if we are unfortunate enough to become embroiled in another armed conflict. During World War II, the Navy acquired and converted for defense purposes many of these very same vessels, which we now seek to replace, through this legislation, with modern, effective craft. These vessels will be used for the peaceful pursuit of harvesting the sea in competition with our neighbors who are constantly improving their fleets through governmental subsidies, just as we seek to accomplish, here, today. Also, Mr. Chairman, we must fulfill our legislative responsibility to act in the national defense. This bill, which deserves your

wholehearted and complete support, will do both of these jobs.

Today, it is the New England interests which must be protected. Tomorrow, it could be the tuna fisheries of the Pacific or the shrimp fisheries of the gulf and the South Atlantic.

This legislation is constructive. It is in the national interest. It calls for your unselfish support. I urge the passage of this bill.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I shall support H.R. 5421, to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status.

There is no question but that the New England fishery is in dire straits and our west coast fisheries are not in good shape. Because of poor prospects, there is no capital assistance for the replacement of obsolescent vessels. Use of the older vessels has caused higher maintenance costs, higher insurance premiums, injuries to crews and inadequate catches because of old gear and obsolescent fishing vessels.

By law, U.S. fishing vessels must be constructed in U.S. yards and the additional costs, which according to the Department of Commerce run as much as 42 percent, places a hopeless handicap upon the fishing industry.

As much as I dislike the thought of Federal subsidies, I realize full well there are instances where the Federal Government must step in and provide assistance if an industry, such as fishing, which is of great importance to the entire Nation, is to be preserved and the jobs of those employed therein are to be saved.

Although H.R. 5421 applies solely to the New England fishery, I hope it can be amended to include our west coast fisheries, as they too are in a depressed condition and certainly need assistance to enable them to replace outworn, obsolescent vessels.

I believe that H.R. 5421 is a fair and equitable proposal which would do much toward rehabilitating our fishing industry in the United States, which has suffered continued hardship by reason of certain trade policies of the United States.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, there have been a lot of extraneous issues thrown into this discussion today. I think we need to get right down to the crux of this bill, which is to be found in section 4 on page 2, which reads as follows:

SEC. 4. A construction subsidy shall be granted under this Act only to assist in the construction of a fishing vessel to be operated in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission under the Trade Agreements Assistance Act of 1951, as amended (65 Stat. 74), but where such relief has been or is hereafter denied under section 7(c) of such Act.

Then we go to the report, and the first sentence of the report on page 3 under the heading "Summary of the Need for the Legislation" reads as follows:

At the present time, the New England fishery is in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses.

There is one issue and only one issue, and that is whether on that basis you are going to vote for a bill that provides a subsidy for the New England fishing fleet, for that is the only segment of the fishing industry that can qualify under this bill. That is the real issue. It is the issue of the New England fishing industry having gone to the Tariff Commission, having twice been upheld by the Tariff Commission, President Eisenhower twice having overturned the decisions of the Tariff Commission, and now this bill seeks to overrule the President by indirection and reliance on the Federal Treasury.

What is going to happen if this bill is adopted?

What kind of precedent will be set? The pottery industry may go before the Tariff Commission, obtain a favorable decision under the escape clause and be overruled by the President. The glass industry, the knitting industry, the auto industry and many others may do likewise. Are you going to pass a series of bills to compensate, as the gentleman, my friend from Massachusetts, the distinguished majority leader advocates, for the damage caused by the so-called reciprocal—the misnamed reciprocal trade agreements for there is little or no reciprocity.

My friend from Massachusetts who supports that program and who is at heart, I am sure, a freetrader, advocates resort to the U.S. Treasury to provide compensatory payments. That is his answer to the damage that is being done by our foreign trade agreements.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Certainly I yield.

Mr. McCORMACK. Does the gentleman undertake to penetrate my heart?

Mr. GROSS. Just your mind, not your heart.

Mr. McCORMACK. Does the gentleman think he is qualified to penetrate my mind?

Mr. GROSS. On this subject—perhaps not completely but certainly to a limited extent, and I will not go beyond that.

Mr. McCORMACK. I admire the gentleman very much because I am unable to penetrate his mind.

Mr. GROSS. The gentleman is heading as fast as he can to free trade when he supports the so-called Reciprocal Trade Agreements Act with a 20-percent reduction in tariffs over a 4-year period.

Mr. McCORMACK. I am not attacking or criticizing the gentleman for his views.

Mr. GROSS. I am not criticizing the gentleman either.

Mr. McCORMACK. I am not characterizing my friend as a high protectionist. He would not want me to and I would not do it. Yet when he starts talking about free trade he is just as far wrong as anybody can be. I try to rationalize, I am sure my friend does, too, from his own angle. I would no more accuse my friend of being a high protectionist than I would accuse him of favoring Khrushchev's visit and to address a joint meeting of Congress.

Mr. GROSS. Let me tell the gentleman how I feel about this tariff situation. We are in trouble and we are getting deeper into trouble all the time over this flood of imports. The answer to it is a tariff based upon the differential in costs of production as between this country and any foreign country, and I do not care what foreign country it is.

Mr. McCORMACK. I am not arguing that.

Mr. GROSS. The gentleman can call that a high tariff or low tariff.

Mr. McCORMACK. The gentleman simply referred to me as a freetrader. I say the gentleman is just as far wrong in that statement as if I referred to him as a high protectionist. We are having a little pleasant colloquy, are we not?

Mr. GROSS. Yes, very friendly.

Mr. McCORMACK. One reading the RECORD may get a different impression than we intend to convey to one another. The gentleman knows that the Reciprocal Trade Agreements Act was to meet the Smith-Hawley Act and the high tariff provisions and the results that flowed from that act. I will agree—and I have never taken any other position—that under the Reciprocal Trade Agreements Act and its administration certain other conditions have arisen. It was in the Democratic platform, and I was chairman of the platform committee when we talked about the administration of the act. I will agree that when an American industry is adversely affected, sharply affected, and they make out a case for what I call compensatory consideration, the gentleman knows my phrase and the gentleman knows it is very logical and sound although my friend disagrees with me.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TOLLEFSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. No, I cannot agree with the gentleman that the answer to this or any other damage by virtue of imports is compensatory payments out of the U.S. Treasury.

Mr. McCORMACK. I said "compensatory consideration."

Mr. GROSS. What is the difference between them? Your compensatory consideration in this bill amounts to a million dollars a year ad infinitum.

Mr. McCORMACK. This bill is along the lines of what one of my friends on the Republican side said, it follows subsidies for the building of ocean-going passenger ships and our Merchant Marine. This is more consistent with that than the illustration my friend gave.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. I think the gentleman will want to correct the RECORD.

This bill lasts only 3 years. It expires at the end of 3 years. The total cost is $3 million.

Mr. GROSS. Yes; I misspoke myself when I said "ad infinitum." I will strike that. It goes for 3 years, but I will be amazed if you would not be here asking for more appropriations at the end of 3 years.

Let me say to the gentlemen from Massachusetts, this bill is not going to cure anything. I have every sympathy for the industry. The industry is hurt, it has been damaged, and I have every sympathy for those injured. But I would much prefer to vote for an outright subsidy for the building of the New England fishing fleet than to approve this proposition of in fact amending the Trade Agreements Act in this fashion to the exclusion of all others who are being damaged. As I said, this bill is not going to cure anything. You can build these fishing boats, but if you cannot compete with low-cost foreign imports, it is not going to solve your problem at all and the gentleman knows that very well.

Mr. MACDONALD. Does not the gentleman agree there is a difference in the illustration he gave? There are people who manufacture glass in Toledo, for instance, and they import the machines with which they manufacture this glass.

Mr. GROSS. No, not necessarily.

Mr. MACDONALD. That happens to be the fact. Would he follow the law in the same way and have these people pay 50 percent more because by law they cannot purchase trawlers outside the United States? Does the gentleman want the law changed in that way?

Mr. GROSS. I have never voted for such a bill in the Committee on Merchant Marine and Fisheries. I simply raised the question. I have never voted for a bill to provide for the construction of ships in foreign yards, and the gentleman well knows that. I do not believe in it. I believe in paying American workmen for their labor and American industry the cost of producing their products. The best market for the products of our farms is the American market and the best consumers are those gainfully employed in American industries, including shipyards. I say you you are not going to solve the real problem with this bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I am happy to yield to my friend from the State of Washington.

Mr. PELLY. The distinguished majority leader referred to the Democratic platform, and I would like to refer to the statement of policy of the Republican Party, which is to protect labor standards. This bill is right in line with that.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield, when I referred to the Democratic platform, I did not mean to exclude or make any partisan reference.

Mr. PELLY. I just wanted to remind the gentleman that both parties are in support of the principles which are in line with this particular legislation.

Mr. GROSS. Both parties are what?

Mr. PELLY. In support of protecting the high standards of American labor as against foreign labor.

Mr. GROSS. Well, it is going to be pretty hard for me to believe that President Eisenhower, the titular head of the Republican Party, is going to be very favorably disposed toward this bill which, in fact, sets aside his decisions and provides a backdoor approach to the United States Treasury to get money because he has overruled decisions of the Tariff Commission. It is hard for me to believe that he wants that kind of a precedent established all over the country, because of the many other industries adversely affected by reason of foreign imports. I warned when the extension of the Trade Agreements Act, the so-called reciprocal trade agreements, last came before the House that the fact of the extension, with its 5 percent reduction in tariffs over a 4-year period, or a total of 20 percent, would live to haunt the Members of this House, and here it is today to haunt them. I just do not believe that President Eisenhower, if he has seen this bill or gets a good look at it, is going to be very favorably disposed toward it.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. JONAS. I was interested in the comment the gentleman made that this bill will not solve the problem it seeks to solve. Did the gentleman hear the colloquy I had with the gentleman from Washington?

Mr. GROSS. Yes.

Mr. JONAS. Being a member of the committee and having studied this subject carefully, I wonder if the gentleman from Iowa could enlighten the House as to the proportion of the cost of operating a fishing vessel is attributable to the purchase price of the vessel. Is not that a small part of the total cost?

Mr. GROSS. I would have to go back to the hearings to find an answer for the gentleman. Perhaps the chairman of the committee could enlighten the gentleman as to his question. I am happy to yield for that purpose if he cares to answer.

Mr. BONNER. What is the question?

Mr. JONAS. I asked the gentleman from Iowa if there was any information before the committee which would disclose the percentage or proportion of the cost of operating a fishing vessel that is attributable to the cost of the vessel.

Mr. BONNER. In the regular subsidy with our merchant marine we grant approximately 50 percent. In this bill we limit it to one-third the cost of the vessel.

Mr. JONAS. Assuming that a fishing trawler would cost $300,000, the subsidy would be $100,000?

Mr. BONNER. That is correct.

Mr. JONAS. Would that take care of the cost differential? Would that make the domestic fleet competitive with foreign fleets? That is the problem we are trying to solve.

Mr. BONNER. Yes. With the proper type of trawlers the industry can compete.

Mr. JONAS. But you have recurring costs, such as labor, insurance, upkeep, and maintenance.

Mr. BONNER. That is shore cost. There is no shore cost included in this bill.

Mr. JONAS. I would like to vote for the bill if it would correct the problem, and I am interested in the problem. But the gentleman from Iowa has about convinced me that this bill will not solve the problem we seek to solve, and that if we adopt this approach we will be establishing a precedent which will have to be followed in every case where a domestic industry is damaged by imports.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I would like to explain to the gentleman from North Carolina that my district and the city of Boston is where the most part of the fishing fleet is located. And, we are concerned about it, naturally, and I know quite a bit about it. In this day and age while our New England fleet is obsolete and while we still fish, as I stated before, in the same manner and follow the same customs as we did in the last 100 or 150 years, what we need today is a more modern trawler. The $1 million a year will only build probably 3 or 4 trawlers. In the overall fleet, what do 3 or 4 trawlers mean? It will mean that they will have new, modern equipment, with electronic devices, with sounding systems, things of that kind, so that they can go up to the Grand Banks or the Georgian Banks, or off the various places where they go to fish, and use this sounding equipment, this electronic equipment, to locate the fish. They will relay this information to the rest of the fleet and then the fleet will go up there.

In other words, at the present time, we do not have what they call finders. That is what they have in the Russian fleet today. That is what they have in the Iceland fleet today. That is why we need at least this limited number at the present time so that they can be sent out as scouts to locate the fish, so that the men will not spend days at sea, and many useless hours, not knowing where the fish are located but so that they will have the information and will be able to come back with the fish.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. OLIVER. Perhaps this is not pertinent to what the gentleman has been saying, but with regard to the inquiry made by the gentleman from North Carolina [Mr. JONAS] to which my friend from Massachusetts [Mr. O'NEILL] has been addressing his remarks, here is a sentence taken from a telegram received today from the representative of the National Fisheries Institute, which says:

> Adoption of this legislation provides the only hope for American industry to compete with foreign fishing vessels.

I offer that contribution because while this bill is probably not a solution of the problem, it offers the only hope toward a solution. I wanted to make that point.

Mr. GROSS. Mr. Chairman, again we have a bill before the House which seeks to solve a problem by dealing with effect and not the cause. This is again the easy way out—the accepted practice of rushing to the Federal Treasury to solve all problems, no matter how large or how small. That is the prime reason why this Government has accumulated a debt of $290 billion—an impossible mortgage that has been yoked around the necks of future generations.

The trouble in this instance, I repeat, is directly attributable to the alleged reciprocal trade program, and these troubles are multiplying every day. To put American labor and industry on a world price level can only mean a lower standard of living in this country. To raid the U.S. Treasury to provide compensatory payments for all damage inflicted by foreign imports is unthinkable for the Treasury is worse than "busted" for it went $13 billion in the hole in the last fiscal year alone.

Congress must face up to the fact that the foreign trade policy of this country has failed; that our industry and labor cannot possibly meet the competition with which it is faced.

It will be interesting to compare the votes for this bill with the votes that were cast for the last extension of the so-called reciprocal trade act. Those who voted for that extension, and the terms and conditions contained therein, cannot consistently vote for this bill.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, it seems to me that this great committee and those who have spoken on this bill have made a fine case, an excellent case for this bill. I am certainly strongly in favor of it after having read the bill and heard the debate.

I should like to make just a few observations in the short time allotted me. This bill could not possibly affect directly the district that I have the honor to represent nor the State of Oklahoma; nor could it directly help or affect anything in the Midwest that I know of. But I do hope that all of us in regard to this subject matter will do our very best not to be local in our views but that we will think in terms of our whole country. I am trying to do that on this occasion because, as I say, this cannot directly help us at all out our way, but it will help an important segment of our whole society. It will help the fishing industry, and they are entitled to that help.

I am glad that they have very frankly and very pungently used the word "subsidy." Some people have been afraid of that word. But I call your attention to the fact that we have had subsidies in the United States ever since George Washington's time. Many, many segments of our society have been subsidized. The only question we should ask, it seems to me, if we are called upon to subsidize some group in our country is whether or not it is justified and we can afford it. Were it not for the subsidies that we have granted through the years to certain of our segments and groups we would not be the strong Nation we are today.

The tariff has been mentioned. The tariff is probably the biggest subsidy in America. I have used these figures before, but I repeat, from 1932 to 1952 the tariff, which I do not oppose as long as it is reasonable, in this country cost us, the taxpayers and consuming public, $10.8 billion. The subsidy for farm support prices during that same period cost us $1.2 billion.

I have always gone along with you ladies and gentlemen in regard to your justified subsidies. You have made in my judgment an excellent case here. I would hope and, yes, I pray that when we come along with the farm program, if we make a good, reasonable case and show that farmers are entitled to it, help us out. We need it, just as the fishing industry needs it. Yes, you made an excellent case. You do need it, and we need it. So help us out, too. I will stay with you; you stay with us as long as we are both right.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the gentleman.

Mr. BAILEY. I should like to say to the distinguished gentleman from Oklahoma that I feel somewhat as he does. I think they have a problem in New England and from my leadership in the effort to do something about our reciprocal trade policies I know all about the fisheries situation, not only on the east coast, but on the west coast. I am in sympathy with what you are trying to do, but there is one weakness in your proposition, gentleman, and I feel I would be remiss in my duty if I failed to point it out to you. The President has the authority to appoint the members of the Tariff Commission. His last two appointments have been men who have in recent decisions of the Tariff Commission quit finding unanimous decisions in favor of any industry. The President has it in his authority to take control over that because he can name the members of the Tariff Commisison, and I would say by the end of 1 or possibly 2 years, you will not get a favorable ruling out of the Tariff Commission for any industry because it will be handmade by the President, and he is opposed to being overridden on these matters. So your bill, of course, only applies to cases where the Tariff Commission has given a favorable ruling under the application of the escape clause.

Mr. MORRIS of Oklahoma. I thank the gentleman for his contribution. I hope there will be very little or no opposition to this bill. This is a good bill.

Mr. BONNER. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in support of this legislation sponsored by my distinguished colleagues from Massachusetts, Congressmen MACDONALD, O'NEILL, BATES, and LANE, to provide a program of assistance to correct inequities in fishing vessels construction and to help the fishing industry to regain a favorable economic status.

The New England fishing industry in particular has been a very "sick" industry for many years, not because New England fishermen lack ingenuity, initiative or the will to do hard work, but because of foreign competition. Under existing law, these fishermen must contract to buy new fishing vessels in the United States at costs ranging up to 50 percent higher than fishing vessels constructed in foreign countries. Construction of the foreign fishing vessels is subsidized by the respective foreign governments. They are very modern. I recently saw a television program showing how these vessels not only catch fish, but they have facilities to clean, pack, and store them.

Mr. Chairman, New England has had a great fishing industry ever since the first English settlers landed at Plymouth, Mass. The Pilgrims and early colonists depended upon the sea for much of their food. Shipyards sprung up in every New England port, and hundreds of these small vessel shipyards still exist. These shipyards have also been plagued by the problems of the fishing industry because fishermen have not been able to bear the heavy costs of renovation and new construction of fishing vessels. This legislation will offer a subsidy of up to 33 percent for construction of these vessels. The bill will not only revitalize the fishing industry but it will help the small-boat yards that normally engage in this type of construction.

Mr. BOYKIN. Mr. Chairman, our fisheries are in very poor condition because of low-cost foreign competition. Not only are labor costs abroad less than ours but the cost of construction of fishing vessels and equipment is substantially less. The Japanese, Canadians, Icelanders, and Britons are able to lay down fish on our shores at prices less than our own fishermen can deliver. The tariff on fish is ridiculously low, and although proceedings have been taken under the Trade Assistance Agreements Act for relief against foreign competition, the administration has refused to consider the plight of our industry. New England in particular has been hard hit. Its fleet is growing older, its costs are rising, and its markets are fading in the face of cheap foreign fish.

Various suggestions have been made to assist this essential industry, and the one with the greatest merit is embodied in this bill. It is designed to modernize the fleets with the effect of reducing production costs so as to enable the New England industry to compete on more favorable terms. The necessity for new fishing vessels has been recognized by the administration, but it proposed that the fishermen be permitted to obtain vessels from lower cost foreign yards. Under the present law only American-built fishing vessels are permitted in the American fishery, and the effect of the administration proposal would be to ruin our domestic small boat building industry.

For this reason I, and the other members of the Merchant Marine Committee, substituted the present bill which authorizes the payment of a construction differential subsidy up to one-third of the cost of the vessel which will be constructed in an American yard. The bill presents no departure from existing practice, in that it is patterned after the Merchant Marine Act of 1936, which has resulted in the construction of our present merchant fleet. It requires that vessels built under its terms be used in the fishery for which the subsidy is paid, and that in the event that the Government acquires the vessel in time of emergency that only the depreciated book value be paid. It is limited by its terms to a period of 3 years, and calls for the expenditure of not over $1 million per year.

I believe that the bill will be successful in building up this essential industry at the least cost to the Government.

Mr. DONOHUE. Mr. Chairman, this legislation before us, H.R. 5421, to provide assistance to segments of the fishing industry that have suffered undue hardship because of the operation of our reciprocal trade policy is of vital importance to a large, but long neglected, part of our citizenry.

It has particular significance to the members of the New England fishing industry, who have a long and illustrious record, through many generations, of patriotic service and sacrifice in defense and preservation of their country's freedoms.

The evidence that has been presented to this House in proof of the extreme hardships imposed upon these patriotic people and in demonstration of their vital need of Federal assistance for competitive survival is overwhelming. There can exist no doubt of their long sufferings and economic deprivations due entirely to the adverse operation of our reciprocal trade program. The President himself has repeatedly expressed his conviction that appropriate remedies should be applied whenever any large portion of our economic society is beset by financial difficulties, through no fault of their own, by reason of competitive strangulation brought about by foreign importations.

That is exactly the unhappy and unjust situation facing the New England fishing industry today. The assistance provided for in this bill is moderate; the time during which it will apply is limited; the program is safeguarded against all possible abuses and will be strictly supervised by the Secretary of the Interior, as well as the Maritime Administrator.

The need of the fishing industry is urgent and the measure of aid proposed is reasonable, in the national interest. I earnestly hope that my colleagues here will unanimously approve this bill without delay.

Mr. BERRY. Mr. Chairman, during the past week we have witnessed in this body the growing decline of the free enterprise system in America.

When we consider that the economy of the Nation consists solely of the production and removal, the processing, transportation, reprocessing and disposal of the basic raw materials which come from the fields, the mines, or the sea, we understand how important these basic raw materials are.

Within the past week the House has acted upon three bills, either enacting, extending, or anticipating a subsidy program to prevent domestic production of the three basic raw materials from being completely destroyed by cheap foreign imports:

First. Thursday of last week we extended Public Law 480 by which the U.S. Treasury, through gift, barter, or exchange for foreign currencies which are then spent in that country, disposes of domestic farm production acquired under the so-called agricultural subsidy program. This is a program carried on to purchase domestic agricultural products displaced by cheap foreign imports.

Second. Monday we had on the floor a resolution in which Congress asked the executive branch to submit a program for the solution of the domestic mining industry, which industry has been displaced through cheap foreign imports.

Third. Today we are considering a subsidy for the fishing industry, which is the first step in an overall subsidy program to save the fishing industry from being completely displaced through cheap foreign imports.

THE PATTERN

In order that we may have a clearer picture of what is shortly in store for the mining and fishing industries, let us look at the purpose and operation of the agricultural program. Last year we imported $3.9 billion worth of agricultural commodities. These commodities were placed on the domestic market and went directly to the dinner tables of the homes across the Nation.

Those basic raw materials coming from the fields of the Nation were made surplus by the displacement of millions of acres of domestic production through these foreign imports. The Nation was faced with two alternatives, either to stop imports or to buy up the displaced domestic production. The Federal Treasury purchased this displaced farm production, which we term surplus. It is surplus only because it has been supplanted by imports.

In order to dispose of this mounting surplus, the taxpayers through Public Law 480 gave away last year, either directly or indirectly, $1.5 billion worth. Through the International Wheat Agreement and other such programs, the taxpayers subsidized the sale on the world market of another $1.2 billion. This was subsidized at the rate of about 50 cents per bushel on wheat and a related figure on other grains. The rate has been 6 cents per pound on cotton; it has now gone to 8 cents per pound.

In other words, $2.7 billion of the $4 billion agricultural exports from the United States last year were either given away or the sale was very highly subsidized in order to make room for the $3.9 billion of agricultural imports.

OTHER BASIC MATERIALS

The domestic mining industry is in much worse shape than the domestic agricultural industry because foreign mineral imports can be indefinitely stockpiled. If, however, the domestic industry is to be preserved, even on a standby basis, the taxpayers must buy the domestic production at a cost of production subsidized price and then arrange some program similar to Public Law 480 to give away that which is produced in this country.

The fishing industry faces the same fate. Cheap foreign imports have supplanted the best efforts of the domestic industry on both coasts. Either the taxpayers step in or the fisheries step out.

THE PROBLEM

You ask why a great industrial country like America, with the best means of production that modern science can produce and with a class of labor that is the most efficient in the world, cannot meet competition from abroad.

The first answer is that the American farmer, the American miner, and the American fisheries are given a serious handicap before they can even enter the race of free world competition.

The American taxpayer, which includes every farmer, every miner, everyone engaged in the fisheries, every processing industry and every laborer, must first pay his pro rata share of defense, not just the defense of America, but the defense of the entire free world. This defense is the first handicap placed upon domestic industry and labor.

The bill for the defense of the free world is approximately $40 billion annually. Broken down on a per capita basis, this annual expense amounts to $800 for every family in America. This $800 must be added to the production cost of every pound of food, every ton of mineral, and every item of clothing or product of industry which is produced domestically.

The foreign producer and foreign laborer has no defense item to add to his product—we defend them.

The domestic producer must raise another $3 to $3.5 billion annually for foreign aid. This amounts to from $70 to $75 annually for every family in the Nation. This amount is not only given to our agricultural and industrial competitors to maintain their defense, but to their governments as well to help keep them solvent, to help run their schools, to build roads, powerplants, irrigation projects and every other item of their national expense.

Certainly these people can work for lower wages when the American taxpayer not only foots the bill for their defense but contributes toward the operation of their governmental functions and then puts $1.5 billion worth of food on their tables free of cost.

Can any degree of efficiency, can any technical development meet this kind of competition?

THE SOLUTION

In 1936 the Congress of the United States passed a minimum wage and maximum hour law so that one section of the Nation would not have an unfair advantage over the other in trade moving in interstate commerce.

The countries of the world are closer today than were the States in 1936. If wage-and-hour legislation was necessary

then for fair interstate trade, worldwide wage and hour standards are just as important today in international trade.

This, you say, is not possible. You likewise contend it is not possible to require the other nations of the free world to contribute their proportionate share of the cost of free world defense. But, Mr. Chairman, it is possible to require them to make their proportionate contribution at least on the products they export into the United States.

Call this an equalization tax or a defense tax, or call it what you please; if they expect the American taxpayer to be their consumer, then they must contribute toward the terrific burden being carried by that consumer as a free world taxpayer.

I do not advocate a punitive tariff; I do not advocate a destructive tariff; I do not advocate a tariff which would place an import wall around the Nation, but I do contend that the Treasury of this Nation cannot long continue to defend the free world, raise their standard of living by subsidizing their governments, financing agricultural, mining, and industrial development in competition to ours, place free food upon their tables, and then subsidize American agriculture, American mining, American labor, and American industry when these foreign products, produced through these unfair competitive means, idle the domestic producers.

The defense of their countries is as important to them as it is to us. Trade with us is vital to them. I see no other means of requiring them to carry even a portion of their share, except to place an import tax upon food, goods, and products imported in competition with domestic production.

The patient is dying with a malignant import cancer. Congress continues to treat the patient by placing bandages over the open sores, but does nothing about the malignancy. It is Congress and Congress alone that is to blame for this condition. When will it face up to the facts and assume the responsibility required of it by the Constitution?

Mr. BONNER. Mr. Chairman, I have no further requests for time.

Mr. TOLLEFSON. Mr. Chairman, I have no further requests for time.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. PHILBIN. Mr. Chairman, I strongly support this bill and urge the House to enact it without further delay. I thank and compliment the very able chairman and the members of the committee for bringing the bill to the floor.

I was especially touched and impressed by the brilliant, logical, persuasive speech of my dear and distinguished friend the very able and amiable gentleman from Massachusetts [Mr. BATES] whose persistent, long-continued work has contributed so materially to securing urgently needed relief for the harrassed and afflicted American fishing industry.

I am pleased to commend particularly my dear friend and very able colleage, the distinguished gentleman from Massachusetts [Mr. MACDONALD], a stanch, effective advocate and promoter of this meritorious bill. His speech and valuable work have been most praiseworthy.

The case for the bill is overwhelming. It will have strong general support in the House as it deserves to have.

Underlying the drastic need for the bill is the reciprocal trade treaty law which has by its operation created cutthroat foreign competition in this great, vital industry just as it has in other major American industries. Congress must now provide relief from this most unsound and harmful law.

This bill is designed to help an industry in this country and workers in this country beset by oppressive, destructive, foreign competition which absolutely prohibits the procurement of adequate modern vessels and equipment.

There are many precedents for this type of assistance in the present mutual aid program, except that under that law the benefits and assistance go to foreign industries and foreign workers. In all fairness and justice our domestic industries and workers are entitled to consideration and help when they need it so urgently as in this instance of the fishing industry.

This bill is not an open panacea to correct all the ills and problems of the industry. But it will do much to promote economical operation and modernization, and make the industry better fitted to combat the vicious undercutting and cutthroat competition now prevailing.

The fact of the matter is that this legislation is imperative if the fishing industry is to remain in substantial existence. Unless this aid is forthcoming it is only a question of time when the American fishing industry will be faced with a truly grave prospect—further liquidation, and in the end ultimate ruin—another victim of reciprocal trade laws.

I appeal fervently with the House to pass this bill and thus preserve the great American fishing industry and its many faithful workers and their families who look to the Congress so hopefully and pleadingly for speedy relief from the intolerable conditions which now confront them.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to assist certain depressed segments of the fishing industry the Secretary of the Interior is hereby authorized to pay in accordance with this Act a subsidy for the construction of fishing vessels in the shipyards of the United States.

SEC. 2. Any citizen of the United States may apply to the Secretary for a construction subsidy to aid in construction of a new fishing vessel in accordance with this Act. No such application shall be approved by the Secretary unless he determines that (1) the plans and specifications for the fishing vessel are suitable for use in the fishery in which that vessel will operate, (2) that the applicant possesses the ability, experience, resources, and other qualifications necessary to enable him to operate and maintain the proposed new fishing vessel, and (3) the granting of the subsidy is reasonably calculated to replace lost, damaged, worn out, or obsolete fishing vessels by the owners thereof, and such other conditions as the Secretary may consider to be in the public interest.

SEC. 3. If the Secretary, in the exercise of his discretion, determines that the granting of the subsidy applied for is reasonably calculated to carry out the purposes of this Act, he may approve such application and enter into a contract or contracts with the applicant which will provide for payment by the United States of a construction subsidy in accordance with the purposes and provisions of this Act and in accordance with any other conditions or limitations which may be prescribed by the Secretary.

SEC. 4. A construction subsidy shall be granted under this Act only to assist in the construction of a fishing vessel to be operated in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission under the Trade Agreements Assistance Act of 1951, as amended (65 Stat. 74), but where such relief has been or is hereafter denied under section 7(c) of such Act.

SEC. 5. The construction subsidy which the Secretary may pay with respect to any fishing vessel under this Act shall be an amount equal to the difference, as determined by the Maritime Administrator, between the cost of constructing such vessel in a shipyard in the United States based upon the lowest responsible domestic bid for the construction of such vessel and the estimated cost, as determined by the Maritime Administrator, of constructing such vessel under similar plans and specifications in a foreign shipbuilding center which is determined by the Maritime Administrator to furnish a fair and representative example for the determination of the estimated total cost of constructing a vessel of the type proposed to be constructed, but in no event shall the subsidy exceed 33⅓ per centum of the cost of constructing such vessel in a shipyard in the United States based upon the lowest responsible dometic bid. For the purposes of this section, the Maritime Administrator shall determine, and certify to the Secretary, the lowest responsible domestic bid.

SEC. 6. Any fishing vessel for which a construction subsidy is paid under this Act shall be constructed under the supervision of the Maritime Administrator. No construction subsidy shall be paid by the Secretary under this Act unless all contracts between the applicant for such subsidy and the shipbuilder who is to construct such vessel contain such provisions with respect to the construction of the vessel as the Maritime Administrator determines necessary to protect the interests of the United States.

SEC. 7. All construction with respect to which a construction subsidy is granted under this Act shall be performed in a shipyard in the United States as a result of competitive bidding, after due advertising, with the rights reserved in the applicant, and in the Maritime Administrator, to disapprove any or all bids. In all such construction the shipbuilder, subcontractor, material men, and suppliers shall use, so far as practicable, only articles, materials, and supplies of the growth, production, and manufacture of the United States as defined in paragraph K of section 401 of the Tariff Act of 1930. No shipbuilder shall be deemed a responsible builder unless he possesses the experience, ability, financial resources, equipment, and other qualifications necessary properly to perform the proposed contract. The submitted bid shall be accompanied by all detailed estimates on which it is based, and the Maritime Administrator may require that the builder or any subcontractor submit any other pertinent data relating to such bids.

SEC. 8. (a) Every contract executed by the Secretary pursuant to section 3 of this Act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of any fishing vessel on which a construction subsidy was paid, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated construction cost thereof (together with the actual depreciated cost of capital improvements thereon) less the depreciated amount of construction subsidy therefore paid incident to the construction of such vessel, or the fair and reasonable scrap value of such vessel as determined by the Maritime Administrator, whichever is the greater. Such determination shall be final. In computing the depreciated value of such vessel, depreciation shall be computed on each vessel on the schedule accepted or adopted by the Internal Revenue Service for income tax purposes.

(a) The provisions of subsection (a) of this section relating to the requisition or the acquisition of ownership by the United States shall run with the title of each fishing vessel and be binding on all owners thereof.

SEC. 9. If any fishing vessel is operated during its useful life, as determined by the Secretary, in any fishery other than the particular fishery for which it was designed the owner of such vessel shall repay to the Secretary, in accordance with such terms and conditions as the Secretary shall prescribe, an amount which bears the same proportion to the total construction subsidy paid under this Act with respect to such vessel as the proportion that the number of years during which such vessel was not operated in the fishery for which it was designed bears to the total useful life of such vessel as determined by the Secretary for the purposes of this section. Obligations under this provision shall run with the title to the vessel.

SEC. 10. The Secretary shall make such rules and regulations as may be necessary to carry out the purposes of this Act.

SEC. 11. As used in this Act the terms—

(1) "Secretary" means the Secretary of the Interior,

(2) "fishing vessel" means any vessel designed to be used in catching fish, processing or transporting fish loaded on the high seas, or any vessel outfitted for such activity,

(3) "citizen of the United States" includes a corporation, partnership, or association if it is a citizen of the United States within the meaning of section 2 of the Shipping Act, 1916, as amended,

(4) "construction" includes designing, inspecting, outfitting, and equipping, and

(5) "Maritime Administrator" means the Maritime Administrator in the Department of Commerce.

SEC. 12. There is authorized to be appropriated annually the sum of $1,000,000 to carry out the purposes of this Act.

SEC. 13. The authority to grant subsidies hereunder shall expire three years from the effective date of this Act.

Mr. TOLLEFSON (during the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with, and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Are there any amendments to the committee amendment?

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARNAHAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes, pursuant to House Resolution 349, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the role.

The question was taken; and there were—yeas 272, nays 108, not voting 55, as follows:

[Roll No. 145]

YEAS—272

Abernethy	Celler	Forand
Addonizio	Chelf	Forrester
Albert	Chenoweth	Fountain
Alexander	Clark	Frazier
Alford	Coad	Friedel
Anfuso	Coffin	Gallagher
Ashley	Cohelan	Garmatz
Aspinall	Colmer	Gathings
Auchincloss	Conte	Gavin
Ayres	Cook	George
Bailey	Cooley	Giaimo
Baker	Corbett	Glenn
Baldwin	Curtin	Granahan
Barrett	Curtis, Mass.	Grant
Barry	Daddario	Gray
Bates	Daniels	Green, Pa.
Baumhart	Davis, Ga.	Griffiths
Beckworth	Davis, Tenn.	Gubser
Bennett, Fla.	Dawson	Hagen
Bennett, Mich.	Delaney	Hall
Blatnik	Dent	Halleck
Blitch	Diggs	Hardy
Boland	Dingell	Hargis
Bolling	Dollinger	Harmon
Bonner	Donohue	Harris
Bowles	Dooley	Hays
Boykin	Dorn, N.Y.	Healey
Boyle	Dorn, S.C.	Hébert
Brademas	Downing	Hemphill
Breeding	Doyle	Herlong
Brewster	Dulski	Holifield
Brooks, La.	Durham	Holland
Brooks, Tex.	Everett	Holtzman
Brown, Ga.	Evins	Horan
Brown, Mo.	Fallon	Hosmer
Broyhill	Farbstein	Huddleston
Burdick	Fascell	Hull
Burke, Ky.	Fenton	Ikard
Burke, Mass.	Fisher	Inouye
Byrne, Pa.	Flood	Irwin
Cahill	Flynn	Jarman
Carnahan	Flynt	Jennings
Casey	Foley	Jensen
Johnson, Calif.	Metcalf	Rogers, Tex.
Johnson, Md.	Meyer	Rooney
Johnson, Wis.	Miller, Clem	Roosevelt
Jones, Ala.	Miller, George P.	Rostenkowski
Judd	Milliken	Rutherford
Karsten	Mills	Santangelo
Karth	Mitchell	Scott
Kasem	Moeller	Selden
Kastenmeier	Monagan	Shelley
Kee	Moorhead	Sheppard
Keith	Morgan	Shipley
Kelly	Morris, N. Mex.	Sisk
Keogh	Morris, Okla.	Slack
Kilday	Morrison	Smith, Iowa
Kilgore	Multer	Staggers
King, Calif.	Murphy	Steed
King, Utah	Murray	Stratton
Kirwan	Natcher	Stubblefield
Kitchin	Nix	Sullivan
Kluczynski	Norblad	Taber
Kowalski	Norrell	Teller
Landrum	O'Hara, Ill.	Thomas
Lane	O'Neill	Thompson, La.
Lankford	Oliver	Thompson, N.J.
Latta	Patman	Thompson, Tex.
Lennon	Pelly	Thornberry
Lesinski	Perkins	Toll
Levering	Pfost	Tollefson
Libonati	Philbin	Trimble
McCormack	Porter	Udall
McDowell	Preston	Ullman
McFall	Price	Utt
McGinley	Prokop	Vinson
McGovern	Pucinski	Wallhauser
McIntire	Quigley	Walter
McMillan	Rains	Watts
McSween	Randall	Weis
Macdonald	Reuss	Whitener
Mack, Ill.	Rhodes, Ariz.	Whitten
Mack, Wash.	Riley	Willis
Madden	Rivers, Alaska	Wilson
Magnuson	Rivers, S.C.	Withrow
Mahon	Roberts	Wolf
Mailliard	Rodino	Wright
Martin	Rogers, Colo.	Young
Matthews	Rogers, Fla.	Younger
May	Rogers, Mass.	Zablocki
Merrow		Zelenko

NAYS—108

Abbitt	Feighan	O'Konski
Alger	Fino	Osmers
Allen	Frelinghuysen	Ostertag
Anderson, Mont.	Fulton	Pirnie
Ashmore	Gary	Poff
Avery	Goodell	Quie
Baring	Griffin	Ray
Barr	Gross	Rees, Kans.
Bass, N.H.	Haley	Rhodes, Pa.
Becker	Halpern	Riehlman
Bentley	Hechler	Robison
Berry	Henderson	Roush
Betts	Hess	St. George
Bosch	Hiestand	Saylor
Bow	Hoeven	Schenck
Bray	Hoffman, Ill.	Scherer
Brock	Johansen	Schwengel
Broomfield	Johnson, Colo.	Short
Brown, Ohio	Jonas	Simpson, Ill.
Budge	Kearns	Simpson, Pa.
Burleson	Knox	Smith, Calif.
Bush	Lafore	Smith, Kans.
Byrnes, Wis.	Laird	Smith, Va.
Cederberg	Langen	Springer
Chamberlain	Lindsay	Teague, Tex.
Chiperfield	Lipscomb	Thomson, Wyo.
Church	McCulloch	Tuck
Collier	McDonough	Vanik
Cunningham	Marshall	Van Pelt
Curtis, Mo.	Meader	Van Zandt
Dague	Michel	Wainwright
Derounian	Minshall	Weaver
Devine	Moore	Wharton
Dixon	Moss	Widnall
Dowdy	Mumma	Wier
Dwyer	Nelsen	
	O'Hara, Mich.	

NOT VOTING—55

Adair	Derwinski	Miller, N.Y.
Andersen, Minn.	Edmondson	Montoya
Andrews	Elliott	Moulder
Arends	Fogarty	O'Brien, Ill.
Barden	Ford	O'Brien, N.Y.
Bass, Tenn.	Green, Oreg.	Passman
Belcher	Harrison	Pilcher
Boggs	Hoffman, Mich.	Pillion
Bolton	Hogan	Poage
Buckley	Holt	Powell
Canfield	Jackson	Rabaut
Cannon	Jones, Mo.	Reece, Tenn.
Carter	Kilburn	Saund
Cramer	Loser	Sikes
Denton	Machrowicz	Siler
	Mason	Smith, Miss.

Spence	Wampler	Winstead
Taylor	Westland	Yates
Teague, Calif.	Williams	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Boggs with Mr. Arends.
Mr. Carter with Mr. Mason.
Mr. Machrowicz with Mr. Kilburn.
Mr. Fogarty with Mr. Taylor.
Mr. Montoya with Mr. Siler.
Mr. Pilcher with Mrs. Bolton.
Mr. Elliott with Mr. Belcher.
Mrs. Green or Oregon with Mr. Ford.
Mr. O'Brien of New York with Mr. Cramer.
Mr. Powell with Mr. Reece of Tennessee.
Mr. Sikes with Mr. Miller of New York.
Mr. Harrison with Mr. Jackson.
Mr. Hogan with Mr. Hoffman of Michigan.
Mr. Buckley with Mr. Pillion.
Mr. Loser with Mr. Westland.
Mr. Moulder with Mr. Teague of California.
Mr. Williams with Mr. Derwinski.
Mr. Winstead with Mr. Andersen of Minnesota.
Mr. Rabaut with Mr. Canfield.
Mr. Denton with Mr. Adair.

Mr. FEIGHAN and Mrs. DWYER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SPOKANE VALLEY PROJECT

Mr. ASPINALL submitted a conference report and statement on the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws.

COAL RESEARCH AND DEVELOPMENT

Mr. ASPINALL submitted a conference report and statement on the bill (H.R. 6596) which would encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

PROVIDING FOR CONSTRUCTION, ALTERATION, AND ACQUISITION OF PUBLIC BUILDINGS OF THE FEDERAL GOVERNMENT

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That this Act may be cited as the 'Public Buildings Act of 1959'.

"SEC. 2. No public building shall be constructed except by the Administrator, who shall construct such public building in accordance with this Act.

"SEC. 3. The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, any building and its site which he determines to be necessary to carry out his duties under this Act.

"SEC. 4. (a) The Administrator is authorized to alter any public building, and to acquire in accordance with section 5 of this Act such land as may be necessary to carry out such alteration.

"(b) No approval under section 7 shall be required for any alteration and acquisition authorized by this section the estimated maximum cost of which does not exceed $200,000.

"SEC. 5. (a) The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, such lands or interests in lands as he deems necessary for use as sites, or additions to sites, for public buildings authorized to be constructed or altered under this Act.

"(b) Whenever a public building is to be used in whole or in part for post office purposes the Administrator shall act jointly with the Postmaster General in selecting the town or city wherein such building is to be constructed, and in selecting the site in such town or city for such building.

"(c) Whenever the Administrator is to acquire a site under this section, he may, if he deems it necessary, solicit by public advertisement, proposals for the sale, donation, or exchange of real property to the United States to be used as such site. In selecting a site under this section the Administrator (with the concurrence of the Postmaster General if the public building to be constructed thereon is to be used in whole or in part for post office purposes) is authorized to select such site as in his estimation is the most advantageous to the United States, all factors considered, and to acquire such site without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

"SEC. 6. (a) Whenever the Administrator deems it to be in the best interest of the United States to construct a new public building to take the place of an existing public building, he is authorized to demolish the existing building and to use the site on which it is located for the site of the proposed public building, or, if in his judgment it is more advantageous to construct such public building on a different site in the same city, he is authorized to exchange such building and site, or such site, for another site, or to sell such building and site in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"(b) Whenever the Administrator determines that a site acquired for the construction of a public building is not suitable for that purpose, he is authorized to exchange such site for another, or to sell it in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"(c) Nothing in this section shall be deemed to permit the Administrator to use any land as a site for a public building if such project has not been approved in accordance with section 7.

"SEC. 7. (a) In order to insure the equitable distribution of public buildings throughout the United States with due regard for the comparative urgency of need for such buildings, except as provided in section 4, no appropriation shall be made to construct any public building or to acquire any building to be used as a public building involving an expenditure in excess of $100,000, and no appropriation shall be made to alter any public building involving an expenditure in excess of $200,000, if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, and such approval has not been rescinded as provided in subsection (c) of this section. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress a prospectus of the proposed project including (but not limited to)—

"(1) a brief description of the building to be constructed, altered, or acquired under this Act;

"(2) the location of the project, and an estimate of the maximum cost of the project;

"(3) a comprehensive plan for providing space for all Government officers and employees in the locality of the proposed project, having due regard for suitable space which may continue to be available in existing Government-owned buildings and in rented buildings;

"(4) a statement by the Administrator that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action; and

"(5) a statement of rents and other housing costs currently being paid by the Government for Federal agencies to be housed in the building to be constructed, altered, or acquired.

"(b) The estimated maximum cost of any project approved under this section as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction or alteration costs, as the case may be, from the date of transmittal of such prospectus to Congress, but in no event shall the increase authorized by this subsection exceed 10 per centum of such estimated maximum cost.

"(c) In the case of any project approved for construction, alteration, or acquisition by the Committees on Public Works of the Senate and of the House of Representatives, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.

"(d) The Committees on Public Works of the Senate and of the House of Representatives, respectively, shall not approve any project for construction, alteration, or acquisition under subsection (a) of this section whenever there are thirty or more projects the estimated maximum cost of each of which is in excess of $100,000 which have been approved for more than one year under subsection (a) but for which appropriations have not been made, until there has been a rescission of approval under subsection (c) or appropriations are made which result in there being less than thirty such projects.

"SEC. 8. (a) In carrying out his duties under this Act, the Administrator shall acquire real property within the District of Columbia exclusively within (1) the area bounded by E Street, New York Avenue, and Pennsylvania Avenue Northwest, on the north; Delaware Avenue Southwest, on the east; Virginia Avenue and Maryland Avenue projected in a straight line to the Tidal Basin, Southwest, on the south; and the Potomac River on the west (including properties within said area belonging to the District of Columbia; but excluding those portions of squares 267, 268, and 298 not belonging to the District of Columbia, the square known as south of 463, all of square 493, lots 16, 17, 20, and 21 and 808 in square 536, and lots 16 and 45 in square 635); and (2) the areas designated as squares 11, 19,

20, 32, 33, 44, 59, and 167, all of said areas being within the District of Columbia.

"(b) The purposes of this Act shall be carried out in the District of Columbia as nearly as may be practicable in harmony with the plan of Peter Charles L'Enfant and such public buildings shall be so constructed or altered as to combine architectural beauty with practical utility.

"(c) Whenever in constructing or altering a public building under this Act in the District of Columbia the Administrator determines that such construction or alteration requires the utilization of contiguous squares as a site for such building, such portions of streets as lie between such squares and such alleys as intersect such squares are authorized to be closed and vacated if such closing and vacating is mutually agreed to by the Administrator, the Board of Commissioners of the District of Columbia, and the National Capital Planning Commission. The portions of such streets and alleys so closed and vacated shall thereupon become part of such site.

"SEC. 9. The Administrator is authorized to carry out any construction or alteration authorized by this Act by contract, if he deems it to be most advantageous to the United States.

"SEC. 10. (a) The Administrator, whenever he determines it to be necessary, is authorized to employ, by contract or otherwise, and without regard to the Classification Act of 1949, as amended, or to the civil service laws, rules, and regulations, or to section 3709 of the Revised Statutes, the services of established architectural or engineering corporations, firms, or individuals, to the extent he may require such services for any public building authorized to be constructed or altered under this Act.

"(b) No corporation, firm, or individual shall be employed under authority of subsection (a) on a permanent basis.

"(c) Notwithstanding any other provision of this section the Administrator shall be responsible for all construction authorized by this Act, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"SEC. 11. (a) The Administrator shall submit to Congress each January, promptly after the convening of Congress, a report showing the location, space, cost, and status, of each public building the construction, alteration, or acquisition of which is to be under authority of this Act and which was uncompleted as of the date of the last preceding report made under this Act.

"(b) The Administrator and the Postmaster General are hereby authorized and directed to make such building project surveys as may be requested by resolution by either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, and within a reasonable time shall make a report thereon to the Congress. Such report shall contain all other information required to be included in a prospectus of the proposed public building project under section 7(a) of this Act.

"SEC. 12. (a) The Administrator is authorized and directed to make a continuing investigation and survey of the public buildings needs of the Federal Government in order that he may carry out his duties under this Act, and, as he determines necessary, to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act.

"(b) In carrying out his duties under this Act the Administrator shall cooperate with all Federal agencies in order to keep informed of their needs, shall advise each such agency of his program with respect to such agency, and may request the cooperation and assistance of each Federal agency in carrying out his duties under this Act. Each Federal agency shall cooperate with, advise, and assist the Administrator in carrying out his duties under this Act as determined necessary by the Administrator to carry out the purposes of this Act.

"(c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building.

"(d) Clause (1) of section 210(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)) is amended by striking out the words "ten years", and inserting in lieu thereof the words "twenty years".

"SEC. 13. As used in this Act—

"(1) The term 'public building' means any building, whether for single or multitenant occupancy, its grounds, approaches, and appurtenances, which is generally suitable for office or storage space or both for the use of one or more Federal agencies or mixed ownership corporations, and shall include: (i) Federal office buildings, (ii) post office, (iii) customhouses, (iv) courthouses, (v) appraisers stores, (vi) border inspection facilities, (vii) warehouses, (viii) record centers, (ix) relocation facilities, and (x) similar Federal facilities, and (xi) any other buildings or construction projects the inclusion of which the President may deem, from time to time hereafter, to be justified in the public interest; but shall not include any such buildings and construction projects: (A) on the public domain (including that reserved for national forests and other purposes), (B) on properties of the United States in foreign countries, (C) on Indian and native Eskimo properties held in trust by the United States, (D) on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, including research in connection therewith, (E) on or used in connection with river, harbor, flood control, reclamation or power projects, or for chemical manufacturing or development projects, or for nuclear production, research, or development projects, (F) on or used in connection with housing and residential projects, (G) on military installations (including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense), (H) on Veterans' Administration installations used for hospital or domiciliary purposes, and (I) the exclusion of which the President may deem, from time to time hereafter, to be justified in the public interest.

"(2) The term 'Administrator' means the Administrator of General Services.

"(3) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

"(4) The term 'executive agency' means any executive department or independent establishment in the executive branch of the Government including any wholly owned Government corporation and including (A) the Central Bank for Cooperatives and the regional banks for cooperatives, (B) Federal land banks, (C) Federal intermediate credit banks, (D) Federal home loan banks, (E) Federal Deposit Insurance Corporations, and (F) the Federal National Mortgage Association.

"(5) The term 'alter' includes repairing, remodeling, improving, or extending or other changes in a public building.

"(6) The terms 'construct' and 'alter' include preliminary planning, engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions necessary for the construction or alteration, as the case may be, of a public building.

"(7) The term 'United States' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"SEC. 14. This Act shall not apply to the construction of any public building—

"(1) for which an appropriation for construction is made out of the $500,000 made available for construction of small public building projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended, in the third paragraph, or for which an appropriation is made in the fourth, sixth, seventh, and eighth paragraphs, under the heading 'GENERAL SERVICES ADMINISTRATION' in title I of the Independent Offices Appropriation Act, 1959,

"(2) which is a project referred to in the first proviso of the fifth paragraph under the heading 'GENERAL SERVICES ADMINISTRATION' in title I of the Independent Offices Appropriation Act, 1959,

"(3) for which an appropriation for direct construction by an executive agency other than the General Services Administration of a specified public building has been made before the date of enactment of this Act,

"(4) within the purview of title 8, United States Code, section 1252(c) or title 19, United States Code, section 68, as amended.

"SEC. 15. The performance, in accordance with standards established by the Administrator of General Services, of the responsibilities and authorities vested in him under this Act shall, except for the authority contained in section 4, upon request, be delegated to the appropriate executive agency where the estimated cost of the project does not exceed $100,000, and may be delegated to the appropriate executive agency where the Administrator determines that such delegation will promote efficiency and economy. No delegation of responsibility or authority made under this section shall exempt the person to whom such delegation is made, or the exercise of such responsibility or authority, from any other provision of this Act.

"SEC. 16. Nothing contained in this Act shall be construed to limit or repeal—

"(1) existing authorizations for the leasing of buildings by and for the use of the General Services Administration or the Post Office Department, or

"(2) the authorization for the improvement of public buildings contained in title III of the Act entitled "An Act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes", approved May 27, 1958 (72 Stat. 134; 39 U.S.C., secs. 1071, 1075).

"SEC. 17. The following provisions of law are repealed except as to the application to any project referred to in section 14:

"(1) The first sentence of section 6 of the Act entitled 'An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes', approved September 1, 1916 (40 U.S.C. 23).

"(2) The first sentence of the last paragraph under the side heading 'LIGHTING AND HEATING FOR THE PUBLIC GROUNDS' under the subheading 'UNDER ENGINEER DEPARTMENT' under the heading 'UNDER THE WAR DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and twelve, and for other purposes', approved March 4, 1911 (40 U.S.C. 24).

"(3) The proviso in the sixth paragraph under the side heading 'In the Office of the Comptroller of the Currency' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making additional Appropriations and to supply the Deficiencies in the Appropriations for the Service of the Government for the fiscal Years ending June thirty, eighteen hundred and seventy, and June thirty, eighteen hundred and seventy-one, and for other Purposes', approved July 15, 1870 (40 U.S.C. 32).

"(4) Section 9 of the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and eight, and for other purposes', approved March 4, 1907, as amended (40 U.S.C. 33).

"(5) That part of the fourth from last paragraph under the subheading 'BUILDINGS AND GROUNDS IN AND AROUND WASHINGTON' under the heading 'UNDER THE WAR DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-four, and for other purposes', approved March 3, 1883 (40 U.S.C. 59), as reads '; and all officers in charge of public buildings in the District of Columbia shall cause the flow of water in the buildings under their charge to be shut off from five o'clock postmeridian to eight o'clock antemeridian: *Provided*, That the water in said public buildings is not necessarily in use for public business'.

"(6) Section 2 of the Act entitled 'An Act to authorize the Secretary of the Treasury to suspend work upon the public buildings', approved June 23, 1874, as amended (40 U.S.C. 254).

"(7) The thirty-first and thirty-second paragraphs under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety, and for other purposes'', approved March 2, 1889, as amended (40 U.S.C. 260 and 268).

"(8) The fifth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and ten, and for other purposes', approved March 4, 1909, as amended (40 U.S.C. 262).

"(9) The proviso in the fortieth paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-three, and for other purposes' approved August 7, 1882, as amended (40 U.S.C. 263).

"(10) The proviso in the last paragraph of section 5 of the Act entitled 'An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes', approved March 4, 1913 (40 U.S.C. 264).

"(11) Section 35 of the Act entitled 'An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes', approved June 25, 1910, as amended (40 U.S.C. 265).

"(12) Section 3734 of the Revised Statutes of the United States, as amended (40 U.S.C. 267).

"(13) The last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-six, and for other purposes,' approved March 2, 1895, as amended (40 U.S.C. 274).

"(14) The second and fourth provisos in the paragraph with the side heading 'Furniture and repairs of furniture' under the subheading 'PUBLIC BUILDINGS, OPERATING EXPENSES' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes', approved July 1, 1916, as amended (40 U.S.C. 275 and 282).

"(15) The fourth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and one, and for other purposes', approved June 6, 1900, as amended (40 U.S.C. 276).

"(16) That part of the proviso in the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-three, and for other purposes', approved August 5, 1892, as amended (40 U.S.C. 277), which reads ': nor shall thereafter be paid more than six dollars per day to any person employed outside of the District of Columbia, in any capacity whatever, whose compensation is paid from appropriations for public buildings in course of construction, but the Secretary of the Treasury may, in his discretion, authorize payment in cities of eighty thousand or more inhabitants of a sum not exceeding eight dollars per day for such purposes'.

"(17) So much of the eighth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes', approved March 3, 1887, as amended (40 U.S.C. 278) as reads ', and hereafter where public buildings shall be completed with the exception of heating apparatus and approaches but one person shall be employed by the Government for the supervision and care of such building'.

"(18) Titles I and III and sections 401 and 406 of the Public Buildings Act of 1949 (40 U.S.C. 352, 353, 354, 297, 297a, 298, and 298c).

"(19) Except for sections 3 and 8, all of the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes', approved May 25, 1926, as amended (40 U.S.C. 341 and the following).

"(20) The proviso in the next to last paragraph under the subheading 'MISCELLANEOUS PUBLIC BUILDINGS PROJECTS' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1928, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1928, and for other purposes', approved December 22, 1927 (40 U.S.C. 342a).

"(21) Section 3 of the Act entitled 'An Act authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings', approved January 13, 1928, as amended (40 U.S.C. 348).

"(22) Subsections (c) and (e) of the Act entitled 'An Act to amend the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926 (Forty-fourth Statutes, page 630); the Act entitled "An Act to amend section 5 of the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes,' approved May 25, 1926," dated February 24, 1928 (Forty-fifth Statutes, page 137); and the Act entitled "An Act authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia to be used as space for public buildings," approved January 13, 1928 (Forty-fifth Statutes, page 51), approved March 31, 1930, as amended (40 U.S.C. 349 and 350a).

"(23) The Act entitled 'An Act to authorize the Secretary of the Treasury to accept donations of sites for public buildings', approved June 27, 1930, as amended (40 U.S.C. 350)."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INDEPENDENT OFFICES, MILITARY CONSTRUCTION, AND MUTUAL SECURITY APPROPRIATIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, August 31, for the Speaker to recognize a member of the Committee on Appropriations to move to suspend the rules and pass a continuing resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, a continuing resolution for what?

Mr. McCORMACK. On the independent offices, military construction, and mutual security appropriation bills, which must be acted on by August 31 to take effect on September 1. We have had one continuing resolution, but it is necessary to have another continuing resolution.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Consent Calendar to be called on Monday next prior to the suspensions, and for the Private Calendar to be called on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLIFIELD. Mr. Speaker, I have a special order for today. I ask unanimous consent that I may revise and extend my remarks at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATION TO CONTROL OR PROHIBIT THE SALE OR SERVING OF ALCOHOLIC BEVERAGES ON COMMERCIAL AIRLINES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusett?

There was no objection.

Mr. LANE. Mr. Speaker, in New England, last week, there was another incident that emphasized the need for preventing people who are under the influence of liquor from boarding planes. Furthermore, we must have legislation to control or prohibit the sale or serving of alcoholic beverages on commercial airliners. This person, by her wild charges, put all the passengers in fear of the safety of the plane, and in fear of their lives. The plane had to make an unscheduled stop in order to get rid of this passenger who evidently was under the influence of intoxicating liquors.

Our Nation has been altogether too careless concerning the serving of liquor aboard planes in flight. In fact, the various State governments have been lax about this matter.

It occurred to me to look into this, insofar as my home State of Massachusetts was concerned. "* * * the situation in Massachusetts is that railroads, steamship companies, and airlines may be authorized by permits to transport alcoholic beverages, but only railroads and steamship companies may be licensed to sell such beverages."

But what is to stop airlines from serving courtesy drinks? At this point I would like to quote from a letter I received from M. O. Pearce, field representative, Airline Stewards and Stewardesses Association, southern region, Miami Springs, Fla. "I respectfully submit, in short, that even though I am a firm believer in a sociable drink, liquor has no place on an airplane. The cabin of an airplane should have a wholesome family atmosphere for the many women and children who should have it but can't, because of the low-class barroom antics displayed by a few, motivated by the availability of liquor served aloft."

The situation in Massachusetts, and perhaps in other States as well, is that liquor may be transported aboard a commercial airliner, but may not be sold. What is to prevent a passenger from drinking what he transports or the airline from serving drinks from its own supply without benefit of sale? Should the airlines be required to have a State license if they are to sell alcoholic beverages on planes flying over Massachusetts?

In order to bring this question of State responsibility and State practice governing the serving of liquor aboard airliners to the fore, and to illustrate the need for uniform Federal legislation to eliminate the danger of such practices, I bring to your attention the following letter from Mr. William H. Hearn, secretary, the Alcoholic Beverages Control Commission of the Commonwealth of Massachusetts:

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, August 14, 1959.

Hon. THOMAS J. LANE,
Seventh District, Massachusetts, Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN LANE: Your letter of August 7 has been received.

Under the provisions of chapter 138 of the general laws, as amended, the Liquor Control Act (copy of which is being sent you under separate cover), this commission is authorized to issue licenses for the sale of alcoholic beverages to railroads and to steamship companies. To date our legislature has not seen fit to authorize this commission to issue similar licenses to airlines. In the absence of specific legislative enactment authorizing such issuance none will issue.

The original provisions of our Liquor Control Act provided for issuance by the commission to railroads and to steamship companies of permits authorizing the transportation of alcoholic beverages. No such provision was made as regards airlines and we would not therefore issue such permits. However, a few years back the legislature enacted legislation authorizing us to issue permits for such transportation to airlines and since that time we have issued such permits upon application therefor.

Briefly, therefore, the situation in Massachusetts is that railroads, steamship companies, and airlines may be authorized by permits to transport alcoholic beverages but only railroads and steamship companies may be licensed to sell such beverages.

Trusting this is the information desired, we are,

Very truly yours,
WILLIAM H. HEARN,
Secretary, Alcoholic Beverages Control Commission.

THE INVITATION TO KHRUSHCHEV AND HOW IT HELPED COMMUNISM

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusett?

There was no objection.

Mr. LANE. Mr. Speaker, there is a strange Australian weapon called the boomerang.

When you hurl it against an animal watch out.

If it misses the target it will circle back to strike you.

The invitation to Khrushchev is the personal, diplomatic boomerang of the century.

Intended to tame and domesticate Khrushchev, it had just the opposite effect that was not foreseen by the wishful thinkers before and for some time after "Desecration Day," September 15, 1959.

Khrushchev was delighted to visit the United States and scatter sweet promises of peace at strategic moments during his tour. In this he was unwittingly assisted by those who would shake hands with a grizzly bear if it would get their pictures into the papers.

Radiant good will was the window dressing presented to the people of the United States and the world, along the heavily guarded route of his triumphant tour.

Behind the scenes, however, and in secret conferences, host and guest both pounded the table, glared at each other as each tried to win the battle of words.

At intervals, well-screened and harmonizing announcements were made to raise false hopes. The American people settled back to enjoy a winter of complacency. The administration gained a time reprieve, although it was not clear that this respite would solve anything.

Meanwhile, the Soviet Union gained almost everything else.

Allied unity was weakened as Britain, France, and West Germany were reduced to junior partner status, and suspicions of a two-power deal between the United States and Soviet Russia persisted, in spite of solemn protestations that this was not so.

The Communist propaganda machine hailed the truce of coexistence won by the missionary efforts of Comrade Khrushchev, the apostle of peace. Officials in Washington were beginning to have vague doubts as to the sincerity of permanence of this political good will.

The captive peoples bowed their heads and resigned themselves to the peace of slavery. The words that came from Washington had lost all meaning when compared with the pictures posted on walls and kiosks everywhere that one turned, in Europe, Asia, Africa, and South America, showing free men and tyrants arm in arm.

In the new era of mutual trust that was being promoted by tranquilizers, certain people in the United States exerted pressure on our Government to abandon its overseas military bases to insure a tax cut. "Look what the money saved could do for business at home" they urged, looking shrewdly as far as the end of their respective noses.

Manufacturers were enthusiastic about a Government loan to Soviet Russia, for the purpose of buying whole plants and industrial processes from private enterprise in the United States: "Look at the profits we will make." They dismissed as visionary the warning that this might assist the power center of world communism to catch up with and surpass us in military strength and in economic competition.

The scales were tipped.

The neutral nations, and the backward nations, impressed by the world prestige won by Khrushchev, looked to him for leadership.

Communism had won a smashing propaganda victory.

That was only the beginning.

It is now 1960.

By confusing threats with innocent-appearing concessions, Khrushchev has finally prevailed upon the United States to become flexible and to make adjustments in its foreign policy. By withdrawing the Soviet garrison from East Berlin, and by transferring the capital

of East Germany from East Berlin to some other city, he has made it appear reasonable for the Western Allies to withdraw their troops from West Berlin. Thereby isolating the showcase of democracy—West Berlin—and cutting it off from West Germany, over 100 miles away.

The noose tightens.

This is not 1984.

It is only the spring of 1960.

But a presidential election is approaching in the United States; and, well, the main thing is to be victorious in November. Striving for the superficial and disarming appearance of peace is mistakenly calculated to win friends and influence people at the polls in 1960.

Let us return to the present.

"Desecration Day,"—September 15, 1959—is nearer than we realize.

It will postpone the firm decisions that should be made now.

This evasion of responsibilities today will confront us with far more difficult problems in 1960 or 1961.

For the invitation to Khrushchev, unknown to those who advocate it, is an invitation to communism.

PADRE JUNIPERO SERRA

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, in the annals of the history of the United States, California is listed as the 31st State to be admitted into the Union in 1850. Even a hasty glimpse at the map reveals the tremendous territorial limits of the Golden State, which today is the second most populous of 50. Not a few of her problems and most of her achievements have been brought to the attention of the Congress of the United States.

What may be forgotten all too easily is that the area of the present State of California possesses a lengthy history, reaching as far back as 1542. The colorful portion of her Spanish tradition began 190 years ago. The saga of that glorious era is due radically to one holy man, a humble Franciscan priest, Padre Junipero Serra, who arrived in California on July 1, 1769.

In order to appreciate what the friar accomplished during his 15 years as a missionary in California, it must be remembered that he was in his 56th year when he founded Mission San Diego de Alcalá, a time of life when some contemplate retirement and all endeavor to slacken their pace. For Junipero, however, the 56th year of his life marked the realization of his most cherished dream: namely, to blaze a new trail for Christ, to pioneer infant missionary territory. Despite the weight of years and the burden of an ulcerated leg, he helped trace El Camino Real from San Diego in the south to San Francisco in the north. That entire distance he traversed on land five times in its entirety, traveling more than 5,000 miles. He is commonly acclaimed the founder of the first 9 missions; but when the full history of his association with Santa Barbara is studied carefully, he must be credited with 10 missions.

There in the Golden State he labored tirelessly, erecting the establishments, which still testify to his amazing skill and wholehearted zeal. Aborigines, unacquainted with the refinements of culture and uninterested in the amenities of civilization, he won to Christ and attached to Spain. With the assistance of artisans from Mexico he taught those simple creatures 51 trades. During his decade and a half in California almost 6,000 Indians were baptized and his priestly hands brought 5,307 of them to supernatural maturity in the sacrament of confirmation. Unselfish pastor of his flock, he shrank not from any challenge when the rights of the church and the welfare of his beloved neophytes were at stake. Patient in work, restless in zeal, he consented to relax only when the angel of death hovered over his simple pallet at his beloved Mission San Carlos Borromeo de Carmelo, August 28, 1784.

Next Friday accordingly, will mark the 175th anniversary of the saintly padre's death. In order to commemorate this memorable anniversary special ceremonies will be held in Statuary Hall here in the Nation's Capitol. The program will commence at 10 a.m. and will be held in front of the statue of California's apostle. I would take this occasion cordially to invite the entire membership of the House of Representatives to attend this memorable event, honoring California's first citizen and greatest pioneer, Padre Junipero Serra, O.F.M.

WELCOME TO AN OUTSTANDING NEW MEMBER

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, I want to join other Members of this House in extending a warm and heartfelt welcome to one of the most distinguished Members to enter this body, our new colleague from the new State of Hawaii, DANIEL K. INOUYE.

In DAN'S 34 years, he has established himself as a truly outstanding American, and his successes in every field he has undertaken offer visible proof of his courage, perseverance, integrity, and character.

DAN'S rise to State and National prominence is a case history in the fulfillment of the American dream which denies no freedom or opportunity to any citizen.

A volunteer in the much-honored 442d Regimental Combat Team, DAN INOUYE distinguished himself in the field of battle as he fought the forces of racial hatred and genocide in World War II. In the course of this war, he lost his right arm during action against the enemy.

It often is the severest test of a man to observe his reaction to great suffering or hardship. I think it is characteristic of DAN INOUYE that even as he lay in a hospital, recovering from this grievous wound that left him handicapped for life, he already had begun to plan for the future—a future that he was determined would not be denied him by any disability.

DAN went on to obtain a good education, and thus armed, became one of the most popular and effective members of Hawaii's Territorial Legislature and a fervent advocate of statehood.

When this long hard battle for statehood was won, DAN INOUYE appeared from the very start to be a "natural" candidate for one of the first elective offices with which our new State could honor its leaders.

It was not at all surprising, and a fitting tribute, that DAN INOUYE'S name led all the rest after the voting for the first new State offices. His overwhelming victory bears out the respect, trust, and affection which the people of Hawaii hold for this inspiring young man.

As Hawaii's first Member of the House, I am sure that DAN will work hard, serve well, and give his constituents a record of which both they and he can be proud.

In fact, it is possible that DAN established another "first" in his very first day here. It is unlikely that any other Member of this body has ever been singled out for attack by our Capital's leading newspaper after only 1 day on the job. However, while both the Washington Post and Times Herald and I may disagree with DAN'S position on home rule for the voteless citizens of the District of Columbia, I am sure that no one questions that DAN reached his conclusions and took his position thoughtfully, sincerely, and courageously.

The other day Representative INOUYE paid a visit to my office and joined with my office staff in a spirited discussion which demonstrated his grasp of the crucial problems which face the Nation.

In conclusion, I want to extend the warmest of welcomes to DAN INOUYE, and to say that I am firmly convinced that we are witnessing the beginning of the Federal career of an outstanding and promising legislator.

EXTENSION OF REMARKS

Mr. BROYHILL. Mr. Speaker, I have a special order for today. I ask unanimous consent to extend my remarks in the RECORD at that point and yield back the time.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE REQUIREMENTS OF UNITED STATES POLICY FOR ECONOMIC PROGRESS IN LATIN AMERICA

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. TELLER. Mr. Speaker, recent events have indicated that the United States has arrived at a critical juncture in its relations with Latin America. The southern part of our hemisphere is now in the process of an economic, political, and social revolution. The old order is melting under the heat being generated by the forces of an emergent modern society. In the next decades, Latin America will experience economic changes and political struggles which will go a very long way toward establishing its future political order and the attitude of its governments and peoples toward the United States and the rest of the free world.

The United States cannot afford to remain indifferent to this critical state of affairs. The price of inaction today is likely to be disaster tomorrow. If further deterioration in the Latin American situation is to be prevented, the United States must join with our southern neighbors in formulating and carrying out a dynamic program to promote their development as modern and free societies.

Until World War II, the United States considered Latin America as the most important area to our national interest. During World War II and the cold war, however, as the United States abandoned isolationism and assumed global responsibilities, our preoccupation with events in Europe, Asia, and the Middle East relegated Latin America to a secondary concern of United States foreign policy.

During the 1930's and World War II, our relations with Latin America were probably better than at any one other time. But when the war ended, the Latin Americans suddenly found themselves in the background. Prices for their raw material exports declined, while the products they bought from the United States skyrocketed in price. The Marshall plan was devoted exclusively to Europe. Throughout Latin America resentment mounted against the United States, as the accusation was bitterly and persistently propagated that this country was content to neglect the interests of its neighbors to the south.

These indignant feelings exploded with a tremendous shock when Vice President NIXON made his now famous trip to South America in April and May of last year. The hostile reception which our Vice President encountered was not directed against him personally, but against the Latin American policies of the United States—especially economic policies and what was considered the favoritism often shown toward dictators.

Despite the grave responsibilities of the United States in Europe, Asia, the Middle East, and Africa, Latin America is still extremely important to us. The worldwide cold war cannot be won in Latin America, but it is an area where important battles in the cold war can be lost.

The cold war is a struggle for preserving the independence of free and uncommitted countries and for strengthening the institutions that make life worth living for free men. These principles must be defended on our doorstep as well as in faraway places like West Berlin, Turkey, and Laos.

Without a spirit of cooperation between Latin America and the United States, without mutual respect and friendship, Latin America—or some countries in the area—may gravitate toward communism, neutralism, or an aggravated Yankeephobia. Anti-Americanism south of the border is as much to be feared as a favorable attitude toward the United States is to be desired. Until U.S. foreign policy takes into account the fact that Latin America is of enormous importance in the cold war and moves decisively in the direction of a dynamic program for helping the Latin American countries to solve some of their most urgent problems, Latin America is likely to become more and more of a weak link in the free world's chain of defenses.

The political, strategic, and economic importance of Latin America to the United States is apparent. The Panama Canal must be kept open in order that the United States can shift its forces from one theater to another in case of critical developments affecting our global commitments. The presence of hostile or anti-American governments in the Caribbean area would jeopardize this vital artery of the free world's defenses.

The products and markets of Latin America are important to both our military security and economic prosperity. Of the 77 articles listed as strategic materials for stockpiling in World War II, 30 are produced in Latin America. We get more than 90 percent of our quartz crystals, two-thirds of our antimony, more than half of our bauxite, half of our beryl, a third of our lead, and a quarter of our copper from Latin America. Zinc, tin, tungsten, manganese, petroleum, and iron ore are other raw materials which Latin America provides to the United States. Some of these minerals—like bauxite, iron ore, petroleum, and manganese—are becoming increasingly more important.

About one-third of all exports from the United States go to Latin America, and one-third of our imports come from this area. The trade between this country and Latin America now amounts to over $8 billion per year. U.S. receipts for exports of goods and services and net long-term investments were more than $6.8 billion in 1958. The United States paid about the same amount to Latin America for imports, net donations, and investments during last year.

U.S. private investments in Latin America now amount to $9½ billion. Since World War II, the Export-Import Bank has authorized about $3½ billion in loans to Latin America, almost half of its total world loans.

What these facts add up to is that Latin America is of vital interest to the United States. It is one of the principal markets for our manufactured goods and a source of raw materials which are necessary for our economic prosperity and national defense. A friendly and non-Communist Latin America is extremely important to the military security of the United States and the free world.

Latin America is now moving from an underdeveloped agrarian and mineral economy toward an industrial revolution. This economic change is accompanied by a state of political flux and instability. In other words, Latin America is a potential area for Communist expansion, somewhat similar to the other underdeveloped parts of the world where communism has realized its most important revolutionary gains.

The United States can ignore the potential threat from communism in Latin America only at its peril. Already the Soviet Union has begun to show an interest in the trade and politics of the area. A severe economic crisis in Latin America could result in political chaos from which only the Communists would benefit.

Communism breeds on discontent, and discontent has been the breeding ground for communism in Latin America. Conditions of life in most Latin American countries are backward, destitute, often oppressive. Wages are low, chances for advancement are limited, and ugly class and racial barriers abound.

Latin America is still primarily an agricultural region. In many parts, agriculture is still feudal in its landholding patterns, and class differences are intensified between landowners and tenants by racial distinctions. In the Indian countries—Peru, Ecuador, Bolivia, Guatemala, and Mexico—this medieval system of agriculture is particularly prevalent. Personal relations between landlord and tenant are still those of master and servant in many places. The incomes of most agricultural workers provide only a subsistence standard of living. Most of the peasant or peon population receives little, if any, income with which to purchase manufactured goods. They live in self-sufficient communities where they grow most of their own food, often suffering from malnutrition and disease.

It is apparent, therefore, why the drive for economic development is one of the most dynamic forces in Latin American politics. Since the early 1930's, it has become an article of faith. An overwhelming number of political leaders proclaim their devotion to industrialization and economic diversification. The political future of Latin America is likely to be profoundly influenced by those groups which succeed in establishing themselves as the vanguard of the movement for economic expansion and reform.

The Communists are attempting to capitalize on the strong drive for economic development in Latin American countries. Unfortunately for this country, they have often succeeded in directing this desire for economic growth toward hostility to the United States. The Communists cultivate the belief that the United States is determined to retard or obstruct the development of Latin America so that it will remain a backward area for capitalist exploitation. They attempt to exploit the resentment that many Latin Americans hold toward the United States because their economies

are greatly dependent on ours. One of their principal arguments is the claim, as false as it is tragic, that trade with the Soviet bloc offers an attractive escape from economic dependence on the United States.

As Latin America moves forward toward industrialization, the political and economic power of labor will undoubtedly increase. This has been a recurring factor in other industrial societies as they have progressed toward higher stages of economic development, and Latin America can be expected to follow this pattern. For this reason, the ideological orientation of the labor movement will exert an important influence on the political future of Latin America. With the beginnings of industrialization already under way in Latin America, it is vital that the labor movement not become the captive tool of international communism.

If the aspirations of the working class are severely frustrated by a backward economic system which seems unable to expand and to adapt to the needs and values of a modern industrial society, then a grave menace will result. The trade union movement will be in danger of being captured by the Communists, who will seek to use it in an attempt to overthrow the existing order and establish Soviet-type dictatorships in the Western Hemisphere. This would be a very serious situation for the United States and its free world allies.

Thus far the Latin American Communists have been able to gain considerable political influence at times and places where they have either controlled important labor movements or have been influential in non-Communist trade unions. In Guatemala, the Communists' rise to power and influence came through control of the trade union organizations. With the labor movement firmly under its domination, the Communist Party exerted a strong influence on the Guatemalan Government by threats and promises. In this way the Guatemalan Communists were able to infiltrate important posts in the Government and win considerable influence over the general public.

The United States must be aware of the potential danger from communism in Latin America as well as in other parts of the world. The activities of the Communist Parties in Latin America are designed to advance the objectives of the international Communist movement and the aims of Soviet foreign policy. The Latin American Communists have always recognized that key positions in the labor movement can be used to further the purposes of international communism. Before the Soviet Union became involved in World War II, the Latin American Communists took advantage of their influence in the trade unions to sabotage the delivery of goods to Great Britain and France. In case of war between the Communist and non-Communist worlds, the Latin American Communists might be in a position to use the trade unions to prevent the delivery of needed supplies to the United States and its allies.

Their relations with the trade unions have been of fundamental importance for the Communist Parties in Latin America. The strength of the national Communist Parties has depended primarily on their influence within the labor movement. This is likely to remain true for a long time to come. The trade unions are among the most powerful mass organizations in Latin America today. They will become an increasingly influential political force and are perhaps the only group capable of challenging the political pre-eminence of the military.

Since the late 1940's, virtually all of the organizable workers in Latin America have belonged to trade unions. Their power to bring economic activities to a halt has made it possible in some instances to protect a government against an attempted coup by the armed forces or to bring down a government by a concerted general strike. In two government crisis since World War II—Argentina in 1945 and Bolivia in 1952—organized workers have defeated the military in contests for political supremacy.

The Communists do not underrate the vital role which labor will play in Latin American politics. If the United States is to understand the potentially dangerous character of the international Communist movement in Latin America, it must be equally aware of the political importance of labor.

The extent to which a democratically oriented labor movement can be assured will depend to an important extent on how much U.S. assistance the Latin American countries receive for economic development. If industrialization proceeds at a slow rate or is paid for almost completely out of domestic resources, the demand for capital accumulation will not permit a rising standard of income for the workers. In this event, the free labor movement may be unable to resist the Communist program which calls for rapid industrialization in a manner similar to the experience of the Soviet Union. It is imperative that the United States and other non-Communist countries demonstrate to the Latin American people that they can offer more effective aid than the Communists in achieving higher living standards and a more equitable social system and that these necessary goals can be accomplished without the awful sacrifice in freedom and other human values which communism demands.

Economic growth is vital to the future welfare of Latin America. Its population has doubled in the past 25 years. According to present predictions, it will double again during the next quarter of a century. If Latin America is to provide for this increased populace and, at the same time, make substantial improvements in the standard of living, it will be necessary to increase the gross national product of the area by more than three times its present level by about 1980 or 1985. Even a threefold increase in the gross product would mean only a per capita income of $600—twice as large as it is today, if we assume that the population will double during the next 25 years. An increase of 100 percent in the Latin American gross product per capita by 1980 does not seem like a very high standard of living if we bear in mind that it would amount to only one-fourth of the gross per capita product of the United States today. In other words, I am suggesting that the bare minimum need for Latin America by 1985 will be a standard of living which is one-fourth as high as the United States enjoys at present.

Will Latin America be able to attain a rate of economic growth which will permit it to feed, clothe, and house its expanding population without a continuation of existing poverty or a decline in the already low standard of living? Will the difficulties in providing the sustenance of a decent life generate conditions which will make it likely that the South American people will turn more and more toward totalitarian political systems as a solution to the grave problems of poverty, illiteracy, economic stagnation, social discrimination, and lack of opportunity?

Whether Latin America develops to the extent necessary for significant economic and social improvement will depend on a favorable combination of a number of factors. Among these are the existence of political, economic, and social institutions capable of fostering economic growth, improvements in the technical and managerial capabilities of the population, strengthening of the spirit of initiative, willingness to work hard and to save in order that part of current income can be channeled into capital investment, and the degree to which the Latin American states forbear narrow national policies and succeed in solving or alleviating common problems by regional cooperation.

It is difficult to determine the relative importance of each of these factors. They are closely interrelated and simultaneous progress in all of them is needed. It is clear, however, that Latin America can achieve the rate of economic growth necessary to provide for the welfare of its expanding population only through large-scale efforts directed at increasing agricultural and industrial production, stabilizing the prices of and the demand for its export commodities, and overcoming some of the obstacles to a more liberal system of international trade within the Western Hemisphere.

From 1949 to 1956, the experience of Latin America with respect to economic growth was encouraging. The brief economic expansion that occurred during these 7 years indicates what could be accomplished if favorable conditions are created and sustained over a long period of time.

From 1949 to 1956, the total gross product of the area increased at an annual average rate of approximately 4½ percent. This increase was made possible in part by an improvement in the region's terms of trade and by an increase in the flow of foreign capital to the area, both for investment and in the form of loans. Latin America's terms of trade have tended, however, to deteriorate since 1954. The recession in world markets seriously affected the prices and the demand for the primary products that Latin America exports. During 1957 and the early part of 1958, there was a significant decrease in the

foreign exchange income which Latin America derives from exports. In recent years, the export value of coffee, cotton, lead, zinc, copper, wool, and wheat has greatly declined.

The weakening of Latin America's foreign markets has had grave consequences. Many Latin American countries are confronted with serious foreign exchange difficulties. Many of them have considerably increased their short-term foreign debt and have adopted import restrictions. In addition, the unfavorable trend in Latin America's terms of trade and the weakening of its export markets have made it virtually impossible for the region to continue to maintain a rate of growth roughly on a par with that of the 1949–56 period.

The primary factor that helped to bring about the economic growth rate of 4½ percent for the years 1950 to 1956, however, was not the improvement in the terms of trade for the Latin American area or the influx of foreign capital. The principal reason for this rate of economic expansion was the increase in domestic investment. During the period from 1950 to 1957, foreign capital in the form of loans and investments accounted for only about 8 percent of the gross investments made in Latin America, while in recent years, the South American countries have invested between 15 and 20 percent of their gross national product.

But domestic capital in Latin America, which has recently contributed 92 percent of the area's investment capital, is no longer available in amounts large enough for the investments needed to promote a healthy rate of economic growth. This shortage has been made more acute because of a reduction in the price of and demand for the export products of Latin America and the increasingly high interest rates on foreign debts. These two factors have made it necessary for the South American countries to limit imports of capital goods and raw materials.

It is important to consider that two-thirds of Latin America's imports consist of capital goods, raw materials, and fuels. Since these commodities are required for maintaining the necessary rate of economic expansion. limitations on their import poses a particularly serious problem. Without an increase in their import capacities, the economic growth of the Latin American countries will be either severely handicapped or brought to a standstill.

Today there is a critical shortage of capital available for investment in Latin America. Domestic savings are low and the possibility of their expansion in the near future is limited. The supply of investment capital is inadequate to meet the needs for developing power installations, transportation facilities, irrigation systems, and capital goods in general—without which there can be no continuous growth in national income. These enterprises generally do not attract private capital and at present must be financed primarily by official international lending agencies when domestic capital is not available.

But the capital provided by official lending agencies has not filled the gap in the investment needs of Latin America. Moreover, its availability has varied erratically from year to year in each country. In the 1950–57 period, the International Bank for Reconstruction and Development disbursed an average of about $70 million annually in loans to Latin America. During the same period, the Export-Import Bank made available an annual average of $80 million in loans. The foreign loan capital received from these two sources from 1950 to 1958 amounted to less than 2 percent of the gross capital formation in Latin America.

Latin America must export in order to import the capital goods essential to economic growth. However, the maintenance of the rate of economic development achieved by Latin America since 1950 is now severely threatened by the unfavorable terms of trade between this area and the outside world and by the decline in the price of and the demand for the commodities which Latin America sells to other countries. On the basis of present trends, any future increase in Latin American exports is unlikely to be great enough to meet the requirements of sustaining a reasonable rate of economic expansion.

Because of the shortage of domestic capital and the decline in revenue from exports as a source of purchasing power for capital goods, Latin America needs an appreciable increase in foreign capital investments. Private foreign investors may be able to make an important contribution to capital formation in some profit-making industries and to the growth of Latin America's capacity to import producers goods. But a greater inflow of loan capital will be essential to develop power installations, transportation facilities, and irrigation systems and to raise agricultural production.

To be sure, the economic problems of Latin America could be alleviated to a limited extent by merely increasing the efficiency of agricultural production. But, as Dr. Milton Eisenhower pointed out in his report to the President on United States-Latin American relations, "a substantial increase in the levels of living requires industrialization." It is apparent to Dr. Eisenhower that the industrialization of Latin America will require a steady flow of public and private investment. As you know, the United States drew vast quantities of investment capital from Europe during the early phases of its industrial revolution. Today the countries of Latin America look to the United States and perhaps to certain European countries for development capital.

Over a period of years sound loans have been made to Latin America by the Export-Import Bank and the International Bank of Reconstruction and Development. Private U.S. credit and investment have also been helpful. Currently about 20 percent of the outstanding U.S. investment in Latin America is private.

The granting of both public and private investment to finance Latin American development projects needs to be greatly accelerated. This session of Congress has already taken an important step in this direction by authorizing the President to accept membership on behalf of the United States in an Inter-American Development Bank.

The Inter-American Development Bank is designed to promote the economic growth of Latin America. It will supplement other sources of credit by making loans for development projects. In its ordinary operations, the Bank will make normal bank loans repayable in the currency borrowed and at interest rates similar to those charged by other lending institutions.

The Inter-American Development Bank will also assist the Latin American States in formulating development programs and in engineering and organizing projects. This technical assistance should help these countries obtain capital from other sources, as well as from the Inter-American Bank.

The Inter-American Development Bank will be an international organization whose members will be the 21 American States. Its total resources will amount to $1 billion; $850 million of this sum will be the ordinary capital of the Bank and $150 million will be earmarked in a Fund for Special Operations; $450 million of the Bank's capital will be in the form of uncalled subscriptions which will constitute a guarantee fund for the securities which the Bank plans to sell in the financial markets of member countries.

Congress has authorized the U.S. Government to subscribe a total of $450 million for the Bank's operations, $350 in ordinary paid-in and callable capital and $100 million for the Fund for Special Operations. The balance of the subscriptions of ordinary capital—$500 million—will be apportioned among the Latin American Republics, who will also subscribe $50 million to the Fund for Special Operations.

The Fund for Special Operations will make loans on terms which assume that at times some countries may need financial assistance for meritorious development projects but may not be in a position to service additional debts repayable in hard currency. Moreover, the Fund's capital will also be available to finance projects which are not directly productive but are, nevertheless, important to the basic economic development of a country.

The Inter-American Development Bank should have the effect of promoting financial cooperation between the United States and Latin America. All of the American Republics will share the responsibilities for providing the Bank's capital and managing its affairs. The Bank can assist the Latin American countries in organizing their economic resources and in planning for their development. By encouraging the adoption of more rational economic specialization at both the national and regional levels, the Bank can help its members to attract both foreign and domestic capital for development projects.

The establishment of the Inter-American Development Bank and U.S. participation in it is certainly a step in

the right direction. However, considering the tremendous magnitude of the problem of promoting the economic growth of Latin America, it is just a beginning. The Bank's capital resources amount to less than one-tenth of the annual investment for all of Latin America.

An expanded long-term program of U.S. participation in the economic development of Latin America can and should be one of the most important means of furthering the purposes of our foreign policy. The United States has a large stake in the development of viable, energetic, and confident democratic societies in Latin America as well as in other parts of the free world. But thus far we have not organized and directed the resources of our country in the best way for helping our friends and allies in Latin America to build the foundations of peace, democracy, and economic improvement. A broader joint United States-Latin American program for working toward these vital objectives could be a very effective means for achieving political conditions in our national interest and humanitarian results which would uphold the moral conscience of our Nation.

An expanded program to promote economic development would cost more than the United States is currently spending on aid to Latin America. But the additional money needed would be small in comparison to what might be required for coping with the desperate emergency situations that may arise if the already dangerous state of affairs in Latin America is permitted to degenerate further.

Since the outbreak of the cold war, the U.S. foreign aid program in Latin America has given primary emphasis to military assistance. But the basic problems of Latin America are not military, but economic and social. Latin America is trying to put its human and physical resources to work in order to achieve a better way of life, to reconstruct the feudal patterns of society which have endured since the European conquest, to build a modern industrial civilization, to raise living standards, and to increase the opportunities for its long underprivileged masses.

These are the problems with which the U.S. Government and people should be primarily concerned. The United States can greatly assist this process of economic development and thereby help to improve not only the welfare of the Latin American people but also the chances for the evolution of stable and democratic governments in the area. The role which the United States plays in this process of economic and political development will go far toward determining whether the Communists will be the ultimate beneficiaries of the changes now underway in Latin America.

To be sure, the United States has given some aid to industrial development in Latin America. Private investors in this country helped to develop mining, railroads, powerplants, agriculture, and constructed many factories. U.S. public investment through the Export-Import Bank and the International Bank for Reconstruction and Development has in recent years made a limited contribution to economic growth in the area.

However, the total amount of our aid to Latin America has been very meager, at least when compared with the grants, loans, and investments which we have provided to Europe and even Asia since World War II. The aid which has been furnished to Latin America has been doled out in driblets without any central development plan to coordinate the efforts of the United States and the recipient Latin American countries.

Something far more extensive is needed if the battle against communism is to be won in Latin America. What is required is a long-range program for pooling Latin America's resources for economic development. Moreover, the United States should seriously consider making the same kind of proposal to the Latin American countries which it made to Western Europe in 1947.

As a result of such a proposal the United States and the Latin American Governments might formulate a 5- to 10-year plan for economic development which takes into account the capital that could be raised in Latin America. Then the United States would join Latin America in preparing a program for attracting capital loans from the United States, and perhaps from some European countries, to undertake that part of the development plan which could not be financed by domestic Latin American capital.

A Marshall plan for Latin America might necessitate a considerable amount of public investment by the United States. It should be recognized that private investments from this country might be inadequate to meet the needs of a forward-looking economic development program for Latin America. There is a vast field of enterprise—such things as roads, technical training, health services, and educational facilities—which would not be profitable to private investors. Intergovernmental loans, and perhaps grants, will probably be necessary to finance some of these essential projects.

There would be ample opportunity for private foreign investment, especially in manufacturing, commerce, and other service industries. In order to attract more private capital from the United States, this Government might insure our investors against possible losses in South America. This system was used to some extent in Europe during the Marshall plan. Moreover, the Latin American governments which have excluded such important enterprises as public utilities, transportation, heavy industry, mining, and petroleum from foreign investment might be wise to reconsider these policies in the light of long-range needs and plans for economic growth.

A Marshall plan for Latin America could provide a concrete alternative to the alluring promises of the Communists. No longer could the Communists convincingly claim to some people that the United States only concern with Latin America is economic exploitation. The Latin Americans would have tangible evidence that the United States is determined to help them modernize and increase their standards of living.

One great asset of the Communists in Latin America is the rapid pace with which Soviet Russia, and now Communist China, have been able to develop economically. A Marshall plan for Latin America could demonstrate that the free world is capable of assisting underdeveloped areas to raise economic productivity—and to provide this aid without the terrible cost in human lives and misery which Communist methods exact.

The economic development of Latin America will require technical assistance as well as investment capital. But technical assistance is no substitute for investment capital. To a considerable extent, shortages of capital for economic development would make it futile to share only knowledge and skills unless the elemental requirements for capital are also met. In many cases, however, there will be an inescapable need for technical assistance so that investment funds can be used effectively.

Technical assistance is important as a means of providing the technical know-how necessary for developing a modern industrial society. Technical assistance is also essential for realizing the social and cultural benefits that are among the richest fruits of an increase in economic productivity.

The promotion of hospitals, health education, and training centers can help the peoples of Latin America themselves to improve their own production. Cooperative research in agriculture and demonstration and extension work can make it possible for them to improve their own production. Cooperation between universities in the United States and those in Latin America can stimulate the development of university faculties in scientific and technological fields and help them meet the demands of today without impairing their strong tradition of emphasis on the humanities. Cooperative teacher training institutions can help the Latin Americans to meet their own needs for increasing literacy. Programs in family welfare and home economics for farm women can contribute to higher levels of living. Projects in public administration and aids to industrialization can help to realize the same purpose—that of helping the people of Latin America to advance their own cultural and economic development. In brief, if the maximum benefits are to be derived from increased investments, it will be necessary for the United States to increase its programs of technical assistance and cooperation with Latin America.

The countries of Latin America also need to expand their trade with the more industrialized areas of the world. Latin America is basically an exporter of food products and raw materials. An increase in trade between Latin America and the areas which are more advanced economically would promote both the economic growth of Latin America and the development of food and raw material resources on the international level.

Latin America's limited capacity to import is at present a serious obstacle to its economic growth. Therefore, it is particularly important that conditions conducive to a prosperous and growing trade be established. The possibility of Latin America's attaining a rate of growth that will meet the needs of an expanding population and raise the standard of living will depend in great measure on the degree to which it can expand its export base.

As you know, foreign trade is an important factor in the economic development of almost all countries. But it is of paramount importance to the countries of Latin America. Experience has shown that only large countries with a diversified base of natural resources—like the United States and the Soviet Union—can develop their economies without having to depend to any great extent on foreign trade. When the natural resource base is limited—as is generally the case with Latin American countries—a growth in foreign trade is an indispensable condition of economic expansion.

A few facts serve to illustrate this point. In 1958, Latin America's annual imports amounted to about $9 billion. About 40 percent of this amount consists of purchases of machinery and other capital goods. The gross annual investment in all of Latin America is about $10 billion, more than one-third of which represents machinery and other imported capital goods. Therefore, between 30 and 40 cents out of every dollar invested in Latin America is spent on imported capital goods.

An expansion of exports is thus essential to the economic growth of Latin America. During the postwar period, Latin American exports have grown at a lower rate than in any other nonindustrialized area. The foreign exchange shortage resulting from this decline in exports now threatens to seriously reduce the area's import capacity in years to come. It is apparent that without an increase in its exports, Latin America will not be able to import the producers' goods and raw materials necessary for industrial growth.

An important contributing factor to the decline in Latin American exports is the restrictions which industrialized countries have placed on trade in primary products. Naturally the interests of domestic producers cannot be ignored when they are affected by competition from foreign products. However, the adoption by industrialized nations of policies that would enable the Latin American countries to improve their position as suppliers of foodstuffs and raw materials would be an important factor in advancing the economic development of our neighbors to the south, as well as a significant contribution to a more stable world economy.

Another foreign trade problem of Latin America is the instability of prices for the food and raw materials which the nations of the area must sell on the world market in order to grow and prosper. Fluctuations in the price of primary-product exports from Latin America have become more extreme, and there are few products or countries that have not been affected. Recently, the price of copper, lead, zinc, tin, coffee, cotton, sugar, wool, and wheat have declined greatly. As a result of the short-term fluctuations of the postwar period, nearly all the Latin American countries have at one time or another suffered reductions of from 10 to 40 percent in their income from foreign trade.

An important lesson of the postwar experience is that the absence of major depressions in the industrialized countries has not solved the problem of price instability in the raw materials markets. Even minor or local recessions in an important sector of the economy of certain industrialized nations is reflected in unfavorable markets for primary products.

Sudden changes in foreign exchange income disrupt the continuity that is required for the successful progress of economic development programs in Latin America. Price fluctuations in the primary commodities market also increase the short-term debts of the Latin American countries and thus make it difficult for them to obtain long-term financing. These fluctuations also contribute to the financial instability of various countries.

There are several possible approaches to international cooperation designed to alleviate fluctuations in the commodities market. For example, the establishment of an international system of compensatory loans linked to fluctuations in the primary products market has been advocated. Another suggestion is that the International Monetary Fund be increased as one way of making greater financial aid immediately available to meet short-term needs. In particular situations, cooperative measures could be considered in relation to the markets for specific products. Both producers and consumers could benefit from measures that would decrease short-term price fluctuations. In other cases, international cooperative agreements might help to overcome serious imbalances in the markets for some products.

Moreover, the markets for raw materials are often affected by such measures as tariffs, quotas, and the disposal of surpluses. Of course, these policies are often important to a nation's economic policy. Nevertheless, it would be helpful if there were more consultation on these problems by the United States and the countries of Latin America. By working to alleviate this problem through consultation, it might become possible to achieve a better coordination of national policies based upon more consideration for the common interests of the countries involved. In any case, progress in solving the problem of unstable prices for Latin American exports is closely related to the prospects for successful economic development.

It is also very desirable for the future development of Latin America that courageous and far-reaching programs be developed for the economic integration of the area on a regional basis and and increase in trade among the Latin American countries. The long-term economic growth of Latin America is related to the development of new production methods and to the attainment of a rising level of industrialization. Because of the limited size of the domestic markets and resource bases of almost all of the Latin American nations, it is extremely difficult or impossible for individual countries by their independent efforts to increase production in the various fields which require future development.

Latin America should begin to plan for regionwide economic arrangements that will permit a freer movement of capital, labor, and products. If national economic policies could be more closely coordinated and if different areas could be given a strong incentive to specialize in producing for a larger market, the framework could be created for stimulating economic growth as a result of increasing production on a regional scale in accordance with the natural advantages of individual countries. And a large-scale inter-American program for promoting the economic development of Latin America could be an important force in encouraging investment projects of a regional nature that will promote the economic integration of the area.

Mr. Speaker, the time has come for the United States to associate its purposes and efforts with the aspirations of the Latin American people for a better way of life. Our national interest requires that the United States allocate increased resources for loans, technical assistance, and possibly some grants to promote the economic development of the area. There is no question of sacrificing our standard of living or of disrupting our economic system. We can obviously afford to do the job. We cannot afford to neglect to do what is required. I earnestly hope that both Congress and the Executive will take much greater heed of the requirements for a dynamic policy in Latin America. The stakes are large, much larger than the sacrifices which we in this great and prosperous country would have to make for effectuating a sound Latin American policy. And think of the results which could be achieved. Combined with our Latin American neighbors, this country could lay the foundation for an invincible free world community.

HON. DANIEL J. FLOOD AWARDED THE CERTIFICATE OF MERIT OF THE PATRIOTIC ORDER SONS OF AMERICA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I would like to take this opportunity to warmly congratulate our distinguished colleague from Pennsylvania, the Honorable DANIEL J. FLOOD, who, on Monday of this week, was awarded the certificate of merit of the Patriotic Order Sons of America in recognition of his great and inspiring public service.

As a member of this oldest patriotic organization in the United States, I am

indeed proud to announce this latest honor to be bestowed upon my long time colleague and fellow Pennsylvanian.

Further, as chairman of the Un-American Activities Committee I also am pleased to associate myself with DAN FLOOD in the fight against communism in Central and South America because, as you know, he has carried on for a number of years a relentless battle against the inroads of communism in that part of the world which particularly endanger our sovereign rights in the Panama Canal Zone.

Under leave to extend my remarks, I include the following stirring address delivered by Congressman FLOOD on Monday of this week in Reading, Pa., before the convention of the Patriotic Order Sons of America of Pennsylvania, at which time Mr. FLOOD spoke on the subject, "Storm Clouds Over the Caribbean":

STORM CLOUDS OVER THE CARIBBEAN

(Address by the Honorable DANIEL J. FLOOD, Member of Congress, 11th District of Pennsylvania, before the Patriotic Order of Sons of America of Pennsylvania, Reading, Aug. 24, 1959)

Mr. President, fellow Sons of America, ladies and gentlemen, for many months sensational headlines and alarming news from areas to the south of us have attracted national attention to the rising Red tide in the strategically significant Caribbean Basin. What is the nature of this area and why is it so important to all nations of this hemisphere?

GEOGRAPHICAL

A vast sea, 400 to 700 miles wide and 1,500 miles long with an area of 750,000 square miles, and located between the American continents, the Caribbean has an advantageous geographical location recognized since the Age of Discovery.

Bordered on the north by the Greater Antilles, of which Cuba is the largest island; on the south by lands that now form Venezuela, Colombia, and Panama; on the east by a long string of islands known as the Lesser Antilles; and on the west by the strategic American Isthmus, forming part of the Spanish Main and today consisting of Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, British Honduras, and southern Mexico: these vast regions, because of their natural sea passages and routes across land inevitably became the center of power for Spain in the Americas, also of transport to and from its extensive colonial empire.

HISTORICAL

As early as 1530, the Isthmus of Panama had become the most important of the Isthmian transit routes. Its traffic even included that from Buenos Aires, carried over the Andes to Peru, and thence by ship to Panama for transshipment to Spain.

Though the great rival of the Panama route was that by Lake Nicaragua, others were in Mexico where for 250 years the Manila Galleon ended its voyages from the Philippines at Acapulco. In this connection, it should be noted that for many years the unit of value in those islands was the Mexican dollar, known as the dollar mex. Today, few visable evidences of the once great Spanish Empire in the Americas remain except old fortifications, of which the finest examples are perhaps those at Cartagena in Colombia. These monuments surpass in grandeur any contemporary similar structures of the English colonies.

The history of the Caribbean during the 17th, 18th, 19th, and 20th centuries is indeed stirring, covering many volumes. One of its most moving chapters is that which culminated in 1914 with the opening of the Panama Canal by the United States. Because it shortened the distances of the world, this opening made the Caribbean one of the greatest maritime highways and, in a real sense, the Mediterranean of the Americas, with the United States as the nation of paramount interest.

ECONOMIC

Since 1914 the Caribbean regions have been the scenes of tremendous economic developments. Venezuela has become one of the greatest oil producing countries and stands high in asphalt, copper, sulfur, and iron. Colombia is the second largest exporter of coffee and rich in minerals, including precious stones. Panama ranks near the top in the size of its registered merchant marine tonnage.

Among the Greater Antilles, Cuba is the largest cane producer in the world; Haiti and the Dominican Republic are largely agricultural; Puerto Rico produces sugar, citrus, and other tropical products, also manufactured goods, including textiles. Of the Lesser Antilles, Trinidad is the third largest producer of oil in the British Commonwealth and an important source of asphalt.

In Central America, the countries there are noteworthy for agricultural and forest products, also mineral deposits yet largely undeveloped.

Many of these regions, because of their favorable topography for the creation of elevated artificial lakes and heavy tropical rain, have tremendous potentials for waterpower.

Much of the economic development in Caribbean countries was accomplished, on strong and urgent invitations by these countries, through North American investments in huge enterprises—agricultural, mineral, power, and manufacturing. The results have been to increase employment and to raise local living standards, with the United States as the largest single customer for the more strategic materials. It is no wonder that these vast expanses of land and ocean long prior to World War II had become vital to the security of the New World, particularly its greatest bastion of defense, the continental United States.

SUEZ CANAL SEIZURE EVOKES REACTION

Since World War II Caribbean history has been featured by a series of crises in various countries. Long evident to keen observers there has been a close relation between events on the Mediterranean and those on the Caribbean, with common roots and motives of Communist origins.

The nationalization in 1956 by Egypt of the Suez Canal immediately attracted world attention to the other great interoceanic waterway, the Panama Canal, and the strategic Caribbean area. Agitations, largely Communist in origin and direction, focused on these regions. The prime objectives were wresting control of the Panama Canal from the United States through the process of nationalization by Panama or its internationalization.

Despite the unrealistic nature of these ideas, persons in high position in the United States joined in this clamor of ignorance for internationalization of the Panama Canal—a Communist aim since 1917.

Panama was not the sole country affected, for the plans for subversion included not only the countries on the Isthmus itself, but also those on both flanks of the Atlantic approaches of the Panama Canal—Cuba and Venezuela. In these, revolutionary activities accelerated, even with bold kidnapings of North Americans. Culminating in the violent overthrow of established governments in these two nations and their replacement by pro-Communist dictatorships, the Caribbean turmoil, featured by mass liquidations of political opponents and expropriation of vast North American property holdings in Cuba, has become a matter of the gravest concern for the peoples of all the American states. Many in Latin America as well as in the United States wish to know what our policies are.

UNITED STATES LATIN-AMERICAN POLICIES

The Latin-American policies of the United States are deeply rooted in history. Though included today in what is know as the good neighbor policy, the essential features of this policy are the doctrine of nonintervention in the affairs of other nations of the hemisphere, the no-transfer principle to guard against shift of ownership of remaining American colonies in event of occupation of European nations, and the historic and fundamental Monroe Doctrine.

The key elements of these policies are predicated on the defense of the Western Hemisphere. Basic to all of these are our Caribbean and Isthmian Canal policies.

None of these policies, however, are as well known or understood as they should be. But they are there, grounded in solemn treaty bases and resulting applications.

Because of the focal importance of the Panama Canal in any realistic appraisal of the Caribbean situation, a review of recent Isthmian history is imperative.

PANAMANIAN INVASION OF CANAL ZONE

In a secretly planned and carefully organized raid into the Canal Zone on May 2, 1958, called "Operation Sovereignty," Panama University students planted 72 Panamanian flags at prominent locations, including one flag in front of the Panama Canal Administration Building in Balboa Heights, the capital of the Canal Zone. Accompanied by Panamanian newspaper reporters and photographers, and unopposed by U.S. authorities, the indignity received worldwide press coverage, placing the United States in a most ridiculous light.

The possibility of such an attempt had been clearly foreseen by myself and other informed citizens of the United States, as a consequence of which appropriate warning had been given. Notwithstanding, when this highly provocative incident occurred, no arrests or detentions were made, despite the fact that they were witnessed by Canal Zone police. The flag planters were allowed to leave the Canal Zone without interference, and thereupon became "heroes" to radical elements in Panama and elsewhere. I have never received or heard of an explanation for such failure on the part of those responsible for the protection of the rights, authority, and obligations of the United States.

What can explain such apparent indifference? Was it because of timidity on the part of local U.S. officials or were those officials conforming to superior orders or counsel, induced by a failure to comprehend what was actually involved? I do not know. Certainly, such a gross trespass, which was part of an overall purpose to drive the United States from the Canal Zone, was not a mere student prank but a calculated risk on the part of elements fiercely antagonistic to the United States and, indeed, hostile to the Constitutional Government of Panama.

In the light of the perspective that is now possible, it served as a probing of the capacity of our Government and the psychological strength of its policymakers. Not only that, it set a dangerous precedent for allowing a foreign country to use territory under control of the United States as a stage for overt hostile propaganda demonstrations. Moreover, our failure to act with forthrightness and firmness on this occasion has constituted an open invitation for future graver trespasses.

ATTEMPTED PANAMA CANAL ENCIRCLEMENT

The clamor about Operation Sovereignty had hardly died when the Republic of Pan-

ama, by an enactment of its National Assembly, approved by President Ernesto de la Guardia, Jr., on December 18, 1958, unilaterally declared the extension of Panamanian territorial waters from the long-established 3-mile limit to a 12-mile limit. This attempted extension included a 9-mile width of water at each end of the existing sea boundaries of the Canal Zone, completely encircling the zone. This, in effect, would make it another Berlin.

The United States was the first nation to protest. In a note delivered to the Panama Government on January 9, 1959, the United States refused to recognize the Panamanian claims and requested a reconsideration of the action. Instead of complying, the Panama National Assembly unanimously rejected the request, and called upon all friendly nations to support the attempted Panamanian marginal sea extension.

Meanwhile, the Government of the United States reserved all of its rights in the affected areas, pending recommendations of a 1960 international conference that will consider the important question of the breadth of territorial seas.

CUBAN INVASION OF PANAMA

The situation at Panama did not remain quiet for long. Victorious revolutionists in Cuba, trained in revolutionary jungle warfare in Oriente Province of that important island country and seeking new worlds to conquer, focused on the isthmus.

In collaboration with radical elements of Panama, a few of them exiled in Cuba, some 89 Cuban mercenaries, on April 26, 1959, landed at historic Nombre de Dios on the Caribbean coast of Panama, a short distance east of the Atlantic entrance of the Panama Canal. One of the objectives of this armed invasion of Panama was a token occupation of the Canal Zone. Its main objective was to bring about the overthrow of the duly elected and constitutional Government of Panama. What a crisis might thus have been created.

Despite the strength of the 3,000-man National Guard of Panama, the people there became gravely excited by the invasion, with evident hysteria among certain political leaders. Had Panamanians known that some of their high officials had sent their families into the Canal Zone as a haven for refuge, the people of that country would have been far more apprehensive.

Fortunately, for all, the invasion collapsed, with the Cubans surrendering to the Panamanian forces. After brief detention and virtually no punishment, the invaders were shipped home where they were disavowed by those who sent them, thus closing the immediate crisis. But the end is not yet.

Who was responsible for that assault? The best answer to that question is by President de la Guardia, who stated: "This was not a group of adventurers from our own country, or even from Cuba. These people were mostly Cubans, but directed and led by militant Communists. Their ambition is the long stated one of taking over the Panama Canal."

This description by President de la Guardia is conservatively expressed and conforms generally to the pattern of current Caribbean turmoil. In addition, as already stated, there was also involved the purpose of overthrowing the De la Guardia government. Similarly motivated by communistic influence, this turmoil has included invasions of two other countries, Nicaragua and the Dominican Republic, which repelled them.

Notwithstanding these outcomes, radical Panamanian politicians, fully conscious of their own demagogic capacities and in bold disregard of the best interests of their own country, keep reviving the corpse of the old dream of recovering Panamania sovereignty over the Canal Zone and the Panama Canal.

PANAMA CANAL ZONE: CONSTITUTIONAL DOMAIN OF THE UNITED STATES

What are the facts about Canal Zone sovereignty? They are brief and simple. The Canal Zone is a U.S. Government reservation embracing a 10-mile strip across the Isthmus of Panama and certain auxiliary areas. Its use, occupation, and control were granted, in perpetuity, to the United States in 1903 by treaty with Panama. Most significantly, this treaty vested exclusive sovereign rights, power and authority in the United States for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, protection, and government, and, as emphasized in the treaty, to the "entire clusion" of the exercise by Panama of "any such sovereign rights, power, or authority."

Long recognized as part of the coastline of the United States, the Canal Zone is not an occupied area that can be recovered. Instead, it is part of the constitutionally secured territory of the United States, the acquisition of which President Theodore Roosevelt always compared in importance with the Louisiana Purchase, a century earlier, in 1803.

PANAMANIAN PROJECTED "OPERATION OCCUPATION"

November 3, 1959, will be the 56th anniversary of the birth of the Republic of Panama. Aquilino Boyd, a former minister of foreign affairs of Panama and now a candidate for the Presidency of that country, and other radical politicians, have chosen this day for a peaceful occupation of the Canal Zone.

Plans for these activities include a mass invasion of the Canal Zone by Panamanian demonstrators, who are to take seats on the doorsteps of the Panama Canal Administration Building in Balboa Heights, at the portals of police stations, at the churches, in the clubhouses, and other places of prominence. Moreover, world publicity is to be built up in advance as part of the preparations, with agitations in Panama aimed at forcing the Canal Zone sovereignty question into an international court for arbitration, or to the United Nations.

This threat from Panamanian territory to the Panama Canal, conforming to the long range Communist program of indirect warfare, cannot be safely ignored. Such "invasion," if permitted to occur, would be as gross an indignity to our Government and flag as if made against the continental United States; and should be so regarded and treated, for it would greatly impair U.S. prestige throughout the world.

PROGRAM FOR CARIBBEAN SECURITY

As previously indicated, the communistic agitation and subversions in the Caribbean are not accidental. They are part of the overall Soviet purpose to overturn all non-Communist governments with substitution of Communist totalitarian regimes. As such, they are parts of the cold war and a direct challenge to the Monroe Doctrine. Moreover, the threatened Panamanian invasion of the Canal Zone is a challenge to the United States in its highest sovereign capacity.

These bold and dangerous activities, motivated and kept alive by communistic influences, present a strange paradox. If agents of free world nations should attempt, on the soil or maritime approaches of any Communist nations, to interfere or overthrow the policies or governments of such nations, they would be immediately exterminated. Yet the free countries, under an inane and unrealistic misinterpretation of liberty, permit the Communist peril and its paralyzing methods to threaten, invade, and impair the most basic rights of the free nations, almost without let or hindrance.

Thus, the free nations have been, and are still being, stripped of their rights, authority, and possessions, while the Communist powers march on and on, increasing their influence and prestige, and bringing into their orbit vast domains of the free nations liquidated by these processes.

What should be the policies of the United States in protecting its interests in the Caribbean? There are a number of measures that it can adopt; firmly, justly, and legally. The program, which I would suggest, should include five main points:

First, announcement that the Monroe Doctrine applies to communistic subversion through penetration and infiltration and veiled motivation, as well as by open and direct effort.

Second, proclamation by our Government that the Canal Zone is constitutionally acquired territory of the United States and that its continued control by this Nation pursuant to treaty and the obligations thus imposed, is best for all the Americas, best for the world, and best for interoceanic commerce.

Third, reactivation by the United States of its historic Special Service Squadron based in the Canal Zone, independent of combat forces, under the direct control of the Chief of Naval Operations for continuous display of the flag and other diplomatic missions.

Fourth, announcement that no hostile or other provocative demonstrations of any character will be tolerated in the Canal Zone, from whatsoever source.

Fifth, clearcut, non equivocal reaffirmation of our historic and treaty supported rights and obligations with respect to the Panama Canal and Canal Zone.

In connection with the fourth, I venture to suggest to the Panamanian Government that it take and enforce necessary measures to prevent any further revolutionary forays into the Canal Zone, which, if permitted to occur, may well end in grim tragedy, with grave impairment of relations between the two governments.

This program should have a marked deterrent effect on the rising Red tide, not only in Panama, but also throughout the mainlands and islands of the Caribbean Sea, which is well on its way toward becoming a Red lake. These steps, which are within the bounds of international law and solemn treaty provisions, have but one aim—making all the Americas safe for all Americans, and serving the best interests of the entire world.

CAPITAL GAINS ON STOCK OPTIONS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, I have today introduced a bill to provide that capital gains on stock options received, owned, and exercised by corporate officers, directors, or employees as a consideration for employment or services rendered to a corporation as an officer, director, or employee shall be taxable as ordinary income.

During recent years more and more corporate executives are taking their income in the form of stock options—paying their income taxes on only 50 percent of their income instead of the 100 percent basis applied to all other corporation employees.

A very specific case in point recently occurred in the exercise of a stock option

by John L. Burns, president of the Radio Corp. of America. He originally had 411 shares of his company's stock. In consideration of his services as president of the corporation, on March 1, 1957 he was granted an option to purchase 50,000 shares at the price of $33.75 per share. On July 24 of this year he exercised his option to purchase 20,000 shares at $33.75 per share when the market price of the stock had risen to $67.87½.

In this manner Mr. Burns can enjoy a capital gain of $620,000. Under present internal revenue laws $310,000, or 50 percent of this income, escapes Federal taxation as a long-term capital gain. It would take a salary of over $3 million to produce the same income after taxes.

This gain to Mr. Burns as to all other corporate officials receiving stock options is solely the result of executive relationship to the corporation as its employee. It is income for services. It should be taxed in the same manner as wages paid to any other person. Is there any justification for a dual standard of income tax computations—one for the regular employee and one for the corporate official who can profitably exercise a stock option and escape his proper income tax obligation? The stock option device is not a tax loophole—it is a devastating and wrecking breakdown of our tax structure.

The Goodyear Rubber Co. pioneered in providing stock option plans for 79,000 shares to key officers under which some officers can buy shares selling for $140 per share for $50.88. Mr. E. J. Thomas, president of Goodyear, exercised an option which could net him a profit in excess of $5 million.

Similar stock options have netted fabulous low-tax profits for officers of Alcoa, Ford, General Electric, and General Foods.

Over a quarter billion dollars each year is dodging the Federal Treasury because of the special tax gimmick which permits certain select corporate officials to enjoy fabulous low-tax income at the expense of everyone else. Certainly any income received or granted in whole or part for services rendered should be treated as ordinary income and be made fully taxable.

The injustice of the "beat the tax" stock option tax-free salary is utterly and completely indefensible. I hope the Ways and Means Committee will consider my bill in connection with the tax reviews scheduled for this autumn.

WABASH RIVER, IND., ORDNANCE WORKS

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WAMPLER. Mr. Speaker, the Department of the Army recently has awarded to the Holston, Tenn., Ordnance Works a contract approximating a half-million dollars for the production of 185,264 M5A1 demolition blocks. In making the award, the Army chose to bypass the Wabash River, Ind., Ordnance Works, now in standby status. Although the Wabash River Ordnance Works currently is inactive, Mr. Speaker, I should like to point out the plastic explosive item in question formerly was produced at the Wabash River Ordnance Works without any intervening production elsewhere.

Despite my persistent efforts to convince the Army to the contrary, the $500,000 explosives production contract was let to the Eastman Co. at the Holston, Tenn., works. Repeatedly, Mr. Speaker, I set out, in detail, for review by the Army Department, what I considered to be compelling reasons for assigning the Chemical Corps order to the Wabash plant.

I cited the historic item production record of the Wabash works, the higher level of labor surplus and consequent economic distress in the Wabash River Ordnance Works, Indiana, are as opposed to the Holston, Tenn., region; and I questioned, at some length, the comparative cost-of-production figures submitted by the Army.

I might emphasize, at this point, Mr. Speaker, that during the course of my negotiations with the Department of the Army, before the contract was awarded, I was presented with comparative cost-of-production estimates that were in direct conflict not once, but on five separate occasions.

Being a member of the House Committee on Armed Services, I must say that item cost-of-production estimates that vary so widely and so consistently create a great deal of skepticism about the soundness of the Army's cost-of-production evaluation procedures.

I would like to make it quite plain, Mr. Speaker, that next year after the completion of the demolition block order at the Holston, Tenn., plant, I intend to demand, for comparative purposes, the final, authenticated order cost details and totals.

For the record, I am setting forth the following correspondence exchange between my office, the Department of the Army, and the distinguished chairman of the House Armed Services Committee, Mr. VINSON:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., June 12, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is in reference to the recent telephone inquiry from a member of your staff concerning production of a plastic explosive item at the Wabash River Ordnance Works.

The Department of the Army has a requirement to produce 185,264 each demolition blocks M5A1 in 1959. This is 5 or 6 months' production for a plant in operation. Because of the limited quantity required, it has been determined that the item will be produced at the Holston Ordnance Works, an active installation. Since this item was formerly produced at the Wabash River Ordnance Works several years ago, with no intervening production anywhere else, it will be necessary to transfer some of the production equipment to Holston at an estimated cost of $160,000. This cost is balanced by the reduced cost of production at Holston Ordnance Works of $2.70 per block as compared with an estimated cost of production at Wabash of $3.06 per block, and the estimated reactivation cost at Wabash of $100,000. This plan of production at Holston is considered by the Department of the Army as the most feasible, particularly since production is for only a limited quantity, and there is no requirement for production of this item in fiscal year 1960.

In addition to the reactivation cost of approximately $100,000 at the Wabash River Ordnance Works, it would be necessary to employ there about 120 people for only a limited period. We consider that activation of this plant for such a limited period would entail higher overhead costs and substantial layaway costs when the plant would necessarily revert to inactive status after this limited production. No additional people will be required at the Holston Ordnance Works for the production of the demolition block as it will be used to balance out existing production at that plant. Further, since this plant is active, the overhead cost is less, resulting in the lesser cost for production of the item.

I trust that this information will be of assistance to you.

Sincerely yours,

P. E. FEUCHT,
Deputy Assistant Secretary of the Army (Logistics).

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 16, 1959.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I have received a copy of a letter addressed to you from the Honorable FRED WAMPLER, a member of this committee, in connection with the determination made by the Department of the Army to have produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works, 185,264 demolition blocks M5A1.

I am impressed with Mr. WAMPLER's letter and I hope that this matter will receive your careful consideration before a final decision is reached.

Sincerely,

CARL VINSON,
Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 16, 1959.

The Honorable NEIL H. MCELROY,
Secretary of Defense,
Washington, D.C.

DEAR MR. MCELROY: As a member of the House Committee on Armed Services and as the elected Representative of the Sixth Congressional District of Indiana, I feel compelled to protest in the strongest terms a determination by the Department of the Army to have produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works, 185,264 demolition blocks M5A1.

I am in possession of a letter, dated June 12, 1959, from Mr. P. E. Feucht, Deputy Assistant Secretary of the Army, Logistics, setting forth comparative cost estimates and other criteria upon which the Department of the Army determination was based. As it is based on the criteria spelled out in the above-mentioned correspondence, I must say that I find the Department of the Army's requirement-award determination considerably less than justified.

Using Mr. Feucht's cost estimates as a basis, I arithmetically conclude that as between the Wabash River Ordnance Works and the Holston Ordnance Works there is a unit cost-of-production differential of $0.36,

amounting to an overall order differential of $66,695.04, representing the additional cost should the explosives be produced at the Wabash River works. Adding the estimated cost of reactivating the Wabash plant, $100,000, it appears safe to conclude that, exclusive of the cost of employing the approximately 120 people necessary to produce the explosives, the total anticipated cost of production at the WROW is $166,695.04.

Mr. Feucht states that the cost of transferring some of the WROW production equipment to the Holston plant is estimated at $160,000. Actually then the total WROW cost differential is reduced to $6,695.04; which, exclusive of labor procurement, is in my opinion an absolutely negligible quantity.

Particularly is that true when comparative labor distress levels are taken into consideration. I want to emphasize, most graphically, that the Bristol, Johnson City, and Kingsport area, in which the Holston, Tenn., installation is located, was placed on the labor surplus area list as of April 1958. The March 1959, labor surplus figures indicate that this area had 6.3 percent of its labor force unemployed, and is classed in what is known as a "smaller labor surplus area."

On the other hand, the city of Terre Haute, Ind., the major labor supply drawing area for the Wabash River Ordnance Works, as of March, 1959, had 9.3 percent of its labor force unemployed. Terre Haute and the surrounding area has been classified continuously as a labor surplus area since the inception of the present economically depressed-area classification program.

Additionally, I would like to point out that Mr. Feucht makes no mention in his cost figures of the amount of money which would be required to construct adequate housing for the WROW equipment should it be moved to Holston. Also, I have been reliably informed that WROW can begin production within 60 days of a start order, which I highly doubt would be the case at the Holston plant.

Surely, if for no other reason than to make the maximum contribution to the faithful execution of President Eisenhower's Executive Order 10480, which I have been assured by the Office of Civil and Defense Mobilization is still very much in full force and effect, it would be patently more reasonable to assign this Army Department order to the critically labor depressed area which includes the Wabash River Ordnance plant and which as Mr. Feucht states formerly produced the item, "with no intervening production elsewhere," than to transfer to an area of considerably lesser economic distress at a cost of $160,000 essential production machinery currently installed at the WROW and ready for immediate operation.

The most immediately practicable reply would be greatly appreciated.

Sincerely,

FRED WAMPLER,
Member of Congress.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 23, 1959.

Hon. FRED WAMPLER,
House of Representatives,
Washington, D.C.

DEAR MR. WAMPLER: Reference is made to my letter dated June 10, 1959, to which was attached a copy of a communication which I had that day sent to the Secretary of the Army in connection with the Wabash River Ordnance Works.

I am now in receipt of a letter dated June 19, 1959, from the Department of the Army which appears responsive to your inquiry and contains what the Army considers as appropriate justification for the use of the Holston Ordnance Works rather than the Wabash River Ordnance Works for the planned production of plastic explosive.

Sincerely yours,

CARL VINSON,
Chairman.

HEADQUARTERS, DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., June 19, 1959.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: The Secretary of the Army has asked me to reply to your inquiry concerning the production of a plastic explosive item. The Wabash River Ordnance Works and the Holston Ordnance Works were considered for this production.

The Department of the Army has a requirement to produce 185,264 each demolition blocks M5A1 in 1959. This is 5 or 6 months' production for a plant in operation. Because of the limited quantity required, it has been determined that the item will be produced at the Holston Ordnance Works, an active installation. Since this item was formerly produced at the Wabash River Ordnance Works several years ago, with no intervening production anywhere else, it will be necessary to transfer some of the production equipment to Holston at an estimated cost of $160,000. This cost is balanced by the reduced cost of production at Holston Ordnance Works of $2.70 per block as compared with an estimated cost of production at Wabash of $3.06 per block, and the estimated reactivation cost at Wabash of $100,000. This plan of production at Holston is considered by the Department of the Army as the most feasible, particularly since production is for only a limited quantity, and there is no requirement for production of this item in fiscal year 1960.

In addition to the reactivation cost of approximately $100,000 at the Wabash River Ordnance Works, it would be necessary to employ there about 120 people for only a limited period. We consider that activation of this plant for such a limited period would entail higher overhead costs and substantial layaway costs when the plant would necessarily revert to inactive status after this limited production. No additional people will be required at the Holston Ordnance Works for the production of the demolition block as it will be used to balance out existing production at that plant. Further, since this plant is active, the overhead cost is less, resulting in the lesser cost for production of the item.

I trust that this information will be of assistance to you.

Sincerely,

J. H. MICHAELIS,
Major General, GS,
Chief of Legislative Liaison.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., June 23, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is to acknowledge your correspondence of June 16 to the Secretary of Defense, in which you protest the determination by the Department of the Army to have 185,264 demolition blocks M5A1 produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works.

Since this is a matter under the cognizance of the Department of the Army, Mr. McElroy has asked that I refer your correspondence to that Department for direct reply to you.

Please be assured that this matter will be accorded every consideration.

Sincerely,

GEORGE W. VAUGHAN,
Assistant to the Secretary
for Legislative Affairs.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 30, 1959.

Hon. FRED WAMPLER,
House of Representatives,
Washington, D.C.

DEAR MR. WAMPLER: Attached is a copy of a letter which I have today sent to the Secretary of the Army in connection with the possible utilization of the Wabash River Ordnance Plant in connection with production of explosives.

Sincerely,

CARL VINSON,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 30, 1959.

Hon. WILBER M. BRUCKER,
Secretary of the Army,
Washington, D.C.

DEAR MR. SECRETARY: Under date of June 16, 1959, I wrote to the Secretary of Defense in connection with a determination made by your Department to have produced at the Holston Ordnance Works 185,264 blocks of explosive. On June 23, 1959, Mr. George W. Vaughan, assistant to the secretary for Legislative Affairs, wrote to me indicating that this matter was under the cognizance of your Department and that my letter had been referred to you.

I have again reviewed the letter which Congressman FRED WAMPLER sent to the Secretary of Defense urging that the Wabash River, Ind., Ordnance Works rather than the Holston, Tenn., Ordnance Works be used for this production. I must say that Mr. WAMPLER makes a very strong argument.

The cost factor differential information developed in Mr. WAMPLER's letter to Secretary McElroy of June 16, 1959, suggests that the Army's justification for its determination to transfer from the Wabash River, Ind., Ordnance Works to the Holston, Tenn., Ordnance Works a quantity of M5A1 demolition block production equipment should be subject to a reevaluation. I find myself in agreement with this position.

The estimated cost variation of some $7,000 might well be considered to be of minimal importance when weighed against the possibility of utilizing a single power source for both the WROW and the Dana plant, now that the Dana activity is to be reactivated. In addition, there is a trained labor pool readily available in the Dana area where the explosive has always been produced. Also, there is the ever-present possibility of costly equipment breakage in the process of transfer.

As I have indicated previously, Congressman WAMPLER's reasons for desiring to retain the equipment and the M5A1 demolition block order are impressive. I feel that a personal review of the statistical justification for utilizing one of the two plants will raise considerable doubt in your mind as to whether the Holston Ordnance Works represents the right choice.

I trust that you will give this matter the same careful consideration as is your consistent custom in order that the Army's interests as well as the interests of the Government will be best served.

Sincerely,

CARL VINSON,
Chairman.

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ORDNANCE,
Washington, D.C., July 10, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: As requested, I am writing to confirm the verbal information given to you during our meeting in your office on July 9, 1959, at 1130 hours that all

further shipments of equipment from the Wabash River to the Holston Ordnance Works were temporarily suspended at about 1030 hours on July 9.

For the Chief of Ordnance.

Sincerely yours,

T. W. McGRATH,
Colonel, Ordnance Corps, Assistant.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is in reply to your June 16 letter to the Secretary of Defense, and our telephone discussion of July 8, regarding an Army plan to produce demolition blocks at Holston Ordnance Works instead of the Wabash River Ordnance Works. You questioned this plan on the basis that the resultant savings of only $7,000 which was indicated by information available to you would not justify moving equipment from Wabash to Holston.

I understand that, unfortunately, some of the data received by you was incomplete and inaccurate. According to cost estimates developed by the Army in coordination with the contractor-operators of the two plants, production at Holston Ordnance Works will provide savings many times greater than the $7,000 shown by your calculations.

A primary element of the difference in production costs is that RDX, the major component of the demolition blocks, must of necessity be manufactured at Holston Ordnance Works regardless of whether used at that facility or at Wabash River Ordnance Works.

Inasmuch as the Army Ordnance Corps has furnished you with a copy of the latest and firmest possible estimates of production costs at the two installations, and has explained to you the basis on which they were computed, I will not forward any details with this letter.

Upon receipt of your inquiry I directed that further transfer of equipment from Wabash River Ordnance Works be held in abeyance pending resolution of the questions which you raised. Having assured myself that production at Holston Ordnance Works will result in a substantial savings of Government funds, I have authorized completion of the transfer.

I appreciate your concern over loss of the employment, even though of limited duration, which production at Wabash River Ordnance Works would have provided. I trust, however, you will understand that in making decisions of this kind I must give primary consideration to their effect on the national defense and economy rather than to the benefits which would accrue to local communities.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ORDNANCE,
Washington, D.C.

(Delivered Aug. 25, 1959, by Col. William F. Bobzien, Jr., Chemical Corps.)

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: In accordance with your request during our meeting in your office on July 31, 1959, the following information is transmitted showing the superiority of the Holston operations over those at Wabash River Ordnance Works in the production of RDX.

The Wabash Works uses the so-called nitration process while the Holston Works uses the Bachman anhydride process which is much more efficient. Both Works utilize hexamine as a raw material.

The following comparable data will serve to indicate the superiority of the Holston operation. Cost figures are given for fiscal year 1945 since both Works were in full operation during this period:

	Wabash	Holston
RDX yield from 1 pound hexamine	1.26 pounds	1.36 pounds
Hexamine consumption per pound RDX	.860 pound	.372
Spent acid which must be recovered, pound per pound RDX	8	3
Fiscal year 1945 average total cost per pound RDX	$0.1273	$0.1025
Fiscal year 1945 average direct manufacturing cost	.0227	.0177
Fiscal year 1945 average indirect manufacturing cost	.0122	.0070

There are other factors of technical nature which further substantiate the advantages of the Holston operation, but it is believed that the above figures on costs and yield efficiency should serve to meet your request.

Also enclosed per your request are copies of statements signed by Mr. Palikucha [1] concurring with determination that it would not be feasible to produce RDX at Wabash for current requirement of demolition blocks and the revised cost analysis for production of blocks at Wabash as presented to you.

For the Chief of Ordnance:

Sincerely yours,

T. W. McGRATH,
Colonel, Ordnance Corps, Assistant.

AN IMPROVED MISSOURI RIVER WATER USE PROGRAM THROUGH SLACK WATER NAVIGATION

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, as a Representative of the State of South Dakota, I am keenly aware of the important role which proper use of the great Missouri River can play in the life of our people. I take the floor of the House today in support of a proposal which I believe will result in a more profitable use of Missouri River water for South Dakota and the other Missouri Basin States.

In a letter to the distinguished chairman of the House Committee on Public Works, the gentleman from New York [Mr. BUCKLEY] dated July 17, I urged the committee to authorize the Corps of Engineers to study the feasibility of slack water navigation of the Missouri River from Yankton, S. Dak., to the mouth. I am deeply grateful that the committee graciously granted me a hearing today before the Subcommittee on Rivers and Harbors, chaired by our esteemed colleague, the gentleman from Minnesota [Mr. BLATNIK].

The availability of a sufficient supply of water is the single most serious problem facing my State at this time. This year has been one of the driest in the history of the State. This unfortunate situation highlights our concern over the fact that the water which would be available to us from the Missouri River is being wasted by being released 8 months of the year to permit free flowing navigation downstream. This water will be sorely needed for domestic and irrigation purposes and for the generation of electric power in South Dakota and the other upper basin States. While irrigation has not been developed to a large extent as yet, the experience of our farmers in this year of drought indicates how badly it is needed. Before too long the requirements in the upper basin States for irrigation alone will make it impossible to release the water necessary to provide for free flowing navigation below. There is bound to be a sharp conflict between the upper and lower States.

At the present time the REA cooperatives and the municipalities are being deprived of hundreds of thousands of kilowatts of electric power from the hydro plants already installed on the Missouri because the water is not permitted to flow through the generators in the wintertime when the power is needed, but is stored to be released during the navigation months. The installed capacity at the existing dams, excluding Big Bend, will be roughly 1,600,000 kilowatts by 1963. Due to the wasteful use of the water, only approximately 1 million kilowatts of this capacity is being contracted to be sold as firm power by the Bureau of Reclamation. This means that a considerable portion of the requirements of the preference customers will have to be obtained from other sources at a cost more than double the Bureau rate. Most of the cooperatives in South Dakota were unable to obtain loans from the REA prior to Bureau power becoming available. Due to the low population density of their consumers, many serving not more than one farm or ranch per mile, it was impossible for those cooperatives to develop projects which could repay the REA loan until the low-cost hydro power became available.

If that low-cost power is now denied them because of the improvident management of the waters of the Missouri, the repayment of their loans to the Government will be placed in jeopardy. The same is true in the other upper basin States. I am informed that if a system of slack water navigation were provided, almost the entire 1,600,000 kilowatts of capacity could be sold as firm power and navigation could still be carried on downstream in even more favorable circumstances than now. In addition, a vast additional generation capacity would be made available downstream in connection with slack water development.

At my request, Mr. Leland Olds, director, Energy Research Associates, has prepared a memorandum outlining the background of a slack water navigation program for the Missouri River below Yankton. Mr. Olds, who is a former Chairman of the Federal Power Commission, indicates that such a program offers these advantages:

(1) Better navigation, because the barge traffic will not be affected by the current

[1] Mr. Palikucha is the plant manager, Liberty Powder Defense Corp., Wabash River Ordnance Works, Newport, Ind.

which results from the fact that the river falls a total of 770 feet from the tailwater of the Gavins Point project to its confluence with the Mississippi River.

(2) Assurance that the right of the upper States to use Missouri waters for irrigation and other consumptive purposes will not ultimately curtail downstream navigation of the desired depth.

(3) Better use of the available flows for power purposes at the presently constructed and authorized main-stem projects from Gavins Point upstream to Fort Peck through eliminating the need for large releases of water during the navigation months and providing greater assurances of maintaining reservoir levels.

(4) Development of 2,200,000 kilowatts of very good hydroelectric power from the 770-foot head between Gavins Point and the mouth, using the flows to produce some 12 billion kilowatt-hours of electricity.

(5) Improved management of the sediment which is one of the major problems of the basin, with possibilities that sound sediment engineering can transform it from a liability into an asset.

Under unanimous consent I include Mr. Olds' memorandum in the RECORD following my own remarks.

I should like to point out that we are only asking that the Missouri River be developed along the identical lines as has the Tennessee River and the Ohio River and virtually all of the other rivers of the country where navigation is carried on to any considerable extent. I am pleased to report that the Inter-Agency Basin Committee has approved the study I am requesting. Many of the Governors of the Basin States, including my own Governor, Ralph Herseth, have individually urged that the study be made by the Corps of Engineers. Mr. Kenneth Holum, executive director of the Mid-West Electric Consumers Association, of Aberdeen, S. Dak., has strongly endorsed the idea as have numerous other groups and individuals who are vitally interested in the fullest possible benefits from the Missouri River.

In closing, I want to say that we are extremely anxious not to become involved in conflict with our good friends in the States below us. However, we cannot sit idly by and watch our economy deteriorate because water which is made available by dams built in our State, and which dams resulted in thousands of acres of our good farmland being taken out of production, is being denied to us and given to others. We believe that we can have the use of the water which is vital to our welfare, and at the same time our friends downstream can have their wants taken care of if the river is properly developed.

I am appreciative of the fact that the Corps of Engineers has given my request thoughtful consideration and has indicated an interest in the study. The Bureau of Reclamation, in reply to my request for an opinion, has indicated its keen interest and general approval of the survey.

I include at this point in the RECORD the statement of August 25, 1959, submitted at my request by the Bureau of Reclamation, followed by the excellent memorandum prepared by Mr. Leland Olds:

STATEMENT OF BUREAU OF RECLAMATION, AUGUST 25, 1959

The introduction of slack-water navigation in lieu of open-water navigation on the main stem of the Missouri River from Yankton, S. Dak., to the mouth of the river would provide greater flexibility in the operation of the main-stem reservoirs of Fort Peck, Garrison, Oahe, Fort Randall, and Gavins Point, and should result in a greater production and delivery of firm power to the transmission system of the Missouri River Basin project for marketing in the area. For this reason consideration should be given to a study of the possibility of slack-water navigation by the Corps of Engineers. Since present navigation releases do not coincide with the winter maximum firm power requirements of customers, a large portion of summer generation will be sold as nonfirm power since it fails to meet the basic needs of firm power customers in the basin. In addition the monetary return on the sale of nonfirm power is less than for firm power which could be realized if the reservoirs could be operated under a less strict requirement for navigational releases. With slack-water navigation, reservoir releases could be controlled more nearly to meet the needs of customers on a firm power basis. In addition slack-water navigation might provide a means of utilizing the potential head for power production between Yankton and the mouth by utilizing sites chosen for the installation of locks to install power equipment for the development of additional power resources not possible under the present plan. The method of navigation proposed for the river below Yankton would not interfere with the development of irrigation.

SLACK-WATER NAVIGATION PROGRAM FOR THE MISSOURI RIVER BELOW YANKTON—MEMORANDUM BY MR. LELAND OLDS

A comprehensive program for multipurpose development of the Missouri River Basin requires improvement of the main stem below Yankton for slack-water navigation and hydroelectric power as a complement to the presently authorized programs of the Corps of Engineers and Bureau of Reclamation. In terms of the great values which such an addition to the program offers, the undertaking of the necessary studies by the Corps of Engineers is urgent.

The slack-water navigation program for the lower river has been considered as a solution to these problems: (a) How to assure, particularly during long dry cycles, ample water for irrigation and other consumptive purposes while maintaining 9-foot navigation below Yankton; (b) how to assure optimum use of power installations to meet demands for electricity without sacrificing navigable depth in the lower river; and (c) how to conserve the full hydroelectric potential of the river system.

BENEFITS OFFERED

Slack-water navigation in the Missouri River between Yankton and its mouth offers the following advantages:

(1) Better navigation, because the barge traffic will not be affected by the current which results from the fact that the river falls a total of 770 feet from the tailwater of the Gavins Point project to its confluence with the Mississippi River.

(2) Assurance that the right of the upper States to use Missouri River waters for irrigation and other consumptive purposes will not ultimately curtail downstream navigation of the desired depth.

(3) Better use of the available flows for power purposes as the presently constructed and authorized main-stem projects from Gavins Point upstream to Fort Peck through eliminating the need for large releases of water during the navigation months and providing greater assurance of maintaining reservoir levels.

(4) Development of 2,200,000 kilowatts of very good hydroelectric power from the 770 foot head between Gavins Point and the mouth, using the flows to produce some 12 billion kilowatt-hours of electricity.

(5) Improved management of the sediment which is one of the major problems of the basin, with possibilities that sound sediment engineering can transform it from a liability into an asset.

GOVERNORS SUGGEST SLACK WATER IN 1944

At the February 18 and 22, 1944, hearings, before the Committee on Rivers and Harbors of the House of Representatives, considering the river and harbor bill, Governors and other representatives of upper Missouri Basin States suggested slack-water navigation on the lower river as a means of protecting full use of water for irrigation.

Thus Gov. John Moses, of North Dakota, presenting a joint statement with Gov. Sam C. Ford, of Montana, and Gov. Lester C. Hunt, of Wyoming, said:

"We are not opposing the use of a reasonable amount of water for navigation below Sioux City but we are emphatic that the use in perpetuity of 32,000 or 35,000 cubic feet per second out of an average annual flow of 37,600 does not constitute either the most economic or the most beneficial use of such a valuable natural resource. If there could be inserted in the river and harbor bill or this committee should insert in your flood control bill language which guarantees a certain fair and equitable portion of Missouri River water for upstream consumptive use, an amount which might be agreed upon, and provide further a program for ultimately installing locks and dams so that as upstream demands increased the lock and dam installation program could provide the same or better water navigation with less and less water, thus releasing more and more water for upstream use, we believe that you would be pointing in the direction of a fair and equitable solution to the problem, and greatly aid in a constructive economic development of the entire Missouri River Basin" (p. 4).

In this hearing Representative Frank A. Barrett, of Wyoming, said:

"We have not the slightest conflict with flood control on the Missouri. We want it. We really have not any conflict with navigation. If they would install locks and dams below Sioux City they can have navigation; but if there is a conflict, then I would say by all manner or means the people living in the upper States of the Missouri River Basin are entitled to first use of the water" (p. 38).

In the same hearing Commissioner of Reclamation Harry W. Bashore pointed out that "the future development of such States as Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, and Colorado will require additional irrigation." He said:

"It seems to me that the Congress should consider the effect the proposed navigation project and the closely coordinated flood-control projects presently before this committee may have on upstream irrigation developments. Perhaps only still-water navigation effected through the installation of a system of locks would permit the proposed 9-foot channel consistently with the increased consumptive use upstream for irrigation that is essential in the interest of the upper basin States" (p. 33).

To meet the questions raised as to possible conflict in use of waters between future irrigation and the proposed 9-foot waterway in the lower river, the O'Mahoney amendment was added to the bill, which provided:

"SECTION 1. (b) The use of navigation, in connection with the operation and maintenance of such works herein authorized for

construction, of waters arising in States lying wholly or partly west of the 98th meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the 98th meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes."

POWER POTENTIAL IN CONNECTION WITH SLACK-WATER NAVIGATION

During the later 1940's Federal Power Commission engineers, speaking at meetings of the Midwest Power Conference and the Missouri Inter-Agency River Basin Committee, called attention to the power potential available in connection with slack-water navigation program for the lower river. Speaking before the Midwest Power Conference in Chicago, April 4, 1946, B. H. Green, Federal Power Commission regional engineer, placed the total potential power in the Missouri Basin at about 5 million kilowatts, with an average annual generation of 25 billion kilowatt-hours. He said:

"As an instance of potential power may be mentioned the main stem of the Missouri River from Gavins Point on down to its mouth. In this reach there is a fall of about 700 feet and a potential possibility of from 10 billion to 15 billion kilowatt-hours per year. The eventual development of all or part of this is, of course, problematical; but it is important that the possibility of its realization be kept in mind, especially in the Commission's recurrent appraisals of power possibilities and probabilities" (p. 2).

This was in general reiterated in 1947 at a Cheyenne, Wyo., meeting of the Missouri Basin Interagency Committee, by Lester C. Walker, engineer, of the Federal Power Commission Chicago regional office.

FEDERAL POWER COMMISSION MEMORANDUM EMPHASIZES NEED FOR REEXAMINATION OF MISSOURI RIVER BELOW GAVINS POINT

In its memorandum of May 1950 on the Missouri River Basin, prepared in response to a request from the President's Water Resources Policy Commission, the Federal Power Commission referred to 119 projects in the category of undeveloped power in the basin which "would provide an estimated aggregate installed capacity of 6,195,000 kilowatts with an average annual generation of 30,987,700 kilowatt-hours." This is additional to the 8 projects then under construction and the 19 authorized, with combined capacity of about 2,400,000 kilowatts and combined energy of about 10 billion kilowatt-hours.

Concerning the potential in the lower river the Commission memorandum says:

"That portion of the Missouri River main stem from the Gavins Point damsite to the mouth has been surveyed and studied for navigation and flood control, and construction work to provide open river navigation and flood protection by levees is in progress. Extensive surveys and studies to determine the feasibility of developing the power potentialities of this stretch have not been made. However, this section should be thoroughly reexamined in the light of the reduced silt load anticipated and in view of the changed regimen of the river that will obtain following the completion of the presently authorized storage reservoirs above Sioux City for the purpose of determining the feasibility and practicability of developing the potential of 2,200,000 kilowatts of hydroelectric power capacity in the stream, possibily in connection with the development of slack-water navigation" (pt. I-3).

After some discussion of the Commission principles of project formulation, the Commission memorandum proceeds:

"Considerable in the way of additional investigations are necessary in the Missouri Basin before it can be felt that the Commission's principles of river basin development have received full application to further possibilities for the development of power. An important case at point are the possibilities for slack-water navigation below Yankton, S. Dak., with attendant large blocks of power, improvement of power output at the main-stem dams at Gavins Point and above, and a very beneficial easing of conflicts in water use between upper and lower basin States" (pt. II-11).

Then in discussing specific policy problems as they have developed in the Missouri Basin, the memorandum has the following to say about conflicts between upstream and downstream interests in the use of the water resources of the basin:

"The use of water for irrigation purposes in the upstream areas of the Missouri River Basin conflicts with its use for navigation and other purposes in downstream reaches of the river by reducing the available flow at downstream points. However, existing legislation subordinates the use of water for navigation in the basin to its use for irrigation. There is the possibility, therefore, that future irrigation development may so reduce the flows as to jeopardize the planned open river navigation on the lower Missouri River. In this event, maintenance of navigability of the river would require the provision of slack-water navigation, which would permit the fullest development of irrigation upstream and also make possible the production of large amounts of hydroelectric power" (pt. III—1-2).

After recognizing the sediment problems in connection with any plan of development in this river basin, the Commission memorandum then turns to a specific discussion of the advantages of a power and slack-water navigation program below Yankton, S. Dak. It says in part:

"Large reservoirs on the upper river are being built to impound surplus waters of the upper basin to create a dependable source of water for irrigation, navigation, power, and domestic and industrial water supplies. Under present plans there will be conflicts and limitation in the use of water because of a disproportionate storage development which provides adequate control in the upper basin above Yankton and very little control in the lower basin. The lower river must rely in major part on storage reservoirs in the upper basin for flow regulation for navigation and other purposes. The Pick-Sloan plan has partially resolved the conflict between upstream use of water for irrigation and downstream use for navigation by provision of large holdover storage reservoirs designed to operate for both purposes.

"It is possible that there may not be sufficient water in the upper basin for the long-range development of both upstream irrigation and downstream navigation of the desired depth unless the lower river is canalized for power and slack water navigation, accompanied by greater regulation of water and silt originating from tributaries of the lower basin. A plan for slack-water navigation would make possible the development of hydroelectric power of a better character than is now possible at upper main stem projects, and more efficient navigation, and would resolve, in large part, conflicts and limitations in the use of water. Under such a plan, the water available for irrigation would be less restricted, reservoir operation would provide for augmentation of low flow and power when most needed in fall and winter and at a time when Mississippi River navigation needs additional flow, floodflows would be reduced by additional reservoirs and retarding basins, and navigation would be improved by a waterway with more depth and less velocity.

"Although sufficient studies have not been made to determine exact methods of developing slack-water navigation, if the silt and river stabilization problems can be resolved, and if slack-water navigation and power can be developed feasibly, an aggregate power installation at lower main-stem dams of about 2,200,000 kilowatts could be made, capable of generating, in the average year, about 12 billion kilowatt-hours after allowance for irrigation depletion" (pt. III-5).

CORPS OF ENGINEERS PREPARED TO DEAL WITH SEDIMENT PROBLEM

In a corresponding report to the President's Water Resources Policy Commission, dealing with the Missouri River Basin, the Corps of Engineers discusses at some length its preparedness for dealing with the sediment problems of this basin. In this report the corps says:

"Because of the importance of the sediment problem to many projects under the jurisdiction of the Corps of Engineers, the Missouri River division of the corps has well under way an unprecedented and comprehensive sediment study program which is aimed at protection against possible sediment hazards and at taking advantage of certain sediment phenomena to induce more prompt and complete control of the Missouri River. In the conduct of this program, the advice and assistance of most of the recognized authorities in this field are being utilized" (pt. III-11).

The Corps of Engineers report summarizes its work on the sediment problem as follows:

"In summary, Corps of Engineers procedure in regard to the sediment problem involved in the development of water projects in the Missouri Basin is guided by a policy of (1) searching out and evaluating in advance all types of potential sediment hazards and opportunities, (2) making adequate provisions for handling potential sediment hazards associated with corps projects, and (3) deliberately planning to take full advantage of new valuable opportunities which may be afforded by sediment phenomena" (pt. III-12).

PRESIDENT'S WATER RESOURCES POLICY COMMISSION CONSIDERS SLACK-WATER POSSIBILITY

In its report to the President, volume II, entitled "Ten Rivers in America's Future" (1950) the President's Water Resources Policy Commission included an analysis of the potentialities and problems of the Missouri River Basin. In its tentative list of hydroelectric power possibilities other than projects under construction, authorized, and recommended or contemplated, it includes the following between Yankton and the mouth of the river: [1]

	Ultimate capacity (kilowatt-hours)	Average annual energy (kilowatt-hours)
Yankton to Sioux City	160,000	700,000,000
Sioux City to Nebraska City	400,000	2,200,000,000
Nebraska City to Rulo	100,000	600,000,000
Rulo to Kansas City	340,000	2,000,000,000
Kansas City to mouth	1,200,000	6,500,000,000
Total	2,200,000	12,000,000,000

Pointing out that "further study is required to determine more definitely the details and desirability of such projects" it says: "For example, the totals include some 2.2 million kilowatts of capacity that might be developed in connection with slack-water navigation on the Missouri River below Yankton. Such possibilities are contingent on solving such difficult problems as sedimentation, obtaining adequate foundations for project structures, pollution, valley land

[1] These are not specific projects but potentialities in connection with slack-water navigation development of specified reaches of the river.

inundation, seepage of valley lands, and relocation of existing facilities" (pp. 178–179).

Referring to the fact that the 15 million acre-feet of water required during the navigation season "cannot yet be accepted as a certainty during an extended dry period" the report continues, "The compatibility of navigation therefore must be examined in the light of possible adjustments in the navigation plan to reduce its flow requirements." It lists such possible adjustments as "increased channel maintenance; shortened navigation seasons; refinement of bank stabilization control works; and slack-water navigation" (vol. II, p. 200).

Later, in discussing the rate of power development and integration with navigation and other purposes, the President's Water Resources Policy Commission report on the Missouri Basin says in part:

"The possible future provision of slack-water navigation on the Missouri River between Yankton and the mouth would make possible the development of some 2.2 million kilowatts of generating capacity in the area of greatest need. Such development would improve navigation conditions by reducing velocities, and help resolve possible conflicts between consumptive use of water upstream and navigation requirements downstream.[2] It would also improve the character and value of power produced at main stem reservoirs by eliminating the need to conserve water for navigation months, a procedure which results in reduced flow during winter months, and smaller power output.

"Power possibilities at reservoirs on lower basin tributaries would also be improved by slack-water navigation on the Missouri River. The large planned water releases from these tributary reservoirs in the interest of navigation on the Mississippi River could be reduced if larger winter releases were permitted from main stem Missouri reservoirs" (vol. II, p. 256).

The report refers to the future needs for power in the lower Missouri River Basin and notes that some of it may be supplied from the 2.2 million kilowatts developed as part of the slack-water navigation plan. It adds: "The possibility of this needed power gives added justification for slack-water navigation works. However, development of this power, like navigation, can proceed only after sediment control and channel stabilization are well along" (vol. II, p. 256).

SENATE INTERIOR COMMITTEE HEARINGS ON FEDERAL POWER MARKETING PROBLEMS SUPPORT URGENCY OF SLACK-WATER NAVIGATION SURVEY

Important testimony before the Senate Committee on Interior and Insular Affairs, in its hearings in February 1959 on Federal power marketing problems, supports the conclusions that full use of Missouri waters for all purposes will be incomplete without provision for slack-water navigation in the lower river below Yankton, S. Dak. Among other things, the evidence is clear that the large releases of water, required to maintain 9-foot depth navigation during the 8-month navigation season, result in the production of a surplus of energy at the main-stem powerplants during the summer, balanced by corresponding deficit of energy to support the capacity available in winter months.

Early in the hearings a witness placed in the record a joint memorial of the Montana Legislature urging Congress to investigate the supply, control, allocation, and use of Missouri Basin waters and power (p. 12). And J. W. Grimes, chief engineer and executive officer, South Dakota Water Resources Commission, presented a statement of Gov. Ralph Herseth of South Dakota, whose first recommendation reads as follows:

"As Governor of the State of South Dakota, in the best interests of the people of the State, and so that South Dakota may make its proper contribution to the national economy:

"1. I urge then, that the Congress initiate an investigation of slack-water navigation on the lower Missouri River as a sound technique for water conservation" (p. 24).

Similarly A. S. Wendel, vice president of the Northwest Iowa Power Cooperative, and the Woodbury County Rural Electric Cooperative of Iowa, speaking also as vice president of the Midwest Electric Consumers Association, said:

"Finally, it must be admitted that there are many divergent views about the use and management of the Missouri River. These ideas involve navigation, flood control, recreation, irrigation, power generation, etc. It is only too obvious that the maximum of all these recognized benefits can only be obtained through the proper management of that precious resource—water. There is one method used on practically every other river in the country and has been the means by which the maximum of all benefits has been obtained. I refer to slack-water navigation. We urge that authorization be granted for an immediate engineering study of slack-water navigation on the Missouri River" (p. 29).

Virgil T. Hanlon, manager of East River Power Cooperative of South Dakota, member of the Governor's Power Supply Committee, testified that 600,000 kilowatts of the Bureau of Reclamation generating capacity in the river was being left unfirmed and that, when firmed up, it would give preference customers more than 100 percent of their 1965 needs. The second of his seven recommendations, "2. Initiate a study of the feasibility of slack-water navigation."

The hearing record contains the "Summary Report on Operation of Missouri River Main Stem Reservoirs, 1958–59," by R. J. Pafford, Jr., Chief, Reservoir Control Center, U.S. Army Engineer Division, Missouri River, and a "Review by the Coordinating Committee on Missouri Main Stem Reservoir Operations" of testimony on this report at a public hearing. Both reveal the extent to which wasteful use of water to maintain open river navigation during 8 months of the year is creating problems in terms of other uses of the river, particularly power. The committee held that the suggestion that a solution could be found in slack-water navigation was beyond its responsibility (pp. 51–52).

The coordinating committee expresses its view "that both navigation and power are important primary functions of the main stem reservoirs, and that both functions, along with the others, are to be served equitably." It refers to the report of a special subcommittee of the Missouri River Interagency Committee indicating that, when the main stem reservoir system is completed, "operations completely ignoring navigation would produce power benefits only 2 to 10 percent greater than with multiple-purpose operations serving both functions." On this basis, it found "no economic justification for eliminating navigation service in the interest of power production" (p. 63).

The alternative is, of course, slack-water navigation which would both improve navigation and secure up to 10 percent greater power benefits from the presently authorized power projects, as well as the large block of additional power associated with a slack-water program for the lower river.

In the hearings, William E. Trommershausen, engineer of R. W. Beck Associates, employed by the Midwest Electric Consumers Association, testified:

"In our 1957 report to this committee, we pointed out that the firming up of Federal hydro power by thermal power in the Missouri Basin required a comprehensive study, and that such a study should be the responsibility of the Federal Government, with cooperation from preference customers and others as required" (p. 94).

Reference to the Senate Interior Committee's 1957 hearings on "Missouri Basin Water Problems," finds this witness stating:

"It is my conviction that power marketing studies may show that the ultimate capacity of the Federal hydro system in the Missouri Basin will eventually find its greatest use and value when used as peaking capacity for an integrated regional power network owned and operated by the Federal Government, cooperatives, municipalities, power districts, and the private utilities" (pp. 200–201).

Full use of these Missouri River projects for peakload, in conjunction with large modern steam generating stations carrying baseloads, could be greatly facilitated if operation of valuable reservoir space was not largely determined by the requirements of heavy summer releases of water for open-flow navigation below Yankton, S. Dak. This emphasizes the extent to which provision for slack-water navigation in this lower river may be found to support great gains for the people of the basin.

A comprehensive survey of the feasibility of a slack-water navigation program for the lower Missouri River will take such possibilities into account. It may provide the basis for multiplying several times over the hydroelectric capacity which the region can ultimately obtain from this river.

In this connection, it should be noted that the great progress in large-scale fuel plant technology is not rendering hydroelectric development out of date, nor will its importance be undermined by the early achievement of competitive atomic power. Quite the contrary, great thermal stations will operate most economically on the base or intermediate portions of the load, with hydroelectric plants, including pumped storage projects, assigned to serving peakloads and portions of the base.

The importance of such use of the hydroelectric power available from the Missouri Basin program was emphasized in a paper delivered by E. Robert de Luccia, then Chief of the Federal Power Commission Bureau of Power, before the Midwest Power Conference in 1947 at Chicago. His subject was "Coordination of Hydroelectric and Steam Electric Power in the Missouri River Basin." After discussing the possibilities of the present Missouri Basin program, and presenting charts to illustrate the use of hydro in conjunction with steam-generated power, he emphasized the special value of hydro as follows:

"Hydroelectric units are well adapted to supply the varying load demands because they have the ability to start from standstill and synchronize with the load in a small fraction of the time required for steam units. Capacity in addition to that represented on these curves must be kept in readiness to provide against emergency outages of equipment. The hydroelectric units with their quick-starting characteristics will provide a high degree of standby readiness for such emergencies.

"With hydroelectric units carrying the peak portion of the load, the fuel-electric plants can be scheduled to operate at best efficiency to carry block loads for several hours each day or to supply base loads. Such operation would save the banking of extra boilers which is required if steam-electric units are kept in readiness to operate on short notice for supplying unexpected load increases or to carry load during emergency outages of equipment" (p. 15).

CHIEF OF ARMY ENGINEERS SUPPLEMENTARY MEMO TO SENATE INTERIOR COMMITTEE SUGGESTS FURTHER SLACK-WATER STUDY

At the request of Chairman MURRAY of the Senate Committee on Interior and Insular

[2] There are other problems requiring solution before slack-water navigation may be considered feasible. Among them are sediment control, pollution abatement, seepage into valley land, and land inundation.

Affairs, the Chief of Army Engineers submitted further comments on previous testimony at joint hearings of the Interior and Public Works Committees held in May 1957 on Missouri Basin water problems. Enclosure No. 5, contained Corps of Engineers comments on "Slack-Water Navigation, Missouri River, Sioux City, Iowa, to the Mouth" (hearings p. 439–442).

The Corps of Engineers memorandum makes it clear that previous studies of slack-water navigation in this reach of the river were undertaken during the preparation of the 308 report on the Missouri River (published as H. Doc. No. 238, 73d Cong. 2d sess. in 1934) and are now out of date. It concludes with the suggestion that "in view of major physical and economic changes in the Missouri River Basin since prior studies of this type of improvement, it might be desirable to undertake an investigation of preliminary examination scope so that authoritative and up to date data on costs and benefits will be available." It estimated the cost of such an investigation at between $100,000 and $200,000, with between 2 and 3 years required for its completion.

Dealing with physical and economic changes since completion of prior studies, the memorandum states that the Missouri Basin program as it has developed since the 1932 report is steadily reducing the problems of floods, sediment, and bank stabilization which were previously obstacles to a slack-water program. Offsetting these gains, it sees resulting improvement of flood-plain properties as increasing the cost of acquiring lands which would be inundated. But the memorandum stresses particularly the fact that "estimated future power demands are of a magnitude totally unforeseen at the time of earlier studies, with the result that the possibility of incorporation of power production into a slack-water navigation project should not be neglected in future studies."

The memorandum recognizes that construction costs have increased greatly since prior studies but adds, "there have been major advancements in construction methods, tools, and materials which should make possible certain economies in spite of the general price rise." This, and other parts of the memorandum indicate that, while approaching the possibilities of slack-water navigation with a caution which tends to emphasize the obstacles, the Corps of Engineers feels that a new study should be undertaken.

RECENT STATEMENT OF DIVISION ENGINEER CONFIRMS DESIRABILITY OF STUDY

On April 14, 1959, the Missouri Basin Interagency Committee, meeting at Council Bluffs, Iowa, adopted a resolution requesting the Corps of Engineers to undertake such a study. The committee includes representatives of the Federal departments and agencies concerned with river basin problems as well as of the Governors of the States which share the basin. At the committee's June 10, 1959, meeting in Douglas, Wyo., Maj. Gen. Keith R. Barney, U.S. Army division engineer for the Missouri River, responded in a paper which confirms the conclusion that a restudy of the possibilities of a slack-water navigation would be constructive.

He said that any future studies should be initially of preliminary examination scope. But he added that "they should be in sufficient detail to provide reasonably firm answers concerning practicability, cost, and economic justification." He suggested the possibility of a program combining high dams and low dams, depending on cost of flowage damages, as a possible answer. He said:

"Layout and design of structures would be of major importance. Since economical power installations would require dams of substantial head and since such dams would cause inundation of large areas of fertile bottomland, comparative studies should be made of higher dams capable of power development but causing more land inundation and lower dams not permitting power development but holding land inundation to a minimum. Possibly, a combination of the two types might prove practicable, the lower dams to be used where flowage damages would be particularly high and the higher dams to be used where returns from power production would warrant the increased flowage damages."

General Barney then outlines the nature of the study required and estimates that such an investigation would cost $200,000 to $300,000 and require 3 to 4 years for completion. He points out that the Corps of Engineers will need authorization and appropriation by Congress to undertake the study and concludes:

"If the necessary authority and funds are provided, the Corps of Engineers will undertake the investigation. There can be no assurance now that the results of the investigation would be favorable to undertaking a project for slack-water navigation. The study, however, would make it possible to obtain authoritative information concerning the cost and economic justification of such a project. Accordingly, the investigation would be of value even if the results should turn out to be unfavorable."

GENERAL CONCLUSIONS

Clearly, in the light of the facts set forth above, a survey of the possibilities of adding slack-water navigation and power development in the lower river to the comprehensive Missouri Basin program should be promptly undertaken. It offers both upper and lower basin States the opportunity to eliminate conflicts over use of water by assuring the fullest multiple-purpose use of all parts of the river and its tributaries.

Water is a priceless asset to any civilization. The importance of conservation and use of this asset will rapidly increase as the country's population pushes toward projected 200 million and 300 million levels. To fully serve our needs, a program for development of this or any other river must meet the challenge to make the greatest possible use of the basin runoff for all purposes before it flows to the sea.

WASTE IN DEFENSE CONTRACTS

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, our Nation has been deeply aroused by the tremendous Federal expenditures, and especially the waste in defense contracts. Many legislators have received messages from their constituents urging Congress to economize. I would like to bring to the attention of the House the selfish, mercenary, and irresponsible conduct of airframe defense contractors. Specifically, I refer to the resistance of certain aircraft companies to refund to our Government the amount of excessive profits from payments made by the Federal Government. The law requires that these excessive profits be returned to the United States after the Federal Renegotiation Board has determined that the companies have overcharged the Federal Government.

Seven major aircraft companies have made over $105 million of excess profits from 1953 through 1955 and refuse to refund these sums to the United States. This $105 million and hundreds of millions more are moneys which belong to the people of the United States. They are due the Federal Government. The amount of excess profits from 1956 through 1958 have not been determined as yet. Most likely, they will run into the hundreds of millions.

Perhaps some of the retired military, who are directors of these defense contractors, could use their influence to convince their business colleagues who made millions of dollars in excess profits to repay the U.S. Government and thereby relieve to a certain extent the U.S. Government from the obligations to borrow money to pay these defense contractors on current contracts.

These recalcitrant companies are led by North American Aviation, Inc., which made $29 million of excess profits from 1953 through 1955 and refuse to pay. In 1957 the Defense Department gave to North American Aviation Co. $647.7 million of defense contracts, and for the first half of 1958, the Defense Department gave North American Aviation, Inc. $570 million of defense contracts. While we must borrow money to pay these companies for defense contracts, these same companies, which are by statute required to refund their excess profits, refuse to do so. I list the companies which owe refunds and refuse to pay while receiving millions of dollars of new defense contracts.

[In millions of dollars]

	Amount of excess profits which company resists payment	Amount of business company received fiscal 1958	Amount of business company received 1st half fiscal 1959
North American Aviation	29	647.7	570.0
Boeing	27.5	2,131.0	392.3
Fairchild Engine & Airplane Co	2	103.2	32.0
Lockheed Aircraft Co	12	755.1	442.0
The Martin Co	9.75	400.2	232.2
The Temco Aircraft Co	4.25	46.5	16.4
Douglas Aircraft Co	12	513.4	379.9
Grumman Aircraft	8.5	245.2	16.2

Douglas Aircraft and Grumman Aircraft have made refunds, but are contesting the amount of excess profits, which they have a right to do. The Martin Co. and Boeing Airplane have refunded part of the excess profits and are contesting the amounts refunded and not refunded.

Certain airframe manufacturers have demonstrated their patriotism and unselfish attitude by refunding excess profits when the Renegotiation Board made a determination of excess profits. They have made refunds without contesting the amount or litigating the determination. I commend them and am glad to list their names: Bell Aircraft Corp., McDonnell Aircraft Corp., Northrop Aircraft, Inc., Chance Vought Aircraft, Inc., Consolidated Vultee Aircraft Corp., Republic Aviation Corp.

I urge the Congress to demand that the Attorney General prosecute these claims for refunds which have been pending too long and I urge the Defense

Department not to favor those defense contractors who refuse to refund their excess profits and cause this Government to borrow more money than necessary.

TWENTY-SEVEN AND ONE-HALF PERCENT DEPLETION RATE FOR OIL AND GAS

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN] is recognized for 60 minutes.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and a table.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JARMAN. Mr. Speaker, in this special order I will not cover all of the detailed information I have prepared, so at the inception of my remarks let me say to the membership of the House that I would like to speak on some aspects of the present 27½ percent depletion rate for oil and gas. Let me summarize four of the principal points I would like to make in this statement on this important subject:

First. I take the position that it has accomplished the job laid down 33 years ago by the Congress in that it has served to make available to the American public adequate supplies of petroleum both in peace and at war, at reasonable prices.

Second. This percentage of depletion allowance has become an integral part of the economic fabric of the entire petroleum producing industry.

Third. It does no more today than to recognize the discovery value of oil, as originally intended by the Congress. In fact, the evidence is persuasive to me, Mr. Speaker, that the 27½ percent of the present price of crude oil is actually inadequate to cover the average cost of discovering new oil reserves.

Fourth. Mr. Speaker, statistics on earnings based on stockholders' equity show that even with percentage depletion, the rate of return for the domestic petroleum industry during the years 1956, 1957, and 1958 amounted to an average rate of 9.97 percent in comparison with an average of all manufacturing companies of 11.92 percent during the same period.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I desire to compliment my colleague upon his presentation and to associate myself with the remarks he is making. The gentleman's address illustrates the kind of careful thought and attention which he characteristically gives to every subject of great importance to our State and to our country.

It is a truism to state that the future strength, security, and standard of living of our people are no greater than our petroleum and gas reserves. There is no industry more important to our country than the oil and gas industry. The future strength of the industry is tied indispensably to the 27½-percent depletion allowance which has been a part of the law of the land for about 33 years. Any reduction in this historic depletion allowance would literally shake this industry to its foundation. In the first place, such a reduction would cripple the search for new oil and gas fields and therefore would result in the long run in less revenue for the Federal Government. The oil and gas industry is a big taxpayer. While more revenue might result temporarily from reducing the historic depletion allowance, in my judgment, the impact would be so great that it would only be a matter of months before revenue from this industry would begin to decline and to decline sharply. In the second place, by curtailing exploration to a damaging degree, lowering the depletion allowance would jeopardize the tax structures of all of the oil producing States of the country. Most of these States depend heavily upon the development of new oilfields and production therefrom for a large portion of State revenues. Third, it would not only retard explorations but would result in premature abandonment of stripper fields which cannot operate without this allowance. Fourth, it would greatly diminish, if not wreck, values to farmers, royalty owners, small operators, and others who have hundreds of millions of dollars of property in unproduced reserves. It would wipe out hundreds of millions of dollars of assets because of its depressing effect throughout the entire oil industry. The cost of exploration being what it is, the reduction of the 27½ percent depletion allowance would bring exploratory operations in this country to a standstill. It would make financing of oil operations impossible and would jeopardize the structure of every financial institution now serving the oil industry. It would wreck the financial structure of every important oil producing State and would take from these States one of the few sources of revenue left to them.

Again I want to compliment my colleague, the gentleman from Oklahoma [Mr. JARMAN], upon his statement and to thank him for bringing this timely matter to the attention of the House. I also want to thank the gentleman for yielding to me.

Mr. JARMAN. I thank my colleague for his fine contribution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oregon.

Mr. PORTER. As it happens, tomorrow I have a special order following the legislative business of the day. I am taking the other side of the argument. While I do not engage in controversy for controversy's sake, yet I always feel that controversy is good in the search for truth.

Mr. JARMAN. I will be interested in hearing the gentleman's remarks.

Mr. PORTER. I will look forward to seeing the gentleman there. My notion is somewhat different from the gentleman's, as the gentleman may well contemplate. For example, I would like to have the gentleman's comment on the case I will cite in a moment as an example of how this oil depletion allowance works. This information was given me by the Bureau of Internal Revenue.

A few years ago, in 1951, an oil man whom we will call taxpayer A received a total income of $14.3 million. The tax he paid was $80,000, or 0.6 percent. Then taxpayer B, likewise an oil man, made an income of something like $4.4 million. The tax he paid was $150,000, or 3.4 percent. In contrast we have a man in another line of business whose income was $400,000. He paid a tax of $338,750, or almost 85 percent of the total. To me that does not seem equitable. I wonder what the gentleman thinks?

Mr. JARMAN. I wonder if the gentleman would bear with me while I develop the subject for I believe during the course of my remarks I will cover the general field in which the gentleman is interested.

Mr. Speaker, for the past year we have seen spread on the CONGRESSIONAL RECORD numerous and somewhat one-sided discussions of an important congressional tax policy—one sided at least in the sense of the number of words used. This congressional policy to which I refer is that of the differential tax treatment authorized the minerals industry—a part of which is the 27½ percent depletion rate for oil and gas production.

Mr. Speaker, I do not hold myself out to be an expert on taxation or economics. Studies and recommendations involving these two very important subjects are, as they should be, in the hands of our duly constituted committees—the Committee on Ways and Means and the Joint Economic Committee.

Mr. Speaker, I understand the Ways and Means Committee as a part of its overall study of the entire tax code this fall will go into the matter of percentage depletion for the minerals industry.

I believe this to be a constructive step, particularly in light of many things that have been said in the Halls of Congress over the past year about percentage depletion. I am hopeful this committee will furnish this body with some enlightenment on the many factors that have gone into the development of our tax policies affecting the minerals extractive industries.

In making its studies and in the development of its recommendations in this area I am confident that this outstanding committee of Congress will keep in mind a recent statement placed before this committee by the Treasury Department regarding percentage depletion. I quote it in part:

> A sound national policy must, of necessity, provide for the development and replenishment of all our vital mineral resources as a part of our economic arsenal to insure our security and to provide for growth and expansion. Only in this manner can we provide the goods and services in peacetime requisite to our national development and to provide work opportunities for an expanding labor force and for the best use of technological developments. Such a policy requires that we develop such resources at a rate that will, on the average, exceed the rate of domestic demand. Only then will we have a margin which can be used should we be confronted with emergency demands

either for our own use or for that of our allies.

The philosophy of percentage depletion must, therefore, be properly examined not only in the context of our overall tax structure but in the light of such national considerations as those suggested.

Now, Mr. Speaker, as I stated in the beginning I do not hold myself out as an expert, but I have acquainted myself quite thoroughly with just why Congress more than 46 years ago authorized a differential tax treatment for the minerals industry, and just why it is in the best interest of our Nation and its citizens to continue the present tax laws affecting oil and gas production.

With your permission I would like to lay on the record the results of my study and consideration of this vital tax provision—the 27½ percent depletion rate petroleum production.

First, I would like to clarify one important misconception so often heard regarding percentage depletion.

It is not preferential treatment. It simply recognizes the peculiar nature and characteristics of the petroleum industry and provides a means of equalizing its tax treatment with that of other industries which do not constantly use up their capital with each sale of their product as do oil producers each time a barrel of oil is extracted from the ground.

You may ask them this question. How else does petroleum production differ from manufacturing and other industries?

Last year, as has been the case every year over a long period of years, eight out of every nine exploratory wells were dry. That is, not 1 penny in return to show for the money spent in drilling these wells. To be exact, in 1958, 9,588 exploratory wells were drilled and 8,237 found no oil. Many, many of those classed as successful wells later prove to be unable to produce sufficient oil to pay for their cost.

Costs of drilling a single oil well today in many cases exceed $1 million, and even in proven territory one out of four wells are dry.

Mr. Speaker, Members of this body should now be pretty well acquainted with Government statistics for the latest year available—1955, which show that the petroleum industry spent $5.1 billion in the search for and development of new petroleum reserves. This large sum was equivalent to $2.40 per barrel of net crude oil production for that year—1955.

Based on the U.S. Bureau of Mines average wellhead price of crude oil for the year 1955 of $2.77 per barrel, the theoretical maximum percentage could not have exceeded 76 cents per barrel. This depletion figure, however, for petroleum producers is a theoretical maximum, based on the 27½ percent rate, rather than the actual amount of depletion since the 50 percent of net income limitation reduces the average effective depletion rate for the petroleum industry to no more than 23 percent.

Thus, the domestic petroleum industry's exploration and development expenditures alone in 1955—not including lifting costs, taxes, and so forth—totaled $2.40 per barrel or more than 3 times the maximum percentage depletion of 76 cents. That is, for every dollar from percentage depletion plowed back in the search for new oil reserves, the producing industry put up and spent $2 from other sources.

This information, detailed in the attached table, clearly demonstrates that the petroleum producing industry requires new capital far in excess of the depletion deduction to carry on the constant search for new oil and gas reserves.

Add to this, Mr. Speaker, the fact that over 70 percent of the gross income of the domestic oil producing industry is plowed back each year to carry on the job of looking for oil. These large expenditures of course are necessary because finding oil is a costly operation.

I cite these statistics to show to my colleagues that what we find when we analyze the petroleum industry is an industry that cannot be compared to any other industry. The risky nature of the petroleum industry must be taken into consideration in framing our tax laws. Finding oil is most uncertain, and there is only one way that this business can be carried on, and that is by wildcatters, explorers getting out in advance, exploring new territory, taking chances, running risks in the hope of sooner or later bringing in a new well and new oilfields. Unlike the manufacturer who knows that when he appropriates $100,000 for a factory he will be sure of getting his factory, the oilman is fighting 8 to 1 odds that he will not get oil production with the expenditures appropriated for use in searching for his capital asset—the oil in the ground.

In view of these facts, it is not hard to see that the search for and development of oil reserves must have differential tax treatment just to be put on a par with other industry. Petroleum production does indeed differ greatly from other industries.

Mr. Speaker, another question that is often heard goes something like this: Why should oil production have a 27½-percent depletion while other minerals have less? Without passing judgment on other rates I simply would like to quote again from the recent Treasury statement that I alluded to earlier:

In a report to the President entitled "Resources for Freedom" by the President's Materials Policy Commission in 1952, minerals tax policy was discussed. According to this report, percentage depletion performs two principal functions. These functions are (1) the stimulation of discovery and development of additional reserves of scarce, critical minerals for which exploration entails considerable uncertainty and capital risk, and (2) the recovery of investment in a wasting asset. The report concludes that where the mineral is scarce or the national need is great, there is justification in permitting a higher percentage depletion rate than would be necessary if recovery of capital were the sole objective.

From the foregoing discussion, it is apparent that the percentage depletion allowance was provided by Congress not only to permit recovery of the investment in the wasting asset but also to provide incentives for exploration necessary for replenishment of the wasting asset by the discovery and development of additional deposits.

The oil industry has a higher rate because of the greater risk involved in the oil search and because no other resource is so hard and costly to find and produce.

Mr. Speaker, I found after studying this subject a question repeatedly came into my mind. Why did Congress, back in 1926, enact into law the present rate of 27½ percent for oil and gas? To properly answer this question we must look at the legislative history surrounding the adoption of this method for computing depletion.

A depletion deduction in one form or another has been authorized mineral producers every year since 1913, the birth of the income tax law—some 46 years.

Earlier methods proved difficult and expensive to administer and often were discriminatory as between taxpayers in the petroleum industry.

To meet this, a select Senate committee studied the problem and found that experience showed that the discovery value per barrel of oil as established by appraisal of individual properties bore a reasonably consistent relationship to the price of oil as produced at the wellhead. Early in 1926, the committee reported its findings and concluded that the whole procedure could be simplified by establishing a percentage method for computing depletion for oil and gas wells. Under this method a fixed percentage of the gross income obtained from each barrel of oil as it came from the well would be the "used up" capital not to be taxed as income.

The tax-writing Senate Finance Committee then made its own study and also concluded that "in the interest of simplicity and certainty of administration your committee recommends that in the case of oil and gas wells the allowance for depletion shall be 25 percent of the gross income from the property during the taxable year" not to exceed 50 percent of the net income of the taxpayer from each property. Following further study and debate, the Senate approved a 30-percent depletion rate. Congress then agreed on a 27½-percent rate—for oil and gas wells—limited to 50 percent of the net income from the mineral property.

Prior to taking action the Senate had before it this statement regarding rates by Senator Reed, of Pennsylvania:

The Treasury Department selected at random 50 taxpayers engaged in the production of petroleum for the 3-year period 1918, 1919, and 1920, and again for the 3-year period 1921, 1922, and 1923. The result shows the percentage of depletion to gross income for 3 years, and I ask Senators to follow the figures carefully because some of them are pretty startling.

In 1918 the gross income was $15,900,000. I will omit the odd figures. The depletion allowed for net income was $5,195,000. In other words, 32 percent of the gross income of those taxpayers was excluded from the payment of income tax that year. In 1919 the gross income of the 50 taxpayers was $26,748,000, while the depletion allowances were $11,169,000, or 41.76 percent of their income. In 1920 their gross income was $57,984,000 and the depletion allowances $21,640,000, or 37 percent of the income. The average amount of the reduction from their gross income in that 3-year period was 37.75 percent.

Also, I am sure it would be of interest to Members of the House to note the conclusions of the Joint Congressional

Committee on Internal Revenue Taxation made in 1926 regarding depletion on oil and gas properties. The staff of this committee reviewed the income tax returns of oil and gas producing firms as well as integrated companies—those having production, refining, and marketing facilities. This study showed that discovery value depletion, as authorized prior to the Revenue Act of 1926, had represented a slightly higher percentage of gross income than 27½ percent. In its studies the committee found that analyses of the tax returns of 117 oil producing companies show "the percentage of depletion to gross income in 1924 was 28.4 percent." Further the joint committee concluded that percentage depletion:

1. Reduces valuation work in the Bureau (of Internal Revenue).
2. Distributes the depletion more uniformly among the industry without regard to price of oil on discovery.
3. Gives operators in low-priced fields a fair depletion.
4. Gives operators in the old fields a fair depletion.

You will note from the foregoing that initially the 27½-percent rate for oil and gas was, in general, established as a result of congressional studies which concluded that this rate would approximate on an experimental basis, the depletion deduction necessary to recognize the capital being depleted or used up each time a barrel of oil is extracted from the ground. Since adoption adequate experience has shown the wisdom in setting the rate at 27½ percent.

Mr. Speaker, as I read the record made by some of the opponents of the percentage depletion principle and rate, I find many other statements which need further discussion and clarification, which I will try to do today during my remarks.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield.

Mr. HIESTAND. Mr. Speaker, I rise to compliment the gentleman from Oklahoma on a very careful and effective study that he has made, and on the way he is presenting it. This year is the 100th anniversary of the oil industry. There are some very interesting things that could be said in a very few words.

I am tremendously impressed with the fact, and I think it should be reiterated, that 8,000 out of very 9,000 wells drilled are dry holes; that is, they are total losses. These costs have to be paid by the few producers; that is, the 1 producer out of 10; likewise, even in proven territory 3 out of 4 are dry holes. That means that in the fields where it is practically a guaranteed sure shot, one might say, 75 percent of them are not.

Mr. Speaker, this exploration is a vital defense industry. It is vital to the safety and security of this Nation. This exploration industry has been badly hurt by imports of oil without restraint. It has been very badly hurt, and it must not be killed. We should bear in mind that the tax paid by the oil industry, or rather allowed by this depletion is not lost. It is fully paid. It is simply deferred taxes.

I would like to ask the gentleman if he has any figures on the amount of taxes paid by this industry as compared to other industries.

Mr. JARMAN. I would say to the gentleman that a little later in my statement I refer to taxes paid by the petroleum industry and I point out that the income tax paid by companies classified as petroleum producers on their operation both here and abroad represent about 7.2 percent of their gross revenue, compared with about 5 percent for manufacturing corporations and 3.9 percent for all industries.

Mr. HIESTAND. I thank the gentleman. It is obvious that the oil industry is being tremendously taxed, is a heavy contributor to the tax revenue of the country. It is a vital industry and it must not be allowed to be killed as it would be if this depletion allowance were either cut or eliminated.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. Mr. Speaker, knowing that the gentleman is in opposition to this part of my statement, I should prefer, if the gentleman would wait, to cover this tax question a little more fully.

Mr. PORTER. I wanted to cover a particular point.

Mr. JARMAN. In that case, I should be happy to yield.

Mr. PORTER. The statement the gentleman made in his remarks which was repeated, that eight out of nine of the holes drilled were dry is, of course, correct. But those were the exploratory wells and in that same year you had to take into account the development wells, if you want a full picture. Of course, wildcatters are a prime factor in the discovery of new wells, but the development wells now play a major role in adding to our oil supply so I think to have a clear picture, you cannot say eight out of nine wells are dry. My figures differ somewhat from the figures just given by the gentleman. The figures for the year 1957, the same year that you just mentioned and which you used for your 8 out of 9 figure, there were 41,038 development wells and 30,500 producers. In other words a total of 52,777 wells drilled in 1957, 32,076 or 3 out of 5 were successful wells or 1½ producers to each dry hole. I think those figures give a little different picture than has been presented here.

Mr. JARMAN. In that connection, may I say to the gentleman that the year to which I referred at the beginning of my statement was 1958. Let me clarify two things. The gentleman will find in my statement that eight out of every nine exploratory wells were dry. In making that statement, I had in mind last year, 1958. I gave the figure of 9,588 exploratory wells drilled and 8,237 found no oil.

I distinguished between exploratory wells and wells drilled in proven territory, and I gave the figures that even in proven territory one out of four wells is dry. I will not contest the figures that the gentleman has given for 1957, but I will stand by the figures that I gave for 1958 and I will be interested, as I say, in hearing the gentleman's statement tomorrow and the documentary proof that he presents.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. VANIK. With respect to the colloquy that took place a moment ago, with the gentleman from California on the matter of the tax contribution of the oil industry, I would like to point out that earlier this year I commenced a study of my own on the income tax payments by the oil industry compared with all of the other large industries of the country. I hope I can assemble these so I can submit them during the course of the special order which my colleague from Oregon has tomorrow afternoon. I have some of these figures right here. Substantially, they indicate that as compared with all other corporations, which pay 52 percent of their net earnings or income as taxes, the oil industry by and large pays about 10 percent. I have excerpts of the financial reports that were made of the 6 months for the year ending during the last fiscal year. For example, I have the Texas Co. which shows a total income of $2,475 million paying income tax of $41,300,000. Richfield Oil with an income tax of $4,100,000 after a net income of $20 million. Argo Oil—and I have just taken a number of oil companies as they come to my attention—had a net income before taxes of $5,402,000, income tax $481,000. Atlantic Refining with a net income of $11,902,000 paid a Federal income tax of $167,000. It is awfully difficult for me to reconcile these large profits that escape taxation with all of the discussions that have been made today about the tremendous contribution of the oil industry to the tax burdens of this country.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield to my colleague.

Mr. HIESTAND. I appreciate the figures given by the gentleman from Ohio.

Mr. VANIK. They come from the Wall Street Journal which I am holding in my hand.

Mr. HIESTAND. Yes, and I am quite sure he has misquoted some of them, unintentionally. Here is the point. He quoted the Texas Co. income at $1 billion. The Texas Co. did not make profits of $1 billion, certainly not. That would be sales not profits.

Mr. VANIK. I am reading here from the Wall Street Journal of March 18, 1952.

Mr. HIESTAND. Those are sales rather than profits.

Mr. VANIK. That is the total income.

Mr. HIESTAND. That is the sales. No company in the United States made a billion dollars profit.

Mr. VANIK. That is right. It is the total income. I will read the net income figure. The net income figure quoted in this publication is $310 million. I am sorry, I stand corrected. It was $310 million on which they paid an income tax totaling $41,300,000.

Mr. HIESTAND. I know the gentleman from Oklahoma appreciates this

contribution, but it must be borne in mind that all corporations of the United States do not pay 52 percent. It may be 52 percent of their net earnings for all corporations, but that is the maximum figure, of course.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. VANIK. In my contribution, if I am allowed to participate tomorrow during the time of my colleague from Oregon, I have tried, for example, to collect all the corporate reports I have been able to get my eyes on taken from annual reports; and, by and large, they indicate that corporations throughout the country are probably paying 52 percent, but the oil industry as a special class is paying 10 percent more or less, mostly less, by way of its contribution to the tax burden of the country.

Mr. HIESTAND. I would certainly challenge that.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. BAILEY. I am very much interested in this discussion in that the depreciation tax allowance was sponsored by our late Senators Mansfield and Neely in 1927, West Virginia having been the eastern stronghold of the oil and gas industry before they moved to Oklahoma and Texas, and still is interested in the oil and gas business.

I would just like to supplement what the gentleman from Oklahoma has said by telling you that a number of years ago several West Virginia concerns interested went together and drilled a well, which is in my district, fourteen thousand seven hundred-and-some feet, supposed to be the deepest well in the world. They found some indications of gas at several levels along the line but it was finally sealed off. I do not know what action will be taken by them; but that is one illustration of the kind of money that is used in exploratory work and the kind of work the depreciation allowance makes possible.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. VANIK. I want to say I have studied a good part of the gentleman's statement with profound concern. I want to commend the gentleman notwithstanding my divergence with his basic concept in this issue, I want to commend the gentleman for having prepared what I think is one of the most scholarly presentations of a case on the other side, and I certainly hope that between now and tomorrow I can join with my colleague in reviewing this very, very well-prepared statement to see if our contentions are correct. I do not think he is going to change my own personal mind on this because I have studied this industry intently, but I still think he has presented the most orderly, the most precise, the most thorough exposition of the problem I have yet heard.

Mr. JARMAN. I thank the gentleman, whom I recognize as a very worthy opponent on this issue. Also I recognize the great amount of work the gentleman from Ohio has done on this tremendously important subject. I have done my best in this presentation today, with a certain amount of documentation, to present the arguments as I analyze them to be. I recognize that there are arguments on the other side and I will listen tomorrow with interest to my colleagues in a further discussion of this subject.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ROOSEVELT. Would the gentleman be willing to tell me what he thinks about the proposition that there exist in the United States today shale oil deposits which are not in dispute as to their value or their quality, or the amounts of money which have been put into research both from public resources as well as private. The situation is such today that these shale oil deposits can be worked on a commercial basis and produce a product which would be equal in quality and equal in price to the present oil which is being produced by this rather expensive method, as I think the gentleman's figures disclose.

Would it not be healthier for the economy to turn to that kind of production rather than the wasteful one which is now going on everywhere and thus eliminate the necessity of the amount of indirect subsidy represented by this 27½ percent depletion allowance?

Mr. JARMAN. I would say to my colleague that certainly the need for oil is such that every possible avenue should be explored to insure our country the supply that is needed in peacetime and that certainly would be needed in wartime. Certainly I feel that the potentialities inherent in oil shale deposits should receive every development opportunity, exploring its commercial possibilities for the needs of a growing economy.

Mr. ROOSEVELT. But has it not already been so well developed, and is it not also so well established that we should not have any further development of the underground oil supply until such time as we may in the future exhaust the shale oil deposits?

Mr. JARMAN. I can only say to my colleague that in this highly competitive economy, if development has reached a stage where the end result can be put on a more favorable economic basis than our present method of extracting oil, I have no doubt that it would come to the forefront in the American economy.

Mr. ROOSEVELT. If at the same time it could be shown that the shale oil deposits were controlled by the same people who had control of the underground deposits, then obviously it becomes more to their benefit to exercise a 27½-percent depletion allowance and that these deposits are perhaps being withheld from public use when they should be forced to be made available for public use.

Mr. JARMAN. I have no personal knowledge that substantiates the statement the gentleman from California has just made.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from California.

Mr. HIESTAND. I appreciate the gentleman's yielding again at this point. I am sure the gentleman from California would like to correct one word he used. He referred to the 27½-percent depletion as a subsidy. May I suggest to him it is simply deferment. It is not a subsidy. The tax has to be paid. It is a question of how rapidly you are going to deplete your tax allowance and, therefore, defer the payment. But it will be made.

Mr. RIVERS of Alaska. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. At this point I wish to associate myself with the remarks of the gentleman from Oklahoma. Regarding the cost of search for new oil reserves, I point to the widespread exploration by the major oil companies and many independent operators in Alaska. Alaska promises to be the next great oil reserve needed by our Nation because of the unstinting expenditure by the oil people in all phases of exploration, including drilling. Because of the great distances, the rugged terrain, and cold winters, it costs from three to ten times as much to drill a well in Alaska as in the other Western States. As far as my State is concerned, it is absolutely necessary that the 27½-percent depletion allowance be retained.

Mr. JARMAN. I thank the gentleman.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Iowa.

Mr. JENSEN. I have listened to the gentleman with great interest. I might say to the gentleman there is one way in which our oil supply could be conserved, at least to some degree. Possibly the gentleman knows that I have in the past three sessions of Congress introduced a bill which would provide that all motor fuels shall contain 5-percent alcohol made from our surplus grain. There is a good reason for that. It would not only conserve our oil supply but it would take the production of over 43 million acres of our land. Since the advent of the iron horse, the iron horse has not eaten grain. But we could very well process these surplus grains that are having such an effect on the price of farm products and cost so much to store, to the end that our surpluses in farm products could be greatly reduced by this 5-percent mix of alcohol. A 5-percent mix of alcohol made from surplus grain in our motor fuels would consume over 700 million bushels of grain each year. It would be a great saving to the people of America and would finally stabilize farm prices on a fair level. The gentleman talks about this 27½ percent depletion allowance. I think many times, along with a lot of people, that maybe that depletion allowance should be decreased maybe to 15 percent. I would not want to stop wildcatting, but, certainly, I think it is a big bonus to give to the oil producers.

I might say that it is the big oil producers who fight my bill the hardest.

They bury their heads in the sand to their own disadvantage, because in bad times and in good times the oil producer is in the same economic boat with the farmers of America, because they are really the big buyers of petroleum products. So, I could not help but compliment the gentleman on his remarks and say that I think they are well taken.

Mr. JARMAN. I thank the gentleman for his contribution to this discussion.

Mr. MORRIS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oklahoma.

Mr. MORRIS of Oklahoma. Mr. Speaker, I first wish to compliment my distinguished colleague, the gentleman from Oklahoma [Mr. JARMAN], who is now addressing the House, on the splendid statement he is making. I want to say this, that to my way of thinking even if you should call this 27½-percent depletion allowance a subsidy—and frankly, I think that it may be called that without missing the mark too much—even if you do call it that, it is my considered opinion—and I have thought about this subject matter for many years—that subsidies are not inherently evil. Subsidies have helped to strengthen this great Nation of ours like almost nothing else has.

I call your attention to the fact that just a few moments ago we passed H.R. 5421. That was a subsidy to the fishing industry, especially as it affects New England. And, they used the word "subsidy" in that bill. I voted "yes" on that. That will not directly help Oklahoma nor any of the Midwest, as far as I know, but it will help a fine segment of our society. I voted for it, not reluctantly, but I voted for it rather enthusiastically, because they made a good case there, I thought.

Now, I do not want to spend too much of the gentleman's time, but just a few moments. As I suggested, it is not a question of a subsidy being inherently evil, but it can be abused; there is no question about that. So, it seems to me that we should study each of these matters as they come along and determine whether or not the subsidy is a reasonable one.

I called the attention of the House just a few moments ago, in the few remarks I made on H.R. 5421, that we have had subsidies in this country since George Washington's time. The tariff is the biggest subsidy that I know of that we have ever had. And, I do not want to keep repeating, but I would like to use these figures again. From 1932 to 1952 the tariff in this country cost us, the taxpayers, the consuming public, $40.8 billion. The subsidy to support farm prices cost us $1.2 billion. Now, these are figures that I sincerely believe to be reliable. I have checked them and rechecked them, and I certainly feel they are reliable figures.

Mr. Speaker, the tariff has been with us since George Washington's time. And, I am not against it; I am for it; I am strongly in favor of it. I am not an expert, and I do not know whether we pay too much by reason of tariffs or not—I am not arguing that point—but as long as it is reasonable, I am certainly for a tariff to protect our manufacturing industry in this country. Now, then, why should we not protect the oil industry? Why should we not? It is true, my good friends, that fortunes are made in oil, but I call your attention to the very salient fact that many, many fortunes are lost in oil, and many people going out and trying to discover new fields lose their shirts, to use a common expression; lose every dime that they have. So, it is not all gravy, and it is not all fortune. Some of it very, I am sorry to say, much misfortune, by reason of the ventures that are made in oil.

With this I conclude, because I do not want to use any more of the gentleman's time, this 27½-percent depletion allowance does not go just to the big oil companies. It is true that they get some of it. But, you know, I have never been against anyone just because he was big. I do want to see justice and equity to all of our people, and I am sure that all the Members of Congress want to see that. I am not against a person or a firm or anybody else just because he or it is big. It is true that some of the benefit, or a great deal of the benefit, goes to the big, major oil companies. There is no question about that. But also the benefit goes to the small independent producers and either directly or indirectly goes to the farmer, the one who holds the mineral rights. Many a farmer has kept the wolf away from his door by reason of the 27½ percent depletion allowance. It helps the roughnecks, it helps the drillers, it helps the tool pushers, it helps all of the oil industry. I do believe that it is fair, just and reasonable and that it should be continued.

And in final conclusion I want to say that I think my distinguished colleague is making a splendid contribution at this time, and I appreciate very much the fact that he has yielded to me.

Mr. JARMAN. I thank my distinguished colleague for his contribution. I think the only thing I would say at this time, Mr. Speaker, with reference to his earlier statement as to the possibility of this being classified as a subsidy is that my understanding of a subsidy is a foregiveness of taxes, whereas actually under the operation of this depletion allowance it is simply a deferment of taxes that certainly will come in the future when the product comes out of the ground.

Mr. MORRIS of Oklahoma. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. MORRIS of Oklahoma. The gentleman will recall that I did not admit that it was a subsidy; I did not say it was.

Mr. JARMAN. I understand.

Mr. MORRIS of Oklahoma. I merely said that some people call it a subsidy and that there might be some justification for calling it that. Even a deferment could be classified by some people and maybe honestly so as a subsidy, but I did not make any admission that it was an out-and-out subsidy.

Mr. JARMAN. I am clear as to the gentleman's statement and I appreciate it.

Mr. Speaker, I would like to discuss an aspect of this important tax provision which its opponents have studiously avoided. This, of course, being the important role percentage depletion has played in helping to find the oil this Nation needs to meet its defense needs both in peace and war. I need not recount here today the numerous occasions that the petroleum industry has furnished the vital fuels that are absolutely essential to successfully prosecute wars and standoff and deter war threats, nor how this country has been able to divert its petroleum into the hands of friendly nations in times of crisis, such as the Suez situation in 1956 and 1957. That oil is one of the most important munitions of war cannot be denied. No less an authority than President Eisenhower stated in April 1954:

> The Russians produced last year something less, probably, than half a billion barrels of oil. We produced 2¼ by ourselves. Now * * * these things are deterrants upon the men in the Kremlin. They are factors that make war, let us say, less likely.

In December of that same year, the famed Admiral Chester W. Nimitz, declared:

> Oil is the "life's blood" of our Navy, Air Force, and mechanized Army. Without it we are sitting ducks for aggression.

In July 1957, in a report to the President, the Special Cabinet Committee stated:

> Oil and gas account for two-thirds of the energy consumed in this country * * * there is no adequate substitute in sight for the foreseeable future. Therefore, we must have available adequate supplies of oil.

These are but a few of the many declarations by the highest civilian authorities in the Nation as to the absolute essentiality of petroleum to our national security.

Yet we are asked to vote a change in a tax provision which has proven its ability to help in this enormous task in finding and developing plentiful supplies of petroleum within our industry. We are asked to junk a tax structure that has performed so well that its critics declare it is bad because it has attracted too much capital into this essential industry.

Mr. Speaker, if we are to have any industry overcapitalized, I certainly prefer it to be an industry that is without parallel in its contribution to our modern day society both in peace and war. There are only two major nations in the entire world that have available, within their own borders, adequate petroleum supplies—Russia and the United States. I am unable to say how Russia has accomplished this feat, but I can say without fear of contradiction, that the United States is today "oil wise" strong, due in large measure to the wise congressional policy laid down some 32 years ago in the form of percentage depletion.

Mr. Speaker, each of us recall the apprehension and fear which spread like wildfire over the entire free world during the Suez crisis, because our European neighbors had been cut off from Middle East oil. We well remember that this life blood of an industrial economy

was so important to them that England and France risked a major war by landing troops in the Middle East in their attempt to keep the Suez Canal open. In appraising any policy adopted by Congress, it is well to see how it stood up in such emergencies. In this regard I think an editorial which appeared in the Washington Daily News, on December 1, 1956, during the heat of the Suez crisis, clearly points out the importance of this wise congressional policy and states the case for percentage depletion in very few words. With your permission I would like to quote in part from this very fine editorial:

The Government has put into motion long-considered plans to ship more oil to Europe to help make up the deficit caused by the closing of the Suez Canal.

U.S. production of crude, now about 7,100,000 barrels a day, may be upped by 800,000 to 850,000 barrels a day to meet the new Western European needs.

This will be possible because of the enlightened self-interest of the oil producing States and the oil industry.

* * * * *

Over the years, Federal tax laws have contributed to the present-day abundance of American oil. The percentage depletion allowance given the oil industry has been condemned by the unknowing as a dangerous and unfair loophole. But the fact is that without some tax advantage allowance, the industry would not have been able to carry on the wildcatting that provided us with the crude oil reserves from which we are about to draw 800,000 more barrels of oil each day.

The combination of a free oil industry, working with skill and imagination, of good conservation laws and farseeing tax statutes, has paid off for America.

Now it's paying off for our Western European friends, as well.

I do not for one moment wish to leave the impression that the only reason for percentage depletion is that based on national security. However, in these days of cold and lukewarm wars and war threats, no one must take actions which would even remotely harm our national security.

Mr. Speaker, another charge which is made today against the 27½-percent rate is that since the corporate income tax rate is today four times what it was in 1926; when percentage was first adopted, the value of percentage depletion is four times greater today than in 1926. Of course, Mr. Speaker, the mathematics just do not work out that way. To illustrate my point, let us assume that in 1926 an oil company had profits before percentage depletion, of $100 and the tax rate was 13 percent at that time as compared with 52 percent at present, computations for the 2 years might then run as follows:

	1926	1959
Tax base before depletion allowance	$100.00	$100.00
Depletion allowance	27.50	27.50
Taxable income	72.50	72.50
Tax rate (percent)	13	52
Tax	$9.40	$37.70
Profits after tax	90.60	62.30

Thus, the oil producer in 1926 would have a profit incentive after tax equal to $90.60 but his profit after tax in 1959 on the same amount of earnings, would only be $62.30. Then, of course, we must consider a dollar in 1926 would buy considerably more than a dollar does today.

Now, Mr. Speaker, I would like to turn to another charge that is often made against the oil industry—that it does not pay its fair share of taxes.

First, let me say that petroleum companies pay on their taxable income the same 52 percent tax rate as do all corporations. Under the law percentage depletion deductions cannot exceed 50 percent of the net taxable income of the corporation. But unless it does eliminate 27½ percent of the gross income of an oil producer it is not doing the full job expected of it by Congress.

Now as to the taxes paid by the petroleum industry, we can clear this up by referring to the statistics of income published by the Treasury Department which show the income tax paid by companies classified as petroleum producers on their operations both here and abroad represent about 7.2 percent of their gross revenue compared with about 5 percent for manufacturing corporations, and 3.9 percent for all industries.

Mr. Speaker, one of the most outstanding authorities on petroleum economics and related matters, Dr. Richard Gonzalez recently delivered an address in which he referred to the matter of taxes paid by the petroleum industry and the tax consequences flowing from each barrel of oil produced. With your permission I would like to quote from Dr. Gonzalez's address:

There are other answers to this charge concerning taxes paid by the oil industry. Another one is that it is incorrect to look simply at Federal income taxes without taking into account the total tax burden. It is the total amount of taxes paid, not income taxes alone, that affects the consumers of the products of any given industry. * * * Total taxes take 65 percent of the income and taxes in manufacturing and take a surprisingly similar figure of 67 percent in petroleum. By this standard, the oil industry already pays its fair share of taxes.

There is one other facet to the charge that the industry doesn't pay its fair share of taxes. The critics often refer to a few individuals, anonymously labeled, who are said to have large net income, but who pay little or no income taxes. The trick here is that the figures are carefully selected and taken for a short period of time. The real tax consequences of an investment must be measured over its life rather than for a short period of time. If it is true that a particular operator does not pay much income taxes in a selected period of time, even though he may be a wealthy man, there must be factors other than percentage depletion responsible for the result.

After all, percentage depletion cannot exceed 50 percent of net income on producing properties. The cases cited no doubt result from an active drilling program by the individual and the fact that Congress has provided that intangible drilling costs on new wells may be deducted as a current business expense. If an individual does a great deal of drilling relative to his other current income, he may end up with little taxable income in that year. That does not tell the full story, however, of the ultimate tax consequences. The drilling of new producing wells sets in motion a flow of tax revenues in future years. This is inevitable. It is either going to be in the form of income taxes or capital gains taxes or estate taxes, in addition to ad valorem and severance taxes. Not only that, but there will be a large flow of revenue from other excise taxes.

* * * A fairly representative well, according to our studies of the industry, would be one that develops 125,000 barrels of crude oil at a cost of about $110,000 for exploration and drilling. Such a typical well will generate a gross income of $395,000 from crude oil, natural gas, and natural gas liquids. Of this amount, $110,000 serves to pay off the initial investment. Operating expenses and royalty payments absorb another substantial slice of the gross revenue. The operator's profit, realized over a long period of years after the initial outlay for exploration and development, depends on what is left after all these expenses and after taxes. Direct taxes amount to $79,000 or 63 cents per barrel of production. This consists of 21 cents to the State and local governments for ad valorem and severance taxes and 42 cents to the Federal Government for income taxes. This is a fairly substantial generation of tax revenue in itself.

In addition, the excise taxes from the products that are made from this barrel of crude oil will be at least $180,000, or $1.44 per barrel of crude oil produced. This revenue results from the fact that the average tax on gasoline is about 9 cents a gallon and that the amount of gasoline taxed out of a barrel of crude oil is roughly 16 gallons. That is not all of the gasoline made from a barrel, but some of the gasoline bought by Government or by farmers is not subject to the tax. The final result is a generation of tax revenue of $2.07 per barrel of crude oil production. This is an extremely significant figure that should be used constantly to point out the fact that petroleum production does generate a large flow of tax revenue and does pay its fair share of taxes.

In conclusion, Mr. Speaker, there is a very important factor so often overlooked in any consideration of this problem. This of course is the effect a cut in depletion would have on the consumer. I am sure you all are generally acquainted with recent studies that conclude that elimination of oil and gas depletion would, due to the lack of available funds for necessary exploration and development work, cause an increase in the price of gasoline of around 5 cents per gallon. In other words, any "tax increase" on the industry must of necessity be passed along to the person who in reality pays all taxes, the consumer.

Levels of energy consumption directly affects the level of income and living standards in the United States and throughout the world. Oil and gas supply more than two-thirds of America's total energy needs at reasonable prices. For example, the service station price of regular grade gasoline, excluding taxes, was only 2 percent higher in 1958 than in 1926—the year percentage depletion was first adopted—gasoline taxes up 270 percent—in contrast to an increase of 63 percent in the Consumer Price Index for all commodities.

The availability of large volumes of low priced energy supplies in America has helped immeasurably in furthering our economic progress and in maintaining our standard of living as the highest in the world.

Any benefits of the differential tax treatment for the oil and gas industry

have indeed been passed along to the American citizen.

Mr. Speaker, winding up briefly, I would like to state that the present 27½-percent depletion rate for oil and gas should be retained in the law because:

First. It has accomplished the job laid down 33 years ago by Congress in that it has served to make available to the American public adequate supplies of petroleum both in peace and war, at reasonable prices;

Second. It has become an integral part of the economic fabric of the entire petroleum-producing industry;

Third. It does no more today than recognize the "discovery value" of oil, as originally intended by the Congress. In fact, the evidence is persuasive that 27½ percent of the present price of crude oil is inadequate to cover the average cost of discovering new oil reserves;

Fourth. Statistics on earnings based on stockholders' equity show that even with percentage depletion the rate of return for the domestic petroleum industry for the years 1956, 1957, and 1958, amounted to an average rate of 9.97 percent in comparison with an average of all manufacturing companies of 11.92 percent during the same period.

Net value of production versus expenditures for finding, developing, and producing oil and gas

[In thousands of dollars]

	1951	1953	1955
Industry income:			
Net value oil produced	4,862,136	5,401,018	5,884,215
Net value gas produced	465,451	660,501	836,324
Total net value production	5,327,587	6,061,519	6,720,539
Industry expenditures—Exploration costs:			
Geological, geophysical, and related professional services	186,000	243,590	245,440
Lease purchases and rentals	637,910	744,630	876,520
Dry holes	650,290	795,890	940,210
Overhead	126,780	171,270	206,220
Total exploration costs	1,600,980	1,955,380	2,268,390
Development costs:			
Drilling and completion of producing wells	1,390,050	1,689,507	2,097,225
Equipment (tubing, tanks, flow value, etc.)	420,360	483,000	556,210
Overhead	135,780	168,378	205,640
Total development costs	1,946,190	2,340,985	2,859,075
Subtotal, exploration and development costs	3,547,170	4,296,365	5,127,465
Operating costs:			
Oil:			
Direct costs	1,274,149	1,392,576	1,540,092
Overhead	242,146	306,326	337,758
Total oil operating costs	1,516,295	1,698,902	1,877,850
Gas:			
Direct costs	89,220	134,675	134,097
Overhead	7,758	10,920	9,387
Total gas operating costs	96,978	145,595	143,484
Total operating costs	1,613,273	1,844,497	2,021,334
Total expenditures for finding, developing, and producing [1]	5,160,443	6,140,862	7,148,799
Net annual balance	+167,144	−79,343	−428,260

[1] Includes maintenance, supervision, and general overhead but excludes charges for research. The costs do not include income taxes, payment on interest and principal or return to investors.

Source: "Petroleum and Natural Gas in the United States—Relation of Economics and Technologic Trends," by C. C. Anderson, Chief Petroleum Engineer, U.S. Bureau of Mines, Washington, D.C.

GENERAL LEAVE TO EXTEND

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that other Members who desire to do so may also extend their remarks on this subject.

The SPEAKER pro tempore (Mr. IKARD). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE DIXON-YATES DECISION SHOULD BE APPEALED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 45 minutes.

Mr. HOLIFIELD. Mr. Speaker, the recent decision by the Court of Claims on the so-called Dixon-Yates case should be appealed to the Supreme Court of the United States. The Comptroller General has so advised the Attorney General, and I hope this advice is taken.

The Dixon-Yates case is not a dead horse, as some editorial writers and others would have us believe. The Dixon-Yates affair will live in the annals of Government so long as freemen are concerned about integrity in public office.

This historic blunder of a blundering new administration which conceived the Dixon-Yates plan in secret, which withheld important facts when details of the plan were forced into the open, and which then had to renege on its own business and utility friends when they tried to retrieve costs for going ahead with the mutually agreed-upon plan. This blunder is one that will not be quickly forgotten in the 20th century. But I am less concerned with the Dixon-Yates chronicle, which our children will read about in their civic books, than with the significance of the Court of Claims decision.

I am no lawyer, and it is not my purpose to go over the whole ground of the lengthy and tortuous court recital in the case of Mississippi Valley Generating Co., on its own behalf and to the use of others against the United States—which we call the Dixon-Yates case—decided in the U.S. Court of Claims—No. 479–55—on July 15, 1959. My concern is as a layman and a legislator with the bearing of this decision on the public interest and the environment in which the business of the public is conducted.

The Court of Claims decided that Dixon-Yates was entitled to collect $1,867,545.56—by all means let us not forget the 56 cents—from the U.S. Government for digging dirt and ordering materials in performance of a power contract with the Atomic Energy Commission. I can sympathize with Messrs. Dixon and Yates' side of the case even if I do not agree with the court majority. After all, they spent money as businessmen performing on a contract which they signed with the Government, a contract which had been ordered by the President, drafted by the Atomic Energy Commission, blessed by the Attorney General, supported by the Republican majority in the Congress, and widely acclaimed by the utility magnates as the dawn of a new era in Government power policy.

The fly in the ointment was a gentleman by the name of Adolph Wenzell. He did not mean to cause any trouble; he just wanted to be helpful to the new administration which had "electrified" the utility industry—if you will pardon the phrase—by announcing, via the President's very first budget message, that private enterprise or local communities rather than the Federal Government must be depended on to provide new power-generating facilities. To show it meant business the new administration ordered funds for the Fulton steamplant of the Tennessee Valley Authority struck from the budget which President Truman had prepared.

Here is how—in the court's own words—Mr. Wenzell first came into the picture:

> The administration's policy with regard to public power was observed with approval by Mr. George D. Woods, chairman of the board of directors of First Boston Corp., one of the leading investment banking concerns in the United States. First Boston had its offices in New York. Mr. Woods wanted to help to make the policy succeed. He obtained an appointment with Mr. Dodge, the Director of the Budget, and offered the services of First Boston. Mr. Dodge, a Detroit banker, new in the Government, wanted to have a study made to determine the controverted question of the extent to which the Government was really subsidizing the TVA. He needed a man experienced in public utility financing and expert in accounting and problems of the cost of money, and had not found such a man. Mr. Woods said that First Boston had such a man, Mr. Adolphe Wenzell, and he would see if Wenzell would undertake the work.

Now we are not surprised to learn, as the court went on to say, "Wenzell was willing and, with the approval of his

other superiors, he did accept the assignment." Mr. Wenzell became a part-time consultant to the Budget Bureau, spent the equivalent of a month there during 1953, became well acquainted with the budget staff, and presented, as the result of his labors, a paper criticizing the Tennessee Valley Authority.

One of Mr. Wenzell's new-found friends in the Budget Bureau was Rowland R. Hughes, who came from the Nation City Bank to serve as Assistant Director of the Budget. Later he succeeded Mr. Dodge as Director. Mr. Hughes brought Mr. Wenzell back into the picture in January 1954 when Mr. Dodge conceived the ingenious scheme that budget outlays for the Fulton steam plant could be avoided if the Atomic Energy Commission would contract with private utilities for the construction of a 450,000-kilowatt generating plant to serve its power needs at Puducah, Ky., thereby releasing the equivalent amount of Tennessee Valley Authority power for other uses in lieu of building a new Fulton, Tenn., plant. This was the scheme which culminated in the Dixon-Yates contract.

The court said Mr. Wenzell was wanted by Mr. Hughes because he had already studied the Tennessee Valley Authority and was an expert on bond financing as vice president of the First Boston Corp. So back came Mr. Wenzell to Washington, to act again as a consultant to the Budget Bureau, acting officially in its name, participating in numerous meetings, conferring privately or in groups with sponsors of the Dixon-Yates project, analyzing costs and financing proposals, traveling to and from Washington and New York, and drawing his expenses sometimes from the Budget Bureau and sometimes from his company; while all the time he retained his corporate position and salary and bonus privileges based upon the amount of business he would bring to the firm.

Of course, the possibility that Mr. Wenzell's company, as one of the largest and most experienced concerns in utility finance, would be retained by Dixon-Yates to arrange for the bond financing of the power project, did not escape anyone, least of all Dixon-Yates. Almost a year before the Dixon-Yates contract finally was signed, counsel for the utility syndicate called attention to the possibility that Mr. Wenzell's role would be criticized. Mr. Dixon took this matter up with Mr. Wenzell, who spoke to Mr. Hughes. According to the court "Hughes said that Wenzell was exaggerating the importance of the matter, but advised him to discuss it with his principals in First Boston and with First Boston's lawyers, and then talk to Dodge about it." Wenzell conferred with his principals, as instructed, and received advice from one of the company's attorneys, in the firm of Sullivan and Cromwell, to resign his Bureau job forthwith and in writing; also to advise his principals that if the power contract should be made and they were asked to handle the financing, that they consider refusing the offer, or at least refuse to accept a fee. Mr. Wenzell was also advised to keep Messrs. Dodge and Hughes of the Budget Bureau informed of any developments. This advice was confirmed by Mr. Arthur Dean, a senior attorney of Sullivan and Cromwell, who viewed the matter as a problem of policy for the company rather than as a conflict of interest.

Mr. Wenzell did not exactly follow his attorney's advice, since he continued in his Budget Bureau job for a short while—the termination date is uncertain—and never submitted any written resignation.

As it turned out, Dixon-Yates placed 40 percent of the financing with First Boston and 40 percent with Lehman Bros., which surprised Mr. Wenzell, who had confidently expected his company to get the whole package. Both investment houses decided not to accept fees.

All these interested developments were unknown to the public at the time. The first congressional investigation into the Dixon-Yates deal was undertaken by the Joint Committee on Atomic Energy upon a specific request I made to then Chairman Cole on June 4, 1954. Many facets of this deal were brought to light, but dark corners remained. We were not told about Mr. Wenzell's activities. When President Eisenhower, in response to mounting criticism of the secrecy in the Dixon-Yates deal, ordered the Budget Bureau and the Atomic Energy Commission to make public a chronology of the negotiations and the participants, which was done in late August 1954, the name of Adolph Wenzell was conveniently omitted.

One of the strange facets of this affair was Mr. Lewis Strauss' consistent and repeated disclaimer that he knew of Mr. Wenzell's connection with the Budget Bureau. As Chairman of the Atomic Energy Commission, which made the contract with Dixon-Yates, Mr. Strauss was responsible for directing the contract negotiations. He met Mr. Wenzell for the first time on January 18, 1954, at the instigation of Mr. Hughes, to discuss the details of a forthcoming meeting at the Atomic Energy Commission with Dixon and another utility executive. It so happened that every time Mr. Wenzell signed the visitor's book at the Atomic Energy Commission he listed his First Boston address. None of these visits was recorded in the chronology of the Dixon-Yates deal I mentioned a moment ago. Findings of fact made by the court described the first Strauss-Wenzell meeting in part as follows:

> Wenzell told Strauss that he was there at the request of Hughes and was trying to get some background of the program and plan. Strauss had never met Wenzell before, and there is a conflict in the testimony of Wenzell and Strauss as to whether Wenzell stated he was connected with the Bureau of the Budget. The greater weight of the evidence shows that Hughes told Strauss that Wenzell was a banker connected with the First Boston Corporation as an officer or a partner, and that Strauss was to acquaint Wenzell with the background and purpose of the meeting to be held on January 20, 1954.

At a public hearing of the Atomic Energy Committee in November 1954, I asked Mr. Strauss whether he knew "if Mr. Dodge was advised by a consultant who is now employed by any of the Dixon-Yates utility companies." His answer was: "I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any." That is Mr. Strauss' story to this day, even though Mr. Wenzell testified under oath that he told Mr. Strauss otherwise. It will always remain a mystery why Mr. Strauss, of all the persons who participated in the Dixon-Yates negotiations, was the only one who remained ignorant of Mr. Wenzell's Budget Bureau connections when apparently it was common knowledge among the rest. As the court said in representing that Mr. Wenzell had nothing to hide:

> Wenzell discussed the subject freely with the representatives of the private sponsors. At the stage of proceedings during which he was employed by the Bureau of the Budget, there were no secrets. Every intelligent person knew that the administration wanted to make a contract, and was anxious that private enterprise come forward with a proposal that would be acceptable. Hughes directed Wenzell to sit in the meetings of the sponsors and report to Hughes what he heard. He participated in the conferences of the agency staffs. He, no doubt, was able to give to Hughes a better overall view of events than any other person, and did, we should suppose, expedite the formulation of the proposal which formed the basis for the later negotiation of details and exact figures.

Shortly after this testimony from Mr. Strauss, the Atomic Energy Commission signed the Dixon-Yates contract. The utility combine went to work on its powerplant. The city of Memphis, Tenn., refusing to have any power dealings with Dixon-Yates, announced it would construct its own generating plant. This meant that neither the Tennessee Valley Authority nor Dixon-Yates would have an immediate market for power from a new plant. Thus by a long and winding road, the administration arrived at one of its alternate objectives: If private industry were not to build a plant, the local community would have to do it, and in any case the Federal budget would not have to meet the bill.

By this time, Mr. Wenzell's role had become known to the public. Senator HILL, in a speech delivered to the Senate on February 18, 1955, mentioned some of Mr. Wenzell's activities, and Senate investigations under the direction of Senator KEFAUVER laid bare the whole story, or as much of it as could be obtained from reluctant witnesses in the executive branch.

The Atomic Energy Commission then did an about-face and advised Dixon-Yates in August 1955 that the Government was terminating the contract. In November of the same year, the Atomic Energy Commission notified Dixon-Yates that there never had been a valid contract and that the Government was not liable for any costs incurred or damages caused by the termination. Dixon-Yates sued in the Court of Claims for recovery.

The court majority saw something essentially cynical in the Government's defense. Here was Mr. Wenzell, an ardent advocate of the Eisenhower administration's power policy, a faithful servant of the Budget Bureau, the best adviser in utility bond financing the

Government could find, who had left the Bureau months before the Dixon-Yates contract was signed; and now the Government put up as a defense to the suit that Mr. Wenzell had acted in a criminal way, and consequently that the contract, being contrary to public policy, was never really a contract.

As one who has studied and investigated the Dixon-Yates affair from its birth in 1953 or early 1954, I can agree with the court's observation. There was something cynical about a Government action which first blessed and then cursed the Dixon-Yates contract, branding Wenzell as a criminal, not when the Government first knew about his role, but after the public learned about it, and after the Government no longer wanted the Dixon-Yates electricity.

Yes, there was something cynical about it, but cynicism does not dispose of the legal issues. The criminal statute on which the Government tried to hang its case—and hang Mr. Wenzell—is section 434 of title 18 of the United States Code. It provides, in essence, criminal penalties for anyone who represents the Government in transactions with any business entity in which he has a pecuniary interest.

The court majority—this was a 3-to-2 decision—took a narrow view of the law and left Mr. Wenzell an escape hatch. After all, said the majority, Mr. Wenzell did not take part in negotiating the power contract; he acted more in the role of "expediter" and advised the Government on financing, which bore upon the contract only in the sense that the cost of construction money to the utility syndicate would affect the price they charged the Government for kilowatts. How could there be a conflict of interest, the court asked, when Mr. Wenzell helped the Government to drive a better bargain with Dixon-Yates?

True, Mr. Wenzell's company might get to handle the Dixon-Yates financing—and Mr. Wenzell himself might get a bonus for the new business—but these matters were not decided at the time of Mr. Wenzell's Government work and, in any event, why should Dixon-Yates be penalized for a situation not of their own making and choice? Had not they, in fact, tried to persuade Mr. Wenzell to get out of the thing, to avoid embarrassing questions or criticism?

The court minority—in separate dissenting opinions of Justices Jones and Reed, the latter a retired distinguished member of the Supreme Court—held a different view. The criminal statute was broad enough on its face, they said, to cover Mr. Wenzell's activities. He acted for the Government in dealing directly with a "business entity"—the Dixon-Yates group. At the same time, he and his company were interested in the outcome of the negotiations in which he had an active hand. The fact that he left the Bureau before the final terms were arranged did not affect the argument. He served in both a public and private capacity. The majority was off the beam in arguing that First Boston's interest came into play after Mr. Wenzell quit his employment, because it was Mr. Wenzell and not his company that the Government held to be in violation of the law.

To invalidate the contract now, said the dissenting judges, may seem harsh, considering that there was no evidence that Mr. Wenzell or his company ever received any compensation or express promise of financial benefit. The purpose of the statute, however, went beyond motive and good faith of the parties involved. It sought to protect the Government even from allowing the conflict-of-interest possibilities to arise. Preventing abuses and promoting confidence in the integrity of public servants were the paramount objectives.

Underscoring the point that the application of the statute did not depend upon a showing of fraud or bad faith or criminal intent, Justice Jones added to the dissent:

> Rather, the issue is based on a principle older than this country itself, that no man who works for the Government may at the same time transact business with an entity in which, directly or indirectly, he has a pecuniary interest. The maxim that a servant cannot faithfully serve two masters is an ancient one and is grounded on the frailties of human nature. The warning it carries is proven each day by experience. Where loyalty is divided, the devotion and singleness of purpose demanded of its fulfillment is missing. The maxim has special significance for the Government because of the high standards of ethical conduct which it exacts from its employees.

What of the majority argument that Mr. Wenzell's interest in the Dixon-Yates power contract was too remote to justify invalidating the contract? The facts of business life, Justice Jones suggested, do not warrant so naive a notion:

> When large projects are involved there is always a tremendous drive for the privilege of handling and financing. It is highly competitive as it should be in a free economy. But this very fact makes it all the more important that the Government permit no unfair advantage as between competitors. They should all be on the same level of equality. This is an added reason for not permitting any interested party's serving in a dual capacity.
>
> It is argued that Wenzell had no connection with the performance contract, but only with the financing. But they are as closely linked as the law of supply and demand. Very few $100 million contracts can be performed without financing, and the financing of a large contract is an immensely profitable undertaking. Does anyone doubt that First Boston and Wenzell expected to finance the contract, and that Dixon-Yates expected them to do so?

Since the Dixon-Yates decision dealt with issues in the expenditure of Government funds and the conduct of Government employees, I asked the Comptroller General whether he believed the matter should be appealed to the Supreme Court. Under the signature of Mr. Frank H. Weitzel, Assistant Comptroller General, the reply was affirmative. I believe the members will be interested in the Comptroller General's opinion which is made a part of my remarks at the conclusion.

The fact that the court was closely divided on the basic issue in the case is noted as one reason to appeal. More important is "the probable importance of the decision as precedent in a vital area of public interest." I join with the Comptroller General and the court minority in emphasizing the purpose of the statute to promote public confidence in the conduct of Government officials and to proscribe any action which would impair that confidence. A Supreme Court opinion would serve to clarify a statute that badly needs judicial clarification, and it would help the Congress to determine what kind of remedial legislation, if any, is required in the future.

I will not discuss all the interesting points in the Comptroller General's letter but will mention only two. Noting Dixon-Yates' concern over Mr. Wenzell's role and the decision of the banking houses to forego fees for the bond financing, the Comptroller General suggests "that in this instance the moral and ethical standards of the marketplace are on a higher plane than those which the court considers applicable to the conduct of Government." I may note that Justice Jones in his dissent puts Dixon-Yates' concern about Mr. Wenzell in a little different light when he asked, "Could they have been more interested in avoiding the appearance of evil rather than the evil itself?"

The other point is that while the Budget Bureau knew that Mr. Wenzell, as its consultant, was meeting with, and supplying information to, the Dixon-Yates group, the record does not show that the Atomic Energy Commission, as the Government contracting agency, knew about these meetings until after the contract was signed. Mr. Strauss professed not to know even that Mr. Wenzell was associated with the Budget Bureau. This fact, the Comptroller General suggests, may have some significance in a reconsideration of the Court of Claims decision.

The Comptroller General's letter to me follows:

AUGUST 3, 1959.

DEAR MR. HOLIFIELD: Reference is made to your letter of July 29, 1959, requesting our opinion as to whether the case of the *Mississippi Valley Generating Corpany* v. *United States* which was decided by the Court of Claims on July 15, 1959, should be appealed to the Supreme Court of the United States.

Not only because of the close division of the court on the primary issue in the case, but also by reason of the probable importance of the decision as precedent in a vital area of public interest, we believe that review by the Supreme Court on certiorari should be applied for.

The essential issue presented, as we see it, is whether the United States must be bound by a contract, the initiation and basic framework of which was contributed to in substantial degree by a representative of the Government who at the same time was an officer and director in a private corporation which could reasonably and logically be expected to become an indirect beneficiary of the contract.

The majority opinion appears to rest upon two basic conclusions: first, that since the representative in question had no interest in the parties contracting directly with the Government, and there was no binding contractual arrangement between those parties and his private employer, he has not even an indirect interest within the intendment of 18 U.S.C. 434, and his activities were not contrary to public policy; and, second, that since the representative's superiors in the Government were aware of his private connections and interests, and the contract as ultimately effected was, in the opinion of

the court, fairly and honestly negotiated and entered into by officers acting in complete fidelity to the interests of the Government, the Government should not be permitted to disavow it to the prejudice of the other contracting parties.

We do not concur in either proposition. As to the first, the opinion seems to imply that unless the acts of Mr. Wenzell were in violation of the criminal statute, the Government's defense must fail. (See the second paragraph beginning on p. 20 of the printed opinion.) We believe, rather, that the proposition argued under topic I.C., of the Government's brief, that the contract was void on principles of public policy, is eminently sound and pertinent, and further believe that the argument in that respect should be amplified and stressed in presentation of the case to the Supreme Court. Far from being a mere "prophylactic generalization," as it is characterized in the opinion, the principle is in our view fundamental to our form of Government. It is essential that there be an abiding public confidence in the undivided faithfulness of public officers to the public interest, and any situation which tends to undermine such confidence by creating doubt or suspicion must, therefore, be regarded as contrary to public policy. We do not believe that in attempting to avoid a contract entered into under such circumstances the Government is invoking the protection of a "broad legal incapacity," "like the infant and the idiot," or is seeking to don "a diaphanous cloak of immunity woven from an asserted vague and undefined public policy." Ultimately, it is not the Government, but the public, which is entitled to protection.

For the same reasons, we do not believe that the case should properly be rested on the court's determination of the fairness and honesty of the contract, or of the honesty and fidelity of the officials who made it. The evil to be avoided is not that the Government may be bound by a fraudulent or questionable contract, but that public confidence in the conduct of Government may be shaken by the appearance of any circumstances which may reasonably give rise to doubt or suspicion.

That the circumstances of this case were of such a nature appears to be abundantly established by the fact that legal counsel both for Mr. Dixon, representative of the party most directly interested in the contract, and for Mr. Wenzell's private employer, as well as associates of Mr. Wenzell in the Bureau of the Budget, recognized clearly the appearance of impropriety inherent in Mr. Wenzell's activities. While the majority of the court saw in this no indication that the counsel "saw in his situation a conflict of interest," but merely a matter of policy, we believe that the counsel, and others who recommended Mr. Wenzell's disassociation from the negotiations, were most keenly aware of the true nature of the policy involved. The deliberate decision of both the First Boston Corp. and of Lehman Bros. to forgo any compensation whatever for handling the financing of the project, solely because of Mr. Wenzell's connection with it, seems to attest that in this instance the moral and ethical standards of the marketplace are on a higher plane than those which the court considers applicable to the conduct of Government.

While it appears to be implied in the opinion that Mr. Wenzell's activities and position were fully known to the responsible Government officials, it is noted that the court specifically found (findings, No. 126) that there is no evidence that any representative of the Atomic Energy Commission had knowledge until December 1954 "that Wenzell, while serving as a consultant to the Budget Bureau, had been meeting with and supplying information to the sponsors regarding the project, nor that any AEC repsentatives knew the extent to which the sponsors were aware of Wenzell's activities in that regard." Since it was the Atomic Energy Commission, and not the Budget Bureau, that was authorized by Congress to act in the matter and which, in fact, was the contracting agency on the part of the Government, this finding appears to be of some significance.

We have advised the Attorney General of our views in this matter.

Sincerely yours,

FRANK H. WEITZEL,
Assistant Comptroller General of the United States.

RURAL ELECTRIFICATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. NELSEN] is recognized for 60 minutes.

Mr. NELSEN. Mr. Speaker, early this year a great battle raged here in the Congress over the so-called Humphrey-Price REA bill. Many farmers were led to believe that the future of the program was at stake, and that REA would be crippled if the bill failed. The bill did fail, 4 months have gone by, and power still continues to flow to the farms of America.

I hasten to say that I have no criticism of any Member of Congress who may have voted differently than I did on this measure. I realize, after again reading the testimony, that we, too, have been flooded with a barrage of propaganda, as well as pressure. Many of these men have become close personal friends of mine and I value their association; I respect their judgment and integrity.

I am a farmer who has lived and worked closely with REA since the very beginning. The power that serves my farm comes over a system that I helped organize. I was one of its directors and vice president. The tax law under which we operate in my State, I authored in the Minnesota Senate. From 1953 to 1956, I was here in Washington as the Administrator of the REA program.

The smoke has settled a little since the REA reorganization battle this spring, and I believe it is my responsibility now to bring a few things to the attention of all concerned.

I deplore the way our REA program is being battered around in one political controversy after another. I am also disturbed over the highhanded tactics of Mr. Clyde T. Ellis, the general manager of the National Rural Electric Cooperative Association. I believe he brings discredit on NRECA by involving our REA program in issues, controversies, as well as policies, in which a great many NRECA members do not believe.

After Congress voted on the REA bill last April, at least 10,000 newsletters, as well as magazine articles, were circulated nationwide by NRECA. They characterized those of us who disagreed with Clyde Ellis on this issue as anti-REA Members of Congress. I believe such an attack is unfair. We want people to know how we vote on all issues, but we expect both sides of an argument to be told so the reader can make up his own mind.

Moreover, the record of the hearings on the REA bill printed—at Government expense—page after page of slanted views, allegations, and insinuations which give a false picture of the great progress REA is making, and which arouse unjustifiable fears among the folks who depend on this program for power.

Since I am one who has been singled out in the Clyde Ellis attack, I am taking this opportunity to set the record straight for the benefit of all.

THE REA RECORD

It is hard to understand the Humphrey-Price issue without first looking at the overall strategy Mr. Clyde Ellis has followed on REA since the beginning of the Eisenhower administration. All you have to do is leaf through the various NRECA publications for the past 7 years, and you will find a constant prediction of doom and gloom.

The propaganda line has run something like this: "G. & T. program is dead." "Telephone program running like a dry creek." "Jacking up power costs." "REA program being slowed down."

Let us look at the record.

During this administration, 1,116,000 kilowatts of generating capacity have been installed, compared to 1,145,000 kilowatts of capacity during the previous 17½ years. "G. & T. is dead"?

In the telephone program there were 7,500 subscribers before 1953 and 800,000 were added during this administration. "Running like a dry creek"?

Of the $3.8 billion that has been loaned to REA in all of its history, $1.2 billion has been loaned in the past 6 years. "REA program being slowed down"?

Power costs in 1952 averaged 3.35 cents per kilowatt hour. In June 1959 they were 2.65 cents per kilowatt hour. "Power costs going up"?

The record will also show that unadvanced funds are waiting for the asking to the tune of better than a half billion dollars.

It will show further that the delinquency rate among borrowers has been reduced to the lowest in the history of the program, and that advance payments to the Government stand at the highest level.

THE TROJAN HORSE

So while the prophecies of doom and gloom and destruction have echoed through the auditoriums at many REA meetings and here in Congress, the record shows a successful performance, with the cooperation of farmers throughout the country.

But doom and gloom we must have to support the prophecies of the prophet. In this context came the Humphrey-Price issue.

The Secretary of Agriculture had requested that he be advised of some of the major loans in REA—a reasonable request since, under the 1939 as well as the 1953 Reorganization Act, he is responsible for the policy and conduct of this agency.

Mr. Ellis seized upon the 1953 act as his strawman issue for 1959. He termed it the "Trojan horse" that spelled doom for REA. He set out to sell the farmers on the Humphrey-Price bill as a means of restoring to the REA Administrator the powers that had been taken away from him by the Secretary of Agriculture.

It was tough selling, because there was not one witness, including Mr. Ellis, who could point to a single loan application that had been turned down, or even slowed down, by the Secretary.

The hearings can be searched from cover to cover and not one witness had a complaint pointing to the administration of the REA program.

In fact, managers and directors from the rural co-ops who did testify had nothing but praise for the administration of the REA.

THE REORGANIZATION ISSUE

But let us examine Mr. Ellis' Trojan horse more closely. The REA program was established in 1935 by Executive order, and in 1936 an act of Congress set it up as an independent agency.

In 1939 President Roosevelt felt the need for more definite lines of administrative authority and responsibility and presented a reorganization plan which was adopted by Congress. It placed REA in the Department of Agriculture, and in doing so all the functions and services of REA were brought under the Secretary of Agriculture, who in turn was responsible to the President. The 1939 act empowered the Secretary of Agriculture to control policy, assign legal staff, and demand examination of loans if he wished. Mr. Ellis was then a Member of Congress.

In 1953 President Eisenhower presented the second reorganization plan of that year, affecting many agencies in the Department of Agriculture. Its effect on REA is described by Mr. Robert Farrington, the legal counsel of the Department of Agriculture, who stated:

> The legal effect of Reorganization Plan No. 2 of 1953 was merely to confirm rather than to alter the relationship of the REA Administrator to the Secretary as it has existed since the Reorganization Plan No. 2 of 1939.

I can back up that statement, because I served as REA Administrator under the provisions of both the 1939 and 1953 reorganization plans. Frankly, I could not tell the difference after the 1953 act was passed.

But, in the recent battle over the Humphrey-Price bill, Ellis termed the 1953 Reorganization Act part of a master plan to destroy REA.

In his testimony before the committee, Mr. Ellis made two major points. First, he argued that reorganization is bad for REA. Ellis stated:

> Picture in your mind the big wooden horse of ancient mythology. The Trojans to their sorrow found out what it was like to let this innocent-looking thing inside their gates. Reorganization is REA's Trojan horse. And it is inside the city gates now.

Mr. Ellis' second major argument was that Congress, rather than the Executive, should have more power over REA. He contended Congress should keep a sharper control over any attempted changes. He stated:

> Thank God that some of the decisions for REA's future still lie in the hands of Congress which has enabled the program to make such far-reaching social and economic progress during the last 23 years.

On those two arguments, coupled with a nationwide campaign of fear for what might happen to REA in the future, Mr. Ellis came within four votes of making this bill into law.

Now, we farmers do not know much about Trojan horses. We know more about Belgian, Percheron, or even Clydesdale horses. And, most of us now suspect that, after devouring all the political hay that has been manufactured on this issue, the charging Trojan horse of 1953 is turning out in late 1959 to be nothing more than a hay-bellied nag.

THE ELLIS BOX SCORE

To check out this suspicion, let us make use of one of the techniques Mr. Ellis has used very successfully in harassing the Members of Congress—the voting record. Let us look at the rollcall votes Mr. Ellis, as a Member of Congress in 1939, himself cast on the issues of reorganization being bad for REA, and also on Congress needing more power to protect REA.

I do not necessarily endorse this voting record technique, because it does not always explain the Member's own reason for voting the way he did. But, it may be useful for Mr. Ellis to take a close look at his own box score before attacking Members of Congress who may also have a conviction.

In fact, when the 1939 Reorganization Act was being debated on the House floor, Congressman John Rankin, of Mississippi, proposed an amendment to keep REA independent—but there was not a word from Mr. Ellis in support of Mr. Rankin. Ellis gets no box score on this, because the vote on the Rankin amendment was not a rollcall vote. But, the RECORD shows he was present, because he voted just a few minutes later.

The CONGRESSIONAL RECORD of March 8, 1939, shows on page 2504 that Mr. Ellis cast his vote in favor of the 1939 Reorganization Act which took away the independence of REA. Ellis himself voted in favor of the reorganization which he claims is a Trojan horse for REA. That is one negative vote for Mr. Ellis, by his own arbitrary standards.

There are however two other rollcall votes on amendments which deal with Ellis' second major argument in 1959—the need for more congressional control over reorganization.

They are the Sumner amendment and the Taber amendment. After a full debate, in which Ellis took no part whatsoever, his votes are recorded as against both amendments on pages 2502 and 2503, CONGRESSIONAL RECORD, March 8, 1939. Both of these would have strengthened the right of Congress to examine reorganization before it became law. Chalk up two more anti-REA votes for Ellis—using his own arbitrary standards.

So Mr. Ellis' own votes have negated his two major arguments in testimony on the Humphrey-Price bill. What's more, he comes out with a voting record that can be headlined:

ELLIS 0 FOR 3 AGAINST REA

That's similar to the Ancher Nelsen voting record, which in a recent Ellis box score said:

NELSEN 0 FOR 4

Now, Mr. Speaker, it is entirely possible that the Trojan Horse of 1959 was just a fox farm plug in 1939, and I am the last one to say a man cannot change his mind in 20 years. But, I am saying that I have as much, or more, of a case on Ellis as he has on the Members of Congress when he arbitrarily characterizes their votes as "anti-REA." We can therefore ask how Clyde Ellis can justify making an issue in 1959 of a provision which he, in effect, voted to make law in 1939.

THE REASON FOR HUMPHREY-PRICE

I believe everyone should have a right to a difference of opinion. I also believe there comes a time when, if the facts are twisted and unfairly related, any red-blooded American has a right to fight back.

Sooner, or later, Mr. Ellis will have to learn that "fishing for issues" can be a dangerous game. When you throw the line, you sometimes catch a lunker, but sometimes you only catch the seat of your pants. In casting for a 1959 issue the line fouled on Ellis' 1939 votes. It has hooked into the seat of Ellis' pants. The only question left to answer is, "Why did Ellis do it?"

It is apparent that in this session Mr. Ellis needed an issue to make himself appear useful to the farmers of America. While he has predicted gloom and doom since the very beginning of this administration, the REA program has made unprecedented progress and is stronger today than ever in its history. So, Mr. Ellis had to find a strawman issue to maintain his prestige, and justify his salary—which incidentally far exceeds that of a Member of Congress. This bill was that issue.

Ironically, the Curtis amendment, introduced in the Senate this spring got nowhere. It would have given REA the complete independence it had before 1939. Ellis threw his weight behind the Humphrey-Price bill which created an administrative monstrosity by saddling the Secretary with responsibility for REA while limiting his authority over the operation.

The testimony of Mr. Ellis in support of this bill was couched in fear. There were no facts to back up the charge—only slanted, twisted testimony based on fear. That is the worst kind of demagoguery, Mr. Speaker, to arouse fears without giving a valid reason for doing so.

CONCLUSION

Thus, I am here today to do what I can to inform the farmers of this great country of the real facts—not distortions—in this entire matter. I am a farmer, and I know farmers want REA kept out of the political arena. They believe in fairness. It is my intention that they have the full story—in order that they may

determine for themselves who is really hurting this great REA program. I ask all those who are interested in protecting REA to join with me in exposing the sort of duplicity which has been practiced in this entire affair.

I do want to make one point very clear. This material is not in any way an indictment of the National Rural Electric Cooperative Association. I happen to be a farmer who is paying to support it. I think it has done some good work and I believe we will need it in the future. And that is the very reason I raise my voice today.

REA is one of the most successful programs ever undertaken by our Government, and we have a host of friends among the Members of Congress. REA has grown up, and is looking to Congress for sound and progressive legislation in the future. We can do a job for REA only after we have cleared the air of some of the phoney issues and fear-raising statements that have been manufactured in this field.

We need to take a careful inventory of this program. How can the long-range REA interests best be served? Do we forever remain tied to the Government? Are we meeting our responsibilities to our country? Are our demands fair?

We can never answer these questions fairly so long as the air is clouded with misunderstanding. And that is why I felt it was my responsibility to speak today.

It is of course a tragedy that grown men should exhaust themselves trying to prove who is the rascal. I regret that circumstances have forced me to speak at this time.

Four months have gone by since we debated the REA issue and power still continues to flow to 96 percent of the farms of America. There has been no catastrophe. I can only predict that long after Clyde Ellis and ANCHER NELSEN have gone to their reward, the power will still be flowing. The lights will be on in rural America so long as farmers continue to do a good job of running their local REA projects, making their interest and principal payments, and finally owning their own system which need not be mortgaged to either Government or to Wall Street.

It may well be that there is a Trojan horse in REA's camp today. It may be that the ill-advised involvements we have allowed the program to be dragged through will eventually ruin the bipartisan support we have always enjoyed. That will be a real Trojan horse.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. HIESTAND. Mr. Speaker, I should like to congratulate the gentleman for a very effective statement. I should characterize it even more strongly than that; I might call it a devastating statement. I certainly feel he is to be complimented. I should like to ask him if he would not characterize Mr. Ellis as probably one of the most aggressive and powerful lobbyists in Washington.

Mr. NELSEN. I think that is true, that he is a powerful lobbyist. I regret to say that in my own little State of Minnesota, while I have been in a congressional race, and I also ran for Governor, his activities were revealed in that State. I would suggest that no one should be denied the right to have an opinion, but I do not believe it is fair for me to be required to pay membership dues to an organization and then find that my own contribution is used to cut my throat. I think that is going a little far.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. DORN] may extend his remarks at this point in the record.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I wish to commend the distinguished and able gentleman from Minnesota [Mr. NELSEN] on his excellent speech. The gentleman from Minnesota has dealt with this subject here today fairly and honestly. His approach is entirely nonpartisan, as it should be. He is eminently qualified to set the record straight because of his farm background and his experience as REA Administrator.

I particularly commend the gentleman for pointing out to the House Mr. Ellis' record when a Member of this body in 1939. I was greatly interested in Mr. Ellis' voting in favor of the reorganization in 1939, which put the REA under the Secretary of Agriculture. It is interesting to have this information, in view of Mr. Ellis' frantic lobbying for the Humphrey-Price bill, which would take away from the Secretary of Agriculture certain powers. A principle in 1939 is a principle today. Basic fundamental principles never change. However, political expediency shifts with the coming and going of the wind. As a farmer and consumer of REA power and as an American, I have always supported in every single instance legislation that I believed to be in the best interest of REA. When I voted against the so-called Humphrey-Price bill, I know I voted in the best interest of REA.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I am glad to yield to the gentleman.

Mr. MICHEL. Mr. Speaker, I take this opportunity to compliment the gentleman on the picture that he has painted for us here this afternoon. It certainly sets forth the facts in their true perspective.

I might say that during the 85th Congress it was my privilege to serve on the subcommittee which considered the legislation which the gentleman previously talked about. And while we bottled it up during the 85th Congress they were successful in getting it during this Congress. It was subsequently passed and then vetoed by the President and we were fortunate in sustaining that veto here in the House.

Mr. Speaker, I should like to say, as the gentleman from California [Mr. HIESTAND] has pointed out, that here again is another one of those examples where we find too much pressure brought to bear on Members of Congress and so much information offered only for the purpose of justifying the existence of some high-powered, high-salaried individual representing an organization, in this case as Mr. Ellis does, the National Association of REA Co-ops.

I think the gentleman has certainly performed a good service in bringing it to the attention of the American people.

Mr. NELSEN. I thank the gentleman.

Mr. WALLHAUSER. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. WALLHAUSER. Mr. Speaker, I should like to commend my distinguished colleague from Minnesota, because I think he has pointed up the problem very clearly. His vast knowledge and experience have shown us what the real problem has been. I am a member of the committee that heard the legislation that originated this year, and I fully agree with my colleague from Minnesota that it did not have any place in our legislative history.

Mr. Speaker, I congratulate the gentleman on a very clear presentation. I think he has straightened out the record.

Mr. NELSEN. I thank the gentleman.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, I am extremely happy to see our good friend and colleague, ANCHER NELSEN, take the floor today to talk about the problems of the REA and the issues that have unfortunately been raised that tend to incriminate some of the finest and most loyal supporters of the REA in this House. All of us, of course, know what the gentleman from Minnesota has so effectively pointed out. That is, that there is no program that the Government has developed an interest in that is of greater value economically to the whole of the United States and that at the same time seems to lighten the load to make a more efficient program and helps the farmer in so many ways than does the REA. Mr. Speaker, there is no man, who is serving the Congress today nor one that has served this Congress, who is more qualified to speak on the subject of the REA program than is our distinguished friend ANCHER NELSEN, of Minnesota.

Those of us who know this great American know that he has served nobly and well as Chief Administrator for Rural Electrification Administration from May 1953 to June 1956.

A great American of another political party made history during the campaign for President in 1928 by saying: "Let us look at the facts." This is a very appropriate observation in this instance as I seek to try to give this man the credit that he deserves for the tremendous job he has done for his country as Administrator for the REA.

Here are just a few of the facts from the record:

First. During 1952 the total amount of loans provided by the REA program was $165.7 million.

For 1953, $165 million.

For 1954, $167 million.

For 1955, $167.5 million on 349 electrification projects.

Second. The record shows further that between July 1, 1953, and July 1, 1955, borrowers connected an additional 200,000 farms to the REA system. It should be pointed out that these farms with this expansion were getting electricity for the first time in history. The records show clearly that all of the best areas of this Nation's farms received the benefits of the REA program before the period that ANCHER NELSEN became the Administrator and that he did an excellent job of picking up these loose ends of the isolated areas that had been neglected heretofore.

Third. Another record which all of us should be proud of is the help Mr. NELSEN has given to cooperative work with power contracts that have resulted in the cost of wholesale power being reduced from 1 cent in 1941 to 7.4 mills in 1955. It can honestly be said that this has resulted in savings of millions of dollars and demonstrates that the public interest has been well served and that there is no lack of interest on the part of the administration under his excellent leadership.

Fourth. Under his leadership, the REA received a reduction from 3.6 cents a kilowatt-hour for retail of electricity in 1951 to 3 cents per kilowatt-hour in 1955.

Fifth. In 1955 alone the REA made loans for generation plants and transmission systems in the amount of $41 million. This made provisions for 10 new generation units and 1,700 miles of transmission lines.

Sixth. The record shows that on March 5, 1956, the amount of money on loan to REA borrowers was $3.1 billion in grants to 1,026 borrowing units that, at that time, were serving over 4 million customers.

Seventh. Records show that this gentleman has a way of getting things done because he reduced the backlog from $200 million when he took office to $97 million in 1955.

Eighth. Mr. NELSEN felt, when he took office, there was a real need to use the contingency fund which had been used but once prior to his administration. In 1954, for instance, $39 million was used from the fund. In 1955, $35 million was used. This certainly indicates his willingness to use every facility at his command to encourage and promote the rural electrification system.

Mr. Speaker, here is one of the most enviable records of achievements anyone has ever made in Government on the domestic front. The gentleman from Minnesota is to be highly commended and every Member of Congress and REA user owes this man a great deal of gratitude for the effective and efficient job he did while he was Administrator and for his contribution and devotion to this program while a Member of Congress. It is worthy of note also, that he is doing this while at the same time carrying on the vast and varied responsibilities of the office of Congressman. I compliment the people of the Second District in Minnesota for sending a man of this caliber to Congress. I, for one, am deeply grateful to have the opportunity to serve with him in these legislative halls. He has performed an invaluable service in the past, and today is again doing a fine job in stating the problems, answers, issues, and giving us the benefit of his experience and able leadership in this area in which all of us in the farm belt of the United States have such a vital interest.

Mr. NELSEN. Mr. Speaker, I thank the gentleman for his kind remarks.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. HORAN. Mr. Speaker, for over 14 years it has been my privilege to serve on the subcommittee that reviews the work of the REA and its administration and supplies the funds for the succeeding fiscal year based on our appraisal of the record that is spread before us. I do want to say that the present speaker, Mr. NELSEN, showed up very well as Administrator of the REA. The program made great strides and much progress during his administration of those funds. The gentleman's reception before our subcommittee was always congenial and was never fraught with any controversy or conflict. He will, I think, bear me out when I say that he received the funds he asked for, and the funds he asked for were the funds that the REA needed to maintain its services to the rural peoples of America. This is a very popular program. It necessarily should be because it proposed in its inception to move the glories of electrical energy to areas not previously served with electrical energy. It is in this field, of course, that demagoguery finds fertile soil as nowhere else. Of course, you can raise issues anyplace you want to and scare people to death. I am glad the gentleman has brought this subject up and that you are trying to clear the air in this field. This is a strawman, I think—a good deal of it at least. I am reminded of a little couplet that I would like to state now. It has been used in the Halls of Congress before dealing with strawmen.

> Yesterday upon the stair,
> I saw a man who was not there.
> He was not there again today.
> I wish to God he would go away.

Mr. NELSEN. I thank the gentleman.

Mr. Speaker, I would, at this point, like to pay my compliments to the present Administrator, David A. Hamil, from Colorado. He has done a very conscientious job. He has been all over the United States and has made a host of friends. He has continued in this program in a very productive way. I think the record should show that. I also want to add this. During the time I was Administrator, I traveled all over the United States. Now serving in the Congress, as I do, I want to pay my respects and thanks to the gentlemen on the other side of the aisle because this program has been supported by Republicans and Democrats. When you are out on the farm, it does not matter what your politics are—electricity is awful nice to have. I certainly want to thank our friends on the Democratic side and on the Republican side as a farmer for the contribution they have made to the total economy of the country. This program is precious to those of us who live on the farm and we do not like to see it exploited in any way.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. McINTIRE. I certainly want to join with my colleagues in expressing appreciation to the gentleman from Minnesota for so ably placing before us and in the RECORD a very fair evaluation of the situation with which we dealt some time back. I am very much interested in the REA program. All of the REA cooperatives in my State of Maine are located in the district which I have the privilege of representing. I want to say, too, I think the Congress is fortunate that in its membership there is one who has had the experience not only as a user but as an organizer of cooperatives in the REA, but also on the broad basis of administration of the REA, thereby having the opportunities to gain from the experience and observations of the gentleman from Minnesota. I wish to commend the gentleman for taking this issue and so fairly and objectively analyzing it and placing it before the House of Representatives.

Mr. NELSEN. I thank the gentleman.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. SHORT. I want to join with my colleagues who have expressed their appreciation of my distinguished colleague and my friend for his very realistic and comprehensive analysis of what I would consider to be one of the phony issues which has come before Congress during this session of Congress. Certainly I do not think any man in Congress has any greater appreciation of the REA program than I, for I am a person who probably lives as far from a power line as any Member of Congress; and certainly nobody was any more surprised than I when I finally found that I was going to have power on my ranch 40 miles from town.

Personally, no one could appreciate it more than I as an individual farmer and rancher. I do not think anyone could have any greater appreciation of this program in that it has brought power to the farmers of this entire country. I think it has done more for them than any other single program that has been acted upon in the interest of agriculture.

As I have said many times, I do not think there is a single Member of Congress who would ever vote for any bill that would materially harm the REA program and its basic objective which has done so much for the farms of America. I really believe that is a completely true statement; certainly it is one that I subscribe to very much, and even if I have been described by some

people as one who is opposed to the REA program I think the people who know me and know my objectives certainly must realize that that is not in any sense of the word true.

I thank the gentleman for yielding.

Mr. NELSEN. I thank the gentleman for his contribution.

Mr. McSWEEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. McSWEEN. Mr. Speaker, first I should like to congratulate the gentleman man for his very excellent statement. I have listened with a great deal of interest also to his colleagues and my colleagues. I should like to say also that I know the gentleman's excellent record during the time he was REA Administrator. I personally know that record because I happened to be concerned from time to time with an application or two before him, and I should certainly like to say that he discharged his duties excellently and with great ability and consideration.

I have been actually surprised to learn some of the facts the gentleman has brought out here today. I have heard occasionally concerning the previous record of Mr. Ellis, who sat here, with regard to REA legislation, but I have never had it brought before me the way the gentleman has today.

You know, the REA program has been held by almost everyone who knows anything about it to be one of the great programs this Nation has had during the entire history of this country. I do not believe a single other program could be cited as doing more for the development of the underdeveloped areas of our country and improving the standard of living of our people than this program.

Everyone knows that it is an old trick to take a popular program and try to do something else with it, go into side issues and use a popular program in order to sell some other ball of wax. I recall efforts made the last time we had the REA program before us to defeat other important legislation.

I am sure Mr. Ellis is a fair gentleman, and I am just wondering if in the light of the gentleman's description of Mr. Ellis' voting record regarding REA, I am just wondering whether Mr. Ellis in his publication will give proper coverage to the gentleman's address today, and whether he will defend his position with regard to the time he was in Congress and his record on REA.

Again I thank the gentleman for his excellent statement.

Mr. NELSEN. I wish to make just a comment about one of the objectives we sought to attain in the program while I was Administrator. It is my feeling that one of the greatest contributions that could be made would be the development of a climate of confidence and cooperation. Out in Minnesota we worked out an arrangement where bureau power goes into our State. We worked out a wheeling contract with existing utilities over their transmission lines. We worked out provisions where they could use their generating plants to firm this power. The result of it is the 19 groups I represented in Washington at the time of these hearings saved well over a million dollars last year. Everybody won in that kind of an arrangement because of the climate of cooperation where we were working together. I know that the gentleman from Washington [Mr. HORAN] remembers the time we appeared here for that bill.

Mr. HORAN. I think one of the outstanding chores the gentleman has achieved was to bring peace to Kentucky and good cooperation and coordination between the existing suppliers of electrical energy in that State.

Mr. NELSEN. We had the east Kentucky contract, which had been held up by injunction for years. We worked out a compromise arrangement that now has made it one of the most effective coops in the country. The same is true of Georgia, the same is true of South Carolina. All of these controversies were worked out because we found when people got together they could work out a problem, but if they were agitated into a climate of mistrust, misunderstanding, and suspicion, you could not settle anything.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from North Dakota.

Mr. BURDICK. I have been advised that the gentleman has referred to Mr. Ellis. I simply want to say that as far as North Dakota is concerned, the association that Mr. Ellis represents, Mr. Ellis and the local cooperatives of North Dakota have had harmony. And, as a result, the program has gone forward, and there are very few farmers in North Dakota who have not been receiving service. This has been due in a large part, to the good work of Mr. Clyde Ellis.

Mr. NELSEN. I regret that the gentleman was not here during all of the discussion because I referred in my speech to Ellis' voting record in 1939 when he voted for reorganization and against congressional controls over reorganization. Since this was the series of votes which took away the independence of REA and placed it under the Secretary of Agriculture, I hold that this Congress should have the right to maintain a similar position today without being characterized by Mr. Ellis as anti-REA. I have no criticism of the organization as the gentleman suggests. There has been no criticism leveled at it. I did level criticism at the executive manager who exploits the program and the organization.

Mr. BURDICK. I am very happy that the gentleman did not refer to the organization. Now, as for Mr. Ellis. His relations in North Dakota have been excellent. He has been a selfless and devoted man to the cause of rural electrification, which has done so much for rural America.

LET'S SEND THE MARINES TO LAOS AS WE DID TO LEBANON TO STOP FURTHER COMMUNIST NIBBLING

The SPEAKER pro tempore (Mr. IKARD). Under previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, I rise this afternoon to discuss a matter of great urgency to the defense of this country and the free world, namely, the Communist-inspired and directed invasion of the free nation of Laos in Indochina, one of the critical areas in southeast Asia.

Southeast Asia was the subject of Communist invasion and attack prior to 1954, an attack that led to the subsequent partition of Indochina into North Vietnam held by the Communists and South Vietnam which remained free territory. In addition, the free countries of Laos and Cambodia were also to remain free of Communist penetration. Surprisingly enough, this arrangement has continued with little interruption since 1954, in spite of the fact that Communist forces in northern Vietnam have been built up considerably with assistance coming from Communist China to the north. However, within recent weeks and almost on the heels of President Eisenhower's invitation to visit this country extended to Premier Khrushchev, Communist forces began to move into Laos in strength, and they now threaten seriously the independence of that free country which occupies a most critical strategic position in southeast Asia between Communist Vietnam and free Thailand. Experts on all sides have referred to the present situation as dangerous, critical, and serious; and these statements are no exaggeration. The morning newspaper contains an account that the United States is studying a request from the Government of Laos for assistance in repelling the invasion of these Communist forces and other reports indicate that the United Nations is considering sending an inspection force into Laos.

Mr. Speaker, what is happening in Laos ought to be perfectly clear to anyone familiar with the Communist pattern of aggression, without the need for further study or the dispatch of inspection forces. This is just one more bit of the old nibbling routine that was halted only long enough for the Communists to build up their forces in southeast Asia and to wait for what they considered the most auspicious moment for renewing their devious penetration. Now that the Communists have apparently got what they want for the time being in Berlin they have shifted their heat to another sector of the periphery of the free world. That, as I see it, is the situation, and I do not think it needs any elaborate additional study.

Mr. Speaker, the only way for the United States to deal with this threat to our security in southeast Asia is to act swiftly and firmly. If we wait for further study or for the dispatch and subsequent report of a U.N. inspection force, it is clear that the Communist guerrillas will have already taken over and enslaved another key and critical area of southeast Asia before those reports can be typed up and throughly studied. If our efforts against communism are to be effective, they must be taken decisively and without delay. By their invasion of Laos the Communists have clearly violated the Geneva understanding which has been the basis for the status quo in Indochina

since 1954. For that reason we have every right to send help to Laos to assist the Lao Government in defending their freedom, and we have the right to send them whatever supplies, equipment, yes, and even forces that may be necessary to preserve their freedom.

Mr. Speaker, I am in favor of giving the Lao Government everything that it needs in terms of funds and equipment to meet the Communist threat. But I do not think we ought to stop there. We have been doing a good deal of talking of late, Mr. Speaker, about the need for limited war forces in the arsenal of the United States, and Congress has just appropriated a very substantial sum of money for the purpose of developing and maintaining forces of this kind to meet what we hear referred to as brush-fire situations in other parts of the world. But what good are these forces for which we are spending so much money unless we also have the ability to recognize dangerous situations quickly when they occur and the courage and determination to act promptly to bring these limited military forces to bear upon them? Otherwise all the millions and indeed billions we spend on providing standing troops and naval forces at sea are not going to help us one little bit in keeping the Communist menace from nibbling away further at the portals of the free world.

I think therefore it is clear that in order to guarantee the freedom of Laos we must, with the permission and at the request of the Lao Government, dispatch American forces into Laos immediately. I recommend the dispatch of suitable elements of the U.S. Marine Corps to assist the Lao Army in defending itself against this difficult brand of guerrilla warfare. I also recommend the dispatch of a U.S. Navy carrier, together with supporting aircraft and helicopter forces, to the coastal area off Indochina, not only to back up those marines if the need arises, but to demonstrate to the Communist world that America does not intend to stand idly by while Khrushchev and his Communist military machine try to take over one more piece of the critical southeast Asia area. If we hesitate to act now merely because the President is projecting an exchange of visits with Premier Khrushchev, we may well wake up when it is already too late. Indeed, the dispatch of the forces I have suggested to Laos immediately would be one of the best ways I know to make it clear to Premier Khrushchev that while we intend to receive him properly and courteously in the United States, as President Eisenhower has requested, we are not being fooled into thinking that he has changed his stripes or his methods of action in any way and we do not intend to let down our guard either in West Berlin, in Formosa Straits, in the Middle East, or in southeast Asia.

Mr. Speaker, let me add this one final word. We sent the marines swiftly into Lebanon once that nation asked for our help. Our prompt and forthright action there bolstered the Lebanese Government without a shot ever being fired. Once the Communists knew we meant business, they backed down. I am convinced, Mr. Speaker, that the same prompt and effective result would be achieved if we decide to send the marines into Laos. But we must answer the call of the Lao Government for help quickly to save the day. Only the strong can continue to remain free.

ARMORED CAR SERVICES OF ARLINGTON, VA.

The SPEAKER. Under previous order of the House, the gentleman from Virginia [Mr. BROYHILL] is recognized for 15 minutes.

Mr. BROYHILL. Mr. Speaker, I want to tell the Members of the Congress about a struggle for survival confronting a small, local business in my district—Armored Car Services of Arlington, Va. This local Virginia company was established in 1957 by a group of hard-working men who sincerely believed they could provide a service at a cost considerably lower than that being charged, and yet operate their business on a financially sound basis. They have worked diligently—10 to 12 hours a day—in an industrious effort to achieve their goal of making this business a success. However, they find themselves facing destruction because of the ruthless predatory price-cutting practices of their giant nationwide competitor, Brink's Inc.

Both of these companies are engaged in the business of transporting money by armored car. Both are in competition for the local Virginia, District of Columbia, and Maryland business. However, this is as far as any similar comparison can go. Brink's, Inc., is a huge, national corporation that operates in all the major cities of the United States and Canada. Their 1959 annual report indicates that their farflung operations include over 100 cities in 29 States of this country and six Canadian Provinces. A portion of a letter in this report from Brink's president to their stockholders, referring to their 1958 operating revenues, states, "Operating revenues of $24,744,050 were the highest in the history of the company." Further on in this same letter, Brink's president cites these facts and statistics showing the scope of Brink's operations:

> Over one-half of all the armored cars operating on the streets and highways of the United States carry the Brink's shield and trademark. In six Canadian Provinces, Brink's Express Co. of Canada, Ltd., operates an additional fleet of 100 armored cars that are counterparts of those in the United States * * * as of February 1959, Brink's has 112 branches and 1,026 armored cars handling an average of $1⅓ billion a day. In the course of this operation, Brink's armored cars make over 150,000 commercial stops per week and over 21,000 bank stops. In a year, the armored cars run up a total of about 12,500,000 route miles.

Contrast these gigantic operations and the tremendous economic power of Brink's to the strictly local operations of Armored Car Services, with its total of four armored cars and its relatively small, hard-earned capital. Notwithstanding this great dissimilarity, however, Armored Car Services was able, for a brief period of time, successfully to compete with Brink's, Inc., for the local business.

However, Armored Car Services had just barely gotten its feet on the ground when Brink's began its unscrupulous, below-cost price cutting, which by the reported word of one of Brink's own representatives—who might be more properly described as a Brink's "hatchet man"—informed a prospective customer to whom he was offering a ridiculously low price that their offer was not for the purpose of competing with Armored Car Services but for the express purpose of driving them out of business. Brink's offered to sign a contract with another potential customer under which they would carry the customer's money and securities absolutely free for a 2-year period. The intent behind this particular offer is so obvious that no further comment by me is necessary on it.

I am, however, going to cite a number of specific instances—all of which I believe clearly show that Brink's—in an effort to continue its monopolistic stranglehold on the money and security transportation business in the Washington metropolitan area—is using its great economic power as a bludgeon to smash the life out of this small local competitor—fully realizing that Armored Car Services is virtually powerless to fight back.

The first case involves the Washington, Virginia, and Maryland Coach Co., popularly known as the Arnold Bus Line. This was the very first customer signed up by Armored Car Services, and the contract, which became effective on February 1, 1957, provided for a monthly payment of $63.50 to the Armored Car Services for their services. Prior to this, Brink's had the contract with Arnold Bus Lines, and the price thereunder was $105 per month.

On January 31, 1958, the vice president and sales manager of Armored Car Services both paid a visit to the office of Mr. DeStefano, treasurer and comptroller of the W.V. & M. lines for the purpose of renewing the contract that was expiring the following day. During their meeting, Mr. DeStefano showed them a letter from Brink's offering to perform the same service which they formerly had for the price of $35.50 per month. In other words, Brink's was now willing to drop their price to one-third of their original price of $105. Mr. DeStefano stated that he clearly recognized the intent of Brink's behind such an offer, but that he would be forced to accept their offer in 1959 unless Armored Car Services could meet it.

The second case involves the Citizens Bank of Maryland. Armored Car Services has a contract with them under which the bank pays a monthly rate of $92.50 plus an additional 10 percent per bag charge for handling change. In December 1958, the sales manager of Armored Car made a good-will call on Mr. Hollingsworth, the executive vice president of the Citizens Bank of Maryland. During their conversation Mr. Hollingsworth stated that Brink's had offered to come down to a monthly rate of $50 for the same services which they formerly

rendered at a cost of $140 per month. However, Mr. Hollingsworth, recognizing what Brink's was trying to do, refused their offer.

The third case involves a Virginia bank, the Shirlington Trust Co. Brink's originally serviced this bank charging rates of approximately $120 per month. In 1958 Armored Car Services was successful in negotiating a contract for $85 per month. On March 2, 1959, the president of the Armored Car Services received a telephone call from the executive vice president of the Shirlington Trust Co., informing him that Brink's had made an offer to handle their money and securities for $34 per month.

While I am going to cite the facts of several more cases, I want to comment on these three at this time. I believe that the facts of these cases unquestionably show one of two things—either that Brink's originally was charging these three firms unreasonably high prices, or that they are now offering their services at prices far below those which will allow a reasonable profit.

The facts of these cases have been discussed with a practicing antitrust attorney who is an expert in this field. He concurs wholeheartedly with my belief, and stated that these facts undeniably show Brink's malicious intent to force Armored Car Services out of business through the evil of their great monopoly power.

In another case involving the Raleigh Haberdashery on F Street in downtown Washington, one of the Raleigh's officials asked Brink's representative point blank if Brink's was offering them new low rates for the purpose of eliminating competition, and the Brink's man replied with a definite "Yes."

Armored Car Services offered the Shoreham Hotel a contract containing an $85 per month rate in December 1958, without knowing what Brink's had been charging the Shoreham in the past. When Brink's learned in February 1959 that the Shoreham was about to give Armored Car Services the contract they immediately lowered their rates from $113 per month to $65. The Shoreham hotel official stated that while he fully realized why Brink's was offering this rate, he felt that Shoreham would have to accept in order to get back some of the high amounts they had paid Brink's prior to Armored Car Services' entry into this field.

Still another case involved a chain of grocery supermarkets with which Armored Car Services had successfully negotiated contracts. This chain was immediately threatened by a "secondary boycott" because of signing up with Armored Car Services, a nonunion shop. The reason why Armored Car Services was not a union shop at the time was because of their limited business. Some of their drivers were needed only for half days on certain days. Although Armored Car Services intended to join the union as soon as their business was sufficiently large enough to warrant it, they were forced to join before their business warranted it. The result has been that they have often had to pay wages to their employees who have had no work to do.

The facts of these cases all lead to a single, alarming conclusion—Brink's has used and continues to use every dirty trick in the book to destroy their competitor and regain their former position of absolute monopoly. It is a well-known fact that a number of local bankers were considering establishing an armored car service of their own several years ago because they were highly displeased both with the type of service Brink's was rendering and because of the exorbitantly high prices Brink's was charging them. These same bankers have told Armored Car Services on a number of occasions how pleased they are that Armored Car Services is giving Brink's some competition. Many of these bankers are now Armored Car Services' customers and refuse even to consider Brink's present lower offers because they remember well Brink's past high-handed dealings with them. However, many businesses feel as the Shoreham Hotel does—namely, that they must accept Brink's lower offer for two reasons—one being that their stockholders are entitled to the lowest cost service available in order to show a greater profit, and two, their desire to balance off part of the former high charges levied against them by Brink's in its former role of absolute monopolist—a role which it obviously enjoyed and one which it is seeking to regain by its cutthroat pricing practices and other devious and deceptive means.

And the frightening thought is the realization that Brink's is well on its way to achieving its selfish goal—that of complete destruction of Armored Car Services so that it can regain complete control and again charge whatever prices it may choose. However, I do not intend to stand idly by and see Brink's destroy my constituent—Armored Car Services. I have gone into this matter thoroughly to determine which Federal agency has jurisdiction over antimonopoly matters of this nature. I learned that ordinarily the Interstate Commerce Commission would have jurisdiction because it is the Federal agency charged with the responsibility of regulating common carriers. However, at a conference with an ICC official I was informed that the ICC had exercised the statutory discretion vested in them by Congress and had exempted the Washington metropolitan commercial zone from their control. This commercial zone includes the part of Virginia and Maryland in which Armored Car Services does the bulk of its business.

Following this conference, I checked with an attorney in the Antitrust Division of the Department of Justice to determine if they would have jurisdiction. He replied that they did have jurisdiction, citing a recent Federal case, *U.S.* v. *RCA*, 358 U.S. 334, which held that the Department of Justice had jurisdiction over a corporation whose transmission operations were regulated by another Federal agency—in this instance, the Federal Communications Commission. This same attorney informed me that from these facts which I have just presented it appeared that Brink's was attempting to monopolize, in violation of section 2 of the Sherman Antitrust Act. Accordingly, I have today sent a letter to the Attorney General, requesting that the Antitrust Division of the Department of Justice take immediate action to investigate this situation, and to order Brink's to stop their indiscriminate price-gouging practices.

Furthermore, I have suggested to Armored Car Services that they might want to consider bringing a civil suit for treble damages against Brink's, following the outcome of the Antitrust Division's investigation and findings. Of course, it is a well-known fact that the treble damage suits are long, drawn-out affairs because of the great backlog in the Federal courts, and, also, that they are very costly. It is for this reason that I have requested the Attorney General to take prompt action before Brink's has succeeded in draining the economic lifeblood out of Armored Car Services.

PREVIOUS ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak on two subjects.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

MRS. CATHERINE MAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning we had a most wonderful exhibition that Mr. Summerfield, the Postmaster General, asked us to attend, at his office demonstrating the mechanization of the postal service. I saw there our distinguished colleague, the gentlewoman from Washington [Mrs. MAY]. I wish to join my colleagues in commending the gentlewoman from Washington. She was there at the postal exhibition looking after her district's postal matters. Mrs. MAY deserves commendation from all of us for her ability and her courage and her keen grasp of all the matters which have come before her during her freshman term in the Congress. More than that, and I speak from the point of view of one close to her, the gentlewoman from Washington brings to the House honesty, warm feeling, and kindliness which will make for her many friends on both sides of the aisle. We know that the gentlewoman comes from a district with many varied interests which requires keen understanding. We are all aware how hard and unselfishly the gentlewoman from Washington works for her people. Her district is to be congratulated for its good sense in choosing her to represent them in the Congress of the United States.

MECHANIZATION IN THE POSTAL SERVICE

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning it was my privilege, at the invitation of the Postmaster General, to see at his office a most inter-

esting and fascinating exhibit of the new mechanization plans for improving the postal service. Certainly Mr. Summerfield, the Postmaster General, deserves an enormous amount of credit for what he and his staff and the manufacturers who have assisted, are accomplishing for the postal service.

It is almost uncanny what machines can do in the sorting of mail, the picking out of letters that have not been stamped and returning them, and other feats that are done as if the human mind were guiding the work instead of a machine.

I wondered, as I watched these mechanical things, how much work would be lost to our postal employees. That matter has disturbed me very greatly. The answer was always, "We do not intend to drop people, some people may be dropped by attrition when they are up for retirement, but in the main we expect more work for the postal service."

While this has been going on, Mr. Chairman, our mails have been delayed, very badly delayed. From Massachusetts, Mr. George Brown, of the regional office, and Mr. deMotts, the head assistant of that office, were there. I would like to commend Mr. Brown for his great helpfulness to me and the people of all New England in all postal matters. I congratulate the Postmaster General and his thousands of employees—for their unity. I wish for them a happy future and I hope for the users of the mail that their service will be greatly facilitated. We, in the Congress, know too well what prompt delivery of mail means for the people of America.

CURRENT EFFECT OF THE TOMBSTONE LAW

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I just learned from what I regard as a very reliable source that 3 out of 5 lieutenant generals in the U.S. Marine Corps are contemplating asking immediate retirement in order to obtain advancement in rank before the repealer of the tombstone law becomes effective. These are Lt. Gen. Vernon McGee, commander of the Fleet Marines, Atlantic; Lt. Gen. E. A. Pollock, commander of the Fleet Marines, Pacific, and Lt. Gen. Nathan B. Twining, commanding general, Quantico.

These men, if they are retired immediately, will receive the promotion to which they are entitled and which they have earned on the basis of combat citations.

It is also my understanding that between 80 and 85 percent of the officers of the Marine Corps of the rank of colonel are going to ask for immediate retirement. If this is true, in this critical time in the affairs of the world, it is indeed a difficult situation and one which should impel us here in the Congress to rectify that legislation which was hastily passed and which is denying so many fine officers the rewards which are part of the promise that our Nation has made to them for the careers in the service which they have made, for the protection of the United States.

I hope that the Navy Department will make a statement on this forthwith so that we may know exactly what effect this legislation is having. I am certain if it is having such an effect in the Marine Corps it will likewise have such an adverse effect of equal magnitude in the other branches of the service.

HIGHWAY CONSTRUCTION PROGRAM

Mr. McSWEEN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MOELLER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MOELLER. Mr. Speaker, I have asked for this time so that I may bring to the attention of the House the extremely serious situation in which my State of Ohio has been placed by the failure of Congress up to this time to enact legislation providing for the financing of the Federal contributions to our highway construction program in the coming fiscal years. The situation is particularly acute with respect to the fiscal years 1961 and 1962.

At this time, Ohio has been forced to suspend letting of all Federal aid highway contracts, not only for the Interstate Highway construction, but also for the so-called ABC roads, primary, secondary, and urban. Until authorizations for at least fiscal 1961 are approved, this situation will continue. Further, the State has already used its own funds to finance about $40 million of the Federal share of interstate contracts for fiscal 1961, under authorization of the 1956 Federal Aid Highway Act and with the approval of the Bureau of Public Roads. Thus, Ohio's own funds are now mortgaged to this extent until further Federal funds are released to pay us back.

This state of affairs imposes a terrific burden on our State treasury, on our highway department, on the construction industry, allied businesses, the overall State economy, and on motorists. The State has acted in good faith in the spirit of the 1956 act. It has presented and has set into high gear a progressive program to carry out the intent of Congress as expressed in 1956 and as confirmed in 1957–58. We have now been forced to apply the brakes. Unless we can again shift into high gear with an uninterrupted program at or near the levels contemplated in the 1956 act, the penalties we are already suffering will be multiplied. There is absolutely no excuse for causing such a tremendous direct financial loss on contractors who have geared their businesses to handle the anticipated construction, on the communities affected, and on the individual construction employees who will be unemployed if work must stop—10,000 jobs in the construction industry alone are involved.

Aside from these considerations I wish to emphasize the fact that in our State alone we have built or have under construction at this time about $487 million worth of new highways under the Federal programs which will be largely unusable until we have received the $180 million necesary to provide the access roads and other improvements needed to put the new highways into actual operation. Consider what an economic waste is involved here if these new roads are allowed to lie idle why we in Congress dawdle in making up our minds, or if we fail to provide sufficient funds to permit construction of all the improvements necessary to put them into operation. No efficient industry would consider wasting an investment of this size. We talk about inefficiency in Government. This is our chance to do something to prevent an outstanding example of such inefficiency.

Up to this point I have talked only about the economic factors involved in the highway program. However, there is an even more vital consideration. I speak of the saving of human lives and the avoidance of human suffering which will result from the completion of newer and more modern highways. Every day that we delay in the construction of each mile of proposed new highway costs us something which cannot be evaluated in terms of dollars and cents. It is estimated that when the proposed 1,428 miles of interstate highways in Ohio are completed we will reduce our traffic accident deaths by 240 each year. Can we in good conscience let political considerations stand in the way of letting these people live? There is no way of estimating how much pain and misery we may save those who are marked for injury in the years to come, and how much suffering on the part of their families may be avoided if we push the highway construction program through without interruption. But I know that if we do not, each time I read of a death or a maiming on one of our inadequate roads I will ask myself "Could this tragedy have been avoided if Congress had acted in time and to the full extent of its powers?"

I hold no brief for any particular method of financing the future needs for this highway construction. I do not, however, believe that we should bind ourselves to a complete "pay-as-you-go" policy. My fundamental and irrevocable feeling is that we must maintain the program at a level equal or nearly equal to that for which we have planned in Ohio and in nearly every other State. My reasons for this are simple. They are explained eloquently in a résumé of the effect of a cutback on the highway program in Ohio which I would like to read into the RECORD at this point. This statement was prepared by the Director of the Ohio Department of Highways, Mr. E. S. Preston. I am sure that the impact of a curtailment of the Federal aid funds in Ohio which he outlines applies almost equally to most of our sister

States. I sincerely hope that the Committee on Ways and Means and the Committee on Public Works will bring this issue to the floor without further delay. When it does reach the floor, the Congressman from the 10th District of Ohio intends to support vigorously a program for fiscal years 1961 and 1962 which will provide funds at least equal to those proposed in the Fallon bill, H.R. 8678. I trust that my colleagues in the House will be equally vigorous in support of such amendments as may be necessary to reach this goal.

A RÉSUMÉ OF HOW THE FEDERAL HIGHWAY PROGRAM AFFECTS OHIO

(By E. S. Preston, director, Ohio Department of Highways, August 24, 1959)

I. WHAT OHIO HAD PLANNED

A. For the biennium beginning July 1, 1959—$360 million in interstate construction ($324 million in Federal aid allocations plus $36 million of State and local matching money).

B. The State had also planned to indulge in advance planning and advance purchase of rights-of-way on the Interstate System—perhaps to the extent of $40 million.

C. Ohio has its matching money. The State legislature passed a 2 cents per gallon increase in gasoline tax this year so Ohio could hold up its end of the bargain made with the Federal Government in the form of the 1956 Federal Aid Highway Act.

D. In addition, the legislature approved an act which will make available to the highway department from various State trust funds money for advance acquisition of rights-of-way.

II. EFFECTS OF THE CURRENT PROPOSALS FOR FINANCING THE INTERSTATE PROGRAM ON OHIO'S CONSTRUCTION PROGRAM

A. No 1961 interstate and primary, secondary, and urban fund allocations would cause a complete halt on construction of the Federal Aid Highway System in Ohio.

1. Ohio has already financed $40 million in interstate contracts entirely with its own funds in anticipation of the 1961 Federal allocations. The State cannot afford further advance financing before additional Federal apportionments are made and there is assurance of reimbursements when vouchers are presented to the Federal Government.

2. There is no provision for advance financing of the ABC (primary, secondary and urban) Federal aid system and Ohio has used most of such 1960 allocations. There is doubt Ohio would be reimbursed should it let further ABC contracts because of the present shortage in the Federal aid trust fund.

B. A $1.8 billion apportionment such as envisioned in the latest House Ways and Means Committee action—would force a $50 million cut in Ohio's planned interstate construction program the first year because it is $46 million less than the 1960 allocations. Including local and State matching funds, the total reduction in contracts would be $50 million.

C. A $2 billion allocation for 1962—would result in Ohio receiving $130 million—about $33 million less than 1960 and would dictate a $36 million reduction from planned levels of interstate construction.

D. $2.2 billion allocation—$143 million for Ohio.

E. $2.5 billion allocation—$162 million for Ohio which is the amount originally anticipated and the figure upon which the State based its planned program. This level of apportionments would allow Ohio to complete contract awards on the Interstate System before 1975—the year the highways are being designed for.

III. ECONOMIC IMPACT IN OHIO OF STOPPING OR CURTAILING THE PROGRAM

A. To industry: Complete cessation would probably cause the loss of 10,000 jobs in the highway construction industry alone.

B. To allied businesses: Stoppage of contracts would be a severe economic blow to suppliers of materials for road construction and to manufacturers of road building equipment. Ohio is the center of such manufacturing activities.

C. To the overall State economy: Economists say that for every dollar spent on highway construction there results an additional $4 of economic activity. Thus the economic loss to the State can be determined by multiplying the reduction of the interstate program by four.

D. To the motorists: Ohio State highway department planners figure a 2-year delay in completion of the Interstate System would cost the motorists $21,300,000.

E. Additional cost of delaying the program: Any delay which idles contractors is bound to reflect itself in higher bid prices because builders are geared up for a large program. A curtailment will result in red ink which must be covered later in the program.

IV. CONTINUED HIGHWAY CONSTRUCTION IS ESSENTIAL TO TRAFFIC SAFETY

A. Completion of the 1,428-mile network of interstate highways in Ohio will result in 240 fewer traffic deaths each year. For each year completion of the system is delayed, there will be needless traffic deaths.

B. Completion of the system will result in 60,000 less traffic accidents and a reduction of $50,750,000 in accident costs. (Accident costs total 1 cent a mile on normal two-lane highways compared to one-third cent a mile on interstate type highways, according to the U.S. Bureau of Public Roads).

V. OHIO WENT AHEAD BECAUSE OF THE 1956 CONGRESSIONAL PROMISE

A. That promise was contained in the 1956 Federal Aid Highway Act which declared it was the intent of Congress to provide funds at such a level that the Interstate System could be put under contract by 1969 and completed by 1972. Acting on this declaration, the State highway departments and contractors enlarged their output to meet the challenge of the greatest public works program in history. Now the imminence of a delay and stretchout in the program, wholly inconsistent with the promise of 1956, threatens totally needless economic waste.

Congress has a moral responsibility to continue the program at a level consistent with its original declaration.

VI. CONCLUSION

A. H.R. 8678, Mr. FALLON, and/or H.R. 8679, Mr. SCHERER (identical bills), represent the minimum solution in terms of Ohio's economical well-being and to the highway trust fund deadlock.

Jobs and prosperity in the highway construction industry, as well as many other industries, is at stake in the solution of this problem. Perhaps more important from the point of view of the people involved is the contribution to traffic safety which continued highway construction will make. An adequate, safe, smooth and complete highways system for Ohio is long overdue.

The purpose of this analysis is to seek your support and vote for this minimum legislation to continue this needed highway construction program. Ohio's stake is greater than any other State's.

RED CHINA'S ADMISSION TO THE UNITED NATIONS

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HALPERN. Mr. Speaker, the action of the House in voting 368 to 2 in favor of the resolution opposing Red China's admission to the United Nations has won the acclaim of the entire country. This reaffirmation of American sentiment just a short time before the United Nations reassembles will, we hope, give pause to those countries who insist that Red China should participate in the councils of that body. And I trust that the United States delegates will heed this action of the elected Representatives of the American people and use the veto power, if need be, to block Red China's admission.

I was particularly pleased to vote for the resolution because I cannot accept the concept that any nation, great or small, can force its way into the world body of nations through intimidation, aggression, cynical opportunism, and brutality. If these are the credentials for admission we might as well scrap our system of values built up over the course of more than 2,500 years. Tyrannical imperialism cannot in any manner be construed to be in conformity with the principles of justice under law, independence of nations, and self-determination.

China does not qualify for admission under the Charter of the United Nations. Article IV of that charter, which relates to admission of nations other than the original members, reads:

> Membership in the United Nations is open to all other peace-loving nations which accept the obligations contained in the present charter and, in the judgment of the Organization, are able and willing to carry out these obligations.

The "obligations" referred to in the charter consist among others of the principles of settlement of disputes by peaceful means and the refraining by members of the threat of use of force against the territorial integrity or political independence of any state.

As long as Red China adamantly and irrationally insists on violating these obligations, it will by its own actions—not others—keep itself from admission to the United Nations. No reasonable person can argue that its past and present record in any way refutes its consistent violation of these charter provisions.

The record of the Red Chinese Government in the decade since it bludgeoned its way to power in that country hardly lends support to those seeking its current admission to the U.N. Aggression, subversion, coercion, guerrilla raids, suppression of independent governments, the flaunting of international agreements, despotic and brutal disregard of human rights—the hideous roster is there for all to see—Korea, Burma, Indochina, Quemoy, Matsu, Tibet, and Laos. And recent reports from the northern frontier of India indicate mounting Chinese coercion against Bhutan, Nepal, and the other small buffer states in the Himalayas.

Despite years of negotiation at Geneva and Warsaw, Red China is still holding Americans in prison on charges never proved in courts of competent jurisdiction under the protections of due process of law. We cannot forget these Americans for whom the Reds consistently refuse to give an accounting, despite their pledges solemnly made at Panmunjom—another sickening, horrible example of broken promises and commitments.

Admission of Red China to the United Nations would endanger the free world security system which we and our allies have built up in Southeast Asia. It would constitute a devastating blow to our policy of moral and material support of the small nations in that part of the world which are desperately endeavoring to maintain themselves against the massive pressures from Red China.

It would constitute a demoralizing blow to the Government of Nationalist China on Formosa and lead to the recognition of the Red China Government by the other nations of the world, thereby enormously increasing the prestige of that Government and of communism.

It would, in short, give aid and comfort to a nation which is determined to destroy us, which is, in effect, at war with us.

Let us hope that the indication of American determination not to be coerced by force or aggression, so splendidly demonstrated by the adoption of the resolution by the House of Representatives, will reverberate throughout the world until every aggressor realizes that free men will not be dissuaded from their goal of justice for all nations under law.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STRATTON, for 20 minutes, on today.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. BAILEY, for 15 minutes, on Thursday.

Mr. PORTER to extend his special order for tomorrow from 30 minutes to 60 minutes.

Mr. CONTE, for 30 minutes, on tomorrow, Thursday, August 27.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE in three instances and to include extraneous matter.

Mr. MEADER and to include extraneous matter.

Mr. FULTON and to include extraneous matter.

(At the request of Mr. MICHEL, and to include extraneous matter, the following:)

Mr. HESS.

Mr. CURTIS of Missouri.

Mr. JUDD.

(At the request of Mr. McSWEEN and to include extraneous matter, the following:

Mr. MCDOWELL.

Mr. KARTH.

Mrs. SULLIVAN.

Mr. FRIEDEL.

Mr. TOLL.

Mr. COFFIN.

Mr. ANFUSO in two instances.

Mr MULTER.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAGUE (at the request of Mr. ALLEN), on account of serious illness in family.

Mr. BOGGS (at the request of Mr. ALBERT), for the remainder of the week, on account of official business (attending Interparliamentary Union Conference).

Mr. CRAMER (at the request of Mr. ARENDS), on account of death in family.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi; and

S. 1945. An act for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 25, 1959, present to the President, for his approval, bills of the House of the following titles:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 1579. An act for the relief of Basile Ignatius Mavridis;

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr.;

H.R. 2317. An act to amend section 7 of "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration;

H.R. 7638. An act for the relief of the estate of Sakihara Koki; and

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago in the State of Illinois as hereinafter described.

ADJOURNMENT

Mr. McSWEEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, August 27, 1959, at 11 o'clock a.m.

OATH OF OFFICE, MEMBERS

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear truth faith and allegiance to

the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 86th Congress, pursuant to Public Law 412 of the 80th Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U.S.C., title 2, sec. 25), approved February 18, 1948: DANIEL K. INOUYE, Hawaii, at large.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1335. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to include certain officers and employees of the General Services Administration within the provisions of the United States Code relating to assaults upon, and homicides of, certain officers and employees of the United States as constituting a crime"; to the Committee on the Judiciary.

1336. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend section 201 of the Social Security Act to revise certain provisions relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.; without amendment (Rept. No. 1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 358. Resolution for consideration of S. 2539, an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; without amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 8708. A bill to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding; without amendment (Rept. No. 1046). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6508. A bill to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; without amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6067. A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $2,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman; with amendment (Rept. No. 1049). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 8042. A bill to authorize the Secretary of Commerce to resell four C1-SAY-1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively; with amendment (Rept. No. 1050). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee of conference. S. 994. An act to authorize the Secretary of the Interior to construct, operate and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws (Rept. No. 1051). Ordered to be printed.

Mr. ASPINALL: Committee of conference. H.R. 6596. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes (Rept. No. 1052). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 529. A bill to discharge more effectively obligations of the United States under certain conventions and protocols relating to the institution of controls over the manufacture of narcotic drugs, and for other purposes; with amendment (Rept. No. 1053). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 4251. A bill to amend the Internal Revenue Code of 1954 so as to remove the 4-year limitation on deduction of exploration expenditures; with amendment (Rept. No. 1054). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on Agriculture. H.R. 8639. A bill to create an Agricultural Research and Development Commission, to provide for more effective research programs designed to expand markets for agricultural and forestry products, to reduce surpluses, to increase farm income, and to benefit consumers, and for other purposes; with amendment (Rept. No. 1055). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 6309. A bill to amend section 46, title 18, United States Code, with respect to transportation of water-hyacinths and seeds; with amendment (Rept. No. 1056). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins; without amendment (Rept No. 1041). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2050. An act for the relief of Leokadia Jomboski; without amendment (Rept. No. 1042). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2102. An act for the relief of Irene Wladyslawa Burda; without amendment (Rept. No. 1043). Referred to the Committee of the Whole House.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3792. A bill to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp. of New York; without amendment (Rept. No. 1048). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON of Texas:

H.R. 8826. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ALBERT:

H.R. 8827. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H.R. 8828. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H.R. 8829. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CRAMER:

H.R. 8830. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DAGUE:

H.R. 8831. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 8832. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.R. 8833. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. HOLLAND:

H.R. 8834. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H.R. 8835. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H.R. 8836. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MAILLIARD:

H.R. 8837. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H.R. 8838. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Colorado:

H.R. 8839. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mrs. WEIS:

H.R. 8840. A bill to provide a health benefits program for certain retired employees of

the Government; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H.R. 8841. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 8842. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Missouri:

H.R. 8843. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 8844. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRY:

H.R. 8845. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. BENTLEY:

H.R. 8846. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. MARTIN:

H.R. 8847. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. OSMERS:

H.R. 8848. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. WAINWRIGHT:

H.R. 8849. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mrs. BLITCH:

H.R. 8850. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 8851. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. DORN of South Carolina:

H.R. 8852. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. BARR:

H.R. 8853. A bill to amend title II of the Social Security Act to provide that the widow of an insured individual shall be entitled to benefits thereunder (if otherwise eligible) without regard to the length of time such widow was married to such individual before his death; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 8854. A bill to amend the Internal Revenue Code of 1954 to provide that the proceeds of certain crimes shall be included in gross income; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 8855. A bill to authorize the Secretary of the Interior to make payments to certain Indians for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range; to the Committee on Interior and Insular Affairs.

By Mr. BURKE of Kentucky:

H.R. 8856. A bill to amend section 1613 of title 38, United States Code, to permit veterans to receive education and training after the expiration of 8 years following their discharge where they were prevented from receiving such education and training under administrative regulations which were subsequently reversed or modified; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H.R. 8857. A bill to revise, codify, and enact into law, Part II of the District of Columbia Code, entitled "Judiciary and Judicial Procedure"; to the Committee on the Judiciary.

H.R. 8858. A bill to amend subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings, except for petitions in bankruptcy; to the Committee on the Judiciary.

By Mr. COFFIN:

H.R. 8859. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H.R. 8860. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ELLIOTT:

H.R. 8861. A bill to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLIKEN:

H.R. 8862. A bill to amend title VII of the Federal Property and Administrative Services Act of 1949, to provide for payments in lieu of taxes for certain real property at Folsom, Pa.; to the Committee on Government Operations.

By Mr. MONTOYA:

H.R. 8863. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. MORRIS of New Mexico:

H.R. 8864. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 8865. A bill to provide for stabilization and orderly marketing in the poultry industry; to the Committee on Agriculture.

By Mr. VANIK:

H.R. 8866. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of stock or stock options issued or granted in whole or in part for services rendered, the gain therefrom shall be treated as ordinary income, and for other purposes; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 8867. A bill to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H.R. 8868. A bill for the relief of the Albertson Water District, Nassau County, N.Y.; to the Committee on the Judiciary.

By Mr. EVINS:

H.R. 8869. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. LENNON:

H.R. 8870. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 8871. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN ZANDT:

H.R. 8872. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DORN of South Carolina:

H.R. 8873. A bill to prohibit interstate contributions in connection with congressional primaries and elections; to the Committee on House Administration.

By Mr. JOHNSON of Colorado:

H.R. 8874. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H.R. 8875. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE of Texas:

H.R. 8876. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.J. Res. 508. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed

to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. BAILEY:

H. Con. Res. 418. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. CHIPERFIELD:

H. Con. Res. 419. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MORGAN:

H. Con. Res. 420. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CORBETT:

H. Con. Res. 421. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CURTIN:

H. Con. Res. 422. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MOORHEAD:

H. Con. Res. 423. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CELLER:

H. Res. 359. Resolution providing for the consideration of bill H.R. 8601; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 360. Resolution amending House Resolution 56, 86th Congress; to the Committee on Rules.

By Mr. McDOWELL:

H. Res. 361. Resolution expressing the sense of the House of Representatives with respect to the reduction of Federal expenditures and requesting the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes; to the Committee on Ways and Means.

By Mr. VANIK:

H. Res. 362. Resolution providing for the consideration of H.R. 8601; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

Mr. GIAIMO presented a memorial of the General Assembly of the State of Connecticut memorializing Congress concerning home rule for the District of Columbia, which was referred to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 8877. A bill for the relief of Pierangelo Torre; to the Committee on the Judiciary.

By Mr. BALDWIN:

H.R. 8878. A bill for the relief of Manuel Nido; to the Committee on the Judiciary.

By Mr. BENNETT of Florida:

H.R. 8879. A bill for the relief of Elton Alan Charles Peine; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 8880. A bill for the relief of Yue Ah Gee; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 8881. A bill for the relief of Joseph Ferreri; to the Committee on the Judiciary.

By Mr. JOHNSON of Maryland:

H.R. 8882. A bill for the relief of John Calvin Taylor; to the Committee on the Judiciary.

By Mr. LEVERING:

H.R. 8883. A bill for the relief of Mrs. Ekatrini L. Vasilakopoulos; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 8884. A bill for the relief of Hajime Misaka; to the Committee on the Judiciary.

By Mr. OLIVER:

H.R. 8885. A bill for the relief of William L. Berryman; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 8886. A bill for the relief of Michaelangelo Mariano; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 8887. A bill for the relief of Dr. Generoso Bigornia and Mrs. Patricia S. Bigornia; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8888. A bill for the relief of David John Maria, Angela Maria, and John Elias Maria; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

263. The SPEAKER presented a petition of James F. McManus, Levittown, N.Y., relative to a redress of grievance relating to his engagement in the sale of air transportation, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

The Coming Visit of Premier Khrushchev

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, there can be little doubt that the world can look forward to a series of sensational developments in the coming months. A few weeks ago who would have thought that Premier Khrushchev of Russia would be invited to visit the United States as an official guest of the President? Or that Mr. Eisenhower would pay a return visit to Russia?

A large number of people in the United States are alarmed over this turn of events. They feel that by inviting Mr. Khrushchev to this country we will greatly dampen the hopes of people behind the Iron Curtain for eventual liberation.

Conduct of foreign policy is in the hands of the President. He made the decision to exchange visits with Mr. Khrushchev. He sincerely believes that by meeting Mr. Khrushchev face to face he can alleviate to some extent the tensions which threaten world peace.

Mr. Eisenhower is undoubtedly the most respected world figure now in public life. He is placing his tremendous prestige on the line in the hopes that he can bring about a settlement of some of the world's more serious problems.

I am sure the President recognizes the risks involved. We could be lulled into a state of false security and let up in our determination to counter the Russian's cold war plans. The visits could bring about a split among the Western allies. Mr. Eisenhower's present visit to Europe is an effort to prevent this from happening.

Now that the decision to launch a determined peace offensive has been made, Congress must support the President wholeheartedly. A division at home at this time could be fatal.

I believe the people also have the responsibility to see that Khrushchev is received politely and correctly. Nothing would be gained by insulting him. All of the things he stands for are abhorrent to the American people but let us remember he is a guest of the President and as such he is entitled to a polite reception.

I have stated that on the whole I believe some good can come out of the exchange of visits. Khrushchev's ignorance about America is appalling. He apparently honestly believes that large corporations in this country want war to increase their profits. He also seems to think that workers in this country are enslaved by the "bosses."

If these and other misconceptions can be erased by the visit, it will be worth whatever risks are involved.

Mr. Eisenhower is no babe in the woods at this sort of international diplomacy. Some people in this country have expressed fear that he will be "taken in" by Khrushchev, but there have been reports out of Communist China that the Chinese are fearful Khrushchev will be "taken in" by the President. So perhaps this could cut both ways.

It is important that the world be reminded of the total dedication of the people of this country to peace. Mr. Eisenhower's present trip to Europe and the exchange of visits later are dramatic proof of our desire to build a world in which people can live at peace.

If Mr. Eisenhower can make a breakthrough on this front, if he can reassure Khrushchev that our foreign policy is based solely on a quest for peace, then perhaps some of the suspicions which cloud international relations can be removed.

Let us not kid ourselves that Khrushchev will leave this country a different person. He will still be the ruthless dictator of an aggressive, powerful nation. But perhaps he will understand a little better our hopes for peace and our determination to secure a just and lasting peace even at the risk of using the tremendous power at our command if necessary.

Perhaps he will be more convinced than ever that he cannot win by bluff and that further aggression will be costly to his country.

As patriotic citizens, all of us, I know, hope that Mr. Eisenhower's venture into personal diplomacy will be a resounding success.

The President Must Submit Better, Sounder, and More Specific Proposals to the Congress Than Heretofore if Federal Debt Is To Be Reduced and Stability Restored to the Dollar

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. McDOWELL. Mr. Speaker, the President must submit better, sounder, and more specific proposals to the Congress than heretofore if the Federal debt is to be reduced and stability restored to the dollar.

In a single day, recently, the President told a political rally in Washington, D.C., that—

It is the Republican Party that fights for responsible, sensible fiscal policy.

And sent Congress a message asking:

First. A sky-is-the-limit policy on Federal interest rates. This was turned down by the Congress.

Second. Another increase in the limit on the public debt. This was granted by the Congress.

The President has been talking economy, without calling attention to the performance record of his administration. Actually, the Federal debt has increased by $19 billion in the past 6 years, and the cost of interest on this debt has risen from $5.8 billion to $8 billion during the same period.

Obviously, the President must provide better, sounder, and more specific recommendations to the Congress than heretofore, or the Federal debt will continue to rise, and inflation will destroy the earning power of our people.

I have, therefore, prepared a resolution which I am offering today calling upon the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes.

I include here the text of my resolution, as well as an article from the Democratic Digest, of September 1959, which discusses some aspects of the current economy drive which have been generally overlooked by that part of the press which is oriented toward the Eisenhower administration:

HOUSE RESOLUTION 361

Resolution expressing the sense of the House of Representatives with respect to the reduction of Federal expenditures and requesting the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations, by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the House that in view of the increase in the Federal debt by nineteen billion dollars in the past six years, and the increase in the cost of interest on the Federal debt from five billion eight hundred million dollars to eight billion dollars during the same period there is a pressing need for substantial reductions in Federal expenditures in order to reduce the staggering burden of our ever-increasing Federal debt with its constantly rising interest and refinancing charges and resulting dangerous inflation. The House finds that business and agricultural subsidies to big businessmen and to big farmers, including but not limited to direct grants, disguised grants in the form of nonrepayable loans, postal subsidies, shipping and airline subsidies of various kinds, accelerated tax amortization programs, and indirect grants through long-term, low-interest-rate loans, and other methods and programs, although desirable as a means of assisting these special groups to retain their relative positions in the economy, should be reexamined in the light of the overall need for rigid control and a sizeable reduction of Federal expenditures.

SEC. 2. In view of the foregoing, the President is requested to prepare and transmit to the Congress by January 1960 advice, suggestions, plans, and proposals, including legislative recommendations which are better, sounder, and more specific than heretofore, to provide (1) for the reduction by not less than twenty-five per centum of all business and agricultural subsidies, together with such other specific proposals, including specific legisaltive recommendations, as he may deem advisable in order not only to prevent further increases in Federal expenditures but to actually reduce them, and (2) for the reduction of Federal income taxes in aggregate amounts equal to the total of the reductions in subsidies effected for the taxable years involved pursuant to such legislative recommendations.

[From the Democratic Digest, September 1959]

THE STATUS QUO SEEKERS: THEIR SCAREWORDS, "INFLATION"; THEIR TARGET, "PROGRESS"

Ever since the great crusade (the great crusade, that is, for the bankers and the big industrialists) came sweeping into Washington under the banner emblazoned with that magic word—Eisenhower—the crusaders have been desperately searching for a way to obstruct the program which the Democrats had designed to improve the welfare and security of the people.

Early in the crusade, of course, the crusaders found that they could not fight the program head on; any direct efforts to deny people the much-needed schools, housing, highways, medical programs, etc., were answered by the people at the polls. Any lingering doubts which the Republicans might have had about this were dispelled by the elections of 1958.

However, never ones to be daunted by the expressed wishes of the people, Republican hucksters continued their search for a way to merchandise an obviously unattractive program. And early this year they finally hit on what is certainly the most effective packaging yet for their negative ideas. They decided that one way to fight the people's welfare programs would be to come up with something positive which the people could be for (a balanced budget). But it might be even better, they decided, to come up with something scary which all the people could be against (inflation).

So they did both.

The first faint stirrings of a skillfully promoted and now mushrooming scare over inflation were heard last January and February when the President began holding press conferences at an unprecedented pace. (After his seventh consecutive conference, the Wall Street Journal, trying to contain its enthusiasm, remarked: "Not in nearly 5 years has Mr. Eisenhower held so many successive meetings with reporters.") The reason for Ike's sudden romance with the press soon became clear: He let it be known that despite the missile gap and the Berlin crisis, the one thing he wanted to talk about at his press conferences was inflation. Sooner or later would come one of his little sermons about the dangers of spending.

The next day, most of the Nation's editorial pages (and the following week such publications as Time and U.S. News) would translate his ambiguous sermons into a grammatically (if not economically) sound, continuing campaign against the Nation's newest scareword. As Don Campbell, business columnist for the Indianapolis Star, wrote: "Add to the Red peril and the yellow menace the name of inflation as one of the key bogeymen of the 1950's."

However, the Republican merchandisers were aware that press conference sermons were not enough. The Wall Street Journal and other papers reported that the President had also launched an all-out letterwriting campaign designed to drum up support for the fight-inflation drive. Secretary Seaton joined in (he was reported to have written about 100 letters) as well as Secretary Ezra Benson and Secretary Arthur Flemming.

The general theme of the letters was that everything must be done to support the President's budget because not to support it would lead to inflation. Most of the letters went to publishers asking for editorial support. As Ike put it: "Help in any way you think proper."

NEEDED NO URGING

Not that the publishers of most newspapers needed any urging. They had been printing editorials about economizing for years. But they were, no doubt, gratified at this new idea of fighting the welfare programs with the bogeyman inflation. And, no doubt, they were equally gratified that Eisenhower himself was finally going all out in an effort to block the Democratic programs—what the Republican press had helped put him in the White House to do anyway.

At the same time, the Republican national committee joined in the fight—although, considering the administration's failure to balance the budget or curb inflation, it is not clear just who or what the GOP was fighting. Nevertheless, the national committee, certain it had found an effective way to block Democratic programs, picked up the cry of "inflation" and begin coming out with a few gimmicks of its own. An example: The committee made available to GOP Congressmen tapes for a canned radio interview with Budget Director Maurice Stans. The Congressman contributes his voice to the tape by asking Mr. Stans questions. For instance, the Congressman asks: "One final question, Mr. Stans. What can the average citizen do to help maintain a sound dollar and to fight inflation?"

Mr. Stans, in a reply already taped, says there are many things, such as recognizing "the fact that the more the programs that are urged upon the Congress, the more difficult it is to hold the line, and it is important that people not on the one hand ask for or insist on a balanced budget and on the other hand petition their Congressman

for new programs of spending of one kind and another."

In other words, the Republican Congressman, with Mr. Stans' help, is saying in effect: "Now folks, no matter how much you think we may need those new schools, or new highways, or to keep up with the Russians in guided missiles, remember if we have those things it will cause inflation and we all know how bad that would be—otherwise, why would Mr. Stans, speaking for the President, be so worried?"

When efforts to promote something reach the point where Congressmen are coming out urging the people not to write in requesting much-needed schools, low-cost housing, improved highways, and a crash missile program, it is high time to ask: Who is really behind this campaign? And the answer is not hard to find, as every day a new barrage of full-page, anti-inflation newspaper ads is fired at the American public.

The real hidden persuaders hiding behind Ike and his constant cry of inflation are the big corporations, the big bankers, and the big insurance companies. They have been spending thousands of dollars (which could well be going into taxes to help offset the Eisenhower budget deficit) on an all-out advertising campaign to establish a fear-of-inflation climate. For instance, Republic Steel, the Young & Rubicam Advertising Agency, the Institute of Life Insurance, and the American Iron and Steel Institute have all joined in the effort to wreck the public welfare programs by trying to frighten people to death with the threat of inflation. (For examples of what the status quo seekers have been saying in their ads see above.)

Other groups joined in: A Sound Dollar Committee was formed with headquarters in New York; the Chicago Tribune launched an all-out drive against inflation and asked the 21-State National Industrial Council to urge newspapers in other States to join the drive. (The Tribune also reported that from the golf course in Augusta, the President said he was following the drive with keen interest and congratulated the Tribune on its efforts.) The Advertising Council, public service unit of the advertising industry, was also approached for help. But the council is still undecided about what to do—partly because of the obviously political nature of the anti-inflation drive.

As Congressman CHESTER BOWLES, Democrat, of Connecticut, told a college news conference audience: "This has been an extraordinarily skillful publicity campaign. I have never seen anything to equal it." Although conceding that there are a lot of honest people genuinely concerned about inflation (including the President), BOWLES said: "There are a lot of other people who have been trying to stop public housing, depressed area bills, social security programs, and all the rest." Both these groups, BOWLES explained, "have joined arms in a great alliance and they have learned they can't lick housing and depressed area bills and social security by a frontal attack so they have tried a flanking attack, so they have equated public housing, urban development, social security, with inflation. It has been extremely skillful."

Meanwhile the hidden persuaders, who have been stirring up so much excitement about inflation, have been reaping the gains of higher interest rates and showing no inclination to lower prices, despite the record profits recorded in many industries. Just recently, for instance, United States Steel announced all-time high net profits for the first 6 months of the year: $255 million. The same pattern held true for the other steel companies: Inland Steel reported a net income of $42.1 million for the first 6 months of 1959—more than double the net income for the same period last year. (For record-setting prices see table below.)

But the steel companies continue to cry that they cannot meet labor's demands without further price increases—which would be inflationary. (The steel companies have in the past always raised prices after a wage settlement, usually two or three times more than would be necessary to offset the increased wage costs. For instance, according to a study made by Senator ESTES KEFAUVER'S subcommittee, although the steel companies raised their prices $6 a ton in 1957, "a reasonable guess as to the magnitude of increased labor costs which have arisen from the July 1957 adjustments in wages and other benefits falls somewhere between $2.50 and $3 per ton.")

Behind the inflation hysteria, of course, is hidden one of the most cynical political maneuvers in history: the attempt to discredit all Democratic efforts to initiate the much-needed domestic and military programs by reiterating the emotional, fear-ridden word "inflation." If the President were really scared of inflation he would be willing to listen occasionally to students of our economy other than the representatives of big banking and big business who make up his numerous bridge and golf foursomes. If he did, he might learn a few things about prices which his big banking and big business friends have failed to tell him—such as the fact that one of the greatest causes of inflation today is the increased interest rates which have helped drive prices up on every item which the consumer must purchase on credit; or the fact that many costs have been held up artificially by "administered prices"—a fact given impressive substantiation by industry's unusually high profits.

However, the President continues to listen only to representatives of big business. Consequently his idea of the way to fight inflation is to come out—as he did recently—against raising the minimum wage to $1.25. But Ike never seems to show the same concern about raising the wages earned by bankers—which is what raising the interest rate amounts to. As Senator PAT MCNAMARA, Democrat, of Michigan, said: When Ike took office he must have taken two pledges of allegiance, one of which goes like this:

"I pledge allegiance to the banks,
And to the benefits for which they stand,
High interest, compounded
With tremendous profits for all."

While many are beginning to recognize the great inflation conspiracy as a concerted effort by big business to block the people's welfare programs, Ike persists in seeing a conspiracy working against the people. "I believe the public will soon realize * * *" the President said last February, defending his inadequate budget, "that we are engaged in a contest between the public interest and a wide array of special interests."

IKE'S SPECIAL INTERESTS

Senator JOHN J. SPARKMAN, Democrat, of Alabama, replied: "If President Eisenhower's definition of 'special interest' is old folks who have to live in firetraps instead of safe nursing homes; colleges which have no place to house their students; people of low and middle incomes who need a decent place to live; cities full of slums breeding poverty and crime which want to clean out those slums, and veterans who are in need of homes, * * * then I want to urge the Democrats to continue to help those kinds of special interests."

Despite his campaign promises and despite 6 years in office in which he has done nothing to get at the real causes of inflation, the President continues to say: "By golly, we ought to do something about this inflation." Meanwhile, prices continue their upward creep. Recently the Bureau of Labor Statistics announced that at the end of June the consumer price index had reached an alltime high, 124.5. Everywhere, low- and middle-income families were feeling the pinch. "It is just like being pecked to death by gnats," a Los Angeles homeowner lamented to a Time correspondent.

Ironically, the people are beginning to see the swarm of gnats for what they really are, despite the gigantic campaign to make inflation a scareword to be used every time someone mentions a public need. Recently the Gallup Poll announced that in answer to the question: "Which political party * * * do you think is most interested in keeping prices down?" the majority answered, "the Democratic Party."

It is more than possible that of all the phony slogans which the great crusaders have run up the flagpole, the great "fight inflation" campaign will make the loudest backfire yet.

PROFITS OF 428 COMPANIES GAINED 75.6 PERCENT OVER A YEAR EARLIER IN SECOND QUARTER

The columns below show corporate profits reported for the second quarter of 1959, and those for the like quarter of 1958, with percentage changes, by groups. Where individual company reports cover 3-month periods other than calendar quarters, the nearest comparable periods have been used:

	2d quarter, 1959	2d quarter, 1958	Change from year ago
			Percent
10 Aircraft makers	$7,208,000	$18,892,000	−61.8
4 Airlines	13,786,000	13,156,000	+4.8
19 Autos and equipment	543,706,000	135,828,000	+300.1
21 Building materials	122,196,000	70,450,000	+73.4
14 Chainstores	33,707,000	31,023,000	+8.6
19 Chemicals	152,062,000	87,020,000	+74.7
12 Department stores	44,164,000	32,881,000	+34.3
5 Distillers	19,757,000	13,383,000	+47.6
9 Drug makers	26,891,000	23,649,000	+13.7
14 Electrical equipment	87,191,000	66,393,000	+31.3
7 Farm equipment	85,472,000	47,342,000	+80.5
16 Food products	51,200,000	51,067,000	+.3
9 Mining and metals	52,939,000	23,717,000	+123.2
5 Office equipment	43,463,000	33,416,000	+30.1
15 Petroleum and products	386,482,000	303,823,000	+27.2
15 Pulp and paper	41,547,000	33,088,000	+25.6
9 Railway equipment	23,063,000	11,385,000	+102.6
8 Rubber companies	41,266,000	25,083,000	+64.5
21 Steel manufacturers	321,077,000	121,894,000	+163.4
12 Textiles	12,638,000	2,028,000	+523.2
8 Tobacco companies	57,293,000	50,162,000	+14.2
17 Tools and machinery	30,156,000	15,564,000	+93.7
97 Other companies	189,462,000	130,041,000	+45.7
Total, 366 industrials	2,386,726,000	1,341,285,000	+77.9
35 Railroads	147,583,000	59,286,000	+148.9
27 Utilities	119,554,000	110,622,000	+8.1
Grand total, 428 companies	2,653,863,000	1,511,193,000	+75.6

Ceremony Honoring Speaker Thomas B. Reed

EXTENSION OF REMARKS
OF
HON. FRANK M. COFFIN
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. COFFIN. Mr. Speaker, this morning you very kindly participated with the Maine delegation in the House in a ceremony in the rotunda of the Old House Office Building, in which we presented a new stone pedestal to support the Gutzon Borglum bust of Thomas B. Reed, late Speaker of this body. This presentation fulfills a keen desire on the part of some of us who have long been irked by the hollow plywood base, simulated to look like marble, which has hitherto served as the pedestal for a bust of a noted son of Maine, carved by a noted sculptor. What irked us was not any real or fancied slight, but the un-Maine-like idea of applying cosmetic skill to make wood look like something else. We could tolerate solid wood that looked like wood, or solid stone that looked like stone, but not hollow wood with face of stone.

Speaker Reed himself looked like what he was—a large, hearty, vigorous, and courageous man. With the thought that the membership might be interested in some of the contributions of Speaker Reed, I am inserting the remarks I made at our little ceremony this morning:

Mr. Speaker and honored guests, on this occasion it may be appropriate to note that at one time Maine occupied a position in national politics comparable to that occupied by the State of Texas, today. We are here, today, to dedicate a new pedestal for the bust of Thomas Brackett Reed, Speaker of the House of Representatives in the 51st, 54th, and 55th Congresses. In his last two terms the President pro tempore of the Senate was Senator William P. Frye, of Maine, and Asher Hinds, of Maine, author of "Hinds' Precedents," was Parliamentarian in the House. A little earlier, the powerful combine of James G. Blaine, Nelson Dingley, Reed and Frye controlled the political fortunes in Maine and occupied central positions in the Republican Party on the national level. Then, Maine possessed five seats in the House of Representatives.

Today's dedication is a statewide affair. Speaker Reed represented the first district, Congressman OLIVER'S constituency. The granite for the pedestal was quarried in Stonington, in Congressman MCINTIRE'S district. The cutting and finishing of the pedestal was done in my own district. We are paying tribute to a leader from our State and to the State itself.

Thomas Brackett Reed was born in Portland in 1839. A graduate of Bowdoin, he set out for the West to teach school and practice law in California. Apparently having seen all he wanted of that far land, he returned to his home State to make his career as representative and senator in the Maine State Legislature, attorney general, and finally Congressman from Maine's First District. He was first elected in 1876 and served continuously until 1899, when he resigned.

First nominated for the post of Speaker in 1885, Reed was elected to that post in 1889, when the Republicans controlled the 51st Congress. He was reelected in the 54th and 55th Congresses, resigning in September 1899, in disgust over the Spanish war and the annexation of Hawaii.

Speaker Reed is most noted for his contributions to majority rule in the House. As a member of the Rules Committee he had succeeded in ending filibustering on election cases, and on the tariff bill of 1883. His rules were adopted in the 51st Congress, dropped by the 52d, revived by the 53d, and restored by the 54th. They marked the first in the major steps toward modernization of House procedures and coincided with the compilation of the impressive "Hinds' Precedents."

In dedicating this monument to Thomas Brackett Reed, we are honoring a great line of Speakers who have brought the House to its present stature. Not the least of these greats is our present Speaker, the embodiment of tradition and respect for the need for democratic processes in our deliberations and actions. This pedestal is the product of the Maine coast, a symbol of integrity and an example of the craftsmanship which also marked the career of Thomas Brackett Reed.

I should mention, here, that we are indebted to the Deer Island Granite Co., of Stonington, Maine, and the James P. Murphy Co., of Lewiston, Maine, for the pedestal. They have donated this to the House of Representatives without any cost to the Federal Government.

Mr. Speaker, I wish to present to you, for your library in Bonham, Tex., a simple and homely memento of Thomas Brackett Reed. This is a bootjack, designed for colder climes than yours, but suitable, I am sure, for removing the boots for which your State is famous. This was given by Mrs. Frances W. Spencer, owner of the Thomas B. Reed house in Portland, Maine. The jack belonged to Mr. Reed, and may serve as a reminder to all of us that even the mighty must stoop to jack a boot.

In closing, Mr. Speaker, may I thank you for your cooperation in this, as in so many other matters, and offer to you my own admiration and good wishes for your continued leadership in the House.

The President's Veto of the Public Works Appropriation Bill

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, I was more than deeply distressed over the action of the President of the United States in vetoing the public works appropriation bill for fiscal 1960. In view of the fact that the House of Representatives and the U.S. Senate appropriated funds for these flood control projects after full and complete study, and the fact that each project was found to be fully and completely justified, it is my earnest hope that the Congress of the United States will override the President's veto. Unless we are successful in our efforts, our American taxpaying citizens residing in these affected areas will continue to suffer unnecessary flood damages. Therefore, Mr. Speaker, I will continue to do all within my power to see that this measure is passed over the President's veto by the necessary two-thirds majority.

Friendship Airport

EXTENSION OF REMARKS
OF
HON. SAMUEL N. FRIEDEL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. FRIEDEL. Mr. Speaker, it is an elementary proposition, universally acknowledged, that "justice delayed is justice denied."

The delays implicit in the judicial process were primarily responsible for the rise of administrative agencies. But today these administrative agencies are guilty of the same offense they were created to alleviate—delay in deciding cases.

As one of the elected Representatives from the great city of Baltimore, I rise to enter a vigorous and official protest concerning the unusual delay respecting the matter of Washington-Baltimore Adequacy of Service Investigation by the Civil Aeronautics Board, Docket No. 8148.

On May 3, 1956, a petition was filed requesting that the Civil Aeronautics Board investigate the inadequacy of service to the Greater Baltimore metropolitan area in accordance with sections 404 (a) and 1002 of the Civil Aeronautics Act of 1938, as amended. The hearings in this matter were concluded on September 18, 1957, and I submit that there can be no justification for the continued delay of the issuance of an order from the Board. It is a well-known fact that in the period of over 3 years since the institution of an investigation for adequacy of service in the Baltimore area, this area has continued to receive far less service than it is legally entitled to. This condition continues in spite of the institution of jetplane service to the west coast by two airlines. By no stretch of the imagination can the institution of this service be construed as providing a pattern of service which is necessary to meet the test of "adequacy."

On July 31 of this year, I wrote to the Civil Aeronautics Board about this matter, so vital to the interests of the large population of Greater Baltimore. In reply the CAB stated:

We agree wholeheartedly with your statement in your letter of July 31 as to the need for a prompt decision in our Baltimore-Washington adequacy-of-service case. Let us assure you that we are striving to make our findings, based on a very ponderous record, as quickly as possible.

As you are aware, and as the record before us makes so clear, the issues in this complex proceeding are of considerable economic consequence to the airlines and to the public. We feel that the fairness and soundness of our decision are equally as important as its promptness.

In addition, scores of matters of many types must be given attention by the Board so that we do not find ourselves able to devote the continuous hours to this case which would be desirable. We have had, for instance, the Northeastern States area investigation before us in which we recently voted tentative approval for service between Washington, Baltimore, and Boston via Allegheny Airlines.

Acknowledging that the record may be ponderous, certainly sufficient time has elapsed since November 7, 1958, when oral arguments were completed, for a decision to have been reached.

As to the "scores of matters of many types [which] must be given attention by the Board so that [they] do not find themselves able to devote the continuous hours to this case which would be desirable," does the Board expect its caseload to lighten? Is it hoping for a slack period in order to devote time to this case? Or is the Board merely offering weak excuses for failure to have performed its function?

Obviously the reasons ascribed do not justify the delay.

The people of Baltimore erected a truly magnificent airport in 1950. The Friendship International Airport was immediately hailed as one of the truly excellent facilities in the world, especially due to the fact that when this airport was planned, the use of fast jet planes was clearly envisioned.

I should like to point out that the CAB's own examiner estimated that well over 75,000 Baltimoreans are obliged to travel to and from Washington's National Airport each year. This proves conclusively that Baltimore does have the present potential of adequate numbers of passengers that desire to travel by air. Also, recent figures of passenger service at Friendship reveal a 36 percent incease over last year—additional and conclusive proof that when the service is here, the passengers are, too.

On August 14, 1959, I again wrote to the Civil Aeronautics Board that I could not understand the reason for the long delay in reaching a decision in this particular case. As a member of the Interstate and Foreign Commerce Committee of the House of Representatives, I feel that if a decision is not reached by the CAB within a reasonable time, an investigation and searching inquiry would be indicated respecting this matter. The urgent needs of almost 2 million of our citizens must be given due and proper recognition.

Maj. Gen. William P. Fisher

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HESS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. HESS. Mr. Speaker, under leave to extend my remarks, I wish to call attention to one of the distinguished military officers on the Washington scene who is soon to leave. Maj. Gen. William P. Fisher, the Air Force Director of Legislative Liaison, is to become in a few weeks the Commander, Eastern Transport Air Force, Military Air Transport Service at McGuire Air Force Base, N.J.

Bill Fisher is an airman for whom I have great respect and admiration. He was born the son of a Congregational minister in Atlanta, Ga. He grew up in Southern Pines, N.C. He graduated as an engineer from North Carolina State College in 1934 after a 2-year interruption of his education to work. He then became a flying cadet in the Army Air Corps. After completion of his flying training he competed for a Regular Army commission which he won in October 1936.

On December 7, 1941, Bill Fisher, then a major of 2 days' standing, was wounded in the Japanese attack on Clark Field in the Philippines. His airplane out of action, he led his squadron, the 28th Bombardment Squadron of the famous 19th Bombardment Group, as it fought on the ground as an infantry unit. But he was soon back in the air fighting the Japanese from Java. After a short interval in the States, he returned to the war as a colonel in command of the 308th Bombardment Group under Maj. Gen. Claire Chennault in China.

During the Korean conflict Bill Fisher commanded the Far East Air Forces Bomber Command until assigned as Inspector General of the Strategic Air Command. He came to his Washington assignment in Air Force Legislative Liaison from the post of Deputy Commander, 8th Air Force.

That firm determination and immense ability which made him a great combat air commander has made him unusually effective as the Director of the Air Force's legislative liaison activities. He has represented the Air Force most ably in its relations with the Congress during the past session. I am convinced he will continue to do big things for the Air Force and the Nation in his new post. I am sure that I speak for the Congress when I wish Bill Fisher every good wish for continued success.

Aid for Redevelopment of Depressed Economic Areas

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, I feel compelled to make one more plea before Congress adjourns for action by the the House on legislation to set up a program of cooperative Federal-State aid for the redevelopment of depressed economic areas.

Many sections of our Nation are suffering from persistent and substantial unemployment. This is a serious problem that time will not solve. Nor will it go away if we simply close our eyes to it.

These depressed areas need help, Mr. Speaker. They must be given assistance in rebuilding their economy and in attracting new industry that will create permanent jobs.

The Senate has passed an area redevelopment bill. The House Banking and Currency Committee approved a bill last May. The bill is still pending in the House Rules Committee.

If Congress adjourns without acting on this legislation, Congress will have to face up to this problem next year. We cannot escape it.

Mr. Speaker, it is unthinkable that in times of unprecedented prosperity for the country as a whole we will permit large pockets of depression to exist.

The people in these areas are suffering. Hundreds of thousands of them depend upon gifts of surplus foods to feed their families. They need help—not handouts to keep their children from starving but jobs which will enable them to support their families and lead useful, fruitful lives.

Newsletter of the Honorable James Roosevelt

EXTENSION OF REMARKS
OF
HON. JOSEPH E. KARTH
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. KARTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from my distinguished colleague and friend, Representative JAMES ROOSEVELT, to his constituents. What Representative ROOSEVELT has to say in his letter is most worthwhile, and I commend it to the attention of my fellow Members:

AUGUST 1959.

DEAR FRIENDS AND CONSTITUENTS: Since I last wrote to you, the Landrum-Griffin labor bill has been passed by the House, and, thus, almost 6 months of hard work in the labor-management field has gone right out the window. The Landrum-Griffin bill, apparently originally written by Senator GOLDWATER, of Arizona, is a bad bill, which was put over by the systematic distribution of hokum through virtually all our channels of communication.

For months we have been subjected to a steady drumbeat of propaganda about the need for a "strong" labor bill, which rose to crescendo with Mr. Eisenhower's impassioned radio and TV appeal for the Griffin-Landrum bill. Throughout this long campaign the technique was identical—first a recitation of the evils discovered by the McClellan committee and then the plug for a "strong" bill, thus leading the reader or the viewer to believe that what was meant by a "strong" bill was a bill that would oust the racketeers and thieves and clean out the corruption.

Actually, nothing could have been further from the truth. What the administration and the Republican leadership and some of the southern Democrats and the National Association of Manufacturers and all their assorted payrollers and mouthpieces meant by a "strong labor bill" was a bill that would contain amendments to the Taft-Hartley Act slyly calculated to cripple and penalize perfectly honest, legitimate unions. It was simply a situation in which an old-fashioned, all-out, NAM union-busting drive was being cloaked by a sanctimonious plea for ousting the racketeers.

If you have any doubt about this, just read the three bills that the House fought over: the Landrum-Griffin bill, the Elliott bill, and the Shelley bill, or as it is sometimes called, the Shelley-Roosevelt bill. You will find that in the areas where the McClellan committee recommended that ac-

tion be taken, the three bills are virtually identical, except that the Shelley bill extended its penalties to employers and labor-brokers as well as union officials. In other words, the Shelley bill hit everybody that was in any way concerned in labor racketeering or stealing or illegal profiteering at the expense of the worker.

But, because the Shelley bill was an honest, straightforward attempt to correct the abuses found by the Senate committee, and because it did not attempt to use these abuses as an excuse for undercutting legitimate union activity, and because it contained no sly, antiunion phraseology—it was labeled the "weakest" bill; whereas, the Landrum bill, which did not cover nearly the ground that the Shelley bill did in the area of corruption, but which did contain provisions extremely damaging to honest labor activity, was labeled the "strongest" bill and plugged for by everybody from Mr. Eisenhower to the lowliest NAM lobbyist in an all-out, and apparently successful, drive to convince the country that the "strong" bill was strong in the sense of protecting the worker.

Such are the uses of propaganda, and Lord help us all if we don't learn to distinguish between truth and hokum before Madison Avenue swamps us completely in syndicated piffle.

Exactly the same applies to the anguished caterwauling about inflation that emanates from the White House every time Congress considers any type of bill that might possibly do the general public some good. If you spend a dime for a general improvement, says the administration, you add to the perils of inflation. And if you build a school or aid a housing program or add a couple of dollars to a pension to enable somebody to stay alive, then you have breached the dam irretrievably and allowed the floodwaters of inflation to sweep everything before them.

Probably no sillier thesis was ever maintained by presumably sane men but this administration, aided by its corps of publicity experts, is making a lot of people believe it. Meantime, the same administration, having successfully diverted the public attention by yelling about public extravagance, shovels money to the bankers with both hands by progressively raising Federal Reserve interest rates and fighting to raise interest rates on Government bonds.

This is the basic source of inflation and high prices that are hitting us from all sides. Interest rates are raised to primary borrowers, who, in turn, raise rates to secondary borrowers; eventually, the bank rates become too high and less and less money is borrowed for purposes of plant expansion and new products, with the result that new jobs do not open up, new products are not made, and the gross national product is thus arbitrarily limited to approximately what is being produced at the time. But, since the population continues to grow and the demand is consequently ever greater, the price of existing goods goes up and up while profits rise fantastically, the rich get richer, the poor get poorer, and the pensioner has to sleep under a bridge.

My friends, it's time to wake up. This is a bad administration, the like of which we haven't seen since the twenties and which will inevitably wind up in the same place the Coolidge-Hoover regimes did, because it is traveling the same road. When a government pursues a steady policy of squeezing the small businessman and the worker and beating the unions over the head in order that the banker may sit on bigger and bigger bags of money and charge more and more for the use of some of it, that government is going to wind up in an economic crash, no matter how loudly it meanwhile screams about an inflation that it is itself creating and tries to blame it on unions and spenders. We're heading that way fast.

Fortunately, 1960 isn't far off, but even so, I sometimes wonder if it will get here in time. When it does come, we'd better not fumble it.

Since my last letter, the housing bill has been vetoed, as I said it probably would be. It was perfectly logical that it should be vetoed because it would have helped a considerable number of people and it was not written for the exclusive benefit of the bankers. So it got the ax, with the routine explanation that it was "inflationary." The charge was so preposterous and the veto so indefensible that when Senator SPARKMAN held hearings on it, he couldn't even find a member of the executive staff who would admit having written the veto message. We've gotten pretty well used to government by proxy since 1953, but this was the first time anybody had heard of government by pixie.

I have been appointed by Chairman SHEPPARD of the California congressional delegation, to head a bipartisan delegation committee which will look into the matter of the flood of narcotics which is apparently coming over the Mexican border. Our duties will consist of determining the areas of responsibility so that the proper committees may conduct the necessary investigations and see to it that the necessary liaisons are effected with the proper Mexican officials. We are getting excellent cooperation from both State and Federal officers, all of whom are as anxious as we are to solve the problem speedily. The first hearings will probably be held this month.

Congress is expected to adjourn before too long and it will be good to get home and see you again. Meantime, all best wishes.

Sincerely,

JAMES ROOSEVELT.

Address by Vice President Richard M. Nixon at American Legion Convention

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. FULTON. Mr. Speaker, a current topic of interest, and of great debate throughout our good country, is the approaching visit of Nikita Khrushchev.

Under leave to extend my remarks in the RECORD, I am including an excellent speech by Vice President RICHARD M. NIXON at the convention of the American Legion in Minneapolis, Minn., last week:

EXCERPTS OF REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE 41ST NATIONAL CONVENTION OF THE AMERICAN LEGION, MINNEAPOLIS, MINN., AUGUST 25, 1959

I recognize that there are a substantial number of Americans in this audience and throughout the Nation who are deeply concerned about the visit of Mr. Khrushchev to the United States. There are many who believe that no good and much harm can come from such a visit.

There is no question but that there are minus as well as plus factors in appraising the possible results of the Eisenhower-Khrushchev exchange of visits. On balance, I believe the decision to invite Mr. Khrushchev to come to the United States was correct.

In indicating my reasons for reaching this conclusion, may I first remind you of the background from which I speak. I have made a comprehensive study of the philosophy, tactics and strategy of communism as set forth by Marx, Lenin, Stalin and other Communist leaders. On the basis of those studies, I know that Communists throughout the world are united in working for one objective—Communist rule over all the people of the world.

I know from experience that the Communist Party in the United States, like all Communist parties throughout the world, is directed and controlled from Moscow and has in the past and will in the future engage in espionage and subversion in order to serve the interests of Communist governments wherever they are opposed to those of the United States or other free nations. And I can vividly recall that it was just a little over a year ago Communist-led mobs made an unsuccessful attempt on my life in Venezuela.

I have just returned from the Soviet Union where I have had the opportunity to speak at length with Mr. Khrushchev and to appraise the present tactics and strategy of the world Communist movement. On the basis of that visit, I can say unequivocally that the only significant change in Communist tactics since the death of Stalin is that Mr. Khrushchev and other Communist leaders now say they will accomplish their objective of world domination without resort to war.

Subversion and espionage in the United States and other non-Communist countries continue to be directed and supported by the Communist Party of the U.S.S.R. The rigid positions of the Soviet Government on such issues as Berlin, disarmament, setting up an inspection system for prevention of surprise attack, and ending atomic tests, are the same now as they were before these visits were announced.

It would be naive and wishful thinking to assume that the visit of Mr. Khrushchev to the United States will result in any basic change in the Communist objective of world domination or their adherence to policies designed to achieve that goal.

We should be under no illusions that Mr. Khrushchev's belief in the superiority of the Communist system will be changed in any significant respect by his seeing the great productivity of the American economy. Everything he sees in the United States will be seen through Communist eyes and the picture will be distorted or magnified so that it fits into the rigid description of free societies which the Communist doctrine has painted for over 100 years.

Nor should we be under any illusions that better understanding between the Soviet leaders and ourselves is all that is needed to resolve our differences and to assure peace. There are some deep and basic conflicts of interest and ideology which all the good will and mutual understanding in the world will not settle. Charm, words of friendship, gracious toasts, are not going to have the slightest effect in deterrring Mr. Khrushchev from his basic objectives.

What useful purpose then will this visit serve? Putting it in its simplest terms, while understanding alone will not bring peace, misunderstanding could provoke war. And it is because his visit can serve to reduce the possibilities of such misunderstanding that it could contribute to the chance that we can settle our differences without war and, therefore, deserves the approval of the American people.

What does Mr. Khrushchev really believe about the United States and the free world?

Based on my conversations with him and my analysis of the statements he has made, publicly and privately, through the years, here is a thumbnail sketch of a man who holds in his hands the greatest power any one man has ever held in the history of

civilization—who by his decision alone could press the button which could start a chain reaction which would destroy civilization as we know it.

First, here are some things he believes which are true. He is aware of the fact that the United States has great military strength. While he constantly boasts of his superiority in the missile field, he has publicly stated in his speech at Dnepropetrovsk on July 28 that no nation today can initiate a war without suffering terrible destruction in return.

He knows the United States is a rich country economically with a high standard of living. He has paid us the compliment of setting as the Soviet goal, catching up with and passing the United States in the production of consumer goods.

I believe he is convinced that President Eisenhower is a man who wants peace and who insists that the United States remain strong only because he believes this is the way to keep peace.

But he also has some dangerous misconceptions about the United States and the free world which, in the mind of a man with such awesome power in his hands, constitute a terrible risk to the peace of the world.

Here are some of the things he presently believes about us and our policies:

"Freedom in the United States exists only for those who have money and power and not for the working people.

"Capitalists in the United States have turned the society in which they rule into a paradise for the rich and a hell for the poor—a kingdom of the dollar, of harsh exploitation of millions of people to enrich a handful of monopolists.

"In the United States and other free countries the working people are given the right to vote for various representatives of the ruling class but have no right to participate in the work of the legislative bodies.

"However, beautifully the ideologists of imperialism may dress up the capitalist system, it still remains a system by which millions of people are enslaved by a comparatively small handful of exploiters, a system in which poverty and mass unemployment reign."

The words I have just quoted are not mine but his, taken directly from his public statements. And these ideas he reiterated to me in my conversations with him. Because he believes these things he has reached other conclusions which he has stated to me and to others who have talked with him; that millions of people in the United States do not support the President in his firm stand against Communist aggression; that both of our major political parties are controlled by a few rich monopolists and are not responsive to the will of the people; that our economy has reached its peak and is on the way down; that the nations of the free world alliance are divided and when the chips are down will not unite in resisting aggression.

Put yourself in his place. If you possessed great military strength with uncontrolled and absolute power to use that strength to accomplish your purposes; if also you were fanatically dedicated to the philosophy that your economic and political system should and would rule the world; and if in addition you believed you were confronted by opponents who were divided and who lacked the will to resist aggression, would you not be tempted to be far more aggressive in your policies than if you had other ideas as to the strength and will to resist of those who might oppose your aims?

Mr. Khrushchev will be here for only a relatively brief time, but, in his conversations with President Eisenhower and in his trip across the country, there is no doubt in my mind but that he will see and hear some things which will change his preconceived notions about the United States and which in turn will give him pause before he embarks on a course of action in the future which might be contrary to our vital interests.

He will find that not only are we strong militarily and economically, but that the American people have the will to use their strength to defend our freedom or the freedom of others any place in the world. He will find that the overwhelming majority of the American people are as dedicated to our system as he is to his. He will find that we will no more tolerate being pushed around than will he.

In a nutshell, if we are to have a Soviet leader with such power in his hands, it is better to have one who knows the world than one who is isolated in the Kremlin.

But what about the dangers of such a visit? There are some who fear that the American people will be lulled into a false sense of security and trust by this exchange. I think that those who believe this to be the case underestimate the intelligence of both our people and our leaders.

It is true that throughout American history we have a record of being a trusting and forgiving people in our relations with other people, but it is also true that we are a people who do not like our trust betrayed and when it is we react accordingly.

When President Eisenhower meets Mr. Khrushchev, you can be sure he will have in mind: The record of major treaties and agreements broken by the Soviet Government—50 out of 52 since 1933; the fact that subversive activities against the United States and the governments of other free nations continue despite Soviet protestations to the contrary. There will be fresh in his memory the fact that Mr. Khrushchev failed to carry out the commitments made at the last Geneva Conference and instead encouraged and stimulated Communist probing actions against the free world in the Middle East and the Far East. And if there was any doubt that we would go into this conference with our eyes open, the Soviet Government's support of the Communist forces in Laos provides a grim and timely warning of what we should expect.

I have had the rare opportunity of seeing both Mr. Khrushchev and President Eisenhower in action both publicly and privately, and I can assure you that the fears of those who believe that President Eisenhower may be taken in or bluffed by Mr. Khrushchev are completely without foundation. There is no doubt whatever but that the interest of the United States and the free world will be vigorously, firmly, and aggressively represented by the President in this meeting.

Another objection to the visit is the possible effect on our allies. The President's trip to Bonn, Paris, and London, provides a complete answer to this objection. As the President has made abundantly clear, it is not the American way to negotiate, in the absence of our allies, problems that vitally concern their future. We reject the concept that two great powers—the United States and the U.S.S.R.—should decide the fate of other peoples without consultation with them.

A major objection to the visit is the effect it may have on the captive peoples of Eastern Europe. You can be sure, however, that under no circumstances will this exchange of visits result in statements or actions on the part of the United States indicating our approval or acquiescence in the status of the peoples of Eastern Europe.

We do not question the right of the people of these countries, or any other for that matter, to have a Socialist or Communist government if they so desire. But we believe that all people should have a right to choose the kind of government they want. The people of the satellite nations of Eastern Europe have never had an opportunity to exercise that right since World War II. We recognize that their right of choice cannot be obtained by armed intervention on our part. A so-called war of liberation would liberate only dead bodies and ruined cities. But we will continue to support through peaceful means realization of the objective that the peoples of these satellite countries be given the opportunity to choose the kind of government they want.

I believe that the American people should give Mr. Khrushchev a courteous reception when he visits the United States. I do not suggest this because I believe a courteous reception is going to affect, one way or the other, his ideas about our system, but because this is the American way of doing things. Visitors in our country, regardless of how much we disagree with them, should not be subjected to the rowdyism and riots for which the Communists were responsible when I was in South America.

The discussions President Eisenhower will have with Mr. Khrushchev, involving as they do such basic differences and conflict of interest, will be difficult at best. In the cause of the peace with justice that we all want, let us by our conduct see that those discussions are conducted in the best possible climate.

The Carey Letter

EXTENSION OF REMARKS
OF

HON. GEORGE MEADER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. MEADER. Mr. Speaker, as did many of my colleagues last week, I received an intemperate, threatening letter from a prominent labor official criticizing my vote on the Landrum-Griffin substitute labor reform bill. I refer to James B. Carey, president of the powerful International Union of Electrical, Radio, and Machine Workers, AFL–CIO. I incorporate his letter in my remarks at this point:

INTERNATIONAL UNION OF ELECTRICAL,
RADIO, AND MACHINE WORKERS,
August 18, 1959.

DEAR CONGRESSMEN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the

working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

Now, generally, I find it hard to simulate much enthusiasm for a mimeographed or multigraphed form letter, but I read Mr. Carey's missive with considerable care and replied to him as follows:

AUGUST 26, 1959.

Mr. JAMES B. CAREY,
President, International Union of Electrical, Radio and Machine Workers, Washington, D. C.

DEAR MR. CAREY: I have your form letter of August 18, 1959, a copy of which I understand was sent to all my colleagues who voted for the Landrum-Griffin version of the labor-management reform bill.

Neither your intemperate characterizations, your threat to get me nor your erroneous assumptions concerning my study of the measure impress me as worthy of a high official of a powerful labor organization.

No representative of the National Association of Manufacturers or the chamber of commerce "pressured" me or even contacted me. I believe, however, in the right of petition and would have welcomed their views as I did those of six officials of the Teamsters Union and three officials of building trades unions with whom I discussed at some length the differing provisions of the various proposals.

I heard nothing from you or your union—but would have welcomed any proof you could submit—as I requested of the other union officials—that specific language in any of the various bills would hamper legitimate organizational and collective bargaining activities of unions. My conception of the duty of a legislator requires more than simply voting by labels or adjectives unsupported by fact and logic.

Requiring democratic procedures and honesty in handling funds in labor organizations cannot possibly harm the rank-and-file union member, though it may well curb dictatorial officials insensitive to their position of trust with respect to the rights and the funds of those they represent. Shielding innocent third parties, managers, employees and consumers, from being drawn into someone else's labor dispute and preventing "sweetheart" contracts and representation not actually desired by the free choice of employees are reforms demonstrated by the McClellan committee investigations to be necessary and should not impair legitimate union activities.

Consequently, it is a misrepresentation to describe legislation designed to achieve these goals and no other as "punitive," "repressive" or "killer" legislation.

I believe my colleagues, like myself, are far more likely to be impressed by logic than by threats.

To assist in advising the working men and women of my district on this very important issue, I will be happy to send a copy of your letter and of this reply to anyone living in the Second Congressional District of Michigan whose name and address you furnish me.

Sincerely,

GEORGE MEADER.

Mr. Speaker, as one might expect, Mr. Carey's threats did not go unnoticed by the public. As an example I include at this point an interesting commentary from the August 23, 1959, edition of the Jackson (Mich.) Citizen Patriot:

JAMES CAREY'S MISTAKE

Leaders of organized labor in America apparently have become panicky since their defeat on the Landrum-Griffin bill in the House. And men in that state of mind are likely to make mistakes.

That is probably what James B. Carey, AFL–CIO vice president, did with his "we'll-get-you" letters to Members of the House who voted for the labor bill.

The action is all the more strange because there are precedents which prove that the tactics are wrong.

Labor was unable to defeat the Taft-Hartley bill, even with all the pressure that was applied and with a veto by former President Harry S. Truman.

After the debacle, labor took after the late Senator Robert A. Taft, throwing all of its power into an effort to "get" him.

The result was the greatest political victory in the Ohio Senator's career. The opposition of labor almost made him President.

More recently, the passage of the Landrum-Griffin bill in the House showed the ineffectiveness of the Carey type of politics.

Labor lobbyists swarmed over the Capitol, applying all the pressure they could. They lost because the people rallied behind the controversial measure.

It is likely that many of the Congressmen followed the wishes of their constituents with some misgivings. They know that the voice of the people is loud, when it is heard, but that the public generally will not remain "steamed up" over a given issue for any great length of time; that to the men who work at politics every day in the year can be very effective.

That is why traditional politicians fade out of sight when hit by a successful reform movement. They carefully avoid stirring up any controversy until the reformers lose interest.

Thus Carey's letters handed the Congressmen exactly the ammunition they need to rally support when they come up for reelection. The letters will be carefully preserved to be brought out at campaign time to remind the people that their will prevailed.

And if Carey goes through with his threat to punish "labor's enemies" he will reelect a lot of men who voted for the Landrum-Griffin bill.

Mr. Speaker, Mr. Carey threatens to "do all in our power to prove to the working men and women" in my congressional district, the second of Michigan, that I have cast my "lot against them" and that "they should therefore take appropriate action at the ballot box." That, of course, means he must conduct an educational campaign.

In my letter, I offered to assist him, by sending a copy of his letter and a copy of my reply to any residents of my district for whom he would furnish names and addresses.

Vice President Nixon's Address on Khrushchev Visit, Given at American Legion National Convention in Minneapolis

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from the address given by Vice President RICHARD M. NIXON on August 25, 1959, before the 41st National Convention of the American Legion in Minneapolis, Minn. Mr. NIXON dealt forthrightly with the Khrushchev visits—and how we should conduct ourselves, correctly civil and without demonstrations, in order, if possible, to convince the Communist dictator that the American people and their Government are strong, resolute, and united in opposition to his plans for achieving world domination by force or otherwise:

EXCERPTS OF REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE 41ST NATIONAL CONVENTION OF THE AMERICAN LEGION, MINNEAPOLIS, MINN., AUGUST 25, 1959

I recognize that there are a substantial number of Americans in this audience and throughout the Nation who are deeply concerned about the visit of Mr. Khrushchev to the United States. There are many who believe that no good and much harm can come from such a visit.

There is no question but that there are minus as well as plus factors in appraising the possible results of the Eisenhower-Khrushchev exchange of visits. On balance, I believe the decision to invite Mr. Khrushchev to come to the United States was correct.

In indicating my reasons for reaching this conclusion, may I first remind you of the background from which I speak. I have made a comprehensive study of the philosophy, tactics, and strategy of communism as set forth by Marx, Lenin, Stalin, and other Communist leaders. On the basis of those studies, I know that Communists throughout the world are united in working for one objective, Communist rule over all the people of the world.

I know from experience that the Communist Party in the United States, like all Communist Parties throughout the world, is directed and controlled from Moscow and has in the past and will in the future engage in espionage and subversion in order to serve the interests of Communist governments wherever they are opposed to those of the United States or other free nations. And I can vividly recall that it was just a little over a year ago Communist-led mobs made an unsuccessful attempt on my life in Venezuela.

I have just returned from the Soviet Union where I have had the opportunity to speak at length with Mr. Khrushchev and to appraise the present tactics and strategy of the world Communist movement. On the basis of that visit, I can say unequivocally that the only significant change in Communist tactics since the death of Stalin is that Mr. Khrushchev and other Communist leaders now say they will accomplish their objective of world domination without resort to war.

Subversion and espionage in the United States and other non-Communist countries continue to be directed and supported by the Communist Party of the U.S.S.R. The rigid positions of the Soviet Government on such issues as Berlin, disarmament, setting up an inspection system for prevention of surprise attack, and ending atomic tests, are the same now as they were before these visits were announced.

It would be naive and wishful thinking to assume that the visit of Mr. Khrushchev to the United States will result in any basic change in the Communist objective of world domination or their adherence to policies designed to achieve that goal.

We should be under no illusions that Mr. Khrushchev's belief in the superiority of the Communist system will be changed in any significant respect by his seeing the great productivity of the American economy. Everything he sees in the United States will be seen through Communist eyes and the picture will be distorted or magnified so that

it fits into the rigid description of free societies which the Communist doctrine has painted for over 100 years.

Nor should we be under any illusions that better understanding between the Soviet leaders and ourselves is all that is needed to resolve our differences and to assure peace. There are some deep and basic conflicts of interest and ideology which all the good will and mutual understanding in the world will not settle. Charm, words of friendship, gracious toasts, are not going to have the slightest effect in deterring Mr. Khrushchev from his basic objectives.

What useful purpose then will this visit serve? Putting it in its simplest terms, while understanding alone will not bring peace, misunderstanding could provoke war. And it is because his visit can serve to reduce the possibilities of such misunderstanding that it could contribute to the chance that we can settle our differences without war and, therefore, deserves the approval of the American people.

What does Mr. Khrushchev really believe about the United States and the free world?

Based on my conversations with him and my analysis of the statements he has made, publicly and privately, through the years, here is a thumbnail sketch of a man who holds in his hands the greatest power any one man has ever held in the history of civilization—who by his decision alone could press the button which could start a chain reaction which would destroy civilization as we know it.

First, here are some things he believes which are true. He is aware of the fact that the United States has great military strength. While he constantly boasts of his superiority in the missile field, he has publicly stated in his speech at Dnepropetrovsk on July 28 that no nation today can initiate a war without suffering terrible destruction in return.

He knows the United States is a rich country economically with a high standard of living. He has paid us the compliment of setting as the Soviet goal catching up with and passing the United States in the production of consumer goods.

I believe he is convinced that President Eisenhower is a man who wants peace and who insists that the United States remain strong only because he believes this is the way to keep peace.

But he also has some dangerous misconceptions about the United States and the free world which, in the mind of a man with such awesome power in his hands, constitute a terrible risk to the peace of the world.

Here are some of the things he presently believes about us and our policies:

"Freedom in the United States exists only for those who have money and power and not for the working people."

"Capitalists in the United States have turned the society in which they rule into a paradise for the rich and a hell for the poor—a kingdom of the dollar, of harsh exploitation of millions of people to enrich a handful of monopolists."

"In the United States and other free countries the working people are given the right to vote for various representatives of the ruling class but have no right to participate in the work of the legislative bodies."

"However beautifully the ideologists of imperialism may dress up the capitalist system, it still remains a system by which millions of people are enslaved by a comparatively small handful of exploiters, a system in which poverty and mass unemployment reign."

The words I have just quoted are not mine but his—taken directly from his public statements. And these ideas he reiterated to me in my conversations with him. Because he believes these things he has reached other conclusions which he has stated to me and to others who have talked with him: that millions of people in the United States do not support the President in his firm stand against Communist aggression; that both of our major political parties are controlled by a few rich monopolists and are not responsive to the will of the people; that our economy has reached its peak and is on the way down; that the nations of the free world alliance are divided and when the chips are down will not unite in resisting aggression.

Put yourself in his place. If you possessed great military strength with uncontrolled and absolute power to use that strength to accomplish your purposes; if also you were fanatically dedicated to the philosophy that your economic and political system should and would rule the world; and if in addition you believed you were confronted by opponents who were divided an who lacked the will to resist aggression, would you not be tempted to be far more aggressive in your policies than if you had other ideas as to the strength and will to resist of those who might oppose your aims?

Mr. Khrushchev will be here for only a relatively brief time, but, in his conversations with President Eisenhower and in his trip across the country, there is no doubt in my mind but that he will see and hear some things which will change his preconceived notions about the United States and which in turn will give him pause before he embarks on a course of action in the future which might be contrary to our vital interests.

He will find that not only are we strong militarily and economically, but that the American people have the will to use their strength to defend our freedom or the freedom of others any place in the world. He will find that the overwhelming majority of the American people are as dedicated to our system as he is to his. He will find that we will no more tolerate being pushed around than will he.

In a nutshell, if we are to have a Soviet leader with such power in his hands, it is better to have one who knows the world than one who is isolated in the Kremlin.

But what about the dangers of such a visit? There are some who fear that the American people will be lulled into a false sense of security and trust by this exchange. I think that those who believe this to be the case underestimate the intelligence of both our people and our leaders.

It is true that throughout American history we have a record of being a trusting and forgiving people in our relations with other people, but it is also true that we are a people who do not like our trust betrayed and when it is we react accordingly.

When President Eisenhower meets Mr. Khrushchev, you can be sure he will have in mind: The record of major treaties and agreements broken by the Soviet Government—50 out of 52 since 1933; the fact that subversive activities against the United States and the governments of other free nations continue despite Soviet protestations to the contrary. There will be fresh in his memory the fact that Mr. Khrushchev failed to carry out the commitments made at the last Geneva Conference and instead encouraged and stimulated Communist probing actions against the free world in the Middle East and the Far East. And if there was any doubt that we would go into this conference with our eyes open, the Soviet Government's support of the Communist forces in Laos provides a grim and timely warning of what we should expect.

I have had the rare opportunity of seeing both Mr. Khrushchev and President Eisenhower in action both publicly and privately, and I can assure you that the fears of those who believe that President Eisenhower may be taken in or bluffed by Mr. Khrushchev are completely without foundation. There is no doubt whatever but that the interests of the United States and the free world will be vigorously, firmly and aggressively represented by the President in this meeting.

Another objection to the visit is the possible effect on our allies. The President's trip to Bonn, Paris, and London provides a complete answer to this objection. As the President has made abundantly clear, it is not the American way to negotiate, in the absence of our allies, problems that vitally concern their future. We reject the concept that two great powers—the United States and the U.S.S.R.—should decide the fate of other peoples without consultation with them.

A major objection to the visit is the effect it may have on the captive peoples of Eastern Europe. You can be sure, however, that under no circumstances will this exchange of visits result in statements or actions on the part of the United States indicating our approval or acquiescence in the status of the peoples of Eastern Europe.

We do not question the right of the people of these countries, or any other for that matter, to have a Socialist or Communist government if they so desire. But we believe that all people should have a right to choose the kind of government they want. The people of the satellite nations of Eastern Europe have never had an opportunity to exercise that right since World War II. We recognize that their right of choice cannot be obtained by armed intervention on our part. A so-called war of liberation would liberate only dead bodies and ruined cities. But we will continue to support through peaceful means realization of the objectives that the peoples of these satellite countries be given the opportunity to choose the kind of government they want.

I believe that the American people should give Mr. Khrushchev a courteous reception when he visits the United States. I do not suggest this because I believe a courteous reception is going to affect one way or the other his ideas about our system, but because this is the American way of doing things. Visitors in our country, regardless of how much we disagree with them, should not be subjected to the rowdyism and riots for which the Communists were responsible when I was in South America.

The discussions President Eisenhower will have with Mr. Khrushchev, involving as they do such basic differences and conflict of interest, will be difficult at best. In the cause of the peace with justice that we all want, let us by our conduct see that those discussions are conducted in the best possible climate.

Labor Legislation

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. ANFUSO. Mr. Speaker, before leaving on an official trip to London where I am scheduled to address the Congress of the International Astronautical Federation early in September in my capacity as chairman of the Subcommittee on International Cooperation and Security of the House Committee on Science and Astronautics, I want to reiterate my views on labor legislation as considered by the House.

During the discussions on the floor of the House, I stated that it was most unfair to strike at legitimate unionism and to foreclose the rights of working people

which required many years of hard work and determination to achieve. It was my feeling that enactment of the Landrum-Griffin bill would be a decided step in the direction of outlawing or controlling labor because many of labor's rights are denied in that bill. For that reason I voted against the Landrum-Griffin bill.

It was also my view that political motives were behind the effort to adopt the Landrum-Griffin bill, and I could not see the logic or reasoning in making a political football out of the bread-and-butter problem of millions of Americans.

I also opposed the bill because it was a piece of legislation which struck blindly at labor, the guilty and the innocent alike, the racketeers and those seeking to eliminate racketeering. This is a wrong approach. We must not throw all of labor into the discard or cast shadows of doubt upon all of organized labor. The racketeers are a small percent of organized labor and they must be weeded out.

The Landrum-Griffin bill, for example, outlaws all types of picketing, except where a plant or factory is on strike. Organized picketing has been established and recognized over the years as a peaceful and democratic method. By eliminating or outlawing such picketing we actually empower employers to exploit those working for them, paying them low wages, and forcing them to work longer hours. The only type of picketing I would oppose would be in instances where it is used as blackmail or abused for racketeering purposes.

Thus, the Landrum-Griffin bill affords no protection for the working people, but actually opens up possibilities for their exploitation and the denial of their rights which they have gained over the past half century or more. It will only help to depress the working conditions and the standard of living of the laboring masses of this country. In so doing, we shall not bring about a higher standard of living, but we will lower it for huge segments of our population and this will have a tremendous effect on our whole economy. When labor will not be able to buy the things we produce, when its purchasing power will drop, the whole Nation will feel it.

The Landrum-Griffin bill also bans the so-called "hot cargo" provisions, which is nothing more than a device to maintain nonunion conditions. This is an unfair labor practice for it denies unions the right and the opportunity to protect themselves against ruthless employers.

Finally, the Landrum-Griffin bill is hurting legitimate union organization which is seeking to establish the same pay for the same work for all working people in the country.

I hope and trust that when the conference report on the labor bill is brought back for final consideration by both Houses of Congress, all or most of these objectionable features will have been deleted or so amended as not to hurt legitimate labor unions. We must not turn the clock back. The people of America want to see reform in the ranks of labor, not revenge or the destruction of labor's achievements.

The Specific Issue at Stake in the Sullivan Amendment—Comment on Washington Post Editorial on Food Stamp Proposal

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EXTENSION OF REMARKS
OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. SULLIVAN. Mr. Speaker, the Washington Post carried an editorial today under the heading "Surpluses for the Hungry" discussing the food stamp amendment which I submitted here last Thursday to the Agricultural Trade Development and Assistance Act, known as Public Law 480, governing the disposal of surplus food here and overseas. While endorsing generally the idea of getting more of our huge surplus of farm produce to the needy in our own country, the Post raises some questions about my amendment which I am glad to try to answer, and which I think should be answered.

Otherwise, in view of the prestige of the Washington Post and its reputation for fairness, accuracy, and humanitarianism, many of the Members of the Congress who voted for my food stamp amendment last week may begin to wonder whether it was they rather than the editorial writer of the Post who misunderstood what it was we were voting for.

COMMITTEE REPORT COVERED ALL CRITICISMS

All of the reservations about the bill made in the editorial, particularly those quoting opponents on the Republican side, were, I thought, fully answered in the debate which preceded passage of the bill, as well as having been answered thoroughly, I thought, in the report of the House Committee on Agriculture on H.R. 1359, the bill which I added to the surplus disposal bill as an amendment. The committee views are stated in House Report No. 907.

Taking the statements in the editorial one by one in order, however, might be a good way to set the record straight. The editorial starts out as follows:

SURPLUSES FOR THE HUNGRY

It is easy to see why the House added to the surplus disposal bill the amendment by Congresswoman SULLIVAN authorizing the Secretary of Agriculture to set up a food stamp plan for distribution of surplus commodities to needy families in this country. There is a strong sentiment in Congress behind the use of crops that bulge Government warehouses to help friends abroad. Along with this goes a general feeling that surplus food should also be going into empty stomachs in this country. So the House voted by a large majority to let the Secretary of Agriculture distribute such food, preferably through commercial channels, along with stamps that would entitle needy persons to obtain the food, up to the value of a billion dollars a year.

We think the general principle on which the House acted is unquestionably sound. So long as there are hungry people in the United States, surplus food held by the Government ought to be used to relieve them. It would be strange, indeed, to subsidize the shipment of unneeded farm crops abroad to relieve hunger and deny similar relief to American people. But that is not the specific issue at stake in the Sullivan amendment.

FOREIGN DONATIONS OF FOOD FAR EXCEED DOMESTIC

Mr. Speaker, I interrupt the editorial at that point to say that it is exactly that fact which is and was a specific issue at stake in the Sullivan amendment. We have spent over $5 billion since 1954 in gifts and "sales" of food to nations overseas whereas in the same 5-year period the total of all domestic donations of food—including the school lunch program and food given to State institutions, and so forth, as well as the total value of all food given to needy persons—has come to less than one-tenth of the value of the food given away or "sold" abroad.

I place the words "sales" and "sold" in quotation marks because, as we all know, foreign "sales" under title I of Public Law 480 are sales for foreign currency which is then given or lent back to the country "buying" the food.

To be scrupulously fair about donations as opposed to "sales," the record shows that the Federal Government spent $1,232,419,000 on outright donations of food to the peoples of other countries under title III of Public Law 480 in the 5-year period, and an additional $546,130,000 under title II—famine and similar emergency relief—and in the process we spent $100 million on ocean freight charges alone. This was to help feed the needy of other countries—a very worthwhile cause. But in that same period, of 5 years, we have given away only about $400 million worth of food to all recipients in this country—and the preponderant share of that went to the school lunch program.

In the 1958 fiscal year, $272 million worth of food was given to needy persons overseas, and $75 million was given to needy persons in this country, outside of the school lunch program. They received $76 million worth of surplus food. State institutions received another $33 million. Obviously, therefore, we have not done, and are not doing, enough to help our own needy, compared to what we are doing for those of other countries. The record shows it. This, therefore, was very definitely one of the specific issues at stake in the Sullivan amendment and one of the reasons why 232 Members of the House voted for it.

Now, to continue with the Washington Post editorial, Mr. Speaker, it said:

Representative LAIRD pointed out that 20 million school children and needy persons, in this country, are already benefiting from Federal surplus food. The Government packages food and ships it to the States free of charge, leaving the distribution to local agencies. According to Congresswoman MAY, the Sullivan amendment would do nothing more than relieve the States of the expense of distributing these surplus foods.

REACHING THE NEEDY ON PUBLIC ASSISTANCE

Mr. Speaker, to say that we do not need any expansion of the surplus food distribution program in this country because 20 million school children and needy persons are receiving some of the food now is to lump more than 14 million school children into the category of

"needy." This figure includes all the children now participating in the Federal school lunch program. Many of them are indeed from needy families. As the Washington Post's own Eve Edstrom pointed out in her series of articles on hungry children in the District of Columbia, a school lunch would be the only hot and nourishing food some children would get. But most school children participating in the school lunch program in the Washington area or in any other area of the country are not hungry children from substandard homes.

Furthermore, out of the 5 million or so needy people now receiving surplus food under the Department of Agriculture program now in effect, the preponderance are not people on public assistance, but are workers temporarily unemployed in the hard-hit distressed areas. They and their families need the help of this surplus food, that I do not dispute. But less than half of those receiving food are the people on public assistance for whom the food stamp plan is most necessary. Furthermore, the 2⅓ million people on public assistance who now receive surplus food, usually because they live in the distressed areas, make up only about one-third of the total of Americans on various forms of public assistance. As I pointed out in the debate, if you are on public assistance, you can be just as hungry in a city which has low unemployment as in one which has unemployment of a high enough level to justify the expenditure of large amounts of local funds for surplus food distribution.

LOCAL DISTRIBUTION COSTLY AND INEFFICIENT

The food stamp plan would not only save these huge and burdensome local costs—so high as to prevent about two-thirds of the Nation's counties from participating—but would also allow for a more orderly method of distributing the food through the stores, rather than on a once-a-month basis at some central depot. And the Federal Government, in utilizing the regular stores in this plan, could save many hundreds of thousands of dollars in packaging and processing and storing the commodities and shuttling these surplus foods around the country.

Primarily, however, we would get away from this grim spectacle of poor old people once a month being called to line up at a central depot for a great big package of dried and powdered food items for them to lug home however they can. A food stamp plan operating through the stores would permit them to obtain food items as needed, weekly or oftener, and in fresh rather than powdered form.

Mr. Speaker, the Washington Post editorial then adds:

> One other factor has been emphasized by Secretary Benson. The Commodity Credit Corporation, he says, is not a giant supermarket. More than 85 percent of its surpluses consist of corn, cotton, wheat, rice, peanuts, and tobacco. Since the CCC could distribute only surplus crops, obviously it could not provide a well-rounded diet. It is not clear how much actually would be gained by a food stamp plan to make the products of a few surplus commodities available in commercial stores.

NOT JUST STORABLE BASIC COMMODITIES

I interrupt the editorial at this point, Mr. Speaker, to say that here the Washington Post has apparently completely misunderstood the purpose of the food stamp proposal and the suggested mechanics of such a plan. The committee report on H.R. 1359, House Report No. 907, went into this whole question in great detail. I included relevant excerpts from the House committee report as part of my remarks in the CONGRESSIONAL RECORD of August 20, prior to House passage of the bill.

Let me acknowledge that Mr. Benson does not want a food stamp plan, or any other plan for expanding the present food distribution program. He has said he does not want it because it would involve some additional expenditures. But on this point quoted by the Post editorial, he cannot be speaking of the food stamp plan contained in H.R. 1359 and agreed to by the House last week as part of Public Law 480. For under my amendment, not only storable items in surplus but all agricultural commodities, including the perishables, in periodic surplus and eligible for removal by use of section 32 funds, could be included in the food distribution. Right now, this could include, in addition to the cornmeal, flour, rice, and powdered milk now being given out, and the butter and cheese previously donated, such items as poultry, fresh—rather than powdered—eggs, pork products, fresh—rather than powdered—milk, other dairy products, and any fresh vegetables in such temporary surplus as to depress the market. In other words, all of the items the Secretary can now legally donate to the school lunch program under section 32 or sell for foreign currencies under Public Law 480 could also be included in the food stamp plan.

He has limited his use of section 32 funds almost entirely to foods which can be used in the school lunch program. The farmer complains about this, pointing out that section 32 has much broader powers than that Members of Congress from areas now partipating in the surplus food distribution program also complain, pointing out that section 32 funds can be and should be used to provide a greater variety of surplus foods for the needy. Under the food stamp plan, the market for these additional items of surplus foods would be ready made. The need is certainly there from the standpoint of both the farmer and the needy.

Mr. Speaker, the Post editorial states in conclusion:

> Probably the flow of these commodities into consumption by needy families ought to be stepped up. But there are substantial advantages in letting the States choose their own means of distributing help to their needy citizens. From the national point of view the important thing is making the food available—not a particular method of distribution.

In reply to that, Mr. Speaker, I might say that nearly all of the Senators who recently testified before the Senate Agriculture Committee on the surplus food disposal program in their areas made the point that adequate help is not getting to the people who need it most because of the deficiencies of the present distribution program. And they nearly all urged a food stamp plan be adopted.

WASHINGTON POST DEMONSTRATED GENUINE CONCERN

The Washington Post has been an active and effective proponent of feeding our hungry in this country out of the great abundance of our harvests, and I want to make clear that in making these comments on the editorial which appeared today I am in no sense implying any lack of sympathy by the Post for the people who would benefit from a food stamp plan. The newspaper has proved its humanitarianism in many, many ways.

But I know the Post likes to present its case accurately, and in this instance I think it made a mistake in taking as its text for the editorial the casual and inaccurate statements of a Secretary of Agriculture who sees in this surplus food only a big storage and budgetary headache, not the blessing it could be in meeting poverty and want in our midst. His objections to the food stamp plan were fully reported to the House Agriculture Committee. All of these issues were brought up in the hearings.

The report of the House committee fully explains why the Secretary's objections were rejected. I recommend to anyone interested in knowing both the good and bad things about the present distribution program and the good and bad of the proposed food stamp plan that he read the report of the House Agriculture Committee on H.R. 1359, House Report No. 907.

There is one big fault with the food stamp bill as reported by the committee and as included as an amendment to Public Law 480. It is that it merely provides discretionary authority to the Secretary of Agriculture to initiate such a program. As I introduced the bill, it would have directed and required him to institute it.

Kennedy and Anfuso Honored by Morgenstern Foundation

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. ANFUSO. Mr. Speaker, Senator JOHN F. KENNEDY and I were honored today by the Morris Morgenstern Foundation of New York which presented to us, at a special ceremony in Senator KENNEDY's office, parchment replicas of the famous letter written by George Washington in 1790 to the Touro Synagogue in Newport, R.I. These awards were presented to us by Mr. Morris Morgenstern, the founder of the foundation bearing his name, for "their inspirational efforts in combatting bigotry."

Senator KENNEDY and I were privileged to be the first to receive this award, which will be presented annually by the foundation to national figures for their

efforts in combating bigotry and persecution. The award has as its text President Washington's statement in his letter of 1790 in which he assured the Jewish congregation of Newport that the United States will give "to bigotry no sanction, to persecution no assistance."

In the summer of the year 1790, after the troubled years of the American Revolution, the first President of the United States made a tour of the country. He came to the little seafaring town of Newport, R.I., in the part of the country colonized by the great champion of religious liberty, Roger Williams. The people of Newport turned out to greet President Washington.

Moses Seixas, sexton of the Hebrew congregation of Newport, who was a friend of Washington's, sent him a warm letter of welcome. Washington's reply to this letter of welcome, addressed to the Hebrew congregation of Newport, is today one of the Nation's most cherished historical documents. It is an eloquent expression of American freedom and religious harmony. In 1946 the Touro Synagogue in Newport, which is now about 200 years old, was dedicated as a national shrine.

The words "to bigotry no sanction" have played a vital role in the life of Morris Morgenstern, well-known millionaire financier, philanthropist, and realtor, who resides in Long Beach, N.Y.

Owner of the original letter by George Washington, in which this quote appears, Mr. Morgenstern is a firm believer that George Washington was the personification of the American ideal of freedom. As long as he can remember, he has been a crusader of the principles of tolerance expounded by our first President.

Through his efforts, the Washington letter has been seen by millions as part of the Freedom Train Exhibition and at universities in various parts of the country. It is now on display at the B'nai B'rith Building in Washington, D.C.

The 78-year-old president of Morris Morgenstern & Son is more anxious today to spread the word of George Washington than ever before.

Morris Morgenstern, as an individual, has probably financed more building than anyone else in the United States. But he is not happy being just a successful businessman. For years he has found time to help good causes and actively support various organizations, regardless of race or religion.

In 1949 he created the Morris Morgenstern Foundation, "to aid men and women of every creed, race, and ancestry to contribute their highest gifts to the development of our national culture."

Through his efforts, the Levittown Jewish Center was enabled to expand from its original facilities accommodating a handful of children to a synagogue of prime status in Long Island.

He was also drafted by the directors of the West Side Branch of the YMCA to be chairman of a committee to raise funds to provide decent recreational facities for the boys living in Hell's Kitchen.

Judge Albert Conway brought to Mr. Morgenstern's attention the fact that although children of other faiths were provided with houses of worship at the Ten Mile River Boys Scout Camp, the Jewish boys were not so provided. Mr. Morgenstern made the necessary funds available for construction of what is now known as the Synagogue in the Pines.

The list of agencies which he helps is endless. They include the Brooklyn Hebrew Home and Hospital for the Aged; the Infants Home of Brooklyn; the Cathedral Club; Yeshiva University; Cardinal Spellman's Foundling Home, among others.

Born in Russia, Morris was brought to the United States at the age of 4. Because his family was poor, he had to give up school and start working. At 14, he borrowed some money and went into the business of manufacturing seltzer bottles. Eventually he began dabbling in real estate and founded the finance firm he now heads.

Mr. Morgenstern — known affectionately as "M.M" by his friends—has been the personal guest of Vice President NIXON. Dr. Jonas Salk, the conqueror of polio, recently hailed Mr. Morgenstern for his humanitarian work. He has received citations from Presidents Roosevelt, Truman and most recently Eisenhower, for his invaluable efforts in behalf of the sick, poor, and needy of all races and creeds.

The text of the George Washington letter follows:

To the Hebrew Congregation in Newport, R.I.

GENTLEMEN: While I receive, with much satisfaction, your address replete with expressions of affection and esteem, I rejoice in the opportunity of assuring you, that I shall always retain a grateful remembrance of the cordial welcome I experienced in my visit to Newport, from all classes of citizens.

The reflection on the days of difficulty and danger which are past is rendered the more sweet, from a consciousness that they are succeeded by days of uncommon prosperity and security. If we have wisdom to make the best use of the advantages with which we are now favored, we cannot fail, under the just administration of a good Government, to become a great and a happy people.

The citizens of the United States of America have a right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of imitation. All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of, as if it was by the indulgence of one class of people that another enjoyed the exercise, of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance requires only that they who live under its protection should demean themselves as good citizens, in giving it on all occasions their effectual support.

It would be inconsistent with the frankness of my character not to avow that I am pleased with your favorable opinion of my administration, and fervent wishes for my felicity. May the children of the stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while every one shall sit in safety under his own vine and figtree, and there shall be none to make him afraid. May the father of all mercies scatter light and not darkness in our paths, and make us all in our several vocations useful here, and in his own due time and way everlastingly happy.

G. WASHINGTON.

Distinguished Service to Agriculture Award to Senator Frank Carlson

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. CURTIS of Missouri. Mr. Speaker, at the 45th annual meeting of the Missouri Farmers Association at Columbia, Mo., on August 24, the Honorable FRANK CARLSON, Senator from Kansas, received the award for distinguished service to agriculture. Following is the citation used by the president, Fred V. Heinkel, in presenting the award:

Because of your genuine interest and leadership in the encouragement of farmer owned aud controlled cooperative associations and your sincere and demonstrated friendship for farmers; and because of your particular and thorough understanding of the difficult problems involved in the production and marketing of our great wheat crop, and your dedication to finding a solution to these problems, a solution which is of vital importance to the farmers of Missouri, Kansas, and the rest of the Midwest's great Wheat Belt, we feel that you have fully earned and deserve the highest honor and award the Missouri Farmers Association has to offer.

Therefore, the board of directors of the Missouri Farmers Association has voted unanimously to bestow upon you the MFA's award for distinguished service to agriculture.

FRED V. HEINKEL,
President.

Mr. Speaker, I am happy that the Missouri Farmers Association honored our distinguished colleague from our adjoining sister State. Hereafter follows the speech of the Honorable FRANK CARLSON delivered on this auspicious occasion:

SPEECH BY SENATOR FRANK CARLSON, ANNUAL MEETING, MISSOURI FARMERS ASSOCIATION, INC., COLUMBIA, MO., AUGUST 24, 1959

It is an honor and a privilege for me to appear on your program today. We folks in Kansas have always had a great respect for the farmer in Missouri and especially for your active, hard hitting Missouri Farmers Association.

After accepting your kind invitation to speak here today, I spent some time thinking about a wide range of topics which I would have liked to discuss with you. As you probably know, a Senator becomes involved in so many activities today that he has difficulty in keeping up to date in any one field. After considering several alternatives, I decided to try to organize my thoughts and observations regarding the current impasse which has developed in the farm policy field.

I ask, What, if any, progress has been made in national farm policy in the past 30 years?

I ask, Why do we find it so difficult to reach a common agreement on desirable revisions in farm price support legislation?

And finally, I ask, How and in what manner can we expect to make progress in improving farmers' bargaining power in months and years immediately ahead?

These are the questions that interest me, and I believe they are questions in which you are interested.

When I consider the first question, "What, if any, progress has been made in national farm policy?" it occurred to me that it was just 30 years ago that we first made the

stabilization of farm prices a national policy objective. The Agricultural Marketing Act, the first national legislation having as its objective the stabilization of farm prices, was passed in 1929 with the active support of President Hoover.

Those of you who have as many gray hairs as I do will remember that the Agricultural Marketing Act created a Federal Farm Board with a price stabilization fund of $500 million and a charter to assist in the development of regional and national marketing cooperatives. The Board hoped that, with the help of credit from the $500 million stabilization fund, these cooperatives would be able to stabilize market supplies and prices.

President Hoover, especially anxious that this new Board should succeed, prevailed upon Alexander Legge, the former president of the International Harvester Co., to become its first chairman. Soon after taking office Mr. Legge explained the purpose of the Board in a U.S. Chamber of Commerce meeting in these words:

"Nearly 10 years of discussion, controversy, and compromise led Congress, in its wisdom, to declare that permanent solution of the agricultural problem lies in collective action on the part of the farmers. It created the Farm Board to help producers organize for such action, both as to production and marketing of their crops, the purpose being to enable them to put their industry on economic parity with other industries."

Apparently the chamber of commerce opposed farm price stabilization 30 years ago, just as it does today, for later in the same speech Mr. Legge said:

"Is there any reason why those who have prospered and grown apace through governmental aid and assistance to various industries should object to the farmer getting his?

"You fellows, better organized, got yours while the farmer, unorganized, failed to get anything.

"The farmers have little or nothing to say about what their product brings. Costs of production can be passed along to the buyer by nearly everyone but the farmer. Unorganized, he has to take for his product what the other fellow is willing to give him."

No one knows how successful these first efforts at farm price stabilization would have been under normal peacetime conditions. We know, of course, that they were unable to stem the tide of economic recession which set in in the fall of 1929.

We usually think of the Federal Farm Board as having failed in its price stabilization efforts. But it was this first Farm Board experience which convinced Mr. Legge and other farm leaders that production and marketing controls were essential for the success of farm price stabilization policies.

Mr. Legge, with his background of manufacturing experience, was a vigorous advocate of balancing supplies with available markets. After several years of service, in his letter of resignation to President Hoover, he included this significant sentence:

"While there are still a few of the agricultural leaders who lower their voices when they speak of production control, yet practically all of them have accepted the principle as essential."

The production control programs of the Agricultural Adjustment Administration in the 1930's were a direct outgrowth of the Farm Board's experience. The Secretary of Agriculture in 1933 also inaugurated price-support loans direct to producers. In the fall of 1933 producers of cotton and corn who had kept production in line with their allotments were offered loans on their crops at above-market values. This was the beginning of direct price-support programs as we know them today.

The price-support features of the farm program increased in popularity throughout the 1930's. It became increasingly difficult, however, to hold production in line with the volume that could be marketed at the support price levels with continued large unemployment rolls. Just as a matter of interest I looked up the records and found that the loans and inventories of the Commodity Credit Corporation increased from $279 million in 1938 to $1.7 billion at the end of 1942.

I often wonder how our farm price policy would have met this problem of growing stocks in the prewar years if high levels of employment could have been achieved and World War II could have been avoided.

World War II generated economic forces, just the opposite of those prevailing in the 1930's, and gave us an opportunity to try out Government price supports as economic incentives for increased production. The experience of the war period was not particularly revealing, however, for market prices remained well above support price levels most of the time.

Production goals replaced quotas and, to increase production, farmers were given all possible incentives feasible in view of wartime conditions. They responded with such vigor that per capita food consumption (in part associated with fuller employment) increased 6 percent. In addition, large quantities of food were supplied to the Armed Forces and to our allies.

Senator AIKEN, of Vermont, recently said: "In fact, the increase in agricultural production in America was largely responsible for winning the war, and was a feat which was exceeded only by the men in the fighting forces themselves.

"After the war the productive power of American farms was instrumental in putting countries of Western Europe and other parts of the world back on their feet.

"This had hardly been accomplished when the Korean war broke out; and there was increased demand for certain commodities, particularly wheat.

"Again the American farmer responded."

The 6 years following the Korean war have given us a different kind of experience. It has been a frustrating experience for farm leaders, farm program administrators, and farm-minded legislators.

During the last 6 years net farm income has been almost $20 billion less than in the previous 6 years.

Farm prices are now 17 percent lower than 6 years ago and the trend is still downward in spite of the general business boom in progress.

Farm production in 1958 was 15 percent higher than the new record levels achieved in 1952–53, and total producton in 1959 may equal or exceed 1958.

We have bartered, sold for local currencies, and given away at home and abroad $8 billion of farm products.

Government loans and inventories of farm products have increased to almost $9 billion and further increases are expected under present legislation as currently administered.

Net budget expenditures of the Department of Agriculture in the past 6 years have reached $28 billion.

Prof. Dale Hathaway of Michigan State University, who spent 1956 on the staff of the Council of Economic Advisers, made a widely accepted appraisal of recent U.S. farm policy in the May issue of the Journal of Farm Economics. The key points in this appraisal are as follows:

1. The program probably has maintained farm income (both in the aggregate and per capita) at levels higher than would have existed in the absence of a program. (Other reputable economists estimate that net farm income would have been one-fourth or more lower without supports in recent years.)

2. The program that has operated has not seriously impeded agricultural adjustment, especially the adjustment of the agricultural labor force.

3. Aggregate agricultural efficiency probably has not been impaired by the program.

* * * * *

5. Despite the conclusion that our recent program has not been a major contribution to the present difficulties in agriculture, neither has it contributed positively to a solution of the problem.

It (the program) has failed, despite massive expenditures, to bring a solution to the U.S. farm problem.

To Professor Hathaway's appraisal I should like to add the following too often overlooked facts:

Over the past 30 years, with farm price supports in operation most of the time, the cost of food in terms of workers' earnings has dropped sharply. A weekly market basket of food for a family of three which cost 25 percent of the worker's average weekly earnings in 1958 would have cost 48 percent of a worker's weekly earnings 30 years earlier.

Food costs less in the United States in terms of workers' wages than anywhere else in the world. Although Government costs of farm price support programs are higher than they should be, they equal only 5 percent of the money spent for food at retail. If the pro rata share of farm program costs had been added to the cost of food, workers in 1958 would have spent only 26 percent of their weekly earnings for a market basket of food as compared with 35 percent for the same food 10 years earlier, and 41 percent 20 years earlier.

Throughout the last two decades, output per hour of farm labor has increased at a rate equal to two to three times that of the nonfarm worker. Largely because of this rapid increase in efficiency, people have left the farms in record numbers in the past 20 years. Yet workers in agriculture, mostly independent farm operators, receive less than half as much for their labor as nonfarm workers. The economic benefits of this increase in efficiency have largely been passed on to the processors and consumers.

When I reflected on the second question, "Why do we find it so difficult to reach a common agreement on desirable revisions in farm price support legislation?" I found it especially challenging. Actually, in the past 6 years I have given a good deal of thought to this question. And I have changed my views somewhat over the period.

In the past several months it has seemed to me that the single most important factor has been the wide difference in views as to the economic facts relating to agriculture. I am told that for the country as a whole, perhaps a third of the farmers believe farm income will drop sharply if effective supply management programs are not adopted soon; an equal number of farmers just as sincerely believe that farm income will be maintained at present levels or will be increased by lower price supports and the removal of production restrictions; and the other third of the farmers are undecided as between these two points of view.

The proportion of farmers holding each of these views differs in the different farming areas. A large majority of the tobacco, cotton, and wheat producers apparently believe in the need for production controls while only a minority of the corn and livestock producers appear ready to accept production controls or believe them to be feasible for their products. There also is a wide diversity of views with respect to the effectiveness of acreage controls and of market prices as incentives in adjusting supplies to available markets.

In my opinion if we could more nearly agree on the relevant economic facts we

could rather quickly agree on desirable changes in farm price support legislation. All of us would prefer more, rather than less, individual freedom in our farming operations. All of us would prefer to do away with price support programs and production controls if farm prices and farm income would not fall to disastrously low levels.

I am not an economist and it is not my purpose to attempt a review of all the important facts relating to farm price support programs. There are, however, three misconceptions which I would like to clear up. First, the evidence does not support the often made assertions that control programs have been ineffective and that farm price support programs have stimulated greater production.

Official statistics compiled by the Department of Agriculture show that in the last 5 years production of the basic crops has been held 21 percent lower than the nonbasics, using 1952–53 (the last 2 years before acreage controls and marketing quotas were invoked) as the base period. The production of the basic crops, feed grains other than corn and soybeans (crops increased most by diversions from the allotment crops) in the last 5 years has averaged 2 percent lower in relation to the 1952–53 base than all other (non-price-supported) crops. Obviously production controls have not been as effective as they should have been but they have held production in check, as compared with that of the non-price-supported crops.

Second, the economic facts do not support the propaganda to the effect that the producers of the non-price-supported products, especially livestock, have demonstrated the superiority of free market policies in recent years. In the 6 years 1953–58, on a net basis 94.5 million tons of feed grains and wheat were removed from commercial market channels by surplus disposal and Government storage programs.

Had these additional feed grains and wheat remained in commercial market channels, their outlet would have been livestock feeding. Livestock feed grains supplies would have been 14 percent larger for the entire 6-year period. In the absence of price-support programs on feed grains and wheat, total livestock feeding would have been about 14 percent larger, thus increasing supplies and lowering prices of livestock products generally.

Hogs which would have utilized about half of the increased feed supplies would have been sent to market in about 16 percent larger numbers. An increase in marketings of this magnitude, on the basis of recent Department of Agriculture analyses, would have lowered hog prices one-third or more below what they actually were.

While we are discussing farm surpluses and the effect they have had on farm prices generally, I want to discuss briefly our crop surplus problem in Kansas. Wheat is the basic crop and the farmers are very much concerned and embittered about the continuous reminder to the public about the cost to the taxpayers for the storage of wheat and cost of the program. Wheat is the political football—the whipping boy for those who do not know the farm problem.

Admittedly, we have a surplus of some 120,917,000 bushels of wheat stocks in all storage positions as of August 7. On August 7 corn stocks in the United States were 1,033,431,000 bushels and this figure will go up about 340 million bushels in the next 2 or 3 weeks, or to a total of 1,373 million bushels.

With the present anticipated corn yield this year, corn could also be a great burden in our farm surplus problem.

Stocks of oats on August 7 were 36,495,000 bushels—grain sorghums 269,912,000 bushels.

I mention these figures because the wheat farmers of this Nation have been receiving the brunt of criticism for surplus crops that are not limited just to wheat.

The third misconception relates to the potentialities of market expansion as a solution for the current imbalance between supplies and market outlets.

The evidence does not support the optimism often expressed regarding the widening of markets which will occur with lower prices. Although I have always supported programs for market expansion I believe we should be realistic in our expectations.

In spite of the greatly increased promotional efforts in recent years, 9 percent more American consumers, with 10 percent higher real incomes in 1957, bought 11 percent more food, including more higher cost meats and fewer cereals and potatoes than in 1952. Yet farmers received $600 million less for this food in 1957 than for the smaller quantity taken 5 years earlier.

Prof. Murray Benedict of the University of California, a long-time student of national farm policies, says: "* * * so far as food is concerned, once a nation is as well fed as ours now is, demand can grow only about as fast as population grows."

Official reports show that in the 4½ years of surplus disposal operations ending December 31, 1958, we removed a total of $10.7 billion of farm products from commercial markets by disposal and net storage programs. These disposal and storage programs provided an outlet for $2.4 billion of farm products a year. Had these extra products moved through commercial markets, they would have caused a sharp decline in prices. The most recent studies available indicate annual farm income would have dropped by at least twice this amount.

In my opinion far too small a part of our expanded research programs in recent years has been devoted to an objective study of farm price-support program results.

There has been far too much propaganda based on misconceptions of agriculture's basic economic problems. There has been far too little comprehension of the economic significance of the output—increasing effects of rapid technological change in food production at a time when the peoples of the industrialized Western World already are well fed. There has been far too little understanding of the economic effects on farmers of the market pricing policies of big business and big labor.

I believe that if we could get widespread common understanding of the economic facts and relationships in these fields it would not be difficult to reach agreement on desirable revisions in price support legislation.

This brings us to a consideration of the third question, "How and in what manner can we expect to make progress in the near future in improving farmers' bargaining power?" I hope you won't be disappointed if I fumble this one a little.

Although I am vitally interested in farm problems I am not a member of the Senate Committee on Agriculture and Forestry. Consequently, I have not become involved in the cross currents of conflicting recommendations which almost overwhelm the members of the Committee on Agriculture.

As I see it, however, producers of the basic crops—with the exception of corn—have a tolerable satisfactory history of price stabilization and supply management through marketing quotas. Producers of the more important perishable crops appear to have learned how to use marketing agreements and marketing orders effectively in stabilizing their market supplies and prices.

Dairymen have been able to stabilize their prices with the help of Federal milk-marketing orders, where the milk goes into fluid use and price-supporting Government purchases as necessary for manufactured dairy products.

While it is difficult to discover any clear trends in recent farm-policy developments, it appears to me that these groups are likely to maintain and improve on such price-stabilization measures as they now have. As technological progress continues to expand the productive capacity of the agricultural plant faster than markets expand, the producers of these other products may be more or less successful in balancing their supplies with market outlets available at stable prices and in diverting their unused resources into feed grain and livestock production.

For the farm economy as a whole we are now producing 6 to 9 percent more products than can be sold in commercial markets at stable prices. Most of this excess capacity is likely to be diverted into feed and livestock production. Since feed grains and livestock products now make up two-thirds of total farm marketings, an expansion of some 8 to 12 percent in feed grains and livestock would be necessary to absorb current excess productive capacity in agriculture.

In addition, stocks of both feed grains and wheat are excessive. Even though exports are expanded as much as possible through continued Public Law 480 programs, it is probable that a part of these excess stocks can only be liquidated by feeding them domestically to livestock.

Every effort must be made to expand our export of farm commodities. The export of these farm commodities means not only dollars for farmers, but it has been, and will continue to be, an important part of a program of bringing closer relationships with countries that do not have an abundant food supply. Food for peace must be more than just a slogan; it can and must be a reality.

Recently the Senate Foreign Relations Committee, of which I am a member, reported to the Senate a bill, S. 1771, which is known as the International Food for Peace Act of 1959. I am a cosponsor of that bill.

From a humanitarian standpoint, I know of nothing we can do as a Nation that will win friends faster and more permanently than getting food and fiber into the hands of the needy.

The distribution of this food to underdeveloped countries where there are millions of needy and undernourished people is more than a commodity-disposal operation; it has important psychological value. In my opinion, it is one of the most effective forms of foreign aid.

Although attention was centered on wheat in this session of Congress, CCC loans and inventories of feed grains already are 10 percent larger than the loans and inventories of wheat. It seems almost certain that by this time next year CCC investments in feed grains relative to wheat will be even larger than at present. Hog prices will be distressingly low, poultry and egg prices will be less than fully satisfactory, and cattle prices will be starting their cyclical decline as marketings increase.

If there is anything to the old saying that necessity is the mother of invention, I am inclined to believe that in the next year or two increasing Government stocks of feed grains and declining livestock prices will force Midwest farmers to agree upon some program for improving their bargaining power.

Undoubtedly, it will have to include placing a part of our cropland in a conservation reserve. The central issue that should receive a great deal more study and discussion is whether or not more direct market supply management programs will be needed to make a conservation reserve program reasonably effective for feed grains and livestock products.

This has been a rather long statement, but the agricultural problem today is a complex and badly misunderstood problem. We and

the public have been confused by the substitution of cheerful and hopeful statements for vital economic facts.

It is my hope that the leaders of our farm organizations, the farmers themselves, and our citizens generally will take a realistic view, with the hope that we may work out a solution which will maintain price stabilization and give the American farmer his fair share of our national income.

Home Rule for the District of Columbia

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 26, 1959

Mr. MULTER. Mr. Speaker, on July 28, 1959, I testified before the House District Committee in support of my bill, H.R. 4630. My testimony was as follows:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, JULY 28, 1959

Mr. MULTER. For the record, I am ABRAHAM J. MULTER, Representative from the 13th District of New York.

Mr. Chairman and distinguished members of the committee, I appreciate the opportunity to appear here this morning in support of home rule for the District of Columbia.

At the outset may I say that I understand and respect the views of other Members of Congress who oppose home rule for the District. At the same time I very vigorously and sincerely disagree with them.

It is my opinion that not only should the hearings go forward expeditiously, but that a bill should then be reported to the House so that the House may work its will as to whether or not the District should have home rule and if so the form that that home rule should take.

Mr. MCMILLAN. Will the gentleman yield for a question at that point?

Mr. MULTER. Surely.

Mr. MCMILLAN. I take it you do not favor the discharge rule before the Rules Committee that would not permit the House to work its will?

Mr. MULTER. I do not know as of this moment of a discharge petition, if that is what you are referring to.

Mr. MCMILLAN. I am referring to the discharge rule that provides for a 1-hour debate on the home rule bills.

Mr. MULTER. I do not think a discharge petition has been filed yet but, most respectfully, I hope it will be filed and I hope to be one of the first to sign the petition, and I hope in short order the petition will be signed and the legislation will be brought before the House.

Mr. MCMILLAN. Perhaps I misunderstood you. I understood you to say you wanted the House to work its will, and the House cannot work its will on this legislation in the period of 1 hour.

Mr. MULTER. I understand your statement, but I do not agree with it and cannot subscribe to it.

[Applause.]

Mr. DAVIS. Mr. Officer, if anyone attempts any applause or any other demonstration in the room, I want you to see who it is and promptly remove him.

The OFFICER. Yes, sir.

Mr. DAVIS. Proceed, please, Mr. MULTER.

Mr. MULTER. Addressing myself further for the moment to Chairman MCMILLAN'S remarks, it is my firm opinion that the House can work its will on any bill that is brought before it, whether it comes before it through the committee procedure of being reported by a committee and then by a rule, or without either report from the committee or a rule. And when a discharge petition is filed and it is signed by the necessary number constituting a majority of the House, that is the will of the House that the House shall determine whether they shall pass on the legislation. That is the first question the discharge petition puts before the House. The House can then decide it will not consider the matter, or, on the other hand, if the majority says it will consider the matter, the House proceeds to determine what it will do with the bill and perfect the bill if that is the will of the majority. It is my considered opinion that it is and that the majority will so express itself in favor of home rule for the District and will bring forth a bill that will give to the District a modicum of home rule, probably not as much as I would like to see, and probably not as much as other Members would like to see, but, at the expense of referring to the cliche that maybe this is just a foot in the door, I for one am willing that we get that foot in the door or that toe in the door and move forward from that. If we get some kind of home rule for the District this year, after we have had some experience under it I hope we can perfect it and give to the District more and more home rule.

I have before me the letter from our distinguished chairman, the gentleman from South Carolina, Mr. MCMILLAN, dated July 27, which was addressed to me and I believe to all the authors of other home rule bills, in which he states that among other things he will request the chairman of the subcommittee to insist on all authors of bills making an oral statement so that we will be able to get all the information possible on this subject.

Mr. MCMILLAN. That is correct. That letter was sent to the author of every bill because this is an important question and I think every member who thinks enough of this question to introduce a bill should come in and explain how he can get by the Constitution. You are a good lawyer, and we want you to tell us how you can get by article I, section 8, of the Constitution.

Mr. MULTER. I will get to that in a moment, sir.

I would first like to say that this is rather an unusual request. The chairman himself, Mr. MCMILLAN, has been the first to violate it by having the chairman of the subcommittee read his own statement, and I respectfully suggest that other members who desire to file a written statement be permitted to do so and to file it just as though he had made it orally.

Mr. MCMILLAN. Of course, everybody may submit a statement, we will be glad to have it, but we feel any man who introduces a bill should be willing to come in and explain it. I did not introduce a bill.

Mr. MULTER. I understand. I do trust the committee will take the view that when 26 Members of the House introduce an identical bill, if one or more come in here and explain the bill and they explain in writing or otherwise that they support that bill, that would be a sufficient record.

I do not pretend to know all about home rule or all about all the bills that have been submitted, but I think it is high time, after the other body has five times in the last 10 years passed a bill for home rule for the District, it is high time this committee report a bill to the House so that the House can decide by vote if it wants home rule for the District and to what extent.

Mr. MCMILLAN. Will the gentleman yield?

Mr. DAVIS. Mr. MCMILLAN.

Mr. MCMILLAN. I do not know whether you were here when we had the bill before the House and the House spent 2 whole days on home rule?

Mr. MULTER. I recall it, sir.

Mr. MCMILLAN. And the bill was not passed.

Mr. MULTER. I recall it, sir.

Mr. MCMILLAN. According to the radio and television and the newspapers it would appear we have never had one before the House.

Mr. MULTER. It has been 10 years since we had one, and I think it is time the House decide whether the people of the District are entitled to the right of representation as well as the burden of taxation. One goes with the other, and without both we do not have the democratic form of government—with a small "d"—that we brag about to the free world and that we like to talk about during campaign time, and that goes whether we believe in States' rights or a central government. That is unimportant. Certainly all should agree that everybody has a right to vote and elect their representatives and their representatives should have a right to participate by voting on every piece of legislation passed or considered which affects their lives and their property and their rights.

I have introduced two bills. One bill, H.R. 4630, is the bill which is preferred by the administration. While I have disagreed vigorously from time to time with the administration on many problems—and probably will again many times before this administration leaves office—this is one time I am willing to go along with them again with the idea in mind that this is half a loaf and this half loaf is better than no loaf.

I will not take the time to discuss each of the sections in that bill. I did place a detailed analysis of the bill in the CONGRESSIONAL RECORD during the course of a special order I had on February 17. It appears at page 2312 of the RECORD and subsequent pages up to and including page 2317.

The other bill which I introduced, H.R. 8081, is the so-called Morse bill, and it is quite like the one which the Senate has now passed and sent to this body. I will not take the time to analyze that bill either.

The first bill calls for elected local legislators and an appointed Governor.

The second bill calls for an elected mayor and city council and so forth.

Both bills present the primary issue—

Mr. DAVIS. Will you designate them by number?

Mr. MULTER. Yes, sir. The first bill is H.R. 4630 and the second bill is H.R. 8081.

Both bills present the first and primary issue the Congress must determine, and that is, Shall there be home rule?

Mr. DAVIS. I shall have to ask you to suspend until we can have the noise stopped outside.

(Brief suspension of the hearing.)

Mr. DAVIS. Some of the people who attended the hearing this morning seem to be determined to make this the same kind of situation which prevailed in Havana last week. If we just had the beards and machetes we would have a pretty good duplication of it out in the hall this morning and we apparently would be ready to begin the distribution of land and other property.

We will proceed in an orderly way, and I think you can proceed now, Mr. MULTER.

Mr. MULTER. Mr. Chairman, I think before we go much further I ought to direct the attention of the committee to one of the primary rights of citizens of our country. It starts with the Declaration of Independence and it is written into our Constitution with such bold letters and big type that none can misunderstand it, and none should ever forget it, and that is the inherent right of citizens of our country to assemble publicly and to peaceably petition their legislators and their Congress, and that is what these people are trying to do who are

in this room and out in the hall, and if there is any disorder the committee must bear the responsibility for it by not providing adequate room for these people to come in and quietly attend the hearing and hear what is being said.

Mr. DAVIS. Will you yield at that point?

Mr. MULTER. As soon as I finish this point.

I submit this hearing should be adjourned to a larger room, if one is available, which I am sure it is, so that we can all, citizens outside, and citizens inside, listen quietly and orderly and give them the orderly hearing I am sure they all want.

I yield, sir.

Mr. DAVIS. Mr. MULTER, as I stated in answer to a question by our colleague, Mr. WIER, a moment ago, we have been able to hear all the legislation that we have had hearings on in this room. We are able to hold these hearings here now and will hold them here in an orderly fashion and will hear everyone who desires to be heard on this legislation.

This is a staged demonstration, as you well know and as all of us well know, and its purpose is not to present any facts to the committee but to bring pressure on it. I do not think it will succeed.

We will be glad to hear you and we will be glad to hear every other interested person.

You may proceed.

Mr. MULTER. Mr. Chairman and my distinguished colleagues on the committee, although I did not participate in the preparation for this demonstration or in the march on the Hill, I approve of it and I remind you gentlemen that the Boston Tea Party also was a staged demonstration, a demonstration against the King and his tyrannical use of his powers. It did not have its effect. It resulted in a war, a revolution, and the birth of this country.

I am sure that no such demonstration will ever again result in war in this country to attain for the people the privileges and rights that are guaranteed to them by the Constitution, and I am sure the Congress will eventually give them all the rights they are guaranteed by our Constitution, including the right to elect a voting Representative to the House of Representatives and to elect their own local officials.

With respect to the specific question that was tendered by Mr. MCMILLAN of whether or not home rule legislation would be constitutional, may I suggest that in the same article I, section 8, the Congress is given the power to coin money and regulate the value thereof, yet no one denies that the National Bank Act and the Federal Reserve Act are constitutional. They have been tested and found constitutional and I have not heard anybody in recent days argue against the constitutionality of the National Bank Act and the Federal Reserve Act. Both acts take from the Congress, by the Congress's own legislation, and give to the Comptroller of the Currency and to national banks and to Federal Reserve banks the right to do that which is reserved to the Congress in this same article, this same section, with reference to money.

How much more important is it that we give personal rights—the right to vote, the right of representation—to these people by legislative enactment. We do it every time we create a State. I know the answer will be, "But look at the particular language of section 8, clause 17." I do look at it, but I do not overlook when I get to the same article, same section, clause 18, the same Constitution says, "The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

I think that is the complete answer to any argument that may be urged that home rule legislation would be unconstitutional.

Mr. MCMILLAN. While you are on that subject, were you in Congress when we had the last hearings on this subject?

Mr. MULTER. I came here in 1947, Mr. Chairman.

Mr. MCMILAN. You were not a member of this committee at that time?

Mr. MULTER. No, sir; I was not.

Mr. MCMILLAN. We had a statement from the late John W. Davis, who I am sure you will agree was one of the greatest constitutional lawyers in the United States.

Mr. MULTER. One of the greatest.

Mr. MCMILLAN. He sent down a statement to the committee stating we did not have the right as Members of Congress to delegate our authority in this respect.

Mr. MULTER. I respect the opinion of the late John W. Davis as a great constitutional lawyer. I disagreed with him in this instance, as I have in other instances. Without going into the details, I recall distinctly one case that went to the Supreme Court in which we were on opposite sides. The Supreme Court unanimously agreed with me. And I hope if the home rule bill goes before the Supreme Court it will again agree with me. I think the arguments for constitutionality of the home rule bill are of much greater weight and have more validity than the respected and respectable opinion of the late John W. Davis.

Mr. BROYHILL. Will the gentleman yield?

Mr. MULTER. Yes.

Mr. BROYHILL. We appreciate your stating your views. However, it seems our Founding Fathers went to great lengths to make sure Congress would exercise authority over the District of Columbia, because they added some words to emphasize that language that would otherwise be superfluous. They said Congress shall have power to exercise exclusive legislation in all cases whatsoever. The language without the words "exclusive" and "whatsoever" would still make sense, but they added the words "exclusive" legislation in all cases "whatsoever." It seems to me their intent was to exercise the authority of Congress over the city.

There is and has been for several years a resolution pending before the House Committee on the Judiciary to grant to the citizens of the District of Columbia who are American citizens the right to vote for President and Vice President.

To my knowledge no consideration has been given by the Judiciary Committee to that legislation. I have not heard of any Member of Congress who objected to that proposal to give the citizens of the District of Columbia the right to vote for President and Vice President, but there does not seem to be the same desire to give them that right—which seems to me to be more important than to give them the limited authority involved here. And it will be limited because whatever bill is passed there will be the question of how much voice the local people would have, but in voting for President and Vice President there would be no question about it, and I am certain the House would pass an amendment to give these citizens of the District of Columbia the right to vote for President and Vice President, and it would go through.

I am wondering why the people interested in this legislation do not start a discharge petition to discharge the Judiciary Committee and bring that bill before the House?

What do you say about that?

Mr. MULTER. I say let us not pass the buck.

Mr. BROYHILL. I am not passing the buck.

Mr. MULTER. I am willing to join with you tomorrow in filing a petition to discharge the Judiciary Committee from further consideration of the bill to pass a constitutional amendment to give the citizens of the District of Columbia a right to vote for President and Vice President.

Mr. BROYHILL. Do you not think that is a more important bill?

Mr. MULTER. I think it is a very important bill and I am willing to join in filing a petition to discharge the Judiciary Committee, but I think we should leave no stone unturned to give them both bills.

Mr. BROYHILL. You would eliminate the constitutional question by a constitutional amendment to give them that right.

Mr. MULTER. I do not think you need a constitutional amendment. I agree the weight of authority is with you in saying there is need for a constitutional amendment, but I would risk passing a law and giving the right to them and I would risk what would happen in the U.S. Supreme Court as to whether that bill is constitutional or not.

Mr. BROYHILL. I will not argue with you on that.

Mr. MULTER. I say let us do the two things. Let us do the three things. Let us pass the constitutional amendment, too. By the time the constitutional amendment is adopted I think the Supreme Court would have passed on the constitutionality of the legislation. I am willing to vote for the constitutional amendment because it is one sure method to give them the right to vote, but I would not forgo the right of Congress to give it to them without a constitutional amendment.

Mr. BROYHILL. I am merely suggesting that we eliminate the ambiguity. I do not think that would be difficult if the Judiciary Committee would hold hearings on the legislation before it.

Mr. MULTER. But this is before us now.

Mr. DAVIS. Mr. MULTER, would you prefer to finish your statement and then answer questions?

Mr. MULTER. No; I think it is much better that the questions be asked and the answers given as the questions arise.

Mr. MATTHEWS. Mr. MULTER, will you yield?

Mr. MULTER. Surely.

Mr. MATTHEWS. I want to express my sincere regard for our colleague, who is a very distinguished member of our committee and who is always loyal to his interests.

I think I heard you say you would be in favor of giving the District a voting Representative in Congress, and if I heard you correctly, is it your idea that the next step probably that would be undertaken would be to make the District a State with two or more U.S. Congressmen and two or more U.S. Senators, and if that is granted I wonder what you think about giving them voting Representatives in the Senate, too?

This is a great concern that I have. We hear so much about taxation without representation. If we grant some kind of home rule would the next step be, "We are still being taxed without representation," and what would be the position of the great city of New York and the State of New York and down the line? That is the question that puzzles me.

Mr. MULTER. It gives me no trouble, BILLY, and may I take a moment to say I appreciate the compliment you pay me. It gives me no trouble because I so frequently refer to the history of the city of New York and State of New York and what happened to my town or city of New York. We did not always have home rule there. We do not have complete home rule yet but we have more than many cities. We had to fight for it all the way and today we have more than many other cities.

It does not bother me that you have a bill—I do not think it is on the list but I think our distinguished colleague from Texas, Mr. TEAGUE, has introduced a bill that is known as a nonsovereign State bill.

Mr. DAVIS. Do you have the number of that bill?

Mr. MULTER. No, I do not, but the newspapers referred to it. I do not know the

number of it but that bill, I think, calls for a voting Member of the House of Representatives and two voting Members of the U.S. Senate.

I do not go for half representation. I say if a citizen is entitled to be represented he is entitled to full representation. If he is entitled to vote he is entitled to vote on everything that concerns him. But I am willing to take this step by step, and I think the first step is to give him some home rule. I do not know of any prohibition against home rule up to 75 years ago. No one tested its constitutionality. It was good at that time. Why could not home rule be good today?

I think the constitutional question is one that should be resolved by the Supreme Court if and when it is tested, but in the meantime I think we should move forward and give the taxpaying citizens of the District of Columbia of the United States of America the right to vote for their local officials and to govern themselves.

And that reminds me of this situation:

If what is said about home rule being unconstitutional is true, and if this language means precisely what it says, that the Congress reserves to itself all the legislative power concerning this District of Columbia, then indeed our Founding Fathers were very foolish and impractical, and I disbelieve that because if that is so everything that is done today by the Commissioners is illegal and unconstitutional. I have not heard anyone say that. Every time you give the Commissioners or the Public Utilities Commission the right to issue a rule or regulation, whether it involves health or sanitation or transportation, that is legislation and a legislative power, and if the Congress did not have the right to give that authority to the Commissioners or to the Public Utilities Commission or any other District Commission, then everything they have done is unconstitutional and everyone who violated an ordinance and paid a fine was fined illegally, and I do not think that is so.

This is my position on these bills and I hope very shortly you will go into executive session and bring forth a bill that can be acted on promptly.

Mr. DAVIS. We appreciate your statement.

I want to ask you some questions about some of the points you touched on.

Mr. MULTER. Surely.

Mr. DAVIS. I notice in House Resolution 320 that you are listed as one of the four Representatives which that resolution provides for recognition by the Speaker to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 4630, which is one of the bills you referred to in your statement.

Mr. MULTER. Yes, sir.

Mr. DAVIS. You are familiar with House Resolution 320?

Mr. MULTER. Yes, I am.

Mr. DAVIS. That resolution provides that all points of order against the bill are waived and it provides that general debate shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by you or whoever requested the rule for consideration of H.R. 4630, and a Member who is opposed to said bill to be designated by the Speaker.

The resolution further provides that no amendment shall be in order to the bill except those offered by direction of the Member requesting the rule, which could be you or one of the three other Members named in the resolution, and that amendments so offered may be offered to any part of the bill but shall not be subject to amendment.

That strikes me as being a very harsh and stringent gag rule.

This bill, H.R. 4630, is a bill which has 83 pages in it. This resolution also provides that it shall be considered as read when the debate has been ended.

What is the reason for all these various provisions?

Mr. MULTER. All the reasons I have ever heard urged since I have been a Member of the House in support of closed rules can and should be urged in support of that closed rule. It is no different from any other closed rule that has been reported by the Rules Committee and adopted by the House, and you know, I am sure, the House does not have to adopt this closed rule.

Mr. DAVIS. It expresses your attitude?

Mr. MULTER. That is right, because I think a bill of this kind ought to be considered just as we can consider bills out of the Ways and Means Committee dealing with billions of dollars under a closed rule without amendment when there is much disagreement. Surely we can consider a bill of this kind under the same rule and determine once and for all the issues it raises in this session of Congress and that is, whether or not home rule shall be given to the District and whether or not they shall at least have the right to experiment under home rule for a while.

Mr. DAVIS. How does the gentleman feel that restricting these debates to 1 hour will further the purpose of having home rule this session? Does not the gentleman know that 1 day's debate or 2 days' debate or any reasonable time would not jeopardize the passage of the bill if the House wants to pass it? I would like to know why you want to restrict it to 30 minutes to those in favor and 30 minutes to those opposed when you cannot begin to touch the various provisions in this 83-page bill in that length of time?

Mr. MULTER. May I be presumptuous enough to suggest that the reason for the limitation to 1 hour is that I do not think if you talked about this bill for 10 days a single vote would be changed.

Mr. DAVIS. Is that the gentleman's attitude about legislation generally?

Mr. MULTER. No; it is not.

Mr. DAVIS. Why does the gentleman say it about this bill?

Mr. MULTER. Because on this particular bill I think every Member of the House has made up his mind whether he is for or against home rule and will vote accordingly regardless of how much debate there is.

Mr. DAVIS. Would you say every Member of the House is familiar with the provisions of H.R. 4630?

Mr. MULTER. Just as he is not now, I would say after 20 days' debate every Member would not be familiar with every provision of the bill.

Mr. DAVIS. You do not think debate would inform him as to the provisions?

Mr. MULTER. Debate would inform those willing to stay on the floor during general debate.

Mr. DAVIS. The gentleman knows you have a right to get them on the floor and keep them there.

Mr. MULTER. You cannot if there are 100 on the floor, and that is less than one-fourth of the Members of the House.

Mr. DAVIS. I differ with the gentleman as to the necessity to explain the provisions of a bill.

Mr. MULTER. Before we leave the matter of limitation of debate, I have learned the hard way that all good legislation is the result of compromise, and I am willing to compromise if you and others who feel about it the way you do say 1 hour is not enough. I am willing to agree with you on how much time for debate there should be.

Mr. DAVIS. Let me get the gentleman's idea on how much time he thinks would be reasonable?

Mr. MULTER. I have said I do not think any amount of debating——

Mr. DAVIS. You are a member of the Banking and Currency Committee, are you not?

Mr. MULTER. Yes, sir; I am.

Mr. DAVIS. That committee reports out many bills and the Rules Committee has always allowed reasonable time for debate on bills out of that committee.

Mr. MULTER. That is right.

Mr. DAVIS. You have referred to tax bills. We all know the reason tax bills come before the House on a closed rule is that experience has demonstrated that is is almost impossible to pass a tax bill unless it comes up under a closed rule.

The gentleman referred to tax bills involving billions of dollars. Appropriation bills also involve billions of dollars and they come up under a closed rule.

Mr. MULTER. Sometimes they do.

Mr. DAVIS. Almost always, but you can offer an amendment any time you want to and get a hearing before the House, and House Members are not prevented from offering amendments and expressing themselves about such amendments as they may offer, and certainly the appropriation bills I do not think can be considered as of lesser importance than the subject matter of this legislation.

What do you say about that?

Mr. MULTER. I say this committee is in charge of that situation. Most of these bills have been before this committee since January. Most of them have been before Congress every session for the last 10 years. I am not accusing anyone of being dilatory, but I am suggesting the answer to any discharge petition is that the committee has had ample time to report out a bill and that the committee can be in control of the kind of rule you wanted brought forth. It is still within the power of this committee to control that.

Mr. DAVIS. Is it your attitude, then, that because the committee has not held hearings on these bills up to this time, to eliminate all the legislative processes and go ahead and adopt these stringent provisions provided for in this resolution which have already been outlined here and assume that this bill, H.R. 4630, is so perfect that no Member of the House other than the four named in House Resolution 320 would be capable of offering an amendment to it that would improve it?

Mr. MULTER. I am sure I can talk for the other three colleagues mentioned in that resolution. None of us claim to know it all, none of us is perfect, and none of us claim we can bring out a perfect bill.

Mr. DAVIS. Why have you restricted it so that the other 433 Members of the House would have no opportunity to offer an amendment or debate it?

Mr. MULTER. Because the discharge petition and the closed rule is as much a part of the legislative processes as the committee system.

Mr. DAVIS. Why have you restricted it further so that if one of these four Members does offer an amendment that no Member of the House will be permitted to amend that amendment?

Mr. MULTER. The same principle applies here regarding the offering of amendments to amendments as to other bills.

Frankly, none of us at this time foresee the necessity for amendments. However, during the course of the debate things may be suggested to improve the bill, and I am sure my colleagues sponsoring this bill will agree to any amendment that will improve the bill.

Mr. DAVIS. But you would not agree that any other Member who disagrees with the propriety of any provision in this bill could offer an amendment?

Mr. MULTER. Most respectively I say to you we had a choice, a hard choice. We could have an open rule and permit amendments until the end of the session of Congress—whether dilatory or otherwise is unimportant—but under an open rule it could go on

until adjournment. Or if it is a closed rule it must be a closed rule not in part but completely, otherwise those who want this legislation will see it talked to death.

I say that to you most respectfully.

Mr. DAVIS. Again I disagree with the gentleman most respectfully because I am convinced under the rules of the House there cannot be carried on any such dilatory tactics as the gentleman has referred to. I thoroughly disagree with the gentleman regarding the reason he gives for completely eliminating the voice of the House in passing on the provisions of the bill, which is what this gag rule would do.

Mr. MULTER. If the majority of the House disagrees with us the rule will never be adopted. If it agrees with us it will be adopted. That is the democratic way, again with a small "d".

Mr. DAVIS. I think the gentleman obviously wants to be democratic, but if there has ever been an autocratic gag rule presented to the House in the history of this country, this is it.

Mr. MULTER. I urged the same arguments when I was opposed to the gag rule on bills I did not like.

Mr. DAVIS. Did the gentleman change his opinion?

Mr. WILLIAMS. Mr. Chairman, I think it should be pointed out that there is a difference in the procedure followed by the Ways and Means Committee in seeking these closed rules and the very stringent procedure that is being followed here; that is, that this bill has never reached the stage of committee consideration.

The bills which come out of the Ways and Means Committee have received careful studious consideration by that committee and must be recommended by that committee before the Rules Committee will even give consideration to granting a rule. I think there is quite a difference in the procedure. This is a bill that has been arbitrarily selected and as a bill which the proponents seek to push through the House without giving the House an opportunity to work its will on the legislation.

There is quite a bit of difference in the procedure.

Mr. KEARNS. Mr. Chairman.

Mr. DAVIS. Mr. KEARNS.

Mr. KEARNS. Mr. Chairman, I would like to compliment my colleague. I think he is very honest and sincere in his conviction. There is also one thing very interesting about him. He always has a very great sense of humor.

Mr. MULTER. Thank you, sir.

Mr. KEARNS. Especially when he said he thought every Member of the House had their minds made up whether or not they would uphold home rule.

I would like the record to show at least some conscientious person living here in Washington did not think so because my telephone rang at 3:30 this morning and at 4:30 this morning asking me to vote for home rule.

I had illness in the family back home so I thought nothing of it and I answered the phone.

There is one conviction I have and I am very sure about it, that when George Washington stepped off this 10-mile square and said, "This shall be the seat of the Federal Government," he never anticipated, neither did we, that the bureaucracies of Government would get to the numbers they are and people would come here as they have, in droves. I share the thinking of my colleague from Virginia about their right to vote for President and Vice President, but in the years that I have had the privilege of serving here on the District Committee, I do not see possibly how the Federal Government can act, be effective in their designated duties being subjected to a municipally controlled government.

I mean it sincerely. Then, too, where are you going to get the money to pay for this? The first year you are going to be in the red. The second year more in the red, the third year more in the red, and coming to Congress every year for money. You do not have the taxable potential here to run as other municipalities do.

There are many things considered. My goodness. You talk about the resolution here. We should have as much debate and read the bill on a subject like this as we would on passing a labor bill here in the Congress. To ever think of getting this through, on that type of thing, my dear friend, I don't think it is fair to the people. I don't think it is fair to the Congress, and above all I don't think it is fair to our concept of our form of Government.

Thank you, Mr. Chairman.

Mr. MULTER. Mr. Chairman, may I thank Mr. KEARNS for the remarks he made about me and indicate to him that I feel as strongly as he does at the anoyance that was tendered to him. I think it was deliberate annoyance and if they did that to me as strongly as I feel about this bill, I might change my vote. That might change my vote faster than anything else. I think that kind of annoyance and nuisance just cannot be condoned. It is wrong.

With reference to the financial situation the gentleman referred to, may I there again call upon my personal knowledge of operations in the city of New York. We have the second biggest budget in the country. There is no budget bigger than that of the city of New York except that of the U.S. Government.

But we do not hesitate to come to the Congress, and our mayor comes down here regularly asking the Congress to help us out financially. And every other city does. Every State does, too. The District of Columbia will be no different then than it is now.

Mr. MCMILLAN. Has the city of New York had any assistance to help operate the city government from the Congress of the United States?

Mr. MULTER. If we take "government" in its all-inclusive term, which I am sure we must, and that is the entire operation of the city of New York, we get money for the city of New York for housing, without which we would have no public housing. That comes from the Congress.

Mr. MCMILLAN. I am talking about operating the city government. I want to get some, too, if you can get some in New York.

Mr. MULTER. Our mayor and our city council, elected by the people of the city of New York, our board of estimate, elected by the people of the city of New York, have their salaries and expenses paid out of the budget which is raised by taxation upon the citizens of the city of New York, those residing and working there.

That does not give us all the money we need with which to operate.

Mr. MCMILLAN. Since the gentleman is one of the leaders in this proposed legislation, I wonder if he could tell the committee who he would provide or give permission to vote here in the District of Columbia.

It seems that we have so many categories of people here as brought out in the last hearings who would not be permitted to vote in the District, I wondered who you would permit to vote.

Mr. MULTER. I would permit to vote in the District any person who has a bona fide legal residence in the District and has had it and maintained it at least 1 year prior to the election in which he participates.

Mr. MCMILLAN. That would exclude Government employees?

Mr. MULTER. Those Government employees are voting back home now. A Government employee comes down here from back home and lives in a house and he registers from the last place he voted. He takes a Government job and he can vote forever and a day from that residence even though the house is torn down.

It is still his bona fide residence according to the law.

Mr. MCMILLAN. There are 2,500 people working here on Capitol Hill. Would they be permitted to vote?

Mr. MULTER. If they give up their legal residence back in their home State and establish a bona fide residence here and maintain it at least 1 year prior to election, they should have a right to vote.

Every citizen of the United States should have the right to vote once in a general election but not in two different places, in one place only.

Mr. MCMILLAN. How about Navy personnel? Would they be permitted to vote here?

Mr. MULTER. They vote from their bona fide legal residence at home.

Mr. MCMILLAN. Who would vote in the District?

Mr. MULTER. They would not vote in the District unless they changed their legal residence.

Every man has that right. If I did it and moved out of the State I would lose my seat in Congress. That is not a right, but a privilege. If I want to give up that privilege by moving out of my home State, that is my business.

I can move anywhere within the State and still retain my right to vote within that State.

Mr. MCMILLAN. We all know that. The record should show who shall be eligible to vote in the District of Columbia should this bill become a law.

Mr. DAVIS. Can the gentleman tell us what percentage of the residents of the District of Columbia would be excluded from voting under his bill by reason of the fact that they maintain a legal voting residence in some other State?

Mr. MULTER. I have no such statistic, sir. I am sorry I cannot give it to you. I don't know if anbody has that statistic.

Mr. DAVIS. That would be quite a substantial number, would it not?

Mr. MULTER. I would not even try to guess, sir. I don't know. I have never seen any figure that attempted to give it to us. I do know that most Government employees have been moving out of the District and living in Maryland, nearby Maryland, nearby Virginia. But how many still live in the District, I have no idea.

Mr. DAVIS. The gentleman, I believe, stated in his initial statement that every person was entitled to have the right to vote for representatives.

Did I understand you correctly?

Mr. MULTER. I did say that although that is not in any of the bills that are before you.

Mr. DAVIS. Why, then, especially in view of your feeling, is that not included in H.R. 4630 and these other bills?

Mr. MULTER. We are trying to get as much support for a bill as possible. We tried to bring forth the least controversial bill and that is why the resolution, H. J. Res. 320, refers to H.R. 4630, which is the so-called administration bill. Frankly, I think if we took the other bill which was passed by the Senate the Republicans in the House would probably not support us. They will support the President's bill, the administration's recommendation and that is the bill which I put in under H.R. 4630. This is one instance where I think we need all the bipartisan support we can get. I am willing to compromise and give up the Morse bill for the administration bill for the Republican support.

Mr. DAVIS. I have read some of the provisions of H.R. 4630, not all of them as yet, although I intend to, but I notice that this bill provides for a Governor and a Secretary.

I notice also that although the gentleman has expressed himself very sincerely and earnestly as being in favor of giving the people of the District the right to vote and self government that this bill does not give them the right to vote for the Governor and the Secretary the highest two offices in the bill.

It provides that those officers shall be appointed by the President and also provides that they can be removed by the President at his pleasure.

Mr. MULTER. That is right.

Mr. DAVIS. Why does the gentleman wish to prevent the people of the District from voting for those two high officers and yet have the right to vote for certain others?

Mr. MULTER. I think you put it unintentionally in reverse, Mr. Chairman. I do not want to prevent them from doing that.

Mr. DAVIS. Your bill does that.

Mr. MULTER. The bill does not give them that privilege. I hope some day we will get a law that will give it to them but this is, I think, as far as we can go at this time.

Mr. DAVIS. Isn't that one of the most important things you could give them?

Mr. MULTER. It is a very important thing, but it is not the most important thing. In order to get a bill past a Presidential veto I am willing to go along with the President in this instance and let him have the appointive power and hope in 1961 we can change it and have a President who will go along with elective power and give up his own appointive power.

As of today I do not think we can get the President to go along with a bill that will permit us to elect the Governor or the mayor, as the case may be. He will go along with a bill which will call for an appointment by himself or by his successor.

Mr. DAVIS. I have noticed that many people threatened the Congress in recent days and weeks with a possible veto by the President.

I am glad to have your voice added to the list.

Mr. MULTER. Many a time, and the housing bill is one time, when I said, "Let's override the President's veto and let's send him a bill whether he likes it or not, which we think is a good bill," but there there is a difference of opinion as to the contents of the bill, as to whether it is inflationary or less inflationary than that which he wants.

Mr. DAVIS. Are there any further questions?

Mr. BROYHILL. One more question, Mr. Chairman.

Mr. DAVIS. Mr. BROYHILL. I would like to compliment the gentleman for a very fine statement, particularly for his excellent sense of humor.

Mr. MULTER. Thank you, sir.

Mr. BROYHILL. As the gentleman knows, when the Federal city was laid out, 100 square miles, a 10-mile square, in 1847 the portion west of the Potomac was ceded back to the State of Virginia, 66 square miles. Has the gentleman ever given consideration to the desirability of ceding a large portion of that part that was contributed by Maryland back to the State of Maryland and let the residential areas and a large portion of the business areas be part of the State of Maryland and then reduce the size of this Federal city?

It was done once before. I wondered if we might cut down some more of it.

Mr. MULTER. Under our system of government you cannot force a gift upon people, and I do not think Maryland would accept the gift. I do not think Maryland would accept the cession.

Mr. MATTHEWS. If you will yield.

Mr. BROYHILL. Yes.

Mr. MATTHEWS. I believe all of our colleagues from Maryland have introduced home rule legislation. I believe I am correct.

I know they are sincerely anxious to give our people voting rights such as people in the State have. I am not so sure of that. I wonder, with their enthusiasm and their active cooperation, if maybe the State of Maryland would not be glad to have the opportunity of gaining so many fine citizens from here in the District of Columbia. I am really serious about that. We were talking a while ago about everybody having different ideas about home rule. I want to say to my colleague I have talked to many Members of the House who say they are in favor of some home rule and actually at least four or five Congressmen have suggested that that fundamental idea is right. I know it is difficult. I know it can't be worked out easily, but they said, "It would get rid of all my objections if we could tie in the District with Maryland." I do not think that is a facetious suggestion. I want to emphasize it. Many a Congressman has spoken to me about it.

Mr. BROYHILL. I want the record to show that over a hundred years ago Virginia did its share and its part.

Mr. DAVIS. I would like to ask the gentleman, what is the reasoning behind the provisions in this bill, H.R. 4630, which do not or would not give any representation whatever in the Senate to residents of the District?

Mr. MULTER. Again, we have tried to follow tradition and what we think will gather the greatest number of votes, the most support.

Mr. DAVIS. What objection do you see in the residents of the District having representation in the Senate?

Mr. MULTER. I see none, but I do not think we can get that kind of a bill through today. I think what we have to do is first give them territorial status, representation as Alaska and Hawaii had before they had statehood, a nonvoting delegate, the same as Puerto Rico has, a nonvoting commissioner, giving them a nonvoting Representative in the House first and eventually give that Representative the right to vote.

Mr. DAVIS. Eventually give them statehood.

Mr. MULTER. Whether statehood or not, or simply a right to participate in the right of the Government of the Nation I think is unimportant. I respect all of those who so sincerely urge the States rights theories. I am not a States righter. I think this Government and this Nation of ours can grow and prosper and continue to be the greatest country on God's earth without individual States reserving to themselves all the powers they demand. I think today, with communications what they are, with transportation as fast as it is, when you can get in a matter of hours from one part of the world to the other—not the country, the world—that you do not need this decentralization of Government to the States that we did need many years ago so that whether the District of Columbia has a representative form of self-government is not the test. Every citizen has a right to vote for President and to vote for a Representative in the House of Representatives, and two Senators in the U.S. Senate. I think those are things that they are entitled to. I do not think the Congress is ready to give them to them at this time. Eventually I hope Congress will see fit to do that. I think this bill is as far as we can get a majority of the House to go at this time. The Senate has already indicated they will do this. This is as far, I think, as we can go today, to get a bill to the President which he will sign.

Mr. MATTHEWS. I do not want to belabor that point, Mr. Chairman, but the gentlemen in the other body are so anxious to have us adopt it I wonder why they are opposed to a delegate.

Mr. MULTER. I have said to those who discussed it with me over there, "We will get two Representatives in your body there some day from the District of Columbia."

Mr. DAVIS. Of course, all this legislation ought to be aimed toward fairness and justice and toward securing the appropriate voice in the Government. I presume that is what is behind it.

The gentleman has just stated he does not see too much need for continuance of States rights. I believe that was the substance of what was just said. If I have misquoted you, I wish you would correct me, but if State lines and State functions are to be eliminated, it would seem to me that that is all the more reason why the citizen should have a stronger voice in the Federal Government, in the concentrated Government here in Washington.

If they are not to have States rights, not to have the rights of a citizen of a State, then if their status is to be changed, they ought to be given as strong a voice as possible in the operation of the Federal Government and if you deny them representation in the Senate, you are just giving them what might be called second-class citizenship. Is that not right?

Mr. MULTER. There is substance of what the gentleman says but I say if we cannot give them all the gentleman suggests we have, let's give them part of it now. I will join the gentleman in giving them the rest of it. I will join the gentleman and anybody else in this House or in the Senate to give them all the complete representation and rights that they should have, including the right to elect a voting Representative to the House, and two voting Senators in the U.S. Senate and to vote for the President and the Vice President. I will go along with anybody who will go all the way and I will also go part of the way part of the time until we can get part of it and gradually move along.

Mr. DAVIS. Inasmuch as the gentleman is the present witness before the subcommittee I just want to get all these matters stated as clearly as possible.

Are there further questions?

Mr. WILLIAMS. Mr. Chairman, I think it might be well for Mr. MULTER to describe to the committee the means by which the Federal contribution to the District government will be determined, if any, and why there should be a Federal contribution if we are to grant autonomy to the city itself, any contribution other than a payment in lieu of taxes on the same formula as payments are made in the States.

Mr. MULTER. I think a complete answer would be that if you can set up a local home rule government here and you enact legislation which will require the Federal Government to pay to the local government a sum each year in lieu of taxes upon the full appraised or assessed value of all of the operations of the U.S. Government in the District, they will have more money than they will need and they will be able to make a contribution back to the U.S. Government. That, of course, is a fair way of handling the situation.

Mr. WILLIAMS. You are referring to a payment on property owned by the Federal Government?

Mr. MULTER. Yes, sir.

Mr. WILLIAMS. What are you going to do about parks and playgrounds owned by the Federal Government, deed them to the city?

Mr. MULTER. Do you think we in the Congress ought to exercise jurisdiction over them, operate and maintain them?

Mr. WILLIAMS. Quite obviously I do not, but we are doing it at the present time. Do you feel those should be deeded to the city so that they would relieve the Federal Government from paying in lieu of taxes?

Mr. MULTER. Yes, but relieve the Federal Government of its obligation to support them, no, because most of the people who use those recreational facilities in and around the District of Columbia are the

tourists, American citizens who come to their Capital from all over the country.

Mr. WILLIAMS. Those tourists bring money into the Capital, don't they?

Mr. MULTER. That is right.

Mr. WILLIAMS. There is not a city in the United States who would not be tickled pink to have these facilities provided for their city by the Federal Government and let them enjoy the benefits of it, is there?

Mr. MULTER. I am not so sure about that. It is an economic situation you cannot argue intelligently about unless you have the exact figures and know precisely what we are talking about. I think we can generalize about it, but it will get us nowhere. The fact is even if we give home rule to the District, the U.S. Government must, in my opinion, continue to make a fair contribution to the maintenance of those facilities in and around the District of Columbia that are used by all of the American citizens.

Mr. WILLIAMS. Isn't that going quite a bit further than the Federal Government does with respect to other cities?

Mr. MULTER. What do we do with our national parks outside the District.

Mr. WILLIAMS. I am not referring to national parks.

Mr. MULTER. Don't you think the recreational facilities of parks in the District of Columbia are national parks?

Mr. WILLIAMS. Let's stick to this situation for a minute. You mentioned facilities. Isn't it your purpose to put the city of Washington on exactly the same footing insofar as possible as Kansas City, New York City, Chicago, or other cities and municipalities?

Mr. MULTER. I cannot say that I can't say that any bill goes that far. I do not think you can ever go all the way in the District of Columbia as long as this is the capital of the country.

Mr. WILLIAMS. That is the very point. That is the very reason.

Mr. MULTER. I do not think we ought to confuse the issue.

Mr. WILLIAMS. It is the reason the fathers gave for setting this aside as a separate district.

It gave Congress exclusive control over it.

Mr. MULTER. They didn't see at that time a country stretching from the Atlantic to the Pacific and from the Rio Grande to Canada and they did not foresee all of the difficulties and problems we have today. I am sure one thing they did foresee is that no American citizen should ever be deprived of his right to participate in his own government. I think that is what we should concentrate on here in this bill. We will worry about the financial situations and the financial problems a little later.

Let's give these people their basic, fundamental right to govern themselves.

Mr. WILLIAMS. You think this bill does it even though it does not give them a voice in the Senate nor does it give them a vote in the House?

Mr. MULTER. It gives them only a part of what they are entitled to.

Mr. DAVIS. Are there further questions?

Mr. Multer, you still insist that all of the provisions of House Resolution 320 remain in that resolution?

Mr. MULTER. I am willing to discuss with those who are of a mind to compromise, a compromise resolution in exchange for support for the bill or the resolution.

Mr. DAVIS. What is your position on those things that I asked you about?

Mr. MULTER. As of now, sir, I favor that resolution but my mind is never closed to improvements or amendments that may get additional support for it.

Mr. DAVIS. What would be the method of changing the provisions of this resolution? Has the gentleman studied that any?

Mr. MULTER. First, I think we would have to determine what support we can gain for what amendment. I mean this would have to be a matter of sitting down around the conference table and a matter of give and take.

I think it can be worked out. If there is a will to bring a bill to the House and get it enacted, I think we can work out a method of doing that.

Mr. DAVIS. You won't know whether there is a will to do that or not, will you, until the House votes on this resolution?

Mr. MULTER. We can try to improve it in advance. I think we have a pretty good idea of who is opposed to the resolution, who is opposed to the bill, and if any of those Members are willing to give up some of their opposition in exchange for an amendment, either to the rule or to the bill, I think all of the sponsors of this legislation, including those representing the people in the District of Columbia, I am sure, will be happy to appoint a committee and sit down and discuss with the opponents of the measure how it can be improved so as to eliminate their opposition.

Mr. DAVIS. Does the gentleman have any move in mind of bringing about such a conference?

Mr. MULTER. Frankly, I did not.

Mr. DAVIS. Or such a discussion?

Mr. MULTER. No. I have nothing in mind, because until this morning I had no idea there was any will to compromise or any desire to compromise on the part of the opponents of the measure. If there is such a desire and such a will, we would be very happy to sit down and discuss it.

Mr. DAVIS. But as of now the gentleman does not have any such move in mind?

Mr. MULTER. No.

May I make one more very frank statement about this entire matter, and please believe that I do not intend to offend anybody.

Starting again in my home district, where many people say I come from a one-party district, where in the last election I got some 78 percent of the vote, I might just as well resign or never run again if I voted against a home-rule measure such as these that are before this committee.

I appreciate that many Members in this House and on this committee are in the opposite position, where, if they voted for a home-rule measure, they might just as well resign or not run again. Those are the political facts of life. There isn't much we can do about it, except I think we all, as good American citizens, ought to combine and concentrate our efforts toward bringing something before the House and let the House work its will; and when the majority has spoken, we bow in humility and say, "This is it; maybe we will be the majority next time."

Mr. DAVIS. Well, thank you very much, Mr. MULTER.

Mr. MULTER. Thank you, gentlemen, for listening to me.

SENATE

THURSDAY, AUGUST 27, 1959

(Legislative day of Wednesday, August 26, 1959)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

This day, O Master, let us walk with Thee. Teach us Thy patience. Help us to learn more and more to live by the faith that life's true values are spiritual and are expressed in our daily contacts by character and kindness, cheerfulness, humility, and compassion, and that the chief issues we face lie deeper far than human praise or blame, and have to do with life's meaning and purpose and ultimate goals.

In spite of the tangle and darkness of the world we would serve and all our own secret sorrows and disappointments and defeats, steel our hearts to keep the faith that Thy will for all mankind is coming at last to its coronation, for Thine is the kingdom and the power and the glory. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 26, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries.

REPORT ON U.S. PARTICIPATION IN INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Joint Committee on Atomic Energy.

(For text of President's message, see House proceedings for today.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Foreign Relations Committee was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Passport Reorganization of the Committee on Government Operations was authorized to sit during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the

Senate concludes its session today, it stand in recess until tomorrow morning at 10 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider several nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

James Smith Bush, of Missouri, to be a member of the Board of Directors of the Export-Import Bank of Washington.

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary:

Algernon L. Butler, of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Philip A. Ray, of California, to be Under Secretary of Commerce.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERSTATE COMMERCE COMMISSION

The Chief Clerk read the nomination of Howard G. Freas, of California, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1966.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of McGregor Goff, of Idaho, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1966.

Mr. MANSFIELD. Mr. President, I wish to say a few words of commendation of an old colleague of ours in the House of Representatives, the Honorable McGregor Goff, of Idaho, who is being reappointed to the Interstate Commerce Commission.

It was a pleasure and a privilege to serve with McGregor Goff when he was a Member of Congress. He has performed magnificently in both the Post Office Department and the Interstate Commerce Commission; and I am delighted that this repeated recognition is being given to this outstanding man from the northwestern part of our country.

Mr. DIRKSEN. Mr. President, will the acting majority leader yield to me?

Mr. MANSFIELD. I am delighted to yield to the minority leader.

Mr. DIRKSEN. I concur in the sentiments which the acting majority leader has expressed in regard to the Honorable McGregor Goff. I remember McGregor Goff very well. Affectionately and familiarly, we used to refer to him as "Abe" Goff.

He has had a distinguished career in the Post Office Department, as well as in the Interstate Commerce Commission; and I am delighted, indeed, that he is being reappointed. He has graced the public service with distinction to himself and to the appointing authority; and he is, indeed, an outstanding public servant.

Mr. CARLSON. Mr. President, I should like very much to associate myself with the acting majority leader and the minority leader in their commendations of "Abe" Goff. "Abe" has rendered outstanding service to the country, not only in the Congress, but also in the positions in which he has served in the executive branch of the Government.

It was my privilege and my pleasure to be closely associated with him when he served in the Post Office Department; and I am delighted that he is receiving this additional appointment.

I hope the Senate will confirm his nomination unanimously.

Mr. MANSFIELD. Mr. President, if I am not mistaken, the distinguished occupant of the chair, the Vice President of the United States, also served in the House of Representatives with "Abe" McGregor Goff.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Clyde E. Herring, of Iowa, to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1963.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations which the Senate has confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

Does the Senator from Montana desire to request confirmation of the postmaster nominations?

Mr. MANSFIELD. No, Mr. President; they will be held over until tomorrow.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on agreements concluded during July 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of Yugoslavia and the United Arab Republic (with accompanying papers); to the Committee on Agriculture and Forestry.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN QUARTZ CRYSTALS

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 1,500,000 pieces of partially processed quartz crystals now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

MANAGEMENT AND INVESTMENT OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend section 201 of the Social Security Act to revise certain provisions relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, and for other purposes (with accompanying papers); to the Committee on Finance.

REPORT ON OFFSHORE PROCUREMENT OF AIRCRAFT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a classified report on offshore procurement of aircraft (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF U.S. ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

A letter from the Chairman, U.S. Advisory Commission on Educational Exchange, transmitting, pursuant to law, a report of that Commission, for the period January 1–June 30, 1959 (with an accompanying report); to the Committee on Foreign Relations.

ECONOMIC AND TECHNICAL ASSISTANCE PROGRAM FOR LAOS

A letter from the Director, International Cooperation Administration, Washington, D.C., transmitting, for the information of the Senate, a copy of his letter to the Comptroller General of the United States, relating to the economic and technical assistance program for Laos, as administered by that Administration, under the mutual security program (with an accompanying paper); to the Committee on Government Operations.

AMENDMENT OF TITLE 18, UNITED STATES CODE, RELATING TO ASSAULTS UPON, AND HOMICIDES OF, CERTAIN OFFICERS AND EMPLOYEES OF THE UNITED STATES

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to include certain officers and employees of the General Services Administration within the provisions of the United States Code relating to assaults upon, and homicides of, certain officers and employees of the United States as constituting a crime (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter, in the nature of a petition, from J. A. Eberts, of Tamaqua, Pa., relating to Government waste; to the Committee on Government Operations.

A resolution adopted by the Common Council of the City of Hartford, Conn., favoring the enactment of legislation to provide home rule for the District of Columbia; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRUENING, from the Committee on Government Operations, without amendment:

S. 857. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo. (Rept. No. 823); and

S.J. Res. 121. Joint resolution to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes (Rept. No. 825).

By Mr. GRUENING, from the Committee on Government Operations, with amendments:

S. 47. A bill to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land (Rept. No. 824); and

S. 1018. A bill to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes (Rept. No. 826).

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

H.J. Res. 19. Joint resolution to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard (Rept. No. 827); and

H.J. Res. 493. Joint resolution making a technical correction in section 5136 of the Revised Statutes (relating to national banks) (Rept. No. 828).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H.R. 163. An act to amend the Civil Service Retirement Act with respect to the crediting of service of U.S. commissioners for purposes of such act (Rept. No. 829); and

H.R. 5752. An act to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes (Rept. No. 830).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2481. A bill to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes (Rept. No. 832); and

H.R. 2245. An act to amend subsection 432(g) of title 14, United States Code, so as to increase the limitation on basic compensation of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard from $3,750 to $5,100 per annum (Rept. No. 831).

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958—REPORT OF A COMMITTEE

Mr. PROXMIRE. Mr. President, from the Committee on Banking and Currency, I report an original bill to amend the Small Business Investment Act of 1958, and for other purposes, and I submit a report (No. 833) thereon.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar.

The bill (S. 2611) to amend the Small Business Investment Act of 1958, and for other purposes, reported by Mr. PROXMIRE, from the Committee on Banking and Currency, was read twice by its title, and placed on the calendar.

AMENDMENT OF SMALL BUSINESS ACT—REPORT OF A COMMITTEE

Mr. PROXMIRE. Mr. President, from the Committee on Banking and Currency, I report an original bill to amend the Small Business Act, and I submit a report (No. 834) thereon.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar.

The bill (S. 2612) to amend the Small Business Act, reported by Mr. PROXMIRE, from the Committee on Banking and Currency, was read twice by its title, and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUSKIE:

S. 2604. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Finance.

(See the remarks of Mr. MUSKIE when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 2605. A bill to amend section 203(f) of the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to certain civilian youth organizations; to the Committee on Government Operations.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 2606. A bill for the relief of the Copper State Iron & Metal Co.; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2607. A bill for the relief of Krste Angeloff; and

S. 2608. A bill for the relief of Dr. Cavit Ozlu; to the Committee on the Judiciary.

By Mr. ROBERTSON (by request):

S. 2609. A bill to amend the Federal Deposit Insurance Act to revise the assessment base, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. ROBERTSON when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS (by request):

S. 2610. A bill for the relief of Otto Varga; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2611. A bill to amend the Small Business Investment Act of 1958, and for other purposes; and

S. 2612. A bill to amend the Small Business Act; placed on the calendar.

(See the reference to the above bills, when reported by Mr. PROXMIRE, from the Committee on Banking and Currency, which appear under the heading "Reports of Committees.")

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO REFUND OF CERTAIN TAXES

Mr. MUSKIE. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954, as amended, to provide for a refund of Federal excise taxes on distilled spirits and wines owned by States or political subdivisions and destroyed by fire, explosion, storm, and so on. I ask unanimous consent that the bill lie on the desk for 1 week, for the convenience of Senators who may wish to cosponsor it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk 1 week for additional cosponsors.

The bill (S. 2604) to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God, introduced by Mr. MUSKIE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. MUSKIE. Mr. President, briefly, the bill would protect States and political subdivisions from loss caused by fire, explosion, tornado, hurricane, cyclone or flood, whereby a refund by the Alcohol and Tobacco Tax Unit of the U.S. Treasury Department for the $10.50 Federal excise tax per 100-proof gallon on distilled spirits, 17 cents per gallon on still wines of 14 percent alcohol or less, 67 cents on still wines over 14 percent but not over 21 percent alcohol, $2.25 per gallon on still wine over 21 percent but not over 24 percent alcohol, and $3.40 per gallon on champagne and other sparkling wines would be paid to a State or political subdivision, provided the State or subdivision retains the ownership of the wines and distilled spirits, and provided that the loss has been inspected and approved by the Alcohol and Tobacco Tax Unit of the U.S. Treasury Department. The loss must exceed $1,000 to qualify for a refund.

The primary benefit of the bill would be to reduce insurance costs on fire and casualty insurance on distilled spirits and wines by more than 50 percent.

This bill, as written, has been approved for form in the legislative counsel's office of the House and has been approved by the National Alcoholic Beverage Control Association, Inc.—the monopoly State association.

A survey has been made of the 17 monopoly States by the National Alcoholic Beverage Control Association, Inc. It was found that the losses the 17 States sustained on distilled spirits and wine between January 1, 1955, and June 30, 1959, because of fire, flood, explosion, and so forth, are as follows:

State	Fire	Flood
Alabama	$1,627.29	
Idaho	(1)	(1)
Iowa	2,000.00	
Maine	13,190.06	
Michigan	96,699.63	$22,732.80
Montana	5,321.57	
New Hampshire	None	None
North Carolina	None	None
Ohio	81,439.41	44,886.49
Oregon		5,081.00
Pennsylvania	67,781.56	29,878.73
Utah	None	None
Vermont	None	None
Virginia	22.23	100.00
Washington	11,415.03	
West Virginia	17,603.88	32,773.80
Wyoming	None	None
Total	297,100.66	135,452.82

[1] No reply.

If the proposed bill had been enacted into law during this period, approximately 50 percent of the above total losses, or $266,276.74, would have been refunded to the prospective States by the Federal Government.

In my own State of Maine, the Bridgton liquor store burned down on Easter Sunday of last year. The resulting total loss amounted to some $12,000 worth of liquor.

If in such instances of destruction by disaster the Federal law were amended, to permit refund of Federal tax on disaster-destroyed liquor in the possession of monopoly States, it would not be necessary to insure the taxed portion of inventories against such disaster losses.

DONATION OF SURPLUS PROPERTY TO CERTAIN CIVILIAN YOUTH ORGANIZATIONS

Mr. BUSH. Mr. President, I introduce, for appropriate reference a bill to include nonprofit civilian youth organizations sponsored by personnel of police departments among organizations eligible to receive donations of surplus property from the Department of Defense.

At present, by regulations of the Department, surplus property under its control may be donated only to schools offering military training programs and to certain civilian youth organizations of special interest to the Department.

My bill would permit the Department to donate surplus property to police athletic leagues which throughout the country are performing an essential and valuable service in combating juvenile delinquency. This is a worthy cause which we should support in every possible way. I hope that the bill will receive prompt consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2605) to amend section 203(f) of the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to certain civilian youth organizations, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT RELATING TO REVISION OF ASSESSMENT BASE

Mr. ROBERTSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Federal Deposit Insurance Act to revise the assessment base, and for other purposes. This bill was prepared by the Federal Deposit Insurance Corporation and is the result of a long study and many consultations. It is designed to simplify methods of reporting figures on which FDIC assessments are paid by insured banks. It is hoped that this bill will reduce substantially the paperwork and costs imposed on banks in computing assessments. In addition, the bill includes a number of housekeeping amendments derived largely from the comparable provisions in the Financial Institutions Act of 1957, which passed the Senate on March 21, 1957, but did not become law. In addition, the bill contains a provision which would call upon FDIC to pay the Government's share of the cost of civil service retirement and disability benefits which have heretofore accrued and to make current payments of such costs as they mature; to compensate the Government for benefits that have heretofore accrued on account of the benefits under the workmen's compensation laws and to pay its fair share of the costs of workmen's compensation as they mature.

The FDIC has prepared an explanation of the provisions contained in this bill. I ask unanimous consent that this explanation may be printed in the RECORD in full at this point, in order that banks and other interested persons may be able to have a complete explanation of this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 2609) to amend the Federal Deposit Insurance Act to revise the assessment base, and for other purposes, introduced by Mr. ROBERTSON, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The explanation presented by Mr. ROBERTSON is as follows:

EXPLANATION

SECTION 1

Subject: Assessment base.

Purpose: The Corporation proposes as a simplified method for the computation of assessments that banks shall use reports of condition for reporting deposit liabilities and take standard percentage deductions in place of the present alternative methods of deducting float and the present deduction or exclusion of cash collateral. A draft of amendments to the Federal Deposit Insurance Act to provide for such a report of condition assessment base is attached. This proposal would require each insured bank to submit two reports of condition in each semiannual period to its Federal supervisory agency on dates selected by the three Federal banking agencies and require each insured national, district, and State member bank to furnish a copy of each report to the Corporation.

Differences between deposits for assessments and for reports of condition: The existing definition of the term "deposit" in section 3(1) of the Federal Deposit Insurance Act and in part 326 of the Corporation's rules and regulations includes the following, which are not included in the reports of condition:

1. All trust funds other than those deposited in another bank (whereas the report of condition includes all such funds except those retained in bank's own trust department).

2. Outstanding drafts drawn on any bank (whereas the report of condition includes only outstanding drafts drawn on Federal Reserve banks).

3. Funds held to meet outstanding acceptances (whereas the report of condition treats these as prepayment of customer's liability).

4. Letters of credit and traveler's checks issued for money or its equivalent (whereas the report of condition includes only such instruments issued for cash).

And excludes the following which are now included in the report of condition:

5. Cashiers' or other officers' checks which are not issued for money or its equivalent but are issued for the bank's own purposes, such as in payment of its expenses or in the purchase of its securities.

Differences eliminated in proposal: Under the proposed amendments:

1. Trust funds will continue to be reported in the report of condition as they now are. Such funds which are held in the bank's own trust department will not be included as a deposit liability in the report of condition, but will be separately stated in the report as an information item for inclusion as deposits in the assessment base. All trust funds continue to be insured and assessable.

2. Drafts will not be reported as deposits in the report of condition, nor included in the assessment base, except those drawn on a Federal Reserve bank. Drafts will continue to be insured.

3. Funds held to meet outstanding acceptances will be included as deposits in the report of condition and the assessment base and will be insured, unless under the contract they constitute a prepayment of the customers' liability for outstanding acceptances.

4. Letters of credit and traveler's checks issued for money or its equivalent will be included in deposits in the report of condition and the assessment base and will be insured. It is the consensus of the three Federal banking agencies that the present instructions for preparation of reports of condition should provide that letters of credit and traveler's checks issued for money or its equivalent should be reported as deposit liabilities.

5. Cashiers' and other officers' checks which are not issued for money or its equivalent, but are issued for the bank's own purposes, will be included as deposits in the report of condition and the assessment base and will be insured.

Changes in report of condition: The report of condition form now used will be continued with the addition of two information figures for assessment purposes which will not have any effect on the balances reported in the report of condition. One is the addition of spaces under item 1 of schedule D in the report of condition to provide for classifying at the option of the reporting bank the amount shown on the bank's books of unposted charges to depositors' accounts as distinguished from cash items in the process of collection including exchanges for clearinghouse. The other addition is a memorandum item showing the amount of trust funds in the reporting bank's trust department. Existing in-

structions for the preparation of reports of condition permit including uncollected items in reporting the "net" amounts of reciprocal balances whereas under these proposals it will be required that uncollected items be included in both "due to" and "due from" accounts before determining "net" reciprocal balances.

Changes in statutory definition of deposits: For convenience, the definition of the term "deposit" in the act has been amended to incorporate therein the deposits now prescribed in the regulations of the Corporation, and to include checks and drafts issued by banks for their own purposes, such as those issued in payment for services, dividends, or purchases. There are also some minor changes in the definition of deposits which are discussed below in the explanation of the separate provisions.

Proposed assessment base: Provision is made that the assessment base shall be the total deposits according to the definition of deposits in the Federal Deposit Insurance Act as shown in the reports of condition, plus (1) the amount of trust funds held in the bank's own trust department, and (2) the amount of any deposits received in any office of the bank for deposit in any other office of the bank located in any place where deposits are insured, except those which have been included in deposits in the report of condition or which have been applied to reduce in the report of condition an equal amount of cash items in its possession drawn on itself and not charged against deposit liabilities at the close of business on the date as of which the report of condition is made, and less (3) the amount of cash items (including interbranch items) drawn on and in the possession of the reporting bank and not charged against its deposit liabilities, and (4) the amount of deposits accumulated for the payment of personal loans, and from the remainder the bank may deduct 1 percent of time and savings deposits and 16⅔ percent of demand deposits. The amounts referred to in (2) and (3) above may be reported either in their actual amount as shown on the books of the bank or, if not so shown, in the amount determined by an experience factor pursuant to regulations of the Corporation.

EXPLANATION OF PROVISIONS

The definition of the term "deposit" in subsection (1) of section 3 of the Federal Deposit Insurance Act has been amended. Provisions of the Federal Deposit Insurance Act relating to reports of condition (secs. 10 (e) and (f)) have been moved to subsection (a) of section 7, relating to assessments. Additional provisions pertaining to reports of condition, deposit liabilities to be included therein and classification of time and savings deposits and demand deposits for assessment purposes have been added to the same subsection (a). The assessment provisions now in subsection (a) of section 7 have been modified and placed in subsection (b). The assessment provisions now in subsections (b) and (c) of section 7 have been modified and placed in subsection (c).

Section 3(1)—Definition of deposits: This definition has been amended to include therein the further definition of that term made by regulations of the Board of Directors (12 CFR, pt. 326) and to include (1) for insurance and assessment purposes checks issued by banks for their own purposes, and (2) for insurance purposes drafts issued by banks for their own purposes, and to exclude for insurance and assessment purposes trust funds deposited by a fiduciary insured bank in another bank.

Because the proposed percentage deduction from deposits in calculating the assessment base is intended to make adjustment for, among others, the existing deduction from deposits of cash items in the process of collection drawn on others than the reporting bank, it is essential to require the inclusion in deposits of credits given for such items until collected and prevent their deduction on the ground that only unconditional credits need be included, or that such items are not the receipt of money or its equivalent. For this reason provision is made in the proposed amendments that cash items in the process of collection drawn on others than the reporting bank may not be deducted from deposits, and that deposits must include both conditional and unconditional credits given for the receipt of money or its equivalent.

The existing provision for the Board of Directors to prescribe by regulation other obligations of a bank to be deposits by general usage has been changed to require that such action be done by joint regulation of the three Federal banking agencies or a majority of such agencies.

The changes in the existing definition made in the proposed amendment are shown below by italics for additions and black brackets for deletions and marking with an asterisk those deposits now included in the regulations.

"The term 'deposit' means—

"*(1)* The unpaid balance of money or its equivalent received *or held* by a bank in the usual course of business and for which it has given or is obligated to give credit, *either conditionally or unconditionally,* to a commercial, checking, savings, time, or thrift account, or which is evidenced by its certificate of deposit, *or a check* or draft drawn against a deposit account and certified by the bank, or a letter of credit* or a traveler's check* on which the bank is primarily liable*[, and]: *Provided, That, without limiting the generality of the term 'money or its equivalent,' any such account or instrument must be regarded as evidencing the receipt of the equivalent of money* when credited or issued in exchange for checks or drafts or for a promissory note upon which the person obtaining any such credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to such bank for collection;*

"*(2)* Trust funds *as defined in this Act received or* held by such bank, whether [retained] *held in the trust department* or *held or* deposited in any *other* department of such bank [or deposited in another bank],

"*(3) Money received or held by a bank (or the credit given therefor) in the regular course of business for a special or specific purpose,* regardless of the legal relationship thereby established, including without being limited to, escrow funds, funds held as security for an obligation due to the bank or others (including funds held as dealers reserves) or for securities loaned by the bank, funds deposited by a debtor to meet maturing obligations, funds deposited as advance payment on subscriptions to United States Government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes: Provided, That there shall not be included funds which are received by the bank for immediate application to the reduction of an indebtedness to the receiving bank, or under condition that the receipt thereof immediately reduces or extinguishes such an indebtedness:*

"*(4) Outstanding draft* (including advice or authorization to charge bank's balance in another bank), cashier's check,* money order or other officer's check* issued in the regular course of business for any purpose, including without being limited to those issued in payment for services, dividends or purchases;* [together with] *and*

"*(5)* Such other obligations of a bank as the Board of Directors, *the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System, or a majority of said agencies,* shall *jointly* find and [shall] prescribe by [its] regulation[s] to be deposit liabilities by general usage: *Provided further,* That any obligation of a bank which is payable only at an office of the bank located outside *of* the States of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, Guam, and the Virgin Islands, shall not be a deposit for any of the purposes of this Act or be included as a part of total deposits or of an insured deposit[: *Provided further,* That any insured bank having its principal place of business in any of the States of the United States or in the District of Columbia which maintains a branch in any Territory of the United States, or the Virgin Islands may elect to exclude from insurance under this Act its deposit obligations which are payable only at such branch, and upon so electing the insured bank with respect to such branch shall comply with the provisions of this Act applicable to the termination of insurance by nonmember banks: *Provided further,* That the bank may elect to restore the insurance to such deposits at any time its capital stock is unimpaired]."

By the deletion of the words "or deposited in another bank" with reference to trust funds in the proposed definition of the term "deposit" and the deletion of the words "or in another bank" from section 7(1), proposed in section 3 of the proposed amendments, trust funds held by an insured bank in a fiduciary capacity would be assessable and insured when retained in the trust department or deposited in any other department of such bank up to $10,000 for each trust estate. When deposited by the fiduciary insured bank in another insured bank, such trust funds would be assessable and insured only in such other insured bank up to $10,000 for each trust estate. When deposited by the fiduciary insured bank in a noninsured bank, such trust funds would be neither insured nor assessable. Under existing law trust funds deposited by the fiduciary insured bank in a noninsured bank are assessable and insured in the fiduciary bank up to $10,000 for each trust estate. However, insured deposits may be paid only when an insured bank is closed for liquidation. Thus, questions may arise whether the Corporation is liable for insurance on the loss of such trust funds lawfully deposited by a fiduciary insured bank in a noninsured bank which has closed and the fiduciary insured bank is not liable for the loss, and, if the Corporation is liable, whether the Corporation must pay the amount of such loss at the time of closing of the noninsured bank or whenever the fiduciary insured bank is closed for liquidation. Therefore, the proposed amendments avoid two undesirable alternatives: (1) insurance of trust funds in a noninsured bank over which the Corporation has no supervision, and (2) the payment of assessments by a fiduciary insured bank on trust funds deposited in a noninsured bank without any insurance protection on such funds unless the fiduciary insured bank closes.

The deletion of the two proviso clauses of this provision would terminate the right of any mainland bank to exclude from deposit insurance the deposit obligations of any of its branches in any Territory of the United States or the Virgin Islands. There is no longer any Territory of the United States and there are no mainland insured banks operating branches in the Virgin Islands. In 1952 the right of mainland banks to exclude from insurance the deposits of their branches in Puerto Rico was removed from the second proviso of this provision (66 Stat. 605). When the Federal Deposit Insurance Act was extended to Guam, Guam was not included in

these provisos. In connection with the Financial Institutions Act the Corporation recommended that insured banks should not be permitted to exclude from deposit insurance any deposit obligations in places where the statute provides for the insurance of deposits.

Section 7(a)(1)—Reports of condition by insured State nonmember banks: This is substantially the same as section 10(e) of the existing law with additions relating to reporting on dates selected by the Federal banking agencies.

Section 7(a)(2)—Access to examination reports and reports of condition: This is the same as section 10(f) of the existing law providing the Corporation access to examination reports and reports of condition in other banking agencies and their access to such reports in the Corporation with an addition relating to other Federal banking agencies advising the Corporation of revisions in reports of condition.

Section 7(a)(3)—Reports of condition by all insured banks for assessment purposes, selection of dates, and verification: This requires all insured banks to make reports of condition on dates selected by the three Federal banking agencies and to report deposit liabilities in accordance with section 7(a)(4) and (5). Provision is also made for the verification and attestation of such reports in a manner similar to that now required for national bank reports of condition with the elimination of the oath before a notary public and for furnishing the Corporation with verified and attested copies of reports of condition of member and district banks.

Section 7(a)(4)—Deposit liabilities to be shown in reports of condition: This requires that reports of condition include the amount of the liability of the bank for deposits as defined in section 3(1) of the Federal Deposit Insurance Act, without any deduction for indebtedness of depositors and creditors or for cash items in the process of collection, drawn on others than the reporting bank. The term "deposit" in the proposed amendments, as in existing law, excludes any obligation of the reporting bank which is payable only at an office of the bank located outside the places named in the statute where deposits are insured. Instructions for reports of condition by national banks and State member banks require consolidated reports for the main office and domestic branches and special reports on the same form for each branch outside the continental United States. Under this paragraph in reports of condition for assessment purposes banks would report deposits in the main office and in any branch of the reporting bank located in the United States, the District of Columbia, and Territory of the United States, Puerto Rico, Guam, and the Virgin Islands. Provision is made for netting reciprocal demand bank balances (other than trust funds deposited by either bank), which balances must include any cash items in process of collection which are due from or due to banks. This would permit use of book balances including such items, instead of excluding uncollected items from reciprocal bank balances and permitting the netting of collected balances only, as is now required for assessment purposes. The report-of-condition instructions permit including uncollected items in such reciprocal balances, whereas this provision requires the inclusion of uncollected items in both due-to and due-from balances, to prevent any undue advantage by a bank's including uncollected items only in due-from balances. Provision is made permitting the exclusion from deposit liabilities in the report of condition of any deposits received in any office of the bank for deposit in any other office of the bank. However, such deposits for credit in other offices may, at the bank's option, be included by the bank in deposits in the report of condition, or they may be netted against cash items, drawn on itself which are in its possession and not charged against deposit liabilities, in an amount not exceeding the amount of such cash items. The effect of such netting is the same as adding such deposits for credit in other offices to deposits in the report of condition, for the "on us" cash items, if not offset by such deposits for credit in other offices, may be subtracted from deposits in determining the assessment base under section 7(b)(1). If such deposits for credit in other offices have not been reported as deposits in the report of condition or netted thereon against such "on us" cash items, they must be added to deposits in the assessment base as provided in section (7)(b)(1). Provision is also made for excluding from the report of condition and from the assessment base any drafts drawn in the regular course of business on banks other than a Federal Reserve bank. The amount of trust funds held in the bank's own trust department is required to be separately stated in such reports for inclusion in the assessment base, but is not included in total deposits in the reports of condition.

Section 7(a)(5)—Classification of deposits: This provides that reported deposits shall be segregated between time and savings deposits and demand deposits as therein provided. This is necessary because of the proposed permissible deduction of 1 percent of time and savings deposits and 16⅔ percent of demand deposits in determining the assessment base.

Section 7(a)(6)—Joint regulations: This provides that the three Federal banking agencies, or a majority of such agencies, may jointly define the terms "cash item" and "process of collection," and shall classify deposits as "time," "savings," and "demand" deposits for the purposes of section 7.

Section 7(b)(1)—Assessment rate and base: This prescribes and continues the present assessment rate of one-twelfth of 1 percent per year. The assessment base is the amount of the bank's liability for deposits, reported in its report of condition, plus (1) the amount of trust funds in the bank's own trust department, and (2) the amount of any deposits received in any office of the bank for deposit in any other office of the bank located in any place where deposits are insured, except those which have been included in deposits in the report of condition or which have been applied to reduce in the report of condition an equal amount of cash items in its possession drawn on itself and not charged against deposit liabilities at the close of business on the date as of which the report of condition is made, and less (3) the unposted items drawn on and held by the reporting bank, and (4) deposits accumulated for the payment of personal loans, and then reduced by 1 percent of the remainder of time and savings deposits and 16⅔ percent of the remainder of demand deposits. Several optional means of ascertaining the amounts referred to in (2) and (3) above, which are not shown on the bank's books, will be provided for by regulation. Deductions (3) and (4) are designed to eliminate from reported deposit liabilities for assessment purposes those items which in the regular bookkeeping routine will eventually be charged or credited to accounts which will bring about this result. The percentage deduction is proposed in lieu of the present method which permits banks to deduct uncollected cash items either in actual amount or by multiplying by 2 such items received on the base day only, and the deduction or exclusion of cash collateral.

Section 7(b)(2)—Retention of assessment records: This provides for the retention of records that will readily permit verification of the bank's assessment base rather than the verification of its exclusions and deductions as now provided in section 7(a) of the Federal Deposit Insurance Act. A 5-year limit on the retention of such records for this purpose, except where there is a dispute over the amount of any assessment, has been added.

Section 7(b)(3)—Semiannual assessment base: This provides that the semiannual assessment base for each semiannual period shall be the average of the assessment base on the days for which the bank is required to submit reports of condition in such period instead of the fixed dates now provided in section 7(a) of the Federal Deposit Insurance Act. It also provides for inclusion of assumed deposit liabilities in the assessment base as now provided in section 7(c) of the Federal Deposit Insurance Act.

Section 7(c)(1)—Certified statements and payment of assessments: This provides for filing certified statements and payment of semiannual assessments substantially the same as now provided in section 7(b) of the act with the filing dates of 15th of July and January changed to the 31st of July and January. The provision that the certified statement "shall contain or be verified by a written declaration that it is made under the penalties of perjury" has been replaced by a provision in section 7(c)(3) of the draft amendments that the certified statement shall be certified by the president of the bank or any officer designated by the bank's board of directors or trustees.

Section 7(c)(2)—Certified statements by new insured banks: This provides for the filing of certified statements by new insured banks, the same as section 7(c) of the existing act, with modifications to conform the provision to the varying assessment base days.

Section 7(c)(3)—Form of certified statements and certification: This provides for the form of certified statement and for the time of payment of assessments, as now provided in the last two sentences of section 7(a)(2) of the act, and for the certification of the certified statements by the president of the bank or any officer designated by the bank's board of directors or trustees (for penalty for false entry in any bank statement, see 18 U.S.C. 1005).

Section 7(c)(4)—Authority to regulate and limit any retroactivity of rulings: This provides general regulatory authority for the enforcement of section 7. It would also authorize the board of directors to limit the retroactive effect, if any, of any rule or regulation. The source of this provision is section 7805 of the Internal Revenue Code (26 U.S.C. 7805 (a) and (b)). In the case of *Automobile Club of Mich.* v. *Commissioner of Int. Rev.*, 230 F. 2d 585, 590 (6 Cir. 1956), affirmed 353 U.S. 180, 184, 1 L. Ed. 2d 746, 750 (1957), involving a predecessor section substantially the same as section 7805, the Circuit Court said:

"This provision clearly vests the Secretary or the Commissioner acting with approval of the Secretary, with the discretionary power to prescribe the extent, if any, to which the ruling of the Commissioner shall or shall not be retroactive. The phrase 'if any,' authorizes the Secretary or the Commissioner acting with the approval of the Secretary to withhold retroactivity for the entire period involved or for any part thereof. In the instant case, if the Commissioner's ruling of July 16, 1945, were given full retroactive effect, it would require return of income taxes between the years 1934 and 1945. The committee reports of the House of Representatives, in recommending enactment of the predecessor section of the 1934 act, pointed out that 'Regulations, Treasury decisions, and rulings which are merely interpretive of the statute, will normally have a universal application. * * *' (House Report No. 704, 73d Cong., 2d sess., p. 38). The report then goes on to state that the cases involving rulings with ref-

erence to past transactions which have been closed by taxpayers in reliance upon existing practice, in some cases will work such inequitable results that it is believed desirable to lodge in the Treasury Department the power to avoid these results by applying certain regulations, Treasury decisions, and ruling with prospective effect only. This legislative history supports the above construction of section 3791(b)."

Section 7(d).—Assessment credit: This would revise the provision relating to assessment credits to insured banks by changing the percentage of the net assessment income retained by the Corporation from 40 percent to 33⅓ percent.

Section 7 (f), (g), and (h).—Enforcement: These provisions would be amended to provide the same enforcement authority and penalty for failure to make reports of condition as are now and will be provided for failure to file certified statements.

Section 7(i).—Exclusion from insurance in fiduciary bank of trust funds deposited in other banks: This provision would limit the insurance of trust funds held by an insured bank in a fiduciary capacity to those retained in any department of the fiduciary insured bank. Of course, such trust funds when redeposited in another insured bank would be insured therein up to $10,000 for each trust estate, the same as if they had been retained in the fiduciary bank. This is further discussed above in section 3(1). The proposed amendment of the definition of the term "deposit" would exclude from deposits of the fiduciary insured bank for assessment purposes any such trust funds deposited in another bank. Therefore, there would be no need for the proviso in section 7(i) excluding deposits of trust funds by the fiduciary bank in another insured bank from the assessable deposits of the fiduciary insured bank.

Section 10(e) and (f): These provisions would be deleted because their provisions would be transferred to the proposed section 7(a)(1) and (2).

Provision is made that the draft amendments shall take effect on February 1, 1960. This proposed legislation should be made effective at the beginning of a semiannual period so as not to complicate the assessment base under existing law of the preceding semiannual period, and preferably after the due date of the assessment payable for such prior period (January 15 or July 15), and prior to the first call date under the proposed amendment. Accordingly, if this legislation is enacted in the current session of Congress the effective date should be on or about February 1, 1960. This will also give the Federal banking agencies time to prepare and distribute regulations, instructions, and forms made necessary by this amendment, and permit banks to familiarize themselves with the legislative changes. If no action is taken in this session of Congress, change will necessarily have to be made in this proposed effective date.

SECTION 2

Subject: Definitions of mutual savings bank and of savings bank.

Existing statute: Subsections (f) and (g) of section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813 (f) and (g)):

"(f) The term 'mutual savings bank' means a bank without capital stock transacting a savings bank business, the net earnings of which inure wholly to the benefit of its depositors after payment of obligations for any advances by its organizers.

"(g) The term 'savings bank' means a bank (other than a mutual savings bank) which transacts its ordinary banking business strictly as a savings bank under State laws imposing special requirements on such banks governing the manner of investing their funds and of conducting their business: *Provided,* That the bank maintains, until maturity date or until withdrawn, all deposits made with it (other than funds held by it in a fiduciary capacity) as time savings deposits of the specific term type or of the type where the right is reserved to the bank to require written notice before permitting withdrawal: *Provided further,* That such bank to be considered a savings bank must elect to become subject to regulations of the Corporation with respect to the redeposit of maturing deposits and prohibiting withdrawal of deposits by checking except in cases where such withdrawal was permitted by law on August 23, 1935, from specifically designated deposit accounts totaling not more than 15 per centum of the bank's total deposits."

Recommendation: These subsections should be deleted.

Reason: There is no need or purpose for continuing these provisions. The definition of the term "State bank" in subsection (a) of section 3 includes any savings bank. The definition of "mutual savings bank" in subsection (f) of section 3 was necessary before the 1950 amendments of the act repealed the provision permitting a separate fund for mutuals for the benefit of mutual savings banks and depositors therein. The requirements in subsection (g) of section 3 as to notice of withdrawal of savings deposits, redeposit of maturing time deposits and withdrawal of savings deposits by checking are provided in regulations of the Corporation relating to the payment of deposits and interest thereon (12 CFR, part 328), which are uniformly applicable to insured State nonmember commercial and savings banks other than mutual savings banks and savings banks in New Hampshire operating substantially as mutual savings banks.

The Board of Governor's regulation Q (12 CFR, part 217) makes similar provision for national and State member banks.

SECTION 3

Subject: Interest on deposits to date of closing of an insured bank.

Existing statutes: The first sentence of subsection (m) of section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813 (m)):

"The term 'insured deposit' means the net amount due to any depositor for deposits in an insured bank (after deducting offsets) less any part thereof which is in excess of $10,000."

Recommendation: A provision should be added after this sentence to include in the net amount of deposits in determining insured deposits any interest accruing up to the date of the closing of an insured bank.

Reason: Interest which has been credited to a deposit account is considered a deposit. Interest which has accrued but which has not been credited to a deposit account is not considered a deposit and is not included in determining insured deposits. Interest is generally paid or credited semiannually and quarterly. We believe that depositors should receive this protection and the paper work involved in any receivership for small interest claims should be eliminated with resulting economies. This change would involve a relatively small increase in insured deposits.

SECTION 4

Subject: Transferred deposit made available to a depositor as payment of his insured deposit in a closed bank.

Existing statute: Subsection (n) of section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813 (n)):

"The term 'transferred deposit' means a deposit in a new bank or other insured bank made available to a depositor by the Corporation as payment of the insured deposit of such depositor in a closed bank, and assumed by such new bank or other insured bank."

Subsection (f) of section 11 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1821 (f)):

"Whenever an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits in such bank shall be made by the Corporation as soon as possible, subject to the provisions of subsection (g) of this section either (1) by cash or (2) by making available to each depositor a transferred deposit in a new bank in the same community or in another insured bank in an amount equal to the insured deposit of such depositor: *Provided,* That the Corporation, in its discretion, may require proof of claims to be filed before paying the insured deposits, and that in any case where the Corporation is not satisfied as to the validity of a claim for an insured deposit, it may require the final determination of a court of competent jurisdiction before paying such claim."

Recommendation: These subsections should be amended to expressly provide that a transferred deposit is payable on demand.

Reason: A transferred deposit made available to a depositor as payment of his insured deposit in a closed bank is a demand deposit. It was expressly provided in the Federal Deposit Insurance Act before the amendments of 1950 (12 U.S.C. 264(1)(6)) that a transferred deposit was "subject to withdrawal on demand." The rules and regulations of the Corporation provide that a transferred deposit is a demand deposit (12 CFR 305.1). The reassurance of depositors on this important matter makes it desirable that the statute again expressly provide that a transferred deposit is payable on demand.

SECTION 5

Subject: Exclusion of school savings plans from definition of branch.

Existing statute: subsection (o) of section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(o)):

"The term 'branch' includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in any Territory of the United States, Puerto Rico, Guam or the Virgin Islands at which deposits are received or checks paid or money lent."

Recommendation: Subsection (o) of section 3 should be amended by adding at the end thereof a proviso to the effect that the acceptance of deposits as part of a school thrift or savings plan at the school by officers, employees or agents of a bank shall not be construed as the operation of a branch.

Reason: The acceptance of deposits at a place other than the bank's office is considered to be branch banking. In order to encourage savings on the part of school children it is believed that the statute should be amended to remove any doubt that a bank can engage in such activities.

SECTION 6

Subject: Immunity from prosecution to persons compelled to testify or produce documentary evidence.

Existing statute: The last sentence of subsection (d) of section 10 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1820 (d)):

"No person shall be excused from attending and testifying or from producing books, records, or other papers in obedience to a subpena issued under the authority of this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he

is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying."

Recommendation: The last sentence of subsection (d) of section 10 which grants immunity from prosecution to persons compelled to testify or produce documentary evidence should be deleted.

Reason: It is believed that the slight benefits resulting from requiring persons to testify or to produce records in connection with hearings under the act, do not warrant a grant of immunity from Federal prosecution to such persons who might otherwise, in the best interest of the public, be prosecuted for their criminal acts. With the removal of the immunity from prosecution now contained in this section the witness is entitled to resort to the constitutional safeguards against compulsory self-incriminating testimony. Nevertheless, he may be tried for criminal acts where the prosecution is based upon evidence discovered elsewhere.

SECTION 7

Subject: Certification of records.

Existing statute: Subsection (g) of section 10 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1820(g)):

"The Corporation may cause any and all records, papers, or documents kept by it or in its possession or custody to be photographed or microphotographed or otherwise reproduced upon film, which photographic film shall comply with the minimum standards of quality approved for permanent photographic records by the National Bureau of Standards. Such photographs, microphotographs, or photographic film or copies thereof shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies and shall be admissible to prove any act, transactions, occurrence, or event therein recorded. Such photographs, microphotographs, or reproductions shall be preserved in such manner as the Board of Directors of the Corporation shall prescribe and the original records, papers, or documents may be destroyed or otherwise disposed of as the Board shall direct."

Recommendation: Subsection (g) of section 10 should be amended by adding a provision that copies of original records, papers, or documents kept by the Corporation or in its possession or custody, may be introduced in evidence upon certification by the Secretary of the Corporation, over the Corporation's seal, that the copies are true and correct copies of the originals.

Reason: This change would do away with the burdensome task presently required to authenticate copies of records for introduction in evidence under rule 44 of the Federal Rules of Civil Procedure. This rule, in addition to requiring attestation by the officer having the legal custody of the record, requires that such attestation be accompanied by the certificate made by one of the specified public officers having a seal to the effect that the attesting officer has custody of the record. Under this amendment copies of the Corporation's records would be admissible in evidence simply upon certification by the Secretary of the Corporation that they are true and correct copies of the originals. The amendment would not be in conflict with rule 44 which provides, in paragraph (c) thereof, that the rule does not prevent the proof of official records by any method authorized by any applicable statute. This amendment would also clarify the present subsection (g) of section 10 which makes such copies admissible in evidence but fails to prescribe the manner for authenticating copies of such records by the Secretary of the Corporation.

SECTION 8

Subject: Deposit Insurance Fund.

Existing statute: Subsection (a) of section 11 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1821(a)):

"The Temporary Federal Deposit Insurance Fund and the Fund for Mutuals heretofore created pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, are hereby consolidated into a Permanent Insurance Fund for insuring deposits, and the assets therein shall be held by the Corporation for the uses and purposes of the Corporation: *Provided*, That the obligations to and rights of the Corporation, depositors, banks, and other persons arising out of any event or transaction prior to the effective date of this amendment shall remain unimpaired. On and after August 23, 1935, the Corporation shall insure the deposits of all insured banks as provided in this Act: *Provided further*, That the insurance shall apply only to deposits of insured banks which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business: *Provided further*, That if any insured bank shall, without the consent of the Corporation, release or modify restrictions on or deferments of deposits which had not been made available for withdrawal in the usual course of the banking business on or before August 23, 1935, such deposits shall not be insured. The maximum amount of the insured deposit of any depositor shall be $10,000: *And provided further*, That in the case of banks closing prior to the effective date of this amendment, the maximum amount of the insured deposit of any depositor shall be $5,000."

Recommendation: Subsection (a) of section 11 should be amended to provide only that the assets of the Corporation shall be held in a Deposit Insurance Fund for insuring deposits and for other uses and purposes of the Corporation, and that the maximum amount of the insured deposit of any depositor shall be $10,000.

Reason: The provisions of this subsection other than those relating to the insurance fund and the maximum amount of the insured deposit of any depositor are obsolete. The words "Permanent Insurance Fund" were used in the 1935 amendments of the act presumably to distinguish the fund from the Temporary Federal Deposit Insurance Fund existing before such amendments. The recommended "Deposit Insurance Fund" is considered more appropriate.

SECTION 9

Subject: Liability of Federal Deposit Insurance Corporation for payment of insured deposits.

Existing statute: Subsections (b) and (f) of section 11 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1821 (b) and (f)):

"(b) For the purposes of this act an insured bank shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case in which it has been closed for the purpose of liquidation without adequate provision being made for payment of its depositors.

"(f) Whenever an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits in such bank shall be made by the Corporation as soon as possible, subject to the provisions of subsection (g) of this section either (1) by cash or (2) by making available to each depositor a transferred deposit in a new bank in the same community or in another insured bank in an amount equal to the insured deposit of such depositor: *Provided*, That the Corporation, in its discretion, may require proof of claims to be filed before paying the insured deposits, and that in any case where the Corporation is not satisfied as to the validity of a claim for an insured deposit, it may require the final determination by a court of competent jurisdiction before paying such claim."

Recommendation: Subsection (b) of section 11 should be amended to provide that an insured bank shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case in which it has been closed without adequate provision being made for the payment of insured deposits.

Subsection (f) of section 11 should be amended by deleting the proviso clause therefrom and transferring it to a new subsection (h).

A new subsection (g) should be added to section 11 to provide that in the event that pursuant to State or Federal law the control of any insured bank is assumed by a receiver, conservator, or other statutory authority without adequate provision being made for the payment of the insured deposits, thereupon the Corporation shall promptly pay to depositors their insured deposits as herein provided, and upon such payment the Corporation shall be subrogated, in accordance with the provision of subsection (i) (subsec. (g) of existing law), to the rights of such depositors to the extent of such payment.

A new subsection (h) should be added to section 11 to include the present proviso clause of subsection (f) of section 11 and a provision that for the purpose of discharging its insurance obligation the Corporation shall have access to all books and records of the insured bank.

Subsection (g) of section 11 should be redesignated subsection (i).

Reason: The existing law matures the Corporation's liability for payment of insured deposits when an insured bank has been closed for liquidation without adequate provision being made for payment of its depositors. The recommended amendment would assure depositors of the payment of their insured deposits whenever an insured bank has been closed for any reason, or; while open, has been placed under the control of a receiver, conservator, or other statutory authority, without adequate provision being made for the payment of its insured deposits. This will prevent the postponement of the payment of insured deposits by action of a bank supervisory authority in closing an insured bank or placing it in conservatorship for indefinite periods for purposes other than liquidation. Access by the Corporation to the books and records of an insured bank is essential for the purpose of discharging the insurance obligation of the Corporation.

SECTION 10

Subject: Powers and duration of new national bank organized by Corporation to assume insured deposits of a closed insured bank.

Existing statute: Subsections (h) to (l), inclusive, of section 11 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1821 (h) to (l)):

"As soon as possible after the closing of an insured bank, the Corporation, if it finds that it is advisable and in the interest of the depositors of the closed bank or the public, shall organize a new national bank to assume the insured deposits of such closed bank and otherwise to perform temporarily the functions hereinafter provided for. The new bank shall have its place of business in the same community as the closed bank.

"The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the corporation. No capital stock need be paid in by the corporation. The new bank shall not have a board of directors, but shall be managed by an executive officer appointed by the board of directors of the corporation who shall be subject to its directions. In all

other respects the new bank shall be organized in accordance with the then existing provisions of law relating to the organization of national banking associations. The new bank may, with the approval of the corporation, accept new deposits which shall be subject to withdrawal on demand and which, except where the new bank is the only bank in the community, shall not exceed $10,000 from any depositor. The new bank, without application to or approval by the corporation, shall be an insured bank and shall maintain on deposit with the Federal Reserve bank of its district reserves in the amount required by law for member banks, but it shall not be required to subscribe for stock of the Federal Reserve bank. Funds of the new bank shall be kept on hand in cash, invested in obligations of the United States, or in obligations guaranteed as to principal and interest by the United States, or deposited with the corporation, with a Federal Reserve bank, or, to the extent of the insurance coverage thereon, with an insured bank. The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact no business except that authorized by this act and as may be incidental to its organization. Notwithstanding any other provision of law the new bank, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"Upon the organization of a new bank, the corporation shall promptly make available to it an amount equal to the estimated insured deposits of such closed bank plus the estimated amount of the expenses of operating the new bank, and shall determine as soon as possible the amount due each depositor for his insured deposit in the closed bank, and the total expenses of operation of the new bank. Upon such determination, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined. Earnings of the new bank shall be paid over or credited to the corporation in such adjustment. If any new bank, during the period it continues its status as such, sustains any losses with respect to which it is not effectively protected except by reason of being an insured bank, the corporation shall furnish to it additional funds in the amount of such losses. The new bank shall assume as transferred deposits the payment of the insured deposits of such closed bank to each of its depositors. Of the amounts so made available, the corporation shall transfer to the new bank, in cash, such sums as may be necessary to enable it to meet its expenses of operation and immediate cash demands on such transferred deposits, and the remainder of such amounts shall be subject to withdrawal by the new bank on demand.

"Whenever in the judgment of the board of directors it is desirable to do so, the corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the board of directors shall deem advisable in an amount sufficient, in the opinion of the board of directors, to make possible the conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the revised statutes, as amended (U.S.C., title 12, sec. 51), for the organization of a national bank in the place where such new bank is located. The stockholders of the closed insured bank shall be given the first opportunity to purchase any shares of common stock so offered. Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, he shall issue to the bank a certificate of authority to commence business, and thereupon the bank shall cease to have the status of a new bank, shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law, and it shall be subject to all the provisions of law relating to national banks. Such bank shall thereafter be an insured national bank, without certification to or approval by the corporation.

"If the capital stock of the new bank is not offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid for, the Board of Directors may offer to transfer its business to any insured bank in the same community which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the Board of Directors may deem adequate; or the Board of Directors in its discretion may change the location of the new bank to the office of the Corporation or to some other place or may at any time wind up its affairs as herein provided. Unless the capital stock of the new bank is sold or its assets are taken over and its liabilities are assumed by an insured bank as above provided within 2 years from the date of its organization, the Corporation shall wind up the affairs of such bank, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank. Thereafter the Corporation shall be liable for the obligations of such bank and shall be the owner of its assets. The provisions of sections 5220 and 5221 of the Revised Statutes (U.S.C., title 12, secs. 181 and 182) shall not apply to such new banks."

Recommendation: (a) The seventh sentence of subsection (i) of section 11 should be amended to provide that a new bank shall transact no business except that authorized by the Federal Deposit Insurance Act and as may be incidental to its organization, provided, however, that the Comptroller of the Currency, in his discretion, may authorize the bank to transact such other business as a national bank may transact.

(b) The second sentence of subsection (1) of section 11 should be amended by adding a provision that the Corporation may extend the 2-year limitation on the operation of such a new national bank for periods of 6 months, but not in excess of 2 additional years, when the Board of Directors determines that the continuance of the new bank is necessary to meet the needs and convenience of the community.

Reason: (a) This amendment would clarify the seventh sentence of subsection (1) to expressly state what it now implies.

(b) This amendment of the second sentence of subsection (1) would enable the Corporation to continue the operation of the new national bank to meet the needs and conveniences of the community.

Both amendments would better enable the new bank to serve the community in emergency situations.

SECTION 11

Subject: Temporary employees of the Corporation when acting as a receiver of an insured bank.

Existing statute: Subsection (a) of section 12 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1822(a)):

"Notwithstanding any other provision of law, the Corporation as receiver of a closed national bank or district bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the corporation, and may be paid by it out of funds coming into its possession as such receiver."

Recommendation: The provision in subsection (a) of section 12 should be transferred to subsection (d) of section 11, which relates to the powers and duties of the Corporation as receiver of insured national and district banks. A new provision should be substituted in subsection (a) of section 12 to provide that persons employed by the Corporation, acting as receiver of any insured State, National or district bank, to assist the Corporation in a particular receivership shall be considered employees of the receivership estate.

Reason: This will make clear that temporary employees employed for a particular receivership of a closed insured bank are not employees of the Corporation, so that such employees will be eligible for the same benefits of workmen's compensation laws and social security and unemployment laws, as employees of the bank were. There is now a substantial degree of confusion and conflict in these areas on the part of both State and Federal agencies with respect to the status of temporary receivership employees. The amendment will remove this confusion and conflict and clearly fix the status of such employees.

SECTION 12

Subject: Prescribing time for filing claims against receiver of an insured State bank.

Existing statute: Subsection (e) of section 12 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1822(e)):

"If, after the Corporation shall have given at least 3 months' notice to the depositor by mailing a copy thereof to his last-known address appearing on the records of the closed bank, any depositor in the closed bank shall fail to claim his insured deposit from the Corporation within 18 months after the appointment of the receiver for the closed bank or shall fail within such period to claim or arrange to continue the transferred deposit with the new bank or with the other insured bank which assumes liability therefor, all rights of the depositor against the Corporation with respect to the insured deposit, and against the new bank and such other insured bank with respect to the transferred deposit, shall be barred, and all rights of the depositor against the closed bank and its shareholders, or the receivership estate to which the Corporation may have become subrogated, shall thereupon revert to the depositor. The amount of any transferred deposits not claimed within such 18 months' period, shall be refunded to the Corporation."

Recommendation: The provisions of subsection (e) of section 12 should be amended to provide that claims against a receiver of a closed insured bank must be filed within the period fixed by State law where such period is less than that fixed by subsection (e) for the filing of claims against the Corporation for insured deposits.

Reason: When the Corporation pays the claim of depositor in a closed insured bank placed in receivership it becomes subrogated to the depositor's claim against the bank. Such depositors have 18 months within which to file claims for their insured deposits. When a State law prescribes a lesser time for filing claims against the receiver of a closed State bank, the Corporation may be required to pay claims for insured deposits and be barred from filing its subrogated claims against the receiver.

SECTION 13

Subject: Loans to and asset purchases from receivers or liquidators of closed insured banks.

Existing statute: Subsection (d) of section 13 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1823(d)):

"Receivers or liquidators of insured banks closed on account of inability to meet the

demands of their depositors shall be entitled to offer the assets of such banks for sale to the Corporation, or as security for loans from the Corporation, upon receiving permission from the appropriate State autohrity in accordance with express provisions of State law in the case of insured State banks. The proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such banks. In any case where prior to the effective date of this amendment the Comptroller of the Currency has appointed a receiver of a closed national bank other than the Corporation, he may, in his discretion, pay dividends on proved claims at any time after the expiration of the period of advertisement made pursuant to section 5235 of the Revised Statutes (U.S.C., title 12, sec. 193), and no liability shall attach to the Comptroller of the Currency or to the receiver of any such national bank by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment. The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured bank which is now or may hereafter be closed on account of inability to meet the demands of its depositors, but in any case in which the Corporation is acting as receiver of a closed insured bank no such loan or purchase shall be made without the approval of a court of competent jurisdiction."

Recommendation: The last clause of the first sentence which pertains to the requisite permission of State authorities to the sale of assets to or borrowing from the Corporation by receivers of State banks should be amended. The statute now requires that such permission be in accordance with "express provisions of State law" in the case of insured State banks. Such permission should be in accordance with "applicable State law."

The third sentence of this subsection should be deleted.

Reason: The change from "express provisions of State law" to "applicable State law" would extend this clause so as to cover cases where the State law does not expressly authorize receivers to sell assets or borrow money, but the courts or the Attorney General may hold that receivers of banks of that State nonetheless have that power. The third sentence of subsection (d) of section 13 should be deleted because it is obsolete.

SECTION 14

Subject: Payment by the Corporation of Government's share of costs of civil-service retirement and disability benefits and employees' compensation benefits, and the extension of employees' compensation and Federal employees' unemployment compensation benefits to officers and employees of the Corporation.

Existing statute: The first three sentences of subsection (a) of section 4 of the Civil Service Retirement Act of May 29, 1930, as amended by Public Law 854, 84th Congress, approved July 31, 1956:

"From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act Amendments of 1956, there shall be deducted and withheld from each employee's basic salary an amount equal to 6½ per centum of such basic salary and from each Member's basic salary an amount equal to 7½ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund."

Subsection (b) of section 40 of the Federal Employees Compensation Act, as amended (5 U.S.C. 790):

"The term 'employee' includes (1) all civil officers and employees of all branches of the Government of the United States (including officers and employees of instrumentalities of the United States wholly owned by the United States)."

Subsection (a) of section 1501 of the Social Security Act (42 U.S.C. 1361):

"The term 'Federal service' means any service performed after 1952 in the employ of the United States or any instrumentality thereof which is wholly owned by the United States."

Recommendation: The Federal Deposit Insurance Act should be amended to provide (a) for the payment by the Corporation of the Government's share of the cost of civil service retirement and disability benefits from the creation of the Corporation to the first day of the first pay period beginning after June 30, 1957, when agency contributions of 6½ percent of salaries are required to be paid to the Treasury under section 4(a) of the Civil Service Retirement Act of May 29, 1930, as amended, (b) for the payment into the employees' compensation fund of the amount of the benefit payments made from such fund on account of the Corporation's officers and employees prior to January 1, 1957, and thereafter annually the amount of such benefit payments made on the account of the Corporation's officers and employees, and (c) extend the benefits of the Federal Employees Compensation Act (5 U.S.C. 751–791 and 793) and the Federal employees' unemployment compensation benefits of title XV of the Social Security Act (42 U.S.C. 1361–1370) to the officers and employees of the Corporation.

Reason: (a) and (b) The Federal Deposit Insurance Corporation operates without any appropriated funds; its income is derived from assessments paid to it by insured banks. The Corporation has refunded, with interest, the original investment of $289 million in its capital stock made by the U.S. Treasury and the Federal Reserve banks and it has accumulated a reserve insurance fund in excess of $1.6 billion, while caring for operating costs and losses. By the amendments here offered the Corporation proposes to remove all vestige of Government subsidy from its operations and to repay to the Government all sums heretofore advanced by it on account of benefits that have accrued to the Corporation's employees by reason of the subsidies mentioned in the amendments.

The amendments authorize the Corporation to pay the Government's share of the cost of civil-service retirement and disability benefits which have heretofore accrued and, in the future, to make current payments of such costs as they mature. Further, the Corporation desires to compensate the Government for benefits that have heretofore accrued on account of the benefits under the workmen's compensation laws and, in the future, to pay its fair share of the costs of workmen's compensation as they mature.

For several years the Comptroller General in his audit reports has recommended the enactment of legislation which would direct the action proposed herein in reference to retirement, disability and workmen's compensation benefits. In the 1953 audit report it was estimated that benefits heretofore received by the Corporation's personnel on account of these laws would amount to approximately $2.5 million and that the annual carrying charges therefor would be approximately $300,000. The current estimates fix the backlog obligation at approximately $3.5 million. The Corporation now proposes to relieve the Treasury of these burdens, and to assume full responsibility not only for the future costs thereof but to refund to the Government those costs which have been borne by the Government in the past.

There is no provision for any payment to the Secretary of Labor for the unemployment compensation benefits to persons by reason of their employment by the Corporation. Because the number of employees of the Corporation is relatively small, disbursements for unemployment benefits would undoubtedly also be small, possibly amounting to $1,000 to $1,500 annually. The proposal of such payment was met with the opinion that the increased overall cost of agency accounting and payment, as well as the compounding of administrative problems, militates strongly against any allocation of unemployment compensation costs of Federal employees to the individual agencies. It was pointed out that such an allocation would require additional records in every one of the 51 jurisdictions disbursing Federal employee benefits. It would pose the problem of devising some method of separating the overall costs of administering the Federal-State unemployment compensation program from the costs of administering that portion which relates to Federal benefits. It would also involve proration of costs between Federal agencies where employment with more than one agency is involved and State laws do not, in general, make such prorating possible. It appears that the cost of determining the amount of the benefits to former employees of this Corporation would exceed the amount of the benefits received by such employees.

(c) The Corporation desires to make certain the application of the workmen's compensation laws and Federal employees' unemployment compensation laws to its employees. There exists a difference of opinion between the Department of Labor and the Corporation as to the applicability of these laws to the Corporation. To eliminate this uncertainty, these laws should be expressly extended to the officers and employee of the Corporation.

SECTION 15

Subject: Accounting and auditing of the Corporation on calendar year basis.

Existing statute: The first and second sentences of subsection (c) of section 17 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1827 (c)):

"A report of the audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15 following the close of such fiscal year. On or before December 15 following such fiscal year the Comptroller General shall furnish the Corporation a short form report showing the financial position of the Corporation at the close of the fiscal year."

The last sentence of subsection (b) of section 17 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1827 (b)):

"The audit shall begin with financial transactions occurring on and after August 31, 1948."

Recommendation: (a) The first and second sentences of subsection (c) of section 17 should be amended to make the calendar year the fiscal year of the Corporation, to provide for the audit of the Corporation by the Comptroller General on the calendar year basis rather than for each year ending on June 30 and to provide that the Comptroller General furnish the Corporation with a short form report of the financial position of the Corporation at the close of the calendar year, if possible, in time for inclusion of

the report in the Corporation's annual report to Congress.

(b) The last sentence of subsection (b) of section 17 should be deleted.

Reason: (a) By Statute, accounting by the Corporation and auditing by the General Accounting Office are on the basis of a fiscal year ending June 30. Also by statute, the Corporation is required to make an annual report to Congress on a calendar basis. Further, the calculation and determination of assessment credits which are provided in the act for the benefit of insured banks must be made on the basis of operations on a calendar year basis. The complication of requiring financial statements of operations and accountings to be made, for certain purposes, on a fiscal June 30 basis, and, for other purposes, on a calendar year basis, has been confusing and burdensome. It has resulted in unnecessary and duplicate work on the part of the financial and accounting personnel of the Corporation. The Comptroller General, on many occasions, has recommended that his audit report on the Corporation's operations be made on a calendar year basis. Under the proposed amendments the Corporation accounting and GAO auditing would be on the basis of a calendar year.

(b) The last sentence of subsection (b) of section 17 is obsolete and therefore should be deleted.

AMENDMENT OF HELIUM ACT OF 1937, RELATING TO NATIONAL DEFENSE—ADDITIONAL COSPONSOR OF BILL

Mr. MURRAY. Mr. President, on August 19 I introduced Senate bill 2567, a bill to amend the Helium Act of September 1, 1937, for the defense, security, and general welfare of the United States. At that time the name of the distinguished and able senior Senator from Colorado [Mr. ALLOTT] was inadvertently omitted as a cosponsor to this important proposed legislation. I ask unanimous consent that when the bill S. 2567 is next printed, the name of the senior Senator from Colorado [Mr. ALLOTT] be added as a cosponsor.

The VICE PRESIDENT. Without objection it is so ordered.

MUTUAL SECURITY APPROPRIATION BILL—ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of August 20, 1959, the names of Senators HART, CLARK, MURRAY, MANSFIELD, MOSS, CHURCH, NEUBERGER, DOUGLAS, ENGLE, CASE of South Dakota, and BUSH were added as additional cosponsors of an amendment, intended to be proposed by the Senator from Minnesota [Mr. HUMPHREY] to the bill (H.R. 8385) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes, submitted by Mr. HUMPHREY, on August 20, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MANSFIELD:

Address entitled "Keeping the Peace," delivered by Senator JOHNSON of Texas to the National Convention of the American Legion, at Minneapolis, Minn., on August 27, 1959.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Richard A. Chappell, of Georgia, to be a member of the Board of Parole for the term expiring September 30, 1960, vice George G. Killinger, retired; and

Donald G. Brotzman, of Colorado, to be U.S. attorney for the district of Colorado for the term of 4 years, vice Donald E. Kelley, resigning.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, September 3, 1959, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

THE BACK PAGE AND THE BACK DOOR

Mr. DIRKSEN. Mr. President, sometime later, perhaps on next Monday, I may devote myself to a few remarks which probably might be captioned "The Back Page and the Back Door."

I notice a new table on the back page of the CONGRESSIONAL RECORD. I learn that there is actually no rule to cover the question of having tables printed on the back page of the RECORD; so it can be done by unanimous consent.

My remarks this morning will be entirely restrained, since the majority leader is unavoidably away for the moment; and I much prefer that he be here to enjoy my whimsies, when that time comes.

But, Mr. President, any subject that is discussed always involves the matter of emphasis. The new table, which appears on the back page of the CONGRESSIONAL RECORD as the result of authority requested and consent given, is captioned: "Table II.—New Obligational Authority Provided Outside the Appropriation Process (So-called Back Door Financing)."

Let us consider for a moment, Mr. President, for instance, the item "Aid to airports." All the confusing figures are set forth very nicely in one of the lines which extends all the way across the page. Under the heading "Senate," we find in the table the following:

Amount as passed, $465 million.

Amount agreed to by conferees, $126 million.

Mr. President, probably the latter figure is a misprint.

I read further:

Increase or decrease made by the Congress—

And it shows a decrease in the amount of $74 million.

Mr. President, the decreases always intrigue my fancy a great deal, because they do not quite tell the whole story; and I like to think of them in terms of our stance in the Senate and the actual effort which was made here to procure a larger sum. But that fact is not emphasized at all in the table.

I am wondering whether we ought to ask unanimous consent to have some other tables printed in the RECORD. Of course, we cannot have two back pages of the RECORD, Mr. President—that is the difficulty—any more than we can have two back doors. One back door that is wide enough and high enough is sufficient to enable money to be shoveled out of the Treasury. But there cannot be two back pages of the CONGRESSIONAL RECORD, unless I obtain unanimous consent to have such an arrangement made, although I do not know how the Government Printing Office would be able to contrive it. So I shall have to try to think up some other dodge, in order to have printed in the RECORD a table which will receive equal emphasis.

Mr. President, when I use the word "emphasis," I am reminded that the emphasis is certainly the most important consideration when one is dealing with budget figures. I am also reminded of an attorney who was trying a plagiarism case before a court. He said to the judge, "Your Honor, my whole case is one of emphasis and accent."

The judge replied, "Please illustrate."

The attorney said, "For instance, in the sentence, 'You, sir, are an ass,' the accent is on 'You'."

Of course that remark convulsed both the court and all others who were in the courtroom.

So we have to place the emphasis where it belongs.

I do not believe this new table on the back page of the CONGRESSIONAL RECORD adequately accents or emphasizes either the action taken by the Senate or the ultimate results.

So, Mr. President, over the weekend, I shall try to take a little time—if I have any time to spare, which is rather doubtful—to try to think up some way to develop two back pages of the CONGRESSIONAL RECORD, so that the back door can be looked at from two points of view. That will take considerable doing, and that is why I cannot do it today. It would take a full weekend—no matter how artful or skillful I might be—in order to get that job done; and by that time our esteemed and beloved majority leader will be here, and will be able to comment on it.

Mr. DIRKSEN subsequently said: Mr. President, to amplify the remarks I made previously about the back door, I have been intrigued with the idea that perhaps I could ask unanimous consent to get the front page of the RECORD to do a little with the front door. I will take that under advisement over the weekend. I may come in with a request concerning the front door on the front page. That

is a matter which will require careful pursuit and exploration.

Mr. MANSFIELD. Mr. President, I can well imagine the distinguished minority leader, in his sylvan retreat this weekend, cudgeling his brains and coming up with a solution of the problem which confronts him. I have no doubt that a solution will be found.

FIFTY-FIRST BIRTHDAY OF SENATOR JOHNSON OF TEXAS

Mr. MANSFIELD. Mr. President, I take this occasion to call to the attention of the Senate the fact that today is the 51st birthday of our distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON].

At 11 o'clock he will be delivering a speech to the national convention of the American Legion in Minneapolis.

I think that our party, the Senate, and the country are very fortunate to have in the person of LYNDON JOHNSON a leader who has shown the responsible qualities he has down through the years. So I take this occasion to extend to a great man my most heartfelt thanks for the many services he has performed for his party, for the Senate, and for the country through the years in which he has been a Member of this body. His inspiration, his wise counsel, and sound advice, his sterling leadership all have furnished guide lines to those of us who have had the privilege and opportunity of serving with him.

Mr. DIRKSEN. Mr. President, will the acting majority leader yield?

Mr. MANSFIELD. I yield to the distinguished minority leader.

Mr. DIRKSEN. I join with my distinguished friend from Montana in tribute to the majority leader. The majority leader was actually a congressional secretary when I came to Washington in 1933. Our friendship dates from that time, and extends over a period of 25 years.

I have truly a deep affection for the majority leader, and I have high admiration for his ability, his skill, his capacity, and his deep and unerring instinct in the legislative field. I think he is actually to the manner born, and this is the field in which he excels so well. I have nothing but admiration for his whole legislative career and for the services he has rendered to the country.

Disagree we have, sometimes rather vehemently, and I assume that there will be points of disagreement so long as the legislative process continues. But notwithstanding that fact, I respect his viewpoint and I admire his capacity, and I pay high tribute to his contribution to the well-being of the country.

The majority leader is in every sense a patriot. He is a dedicated person. Even his most durable enemy will not withhold from him the tribute that he is a patriotic, dedicated American, who seeks to serve his country as he sees his duty.

I am sorry the Senator cannot be here today on his 51st birthday. I wish every Member of the Senate were here so that we could proclaim the fact.

Mr. President, if the Senate will indulge me one more moment, as I think of that age 51, standing on the pinnacle of a more advanced age, I can almost become patronizing and utter the wish, "Oh, if I were only 51 again, would I redo, undo, and change many of the things that have marked the sometimes tortuous but otherwise pleasant course of this existence."

Mr. President, I love, in a moment of quiet and introspection, to stand on this pinnacle of age, which, I suppose, is one of the delights of advancing years, and look back and see others as they come along.

I hope my constituents will not interpret that statement as a confession that I am approaching senescence and senility. I never felt better. I never had more vigor in my life. I have reduced my waist line very considerably. I took off about 45 pounds. And may I say that one of the reasons for it is that one day in a colloquy here in the front row the majority leader was chiding me about my waist line. I said, "All right. I will accept that challenge. How much do you think I ought to take off?" He said, "I think you ought to take off 40 pounds." I said, "Is that an educated guess or is that based on medical testimony?" He said, "That is my estimate." I said, "I will go you one better. I will take off 5 pounds over the amount you have indicated."

So I did take off 5 more pounds. I owe the majority leader much for my having recovered a svelte figure—I hope it is svelte [laughter]—and in so doing, it energizes one's vitality quotient, and I hope it will add to my days, and that the worth of the days may be such as to make me a little proud, too.

So once again I salute the majority leader, who has made a contribution to my own physical well-being.

Mr. MANSFIELD. Mr. President, it appears that the many contributions made by the distinguished majority leader, the Senator from Texas, are not all known; and we are delighted to have this latest testament to his persuasive ability to bring about a second childhood, so to speak, to the minority leader. [Laughter.]

Mr. DIRKSEN. Oh, Mr. President, I hope not. [Laughter.]

Mr. MANSFIELD. But I do wish to say that I am indebted to the distinguished minority leader for what he has had to say about the distinguished majority leader. Senator JOHNSON'S contributions have been many in the past, and I anticipate that with his return to health—and he is in good health now—his contributions in the future will be just as great and just as much in the best interests of the country as a whole.

Mr. DIRKSEN. If the acting majority leader will yield for another second, I hope my remarks will at no time, nowhere, be interpreted as meaning there is an undue restraint on the minority leader in those moments when he takes exception to the viewpoint of the majority leader on matters of policy. I want to keep that great, big, unembroidered club handy at all times, so when occasion demands I can use it to assail the majority leader with fine restraints but with vigor, in the interest of the country.

Mr. MANSFIELD. May I say the shillelaghs will always be on the table on both sides.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WILEY. I am sorry I was not here when this very complimentary exchange relating to the majority leader took place. My memories of the majority leader go back to the time when he first came to the Senate as a rather, let us say, unobtrusive character. He has gotten rid of that quality since becoming majority leader.

I will say, Mr. President, that in all of the years I have been a Member of the Senate, I have never seen one who works more effectively than the majority leader. What I am most pleased about, however, is that he has gotten more control of himself. Previously he used to lose his temper quite easily. Those were the days before he was taken ill; but apparently his going through that test changed him into a very pleasant, congenial, considerate majority leader.

I have enjoyed sitting back here where I do and seeing how these two giants, the majority leader and the minority leader, get along together. Then all at once they hit the ceiling because one has said something to which the other one feels he must retort. I would say that they are both masters in that respect. But LYNDON JOHNSON, in my humble opinion, as a leader, has been able to do more with the Democrats than has any man in the 20 years I have been here. He can whip them into shape one way or other, and as a consequence he gets results. I suppose that is why he is a leader.

I am very happy to congratulate the majority leader in arriving at another milestone, and I am happy to congratulate his wife and family in what one might call the evolution of a character that is reaching for the stars.

INTERSTATE HIGHWAY SYSTEM

Mr. CARLSON. Mr. President, it is important that Congress act on voting additional funds for the continuance of work on the Interstate Highway System before adjournment.

Everyone must realize that the shutdown of work on the Interstate Highway System would have serious consequences. No one likes to hear the suggestion of additional taxes and other proposals should be considered before additional taxes are voted.

Regardless of what program is adopted, either the pay-as-you-go or the deferred payment plan, the result will be additional taxes for the citizens.

An excellent editorial which was published in the El Dorado, Kans., Times, issue of Monday, August 17, discusses the effect of an increase in the gasoline tax.

One paragraph of the editorial reads:

In customary, free-wheeling fashion, somebody fouled up the Federal highway program—by launching it all at once on too vast a scale, without foresight for increased costs and with little businesslike regard for the

hard facts of the enormous effort. So the program has run out of funds. As work shuts down over the United States, shrieks and howls of impending disaster have come from all around—and Congress speeds to apply a remedy by the invariable method of raising a tax.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER GASOLINE TAX GOUGE

The House Ways and Means Committee has voted a 1-cent increase in the Federal gasoline tax, effective September 1, to keep the superhighway program going.

This means that Congress doubtless will rush through the enacting legislation—in its usual breathless and agitated style—and that the downtrodden gasoline tax mule will find his burden increased.

In Kansas, this tax hike will boost the gasoline levy at the pumps to 9 cents a gallon—one notch closer to the wholesale price of the product.

In customary, free-wheeling fashion, somebody fouled up the Federal highway program—by launching it all at once on too vast a scale, without foresight for increased costs, and with little businesslike regard for the hard facts of the enormous effort. So the program has run out of funds. As work shuts down over the United States, shrieks and howls of impending disaster have come from all around—and Congress speeds to apply a remedy by the invariable method of raising a tax.

It's all too ridiculous. If the Federal highway program were slowed down, or pared down, the country likely wouldn't suffer to any great degree. But nobody thinks of that solution.

The report out of Washington relates that the extra levy would remain in effect for 22 months.

That's an old one. Whenever was any special tax or excise levied on any product under the guise of an emergency lifted when the emergency had passed? Look all around at the holdups still practiced on American people today which were legalized 15 or more years ago as war taxes. The rule is that any tax which goes into effect remains forever and a day.

So the tax burden continues to crush the payers—in every form, detail, and direction—and grows worse instead of better.

What this country needs, above all else, is just a few spoonsful of business sense applied to the operation of its Government processes.

FOREIGN COMPETITION IN THE CLOTHING INDUSTRY

Mr. KEATING. Mr. President, yesterday I had the pleasure of sponsoring a luncheon at the Capitol for the purpose of giving labor and management spokesmen an opportunity to discuss with a group of particularly interested Senators the threat posed to the clothing industry by foreign competition.

The speakers at the luncheon were Jacob S. Potofsky, the general president of the Amalgamated Clothing Workers of America, AFL–CIO, and Leo Ullman, vice president of the Clothing Manufacturers Association of the U.S.A. These gentlemen did an excellent job of explaining the serious problems faced by this industry, and there is no doubt that they received a sympathetic response from all those present. I am convinced myself that the jobs of 400,000 American workers in the garment industry and the billion-dollar investment of American management in the operations of this industry are now in jeopardy. This jeopardy stems directly from the necessity for competing with sweatshop and otherwise substandard working conditions in places such as Japan and Hong Kong. We have largely driven the sweatshops from the American scene, but in this day of international trade, a sweatshop in any part of the world is a threat to our competitive system.

The meeting was exploratory only. However, there was discussion of a method of approaching the authorities in the administration on this problem, and there was some discussion of possible legislative remedies. Some of my staff and representatives of the industry and of the union, of a legal character, are at work now on some measure of relief covering not only this industry but also other industries affected by unfair competition from overseas. I hope that we will be able to have a draft of such proposed legislation ready for distribution among the interested Senators in the early part of next week.

Mr. President, I wish to thank the many Senators who took time out from their busy schedules to participate in this luncheon. Attending the luncheon were Senators BEALL, CLARK, DIRKSEN, ENGLE, JAVITS, KUCHEL, LAUSCHE, MCCARTHY, SALTONSTALL, SCOTT, WILLIAMS of New Jersey, and YOUNG of Ohio.

The presence of so many distinguished Members of this body did much to reassure this important American industry that we in Congress are not oblivious to the substantial problems which it faces.

Mr. President——

The VICE PRESIDENT. The Senator from New York.

PROPOSED UNIFICATION OF THE ARMED FORCES

Mr. KEATING. Mr. President, the senior Senator from Kentucky [Mr. COOPER], appearing as my guest last Sunday on a television program, urged that President Eisenhower take personal charge of an effort to achieve a genuine unification of the Armed Forces.

The remarks of the Senator from Kentucky have been favorably received in many quarters, and I ask unanimous consent that editorials commending his stand, published in the Louisville Courier-Journal and the Washington Daily News, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, Aug. 25, 1959]

JOB FOR THE NEW EISENHOWER LEFT BY THE OLD EISENHOWER

Kentucky's Senator COOPER certainly wouldn't put it this way, but he is suggesting that the new Eisenhower do exactly what a good many of us thought the old Eisenhower would do almost the first thing after he was inaugurated in 1953—that is, achieve a real unification of the armed services.

"I hope that, in the year he has left (as President), he will take this job in hand himself," Mr. COOPER said in a television interview Sunday.

We hope so, too. And we agree with the Senator that the President probably knows more than anybody else about the problems of interservice rivalry and the ensuing costly duplications. After a whole career in military service, General Eisenhower emerged the greatest popular hero of World War II. He emerged also with the conviction that a real unification of the services was vital to the national security. He even went so far as to say that, if he had his way, "they would all be in the same uniform," although he doubted that "Congress and the big brass would ever agree to that."

The civilian President Truman was as strong a believer in unification as was General Eisenhower. In 1947, 2 years after the war, Mr. Truman got from a Republican Congress and the big brass an act creating the Department of Defense and, in theory, coordinating all of our miltiary activities. We had formerly had Secretaries of the Army and the Navy. The new law put in the place of these two a Secretary of Defense.

However, the new Secretary had three Secretaries under him—presiding over Army, Navy, and Air Force. The practical consequence has been that where we once had two rival military bureaucracies (as was seen tragically at Pearl Harbor), we now have three with a fourth sprawling above them in nominal control. Actually, as Mr. COOPER has pointed out, the three subbureaucracies largely go their own ways as separate autonomies, independent and highly competitive.

THE AUTHORITY EXISTS

Mr. Eisenhower already has, under present laws, authority to put an end to much of this anomaly. Mr. COOPER proposes to amplify this authority and make its exercise easier. He would increase the powers of the Secretary of Defense and subtract from the powers of the three subordinate Secretaries, making them, both in name and in fact, Under Secretaries of Defense.

"We could cut out a lot of waste and frills," the Senator says. As he indicates, nobody understands better than Mr. Eisenhower the self-entrenching jealousies which produce waste in duplicated effort and the frills to which every bureaucracy tends, whether it be a military or a civilian bureaucracy.

It is ironic that Mr. Eisenhower should be asked to do in his last year in office what he might naturally have done in his first year. Perhaps Mr. COOPER believes in the new Eisenhower, although some people insist that the new Eisenhower is only an Eisenhower compelled to do much that he felt he could leave to others before Sherman Adams' departure, and John Foster Dulles' death.

In this view, the present Mr. Eisenhower will have less time to spare than before for the job of overhauling the colossal and colossally costly Military Establishment and thus to make Mr. COOPER's dream come true. We share the Senator's dream, even though we cannot completely share his faith.

[From the Washington Daily News, Aug. 25, 1959]

COOPER'S PLEA

Senator JOHN SHERMAN COOPER, of Kentucky, one of the Eisenhower administration's most consistent backers, has made a special plea to the President to stomp on the waste and frills in the Defense Department.

In turn, he proposes to do something about this himself. He plans a bill to induce a little more of that vaunted, and little observed, unification in the Armed Forces. His purpose is to set up the Army, Navy, and Air Force as coordinated services, rather than

virtually independent outfits each going for itself.

The new defense appropriation bill, just signed by the President, earmarks more than $39 billion of the taxpayers' money. That's big money, and every dollar of it wasted in duplicate spending, on service rivalries and in frills is a dollar handed over to the enemy.

"I believe," the Senator said, "the American people are getting to be pretty tired of * * * the continual spending of money for defenses unless they are assured that waste is eliminated and we have the best organization."

Dozens of congressional investigations have proved that the waste is not eliminated. Almost weekly there is new evidence that the organization is far from what the taxpayers are paying for.

Amen to SENATOR COOPER.

CONSOLIDATION OF FEDERAL FORESTRY ACTIVITIES

Mr. MURRAY. Mr. President, in 1956 the Senate Interior and Insular Affairs Committee acting cooperatively with the House Government Operations Committee issued a report on Federal timber sales policies.

In 1958 I secured interim reports from the various agencies on progress being made to implement suggestions. I ask unanimous consent that the letter of transmittal from the 1958 report by the committee and the section entitled "Consolidation" incorporating these responses be printed in the RECORD at this point.

There being no objection, the letter of transmittal and section of the report were ordered to be printed in the RECORD, as follows:

RESPONSES BY FEDERAL AGENCIES TO THE REPORT ON FEDERAL TIMBER SALES POLICIES

(Report of the Senate Committee on Interior and Insular Affairs)

LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
August 22, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This report is transmitted in response to your request that I prepare a followup report on Federal timber sales policies.

The initial report was issued August 6, 1956, and consisted of part I, consisting of findings, conclusions, and recommendations; part II, the staff report; and the two volumes of hearings which were held in the winter of 1955–56.

In answer to your request, the Department of Agriculture, Department of the Interior, Bureau of the Budget, and Civil Service Commission furnished replies setting forth their views and action taken on the recommendations in our report. I have incorporated their responses following each set of recommendations. In addition, the introduction to the original report has been rewritten in brief form so as to furnish a suitable background. Finally, certain repetitious material submitted by the Department of the Interior was omitted because it has already been printed in Senate Document 971, 85th Congress, 1st session, Timber Sales, Quinault Reservation, Wash.

The responses by the various agencies are useful and will prove informative to the people of the West who are vitally interested in Federal timber sales policies. In accordance with your suggestion, no effort has been made in this report to analyze or comment upon the agency replies. As you pointed out to me, this should merely be a report to the people on the position of the various agencies on the earlier recommendations.

It is my hope that interested persons will evaluate the recommendations and the responses by the executive agencies and offer to our committee their views on the further improvements that could be considered.

Sincerely yours,

RICHARD L. NEUBERGER.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS—OVERALL POLICY

A. Consolidation

Findings and Conclusions

The joint committee finds that although the three Federal agencies, Forest Service, Bureau of Land Management, and Bureau of Indian Affairs, are performing the same timber-management functions in the same areas, there are confusing differences in policy, method, and procedure. There is duplication, overlapping, and waste. The map shows the degree of overlap in the Pacific Northwest.[1]

Under these circumstances, the forest-products industry finds it difficult to cope with the problem of dealing with different agencies administering the same resource. The existence of separate and independently managed agencies has led to three uncoordinated and inconsistent forestry programs.

The Forest Service manages by far the largest area of the Federal timber domain. It is the most experienced of all the Federal timber agencies. It performs the basic forest research for all agencies of the Federal Government and is technically equipped to assume even greater responsibilities.

The joint committee believes that this agency, by reason of experience, trained personnel, and technical facilities, is the logical choice to undertake the direction of a consolidated and integrated forestry program embracing all commercial timberlands now under Federal jurisdiction.

There are only about 400 forestry personnel in the Bureau of Land Management and the Bureau of Indian Affairs combined, as compared to over 1,283 full-time and 3,302 part-time timber management employees in the Forest Service; and there are only about 12 million acres of commercial forest land under the jurisdiction of these 2 Interior Department agencies compared to over 81 million acres in the national forest system. We also find that the allowable cut on the national forests is approximately 7.5 billion board feet a year, while the combined cut on the lands of the other agencies is slightly in excess of 1 billion board feet.

Nevertheless, both the Bureau of Land Management and Indian Affairs timber, located in the midst of the great timber-producing areas, play a significant role in the timber economy of these areas.

The committee believes that the optimum economic development of the region and the achievement of maximum sustained-yield production can only be attained through the consolidation and integration of the timber-management functions of these agencies.

Functions and responsibilities other than surface resource management should be carried out in accordance with currently applicable laws and regulations as now administered by those agencies having jurisdiction over these lands.

Recommendations

A–1. We recommend the consolidation in the Forest Service of the forestry functions and the surface resource management responsibilities for commercial forest land under the jurisdiction of the Bureau of Land Management and the Bureau of Indian Affairs.

A–2. We further recommend that a reorganization plan to accomplish this be prepared by the President under the authority provided by the Reorganization Act of 1949 (Public Law 109, 81st Cong.) and that it be laid before the Congress for the prescribed 60-day period commencing with the convening of Congress in January 1959.

A–3. The intervening period should be utilized to perform the task incidental to orderly consolidation.

(a) We suggest a study be made of all Federal commercial timberland within Federal-management units in order to determine the best use for the land and later provide a basis for classification of lands which should be retained in Federal management.

(b) A review be made of all procedures governed by statutory requirements and legislation be submitted to provide for uniform practices.

(c) A review be made of all regulations governing timber management and a single set of regulations be prepared.

(d) The agencies should coordinate forestry programs in the interim period, taking into account the recommendations made by this committee.

A–4. The consolidation should leave unaffected the receipts distribution formulas applicable to the Oregon and California, and Coos Bay Wagon Road revested lands in Oregon, which have special legislative histories. However, where vacant public domain becomes a part of the national forest system, consideration should be given to designating it as national forest land subject to all of the rules, regulations, and receipts distribution formulas applicable to the national forests.

RESPONSE BY THE EXECUTIVE OFFICE OF THE PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 1, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in response to your letter of May 15, 1958, requesting that the Bureau of the Budget report on the status of action on certain recommendations set forth in a report entitled "Federal Timber Sales Policies" issued by the Senate Committee on Interior and Insular Affairs on August 6, 1956. We are informed that your committee has made similar requests to the Departments of Interior and Agriculture and that these agencies will comment in detail on the actions taken on those recommendations of the report dealing with technical matters relating to forest management. This office will, therefore, confine its comments to the recommendations relating to the consolidation of timber management functions.

The report on Federal timber sales policies urged the consolidation in the Forest Service on forestry functions and surface resource management responsibilities for commercial forest land of the Bureau of Land Management and the Bureau of Indian Affairs; submission to Congress of a reorganization plan to this effect by January 1959; study of the problems incidental to orderly consolidation; and that consolidation leave unaffected the receipts distribution formulas for the Oregon and California Railroad and Coos Bay Wagon Road revested lands.

We cannot agree with the recommendation that the forestry functions of the Bureau of Indian Affairs be transferred to the Forest Service. Indian forest lands are generally considered private property, part of the Indian estate held in trust by the Federal Government through the Department of the Interior for the uses and benefit of its Indian

[1] Map omitted in this printing.

owners. The proposed transfer would unnecessarily involve the Forest Service in complex problems of Indian welfare and would disperse responsibility for assisting the Indians in the management of their resources.

The recommendation that responsibility for the management of commercial forest land presently administered by the Bureau of Land Management of the Department of the Interior be transferred to the Forest Service, Department of Agriculture, has received very careful consideration. The views of the affected agencies have been thoroughly appraised, together with the findings of other available studies.

Our review indicates that such a consolidation must be viewed in the context of effective management of all resources now administered by the Departments of Interior and Agriculture, rather than on a piecemeal basis. Thus, there is general agreement that any proposal for reorganization of forestry functions must also give consideration to wildlife values, range management, recreation needs, watershed protection, and minerals development. A secondary but related consideration is the fact that new technological changes in wood utilization and the development of new forest products makes it difficult to define "commercial forest land" with any degree of permanence.

It is also necessary to determine the extent to which Public Law 426, 83d Congress, has contributed to the solution of the problems of coordinating Federal commercial forest management functions. That act made possible the exchange of approximately 240,000 acres of Oregon and California Railroad revested lands for a corresponding acreage of intermingled national forest lands. However, these land exchanges have been completed only recently and it has not yet been possible to evaluate fully their effect on the operations of the affected agencies. For example, we understand that timber inventories on these lands have not yet been completed. Further consolidation of Federal commercial forest land management is now under active study by this Bureau, but we are not yet prepared to propose additional adjustments in the responsibilities of the departments involved.

Because the organization of forestry functions is still under study and because the President's 1959 legislative program will not be formulated until late this year, we are unable to inform you at this time as to whether or not a reorganization plan for the consolidation of the commercial forestry functions of the Departments of Interior and Agriculture will be transmitted to the Congress next January. You may be assured, however, that the joint hearings held on Federal timber sales policies and the report issued by the Senate Committee on Interior and Insular Affairs will be given full consideration in any action taken on this matter.

Sincerely yours,

MAURICE H. STANS, *Director.*

RESPONSE BY THE DEPARTMENT OF THE INTERIOR

Recommendation No. A–1: The Department opposes this recommendation and has submitted its reasons therefor to the Director of the Bureau of the Budget.

Recommendation No. A–2: Such a reorganization plan may be initiated only by the Bureau of the Budget. However, as indicated above, this Department opposes such a recommendation.

Recommendation No. A–3: None of the recommendations in (a), (b), and (d) have been initiated and none are contemplated until and unless so directed by the Bureau of the Budget. A review has been made of all regulations governing timber management, item (c), but no attempt has been made nor is contemplated to prepare a single set of regulations.

Recommendation No. A–4: This recommendation requires no action until and unless affirmative action is taken on recommendation No. A–2 above.

Mr. MURRAY. Mr. President, I call to the attention of my colleagues that the report was issued in 1956. It called for presentation of a consolidation plan in 1959. The report said that "the intervening period should be used to perform the tasks incidental to orderly consolidation." Four specific areas to be covered by the executive branch were suggested.

After 3 long years I now have a letter from Mr. Edward McCabe, Administrative Assistant to the President, which I ask unanimous consent be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 5, 1959.

The Honorable JAMES E. MURRAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MURRAY: Referring again to your inquiry about the consolidation of Federal forestry functions in the Forest Service, in my February 9 letter I advised that the transfer of functions from the Bureau of Indian Affairs is not favored, but that active studies were under way covering other forestry functions.

The current studies have indicated that there is merit in the proposal to transfer certain commercial timberlands in Oregon which are now administered by the Bureau of Land Management of the Department of Interior. The Forest Service and the Bureau of Land Management, however, now follow different practices in managing timberlands. The administration believes that further progress should be made in developing consistent practices before responsibility is transferred to the Forest Service in order to eliminate the possibility that such action might disrupt timber sales programs. Any disruption would cause hardship for the lumber industry and adversely affect the economy of the State of Oregon.

The President has decided, therefore, that a reorganization plan to consolidate Federal forestry functions in the Forest Service will not be transmitted to the Congress in the near future.

With kind regards.

Sincerely,

EDWARD A. MCCABE,
Administrative Assistant to the President.

Mr. MURRAY. Mr. President, the administration has just discovered what the Congress told them 3 years ago. The Federal timber selling agencies are not coordinated in their activities and to launch on a consolidation without first harmonizing statutes, regulations, and procedures would create chaos for the dependent timber industry.

Frankly, I have not always been impressed that the consolidation of Federal functions produces large savings. I do believe that the coordination of Federal activities is desirable and I would urge now that the executive branch proceed with some dispatch along the lines set forth in committee recommendations A–3 subpart b and c. It can then consider whether consolidation can produce further efficiencies; but, in all events the lumber industry will find that rules and regulations surrounding timber sales are reasonably consistent no matter which agency one is doing business with.

It is extremely disappointing to me that in the last 3 years the executive branch has not exercised its responsibility to improve the efficiency and coordination of Federal timber sales activities.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate I wish to announce that there will be no votes after 6 o'clock tonight, so that the reception planned for the distinguished senior Senator from Hawaii [Mr. FONG] by his colleagues on the Republican side can be carried out as planned.

The Senate may be in session after 6 o'clock this evening for the purpose of enabling Senators to make speeches, but there will be no votes. It is anticipated that we could be in session late tomorrow night.

I thought I should give this information to the Senate at this time, so that all Members of the Senate could be prepared.

FEDERAL SPENDING

Mr. PROXMIRE. Mr. President, response to a poll I have recently conducted in Wisconsin showed strong support for reducing Federal spending on international affairs, interest on the national debt, and the farm program. These programs absorbed 23.5 percent of Federal expenditures in fiscal 1959.

More than 2,000 Wisconsin citizens responded to this poll which asked for constituent opinion on every category of Federal spending. The poll indicated substantial support for increased spending for two categories that now together absorb 7.6 percent of Federal spending: the first was classified as "public assistance, education, and health," the second was "natural resources development."

It is interesting to me, Mr. President, that these responses cut across party lines. I divided the poll responses into those who voted for Republican presidential possibilities on the one hand and those who voted for Democratic possibilities on the other, so that I could classify the GOP response and Democratic response, and I found a similarity of response on most issues, although it is interesting to me that, as I will show a little later, that the Democrats are more enthusiastic for some kinds of spending, and the Republicans for others.

In three classifications opinion favored keeping spending at present levels. These were: "national defense," "veterans services and benefits" and "aviation, transportation, housing, and business." These services now absorb 66.6 percent of Federal spending, and of course the principal item of these three is national defense.

Two dramatic aspects of this poll were: First, that although Wisconsin Republicans generally favor reducing spending more enthusiastically than Democrats,

Republicans are less reluctant to reduce spending for interest on the national debt and national defense than Democrats.

I might explain that I pointed out in the poll that Federal Reserve policies might reduce the cost of interest on the national debt by decreasing interest rates, increase it by increasing interest rates. While this is a complicated and perhaps controversial monetary policy, it is a fact which I think has been well established by instruments that are under the control and authority of the Federal Reserve Board.

Secondly, both rural and urban respondents as well as Democratic and Republican oppose the fantastic cost of the Benson-administered farm program by supporting a reduction in the cost of the farm program. The Republican and Democratic categories were derived from a previously announced question in this poll that asked for presidential preferences.

Mr. President, I ask unanimous consent that the results of this poll as it pertained to the questions on spending and the Federal budget be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Do you think the Federal budget for each of the following should increase, decrease, or remain the same?

Item	Present percent of Federal budget	Increase (more services)					Decrease (less services)					Remain the same				
		Total	Dem.	GOP	Urban	Rural	Total	Dem.	GOP	Urban	Rural	Total	Dem.	GOP	Urban	Rural
National defense	57.1	15.1	18.1	15.6	17.3	9.2	30.1	32.2	28.4	26.8	39.0	54.8	49.7	56.0	55.9	51.8
Interest on national debt [1]	10.5	13.4	10.1	18.0	13.3	13.6	47.0	49.8	46.4	46.6	48.1	39.6	40.1	35.6	40.0	38.3
Farm program	7.8	17.1	22.4	9.3	10.6	34.2	57.9	50.0	72.1	63.7	42.6	25.0	27.6	18.6	25.7	23.2
Veterans' services and benefits	6.6	21.3	27.7	11.9	19.2	26.8	32.5	24.1	42.7	34.7	26.8	46.2	48.2	45.4	46.1	46.4
Public assistance, education, and health	5.4	48.8	60.0	36.8	47.7	51.5	18.9	10.7	29.1	20.0	16.2	32.3	29.3	34.1	32.3	32.4
International affairs	5.2	13.0	17.1	12.4	13.6	11.3	48.4	44.3	53.5	48.6	46.5	38.6	38.6	34.1	37.9	42.2
Aviation, transportation, housing, and business	2.9	21.2	25.5	12.9	23.0	16.3	38.2	32.2	48.9	37.8	39.1	40.7	42.3	38.2	39.2	44.6
Natural resources development	2.2	48.8	55.2	39.5	49.1	48.2	13.5	8.0	20.2	13.5	13.4	37.7	36.7	40.4	37.4	38.5
General government	2.2	7.7	9.8	3.1	7.3	8.8	47.3	41.5	53.9	49.2	42.1	45.0	48.7	43.0	43.5	49.1

[1] Federal Reserve policies might reduce this cost by decreasing interest rates, increase it by increasing interest rates.

(Figures are percentages.)

(One-fourth of respondents failed to express preference for a presidential candidate and were therefore excluded from the "Dem.," "GOP" classification.)

CIVIL DEFENSE CONFUSION AND WASTE OF TAXPAYERS' MONEY

Mr. YOUNG of Ohio. Mr. President, powerful forces are at work seeking to restore the $12 million civil defense cut which the House of Representatives eliminated from the independent offices appropriation bill. This bill is in conference between the House and the Senate. The Senate restored $15 million which the House of Representatives very properly cut from this appropriation bill—$3 million for civil defense equipment to various States and cities, and $12 million for still higher salaries and more civil defense bureaucrats and boondogglers in the cities and States of this Nation.

We may be labeled spenders and not savers if, by Senate action, we influence members of the conference committee to restore this entire additional appropriation of $15 million which, in the House of Representatives, was eliminated by overwhelming vote.

Headlines in the Washington Post and Times Herald of Wednesday morning, August 26, referring to the Governor of New York State read, "Rockefeller Joins Fight to Restore House $12 Million Civil Defense Cut." This nationally known Governor, according to the newspaper account, is urging President Eisenhower, as President and party leader, to ask Republicans in Congress to vote to instruct the House conferees to restore $12 million, which, after full and fair debate, was eliminated by vote in that body. Personally I would prefer that this Governor concentrate on his program of increasing taxes in his State and building compulsory shelters in back yards and basements in that State if he wishes.

It would be a choice morsel, indeed, for civil defense directors in cities and States if this $12 million cut is restored.

In Cleveland, for example, a politician, John Pokorny, with no particular experience and training in defense matters, bears the high sounding title of director of civil defense of the area in Ohio where I live. His salary is $12,834. He is a good Democratic politician, and with the Federal Government paying one-half of his salary, his activities as civil defense director are not so costly to the municipal government of Cleveland.

His main achievement, if not the only one, is to have the sirens sounded every Monday at 12:15 p.m. to the annoyance of people living in my community. This is the signal for evacuation, that enemy bombs are about to rain upon my home city. It is a signal for citizens to rush out on the highways marked reserved for civil defense. While citizens of my city theoretically rush westward and eastward, citizens of nearby communities will rush eastward and westward along the same roads.

While I am in complete disagreement with the view of the great Governor of New York State who is contemplating forcing compulsory shelter building in the backyard and basements by home owners in that State, I do fully agree that the evacuation program of Civil Defense officials was never anything but a hysterical gesture. In an emergency, with people rushing from a great city helter-skelter, there surely would be fewer surviving an atomic attack than were those same people to fall on their faces on sidewalks, vacant lots, and streets, and pray.

National Civil Defense Administrator Leo A. Hoegh, who was defeated in his second-term try for the $12,000 position of Governor of Iowa and then rewarded by a $22,500 appointment in Civil Defense, says if this Civil Defense cut is not restored it would cause the States to believe that the Federal Government is backing out of its Civil Defense commitment. Does Leo A. Hoegh advocate mass evacuation? Or is he a recent convert to shelters in backyards and basements policy?

Mr. President, that Civil Defense commitment, if any, should never have been made by the Federal Government. It is an utter waste of taxpayers' money upon a boondoggling, outmoded, ineffective, decadent Civil Defense bureaucracy staffed now with 1,800 Federal officials and employees, and thousands of officials and employees feeding at the public trough in various States and cities. What they have done during the past 9 years has been utterly useless and has cost our taxpayers approximately $1 billion. It is time to call a halt. In Canada and in England the functions we refer to as being handled by Civil Defense are being handled by the military. This has ended confusion in those countries.

I again want to pay tribute to those unsalaried volunteer Civil Defense workers who have responded so patriotically and unselfishly in times of emergency and natural catastrophes. Their contribution has been great in spite of the boondoggling paid bureaucrats who from their desks run the office of civil and defense mobilization.

Were this Nation to be suddenly attacked by missiles from the Soviet Union, it is a certainty that the President of the United States, as Commander in Chief of the Armed Forces of our country, would immediately declare martial law, and, in that emergency, take over. We may be certain, Mr. President, that no member of our Armed Forces would for a moment permit some civilian with a Civil Defense armband to interfere with the movement of the Armed Forces of our country in a time of dire emergency.

Civil Defense has been a wasteful, extravagant gesture. Now the Federal Government is being asked by the Governor of New York, who has plenty of problems in his own State to attend to, to interfere so that $15 million more of the taxpayers' money will be spent during the current year. I object to that, and oppose it.

REFERENDUM UNDER SECTION 708 OF THE NATIONAL WOOL ACT

Mr. McGEE. Mr. President, I wish to make some reference today to the controversy now raging between the American Farm Bureau Federation and the National Lamb Feeders Association. This controversy centers around the referendum under section 708 of the National Wool Act, which provides for a check-off system in raising funds to promote the sheep industry.

Because of the nature of that controversy and the complications of the pressure now being applied in regard to it, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from Harold Josendal, president of the National Woolgrowers Association, a constituent and friend of mine who lives in Casper, Wyo.; also extracts from press coverage of this controversy, consisting of articles from the Casper, Wyo., Tribune-Herald of August 5 and 14, 1959.

There being no objection, the letter and articles were ordered to be printed in the RECORD, as follows:

NATIONAL WOOL GROWERS ASSOCIATION,
Salt Lake City, Utah, August 13, 1959.

Hon. GALE W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR GALE: As you have no doubt noticed in the press, there is some controversy now between the American Farm Bureau Federation and the sheepmen of America as represented by the National Wool Growers Association and the National Lamb Feeders Association. This controversy centers around the referendum on section 708 of the National Wool Act. This section of the act provides for deductions of not to exceed 1 cent per pound on wool and 5 cents per head on lambs following a referendum of all owners of sheep in which two-thirds of the sheep represented and two-thirds of the sheep owners must vote favorably to carry the referendum.

The Farm Bureau at the national level is making every possible effort to defeat this referendum. They have urged their various State and local farm bureaus to actively oppose the referendum among their sheepmen members and other sheepmen that they may influence. They do this principally on the ground that they do not approve as a matter of policy the checkoff of our deductions of funds for the promotion following the referendum.

On the other hand, we in the sheep producing industry feel that this checkoff is the only effective method of collecting sufficient funds for promotion and that it is just as fair, for instance, as a school bond election or any other democratic process whereby a vote of the majority imposes its will to some extent on the minority.

We are sure that both Congress and the people over the Nation are watching this referendum with interest to see whether the sheepmen will wish to continue the promotion program on lamb and wool which was begun 3 years ago. In this brief time we feel that a well organized, well directed and well conducted program of promotion and advertising has been established for our products. While we cannot point to any startling results as regards the price of our products, there has been some improvement, particularly on the retail level of lamb, and recently in both the consumption of wool and the price of wool. One of the most convincing points of the success of the program, both the subsidy program of the National Wool Act and the promotion end of the program, is evidenced by the increase of 1,227,000 breeding ewes in the past 3 years. This is exactly what the program was designed to do—increase the stock sheep in the United States—and this has been done despite a worldwide textile depression and a severe drought in much of the West.

Because of the very strong Farm Bureau opposition to our promotion program and their efforts to defeat the coming referendum, we find it necessary to circulate generally among sheepmen, an answer to the pamphlet prepared by the Farm Bureau, and in addition to that, to call nationwide attention to the problem through a press conference, which will be held on August 15 in San Francisco at the conclusion of the California Wool Growers Association annual convention. The pamphlet that we are preparing for answer to the Farm Bureau leaflet is now in the process of preparation. As soon as it is available, we will be very happy to send it to you for whatever use you may care to put it. We will also, of course, send clippings of all our coverage we may get on the press conference. If, because of the interest of Congress in the success of this wool program, you should find that these could be used in the CONGRESSIONAL RECORD, we would be very happy to have you ask that they be printed in the RECORD.

I want to make clear that the opposition to the promotion program of the wool act is largely on the national level of the American Farm Bureau Federation. Our State and local farm bureaus are close to their sheepmen members and are not opposing it strongly, as is the national. For example, in Wyoming the Wyoming Farm Bureau Federation has been most helpful in this referendum in that they have directed a series of meetings throughout the State to create interest in the coming referendum and to attract as large a vote as possible. They have made every effort in these meetings to have a well-informed director among the sheepmen in order that an intelligent vote will be cast. I am sending under separate cover a copy of an article printed in the Casper Tribune Herald regarding a local meeting held in Casper sponsored by the Farm Bureau.

With very best personal regards to you, I am

Sincerely yours,

HAROLD JOSENDAL,
President.

[From the Casper (Wyo.) Tribune-Herald, Aug. 5, 1959]

FARM BUREAU AND WOOL MEN CLASH

Sheepmen clashed headon with the policy of the American Farm Bureau in a meeting called here Tuesday night to sound out opinion on continuing the checkoff system for financing promotion of wool and lambs.

The Farm Bureau had already condemned the plan under which sheep producers have raised over $8 million since 1955 to boost wool and lamb consumption. Funds are raised by deducting 1 cent per pound on the shorn wool and 5 cents per hundredweight on lambs.

The program comes up for renewal at a national referendum in September, and already the American Farm Bureau has issued pamphlets opposing the checkoff because it violates the principle of freedom of choice.

But the Wyoming Farm Bureau did not go along with the national organization in actively opposing the sheepmen's program. A series of meetings was scheduled around the State to give woolgrowers an opportunity to voice opinions.

Harold Josendal, Casper, president of the National Wool Growers Association, said the promotional program is beginning to pay dividends in better distribution of lambs, more stable prices, and a sharp upturn in wool consumption during the first half of 1959.

Figures compiled by the American Farm Bureau indicated the program had been a colossal flop. A comparison of 1954 and 1958 figures showed consumption of wool and lamb had actually declined in the 4-year period in spite of millions spent for advertising and promotion.

Several prominent central Wyoming woolgrowers at the meeting in the Pacific Power Hall urged continuation of the checkoff to finance the program. Some were critical of the Farm Bureau, commenting that woolgrowers did not try to tell the wheatgrowers, tobacco men, or peanut raisers how to run their business.

"It's a lot of hogwash when you say you can accomplish a program of this size with voluntary contributions," Josendal declared. He recalled that the voluntary method was tried once for wool promotion and raised only $19,000.

"We've got to decide, is the business worth saving or not," Josendal asserted. "If we don't do anything, synthetics will take all of the market."

Bill Hicks, of Laramie, organizational director of the Wyoming Farm Bureau, read a lengthy statement setting forth statistics on the wool and lamb promotion program. One of the points was that "it does not lend itself to a well coordinated program designed to promote the total supply of red meat."

W. W. Haines, president of the Natrona County Farm Bureau, himself a sheep raiser, declared sheepmen should take a more active part in the farm bureau and influence the policies of the organization.

"It's a little late to do any good this year," said Josendal, who anticipated a close battle next month to win approval for continuation of the checkoff program. Josendal is a director of the American Sheep Producers Council, which directs the promotion work.

"This is our own money and we're spending it the way we want," declared Marion Rochelle of Arminto. "What's wrong with that?"

"The American Farm Bureau objects to the program," commented Mrs. Virginia Lathrop, former secretary of the county farm bureau, "but offers no alternative."

Joe Burke, Casper sheepman, noted a conflict in the farm bureau organization. National policy, he said, appears to adversely affect the interests of many Wyoming Farm Bureau members who are in the sheep business.

Martin T. Baskett said the sheepmen had plenty of "freedom of choice" in making their decision in 1954 to support the wool and lamb promotion program, and while the program may not be perfect, it was the best one yet devised.

J. T. Baskett said the woolgrowers were entitled to the program that best suited their commodity.

Homer Lathrop, a cattle raiser and former president of the local farm bureau, took issue with a statement that lamb promotion conflicted with promotion of other red meats in the market place. Advertising of one product, he said does not hurt another, but results in overall increased consumption and higher standards of living.

[From the Casper (Wyo.) Tribune-Herald, Aug. 14, 1959]

JOSENDAL GOES TO BAT FOR LAMB-WOOL PROMOTION PLAN

Harold Josendal, Casper, president of the National Wool Growers Association, is going to bat for the sheepman's wool and lamb promotion program—now under attack by the American Farm Bureau Federation.

Saturday, in San Francisco, he will hold a press conference to air the position of the sheep industry.

"The American sheep industry is facing a battle for existence in the economy of the United States through actions over which it has no control," Josendal declared before going to the San Francisco meeting.

'The American Farm Bureau Federation has seen fit to start an all-out campaign to defeat the referendum called by the Secretary of Agriculture for September of this year, which would permit the continuation of the self-help program of the sheep producers of this country."

He referred to the National Wool Act passed by Congress for a 3-year period and approved by the President. It provides for an incentive payment program to woolgrowers based on tariff receipts collected on foreign wool. Then there is a provision (sec. 708) which permits the woolgrowers to assist themselves by conducting an advertising, promotion, and merchandising program to help themselves in the market place, rather than depending solely on a Government subsidy.

"At national level, the American Farm Bureau Federation apparently considers the success of the two phases of the Wool Act abhorrent * * * because its very success has led to other commodity groups seeking the same type of program without the support of the American Farm Bureau Federation," Josendal stated.

"Some 94 organizations directly connected with the sheep owners of the United States and all general farm organizations other than the American Farm Bureau Federation supported the renewal of the Wool Act last year with the self-help provision (sec. 708) included," he recalled.

"Neither of the agricultural committees, either House of Congress, or the President, paid any attention to their protestations. Now they are using their strength as a respected general farm organization at this national level, using their staff and all of their power of propaganda, through the press and their own widely circulated publications, in an effort to convince the sheepmen that they should vote against their own program in the coming referendum.

"I am contacting the sheep grower organizations of the United States. In addition, with many of the key people of the industry to be present at San Francisco at the California woolgrowers convention, I have issued a call for a meeting to determine just what action we should take on this attack.

"I, for one, will urge an all-out campaign to fight off this attempt by a large general farm organization to beat down one commodity group of producers who have a successful self-help program.

"At the risk of being called too humorous on a serious matter, I do not believe the sheep industry should be made the sacrificial lamb to the ambitious desires of a few men at the national level of a general farm organization who desire to kill off any commodity group proposing to help themselves.

"In many instances, State and local farm bureau federations are close to their producer members and are not endorsing this action of the American Farm Bureau Federation officials.

"After this meeting, we should like to meet the press, telling them of the action to be taken by our commodity-producer organization, and to answer any questions. We are sorry that we, as a small commodity segment of the agriculture industry of the United States, have been selected as the battleground to determine the American Farm Bureau Federation's ability to prevent commodity groups helping themselves. But it is our industry and I feel we must fight."

UNDERSTANDING THROUGH SPORTS

Mr. WILEY. Mr. President, what is it the world needs most? I heard that question asked the other day by someone who was quite a thinker.

The reply which he received was "an understanding heart."

I started thinking along that line, and the answer seemed to me to be basic. Any differences we have are due to the fact that we do not understand the other person's viewpoint, or we have prejudices, or hate blinds our vision. We fail to understand the philosophy, the economy, the politics, and the problems of the people of other nations.

This country has taken a number of steps—and I wish to discuss briefly one of them—in a world which is trying to resolve conflicts of interest among nations.

Mr. President, in a world that is trying to resolve conflicts of interests among nations, we have learned by experience that there are innumerable ways in which greater understanding can be attained.

Today, in Chicago, the opening of the pan-American games symbolizes one more constructive effort to promote international understanding—this time through sports.

What are the pan-American games?

Officially, they are regional games within the framework of the International Olympic Organization, directly controlled by the Pan-American Sports Organization. They are made up of representatives of the eligible countries of North, Central, and South America, and the Caribbean Islands.

The first pan-American games were held in Buenos Aires in 1951; the second were staged in Mexico City in 1955. The games opening today mark the third quadrennial occasion for the games.

The purpose is to promote friendship and better understanding among competing nations through the medium of sports. They also serve to provide amateur athletes with international competition.

The largest athletic meet in the Western Hemisphere, the games this year are expected to include 2,300 or more young men and women from the 20 Latin American Republics, the Caribbean Islands, and Canada.

I said "young men and women"—I mean young men and women with open minds; young men and women who are seeking adventure; young men and women who are seeking more light; young men and women whose minds are not closed, who sense that they do not know very much, and who want to learn more about the meaning of life.

Recently, the Christian Science Monitor published an informative article, by Dorothea Kahn Jaffe, on the significance of the event as a constructive way to "promote understanding through sports."

Recognizing this is one of the many ways in which individuals from different nations can meet together on common grounds—or in activities of common interest—to improve relations among their people, I ask unanimous consent to have this fine article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNDERSTANDING THROUGH SPORTS

(By Dorothea Kahn Jaffe)

CHICAGO.—Never before has the Western Hemisphere seen so many of its athletes converging for friendly competition. The coming to the third pan-American games to be held in Chicago August 27 to September 7 is the magnet. The influx began a few days ago with the arrival of 11 Chilean horsemen. They are the vanguard of 2,300 or more young men and women from the 20 Latin American Republics, the Caribbean Islands, and Canada who will participate.

The quadrennial event will be formally opened when a relay team of Boy Scouts brings a torch on the final lap from Mexico City, where the last games were held, to the meet at Soldier Field. President Eisenhower, who is honorary chairman, has accepted an invitation to officiate.

Already the flags of the pan-American nations are flying on State Street. By August 17, when the athletes are due to arrive to go into training, there will be many more about the city. The University of Chicago is converting dormitories and recreation halls into a hospitality center to be known as the pan-American village. Soon you will be able to tell by the flags displayed just where each national delegation is staying. About 1,500 men will live in the village. But because so many athletes are coming—nearly twice as many as participated in the 1955 games—it has been necessary to house others elsewhere. Women participants are being put up at a fashionable nearby hotel. Other men athletes are assigned to quarters in colleges near the areas where the events in which they compete are to be staged.

SPORTS TO ABOUND

The athletes will be a most diversified group. Not only are they of many nationalities, but they are skilled in a wide variety of sports. There will, of course, be runners, jumpers, discus throwers, shotputters, and the like, who will participate in those track events that everyone associates with international games. These will get the spotlight in Chicago's vast lakefront Soldier Field, designed for Olympics. But there will be many other types of competition. These will bring to the city fencers, cyclists, oarsmen, sharpshooters, horseback riders, gymnasts, water polo players, yachtsmen and so on.

For 10 days there will be sports just about everywhere you look in the Chicago area. Many events will be staged in various parts of the city—in college and high school gymnasiums and fields and in park facilities, including a brand new swimming pool center and a cycling arena, both made to meet pan-American games requirements. Other events had to be placed outside the city limits and in other cities. For big as Chicago is, it can't contain the pan-American games. Some contestants will travel to Waukegan, Ill., 40 miles away, to take advantage of a rifle range just completed there. This range, like some of the other facilities, was designed to meet specifications for international sports. Other athletes will journey some 18 miles in another direction to the Cal-Sag Channel to make use of a stretch of quiet water said to be ideal for rowing contests.

One single event roams over wide territory. In the modern Pentathlon, contestants imagine themselves military couriers delivering a message cross country. They will ride strange horses over an obstacle course in a northern suburb; move the next day to the Great Lakes Training Center to fence

their way out of imaginary tight spots; proceed on the third day to Waukegan, Ill., to shoot (at targets) their way to freedom; swim the waters of a Chicago pool on the fourth day, presumably having lost their mounts; and on the fifth day complete their mission on foot, running, in the suburb where they started.

This is just one of some 20 major sports classifications around which contests have been arranged.

What is the purpose of all this activity? One objective stated is to provide amateur athletes with additional international competition between Olympiads. Industrialists who have supported the games think of it as an opportunity to establish better relations with their best customers—Canada and the Latin Americas. But the committee in charge regards its main goal as that of "building closer bonds among the American democracies."

HELP VOLUNTEERED

In any case, Chicago is taking seriously its responsibility of being a good host. It assumed this role after Cleveland withdrew 2 years ago.

Much volunteer effort is being given. When Edward C. Logelin, United States Steel chief and chairman of the hospitality committee, asked families to invite the athletes to their homes, he was deluged. No visiting athlete need go home without meeting Chicagoans at their firesides. Likewise, when Dr. Jose Sanchez, University of Illinois language professor on loan to the committee, asked for volunteer interpreters to accompany the Spanish-speaking visitors about the city he got 400 offers.

The telephone company is also helping visitors with their language difficulties. All one has to do is dial the operator and ask for "Amigo service" and from then on he will hear Spanish spoken. The company has assigned Spanish-speaking girls to this duty for the duration of the games.

Much other entertainment is planned. There will be theater tickets and ball-game passes for those who wish them, but the hard-working athletes will probably appreciate more the entertainment that is brought to them at the pan-American village nightly. A special opening program is planned for the evening of August 27, with Leo Carillo, motion-picture star, acting as master of ceremonies. Other evenings the committee expects to bring out famous American professional athletes for informal visits, and will provide music for dancing.

BUDGET TIGHT

All kinds of services are to be offered at the hospitality center at the university—telephone, telegraph, grooming, information, and so on. Meals will be served at the dormitories at hours convenient to the athletes. Spanish meals, hot and peppery? No, the visitors want to eat American, say those who have the responsibility of planning menus. The meals will be well balanced, substantial, but not exotic. The countries who send the athletes pay $3 a day for meals and lodging, the U.S. Government making up the difference between this small sum and the actual cost.

The games are being run on a very tight budget. Because South American currencies fare badly in the exchange, the U.S. Government is helping its neighbors with their expenses. Congress voted $500,000 to aid them. Of this, $300,000 goes to help pay transportation, and $200,000 to supplement payments for room and board. The operating budget for the Chicago committee was raised by private contributions from Chicago business, labor, and the professions. These amounted to $332,000. But other important contributions have come in the form of services and construction gifts, says Col. Jack Reilly, special events director for Mayor Richard J. Daley and managing director of the games.

He cites some of them. A cycling track—velodrome—was installed in Gately Stadium, thanks to the work of contractors who made no charges. The rifle range at Waukegan benefited similarly by such contributions. The city of Chicago, too, donated in this manner, spending about $700,000 for the new swimming facility in Portage Park designed for the games. It also installed a new running track in Soldier Field, importing 450 tons of a very special material from England. None of this shows up in the budget. Thanks to this kind of cooperation and the moderate admission charges to events held indoors and in stadiums, it is expected that the games will just about break even.

There has been similar cooperation in arranging for cultural exchanges in the Festival of the Americas, which is being held in Chicago preceding and during the games, in accord with their constitution. Chicago museums, educational institutions, orchestras, libraries, and many private citizens are giving hours of service which cannot be computed.

What will the games mean to the United States? They will not be likely to yield great athletic prestige, in the opinion of those at headquarters. Sports experts are quite certain that the South Americans will beat the United States at its own game, baseball. The United States has an exceptional basketball team and is counting on winning this event, but when it comes to football—soccer—that's another story.

But all this is not regarded as important. Michael J. McDermott, chairman of the Chicago organizing committee, insists that the important thing is the effect of the games on the relations of the countries of the hemisphere. Those who come to the games are young—the leaders of tomorrow. The real object of the pan-American games will be fulfilled, he says, if, through the contacts established here, all return to their homes with a better understanding of each other's country. "International understanding through sports" is the games' slogan.

WORLD PEACE THROUGH PEOPLE-TO-PEOPLE CONTACTS

Mr. WILEY. Mr. President, throughout modern history mankind has pursued a concept of peace, to be achieved through various means, which might eventually put an end to the recurring tragedy of warfare among nations. With this mighty objective in mind, therefore, it is apparent that the paramount aim of our foreign policy must be that of the achievement of world peace—an enduring peace, with security, justice, and freedom for the people of the earth. We have gone ahead.

Our President has said:

> The peace we seek is a creative and dynamic state of flourishing institutions, of prosperous economies, of deeper spiritual insight for all nations and all men. * * * We are in a fast-running current of the great stream of history. Heroic efforts will long be needed to steer the world toward true peace.

Mr. DOUGLAS. Mr. President, are we in the morning hour?

Mr. WILEY. Yes.

Mr. DOUGLAS. Are we operating under the 3-minute rule?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). It is a fact that the Senate is operating under the 3-minute rule.

Mr. DOUGLAS. I wish to be realistic about this matter.

Mr. WILEY. Does the Senator wish to object?

Mr. DOUGLAS. No; I shall leave that to the conscience of the Senator.

Mr. WILEY. If the Senator wants the floor, I will let him carry on with his statement.

Mr. DOUGLAS. No. I did not know whether this was intended to be a filibuster on the part of the Senator from Wisconsin.

Mr. WILEY. The Senator from Illinois ought to understand the word "filibuster." The Senator from Illinois has demonstrated it day after day and night after night as he has talked. We have not filibustered at all. We listened to the Senator from Illinois yesterday, and when we wanted to catechize him, he would not give us a chance to do so; he cut us off.

The PRESIDING OFFICER. The 3 minutes of the Senator from Wisconsin have just about expired.

Mr. WILEY. I did not understand the Chair.

The PRESIDING OFFICER. The 3 minutes of the Senator from Wisconsin have almost expired.

Mr. WILEY. I ask unanimous consent for an additional 10 minutes.

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. The Senator from Illinois is very good at objecting. I will yield the floor, if he wants to make a speech.

Mr. PROXMIRE. Mr. President, are we still in the morning hour?

The PRESIDING OFFICER. The Senate is still in the morning hour.

Mr. PROXMIRE. Mr. President, during the morning hour I wish to take 3 minutes to discuss the issue which has just been raised by the distinguished senior Senator from Illinois [Mr. DOUGLAS]. I ask my colleague from Wisconsin if it is not true that in 1954 the proponents of a bill which was similar to, if not identical with, H.R. 1 this year, brought the bill to the floor in the closing hours of the session, when only about an hour and a half of the session remained. Is that not correct?

Mr. WILEY. I believe the Senator from Wisconsin is correct.

Mr. PROXMIRE. In 1956 a bill was brought to the floor of the Senate in the closing hours of the session, with perhaps 2 or 3 hours remaining. Is that not correct?

Mr. WILEY. That is correct.

Mr. PROXMIRE. In 1958, a similar bill was brought to the floor of the Senate 2 or 3 days before the Senate adjourned sine die. The discussion had started, as I recall, on Friday. The proponents held the floor all day Friday and most of Saturday, until 8 or 9 o'clock at night, when the opponents finally got the floor.

Is it not true that this year the proponents of the bill held the floor all of the first day of the debate, or virtually all of the first day, with the exception of a few minutes at the very end, and have

been spending—very ironically spending—the time in filibustering over and over and over again?

It seems to me that this is a matter of very grave importance to our State of Wisconsin, to Michigan, and New York, and to the Dominion of Canada. It is a matter which we feel the people of America have not had an opportunity to understand, and which even many Senators have not had an opportunity fully to understand.

This is a very complicated matter. It involves treaties, water rights, and very complex annotation problems. We believe it is a matter which deserves thorough discussion.

The opponents of the bill have never had an opportunity to discuss it fully. It seems to me the Senator from Illinois [Mr. DOUGLAS] devoted some 3 days, by his own admission last night—3 consecutive days—to discussing one bill which he opposed. He said his colleagues and he spent a month discussing the bill. He said this was not a filibuster.

The opponents of the bill have discussed the proposal for a matter of a few hours, in the aggregate probably not more than a full day in a period of 4 years. Yet the proponents of the bill now want to shut us off, intimidate us, and frighten us, trying to prevent us from exercising the most signal and distinctive prerogative of a U.S. Senator, which is to speak his mind fully and freely on a matter of great legislative importance.

It seems to me it is in very poor grace for the Senator from Illinois to charge us with filibustering until we have talked at least a month on the bill, and I think the chances are we will talk that long.

Mr. DOUGLAS. Mr. President, are we still in the morning hour?

The PRESIDING OFFICER. The Senator from Illinois is informed that the Senate is still in the morning hour, and that the junior Senator from Wisconsin has 30 seconds remaining.

Mr. PROXMIRE. I yield to the distinguished Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I am sure the Senator from Wisconsin wants to be fair.

Mr. PROXMIRE. I do, indeed.

Mr. CHAVEZ. He always is. I hope that because someone yells "filibuster," he will not accuse anyone else who is in favor of the bill.

Mr. PROXMIRE. The Senator from New Mexico is correct. I have not accused anyone of filibustering the bill. So far as I know, there have been only three speeches on the bill.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may have another 30 seconds, so that the Senator from New Mexico may reply.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHAVEZ. The Senator from Oklahoma [Mr. KERR], who handled the bill in committee, made a very reasonable talk.

Mr. PROXMIRE. He did, indeed.

Mr. CHAVEZ. I made a short talk. I do not believe I talked more than 5 minutes when I brought the bill up on the floor of the Senate.

Mr. PROXMIRE. The Senator from New Mexico is correct. I accuse no one on the proponents' side of filibustering at all. I think they have made the best case which could be made under the circumstances on a bill which has very little merit.

The PRESIDING OFFICER. Is there further business in the morning hour?

Mr. WILEY. Mr. President, if I may arrange my remarks so that they will follow what I have said on the bill, there will be continuity in the RECORD with respect to the subject on which I was speaking. I ask unanimous consent that that may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. I was quoting a statement of the President. He said:

> The peace we seek is a creative and dynamic state of flourishing institutions, of prosperous economies, of deeper spiritual insight for all nations and all men. * * * We are in a fast-running current of the great stream of history. Heroic efforts will long be needed to steer the world toward true peace.

And then, when speaking on another occasion on this vital topic, the President continued:

> We realize that peace demands understanding. I know of no better single method of reaching mutual understanding than by multiplying our international contacts through people-to-people diplomacy. * * * We need more individual diplomats from main street, from our farms, schools, laboratories—from every walk of life. People-to-people diplomacy means thousands of part-time ambassadors, all working for better relationships among all peoples.

My colleagues will recall that I have been pleased, on many occasions, to publicly comment on the outstanding progress toward effective international contact made by the people-to-people program. This program had, as its origin, the White House Conference held 3 years ago on the inspiring initiative of President Eisenhower. At that time, spokesmen for major segments of the American way of life joined together voluntarily in this great private movement; the purpose of which was, and is, to increase the warm bonds between American individuals and organizations and counterpart groups of similar backgrounds and interests throughout the world. Since that time, the people-to-people program has made remarkable progress toward the achievement of this goal; demonstrating how private citizens who work voluntarily can best solidify the ties with other countries on a warm, human, individual-to-individual basis.

One of the many fine projects of the 40-odd committees of the program which has recently come to my attention is a splendid example of what can be done on the grassroots level to promote cordial contact with peoples of other countries. The project is being sponsored by the gardening committee of the program, under the acting chairmanship of Mrs. Lewis M. Hull, of Boonton, N.J., and which is an active subcommittee of the Hobbies Committee, headed by the very able Harry L. Lindquist, of New York City.

In the interests of promoting German-American friendship over the garden fence, the gardening committee is sending Mr. James Macfarland to attend an International Kleingarten Congress at Dortmund, and various other garden festivals being held all over Germany the first 2 weeks of September. This good-will trip is resulting from invitations sent to Mr. Macfarland by the president of the German Federation of Kleingarten Clubs, the mayor of Dortmund, and several other Kleingartners—amateur gardeners—in various parts of Germany.

My colleagues may recall that during the last session of Congress, while commenting on the people-to-people program, I was happy to relate how—while serving in the USIA as Chief Information Officer in Hamburg—Mr. Macfarland came to be known as the "diplomat with the watering can" who introduced squash to Germany. Hitherto an unknown vegetable there, a television chef in Hamburg had visited Macfarland's garden and had taken back some of the squash which he later exhibited over his TV show. Prior to the telecast, the chef had asked Macfarland if he could provide some seed packets in the event that any of the television viewers might be interested. Estimating that about 100 packets would be sufficient, Macfarland had written to the Burpee Seed Co., which had shipped him 300 sample packets. During the telecast, the TV chef told about Kleingartner Macfarland's success in raising squash, demonstrating squash cooking and showing the viewers the tasty new dish. Within 10 days the TV station was swamped by 10,000 requests—letters, cards, telephone calls, and even telegrams—including 200 requests from the Soviet Zone. Finally, the TV chef had to go on the air to call a halt to the requests, and Macfarland cabled Burpee Seed Co. for help. Burpee responded by sending 10,000 packets airmail and free of charge—which were distributed all over Germany, along with translated instructions. Thereafter, Macfarland received many letters every day from German Kleingartners telling him about their experiences in raising squash. Later, their organization presented him with a silver pin and a special citation for "meritorious service to the German Kleingarten movement"—the first American ever to be so honored in the group's 70-year history. Subsequently, many newspaper publications in Germany, including the Stuttgart and Munich Press, gave glowing tributes to Jim Macfarland, with statements such as:

> One of the best known Americans in Germany plants seeds for German-American friendship and has officially and unofficially created a kind of good will that will have permanent results throughout Germany.

In another article, the Muenchner Merkur reported that "with the spade in his hand, this diplomat has learned much more about Germany than others with a cocktail glass." Later, Jim Mac-

farland was transferred to the United States, but he has maintained continual contact with his German Kleingarten pen pals and garden clubs.

Learning of these experiences, and recognizing the constructive international potentialities of Mr. Macfarland's talents, the gardening committee of the people-to-people program arranged to sponsor his attendance at the festivals this fall, and Mr. Macfarland agreed to donate his vacation time for the purpose. However, having no funds of its own—and in keeping with the President's expressed wish that the program's activities be kept on a privately supported basis—it was necessary for the committee to secure the cooperation of private industry in order to provide the necessary plane transportation for Mr. Macfarland. Again, the Burpee Seed Co. came through with flying colors, contributing sufficient funds for the plane fare to and from Frankfurt; as well as 500 packets each of marigold and tomato seeds which Mr. Macfarland will present to the Kleingarten Congress and to his gardening friends at the Federal Garden Show. It is my understanding that arrangements have now been completed for Mr. Macfarland's departure from McGuire Air Base, via MATS, this Friday afternoon, August 28, arriving in Hamburg the next afternoon in time for the annual summer festival celebration that evening. The next day, Sunday, he will participate in the Kinder Festival and then will go on to Dortmund, Frankfurt, Bremen, and numerous other towns and villages all over West Germany, to participate in various garden shows and festivals.

President Eisenhower, himself, has become interested in this particular project of the gardening committee, kindly consenting to contribute three prize acorn squash from his Gettysburg farm which, I understand, arrived in Washington by helicopter Tuesday afternoon. Mr. Macfarland will take the President's squash, along with some of his own, and present them to the International Kleingarten Congress as a token of friendship to the more than 1 million Kleingartners in Germany—representing over 2,650 separate Kleingarten Clubs.

Mr. President, we all know that in recent months there have been many evidences of the inestimable value of exchanges between nations of the world; including, of course, the international cultural exchange sponsored by our State Department. However, I cannot emphasize too strongly that this good-will effort by the gardening committee is only one of the many massive, privately-supported projects for communication between Americans and the people of other lands which is sponsored by the people-to-people program and which is designed to establish lasting two-way relationships from which international friendships and understanding can grow. Greater understanding among nations, on a people-to-people, as well as a government-to-government, basis, is a necessary part of our efforts to remove the misunderstandings that hinder disarmament, the building of a safeguarded peace, and the strengthening of freedom.

America must continue to send ambassadors of good will, such as these, abroad. We send official Government delegations, trained in international diplomacy, and we send businessmen to encourage the development of commerce and industry. We also send technicians to eliminate malaria and to improve agriculture, and we send missionaries dedicated to greater life for the spirit. But perhaps the most important of all methods for strengthening our international relations, is the ordinary American, himself, who, by his easygoing friendliness, his common courtesy, his understanding of others, can undo many of the misunderstandings that have grown up in the minds of others about the United States and her intentions.

People-to-people diplomacy means thousands of part-time ambassadors, as the President has said, all working for better relationships among all peoples. And the finest definition of an ambassador, we may recall, is this: "He is, above all, a man of peace."

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The time of the senior Senator from Wisconsin has expired.

Mr. WILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. Mr. President, at this time may I be recognized for an additional 3 minutes?

The PRESIDING OFFICER. Yes, if the Senator from Wisconsin desires to submit another item in the morning hour; or, by unanimous consent, he may be recognized for an additional 3 minutes in connection with the matter he previously was submitting.

Mr. BIBLE. Mr. President, in the interest of harmony and procedure on an agreeable basis, I wonder whether the Senator from Wisconsin will agree to wait until the morning hour has been concluded, under the regular limitation, and until the unfinished business, House bill 1, has been laid before the Senate.

I am advised that the Senator from New York [Mr. KEATING] desires to speak for 15 or 20 minutes, and will wish to be recognized when the unfinished business has been laid before the Senate, inasmuch as he must leave the Chamber soon, because of other commitments. I wonder whether after the Senator from New York concludes his remarks, the Senator from Wisconsin would then like to be recognized.

The PRESIDING OFFICER. Let the Chair state that if the Senator from Wisconsin desires to be recognized to submit another item in the morning hour, the Chair will recognize him.

Mr. WILEY. I thank the Chair; but I desire to continue my previous remarks, and to proceed for approximately 10 minutes.

Mr. DOUGLAS. Mr. President, I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. Mr. President, if the senior Senator from Illinois [Mr. DOUGLAS] will not permit me to proceed at this time, of course I shall proceed with my remarks after the morning hour has been concluded. However, the objection which was made was more in the nature of an obstruction than anything else. I never have used such tactics when the senior Senator from Illinois desired to speak; but we shall see that hereafter objection will be made whenever the senior Senator from Illinois desires to exceed the 3-minute limitation during the morning hour.

In the meantime, I am grateful to the Senator from Nevada for his courtesy.

Mr. BIBLE. Mr. President, I appreciate the sentiments expressed by the Senator from Wisconsin.

Mr. DIRKSEN. Mr. President, after the Senate resumes the consideration of the unfinished business, there will be no limitation on debate, and at that time the Senator from Wisconsin will be free to address the Senate on any subject.

The PRESIDING OFFICER. Is there further morning business?

Mr. WILEY. Mr. President, I understand that the Senator from New York [Mr. KEATING] wishes to address the Senate. Let me inquire whether he wishes to speak during the morning hour.

Mr. KEATING. No.

The PRESIDING OFFICER. Is there further morning business?

Mr. DIRKSEN. Mr. President, let me say to the Senator from Wisconsin that of course we desire to cooperate——

Mr. WILEY. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. WILEY. Mr. President, the persuasive voice of the distinguished minority leader——

The PRESIDING OFFICER. Does the Senator from Illinois desire recognition?

Mr. DIRKSEN. No, Mr. President, I am simply carrying on a colloquy in regard to the morning business.

The PRESIDING OFFICER. Then no Senator has now been recognized for the submission of business in the morning hour.

The Chair desires to inquire whether there is further morning business to be submitted.

Mr. WILEY. Mr. President, I asked the junior Senator from Illinois [Mr. DIRKSEN] whether he would yield; and he yielded to me.

I believe I have the floor, anyway, unless the 3-minute limitation prevents me from proceeding with my remarks at this time.

I started to say that when the junior Senator from Illinois [Mr. DIRKSEN] enters the fray, we enjoy his friendly and harmonious words——

The PRESIDING OFFICER. The Chair must state that objection was made to the request of the Senator from Wisconsin that he be permitted to proceed in the morning hour for longer than

3 minutes. Therefore, at the present time no Senator has been recognized in the morning hour.

Mr. DOUGLAS. Mr. President, I must ask for the regular order.

Mr. DIRKSEN. Mr. President, I request recognition. The morning hour is still going on; and I desire to be recognized for 3 minutes in the morning hour.

Mr. BYRD of Virginia. Mr. President, will the Senator from Illinois yield to me, so that I may ask that the Chair lay before the Senate an amendment of the House of Representatives to Senate bill 2524?

Mr. DIRKSEN. I yield, provided it is understood that I may do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LIMITATION OF POWER OF STATES TO IMPOSE TAXES ON INTERSTATE COMMERCE

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 2524.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, which was, to strike out all after the enacting clause and insert:

TITLE I—TEMPORARY MINIMUM STANDARD

SEC. 101. A State or political subdivision thereof may not impose a tax upon the income of any business engaged in interstate commerce for any taxable year unless, during that year, the business has maintained an office, salable inventory, warehouse, or other place of business in that State or has had an officer, agent, or representative who has maintained an office or other place of business in that State.

SEC. 102. The provisions of section 101 shall apply only with respect to taxable years which end after December 31, 1958, and which begin before January 1, 1961.

TITLE II—STUDY AND REPORT BY CONGRESSIONAL COMMITTEES

SEC. 201. The Committees on the Judiciary of the Senate and House of Representatives shall conduct studies and investigations of pertinent State revenue laws and the effect and implications of the Supreme Court decision in Northwestern States Portland Cement Co. against Minnesota, and T. V. Williams, as State Revenue Commissioner, against Stockham Valves and Fittings, Inc. (358 U.S. 450), as well as other decisions in the Federal courts with respect to the authority of States to tax income derived exclusively from interstate commerce and shall report to Congress with their proposals for permanent legislation on or before February 1, 1961.

Mr. BYRD of Virginia. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON the conferees on the part of the Senate.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business to be submitted?

Mr. DIRKSEN. Mr. President, I hope that now all will be sweetness and light; and if there is no further morning business to be submitted, I hope the Chair will lay before the Senate the unfinished business, House bill 1. When that is done, the distinguished Senator from Wisconsin [Mr. WILEY] will be able to address himself to that subject, or to any other subject, in the delightful way in which he always addresses the Senate.

Mr. WILEY. I wonder whether the distinguished senior Senator from Illinois [Mr. DOUGLAS] desires to submit any matters during the morning hour.

Mr. DOUGLAS. No.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

THE CRISIS IN LAOS, RELATED TO THE KHRUSHCHEV VISIT

Mr. KEATING. Mr. President, a bare 3 weeks before the most powerful Communist in the world, Mr. Khrushchev, is to arrive in the United States ostensibly ready to explore with President Eisenhower ways and means to thaw the cold war, the free world is once again faced with aggressive military action from the Communists.

This time it is people's volunteers from Communist North Vietnam infiltrating the tiny free nation of Laos—the same old trick that the Communist Chinese used in Korea—maintaining that an invasion of forces controlled from Moscow is a civil war and maintaining that efforts of the Laotians to defend their rights are imperialist aggression which may touch off a world conflict.

Mr. Khrushchev, who of all men has the power to stop this aggression, is insulting the intelligence of the free world if he thinks he can come to this country and convince Americans or any other people of the free world of his peaceful intentions at the very time he is calling the signals on the kind of deliberate slaughter which is going on in Laos.

I maintain that Communist actions speak louder and more truthfully than any of their propaganda. Let us not forget this record when our President sits down to talk with their leader. Let us not forget their actions in suppressing the Hungarian revolution with Russian tanks only hours after having solemnly promised to withdraw their armed forces from the country. I have information, received only a few days ago, to the effect that the number of political prisoners in Hungary now is almost as great as it was just after the revolution and that mass deportations, including that of young girls, are still taking place.

Let us not forget Iraq, where a nationalist revolt was penetrated by Moscow-directed Communists to such an extent that the future of the country is still in doubt, and even neighboring Egypt's Nasser seems to have had a sudden awakening to the real dangers of dealing with the Communists.

Let us not forget Tibet, an ancient, peaceful country with its own language and culture, which is no more Chinese than the Philippines or India. This utterly defenseless country was savagely attacked and taken over by the Chinese Communists just this year in spite of assurances given to Prime Minister Nehru of India that they would never do such a thing. I understand that the valiant Tibetans are still continuing the fight in their mountains in spite of almost hopeless odds. Some of us forget so soon.

The free world has been subjected to a Communist-inspired crisis on the average of once a year since World War II—13 times to be exact. Let me just list them briefly:

First, 1959, the current crisis in Laos.

Second, 1959, the savage, unprovoked takeover of Tibet.

Third, 1958–59, the Khrushchev inspired Berlin crisis.

Fourth, 1958, Communist Chinese inspired crisis of the Taiwan Strait.

Fifth, 1956, Soviet suppression of the Hungarian revolution.

Sixth, 1954–55, invasion crisis of Taiwan.

Seventh, 1950–53, the Korean war.

Eighth, 1948–49, the airlift to Berlin.

Ninth, 1948, the Communist takeover of Czechoslovakia.

Tenth, 1945–49, the Communist takeover of mainland China.

Eleventh, 1945–48, the unsuccessful Communist attempt to take over Greece and Turkey.

Twelfth, 1945–54, the Communist war to take over all of French Indochina which resulted in the creation of Communist North Vietnam.

Thirteenth, 1945–46, the unsuccessful Communist attempt to take over Iran.

As I have said, Mr. President, 13 crises have been provoked during this period by the Communists.

At long last these acts by the Communists are catching up with them. The defenses of the free world harden in the

face of each new evidence of the real policies of the Kremlin. Even determined neutralists like Mr. Nehru, who had hoped to stay out of the great power conflict in order to concentrate on the pressing domestic problems of a new nation, have awakened. All free men now know that their frontiers are not only their own national frontiers but the frontiers of the nations like little Laos which are on the periphery of world communism. Their liberty is also our liberty, their homes cannot be invaded without also endangering our own.

The Congress has already acted to provide the Department of Defense with the wherewithal to protect the Nation. Let us also remember that whatever resistance the Lao are now able to offer the Reds is the direct result of our mutual security program which has entirely supported the Lao Army. This effectively dramatizes the need for an adequate foreign aid program and shows perfectly that the program is not a giveaway, but is absolutely necessary in our own national interest. I was very glad to read this morning that the United States is already speeding additional aid to Laos.

I hope that by the time Mr. Khrushchev arrives in Washington the Congress will have voted an adequate mutual security appropriation bill to show our determination not to let down our defenses one bit.

Let us, in bringing the world's leading Communist to the United States, show him the strength of our people—the vitality of our free economy—the power of our free institutions. Let us show him what he is up against in the determination of a free people to remain free and to help their friends to remain free. Then possibly his visit will have some value in bringing about a real change in Soviet policy.

Mr. President, my hopes together with those of all mankind, and the prayers of all who believe in God, go with President Eisenhower as he goes on his mission first to the capitals of our allies and then returns to talk to Mr. Khrushchev. I know that if anyone could bring about a turning point in the cold war, President Eisenhower could. I hope that the record of Communist aggression for the years 1959 to 1969 will look much better than the record I have cited for the years 1945 to 1959. It could hardly look worse. The free world will be waiting and hoping for a better record, not listening to the sweet words of Communist propaganda.

My hopes and prayers are for a just and lasting peace. In the meantime, my votes will be cast for a strong defense, an adequate mutual security program, and a firm foreign policy in the face of Communist aggression.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McGEE in the chair). Without objection, it is so ordered.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, I understand the pending business is the first committee amendment to H.R. 1. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. I have in my hand the majority committee report, and the third paragraph begins:

> Page 3, line 17, add the following sentence:
> "The studies described above shall include, but not be limited to the effect of the diversion."

Is that the first amendment?

The PRESIDING OFFICER. Page 3, line 18.

Mr. PROXMIRE. Line 18, or line 17?

The PRESIDING OFFICER. Line 18.

Mr. PROXMIRE. Does it begin, "The studies described above shall include"?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Then apparently there is an error in the committee report.

The PRESIDING OFFICER. Apparently there is.

Mr. PROXMIRE. Mr. President, I have a parliamentary inquiry on this this matter.

If this amendment should be agreed to, would it be in order for those who want to modify or change the bill to propose an amendment that would have the effect of providing that there would be no diversion, but there would be a study?

Without stating the details of the amendment, will the Presiding Officer inform me whether or not that would be in order after the pending amendment is agreed to?

The PRESIDING OFFICER. Once the committee amendment is agreed to, that amendment per se is not amendable.

Mr. PROXMIRE. I see. So that the conclusion of the Presiding Officer is then that once the committee amendment is adopted, it would not be in order for a Senator to propose an amendment which would delete the 1000 cubic feet per second diversion?

The PRESIDING OFFICER. No, that would not be in order. The Senator could strike out other portions of the bill, however, as a substitute.

Mr. PROXMIRE. We could strike out other portions of the bill, but there would be no way by which we could permit the study but prohibit the diversion?

The PRESIDING OFFICER. The Senator could propose a substitute for the whole bill. That would accomplish the same purpose.

Mr. PROXMIRE. A substitute amendment would then be in order, even though the substitute amendment had the effect of preventing the diversion?

The PRESIDING OFFICER. So long as it went beyond the committee amendment, and there were substantial changes.

Mr. PROXMIRE. But a simple amendment which went beyond the committee amendment and also struck the diversion would not be in order, but a substitute amendment would be. Is that correct?

The PRESIDING OFFICER. The Senator cannot confine his amendment to the committee amendment alone, after the committee amendment has been agreed to.

Mr. PROXMIRE. Let me see if I understand the Presiding Officer. Any amendment which made a change in the language of the committee amendment after it had been adopted, if it were confined to that change, or a change in the intent or a change in the effect, if it were confined to that change, would not be in order. However, an amendment that included that and included other matters would be in order. Is that correct?

The PRESIDING OFFICER. Will the Senator please restate that?

Mr. PROXMIRE. Any change proposed by a Senator which would be confined to a change in the first committee amendment, either to its language, its effect, or its intent, would not be in order?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. In the second place, however, after the committee amendment had been adopted, an amendment which had the effect of changing the language or changing the consequence or changing the effect of the first amendment, but went further than that in addition, would be in order. Is that correct?

The PRESIDING OFFICER. A substitute amendment that would go beyond the committee amendment would be in order, but not one that would be confined to the committee amendment, if that amendment were agreed to.

Mr. PROXMIRE. Let me understand the Presiding Officer; it must be a substitute amendment if it includes a change in the committee amendment.

The PRESIDING OFFICER. That is correct.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. To pursue this parliamentary inquiry, under which rule does the substitute amendment become proper and the proposed amendment to change the language or purpose of the committee amendment become improper? Under which rule does the substitute amendment become proper? That is the question.

The PRESIDING OFFICER. The Senator from Ohio would like to know which rule governs the ruling of the Chair.

Mr. LAUSCHE. That is correct. If the information is not immediately available, I can get it later.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that it is rule XVIII, which pertains to striking out and inserting a substitute. The rule reads as follows:

RULE XVIII

Amendments—Division of a question

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a motion to strike out prevent a motion to strike out and insert. But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence ("Jefferson's Manual," secs. XXXV, XXXVI).

Mr. LAUSCHE. Am I correct, then, in understanding that, by a substitute amendment, we could achieve what the Senator from Wisconsin hopes to achieve, but that it could not be done by dealing only with the committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. WILEY. The particular amendment under discussion reads as follows:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional 1,000 cubic feet per second on the levels of the Great Lakes, and shall also include—

and so forth.

We wish to strike out the words "but not be limited to, the effect of the diversion of an additional 1,000 cubic feet per second on the levels of the Great Lakes, and shall also include," so that the amendment would read:

The studies described above shall include a study of the effect of currents and flows of water throughout the south 175 miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams—

and so forth.

My question is this: If we do not move to strike out the words "but not be limited to, the effects of the diversion of an additional 1,000 cubic feet per second on the levels of the Great Lakes, and shall also include" before the amendment is adopted, it will be too late to move afterward to strike that language.

The PRESIDING OFFICER. If the proposed amendment were confined to the committee amendment alone, it would not be in order after the committee amendment was agreed to.

Mr. PROXMIRE. Mr. President, I am glad to see the distinguished senior Senator from Illinois [Mr. DOUGLAS] in the Chamber. I should like to ask him if he would indulge me with an explanation of this amendment, which I believe to be extremely important. This is a sincere effort by the opponents of the bill and the committee to arrive at what they feel is a fair adjustment, and to make clear the reasons which actuate those who oppose the bill. For that reason it is the kind of amendment we should explore. I hope the Senator from Illinois will recognize that I am completely sincere. There is no attempt on the part of the Senator from Wisconsin to be dilatory or to delay. I think it would be a disservice to the country to adopt an amendment of this kind without careful consideration, so that all Senators may have an opportunity to understand it.

The senior Senator from Michigan [Mr. MCNAMARA] raised exactly the same point last night. He asked several times whether any Senator could explain the amendment. He is a member of the committee. He could find no Senator who could explain it.

The first sentence reads:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan—

and so forth.

I ask the Senator from Illinois how the decision was arrived at to include a study of the south 175 miles of Lake Michigan.

Mr. DOUGLAS. Mr. President, it is obvious what the tactics of the Senator from Wisconsin and his associates will be, namely, in an attempt to get the Senator from Illinois on his feet and ask a whole series of questions thus prolonging the discussion indefinitely.

The Senator from Wisconsin is highly intelligent. He is not only able to read the English language but he graduated from a great eastern university and studied logic and English literature. It is not necessary for him to have this simple amendment interpreted. I refer him to the hearings, and respectfully ask that he proceed on his own time, instead of indulging in this pseudo-subtle method of filibustering without being caught in the act. We know what he is doing.

Mr. PROXMIRE. Mr. President, I respect and admire the distinguished Senator from Illinois. I have a great affection for him. But his attitude is difficult for me to understand, in view of the fact that he is a temperate and considerate man. He knows perfectly well that I am sincere—I hope he does. I am sincere in desiring an explanation. This is an extremely important amendment, and is fundamental to the whole bill. I am asking the principal proponent of the bill to explain it, and he is refusing to explain, on the ground that any explanation would be dilatory. I cannot understand that attitude, in view of the fact that the proponents have taken a great deal of time to explain the bill. I can see no reason why the proponents of the bill refuse to explain what their amendment is all about.

Mr. DOUGLAS. I suggest that the Senator from Wisconsin proceed on his own time to discuss the bill, and then we shall see whether his statements require an answer later. I must respectfully decline to be dragged into the bull ring and have the matadors, picadors, and toreadors go to work. Today I prefer the role of Ferdinand the bull who, as the children's story of 20 years ago told us, did not like to fight but preferred instead to sniff the flowers. That is all I want to do.

Mr. PROXMIRE. As the Senator knows, I am speaking on my own time now. I am not speaking on the Senator's time.

In the second place, it is a matter of serious importance to discover why and how an amendment such as this got into the bill. I understand it was originally proposed by Representative YATES, from Chicago. I understand it has the approval of the Senator from Illinois. Does it have the approval of the Senator from Illinois? Does this amendment have the approval of the Senator from Illinois?

Mr. DOUGLAS. Certainly it has my approval; but if the Senator thinks that, step by step, he is going to lead me into answering a whole series of time-consuming questions, he is mistaken.

I suddenly remember that not only did the Senator from Wisconsin graduate from one great eastern college, namely, Yale, but he also graduated from Harvard. With this double-decked Ivy League education, he does not need an explanation of these simple matters by an uncultivated middle westerner who unfortunately has not had the educational advantages which the Senator from Wisconsin has had showered upon him.

Mr. HART. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HART. I was wondering if the professor would not undertake to give us an explanation, not in the scholarly fashion to which he is accustomed, but an explanation which even a middle westerner who did not go to an Ivy League school could understand.

Mr. PROXMIRE. It may be that the Senator from Illinois could explain the amendment in a few terse words. But instead he has chosen to talk about Harvard, Yale, double-decked Ivy League education, and so forth. The fact is that the Senator from Illinois is a distinguished graduate of several universities. He was a great professor at the University of Chicago, one of the truly great universities of the country—all of which is totally irrelevant and has nothing to do with the issue.

This is not a nongermane discussion. We are asking about an amendment which is pending before us at the moment. We are making no effort to make literary allusions, as the Senator from Oklahoma did yesterday, with good effect, when he quoted the Bible. We are talking about an amendment; words in the bill. We are asking for an explanation of the amendment. I cannot understand why the Senator from Illinois cannot tell us why the amendment was adopted, and why the distance was restricted to 175 miles.

Mr. DOUGLAS. The amendment is perfectly obvious. Its meaning is clear. There is no necessity for me to expound all day on the obvious and time-de-

laying tactics of the Senator from Wisconsin. I have just as high a regard for the junior Senator from Wisconsin as he has for me.

Mr. WILEY. What does that mean?

Mr. DOUGLAS. I appreciate his many fine qualities. But I think, in order to save time, the junior Senator from Wisconsin should get down to the gist of the matter and state his objections to the bill, instead of indulging in this dilatory system of trying to get other Senators to make his speeches for him. The Senator from Wisconsin is perfectly capable of making speeches for himself. Let him get down to business.

Mr. PROXMIRE. Do I correctly understand the position of the Senator from Illinois to be that he does not want to discuss the amendment and does not want to respond to the questions of the opponents of the measure as to why the amendment was adopted?

Mr. DOUGLAS. I do not want to assist the junior Senator from Wisconsin in the filibuster in which he is now engaged on the bill. I explained the bill at some length yesterday. I answered questions for more than an hour and a half. We went into the matter in great detail. Now I will let the Senator from Wisconsin proceed on his own. I am going to lunch. [Laughter.]

Mr. PROXMIRE. I see the distinguished Senator from Oklahoma on the floor. He, as chairman of the subcommittee which handled the bill, is an outstanding authority on the measure. I wonder if the Senator from Oklahoma will explain why it was that in this amendment, which is the first amendment, as I understand, the committee decided to make a study of the effects of the currents, the flow of the water, throughout the south 175 miles of Lake Michigan. Why was the distance of 175 miles decided upon, instead of a smaller or a greater distance? Was any competent testimony given to the committee indicating that currents beyond 175 miles would not be affected?

Mr. KERR. The distinguished junior Senator from Wisconsin yesterday made a fervent plea for additional time to enable him to read the record of the hearings. I supposed he had done so. He was not on the floor when I was explaining the bill and the amendment yesterday afternoon, and answering any questions any Senator wanted to ask me.

The record discloses that the waters of Lake Michigan at its southern end are affected by currents which, according to the testimony of the committee, cover an area of approximately 175 miles in length, north and south. It was the understanding or the impression of the Senator from Oklahoma that the currents were such that it was a matter of natural operation that the waters up to 175 miles at the southern part of the lake, by reason of the currents could be at any place in the area, and from one place to the other, and then returning.

In view of the fact that many of the witnesses in opposition to the bill said that matters of sanitation other than those directly connected with the diversion of the amount of water through the Illinois River and the Illinois Waterway should be studied, and information with respect to them brought back to Congress, the committee felt that it was actually taking an action sought by the opponents of the measure in broadening the scope of the investigation with reference to the overall picture of sanitation in the southern area of the waters of Lake Michigan.

Mr. PROXMIRE. I notice on page 355 of the hearings a map which I presume is the basis for the findings or the determination of the committee to submit this part of the amendment. I wonder if this is the authority or the basis, in part at least, for this language in the amendment.

Mr. KERR. The Senator from Wisconsin, if he read the hearings, would be aware of the fact that the map was a part of the evidence offered by those who said this area of the lake should be studied.

Mr. PROXMIRE. I am trying hard to read every word of the hearings. However, the hearings contain 480 pages, and were made available only yesterday. I did not know they had been made available, although I had been calling the Committee on Public Works, until late in the morning. As the Senator knows, we had a busy day in the Senate yesterday. I am reading the hearings as quickly as I can.

I call the attention of the Senator from Oklahoma to the fact that the chart shown on page 355 of the hearings is the result of a study of bottle paper courses made in 1892, 1893, and 1894.

Mr. KERR. I presume that the revolutions of the earth—and I want the Senator from Wisconsin to know that I am not an authority on this subject; I am simply trying to explain such information as came to us—the prevailing winds, and other natural phenomena connected with this particular area, are the factors which produce the currents in Lake Michigan. So far as I know, there has been no change in them. Is the Senator from Wisconsin aware of any?

Mr. PROXMIRE. I had wondered whether improvements in measuring and evaluating these currents had made a more recent study more appropriate and reliable.

Mr. KERR. So far as I know, the laws of gravity have not changed since the map was drawn. It would be my thought, if changes in the natural phenomena which produce physical currents, not only here but elsewhere, have taken place, that a study, if authorized, might obtain that information both for the junior Senator from Wisconsin and the Senator from Oklahoma.

If the Senator from Wisconsin will turn to the top of page 356 of the hearings——

Mr. PROXMIRE. I reply at that point, because the Senator from Oklahoma referred to the laws of gravity and to the other natural laws being the same, that, of course, the natural laws remain the same. Nevertheless, human understanding of those laws has improved. Human techniques have improved, and the technology of our understandings has greatly improved year by year. As I recall, our understanding of many astronomical features in the world has changed greatly and dramatically, despite the fact that the natural laws are the same today as they were 2,000 years ago. I ask the Senator if since 1894 there has not been some improvement in the method of determining currents of water.

Mr. KERR. The map is not dated 2,000 years ago.

Mr. PROXMIRE. Is it not true that since the time the map was made there has been a great deal of diversion into the Illinois Waterway? For a while, the diversion was 10,000 cubic feet, or almost 10,000 cubic feet. The diversion was from 6,000 to 8,000 cubic feet for quite a while. There has been an additional 1,500 cubic feet, as the Senator from Oklahoma well knows, for many years. Is it not true that that diversion might have had some effect on the currents shown on a map which was drawn 60 years ago?

Mr. KERR. I am not enough of an authority on the laws of nature or of natural phenomenon to make a well considered answer to the Senator's question.

I repeat what I said a while ago. It would be my judgment that if there have been significant changes, they should be ascertained by studies to be made, and the results reported back. I suggest that the Senator turn to page 356 of the hearings. I read at that point:

> Mr. YATES. I checked with Mr. Reichelderfer of the Weather Bureau and with the Corps of Engineers both to determine whether there have been any subsequent studies made of Lake Michigan subsequent to the time that that study was made. The Corps of Engineers said that it has made no studies.
>
> Mr. Reichelderfer indicated to me that there were temporary studies made in an effort to bring that up to date and that study was confirmed by the subsequent studies.
>
> Senator KERR. You mean the evidence of the chart confirmed the situation in the latest studies?
>
> Mr. YATES. That is correct and that is the reason we proposed in one of the amendments that the Corps of Engineers make an authoritative study at this time.

Mr. PROXMIRE. I realize that the Senator from Oklahoma may be a little puzzled by my raising this point, without first stating my purpose in doing so.

Mr. KERR. I believe I am entirely clear on that subject.

Mr. PROXMIRE. Very well.

To whose benefit would findings in regard to the effects of the currents accrue? Would they accrue to the benefit of Wisconsin, Illinois, Indiana, Canada, Pennsylvania, and New York? This is the first time I have been aware of any demand to have a study made in regard to the effects of the currents, although I recognize that such information might be helpful. I wonder whether the request for the study has come from Chicago or from others.

Mr. KERR. If the Senator from Wisconsin will examine the map on page 355, he will find that these currents not only affect the waters of the area adjacent to Chicago and other parts of Illinois, but that they also affect the waters of the lake in the areas adjacent to Wisconsin,

Indiana, and Michigan. That being true, I presume that the study would produce information of interest to those States, as well as to Illinois.

I am of the opinion that the study of the currents is not related to the interest of the Dominion of Canada. The Senator from Wisconsin is the one who takes the position that Canada has an interest in the waters of Lake Michigan, although none of Lake Michigan is within 35 miles of the Dominion of Canada.

I will say to my good friend, the Senator from Wisconsin, that if he is either correct regarding the current status of the sovereignty over those waters or if he is successful in his attempt to transfer part of that sovereignty to the Dominion of Canada, then Canada would have some interest in the information to be obtained from the study of the effects of these currents.

Furthermore, I believe that the Senator from Wisconsin—who is perfectly able to verify or deny this—certainly is one of many, some of whom, if not all of whom, are contending that the effluent from the sewage disposal plants of the Chicago Sanitary District should be returned to Lake Michigan, as is being done—according to the evidence submitted by the Senator from Wisconsin and others—by many of the other port cities on Lake Michigan.

It was felt that the operation of these currents, since they move over so wide an area——

MESSAGE FROM THE HOUSE

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from Oklahoma will suspend, in order that the Senate may receive a message from the House of Representatives.

Mr. KERR. Mr. President, I wish to inform the Chair that the Senator from Wisconsin [Mr. PROXMIRE] might wish to receive a message from the Senator from Oklahoma. However, the Senator from Oklahoma will suspend. [Laughter.]

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6000) to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1341. An act to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards;

H.R. 4714. An act to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.; and

H.R. 5421. An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 177) declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BROOKS of Louisiana, Mr. GEORGE P. MILLER of California, Mr. TEAGUE of Texas, Mr. FULTON, and Mr. MCDONOUGH were appointed managers on the part of the House at the conference.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The PRESIDING OFFICER. Now the Senate will receive a message from the Senator from Oklahoma. [Laughter.]

Mr. KERR. Mr. President, I wish to say to the Presiding Officer that I do not believe he obtained much information from the message from the House listing a number of measures by title, on which the House has acted, unless he learned more from what was said than did the Senator from Oklahoma. [Laughter.]

The question of the return of the effluent to the waters of Lake Michigan is one which could have significance in connection with the effect upon the waters of Lake Michigan; and if the currents operate in the way indicated to me by the map, it might well be that a confirmation of knowledge previously obtained and an up-to-date interpretation of that knowledge would be of considerable interest to the States of Indiana and Michigan, and perhaps even to Wisconsin, particularly as regards the effect of the currents upon the distribution of that effluent throughout the area which the currents traverse and over which they move.

Mr. PROXMIRE. Does the bill contain any provision whatsoever or does the committee report provide any encouragement which would indicate that a purpose of the bill is to have a study made of the effect of the return by Chicago of its diversion from Lake Michigan, to Lake Michigan?

Mr. KERR. I wish to say to the Senator from Wisconsin that it has not been the purpose of the Senator from Oklahoma to educate the Senator from Wisconsin in regard to what is contained in the bill.

Mr. PROXMIRE. But the Senator from Oklahoma can certainly do so, for he is the outstanding authority on it.

Mr. KERR. There is no doubt about that, provided the Senator from Wisconsin does not tune out on the Senator from Oklahoma. [Laughter.]

But I say to my friend from Wisconsin that it was not my purpose to do anything which would direct or otherwise influence the Sanitary District of Chicago to change its policy in regard to the channeling of its effluent either into the Illinois Waterway or into Lake Michigan.

The purpose of the amendment about which the Senator from Wisconsin was asking his question is to broaden the scope of the investigation of the problems in connection with sanitation. In view of the fact that not only the opponents of this proposed legislation, but even the Supreme Court, have indicated an interest in the proposal to return the effluent of the sanitary district sewage disposal plants to Lake Michigan, it was the purpose of the committee to broaden the study to such an extent that data with reference to the results of such a proposal will be available to the committee, to the Congress, and to the President.

Mr. PROXMIRE. Then the study will not simply be a study of the effect of the diversion of an additional 1,000 cubic feet of water a second from Lake Michigan into the Illinois Waterway; it will also be a study of the Supreme Court's concern regarding the prospect——

Mr. KERR. No; I did not say it would be a study of the Supreme Court's concern. I told the Senator from Wisconsin that it was to be a study of a question about which the Supreme Court had indicated that it had some concern.

Mr. PROXMIRE. I understand, and I appreciate the correction. It is to be a study of a question in which the Supreme Court has expressed concern in regard to the probability that the water will be returned to Lake Michigan.

Mr. KERR. We were not concerned with the probability that it would be. We were concerned with the scope of the study in regard to the probability that the water would be returned, if it is returned.

Mr. PROXMIRE. I thank the Senator from Oklahoma.

I read further from the committee amendment beginning on page 3 of the bill:

> And shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.

I ask the Senator from Illinois whether the effect of aeration will be studied by actually making an aeration test; and is it the understanding of the committee that pipes would be placed into the water and oxygen would be diffused into the water of the Illinois Waterway, so that the actual, practical effect of aeration could be observed, and so that a report in regard to the consequences could be made?

Mr. KERR. I say to the distinguished Senator from Wisconsin that I have never told him how to represent his State; and I never told my great mother how to make biscuits; and I would not presume to the tell the Department of Health, Education, and Welfare how to make a study of aeration.

Mr. PROXMIRE. And I say to the Senator from Illinois——

Mr. KERR. Mr. President, I hope the Senator from Wisconsin is not as confused about this entire matter as he is about the Senator whom he is now addressing. [Laughter.]

Mr. PROXMIRE. I thank the Senator from Oklahoma.

Let me ask whether the bill provides that an actual, practical test shall be made of the effect of the diversion of an additional 1,000 cubic feet of water a second, for a full year, from Lake Michigan into the Illinois Waterway. The bill provides and authorizes it, does it not?

Mr. KERR. I would say the Senator's conclusion is reasonably correct.

Mr. PROXMIRE. The bill does not, however, provide any authority for an actual practical test of either of the other alternatives, aeration or chlorination. Is that not correct?

Mr. KERR. I would say the bill, if passed, would provide an abundance of authority to the Health, Education, and Welfare Department to make the test in the manner in which it thinks would be best to serve the purposes of the directive of the bill.

Mr. PROXMIRE. Does not the bill limit the Department of Health, Education, and Welfare to making the test in this way: First, as I understand it, it will take 6 months to get the whole test organized. Then the Department will study the quality of the water in the Illinois Waterway and make other studies for a year before diversion. Then a full year of actual diversion in which to make studies. Then 6 months to make the report. Is that not correct?

Mr. KERR. Substantially.

Mr. PROXMIRE. Would it not be fair to give the other alternatives, aeration and chlorination, exactly the same opportunities—in other words, have a year's study without aeration or chlorination, and then a year's study with an actual test of aeration or chlorination?

Mr. KERR. If the Senator thinks the authority to be given to the Health, Education, and Welfare Department is limited by the bill, he is at liberty to offer an amendment to provide any additional authority he thinks it ought to have. I say to the Senator the committee did the best it could, in its limited way and according to its abilities, after about 6 years, in which it spent more time in studying this question than it did in studying any other. It did the best it could to provide a means which would accomplish the purposes which it had in mind. If the Senator thinks the committee was ineffective in the way it did so, he is at liberty to offer amendments to prove it.

Mr. PROXMIRE. The committee is one of our finest committees, and it was generous in the effort and time which it gave to the consideration of the bill and to hearing opponents as well as proponents of the bill. But the fact is that a full 1 year practical test is specifically provided for in the bill for diversion, and no such full and complete test for 1 year is provided for either aeration or chlorination or any other alternative to diversion.

Mr. KERR. It is entirely possible that the committee thought the Health, Education, and Welfare Department might make those other tests in less than a year. The committee would presume that the Department of Health, Education, and Welfare would make its tests as quickly as it could, instead of taking as long as somebody would like to have it take, just as the committee would like to have the matter before the Senate acted on as soon as it could, rather than after such time as some would want in order to prevent action on it.

Mr. PROXMIRE. Let me ask questions in just two more areas, and then I shall have finished. On page 6 of the committee report——

Mr. KERR. Of the committee report?

Mr. PROXMIRE. Of the committee report, that is correct, pages 5 and 6. At the bottom of page 5 and at the top of page 6 it is stated that the Department of the Army has estimated the cost of making the study would be $545,000.

Then, in the following paragraph, the Department of Health, Education, and Welfare makes the statement that, "from a technical standpoint a broader study of the entire sewage disposal problem at Chicago than the one specified in the bill might be desirable."

I ask the question because the amendment seems to provide a broader study than the bill originally provided, and I am a little uncertain as to whether the amendment complies with the recommendation of the Department of Health, Education, and Welfare and provides a $1 million study, which it is said this broader study would cost, or whether it provides for a $545,000 study, as the Army said the original study would cost.

Mr. KERR. If the Senator will turn to page 12 of the report, he will find the estimation of the cost set forth in the committee report in the amount of $1 million.

Mr. PROXMIRE. In the amount of $1 million?

Mr. KERR. Yes.

Mr. PROXMIRE. Then, the more complete study recommended by the Department of Health, Education, and Welfare is encompassed by the committee amendment. Is that correct? The reason why I am asking the question, I may say to the Senator from Oklahoma, is that there is this statement in the committee report on page 6, which flatly states the cost of making the study is estimated at $545,000. Then in the next paragraph, it is stated that the broader study than the bill provides would cost $1 million. Then the Senator from Oklahoma refers me to page 12, which states that the $1 million study is the one which is going to be adopted. I merely wanted to reconcile those conflicting statements. I think the Senator from Oklahoma has done so.

Mr. KERR. I do not see any conflict in the statements at all. The advice from the Department of the Army was that the study contemplated would cost $545,000. The broader study would cost more, and the committee sets forth, on page 12, its estimate that the broadened study would cost $1 million.

Mr. PROXMIRE. If the Senator feels there is no conflict, I am delighted. Then there is no question in my mind about it. A $1 million study is provided for.

There were four agencies, as I understand, which were consulted by the committee on this question; namely, the Department of the Army, the Department of Health, Education, and Welfare, the Department of State, and the Bureau of the Budget.

Is it not true, according to the majority report, at pages 5 and 6, the Department of the Army stated it had already made its investigation, within its jurisdiction, and had submitted a report, printed as Senate Document No. 28 of the 85th Congress, and other information, in which there are evaluations of the effect of the diversion on the lowering of the lake levels and on the production of hydroelectric power, navigation, beach erosion, and shore-protection factors, and other matters; and that it would seem, so far as the Department of the Army and its jurisdiction are concerned, the study could serve little, if any, purpose except to confirm something which it already knows. Is that correct?

Mr. KERR. No; that is not correct.

Mr. PROXMIRE. Why not?

Mr. KERR. The committee considered the statements of the agencies. It felt it had the primary responsibility both for legislative action and the general policy of the Congress, and it brought to the Senate this proposed legislation, which it felt was consistent with the responsibilities and prerogatives of the Congress.

I am sure there is no Member of the Senate who operates more on the theory of the complete independency of the legislative branch than does the Senator from Wisconsin, and I admire him for it. The Committee on Public Works seeks the recommendations of the agencies of the executive, but is not bound by them.

Mr. PROXMIRE. I merely wish to make the point because this is a bipartisan bill, with bipartisan support and bipartisan opposition. Good Democrats and good Republicans support the bill. Good Democrats and good Republicans oppose it. There is no party platform involved. There is no position of leadership involved. This is simply a technical matter, a matter of disagreement, between honest men on both sides. It seems to me under the circumstances we can go to the administration, to the Federal agencies which are expert in those matters, and ask their opinion. It seems to me, reading the summaries that have been put in the majority report, every single one of those agencies indicated it did not need an extra thousand cubic feet of diversion. It is just as clear and emphatic as it can be.

We start off with the Department of the Army, which says that it has already made a study, it already knows the effects. The Department representatives were specifically questioned by the Senator from Maine [Mr. MUSKIE] on this

particular matter, as I am sure the Senator from Oklahoma will recall. The Department representatives said they know what will be the effects of diversion on navigation and on power, and the study concomitant with the diversion will simply confirm what they already know.

Mr. KERR. I wish to say to the Senator from Wisconsin that he is reading language into the report which the Senator from Oklahoma neither found and which he would not agree if he found it.

The Senator from Oklahoma will observe further, if this proposed legislation does nothing more than it already has done, it has already produced results, and only time and history will determine whether they are good or bad. It has provoked a situation in which the Senator from Wisconsin has publicly admitted there are good Republicans. That is quite an accomplishment for any piece of proposed legislation. I must say it is a significant development.

This has also provoked a situation in which the Senator from Wisconsin wants to let the agencies of the executive department settle questions which are purely legislative and the responsibility of the Congress. I am sure that the present executive administration will be glad to know that it has a new champion on the floor of the Senate in the person of the Senator from Wisconsin, who is seeking to persuade both good Republicans and good Democrats to let the executive agencies decide matters of legislative responsibility, rather than to have the Congress itself meet its responsibility.

Mr. President, I think both those developments are significant and noteworthy. I am glad to have had a part in developing the vehicle whereby that situation was provoked.

The PRESIDING OFFICER. The Chair will state, those are noteworthy.

Mr. PROXMIRE. Mr. President, I will say to the Senator from Oklahoma that I have never indicated at any time that I had anything but regard and affection for Republicans. I sometimes disagree with them. I often agree with them.

I have learned a great deal from my experience on the Committee on Banking and Currency. I note that the chairman of the Committee on Banking and Currency is present in the Chamber. Often, on controversial proposed legislation, we listen and listen carefully to the advice of representatives of the appropriate agencies of the Federal Government. We often take their advice. I have often taken their advice. I often find they are correct, and that I am wrong.

I think that when we are considering an issue of this kind, when there is not any partisan difference and when there is no partisan controversy, we can go to the experts and ask for their opinions. Then we can make up our own minds based on our own best judgments, giving real weight to the opinions of the qualified experts.

Certainly the Corps of Engineers is expert with respect to the navigation and power problems involved in the issue.

The second paragraph states the problem we must solve. The Department of Health, Education, and Welfare made a report. I do not wish to put any words into the committee report, and I will read exactly what is said.

Mr. KERR. Mr. President, may I interrupt the Senator for just a moment?

Mr. PROXMIRE. I yield to the Senator from Oklahoma.

Mr. KERR. I wish to say that I am happy to have had the opportunity to engage in this colloquy with the Senator from Wisconsin. I hope I have made as much a contribution to his information as I have to his efforts to consume a little time. If the Senator will proceed now on his own to elucidate for the Senate, the Senator from Oklahoma will go to lunch.

Mr. PROXMIRE. I thank the Senator from Oklahoma very much. The Senator has been very gracious. I assure the Senator from Oklahoma, as I assured the Senator from Illinois, I am not attempting to consume time. I am very anxious to have a vote. I understand a vote will soon occur on the motion to send the bill to the Committee on Foreign Relations. I have no desire to detain the Senate before there is a vote, but I think it is extremely important that pertinent information with regard to the amendment which is pending before the Senate now be brought out, so that Senators may understand the situation.

The Senator from Oklahoma has contributed greatly to my education and to my understanding of the bill, and I thank the Senator from Oklahoma.

Mr. KERR. I thank the Senator. I wish to say I thought it was time for me to leave also because the Senator from Wisconsin said he had nothing but respect and affection for Republicans. I must say, Mr. President, I must part company with the Senator, because while it has been very rare, it has been very real, that there have been times when the Senator from Oklahoma has had other sentiments than those two for Republicans.

Mr. PROXMIRE. Mr. President, before the Senator from Oklahoma leaves the floor, I should like to say the facts are overwhelming in the majority report of the committee itself that every single agency of the Federal Government, every competent expert, and every competent authority agrees we can make the study without the additional 1,000 cubic feet of water being diverted.

Mr. President, the Senator from Oklahoma said with complete sincerity that he felt that my interpretation of the committee report went beyond what the committee report intended.

So I made a point of reviewing the recommendations of the Department of Health, Education, and Welfare, which is the key agency, really, in this whole situation, because I think everybody recognizes and realizes that the primary purpose of the proposed study is to see what is the most efficient way of solving the Chicago sanitation problem.

This is what the Department of Health, Education, and Welfare says in its report, quoting now from the majority report of the Public Works Committee, page 6.

> The Department of Health, Education, and Welfare, in its report on S. 308, stated the opinion that completion of a satisfactory study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without additional diversion over the amount now authorized, and that from a technical standpoint a broader study of the entire sewage disposal problem at Chicago than the one specified in the bill might be desirable—

And so forth. The main point is they say they do not need an additional thousand cubic feet of diversion in order to make their study.

Now, what does this mean? It means that the objection by the Dominion of Canada, which is very serious, and I am sure every Senator is concerned with it, and the objection by the other five States which are deeply concerned, and feel that Chicago is taking away their property, is that what is desired can all be accomplished by simply taking the provision for diversion out of the bill and passing a study bill, which everybody will approve, which the senior Senator from Illinois said last night, and has repeated over and over again, is the primary purpose, the overwhelming purpose, of this bill.

If the experts tell us that they can make this study without additional diversion, why not let it be done?

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator has been reading from page 5 of the report.

Mr. PROXMIRE. Page 6 most recently.

Mr. LAUSCHE. Pages 5 and 6.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. The Senator earlier stated that there were four departments of the administrative branch.

Mr. PROXMIRE. I dealt with the first two.

Mr. LAUSCHE. The Senator from Wisconsin dealt with the report and opinion of the Department of the Army first. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. And the Department of the Army stated that with respect to navigation the Department has already submitted a report, printed as Senate Document No. 28 of the 85th Congress.

That report, a copy of which I have in my hand, shows what the lowering of the level of Lake Michigan below the point of diversion would be, what the lowering of the level of Lake Erie would be, and what the lowering of the level of Lake Ontario would be. Is that correct as the Senator from Wisconsin understands it?

Mr. PROXMIRE. Yes. That is my understanding, absolutely.

Mr. LAUSCHE. Then the Department of the Army says that it is not within its province to comment on the sewage disposal problem. They refer to "sanitary conditions." The Department of the Army deals with the navigational capacity of the navigable waters of the Great Lakes. Am I correct in that understanding?

Mr. PROXMIRE. The Senator from Ohio is completely correct.

Mr. LAUSCHE. So it is a fact that that department of our administrative branch, which for the entire history of the country has made studies of lake levels and navigational capacity studies, says that for the study proposed the diverting of a thousand cubic feet per second is not necessary.

Mr. PROXMIRE. Absolutely, and it goes on to say that the report, printed as Senate Document No. 28 of the 85th Congress, provides information of the effect of the diversion on the lowering of the lake levels and on the production of hydroelectric power, navigation, beach erosion, and shore protection factors, and other matters.

In other words, on all of these issues the Army have made their report, and of course power and navigation are the two prinicipal issues within the jurisdiction of the Army. They are satisfied that they know what will happen if there is a permanent diversion. It is perfectly obvious that this new diversion will serve no purpose, will contribute no additional information, and will deprive Canada and five States of their property.

Mr. LAUSCHE. The second department that is mentioned by the majority report is the Department of Health, Education, and Welfare.

Mr. PROXMIRE. The Senator is correct.

Mr. LAUSCHE. For the purposes of the RECORD I should like to quote what the majority opinion states:

> The Department of Health, Education, and Welfare, in its report on S. 308, stated the opinion that completion of a satisfactory study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without additional diversion over the amount now authorized.

In other words, the Department of Health, Education, and Welfare states that the study can be made without the increased diversion of a thousand cubic feet per second. Is that correct?

Mr. PROXMIRE. That is absolutely correct, and a very, very important issue, because, as we have said, and we cannot say is often enough, the heart and soul of the proposed study and the real problem here is sanitation in the Illinois Waterway. It is the problem of the Chicago Sanitary District. They are the proponents of the bill. They are the ones who want it enacted, and the Department of Health, Education, and Welfare, which is expert on this matter, says, "We can make this study without additional diversion."

Mr. LAUSCHE. This morning, Mr. President, I tried to translate these figures of a thousand cubic feet per second into gallons per day.

A thousand cubic feet per second means 60,000 cubic feet per minute, 3,600,000 cubic feet per hour, and 24 times 3,600,000 cubic feet would be the amount per day, and it figures out to 648 million gallons a day.

Does the Senator know how much water Cleveland pumps for 1,500,000 people? I do not suppose he does.

Mr. PROXMIRE. It is my understanding that it would be far less, in view of the fact that Cleveland is a much smaller city than Chicago.

Mr. LAUSCHE. Cleveland pumps 330 million gallons a day for the use of its citizens. For domestic purposes including sewage disposal Chicago is taking out of the Great Lakes and transferring into the Mississippi 972 million gallons a day.

Mr. PROXMIRE. And Cleveland is returning all its water to the Great Lakes.

Mr. LAUSCHE. That is correct.

While we are discussing this subject, we should also bear in mind that Chicago is taking out 3,300 cubic feet a second now, and wants a thousand feet more. I should like to have the Senator from Wisconsin discuss the third branch of government to which reference has been made.

Mr. PROXMIRE. The third branch which was consulted was the Department of State. I invite the attention of the distinguished occupant of the chair, the fine Senator from Wyoming [Mr. MCGEE], and that of the fine Senator from Nevada [Mr. BIBLE], to this particular issue, because I know that they are deeply concerned with the attitude of the Department of State on a question in which a great neighbor, an outstanding country, Canada, has a very deep concern. This is what the Department of State had to say about this matter. This is the third agency which was consulted. The Department of State voiced the belief that enactment of this legislation would adversely affect our relations with a friendly foreign government, and therefore was unable to support it.

The distinguished Senator from Oklahoma [Mr. KERR] pointed out that we are now beginning to listen to Republicans. I think we all recognize that, whether we have a Republican President or a Democratic President, in foreign policy we must rely on the State Department as our expert adviser. There is no Republican-Democratic ideological split over the Chicago water diversion. There is a sincere difference of opinion, but it is not a division along party lines. Therefore, the Department of State can come to us without any kind of Republican commitment or administration interest, but purely as an expert, fully qualified, dispassionate, objective, and tell us in the clearest kind of language that enactment of this legislation would adversely affect our relations with a friendly foreign government, and therefore the Department is against it and is unable to support it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. The report states that on February 20, 1959, a memorandum from the Government of Canada was received "which expressed the opinion that any authorization for an additional diversion from Lake Michigan at Chicago would be incompatible with the arrangements for the St. Lawrence Seaway and power development and with the Niagara Treaty of 1950 and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate."

Mr. PROXMIRE. If I may interrupt the Senator at that point, he is not reading from the minority views. He is reading from the majority report. He is reading from the report of the majority of the Public Works Committee, so obviously he is not reading from the position of opponents to the bill. It seems to me that this fact gives great weight to what the Senator is saying.

Mr. LAUSCHE. The Senator is correct.

The majority report further states:

> The letter also referred to a further note from the Canadian Government dated April 9, 1959, which set forth in detail various Canadian objections to the proposed legislation, and requested that the United States give satisfactory assurances that unilateral action would not be taken which would imperil the present regime of the waters in the Great Lakes Basin, and the status of the agreements and understandings between the two countries.

Am I correct in understanding that this year the Canadian Government has sent possibly three notes—and positively two notes—objecting to the diversion?

Mr. PROXMIRE. The Senator is correct. It is my understanding that there was an expression from the Canadian Government in February. There was another expression, from which the Senator has read, in April. There was still another expression in June, which I have seen; and I hold in my hand an expression which came a very few days ago, on August 21, 1959, which is very emphatic, and which followed the action by the Public Works Committee in reporting the bill. It expresses the grave concern of the Canadian Government. They are protesting in the clearest and most unequivocal language. I shall call to the attention of the Senate at a later date the real consequences of our refusal to listen to Canada and reach some kind of understanding and agreement with her.

In the first place, it constitutes an affront to her sovereignty and dignity—an affront which I am sure Senators would not wish to give, based solely on their respect for Canada.

In addition, however, the States of Oregon, Washington, and Montana, as well as New York, have an immediate, direct, and very important interest in this question.

The headwaters of the Columbia River, of course, are in Canada. Canada desires very much—and has every reason to desire it—to divert from the headwaters of the Columbia River to the Fraser River. This is an all-Canadian river, which flows to the Pacific Ocean.

Such diversion would reduce the Columbia River flow in Oregon and Washington by 25 percent. It would adversely affect the Hanford atomic works. It would affect a number of dams in Oregon and Washington. It would mean a loss of power of 25 percent, which would represent a real economic catastrophe in the Northwest.

This is what Canada could do, and would have the right to do. She would have every provocation for doing it if she chose to act as unilaterally as we are acting in this case.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. The United States has the Columbia River, in Washington. On that Columbia River it has powerplants, and it also has navigation. The Columbia River has its origin in Canada.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. So the capacity for navigation and hydroelectric generation in Washington is dependent upon the supply of water which comes out of that basin, and especially the headlands of Canada. Am I correct?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. LAUSCHE. Canada, north of the border, desires to use greater quantities of the Columbia Basin water. If it did so, that would impair the water flow on the American side.

Take the opposite of that situation. If this bill is passed, we contemplate reducing the flow of water in the St. Lawrence Seaway and the Great Lakes, to the detriment of Canada. Is that correct?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. LAUSCHE. So if we take from Canada through this bill, we shall, in effect, be saying to Canada, "You proceed to take from us, and from the State of Washington, through whatever action you determine to take."

Mr. PROXMIRE. Absolutely. The remarkably able and eloquent Senator from Oklahoma [Mr. KERR] has told us over and over again that Lake Michigan lies entirely within the United States, and he has maps to show it. I am sure the Senator from Oklahoma speaks with great sincerity, ability, experience, and knowledge. But with all due respect to the Senator from Oklahoma, I say that it is not important—or as important—in this matter what the Senator from Oklahoma thinks, however much we may value his opinion. The important thing is what Canada thinks, because Canada is in a position to cut off the lifeblood of the Northwest. As I shall show at a later date, she could also seriously damage power in New York.

Mr. LAUSCHE. I have before me a textbook written by Charles Cheney Hyde, a leading expert on international law, dealing with waters which cross national boundaries, and especially with the waters between the United States and Canada and the United States and Mexico. I quote from him:

> Certain contractual arrangements of the United States.
>
> The United States has in the present century concluded significant agreements with both Mexico, and Great Britain, with respect to the uses of waters constituting a part of, or appertaining to, or flowing across its frontiers.
>
> The arrangement, known as the Convention Concerning Boundary Waters Between the United States and Canada, was an achievement of great moment. Each contracting party reserved to itself "the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary or into boundary waters. It was agreed, however, that any interference or diversion on either side of the boundary, resulting in injury on the other side thereof, should give rise to the same rights and entitle the injured party to the same legal remedies as if such injury took place in the country where the diversion or interference occurred."

This is Mr. Hyde speaking, the expert most outstanding on international law. He states that by the reservation contained in the convention, if waters completely within one country are diverted or dammed and cause injury to the other country, the other country becomes vested with the same rights and remedies as if the injury occurred through a diversion of boundary waters.

I understand the Senator from Wisconsin has to leave the Chamber. I should like to put this question to him: Has the subject of water diversion by one country which has impaired or injured another country been a matter of great importance in international law and international peace?

Mr. PROXMIRE. It has, indeed. Wars have been fought over it. People have bled and died for it. Water, of course, is literally essential to life. It is a matter of extreme importance. Not only can we recognize the basis of real international conflict of a most serious consequence and kind, but also, as I have said, and will repeat over and over again, we can recognize the immediate adverse effect on the economy of the Northwest and the economy of New York, if we proceed unilaterally to act without regard to the interest of Canada.

Mr. LAUSCHE. Is it not true that the Canadian Government and the U.S. Government, in 1900, realizing what the Chicago diversion did to the relationships of the two countries, said, in effect, "We will enter into an agreement, and under that solemn agreement we will be bound not to divert waters to the injury of the other"? That agreement was strengthened in 1950.

Now the U.S. Government, contrary to all of its historic faithfulness to the keeping of pledges and contracts, contemplates violating that agreement.

Mr. PROXMIRE. The Senator is absolutely correct. I know that there are sincere, honest Members of the Senate who interpret these treaties differently—and they have every right to do so. Perhaps they are right. I think they are wrong. But perhaps they are right. Let us assume they are right. The important thing is that Canada disagrees. Canada has the power to act adversely to us, and we are giving Canada provocation in that way.

Mr. LAUSCHE. Is it not also true that to the Canadian Government this matter has become so grave that on the floor of the Canadian Parliament the members of Parliament have pressed the Prime Minister, calling upon him to declare the position of the Canadian Government concerning our proposal to steal this water from them?

Mr. PROXMIRE. The Senator from Ohio is exactly correct. The parliamentary debate indicated that the leaders of both leading parties took an active part and were deeply concerned with this proposal. There is a great unanimity of feeling, a very deep feeling, a strong feeling, in Canada that this is a very wrongful act on the part of the United States. If the bill should pass and become law, Canada would suffer very seriously and would be provoked.

Mr. LAUSCHE. I do not know whether the Senator from Wisconsin is familiar with the fact that in the nations of Pakistan and India there has been existent a bitter conflict about the flow of waters in that area. The conflict was so severe that war was impending; and to prevent war, our Government has gone in to build dams, so that the water will be distributed without injury to one or the other of the nations. I do not know whether the Senator from Wisconsin is familiar with that.

Mr. PROXMIRE. I am not. I thank the Senator from Ohio for calling it to my attention.

I call attention to the four agencies of our Government which have said that the diversion is either unnecessary or undesirable, or both. Every single agency consulted by the Committee on Public Works agrees. There is no question about it. Every qualified expert agrees that the diversion is unnecessary or undesirable, or both.

I come now to the Bureau of the Budget. They submitted their views in a letter date June 1, 1959, and said:

> In the face of these protests from Canada and in view of the pending application by certain Great Lakes States before the Supreme Court for a review of decree of April 21, 1930, the Bureau of the Budget must recommend against the enactment of S. 308.

The Bureau pointed another possible avenue of further exploration. This is very interesting. They said:

> However, there is an avenue of further exploration which may prove fruitful, i.e., a full technical study of the sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago to be undertaken and financed jointly by the U.S. Public Health Service and the sanitary district without any actual increase in the present diversion of water from Lake Michigan.

This is obviously the path to follow. It is the path which the Department of the Army says we can follow without handicapping them in any way. They already have their information. They have said so. The majority report agrees with them and said so.

The Department of Health, Education, and Welfare agrees and says, in the words of the report, "that completion of a satisfactory completion of the study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without additional diversion over the amount now authorized."

The Department of State vigorously protests this diversion. They say that if Chicago insists on diverting the extra thousand cubic feet per second for a year, it will adversely affect our relations with a foreign government; therefore, the Department of State is unable to support the proposal.

The Bureau of the Budget is most emphatic. Specifically, they recommend against the enactment. They propose as an alternative that a study be made.

The Senator from Illinois [Mr. DOUGLAS]—I see him on the floor—has urged a study. He has said it was essential to the bill. I do not have the exact language before me. But he was most emphatic when he stated it.

I cannot repeat it often enough that it is a study which is wanted. The Department of State, the Department of Health, Education, and Welfare, the Department of the Army, and the Bureau of the Budget all agree. I am sure the Senator from Ohio agrees. We would be delighted to have a study made, provided there is no diversion. This is the sensible, prudent way to act. It is the way the experts seem to agree on. I hope we will proceed in that way.

Mr. LAUSCHE. The Senator has identified the four departments or agencies of the Federal Government which have spoken against the 1,000-cubic-feet-a-second diversion. Are there any departments of the administration which support the diversion?

Mr. PROXMIRE. The answer to the Senator from Ohio is that there are none. There was not a single witness from a Federal agency, and there was not one other person, who, speaking for any responsible department, favored this additional diversion. As we have shown, those who were asked said the diversion was either unnecessary or undesirable, or both.

Experts have been consulted, and they agree unanimously. I do not know of any committee, under any circumstances which I can imagine, which would favor this kind of legislation, unless there were a partisan policy involved. If we had all the Republicans on one side and all the Democrats on the other, we might expect this kind of thing to happen. But the Senator from Ohio is a Democrat—and a good one; the senior Senator from Wisconsin [Mr. WILEY] is a Republican; and the junior Senator from Wisconsin is a Democrat. Both Senators from Michigan are Democrats. We are both proud of our respective parties. Yet we agree that this bill is bad.

There are good Republicans on the other side. But this is not a partisan issue. It is an issue regarding which we have requested from the Federal Government's executive departments or agencies expert, dispassionate, objective advice. Their advice is unanimous—namely, that no such diversion should be made.

It seems to me that any prudent person who considers that advice from the qualified agencies must come to the conclusion that no such diversion should be made.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. I notice that the Senator from Arkansas [Mr. FULBRIGHT] is now in the Chamber. He has not heard the recitation in regard to what the various departments of the administration have said about this bill. Four agencies of the executive branch of the Government—that is to say, the Department of the Army, the Department of Health, Education, and Welfare, the Department of State, and the Bureau of the Budget—say that the proposed diversion of an additional 1,000 cubic feet of water a second is not needed in order to have the study made.

I asked the Senator from Wisconsin whether any department or bureau of the Federal Government had said there was a need for the proposed diversion of an additional 1,000 cubic feet of water a second. He answered, "No."

I know that the Senator from Arkansas wishes to obtain information, and does not wish to have this issue decided on the basis of an ad hominem presentation. Therefore, I wish to state these facts for his benefit.

Mr. PROXMIRE. Mr. President, I thank the Senator from Ohio for his statement. He is absolutely correct; four agencies were consulted—and, of course, only four were concerned, so it was appropriate to consult only those four in connection with this matter. All four of them agree that the proposed diversion is not necessary. Furthermore, let me point out that the State Department has made a strong statement in opposition to the proposed diversion.

We present that information to the proponents of the bill, and we await their answer. But we find that they are either busy elsewhere or they have gone to lunch; in any case, they make no answer.

Mr. FULBRIGHT. I thank the Senator for his helpfulness. I am anxious to learn all I can about this matter.

Mr. PROXMIRE. I thank the Senator from Arkansas.

Mr. LAUSCHE. Mr. President, let me say that the Canadian Government regards this proposal of so much importance that, following an official note delivered in April, as I recall, the Canadian Government undertook to send to our Government another note. It was sent approximately 2 or 3 days ago; and in the note the Canadian Government states its vigorous protest in regard to the proposed diversion of an additional 1,000 cubic feet of water a second from Lake Michigan, and refers to the agreement which our Government entered into with Canada in 1900, and the reaffirmation in 1950.

Mr. FULBRIGHT. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. First, Mr. President, let me say that in the note the Canadian Government uses very strong diplomatic language, as follows:

> I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter. In this connection, I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note. In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with the existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.
>
> Please accept, sir, the renewed assurances of my highest consideration.
>
> A. D. P. HEENEY,
> *Ambassador.*

Mr. FULBRIGHT. Mr. President, in view of the very strong position taken by the Canadian Government and taken by the various departments of our Government to which reference has been made, I wonder why the bill should be referred to any committee, rather than simply voted down.

Let me say that I have not taken any position in regard to the bill; I only seek information and light.

Why should not the bill be voted down?

Mr. PROXMIRE. To be perfectly frank with the Senator from Arkansas, let me state that, as I am sure he recalls, similar bills were before the Senate in 1954, 1956, and 1958. The Senate passed the bill in 1954, and also passed the bill in 1956; but both of those bills were vetoed.

In 1958, the bill appeared to be on the verge of passage by the Senate; but the Senate adjourned before the bill was passed by it.

We believe that this matter has not been explained sufficiently or adequately; and we are afraid that in the absence of adequate explanation or knowledge, the bill might be passed in the future, with very serious consequences.

Mr. President, I yield the floor.

Mr. LAUSCHE. Let me say that I fear that even the departments which have voiced their protests are not adequately informed.

Furthermore, since the Senate has the responsibility of passing legislation, Senators should consider very seriously what has been stated in regard to this matter by the Department of the Army, the Department of State, the Department of Health, Education, and Welfare, and the Bureau of the Budget.

Mr. FULBRIGHT. I thank the Senator from Ohio.

Mr. WILEY. Mr. President, on yesterday, when I listened to the remarks of the distinguished senior Senator from Illinois [Mr. DOUGLAS], there came to my mind a number of matters in relation to this record. So last evening I stayed up until midnight, reading the record, which I had not seen before.

My attention was called to a statement made in 1958 by Colonel Nauman, of the Corps of Engineers, in the course of his testimony before the Committee on Public Works. He stated that the proposed additional diversion would not have any beneficial effect on navigation on the Illinois Waterway. Of course, if anyone knows anything about that matter, I suppose the Corps of Engineers does. He stated the matter very clearly; and he emphasized that there would not be any additional benefits, either. I do not believe anyone has questioned that conclusion.

But when we think of the proposed amendment, we wonder why all these matters are proposed at this time.

I have before me one of the first bills on this subject. It was introduced by Representative O'BRIEN, whom I do not see on the floor at this time, although he was here earlier today. That bill was

introduced in 1957. Of course, the purpose then was entirely different from the purpose now. At that time, the proposal was to give to the State of Illinois and to the sanitary district the right, under supervision by the Army, to withdraw water from Lake Michigan, in addition to all domestic pumpage, at a rate providing for a total annual average of not more than 2,500 cubic feet of water a second, to flow into the Illinois Waterway during a 3-year period, beginning with the enactment of the bill.

I read from that bill:

> The said maximum direct diversion from Lake Michigan shall not at any time exceed 5,000 cubic feet of water a second.
>
> The Secretary of the Army shall at all times have direct control and supervision. The Secretary of the Army shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during times of flood.

At that time it was argued that in times of high water, no diversion would be made from Lake Michigan, but that in times of low water the diversion would be made.

I believe the record shows that the level of Lake Michigan is now down about 7 feet; and I believe that some of the testimony received during the hearings was that the level of the lake is now 2 feet lower than it has previously been.

We understand that the present proposal is to remove an additional 1,000 cubic feet of water a second from Lake Michigan. That will equal 7,500 gallons every second, or 648 million gallons every 24 hours.

They have already taken 1,500 cubic feet of water a second, which amounts to 972 million gallons a day.

Then they have taken 1,800 cubic feet of water a second, in addition, which amounts to 1,166 million gallons a day.

If we add the three together, the total is 2,786,400,000 gallons of water every 24 hours.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. LAUSCHE. I merely wish to state to the Senator from Wisconsin that I have prepared a tabulation of figures, and they coincide exactly with the figures which have been stated by him.

If the 1,000 per second feet of water is given Chicago, there will be taken out of the Great Lakes basin the following amount of water—let me repeat the figures, as I have them—2,786,400,000 gallons a day.

May I connect those figures with this statement? Cleveland, with a population of a million and a half, uses 330 million gallons a day on an average. Therefore, Chicago would be taking out of the Great Lakes, and pumping into the Mississippi, nine times as much water as Cleveland uses daily for consumption.

I thank the Senator for allowing me to interject these facts.

Mr. WILEY. I thank the distinguished Senator.

I want to continue with this matter of figures, because they run into astronomical proportions. I just said, and the Senator from Ohio agrees, that every 24 hours, if Chicago gets this additional 1,000 feet, Chicago would get 2,786,400,000 gallons.

If that figure were multiplied by 365, it would amount to 1,000 billion gallons.

No wonder the level of the lake is down. Chicago has been taking a vast amount of water for a good many years; and of course, it has been stated very clearly by the Court and by masters that the taking of further water is not necessary.

In view of the position taken that the Chicago Sanitary District comes into this matter with clean hands, I think a little history may be interesting. The so-called Illinois Waterway was undertaken on the ground—get this, Mr. President—that the State of Illinois would make a profit of $3 million a year from the use of water diverted from Lake Michigan for water power purposes.

Let me repeat—water power purposes.

The diversion was made by the State of Illinois without the consent of the States bordering on the Great Lakes, in defiance of the Federal Government, and in violation of the rights of Canada.

At that time, because the Chicago district had neglected or refused to install modern sewage disposal plants—which it did subsequently—the Secretary of War reluctantly acceded to the plea, because of the health issue, that some water be given. He therefore permitted, as I have said, from time to time, some diversion.

In 1913, Secretary Stimson said, in talking about the issue—and it was a real issue then:

> Every drop of water taken out at Chicago necessarily tends to nullify costly improvements made under direct authority of Congress throughout Great Lakes * * *. The demand for diversion is based solely upon the needs of the city for sanitation.

Mr. President, that was Secretary Stimson, back in 1913, because the issue was before us then. He said there was no issue of conflicting claims of navigation. The Secretary used some other language which I think is very pertinent now, because it shows how the past comes up time and time again when issues are presented of the same character. He said:

> We have therefore presented in this case claims of entirely different characters and jurisdiction. The claim of sanitation on the one side and of navigation on the other. The vital interest of a single community on the one side, and the broad interest of the commerce of the Nation on the other side.

Let me repeat that:

> The vital interest of a single community on the one side, and the broad interest of the commerce of the Nation on the other side. It is therefore quite conceivable that compliance with their sanitary needs according to this method of sanitation may eventually materially change this great natural watercourse now existing through the lake.

Mr. President, this is the language of a very distinguished American, Secretary Stimson. I am repeating:

> It is therefore quite conceivable that compliance with their sanitary needs according to this method of sanitation may eventually materially change this great natural watercourse.

Then he said:

> Other adequate systems of sewage disposal are possible and are in use throughout the world * * * It is manifest that so long as a city is permitted to increase the amount of water which it may take from the lakes, there will be a very strong temptation placed upon it to postpone a more scientific and possibly a more expensive method of disposing of its sewage. This is particularly true in view of the fact that in so doing it may diminish its expenses—

Let me repeat—

> diminish its expenses by utilizing the water diverted from the lakes for waterpower at Lockport.

Well, there you have it, Mr. President. Back in 1913, as I recall the year, the issue was whether taking water would provide electricity for Chicago; whether taking water would damage the lakes; whether taking water would be the answer to the sewage problem, especially when there are other adequate systems of sewage disposal, as the Secretary said.

Then the Secretary made this very important statement, because it answers the argument made by the Senator from Oklahoma [Mr. KERR] yesterday in relation to the treaty of 1909. He said:

> The provisions of the Canadian Treaty for a settlement by a joint commission on questions or matters of difference between the United States and Canada offer a further reason why no administrative officer should authorize a further diversion of water manifestly so injurious to Canada against Canadian protest.

In another application for diversion, in the case of United States versus Chicago Drainage District, which was a case in which there was an injunction enjoining increased diversion from Lake Michigan, the Supreme Court said as follows, and this language is very pertinent. I am sorry there are so few Senators who have had time to read the brief I have submitted, and who apparently are going off on a tangent on the basis that this is simply an issue between the five States on the one hand and the Chicago sanitary district on the other.

I should like to read what the Supreme Court said:

> This is not a controversy between equals. The United States is asserting its sovereign power to regulate commerce and to control navigable waters within its jurisdiction * * * also to carry out treaty obligations to a foreign power bordering upon some of the lakes concerned.

With regard to the second ground, the treaty of January 11, 1909, with Great Britain, expressly provides against uses affecting the natural level or flow of boundary waters within the authority of the United States or the Dominion of Canada, within their respective jurisdictions, and the approval of the International Joint Commission agreed upon therein.

I am quoting a statement given in 1925. I trust before the debate ends I shall be able to continue to give the decisions of the Court and the statements of the Secretary of War, who was given jurisdiction in these matters, to show the Government's position.

The last statement, however, brings out very clearly the important thing we

shall probably have a vote on, perhaps tomorrow, if that is a convenient time, which relates to the matter of the referral of the bill to the Committee on Foreign Relations.

The statement, as I read it, was pretty definite:

This is not a controversy between equals.

It is a controversy not between States on one hand and States on the other. The United States is interested in asserting its sovereign power. To me that is one of the things to which the Committee on Foreign Relations should definitely give consideration.

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield to me so that I may make some unanimous-consent requests and transact some vital business of the Senate for 2 or 3 minutes?

Mr. WILEY. I yield to the Senator from Montana.

UNANIMOUS-CONSENT AGREEMENT TO TEMPORARILY SET ASIDE THE UNFINISHED BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside, so that the Senate may transact some business; and that as soon as the business is completed, the Senate return to the consideration of the unfinished business, H.R. 1.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session for the purpose of considering the nominations of postmasters.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

POSTMASTERS

The legislative clerk read the nomination of Donald Ray Morgan to be a postmaster in the State of Alabama.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of postmasters be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

NONQUOTA IMMIGRANT VISAS FOR CERTAIN ALIEN ORPHANS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the bill H.R. 6118 was sent to conference.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6118, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
July 16, 1959.

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 6118) entitled "An Act to amend section 6 of the Act of September 11, 1957" and concur therein with an amendment as follows:

In lieu of the Senate amendment insert the following:

"SEC. 2. Section 4 (a) and (b) of the Act of September 11, 1957, (71 Stat. 639-640) is hereby amended to read as follows:

" 'SEC. 4. (a) On or before June 30, 1960, special nonquota immigrant visas may be issued in accordance with the provisions of subsection (b) of this section to eligible orphans as therein defined who are under fourteen years of age at the time the visa is issued. Not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters. No natural parent of any such eligible orphan shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

" '(b) When used in this section, the term "eligible orphan" shall mean an alien child who (1) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption; (2) (A) has been lawfully adopted abroad by a United States citizen and spouse, or (B) is coming to the United States for adoption by a United States citizen and spouse; and (3) is ineligible for admission into the United States solely because that portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made.

" 'Any United States citizen and spouse claiming that any eligible orphan is entitled to a nonquota immigrant status under subsection (a) of this section may file a petition with the Attorney General. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall establish to the satisfaction of the Attorney General that the petitioners will care for such eligible orphan properly if he is admitted to the United States and, if such eligible orphan has not been lawfully adopted abroad, that they will adopt such orphan in the United States and that the preadoption requirements, if any, of the State of such orphan's proposed residence have been met. After an investigation of the facts in each case, the Attorney General shall, if he determines the facts stated in the petition are true and that the petitioning United States citizen and spouse are persons of good moral character, approve the petition and forward one copy thereof to the Department of State. The Secretary of State shall then authorize the consular officer concerned to grant nonquota immigrant status to the beneficary of such petition after the consular officer has determined that such beneficiary is an eligible orphan as herein defined.' "

Mr. MANSFIELD. Mr. President, I move that the Senate recede from its disagreement to the amendment of the House and agree to it.

The motion was agreed to.

Mr. KEATING subsequently said: Mr. President, I wish to comment very briefly on the action of the Senate in concurring in the amendment of the House to the amendment of the Senate to House bill 6118, a bill to amend section 6 of the act of September 11, 1957.

The action had to do with amending the provisions of sections 4 and 6 of Public Law 85-316.

Mr. President, this bill would extend two important provisions of the immigration law which were allowed to expire on June 30. First, the provisions of section 4 of Public Law 85-316, under which special nonquota immigrant visas are granted to adopted alien orphans under 14 years of age; and, second, the provisions of section 6 of Public Law 85-316, under which alien relatives of American citizens afflicted with TB may be admitted to the United States under suitable safeguards.

ALIEN ORPHAN ADOPTIONS

It will be recalled that the Senate Committee on the Judiciary, in its report on the bill, recommended a straight extension to June 30, 1960, of the present authority to issue special nonquota immigrant visas to alien orphan children. The purpose of this action, as explained in the report of the committee, was to continue the program on an interim basis while the committee gave further study to its operations.

I fully endorse the proposal for a thorough investigation of the many problems which have come to light in the course of the hearings the Immigration Subcommittee has already conducted on this subject. I would like to see this humanitarian program ultimately placed on a permanent basis. Our Nation should always be willing to offer a refuge to the unfortunate children of the world, many of them the innocent victims of war. Before this is accomplished, however, it is essential that safeguards be enacted which will prevent any abuse of these children.

I have been shocked by the allegations that some unscrupulous demons have exploited these children for personal gain. No punishment would be too severe for such international baby racketeers. If a national ring is involved, as was charged by witnesses before the Immigration Subcommittee, a new Federal criminal law may be necessary to wipe out its traces. Activities so repugnant to every decent instinct cannot be permitted to corrupt this humanitarian undertaking.

Under the House amendment to the Senate bill, the Attorney General will

be required to conduct an investigation of each petition for a nonquota immigrant visa under the law. Before approval of any such petition he must determine that the petitioning United States citizen and his spouse are persons of good moral character. One of the problems under this provision has been whether the authority of the Attorney General should be carried out by the Immigration and Naturalization Service or by other Government departments such as the Department of Health, Education, and Welfare. In this regard, it should be understood that under the present immigration law the Attorney General is authorized to confer or impose upon any employee of the United States, with the consent of the head of the department or other independent establishment under whose jurisdiction the employee is serving, any of the powers, privileges, or duties which he may have in connection with the administration of the Immigration and Naturalization laws. This authority is conferred in section 103 of the basic law, which appears in title 8 of the United States Code as section 1103. This provision makes it clear that under the House amendment the Attorney General could utilize the services of any governmental departments or agencies which he deemed appropriate in carrying out the purposes of the program.

Mr. President, I am gratified by our action today because nothing should stand in the way of the continuation of the present law. It was unfortunate that this program was allowed to expire prematurely by the failure of Congress to act before June 30. However, our action today will serve to restore the hope of these poor, downtrodden children who look to us for a haven and the faith of our friends in the world who expect a humanitarian response from the United States to the plight of such unfortunate souls.

We are dealing here with children who are without families to look after them and who are too young to look after themselves. Their welfare must be uppermost in our minds as we carry forward this humanitarian work. Our action today shows a willingness to examine ways of improving the law and at the same time demonstrates our unflagging confidence in its fundamental objectives. I am delighted that a possible stalemate has been avoided and that the interests of these children have been placed above other considerations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I am glad to yield.

Mr. JAVITS. I thank the Senator for yielding.

Mr. President, I ask unanimous consent that my remarks upon the same bill may appear at the same place in the RECORD at which the remarks of the junior Senator from New York appear, namely, before the action by the Senate in agreeing to the House amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, on April 8, 1959, on behalf of myself and the distinguished junior Senator from New York [Mr. KEATING], I introduced a bill to extend for 2 years the law granting nonquota immigrant status to orphans under 14 years of age who have been or will be adopted by American citizens upon admission to the United States. The statutory authority then in effect expired on June 30, 1959. I was following a practice in which I had joined with former Senator Ives, who was the predecessor of the present junior Senator from New York [Mr. KEATING], when I was in the House of Representatives, in seeking to put this program into effect, and in which I think I can say, with pardonable pride, that Senator Ives and I were at least among those who initiated the special admission of orphans for purposes of adoption.

However, orphans have been admitted to the United States since the adoption of the first alien orphan statute 11 years ago, as a part of the Displaced Persons Act of 1948. The program has been extended three times, and successfully, by the act of July 29, 1953, by the Refugee Relief Act of 1953, and by Public Law 85–316.

I joined with my colleague [Mr. KEATING] in introducing this bill, which we hope will become law, and which continues the program for at least a year.

I, too, like the junior Senator from New York, have had numerous heartfelt requests from citizens in my constituency who wish, themselves, to adopt individual orphans, and who urge the continuation of the present law.

Also, I appeared before the Subcommittee on Immigration, of which the junior Senator form New York is a member, in order to try to get action on this bill. We all know that there are many American families, especially among American delegations working abroad, and among American military personnel, who have a very special interest in the admittance of children for adoption, or of children who had been adopted abroad. It seems to me that we are dealing with the great heart of America, which is always our greatest asset in the world.

What is being done now in extending the law actually contributes to this tremendous spiritual attraction which the United States has for the world. Because we are concerned about our fellow men, our hearts go out particularly to the little children who are left as orphans, and who can be helped and brought into the great democracy of our country, and thus given future well-being in this way.

I am very much concerned about a provision of the law which gives the Attorney General the right to make these investigations preliminary to utilizing the authority granted by the law.

I am quite confident that the junior Senator from New York feels as I do that our remarks will have some effect and influence on the office of the Attorney General and those who work under that authority in that regard, and that they will work in cooperation with the Department of Health, Education, and Welfare. That was one of the points which was discussed at considerable length in respect to the action on this law. The services of the Department of Health, Education, and Welfare should be employed by the Attorney General in doing this particular work.

At the same time, it must be recognized that the Attorney General has often, up to now, been exercising specialized responsibilities of this character, so the Attorney General has some background in his own office.

It is my hope that the best the United States has to offer in terms of surveying these opportunities for adoption and the families who are to adopt the children will be utilized. I think the Department of Health, Education, and Welfare can be very helpful in that regard.

I know I bespeak the views of many other persons, in addition to myself, in urging the most extensive use of voluntary agencies. They have shown a remarkable capability and disposition for handling the matters of orphans, as they have in respect to displaced persons.

I think that as the Office of the Attorney General gets into a somewhat broader field than it has occupied before in respect to this kind of policy decision, it ought to utilize, too, the Department of Health, Education, and Welfare and the voluntary agencies to the full.

I am very glad the bill is going through. I am confident the President will sign it, and that it will be of benefit to many American families.

I hope, together with the junior Senator from New York, that we may look forward to the approval of the bill. I am grateful to the Senator for having yielded to me.

Mr. KEATING. I appreciate the remarks of my colleague from New York. My agreement to this action, which was taken since I had been named as one of the conferees, was based partially on the basis of the provision of the law which authorizes the Immigration Service to call in other agencies. I hope, as does the senior Senator from New York, that this colloquy will indicate the desire of many of us that such action be taken by them in making their determination.

Mr. JAVITS. Speaking for myself, I hope that the families which are affected by the measure, if they feel it is being unwisely or unfairly used, will communicate with persons like my colleague, the junior Senator from New York, who has been one of the conferees, and to whom I am very grateful for this result. I think that the junior Senator from New York and I are somewhat in the position of trustees to see that the law is carried out properly. Those who are affected by it should have no hesitancy in coming to us if we can be of help in that regard.

Mr. KEATING. I certainly share that view. I feel certain that those who are affected by the law will do so. My mail indicates that constituents are very ready to come to me, as they should be, with their problems, and this instance should be no exception. Indeed, I know, as does my colleague, that we will welcome their appealing to us and bringing to our attention any shortcomings in the administration of the law.

Mr. JAVITS. I thank the Senator from New York.

Mr. KEATING. Mr. President, I now wish to deal with the other provisions of the law which we are today changing, relating to section 6 of Public Law 85–316. This is designed to extend for 2 years, with minor modifications, the discretionary authority vested in the Attorney General to grant waivers of exclusion in the case of certain aliens afflicted with tuberculosis. This law applies only to the alien spouses, parents, and minor children of U.S. citizens or lawful permanent residents. Specific safeguards are provided to protect the public health and welfare and to guarantee that aliens admitted under this law will not become public charges.

This bill serves the worthy purpose of keeping family units together by preventing the separation of Americans from their close relatives overseas.

It is also a reflection of the spectacular gains which recently have been made by medical science in its fight against tuberculosis. This progressive and humanitarian legislation has proven its value in actual experience, and I am glad to lend my support to its extension.

Mr. NEUBERGER. Mr. President, I am indeed pleased by Senate passage of the orphan immigration legislation to permit the continued entrance to our country of orphan children under the age of 14 who have been, or will be, adopted by U.S. citizen families. This legislation expired on July 1. I regret the delay, but the amendment added by the House of Representatives to the initial Senate-passed version, requiring a home check by a Federal agency, materially strengthens the bill and I am sure will do much to eliminate the types of abuses which have been brought to light.

While the extension is only until July 1, 1960, it is my hope that next year Congress will be able to enact a permanent program for the admission of orphan children. At this time, I would like to pay tribute to the efforts of the many members of the House and Senate Judiciary Committees who made possible the extension of this legislation, and in particular to the distinguished chairman of the Senate committee [Mr. EASTLAND].

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. MANSFIELD obtained the floor.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WILEY. In order that the matter may be clearly understood, is it definite that after 6 o'clock there will be no votes, so that the Republicans may go to the dinner in honor of the Senator from Hawaii [Mr. FONG].

Mr. MANSFIELD. That is correct. There may be speeches after that time, but there will be no votes.

Mr. WILEY. Has the Senator asked unanimous consent to that effect, so that there will not be any objection?

Mr. MANSFIELD. No, but I give the Senator my assurance.

Mr. WILEY. I will accept the Senator's assurance.

Mr. LAUSCHE. Mr. President, I should like to direct a question to the Senator from Wisconsin.

At the bottom of page 235 of the hearings is a paragraph dealing with the statement of the Secretary of War, to whom the Senator from Wisconsin referred a moment ago. I observe this language:

> On January 8, 1913, the Secretary of War refused a request of the sanitary district to increase the authorized diversion from 4,167 cubic feet per second to 10,000 cubic feet per second of water.

That indicates that back in 1913 Chicago, for sewage disposal purposes, was asking the Secretary of War to increase the grant then made of 4,167 cubic feet per second to 10,000 cubic feet per second. Is that correct?

Mr. WILEY. That is correct. We must also remember that since that time a new factor has come into the picture. We have spent a billion dollars in improving the St. Lawrence Seaway. The proposal to remove water from Lake Michigan, which of course feeds water into the St. Lawrence Seaway, confronts us with a very serious challenge. That is one of the reasons why the President, in his message, vetoed the bill which had been passed.

Mr. LAUSCHE. It is correct to say, then, that the Secretary of War in 1913 denied an application of the Chicago Sanitation District for an increase in water supply up to 10,000 cubic feet per second?

Mr. WILEY. That is correct.

Mr. LAUSCHE. And the Secretary did so on the basis that the interest of the United States was broader in scope than the local interest of sewage disposal?

Mr. WILEY. I agree with that conclusion. That is the question which is at issue.

We wish to have the bill referred to the Committee on Foreign Relations, so that the committee may pass upon these issues in which the Federal Government is interested. Of course, the committee can consider the other issues also, concerning the right of the States. I presume that is what the committee which handled the bill considered. I understand from the report that not only the minority but also two other Senators have joined in suggesting the bill should go to the Committee on Foreign Relations for further examination.

Mr. LAUSCHE. To get directly to the point, for the purpose of the record, is it not a fact that this difficulty about diverting water began in the year 1900 when the Chicago sewage drainage unit started the flow of water out of the Great Lakes into the Mississippi Valley?

Mr. WILEY. It was either then or subsequently thereto that the Chicago district, without any legal authority, dug a canal, and it took the influence of the court to restrain taking this water without consent.

Mr. LAUSCHE. That is, it began in 1900, and the Supreme Court said to Chicago, "You have to stop diverting this water," and ever since 1900 the courts have held firm and have said that Chicago has no moral justification to take water to help itself while it is inflicting economic damage on neighboring States situated below where the water is being diverted.

Is that the understanding of the Senator from Wisconsin?

Mr. WILEY. That is my understanding, and that there is no constitutional authority for even the Congress of the United States to take water from one watershed and put it into another unless it is in the interest of navigation or commerce. Then, if in a given case it could be said it was in the interest of navigation or commerce, but if the interests of the two conflict, and the Supreme Court said that if it was commerce on the lakes that was being jeopardized, as against sanitation, in that case water should not be diverted.

Mr. LAUSCHE. Mr. President, an examination of the history of this problem will indicate that it began in 1900, when Chicago cut a slice in the divide, took waters out of the Great Lakes for its sewage disposal program, and diverted them into the Mississippi.

Mr. WILEY. Without legal authority.

Mr. LAUSCHE. Without legal authority, and since then down until this very day the Supreme Court has repeatedly told Chicago that it was violating the rights of States below where the water is being diverted. Does the Senator understand that that is a correct statement of the facts?

Mr. WILEY. Yes; and the Court has also always said that it is the responsibility of the Government to live up to its treaties and agreements with a foreign nation, in this case the best neighbor we have ever had, Canada.

Mr. LAUSCHE. And is it not a fact that not being able to get through the courts what it wanted, it has now come to Congress and asks Congress to take from the neighboring States what belongs to them, and to give it to Chicago?

Mr. WILEY. Of course, it is not just what is being done now. They have been at it for years.

Mr. LAUSCHE. For 58 years.

Mr. WILEY. Yes.

Mr. JAVITS. Mr. President, I have been desirous of making a statement with respect to the pending bill, and I shall do so at this time, detailing my views.

I might say that this is a controversy with which I have had a longstanding connection. When I was attorney general of the State of New York I had occasion to review the position of the State of New York upon this whole matter of diversion of waters, which affects us very seriously, and which has been a care of the office of the attorney general of the State for probably 50 years, going back through all of the litigation in which New York State from time to time intervened as a party in interest. I had occasion to give an opinion with respect to the position of our State upon this whole matter.

Mr. President, I think it may be of interest to all of us to understand what will ensue assuming that we do pass a bill of the character of the pending measure. What is very likely to ensue is very extended litigation, in addition to the litigation which is already pending.

When I was attorney general of the State of New York I said that I should feel constrained to contest in the courts the validity of any action of Congress which would divert further waters from other lake States to the city of Chicago, and I note with great interest that my successor in the office of attorney general of the State of New York, Judge Lefkowitz, has taken the same position.

Mr. President, I should like to read for the information of the Senate, because it indicates the direction in which we move if we once start upon this kind of legislation, the opinion of the attorney general of New York. This is addressed by the attorney general to the Senate Committee on Public Works in opposition to H.R. 1 and S. 308, under date of July 13, 1959.

As attorney general of the State of New York, I am impelled to express my opposition to H.R. 1 and S. 308 because these bills would be contrary to the interests of the people of New York State and would deprive them of their rights and property in the waters of Lake Erie and Lake Ontario and the Niagara and St. Lawrence Rivers. I expressed my disapproval of similar bills before your committee last year. My predecessors in office—

And that includes me, Mr. President—

always have opposed the attempts of Illinois and the Metropolitan Sanitary District of Greater Chicago to divert water from Lake Michigan without regard to the interests and the rights of others in the Great Lakes Basin.

Today there are more impelling reasons for your committee to reject these bills than ever before. As you know, the whole subject of the diversion of waters from Lake Michigan and the conditions surrounding the use of the Illinois Waterway by the sanitary district and the State of Illinois is now before the U.S. Supreme Court. By decision handed down on June 29, 1959, the Honorable Albert B. Maris, U.S. senior circuit judge, was appointed special master with authority to summon witnesses, issue subpenas, and take such evidence as may be introduced and such as he may deem it necessary to call for, in connection with the various actions before the Court involving the interests, not only of Illinois but also of the Great Lakes States, who have taken the position that their rights and interests are adversely affected by the diversion of waters from Lake Michigan. The special master has been directed to hold meetings—and I would like to correct the statement as it appears here—with all convenient speed. He, in turn, has directed counsel to appear at his chambers in Philadelphia on August 4 to discuss procedure in the cases to the end that they may proceed to hearing and determination as expeditiously and conveniently as possible.

Judge Lefkowitz says:

I submit that the Congress should refrain at this time from considering the problems which are being taken up right now by the Supreme Court.

In my statement to this committee last year, I pointed out that the Assistant Chief of Engineers, U.S. Army, has testified that the present diversion of water from Lake Michigan into the Illinois Waterway is adequate to meet navigation requirements and that additional diversion is not necessary for commerce or navigation. The Secretary of the Army has reported to the Congress that studies show that the authorized diversion of 1,500 cubic feet per second from Lake Michigan is adequate to meet present and prospective requirements for navigation on the Illinois Waterway. Upon this showing, any additional diversion into the Illinois Waterway would deprive the other Great Lake States of their rightful uses of this water, for the sole purposes of the sanitary district. As I stated to this committee before, if either of these bills is enacted into law, I would be constrained to challenge its validity in the Supreme Court of the United States upon the ground that the Congress is without the power to enact this type of legislation.

Our manifold interests in Lake Erie and Lake Ontario and the interests arising from the operations of the New York State Power Authority on the St. Lawrence River, and from the power authority's project presently being constructed on the Niagara River, are interests which must be protected not only for the people of the State of New York but also for the Nation as a whole.

I think that is extremely significant, for this reason: We are asked, in connection with this legislation, to take property from States A, B, C, D, and E and divert that property to the use of State F—especially in view of the fact that the property we are asked to divert is property which is irreplaceable. Water cannot be replaced. Second, even if money compensation were provided—and the bill does not provide any, and the sponsors of the bill make it clear that they are not going to be for anything like that—there are many kinds of damage which are not compensable, such as damage to navigation opportunities on the St. Lawrence, and damage to property along the shores which will be damaged by the proposed diminuition in the level of the water.

So, Mr. President, it seems to me that the New York Attorney General has put his finger upon an aspect of this legislation to which we should give the most careful consideration.

It is an axiom in this body that we will not be intimidated from enacting a law by the fear that the Supreme Court may declare it unconstitutional; but it is an equally valid axiom that the constitutional lawyers here—and every Senator, because every one of us, in a sense, is a constitutional lawyer—will give the closest attention to the question of constitutionality, and that we shall be perfectly ready to refrain from passing a law if, for one reason alone, we believe it to be unconstitutional, or a majority of us believe it to be unconstitutional.

I therefore believe that this aspect of constitutionality of the law which we are discussing here—especially as it is brought into issue with the purposeful intent to litigate the question on the part of the attorney general of the largest State in the United States, in terms of population, and which is so heavily affected by this particular situation.

I think this is an extremely important point to be considered by the Senate. I make it forcefully. I do not believe it has been made before. I believe it is something to which Senators should give the most careful and thoughtful consideration.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. WILEY. I have been listening with profit, as I always do when the Senator expresses an opinion on the floor of the Senate. I should like to see if I understand the Senator's point. I arrived a little late.

The point is made by the attorney general of New York, as I understand, that the reason why the proposed law would be unconstitutional is that it is not in the interest of navigation.

Mr. JAVITS. No. It would be unconstitutional because it would involve the taking of property without compensation, and, in some aspects, also a taking of property which is not compensable in money. But even aside from that question, it is the taking of property causing a financial loss to the State of New York, without compensation. This is against the Constitution of the United States.

Mr. WILEY. As I understand, that applies to the loss which would result with respect to the operation of electric facilities.

Mr. JAVITS. It involves losses in connection with power facilities, and also such losses as we would suffer with respect to navigation, but primarily losses in connection with electric power facilities in which the State of New York has a direct and immediate interest; and with respect to which, as I shall further develop as we go along, we would suffer, at the very least, a definitely ascertainable loss.

Mr. AIKEN. I have noticed that the proponents of the legislation estimate that the loss of power is based upon an additional diversion of 1,000 cubic feet of water per second.

Mr. JAVITS. Yes.

Mr. AIKEN. In my opinion that is not the proper basis on which to estimate the loss of power, because during three-fourths of the year it would not make much difference. Where the loss of power would come would be in the diversion of 10,000 second-feet of water from the Great Lakes and the St. Lawrence Basin during the low water period. To that extent the total loss would be in prime power, not interruptible power. So the loss would be much greater by taking from 5,000 to 10,000 second-feet during the lower water period than it would be if the diversion averaged a thousand feet a day throughout the year.

Mr. JAVITS. I thoroughly agree with my colleague that the quantitative question is not the sole question. The qualitative question is equally vital. My colleague shows his great experience in this field, which is far greater than mine, by calling attention to this situation. It only emphasizes my own approach to the question, which is very heavily based upon the legal questions involved. I believe that the question of the right we have under the Constitution to do this at all is very serious. What the Senator has said is most pertinent, as again demonstrating the tangible and material loss

suffered above and beyond what is argued to be not a particularly material diversion.

Mr. AIKEN. There is another point which should be made. It has been said that Canada did not make a very forceful representation in opposition to the enactment of the proposed legislation last year. It so happened that last fall I was in Ottawa talking with the Minister for External Affairs. I asked him why their representation was not more clear in their aide memoire which they had sent to our State Department. I remarked that 5,000 second-feet of water was a great deal of water to take away from the St. Lawrence during the dry season. He said "5,000 second-feet? We thought it was 1,000 second-feet." Apparently the Canadians had never been informed of the maximum of 5,000 second-feet which could be drawn at any one time, particularly during the low-water season. The bill this year is worse than the bill last year, because it does not have the 5,000 second-feet limitation on the amount which may be drawn at any one time. Under the bill there is no reason why the city of Chicago, during the dry season, could not divert 5,000, 6,000, 7,000, 8,000, or 10,000 second-feet, so far as the provisions of the bill are concerned. The reason why the Canadians did not make a more forceful representation last year was that they thought they were dealing with 1,000 second-feet at any one time.

Mr. JAVITS. The Senator has put his finger on another of the very vital reasons why I believe this legislation should be rejected. That is that when we have a situation with so many administrative dynamics, and the need for such direct control in order to be fair, even if we were to carry out the purpose and intent of the statute, if we have a choice in such a situation between judicial means, which can follow all the permutations of the case as they come along, and legislative means, which fix the situation at one particular time in one particular law, we should always take the more flexible means, which can follow the facts as they develop.

Hence, in my opinion, the decisive point here is that there is an opportunity for full relief for the city of Chicago in terms of whatever relief is deserved, after the most complete judicial consideration in the proceedings before the U.S. Supreme Court.

That that is true, and that the proposed legislation would run counter to all the theories by which we soundly try to do a job of this character can be shown by the fact that on previous occasions the Supreme Court gave Chicago relief. The Supreme Court gave the city of Chicago relief in 1940. The Supreme Court gave Chicago relief in 1956. It will give Chicago relief again; and it will also administer the time during which such relief can be granted or denied.

For example, on one particular occasion relief was granted to Chicago for a certain specified period of time. It was able to show that the time was inadequate. So the Court said, "We will grant you relief for some longer period of time."

We cannot possibly do that. The minute we begin to pass bills, with the idea that the job is all going to be done by the Congress, the Congress becomes an administrative agency for the diversion of water for the city of Chicago, even for legitimate purposes—and we argue that these purposes are not proper.

I point that out because I think it makes invalid the whole legislative approach, which would cause no end of mischief. This is by no means the end. This is only the beginning of a long series of legislative acts which will put us in the middle of the business of supplying Chicago with water for its sewer and navigation problem. That is what we are heading into. I doubt very much whether the representatives of that community understand that that is exactly what we are doing.

Mr. AIKEN. The most serious part of the effort now being made, I think, would lie in the international repercussions which would inevitably ensue. I agree with what the Senator from New York has said about the Congress not having any right to take assets away from one State and contribute them to another State. But more than that is the fact that Canada would regard the proposed action as definitely breaking a treaty on our part. There is a provision in that treaty for amending it by orderly procedure.

We should not violate a treaty with Canada. If we expect to violate a treaty with any nation on earth, it should not be a treaty with Canada. As chairman of the Senate delegation of the Canadian-United States Interparliamentary meeting, I would feel chagrined if the U.S. Senate deliberately undertook to violate an agreement with a country which is as close to us as Canada is.

Mr. JAVITS. This is not a new position for the Senator from Vermont to take.

Mr. AIKEN. No.

Mr. JAVITS. In the last Congress I had the honor to quote the Senator when we faced a similar argument on this question, a question which I hope will come up again, namely, of referring the whole measure to the Committee on Foreign Relations. The Senator from Vermont made very clear the grave repercussions which we would be bound to incur if we proceeded in this way. I should like to read, if the Senator from Vermont will allow me to remind him, what he said at that time:

> I am greatly disturbed over the type of discussion which is taking place with regard to the Chicago diversion bill. * * * A cold war is being waged everywhere with tension high in foreign countries, even in the Western Hemisphere.

Incidentally, how true that is today.

> This afternoon the mutual security bill, which calls for many agreements with foreign countries, was passed. We already have agreements with other countries all over the world. While we are considering these agreements and talking about more agreements, it seems incredible that here on the Senate floor, supposedly intelligent Members of this body would stand up and deliberately talk about violating a treaty with another country. Perhaps we take Canada for granted; but I do not believe Canada takes for granted the treaty we made with her 49 years ago.

Mr. AIKEN. I thank the Senator from New York for reading that statement. I had forgotten making it. I was getting ready to make a similar statement; but since the Senator from New York has read my previous statement, I shall simply say that I stand by the statement which he has read. If we cannot keep an agreement with the best friend we have among the nations, how can we expect the other nations of the earth to respect us? How can we criticize any other nation for breaking their agreements with us or with anyone else if we ourselves break agreements?

This is a matter so serious that it extends far beyond matters affecting the States of Vermont, New York, Pennsylvania, Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, and other States in the Nation. If Congress takes affirmative action on this measure, it will brand the United States as being willing to break agreements with other countries.

Mr. JAVITS. I thank the Senator from Vermont. I point out, too, that we have other sources of difficulty with our brothers to the north. We placed some quotas on various minerals, an action which they do not like. We put some import quotas on oil, which is an action they do not like. They are very restless about the tremendous way in which their whole economy is geared to that of the United States, and in which their currency is geared to that of the United States. There is a tremendous interest which we have in unity with Canada.

It seems to me that we would be striking at a peculiarly sensitive nerve, let us say, looking at the problem in the perspective of history, with this small matter. But this is the kind of test, as the Senator has said so well before, and is saying so well now, which is a test of good faith.

Let us consider how often we have said that we cannot trust the Soviet Union in connection with an agreement, when the Soviet Union has backtracked on a small matter, but a matter which to us was indicative of their general attitude. Would we want to incur that kind of reputation with Canada?

Mr. AIKEN. Canada is at this very moment respecting the terms of this agreement which was made with the United States in 1909. It is common knowledge that it would be to the advantage of Canada, and very much so, to divert the headwaters of the Columbia River, so that Canada could use those waters to her best advantage. Nevertheless, the diversion of the headwaters of the Columbia River would seriously affect the flow of that river in the United States. It would certainly assure economic loss to us. Therefore, the Canadians, in connection with this agreement, which some of our Members are now willing to disregard, have gone to the International Joint Commission, as provided for in the agreement. The International Joint Commission is taking up the case of the headwaters of the Columbia River in an orderly manner.

Nevertheless, Canada has abided by the treaty in asking the International Joint Commission to decide the question of the diversion of the headwaters of the Columbia River.

But if this proposed legislation should pass, Canada should be under no further restrictions to observe the terms of the treaty as it relates to the headwaters of the Columbia.

The loss to the United States from the diversion of the headwaters of the Columbia River would undoubtedly be many times the loss to Canada from the diversion of the waters of Lake Michigan through the Chicago Drainage Canal. We would get the short end of that bargain if we gave Canada not only the opportunity to disregard the treaty, but really an invitation to disregard the treaty so far as her western Provinces are concerned.

Mr. JAVITS. I point out to the Senator from Vermont that the committee, even the majority, which reported the bill was very conscious of the Columbia River question. Indeed, if the Senator will look at pages 10 and 11 of the report, he will find that the committee discussed the Columbia River question. What it was really trying to do was to say that if Canada retaliates—it should not—the fact is—as I shall show in a little while from declarations of the Canadians themselves—the fact is, whether we think she should or should not, whether we think she would be justified or would not be justified, the fact is that that protest of Canada against this particular diversion is very strong. We are indebted to our colleague, the distinguished senior Senator from Wisconsin [Mr. WILEY], who is so senior on the Committee on Foreign Relations, for having laid to rest, once and for all, the illusion under which many people labor that Canada does not mind this proposal at all. The Senator from Wisconsin certainly nailed that one.

Canada feels strongly about the proposal, as I can demonstrate, and as everyone else who has read about the matter can demonstrate. It may be said that Canada should not retaliate in respect to the Columbia River. But when people feel strongly, given an analogous situation, what can we expect them to do? We cannot determine for them how they should feel, or try to assuage their feelings by believing they should not do it. The fact is that they will be exercised about this, and properly so. What is sauce for the goose is sauce for the gander. They may well say, "How can you be mad at us if we do the same thing in the Columbia River?"

Mr. AIKEN. In the event of the diversion of the headwaters of the Columbia, in the face of the passage of this measure, Canada would be trying to protect itself as a country. Our loss from a diversion of the waters of the Columbia would undoubtedly be greater than the loss to Canda by a diversion of the 2,500 second-feet from Lake Michigan. Canada is much better ground, because the Columbia is a river. Lake Michigan is not only a tributary of the Great Lakes; it runs into the Great Lakes; it is a part of the Great Lakes. So Lake Michigan is definitely covered by the terms of the treaty, whereas there might be some question as to the headwaters of the Columbia.

Mr. WILEY. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. WILEY. I thank the distinguished Senator for referring to the particular action which I have taken in order to clarify the record as to Canada's position. I have this question to ask. The President of the United States is abroad. The United States has a reputation throughout the world of keeping its agreements and keeping its faith. The Canadian Government has repeated the statement that not only the 1909 agreement, which was with England, but the 1950 agreement and a number of other understandings would be violated That is the fact, established by the record.

Then, within the last week—and the Senator from New York has seen the statement which was sent within the last week, has he not?

Mr. JAVITS. Yes.

Mr. WILEY. Within the last week, Canada has sent to us another statement, which confirms her opposition to this proposal.

The President is now abroad. Today he meets with Adenauer; later he will meet with Macmillan, and then with De Gaulle; and later he will meet with the Premier of Italy. If it were to appear that the United States had broken faith with her best friend—as the distinguished Senator has just stated—and her neighbor, with whom our country has lived in peace for more than 140 years; and if it were to appear that our country had disregarded the strong protest made by Canada, based on treaties between Canada and the United States; and if we were to ignore the strong opposition of Canada in this case, what would be the effect upon our friends and allies overseas?

Mr. JAVITS. Those who argue for the enactment of this bill may say that it involves a relatively unimportant matter in comparison with the great issue of war or peace or other great international issues. But certainly this matter is vital to our great neighbor, Canada, in terms of her growth in size and productivity; and the Canadians have become very sensitive on that score.

Furthermore, a potentially big political storm is developing in Canada. Just think what those in Canada who might wish to use this matter as a political issue could do with it there. In fact, I understand that in the political campaign in which Mr. Diefenbaker was the winner, much emphasis was placed upon relations between Canada and the United States, in terms of tariff relationships, investments, and so forth. Just think of the storm which could be blown up if, in the teeth of these protests by the Canadian Government, the Congress nevertheless were to put itself into the business of regulating matters which now are within the control of the Supreme Court of the United States.

In order to show how strongly Canada feels about this matter, let us consider what Canada has said, through her Ambassador, Mr. Heeney, on April 9, 1959. I read now from a letter addressed by Ambassador Heeney to the then Acting Secretary of State, Christian Herter:

> Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.
>
> I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.
>
> Please accept, sir, the renewed assurances of my highest consideration.
>
> A. D. P. HEENEY.
>
> WASHINGTON, D.C., *April 9, 1959.*

Yet, Mr. President, if this bill were enacted, it would do—directly in the teeth of that request from the Government of Canada—exactly what Canada has asked our country not to do—to wit, not to take "unilateral action" to "imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings" on that subject between the United States and Canada.

Mr. President, I cannot think of a worse time or a worse occasion for undertaking such an enterprise, which would be bound to have such adverse effects upon the relationships between our country and Canada.

Now, Mr. President, let me develop my main theme in this connection:

In this controversy about the Great Lakes water, domestic politics should surely stop at the water's edge. Yet it is the very hallmark of this bill that exactly the contrary policy is reflected in it. We find ourselves debating a bill which, if enacted by the Congress, could deliver a serious blow to our excellent relations with our close neighbor and ally, Canada. It is a basic principle of government that where the courts can give relief, the legislature should refrain from stepping in, in their place. Unless we observe this principle now in regard to House bill 1, and defeat the bill, we may very easily find ourselves in a grave international mess with Canada.

The bill which is now before the Senate involves issues which go far beyond the mere "study" which the bill purports to authorize. It involves important questions of foreign policy with Canada and foreign-policy precedents; it also involves developments adverse to the St. Lawrence Seaway and navigation, the property and water rights of a number of States and their citizens along the entire Great Lakes system, and the question of whether Congress will permit the Supreme Court to continue its determination of matters which are pending before it. This measure also involves the basic issue of orderly government. Shall we do by statute what can be done through the courts on a nonpolitical

basis, considering the rights of all the parties concerned, or administratively under existing conditions and authorization?

It seems to me that the answer should definitely be in the negative.

I believe that it is most important in this respect to note the history and present status of the entire Chicago water diversion situation before the Supreme Court of the United States. A detailed study of this history has been prepared by the attorneys of the New York State Power Authority.

Mr. President, in that connection I should like to review briefly the history of this proposed legislation, in order to demonstrate what I regard as some cardinal points in connection with it.

First, I state that the proposed report is unnecessary, because the controversy has now been taken very well in hand by the Supreme Court of the United States.

Second, if the Congress were to venture into this field, it would become involved in a continuous process of developing facts and technical information in a situation which constantly changes; and once we let ourselves become involved in that process, we would have to be constantly determining the changing facts in the situation. It seems to me that the history of the litigation in the U.S. Supreme Court shows that fact very clearly.

Third—and this is very important—the Supreme Court of the United States has demonstrated its ability to keep up with the situation as it develops; and, therefore, I believe that its handling of the situation will result in justice for Chicago.

Mr. President, in that respect I should like to make a brief personal reference. I was born in New York City, and I have lived there all my life. New York City is a great metropolis; and New York State contains a number of other great cities in addition, such as Buffalo, Syracuse, Rochester, Albany, Schenectady, and many others. So, Mr. President, it is natural for me to feel an affinity for another large city, such as Chicago, which is having its problems and its troubles right now, as reflected by this proposed legislation.

Thus, Mr. President it is natural for me to have a normal sympathy for Chicago; and I do have real sympathy for her. In many, many instances the interests of Chicago are similar to or are cojoined with the interests of New York City; and, thus far, both of those cities have proceeded with the utmost harmony to handle the problems facing them, and I hope they will continue to proceed in that way, and, in fact, will do even better in that respect in the future.

But it seems to me that the proposed legislation, if enacted, would do a very great deal to prejudice what I regard as the fundamental interests of the large cities. In view of that situation and in view of the situation as regards the Supreme Court of the United States, I believe that the legislation now proposed is not the only means by which Chicago will be able to obtain relief.

So I believe that, notwithstanding my sympathy for Chicago, I have no right to be sympathetic in connection with this proposal, when Chicago is trying to do what I regard as the wrong thing, in terms of the interests of large cities, and also in terms of the interests of the Nation as a whole.

In terms of the interest of big cities, when a matter of this kind, which runs counter to the best in international relations, is forced, it seems to me the atmosphere in which big cities seek help from the Congress of the United States is not sweetened. There are so many things in which we need help—the new and revised metropolitan area concept, the whole commuting problem which involves train services, the airport problem which involves airplanes, and we are deeply concerned with housing and urban renewal and all the connotations which enter into that picture. My very distinguished colleague, who is a great figure in the housing field, the Senator from Alabama [Mr. SPARKMAN] is now sitting in the majority leader's seat on the other side of the aisle.

All of these matters require that the status of the big cities in their relations with the Congress shall be very strong and effective, and that the cities shall not get us into any "messes," if we can avoid them.

Yet if we do what Chicago asks us to do in this matter, we shall be getting ourselves into a very difficult international situation. I do not see why the requirements of justice, so far as Chicago's basic needs are concerned, are not adequately satisfied by the pendency of this litigation in the Supreme Court and the flexibility which the Supreme Court has shown in dealing with it.

Let me give very briefly this analysis of the litigation in the Supreme Court in order to demonstrate the validity of the points which I have just made.

The Lake Michigan diversion controversy arose with the construction by the Sanitary District of Chicago of the Chicago Drainage Canal in 1900.

At the time the Chicago Drainage Canal was constructed the laws of the United States prohibited the creation of any obstruction to the navigable capacity of any of the waters of the United States not affirmatively authorized by Congress, and made unlawful the alteration or modification of the course, condition, or capacity of any lake or channel of any navigable water of the United States unless authorized by the Secretary of War.

So, beginning on May 8, 1899, 60 years ago, we had a whole succession of the issuance of licenses by the Secretary of War in order to enable Chicago and the State of Illinois to go ahead with their project and work out their problems.

It is only when diversion becomes so excessive as to imperil the security in terms of the enjoyment of the lake waters of other States and—and this is the important part—when, in the judgment of the Supreme Court, Chicago exceeds what had been allowed to it by the Secretary of War, that the neighboring States of Minnesota, Ohio, Pennsylvania, Wisconsin, and New York sue in court in order to get what they consider to be a fair adjudication of this very practical problem as between themselves and their neighbor, Chicago.

It was this litigation which finally resulted in the decree entered in April of 1930, which enjoined Chicago from diverting more of the waters of the Great Lakes than it was entitled to.

Mind you, Mr. President, the Supreme Court, in a decision marked by a very great understanding of the practicalities, provided for a stepped down diversion to give Chicago ample opportunity to build the necessary sewage and sanitation facilities in order to avoid any danger to the public health by the enforcement of this decree.

So these excessive diversions were allowed right down to 1938. It was only on and after December 31, 1938, that Chicago was confined to 1,500 cubic feet per second in addition to its domestic pumpage.

In 1940 Illinois began to apply for modifications of the Supreme Court's decree; and in 1940 the Court came to the conclusion that Illinois needed some relief, not that it was entitled to it by virtue of the fact that it had carried out the decree, but facing the very practical situation of Chicago not having done the job it needed to do on its own, and because there was a condition existing which was dangerous to the public health.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. NEUBERGER. I desire to thank my distinguished colleague from New York for his courtesy. I wish to inform the Senator, as one of the Senators from the State of Oregon, that I intend to join him and the distinguished senior Senator from Wisconsin [Mr. WILEY], whom I see in the Chamber, in opposing the additional diversion of water from the waters of Lake Michigan which is sought. We of the Pacific Northwest have a particular stake in this matter because of the fact that the Government of Canada has opposed the diversion of the water. The Great Lakes are not the only place where important international waters are shared by the United States and Canada.

The greatest river for hydroelectric power on the whole North American Continent is the Columbia River, which rises in the Selkirk and Rocky Mountains of Canada and flows some 465 miles on Canadian soil before it crosses the international border and flows through the States of Washington and Oregon for another approximately 750 miles to the sea. If we were to disregard the wishes of Canada on the Great Lakes it seems to me—although my reasoning may be faulty—it would be an invitation for Canada to disregard our wishes with regard to the Columbia River.

Already the Canadian Government has authorized a study of the possibilities of diverting an amount of water equal to the entire flow of the Colorado River at Glenns Ferry from the upper Columbia River. If this catastrophe were to occur—and I trust it will not—it would leave stranded some of the greatest hydroelectric plants ever built in the world. It would mean the dams such as Grand

Coulee, the biggest single edifice ever reared by the American Government, Chief Joseph, Bonneville Dam, and others could never be expanded as to hydroelectric capacity, and their present output might be diminished.

Therefore, we in the Northwest have a positive stake which is far more than academic in the outcome of the Senate vote today or tomorrow.

I wish to assure the Senator from New York that I have been listening to his remarks, and I join him and support him in opposition to passage of H.R. 1. I think it would not only be unwise to pass the bill, but also it would jeopardize our relationships with Canada.

I note the distinguished senior Senator from Alaska [Mr. BARTLETT] is the present occupant of the Chair, presiding over the Senate. The Senator from Alaska, who formerly was the very able delegate from Alaska, one of the principal authors of Alaskan statehood, has joined with his eminent colleague from Alaska [Mr. GRUENING] in proposing the great Rampart Dam on the Yukon River. The Rampart Dam would be even larger than Grand Coulee, which I mentioned a few minutes ago. Yet the Yukon River, one of the great waterways of the new world, likewise is shared by Canada and the United States. The Yukon River rises near Whitehorse in the Yukon territory and flows some 400 or 500 miles through Yukon territory before it reaches Alaska, and then flows through Alaska to its eventual union with salt water in the Bering Sea.

I again state my belief that if we needlessly antagonize Canada with regard to Lake Michigan we will open a Pandora's box. We will be inviting or even daring Canada to flout our wishes in the mutual and beneficial use by the two countries of the Columbia River of the Pacific Northwest and the Yukon River of the far north in Alaska, and of other great waterways which are shared by the two preeminent nations of North America.

So I desire to tell the Senator from New York and the Senator from Wisconsin that I share with them opposition to passage of H.R. 1.

Mr. JAVITS. Mr. President, I thank my colleague.

I should like to point out to the Senator that the majority of the committee, as my colleague knows well, since he is a member of the committee, was very conscious of the danger involved in the action which it was taking as it affected Canada, so it devoted a couple of paragraphs of the report, on pages 10 and 11, to explaining why Canada would be unreasonable if it reacted to the United States action concerning Lake Michigan, if we passed the bill. I think the Canadians would have a right, as human beings do, to say, "Look who is talking about being unreasonable," if we pass the bill.

Mr. NEUBERGER. I thank the Senator from New York. I think the Senator has highlighted what I believe would be a reasonable and logical attitude on the part of the Canadians. I invite attention to the minority committee report, which is signed by Senators McNAMARA, YOUNG of Ohio, MARTIN, PROUTY, SCOTT, and NEUBERGER. It states that this precise situation with regard to the Columbia River and the Yukon River is involved. That can be found in the minority views on pages 28 and 29.

I should like to read one sentence, if the Senator will permit.

Mr. JAVITS. Please do.

Mr. NEUBERGER. I read:

> If the expressed and stipulated views of the Canadian Government are flouted on Lake Michigan, is this not an invitation to Canada to disregard and flout similarly the views of the American Government on the Columbia River?

Mr. JAVITS. That is exactly correct. I am very glad to develop that subject with my colleague. I am very grateful to the Senator from Oregon for highlighting the matter from his own experience and from his enormous knowledge of the water supply of the great Northwest, of which he is such an ornament.

Mr. President, I should like to proceed with my legal analysis. To refresh the minds of Members of the Senate who might have been listening, I have been trying to demonstrate that the legal proceedings are very long standing and that they have accommodated themselves to the factual situation as it has developed. If we fail to take account of that fact and if we pass the bill under consideration, we will be practically saying to the Supreme Court, "You can quit now, and we will take over." We will be putting ourselves in a situation where there will be constant efforts before us to amend the law, to bring in new factors, and to have more or less diversion of water, as the case may be. We will be, in practical effect, running the lawsuit. I do not think any Senator really wants to do that.

Let us continue with the illustrations.

In 1940, Illinois said, in effect, "We are not yet ready to apply this decree fully, Mr. Supreme Court, and we would like to have some relief."

The Supreme Court did not give all of the relief which it was claimed was needed, but it did give some relief. It proceeded, as it had traditionally proceeded, through a special master, whenever something came up which needed consideration. There were hearings with regard to the facts. Experts were consulted. The Supreme Court went into the situation thoroughly, and made some determinations.

This process has gone on constantly.

In 1950 the State of Illinois and the sanitary district again petitioned the Supreme Court to review the matter. The Supreme Court, after certain proceedings, dismissed that particular application.

Mr. President, in order to again show the flexibility with which this matter has been handled, in November of 1956 Illinois again petitioned the Supreme Court for a temporary modification of the 1930 decree, so as to increase the diversion by a very large figure, to 10,000 cubic feet per second, for a period of 100 days, to relieve what was said to be a very serious emergency situation.

On December 17, 1956, the Court actually granted this application, to the extent of allowing 8,500 cubic feet per second to be diverted until January 31, 1957, without prejudice to the rights of the parties.

When the emergency continued, the Court entered a modification of its decree, extending the right to increase the diversion to February 28, 1957.

The proceedings have continued, Mr. President, until now, at this moment, a new proceeding is pending in the Supreme Court, based upon the various allegations of the parties to the litigation, seeking to test out the amount of water which Chicago needs for so-called domestic pumpage. The matter has now been referred to the Honorable Albert B. Maris, U.S. senior circuit judge, as a special master.

Mr. President, if Chicago has a case, the place for it to take its case, as it has before, and the place for it to have every expectation of getting relief if it is entitled to relief, is the Supreme Court of the United States.

The Supreme Court has certainly not turned a cold, stony face against Chicago. On the contrary, Chicago has been accommodated time and again as its situation required, based upon a demonstration of the facts.

But what is sought here is to transfer this whole controversy, this whole lawsuit, and all of the interim steps which have been taken in the lawsuit, all the interim items of relief in this lawsuit, to the Congress of the United States.

It seems to me that, aside from the international difficulties, which have been very well discussed, aside from the constitutional problems which are involved in this litigation, aside from the actual damage to the other States for which there will be no compensation, we are also letting ourselves in for being a litigating agency, which will cause us no end of difficulty in terms of problems we are called upon to decide and the amount of work we will have to do. We know very well in this body that when we work on this problem we do not work on something else which probably is far more important and far less susceptible of settlement than is this. This is susceptible of settlement by the courts. We will be asked to work on it.

There are many problems which cannot be settled in any other way than by action of the Congress, and yet we are asked to make them give way to a matter which could be settled by the courts.

Mr. President, I ask unanimous consent that there be made a part of my remarks a document entitled "History of Past Litigation and Description of Proceedings Currently Pending in the U.S. Supreme Court Relating to Diversions From Lake Michigan by Illinois," prepared by the General Counsel of the Power Authority of the State of New York.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

HISTORY OF PAST LITIGATION AND DESCRIPTION OF PROCEEDINGS CURRENTLY PENDING IN THE U.S. SUPREME COURT RELATING TO DIVERSIONS FROM LAKE MICHIGAN BY ILLINOIS

The Michigan diversion controversy arose with the construction by the Sanitary District of Chicago of the Chicago drainage canal in 1900. Before the canal was constructed

the Chicago River was a small but navigable stream which flowed into Lake Michigan. The canal changed the flow of the Chicago River away from Lake Michigan into the Mississippi River. This was done by cutting through the low continental divide which separated the Chicago River from the Des Plaines River which flows into the Illinois River which in turn flows into the Mississippi River. The primary purpose of the canal was to wash the sewage of the Chicago area, which was then being carried by the Chicago River into Lake Michigan—the area's water supply—into the Mississippi River by diverting water from Lake Michigan. To accomplish this purpose the canal was designed to divert from Lake Michigan about 10,000 cubic feet per second of water.

At the time the canal was constructed, section 10 of the act of March 3, 1899, chapter 425, 30 Stat. at L. 1121, 1151, prohibited the creation of any obstruction to the navigable capacity of any of the waters of the United States not affirmatively authorized by Congress and made unlawful the alteration or modification of the course, condition or capacity of any lake or the channel of any navigable water of the United States unless authorized by the Secretary of War.

Beginning May 8, 1899, revokable licenses were issued from time to time by the Secretary of War for the withdrawal of not more than specified amounts of water from Lake Michigan through the Chicago drainage canal. From 1899 to 1930 the diversion permitted by the Secretary of War ranged between 3,333 cubic feet per second and 8,500 cubic feet per second.

On March 10, 1907, the Secretary of War refused a request of the sanitary district for permission to open a new channel from Lake Michigan through the Calumet River to the Chicago drainage canal.

On March 23, 1908, the United States brought an action against the sanitary district to prevent it from constructing this second channel from Lake Michigan and for a determination of rights. On June 30, 1910, permission to open the second channel was granted by the Secretary of War with the understanding that the total quantity of water withdrawn should not exceed that already authorized by the Secretary of War, which was then 4,167 cubic feet per second, and with the understanding that the permit should not affect or be used in the still pending friendly suit brought by the United States against the sanitary district in 1908 to determine rights.

On January 8, 1913, the Secretary of War refused a request of the sanitary district to increase the authorized diversion from 4,167 cubic feet per second to 10,000 cubic feet per second of water. In refusing this request the Secretary found that a diversion of 10,000 cubic feet per second would adversely affect navigation and concluded that he did not have the authority to grant a permit which would have such a result for the benefit of the local interest in the sanitation of Chicago.

After the Secretary of War's refusal in January 1913 to increase the authorized diversion the sanitary district was informed by the War Department that it was withdrawing more water than was permitted. While the amount permitted was 4,167 cubic feet per second the sanitary district was withdrawing more than 7,000 cubic feet per second. The sanitary district took the position that it was bound by State law to divert a greater quantity of water than was authorized by the Secretary of War.

On October 6, 1913, while the action brought by the United States against the sanitary district in 1908 was still pending, the United States brought another action against the district to enjoin it from diverting more water than was permitted and the new action was consolidated with the earlier suit. During the pendency of this consolidated action the sanitary district continued to divert approximately 8,500 cubic feet per second despite the fact that the amount of authorized diversion was 4,167 cubic feet per second.

On July 14, 1922, Wisconsin filed a bill in the U.S. Supreme Court invoking the original equitable jurisdiction of the Court over controversies between the States and asked that Illinois and the sanitary district be enjoined from diverting water from Lake Michigan into the Illinois Waterway.

On January 5, 1925, the U.S. Supreme Court affirmed a decree of a U.S. district court granting the United States an injunction against the sanitary district diverting more water than was then authorized by the Secretary of War. The affirmance of the injunction was without prejudice to any permit that might be issued by the Secretary of War according to law. (*Sanitary District of Chicago* v. *United States*, 266 U.S. 405.)

After that decree it was not possible as a practical matter to reduce immediately the amount which was then being diverted, 8,500 cubic feet per second, because, without some other means of disposal of sewage, navigation in the port of Chicago would be seriously affected. The Secretary of War, therefore, on March 3, 1925, issued a conditional temporary permit for the diversion of 8,500 cubic feet per second. One of the conditions of the permit was that steps be taken immediately to carry out sewage treatment by artificial processes. The permit was to cease unless renewed on December 31, 1929.

After the 1925 decision against the sanitary district in the case brought by the United States, Wisconsin filed in the Supreme Court an amended bill in which Minnesota, Ohio, and Pennsylvania joined asking that Illinois and the sanitary district be enjoined from continuing to divert 8,500 cubic feet per second of water from Lake Michigan. At the same time, Michigan and New York each filed separate bills for the same relief. The Court referred these actions to Hon. Charles Evans Hughes, as special master (*Wisconsin* v. *Illinois*, 271 U.S. 650; 273 U.S. 642).

In its bill, New York alleged, as did the other States, that the diversion impaired the navigable capacity of the Great Lakes. In addition, New York alleged that the diversion might interfere with the use of the waters of the Niagara and St. Lawrence Rivers for the development of power. On motion of Illinois, that allegation was stricken from the complaint on May 31, 1927, because there was no showing that there was any present use of the waters for such purpose which would be disturbed or that there was any definite project for so using them which would be affected. However, the ruling was without prejudice to the right of New York to litigate later the questions presented upon a showing of actual or presently threatened interference with New York's right to use the waters of the Niagara and St. Lawrence Rivers for the development of power (*New York* v. *Illinois*, 273 U.S. 488).

After holding hearings, Special Master Hughes, reported to the Supreme Court on November 25, 1927, that the diversion then being made of 8,500 cubic feet per second under the conditional temporary permit of the Secretary of War was lowering the levels of the Great Lakes and thus adversely affecting navigation there and in the connecting channels to the great damage of the complainant States. He also found that the diversion was primarily for purposes of sanitation but that it also was incidentally used for the development of power on the Illinois Waterway. However, since the diversion then being made of 8,500 cubic feet per second was authorized by the Secretary of War he recommended that the complaints be dismissed without prejudice to the institution of new actions to prevent a diversion of water from Lake Michigan made or attempted without authority of law.

On January 14, 1929, the Supreme Court, while accepting the findings of fact of the special master referred the causes back to him for consideration of the practical measures needed to restore to the complainant States their just rights. The Court held that except for the negligible amount necessary to keep up navigation in the Chicago River the diversion was unlawful and violated the rights of the complainant States. The Court further held that the Secretary of War could not make local sanitation a basis for continuing the diversion and that, since the validity of his permit beyond the negligible amount needed for navigation derived its support entirely from the situation produced by the sanitary district in violation of the rights of the complainant States, it was the duty of the Court by appropriate decree to compel the reduction of the diversion to a point where it would rest on a legal basis (*Wisconsin* v. *Illinois*, 278 U.S. 367).[1]

On December 17, 1929, the special master reported to the Court his findings and recommendations for the gradual restoration of the just rights of the complainant States by the construction of sewage disposal plants so as to diminish so far as possible the diversion of water from Lake Michigan. He found that when the planned sewage treatment works were completely constructed, the permanent diversion out of the Great Lakes-St. Lawrence system or watershed should be cut down to an annual average of 1,500 cubic feet per second, the diversion required for purposes of navigation, in addition to domestic pumpage. Domestic pumpage is the water withdrawn at Chicago from Lake Michigan, which after being used, is collected in the sanitary district's sewers, carried to its sewage treatment works and after being purified is discharged into the drainage canal and thereby diverted into the Illinois Waterway and thence into the Mississippi River.

The complainant States excepted to that part of the special master's report which allowed the permanent diversion from Lake Michigan of the domestic pumpage in addition to the 1,500 cubic feet per second required for navigation. The complainant States did not object to the withdrawal of water for domestic purposes but maintained that after the domestic pumpage was purified, the sanitary district should be required to return it to Lake Michigan. The amount of water permanently diverted from Lake Michigan at Chicago as domestic pumpage had increased from 449 cubic feet per second in 1900 to approximately 1,700 cubic feet per second at the time the special master made his report.

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[1] That decision was later summarized by the Court as follows:

"It was decided that the defendant State and its creature, the sanitary district, were reducing the level of the Great Lakes, were inflicting great losses upon the complainants and were violating their rights by diverting from Lake Michigan 8,500 or more cubic feet per second into the Chicago drainage canal for the purpose of diluting and carrying away the sewage of Chicago. The diversion of the water for that purpose was held illegal, but the restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid so far as might be the possible pestilence and ruin with which the defendants have done much to confront themselves.

* * * * *

"It already has been decided that the defendants are doing a wrong to the complainants, and that they must stop it. They must find out a way at their peril" *Wisconsin* v. *Illinois*, 281 U.S. 179).

On April 14, 1930, the Court approved the plan of the special master for gradual restoration of the just rights of the complainant States. In doing so, it rejected the demands of the complainants that the domestic pumpage after being purified be returned to the lake as "excessive upon the facts in this case" and as "a demand not contemplated by their bill." However, the Court retained jurisdiction of the suits and in so doing permitted the complainants and the defendants to apply, as each side has since done, to the Court for a modification of the decree. The Court also left open the question whether domestic pumpage includes industrial use (*Wisconsin* v. *Illinois*, 281 U.S. 179).

On April 21, 1930, the Court entered a decree which enjoined defendants on and after December 13, 1938, "from diverting any of the waters of the Great Lakes-St. Lawrence system or watershed through the Chicago drainage canal and its auxiliary channels or otherwise in excess of the annual average of 1,500 cubic feet per second, in addition to domestic pumpage." The decree also required the sanitary district to file seminannually a report of the progress made in construction of sewage treatment plants outlined in the program the district had proposed (*Wisconsin* v. *Illinois*, 281 U.S. 696).

The sanitary district did not adhere to the schedule set up for the construction of sewage treatment plants and on application of the complainant States the Supreme Court on October 10, 1932, ordered the sanitary district and the State of Illinois to show cause why they had not taken appropriate steps to comply with the April 21, 1930, decree. On return of the order to show cause the Supreme Court on December 19, 1932, referred the matter to Edward F. McClennen, as special master (*Wisconsin* v. *Illinois*, 287 U.S. 578).

On the hearings before the special master the excuse given by the sanitary district for its failure to obey the decree of April 21, 1930, was that it was unable to obtain financing for the required disposal plants. On April 10, 1933, the special master reported that the defendants had been guilty of inexcusable delays in carrying out the decree and that the sanitary district was then unable to obtain the money for the construction of the works required by the decree due to the unmarketability of its bonds. He recommended that the decree be enlarged to require Illinois to provide the moneys necessary to complete adequate sewage treatment facilities.

On May 22, 1933, the Supreme Court adopted the findings and the recommendation of the special master and overruled the objections of the defendants (*Wisconsin* v. *Illinois*, 289 U.S. 395).

One of the objections of the defendants was that the Rivers and Harbors Act of July 3, 1930 (ch. 847, 46 Stat. at L. 918, 921), required modification of the decree of April 21, 1930. That act contained a provision for a project for improvement of navigation on the Illinois River, subject however, to the explicit limitation "that the water authorized at Lockport, Ill., by the decree of the Supreme Court of the United States rendered April 21, 1930 * * * is hereby authorized to be used for the navigation of said waterway." The Court rejected the contention that the act required modification of its decree saying: "So far as the Congress purports to authorize a diversion of water from Lake Michigan for the navigation of the waterway, the authorization is explicitly limited to the amount allowed by the Court's decree."

The Court also rejected defendants' contention that that act disclosed an intention on the part of Congress to control the extent of diversion and held that there was nothing in the act which in any way conflicted with the terms of the decree (*Wisconsin* v. *Illinois*, 289 U.S. 395).[2] As noted above, the decree by its terms retained in the Court jurisdiction of the suits "for the purpose of any order or direction, or modification of this decree, or any supplemental decree, which it may deem at any time to be proper in relation to the subject matter in controversy" (*Wisconsin* v. *Illinois*, 281 U.S. 696, 698).

From 1933 to 1940 the construction of sewage-treatment plants by the sanitary district remained behind schedule. However, the defendants complied with the 1930 decree of the Supreme Court to the extent that they did not violate its injunctive provisions. The decree enjoined defendants from diverting any waters of the Great Lakes-St. Lawrence system through the Chicago drainage canal and its auxiliary channels or otherwise in excess of an annual average of 6,500 cubic feet per second in addition to domestic pumpage on and after July 1, 1930; in excess of an annual average of 5,000 cubic feet per second in addition to domestic pumpage on and after December 31, 1935; and in excess of an annual average of 1,500 cubic feet per second in addition to domestic pumpage on and after December 31, 1938.

In 1940, Illinois applied to the Supreme Court for a temporary modification of the April 21, 1930, decree so as to increase the diversion for 2 years from 1,500 cubic feet per second to 5,000 cubic feet per second, in addition to domestic pumpage on the ground that a health menace existed along the Illinois Waterway and that construction of sewage-treatment plants was behind schedule. On April 3, 1940, the Court held that Illinois had failed to show that it had done all it was required to do by the decree or that the health conditions complained of could not be remedied without an increase in diversion. However, the Court referred the health issue to Monte M. Lemann, as special master (*Wisconsin* v. *Illinois*, 309 U.S. 569).

While this reference was pending before the special master, the Supreme Court on a stipulation of the parties, which was without prejudice to their respective positions, authorized an increase in diversions from 1,500 cubic feet per second to 10,000 cubic feet per second, in addition to domestic pumpage, for one continuous period of 10 days from December 2 to December 12, 1940, in order to try to remove an accumulation of untreated sewage from a particular pool in the drainage canal (*Wisconsin* v. *Illinois*, 311 U.S. 107).

On March 31, 1941, the special master reported that the condition of the Illinois Waterway, while an odoriferous nuisance in certain areas, was not a menace to health and recommended that the petition for modification of the decree be dismissed.

On May 26, 1941, the Supreme Court confirmed the report of the special master and dismissed the petition (*Wisconsin* v. *Illinois*, 313 U.S. 547).

In 1950 Illinois and the sanitary district petitioned the Supreme Court for an interpretation and clarification of the decree of April 21, 1930. The need for such an interpretation and clarification was allegedly based on an increase in the population in the sanitary district and on an extension of the territorial limits of the district. The complainant States moved to dismiss the petition on the ground that the decree was unambiguous and that the change in conditions since its entry gave no cause for clarification or interpretation because the increases in population and size were taken into consideration in the formulation of the decree. The Supreme Court granted the motion to dismiss on October 23, 1950 (*Wisconsin* v. *Illinois*, 340 U.S. 858).

In November 1956 Illinois petitioned the Supreme Court for a temporary modification of the decree of April 21, 1930, so as to increase the diversion to 10,000 cubic feet per second for a period of 100 days to relieve a critical navigation emergency on the Mississippi River due to unprecedented drought conditions. In an amicus curiae memorandum on behalf of the United States, the Court was informed that the Corps of Engineers had expressed the opinion that the proposed diversion would serve to alleviate the emergency.

All the complainant States except Wisconsin agreed to a temporary increase in the diversion because of the navigation emergency. Their agreement, however, was without prejudice to the positions they had consistently taken in opposition to Illinois' effort to increase the diversion.

On December 17, 1956, the Court temporarily modified the April 21, 1930, decree to permit diversion until January 31, 1957, at 8,500 cubic feet per second in addition to domestic pumpage, without prejudice to the rights of the parties (*Wisconsin* v. *Illinois*, 352 U.S. 945).

At the same time that Illinois petitioned in 1956 for this temporary modification of the 1930 decree, the sanitary district again moved the Court for clarification of that decree so as to provide that the Congress could determine and authorize the amount of diversion required. On motion of the complainant States the Supreme Court on December 17, 1956, denied the sanitary district's petition for clarification of the decree (*Wisconsin* v. *Illinois*, 352, U.S. 947).

On January 28, 1957, the Court, in view of the continuing emergency, extended the temporary modification of the decree to February 28, 1957 (*Wisconsin* v. *Illinois*, 352 U.S. 983).

In December 1957, Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan, and New York applied to the Court for a reopening of the decree of April 21, 1930, so as to require Illinois and the sanitary district to return to the Great Lakes the treated effluent withdrawn as domestic pumpage or for the appointment of a special master to take evidence on the questions presented.

On March 3, 1958, the Court denied the application with leave to renew with allegations made more definite and certain as a basis for the relief sought (*Wisconsin* v. *Illinois*, 355 U.S. 944).

In October 1958, the complainant States filed in the Supreme Court an amended application wherein it was alleged among other things that the permanent diversion of 1,800 cubic feet per second as domestic pumpage resulted in an annual revenue loss in power generation of $2,055,682.30 at the power authority's and Canada's Niagara and St. Lawrence powerplants. (Nos. 2, 3, and 4 original, October term 1958).

While this amended application was pending, Illinois moved the Court for leave to file a complaint for a declaratory judgment against the complainant States that its creature, the Elmhurst-Villa Park-Lombard Water Commission, has the right to divert 30 to 50 cubic feet per second of water from Lake Michigan for domestic purposes, the effluent of which would go into the Mississippi watershed. (No. 15 original, October term 1958).

On June 29, 1959, the Court, granted the amended application by the complainant States for a reopening of its decree of April 21, 1930 (Nos. 2, 3, and 4 original, October

[2] In a footnote to this decision the Court explained its denial, on January 16, 1933, of a motion by Missouri and other intervening States to modify the April 21, 1930, decree. That motion was made on the ground that the Rivers and Harbors Act of July 3, 1930, required such modification. In denying that motion the Court necessarily rejected that contention (*Wisconsin* v. *Illinois*, 288 U.S. 587).

1958 term, retaining same numbers in the October 1959 term).

The Court's order of June 29, 1959, also granted Illinois' motion to file the bill of complaint in No. 15 original. (Renumbered No. 12, October 1959 term.)

The order appointed Hon. Albert B. Maris, U.S. senior circuit judge, special master in each of these causes and directed him to hold hearings with all convenient speed and to submit such reports as he may deem necessary.

On Tuesday, August 4, Judge Maris held a conference in Philadelphia attended by counsel for all the parties as well as for others interested in the cases including a representative of the Solicitor General of the United States. Preliminary procedures were agreed upon. Answers in all the cases will be filed by August 28 and any replies within 20 days thereafter. Trial will commence in Chicago on October 5. Judge Maris expressed the view that all issues in originals Nos. 2, 3, and 4 had been reopened by the Court's order and that those issues are substantially the same as the issues in original No. 12.

No question is involved in these causes as to (1) the right to divert permanently from Lake Michigan the water necessary to maintain navigation, 1,500 cubic feet per second, or (2) the right to divert from Lake Michigan the water necessary for domestic purposes if the treated effluent is returned to the Great Lakes watershed.

There is again before the Court the basic question whether Illinois may deprive the other Great Lakes States and Canada of their right to the natural flow of the waters of the Great Lakes by diverting such waters into another watershed for purposes other than navigation.

Under the circumstances until this basic legal question is settled, the Congress should not consider the question whether the amount of water being diverted at Chicago should be increased solely for the purpose of aiding the sanitary district to solve its sanitation problem, particularly where, as the evidence before the subcommittee establishes, there is another solution to the problem. Furthermore, if the Supreme Court should determine that water can rightfully be permanently diverted from Lake Michigan for purposes other than navigation, it has ample equitable power to determine the amount of diversion which should be allowed.

Respectfully submitted.

THOMAS F. MOORE, Jr.,
General Counsel,
Power Authority of the State of New York.
AUGUST 7, 1959.

Mr. JAVITS. Mr. President, that history shows that the Court has, as I have just explained, on a number of occasions, and with the consent of the other parties, permitted additional diversions of the lake waters at Chicago. I have just given the example of 1940, when the Court authorized additional diversion for 10 days at 10,000 cubic feet per second in order to try to remove an accumulation of untreated sewage in a particular area of the canal; in 1956 and 1957 additional diversion was permitted to alleviate a critical navigation emergency on the Mississippi River because of drought conditions.

However, there is no indication that there was ever an application to the Court for additional diversion for the purpose of making a study of the type proposed here—there is no showing that such a diversion application in the courts would not receive fair and equitable consideration—perhaps even under a stipulation with the other States, and the other States have upon previous occasions stipulated with Illinois for certain types of relief.

Again, Mr. President, I point out that the Court has had this case before it continuously since 1930 and off and on before that time, and there have been numerous occasions on which the Court's decree of 1930 has been reconsidered.

As I pointed out, right now there are proceedings pending, in four active cases under consideration by the Supreme Court, through the special master who has been appointed.

Mr. President, aside from court relief, I ask the question: Is this an appropriate time for statutory action when we are right in full career in getting whatever relief we may need in a court of law? Should not this matter be taken up with the court first? No application has been made by Chicago for that purpose.

Now, Mr. President, aside from the courts, how about administrative relief? The Secretary of Health, Education, and Welfare wrote to the chairman of the Committee on Public Works on June 1, 1959, that a study could be undertaken of the "sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago without any actual increase in the present diversion of water from Lake Michigan." Such a study, without increased diversion—which is really the purpose of this legislation—could well be undertaken under Public Law 680 of the 84th Congress: the Water Pollution Control Act Amendments of 1956. I see no indication that this administrative approach has ever been tried or that the Public Health Service has ever been approached on it.

My concern with the effect of the pending measure, which would permit a 1-year, 1,000-cubic-feet-per-second diversion of water from Lake Michigan, on our relations with Canada, which we discussed a little while ago, is not based on conjecture, but on very clear statements of the Canadian Government. Notes from the Canadian Government on February 20, 1959, April 9, 1959, and again just last week, on August 21, 1959, make this quite clear.

On the domestic side of this problem, too, there exists strong evidence against this proposal. There is first the question of the adverse effect on navigation on the St. Lawrence Seaway, which has just been opened at a cost of $450 million, of which the U.S. share was $130 million. Every cubic foot of water diverted at Chicago is lost for navigation on the St. Lawrence and the other Great Lakes channels. In shipping which measures capacity in terms of a few inches clearance over the sills of the many Great Lakes, an inch loss of water means thousands of dollars in navigational losses.

But the losses which will be incurred by the other Great Lakes States and Canada as a result of this test diversion alone cover so many areas that they cannot be measured in fiscal terms. Just one aspect—that of lost power production—should make it clear how this supposedly minor diversion really hits the pocketbooks of the other States and their people—while, it is most interesting to note, it actually results in an increase in power revenues to the State of Illinois, to whom we are supposed to do a favor by the proposed legislation.

The committee report indicates, and we seriously challenge the statement as I shall show in a minute, that the estimated power loss to New York from a 1-year test diversion would be approximately $608,000, but that this would be offset by the $67,000 gain by the Lockport, Ill., plant. That gain by Illinois will be small compensation to the New Yorkers who have less power and who will have to pay more for what they do get. Even the figure of $608,000 used in the committee report is based on obsolete data in the 1957 Army Engineers Report, and the reason why it is obsolete is that it was made prior to the completion of the great international power development on the International Rapids section of the St. Lawrence, and assumed the Niagara Falls project to be 1 year further in the future than it actually will be. We expect its completion by 1961.

Our clear and we believe absolutely fully valid estimate of the revenue loss to the State of New York in terms of power is $1,125,800 all of which, under the terms of the treaties controlling water use, will very probably have to be borne by the New York Power Authority. Indeed if the power lost had to be replaced by the more expensive steam-generated power at modern steam-plants, the cost would be $1,583,600. These figures contain no conjecture about whether all the water would be used or not—100 percent of the flow in the St. Lawrence River at International Rapids goes through the turbines except the water used in the seaway locks, and 100 percent of the Niagara water will be so used, again through turbines, except for the minimum day and night flow for the falls also provided for by treaty with Canada. And in addition to the losses, the Senate should be aware of the fact that Canada has an additional 100-percent-use plant lower on the river, where it is completely within Canada—the Beauharnois, Quebec, plant—which would suffer comparable losses.

Incidentally, and I say this parenthetically, it only emphasizes our discussion of a minute ago of the reaction of the Canadian public and the Canadian Parliament and the Canadian Government to the losses which we will impose upon them in terms of their solicitude for us when it comes to diversion of the Columbia River, about which my colleague from Oregon spoke so well.

The lost capacity, according to the power authority engineers would be enough to serve about 6,000 or 7,000 people at the average U.S. per capita installation capacity.

But taking the power area alone, a requirement that the sanitary district recompense the Power Authority of New York for lost revenues would not cure the problem, though I understand that the bill's sponsors would oppose even that.

For such compensation would not take into account the loss to the power consumers who have to do without additional capacity, the higher cost of power even if they may be able to secure it elsewhere, the possible effect on industry which has moved into the St. Lawrence River area because of the availability of properly priced power and the employment opportunities that industry offers in that area, the effect on navigation on the new St. Lawrence Seaway and the cost of additional dredging that a drop in water level would require. All these factors are not even taken into account in the figures I have mentioned as the direct dollar loss.

In conclusion, I strongly believe that there should be no legislation on this subject by the Congress at this time. The present arrangement is already a compromise, in my opinion; on the one hand, the States facing the Great Lakes, including New York, believe that the present diversion, which is constantly increasing because domestic pumpage is exempt from existing limitations, should be reduced by requiring the Chicago Sanitary District to return to Lake Michigan such water after it has been properly treated.

That is the subject of the litigations now pending in the Supreme Court, which have now been referred to Judge Maris as a special master.

On the other hand, the sanitary district wishes to increase the existing diversion of Lake Michigan water through this legislation and its eventual purpose of permanence. I believe that the Supreme Court is still the proper forum for this matter which has been handled by it for such a substantial period of time.

So, on the ground that there is an adequate forum, with adequate flexibility, which has shown its capability for dealing with this subject—namely, the U.S. Supreme Court—on the ground that it would cause great mischief between ourselves and Canada, and violate direct relationships upon which the Canadians had every right to depend, so far as we are concerned, and fly in the face of vigorously asserted Candian protests as recently as a week ago; and finally, on the ground that it would unfairly take from the other States their property in a real sense, in terms of money and in terms of intangibles which cannot be compensated for with money, I respectfully submit that we would be making a great mistake in enacting the proposed legislation.

On the procedural side, if we enact the proposed legislation we shall let ourselves in for becoming the arbiter between the State of Illinois, the Chicago Sanitary District, and all the other States on the Great Lakes. Once we pass this measure Chicago will know that this is the place to come whenever it wants something with respect to Great Lakes water. Every Senator can be sure that this is where such battles would be fought out. I doubt very much whether we think that is a good idea.

So I hope very much that the Senate will turn down this particular measure as very unwise and unfair to the neighboring States.

RACIAL DISCRIMINATION IN ADMISSION TO THE 40 AND 8

Mr. JAVITS. Mr. President, I was shocked this morning to read on the front page of the newspapers that the American Legion, of which I have the honor to be a member, and which is the largest veterans organization in the United States in terms of membership, had, by rejecting a resolution by a majority vote, indicated that a policy of racial segregation practiced by units of an affiliated group, the 40 and 8, which has a membership of about 90,000, is not contrary to the American Legion constitution. Instead, the Legion, by a voice vote, adopted a resolution—and I am taking the newspaper account—asking sympathetic support for a reexamination of the membership restriction of the 40 and 8.

In effect, the racial disqualification in the 40 and 8 is to be tolerated, according to this American Legion vote.

We in the American Legion are a patriotic body. We have dedicated ourselves, our fortunes, and our sacred honor to protect the Constitution of the United States. If there is one thing I believe in it is that we should practice what we preach. Hence I regard with great dismay what has occurred at this particular convention in this respect.

This question has been agitated for about 10 years. This is the first time it has come to a decision on the floor of the American Legion convention. As a member of the American Legion, and as a U.S. Senator, I wish to register my strong protest against this vote. It is deplorable, and, indeed, ironic, that at a time when people like myself and my colleague [Mr. KEATING] and other Members of this body are searching out and bringing into play every legitimate means at our command to bring about floor action on a civil rights bill, the American Legion should, at its annual convention, in effect make this retreat before what I consider to be forces of intolerance, which are incompatible with the guarantees and assurances of the Constitution of the United States.

It is very likely that there will be elected as the national commander of the American Legion a candidate who is I am told unopposed for that post, Martin B. McKneally, of Newburgh, a resident of my own State.

Mr. McKneally—and I hope it will be National Commander McKneally—is not only a fellow Legionnaire, he is a fellow New Yorker. I know Mr. McKneally. He struck me, during my meeting with him, as a man of broad mind, high patriotism, and great interest in his fellow men and in the Constitution of the United States.

I intend to send a telegram to the new national commander upon his election, conveying my vigorous protest over yesterday's action by the convention.

It would be very easy for me to say that I intend to resign from the American Legion. I shall do no such thing. The American Legion is made up of millions of fine Americans, many of whom, I believe, do not agree with this policy at all. I shall remain in the Legion, and I hope to lend my voice and influence to fighting for a resolution such as that which the American Legion has rejected.

I close on this note: The hallmark of our society is the right to have differences of opinion and the right to fight within our society for those things for which we believe, and to support them freely, without following any party line or being subject to the tyrannic dictates of any boss or commissar. What has been done at the American Legion convention is a challenge. I am for accepting the challenge, at the same time that I protest against the event.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE BIRTH OF HANNIBAL HAMLIN

Mrs. SMITH. Mr. President, this is a proud time in the history of Maine, for it marks the 150th anniversary of the birth date of Hannibal Hamlin, one of the most respected Americans to ever serve in the U.S. Senate, first as a Senator, then to preside over it as Vice President, and then later to return as a Senator.

It was my honor and privilege to deliver an address last Saturday, August 22, 1959, in the hometown of Hannibal Hamlin—Paris Hill, Maine—and on the lawn in front of his own house. I ask unanimous consent that my address on this occasion of the honoring ceremonies in Hannibal Hamlin's hometown and at his home be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HANNIBAL HAMLIN'S 150TH ANNIVERSARY BIRTHDAY

(Address by Hon. MARGARET CHASE SMITH, of Maine)

Today we do honor to the only citizen of Maine to ever serve as Vice President of the United States by celebrating the 150th anniversary of his birth. There must be a great yearning in the hearts of the people of Maine to have another one of its citizens be Vice President because such hopeful talk seems to be perpetually with us and especially in the last 20 years.

At least it has been pleasant, speculative talk about several public officials of Maine—even if not practical politically with our small number of electoral votes.

Yes; Hannibal Hamlin by his magnificent record of public service climaxed as Vice President has set a most admirable goal for the ambitions and hopes of all people of Maine. To aspire to emulate him is in itself a most worthy ambition—even if realism might characterize such hopes as being too high.

It was a century ago in 1860 that Hannibal Hamlin was elected Vice President of the United States. Politically both major parties can lay some claim to Hannibal Hamlin. For while he was one of the founders of the Republican Party, he was originally a Democrat.

He served with distinction first as a Democratic Congressman and then as a Democratic U.S. Senator before he founded the Republican Party and later was elected Vice President as a Republican—then later served as a Republican U.S. Senator.

I don't recall that Maine ever had in its history one person who served in the Senate

as a Democrat and a Republican—at different times, of course.

That, in itself, is a tremendous tribute to the man Hannibal Hamlin, that he was so respected, that the people of Maine had so much confidence in him that they wanted him to be their U.S. Senator, whether he was a Republican or a Democrat.

In other words, whether he was a Democrat or a Republican, the people of Maine wanted Hannibal Hamlin to be their U.S. Senator, their Congressman, their Governor, and their Vice President.

Hannibal Hamlin put the interest of the people and his country ahead of the interest of his party. He was an American first, he was a State-of-Mainer first, before he was a Democrat or a Republican.

He was a man of very great courage. It was not easy for him to break with and leave the Democratic Party over the issue of slavery. What faced him in doing this was political suicide. It would have been for almost anyone else.

But not for Hannibal Hamlin, for he not only had a stout heart but a consecrated dedication to principle.

His greatness was largely in the attribute of not opposing just for the sake of opposition, of not criticizing just for the sake of criticism. Instead, he offered specific and positive substitutes for that which he opposed and criticized.

So that after he broke with the Democratic Party over the issue of slavery he did not become merely an anti-Democrat. Instead, he helped found the Republican Party for the purpose of advocating freedom.

I think that one of the things I like about him is that he refused to do political things the safe and easy way. He had neither the knack nor the taste to do things the easy way politically. Perhaps it was because his conscience got in the way.

Such political courage is rarely found. We are sorely in need of it today. There is a greater need for Members of Congress to vote for what they think is right, however unpopular their vote may be, however much they may be maligned, however much their motives may be maliciously misrepresented.

Another attribute that I admire about Hannibal Hamlin was that he was a man of action who wasted few words. He never made a speech in the Senate unless he had something really important to say, and he was proud of such a record.

I would like to quote to you a part of his famous speech of June 12, 1856, when he announced in the Senate that he was leaving the Democratic Party over the issue of slavery. I want to because what he said so clearly expresses my own personal feeling about needless talk in the Senate.

He said:

"During 9 years of service in the Senate, I have preferred rather to be a working than a talking Member, and so I have been almost a silent one. On the subjects which have so much agitated the country, Senators know that I have rarely uttered a word. I love my country more than I love my party.

"I love my country above my love for any interest that can too deeply agitate or disturb its harmony. I saw, in all the exciting scenes and debates through which we have passed, no particular good that would result from my active intermingling in them. My heart has often been full, and the impulses of that heart have often been felt upon my lips, but I have repressed them there."

Yet, Hannibal Hamlin, the silent Senator, spoke out for freedom and against slavery with unmatched eloquence and impelling brevity when other Senators gifted with oratorical genius and dramatic gestures became vocally paralyzed mental mutes not uttering a word for fear of the political risk honest expression might create.

If I am ever to be remembered as a U.S. Senator, I prayerfully hope that it will be as a Senator who rarely made a speech but who had the courage to speak up when others remained silent on fearful and awesome issues.

Another attribute of Hannibal Hamlin that means much to me was his warmheartedness to his family, his friends—and to animals. Surely an important ingredient of his greatness was his feeling for the people—his desire to serve them and their hopes and aspirations as best he humanly could. For that was his real reward—the satisfaction of helping people—a far greater reward than all the high honors and offices he held.

A possible insight into his warm heart was his love for dogs—he was never without a dog. His last dog was a tiny black and tan terrier. I think I must know something of his feelings, for my last dog was a tiny tan chihuahua.

Show me a person that dogs love and I'll show you a really fine person with a warm heart.

And surely a generous portion of the greatness of Hannibal Hamlin had roots in his very birth place—Paris Hill, Maine. The soundness and the serenity, the dedication and the devotion, the expression and the exactitude of this community to what we know as the American way of life could not help but produce people of greatness.

For while Hannibal Hamlin is the only Vice President to be born in this community and while he is Paris Hill's most distinguished citizen, he is by no means the only son or daughter of this community to achieve greatness. The list of illustrious sons and daughters of this community who brought honor and fame is long and impressive. You have read a summary of it in your papers so I need not review that with you.

Hannibal Hamlin merely heads that list and in the honor we do him today we actually honor all others.

And in this ceremony of honor and dedication, we dedicate ourselves to emulate our illustrious predecessors whatever be our station in life—whether in the home or in the Senate—to keep alive the worthy traditions of Hannibal Hamlin and others like him so that we may in our own individual and small way be an inspiration to those who follow us just as Hannibal Hamlin has been an inspiration to those of us who follow him.

OBJECTION BY RUSSIA TO PHOTOGRAPH IN U.S. EXHIBIT AT MOSCOW FAIR

Mr. BRIDGES. Mr. President, recently I objected when, at Russian insistence, certain American books were removed from the American exhibition in Moscow.

Now we have a new incident, this time an objection from Russia about a photograph, according to a news story in the Baltimore Sun, August 24.

Harold McClellan, general manager of the American exhibition, removed one of the photographs from the Family of Man display because Russian officials told him the Chinese Communists did not like it, the story relates.

The picture involved showed a Chinese boy holding an empty rice bowl, and was a part of the display of famine around the world. The pictures included not only those portraying famine in India and in Poland, but also of Americans during the 1930 depression days.

It seems to me this is a case of whose bull is gored.

When patriotic Americans objected to some of the art work to be displayed at our exhibition in Moscow on the grounds that many of the artists not only had been cited as Communist dupes or followers but that the art work did not portray American life as it really is, there was a cry to the high heavens that we could not repress freedom of thought or action. Even the President of the United States criticized the pictures selected.

It was finally the President's criticism which led to including real American artists' work in the exhibition. None of the pro-Communist artists' work was deleted, and it is on display in Moscow right now.

But we really jumped through the hoop when Russia objected to one of the photographs.

I ask: How weak can we get in our principles? How much more appeasing must we do? How much more kowtowing must we do to the Communist butchers who shoot down our men, who hold Americans prisoner, who boast they will bury us?

I ask unanimous consent that the article concerning the removal of the photograph and other news about the fair, as published in the Baltimore Sun, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES REMOVES PHOTO AT FAIR—RUSSIANS SAY RED CHINA OBJECTED TO IT

(By Peter J. Kumpa)

Moscow, August 23.—Harold McClellan, general manager of the American National Exhibition, removed one of the photographs from the Family of Man display on the suggestion of Russian officials who told him that Chinese Communists did not like it.

The picture showed a Chinese boy holding an empty rice bowl. It was part of the section devoted to famine around the world, which also portrayed famine in India and Poland as well as hungry Americans in the depression thirties.

McClellan said there was no Chinese protest over the picture. He stated that there was no contact with Peiping officials on the matter.

CONSIDERED SEVERAL DAYS

The photograph actually was removed last Friday.

The Russian suggestions had come earlier. Exhibition officials considered the matter for several days.

McClellan explained tonight that he took the action because he did not want to stir up any more incidents like the slashing of two photographs of African natives that was done by Nigerian students studying at Moscow University.

They destroyed the pictures because they said they were belittling Africans.

New prints of the photographs were ordered by the exhibition and it was believed at first they would be replaced. But to date they have not been put back into the show.

McClellan said earlier today that he knew nothing about a third picture being removed from the Family and Man exhibit. But when he was reminded later that it might have taken place earlier, he recalled that there had been some reorganizing in the show.

What has been surprising about the static display of the photographs in the Family of Man showing is that it has been one of the popular features of the exhibition. Through most of the day visitors queue up to enter it.

And those who voted on the voting machines rate it fourth best, only behind color television, automobiles, and circorama.

Color television replaced automobiles as the most popular feature of the American exhibition according to these latest tabulations.

TWELVE THOUSAND AND SEVEN HAVE VOTED

With 4 weeks of the 6-week run of the exhibition over, the RCA–NBC color television studio show has edged ahead of the elegant display of automobiles by 47 votes.

To date 12,007 Russians have now voted at the exhibition of American voting machines and up to this week the results had run consistent to the first week's pattern.

Along with the change in popularity, a majority of the 4th week's voters rated the fair excellent rather than good. More than three-quarters of those balloting think the exhibition is either excellent or good. Less than 5 percent call it poor or very poor.

NEW QUESTIONS ADDED

Credit for the swing to color television probably should go to the number of live television programs that the NBC studio has put on. Tonight another crush of visitors watched gleefully as eight young children were televised playing a game of musical chairs.

Three new questions were added to the voting machines last week.

The results show that the voters liked the stereophonic high fidelity best among the technical exhibits over such competitors as a plastic cup machine, the Polaroid Land camera, and outboard motors.

Louis Armstrong led Duke Ellington as the most popular American musician, while most of the Russians just skipped over the question of which serious American composer they like best. In the meager number of ballots Samuel Barber was slightly ahead of Aaron Copeland.

PERSONAL QUESTIONS ASKED

The number of visitors who have used the voting machines has been far greater than originally expected. Guides at the booth find the Russians grasp the principles of closing the curtains and pushing down the tabs very easily.

But at the voting machines, as in all the other exhibitions, the guides spend less of their time answering questions about how Americans vote and more of it in personal questions thrown at the guides trying to find how they really live.

DOCUMENTS PROBLEM

The Russians do get into the technicalities of voting procedure. They want to know who can vote and who cannot and are generally surprised that this is controlled by State authorities and not the Federal Government.

They often ask how the voting machines can be beaten. It takes some convincing to persuade them that, except for human errors and frailties, the machines are pretty foolproof.

Most are convinced that Negroes are not allowed to vote.

Some ask why should Americans vote at all when capitalists rule the country anyway.

One interesting side discussion that guides soon jump into with Russian voters is the problem of documents. It is difficult to explain that an American does not carry such formal Government documents as internal passports or working cards.

If they don't, then, the Russians always ask, how can Americans move around, how can they change jobs, how can they locate friends in a city?

COMPOSITION OF CONGRESS

Another common question at the booths is the number of workers in Congress. The guides explain that legislators in the United States work all year around and not just for 2 weeks out of the year at one congressional session.

One guide, John Deluca, of Los Angeles, thinks that Russians "within the limits of their society" are more curious and questioning than Americans.

He finds that Russians are constantly checking the smallest bits of information according to their own knowledge and standards.

TOTAL NEAR 2 MILLION

With the total number of visitors now over 1,800,000 the enthusiasm for the exhibition has not diminished. Though it continues to be criticized in the Soviet press, the demand for tickets is high.

Last night scores of people waited the night through to buy their tickets. One group from the Soviet Republic of Lithuania said they were lucky because they got tickets after waiting from 11 last night to noon today. They said the supply ran out before the line finished.

CARDINAL CUSHING ON COMMUNISM

Mr. BRIDGES. Mr. President, I wish to draw attention to a very timely speech given last Friday night by Richard Cardinal Cushing, Archbishop of Boston, at Seton Hall University in New Jersey. I also ask unanimous consent that an Associated Press account of that speech appear following my remarks in the body of the RECORD.

Mr. President, I shall not take the time of the Senate to read the entire article. I shall simply draw attention to a very important point made in the article, and read just two paragraphs from Cardinal Cushing's address.

The main point made in the article is that Americans must guard against the misuse of terms such as "peace," "communism," and "democracy." In other words, we must continue to call a spade a spade, and not allow others to persuade us that it is something else.

As Cardinal Cushing said, the Communists would have us accept their definitions, and in this, there is mortal danger. Take the word "peace," for instance. Cardinal Cushing put it this way:

> Every act that contributes to the Communist conquest is a peaceful act. If they take a gun, they take a peaceful gun, containing a peaceful bullet, and kill you peacefully and put you in a peaceful grave.

I commend the archbishop of Boston for his timely warning. I think all Americans should take heed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 22, 1959]

CARDINAL CUSHING CALLS COMMUNISTS HYPOCRITES

SOUTH ORANGE, N.J., August 22.—Richard Cardinal Cushing, Archbishop of Boston, says Roman Catholics must guard against the misuse of terms such as peace, Americanism, communism, and democracy.

"We must develop the abilility to recognize things for what they are and give them the proper name," the prelate said last night.

"We must not allow bigotry to be cloaked as Americanism and communism to be called liberalism or progressive democracy."

Carlinal Cushing spoke to the second World Sodality Congress at Seton Hall University.

Calling the Communists hypocrites when they use the word peace, the cardinal said:

"No Communist ideology from Marx to Khrushchev has ever held that a promise was to be kept any longer than expediency might dictate."

He said the Communists in 40 years have set a world record for breaking pacts and treaties.

"Every act that contributes to the Communist conquest is a peaceful act," Cardinal Cushing continued.

"If they take a gun, they take a peaceful gun, containing a peaceful bullet, and kill you peacefully and put you in a peaceful grave.

"When the Chinese Communists murder millions, it is an act of peace. When the Russian tanks rolled into Budapest to butcher and destroy, it was glorious peace."

The congress has brought together some 5,000 delegates representing sodalities in 40 nations, including six Iron Curtain countries. A sodality is a local organization of Catholic laymen and clerics pledged to apply the teachings of the church to everyday life.

CAPE HATTERAS SEASHORE COMPARISON WITH OREGON DUNES EXTENDS BEYOND ORIGINAL LOCAL PROTESTS

Mr. NEUBERGER. Mr. President, several times this session I have addressed the Senate on the subject of my speech this afternoon. I have repeatedly called attention to this issue for two reasons:

First. I think that the Senate is the proper place to answer public attacks on legislation presently before Congress.

Second. I think that statements on the floor are the best way to educate the public about a legislative proposal.

For these reasons, I would like to read some typical comments which demonstrate how misinformation and lack of information about a bill can cause unfounded opposition to a worthy legislative proposal.

SEASHORE PARK OPPOSITION

One newspaperman writes:

> Having succeeded in making a political football of the issue, and having caused the development of antagonism and ill will, it would be best for all concerned if the Park Service withdraw from the picture and let the project go. It seems obvious that poor success may be expected of anything lacking entirely in public support. Why further antagonize or annoy any group of people, who are in their own home and prefer their own way of life, so long as it is lawful and ample to fulfill their desires of happiness?

Another newspaper says:

> What bothers me about this seashore park is the fact that while the stated policies of the Park Service are all but unassailable and worthy beyond word, their administration by fools and fanatics is something else. The Park Service has demonstrated no genius for reconciling progress and people, and its half-baked attempts to freeze an area into the mold of the culture and state of primitiveness at the precise time it happens to take over is as silly as it is impossible.

Still a third comments:

> The park will prevent our property growing in value and we will need this development in years to come to create employment and additional tax revenue.

Misinformation prompted one visitor to write:

It appears to me that you are doing a wicked thing in forcing those people to give up their homes, just to suit the fancy of some bureaucrats who think they know what is good for 'em.

And an irate taxpayer protested:

I would like to know why you are wasting money on a project of this type when the Government debt is the highest in recorded human history of any time, taxes are at an all-time high, and waste and inefficiency flood our Government.

SIMILARITY OF ATTACKS

These caustic attacks are protesting the establishment of a national seashore park. But, paradoxically, they are not comments culled from editorials and letters opposing the proposed Oregon Dunes National Seashore Park. They are protests collected by the National Park Service prior to the establishment of Cape Hatteras National Seashore Area over 10 years ago. This is the same Cape Hatteras Park which has proved to be one of the most popular and successful tourist areas on the Atlantic seaboard. Yet, only a decade ago, the same sort of protests that are now being raised over the establishment of the Oregon Dunes National Seashore Park were heard about Cape Hatteras.

As the statements I read indicate, the points of view expressed by both sets of opponents are similar in character. Both point out that the personal lives and rights of citizens in the affected area would be disturbed by the establishment of a park; they complain that the area's economy would be jeopardized, and that the towns and private landowners would be deprived of too much valuable land.

Of course, the protests about Cape Hatteras have long since been stilled. Opposition has long ago given way to praise for the new prosperity brought to the area by the establishment of the park. This was vividly pointed out in a series of articles by A. Robert Smith, written for the Eugene, Oreg., Register-Guard, which I inserted in the RECORD on August 4, 1959. I think they are eloquent testimonial of the success of the Cape Hatteras Park. Mr. President, I ask unanimous consent that an editorial of the Medford, Oreg., Mail Tribune, commending Mr. Smith's articles, be included at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

FEARS UNFOUNDED

Mr. NEUBERGER. Mr. President, just as local fears were proved unfounded in North Carolina, I am sure that they can be similarly discredited with regard to the Oregon Dunes area. Many persons who love the Oregon Dunes, who have lived there for a long time, regard the proposal as a threat to their personal rights as citizens of a Nation that respects private property. They wish to retain the right to pass their property on to their heirs if they so desire. There are those, too, who wish to retain the right to profit from investments they have made in the land. Mr. President, these people have nothing to fear.

NO PROPERTY OWNERS WOULD LOSE

So that the Dunes homeowners may continue to enjoy the Dunes for the remainder of their lives, the National Park Service intends to follow its long-established procedure that property for the Oregon Dunes National Seashore be acquired subject to life occupancy by the owners of property, if they so desire. Although there might be some properties which are essential to the seashore, like the inland lakes immediately behind the Dunes, the plan to protect private interests will be carried out wherever possible.

I am convinced that no property owner in the Dunes area, who has acquired his property either as a residence or as an investment, would lose if a national seashore were established there. Of course, a few may have to make sacrifices for the future benefit of the Nation, although they will be paid in full—and fairly—for their property. But in the long run the communities and individuals involved, the State of Oregon, and the Nation, will be better off.

ECONOMY WILL PROSPER

The opponents' second point, namely that the residents of a park area experience some financial discomfort during the period of adjustment, I believe not only mistaken, but contrary to fact. Experience with other parks, Cape Hatteras being one of the best examples, has been that surrounding communities invariably benefit from the creation of national parks, because those parks attract visitors who spend large sums in the locality.

Opponents of park proposals have cited the tax losses to the area and the disappearance of job opportunities as a result of the fact that real estate building and industrial development would be halted by a Federal land acquisition program. Park experience shows, however, that because the remaining territory outside the seashore boundaries would be desirable for business property, the increase in taxable property as well as in revenues from visitor spending would more than offset any tax losses incurred by loss of taxable territory.

PURPOSE OF PARK

Objections to the amount and sites of land that the Secretary of Interior may designate to be within the boundaries of new parks does not fully appreciate the basic conservation objectives of national seashore proposals or the public demand for such areas. What is proposed at the Oregon Dunes is more than a swimming beach, an ocean resort which could be restricted to beach front only. What is proposed is the preservation for all time of an area of great scenic, scientific, and recreational interest.

In establishing such an area it is necessary to set aside a territory large enough so that the natural features, particularly the variety of flora and fauna of the area, may continue to exist relatively unaffected by the surrounding land uses; an area in which there is spaciousness and continuity of the areas' natural beauty.

The qualities that make the Oregon Dunes area desirable for a national seashore are not confined to the shore alone. They also include the freshwater lakes and streams behind the dunes; outstanding examples of these should be included in the national seashore area if an adequate cross section of the dunes' nationally outstanding park values are to be preserved for the future.

SECRETARY NOT ARBITRARY

Whatever boundaries the Secretary of Interior may determine, under any of the three bills which could be used to create the Oregon Dunes Park, there is provision that State officials and inhabitants of the affected areas will be closely consulted before final markers are established. As with all other national park areas, the most equitable solution to all will be the goal.

There is no desire on the part of the Park Service to impose a hardship, or loss, on anyone. Like most farsighted interests, they believe the fame and value of the dunes area is a mighty trust in the hands of the people, to be safeguarded for future generations of the Nation. Time will prove the vision and the wisdom of this course to be far better than the policy of allowing this region to become spoiled by the forces of selfishness and greed.

EXHIBIT 1

[From the Medford (Oreg.) Mail Tribune, Aug. 4, 1959]

NATIONAL SEASHORES

The Eugene Register-Guard recently ran an exceedingly interesting series of articles telling about the Cape Hatteras National Seashore in North Carolina.

Cape Hatteras is the only national seashore now existing in the Nation, and presumably would furnish precedents in the establishment of any others.

Proposals to create several new ones—including the Oregon Dunes National Seashore between Reedsport and Florence—are now before Congress, and it was the Register-Guard's thought that a detailed description of Cape Hatteras, the difficulties encountered, and how it has been accepted, would help clear the air in Oregon.

We hope that those who are so vocally opposing the Oregon Dunes proposal have read this series.

The Cape Hatteras Seashore was strongly—even violently—opposed when first proposed. But today hardly anyone can be found in the area who doesn't accept it, most of them with great enthusiasm. Even the foremost opponents of the seashore set aside now, perhaps grudgingly, admit that it has had its benefits.

For one thing, the number of tourists to the Cape Hatteras area have more than tripled since the seashore was established.

Property values have shot up, and prosperity has visited the little towns which once depended solely on a declining fishery.

It cannot be presumed that these Register-Guard articles, or anything else much, will soften the bitter-end opposition in the Florence area to the idea of a national seashore being created, not only out of the dunes along the coast, but also of the freshwater lakes just inland, of the stands of timber nearby, or of the homes and businesses—some 300 or so—in the proposed area.

But the series tends to suggest that the National Park Service, which would administer such an area, is far less authoritarian than the opponents fear, and that it is wholly reasonable in drawing boundaries

which will harm local interests as little as possible.

Meanwhile, although the series of articles was almost entirely pitched at the "local angle," it also suggested that there is a larger interest at stake than the purely local one.

The national parks, and the growing concept of national recreational areas, such as the Hatteras seashore and the proposed Oregon seashore and others, are for the benefit of the people of the Nation as a whole.

And the American people, in ever-greater numbers, are flocking to the beaches, the lakes, and the forests for their recreation. It is incumbent upon the Government to provide certain facilities, and to provide the protection to keep such nationally significant areas from the depredations of overcommercialism.

If it does not do so, they will be lost to the Nation forever.—E.A.

WHEAT CONTROLS

Mr. YOUNG of North Dakota. Mr. President, yesterday an article was inserted in the RECORD from the August 10, 1959, issue of Newsweek entitled "Wheat Controls." It is an account of some bigtime operators on the Chicago Board of Trade, including its president, Robert C. Liebenow, who attempted to adversely affect the recent wheat quota vote. Indeed, Mr. Liebenow's representatives, whom he sent to Grand Forks, N. Dak., at considerable expense, stated emphatically that their real objective was to destroy the wheat program which he claims is no good. This was carried in a news item appearing in the Herald, published at Grand Forks, N. Dak.

Mr. President, probably from Mr. Liebnow's point of view it is no good. The Chicago Board of Trade, of which Mr. Liebenow is now president, has a long record of highly questionable practices in the grain trade business—many of them designed to break grain prices and do injury to farmers.

Mr. President, the Senate Agriculture and Forestry Committee has heard several competent witnesses, members of the Chicago Board of Trade itself, in recent years complaining about the manner in which the Chicago Board of Trade is operated. As recently as July 20, 1959, Mr. Daniel F. Rice, a commission merchant who has a sizable business with the Chicago Board of Trade, complained bitterly in his news release about the practices of the Chicago Board of Trade. A part of this release reads as follows:

> This market is a public institution. It should be run in the interest of the public. It is engaged in the business of marketing farmers' grain. It should be run in the interests of farmers. Existing contract terms and freight rates are hammering the price of grain down, costing farmers hundreds of millions of dollars every year.

Further in his news release I read this very interesting comment by Mr. Rice, one of its members:

> If the Chicago Board of Trade cannot clean its own house it is going to have it cleaned by the Government.

Mr. President, the Chicago Board of Trade has a long and notorious record of opposition to any farm program that would stabilize farm prices. Stable farm prices just do not fit into their scheme of things. Their major concern is making money at the expense and misery of farmers so no farm program would better fit their purposes, so that it would be easier to rig farm prices.

Mr. President, I ask unanimous consent to have the entire commodity letter, by Daniel F. Rice & Co., printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMODITY LETTER

If the New York Stock Exchange were to allow the sale of a stock that was completely unresalable except at a severe discount, it would be investigated and unless it immediately changed its practices, the exchange would be forced to close its doors. The New York Stock Exchange is regulated so that it acts in the interest of the investing public. If you buy a stock, you know that it represents what it says it does and can be sold without suffering a discount.

Not so the contracts that are sold on the Chicago Board of Trade. They are totally unrealistic. The contracts traded on this exchange are loaded so that delivery cannot be taken, the grain ordered out cannot be sold at a price equal to the current delivery price. Warehouse grain taken on delivery and sold on the spot market just across the room from the pit, sells at fantastic discounts under No. 2 cash grain being sold on spot.

To prove our point, even at considerable expense to ourselves and knowing full well the beating that we would take, we took delivery on some soybeans and wheat and offered a car of each for sale on the spot market.

The soybeans were No. 2 yellow, 56½ pound, 12.5 moisture, origin Indiana with 20½ cents freight paid in. They were loaded out of an off-water house. Three major buyers would not bid. A fourth bid July price delivered at its elevator. The cost of taking the soybeans across town was 4.8 cents per bushel, the loading out charge 2¼ cents, and inspection one-eighth cent. To arrive bids were four over July for I.P. billing. The discount on the delivery soybeans was thus 11¼ cents.

The wheat was No. 2 red wheat, 59.3 pound, 13.5 moisture. Four major buyers were not interested. A fifth bid two over even-rate billing delivered to their elevator. Crosstown switch was 4.8 cents, loading out 2¼ cents, and inspection one-eighth cent. Bids on the floor were 2 to 4 over with no switch charge. The discount on the wheat was thus 5¼ cents. This is at the peak of harvest.

Now why is this? There are three ways that these contracts are loaded to give an unreasonable advantage to warehouses. First, the admixture and adulteration of grain is permitted and encouraged. Warehousemen are encouraged to sort over their grain and deliver the worst possible combination that will skin through and make grade. The discounts on the delivery of noncontract quality are set so small that all of the trash can be cleaned out of elevators. Instead of encouraging elevators to improve the quality of the grain that they receive, these contracts encourage the destruction of grain.

Second, the rules of the exchange permit delivery in unmerchantable locations. Delivery in off-water houses is permitted. At one time it was argued that as much regular space as possible was needed. With all of the new space there is in Chicago, this argument no longer has one iota of validity. The rule says that grain delivered in off-water houses has to be moved to water if an export sale against the delivery can be proved. This is a ridiculous and unreasonable rule to impose on speculators or merchandisers. Also, anyone taking delivery in an off-water house will have high insurance, high tariff, and high interest to pay. Getting grain out of an off-water house is as difficult as trying to disentomb a pharoah from the bowels of the Sphinx. If someone wants to put grain in such an out-of-the-way place, let him be responsible for getting it out himself.

Third, the cost of getting grain out of a delivery elevator and switching it across town is ridiculously and outrageously high. We have spoken of this subject repeatedly. There is no surer way to kill the Chicago grain market than to allow this rate to persist.

Behind these primary reasons is a fundamental one. The directory of the Chicago Board of Trade is dominated by warehousemen. The whole of the exchange is run in the short-run self-interest of the deliverers of adulterated grain. It is even more shocking that they cannot see far enough ahead to realize that if they kill this market, they will be committing suicide themselves.

Two recent actions of the directors are especially revealing. The directors recently refused to consider a petition to make all off-water houses nondeliverable in spite of the fact that the petition was signed by a very large number of the members. One would think that they at least would keep up appearances by considering the matter seriously and putting it to a vote. Or, are they afraid of the will of the majority of the members?

The other event was the failure of the membership to battle the discriminatory eastern export freight rate. Recent changes in the rate structure are ruining Chicago as a wheat market. During the week of July 3, Chicago received the unimpressive total of 592,000 bushels of wheat. This was at the peak of the Illinois movement. Stocks of wheat in Chicago totaled 5 million bushels on July 3, most of which is old wheat with old billing behind it. If the current rate structure is maintained this wheat will sit in here as dead as a new bride's pancakes in her husband's stomach. Our point is that the people in Chicago were not concerned enough about this matter. Or is it desirable to keep this old stuff in here to hammer down the futures and get large payments for storage? How shortsighted can you get?

This market is a public institution. It should be run in the interest of the public. It is engaged in the business of marketing farmers' grain. It should be run in the interests of farmers. Existing contract terms and freight rates are hammering the price of grain down, costing farmers hundreds of millions of dollars every year.

Until the advent of the Government support program, many of the grain warehouses were in dire straits. In the past 20 years, sustained and nourished by the dole of Government grain warehousing income, the warehouses now present themselves in arrogance as the powers of the marketplace.

There is a place and function for warehousemen in the grain trade and certainly in the Chicago market. But, it would be well for them to remember and for the market to note that they are only part of the total marketing scheme, not the entire marketplace. What we are suggesting is the need for substantial equity for all parties to the marketplace.

If this institution is going to have to be run in the interest of the public and farmers, it is going to have to be taken out from under the control of grain warehousemen. This means that out of town members and farmers should be put on the directorate. The constitution of the Chicago Board of Trade should be amended to get proportionate representation on the board of directors.

If the Chicago Board of Trade cannot clean its own house it is going to have it cleaned by the Government. Contrast the role of the Securities Exchange Commission and the Commodity Exchange Authority. SEC investigates and certifies the offerings made

on the exchange. The CEA spends its time quibbling over trading details. If the CEA wants to find a useful occupation, we suggest that it take a look at the broader aspects of contract equity.

At Kansas City and Minneapolis, contract wheat sells for one-eighth to one-quarter cent under the cash price. The kind of situation that exists at Chicago does not have to prevail. Other markets can apparently run themselves in the public interest. Why can't Chicago?

This loaded contract game has gone on for many years. It now looks as if it will be necessary to get public agency control of this market. After this long a time it is obvious that neither the Federal Warehouse Agency nor the CEA is capable of straightening out the mess. It is high time that a strong, unbiased, independent agency be established to stop the previous practices that cause the prices of farmers' grains to be ever hammered down in the Chicago market.

DANIEL F. RICE & CO.

NEED FOR CONFIRMATION OF NOMINATIONS FOR FEDERAL JUDGESHIPS

Mr. CASE of New Jersey. Mr. President, it is deeply regrettable when the prestige and reputation of the U.S. Senate are damaged by the action or inaction of one of its committees. This is indeed the situation with which the U.S. Senate as a whole is now confronted. The committee to which I refer is the Senate Judiciary Committee.

Twenty-three Federal judgeships are now unfilled, the nominations for these posts gathering dust in what the New York Times calls the Committee on Inaction. These nominations include 19 for the Federal district court and 4 for the Court of Appeals. Ten of these nominations were made by the President as long ago as February. Is it any wonder that Bernard G. Segal, chairman of the American Bar Association's committee on judicial fitness, has this week urged local leaders to call on their Senators for action?

Mr. President, I am concerned with this grave and broad public question, as I believe any Member of the U.S. Senate should be. But I speak with what may be special insight derived from the knowledge of how the delay policy is working out in a particular case. I refer to the nomination of Judge Phillip Forman, of New Jersey, to the Third Circuit Court of Appeals, a nomination made by President Eisenhower last February, 6 months ago. The vacancy has existed since the retirement of Judge Albert B. Maris 8 months ago. For several months, because the nomination was not acted on, Judge Maris assisted in attacking the court docket. Recently, however, he was assigned by the Chief Justice of the United States to a judicial matter which is expected to take many months of hearings. Since January three district court judges have been assigned to sit from time to time with the Court of Appeals. This, of course, has meant that a further delay has ensued in the disposition of the district court cases.

Judge Forman has a longer period of service as a Federal district judge to his credit than any other sitting judge in the third circuit. He has served as the chief judge of the New Jersey district since 1951. One among many evidences of the high esteem held for him among bar groups is the fact that the American Bar Association's committee on judicial fitness recommended him as "exceptionally well qualified," a recommendation which has been given only eight times in the history of the committee.

On June 18, nearly 4 months after Judge Forman's nomination had been received, a subcommittee of the Judiciary Committee finally held a public hearing on his nomination. The New Jersey Bar Association took the unusual step of directing its president, John Kelly, to appear personally to testify in behalf of Judge Forman's confirmation. He received the endorsement of the junior Senator from New Jersey [Mr. WILLIAMS], along with my own.

Mr. President, I presented a summary of the admirable qualifications of Judge Forman to the subcommittee of the Judiciary Committee on June 18. I should like to ask unanimous consent that the prepared text of my remarks at that time be printed in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CLIFFORD P. CASE IN SUPPORT OF THE NOMINATION OF JUDGE PHILLIP FORMAN TO THE U.S. COURT OF APPEALS, THIRD CIRCUIT, AT A HEARING OF A SPECIAL SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, JUNE 18, 1959

Mr. Chairman and members of the committee, it is a pleasure to support the nomination of Judge Phillip Forman, of Trenton, for membership in the U.S. Court of Appeals for the Third Circuit.

Judge Forman is eminently qualified for this high judicial position through long and distinguished service on the district court bench. Following service as a U.S. attorney, he was appointed a district judge at the age of 37. He has established a record of efficiency recognized throughout the third circuit, where he has a longer period of service to his credit than any other sitting district judge.

Since 1951 Judge Forman has served as Chief Judge of the Federal District Court for New Jersey, during which time the district has established an excellent record for the prompt and effective dispensation of justice. In addition to fulfilling the administrative responsibilities of this position, Judge Forman has personally disposed of an average of more than 350 cases a year, a tremendous workload strikingly higher than the average for Federal district judges.

His decisions have been cited extensively in the Court of Appeals and in other district jurisdictions. He has a remarkable record of affirmance on appeal. At the same time, the number of appeals which have been taken from his decisions has been relatively small.

His stature as a judge has been widely recognized. Judge Forman was the first U.S. district judge designated to the U.S. Judiciary Conference. He is also a member of the National Pretrial Conference Committee. He has received the enthusiastic endorsement of many bar associations and prominent individual members of the bench and bar.

He is a man of breadth as reflected by his service as a trustee of Rutgers, the State university of New Jersey, and president of the board of managers of the New Jersey State Hospital.

The outstanding indivdual qualifications of the nominee are reinforced by considerations of equity concerning the geographical distribution of judgeships on the Third Circuit Court bench. The circuit comprises Delaware, New Jersey, Pennsylvania, and the Virgin Islands. Although more than one-third of the cases heard by the court originate in New Jersey, there is at present only one resident of New Jersey on the seven-member court.

The confirmation of Judge Forman's nomination will bring the third circuit the services of a distinguished judicial officer eminently qualified to serve and to advance the highest standards of justice and efficiency in U.S. circuit courts.

Mr. CASE of New Jersey. Mr. President, not a word of opposition to Judge Forman was presented to the subcommittee, and, to the best of my knowledge, no one from the bar or bench, no one from public life, indeed no one at all has ever advanced a single objection to Judge Forman's confirmation. His eminent qualifications are beyond dispute, recognized by persons in both political parties.

But now, more than 2 months after the hearing the nomination of Judge Forman is pigeonholed in the Judiciary Committee, along with the others. Public dissatisfaction is mounting. Vigorous reaffirmations of support for Judge Forman have recently been voiced by numerous New Jersey newspapers along with bitter indignation at the Senate's delay.

Mr. President, I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD editorials from the Camden Courier-Post, the Newark Evening News, the Paterson News, and the Trentonian, all of which urge the prompt confirmation of Judge Forman, as well as the editorial, "Committee on Inaction," from the New York Times, and a news article by Aaron G. Benesch, published in the Newark Star-Ledger.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Camden Courier, Aug. 17, 1959]

UNWARRANTED DELAY

About 1,800 Presidential nominations are pending in various committees of Congress. Among them are more than 50 for Federal judgeships, U.S. attorneys, and U.S. marshals. Many of the nominations are being held up purely for political reasons by a Democratic Congress politically hostile to the Republican President.

Among the nominations hung up in the Senate is that of Chief Federal Judge Phillip Forman, of New Jersey, to the Third Circuit Court of Appeals. The nomination of Judge Forman—an outstanding jurist, eminently qualified in every respect for the promotion—was sent to the Senate last February 19. He was interviewed by a Judiciary subcommittee on June 18. No further word has come from the committee and now President John R. Kelly of the State Bar Association has written Senators CASE and WILLIAMS, urging them to do what they can to speed Forman's confirmation. He reminds them that the bar association's committee on judicial selection unanimously endorsed the Forman appointment.

CASE has replied that he is doing what he can, as a Republican minority Member of the Senate, to speed a favorable report on the nomination. WILLIAMS says he does not believe party politics is playing a part in the situation, and expects confirmation to come before the end of the session.

Let us hope that is true. As it is, the long delay in confirming the appointment is unfair to Judge Forman and reflects no credit on the Senate.

[From the Newark Evening News, August 17, 1959]

WHY THE DELAY?

To bench and bar the Senate Judiciary Committee's delay in reporting the nomination of Judge Phillip Forman for elevation to the Third Circuit Court of Appeals is as incomprehensible as it is indefensible.

President Eisenhower sent Judge Forman's nomination to the Senate last February. Its merit was immediately evident to judges and lawyers who are familiar with his distinguished service on the Federal court.

In quick succession came endorsements from bar associations, National, State, and local. The American Bar Association showed its approbation in an extraordinary way. Its committee on judicial fitness commended Judge Forman as "exceptionally well qualified," a citation which has been conferred only eight times in the committee's history.

Similarly, the New Jersey Bar Association, through its executive committee, took the unprecedented step of directing its president, Mr. John Kelly, to appear at the Senate hearing on Judge Forman's nomination and, more, to urge his confirmation.

The volume of business from New Jersey that engages the Third Circuit Court is constantly increasing, but the only Jerseyite on the seven-member bench thus far is Judge McLaughlin. But the case for Judge Forman's confirmation before the Congress adjourns does not rest on mere statistics or even State representation. It rests most of all on his obvious and distinguished qualifications.

Certainly the Senate Judiciary Committee must know from the testimony so overwhelmingly presented that Judge Forman is eminently equipped to add to the strength of the higher court. Accordingly, it is pertinent at this time to inquire: Why the delay in reporting a judicial nomination for confirmation which the U.S. Senate on no legitimate ground could deny?

[From the Paterson News, Aug. 24, 1959]

WHY NO CONFIRMATION?

Democratic leaders with an eye to 1961 had better take a second look at what is happening in Washington to appointments of major importance bottled up in committees and apparently destined to remain there unless someone does something pronto to open the bottlenecks.

Let's have just one outstanding example: Last February, President Eisenhower sent to the Senate the name of U.S. District Court Judge Phillip Forman for promotion to the U.S. Circuit Court of Appeals.

This latter court needs the new judge, since the third circuit draws tremendous litigation from New Jersey, which still has only one man on the seven-member bench.

So when the President named Judge Forman, there was widespread gratification, regardless of politics. Because here is a good judge, one who has proved himself so thoroughly as to win the plaudits of members of the bar over a wide area beyond New Jersey.

When Judge Forman's matter was heard before the Senate Judiciary Committee, the extent of his support was evident.

Both Jersey U.S. Senators—CLIFFORD P. CASE, Republican, his original sponsor, and HARRISON A. WILLIAMS, Democrat—urged his speedy confirmation.

For only the eighth time in its history, the American Bar Association, through its Committee on Judicial Fitness, recommended Judge Forman as "exceptionally well qualified."

New Jersey Bar Association, which has so frequently shied away from judicial interferences, directed President John Kelly to make a personal appearance in Washington in behalf of Judge Forman's confirmation.

Without dissent, lawyers, associations, judges—any and all who have knowledge of Judge Forman's quiet dignity, of his devotion to the bench, of his sacrifice of every other calling in his dedication to his judicial duties—have urged his confirmation.

But somewhere, in the pigeonholes of the powerful Senate Judiciary Committee in Washington, headed by Senator EASTLAND, Mississippi Democrat, the name of Judge Forman languishes and collects dust.

The courts are flooded with business.

A judge of eminent qualification and great distinction has been named for elevation.

But Democratic politics in Washington impede progress.

Next year's a big one politically. We suggest it would be well for someone with strength and influence in the Democratic Party to send a message of the facts of life.

The Senate will be adjourning soon. It shouldn't without confirming Phillip Forman.

[From the Trenton Trentonian, Aug. 19, 1959]

REGRETTABLE DELAY

It is most regrettable that the nomination of Judge Phillip Forman, of Trenton, to the Third Circuit Court of Appeals is gathering dust in some U.S. Senate pigeonhole.

There does not seem to be any question of Judge Forman's qualifications for the post; indeed, there could hardly be any in view of his lengthy and meritorious career on the U.S. district court.

But Judge Forman's nomination is, according to reports, caught up in a swirl of politics involving a Democratic Senate and a Republican administration. It is said that his nomination is one of some 1,800 that are being held back in various committees because the Senate is seeking some concessions from President Eisenhower in return for acting on them.

New Jersey sources have urged both Senator CLIFFORD P. CASE, Republican, and Senator HARRISON A. WILLIAMS, JR., Democrat, to do what they can to expedite confirmation of Judge Forman. Admittedly, breaking a logjam of such proportions is not an easy task, but we hope that the New Jersey Senators will be able to free Judge Forman's nomination. Under normal circumstances, the confirmation of so competent a jurist would have been routine. Continued delay can only serve to cast the august U.S. Senate in an unfavorable light.

[From the New York Times, Aug. 24, 1959]

COMMITTEE ON INACTION

The Senate Judiciary Committee—of which JAMES O. EASTLAND, of Mississippi, is the chairman—deserves a black mark for its inexcusable slow motion. Stalled in Mr. EASTLAND's committee are 10 of President Eisenhower's appointments to important Federal judgeships which have been waiting for its approval for the past 5 months—1 since last January. Nine other judgeship appointments made more recently are also on the committee's docket of inaction.

Delays like this dishonor the distinguished individuals whom the President has honored by appointing them, pile still higher the backlog of unsettled cases in the Federal courts and place an unfair burden of business on the judges now sitting. So serious had the situation become last spring in the eastern district that judges from less burdened courts had to be drafted to help clear the calendar.

Then, too, the delays are professionally embarrassing to the nominees. One of them had to ask the President to withdraw his appointment because of the loss of clients due to his uncertain future.

Among the reasons for the Eastland committee's inaction on the judgeships have been the personal pique of members of the committee over the President's appointments and adverse local political pressures—certainly not in the interests of the public. Then, too, the committee has been so busy in its maneuvers to block consideration of civil-rights legislation that it has had little time for anything else. Such feverish action to bring about inaction has an Alice-in-Wonderland atmosphere about it which would be amusing if it weren't taking place in a world of urgent political realities.

[From the Newark Star Ledger, Aug. 18, 1959]

POLITICAL SQUEEZE SNAGS NEW JERSEY JUDGES

(By Aaron G. Benesch)

WASHINGTON.—The nomination of U.S. District Judge Phillip H. Forman, of New Jersey, to the bench of the Third Circuit Court of Appeals is one of 20 which are snagged in the Judiciary Committee of the Senate.

The delay is attributed in some quarters to a so-called patronage power play in which Majority Leader LYNDON JOHNSON of Texas, is credited with having a major role in holding up committee action.

The Senator, it is pointed out by those close to the situation, has been anxious to have a Johnson Democrat from his home State named by the White House to one of the district court vacancies. So far that selection has not been forthcoming.

Inasmuch as Congress is likely to adjourn, probably by September 5, the nominations are in danger of dying at this session.

The President, however, in Judge Forman's case could make a recess appointment and next January when Congres reconvenes, again send his name to the Senate for confirmation.

CHAIN REACTION

The Forman appointment has been pending in the Judiciary Committee since June 18 and has met with no opposition there. But like the appointment of 19 others to Federal judgeships, it has been tied up there and with no explanation. It is listed merely as "among those pending."

The committee's failure to act on the Forman selection has had the effect of holding up the naming of his successor.

Senator CLIFFORD CASE, Republican, of New Jersey, has recommended that a Bergen County district court judge be named to that vacancy.

That recommendation, however, has been gathering dust at the Justice Department because the Attorney General's office cannot act on it until the Forman confirmation is out of the way. When that happens Attorney General Rogers will send his recommendation to the White House.

QUESTIONED BRIEFLY

Judge Forman appeared before Senator ROMAN HRUSKA, Republican, of Nebraska, a member of the Judiciary Committee, last June and was questioned briefly. Appearing in the jurist's behalf also were New Jersey's Senators, CASE, who had made the original recommendation to President Eisenhower, and HARRISON A. WILLIAMS, a Democrat.

Chairman of the Judiciary Committee is Senator JAMES O. EASTLAND, Democrat, of Mississippi. Eight other Democrats and five Republicans are in the group.

The third circuit court bench to which Forman has been named covers the States of

New Jersey, Pennsylvania, Delaware, and the Virgin Islands.

Mr. CASE of New Jersey. Mr. President, there may be other items which have not yet come to my attention, and I shall ask unanimous consent to have them printed in the RECORD when they are brought to my attention.

MATT DILLON

Mr. SCHOEPPEL. Mr. President, the other day I addressed a letter to my learned colleague, the Honorable A. WILLIS ROBERTSON, of Virginia, in his capacity as chairman of the Senate Banking and Currency Committee. The purpose of that letter was to ask his indulgence and consideration of a bill which I have introduced to provide for the striking of commemorative medallions honoring the 100th anniversary on January 29, 1961, of the entrance of Kansas into the Union.

In my communication I outlined some of the history of Kansas, and among other things referred to gunslingers and marshals who had tangled in the early days in cowboy capitals such as Dodge City, Abilene, Wichita.

I listed three such marshals—Wyatt Earp, Wild Bill Hickok, and Matt Dillon.

Mr. President, the aftermath of publication of that letter by the Associated Press would have put Hurricane Hazel to shame. I was engulfed by a flood of articles, including one in the Topeka State Journal, chaffing me because of my use of the name of Matt Dillon.

"There is no Matt Dillon," the newspapers shouted with glee. There were even insinuations that I was giving an advertising plug to James Arness. Let me say, however, that some tolerance was exhibited. There was candid admission that Wyatt Earp and Wild Bill Hickok did live and enforce the law in Kansas. Some papers even went so far as to say there might have been a Matt Dillon.

If I were to say that what I meant to write was "Wyatt Earp, Wild Bill Hickok, and all the other marshals symbolized by Matt Dillon," some, I am sure, would look askance.

Yes, I am afraid most would agree that hindsight is better than foresight and that I thought that one up after I wrote the letter.

But let me ask this one question. What family man in this august body is going to rise up and say there was no Matt Dillon and then go home and face his children? My friends, an utterance like that would be equivalent to saying "No, Virginia; there is no Santa Claus."

And what about Matt Dillon himself? If we erase his name from the list of marshals, what are we to say when Chester asks: "Whatda we gonna do now, Mr. Dillon?"

My colleagues may shout me down if they wish, but I insist that there was a Matt Dillon. He existed just as surely as there exist in this Nation today millions of unsung heroes who earn a living, pay their taxes, go to church, and uphold the law.

As long as there is a State of Kansas there will always be a Wyatt Earp and a Wild Bill Hickok.

And as long as there is television there will always be a Matt Dillon.

AMENDMENT OF PUBLIC LAW 85–880

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 8374, to amend Public Law 85–880, and for other purposes.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MANSFIELD. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. MANSFIELD, and Mr. HICKENLOOPER conferees on the part of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1341. An act to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards; and

H.R. 5421. An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4714. An act to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.; to the Committee on Interior and Insular Affairs.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 177) declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other land was referred to the Committee on Interior and Insular Affairs, as follows:

Whereas the Constitution empowers the Congress to make all needful rules and regulations respecting the territory or other property belonging to the United States, to regulate commerce with foreign nations and among the States, and to provide for the common defense and general welfare; and

Whereas mining and the extraction of minerals from Federal, State, and privately owned lands situated within the United States and its Territories and possessions are basic industries upon which the transporting, processing, and distributing industries and the consumers of the Nation depend; and

Whereas the interests of national security have brought about Government programs for the establishment and maintenance of national stockpiles of strategically important metals and minerals and for the development of mine and plant capacities for the production thereof; and

Whereas the administration of these and related programs, through Government purchases, contracts, loans, grants, technical assistance, barter, and other means, has resulted in the abnormal and artificial stimulation of foreign metal and mineral exploration and development and the expansion of foreign capacities for the production of metals and minerals; and

Whereas increased foreign production of certain metals and minerals, together with downward revision of national stockpile requirements, has resulted in depressed domestic prices for these materials, drastic curtailment of domestic production, economic disaster to individual firms, hardships for dependent industries, extensive unemployment, and severe contraction of business in the affected communities; and

Whereas an emergency exists since further delays in the recovery of the domestic mining and mineral industries would cause irreparable damage to mining and mineral properties, wastage of human and natural resources, and loss of productive capacity, and would have a depressing effect upon the national economy and threaten national security; and

Whereas all governmental efforts to date have not been effective in alleviating these detrimental effects: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is requested—

(a) to have reviews made at once of the existing programs of the departments and agencies of the executive branch with the purpose of using them more effectively to provide for increased production and employment in critically depressed domestic mining and mineral industries;

(b) to advise the Congress at the earliest possible date as to the actions taken or proposed to be taken to this end; and

(c) to submit any reorganization plans or recommendations for legislation that may be necessary to accomplish this objective.

SEC. 2. It is the sense of the Congress that it is in the national interest to foster and encourage (a) the maintenance and development of a sound and stable domestic mining and minerals industry; (b) the orderly discovery and development of domestic mineral resources and reserves on Federal, State, and privately owned lands; and (c) mining, mineral, metallurgical, and marketing research to promote the wise and efficient uses of domestic metal and mineral resources.

SEC. 3. It is the sense of the Congress that the maintenance and development of a sound and stable domestic mining and minerals industry, without critical dependence upon foreign sources, is essential to national security and the welfare of the consuming public, and that this objective is independent of and cannot be accomplished by the maintenance of national stockpiles for planned defense needs in a single emergency or the existence of productive capacity based upon the importation of foreign materials.

Mr. KEATING obtained the floor.

Mr. BYRD of Virginia. Mr. President, will the Senator yield to me?

Mr. KEATING. I yield to the distinguished Senator from Virginia.

FEDERAL INTEREST RATE CEILING

Mr. BYRD of Virginia. Mr. President, the distinguished Speaker of the House of Representatives, my good friend, Mr. SAM RAYBURN, is quoted in the newspapers as saying that the House will not

consider Federal interest rate ceiling legislation at this session, as requested by the President, because, said Speaker RAYBURN, "there is not the slightest chance the Senate will do anything this year."

It seems to me to be somewhat inconsistent for the House to alibi itself around this very important matter when it has allowed the Senate no opportunity to act. Under the Constitution and custom the House originates legislation relating to taxation, debt, interest, and so forth. As the House, after weeks of consideration, has passed no interest rate bill, the Senate has had no opportunity to act.

Who can say what 100 Senators will do after full discussion of all the facts?

As chairman of the Senate Finance Committee, I want to say to the distinguished Speaker that should the House pass such legislation, I will immediately call a meeting of the Finance Committee for action on it. I do not pretend to speak for what either the Senate Finance Committee or the Senate will do, but I regard some legislation as vital in the fiscal crisis, involving the sale of Federal bonds which now confronts us.

We must be realistic. We know that interest rates on almost all non-Government issues of securities have increased, and the Government must meet the prevailing interest rates. I deplore this, but such is the case.

The fact is that the Treasury can issue bonds for 5 years or less without any control of the interest rates by legislation. Above 5 years, the law limits the interest rate to 4¼ percent. The result is that the Treasury has been forced to make sales on a short-term basis. This requires constant refinancing.

Within the next 12 months the Government must borrow at least $85 billion, and, under present legislation, this enormous sum must be sold in short-term securities.

The Government bond situation was greatly worsened because in the last fiscal year there was a deficit of $13 billion, which had to be financed by new borrowing in addition to refinancing bonds becoming due in that period.

No one is more reluctant to see interest rates increased than I am. Still, in these matters we must be realistic. I have strongly opposed the increase in the Federal debt limit, and I have urged a reduction in expenditures. But with a deficit of $13 billion in the last fiscal year resulting from appropriations enacted by Congress, I, as chairman of the Committee on Finance, have been forced in the last 18 months to present to the Senate three requests for increases in the Federal debt limit. Today the debt ceiling is $295 billion, as compared with a $22 billion debt when I entered the Senate, 26 years ago.

Not a single Treasury bond is selling at par, and some are selling as low as 81, meaning that the purchaser of that particular issue of bonds at par has had a loss of 19 percent on his principal. Only two issues of U.S. Treasury notes are selling at par—one due in August 1960; the other, an issue at 4¾ percent, due in May 1964.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the August 25, 1959, quotations on Treasury bonds and notes.

There being no objection, the quotations were ordered to be printed in the RECORD, as follows:

Government securities

[Over-the-counter quotations: Source on request]

TREASURY BONDS

	Bid	Asked	Previous bid	Yield
2½s, 1959-62 June	93.12	93.16	93.16	4.74
2½s, 1959-62 Dec	92.22	92.26	92.26	4.62
2½s, 1960 Nov	97.16	97.18	97.16	4.19
2¾s, 1960-65 Dec	97.6	97.14	97.6	3.20
2¾s, 1961 Sept	96.4	96.8	96.8	4.67
2½s, 1961 Nov	95.4	95.8	95.8	4.78
2½s, 1962-67 June	86.16	86.24	86.24	4.52
2½s, 1963 Aug	92.2	92.6	92.6	4.68
2½s, 1963-68 Dec	84.16	84.24	84.24	4.52
3s, 1964 Feb	93.6	93.10	93.14	4.67
2½s, 1964-69 June	83.22	83.30	83.30	4.54
2½s, 1964-69 Dec	83.10	83.18	83.18	4.51
2½s, 1965 Feb	90.8	90.12	90.14	4.63
2½s, 1965-70 Mar	83.4	83.12	83.12	4.48
2½s, 1966-71 Mar	83.2	83.10	83.10	4.33
3s, 1966 Aug	91.8	91.12	91.14	4.45
2½s, 1967-72 June	83.2	83.10	83.8	4.19
2½s, 1967-72 Sept	82.20	82.28	81.30	4.32
2½s, 1967-72 Dec	83.0	83.8	83.6	4.14
4s, 1969 Oct	97.14	97.22	97.22	4.26
3⅞s, 1974 Nov	95.10	95.18	95.20	4.25
3¼s, 1978-83 June	87.8	87.16	87.22	4.05
4s, 1980 Feb	97.12	97.20	97.20	4.15
3½s, 1985 May	87.4	87.12	87.16	4.03
3½s, 1990 Feb	89.0	89.8	89.10	4.11
3s, 1995 Feb	84.0	84.8	84.8	3.81

Fractions represent 32ds; 101.1 means 101 1/32.

U.S. TREASURY NOTES

Rate	Maturity	Bid	Asked	Yield
3½	11-59	99.29	99.31	3.61
3½	5-60	99.7	99.9	4.52
3¼	5-60	99.1	99.3	4.54
4¾	8-60	100.3	100.5	4.58
3⅜	5-61	98.26	98.30	4.27
4	8-61	99.16	99.20	4.20
3⅝	2-62	98.12	98.16	4.27
4	2-62	98.28	99.0	4.43
1½	4-62	92.16	92.24	4.50
4	8-62	99.24	99.28	4.04
1½	10-62	91.12	91.20	4.43
3¾	11-62	97.22	97.26	4.48
2⅜	2-63	93.4	93.8	4.76
1½	4-63	90.4	90.12	4.43
4	5-63	98.16	98.20	4.40
1½	10-63	89.0	89.8	4.40
4¼	5-64	100.0	100.4	4.72

Mr. BYRD of Virginia. Mr. President, I personally am convinced that it is imperative that Congress act, before it adjourns, to increase the rate on series E and H savings bonds, which are held by small investors. Holders of these savings bonds are now paid an interest rate of 3 percent for the first 3 years and 3¼ percent if held 8 years and 11 months to maturity, while the large owners of Treasury bonds, at present quotations, can earn as much as 4.67 percent. Not only is this a great injustice to the 40 million citizens who own $42 billion in series E and H savings bonds, but we cannot overlook the fact that the owners of savings bonds have the right to cash them after 60 days; and should they do so, a crisis of first magnitude will confront the U.S. Treasury.

I make this statement as chairman of the Committee on Finance for the purpose, first, of pointing out that the Senate has no responsibility for the situation which now exists with respect to interest rate legislation, because no legislation has come from the House, and, secondly, to express my conviction that the realities of the situation confronting us require that conservative action be taken after careful consideration.

Money is a commodity. If there is plenty of money, interest goes down. Interest goes up as the demand increases. Today we are facing an expansion of business with enormous expenditures. If the Government continues to operate on a deficit basis, the money demand is further increased. It would be calamitous if we tried to solve this problem by forcing the Federal Reserve System into the purchase of more Government bonds. This would mean printing money. Unquestionably it would lead to disastrous inflation.

I repeat what I have said so often: Sound currency is the very foundation of our system of free government. We have already lost one-half of the purchasing power of the dollar in 20 years. Inflation is our No. 1 problem. We must balance our budget, soundly finance our indebtedness, and begin to pay off the principal, and do those things which any prudent man would do when faced with such conditions as confront our country today.

INTEREST RATE ON U.S. SAVINGS BONDS

Mr. HART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Warning to Congress on Bonds," written by Sylvia Porter, and published in the Washington Evening Star of August 26, 1959. The article emphasizes in very effective fashion, I believe, the necessity, at least with respect to savings bonds, of our facing up to an increasingly acute problem.

If there is no objection, I should like to have this statement appear in the RECORD following the remarks of the distinguished senior Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, when he addressed himself to the subject of the Government debt and the means of financing it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 26, 1959]

WARNING TO CONGRESS ON BONDS

(By Sylvia Porter)

Warning to the 86th Congress: Before you adjourn, pass a law permitting the Treasury to raise the interest rate paid U.S. savings bonds holders or you will:

Invite an avalanche of cash-ins of savings bonds by little investors who have bought these bonds with the idea of keeping them to maturity, but who are now aware that the top rate they can earn on the bonds is far below what they can get on a deposit in most savings banks;

Drastically curtail the sale of new bonds to wage and salary earners who know that the pay scale on the bonds has become glaringly out of line with the general level of interest rates;

Risk forcing the Treasury to borrow cash via expensive short-term loans in order to

get the money needed to pay off bonds presented for redemption by disillusioned holders;

Give corporations which never liked the job of maintaining employee payroll savings programs a perfect excuse to cut off the program;

Undermine the reputation of the Treasury among financiers the world over who are fully informed about our debt management problems.

FORTY MILLION HOLDERS

Over 40 million Americans now own more than $42 billion of these riskless, nonmarketable bonds which pay 3 percent interest if held for 3 years, 3¼ percent interest if held to maturity in 8 years, 11 months. Over 8 million are buying them under payroll savings plans.

The program has been the most successful of all the Treasury's debt management operations since World War II. But it has become increasingly endangered in recent years as interest rates have climbed across-the-board and the pay scale on savings bonds has become progressively less attractive. Last month redemptions of the bonds totaled $507 million against new sales of only $350 million. For 12 months redemptions have been topping sales—meaning the program has been going in reverse.

In recognition of the interest rate realities, the Treasury in early June asked Congress to permit it to boost the pay scale so the bonds would pay 3¾ percent if held to maturity. The request was included in a package also asking that the Treasury be allowed to sell new marketable bonds with coupons above the legal ceiling of 4¼ percent.

OPPOSITION INTENSE

The opposition to the removal of the 4¼ percent ceiling has been intense—reflecting a combination of honest doubt about the economic effect of rising interest rates and pure politics—and Congress has turned down this request. As a result, the Treasury will have to do all its multi-billion-dollar borrowing in coming months through new short-term loans. That will be expensive, fundamentally unsound debt management—but apparently that's the way it will have to be.

Despite its "No" on removal of the marketable bond ceiling, though, Congress still can pass a separate bill permitting the savings bond rate increase. The Treasury doesn't want to settle for this, but it will to avert a flood of cash-ins and keep the program alive.

If Congress does this? Then a recommendation of the bonds for basic savings nest eggs again will be justified.

If Congress does not? Then no one can forecast what might happen. A calling of a special session might be necessary to rescue the program from slaughter.

RETIREMENT OF FEDERAL JUDGE STERLING HUTCHESON OF THE EASTERN DISTRICT OF VIRGINIA

Mr. BYRD of Virginia. Mr. President, I cannot allow September 1, 1959, to pass without especially noting in the RECORD that this is the date chosen by Judge Sterling Hutcheson for his voluntary retirement from the Federal bench.

Few men have rendered finer and more dedicated service to their country and the people of their State, or to the Federal judiciary or the legal profession, than Judge Hutcheson.

Judge Hutcheson has honored the position of senior judge for the eastern district of Virginia, from which he has now chosen to retire.

He is an honorable gentleman and a scholarly jurist, learned in American constitutional law, for which he has greatest respect. We deeply regret his retirement, but we can understand his decision.

It was my privilege together with the late Senator Carter Glass in 1933 to recommend Judge Hutcheson for nomination as district attorney for the eastern district of Virgina. It was my pleasure to see him elevated to the district bench in 1944.

His lasting contributions to the best traditions of American jurisprudence have been a source of great pride to all who have followed his decisions and the manner in which he has discharged the duties of senior district judge since 1947.

I know Judge Hutcheson as a man of principle and industry. I know him as a man who in more than a quarter of a century in positions of public trust has never allowed himself a moment of hypocrisy.

His career has been dedicated to finding what is right and just. To these ends he has worked with ceaseless zeal, natural integrity, and dignity, and with the clarity inherent in simplicity. As a great jurist his reputation is built on his knowledge of the Constitution and the law, and on the order, reason, and excellence for which his fine work is known.

If the strength of this Nation lies in the men it breeds, both Virginia and the Nation are greater for the faith, the wisdom, the character, and the contributions of Judge Sterling Hutcheson. We wish him happiness and health in retirement. But even in retirement his sound counsel is certain to be sought.

In further tribute to Judge Hutcheson's fine career, I ask unanimous consent to have printed as a part of my remarks excerpts from the public press in Virginia.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Richmond News-Leader, July 30, 1959]

ON REPLACING JUDGE HUTCHESON

"It's the saddest day for Virginia since Appomattox," said one of our colleagues. He was making a little joke, but there was genuine sorrow in his voice. "Hutcheson's retiring."

And it is a sad day. For the past 15 years, Federal Judge Sterling Hutcheson has set a wonderfully high example of precisely what a judge should be: Restrained, temperate, thoughtful, just. He has been firm, but never truculent; scholarly, but never pedantic; compassionate, but never sentimental. At 65, he is entitled to ask for qualified retirement. He has earned a rest, but he will be most sorely missed.

Knowing Judge Hutcheson, who does nothing on impulse, we know it is useless to ask him to reconsider. The next question before the house, therefore, deals with the naming of his successor. And at this point, the question may fairly be raised, Where does partisan patronage stop?

It was entirely within the rules of the game when Mr. Eisenhower nominated a third-rate Republican politician, Walter E. "Beef" Hoffman, to be a Federal judge in Norfolk. There was no complaint when he named Republican Roby Thompson in the western district. The press of Virginia has generously applauded the nomination of Ted Dalton, Virginia's top Republican, for still a third judgeship. But where do we call a halt?

Here in eastern Virginia are a dozen superbly qualified attorneys and judges, well equipped for the Federal bench, whose only handicap lies in their affiliation with the Democratic Party. And if political debts are to be paid, Mr. Eisenhower could well recall the demonstrable facts of political life in Virginia. It wasn't the Republicans who gave Mr. Eisenhower the Old Dominion's electoral votes in 1952 and 1956. It was the Democrats who liked him better than they liked Stevenson.

This may be an odd debt, not of politics but of equity, but Mr. Eisenhower might think it over. His chances of getting Ted Dalton promptly confirmed could be a thousand percent improved by the judicious choice of a well qualified Democrat to hold one new Federal judgeship in the State.

[From the Richmond Times-Dispatch, July 30, 1959]

JUDGE HUTCHESON STEPS DOWN

U.S. District Judge Sterling Hutcheson's impending retirement from the bench is thoroughly understandable. Having reached the optional retirement age of 65, and being extremely unhappy—as he must be—over the trend of Federal court decisions in the interracial field, he chooses to step down. Nobody can blame him.

He did his best—and it was an exceptionally good best—with a difficult situation. Confronted with the necessity of ruling several times in the Prince Edward County school case, he showed a genuine familiarity, not only with conditions in the county, but also with constitutional law, as applied to the situation.

Judge Hutcheson's effort in August of last year to bring realistic common sense to bear on the Prince Edward case seemed, for a time, to have a fair chance of being upheld in the higher Federal courts. His fixing of the year 1965 as the tentative date for beginning integration in Prince Edward schools, was praised as statesmanlike by at least one ardently integrationist newspaper. (The judge pointed out that 1965 would be 10 years from the date of the Supreme Court's 1955 decree, and that, for example, it took Solon 10 years to get ancient Athens to adopt his code of laws.)

However, these and other arguments were brushed aside by the Fourth Circuit Court of Appeals. It reversed Judge Hutcheson, and directed him to issue a mandate opening white schools in Prince Edward to Negro pupils this September. As all informed persons knew would happen, the county supervisors promptly ordered every public school in Prince Edward closed for an indefinite period.

Given this evidence of a total divorce from reality on the part of the U.S. Circuit Court of Appeals, to say nothing of the U.S. Supreme Court, it is readily understood that Judge Hutcheson prefers to resign.

For an honorable, upright gentleman, such as he, resignation is preferable to following mandates from higher courts which are repugnant to his deeply cherished beliefs. He has been ordered to take steps which he considers contrary to the Constitution, as interpreted for many generations by foremost authorities, and which he also feels to be at war with the dictates of ordinary common sense.

So while we greatly regret the impending retirement of this able, honorable, and scholarly jurist, we reiterate that we think it only natural—even right—that he reached this decision.

The whole State, the whole South, will be the poorer when Judge Hutcheson steps down from the Federal district bench.

[From the Lynchburg (Va.) News, July 31, 1959]

JUDGE HUTCHESON'S RETIREMENT

Judge Sterling Hutcheson, senior judge of the U.S. third district, of eastern Virginia, has announced his retirement. After a rather extended vacation he said he hopes "to be able to handle a reasonable amount of work such as may be assigned to me." Whether he handles any cases or not he will receive full retirement benefits which include a pension for life of $22,500 a year.

Judge Hutcheson has served with distinction. In the recent and concluding years of full service he has attracted especial attention in the matter of desegregation in the Prince Edward County schools. Thoroughly familiar with conditions there, he fixed upon 1965 as the year in which that county should begin racial integration in its schools. In this he was reversed by the Fourth Circuit Court of Appeals. He was ordered to call for opening of the schools to integration in the coming September. The answer of Prince Edward County is to close its public schools and operate private schools. Time will show that Judge Hutcheson's solution for the county was the wiser one, for the Negro population in Prince Edward is a heavy one and that county's problem an especially difficult one.

The retirement of Judge Hutcheson at this time will be widely taken to be at least primarily motivated by wishing to free himself of the necessity for carrying out the orders of a higher court in hastening integration of Prince Edward schools. And it is not likely that he will receive any criticism for this from moderates or diehard segregationists. All Virginians familiar with his career, with his record, will regret the loss of his full services on the Federal bench.

It is probable that, given more rein, Judge Hutcheson and others like him, would have made the inevitability of some degree of racial integration in the schools more amenable to all concerned. It is also probable that without the long massive resistance battle, the higher courts would not have pressed for a speedup in integration and the wiser judges would have sought to pursue a similar path to that of Judge Hutcheson.

[From the Petersburg Progress-Index, July 31, 1959]

RETIRING JUDGE FACED REALITY

Judge Sterling Hutcheson's decision to retire from the Federal judiciary is regrettable and understandable. While interest seems to center upon the question of which Republican politician will receive the nomination to fill the vacancy, it should not be overlooked that a very able and conscientious judge is retiring.

His part in that particular business should not be permitted to overshadow his career on the bench, but of late his rulings in the desegregation issue have been of great interest. At no time, as far as we know, did he give any comfort to the hope that the Supreme Court's school desegregation ruling could be ignored, but, unlike many of the Federal judges, he was willing to face the realities of the subject.

He recognized that in Prince Edward County a desegregation order would amount to an order to close the schools, and he seemed to think there was merit in continuing to make schooling available for Negro as well as for white children. He seemed to think, too, that there was some merit in allowing time to a subdivision which could not desegregate its schools at the present time. His ruling giving the county until 1965 was reversed, and the Prince Edward County public schools now are closed.

Whether and to what extent the reversal entered into his decision to retire, the public does not know. It would be extremely interesting to know what Judge Hutcheson thinks about this whole subject. We imagine he could say some very wise words on it. His conception of the proprieties for one in his position may be such that we will never know.

[From the Norfolk Virginian-Pilot]

HOW JUDGE HUTCHESON MADE HISTORY

In the history of judicial decisions Federal Judge Sterling Hutcheson, senior judge for the eastern district of Virginia, who has announced his retirement on September 1, will be a judge of historic mark because of his part in the Prince Edward County case.

Yet a decision of Judge Hutcheson's in the Gloucester County case of 1948–49 had an impact on Virginia educational history that was important then and is felt now even though at this time the Prince Edward County case seems to overshadow all others that came before Judge Hutcheson.

In the Prince Edward case Judge Hutcheson was (if a legal term may be slightly paraphrased for lay use) the judge of first and last instance. He was a member of the three-judge court that heard the original desegregation suit in Prince Edward County. The court ruled against desegregation under the separate but equal doctrine of the *Plessy* v. *Ferguson* decision of the Supreme Court in 1896. This was the doctrine overturned by the Supreme Court's decision in *Brown* v. *Board of Education* on May 17, 1954. The Prince Edward case was one of the five on which the desegregation decision turned.

The case came back to Judge Hutcheson in due course after the Supreme Court on May 31, 1955, issued decrees implementing the Brown decision and remanding the desegregation cases to the district courts. He at first refused to set a date for desegregation in the county. After further litigation he set a date in 1965, directing county school authorities to make proper preparations to put the Court order into effect.

This timetable was overturned by the Fourth U.S. Circuit Court of Appeals, which directed Judge Hutcheson to issue an order opening Prince Edward County's white schools to Negroes by September of 1959.

That was the Prince Edward County case, the outcome of which led the county school authorities to abandon public schools and embark on their special, individualistic adventure in private schools.

The Gloucester County case was one of several separate-but-equal cases in which Judge Hutcheson sat alone. Negro school pupils went into court to secure their rights under the separate-but-equal doctrine then in effect. On August 6, 1948, Judge Hutcheson directed equalization of school facilities in the county between white and Negro pupils. A $300,000 bond issue for schools was submitted to voters of the county but was rejected. On January 13, 1949, Judge Hutcheson cited three members of the Gloucester School Board and the division superintendent of schools for contempt of court for failure to carry out the court's equilization order. Fines of $250 each were later imposed by the court upon these officials.

In imposing sentence Judge Hutcheson said the school officials had "lacked in diligence" and had considered themselves "clothed in immunity" because they lacked funds with which to erect a new high school for Negroes in the county.

The case was a lesson and a warning.

Politically the State learned the lesson quickly. Candidate Horace Edwards in the Democratic primary campaign of that year found that there were still 1,271 one-room schools in Virginia, nearly 1,000 of which presented problems of safety or sanitation. Candidate Francis Pickens Miller played up the issue.

Candidate John S. Battle who was nominated in the primary and elected Governor came up (with some coaching from fiscal officials of the commonwealth) with a 57-million-dollar fund for loans and grants for schools. Mr. Battle even estimated (correctly) and laid on the barrelhead for schools an anticipated surplus of $15 million of the current biennium.

A lot of schools were built in Virginia. The impetus traced back to Judge Hutcheson's decision in the Gloucester County case. Those schools stand the State in good stead today. The many new Negro schools will lessen the impact of desegregation upon Virginia schools. Where Negro pupils have good schools neither they, nor their teachers, will be eager to leave them.

It is good to know that Judge Hutcheson's retirement means that he will be available for occasional service on the bench. He has made (since he went on the bench in 1944) his personal mark of distinction as a thoughtful judge given to few words and wise decisions.

[From the Winchester (Va.) Evening Star, Aug. 3, 1959]

WISDOM GOES FOR NAUGHT

Judge Sterling Hutcheson has tried to inject common sense into desegregation litigation. But having seen higher courts repeatedly divorce themselves from reality and therefore block any reasonable approach to the program, it is understandable that Judge Hutcheson has decided to retire from the bench.

Judge Hutcheson's deep respect for the law and his clear reasoning were demonstrated in decisions handed down both before and after the Supreme Court ruled out segregation in 1954.

The Virginian was a member of the three-judge court that heard the original Prince Edward County case and upheld segregation under the separate but equal doctrine laid down by the Supreme Court in 1896.

Prior to that, in 1947–48, he made it clear that he would countenance no winking at the law and that "separate but equal" meant just that. He ordered an equalization of school facilities in Gloucester County and later cited three members of the county school board and the school superintendent for contempt of court for not carrying out his decree.

Following the 1954 Supreme Court decision, the Prince Edward case came back to Judge Hutcheson. He made the best of a bad situation. The Supreme Court decision presumably allowed discretion on the part of district judges. The Virginian directed the county officials to prepare for desegregation but declined to set a definite date. After further litigation Judge Hutcheson was directed to set a date for desegregation. He set the year 1965. His reason was obvious. Feeling on the question was so high in Prince Edward as to make immediate compliance impossible.

The decree setting 1965 as the date for desegregation was widely acclaimed as an act of wisdom. Even some newspapers championing integration realized the futility of trying to force immediate integration in Prince Edward and complimented Judge Hutcheson on a wise decision.

The Fourth United States Circuit Court of Appeals, however, turned its back on reality and directed the Virginia jurist to issue an order opening Prince Edward's white school to Negroes by September, 1959. The county officials promptly closed all public schools as Judge Hutcheson had known they would do.

Judge Hutcheson is not the only jurist whose efforts toward reasonable solutions to difficult problems have been thwarted by higher courts. Judge Lemley of Arkansas, a northern Virginia native, adopted a reasonable approach when he ordered a delay in Little Rock integration to allow a cooling

off period for that explosive situation. He, too, was overruled.

It is now clear that district judges will have no appreciable discretion in dealing with integration suits. And, without discretion in these complicated and touchy cases, a judge's wisdom, however great, goes for naught.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. JAVITS. Mr. President, I desire to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the junior Senator from New York yield for that purpose?

Mr. KEATING. I yield to my distinguished colleague for that purpose.

Mr. JAVITS. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Without objection, it is so ordered.

The Senator from New York [Mr. KEATING] has been recognized.

Mr. KEATING. Mr. President——

Mr. DOUGLAS. Mr. President, will the Senator from New York yield briefly to me?

Mr. KEATING. I yield.

Mr. DOUGLAS. I ask unanimous consent to have printed at this point in the RECORD a statement with replies which I have prepared to certain questions which on yesterday were propounded by the junior Senator from Wisconsin [Mr. PROXMIRE] and certain statements made by him. As I stated earlier today, I do not intend to become involved in a verbal dispute on the floor of the Senate and thus assist the group of Senators with whom the junior Senator from Wisconsin is affiliated to filibuster more successfully.

My statement relates to questions which the junior Senator from Wisconsin raised during the proceedings in this Chamber on yesterday. I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS—A REPLY TO QUESTIONS RAISED BY SENATOR PROXMIRE AND CERTAIN STATEMENTS MADE BY HIM IN REGARD TO HOUSE BILL 1, WITH ANSWERS BY SENATOR DOUGLAS

Question. Why have the diversion, if the Senator from Illinois can assure the Senate at the present time that the consequences of diversion would only be a maximum of one-quarter of an inch?

Answer. The effect of additional diversion would be measurable if it exceeded the estimates of the Army engineers. The tests should allay the fears of those who question these estimates.

Question. If 57,000 pounds oxygen is known, why test 1,000 cubic feet per second additional diversion for a year?

Answer. The 57,000 pounds of oxygen per day to be obtained from 1,000 cubic feet per second of lake water is computed from average recorded temperatures and other factors. The quantity has a seasonal variation.

The effectiveness of this oxygen in satisfying the biochemical oxygen demand in the waterways is subject to a number of factors which only tests can determine with any degree of certainty. Some of the factors are seasonal, thereby requiring a year for testing.

Question. If there is to be a fair study of the effect and the value—should not all be studied in precisely the same way, first a 3-year study in regard to diversion, then a 3-year study in regard to aeration, then a 3-year study in regard to chlorination.

Answer. Both reaeration of the waters in the canal and chlorination have known limitations as to effectiveness which might be evaluated by applying known data to observed local conditions. However, we would consider it logical and would cooperate to continue tests of reaeration, chlorination, or other methods should preliminary studies indicate that further tests were justified.

Question. Is it true that the Supreme Court, in 1930, asked Chicago to file two reports a year—and whether Chicago has complied with that request?

Answer. Chicago has complied with every requirement of the Supreme Court. In the final report of the sanitary district to the Supreme Court, January 1, 1939, a statement was made that the ultimate reduction had been made and that no other report would be filed unless the Court so directed.

Question. Regarding the absences limitation of the maximum rate of diversion at any time to 5,000 cubic feet per second, why was this left out?

Answer. Fixing a limit for the maximum rate of direct diversion from Lake Michigan at 5,000 cubic feet per second is meaningless because in time of storm, when the maximum flow would be critical, all direct diversion is automatically shut off. The bill specifically provides that the Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan. However, there is no objection to such a limitation being inserted as an amendment.

Statement. I am stating that the city of Chicago has failed to carry out the directions of the Supreme Court.

Answer. Neither the city of Chicago, nor the sanitary district has ever violated the orders of the Supreme Court. It has never been charged with contempt of Court nor has it ever been found to be guilty of contempt of Court.

Statement. I say that the Chicago district has never abided by one decree of the Supreme Court, which handled this matter.

Answer. Neither the city of Chicago, nor the sanitary district has ever violated the orders of the Supreme Court. It has never been charged with contempt of Court nor has it ever been found to be guilty of contempt of Court.

Statement. Let me say that since then approximately 420 square miles have been added, and the impact on the plant has created a situation which was mirrored by the photographs which the gentleman from Michigan brought before the committee.

Answer. This large area which became a part of the sanitary district by referendum in 1956 has not been neglected. Several existing sewage treatment plants were taken over by the sanitary district, it has built two new plants, it has four more under construction, and plans are nearly complete for another two plants.

Mr. PROXMIRE subsequently said: Mr. President, earlier today, the senior Senator from Illinois [Mr. DOUGLAS] submitted in writing replies to some questions which I had wished to ask him in person on the floor of the Senate, last evening. Unfortunately, last evening the Senator from Illinois could not reply to my questions, because he had made an excellent speech which consumed a considerable length of time, and he was weary, and had to leave the Chamber.

Today, the Senator from Illinois has taken the unusual course of answering in writing the questions I asked in the course of the debate on yesterday. Apparently the Senator from Illinois has adopted that course because he feels that if he and I engaged in a colloquy, it might consume some time and might lead to a filibuster.

Mr. President, I shall try to go to the heart of the answers submitted by the Senator from Illinois. I wish to say that I think it too bad that the Senator from Illinois and his supporters feel that we are trying to delay a vote on the bill. We are not trying to do so. The bill relates to a very complicated matter, which never has been fully discussed on the floor of the Senate, although it has been before the Senate a number of times. However, we have had a relatively short time in which to present our case against the bill; and we wish to do all we can to explain to the Senate why we believe the bill should not be passed.

After all, many bills have been debated in the Senate for days and for weeks; in fact, as the Senator from Illinois himself admitted earlier, some bills have been debated in the Senate for a month or more, and in at least one of those cases the Senator from Illinois, himself, has taken an active part.

Mr. President, I ask unanimous consent that the comments I now make in reply to the written answers which earlier today were submitted by the Senator from Illinois may be printed in the RECORD immediately following the written answers which the Senator from Illinois obtained unanimous consent to have printed in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. First, Mr. President, since the Senator from Illinois [Mr. DOUGLAS] asserted what the effect of the proposed diversion would be on the oxygen content of the waters of the Illinois Waterway, I asked him why the proposed diversion of an additional 1,000 cubic feet of water a second, for 1 full year, would be needed in order to establish what the effect would be.

Now the Senator from Illinois has stated in writing that he has the answer to that question. He said that the effect of the proposed diversion of an additional 1,000 cubic feet of water a second would be to supply, on the average, an additional 57,000 pounds a day of the all-important oxygen.

The written reply or answer of the Senator from Illinois to my question reads as follows:

Answer. The 57,000 pounds of oxygen per day to be obtained from 1,000 cubic feet per second of lake water is computed from average recorded temperatures and other factors. The quantity has a seasonal variation.

The effectiveness of this oxygen in satisfying the biochemical oxygen demand in the waterways is subject to a number of factors which only tests can determine with any degree of certainty. Some of the factors are seasonal, thereby requiring a year for testing.

Mr. President, I submit that is not an answer to my question. The Senator from Illinois has said he knows what the effect will be and that he knows what effect such a permanent diversion of an additional 1,000 cubic feet of water a second will have on the oxygen content of the waters of the Illinois Waterway. The Senator from Illinois has said the effect is subject to a number of factors which only tests can determine with certainty, and yet he has specified the figure 57,000 pounds of oxygen a day as the exact result. Any objective sanitary engineer will tell you that this result is the fundamental answer and, as HEW has said, no test is necessary to prove it. Mr. President, on the basis of that testimony by the Senator from Illinois, I submit that the Senator from Illinois himself has testified that he knows what the effect will be and, therefore, no additional diversion is necessary.

My next question to the Senator from Illinois pertained to a statement made by him. In that connection, I said:

I now read the next part of the speech the Senator from Illinois made today:

"4. Could not some other method do just as well as added diversion? Most sanitary engineers do not think so."

I notice that the Senator from Illinois did not quote any authority. It is true that the Chicago metropolitan district has competent engineers—

And who, therefore, of course, have reason to agree with the position taken by Chicago—

but I think all must recognize that those gentlemen are biased, and of course they could not speak with objectivity.

It seems to me that if the Senator from Illinois wishes to establish the correctness of his assertion—which is an extremely important one—he should be able, after 4 years of hearings and testimony by a great many witneses, many of them most objective, to be able to refer to the testimony of at least one unbiased engineer who says that is the best way to do it.

Could the Senator from Illinois refer to the testimony of any engineer in the employ of the Federal Government who had the opinion that the diversion method was the best?

The Senator from Illinois has failed to answer that question anywhere in his written reply to my questions; he has not made any answer to that question by me. He has not answered because he knows of no competent and objective authority who will support this crucial position.

Then, Mr. President, the Senator from Illinois made the following statement:

That is why we are asking in the bill for a study of the currents in the southern half of Lake Michigan to help determine the dangers of this course which is being pressed upon us by our sister States, and which has now been referred by the Supreme Court to Judge Albert Maris as a special master. Incidentally, such a study would be invaluable to Judge Maris in helping him to arrive at a proper decision.

We pointed out that Judge Maris has never asked for the making of such a study by Congress; and I challenged the Senator from Illinois to indicate whether Judge Maris had requested or indicated, as he well might have, whether the investigation authorized by Congress would be useful. But the Senator from Illinois has not answered that question.

A little later, Mr. President, the Senator from Illinois said:

First, there would be no effect whatsoever on the level of Lake Superior.

Second, the maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

I asked this question: If the Senator from Illinois knows what will be the effect on Lake Superior and Lake Huron, why is it necessary to make an additional diversion of 1,000 cubic feet of water a second, over the strenuous protests of Canada and the other Lake States? If the answer to that question is already known, why should this damage be done to the other States and to Canada?

The written answer of the senior Senator from Illinois is as follows:

Answer. The effect of additional diversion would be measurable if it exceeded the estimates of the Army Engineers. The tests should allay the fears of those who question these estimates.

Mr. President, I know of no one who has questioned the estimates made by the Army Engineers. We accept them; we are willing to stipulate to them. We have made that very clear. But the fact is that the proposed diversion is not necessary; and the answer submitted by the Senator from Illinois on that point indicates that the proposed diversion is not necessary.

Mr. LAUSCHE. Mr. President, on this point, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. The report filed by the Army Engineers states that an additional diversion of 1,000 cubic feet of water a second on a permanent basis would lower the levels of Lake Michigan and Lake Huron 1 inch, and would lower the levels of Lake Erie and Lake Ontario five-eighths of an inch.

Mr. PROXMIRE. I thank the Senator from Ohio for making a much more complete statement than the one I had made.

Then, Mr. President, I point out that the Senator from Illinois said, in the course of his speech:

As a matter of fact, the permanent diversion of a thousand cubic feet per second—for which we are not asking at this time—would only lower the level of Lakes Michigan and Huron by five-eighths to 1 inch.

Again, Mr. President, if the Senator from Illinois knows that, why authorize the proposed additional diversion which is so strenuously objected to, and which the Government of Canada would regard as an affront to its sovereignty and its dignity? The Senator from Illinois has not answered that question.

Mr. LAUSCHE. Mr. President will the Senator from Wisconsin yield again to me?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that the Army Engineers stated that a study would be of no use to them in determining the impact upon navigation, because the Army Engineers had the information, as set forth in their report?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct. They said in 1958—Col. Arthur C. Nauman testified—that they know with certainty exactly what would be the effect on navigation and power.

In 1959, the representative of the corps was asked by the distinguished junior Senator from Maine [Mr. MUSKIE]; and again they replied that they knew the results of permanent diversion; and they said the study would only confirm what they already knew. And, therefore, it was very clear that the study was unnecessary, and would not be helpful.

Mr. LAUSCHE. And is it not a fact that the Senator from Illinois confirms the fact that the study, from the standpoint of lowering the level of the lakes, is useless, because the information is already at hand?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct.

Mr. LAUSCHE. I say that because the Senator from Illinois quoted the exact figures of the extent to which the lakes would be lowered.

Mr. PROXMIRE. I thank the Senator from Ohio.

Mr. President, the Senator from Illinois devotes a number of answers to the last point, which I raised in regard to his speech. The Senator from Illinois said:

Chicago will abide by the decision and recommendations of the report and of the court. It only asks that its opponents give a similar pledge.

On that point, I asked the Senator from Illinois if it were true that the Supreme Court in 1930 asked Chicago to file two reports a year, and whether Chicago has complied with the request.

The order of the Supreme Court dated October 24, which appears on pages 406 and 407 of the hearings on H.R. 2 during the last session, August 7, 1958, provides as follows:

SUPREME COURT OF THE UNITED STATES, NOS. 7, 11, AND 12, ORIGINAL, OCTOBER TERM, 1929—NO. 7, ORIGINAL, STATE OF WISCONSIN, STATE OF MINNESOTA, STATE OF OHIO, AND STATE OF PENNSYLVANIA, COMPLAINANTS, *v.* STATE OF ILLINOIS AND SANITARY DISTRICT OF CHICAGO, DEFENDANTS, STATE OF MISSOURI, STATE OF KENTUCKY, STATE OF TENNESSEE, STATE OF LOUISIANA, STATE OF MISSISSIPPI, AND STATE OF ARKANSAS, INTERVENING DEFENDANTS—NO. 11, ORIGINAL, STATE OF MICHIGAN, COMPLAINANT, *v.* STATE OF ILLINOIS AND SANITARY DISTRICT OF CHICAGO, ET AL., DEFENDANTS—NO. 12, ORIGINAL, STATE OF NEW YORK, COMPLAINANT, *v.* STATE OF ILLINOIS AND SANITARY DISTRICT OF CHICAGO, ET AL., DEFENDANTS—APRIL 21, 1930

DECREE

These causes came on to be heard upon the pleadings, evidence, and the exceptions filed by the parties to the Report of the Special Master, as well as on the exceptions filed to the Report of the Special Master on Rereference, and were argued by counsel. The Court now being fully advised in the premises, and for the purpose of carrying into

effect the conclusions set forth in the opinions of this Court announced January 14, 1929 (278 U.S. 367), and April 14, 1930,

It is now here ordered, adjudged, and decreed, as follows:

1. On and after July 1, 1930, the defendants, the State of Illinois and the Sanitary District of Chicago, their employees and agents, and all persons assuming to act under the authority of either of them, be and they hereby are enjoined from diverting any of the waters of the Great Lakes-St. Lawrence system or watershed through the Chicago drainage canal and its auxiliary channels or otherwise in excess of an annual average of 6,500 cubic feet per second in addition to domestic pumpage.

2. That on and after December 31, 1935, unless good cause be shown to the contrary, the defendants, the State of Illinois and the Sanitary District of Chicago, their employees and agents, and all persons assuming to act under the authority of either of them, be and they hereby are enjoined from diverting any of the waters of the Great Lakes-St. Lawrence system or watershed through the Chicago drainage canal and its auxiliary channels or otherwise in excess of an annual average of 5,000 cubic feet per second in addition to domestic pumpage.

3. That on and after December 31, 1938, unless good cause be shown to the contrary, the defendants, the State of Illinois and the Sanitary District of Chicago, their employees and agents, and all persons assuming to act under the authority of either of them, be and they hereby are enjoined from diverting any of the waters of the Great Lakes-St. Lawrence system or watershed through the Chicago drainage canal and its auxiliary channels or otherwise in excess of the annual average of 1,500 cubic feet per second in addition to domestic pumpage.

4. That the provisions of this decree as to the diverting of the waters of the Great Lakes-St. Lawrence system or watershed relate to the flow diverted by the defendants exclusive of the water drawn by the city of Chicago for domestic water supply purposes and entering the Chicago River and its branches or the Calumet River or the Chicago drainage canal as sewage. The amount so diverted is to be determined by deducting from the total flow at Lockport the amount of water pumped by the city of Chicago into its water mains and as so computed will include the runoff of the Chicago and Calumet drainage area.

5. That the defendant the Sanitary District of Chicago shall file with the clerk of this Court semiannually on July first, and January first of each year, beginning July first, 1930, a report to this Court adequately setting forth the progress made in the construction of the sewage treatment plants and appurtenances outlined in the program as proposed by the Sanitary District of Chicago, and also setting forth the extent and effects of the operation of the sewage treatment plants, respectively, that shall have been placed in operation, and also the average diverson of water from Lake Michigan during the period from the entry of this decree down to the date of such report.

6. That on the coming in of each of said reports, and on due notice to the other parties, any of the parties to the above entitled suits, complainants or defendants, may apply to the Court for such action or relief, either with respect to the time to be allowed for the construction, or the progress of construction, or the methods of operation, of any of said sewage treatment plants, or with respect to the diversion of water from Lake Michigan, as may be deemed to be appropriate.

7. That any of the parties hereto, complainants or defendants, may, irrespective of the filing of the above-described reports apply at the foot of this decree for any other or further action or relief, and this Court retains jurisdiction of the above-entitled suits for the purpose of any order or direction, or modification of this decree, or any supplemental decree, which it may deem at any time to be proper in relation to the subject matter in controversy.

And it is further ordered that the costs in these cases shall be taxable against the defendants.

A true copy.

Test:

CLERK, SUPREME COURT, U.S.

The Senator from Illinois said:

Chicago has complied with every requirement of the Supreme Court. In the final report of the sanitary district to the Supreme Court, January 1, 1939, a statement was made that no other report would be filed unless the Court so directed.

The fact is that the language of the Supreme Court is very clear. Chicago has not complied with the direction and directive of the Supreme Court in this respect; and there just cannot be any question about it.

Mr. President, I conclude by pointing out that the Senator from Illinois——

Mr. LAUSCHE. Mr. President, will the Senator yield for a moment on that point?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. The record shows, on page 298, that the last semiannual report of the Chicago Sanitary District was filed with the U.S. Supreme Court on January 2, 1939. That means in the last 20 years there has been no report on that subject, and that confirms the statement made by the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Ohio. I think that certainly buttons up the fact very clearly that Chicago has not complied with the clear direction of the Supreme Court.

Mr. President, the Senator from Illinois has not answered the central question that I repeatedly asked him in several different ways; and that was, Why do we need an additional diversion if the Senator from Illinois himself is convinced of what the additional diversion would do, and if he is certain, of his own knowledge, how it will affect sanitation and navigation? If he knows, why in the world do we engage in a diversion which is damaging, and clearly damaging, to Canada, Wisconsin, Michigan, Pennsylvania, and New York, and has terrible repercussions for the northwest portion of the country, and can certainly damage the whole economic life of that section?

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. NEUBERGER. The Senator from Wisconsin listed some of the States which would be damaged if this additional diversion were to occur. The States which he listed, if I am not mistaken, are those which are contiguous to and border upon the Great Lakes. I also would add, if the able Senator would permit me, such States of the Pacific Northwest as Washington, Oregon, Idaho, and Montana.

If a precedent is established in this diversion to flout and disregard the express wishes of the Canadian Government, it may set the very perilous precedent by which Canada could, which is presently being studied, bring about diversion of the upper Columbia River.

Mr. PROXMIRE. The Senator is correct. As the Senator knows much better than I do, Canada is in a position to divert the Columbia River into the Fraser River. It could do so with the result that there would be a 25-percent reduction in power on the Columbia, with serious damage to the Hanford atomic works, with very serious damage to a number of dams which have been constructed at great cost in Washington and Oregon, and with very serious effect on the economic life of Oregon, Washington, Idaho, and Montana.

Mr. NEUBERGER. In addition to that, the great Libby project, which has already been authorized by this Congress, is on the Kootenai River in Montana. That project is heavily counted upon not only for additional waterpower, but to prevent floods in Montana and Idaho, and in such cities as Bonners Ferry.

The Libby project cannot be built unless Canada consents to have a considerable portion of that mighty reservoir on the soil of Canada. One can well imagine how cooperative Canada would be with respect to the Libby project if our Government goes ahead and disregards Canada's express desires as to the Lake Michigan problem. Furthermore, I will add one other State whose interests may be jeopardized and threatened if this diversion takes place.

That is our next to newest State, our 49th State, Alaska. Alaska has a great stake in the Yukon River. The Yukon River is one of the great waterways in the world. As I mentioned earlier, the two able Senators from Alaska [Mr. BARTLETT and Mr. GRUENING] have sponsored the Rampart project on the Yukon River. This would be an even greater source of hydroelectric power than Grand Coulee, which is presently the mightiest waterpower edifice ever reared by our Nation—and perhaps by any nation. Canada controls the headwaters of the Yukon River. The Yukon River rises in a series of lakes on the soil of the Yukon Territory. The Yukon Territory is part of Canada.

I say again, are we going to jeopardize the interests of Alaska, Oregon, Washington, Montana, and Idaho—of the whole great northwestern sector of the United States—by authorizing the diversion of water from Lake Michigan, against which the Government of Canada has expressly taken a stand?

Mr. PROXMIRE. Mr. President, I thank the Senator from Oregon for an excellent and very helpful statement. I should like to point out that the precedent could be extremely damaging in exactly the same way to New York State, because at the present time 5,000 cubic feet of water per second are diverted from Hudson Bay into Lake Superior. The New York Power Authority benefits to the extent of 2,500 cubic feet per second in at least one dam, and perhaps two. I will go into some detail on that a little later.

The effect on New York State could be extremely serious. There is no question that Canada would have every reason to feel that in order to compensate itself for what is being done by the Congress of the United States it should insist on taking full advantage of all waters diverted from the Hudson Bay watershed by Canadian enterprise, and at cost to Canada. This diverted water now goes into complete Canadian tributaries before going into Lake Superior. If Canada did claim the full power advantage of this diversion it would mean a direct loss of 2,500 cubic feet per second to New York power permanently, and a loss of millions of dollars worth of power to the customers of the New York Power Authority.

Mr. President, I yield the floor.

Mr. BARTLETT obtained the floor.

Mr. NEUBERGER. I wish to add one further comment. I think Abraham Lincoln said, "If you would win a man to your cause, first convince him that you are his sincere friend." If we are not a friend of Canada with regard to Lake Michigan, how can we expect Canada to be a friend of ours with regard to the Yukon River, the Columbia River, or the great power needs of the New York Power Authority?

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Wisconsin yielded the floor. The Senator from Alaska has the floor.

Mr. BARTLETT. Mr. President, I yield to the Senator from Ohio.

Mr. LAUSCHE. I simply wanted to supplement what the Senator from Oregon said. Common ethics require that when a stream flows through the lands of two States or two nations only barbarians would contemplate peremptory action on the part of one in whole disregard of the rights and at least the ethical interests of the other nation or State.

We are contemplating a course of conduct which declares, "We will choose our own course regardless of what is the will or the wish of Canada on these waters lying between the two nations."

I wish to subscribe to what the Senator from Oregon said. I thank the Senator from Alaska.

Mr. NEUBERGER. I thank the Senator from Ohio.

Mr. DOUGLAS. Mr. President, I also ask unanimous consent to have printed in the RECORD an article from the Chicago Daily News of August 25, 1959, entitled "Filth Traps Great Lakes Cities in East," indicating the very dangerous conditions which have attended the practice of these other cities in the dumping of sewage into the Great Lakes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FILTH TRAPS GREAT LAKES CITIES IN EAST—DUMP SEWAGE INTO WATER—NOW BEACHES ARE POLLUTED

(By Nicholas Shuman)

CLEVELAND.—Baked in the oven of a cruel summer, would-be swimmers nevertheless are leaving the eastern Great Lakes to the bacteria.

To take a cooing dip means running the risk of infection in most of the metropolitan centers on the lakes.

This is true here and in Toledo, Ohio. It's true in Detroit; in Buffalo and Rochester, N.Y.; and in Toronto, Ontario.

The pattern disclosed in a Daily News inspection, matched that found in the western Great Lakes last week.

Six Lake States are suing Chicago in the U.S. Supreme Court to force the city to return its sewage to the lakes to keep the water level from dropping.

In all of them this practice has resulted in polluted waters, closed beaches and waterfronts with seriously impaired recreational value.

(The same six States and Canada are opposing Chicago's bid in Congress to get more Lake Michigan water to flush treated sewage down the Illinois waterway.)

(The House has approved, as has the Senate Public Works Committee, and the bill is now pending before the full Senate. President Eisenhower twice has vetoed similar measures, largely because of Canadian opposition.)

Dr. J. Glen Smith, Cleveland Health Commissioner, said, "Our beaches are polluted—have been for years—and we don't recommend bathing in the lake. Everyone here complains because we don't have the same conditions you have in Chicago."

William H. Hay, director of the health department laboratory, said that coliform bacteria (germs that exist in the colon) are terrifically high at the four city beaches.

The State Lake Erie Pollution Survey reported:

"Evidence of gross pollution was found in the Maumee (Toledo) and Cuyahoga (Cleveland) Rivers. * * *

"In the Cleveland area, the bacterial quality of the water at all of the nine beaches sampled (including those in the plushy suburbs) was consistently very poor and failed by a wide margin to meet any accepted standards for bathing waters."

The report said this was doubtless caused by "the concentration of sewage effluents and industrial wastes in the Cuyahoga River and along the Cleveland waterfront."

The State team took water samples along all of Lake Erie. Of 28 beaches tested, 11 were found to be unacceptable and three doubtful.

Walter Gerdel, Cleveland Sewage Commissioner, conceded that "a considerable volume of industrial waste is going into the river, but it's being reduced all the time."

"We take industrial waste into our treatment plants to the extent that we can, eliminating wastes that include acids or other detrimental chemicals," he said.

Those go directly into the river—and thence into the lake—sometimes after some pretreatment by the industries.

In Chicago all but the sneak industrial waste is collected and treated.

According to sanitary engineers, a quick way to check on how much of a city's waste escapes treatment is to compare the total amount of water used daily with the amount of sewage treated. Generally the idea is that what goes in must come out.

In Chicago, for example, 1.014 billion gallons of water are pumped daily for use in the sanitary district area. Treated daily is an average 1.109 billion gallons—which is roughly equal.

But Cleveland daily pumps an average 360 million gallons of water—while treating only 190 million gallons of sewage.

Cleveland has three sewage treatment plants—two of the activated sludge type like Chicago's and with comparable high efficiency. However, its west plant is a primary installation that removes only about 28 percent of the waste from sewage.

This plant discharges this cloudy effluent directly into the lake, about half a mile and within sight of Cleveland's Edgewater Beach.

On one recent day, with the temperature at 90, only about 100 steaming city dwellers were at the beach, because of the official recommendation against swimming.

In Milwaukee, with equal bacteria counts, the beaches were closed.

A Cleveland lifeguard whistled one woman down and ordered her to get her dog out of the surf, presumably for reasons of sanitation. It seemed like an absurd nicety. The water already was crawling with invisible vermin.

Move east from here on Lakes Erie and Ontario, and the shorelines are as bad or worse.

Buffalo long ago surrendered all of its waterfront to shipping. Pollution now is a threat to the water supply.

Rochester, which had been without beaches for 17 years, this year opened one. The city is spending $18 million to keep it and the city's water supply free of pollution.

Toronto is no better. The daily Telegram reported there recently:

"The specter of pollution has officially closed half the erosion-scarred shoreline.

"It seems perfect nonsense for many families—particularly the European used to his large parks—to live on the edge of a giant fresh water lake without being able to swim in it in the hot summer months."

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield the floor.

Mr. WILEY. Will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. WILEY. After those brilliant and scintillating remarks, and almost "smelling" remarks, I am sure a little news from a Milwaukee paper would not hurt at all.

I want to read a paragraph from an editorial:

It is immaterial that the Chicago proposal is couched in terms of temporariness and experiment; it would still be a diversion by act of one party without consent of the other, wrong in principle and wrong in precedent. * * *

The overriding fact remains that any diversion purporting to be authorized by unilateral act of Congress would violate treaties with Canada that recognize the common interest in waters of the Great Lakes Basin. And even if there were no treaties, it would ethically violate all accepted standards of comity between nations.

I think we would go further and make better progress if we confined ourselves to the facts and the law, as a venerable and learned instructor stated to me when I was a student in the University of Michigan. I also remember Lincoln said that abusing an associate in a trial was not arguing the facts. I am sure that logic has pertinency here.

I think the remarks of the distinguished senior Senator from New York today were a very fine exposition of the law and the facts. He made the particular point which the Attorney General of his State stressed, and which I had not heard before, because I had not read it in the RECORD. I understand it is in the RECORD. I stayed up until midnight reading the RECORD. I make reference to the fact that there is a loss to the State of New York resulting from diver-

sion and that it violates the Constitution by taking property without just compensation. To me, that is arguing the case, and not in any facetious manner.

PERSONAL STATEMENT BY SENATOR SCOTT

Mr. SCOTT. Mr. President, will the Senator yield to me, with the understanding that he does not lose the floor?

Mr. KEATING. Mr. President, I am happy to yield, with the understanding that I do not lose the floor.

Mr. SCOTT. Mr. President, I am sorry that I was not on the floor yesterday to listen to and to make some comments on the remarks made by the distinguished Senator from Missouri [Mr. SYMINGTON] and my friend and senior colleague from Pennsylvania [Mr. CLARK].

I notified the office of the Senator from Missouri this morning, and again this afternoon, that I expected to take the floor; and I now learn that he is out of the city. I have done the best I could to notify him. I have also notified the senior Senator from Pennsylvania [Mr. CLARK], who I understand is in or near the area of the Chamber.

I was unable to be on the floor at the time of the remarks of the Senator from Missouri, because I was at that time a conferee on a bill to amend section 315 of the Communications Act, known as the equal time bill, and was engaged in that work for several hours.

The distinguished, and able, and experienced Senator from Missouri has indicated that perhaps I am not familiar with the very pamphlet which I sought to discuss at length, and that perhaps I had not been following important events in the past few months. Nothing could be less accurate. Because, I think, that my remarks on Monday fully refute both those statements, and because the nature of the Senator's reply to me indicates he may not have studied or absorbed my rather extensive remarks, it may be necessary to again quote several sections of my own speech to refresh his memory or the memory of those who may be interested in this discussion.

The Senator from Missouri has implied that I am confused, rather than that the pamphlet of the Democratic Advisory Council is confused, as I stated. After referring to three newspaper items which take a different view from mine, he submits that, "It seems pretty clear that it is not the pamphlet which is confused."

I am surprised that such a student and expert of defense policy as the Senator from Missouri would defer his own judgment on these matters to the Greensboro, N.C., News, good paper though it is.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. SCOTT. I shall be very glad to yield briefly.

Mr. KEATING. Mr. President, I am happy to yield to the other distinguished Senator from Pennsylvania.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Who has the floor?

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. CLARK. I regret that I thought the Senator from Pennsylvania had the floor.

Mr. KEATING. It is understandable, because I have had great difficulty in trying to get started with my remarks.

Mr. SCOTT. The senior Senator from Pennsylvania was slightly confused, which is quite understandable in view of the situation.

Mr. KEATING. Mr. President, I will yield to either Senator from Pennsylvania.

Mr. CLARK. I thank the Senator. I assure him my interruption will be very brief indeed.

I do think that in fairness the Senator from Pennsylvania should say that Walter Lippmann and Arthur Krock were the two individuals quoted by the Senator from Missouri, in addition to the Greensboro News. I do not think the Senator could quite put them in the category of newspaper reporters. That is quite correct, is it not?

Mr. SCOTT. If my senior colleague from Pennsylvania had not been of such a precipitate and impulsive turn of mind, and if he had given me perhaps a few seconds longer—and I say seconds rather than minutes—my very next remarks, continuing the sentence, would have been that moreover, merely because two well-known columnists—cited back and forth across the aisle in this body to support both sides of various issues—feel a certain way about our defense preparedness is no reason why U.S. Senators should immediately conclude that this is the be-all and end-all of the matter and that senatorial judgment to the contrary is necessarily incorrect or confused.

I have the greatest respect not only for the two columnists mentioned, but for all columnists generally. I do admit that before I came to the Congress some 20 years ago my respect was unalloyed; but I did find later that some of the columnists whose articles I was reading with such intense interest and belief were in fact quoting some of my own statements, which I had made from time to time, as authoritative.

I did not regard myself as being as authoritative, perhaps, as the columnists did. Then when I found the columnists were relying on information and data received from me, I began to wonder upon how many other people they were relying and whether these other people knew a whole lot more than I did, perhaps. But it did something to alloy my erstwhile naivete with respect to the factual substructure of all columnist presentations and of all columnist articles.

I sympathize with the columnists. The senior Senator from Pennsylvania and I have to work out television scripts every two weeks. We both have to work out press releases. We both have to engage in a form of junior or substitute journalism. I know how difficult it must be for the real, able, and competent professionals to manage the weapon of the pen and to be authoritative on all subjects every day.

Perhaps the confusion which I found within the pages of the pamphlet may be cleared up ultimately, but I do not believe that the speech of the distinguished junior Senator from Missouri accomplished that.

The pamphleteers tell us we put too much of an emphasis on strategic nuclear retaliatory striking power. To quote from my own speech concerning their "advice" as to limited conflict and its relationship to strategic deterrents, I said, in my original speech:

> If we can strengthen our NATO forces enough, the enemy will have a tougher problem containing any limited conflict of his making and therefore would be less likely to start one.

Then I pointed out how we were informed in the pamphlet that we can never equal our enemy's manpower and that our tactical atomic weapons should be kept only as a deterrent. Further, we are advised that the Russians will not use their own tactical weapons, anyway, again in order to keep the conflict from expanding, so that a deterrent is needless.

I added, "The fog thickens."

I will add that I have not as yet noticed the fog lifting by any attempts to explain away the confusion of the pamphlet.

I went on to say in the speech:

> The Kremlin, being unable to keep a conflict of its making limited, would be in great danger of courting strategic nuclear retaliation. Facing this eventuality, the enemy would be too scared to initiate a limited conflict, in the first place—and we have outfoxed him. This is contradicted when the pamphleteers inform us that Russia thinks our nuclear retaliatory power is only a bluff and would not be used anyhow. The smoke of sophistry has us weeping.

The distinguished columist, Mr. Walter Lippmann, whom I admire, and whose articles I read with interest and avidity, wrote a column which is cited to rebut my thesis that the Democratic Advisory Council advisers are not clear on the type of war we must prepare against and that our present policies are competent hints that the Russians may obliterate our nuclear retaliatory capacity, with many "ifs" and many "theoreticallys."

This distinguished journalist speaks of the so-called "missile gap" and the end of the U.S. nuclear "monpoly" with "gaps" of logic and of fact which I hope will at some time in the future be supplied.

Like the Democratic Advisory Council, the columnist indicated that the predicted three-to-one ICBM superiority of Russia, after 3 years, in itself means that our power to strike back is worthless. Again, as is true with regard to the Democratic Advisory Council, there simply is not any documentation for this. There are no facts to support it. The columnist has written:

> The U.S.S.R. may achieve a capacity to destroy U.S. retaliatory power at a risk which they might regard as worth running.

This is a blank assertion. It does somewhat overwork the subjunctive.

I should like to refer again to my speech on this point, in clarification of my own views.

Mr. President, I ask unanimous consent that excerpts from my earlier speech be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Nobody has offered evidence to warrant the conclusion that Russian missile capability can or will be such as to achieve a knockout blow to our SAC, missile, and carrier facilities so that our capability to retaliate would be reduced below the level of acceptable risk. This should be made clear. This should be reemphasized, lest the pamphlet's querulous charges of missile inadequacy give the mistaken impression that we are not in fact achieving a posture of balanced defense.

* * * * *

Current U.S. defense policy rests primarily on the manned bomber, since, in the judgment of our military leaders the manned bombers will remain for ourselves as well as the U.S.S.R., the most effective means of delivering nuclear weapons, in the volume and with the accuracy required to strike a decisive blow, for some time into the future—while the intercontinental ballistic missile is still moving to the operational stage and in adequate numbers. Our Democratic critics seem to overlook this reality; nor do they acknowledge the fact or efficacy of the United States "mix" policy of defense now in practice.

* * * * *

The "mix" or "double weapons" quality of U.S. preparedness meets the Soviet threat not by matching it numerically missile for missile, but rather by continuing to depend on a widely diversified retaliatory force made up of many different weapons systems, including our long-range strategic bomber force, our intermediate-range nuclear missiles deployed abroad, our atomic-capable tactical aircraft overseas, and our atomic-capable carrier air groups in the Mediterranean and Far Pacific—all of which could strike a devastating blow deep in the U.S.S.R. right now.

By contrast, the U.S.S.R. has no carrier air groups; it has no intermediate-range missiles capable of hitting the United States; it has no tactical aircraft based close enough to strike our country; it has a vastly inferior strategic bomber force. Is this nuclear parity?

Mr. CLARK. Mr. President, will the Senator yield briefly for a question at that point?

Mr. SCOTT. I am glad to yield.

Mr. CLARK. It is true, is it not, that the Senator from Missouri, backed by what at least seemed to me to be adequate documentation, has asserted on the floor of this body time after time during the session that the Russian lead of 3 to 1 in missiles is contemplated, as has been admitted by the Defense Department, and will unquestionably occur within the next 2 or 3 years, unless we change our defense policies. Is this not the "gap" of which not only the junior Senator from Missouri and the Democratic Advisory Council complain, but which also was mentioned by the Nelson Rockefeller report of a year ago?

Mr. SCOTT. I assume that the senior Senator from Pennsylvania distinguishes, as I distinquish, between the Rockefeller report and the Department of Defense. They are not, at this present juncture, the same thing.

Mr. CLARK. The Senator is, of course, correct. It is my understanding—and I am sure that if the Senator from Missouri were present on the floor the Senator could clarify it—that the statement about the 3-to-1 missile gap was based upon information the Senator from Missouri received as a member of the Committee on Armed Services.

Mr. SCOTT. I am unable to do more than venture a guess at the sources of information available to the junior Senator from Missouri. I ask, in regard to the sources available to the authors of the Democratic Advisory Council pamphlet, whether they received material from the munitions makers. I am somewhat hampered in this regard.

I should like at this point to quote a very high authority in the U.S. Government. I think perhaps I should not, but I should like to indicate that I am certainly not alone in my belief that some of the criticisms by some of the services and by the spokesmen of some of the services on the floor of the Senate may indeed have been inspired by some munitions makers.

The Air Force, for example, has its principal protagonists on the floor, of which the distinguished junior Senator from Missouri is certainly one. Undoubtedly the Air Force has its supporters among those who make aircraft and the supplies for them. That is also true of the Navy and of the Army. It is also true that each Chief of Staff has his protagonists in and out of the Congress. They always argue more and more for the service. This leads me to the retirement speech of Gen. Maxwell Taylor.

Mr. CLARK. Will the Senator yield for a question?

Mr. SCOTT. I yield.

Mr. CLARK. Is the Senator aware of the fact that Secretary of Defense McElroy, in reference to the alleged 3-to-1 Russian missile lead, has stated publicly and in the press that it is only prudent to plan on the basis of what the Russians might be able to produce, which is a 3-to-1 lead?

Mr. SCOTT. If the Senator says Secretary McElroy has made that statement, then, of course, he made it. I have quoted at some length in my speech from statements of Secretary McElroy, in which the Secretary concludes that we have a balanced defense adequate for the defense of the country and adequate to deter attack.

Mr. CLARK. As of today.

Mr. SCOTT. Adequate to retaliate against attack.

Mr. CLARK. As of today.

Mr. SCOTT. Yes; certainly, as of today. As of the future, we are all proceeding along the misty flats in the fog of the cold war, which is sometimes as dense as the fog of war itself.

No one knows what the future holds, not even the junior Senator from Missouri or the two Senators from Pennsylvania.

Mr. CLARK. The Senator would agree, would he not, that in this whole matter of defense leadtime is of the utmost importance?

Mr. SCOTT. Of course, I agree leadtime is of the utmost importance. I agree also that we should not try to match the Russians weapon for weapon, because if we once begin to play their game we will indeed be lost, in my opinion. I am not a military expert, but it is my judgment that our task is to establish a defense which is qualitatively equal to and which certainly should be qualitatively superior to that of any real potential enemy, not only now but in the future.

If the Russians maintain a lead for a time in the future in certain types of weapons, we must be prepared to insure that that lead is not militarily useful to them in time of war by virtue of the fact that we have not prepared to meet the threat through overall balanced qualitative superiority; and there, of course, is one of the great gaps in this program. This pamphlet of the Democratic Advisory Council would lead us to believe they had never heard of the Navy, that they had never heard of the Marine Corps. They have some passing reference to Polaris, but very little. There is apparently a belief that the one great danger which the United States faces is the so-called missile gap in ICBM.

There is an unbalanced concept envisaged in this report, and one is inclined to think that perhaps the munitions makers, if they have any interest in this pamphlet at all, may have been more interested from the aspect of the Air Force or the Army.

I am certainly not critical of any of the branches of our armed services. I admire and respect them all, and I have had the closest associations with them.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. SCOTT. I yield.

Mr. CLARK. Does the Senator have a copy of the pamphlet?

Mr. SCOTT. I will be glad to help the Senator out by giving him a copy if I can find one, which I can if he will agree to return it. This one belongs to the junior Senator from New York.

Mr. CLARK. I have a copy. I just wanted the Senator to have a copy so that he can follow me.

I think that if the Senator will look at the pamphlet itself he will find a rather elaborate discussion of the problem of submarine warfare, both from a defensive and offensive point of view.

Mr. SCOTT. Where will the junior Senator from Pennsylvania find the elaborate discussion of submarine warfare? Will he find it before the urgent and hysterical plea for the Government to invent something, or will he find it after that?

Mr. CLARK. If the Senator will look at the last page of the pamphlet he will see this language:

For the Navy an additional $1 billion would be needed annually.

I do not care to detain the Senator needlessly, but I will find a statement I desire to quote, and I shall ask the Senator to yield to me again so as to pursue the matter further.

Mr. SCOTT. Very well. I should like to have the RECORD show that the senior Senator from Pennsylvania cited only 1 line out of a 12-page pamphlet.

I agree that there are two or three other lines in it, but this tends to prove what I have said all along, that this is an entirely unbalanced approach to our defense. There is no recognition in the pamphlet, for example, of such areas as air-ground support. There is no recognition in the pamphlet of the fast carrier task force concept. There is little or no recognition of the hunter-killer warfare or undersea warfare. There is no real reference to our detection services.

This is in fact a "think piece" designed to give support to a single concept of defense strategy, of which the distinguished junior Senator from Missouri is certainly one of the most able proponents.

I had spoken earlier in my talk concerning the pamphlet's charge—and this will help the senior Senator from Pennsylvania to find it in the pamphlet—that Polaris is not being funded highly enough.

The reply is that the Department of Defense does not believe it should jump wildly ahead itself, and does now insist that the money requested for Polaris is sufficient for efficient progress, and this judgment, I said, is supported by information supplied to the Congress 3 weeks ago, to the effect that the submarine intermediate range missile weapon would be ready for combat use before the end of 1960, or 3 years ahead of the goal. Such a schedule factually destroys the charge that the administration is "dragging its feet on Polaris."

While the charge reads well in a political pamphlet, and since this speech was made, the senior Senator from Pennsylvania may also have seen the announcement from Navy sources that it is not expected that at any time in the foreseeable future will we need more than 40 Polaris submarines.

Mr. CLARK. If the Senator will yield, I have now found the place, and I quote from the pamphlet on page 12, which is the last page, and which seems to me to rather completely rebut what my friend from my home Commonwealth has just said.

I quote from the top of page 12:

> The Navy will increase its contribution to the strategic deterrent when its Polaris missiles and submarines become available. The Navy also needs strengthening in capacity for antisubmarine warfare because of the vulnerability of the United States to missiles fired from hostile submarines.
>
> The Army has suffered most grievously from the military policy is the provision of adequate "tactical" forces to deter local aggression aimed at limited objectives, and to defend our interests when this local deterrence fails. This is, in the nature of things, largely the province of the Army, but the Navy also has an essential role in it. To perform that role the Marine Corps should be restored to full strength and thoroughly "futurized" in arms, tactics, and transport. Carrier task forces for local, limited actions should be in constant readiness. The Navy also needs special-purpose shipping for the rapid movements of ground forces overseas. Current programs to increase carrier task forces for their contribution to the strategic deterrent cannot be justified in competition with alternative weapons systems.

This is a more elaborate justification for the one sentence I read into the RECORD a few minutes ago. I thank the Senator for his criticism.

Mr. SCOTT. I will not be able to yield further for the present, as I hope my colleague will understand, but what he has said is practically all that appears in this entire 12-page pamphlet, and he read one significant thing. He read the view of the Democratic Advisory Council, which is also apparently the view of the Air Force. They seem to be acting as the advocate of one of the services alone, and it refers with a sort of looking-down-the-nose gesture to the use of aircraft carriers for limited action.

There are many military experts in this country who would question whether the man who wrote that was a military expert, and I, who am not an expert, make so bold as to question it, because it is my understanding that the fast carrier task force concept is far more useful, as a moving target, a target which is not a fixed base, a target which will enable us to retaliate against the Russians, for example, even though they have zeroed in on targets on our soil. We still have the ability of the moving target, the Polaris, and the fast carrier task force. This is an important concept, and it is dismissed in one line in the pamphlet; I repeat.

I would like to go further, but the Senator from New York advises me that I am impinging deeply on his time.

Mr. CLARK. If my friend will yield to me for just one sentence, I promise not to interrupt him again.

Mr. KEATING. I will yield for one sentence.

Mr. CLARK. The view expressed in the pamphlet is the view of Admiral Rickover, and also the view of Senators JACKSON and SYMINGTON, whom I consider to be the two best informed Members of this body on the whole general subject.

Mr. KEATING. I yield now to the Senator for one sentence or two.

Mr. SCOTT. I will not comment on Admiral Rickover except to say to the Senator that I have heard Admiral Rickover in classified, off-the-record discussion on this whole problem, and I do not agree that he has correctly summarized it.

The PRESIDING OFFICER. The Senator has spoken the two sentences.

Mr. SCOTT. Will the Senator yield to me for a brief wrapping up, which I had intended to do earlier?

Mr. KEATING. I will yield to the Senator for the wrapping up process.

The PRESIDING OFFICER. The Senator is recognized to wrap this up.

Mr. SCOTT. I had intended to refer to the farewell speech of Gen. Maxwell Taylor.

I think all retiring Chiefs of Staff find it difficult to resist the opportunity to make one last disheartened plea for their own service, after a very able and distinguished career.

General Taylor is presently the board chairman of the Mexico Power & Light Co., and I believe director of a number of investment companies. I am sure that in retirement he is regarded with the same honor and respect with which he has always been regarded in the service, but I do question whether a retiring Chief of Staff is also the final authority on the subjects discussed in the pamphlet or on the subject of balanced defense. Since the general himself is one of those who agreed to the present budget program and the balanced defense program, we can hardly assume that his disagreement would carry the same weight, coming somewhat belatedly.

The junior Senator from Missouri was obviously somewhat shocked at the fact that the pamphlet does not discuss how to raise the $7½ billion extra over the $40 billion budget for 4 years. This proposal is cavalierly dismissed, like many similar proposals of the Democratic Advisory Council and others. It simply said, "Let us add $7½ billion. Never mind how we are going to raise it. We will raise it somehow."

This worries the junior Senator from Missouri, who says, "I would have saved the money by reorganizing the Department of Defense." This is what is known as an "aftercast" rather than a forecast, because if that were the case the question would be proper, Why did not the junior Senator from Missouri make this recommendation when he was Secretary of the Air Force? Why did he not then propose a complete reorganization of the Defense Department? Why has he not sought hearings and more urgently attempted to secure a reorganization of the Defense Department, in his role as a Member of this body?

Finally, I do not believe that there is any serious attempt to secure what the pamphlet asks, which is $7½ billion a year. I note that no responsible Member of Congress on either side of the aisle has attempted to obtain hearings looking toward action in this session on the Democratic Advisory Council's program of $30 billion more. I do not believe there are members of the legislature who seriously believe that the President of the United States should be handed, against his objection, $30 billion which does not need to be spent, and which would be taken out of the pockets of the taxpayers, necessarily, by a tax increase.

I thank the distinguished Senator from New York for yielding. I am sorry that I used more time than I had anticipated. He has been very patient and kind, and I appreciate it.

Mr. KEATING. I appreciate those courteous and fine words. They are very enlightening to the Senator from New York.

Mr. CLARK. Mr. President, the Senator from New York has been so patient that I hesitate to make this request; but if I confine myself to 1 minute, to be timed by the Chair, will the Senator from New York yield me 1 minute?

Mr. KEATING. I yield, provided the Chair times the distinguished Senator from Pennsylvania. My patience is still almost inexhaustible. Therefore I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank my friend very much indeed.

I should like to have the RECORD show that no Member of this body has urged, year after year, day in and day out, before he became a Member of this body and since he has been here, more urgently and effectively than has the junior Senator from Missouri, a comprehensive reorganization of the Armed Forces of the United States.

Secondly, I know from experience that there is no use in giving the President money which he will not spend. But I have stood on this floor day after day and urged the appropriation of billions of dollars of additional money for defense. In my judgment the money is badly needed for the security of the United States.

I thank my friend from New York for his courtesy.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KEATING. Mr. President, I wish to express my unalterable opposition to House bill 1. As a Member of the House of Representatives, I voted several times against similar bills; and here in this body I shall continue to vote against them.

I regard this Lake Michigan water diversion proposal, in whatever terms it is couched, as an unconscionable grab by the city of Chicago. It is a plain and simple piece of special interest proposed legislation which would benefit one city, at the expense of numerous States and the Nation as a whole.

Therefore, Mr. President, I oppose this measure, first as a matter of principle. It is clear to me that it is up to the city of Chicago to settle its own sanitation problems. It is up to Chicago, in the same way that it is up to the city in which I live or to the cities from which other Members hail to settle their own sanitation problems. Indeed, it is up to the city which is the home of the present distinguished occupant of the chair [Mr. MCCARTHY]—I refer to the great city of St. Paul—and to all other cities, including the city of Miami, in the State so well represented by my colleague [Mr. SMATHERS], whom I now see sitting across the aisle, and to all other cities to settle their own problems of this sort. Certainly, the pollution or sewage problems of the city of Chicago need not and should not be settled by the Federal Government. As a matter of fact, I would oppose this measure even if it would be of benefit to some great metropolis in my State of New York, because I believe it wrong in principle to have the Federal Government to act, for the benefit of any one city, to solve its sewage problems, which other cities have willingly undertaken to handle by themselves.

In any case, a balancing of the benefits which the bill would confer upon the one city to which it relates with the rights of the millions of people who live in other parts of the Great Lakes area shows the fatal weakness of House bill 1. The people of the Great Lakes area, in concert with our friends in Canada who are also intimately affected, are concerned with the water levels and the expanding shipping trade on the Great Lakes. There is clear evidence that the pending proposal for the diversion of Great Lakes water, for the benefit of Chicago, would seriously interfere with navigation on the Great Lakes and on the St. Lawrence Seaway.

It is equally clear that the bill would also have a most serious effect, as a result of lowering of the water levels, on the output of New York and Canadian hydroelectric plants, many of which are just now coming into full operation.

In addition, the proposed diversion would pillage the natural resources vested by the Supreme Court's decision in the people of the Great Lakes watershed, and would violate the rights of the people of that section of our country and of that part of Canada, under existing treaties.

As a representative of a State which maintains good and close relations with our neighbors to the north, I am particularly concerned about the international implications of the bill. It is clear that enactment of this measure would do irreparable harm to our amicable relations with our good friends in Canada.

The Government of Canada has repeatedly opposed the proposed grab by Chicago, and has repeatedly enunciated its misgivings about the legality and the propriety of the proposed increased diversion of water.

The objections voiced by the Canadian Government have, I am bound to say, a considerable degree of soundness and justification. I share to that extent the conviction, which has been expressed by some Canadian authorities, that no unilaterial action should be taken with respect to water rights between our two countries, before consultations and discussions have been held to iron out the differing points of view. That is not only a good, common sense doctrine, but I regard it as a must if we are to maintain with Canada the friendly relations of which we are so justly proud.

I understand that it is likely that the distinguished senior Senator from Wisconsin [Mr. WILEY] will move that this measure be referred to the Committee on Foreign Relations. It is true that this issue was debated at some length in March; and at that time the Senate decided to refer the bill to the Committee on Public Works, and thus to give that committee original jurisdiction over the bill. I opposed the reference of House bill 1 to the Public Works Committee at that time. The arguments then advanced in regard to the international implications of this proposal have been further strengthened, it seems to me, by developments during the intervening months. I am actually inclined to think that probably it was wise procedure to give the Public Works Committee an opportunity to study this water diversion proposal, inasmuch as it is to some extent a public-works matter.

But I further feel that the proper procedure at this time would be to give the Foreign Relations Committee an opportunity to exercise its expert judgment in regard to the international aspects of the bill.

According to the Senate rule, the Committee on Foreign Relations has jurisdiction over matters relating to—among other things—U.S. relations with foreign nations, treaties, boundary lines between the United States and foreign nations, and international conferences. To varying degrees, each of those areas is affected by this measure. Even a cursory examination of the implications of the pending bill makes clear the fact that many agreements and understandings between the United States and Canada would be jeopardized if the Congress were to proceed, on its own, to increase the diversion of water from the Great Lakes Basin into the Illinois Waterway.

Under the terms of the bill, consultations with the Government of Canada would be necessary. However, the government of our good friend and neighbor to the north has repeatedly expressed its concern over this proposal; and it has repeatedly stated its opposition to the bill, because the bill would contravene two treaties—namely, the Boundary Waters Treaty of 1909, and the Niagara Treaty of 1950.

The Canadian Government has further viewed with alarm the effects of an additional water diversion on arrangements affecting the St. Lawrence Seaway and on various navigational and power-development projects now underway.

It is important to note that the opposition of the Government of Canada to House bill 1 has been reiterated as recently as August 20 of this year, in a note from Ambassador Heeney to our State Department.

In addition, I emphasize the fact that our State Department itself and our Bureau of the Budget oppose this measure.

It seems clear to me that unless we are willing to play what would seem to be rather fast and loose with our friends in Canada, we should move with extreme caution in regard to a bill which threatens to upset our traditionally cordial relations with our Canadian friends. I certainly would not want to be a party to a move which would have that effect.

Furthermore, since House bill 1 now calls for negotiations between the Government of the United States and the Government of Canada before any authorization for an increased water diversion is made, there is additional reason to give the Senate Committee on Foreign Relations a chance to explore the international issues involved.

Mr. President, as one who feels very deeply about following closely the established procedures in regard to the reference of bills to the Senate committees which have proper jurisdiction, and as one who believes very sincerely that we should take no steps which might interfere with our amicable relations with Canada, I hope that when the Senate

acts on this problem, a majority of the Members of the Senate by their votes will refer this entire matter to the Senate Committee on Foreign Relations. That is the proper forum for analyzing and evaluating the important international implications of this measure, and it is the proper group to recommend to the Senate what it should do in the light of our relations with our neighbor to the north.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. KEATING. I am happy to yield to my friend from Wisconsin.

Mr. WILEY. I think I probably may bring a little light into the particular angle the Senator is now discussing. It was on March 18 of this year, as I recall, that H.R. 1 was referred to the Public Works Committee. It was on April 9 that, speaking on behalf of the Government, the Canadian Ambassador sent a very strong note, which is already in the RECORD and to which the Senator has referred. But after the Public Works Committee had first voted, by a vote of 7 to 7, to table, and then, by a vote of 8 to 6, to report the bill which we are now discussing, the Canadian Ambassador sent another note.

Has the Senator referred to that note?

Mr. KEATING. That is the one of August 20, I believe.

Mr. WILEY. Yes. Has the Senator put that note into the RECORD?

Mr. KEATING. I have not put it in the RECORD. I have referred to it in the remarks I have just made. Does the Senator have it available?

Mr. WILEY. Yes.

Mr. KEATING. Mr. President, I ask unanimous consent, then, to place in the RECORD at this point the text of the note delivered to the State Department on August 20, 1959.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

NOTE DELIVERED TO THE STATE DEPARTMENT ON AUGUST 20, 1959; FROM INFORMATION OFFICE, CANADIAN EMBASSY, WASHINGTON, D.C.

I have the honor to refer to my note No. 184 of April 9, 1959, concerning legislative proposals to increase the diversion of water from Lake Michigan at Chicago.

I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter. In this connection, I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the abovementioned note. In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY,
Ambassador.

Mr. WILEY. I thank the Senator.

Mr. KEATING. I appreciate the comments of the distinguished Senator from Wisconsin. I think they are very pertinent.

I am particularly concerned about the precedent which could be set if this bill ever became law. The idea of a diversion of water by one sovereign without the consent of the other affected sovereign is, to my mind, completely wrong in principle and spirit.

It could set a dangerous and bad precedent for unilateral action in our relations with Canada, and would violate all accepted standards of comity and consultation between nations.

It is possible it might lead to retaliatory action if this increased diversion were ever carried out without full consultation and agreement with Canada.

If we open the door—a veritable Pandora's box—by means of H.R. 1, there is no telling what will happen next. We could be opening the floodgates for more and bigger diversions in the future, some of them calamitous in scope. That could well happen if H.R. 1 were to become law and each country sought to outdo the other in terms of diversion, in a competitive or retaliatory spirit.

In this connection, Mr. President, I know there has been a good deal of talk about the repercussions of this measure on the States in America's great Northwest.

If Canada's wishes are disregarded with respect to the Illinois Waterway diversion, it is possible that Canada might feel it appropriate to take some retaliatory steps by means of its control over the Columbia River, which is one of this country's main sources of hydroelectric power.

The Public Works Committee minority states in its views on this bill as follows:

If the expressed and stipulated views of the Canadian Government are flouted on Lake Michigan, is this not an invitation to Canada to disregard and flout similarly the views of the American Government on the Columbia River?

I think that is a very pertinent observation.

I should like to point out that there are a number of other means by which Canada, if it saw fit to do so, could retaliate against the United States by means of water diversions. For example, New York State could face serious problems at several points if the Government of Canada decided to act in the face of our action in flouting their wishes with regard to H.R. 1.

One situation could arise if Canada claimed full use at the St. Lawrence powerplants of the 5,000 cubic feet per second which Canada has diverted into the Great Lakes watershed from Hudson's Bay watershed. Under the Treaty of 1950, Canada is entitled to full use of the 5,000 cubic feet per second, but by common consent they have permitted us to use half.

If that half were cut off, the result would be a serious curtailment of the operations of the New York Power Authority to the tune of a power revenue loss of an estimated some $570,000 a year.

Mr. President, this is not a remote possibility. There is, in fact, a very good chance the Canadians might see fit to retaliate in this way. In his statement prepared for the Senate Public Works Committee in opposition to H.R. 1 and S. 308, Chairman Robert Moses, of the New York Power Authority, dealt with this subject, and he said:

The reason the U.S. share of the waters of the Niagara River is one-half the water available for power, less 5,000 cubic feet per second is that in the Niagara Diversion Treaty of 1950 with Canada there is a provision that the waters being diverted into the Great Lakes System from the Long Lac-Ogoki Works in Canada (5,000 cubic feet per second) shall remain available solely to Canadian interests at Niagara and that those waters shall not be included in the waters allocated under the treaty. As the 1958 aide memoire shows, if there is any additional diversion at Chicago, Canada will use that diversion as a basis for urging that it have the full benefit of the diversion into the Great Lakes system through the Long Lac-Ogoki Works not only on Niagara, as provided in the 1950 treaty, but also on St. Lawrence. This has already been suggested by General McNaughton, Chairman of the Canadian Section of the International Joint Commission, despite prior understandings that the St. Lawrence power project is a joint international enterprise, the cost of which is to be shared by the two partners undertaking it, the Power Authority of the State of New York, and the Hydro Electric Power Commission of Ontario, and the power produced is to be shared equally.

So, as I say, Mr. President, this is more than just some bogyman. This is a very serious threat which is faced by the State of New York if this diversion is permitted.

Mr. President, I hope I shall never live to see the day when Canada and the United States engage in petty wars of retaliation against each other because one nation or the other has failed to live up to its international obligation to consult with the other on matters of mutual concern.

That would, indeed, be a sad day for all concerned. I sincerely believe, however, that if H.R. 1 were ever signed into law, we would be heading down the road to squabbles and mutual misunderstanding and mistrust with our neighbor to the north.

We in the United States can be proud of the friendly way in which we live with Canada, and Canada can be proud of its part in this relationship. Let us not take any actions which would upset that happy balance.

It was suggested to me by a constituent from Yates County, N.Y., that when Mr. Khrushchev comes to visit this country he be taken in a helicopter all along the Canadian-American border, to show to him what the word which he so loosely bandies about—peace—really means and what it has meant over the years between us and Canada, where there is no barrier, there is no armed force, and there is constant communication back and forth, in a wonderful spirit of amicable understanding.

I hope that no action which we take on this bill, or indeed on any proposed legislation, will destroy that fine feeling with our neighbor to the north.

Mr. President, I should like to turn to a somewhat different aspect of this question, which is the position of the State of New York with regard to H.R. 1, a position which has been consistent for years. State and elected Federal officials

of New York have strongly opposed this "grab" as being not in the interest of our State or of our Nation. Excellent summations of the position of the State were set forth earlier this year by Gov. Nelson A. Rockefeller and Attorney General Louis J. Lefkowitz.

Although speaking primarily for the people of the State of New York, these men also provided important food for thought for all Members of the Senate who must vote on H.R. 1. Governor Rockefeller said:

Although phrased as study measures, H.R. 1 and S. 308 are bills designed to modify by Congressional action the 1930 decree of the U.S. Supreme Court which limits the diversion of water from Lake Michigan into the Illinois Waterway at Chicago to 1,500 cubic feet per second of water plus domestic pumpage. Ever since 1930 the Metropolitan Sanitary District of Greater Chicago has sought to increase this diversion by judicial or by Congressional action. The State of New York has been and continues to be unalterably opposed to any bill which would authorize the diversion of additional water from the Great Lakes—St. Lawrence system.

Your committee [the Committee on Public Works] is aware of the studies made by the U.S. Corps of Engineers and of the report of the Secretary of the Army that 1,500 cubic feet per second is all the water needed for navigation purposes on the Illinois Waterway. It appears that the proponents of these bills have the sole purpose in mind to increase the diversion at Chicago so as to benefit the Sanitary District by savings in the cost of sewage treatment and by additional income from hydraulic power generated at Lockport on the Illinois Waterway. The U.S. Department of Health, Education, and Welfare has reported to your Committee that the sanitary district could solve its sewage treatment problem without the diversion of additional water by means of chlorination and aeration at an average cost of about $1 million per year. If, instead of employing this means, the sanitary district is authorized to solve its problems by diverting additional water, it will cost the users of the Great Lakes—St. Lawrence System for navigation and power developments many times this amount of money annually.

As you know, the whole diversion problem is now before the U.S. Supreme Court, which recently appointed a special master to carry the matter forward with all convenient speed. By the special master's prompt action, counsel for the various States concerned have been directed to meet at his chambers on August 4. There the procedure will be set up leading to the ultimate solution of this diversion problem with the rights of all the States concerned to be determined in a proper and legal manner. Therefore, it would seem that at this time, there is no pressing need for legislation on this subject.

Since the time of the Supreme Court decree in 1930, New York State has created a public corporation known as the Power Authority of the State of New York and has vested in it the right to develop hydroelectric power from the Great Lakes-St. Lawrence System. The power authority has obtained licenses from the Federal Power Commission for power project works at Niagara Falls and at Massena, N.Y. It has constructed the St. Lawrence Power Project at Massena and is well along with the construction of the Niagara project. It is financing these projects without State or Federal credit by revenue bonds to be paid from the sale, at no profit, of electric power. The projects are financed upon the basis that the power authority is entitled to use the flow of the Niagara and St. Lawrence Rivers undiminished, except as provided in the 1930 decree of the Supreme Court. Any reduction in the amount of water available for power will reduce the revenue to the power authority, which necessarily will increase the cost of electricity to its consumers. Thus, the monetary benefits which either H.R. 1 or S. 308 would give to the Sanitary District of Greater Chicago would be paid, in part at least, by the consumers of the power authority in New York State. Representations before you by the power authority will show these losses to these consumers. That the bills were drafted without regard for the rights and property of the people of New York becomes apparent from the fact that the bills fail to make any provision for compensating the power authority or the people for the losses which they would sustain from any increased diversion of the waters at Chicago.

The Great Lakes are now in low elevation, and we need all the water available for the production of power. This is not merely a local matter because the power which the power authority itself generates is necessary for defense industries vital to the safety of the Nation and for other industries whose economic welfare concerns the State and the Nation.

I urge your committee to recommend disapproval of H.R. 1 and S. 308 and of any other measure which would deprive the people of the State of New York of their full and established rights in the natural resources of the Great Lakes, of Lakes Erie and Ontario, and the Niagara and St. Lawrence Rivers.

The distinguished Attorney General of the State of New York filed a statement with the Senate Committee on Public Works which my distinguished colleague [Mr. JAVITS] has already read into the RECORD.

We in New York are particularly concerned about the repercussions of the proposed increased diversion on the power situation in our State. We resent what the Ogdensburg (N.Y.) Journal has eloquently characterized as, "The attempted rape of our water," which would be made possible by H.R. 1.

The best exposition of the tremendous losses New York would suffer if this Chicago grab were to become a reality was made by Mr. Stephen H. Smith, who represents the consulting engineers for the Power Authority of the State of New York. I want to refer to a particular part of the testimony of Mr. Smith before the Senate Public Works Committee where he summed this up very ably. It is at page 408 of these hearings, where he said:

Consideration of the Niagara power project construction schedule shows that 98 percent of the diversion would be lost for power generation purposes at Niagara if such diversion were to start on July 1, 1961. Hence, the values to be developed presently are slightly larger than those presented in the July 13, 1959, testimony, since that testimony, as previously noted, was based upon initial diversion on December 1, 1960, under which conditions only 89 percent of the water diverted would have been lost for power generation purposes at Niagara. Parenthetically, 100 percent of the diversion at Chicago would be lost for power generation at Massena, regardless of which of the two initial diversion dates is assumed. That is because the St. Lawrence plant is substantially completed and all units are in operating condition.

Using the fact that 98 percent of the temporary diversion would be lost for power purposes at Niagara, and 100 percent would be lost at Massena, it is a matter of simple arithmetic to show that the total energy loss for 1 year's diversion would be, for Niagara, 98 percent of 1,000 cubic feet per second, multiplied by the factor of 22.6 and multiplied by 8,760, giving 193 million kilowatt-hours. And incidentally, the factor of 22.6 is the economy factor for the Niagara plant for 1,000 cubic feet per second, under the average head of about 305 feet.

Similarly, at Massena, the loss would be 100 percent for 1,000 cubic feet per second, times 6.1 the economy factor for that plant, times 8,760 hours per year and consisting of 53,200,000 kilowatt-hours, or a total for the two plants of 246,200,000 kilowatt-hours for the diversion of 1,000 cubic feet per second for 1 year.

This figure compares with the total annual loss—and I want to stress the annual loss—for the firm division of 1,000 cubic feet per second given in the report, pages 51 and 52, the Berrigan report, at Niagara and Massena as 246,800,000 kilowatt-hours, almost two identical figures covering actually the same item, and thereby giving a check on both of them.

Since the amount of lost energy depends only upon the total quantity of water diverted and not upon the diversion rate, the loss from 1 year's diversion should be equal to the annual value of that loss for permanent diversion, as in the comparison that I just gave, which was for the permanent diversion.

Concerning the loss of power capacity as distinct from energy, I must disagree with the conclusion of the Berrigan report, as the power authority has consistently disagreed, that it is such as not to warrant the valuation, using the maximum reduction effect at Niagara of 235 cubic feet per second, and at Massena as 223 cubic feet per second, the maximum capacity losses would be at Niagara 235 cubic feet per second times 22.6, equals 5,310 kilowatts, and Massena, the figure would be 223 cubic feet per second times 6.1, equals 1,360 kilowatts, making a total of 6,670 kilowatts loss at that particular point.

This capacity would serve about six or seven thousand people at the average U.S. per capita installation capacity, taking the country as a whole.

Then, somewhat further on, Mr. Smith says this:

With the project load factors of 70 percent at Niagara, and 85 percent at Massena, the total loss of capacity would be at Niagara, 98 percent times 1,000 cubic feet per second times 22.6 multiplied by 12 and divided by the 70 percent load factor, which results in 380,000 kilowatt-hour months, and similarly at Massena it would be 200 percent times 1,000 times 6.1 times 12 months divided by 85 percent load factor, which equals 85,800 kilowatt-months, or a grand total for the two projects of 465,800 kilowatt-months of loss.

The power authority has sold the energy from Massena at 2.67 mills per kilowatt-hour, and the firm capacity at $1 per kilowatt-month, or $12 per kilowatt-year. It expects to use the same rate at Niagara. If the Hydroelectric Power Commission of Ontario agrees to accept one-half the reduction occasioned by the proposed temporary division, the revenue loss to the authority would be the value of the lost energy at Niagara, 193 million kilowatt-hours divided by 2, and multiplied by 2.67 mills is equal to $257,000

At Massena, also the energy loss will equal 53,200 kilowatt-hours divided by 2, and multiplied by the same value of energy, 2.67 mills, which equals $71,000, making a total value of the lost energy of $328,000.

The value of the lost capacity at Niagara will be 380,000 kilowatts divided by 2 and multiplied by $1 per month, which equals $190,000, and at Massena similarly 85,800 divided by 2 and multiplied by $1, equals $42,900, and the subtotal for the capacity

loss, equalling $232,900, and the total for energy and capacity, $560,900, which is the figure for comparison with the figure of $518,123, as submitted by Mr. Davison on July 13, the variation being that different dates for completing units and different dates for starting diversion had been used.

Mr. President, these are tremendous losses. They stagger the imagination of layman and expert alike.

They are particularly awful when one considers that these huge power losses to the State of New York would result from a water diversion whose only legitimate claim is that it would help the city of Chicago clear up its sanitation problem. A more farfetched, unwarranted piece of special interest legislation would be hard to come by.

It is bad enough when some kind of bill becomes law which benefits merely one State or one section of the country at the expense of the rest of the country. It is bad enough when grant-in-aid programs are instituted which take disproportionate funds from New York State and give back little. But it is enough to shock one's conscience when a bill is proposed which will benefit only one city at the expense of the rest of the country, particularly when certain neighboring States will suffer real and immediate and direct losses as a result of the legislation.

That is the situation in which New York State finds itself with regard to H.R. 1. That is why, to a man, officials and private citizens of my State with whom I have talked are unalterably opposed to this measure.

In addition to the manner in which H.R. 1 would seriously curtail our power potential, we in New York are concerned about the adverse effect on navigation of this proposal. An informative letter and resolution concerning this aspect of the bill came to me earlier this year from Adm. Lyndon Spencer, president of the Lake Carriers' Association. The committee's report notes that Admiral Spencer testified that an annual loss of 2 million tons would result from the increased water diversion. In addition, in his letter to me, he states:

LAKE CARRIERS' ASSOCIATION,
Cleveland, Ohio, February 10, 1959.

Hon. KENNETH B. KEATING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEATING: The introduction during the present session of Congress of H.R. 1, S. 308, and many other similar bills, brings up for consideration once more the subject of diversion of the waters of the Great Lakes. All those who oppose such unlawful and unnatural diversion must again join forces to defeat the proposed legislation.

The position of Lake Carriers' Association on this matter has not changed, as you will see from the enclosed resolution which was recently adopted by our Association and the Dominion Marine Association. Between them, these two associations represent practically all of the vessels engaged in trade on the Great Lakes. Our position results from the very serious effect which diversion has on such shipping.

The Corps of Engineers has been making a supplemental study of the effect of diversion at Chicago on the U.S. Merchant Marine on the Great Lakes. We believe that the study, when released, will show the injury to lake shipping to be much greater than the estimate previously made by the Corps and published in Senate Document No. 28. As a matter of fact, we are confident the study will show that the figures previously presented by our association were not far wrong when we predicted that the diversion of 1,000 cubic feet per second of water at Chicago could decrease the carrying capacity of the Canadian and U.S. merchant fleets on the Great Lakes under present conditions by as much as 1,500,000 tons per year, with a corresponding loss of income.

We believe that in the interest of preserving the waters of the Great Lakes for the benefit of the citizens of your State, you will want to oppose all of the bills before Congress which would authorize additional diversion at Chicago. We urge that you take an active part to bring about the defeat of such legislation. Certainly, no action should be taken on the proposal without public hearings.

If there is any further information on the subject which we might furnish, we shall be pleased to hear from you.

Sincerely yours,

LYNDON SPENCER.

Attached to the letter is the resolution opposing the diversion of water from the Great Lakes watershed, which I ask to have inserted in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OPPOSING DIVERSION OF WATER FROM THE GREAT LAKES WATERSHED

Whereas the several States and Provinces bordering on the Great Lakes hold title to those waters under a high public trust to protect and preserve them for the benefit of all their citizens; and

Whereas by the Boundary Waters Treaty of 1909, the United States and Canada have dedicated the waters of the Great Lakes to the primary purpose of commerce and navigation to be enjoyed by their citizens, subject only to certain uses by riparian States and Provinces not inconsistent with such primary purposes; and

Whereas by the law common to the United States and Canada any diversion of such waters by any riparian or other user constitutes a wrong against all other riparian owners; and

Whereas any diversion of water from Lake Michigan lowers the natural level of that lake and Lakes Huron, Erie, Ontario, their connecting and tributary waters and the St. Lawrence River; directly impairs the natural depth of rivers and harbors, nullifies improvements therein, reduces the carrying capacity of Canadian and the United States Great Lakes fleets and increases transportation costs, all to the detriment and injury of the people; and

Whereas the waterborne commerce of the Great Lakes is indispensable to the growth and well being of the United States and Canada; and

Whereas any diversion in one country gives rise to dispute between the people of that country and the people of the other country, which should in the interests of their friendly relations be referred for investigation and recommendation as to solution to some tribunal in which the people of the two countries have equal voice: Now, therefore, be it

Resolved, That the Dominion Marine Association and Lake Carriers' Association, in joint meeting assembled at Ottawa, Ontario, Canada, this 19th day of January 1959, do hereby express their unalterable opposition to any diversion of water from the Great Lakes watershed and urge that the Congress of the United States refrain from passing legislation authorizing any diversion of water from the Great Lakes; and be it further

Resolved, That the two associations hereby urge that the United States and Canada refer to the International Joint Commission all questions concerning the diversion of water from the Great Lakes for full investigation and recommendation as to solution to the end that all controversies may be laid at rest and the rights of the people of the Great Lakes watershed be preserved; and be it further

Resolved, That a copy of this resolution be furnished to the Chief Executive of the respective National Governments of the two countries and to each Governor or Prime Minister, as the case may be, of States and Provinces bordering on the Great Lakes and St. Lawrence River.

Mr. KEATING. The Lake Michigan water diversion scheme would also be penny wise and pound foolish in the light of the extensive work now planned or under way by many Great Lakes ports to dredge channels to a 27-foot depth in order to accomodate vessels coming through the St. Lawrence Seaway. As the minority of committee notes in its views, the steady drop in lake levels among the Great Lakes in the last 7 years has already increased considerably the cost of dredging these vital channels. I agree wholeheartedly with the minority view that it would be "foolhardy on one hand to continue with this costly dredging of these connecting channels and at the same time to lower the lake levels of the Great Lakes, thereby necessitating even more and costly dredging of these very same channels."

Now, Mr. President, I am very interested in the steps which are being taken by ports in my State to prepare for the increase in shipping coming through the St. Lawrence Seaway. I do not think we should do anything to hold up progress along those lines, because with initiative and imagination on the part of port authorities throughout the Great Lakes, that area can enjoy a golden age of prosperity in the years ahead. But that day will be long delayed, and it will cost a great deal more money to get there, if Congress permits a further lowering of lake levels in order to help Chicago to solve its pollution problems.

Mr. President, I have received numerous communications from conservationists throughout New York who are opposed to this bill. For example, I hold in my hand a letter from Mr. Lorell Cook, recording secretary of the New York State Conservation Council.

I do not need to insert the complete text of the letter in the RECORD. The important part of his statement is that the New York State Conservation Council unanimously voted to oppose the provisions of H.R. 1.

One of the most troubling aspects of this whole matter, Mr. President, is the manner in which the city of Chicago is attempting to use the crutch of Federal help to bail it out of its sanitation dilemma. As far as I have been able to determine, Chicago is in no different position from any other city on the Great Lakes. I have seen no evidence to indicate why Chicago cannot do what other cities have done to solve their sewage problems; namely, to go ahead on their own and construct adequate sewage disposal plants.

This is no unique problem. While it may be that other cities also would like to have Uncle Sam step in and solve their problems—though I think many of them would resent that—the simple fact is that other cities have not gotten help from Federal funds. Great a city as it is, Chicago is not entitled to special Federal treatment to clean up its sewage problems when other cities have gone ahead on their own.

Thus, it is true in one sense that nobody stands to gain by this bill other than Chicago. In fact, every one else stands to lose—and lose considerably more than Chicago will gain in terms of greater sanitation. It does not make sense to operate in that way.

Mr. President, one of the most perplexing and troubling aspects of this whole matter is its relationship to the proceedings instituted by the Supreme Court. It had been my understanding that the whole issue of Lake Michigan water diversion was before the high court.

On June 29 of this year, Judge Albert B. Maris was appointed as a special master in the four cases dealing with the basic legal question which is also the warp and woof of H.R. 1.

Until the fundamental legal issues have been resolved, Congress should not consider anything affecting the diversion question. Already the special master is taking definite steps to get to the bottom of the matter. Certainly if he desires the help of Congress or of departments or agencies of the Government, he can request such assistance.

It is, in a sense, an affront to the Supreme Court, and in my opinion unwise, for Congress to proceed at all on the matter until the judiciary has had an opportunity to exercise its responsibilities in this area. I therefore feel even more strongly than the expressed views of the minority on the Senate Committee on Public Works about the propriety of congressional action on a matter which is presently under judicial scrutiny.

Mr. President, I trust that my remarks will indicate clearly that I feel H.R. 1 is one of the worst pieces of proposed legislation to come before the Senate this year. It is a bad bill in terms of our relations with our neighbors in Canada. It is a bad bill in terms of power lost to the State of New York and other Great Lakes States. It is a bad bill in terms of lowered water levels and concomitant navigational and engineering problems which will result. It is a bad bill for all the country, because it will cost all taxpayers money to help alleviate the sewage disposal problems of one city. It is a bad bill because it deals with matters which are now under study by a special master appointed by the Supreme Court.

I hope we have not reached the stage where this great body will throw caution to the wind, will overlook the preponderence of evidence, and will vote for the special interests of one city at the expense of the Nation's good. I believe most sincerely that the passage of the bill would be inequitable to my State, the rest of the Great Lakes States, all of Canada, and all the people of the United States outside Chicago.

It is my hope that the bill will find in the Senate the legislative grave it so richly deserves. In any case, I have every confidence that the President of the United States, acting in the interests of all our people, will not approve this costly and unwarranted special interest measure.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. LAUSCHE. Based upon the studies which the responsible divisions of the government of the State of New York have made, is it the conclusion that if a thousand cubic feet of addition diversion is granted, there will be, first, an adverse effect upon the navigational capacities of the waters of the Great Lakes basin, and second, an adverse effect upon the capacity to generate hydroelectricity?

Mr. KEATING. That is correct. I have submitted some figures to bear that out. That is definitely correct.

Mr. LAUSCHE. Because of that adverse impact, financial damage will come to the haulers of merchandise and passengers on the Great Lakes, to the generators of electricity, and to the Government, which in one instance is spending money to deepen the channels, while in the next instance it is contemplated that by the bill we will grant a diversion of water which will make more shallow the channels.

Mr. KEATING. The Senator from Ohio has succinctly and clearly stated the case in that regard.

Mr. LAUSCHE. I understand the Senator from New York to have said that the city of Chicago, to gain financially, desires Congress to perform an act which will impose financial hardship on the economic interests I have identified and upon the taxpayers of the Nation as a whole.

Mr. KEATING. The Senator is entirely correct in the statement he makes. This proposal is purely and solely for the benefit of one city. I made the statement that if a great metropolis in my State were involved in such a proposal, I would not have the nerve to bring in a bill of this kind to enable that city to benefit.

Knowing the senior Senator from Ohio as I do, I would be ready to venture the guess that if the city of Cleveland or any other great city in his State, and only that city, were to benefit from it, he, as a Senator of the United States, would not propose such legislation.

Mr. LAUSCHE. I am glad the Senator from New York brought up that subject. In Ohio there have been discussions about supplying water from Lake Erie over the divide to an area which drains into the Ohio River. That subject was discussed in meetings of State boards on water supply, and the decision was uniformly reached that Ohio would not be acting morally or legally correctly to divert water from the Great Lakes basin and move it over the divide into the Ohio River basin.

The senior Senator from Ohio declared it to be his view that to take water out of Lake Erie and move it over the divide into the Ohio River basin would be to deprive the States of Pennsylvania and New York, which lie to the east of the Ohio boundary, of their property rights.

Mr. KEATING. I commend the Senator from Ohio for his position in that regard.

Mr. President, I yield to the distinguished Senator from Florida, who is acting as the majority leader.

CONTINENTAL HOSIERY MILLS, INC.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside——

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. KEATING. I yield for the purpose of the consideration of two bills.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 768, S. 1015.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1015) for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, the bill has been cleared for consideration. First, it was approved by the Committee on the Judiciary. Then it was cleared by both the policy committtee of the majority and the policy committee of the minority. There is no objection to the measure.

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, the sum of $21,670.11 to the Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C., in full settlement of all claims against the United States, representing a refund of income tax erroneously collected from said corporation on April 19, 1947, by the Bureau of Internal Revenue. The bill further provides that no part of the amount appropriated in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out

of any money in the Treasury not otherwise appropriated, the sum of $21,670.11 to Continental Hosiery Mills, Incorporated, of Henderson, North Carolina, successor to Continental Hosiery Company, of Henderson, North Carolina, in full settlement of all claims against the United States, representing a refund of income tax erroneously collected from said corporation on April 19, 1947, by the Bureau of Internal Revenue: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this contract shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

EBER BROS. WINE & LIQUOR CORP.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 770, House bill 2717, for the relief of Eber Bros. Wine & Liquor Corp.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, the bill has been approved by the Senate Judiciary Committee and by the majority policy committee and the minority policy committee; and there is no objection to the present consideration of the bill.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2717) was ordered to a third reading, read the third time, and passed.

T. W. HOLT & CO.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 782, Senate bill 981, for the relief of T. W. Holt & Co.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, this bill, too, has been approved by the Senate Judiciary Committee and by the majority policy committee and the minority policy committee. So far as I know, there is no objection to the bill.

This measure would authorize the Secretary of the Treasury to pay the sum of $7,273.66 to the T. W. Holt & Co., of Jacksonville, Fla., in full satisfaction of all its claims against the United States for repayment of excessive customs duties erroneously collected by the Bureau of Customs on canned-meat imports from Argentina during the period January 20, 1949, and December 28, 1950, on which customs duties were liquidated between October 11, 1950, and December 16, 1952.

The overpayments were made on the basis of alleged erroneous appraisements on importations of canned-meat products between January 20, 1949, and December 28, 1950. The claimant understood, from information gained from the Customs Bureau, that release of the imported merchandise from the Customs Bureau custody would be conditioned upon entering and depositing duty on the merchandise, on the basis of f.o.b. Buenos Aires prices, and, further, that certain nondutiable charges levied in Argentina were included in such entered values and were subsequently included by the Customs Bureau in the appraised values.

Claimant further contends that he was given to understand that the appraisements would be withheld by the Customs Bureau until there was a final decision by the U.S. Customs Court upon certain other importations from Argentina, but that, despite this understanding, the Customs Bureau did include these disputed charges in the value of the articles which he imported.

The U.S. Customs Court on April 4, 1951, ruled that certain charges previously included by the Customs Bureau on the valuations of other importations of Argentina canned meat were nondutiable. This bill then would give to the claimant company the tariff treatment which a subsequent court decision showed that it should have received.

Accordingly, the committee recommends favorable consideration of Senate bill 981, without amendment.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 981) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, to T. W. Holt and Company, of Jacksonville, Florida, the sum of $7,273.66. The payment of such sum shall be in full satisfaction of the claim of the said T. W. Holt and Company against the United States for repayment of excessive customs duties erroneously collected by the Bureau of Customs on canned meat imports from Argentina, which were imported by the said T. W. Holt and Company between January 20, 1949, and December 28, 1950, and on which the customs duties were liquidated between October 11, 1950, and December 16, 1952: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KEATING. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, what is the business now before the Senate?

The PRESIDING OFFICER. House bill 1.

SUSPENSION OF IMPORT DUTIES ON SPUN SILK YARN

Mr. SMATHERS. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 823, H.R. 2886.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2886) to suspend for 3 years the import duties on certain classifications of spun silk yarn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, this bill has been approved by the Senate Finance Committee, by both the majority and minority policy committees, and there is no objection to it.

I ask unanimous consent that there be incorporated in the RECORD at this point portions of the report of the Finance Committee with respect to the bill.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 2886 is to suspend for a period of 3 years the import duties on certain classifications of spun-silk yarn provided for in paragraph 1202 of title I of the Tariff Act of 1930.

GENERAL STATEMENT

Spun-silk yarns are of two principal types. Standard spun-silk (schappe) yarn and silk-noil (bourrette) yarn. Standard or schappe spun-silk yarns for general textile use are manufactured from long parallelized silk fiber stock recovered from waste cocoons and silk filature waste and is used for making sewing thread, decorative strippings for fine worsteds, lacing cord for cartridge bags and, in combination with other fibers, certain types of necktie fabrics, shirtings, dress and suiting fabrics, upholstery and drapery materials.

The silk-noil type of yarn is made from shorter length, and hence cheaper, silk fiber stock than schappe and must be spun on wool-spinning machinery. The material used consists of silk noils discarded as by-products in preparing silk waste for spinning in standard spun-silk yarns. Such yarns have few civilian uses except in mixture fabrics containing other fibers. Their chief use is in the weaving of silk cartridge cloth for powder bags for large caliber ordnance.

Spun-silk yarns of the fineness provided for in H.R. 2886 are not produced domestically in any quantity. Imported yarns, which are usually finer in size than those of domestic manufacture, are used for various decorative purposes and in the production of certain types of silk broadcloth and other fabrics. Such yarns are dutiable at rates of 21 percent and 25½ percent ad valorem, at present.

Domestic producers of silk fabrics have, by virtue of the duties applicable to spun-silk yarns, been obliged to pay higher prices for their raw materials than do their competitors abroad. Partly because of this situation, domestic production of silk fabrics

has encountered competition from imports of silk fabrics. The suspension of the duties on the raw materials (fine spun-silk yarns), as provided for in H.R. 2886, would improve the competitive position of the domestic silk-weaving industry and would tend to increase domestic production of silk cloth. Because fine silk yarns are frequently mixed with the coarser yarns of domestic manufacture in the fabrication of silk cloth, the availability of cheaper fine silk yarns would also tend to increase demand for the domestically produced silk yarns.

Favorable reports on H.R. 2886 were made by the Departments of State, Treasury, Agriculture, and Commerce and informative reports by the Department of Labor and the U.S. Tariff Commission.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2886) was ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The message also announced that the House insisted upon its amendment to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, Mr. WILLIS, Mr. MCCULLOCH, and Mr. MILLER of New York were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 968) to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; and

H.R. 8160. An act to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes.

THE PRESIDENT'S VETO OF H.R. 6940

Mr. BARTLETT. Mr. President, "the area of the public lands is so large that it is highly improbable that any operator or group of operators could obtain control of them for oil and gas production even if these were no acreage limitations at all."

Mr. President, I use these words—and they are in quotation marks—in connection with the veto imposed August 17, 1959, by the President of the United States on H.R. 6940, a bill to increase the acreage which can be held in Alaska under oil and gas leases, and for related purposes.

"The bill would tend to produce an excessive concentration of control over such potential resources," the President charged in his veto message.

Mr. President, under existing law, a single party may hold under oil and gas leases a maximum of 100,000 acres in Alaska and may hold 200,000 acres under option. H.R. 6940 would have eliminated the distinctions between leases and options and would have permitted a single party to hold 600,000 acres under oil and gas leases.

No serious objections had been raised concerning this bill until it reached the floor of the Senate. It had already passed the House on the Consent Calendar without any discussion at all. And the proponents had no reason to believe that any serious objection was to be made to it. They were wrong. After considerable debate the bill was passed by the Senate after motion to recommit was defeated. The veto followed. Since it is hard to imagine that the President gave any considerable personal attention to this measure and since in any case the Chief Executive customarily depends upon the views of the department principally concerned, it must be assumed that the Department of the Interior recommended the veto.

The President expressed the view in his veto message that the increased acreage holdings authorized in the act might lead to speculative holdings which would in turn bring about short-term financial gains but long-term financial losses to both the government of Alaska and the Government of the United States. There were implications of monopolistic control and it may even have been that there were overtones and undertones of political campaigns to come.

Mr. President, at the outset I said that no single operator or group of operators could hope by way of oil and gas leases to control the public domain. That expression was not original with me—I do not even know whether I care to subscribe to it. Those were words quoted from the Department of the Interior report on another oil bill submitted only 5 years ago by none other than the Hon. Orme Lewis, then Assistant Secretary of the Interior, in reporting officially for the Department on the bill. To put it on the mild side, I should say there has been quite a turnabout in the conclusions of the Department in the same administration between 1954 and 1959.

"An unrestricted doubling of the present maximum allowable holdings," charged the President in his veto message, "would not, in my judgment, be in the best interests of Alaska or the Federal Government."

Of course, these are matters of judgment. And in the judgment of the officials of the State of Alaska, in the judgment of the Congress of the United States, in the unanimous judgment of the congressional committees which studied and prepared this measure for passage, the judgment of the President—in this instance—is erroneous.

H.R. 6940 was considered by the House Interior and Insular Affairs Committee, which reported the bill unanimously. The companion bill, S. 1855, was introduced by the distinguished junior Senator from Alaska, a member of the Senate Committee on Interior and Insular Affairs. As a cosponsor of S. 1855, I was gratified by the favorable report made on the measure by the Senate committee—a report entered without a dissent, and after thorough hearings. Among the endorsements of S. 1855 was the testimony of Phil R. Holdsworth, commissioner of natural resources for the State of Alaska.

Now, what did these companion bills, H.R. 6940 and S. 1855, seek to do? The objective, simply put, was to encourage the search for and the production of oil and gas in Alaska.

In Alaska, we have high hopes that the 49th State will become a great oil producer, to the benefit of its citizens, its government and indeed, to the enrichment of the Nation. But, Mr. President, our high hopes, our reasonable hopes, are unrealized at this late hour in mid-century Alaska.

Let me explain why it is that we Alaskans have yet to see the realization of our hopes for oil and gas production in our State. My explanation would begin with a quotation from the testimony of Mr. Gordon A. Goodwin of Los Angeles, who said in the Senate hearings on S. 1855, when he appeared in behalf of the Western Oil & Gas Association to endorse the bill:

First, let me point out the leasing of Federal lands in Alaska, following the leasing boom which started approximately 2 years ago, has now come to a virtual halt. Approximately 100 companies now hold from 90,000 to 100,000 acres of Federal leases having reached or nearly reached their limitation under present law and are thus prevented from further expanding exploratory operations.

Despite the increase in exploration interest and activity following the bringing in of Richfield's discovery well on the Kenai Peninsula in 1957, Alaska still cannot be considered an oil-producing State. After 50 years of exploratory work, no major oil field has been discovered.

To date, only one small producing oil field has been discovered by the industry and it seems questionable at this time whether this field will be commercial.

Thus, Mr. President, we do not have the case of a monopolistic oil industry. We have, instead, competition of many firms—a healthy competition that is restrained unnaturally by the present acreage holding limitations of existing law. The specter of monopoly, when conjured up by the few but powerful opponents of H.R. 6940, creates no fear or trembling among those of us who know that competition exists now, and would have thrived under the terms of the vetoed bill. H.R. 6940 would have

raised the acreage controllable in Alaska by a single party for oil development purposes from .083 percent to less than .20 percent, hardly a fearsome prospect to true opponents of monopoly. In this connection, Mr. President, I believe that the support which some 30 independent operators gave H.R. 6940 is significant.

The truth is as Mr. Goodwin stated it. Prospects are encouraging, in geological terms. We have great expectations, but results on a major scale have not been attained.

Drilling in Alaska is expensive, as much as three times more costly than in the oil-producing States. Climatic conditions are sometimes, although not always, adverse. Lack of adequate roads requires often, even generally, that men and materials be shipped by airplane. That is not cheap.

During the Senate's debate on H.R. 6940, I called attention to the fact that the Humble Oil Co., is reputed to have spent more than $7 million on a single dry well on the Alaska Peninsula. I found some considerable difficulty in following the comment of a colleague that this fact was irrelevant to the appraisal of H.R. 6940. Indeed, Mr. President, I find the fact of a $7 million investment on a dry well to be illustrative of the problems which afflict oil developers in Alaska today. Even a giant oil company like Humble must feel a financial strain when it drills a dry hole at a cost equivalent in dollars, approximately, to the purchase price of Alaska itself.

Clearly, special inducements must be offered in Alaska. Within the bounds of commonsense and the public interest, every proper inducement must be offered to those who are investing their talents and their funds to determine whether Alaska has oil in commercial quantity. It was away back before World War I that Alaska had its first and only commercial production of oil. And this was a relatively small operation at Katalla. Oil has now been discovered on the Kenai Peninsula, but little is known about the size of this newly discovered field or about the existence of other fields. Between 90 and 100 companies now hold land in Alaska under oil leases in quantity of acreage approaching the existing statutory maximum. Surely, there is in Alaska sufficient diversity of interest to render the cry of "monopoly," which was raised against H.R. 6940, an obvious false alarm. As a recorded opponent of monopoly, I am distressed at the possibility that the self-styled trust-busters who fought H.R. 6940 may find, like the fabled boy who cried "wolf" too often, their warnings will be unheeded in a truly meritorious instance.

But, Mr. President, this veto by an uninformed or poorly informed Chief Executive was not merely a prime example of tilting at windmills. The veto was an example, too, of picayune niggling.

The Department of the Interior recognized, as the sponsors of H.R. 6940 and S. 1855 recognized, that the distinction between leases and options could be eliminated in the public interest. The Department of the Interior conceded that the present statutory acreage limitations are ill-suited to conditions in Alaska. The Department's objections, however, went to the form and not to the substance. The Department insisted that no single lessee should be permitted to hold more than 300,000 acres under lease in the area north of the Brooks Range, nor more than 300,000 acres in the area south of the Brooks Range. That is the point of difference, Mr. President, between the administration and the Congress. If the effect of the veto, in its economic implications, is of major concern to the people of Alaska, the fact of the veto, in its political implications when used by an arbitrary, uncompromising executive branch, should be of major concern to all the people of the United States.

Mr. President, I am sure that neither the gentleman from Alaska, Representative RIVERS, who introduced H.R. 6940, nor the distinguished junior Senator from Alaska, would claim to be expert in oil matters. For myself, I make no such claim.

Mr. GRUENING. Mr. President, will the distinguished Senator from Alaska yield at this point?

Mr. BARTLETT. I am very happy to yield to my colleague from Alaska.

Mr. GRUENING. Is it not a very striking fact that the claim of monopoly is advanced against a bill which would give the oil companies the right to lease or option a maximum of 600,000 acres in all Alaska, whereas the administration's view, the Interior Department's view, is that this would be a desirable bill if a dividing line were made north of the Brooks Range, north of which 300,000 acres would be permitted, and 300,000 acres south, making a 600,000 sum total? Is it not striking that the total area north of the Brooks Range is only 48 million acres, whereas the area south of the Brooks Range is 317 million acres, some six times as large approximately?

Does not the Senator agree that monopoly would be more greatly furthered by giving a 300,000-acre maximum in this much smaller area north of the Brooks Range than in the total area?

Mr. BARTLETT. I think my colleague has made a very pertinent and significant observation, and it is one that is exactly factual. I shall point out later that there are other reasons why this arbitrary dividing line should not have been suggested by the Department of the Interior in its report on the bill.

Mr. GRUENING. Is the senior Senator from Alaska aware that the testimony of the Department's so-called experts before the committee, giving the reasons why this dividing line should be established, was that the area north of the Brooks Range was so much more difficult climatically, pointing out that the temperatures are much lower, the snowfall much greater, the wind velocity much higher, whereas actually those who are familiar with Alaska, as the senior Senator from Alaska and other Alaskans are, know that that is not the case, that actually the lowest temperatures in Alaska are found south of the Brooks Range, that there is a greater snowfall south of the Brooks Range, and that there is no evidence of greater wind velocity north of the Brooks Range than south of it?

Mr. BARTLETT. Oh, Mr. President, I will say to my colleagues that I think this was intended to be a "snow" job in a snow country.

Mr. GRUENING. That is very well put. It is not surprising, therefore, that an editorial in that excellent daily paper, the Anchorage News, contains this headline on the subject: "Ignorance Helped Dump the Oil Land Measure."

Mr. BARTLETT. A statement of precise fact, demonstrably certain.

Mr. GRUENING. It is quite clear that the ignorance existed in the White House, but I would not go so far as to say that the ignorance existed at all levels in the Department of the Interior.

Mr. BARTLETT. I will join with my colleague in that observation.

The oil industry is new in Alaska. Its personnel there changes rapidly. Consequently, our natural desire to become better acquainted with the men and women who invest their means and their minds to develop Alaska's infant oil industry, and whose success will mean so much to the economy of Alaska, has gone largely ungratified.

As a layman, I do not know whether 600,000 acres is the exact amount of land which should have been designated in H.R. 6940 or not. Perhaps the figure should have been 700,000 acres; perhaps 500,000. But all of us, obviously and as a matter of commonsense, agree that the 300,000 acreage limitation which now exists is a handicap to Alaska oil development. I am pleased to note that this is the position of the administration, as well as it is the position of the Congress and the Senators and Congressman and Governor of Alaska in particular. And so it is a mysterious and inexplicable fact that the veto power has been exercised with such an absence of discretion by the administration.

I come now to the situation to which my colleague made such happy allusion a few moments ago. The Department of the Interior never explained to my satisfaction, or to the satisfaction of Congress, why the arbitrary dividing line at the Brooks Range which it proposed would be desirable. The Department does not object to the suggestion that a single party be authorized to control 600,000 acres under oil lease. The Department insists that no more than 300,000 acres be held north of the Brooks Range, and no more than 300,000 acres be held south of the range. I assert that there is just as much reason to draw this artificial line north and south of the Brooks Range as there was to establish the national defense withdrawal area in the Statehood Act, which line was drawn at the insistence of the administration; precisely no reason.

Realistically, if the Department's recommendations had been followed, we should soon have confronted a situation in which the area north of the Brooks Range would have been unavailable for leasing, if the oil companies evidenced any interest in that area at all. During World War II, 48 million acres of land

in the Arctic were placed under reservation status. Recently, by Executive action, about 20 million acres of this area were restored to the public domain for mining purposes. But this land is not available for leasing until it is mapped. To this time, only 4 million acres have been mapped.

In view of the veto by the President, one would suppose that the Department of the Interior had vigorously opposed the bill during hearings here in Congress. This was not the case, Mr. President. None of the Department's principal officers appeared to present the Department's case. Such objections as the Department spokesmen raised were perfunctory, and followed closely the Department's written report. As I have pointed out, the Department agreed with us that existing law is inadequate, and the differences between its view and ours were not so substantial as to require the exercise of a veto.

So, Mr. President, we were astounded when a distinguished Member of this body who sits on the other side of the aisle, and who supported the measure both in subcommittee and in the full committee, moved during the floor debate to have the measure recommitted to the Committee on Interior and Insular Affairs. And we were equally surprised—in view of the Department's endorsement of change of the existing statutory maximum acreage limitation, and the Department's apparent belief that the bill was not of major legislative interest—to hear H.R. 6940 referred to on the floor of the Senate as a give-away, take-away, and keep-away piece of legislation.

Mr. President, the determination of an executive agency to have the first word and the last word in a legislative as well as an administrative matter is not new to us of Alaska. We are used to it. But we did hope the situation would change with the coming of statehood. Apparently it has not.

In the Senate debate on H.R. 6940, the senior Senator from Colorado [Mr. ALLOTT] noted that several significant amendments to the Mineral Leasing Act, favored by the Department of the Interior, are pending. These amendments—if enacted—would repeal the second and third year rental waiver, increase present minimum lease rentals, permit larger acreage holdings, increase the primary lease term from 5 years to 10 years, and eliminate the distinctions between lease and option holdings. All these changes would take place in the Mineral Leasing Act of 1920. Both the sponsors of H.R. 6940 and its opponents appear to agree that a lease policy which would enrich the treasuries of the government of Alaska and the Government of the United States—consistent with other public policy objectives—would be in the public interest. However, the difference between the sponsors of H.R. 6940 and its opponents is that the sponsors weigh the effects of the bill on Government treasuries in the light of existing statutory realities, while the opponents appraise the bill in the shadow of hypothetical amendments which Congress has thus far refused to enact.

It was not the contention of the distinguished senior Senator from Colorado, for example, that H.R. 6940 would cost the State of Alaska and the United States any money under existing law. Rather, it was his contention that these Governments would lose money if H.R. 6940 were enacted and if certain legislation were enacted subsequently. During his remarks on the Senate floor, the senior Senator from Colorado said:

> Enactment of H.R. 6940, without an attendant change in the present waiver or rental provisions—and the bill's sponsor indicated no enthusiasm whatsoever for such changes in H.R. 6940, notwithstanding urging by the Department of the Interior—the Government would, of course, be bound by the terms of leases as they would issue under present law at an average of 20 cents an acre for the first 5 years.

As a cosponsor of the companion bill, I can assure the Senate that the Department of the Interior engaged in no "urging" addressed to me in solicitation of amendment to H.R. 6940 to change the waiver or rental provisions of existing law. In fact, the Department did not approach me at all. Mr. President, I have not conferred with my colleague from Alaska to learn if "urging" was made to him. In my opinion, if the Department did seek the "enthusiasm" of my colleague for the Department's proposed changes in waiver or rental provisions, he would have acted altogether correctly by refusing to entertain the Department's representations. It is significant to note that no proposal for repealing second and third year rental waivers or for raising current lease fees has made legislative progress. Any proposal confined in its applicability to Alaska would cause oil companies to lose interest in developing the resources of the 49th State. Developers would be required to pay much more for leases in Alaska than in the other public domain States—in addition to the considerably greater prospecting costs to which they are subjected in Alaska.

I now yield to my colleague.

Mr. GRUENING. I should like to inform my colleague that no urging on the subject of increases of lease rentals was received by me from any member of the Department of the Interior. The subject was never broached. I am in complete ignorance of any plans the Department may have on the subject. They were never discussed with me, and there was ample opportunity, had the Department so desired, for the representatives of the Department of the Interior to do so, during those hearings on Alaska, oil acreage, coal acreage, and homesteaders' rights, where its representatives were present in force. They could have mentioned the subject of increased lease rentals, had they desired.

Mr. BARTLETT. I am glad I did not confer with my colleague, because I think it is much better that the Senate should be informed by him at this juncture that approaches were not made to him by the Department of the Interior, and they were not made to me, either, as I have already stated.

The adroit presentation of the issues by the distinguished senior Senator from Colorado informed us that if the Department of the Interior's recommendations for repeal of second and third year rental waivers were law, and if the Department of the Interior's desire to increase minimum statutory rentals were law, and if these recommendations and desire were more than the vague suggestions they are today, then the government of Alaska and the Government of the United States would suffer financial losses by reason of enactment of H.R. 6940. Mr. President, those paper losses could be sent soaring even further into the stratosphere if someone were to propose tomorrow, or at some later date, that rentals be increased not merely in accordance with Interior's recommendations, but by 10 times that amount. Then the losses would be astronomical, indeed.

Mr. President, let me make it clear that the senior Senator from Alaska does not speak in opposition to a general law abolishing the waivers, and raising rentals. Such proposals have been made by others than those in the Department of the Interior. But the senior Senator from Alaska does not want to see—and he will resist—the application of such proposed provisions to Alaska alone.

Opponents of H.R. 6940 argued that through unit agreements and development contracts a single party can obtain vastly more than 300,000 acres of land. As I recall, the distinguished senior Senator from Colorado referred to holdings under existing law, by a single company, of more than 800,000 acres.

Mr. President, the answer to the argument is simple. For the fact is that no company or party can hold more than 300,000 acres of land in Alaska now, and under H.R. 6940 no company or party could hold more than 600,000 acres, without the express permission of the Secretary of the Interior. Only the Secretary can approve or reject a proposed unit agreement. Only the Secretary can approve or reject a proposed development contract. The Secretary of the Interior has, in this field, plenary administrative authority and responsibility.

Mr. President, just as the Secretary has the administrative power to curb, by rejection of proposed development contracts and unit agreements, the concentration of holdings by a single party, so the Secretary has administrative power—to a considerable extent—to improve the rental schedules if he believes the State and Federal governments are realizing too little by way of rentals, or that higher rentals would promote development. For, Mr. President, although it is true that the Secretary is prohibited by law from charging rentals during the second and third years of a lease, the Secretary is now empowered to raise the annual rentals attributable to the first, fourth, and fifth years. If the Secretary of the Interior believes that 50 cents an acre per year, during the first, fourth, and fifth years, is too little, the Secretary can charge more. That is the Secretary's right under the law.

One must be agile and alert, Mr. President, to follow the changing theories and recommendations of the Department of the Interior in respect to

Alaska. I recall, in this connection, the response of Secretary Seaton at his August 6 press conference to a reporter's question about this very legislation. Secretary Seaton said:

> In the first place, I am sure you must know that what the bill did was to change the longstanding limitations of 100,000 acres in lease and 200,000 acres in option, for any one holder, to a total of 600,000 acres, not making any distinction between the leases and options.
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> While I do not for a moment attack the motives of anybody who has introduced the bill or supported the bill, I cannot escape the conclusion that by raising this limitation to 600,000 acres in Alaska that we would run the risk that we would have a concentration of holdings by a relatively few companies. And I do not think that is good public policy.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. GRUENING. At that press conference, did any astute reporter ask the Secretary how he found it possible to reconcile the calamitous result which he pictured for Alaska with the 600,000 acres maximum provided in the vetoed bill, and the 600,000 acres maximum which the Department of the Interior was entirely agreeable to permit?

Mr. BARTLETT. I recall very well the words of the individual down to the last comma, but I do not think the Secretary would have been able to answer that. I ask my colleague to render his judgment and verdict on that very point.

Mr. GRUENING. I say to the senior Senator from Alaska, based upon my experience, and I have done a little research on the subject, not exhaustively, to be sure, because it would require a long time, that never to my knowledge has there been a veto based on such trivial and trifling grounds as this one, where the distinction between the bill which was vetoed and what the Department recommended, as in this case, was so negligibly slight, and so lacking in validity.

Mr. BARTLETT. I suggested earlier, and I rather believe it, that there may be some political implications in all this.

Well, for that matter, neither do I believe that concentration of holdings by a few—in any industry—is good public policy. Nor do I think any such result would have followed the signing into law of H.R. 6940.

When I read Secretary Seaton's remark about long-standing limitations of 100,000 acres in lease and 200,000 acres in option, my memory went back to the days of the 83d Congress. That Congress was under the control of the Republican Party, and the administration was Republican. Then the Committee on Interior and Insular Affairs, of which Senator Hugh Butler was chairman, was considering several bills. One of the bills before the committee was S. 2381 by Senator Frank A. Barrett, Republican, of Wyoming. This bill sought to raise, throughout the States then constituted, the maximum permissible leaseholdings in any single State from 15,360 acres to 46,080 acres: It sought to make the option period 3 years instead of 2, and to raise permissible option acreage from 100,000 acres to 200,000 acres.

S. 2381 became law. It was approved by the administration. Assistant Secretary of Interior Orme Lewis, reporting on May 11, 1954, to Congress on the measure, made several recommendations, including this:

> In the case of Alaska, I would in fact recommend that the acreage limitation for oil and gas leases on public lands be raised to 100,000 acres because of the particularly high cost of drilling operations in that territory.

That is one reason why 100,000 acres of oil and gas land can be held under leasehold in Alaska now. Before then, the maximum was 15,360 acres.

So, Mr. President, I wish to congratulate the present administration for having helped to bring about this desirable change.

Assistant Secretary Lewis had other revealing comments in his report of May 1954. I have referred already to his statement that "the area of the public lands is so large that it is highly improbable that any operator or group of operators could obtain control of them for oil and gas production even if there were no acreage limitations at all." These comments, of course, were not related solely and specifically to Alaska, but they are of interest and they help to place in proper focus the issues relating to House bill 6940. They bear heavily on the cry of "monopoly." Let me cite statements in context. How remarkable that just a bit more than 5 years ago a spokesman for the Eisenhower administration, a principal official of the Department of the Interior, told Congress:

> Less than 3 percent of the Federal lands currently under lease are producing, and Federal lands contribute less than 5 percent of the total production of crude petroleum in the United States. The area of the public lands is so large that it is highly improbable that any operator or group of operators could obtain control of them for oil and gas production even if there were no acreage limitation at all. These facts indicate that public lands are not and will not be a factor in the concentration of economic power in the production of crude petroleum.

So, Mr. President, we have very divergent opinions from two high officials from the same administration, and, indeed, from the same Department. Does the difference in the views of the Department of the Interior depend upon whether the Department is talking to a Republican Congress or to a Democratic Congress?

Mr. President, the Department of the Interior—1959 style—suggests that larger acreage limitations would diminish the incentive to development-use contracts, unless the larger limitations have reference to an arbitrary line dividing Alaska. Of course, not merely any arbitrary line will do. The line must be the Department's arbitrary line along Brooks Range. Mr. President, the proof of the pudding is in the eating. Under the current acreage limitations five development-use contracts exist in Alaska. As we know, between 90 and 100 parties hold acreage which approaches the present maximum. Mr. President, even assuming that some or all of the five parties now engaged in development-use contracts in Alaska are parties who hold the maximum permissible acreage under existing law, and even assuming that the reason for their willingness to enter into such contracts was the existing statutory acreage maximum, it is obvious that at least 95 percent of the oil operators with maximum or near-maximum holdings in Alaska are not motivated by the present statute to engage in such contracts. Obviously, the incentive toward development-use contracts afforded by existing law is ineffective and insignificant; nor has the Department carried the burden of showing how passage of H.R. 6940—in contrast with its own recommendations—would discourage development-use contracts.

Finally, Mr. President, I call the attention of the Senate to the fact that in all the public-domain States—except Alaska—there are substantial quantities of acquired lands. Arizona—the public-domain State, other than Alaska, with the smallest acreage of acquired lands—has almost 100 times more acquired lands than Alaska has—or 231,496 acres, compared to 2,776 acres in Alaska. In Alaska, there are virtually no patented lands. Alaska is unique in that respect. Thus, in Alaska the oil operator is restricted, apart from development-use contracts and unit agreements, to operating under 300,000 acres of land. In the other States, apart from development-use contracts and unit agreements, an oil operator may hold 246,080 acres under Federal leases and options, plus an equivalent amount of acres pursuant to the Acquired Lands Act, plus as much patented lands as his budget and the competition of other operators will permit.

Mr. GRUENING. Mr. President, will my colleague yield to me?

Mr. BARTLETT. I am glad to yield to my colleague from Alaska.

Mr. GRUENING. First, I wish to commend my colleague for his very penetrating and realistic portrayal of the consequences of this veto and the circumstances surrounding it.

I was struck by my colleague's comment, in the course of our colloquy, that the motivation of the veto may have been political. After thinking over that reply by my colleague, it struck me as rather pertinent that in this Democratic Congress, first in the House of Representatives, the bill was passed by a unanimous vote, and that in the Senate, after the committe had reported it favorably, an unexpected attack was made on it from the other side of the aisle, and that that Republican attack, in which every Republican vote was lined up, was repulsed by the majority which the Democrats have here, and that then after its passage the bill was vetoed by a Republican President, obviously on the recommendation of the Republican Secretary of the Interior.

I believe these uncontrovertible facts make it crystal clear, beyond peradventure, that the party which is concerned for the development, growth, and progress of the State of Alaska is the Democratic Party; and that the party which

wishes to retard or is at least not concerned with the development, growth, and progress of the State of Alaska is the Republican Party. Clearly it is the party which wishes to impose its negative policies upon what for many years as a territory was a fief of the Department of the Interior, and apparently wishes to have the Department of the Interior retain that stranglehold, and keep that former territory—now the State of Alaska—in permanent bondage to its arbitrary will. Never have party lines been more clearly drawn—and to the disadvantage of Alaska.

Mr. BARTLETT. Mr. President, my colleague has made a statement which I shall not challenge. It is true that I cannot offer any affidavits of proof that any political considerations were involved in that connection, insofar as the Department of the Interior was concerned. But certainly I shall be most surprised if we do not hear about this bill in the course of the political campaign in Alaska in 1960.

Mr. President, during the debate on House bill 6940, I pointed out that passage of the bill would permit the holding in Alaska of public and acquired lands, of only 107,840 acres more than may now be held in Wyoming, although Wyoming is but one-fifth the size of Alaska. I referred to Wyoming only because Wyoming was mentioned in the report of the Senate Committee on Interior and Insular Affairs. I did not even take into account the possibilities in Wyoming, for example, of holding patented lands. At that time, I was not able to inform the Senate the precise amount of acquired lands in the other States. Now I can report that there are 49,896,204 acres of such lands—a very considerable amount, indeed, and of real and important consequence and significance to oil operators in the earlier and smaller 48 States.

Mr. President, the arguments of the administration have now been dissected—or, so I hope and believe—bit by bit. The differences between the administration's position and the position of Congress have been revealed. Now, in our best traditions, the people shall judge whether this Presidential veto was necessary or desirable, whether this veto—which destroyed legislation that the people of Alaska regard as needed—will advance or deter oil development in Alaska, whether the exercise of the veto in such matters is a responsible use of the executive prerogative. I shall look forward, Mr. President, to debating this issue, and discussing its underlying significance, in the days to come, confident that the people will confirm the judgment of the Congress.

Mr. President, I yield the floor.

Mr. McCARTHY. Mr. President, I wish to commend both the senior and the junior Senators from Alaska for their careful report on the history of the Alaskan leasing bill, and also their careful analysis of the veto message itself. I commend them, too, for their charity in agreeing that the administration might not be totally informed in this field. I assume that that concession was meant to be in the nature of a charitable concession.

I suggest to the Senator a point which was implicit in his statement, and I am sure it will be concurred in by the junior Senator from Alaska: that the Department of the Interior evidently has adopted a second policy to go with the widely known policy of no new starts. This policy is one which has been identified and has long been recognized. I suggest that the companion policy that goes with the policy of no new starts is to make as many stops of projects already started as it is possible for the administration to do.

SURPLUSES FOR THE HUNGRY

Mr. RANDOLPH. Mr. President, as a cosponsor of legislation to initiate a food-stamp program for the benefit of needy persons, it was gratifying to read the editorial in yesterday's Washington Post and Times Herald which cogently summarizes the continuing urgency of establishing a satisfactory effort to aid our hungry people. We recognize the existence of a vast storehouse of surplus food. I ask unanimous consent to have it included herewith.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURPLUSES FOR THE HUNGRY

It is easy to see why the House added to the surplus disposal bill the amendment by Congressman SULLIVAN authorizing the Secretary of Agriculture to set up a food-stamp plan for distribution of surplus commodities to needy families in this country. There is a strong sentiment in Congress behind the use of crops that bulge Government warehouses to help friends abroad. Along with this goes a general feeling that surplus food should also be going into empty stomachs in this country. So the House voted by a large majority to let the Secretary of Agriculture distribute such food, preferably through commercial channels, along with stamps that would entitle needy persons to obtain the food, up to the value of a billion dollars a year.

We think the general principle on which the House acted is unquestionably sound. So long as there are hungry people in the United States, surplus food held by the Government ought to be used to relieve them. It would be strange, indeed, to subsidize the shipment of unneeded farm crops broad to relieve hunger and deny similar relief to American people. But that is not the specific issue that was at stake in the Sullivan amendment.

Representative LAIRD pointed out that 20 million school children and needy persons, in this country, are already benefiting from Federal surplus food. The Government packages food and ships it to the States free of charge, leaving the distribution to local agencies. According to Congresswoman MAY, the Sullivan amendment would do nothing more than relieve the States of the expense of distributing these surplus foods.

One other factor has been emphasized by Secretary Benson. The Commodity Credit Corporation, he says, is not a giant supermarket. More than 85 percent of its surpluses consist of corn, cotton, wheat, rice, peanuts, and tobacco. Since the CCC could distribute only surplus crops, obviously it could not provide a well-rounded diet. It is not clear how much actually would be gained by a food-stamp plan to make the products of a few surplus commodities available in commercial stores.

Probably the flow of these commodities into consumption by needy families ought to be stepped up. But there are substantial advantages in letting the States choose their own means of distributing help to their needy citizens. From the national point of view the important thing is making the food available—not a particular method of distribution.

Mr. RANDOLPH. Mr. President, the House of Representatives has passed legislation similar to S. 1686, which is cosponsored by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. MURRAY], the Senator from Michigan [Mr. HART], and by myself.

The feminine Member from the Missouri House delegation, Mrs. LEONOR K. SULLIVAN, introduced H.R. 1359, which was approved as an amendment to the extension of the Agriculture Trade and Development Assistance Act.

I sincerely urge my colleagues in the Senate to follow the example of the House and pass this humanitarian bill so that this paradox may be resolved in a way that results in a blessing instead of a drawback to the farmers. These hardy folk work with diligence.

I am reminded of the words of the German theologian, Dietrich Bonhoeffer, written while he was in the concentration camp at Flossenberg, where he was executed on April 9, 1945, shortly before the camp was liberated by allied forces:

FOR THE LOVE OF CHRIST

The hungry man needs bread, and the homeless man needs a roof; the dispossessed need justice, and the lonely need fellowship; the undisciplined need order, and the slave needs freedom.

To allow the hungry man to remain hungry would be blasphemy against God and one's neighbor, for what is nearest to God is precisely the need of one's neighbor.

It is for the love of Christ, which belongs as much to the hungry man as to myself, that I share my bread with him and that I share my dwelling with the homeless.

If the hungry man does not attain to faith, then the guilt falls on those who refused him bread.

Let us ponder the words of Isaiah, "Deal thy bread to the hungry." And let us also consider the admonition from Ecclesiasticus, "Make not a hungry soul sorrowful."

Mr. President, I suggest the need for quiet meditation, for compassionate thinking, and for purposeful action.

Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

NEW INTERNATIONAL CHEMICAL FIRM FINDS WEST VIRGINIA SITE THE MOST FAVORABLE—GROUND BREAKING NEARS

Mr. RANDOLPH. Mr. President, West Virginians dedicated to the building of a better State find more than the usual satisfaction in the approaching date when site clearance will begin for a new internationally owned chemical plant near Neal, Wayne County, W. Va.

I refer to the fact that Novamont Corp., wholly owned American subsidiary of Montecatini Corp. of Milan, Italy, is expecting to begin initial clearance for its $10 million Neal plant soon after Labor Day as a prelude to actual ground breaking sometime in November.

Announcement of the West Virginia plant was made officially July 1, 1959, at a reception for Montecatini and Novamont officials at Huntington, W. Va., by the chambers of commerce of that city and nearby Ceredo-Kenova. At that event, the president of Novamont, Mr. Lucio Lucini, significally stated the reasons why Montecatini had chosen the site for its first polypropylene manufacturing unit in the United States.

First, of course, the president of the American subsidiary said the site is certain to be mutually beneficial for all concerned because:

The great industrial complex already established in the central Ohio Valley area provides an adequate and ready source of raw materials for the Novamont Corp.'s Neal plant.

Equally important, the excellent transportation facilities—river, rail, air, and highway—immediately available are coupled with an abundance of what he termed "economical electric power."

And, too, the favorable employment situation in the area was cited by the corporation executive as another important factor which influenced selection of the site in Wayne County.

Advice has been received from Dr. Mario Ottolenghi, vice president of Novamont Corp., that contract negotiations are currently in progress in New York for the preliminary land clearance and road building operations necessary before actual plant construction.

Moplen, a Montecatini brand of isotactic polypropylene plastics, as well as new isotactic polypropylene materials for fibers, films, and elastomers, will be manufactured in the new West Virginia facility.

This material has been described to me as being a "custom-tailored" thermoplastic with unusual heat resistance, excellent resistance to solvents, acids, and other chemicals, as well as high strength characteristics and unusual electrical properties. As a plastic it is said to be capable of being molded and vacuum formed, extruded into film, pipe and cable insulation, or spun into synthetic fiber and yarn for conversion to blankets, suitings, and other articles of clothing.

Articles made from Montecatini's Moplen polypropylene were exhibited in this country as early as December 1957, items such as pipe fittings, valves, packaging films, heat-sterilizable bottles, cable insulations, refrigerator and automotive parts, toys, radio cabinets, spools for textile machinery, blankets, sweaters, socks, and suitings.

Made from petroleum byproducts such as low-cost propylene gas, these isotactic polypropylene materials are credited as being commercial results of pioneering work done by Professor Giulio Natta of Polytechnical of Milan on the polymerization of alpha-olefins with stereospecific catalysis.

It is my belief, Mr. President, that this industry will be successfully operated to the advantage of management and labor and the economy of West Virginia. We welcome this creative enterprise and we pledge cooperative support in every proper manner.

HOUSE BILL REFERRED

The bill (H.R. 8599) to amend the Small Business Act, and for other purposes, was read twice by its title and placed on the calendar.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 27, 1959, he presented to the President of the United States the following enrolled bills:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi; and

S. 1945. An act for the relief of Josef Han Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik.

RECESS TO 10 O'CLOCK A.M. TOMORROW

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until tomorrow morning at 10 a.m.

The motion was agreed to; and (at 6 o'clock and 16 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Friday, August 28, 1959, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 27, 1959:

U.S. Judges

J. Joseph Smith, of Connecticut, to be U.S. circuit judge for the second circuit, vice Carroll C. Hincks, retired.

Charles M. Merrill, of Nevada, to be U.S. circuit judge, ninth circuit, vice William Healy, retired.

William H. Timbers, of Connecticut, to be U.S. district judge for the District of Connecticut, vice J. Joseph Smith, elevated.

U.S. Patent Office

Herbert Magil, of the District of Columbia, to be an Examiner in Chief, U.S. Patent Office.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 27, 1959:

Department of Commerce

Philip A. Ray, of California, to be Under Secretary of Commerce.

Interstate Commerce Commission

Howard G. Freas, of California, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1966.

McGregor Goff, of Idaho, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1966.

Clyde E. Herring, of Iowa, to be Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1963.

Postmasters

ALABAMA

Donald Ray Morgan, Eva.
Duard S. Harper, Fyffe.
Elvin W. Kennamer, Section.

ARIZONA

Chloie P. Gandolfo, Duncan.
Cathryn A. Pulsifer, Page.
Eva C. Morales, Sonora.

ARKANSAS

Lee R. Orsburn, Okolona.
Wiley L. Lawson, Roe.
Sarah L. Burns, Tillar.

CALIFORNIA

Doris B. Jorgensen, Castaic.
Alfred F. Patane, Cathedral City.
Clarence J. Rehberg, Del Paso Heights.
Elmer E. Keltz, El Centro.
Thomas J. Dale, Montrose.
Charles K. Elder, Moss Beach.
Olliemae F. Hayes, Penryn.
Veda W. Gilman, Tomales.

COLORADO

Carroll A. Claymon, Amherst.
Ancil R. Stringer, Byers.
Walter H. Wyss, Fort Collins.
Richard W. Nielsen, Monte Vista.

CONNECTICUT

John E. French, Central Village.
Dorothy L. Glidden, West Granby.

FLORIDA

William H. Hicks, Brooker.
Eldora L. Booth, Captiva.
Ella S. O'Quinn, Copeland.
Richard L. Green, Jr., Greensboro.
Eugene M. Dunlap, Miami.
Dorothy C. Simmons, Oceanway.

GEORGIA

Daniel J. Graves, Columbus.
Wilbur W. Wood, Cuthbert.
Laura Mae S. Dominy, Danville.
William T. Wood, Dry Branch.
Henry B. Hearn, Jr., Eatonton.
Evangeline D. Burgamy, Irwinton.
Ollie C. Elrod, Martin.
Woodrow W. Sutton, Ocilla.
George P. Shell, Sargent.
Raymond D. Hill, Thomasville.
Donald V. Vincent, White.

IDAHO

Fay L. Emerson, Idaho City.
Taft P. Budge, Paris.
Leland T. Knott, Post Falls.

ILLINOIS

Richard J. Silverman, De Kalb.
Maurice J. Wiersema, Fulton.
John P. Schmucker, Joliet.
Bayard M. Wright, Lacon.
Joseph P. Kucinick, Livingston.
Leo M. Rettig, Milan.
Charlotte J. Prentice, Pawpaw.
Arthur F. Dirks, Petersburg.

INDIANA

C. Benson Hufford, Frankfort.

IOWA

Nels M. Nelson, Crystal Lake.
Jerry J. Snoble, Hazleton.
Worth Van Clark, Indianola.
Mary B. Dinneen, Melrose.
Cleon D. Sires, New Albin.
Joseph W. Sparks, Prairie City.
Vera G. Combs, Redding.

KANSAS

Clara M. Bott, Alexander.
Eugene F. Fleagle, Enterprise.
Fred D. Beard, Haysville.

Jacob C. Gaeddert, Inman.
Ralph L. Oswald, Luray.
Karl H. Kertz, Natoma.
Bobby R. Bowen, Richland.
John W. White, Tonganoxie.

KENTUCKY

George Morgan, Jenkins.
James C. Griffin, Kuttawa.
Arle C. Money, Taylorsville.

LOUISIANA

Heulette C. Fontenot, Livingston.

MAINE

Edward L. Larrabee, Bath.
Mina C. Kent, Beals.
Lee E. Cox, Brooks.
Florence P. Pendleton, Islesboro.
Joseph H. Albert, Lewiston.
Philip E. Plante, Machias.
William A. Frizzle, Ocean Park.

MASSACHUSETTS

Ronald A. Urquhart, East Walpole.
Richard P. Coombs, Petersham.
Frances R. Bessom, South Orleans.
Arthur B. Morin, Springfield.

MICHIGAN

Philip R. Norman, Bark River.
Evelyn A. Greenwood, Croswell.
Irene M. Reed, Hulbert.
Jason D. Robinson, Saint Johns.
Ralph W. Kanaar, Swartz Creek.

MINNESOTA

Marie I. Ecklund, Ormsby.

MISSISSIPPI

Merle B. McMinn, Mathiston.
Elmo G. Allen, Petal.

MISSOURI

George W. Wolfmeyer, Jr., Arcadia.
Bernard A. Beurisaw, Cadet.
Joe M. Keefhaver, Edgerton.
Joseph E. McDowell, Herculaneum.
Jesse L. Ferguson, Jameson.
William J. Brick, Laredo.

MONTANA

Martha H. Hayes, Ashland.
Elson E. Wortman, Gallatin Gateway.
Reno F. Davison, Highwood.

NEBRASKA

Reuben G. Werner, Battle Creek.
Don D. Swift, Crofton.
Ralph H. Kroeker, Henderson.
Lloyd L. Ginkens, Jr., Mullen.
Harold M. Runyon, Scottsbluff.
Richard D. Barney, Shickley.
Leo M. Gorman, Sidney.
Paul R. Wenzl, Steinauer.
Milo T. Jelinek, Wilber.

NEVADA

Wilford E. Dunfield, Carson City.

NEW HAMPSHIRE

Halton R. Hayes, Milton Mills.
Burton H. Curley, Northwood.

NEW JERSEY

Edna J. Grisso, Cedar Brook.
John J. Gearhart, Convent Station.
Helen E. Carty, New Gretna.
Byron B. Holmes, Ocean Grove.
Robert M. Dunsmore, Summit.

NEW MEXICO

Rufus E. Whiteman, Gallup.

NEW YORK

Harry H. Beebe, Big Flats.
Myron F. Blakeney, Buffalo.
Frances W. Christiana, Circleville.
William P. Hurley, Dobbs Ferry.
Joseph M. Theil, Hunter.
Edward H. Essig, Jamaica.
John S. Hobbs, Red Hook.
Milford W. Ostrander, Sidney.
Alexander Adamson, Victory Mills.
Robert B. Scott, Jr., Warwick.

NORTH CAROLINA

Ransom T. Williams, Bladenboro.
George M. Turner, Jr., Pink Hill.

NORTH DAKOTA

Anna E. Schlabach, Driscoll.
Wayne R. Bergan, McHenry.
Harley E. Ludwig, Portland.

OHIO

William B. Spradlin, Derby.
Clarence A. Emley, Germantown.
Charles E. Dennis, Madison.
Archie C. Hannon, Masury.
Clarence L. Dulin, Powell.
Florence M. Hazen, Sharon Center.
Virgil E. Marine, Zanesfield.

OKLAHOMA

Jack E. Brewer, Heavener.
Merle W. Hardwick, Lamont.
Eugene J. Krivanek, Mustang.
Bernice A. Fiolle, Perkins.

OREGON

Eugene E. Berry, Echo.

PENNSYLVANIA

Lawrence E. Adams, Berwyn.
Gerald C. Stough, Grapeville.
Florence E. Blair, Hiller.
Kenneth L. Collins, Jamestown.
Edna V. Loeffel, Lemont Furnace.
Peter F. Roth, Limerick.
George E. Palko, Loyalhanna.
Jack Thomas Beck, Jr., Monessen.
Harold S. Derr, Jr., Montoursville.
Cloyd B. Hicks, Newton Hamilton.
Francis L. Underwood, Parkesburg.
Benjamin F. Hehn, Jr., Sharon Hill.

SOUTH CAROLINA

Charles R. Orr, Great Falls.
Theodore G. Hicks, Lamar.
Hugh Morgan, Jr., Yemassee.

SOUTH DAKOTA

Harry E. Brown, Bradley.

TEXAS

Elza L. Hearne, Asherton.
George L. Hanke, Aspermont.
Ruby D. Cummings, Barstow.
Oscar Dwain Carr, Big Lake.
William C. Brown, Brownfield.
Bonnie J. Summers, Channelview.
Horatio George Littlefair, Cleburne.
Effie Stewart Noack, Daisetta.
Bernard E. Carr, Eldorado.
John Sleeper, Sr., Elm Mott.
Samuel J. West, Farmersville.
Annie B. Ansley, Hungerford.
Clyde T. Hull, Milford.
Mary K. Fridel, Mont Belview.
James M. Cottle, Moran.
Velma F. Link, Presidio.
Grady V. Harris, Troup.
Cecil A. McFarlin, Valley View.

UTAH

Earl W. Sadleir, Draper.
Mabelle B. Ferree, Fry Canyon.
Reed N. Brown, Sandy.

VIRGINIA

Thomas K. Mitchell, Jr., Elliston.
Evelyn H. Morgan, Green Bay.
Clarence E. Cougill, Jr., Penn Laird.
Joseph B. Glasscock, White Post.

WASHINGTON

Elizabeth A. Kautz, Joyce.

WISCONSIN

Lawrence J. Haumschild, Arpin.
Wilfred H. Harvey, Bruce.
James R. Schroeder, Combined Locks.
August Kasten, Maribel.
James E. Plucker, Rochester.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 27, 1959

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Matthew 5: 9: *Blessed are the peacemakers; for they shall be called the children of God.*

O Thou who art seeking to guide us in the ways of freedom and righteousness grant that in these perilous times our chosen leaders, now in conference, may be guided with that divine wisdom which never errs and that divine strength which cannot fail.

May they extend to one another the overtures of good will and friendship and be eager to join heart and hand in the task of establishing peace on earth.

Give the nations vision and venture in the great redemptive ministry of leading bruised and brokenhearted mankind out of the darkness of hatred and fear into the glorious light of the kingdom of brotherhood.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2504. An act to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2524) entitled "An act relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

AUGUST 27, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby wish to submit my resignation as a member of the House Banking and Currency Committee, to take effect immediately.

Very sincerely yours,

JAMES C. HEALEY,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

AUGUST 27, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Interstate and Foreign Commerce, to take effect immediately.

Sincerely yours,

ISIDORE DOLLINGER,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO STANDING COMMITTEE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 363) electing JAMES C. HEALEY, of New York, a member of the Committee on Interstate and Foreign Commerce, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 363

Resolved, That JAMES C. HEALEY, of New York, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Interstate and Foreign Commerce.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE LATE HONORABLE J. BAYARD CLARK

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. LENNON].

Mr. LENNON. Mr. Speaker, it is my sad duty and with profound regret that I announce to the House the passing of one of its most distinguished former members, who represented the Seventh Congressional District of North Carolina, which I now serve.

J. Bayard Clark, a Member of this body from March 4, 1929 to January 3, 1949, passed away last night, August 26, 1959, in Fayetteville, N.C.

J. Bayard Clark was born April 5, 1882, in Elizabethtown, N.C. He was educated at Davidson College and the University of North Carolina. He was licensed to practice law in August 1906.

He served as a member of the General Assembly in North Carolina in 1915, as a presidential elector in 1916, and as a member of the State judicial conference from 1924 to 1928.

He became a member of the Rules Committee of this House during the 2d session of the 73d Congress and served continuously in that capacity through the 80th Congress in 1948. There he soon earned the respect and honor of not only members of the Rules Committee but of the entire membership of the House for his wisdom and his unselfish devotion to his country.

J. Bayard Clark was known to possess one of the ablest legal minds of any person who has ever served in the Congress, and this fact was recognized not only by Members of this House but by the executive branch of our Government as well. He was a member of the joint committee of the House and the Senate on the investigation of the Pearl Harbor attack. His part in this hearing and the subsequent submission of the report by the joint committee won for him the praise of not only the Members of the Congress but the American people. Later he was selected by then President Franklin D. Roosevelt to write the legal opinion that grew out of the Montgomery Ward litigation. This opinion is recognized today by the lawyers of the country as one of the great landmarks in our legal jurisprudence on the question of the wartime power of the executive branch of the Government.

I know the House is saddened by his passing for there are many Members here today who served with Mr. Clark and recall fond memories of their association with an honored colleague.

I knew J. Bayard Clark to be a man sincere in his deep convictions, and I consider it one of the high privileges of my life to have been able to claim his friendship.

I have already transmitted to his bereaved widow and children an expression of deepest sympathy. I know this House shares in these expressions, and will want to send its prayers and deepest sympathy to Mrs. J. Bayard Clark and her fine family.

Mr. Speaker, I ask unanimous consent that all Members who desire may have 5 legislative days in which to extend their remarks in the RECORD on the life and accomplishments of J. Bayard Clark.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from North Carolina.

Mr. DURHAM. Mr. Speaker, those of us who served here with Bayard Clark, of course, are familiar with his work. He served here for many years, 22 in number.

I never knew a finer gentleman, a man of finer character. He was a great parliamentarian and very few men exceeded him in ability here on this floor. He was a close friend of mine, a very close friend. It is always difficult to find words to express one's feelings at the loss of a friend of almost 50 years.

Bayard Clark attended the University of North Carolina in my hometown. As a freshman I formed a friendship which has existed over the years. Last year I had the pleasure of visiting with him, and I cherish the memory of this last contact with him.

The last few years, of course, he had been handicapped, but he always had a great spirit of devotion and loyalty to this body. He served his country well here during trying years. His advice was sought here by many individuals throughout the years. The first thing I did when I came to Congress was to go to his office, to visit him and tell him that as a new Member in this body I wanted his advice. This is what he told me: Do what you think is right. This advice Bayard Clark certainly followed in his personal and public life.

Bayard Clark was a true gentleman in speech and in conduct and above all in his dealings with human beings. He was born and reared in a community which is traditionally rich in history and in a State which was one of the original 13 colonies. He exemplified the best traditions of his community and State in this body and in his public life down through the years. The section where Bayard Clark was born and reared and where his family settled in the early colonial days is famous for having produced great figures in education, in statesmanship, and in the finest type of citizenship, who have brought high honor to our State and to our Nation as a whole. Bayard Clark's life reflected this great heritage to a marked degree.

I extend to Mrs. Clark and the family my heartfelt sympathy in their great bereavement.

Mr. LENNON. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, it was with a great deal of sorrow that I read this morning of the death of my good friend and former colleague, Judge Bayard Clark, of North Carolina. It was my privilege to serve with him for a number of years on the Rules Committee in this House. He was a Christian gentleman; a person of quiet nature but of great ability, of complete honesty, and of exceptional patriotism. He served his State and his Nation well for many years.

The last time I had the privilege of talking to Judge Clark, after he had retired from Congress, he invited me down to his home in North Carolina to go fishing with him. That trip, unfortunately, never materialized.

Bayard Clark was a truly great legislator. This country is a better place, this Nation a better nation, because of the fact that Bayard Clark lived and served his fellow men.

He has left to his family the priceless heritage of a good name, and to those

of us who called him friend, many precious memories.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LENNON. I yield to the distinguished majority leader.

Mr. McCORMACK. For the two decades Bayard Clark served in this body he made a reputation that was outstanding. No one enjoyed the respect and confidence of his colleagues more than Bayard Clark. A gentleman in every respect he was also a good man, a man whose outlook on life was not only refreshing but also an inspiration for all others to follow.

During my service and his service in this body we came to know each other very closely and became close friends. Bayard Clark during his service in this body made marked contributions to the betterment of America and the strengthening of our country not only internally but also externally. He was one of the truly great legislators I have ever served with and a great American.

I might also say that he had a strong sense of loyalty, loyalty to the principles and the ideals he believed in, loyalty to his friends, and loyalty to his political family, the Democratic Party.

I join with his other friends in extending to his loved ones my deep sympathy in their bereavement.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Speaker, with the other friends of Mr. Clark, I deeply regret his passing. He was a close friend of mine, one of the closest I have had in my service in this Congress. I served with him during all of his membership on the Rules Committee when we cooperated very closely, and I had every opportunity to observe the character and attainments of this great man.

Mr. Clark had one of the finest intellects, finest characters of any man I have had the pleasure of being associated with during my service here. He was a man of deep principle, great logic and ability, one on whom you could depend to the last degree. I do not think we have had many statesmen in this Congress who have excelled in ability and stamina and statesmanship of Mr. Clark, which was demonstrated in so many of his activities during his service in the Congress.

It was a matter of deep personal regret to me when he voluntarily left the Congress. When he had a message for the House he was so well known for his ability, fairness, honesty, and statesmanship that whatever he had to say to the House was taken with a great deal of seriousness.

I extend to his family my deepest sympathy and my own personal feeling of loss that such a man has finally been removed from our midst.

Mr. LENNON. I thank the gentleman.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Speaker, I should like to be associated with the remarks and tributes that have been paid to our former friend and Member of this body, also former member of the Committee on Rules, where I had the high privilege of serving with him when he was such a valuable Member of this House.

As has been pointed out by others, one of the outstanding traits of Mr. Clark was his fine, splendid, analytical mind. He was a great lawyer, a great statesman. Mr. Speaker, I know of few men with whom I have served in this body for whom I had a higher regard than I had for this distinguished North Carolinian.

When he went down into the well of this House, which was on very rare occasions, he had something to say, and he was listened to attentively. I am sure that he colored the stream of legislation while he served in this House. He believed in constitutional government.

He was a great North Carolinian, he was a great American, and I join with others in paying my tribute to him and in extending to his family my deep regret at his passing.

Mr. LENNON. Mr. Speaker, I thank the gentleman from Mississippi.

Mr. RAYBURN. Mr. Speaker, I join the members of the delegation from North Carolina in expressing my deep regret at the passing of Bayard Clark. He was a man of great ability and high character.

To his loved ones I express my deepest sympathy.

Mr. BONNER. Mr. Speaker, it was my pleasure to personally know the Honorable J. Bayard Clark who so ably served the Seventh Congressional District of North Carolina here in the Congress of the United States.

Mr. Clark was recognized as one of the outstanding lawyers of North Carolina, a student of government, a Christian gentleman, and devoted to his family. He served with distinction on the Rules Committee and voluntarily resigned from the Congress to return to his home town of Fayetteville, N.C., and resume his law practice, which was always close to his heart.

In his passing, North Carolina and the Nation lose a distinguished leader. To his family I express my deep sympathy.

AMENDING TITLE 28 OF THE UNITED STATES CODE

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6000) to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out "$2,000" and insert $2,500".

Page 2, line 2, strike out "$2,000" and insert "$2,500".

Page 2 in line between lines 5 and 6, strike out "$2,000" and insert "$2,500".

Page 2, line 9, strike out "$2,000" and insert "$2,500".

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An Act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $2,500."

ONE HUNDREDTH ANNIVERSARY OF THE PETROLEUM INDUSTRY IN THE UNITED STATES

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, today marks the 100th anniversary of the petroleum industry in the United States. On August 27, 1859, Col. Edwin L. Drake completed the world's first successfully drilled oil well at Titusville, Pa.

The petroleum industry has contributed more than any other single group to the evolution of man from the era of the candle and the horse and buggy to the supersonic jet.

Its achievements are legend; not the least of which was the event which we celebrate today. Although we cannot overlook the contributions of the refiners, the pipeliners, the engineers and technicians, this first 100 years in the petroleum industry shall go down as the century of the wildcatter.

Oil lay valueless in the ground millions of years before the wildcatter found a way to bring it to the surface for others to refine and develop into the thousands of commonplace items in our daily lives.

At the beginning of the second half of oil's first century, petroleum supplied less than 10 percent of the total energy of the United States. Today, less than 50 years later, that industry supplies nearly 70 percent of all our energy needs. The opportunities open to this dynamic industry over the next 100 years are limitless, providing it remembers its birthright of individualism.

Yes, it was the century of the wildcatter. It was the wildcatter who made the petroleum industry the moving force in our lives today and it will be the same spirit of determination to overcome all obstacles, be they natural or manmade, which will lead the industry to the realization of those opportunities.

I am proud that I represent in our Nation's Congress the area in which the first great wildcatter showed the way to those who were to follow. Little did anyone in 1859 dream of the fountainhead of abundance which would spring from that one hole in the ground. Today there are more than 280,500 such wells which have been drilled in Pennsylvania alone. In each instance they

contributed to the strength of the industry and the Nation.

In each instance those wells were drilled by men who were instilled with the spirit of the oil finder, the "Man of the Century" in petroleum's first 100 years.

The assistance and inspiration received from those associated with this vital industry in the 23d District of Pennsylvania, which I represent, have helped to shape Federal policies which have encouraged the wildcatter to take the risks inherent in the development of our petroleum reserves. With this continued help to all in Congress, our Nation can be assured of an abundance of petroleum for peace and throughout any emergency.

I congratulate the industry on the success of its first century and I am confident that it will continue to meet its obligations as it continues to provide the Nation with the blood of its industrial economy and national defense.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 146]

Adair	Ford	O'Brien, N.Y.
Albert	Gallagher	O'Neill
Andersen, Minn.	Granahan	Osmers
Andrews	Gray	Passman
Ayres	Griffin	Pillion
Barden	Hardy	Poage
Barry	Harrison	Powell
Bentley	Hess	Rabaut
Blitch	Hoffman, Mich.	Reece, Tenn.
Boggs	Hogan	Rivers, S.C.
Bolton	Holt	Roberts
Canfield	Jackson	Saund
Cannon	Jones, Mo.	Shelley
Carnahan	Kee	Sheppard
Carter	Kilburn	Sikes
Celler	Kirwan	Siler
Cramer	Landrum	Simpson, Pa.
Dague	Loser	Smith, Miss.
Denton	Machrowicz	Taylor
Derwinski	Mack, Ill.	Teague, Calif.
Dorn, S.C.	Mason	Thompson, La.
Elliott	Miller, N.Y.	Westland
Flynn	Mitchell	Wolf
Foley	Montoya	
	Moulder	

The SPEAKER. On this roll call 363 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING ACT OF 1959

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 358 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], pending which I now yield myself such time as I may consume.

Mr. Speaker, as the reading of House Resolution 358 indicates, it makes in order the consideration of S. 2539, which is another omnibus housing bill. The rule provides for 2 hours of general debate. It is an open rule and provides for germane amendments at any point.

Mr. Speaker, the Members of the House will recall that in the last Congress we failed to pass a housing act. In this session of the Congress, S. 57, an omnibus housing bill, was passed, which was disapproved by the President. The other body has now passed S. 2539, and the House Committee on Banking and Currency has reported that bill to the House for its consideration.

In the testimony before the Committee on Rules the distinguished gentleman from Alabama [Mr. RAINS], chairman of the subcommittee, presented the request for the rule. The majority of the committee feel that it has gone a long way to meet the objections of the President of the United States to the bill S. 57, which he vetoed. A careful reading of the report will show that the majority of the committee has deleted seven items to which the President objected. In some 16 instances the majority of the committee has modified the bill to meet the President's objections.

Mr. Speaker, I think it needs to be made clear that this is an omnibus bill. It makes provision for several different types of housing programs. I believe it is fair to say that there are approximately five instances where there is some controversy. This bill extends the FHA insurance program for 1 year. There are those who would say that it ought to be continued longer. As you know, the President of the United States has maintained that we should pass a separate bill for this program. In another area of some dispute is the urban renewal program. In S. 57 as passed by the Congress it provided for 2 years, I believe of somewhere in the neighborhood of $900 million. This bill provides a program of $550 million with an extra $100 million at the discretion of the President. It does not confine the program to 1 year.

The bill provides for 37,000 units of public housing. The bill also provides for $50 million for classroom and educational building construction. It also provides direct loans for housing for elderly people.

As I stated at the outset, the majority of the committee feel that it has gone a long way to try to meet the objections that the President voiced in his message of disapproval. There is no question in my mind that there is a great need for a housing bill. I think the House Committee on Banking and Currency has done the best job it could under very difficult circumstances.

Mr. Speaker, I intend to support the bill as reported by the committee, and I think that the rule should be adopted so that we can provide for the people of this Nation a housing program which will go a long way to meet their needs.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Texas has so ably stated, House Resolution 358 makes in order the consideration of S. 2539, the so-called housing bill, under 2-hour general debate and an open rule, which, of course, means that in the Committee of the Whole any and all germane amendments may be offered to the measure. This bill, in many ways, is very, very similar to another bill, S. 57, which was approved by this Congress—over considerable opposition in this House, by the way—and sent to the President and in turn vetoed by him. Then later on the other body in its wisdom decided an attempt should be made to override the President's veto. That failed by a large vote. As a result the other body brought out S. 2539, passed and sent it to the House where it was referred, as usual, to the House Committee on Banking and Currency. That committee, as I understand, had only one short meeting on the measure, did not read the bill section by section, did not go into the measure thoroughly, or discuss its provisions, but instead quickly reported the bill to the House and submitted to the Committee on Rules a request the measure be sent to the floor for consideration.

The reasons given for this quick and perhaps rather hasty action by the House Committee on Banking and Currency was that the measure was so similar to the original housing bill, S. 57, and the questions at issue had been discussed so thoroughly when S. 57 was before the committee, that there was no reason why a long period of time should be taken by the legislative committee in reading this new measure, or discussing it section by section, or considering amendments to it.

On the other hand we are being told by the same individuals that there have been a great many changes made in the new bill from S. 57, the vetoed bill; that the great number of these changes carried in this new measure should appeal to the President of the United States, as well as to the Congress, and the bill would be in no danger of a veto, or at least that was the hope expressed. Yet as to the basic features of this bill there are very few differences between it and S. 57.

I know there has been a great deal of publicity given to the fact that this measure only calls for direct spending of some $1,075,000,000 as compared with $1,275,000,000 carried as an authorization in S. 57. That sounds good. That is a pretty tasty bit to roll around under our tongues as legislators who are attempting to hold down public spending and convince the people that we are against inflation and against deficits, and all that.

Let us actually look at this matter, for a moment, with a careful eye. Let us see about this legislation. In the first place S. 57 was a bill to provide for expenditures for these housing purposes for a 2-year period. For instance, in the urban renewal section, S. 57, the bill that was vetoed, carried an authorization for expenditure of $900 million over a 2-year period. That was for urban renewal and slum clearance. This bill carries an authorization of only $650 million for slum clearance and urban renewal, or $250 million less than contained in S. 57. But here is the joker, here is the little hidden secret in this measure: Under the pending bill the entire $650 million can be and probably will be, if this legislation becomes law, expended or obligated within 1 year. So actually what you are doing is providing authority in this legislation to spend more for that particular purpose than was provided in S. 57. That strikes out $250 million, just like that, from this reduction of $300 million the savings claimed to be carried in this new measure. There is actually little or no reduction in the bill.

Everyone knows, I am sure everyone agrees, there is a great need for the continuation of the authority of FHA to insure housing loans. There has never been any dispute about that. There has never been any conflict in the House over that, or in the Senate, for that matter, or in the mind of the President. We have all wanted that. S. 57 provided for the extension of the FHA insuring authority for 2 years. This bill provides only to extend the FHA insuring authority for 1 year to October 1, which means we will have to be back here next year, wrestling with this same problem when we know the FHA insuring program is a good program. There has been built up a surplus in that agency's fund, at no cost to the taxpayers, of $700 million. Of course, there is no reason in the world why this measure should not provide for the extension of the FHA insuring authority for at least 2 years and, perhaps, longer. I am hoping before we get through with the consideration of this measure, it may be amended so we have at least 2 years authority for the FHA, as has been requested, and the need for which no one can question.

This bill is before us. The fact of the matter is, and I think most of you agree, that this House—and I suspect the President is perhaps of the same frame of mind—will not react very well to threats. We have been told in substance, if not in the exact language, that this is a "take it or leave it" measure, and that the Congress can either accept this bill, as written, and the President can sign it into law, or there will be no housing legislation at all, and that the FHA insurance program and the other things on which we all agree must be done or home construction will grind to a halt. Frankly, I do not like that sort of a situation and that is the reason why we have an open rule, or at least one of the reasons—everyone requested it, by the way—so this House can work its will.

This measure is so similar to the one vetoed, in my mind at least, and I want to make it clear that I am not speaking for the President of the United States, as you all know, but I am of the firm opinion that unless we write into this measure some proper amendments, it will probably either be defeated in the House or be vetoed when it reaches the White House. It contains a number of provisions entirely similar to those to which the President objected, and on which provisions he based his veto of S. 57. I think it is rather foolish, in view of the great need to continue the FHA program, and the construction of housing in this country, that we take a chance and pass legislation that might possibly be vetoed and could leave us without any positive legislation.

For instance, this bill still carries a provision to spend $50 million on classroom construction, and not only classroom construction, but also the equipment in those classrooms, a matter which, in my opinion, as a member of the Committee on Rules and as one of the older Members of the House, belongs entirely under the jurisdiction of the Committee on Education and Labor, and has no place in this bill.

Then, this bill carries another section that is very much in dispute and which has been a controversial issue in this House over the years, and the House has taken the position many, many times in the past, I refer to public housing. This bill carries a provision for 37,000 new units of public housing at no cost to the taxpayers immediately—no immediate cost whatsoever is involved—but seven hundred and some odd million dollars of cost over a period of 40 years in subsidies that will be paid to house a relatively few people in spite of the fact that we already have a backlog of over 100,000 public housing units which have been authorized but have not yet been contracted for or constructed.

Now, let us stop and look at the situation for just a minute. We believe, you and I, of course, in doing everything we can to help our fellow men. But, let us be practical. I figured out roughly, in the Committee on Rules the other day, that these 37,000 public housing units, and that meant 37,000 families presumably who will be housed under the provisions of this bill under that section, costing $915 million in subsidies out of the taxpayers' pockets over the next 40 years, actually means that we are giving a subsidy—giving tax money—to each of those families of a little better than $19,400. That is the subsidy each one of the 37,000 families will get under this bill.

I asked the question, and I want to pose it here: Why spend that much money to subsidize public housing when over in Moscow we are very proudly displaying to the Russians—and they question that it is true—a sample American home built here, three bedrooms and bath with all modern facilities, for only $14,000. We can build that house at better than $5,400 less than we pay as a public housing unit subsidy. It would be cheaper if we just built the houses and gave them to these 37,000 people.

I say to some of you, who like all of us feel sorry for the poor and neglected, look at it another way. If we would give these $14,000 houses, or make them available for the use of the needy as long as they live, and then have them turned back to the Government for someone else to live in—if we would spend $915 million in that fashion—we could take care of 52,000 needy families at no more cost than of this program of subsidies over a 40-year period. You can argue about it, but think that one over, if you will. It just shows how foolish we can get sometimes—and we may differ markedly about what we can pay for housing for individual families, but doing it this way, giving houses to them, they would have the $37 a month they now pay in rent for public housing units to apply toward taxes, or maintenance of the property, and maintain their self-respect at the same time.

So, Mr. Speaker, I think this legislation deserves your very careful consideration and attention, and that of my friends here who are always interested in doing as much as they can, as often as they can, for as many as they can.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the chairman of my committee, of course, but briefly.

Mr. SMITH of Virginia. I want to ask a question. It may take a minute or two. If you have not got the time I will not.

Mr. BROWN of Ohio. I yield.

Mr. SMITH of Virginia. The gentleman mentioned that he thought the FHA ought to be continued for a period of 2 years instead of one. Does not the gentleman feel the same way about urban renewal? And I will tell you why. As I understood the statement made yesterday before the Rules Committee, urban renewal last year carried a figure of $900 million for 2 years. If I am correctly informed, the bill which is made in order by this rule carries a figure of $650 million for 1 year.

Mr. BROWN of Ohio. That is correct.

Mr. SMITH of Virginia. It is claimed that this bill is $325 million less than the bill that was vetoed; and $250 million of that $325 million is contained in this alleged reduction of urban renewal.

Mr. BROWN of Ohio. Which can and will be obligated in a single year.

Mr. SMITH of Virginia. Yes. So, as a matter of fact, the vetoed bill which carried $900 million, or $450 million a year, under this bill it is $650 million for one year. Instead of being a reduction it is an increase of about $200 million.

Mr. BROWN of Ohio. The gentleman is entirely correct. The gentleman will recall that in the President's veto message he specifically pointed out that the appropriations authorized in the measure which he vetoed, for slum clearance or urban renewal, were entirely too high. The gentleman will also recall the testimony before our Committee on Rules that only about $350 million of all the funds that have been authorized for slum clearance and urban renewal have actually been spent or expended.

Mr. SMITH of Virginia. I raise the question because I am wondering whether some folks around here are looking for a housing bill or for a political issue.

Mr. BROWN of Ohio. I want to say to the gentleman that I am convinced there is a great deal of politics contained in the actions which have been taken on this measure. The fact of the matter is this bill was written in the other body before the vote was taken on the President's veto; and, of course, it was immediately pushed out on the floor as quickly as the other body failed to override the veto of S. 57.

The truth of the matter is, answering the gentleman from Virginia [Mr. SMITH]—and I hope this bill will be amended properly so that all of us can support it—the FHA provisions of this bill should be extended for at least 2 years. Housing should be taken out of politics, and not be brought into this Chamber and to the other Chamber for debate and argument again next year, when the Congress will want to get away as quickly as possible for many reasons. We can and should settle the issue once and for all now.

I am hoping that these amendments will be offered which will put this bill in the shape that those of us who want to do something about this housing problem will be able to vote for it with good conscience and go out over the country and justify that vote, and that the President of the United States will be placed in a position where he can sign it into law.

Again, may I reiterate, I am not speaking for anyone else except myself, and certainly not for the President, but I am convinced this bill is so much like the measure that was vetoed, and in some provisions of it, is so much more costly than the original bill, that unless it is amended it faces the likelihood and probability of another veto. Therefore, we will once more march up the hill and back down again.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman tell the House what reasons were advanced for holding the extension of FHA to 1 year?

Mr. BROWN of Ohio. None that I heard or understood. Perhaps someone will give an explanation.

Mr. Speaker, I favor adoption of this rule which, as I said in the beginning, is an open rule that will permit the offering of all germane amendments and their consideration in the Committee of the Whole under the 5-minute rule. There will be 2 hours of general debate following adoption of the rule.

Mr. THORNBERRY. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, the gentleman from Texas [Mr. THORNBERRY] and the gentleman from Ohio [Mr. BROWN] have explained the provisions of the rule, and they have also commented at some length upon the provisions of the bill.

In the few minutes allotted me I would like to direct the attention of the House to one phase of the bill, and that is the old question of public housing.

At the proper time, Mr. Speaker, when the bill is being considered under the 5-minute rule, I propose to offer an amendment that will strike out the public housing title in its entirety. That would be no new venture on my part. Since its very inception, since this bill was first presented from the Banking and Currency Committee to the Rules Committee in 1949, I have opposed this principle of public housing in its entirety because I do not think it is sound; I do not think it basically fits in with the American philosophy of free enterprise or individual initiative. This question comes up every year, and this House has on repeated occasions voted out public housing, only to have it go over to the other, sometimes referred to as the conservative body, and have it reinstated.

Mr. Speaker, I would like to point out again that this question of low-cost housing is a misnomer. As has been pointed out on this floor heretofore, this is the highest type, the most expensive type of housing that can be built and that is built. When we started out with this program, it cost about $8,000 to build a public housing unit. Today we are talking about $17,500 a public housing unit. But that is just part of it.

The big thing involved here is the question of subsidy. You know, the peculiar thing to me about this whole public housing issue is that everybody seems to proceed upon the theory that it does not cost anybody anything. As a matter of fact, I have an agent down in my State that goes around and meets with the people in the communities, and he says to them in all candor and in all frankness, from his point of view, "I come to you as Mr. Santa Claus. I am going to buy your property here, your land. I am going to build you these fine houses, and it is not going to cost you anything." Now, that is the theory on which they sell it to these people; many of them in small communities. You remember we started out on the theory that we were going to do this in the big cities for slum clearance purposes, but now we go into the smallest communities and we build these expensive public housing units or these so-called low-cost public housing units.

Now, let us see just how low cost they are.

If you will bear with me for a moment, I know figures are burdensome, but I will try to reduce this to a very simple matter. For those people over here on my right who are interested in public housing, if they will just listen to this, as well as those who oppose it, here is your cost of public housing.

The Federal contribution or subsidy, either way you want to take it, has now risen to $40.50 per unit per month. All right. For 12 months that is $588.88 per unit. For 40 years that amounts to $23,555, or a total subsidy for the 37,000 units provided in this bill of $871,542,500. That is low-cost public housing. That is Santa Claus. But, that is just part of the story.

Now let us see the other facets of this thing. Remember that these are full faith and credit United States bonds that are issued by the local authorities. They are tax-exempt bonds. So, the taxpayer has got to make up that deficit. So, what does that amount to? That comes to $9.35 per unit per month, per unit per year $112.30, or per unit for 40 years $4,492. The total loss for these 37,000 units therefore on that item alone over a period of 40 years is $166,204,000. But, that is just part of it.

They do not pay taxes on these units. Your local community does not collect taxes like they do from the individual property owners. So, what do we find now? A loss of $20 per unit per month to your local taxing authority or $240 per year or a total $9,600 for the 40-year period. The total loss on the 37,000 units, over 40 years, under that figure, comes to $355,200,000.

We have a Federal administrative cost per unit of $21. That is just another part of the picture. Per unit for 40 years that is $840 or a total over a 40-year period for the 37,000 units of $31,080,000.

This is the grand total. You can see what this no-cost, low-cost public housing amounts to. The total cost to the taxpayers of the United States for these 37,000 units over a period of 40 years is $1,424,026,500. And we talk about low-cost public housing.

But that is only a part of the picture, because this bill now cuts out certain safeguards and provisions that were in the old law. This bill would repeal the present statutory formula on incomes of the occupants or tenants of these houses. Under the old bill their annual income could not be more than five times the cost of the rental. But now the sky is the limit.

But that is not all. This bill repeals the Thomas-Phillips amendment. Do you remember that amendment by the gentleman from Texas [Mr. THOMAS], and the gentleman from California, Mr. Phillips, who repeatedly fought here for that amendment and succeeded in having it adopted? This bill repeals the leapfrog amendment where they contract for additional years. That safeguard has been taken out. That has gone with the gentleman from California, Mr. Phillips, who has retired from this House.

There are so many other things I would like to point out if time permitted. Let me call the attention of some of my city friends here who are so interested in this program, to some of those things. Oh, yes, I know you have your problems. You know, if they had confined this program to your city slums maybe there would have been a little more for you to

get. But when you tried to spread it out in order to get us country boys to vote for it, you worked it into a monumental program.

I want to digress right here, as I did in the Committee on Rules the other day, to say this. If you really want this program in your congressional district the thing to do is to oppose it. Come down to the well of the House and make a speech against it. I guarantee that you will get more public housing than you will by supporting it, because they will try to do with you what they have been trying to do with me over these years by putting them in all of these small communities, build up support for them back home in order to beat you into line to support it.

Let us see what has happened. Here is San Francisco which has 1,625 units of public housing for which binding Federal subsidy contracts have been executed but which, according to PHA, have not yet been placed under actual construction.

Pittsburgh, 2,703; Atlanta, 1,000; Newark, 2,500; Bessemer, Ala., 1,000; Columbus, Ohio, 1,054; Richmond, Va., 875; Albany, N.Y., 400; New York City, 17,175; St. Louis, 2,436; Washington, D.C., 1,586; and so on down the line.

You have a great deal of this still in the pipeline. If you did not provide another unit in this bill it would continue to go on for years.

Mr. Speaker, in the couple minutes left me I want to say to you in all candor and in all frankness that this program just does not fit into the American philosophy of Government, of free enterprise and individual initiative.

What happens? These people get into these houses. They are afraid to make more money because they are settled there, they do not want to have to move out. So there is a premium placed on not exercising initiative. It destroys initiative.

Mr. Chairman, while I have no desire to wave the racial flag, I do want to point out here again as I have on previous occasions that the people of my section of our common country are not interested in this public housing program because of the Supreme Court decision that they cannot maintain segregation of the races in public housing. Therefore, they will be taxed to build housing units in integrated areas of other sections and will be unable to maintain segregation at home.

I have used this illustration at least a half dozen times, but for the benefit of some of the new Members here, I wonder if you would bear with me while I repeat it here this morning in the closing moments of this argument. I live in a relatively small town. We have a shipyard down there. We are very proud of it. Now here are two men working in that shipyard. One of them we will call "A"—he is a frugal and industrious man. He works 8 hours a day. He saves every dollar he can. He buys a lot out on the edge of town and starts to construct a home. I have driven around my town and around my district, as some of you have yours, and I have seen that industrious individual A out there working on a house after working hours. Maybe his wife was out there too passing up lumber or tools to him to help to build a home and become an American homeowner. Now here is B who works right alongside of A. B gets the same wage scale, but he is not frugal and industrious. He gets off in the evening and goes up to the beer parlor or somewhere else and the next day he has a hangover. Maybe he does not feel like going to work. He gets in a low income bracket and becomes eligible for public housing. Do you know what you are doing? You are taxing this frugal, industrious man to build a better home for this B fellow, who is not frugal and industrious, than A can build for himself. It just is not right.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

UNITED STATES PARTICIPATION IN THE INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy and ordered to be printed:

To the Congress of the United States:

I transmit herewith, pursuant to the International Atomic Energy Agency Participation Act, the second annual report covering the U.S. participation in the International Atomic Energy Agency for the year 1958.

During 1958 the Agency, in addition to making major strides toward completing its organizational and staff structure, achieve a significant, though modest amount of progress in establishing its substantive program of bringing the benefits of the peaceful uses of atomic energy to the peoples of its members.

In particular, increasing attention was given to the needs of the less developed countries. This involved development of the Agency's fellowship and training program and its information and technical assistance activities. Such programs are designed to meet the more basic needs of the less developed members for highly trained specialists, for knowledge of the latest developments in the various fields involved in the peaceful uses of atomic energy, and for an understanding of the needs and resources of such members for the establishment of meaningful national programs in this field.

The Agency also began to make a significant contribution with respect to the more technical aspects of the peaceful uses of atomic energy—particularly in the fields of radioisotopes and health and safety—through a variety of activities, including publication of a Manual on Practice on the Safe Handling of Radioisotopes. A Scientific Advisory Committee was established to advise the Agency on specific scientific and technical questions arising from the Agency's program.

Considerable progress was realized in 1958 in developing close and harmonious relations with the United Nations and other interested international bodies. Arrangements for cooperation with specialized agencies were formalized by the conclusion of relationship agreements with the International Labor Organization, the Food and Agriculture Organization, the World Health Organization, the United Nations Economic and Social Council, and the World Meteorological Organization. The Agency also was admitted to full participation in the United Nations expanded program of technical assistance.

In September the Government of Japan requested the Agency's assistance in procuring some 3 tons of natural uranium for Japan's first research reactor. This may well be the most important single event in the Agency's short history of striving toward fulfillment of its objectives—particularly if the positive response made by the Agency to the Japanese request should lead to the making of similar requests by other members. By the end of 1958 the Agency was making considerable progress with this request and also with the negotiation of general supply agreements with the United States, the United Kingdom, and the Soviet Union—the members that had offered quantities of fissionable material to the Agency.

The United States participated fully in the work of the Agency and made major contributions to its progress in 1958. Consultants were provided for various Agency programs. Technical information was rendered. A considerable number of fellowships were provided and a substantial sum of money was given for the Agency's fellowship program. In addition, the United States contributed to the Agency's regular budget and made an advance to its working capital fund.

In these ways the United States continues to meet its pledge to make every effort to assist the Agency in achieving its high purpose.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

AMENDING PUBLIC LAW 85-880

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8374) to amend Public Law 85-880, and for other purposes, with an amendment of the Senate thereto, disagree to the Senate amendment and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BROOKS of Louisiana, GEORGE P. MILLER, TEAGUE of Texas, FULTON, and MCDONOUGH.

HOUSING ACT OF 1959

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the consideration of the bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of S. 2539, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. RAINS], chairman of the subcommittee.

Mr. RAINS. Mr. Chairman, I am going to use as little time as I can today. There is nothing in this housing bill that was not thoroughly debated when we had the bill on the floor and when we had the report back from the conference. Therefore I hope and feel sure we will have the cooperation of our esteemed friends on the committee on the other side of the aisle and that we can proceed as expeditiously as possible and get to the amendments which I am sure will be offered; and I am going to contribute my part by making my opening remarks as brief as I can.

Actually, this Housing bill is more needed today than ever before. We have gone 2 years now without the enactment of any legislation. Last year, there was no bill. Failure to enact the housing bill this year will, in my judgment, cause serious economic setbacks throughout the country and will no doubt cause a lot of people not to get the homes that we in the Congress want them to get.

First of all, I am going to give some comparisons of the dollar amounts in this bill, the vetoed bill, and the bill as it originally passed the House.

The total amount for loans and grants in this bill is exactly one-half of what it was in the bill the House originally passed. In the bill that passed the House by a considerable majority—I do not remember the exact figures—the total amount was $2.1 billion. The bill that was vetoed totaled $1,375,400,000. It has now been cut to $1,050,100,000.

The urban renewal under the bill that was vetoed was $900 million for 2 years. In the bill which we originally passed in the House it was $500 million for each of 3 years. In the bill we have before us today it is $550 million for 1 year with an additional $100 million to be used by the President in his discretion to take care of the smaller communities that might not be able to get their applications in on time.

Urban planning grants in this bill are the same as in the other bill, $10 million.

For defense hospitals in all the bills that have been presented to the Congress, both in the House and in the Senate, the amount is $15 million.

The farm housing research authorization is $100,000 for 2 years.

Those are the grants in this bill.

Under the loan program this bill has $50 million of direct loans to nonprofit corporations for housing for the elderly. That was the same figure in the Senate bill and in the bill which the President vetoed.

This bill has $250 million for college dormitories. The bill S. 57 which was vetoed had $300 milion, and the bill as passed by the House had $400 million.

There is an item of $50 million for college classrooms in this bill. It was $125 million in the Senate bill. It was cut to $62,500,000 in conference in the bill which the President vetoed.

The amount for FNMA special assistance to cooperative housing in this bill is $25 million. In S. 57 it was $37,500,000.

Public housing in this bill has been cut to a barebones minimum of a flat 37,000 units. The bill originally passed by the House authorized at least 140,000 units, and the vetoed bill authorized 45,000 units outright with discretion in the President to permit the remaining units at a 35,000 annual rate.

Public housing is the bone of contention. I would like to say to the Members who are interested in public housing that the 37,000 units that are in this bill are needed to relocate the people disrupted by the highway program and by the urban renewal program. In other words, if you are going to carry this particular program forward you need at least 37,000 units, and this was brought out in the hearings in the Senate on the veto message, in order merely to house the low-income people displaced by slum clearance operations.

I do not know any other way to do it. I heard my good friend from Ohio [Mr. BROWN] state his fantastic idea, and I told him in the Rules Committee yesterday if he believed that, why did he not offer a bill to give everybody a home free, and also why not just give all the old folks under old-age pension a lump sum instead of doling it out at $35 a month. Just give them a lump sum for their life expectancy all at once. The truth is that there is not a homebuilder in America, there is not a real estate man in America who will tell you that he can take the type of people who live in low-rent public housing and build a house for them to where they can pay the rent. I know it is a tough proposition for my friends to take, but that is the plain, unadulterated truth. I have spoken many times to the homebuilders, a great organization, to real estate boards in their national convention, and I told them, "If you will bring up a private enterprise program that will do this job, I will introduce it, I will fight for it as hard as I can to get it through the Congress."

Mr. Chairman, there is no answer to poverty. There is no way in the world that we can make this problem disappear and get rid of public housing just to please some of my friends like the gentleman from Mississippi and a few from other places. I am not dedicated to the principle of giving houses to people. I believe in private enterprise as much as any man in this House, I know I do, but when you sit like I have month after month, year after year, and hear intelligent people bring in the facts, what else can you do? That is all I am going to say about public housing.

I know we are in the closing days of the session and I know that this bill, whatever we do about it, may have to go back to conference with the other body, and I know that no bill is going to to be approved by that conference committee unless it has some public housing in it.

Mr. BROWN of Ohio said he did not want to indulge in threats, then he turned around and said it was going to be vetoed. As a matter of fact, there has been a lot of talk from this side from time to time about rubberstamp Congresses. I had hoped that that day had passed. I have only this to say: We have gone further in an effort to meet the President's objections than at any time. We have gone as far as you can expect this Congress to go in an effort to get a housing bill signed. While I certainly am not up here to offer threats, I am not a leader, I am just a poor worker. I know this is the last housing bill to come up in this Congress this year. I am sure all of us want to pass a bill.

Mr. Chairman, I would like to review the bill quickly and briefly—pointing out the things it would accomplish and the compromises made to meet the administration's objections.

The first title of this bill will benefit home buyers and the homebuilding industry by making some reductions in minimum downpayment requirements on homes financed through the FHA. At the same time, the maximum single-family home mortgage which FHA can insure would be raised from $20,000 to $22,500. Taken together, these measures will make home ownership possible for hundreds of thousands of American families and will make it possible for large families to those in high-cost areas to acquire the homes best suited to their needs.

I want to point out that the provision which would have extended maximum maturities of FHA and VA home loans from 30 to 35 years, to which the administration objected, has been eliminated entirely in the bill now pending.

I am pleased that the bill retains the provisions designed to avoid unnecessary foreclosures under the FHA program. First, the FHA Commissioner would be given discretionary authority to include defaulted interest under the mortgage insurance, thus encouraging lenders to show forebearance in case of default. Second, the FHA Commissioner would be given discretionary authority to take over the mortgage as a last resort in cases where the homeowner is temporarily unable to meet his mortgage payments due to circumstances beyond his control. These are provisions which all

of us can strongly endorse and which I am proud to have originated.

Under this bill FHA would be authorized to insure mortgages on nursing homes. This is an area of urgent need. I would venture to say that not a single State in the country has adequate nursing homes. All of us remember tragic instances of disastrous fires in old, poorly equipped nursing homes. Testimony given on the housing bill indicated that one of the greatest barriers to providing safe and sanitary nursing homes through new construction or rehabilitation is the problem of financing. This section would meet that need by making FHA insurance available. However, it would be on a conservative basis with a maximum loan-to-value ratio of 75 percent.

In addition, the bill would increase FHA's insurance authority by $8 billion which should keep the FHA in operation for another year. It is absolutely imperative that this authority be granted since FHA's insurance authority is now nearly exhausted. As you all know, the heavy drains on FHA's insurance authority last year forced the agency to adopt a highly questionable device called the agreement to insure in place of true commitments as a measure to conserve its insurance authority. At this moment, I am told, FHA has a total of over $4 billion in outstanding agreements to insure and only about $1 billion of unused insurance authorization. In the months ahead, as new homes are completed and sold, FHA will be called upon to honor these agreements. It would be a sorry spectacle if FHA failed to honor them. This provision of S. 2539 would solve that problem.

This title includes many other highly beneficial measures relating to the FHA program, such as the extension of the property improvement loan program and improvements in the FHA rental and cooperative housing programs.

Title II of this bill is one in which I take special pride. This is the title which would authorize a program of loans for housing elderly persons. Under this provision, it will be possible to provide good housing for older people at rents which are at least $20 a month lower than the minimum now possible under the regular FHA rental housing program. I might also add that the $50 million which would be authorized for these loans is made subject to the appropriations process, since this is a new program. Mr. Chairman, this is the third year that this program has been before the House. I am extremely pleased that S. 2539 has retained this provision and that at last it may become law.

Title III of this bill contains the provisions relating to the Federal National Mortgage Association. Provisions retained from the earlier housing bill would authorize FNMA to purchase somewhat larger home mortgages and to make advance commitments to purchase loans on existing construction. It would also increase the special support fund for FHA cooperative housing by a total of $25 million, whereas the previous bill would have authorized $37.5 million.

In order to meet the administration's objections, the provision which would have required FNMA to pay par for all mortgages purchased under its special assistance functions has been eliminated from this bill. I regret this omission and am hopeful that we can restore par purchase in future legislation. I have always had the strongest conviction that we should do everything in our power to ease the financial burden for the especially deserving housing programs which qualify for FNMA special assistance.

Mr. Chairman, I would like at this time to go on record concerning the Administration's proposal to exchange certain FNMA-owned mortgages for Treasury bonds. While this matter is not directly related to the bill before us, it is clearly relevant to policy matters in the housing and mortgage finance fields.

Mr. Chairman, I was highly suspicious of this scheme when it first showed up in the President's budget message. While my housing subcommittee has not reported formally on the matter, I have examined it thoroughly and am now completely convinced that the administration's proposal is most unwise and not in the public interest. It would be a giveaway of millions of the taxpayers' dollars; it would disrupt financing for homebuilding at the worst possible time; it would work hardships on many smaller businessmen in the mortgage business; and it would pose a serious question of loss of tax revenue.

Clearly the Congress cannot condone a deal of this kind. The Senate Banking and Currency Committee reported a Senate resolution condemning the scheme by a lopsided, bypartisan, 12 to 3 margin and on August 20, 1959, the Senate voted the resolution by a 51 to 38 vote. I pray in the face of this clear manifestation of congressional intent that the administration will abandon this ill-conceived plan once and for all.

The urban renewal provisions of the bill are contained in title IV. The housing bill rejected by the President would have authorized a total of $900 million for 2 years for urban renewal capital grant authority. Because the administration considered this amount excessive, it has been pared down to only $550 million in the bill now before us. In addition, $100 million is made available at the discretion of the President to satisfy the needs of cities with a population of 100,000 or less if such needs could not be served otherwise. I think we can all agree that this compromise fully meets the objections stated in the veto message—although I do not for 1 minute agree with them—that the urban renewal grant authority was more than needed and that large cities would be able to take it all.

Also, the bill contains a requirement that before any commitment can be made for disposition of land to an urban renewal redeveloper, there must be public disclosure of the names of officers and principals in the enterprise, an estimate of the cost of residential redevelopment and rehabilitation, and an estimate of rentals and sales prices of proposed housing. This restores a similar provision which was in the original bill passed by the House but which was stricken in conference.

Mr. Chairman, in addition to a shortage of urban renewal funds, the urban renewal program was cruelly hamstrung by a system of rationing procedures placed into effect last year by the administration which, in my judgment, was indefensible and represented the acme in bureaucratic redtape. We sought to correct this in the vetoed bill by a provision which would have absolutely prohibited rationing and which would have required the agency to honor urban renewal applications on a first-come-first-served basis.

The President's message objected to this provision and S. 2539 modified the provision to give discretion to the Administrator to consider urgency of need and feasibility in approving applications in the order of their receipt.

I would like to emphasize, Mr. Chairman, however, that we still intend that the general rule for approving applications will be on a first-come-first-served basis. We certainly do not intend in any way for the language of the bill to be construed to authorize "fragmentation" of well-planned projects in an attempt to "ration" available authorization. Furthermore, since urban renewal projects have been significantly delayed by a shortage of Federal funds beginning in the fall of 1958, we fully intend that this new authorization shall be made available as rapidly as contracts can be executed—quarterly allotment procedures of the Bureau of the Budget notwithstanding.

Mr. Chairman, with reference to section 507 of title V authorizing the payment of public service and utility charges by the Authority, this legislation was written into the bill in order to cover a problem which arose under some of the older contracts. In the later contracts, this matter has been covered and the Authority has the right to make such payments to the municipalities. It is my understanding and that of the committee that this legislation will adequately solve the problem of those cities where collections have been made over a period of years and they now find themselves in a situation where the housing authorities are demanding the cities to return service charges already collected. I wish to make it completely clear that it was the intent of the committee and is the intent of Congress that this legislation is retroactive in the cases involving cities where this condition has arisen, as well as prospective with regards to all contracts between the Federal housing authorities and the local authorities.

In addition, the bill authorizes an appropriation of $10 million to continue the highly successful urban planning grant program.

The sharpest cut of all has been made in title V of this bill which covers the low-rent housing program. The bill previously passed by the Congress would have authorized 45,000 new low-rent housing units plus Presidential discretion to authorize additional units at a

rate of no more than 35,000 a year until the subsidy limits contained in the Housing Act of 1949 were used up. Altogether, this would have meant a total of between 140,000 and 190,000 new low-rent units depending on construction and financing costs. The veto message claimed that these units were not needed because of the existence of units now in the pipeline—that is, under contract but not yet completed. However, it was brought out in the hearings held by the other body that in addition to this pipeline, there are nearly 60,000 units in applications now pending. The HHFA Administrator testified that normal attrition would reduce this total to 37,000 units. This is a backlog of units now planned and needed but which will not be built if the Congress fails to provide additional authority. The bill now before us contains just enough authorization to take care of this backlog. It would permit the Public Housing Administration to enter into contracts for an additional 37,000 units. This is an absolute minimum as a stopgap measure to meet past demonstrated needs.

Another compromise section of this title pertains to the eligibility for low-rent housing of persons displaced by urban renewal and other Government action. The previous bill called for the complete removal of the provision in existing law which requires a 20-percent gap between the upper rental limit for admission to low-rent housing and the lowest rents in decent private housing. This requirement has created a serious problem for many displaced families because they are in a sort of no man's land. However, the administration objected and therefore this bill provides only that the gap requirement be reduced from the present 20 percent to 5 percent for displaced families.

I am highly pleased that the bill recognizes the importance of placing more responsibility in the local authorities and has retained this section of the previous housing bill.

Also, S. 2539 will permit local housing authorities to pay for certain project services. I am told that this will benefit some 300 communities.

Title VI of the bill contains the provisions which would benefit institutions of higher education. In the case of college housing loans, the amount authorized has been cut from $300 million in the previous bill to $250 million in S. 2539. In view of the fact that the Community Facilities Administration now has applications pending for nearly $200 million of these loans, this amount is clearly an absolute minimum.

The bill also retains the extremely important program of loans for college classrooms and laboratories. I take a personal pride in this section since I first introduced it on the House side. I feel it has tremendous potential for meeting our growing demands for higher education. Two compromises have been made on this point. First, the amount which was cut from $125 million to $62.5 million in the conference on the previous bill has now been further reduced to $50 million. In addition, these funds have been changed from a public debt transaction basis to an authorization for appropriation. This is a compromise which I myself proposed a year ago and it should mollify the objections of some on the grounds that this is a new program. Since I am confident that the Congress will accept this housing bill, let me at this point urge the members of the Appropriations Committee to give every consideration to the need for the full amount of these funds.

Title VII contains a number of provisions to improve the military housing program. The maximum loan maturity under section 803 would be extended from the present 25 years to 30 years, and a new section 810 would be added to the National Housing Act. Under section 810, the FHA Commissioner would be authorized to insure mortgages on single-family and multifamily projects for off-base housing where the need is certified by the Secretary of Defense. Insurance would be on an "acceptable risk" rather than on an "economic soundness" basis. The total number of units which can be built under this new section is limited to a maximum of 5,000.

Another change which has been made is the deletion of the provision which would have authorized a total of $300,000 over a 3-year period to be used for city planning scholarships.

S. 2539 retains the provisions of the previous housing bill which would give savings and loan associations greater latitude in purchasing participating interest in home mortgages, and would allow federally chartered savings and loan associations to invest up to 5 percent of their funds in loans to finance the acquisition and development of land.

Mr. Chairman, this covers the main points in S. 2539, the general housing bill now before the House. I think it is perfectly clear that in addition to the compromise effected in the conference committee on the previous housing bill, further compromises have been made in the bill now before us. The total dollar authorization in this bill has now been cut by one-fourth to only $1,050 million; urban renewal has been cut from a total of $900 million to only $550 million plus $100 million at the President's discretion for small communities; and public housing has been cut from 45,000 new units plus Presidential discretion up to an aggregate of 140,000 or more down to only the 37,000 units for which applications are now pending.

Politics is often called the art of the possible. At present we are faced with the problem of a divided government and we must accept our responsibility to make it work. There are times when we must set aside our disagreements and come to a decision. This bill will continue our housing programs until next session of the Congress. It does not go as far as some of those on my side of the aisle would wish, and perhaps goes somewhat farther than those on the other side of the aisle might wish. However, under the present circumstances, I urge every Member to accept this compromise and vote in favor of S. 2539.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Tennessee.

Mr. EVINS. We have all listened to the distinguished gentleman from Alabama with profit. We heard the gentleman from Texas [Mr. THORNBERRY] state that there are some 17 changes in this bill, following the President's veto, and 16 more modifications. Is that about the situation? And does not it represent a diligent effort on the part of those in authority to try to work out a bill that will meet the approval of the President? There were some 17 changes and 16 other modifications, is that right?

Mr. RAINS. I may say to the gentleman from Tennessee that I too listened to the statement of the gentleman from Texas [Mr. THORNBERRY], and I never heard a better, a more precise or more accurate statement of any resolution on a rule. What the gentleman from Tennessee says is my understanding.

When this bill was up for consideration in the other body I heard that the administration had eight objections. I heard also that they removed those objections completely in five instances, and they modified to some degree the objections in the other instances. Yet, when that is done, and when we get it on the floor of the House for consideration, I notice in a paper circulated to the utter amazement of all the suggestions of the administration as to what we ought to do about some specific provisions. I do not want to be unkind, but I may say that in all my years in this body I have never heard of an administration saying how to write legislation precisely, down to the last comma. Not only that, but the idea that I am sure will be promoted here today is that the Congress of the United States has no further any right to control the operations of FHA, a child of its own creation, by turning it loose to use any amount it wants, to use it without reporting back yearly, like others do, to the Congress of the United States, and pointing that out as a possible reason for a veto. In other words, it amounts to this—I say to the members of the Committee, Shall the Congress write the legislation or shall we abdicate our position when we go as far as we can, after we passed it by a large majority? Shall we then get down to tiny technicalities?

Mr. Chairman, so far as I am personally concerned, this is the last bill. And, after all, I am quite sure that every Member here was elected to write the laws, and that under our system of Government the President can propose and the Congress will dispose.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from California.

Mr. McDONOUGH. I appreciate the statement the gentleman is making. However, there have been Congresses in the past and Executives in the White House that have spelled out the kind of legislation they wanted and got it, without any question, and there were Congresses previously that were known as rubberstamp Congresses. And, this is not one of them.

Mr. RAINS. I am glad the gentleman says this is not one of them, and I think he is correct in that statement. Of course, I have not been here when there have been rubberstamp Congresses, and I know none of us want to do that, and I am sure I speak for both sides of the aisle.

I think this, I think we have done our dead level best on this bill today. And, I am glad to compliment the two gentlemen who sit at that table on the minority side. They have worked diligently themselves to get a housing bill, that is true. I think we can get a bill that will conform, in the main, to the dollar amounts and to the overall suggestions that were received, that the President made in his veto. But, to assume that we can accept 16 tiny little amendments having to do with urban renewal, to be done here or there, why, that is trying to write the legislation for the Congress of the United States.

Mr. McDONOUGH. Mr. Chairman, if the gentleman will yield further, I think that statement requires an explanation. What 16 amendments have been proposed, and by whom?

Mr. RAINS. The gentleman from Texas says that there were 16 changes that they desired. I have got 3 pages of them here. It is headed: "Major Objectionable Features of the Housing Act of 1959 in S. 2539 as Passed by the Senate Compared With S. 57 as Passed by the Congress." While it does not have any date on it, I got this from one of my staffmen. I know it is available, and I know it comes from the administration.

Mr. McDONOUGH. Unless the gentleman speaking has at least half of those amendments that he is going to propose, I can assure you that there are no 16 amendments proposed on this side.

Mr. RAINS. I appreciate that statement from the gentleman.

Mr. McDONOUGH. And I do not think it is fair to say that there has been anybody under instructions to offer 16 amendments to this bill.

Mr. RAINS. No. I did not say they were under instructions. I said there were suggestions made. I am assuming—in fact, I know, knowing the gentleman as I do and as my colleagues do—that many of those suggestions are suggestions that the gentleman would not offer an amendment on. I know that as well as I am standing here. I understand several amendments will be offered. I know there will be an amendment offered to cut out public housing. I assume there will be an amendment offered to reduce urban renewal or to put it over a 2-year period. I am sure there will be an amendment offered—I think by my good friend who is now standing at the table—to transfer the $50 million from the college classrooms over to the college dormitory program. I also am of the opinion that there will be some amendment offered relative to the life of the FHA program, whether to extend it for 2 years and take it away from the Congress next year. And, I think I am right in saying, that these are the main differences as between the gentlemen on that side on this committee and the gentlemen on this side on the committee.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. WIDNALL. Earlier in the gentleman's statement he said that the President had objected to eight major items in the previous bill, that the other body had in the new bill corrected five of the eight items, and modified the other three. Will the gentleman particularize those for the House, because it is not my understanding that that is what took place. Actually the other body has only gone a very small part of the way toward meeting the President's objections.

Mr. RAINS. It is my understanding, and the record will speak for itself, that the minority leader in the other body had a letter which he used or somebody used in the debate. As I understand, it proposed eight serious objections to S. 57. Then when the committee went into hearings they made considerable changes as to five of those, and on the others cut down the amounts. I do not know the specific items, but that was in the debate carried on over in the other body.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I yield.

Mr. WIDNALL. Is it not true that the other body in some instances did not eliminate the programs as suggested by the President, but cut down the amounts in the programs?

Mr. RAINS. Surely; that is what I had reference to when I said that they either modified them or changed them.

Mr. WIDNALL. The President contended that the program was wrong, in the first place, as in the two new subsidized programs that are in the current bill as they were in S. 57, and if that is so it does not seem to me that there is any modification of the program. It is still in the bill, but they have just changed the amounts.

Mr. RAINS. Mr. Chairman, I will say this to the gentleman, and I respect his position. I cannot imagine the President of the United States looking at legislation that both Houses had passed, and objecting to a $50 million item for old folks, when we include the appropriation method in the item. I just cannot imagine that. Then there is the item of college classrooms. But it was in the Senate bill. Why object to it? Why should the Executive intercede in the matter of committee jurisdiction with reference to a program concerning which he himself has a bill now pending in another committee? I thought that problem belonged to us, to defend our committee jurisdictions.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. McDONOUGH. The administration program on classrooms and the classroom program in this bill are vastly different. The administration program for classrooms which is before the House Committee on Education and Labor, where it ought to be, is an insurance against the deficiencies that the college cannot meet on its own loans for classrooms, while the program here is a direct $50 million obligation to build classrooms.

Mr. RAINS. We follow the appropriation method in this bill with a $50 million item.

Mr. McDONOUGH. That is right.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. MULTER. Mr. Chairman, I might suggest for the benefit of those who are really interested in the very important and major changes that were made between the bill vetoed by the President and the bill we are now considering, that they refer to the committee report pages 2 to 7 where they will find a very fine and complete explanation, which shows at least 7 different items deleted, modifications as to 15 other items, and additions of 6 other items. It is a very clear and concise explanation and confirmation of all that the gentleman has said as to how hard those in the Congress interested in good housing legislation have labored to bring forth a good bill.

Mr. RAINS. I appreciate the gentleman's saying that. Certainly we have done the best we can with this legislation after it has been through both bodies twice. I cannot believe and I do not believe that the President of the United States in that situation would veto this housing bill.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to say to the gentleman that I have introduced a bill, H.R. 4267, which incorporates the administration proposals with respect to assistance in the field of higher education. That bill has been referred to the Committee on Education and Labor of which I am a member. I think the answer to the gentleman's question about why we should not drop out this provision for college classroom construction should be obvious. The problem is an enormous one. Over a period of 5 to 10 years we will need billions of dollars of additional educational facilities of one sort or another in addition to the dormitory facilities.

Mr. RAINS. I agree with the gentleman.

Mr. FRELINGHUYSEN. In order to cope with the problem effectively it seems to me obvious that the Federal Government, the Congress and its committees, need to look squarely at the problem and face up to the fact that a foot-in-the-door approach such as is provided in this bill is not the answer and may in fact set up a dangerous precedent. It is for that reason that I am certainly going to urge that the provision be dropped and that the Committee on Education and Labor take a square look at the problem and come up with something that will be more adequate and more appropriate than that which is incorporated in section 405 of this bill.

Mr. RAINS. We did not put it in the bill this year because of the jurisdictional problem, but last year it was written in for the first time. This came in in conference with the other body in a considerably reduced amount, and I will say

to the gentleman, at the extreme insistence of the other body. I do not mean to enter into an argument as to what is right or wrong. I am for any program that will get classrooms. I want you to know that. I am for any program that will get college classrooms. I compliment the gentleman for what he is doing and I will do everything I can to help if we can solve this through other legislation. I merely pointed that out in order to show some of the amendments I thought would be made, and some of the things still in it that they have said were objectionable.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I yield.

Mr. FRELINGHUYSEN. If I may venture the suggestion, I think the best way to help in this matter, if the gentleman does not feel this provision belongs in the bill, the best way is to back us up when we make the effort to drop it out. The gentleman says the question needs attention. But, the thing to do is not to slip into it through this back-door approach. In my opinion, it will set up an undesirable precedent and inject us into a program that may run into billions of dollars, and obviously involves Government financing instead of private financing.

Mr. RAINS. I will say to the gentleman that I did not mean for him to infer from my remarks that I was not going to vote for it. As chairman of the committee and one who has worked as best he could with the other body and to help bring it up, I will defend the bill as best I can. I recognize that what the gentleman has said has some merit.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. BAKER. Is there a college dormitory program now?

Mr. RAINS. Yes; but it is out of money.

Mr. BAKER. Are there any provisions in this bill to take care of that program?

Mr. RAINS. Yes, indeed. There is $250 million in this bill. There was $300 million in the other bill. I will say to the gentleman, it is a very successful program. It is a loan program, of course, and does not cost the Federal Government any money because these colleges pay the money back.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. ROOSEVELT. I think it would be well to point out at least some of us on the other side of the aisle on the Committee on Education and Labor heartily are in favor of what is in this bill. Because of what is in this bill, it does not mean we will not be able to go forward and do the other things that need to be taken up such as school construction. I can certainly say to the gentleman, we are heartily in support of the provisions of this bill.

Mr. RAINS. I will say to the gentleman that if that legislation which is lying dormant, apparently, in committee, and I do not know what has happened to it, if it should ever get out, it would be a very simple matter to transfer this over to that.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. JOHNSON of Colorado. I would like to ask the gentleman to comment on this question. Is it not possible even though we may give the President certain authority and certain money, which he can lend or spend, that the President has what I might call an administrative veto, because we cannot force him to spend the money even if we give him the money. I am merely asking the gentleman to comment on that point.

Mr. RAINS. Of course, the gentleman knows there are many, many cases where the Congress has appropriated money for specific things where the President has not spent the money, and we have never yet found a way to make him do it. The gentleman is absolutely correct in that statement. We can appropriate money, but there is no requirement that I know of in the Constitution that would require the President to do it.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I yield.

Mr. JOHNSON of Colorado. I would like that in the RECORD because I think it should be clear even if the President were to sign this bill, with whatever reluctance he may have after we have completed the legislative process, he does, in fact, retain this administrative veto over the actual operation of every program that we give him. Therefore, if he really opposes some small part of this bill, he is free to stop that himself, but he should not ask us to come back a third time on a housing bill because he does not want to have to carry out that particular power.

Mr. RAINS. Of course, the gentleman is correct. The President is the one who administers the law and there is no way we can do anything about it.

Mr. Chairman, I yield back the balance of my time.

Mr. ASHLEY. Mr. Chairman, my remarks on the housing legislation now before us will be brief—mainly because this is the second time this year and the second successive year that we have thrashed it out. Everyone here knows the background and is no doubt by now thoroughly familiar with the issues.

In a nutshell, Mr. Chairman, something has got to give. To my way of thinking there are few further compromises left which we can make to insure that the omnibus housing bill is palatable to the President. S. 2539 represents compromise and deferral in every direction to meet the administration's objections and I hope that administration's spirit of compromise matches that displayed by both the Senate and the House in recent days.

As a practical matter, Mr. Chairman, there is no reason why the President should not make a few concessions to Congress. We cannot legislate against our own better judgment and, like Kansas City, we have gone about as far as we can go.

The United States is on the slopes of a great economic recovery and I can think of no reason why one of the basic components of our Nation's economy should be held back while other industries and economic interests swing forward. There are in existence more than 377,000 agreements to insure the financing of private homes which FHA has entered into. These agreements represent land acquisition and construction costs in excess of $4 billion. Unless legislation is passed to extend FHA authority, these agreements will be null and void and a staggering blow will be dealt to upward of half a million families—needless economic waste to our whole economy.

Mr. Chairman, I reject the President's proposal that renewal of FHA insurance authority be enacted as separate legislation apart from the Omnibus Housing bill. This, in effect, lifts the most noncontroversial feature out of the bill, ensures its enactment, and tells public housing, urban renewal, and housing for the elderly—all of which have been cut back from the previous bill and all of which are essential to meet the housing needs of our Nation—to await some date in the indefinite future.

Mr. Chairman, the gentleman from Mississippi [Mr. COLMER] has indicated that he intends to offer an amendment, the purpose of which is to strike out public housing from the bill which we are considering here today.

It seems to me, Mr. Chairman, that the remarks of the gentleman from Mississippi reflect a philosophy which has long since been rejected by the American people and by this Congress. This is the philosophy which holds that all American citizens are entitled to decent, safe and sanitary housing—as long as they can pay the going rate in the private market.

This is not the philosophy of the American people nor is it the principle reflected in our housing legislation since 1949. The philosophy we espouse is that all Americans are entitled to decent, safe and sanitary housing—even those Americans whose unfortunate circumstances deny them the means of purchasing or renting such shelter at the prices offered in the private market.

Mr. Chairman, the need for public housing at this time is perfectly clear. It is even admitted by the administration, although President Eisenhower has asked that Congress kill the public housing program. It is an interesting fact that members of the President's own administration, men in high official positions, have testified that 250,000 families will be displaced during the years 1958, 1959, and 1960 as a result of urban renewal, the highway program, and other governmental activities.

It is particularly significant, I think, that these same officials have testified that at least half of these families will be unable, because of their low-income status, to find decent housing at a price they can afford. It thus becomes clear that these families displaced by governmental activity who cannot afford today's prices will, unless they receive help, simply create the slum conditions which we are trying to eradicate.

It is well to remember, Mr. Chairman, that under the urban renewal and highway programs cities must find decent, safe, and sanitary housing for the families displaced—either in public or private housing.

We know that half of the families displaced cannot afford private housing; in other words, that they must look to public housing for decent shelter.

These facts are well known, of course, to those who oppose public housing. They know perfectly well that, if public housing is killed, our urban renewal, highway, and other programs must also be cut back—inasmuch as the law requires that cities and local political subdivisions find decent, safe, and sanitary relocation housing for families displaced by these governmental activities.

It is for these reasons, Mr. Chairman, that I urge all who are interested in a healthy and progressive America to vote down the amendment offered by the gentlemen from Mississippi and to support the bill which has been reported by the committee of which I am proud to be a member.

Mr. McDONOUGH. Mr. Chairman, I yield myself 8 minutes.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. ASHLEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the body of the RECORD immediately following the remarks of the gentleman from Alabama.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, we adopted this housing bill on two previous occasions and I see little reason to go into a lot of definitive detail of the bill for a third time except to emphasize some particular points which, I think, in my opinion need emphasizing, and I hope we will be able to clear this bill today. There is no question about the fact that we need a housing bill. Both sides of the aisle agree on that.

I do not think because we need a housing bill that we should be held at ransom or that any part of the bill should be held as a hostage for other parts of the bill in order to accomplish passage of a satisfactory housing bill.

The argument has been made here today that the majority members of the committee have attempted to bring up a bill to meet the objections of the President's veto message. As a matter of fact, the bill before you today provides no limit for the giveaway and the subsidized interest programs. The bill does provide a deadline for the comparable side of the housing operation, the FHA, so that it would be necessary to come back and reconsider an extension of FHA after October 1960. As I have said, FHA has been a profitable operation. They have insured more than $30 billion of homes. They have produced a reserve. They have, because of unnecessary delays in the enactment of a housing bill, had to resort to a policy of agreement to insure.

In the very first weeks of this Congress bills were introduced which could have been adopted which would have helped the Administration and eased the concern of a lot of people, especially the builders across the Nation, by extending the important and pertinent parts of these programs and then considering an omnibus bill. As it stands today, much as they may argue that through this bill they have met the requirements of the President, the only essential thing that I see that has been taken out is the $350,000 in the previous bill that passed the House for educating public officials how to come to Washington to obtain Federal money to spend in their communities. That has been taken out.

True, they have adjusted the higher purchase for FNMA which is a good economic move. They have compressed the expenditures, however, by this bill into a 1-year program instead of a 2-year program. Expenditure on urban renewal in this bill is $650 million for 1 year, which is $150 million higher than the first bill voted by the committee and which is excessive insofar as the obligation it will impose upon the Government in 1 year.

Urban renewal has been with us for 10 years, and over the period of that 10 years we have made commitments, contracts, and reservations with cities throughout the country to the extent of some $1,300 million; but we have actually only written checks to pay for urban renewal projects to the extent of less than $250 million. Under those circumstances I would like to find out what the reason is for extending urban renewal by another $650 million, when there are also already commitments and reservations of $1,300 million on the books.

The original law may have been defective in that respect, because there is no time limit in which a city can come in and ask for $40 million or $50 million to be reserved in anticipation of their workable program and commit the Government to make that a dead obligation for an indefinite period until they get around to using it.

In public housing the question is how fast the program is going. It has been the experience in cities where we have built large units of public housing, the policing of those areas, the juvenile delinquency, the sanitary conditions, the general undesirability of that type of housing in the surrounding community, has got to the point where many people are very disgusted with it. Still there is provision in this bill for 33,000 additional units of public housing and we still have 110,000 units in the pipeline that are not occupied.

Insofar as classrooms are concerned, in the House, as has been stated, and I agree, is the obligation of another committee in this Congress. This is not the Education Committee; this is the Banking and Currency Committee that reports this bill.

Classrooms do not constitute "housing" in any sense of the word and if that new program is injected into the Housing bill there is no reason why the next request coming may be to buy textbooks because we have almost gotten to that point in this section of the bill for the reason that in the matter of college classrooms it is provided they shall furnish equipment for laboratories and utilities necessary to occupy the classrooms.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman is expressing the same views as those expressed by members of the Rules Committee who discussed this bill on the rule. But what inducement is there for the Education Committee to take over legislation of this kind? There is a school construction and teachers' salary bill that has been pigeonholed 90 days over in the Rules Committee. Yet those gentlemen who are holding up the school construction legislation advise me that we should not bring up a school construction bill from the Banking and Currency Committee.

Mr. McDONOUGH. I have no control over the Rules Committee.

Mr. BAILEY. They want this to come over to their committee where they can "pigeonhole" it along with other bills they do not like.

Mr. McDONOUGH. There is legislation pending before the Committee on Education and Labor, either of the House or in the other body, which provides for an adequate means for financing the construction of classrooms in institutions of higher learning.

I hope we can conclude debate on this bill today. In my opinion, there are very few amendments that are essential which, if adopted, would make it palatable so that we will not face another veto.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I have here a chart that will clearly show Members of the House the impact of the new bill as compared with S. 57. I think this should be studied by all Members because it gives a truer picture than that which has been presented by the press.

You will notice that in the case of urban renewal the new bill provides $650 million, S. 57 for 1 year provided $500 million, an increase of $150 million for urban renewal.

College housing loans have been reduced from $300 million in S. 57 to $250 million.

Classroom loans have been reduced by $12,500,000.

The elderly housing program is the same, $50 million.

Hospital grants $15 million, urban planning grants $10 million are the same. Co-op housing has been reduced $12,500,000 to $25 million, and urban planning scholarship loans have been eliminated. Farm housing research remains the same at $100,000 in each of the bills.

Taking those sections, the new bill shows an increase over the old bill of approximately $75 million, exclusive of public housing.

In S. 57 there were 45,000 units of public housing. It is estimated the cost of those units over a 40-year period will

be $874,500,000. The 37,000 units provided in this bill would mean about $719 million.

There is a reduction, if you include the cost of public housing, of another $155,500,000 for units eliminated in this bill.

When the papers talk about a reduction in this bill S. 2539 they include the figure of $400 million additional for urban renewal that was in S. 57 for the second year. The urban renewal authorization in this bill is an open end authority, but evidently the intent as shown on the Senate floor was to consider this as a 1-year bill. So a true comparison would certainly arrive at other figures and show an increase in cost under the new bill.

I would like to point this out in connection with housing for elderly people.

The new program in S. 57, the vetoed bill, was objected to by the administration because it was starting a new subsidized interest rate program, and it was just the foot in the door for a tremendous program in the future. At the same time, there is in existence an FHA guaranteed program that is going and going well. Let me read from the record of the Senate debate and the report on it: Until June 30 of this year there were 56 applications for FHA authorization for housing for the elderly. They total more than $55.5 million; $35 million of those have already been committed and $23 million more are in the mill, or a total $5 million more than provided for in this bill. As of March 31 of this year there were an additional 43 projects for the construction of housing for the elderly.

So, at the end of the fiscal year the present existing housing for the elderly program should show over $100 million worth of construction, a fine beginning on solving the problems in this direction at a good cost to the taxpayer, and this, of course, if it is carried on, can just pyramid throughout the years.

Many of us are concerned with the lack of college classrooms and with the lack of facilities in our secondary schools and primary schools. But, we sincerely and honestly believe there is no place in this bill for a college classroom program. It is not even devoted to classrooms. It includes equipment; it includes the financing of all kinds of things other than the facility itself where the pupils would be accommodated. It certainly seems ridiculous to me and I think to the average Member of this House that the Housing and Home Finance Administrator should be in charge of college classrooms and the administration of educational facilities. That is about what it would amount to. We hope that the House will seriously consider an amendment to strike out the college classroom authorization. It is not that there is a disagreement as to the need or as to the desirability of working out a program through the Federal Government where we can be of assistance in meeting this very vital and urgent problem, but there is a very sincere difference of opinion as to how it should be handled. And, I think this is one major point of conflict between the administration and the bill S. 2539 as it is now presented to the House for consideration.

I would like to point this out also. Earlier the gentleman from California [Mr. McDONOUGH] spoke about the FHA more or less being held hostage in order to put other programs through. Something new has been added this year. FHA has been in existence successfully for many, many years at no cost to the taxpayer. This year for the very first time a cutoff date has been put on FHA. A cutoff date has been put on a program that is agreed upon by all the Members of the Congress as being a very successful program. There is no cutoff date for the urban renewal program. Why should FHA be treated differently? I do not believe there is sufficient authorization in the present bill and I intend to offer an amendment that will increase the FHA authorization from $4 billion to $5 billion during the existing year to pick up the assurances that have been given out by the agency already. And, there are over $5 billion outstanding right now that must be picked up, and then the amendment will also provide an additional $5 billion with no cutoff date that can be used to meet the new commitments that will be coming into the agency every day. It seems to me that this is only carrying out the practice of the Congress in the past, and it is only treating FHA the same way it is intended to treat the urban renewal feature of this program, and I cannot see any reason for the distinction. It is just doing exactly what the Congress of the United States has done for a period of years. I hope that very serious attention will be given to that amendment because here again I think there is a major point of difference between the administration and this bill, S. 2539.

I believe the vast majority of Members on both sides of the House want a housing bill this year. We do not want to go home without a housing bill. We think that there is a possibility of getting a bill if Members will seriously consider amendments and do the job that can be done to provide a bill that the great majority of the Members of the House can vote for.

I hope that when these amendments are offered Members will listen well, consider them carefully, and I certainly hope favorably.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, I rise in support of S. 2539, the Housing Act of 1959.

I think it was a tragic mistake when the President vetoed the first housing bill we passed, and I am convinced he was misled by his advisers. I deplore that veto and I regret the fact the bill presently before us has been cut in an attempt to make it more acceptable to the President. But even in its compromise form this bill will still meet our minimum needs to continue our great housing programs and to maintain our fight against slums.

The administration, as you know, is also opposed to this bill and is trying to smear it as "inflationary." But do not be fooled. The inflationary argument, which is entirely false, is merely a smokescreen created to block legislation to provide decent housing at a low cost for the American people.

There are a number of provisions in the bill which will stimulate home construction activity and prevent a slump in homebuilding. The liberalizations of the FHA home ownership program, the special aids to stimulate rental and cooperative housing, are but two examples of measures in the bill which will speed up economic activity and create more jobs.

I am especially pleased that the bill will give us new weapons to help us in the constant fight on the terrible slum problem which afflicts Philadelphia and our other American cities.

The $650 million which the bill will make available for Federal slum clearance grants is all too modest in terms of the size of the job to be done, but at least it is a beginning. Slums are not just concentrations of crumbling stone and rotting wood. They are the homes of people who must have better housing.

Mr. Chairman, my deepest regret in this compromise housing bill is that low-rent public housing took the biggest cut. The bill before us would provide only 37,000 units of additional low rent public housing, which I regard as a hopelessly inadequate number. But we must face the facts of life—and this administration wants not one single unit of low-rent public housing despite the desperate housing plight of our low-income families. About all I can say is 37,000 units is better than nothing, and I am hoping next year's housing legislation will correct this injustice.

I am pleased that this bill will liberalize the minimum age requirements for occupancy in low-rent public housing for single women and disabled persons. This is an excellent amendment and would conform the program to the age requirements of the Social Security Act.

One of the great unmet needs in the cities of our Nation, and particularly in Philadelphia, is the lack of rental housing. This bill seeks to correct this through liberalizing amendments designed to encourage the construction of more rental housing under the regular FHA section 207 rental housing program.

Mr. Chairman, title II of the Housing Act is very important and of special interest to me because it would establish an entirely new program of providing housing for our senior citizens. The new program in title II would strike at the root of the problem by permitting long-term 50-year loans to a nonprofit corporation at a very low interest rate. By permitting a longer loan maturity and by reducing the interest cost substantially, we can bring rentals down sharply.

In closing I would like to discuss title VIII of the bill which is formally titled "Avoidance of Foreclosure," but which I think should be called the "Save Our Homes" section of the bill. Unlike the GI loan program which has safeguards

to prevent a veteran from losing his home because of temporary unemployment, the FHA program does not encourage the lender to extend forbearance and does not provide essential protection against foreclosure. I am very glad this bill will correct this glaring deficiency in the FHA program. It will do this by permitting the FHA Commissioner as a last resort to take over the loan and save the borrower's home in cases where the lender is unwilling or unable to cooperate.

Mr. Chairman, this is a good bill even though it falls far short of the vetoed bill and all of its titles have extremely important objectives. It is a bill that will give the American people the advantages to which they are rightfully entitled. I urge its immediate passage.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, as I indicated earlier in my brief discussion with the gentleman from Alabama [Mr. RAINS], I rise today primarily as a member of the Committee on Education and Labor to discuss one particularly objectionable feature of this bill. I refer to section 405 on page 75, that provision which authorizes $50 million for construction of college classrooms. The gentleman from Alabama referred to various objections which are being voiced to this bill. He attempted to dismiss them as technicalities and details, and teeny little problems which I suppose could be shrugged off. In my opinion this particular provision is so objectionable that it cannot be so classified.

Why should a provision for classroom construction be incorporated in a so-called housing bill? Should not these matters properly come before the Committee on Education and Labor? Does it not invade without any justification the jurisdiction of that committee?

Unquestionably these loans would represent a form of aid to higher education, and they should be recognized as such. In no sense can they be regarded as public housing. Loans for academic buildings, such as would be provided under this program, unlike loans for dormitories and income-producing facilities such as are now covered by the existing college housing program, cannot be paid off through revenues levied from the use of the buildings.

Furthermore, direct loans for academic buildings would extend the subsidy interest rate provisions of the college loan program into a vast new field. Colleges would be able to borrow from the Federal Treasury at a rate lower than the Treasury itself has to pay for loans of comparable maturities. This would constitute a form of indirect subsidy, and would shift the added cost involved to the Federal budget. These loans would encourage, also, dependence on Federal expenditures rather than on private lending in meeting the admittedly substantial financial problems facing our colleges. As the President put it in his veto message on July 7, his fundamental objections to these provisions are that they would substitute public for private financing. The existing need is so great, and future needs will be even greater, that a $50 million program almost inevitably will be expanded into a multi-billion dollar program.

In other words, we are faced with a proposition of approving a new program of financial aid to colleges which has no place in a housing bill and which, if enacted, would have far-reaching consequences. This latter fact especially underlines the lack of wisdom in including such a provision in this bill.

And yet, one may ask, if college needs are so pressing, and if these needs are going to continue in the years ahead with the increased enrollments which we can expect, why should we oppose a modest loan program of this kind?

The answer to that question, it seems to me, is clear. The question is what kind of a program we need to develop if we are to handle a problem of the magnitude which we all recognize is there. Proponents of this proposal argue that hundreds of millions of dollars and even billions of dollars are going to be needed if we are going to construct enough college facilities. Nonetheless they say they will be satisfied with $50 million to start with for a year. This, to my mind, is the typical and objectionable foot-in-the-door approach which so often results in the Federal Government being saddled with increasing, and permanent, responsibilities which might well be handled by other levels of government or by private enterprise.

What is needed, if we are to seek a realistic Federal program, is to develop a sound method of financing. Last February the administration made specific recommendations along these lines, aimed basically at stimulating the issuance of long-term bonds to finance college construction programs. As I have indicated I have incorporated those recommendations in a bill, H.R. 4267, the so-called "College Facilities Act of 1959."

Very briefly, what does this bill contain? This bill would provide grants payable over 20 years equivalent to 25 percent of the principal amount of long-term bonds for college buildings. In the case of bonds lacking the benefit of tax exemption on interest payments, the Federal Government would also guarantee payment of principal and interest.

Under this bill, the Federal assistance would be provided in two ways. There would be a Federal guarantee of principal and interest on non-tax-exempt bonds sold by colleges. This would develop a ready market for these bonds. In addition Federal grants, in the form of debt retirement assistance, would be available to pay 25 percent of the principal on long-term bonds issued to finance educational facilities.

The guarantee program would be limited to cover, in the aggregate, no more than $1 billion worth of bonds at one time. Under the debt retirement assistance program, aggregate Federal payments would be limited to $500 million, representing 25 percent of the total principal construction cost of $2 billion. This twofold program is expected approximately to triple the present construction rate for academic facilities.

If the administration's proposals were accepted, I have suggested that perhaps $2 billion worth of bonds might be issued, with the Federal Government facilitating their issuance and sale in the public market place. That shows the scope of the problem with which we are faced. It shows, to my mind, that $50 million would certainly go nowhere except to set a very undesirable precedent. It is for that reason that I urge strongly the provisions represented in section 405 be dropped from this bill. Not only do they represent an invasion of the prerogatives of the Committee on Education and Labor, but they represent a very real problem of major scope. I think it is essential that the appropriate committee discuss this problem and come up with their own recommendations, and that we not be dragged into a problem of this kind without thorough consideration being given to the possible consequences.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of S. 2539, the general housing bill. As we all know, this is the second time this bill in essentially the same form has been on the House floor. Twice it has come through the Banking and Currency Committee and it has a long background of intensive hearings and study by the Housing Subcommittee under the chairmanship of my able colleague, ALBERT RAINS, of Alabama. I deeply hope, Mr. Chairman, that we will pass this bill with an overwhelming majority. I hope further that we can approve the bill without amendment. This bill has been studied and restudied. It has been compromised and important concessions have been made in an attempt to make the bill more acceptable to the President.

Mr. Chairman, if for no other reason, we must pass this bill to prevent the FHA homeownership program from going out of business. This bill contains a vital provision to increase by $8 billion the FHA insurance authorization. Unless this provision is enacted into law, the FHA will very shortly be forced to stop issuing commitments and we cannot tolerate such a tragic blow to the homebuilding industry and to the home buying needs of our people. The FHA homeownership program is one of the soundest programs ever devised by this Congress. FHA has made it possible for us to spread homeownership among an ever-increasing number of American families. It is now estimated that more than 60 percent of American families own their own homes as against 44 percent in 1940.

Mr. Chairman, by voting for this bill we can assure an effective continuation of the FHA homeownership program.

IMPROVEMENTS TO THE HOMEOWNERSHIP PROGRAM

I also strongly support the provisions in the bill which will improve the FHA insurance program.

One important change would reduce further the required minimum downpayments for homes in the middle price ranges.

Another important change would be an increase in the maximum permitted mortgage which is presently $20,000 for one and two famlies. Under the bill that ceiling would be raised to $22,500. I think this is a more realistic mortgage maximum which will enable the FHA to play its role in helping the financing of the normal price range of most American homes. This normal range includes homes in higher cost areas, homes which are suitable for large families, and those which contain the additional space and equipment frequently demanded in today's market.

Another important change would facilitate trade-in financing by permitting a builder or real estate dealer to obtain a mortgage for the full amount authorized for the owner-occupant, provided he put 15 percent of the original principal amount in escrow. If at the end of 18 months a purchaser is not found, the escrow funds would then be applied to a reduction in the mortgage amount.

This new procedure would facilitate the trade-in type of financing which is becoming more and more common and would help families with an equity in their present home buy larger and better homes. One of the virtues of the plan is that it would require only one mortgage instead of two in the trade-in financing, and consequently the duplication of many closing costs would be avoided at a substantial saving to the home buyer.

The bill would make two important changes in the special FHA section 203(i) program which is designed to encourage low-cost housing outside of built-up areas. Adequate standards are insured under the program but the minimum requirements are not as rigid as those required under the regular section 203 program.

Presently the maximum mortgage permitted under the section 203(i) program is $8,000, a ceiling which has proved unduly burdensome in some areas. By increasing the permitted mortgage maximum to $9,000, we hope that this will encourage the construction of more low-cost housing.

The bill would also extend the financing benefits of section 203(i) currently confined to proposed construction, to existing housing. In many cases lower income families, including elderly families, are being penalized by the inability to purchase low-cost existing homes under the section 203(i) program, a condition which the bill would correct.

COLLEGE HOUSING

One of the most successful programs administered by the Housing and Home Finance Agency is the college housing program which was first authorized in the Housing Act of 1950.

Since its beginning in 1950, the college housing loan program has provided essential housing for students and faculty members on 650 campuses in 48 of the 49 States. At the end of December 1958, we were informed that the colleges under this program had completed, or had under construction, more than 172,115 living units to serve men and women students, student families and a limited number of faculty members. In addition, funds of that date had been reserved for 21,512 more units.

In view of the continued rapid growth in our student population, and the new demands being made upon education by reason of developments in science and the international scene, I am convinced of the necessity to provide additional funds to permit the continuation, and needed expansion, of this program so essential to the national welfare.

I am also pleased to note that there has not been a single default on any loan made under this program.

Existing funds for the college housing program are virtually exhausted. The bill would enable this worthwhile program to continue by providing an increase of $250 million in additional loan authority, $25 million of which would be reserved for housing for student nurses and interns.

MILITARY HOUSING

Title VII of the bill extends the military housing program so essential to our national security. It also contains a new program to provide rental housing near military bases for military personnel and civilian employees of the armed services.

AVOIDANCE OF FORECLOSURE

With the development of the 1957–58 economic recession, our committee naturally became concerned over the problem of helping deserving homeowners in economic distress. We have found that the present FHA program is lacking in certain important protections to protect the deserving homeowner from losing his home because of unemployment. We noted a marked difference between the FHA and GI home loan program in this regard. The GI loan program is so framed as to encourage the lender to cooperate in working out a default and to provide safeguards against foreclosure.

I am pleased that our bill would make several amendments to the FHA program to reduce the incentive on the part of the lender to hasty foreclosures, and would give discretionary authority to the FHA Commissioner as a kind of last resort to buy the loan and help the homeowner back on his feet to prevent the loss of his home.

OTHER IMPORTANT PROVISIONS

Another important section of the bill would extend and authorize additional money for the farm housing research program. Too often people think that the housing problem is confined to urban centers which is simply not true. The farm housing research program may well help us find the answer to the problem of how to provide better farm housing at a lower cost and how to improve financing sources for farm housing.

The bill would also extend the Voluntary Home Mortgage Credit Program for another 2 years. The VHMCP has helped provide FHA and GI loans in smaller communities and rural areas. Of course we have the outstandingly successful Veterans Administration direct loan program for veterans who live in smaller communities and rural areas, but the VHMCP is still a helpful supplement to the VA direct loan program and also in many cases is the only means of providing FHA-insured loans in these areas.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, the passage of this bill in its present form is an absolute must for this session of Congress. This bill is the watered-down compromise of a watered-down compromise. Congress has yielded again and again in an effort to make this proposal acceptable to the President. The time has now come for some "giving" on his part. This Congress should never capitulate to his demand that the housing bill for this year be reduced to a mere title and an extension of Federal Housing insurance authority.

If the President is determined to veto this bill, he will place in jeopardy the loan applications of 377,498 home buyers who have committed themselves to purchase homes under agreements to insure which have been issued by the Federal Housing Administration. The Federal Housing Administrator, in his own discretion and without express authorization from Congress, has taken it upon himself to issue to these 377,498 prospective home purchasers an agreement to insure the home loans at such time as insurance authorization is available.

These prospective home purchasers, relying upon these "intents to insure" have committed themselves to the purchase of new homes which many of them will not be able to buy if the President vetoes this bill.

In accordance with the customs of the trade, the purchase agreements between the purchaser and the builders are not contingent upon FHA insuring the loan and are simply unconditional contracts of purchase. Therefore, if the Federal Housing Administration authority to insure is not extended, these 377,498 prospective home purchasers face the following possibilities:

First. Downpayments will be increased from approximately 13 percent to 30 percent. They will have to "scrounge" around for extra money to make the downpayment on a conventional loan.

Second. High interest rates will have to be paid instead of the 5¾-percent FHA loan. Money will have to be borrowed at rates between 6 percent to 8 percent depending upon the locality. Discount premiums on the loans may add to the loan expense by as much as $500 to $1,000.

Third. Those without the added cash necessary to make the conventional downpayment or unable to contract for any type of a conventional loan will face lawsuits for the breach of their purchase contract in which damage would be assessed based upon the builder's loss of profit, the difference between the sale price to someone else and the original

contract sale price. In addition, they stand to lose the "earnest money" they have deposited on the purchase.

Fourth. The housing market might well become glutted with the completion of approximately 100,000 new homes which may become available with "no takers" because of the high downpayment and the unavailability of conventional loans at practical terms.

Fifth. Hundreds of homebuilders who "stuck their necks way out" in building homes relying on FHA intentions to insure may face bankruptcy and tremendous loss with meaningless "intentions to insure."

The Federal Housing Administration "has assumed a grave responsibility" in issuing agreements to insure 377,498 prospective home purchase loans in a total insurance amount of $4,850 million. The agency is fully responsible for their plight.

The President may veto this bill if he dares, but if he does, he must assume the responsibility of becoming the "biggest homewrecker" in history.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, the presence of this bill on the calendar today gives me an opportunity to voice some thoughts I have had for a long period of time.

Every speaker who has appeared this afternoon on the subject of this omnibus housing bill has alluded to the problem which the form of the bill presents to the Congress, the dilemma which it presents to many of the Members and certainly the dilemma which it presents to the Chief Executive.

I had the pleasure of serving on the Committee on Banking and Currency in the 85th Congress. I enjoyed that experience very much, and I retain an interest in the legislation of that committee. But I want to point out that the bill we have before us is a complicated structure because it attempts to deal in one afternoon with many phases of the housing problem. I would like for the next moment or two, to address the House on the general subject of omnibus legislation.

This is the omnibus Housing bill—and the word that comes to my mind as I think of "omnibus" is "ominous." The bill consists of many, many pages, more than 90, and a great many titles which the membership cannot become acquainted with in the period of 2 hours in which this subject is to be debated. It is a complicated piece of legislation; it has many categories. It has, I believe, seven titles beginning with FHA Insurance Programs, then Housing for the Elderly, the Federal National Mortgage Association, Urban Renewal, Low Rent Public Housing, College Housing; and, finally, on page 90, Title VIII, which is known as Miscellaneous. Composed as it is of a great number of subjects, it is difficult to debate.

There are many who view this legislation with the feeling that it is part good and part bad. One of the previous speakers demonstrated that fact when he mentioned, that this bill should pass today if for no other reason than that it would continue the FHA insurance program.

There are many facets of this legislation which are related only incidentally, and as has been pointed out this afternoon there is one facet—the subject of college classrooms, whose relationship to housing is very, very remote indeed.

The Members of this body are faced with a tremendous dilemma. Many favor certain points but will vote against the entire bill because there are sections to which they violently object. The alternative is to approve a bill which contains some provisions which we are convinced are very, very bad in order to get the good. This latter procedure is not the avenue to responsible lawmaking. The Chief Executive has the same dilemma when this omnibus bill goes down to the White House, of accepting a bill which is in part good and which is in part bad in order to get the good, or of vetoing the bill because he will not accept legislation which is in part bad.

The concept of omnibus legislation is harmful to orderly legislative procedure. It can be carried to a ridiculous extreme. It would be possible for other committees of Congress, the Committee on the Judiciary for instance, to report just one bill in the entire session of Congress or one bill dealing with a complete subject, such as the broad subject of bankruptcy, or an omnibus private claims bill combining the hundreds of claims bills which are considered throughout the year. However, the Judiciary Committee, like most committees of Congress, wisely brings to the floor individual measures, simple one-subject measures which the Members of the House can debate, understand and vote upon with wisdom.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HENDERSON. Mr. Chairman, this omnibus bill practice could be carried to the complete ridiculous extreme of the House passing one measure in a year, just the omnibus legislative bill of 1959. Utter confusion would result, but differing from the confusion we have here only in degree.

I hope as we consider the consequences of passing a bill with so many phases and facets that we will become more critical when omnibus bills are brought to the floor. In the interest of orderly, responsible legislative practice I hope that the committees of Congress will return to the practice of bringing to the floor individual, simple, one-subject bills.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, a few minutes ago the gentleman from Colorado [Mr. JOHNSON] in a statement here on the floor said that perhaps the conscience of the President would hurt him if he helped provide proper housing for the aged.

Mr. Chairman, that statement deviates far from the facts, it is unworthy, and constitutes an uncalled for attack upon a man who today at great personal risk is traveling abroad in search of peace for the world, peace for the aged, for the middle aged, and for the youth of the world.

Mr. Chairman, it is not very statesmanlike to say that of the man who originated the Conference for the Aged at the White House, a man whose every act has been that of a humanitarian, one who has made every effort to be helpful to those in distress and in need at this particular time when he is doing such good work for us and for the world, for all nations.

To say that the statement of the gentleman from Colorado smacks of partisan politics is putting it extremely mildly. I am sure that the young gentleman from Colorado, a newcomer to the Congress, will upon reflection decide that his statement was much too severe and uncalled for.

I may say also to my good friend from Ohio [Mr. VANIK] who just made the statement that perhaps the President would be the greatest homewrecker of all time that he has apparently been failing to read the record.

During the administration of President Eisenhower, who he says may be the greatest homewrecker, more homes have been built and paid for, more people own their own homes; there has been more opportunity for them to buy than under any previous administration.

I hope that as we consider this bill today such unwarranted statements will not be made and such tactics not indulged in, so that we may consider the pending bill on its merits, and that further attacks upon a great President, recognized as such even by those he conquered 14 years ago, who trust him and cheer him today, will not take place.

It seems to me that people who say the President's conscience would not bother him if he denied old people proper homes is unworthy of any consideration.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I rise to support the provisions of this bill which not only continues the college housing program, but broadens it so as to help construct needed instructional facilities.

Perhaps the most forceful argument in behalf of this position appeared in, of all places, the Wall Street Journal for today. A front page item in the Journal reads as follows:

STATE UNIVERSITIES STILL ARE SQUEEZED FOR SPACE DESPITE BIG CONSTRUCTION PROGRAMS

Hard pressed Western Washington College of Education, Bellingham, Wash., will house 100 coeds in a hotel. With an expected 13 percent enrollment rise, Portland State College in Oregon will still be cramped, although classroom space has been quadrupled in 4 years. The University of Wisconsin spent $10 million on residence construction in the past year, but, says a spokesman, "At Madison we'll be crowded and the situation at Milwaukee is critical." The University of Vermont worries about losing a $2 million scholarship trust fund which goes to the Library of Congress if more than 1,062 students enter the College of Arts and Sciences. Last year 1,037 attended.

The U.S. Office of Education estimates college enrollment this fall at 3,399,000, up 5 percent from 1958. Enrollment is expected to double in the next decade. "If the present rate of construction of about $750 million yearly is maintained, it would meet only about half of estimated needs," says an official.

Private colleges, better able to keep a lid on enrollment, face less acute problems.

That is the end of the item.

The final sentence was printed in the Journal in italic type for emphasis. This is significant. Last year the Congress and the administration, through the National Defense Educational Act, inaugurated a program designed to help more boys and girls obtain a higher education. This was done to meet the challenge of Russian advances in the space age—62,000 applicants.

Now we find that the private institutions, unable to construct adequate facilities, must resolve the problem by restricting enrollment.

One of the aims of the National Defense Education Act was to train more teachers, not only to handle those specific scientific subjects more commonly associated with technological advancement, but in general to help meet the teacher shortage in our public and private elementary and secondary schools.

It is extremely significant to me that one of the examples of inadequate facilities cited by the Journal was a teacher training institution.

An article appearing in the RECORD for August 21, under the name of the junior Senator from New Jersey, includes a newspaper article describing the crowded conditions at Rutgers University.

Secretary of Health, Education, and Welfare, Arthur S. Flemming, in a letter to the Speaker, dated February 9, transmitting proposed legislation, said, and I quote:

Our institutions of higher education—both public and private—are a vital national resource. We are dependent upon the existing colleges and universities to supply our national needs for highly trained manpower.

These institutions are experiencing mounting difficulties which markedly restrict the effectiveness of their vital national role. They must gradually replace the obsolete structures which make up a significant proportion of their total facilities. To attract and hold good faculties, they will have to increase salaries. It will be necessary for many of them to elevate, and for all of them to maintain, their standards of academic excellence. They must increase their output of qualified teachers, whose knowledge and skills are the indispensable elements of any sound educational system. Colleges and universities are presently straining their resources to satisfy the national demand for highly educated men and women in all walks of life. Now, they are asked in addition to prepare for the overwhelming enrollment increases expected in the next decade.

By 1970 the total number of qualified students seeking to enter our institutions of higher education will about double. This simple fact is the crux of the problem which the colleges and universities must confront and resolve if they are to continue to fulfill their national responsibilities.

To care adequately for these anticipated enrollment increases, they must almost double their present rate of construction. Few public or private institutions can pay for plant expansion out of available or readily procurable resources, and many are unwilling to undertake burdensome debt service costs in view of their other equally urgent educational priorities. Such institutions of higher education need help and encouragement to find ways to construct needed new facilities to replace those made unserviceable by obsolescence.

The example of the college housing loan program has already demonstrated that construction of facilities for higher education can be greatly stimulated by making it possible for the institutions to borrow on favorable terms and conditions to finance their capital outlay needs. Before the program was initiated in 1950, less than 30 percent of all college housing projects were financed by bond issues. In recent years, the level of construction contracted under the college housing program alone has risen to a plateau of $200 million a year, equaling 60 percent of the total annual rate of residential college construction. In contrast, borrowing accounts for only about 14 percent of the funds being raised for construction of academic facilities, which are not eligible for college housing loans.

Mr. Chairman, Secretary Flemming and I agree on this assessment of the problem. We disagree on the solution. He made a debt service proposal. What is proposed here is merely to continue and expand a program that, in the Secretary's own words, has been getting the job done.

Now why try something new, when we have a program that has demonstrated it can accomplish the job.

It seems to me that we show great inconsistency if we refuse to provide a means to enable colleges and universities to expand their physical facilities when just a year ago the Congress made it financially possible for more qualified students to attend institutions of higher education.

Without this provision in the pending measure, our National Defense Education Act is but partially effective. In that act we established a grant and loan program for secondary schools to upgrade and improve facilities for teaching certain subjects. We should do as well for the colleges and universities.

In closing, Mr. Chairman, I should like to remind members of the Banking and Currency Committee, that they extended to me to the privilege of testifying on this matter in February when hearings on the first, and vetoed, housing bill were conducted. At that time I submitted letters from every institution of higher education in West Virginia in behalf of this program.

If we were to survey all colleges and universities on a national basis, perhaps we would not find them as unanimous as were those in West Virginia, but I would hazard the prediction that the overwhelming majority would agree with the West Virginia institutions.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Washington.

Mr. WESTLAND. The gentleman spoke of Western Washington College of Education at Bellingham, Wash. That happens to be in my district and I am quite familiar with the situation. Had this bill been put in the form so that the President could have signed it, that would have been taken care of, because that has to do with dormitories. This is not classrooms but dormitories.

Mr. BAILEY. I was just quoting these figures from the New York newspaper, and I have nothing to add to their statement. But, I assume they are facts.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. If we grant that, enrollment at the college level is going to increase—and I do not think there is any argument about that—is it not still true that we need to stimulate and encourage private philanthropy instead of drying it up? In other words, if we adopt a Federal program which replaces the financing which has been done privately, with public financing, we will get to the point of drying up the necessary resources to supply the wants of our educational institutions.

Mr. BAILEY. Taking what the gentleman has said as true, let me say to you that there are two things connected with this legislation we are considering today, that is, the continuation of the FHA program and the continuation of this loan proposition to your colleges for construction of dormitories. I went before the Committee on Banking and Currency last February and put into the record of the committee hearings letters from 18 of the colleges and universities in the State of West Virginia asking for a continuation of this college housing program. I would say that those two things would justify this legislation.

Mr. FRELINGHUYSEN. Mr. Chairman, I am in full accord with the necessity of continuing the college housing program, but very much opposed to the proposed classroom program. I assume from the fact that the gentleman has not mentioned it that he is opposed to the classrom provisions of this bill inasmuch as our committee has considered it and inasmuch as the type of financing is of such great importance.

Mr. BAILEY. Mr. Chairman, I will say to the gentleman from New Jersey that I always thought I could understand a Republican most of the time, but I cannot understand how you expect to educate the people without having some classrooms. I was going to suggest that perhaps you ought to change your party politics.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. McDONOUGH. Does the gentleman maintain that it is the responsibility of the Federal Government to build classrooms for the universities throughout the country?

Mr. BAILEY. Yes, sir, under the circumstances, I do, because we have created a situation of overcrowding those colleges and universities by setting up student loan programs. It is a congressional responsibility.

Mr. McDONOUGH. Does the gentleman think that we should approve funds for textbooks for the colleges?

Mr. BAILEY. I should like to say to the gentleman from California that he knows exactly where I stand on this question of education. There has been entirely too much talk about our educational problems and not enough action. I think he knows where a lot of that comes from.

Mr. McDONOUGH. That is a matter before the Rules Committee, and the gentleman knows that I am not a member of that committee.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield further?

Mr. BAILEY. I yield.

Mr. FRELINGHUYSEN. Is the gentleman arguing that it makes no difference whether the Federal Government provides all the funds to build the classrooms in the colleges or whether it makes it easier for the colleges to do the job themselves?

Mr. BAILEY. This $50 million item for classroom construction is a loan fund and it is not going to cost the Government anything except the credit of the Government.

Mr. FRELINGHUYSEN. It affects the Federal budget very decisively, in any event.

Mr. McDONOUGH. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. DWYER. Mr. Chairman, I rise to support S. 2539, the Housing Act of 1959. I believe this is a good bill, and it represents a notable effort at harmonizing many different viewpoints. While the bill does not meet every one of the administration's objections, it should be noted that the great majority of them were carefully considered and upheld. In this respect, the bill is very much a compromise measure and it deserves broad bi-partisan support.

I am reminded in reviewing the lengthy and complicated process of reaching agreement on this legislation of the minority views which I submitted to the report of the Banking and Currency Committee on an earlier version of this bill last February.

At that time, I expressed the view that a housing bill could be written which would provide for real progress in meeting the housing needs of our people and that such a bill, properly modified, would not endanger the country's economy or upset the administration's 1960 budget.

Specifically, of the provisions then in controversy, I urged that the bill include, first, a special program of loans to encourage the building of housing designed for elderly persons and suited to the limited incomes and physical limitations of older age; second, an urban renewal program sufficient to enable communities to proceed with their plans to eliminate slums and blight in the most efficient and economical manner possible; and, third, a minimum program of low-rent public housing to help low-income families who cannot afford decent private housing and who are dislocated as a result of slum clearance and highway construction programs.

The bill now before the House, I am pleased to note, corresponds to each of these qualifications. The housing for the elderly program has been kept intact and improved in several respects; the urban renewal program has been modified, but remains entirely adequate with special consideration being given to cities with populations of 100,000 or less; and the public housing program has been reduced and placed on an annual basis which will meet the established needs for this kind of assistance.

Overall, I believe, this legislation provides maximum encouragement to private enterprise to meet the constantly growing housing needs of our people. Yet, it recognizes the obligation of the Federal Government to assist States and local communities, and to cooperate with private industry, in assuring decent housing for people in widely differing circumstances.

Of the several programs included in this bill, I think that none is more significant in terms of human welfare or in the sense of anticipating future requirements than the program of housing for the elderly.

As a population group, older people—that is, those 65 years of age or older—comprise the fastest-growing segment of the American people. From 3 million in 1900, the total has grown to nearly 16 million today. This was also a relative as well as an absolute increase, since the elderly today account for 9 percent of the population as against 4 percent in 1900. In fact, the over-65 group is increasing at a rate twice that for the population as a whole.

This dramatic increase has brought problems as well as opportunities. The possibilities for creative leisure and productive reflection among our older people should be of tremendous concern to our country. Yet, this potential is severely limited by some hard economic facts of life. Senior citizens have lower and often declining incomes. Employment opportunities, even of a part-time variety, are much harder to find. And the costs of medical care and other essential services are frequently higher the older a person becomes.

This picture of reduced incomes is highlighted by such facts as this, that in 1958 three-fifths of the men and women over the age of 65 received less than $1,000 in money income.

The economic handicaps of older age are especially apparent in the field of housing. Housing costs and rentals have been among the consumer items most affected by wartime and postwar inflation. For those fortunate enough to own their own homes, real estate taxes and property maintenance costs have eaten deeply into available resources. In addition, private houses today are frequently much smaller than older houses and less capable of making room for the older members of families. And unless they are specially constructed, most houses do not include the physical arrangements and conveniences often necessary for the health and safety of older residents.

Unless this country is prepared to accept the economic, social and psychological costs of relying on institutions for the aged—and I certainly hope we are not—then we have no alternative but to devote considerable effort to devising and building special residential housing for older people at rents they can afford to pay and situated in such a way as to provide maximum opportunities for older people to be a functioning and active part of their communities.

The legislation now before us makes an imaginative and constructive start at meeting these responsibilities. Title II provides two well-balanced and complimentary programs for encouraging the construction of housing for the elderly. Under the first, an FHA insurance program, both nonprofit and profitmaking sponsors would be assisted. The new program improves on the existing one in several respects. For non-profit sponsors, for instance, the sometimes burdensome requirement that the sponsoring group have an investment of at least 10 percent of the project cost has been eliminated, both for new construction and rehabilitation of existing buildings. The maximum interest rate is set at 5½ percent. And in order to be eligible for FHA insurance under this program, at least 50 percent of a project's units must be designed and used for people 62 years of age or older.

The second program, a program of direct loans to encourage the construction of lower-rent housing for the elderly, would be limited to private nonprofit corporations. The deficiencies of the first program would be overcome by the second. Loans up to 98 percent of development costs, with a maturity maximum of 50 years, should provide a special attraction for groups interested in providing housing for older people. A maximum interest rate approximating 3¼ to 3½ percent will have the added effect of lowering substantially the actual rentals to elderly tenants.

The combined features of this program should permit monthly rentals $20 or $25 lower than those possible in conventional projects. This differential will be of obvious importance in making decent housing available to far more people than ever before.

This is a new program, Mr. Chairman, but it is a promising one. I believe it offers great hope for the future in a field of the greatest human importance.

Mr. McDOWELL. Mr. Chairman, I wish to express my irritation with the administration's position on the housing legislation. President Eisenhower's stand leads one to wonder exactly what this Republican administration does want.

The President vetoed the first housing bill on the grounds that it was inflationary. Housing Subcommittee Chairman ALBERT RAINS evaluated the situation very well when he said this inflationary charge was ridiculous. RAINS pointed out that the truth of the matter was "that actually expenditures under the bill would not have exceeded $100 million in the next fiscal year. He added,

"The maximum impact would not have taken place until future years when our greatly expanded economy and resources would clearly permit us to pay for these services many times over."

I would like to point out that the new Senate-passed housing bill was changed insofar as possible to meet some of the President's objections. The cost of the revamped program has been pared down from $1,375 million to $1,050 million; a total of $325 million less than the program the President disliked. The new bill represents a reduction in Federal housing grants of 27 percent below the amount in the vetoed bill and a cut of 17 percent in loans.

However, the administration still does not like the bill and insists upon placing that old bogey "inflationary" on it. Yet this same President is extremely peeved at the Congress and calls it tight fisted because the House refuses to repeal the 4¼ percent interest ceiling on long term Government bonds. I think it a bit odd that Mr. Eisenhower fails to feel that a raise in the interest rates would be inflationary.

There are a few other oddities involved in the Chief Executive's housing stand. The new bill contains provision for making loans and grants for the building of housing for the elderly, and Mr. Eisenhower finds these provisions particularly objectionable.

Yet, the President has repeatedly expressed his concern for the problems of the American aged and has even gone so far as to create by Executive order a special body, entitled the White House Conference on the Aging, to study the possibilities of making life more pleasant for our senior citizens. I assert that anyone who is truly concerned with the problems of the elderly would realize that fundamental to those problems is the lack of facilities in which to house these people.

As an example of another inconsistency, one might look at this matter of educational facilities. Since 1953, we have heard the President stress the need for expanding the facilities of our colleges and universities. Yet, Mr. Eisenhower strongly objects to the provision in the housing bill which would allow loans and grants for the building of more classrooms and dormitories. This, too, he feels, is unnecessary and inflationary, in spite of the fact that private capital cannot wholly meet the huge demands for these facilities.

I think it extremely interesting that the President accused Congress of confusing the issue by presenting him with a housing bill at the end of the session. He said that this puts him in a position of either signing the bill or of dealing with a disruption in the housing program.

If there is any confusing of the issues, it does not seem to be the fault of the Congress. We Members of Congress find it pretty difficult to operate when the country's leadership is very much in favor of something one day, and violently opposed to it the next.

Mr. BREEDING. Mr. Chairman, one of the provisions of the housing bill recently vetoed by the President was making possible guaranteed loans under FHA auspices for the purpose of constructing nursing homes. I would like to discuss this provision for a moment.

When hearings were held on this measure, many organizations testified to the need for new nursing home construction. One of these organizations which gave unqualified approval to the plan was the American Medical Association. If anyone knows the need, it should be our doctors, and I must therefore be entirely in agreement with those who say the need is urgent, enormous and important.

Mr. Chairman, you as well as the Members of Congress will recall my interest in the problem of financing nursing homes and that as a result of my interest, I introduced in the House of Representatives on January 27, 1959, a bill later numbered H.R. 3453. This bill ultimately became a part of the omnibus housing bill which we are discussing here today. I wish to make a point of record to the effect that my interest is unabated and that should we fail in our efforts to pass the full housing measure, I will most certainly press for the passage at least of this single bill. The need is so great and so important, I feel, that under these circumstances it should have special consideration.

In times past, there have been heard from this floor pleas to appropriate moneys to build various and sundry installations whose need was questionable, and this construction was to be done with taxpayers money. What a contrast. There is a vast backlog of construction for nursing home beds. State surveys for the Hill-Burton program show in their long-range plan an estimate requiring an additional 365,000 beds throughout the United States.

A percentage of the proprietary homes caring for more than 70 percent of our chronically ill are admittedly in unsafe and unsatisfactory buildings.

There is a need almost as urgent to keep up with the demand for beds which seems to increase steadily, and there is a need to establish a pattern of construction so that facilities can be built readily as needed. This construction will not be using the taxpayers dollars, it is not to be accomplished with 50-year loans at 2 or 3 percent interest. It is to be done with 20- to 25-year loans to qualified persons who will invest their required part in the enterprise, and the whole to be amortized at a normal rate of interest. These nursing home people have not come before us with cap in hand, seeking a gift, but instead want only an opportunity to borrow and pay back.

Now why has this sudden and vast need for nursing home care descended upon us? It is due to several factors.

Persons now live longer than formely. We have been told that we are living 20 years longer than persons did at the turn of the century. The percentage of persons 65 years of age or older has doubled in that time so that on the basis of the number 65 or older in relation to the total population the need for nursing home beds has doubled in that length of time. But this is only a beginning. In addition, the pattern of living has undergone startling changes. Half a century ago, the larger part of our population lived in rural areas or small towns and raised large families in large homes. When the older members of their families lost their economic usefulness, they were retired to the chimney corner and then to their final beds. They probably had many of the same illnesses which fill today's nursing homes, but each family took care of its own as best it could.

In those days each farmer raised enough to feed about eight people, and a large number of workers were required on the farm, but with improved efficiency brought about by agricultural mechanization, this production figure increased by at least three times, and there was no longer work on the farm for everyone who wanted it. Sons and daughters moved to the towns and cities and became employed in other lines of work. Living in cities, they did not have as much land to spare for big houses, nor money to build them, and economic factors generally encouraged them to live in smaller quarters. Quite often the wife and older children had to work to assist with the family living, and this factor, together with the lack of living quarters as compared with those afforded on the farm, discouraged families from continuing to care for their unproductive oldsters as did their fathers before them. So some place has had to be found which could care for mother or father as it was very difficult to secure professional help in the home to care for them. At the same time, the family of the afflicted person began to realize gradually that something more than family care for mother or father was needed and that a disservice was being done to them in the mistaken belief that love and devotion was sufficient in itself. And so they began to cast about for a way to care for their chronically ill loved ones. Thus the nursing home.

Another factor has been the tremendous strides made by medicine in conquering many acute diseases which formerly took countless numbers of persons well below their middle years. Think of the miracle drugs which have saved tens of thousands, who now live past those younger years, to die in their sixties, seventies and beyond of conditions and diseases which have not yielded to medical science. Yes, those people are now spared to succumb to diseases which operate slowly, and in consequence, occupy many beds in nursing homes.

And so it is not a normal, orderly rate of growth of need for additional facilities that we are faced with. It is not merely a mathematical increase in accordance with the population increase. No; it is rather a multiplication of factors: Increase in span of life, plus changes in living patterns, in addition to population increase. All these operating simultaneously have caused the need for facilities to increase in geometrical ratio in headlong fashion of such gigantic proportions as to cause grave concern in the highest quarters.

Mr. Chairman, I feel this matter deserves your serious consideration and I hope you can lend your assistance to the one truly important factor which will make it possible to house properly our aged and chronically ill.

Mr. Chairman, I am for this legislation and urge its passage.

Mr. FASCELL. Mr. Chairman, I rise in support of the housing bill under consideration.

The final measure of the bill must be made against the housing needs of our Nation and the influence of the housing program on our economy.

This bill allows the continuation of the slum clearance program which is now operative in 386 American communities. The bill makes special provision for mortgage insurance to stimulate the construction of nursing homes. It also contains two very constructive and desirable amendments, one allowing Federal savings and loan associations to make loans to builders for the purpose of acquiring and developing land preparatory to home construction and another, giving these Federal associations a somewhat more liberal authority to acquire participating interests in loans outside of their normal lending territory.

For a number of years the savings and loan industry has been seeking legislation which would permit the Federal associations to make loans for the purchase and development of land. Under present law and regulations, Federal associations can lend only on improved real estate and hence the builder must acquire land and install the needed utilities with his own capital.

The tremendous postwar building boom has just about used up all of the available ready made housing sites. More and more it is becoming necessary for the builder to acquire land which requires substantial and costly improvements before it can be divided into housing sites and home construction commences. Section 807(c) would permit Federal associations to lend the money to the builder for these purposes. Federal associations would be limited to 5 percent of their assets for such loans and would be specifically subjected to rules and regulations prescribed by the Federal Home Loan Bank Board.

This authority to make loans for land development was enthusiastically endorsed by all of the savings and loan witnesses during the hearings and has the approval of the Federal Home Loan Bank Board. It would be particularly helpful to the small builder who has great difficulty in raising sufficient capital to acquire tracts of land and to make costly water and sewerage installations. As it stands now, there are some areas of the country where only the very largest builder has sufficient funds to acquire the most desirable tracts of land.

The other savings and loan provision in the Housing bill, section 807 (a) and (b), would liberalize the percentage of assets which a Federal association may invest in participating interests in loans outside of its normal lending territory. Two years ago the Federal Home Loan Bank Board authorized a program whereby Federal associations in areas of relative surplus of funds may purchase one-half interests in mortgages made by associations in areas of critical shortage of funds. Several hundred million dollars of such participating interests have been acquired. Under present law and regulations, an association is limited in the volume of participating interests it may hold. Participating interests, plus a variety of other special categories of loans, may not exceed 20 percent of assets. The provision in the housing bill would establish a new category of 20 percent of assets enabling Federal associations to continue or expand their use of the participation loan program.

A significant feature of the bill for the Miami area is the provision for the continuance of the Federal Housing Administration. This Agency was created by the National Housing Act of 1934 and now is a constituent agency of the Housing and Home Finance Agency. FHA has aided 5 million families or individuals since its inception by insuring a total of $55 billion in mortgage and home-improvement loans. It pays all its expenses and losses out of insurance premiums and interest on investments and has built up a reserve of $700 million. Since 1954, when it paid back to the Treasury an original congressional appropriation of $60 million with interest, it has not touched a penny of tax money.

Since the beginning of the FHA program, Dade County has received $484 million of mortgage insurance. In 1958 alone, Dade County was issued $80 million of FHA mortgage and loans for home improvement.

The bill also contains authorization for the construction of additional units of public housing. Dade and Monroe Counties have participated in this program. The city of Miami has built 2,425 units and is considering 660 more units. It is also pioneering in the very vital area of providing housing for needy senior citizens. Miami Beach has 50 units of public housing and Key West has 390 units.

Mr. Chairman, I believe prompt action on this measure is imperative.

Mr. DONOHUE. Mr. Chairman, this is, we might say, the "second time around" on housing legislation, so there is no need to inflict any repetitive recital of statistical information upon you.

In my own opinion the evidence and information provided to us in proof of housing deficiencies in this great country and the essentiality of an adequate continuing program has been overwhelming. The distinguished chairman of the committee, and his diligent associates, have worked tirelessly to bring a sound measure before us and both he and they deserve our deepest thanks and congratulations. They have made a substantial effort, in good faith, and in accord with high principles, to present a revised bill to reasonably meet Presidential objections.

As you are all aware, the measure still contains, and I earnestly hope they will be retained, provisions for loans and grants for slum elimination, college dormitories and classrooms, housing for the elderly, nursing homes, and an additional $8 billion of authority for FHA to continue its mortgage loan insurance program. If these features, yet more limited than many of us think wise, are not in the best national interest, then I confess I do not know what is.

As you all further realize, this new measure represents a reduction in Federal housing grants of 27 percent below the amount in the previously vetoed bill and a cut of 17 percent in loans.

Mr. Chairman, I want to remind my colleagues that we have been urged in the past and we will be called upon again in the future, ironically by many of the same people who desire to cripple this housing bill, to approve the granting and the loaning of billions of the American taxpayer's money for the rehabilitation of foreign nations and assistance to underdeveloped countries. If we can afford to continue and expand that gigantic program then certainly we can afford to carry on a moderate housing program to alleviate the desperate needs of our own citizens for decent housing, slum clearance, and college facilities.

I hope you will all give your most conscientious consideration to the compromise merits of this bill and pass it without stifling amendments.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. McDONOUGH. Mr. Chairman, we have no further requests for time on this side.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

Mr. McDONOUGH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-seven Members are present, a quorum.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1959".

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

Section 203 residential housing insurance

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following:

"(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $22,500 in the case of property upon which there is located a dwelling designed principally for a one-family residence; or $25,000 in the case of a two-family residence (whether or not such one- or two-family residence may be intended to be rented temporarily for school purposes)".

(2) Section 203(b)(2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum"; and

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000".

(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: "or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction".

(b) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "$8,000" and inserting in lieu thereof "$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)";

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of"; and

(4) by striking out the comma following the word "highway" and everything that follows and inserting a period in lieu thereof.

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 207(c)(3) of such Act as amended by striking out—

(1) "$2,250" each place it appears and inserting in lieu thereof "$2,500";

(2) "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) "$2,700" and inserting in lieu thereof "$3,000";

(4) "$8,400" and inserting in lieu thereof "$9,400";

(5) "$1,000 per room" and inserting in lieu thereof "$1,250 per room";

(6) "$1,000 per space" and inserting in lieu thereof "$1,500 per space"; and

(7) "$300,000" and inserting in lieu thereof "$500,000".

(c) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5¼ per centum per annum".

(d) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

(e) Section 207 of such Act is further amended—

(1) by striking out "(except provisions relating to housing for elderly persons)" and "(except with respect to housing designed for elderly persons, with occupancy preference therefor, as provided in the paragraph following paragraph (3) of subsection (c))" in subsection (b);

(2) by striking out in subsection (c) the unnumbered paragraph following paragraph (3); and

(3) by striking out "section 210 and section 213" in both places where it appears in subsection (f) and inserting in lieu thereof the following: "sections 210, 213, 231, and 232".

Cooperative housing insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, $2,500 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed; *Provided,* That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,500 per room to not to exceed $3,000 per room and the dollar amount limitation of $9,000 per family unit to not to exceed $9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *And provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) The first sentence of section 213(d) of such Act is amended (1) by striking out "4½ per centum" and inserting in lieu thereof "5¼ per centum", and (2) by striking out "5 per centum" and inserting in lieu thereof "5¾ per centum".

(e) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative. In the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost. As to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

Increased mortgage amounts in Alaska, Guam, and Hawaii

SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

FHA mortgage insurance authorization

SEC. 107. (a)(1) Section 217 of the National Housing Act is amended by striking out "$7,000,000,000" and inserting in lieu thereof "$15,000,000,000".

(2) Section 217 of such Act is amended, effective October 1, 1960, by (A) striking out "July 1, 1956" and inserting in lieu thereof "October 1, 1960", and (B) striking out that part of the first paragraph which follows clause (a) and inserting in lieu thereof the following: ", and (b) the principal amount of all outstanding commitments to insure on that date.".

(b) Section 217 of such Act is further amended by adding at the end thereof a new paragraph as follows:

"It is further the intent and purpose of this section to limit by law the aggregate amount of the balances of insured mortgages and the principal amount of all commitments to insure which may be outstanding under this Act (except section 2 and section 803). In the administration of this Act the Commissioner shall not hereafter enter into any type of agreement or other undertaking to insure a mortgage if a commitment to insure such mortgage would be unlawful under the limit so established."

Repeal of obsolete provision

SEC. 108. Section 218 of the National Housing Act is repealed.

Section 220 mortgage insurance

SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out all

that precedes the second semicolon and inserting in lieu thereof the following:

"(A) (i) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $22,500 in the case of property upon which there is located a dwelling designed principally for a one-family residence; or $25,000 in the case of a two-family residence; or $30,000 in the case of a three-family residence".

(2) Clause (i) of subsection (d) (3) (A) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum"; and

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000".

(3) Subsection (d) (3) (A) (ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: "*Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d) (3) (B) (i) of section 220 of such Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(c) Subsection (d) (3) (B) (iii) of section 220 of such Act is amended—

(1) by striking out "$2,250" each place it appears and inserting in lieu thereof "$2,500";

(2) by striking out "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) by striking out "$2,700" and inserting in lieu thereof "$3,000";

(4) by striking out "$8,400" and inserting in lieu thereof "$9,400"; and

(5) by striking out "$1,000" and inserting in lieu thereof "$1,250".

(d) Subsection (d) (3) (B) (iii) of section 220 of such Act is further amended by inserting after "dwelling use" and following: "(excluding exterior land improvements as defined by the Commissioner)".

(e) Subsection (d) (3) (B) of section 220 of such Act is further amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof "; and", and by adding at the end thereof the following new clause:

"(iv) include such nondwelling facilities as the Commissioner deems adequate to serve the needs of the occupants of the property and of other housing in the neighborhood."

Section 221. Relocation housing mortgage insurance

SEC. 110. (a) (1) The first paragraph of section 221(a) of the National Housing Act is amended to read as follows:

"This section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist (1) in relocating families from urban renewal areas, (2) in relocating families to be displaced as the result of governmental action in a community respecting which (A) the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101(c) of the Housing Act of 1949, as amended, or (B) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954, or (C) there is being carried out an urban renewal project assisted under section 111 of the Housing Act of 1949, as amended, and (3) in relocating families residing in the environs of a community described in clause (2) which are to be displaced as the result of governmental action."

(2) The second paragraph of section 221 (a) of such Act is amended—

(A) by striking out all that precedes the first colon and inserting in lieu thereof the following: "Mortgage insurance under this section shall be available only in those localities, communities, or environs of communities, which shall have requested such mortgage insurance to be provided";

(B) by striking out "in any such community" in the second proviso and inserting in lieu thereof "in or near any such community";

(C) by striking out "(1)" in the third proviso and inserting in lieu thereof "(2) (A)"; and

(D) by striking out "(1)", "(2)", and "(3)", wherever they appear in the last proviso, and inserting in lieu thereof respectively "(2) (A)", "(2) (B)", and "(2) (C)".

(3) Section 101(c) of the Housing Act of 1949 is amended by striking out "if the mortgaged property is in a community referred to in clause (2) of section 221(a) of said Act", and inserting in lieu thereof "if the mortgaged property is in an area described in clause (3) of section 221(a) of said Act, or in a community referred to in clause (2) (B) of said section".

(4) Section 101(c) of the Housing Act of 1949 is further amended by striking out "in a community" in clause (iii) of the last proviso.

(b) Section 221(d) (2) of the National Housing Act is amended to read as follows:

"(2) be secured by property upon which there is located a dwelling conforming to applicable standards prescribed by the Commissioner under subsection (f) of this section, and meeting the requirements of all State laws, or local ordinances or regulations, relating to the public health or safety, zoning, or otherwise, which may be applicable thereto, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount (A) not to exceed (i) $9,000 in the case of a property upon which there is located a dwelling designed principally for a single-family residence, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require, (ii) $18,000 in the case of a property upon which there is located a dwelling designed principally for a two-family residence, except that the Commissioner may by regulation increase this amount to not to exceed $20,000 in any geographical area where he finds that cost levels so require, (iii) $25,000 in the case of a property upon which there is located a dwelling designed principally for a three-family residence, except that the Commissioner may by regulation increase this amount to not to exceed $27,500 in any geographical area where he finds that cost levels so require, (iv) $32,000 in the case of a property upon which there is located a dwelling designed principally for a four-family residence, except that the Commissioner may by regulation increase this amount to not to exceed $35,000 in any geographical area where he finds that cost levels so require; and (B) not to exceed the appraised value (as of the date the mortgage is accepted for insurance) of any such property, less such amount, in the case of any mortgagor, as may be necessary to comply with the succeeding provisos: *Provided*, That if the mortgagor is the owner and an occupant of the property at the time of the insurance, he shall have paid on account of the property at least (i) $200 in the case of a single-family dwelling, (ii) $400 in the case of a two-family dwelling, (iii) $600 in the case of a three-family dwelling, and (iv) $800 in the case of a four-family dwelling, in cash or its equivalent, which amount may include amounts to cover settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premium, and other prepaid expenses: *Provided further*, That nothing contained herein shall preclude the Commissioner from issuing a commitment to insure, and insuring a mortgage pursuant thereto, where the mortgagor is not the owner and an occupant of the property, if the property is to be built or acquired and repaired or rehabilitated for sale, and the insured mortgage financing is required to facilitate the construction, or the repair or rehabilitation, of the dwelling and to provide financing pending the subsequent sale thereof to a qualified owner who is also an occupant thereof, but in such instances the mortgage shall not exceed 85 per centum of the appraised value: *And provided further*, That the Commissioner shall prescribe such procedures as in his judgment are necessary to secure to families, referred to in subsection (a) above, priorities in occupancy of the remaining units of two-, three-, and four-family dwellings after occupancy of one unit by the owner; or". (c) Section 221 (d) of such Act is further amended—

(1) by striking out "$10,000" in paragraph (3) and inserting in lieu thereof "$12,000";

(2) by striking out of paragraph (3) "not in excess of the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated, for use as rental accommodations for ten or more families eligible for occupancy as provided in this section; and", and inserting in lieu thereof "not in excess of (1) in the case of new construction, the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner), or (2) in the case of repair and rehabilitation, the Commissioner's estimate of the value of the property when the proposed repair and rehabilitation is completed: *Provided*, That such property or project, when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section; or"; and

(3) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed $12,500,000;

"(ii) not exceed $9,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are com-

pleted (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items, except the land, unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further,* That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of the Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(d) Section 221(f) of such Act is amended by inserting the following before the period at the end thereof: "and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants".

(e) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(f) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof."

Servicemen's housing mortgage insurance

SEC. 111. Section 22(b) of the National Housing Act is amended—

(1) by inserting "or 203(i)" after "203(b)" in paragraph (1); and

(2) by striking out "$17,100" in paragraph (2) and inserting in lieu thereof the following: "$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000".

Builder's cost certification

SEC. 112. (a) Section 227(a) of the National Housing Act is amended by striking out clause (iv) and all that follows and inserting in lieu thereof the following: "(iv) under section 221 if the mortgage meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof (v) under section 231, or (vi) under section 810 if the mortgage meets the requirements of subsection (f)".

(b) The last two sentences of section 227(c) of such Act are each amended by striking out "under section 220" and inserting in lieu thereof "under section 220, section 221 if the mortgage meets the requirements of paragraph (4) of subsection (d) thereof, or section 231,".

Voluntary termination of insurance

SEC. 113. Title II of the National Housing Act is further amended by adding at the end thereof the following new section:

"Voluntary termination of insurance

"SEC. 229. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

Avoidance of foreclosure

SEC. 114. (a) Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"Acquisition of mortgages to avoid foreclosure

"SEC. 230. Upon receiving notice of the default of any mortgage covering a one-, two-, three, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, may acquire the loan and the security therefor upon issuance to the mortgagee of debentures having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and any proper advances theretofore made by the mortgagee under the provisions of the mortgage; and after the acquisition of such mortgage by the Commissioner such mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner."

(b) Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: "; *And provided further,* That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures".

Mortgage insurance for nursing homes

SEC. 115. Title II of the National Housing Act is amended by adding after section 231 (as added by section 201 of this Act) the following new section:

"Mortgage insurance for nursing homes

"SEC. 232. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' or 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $12,500,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that (1) there is a need for such nursing home, and (2) there are in force in such State or other

political subdivision of the State in which the proposed nursing home would be located reasonable minimum standards of licensure and methods of operation for nursing homes. No such mortgage shall be insured under this section unless the Commissioner has received such assurance as he may deem satisfactory from the State agency that such standards will be applied and enforced with respect to any nursing home located in the State for which mortgage insurance is provided under this section.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section."

Technical amendments

SEC. 116. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 213(e), 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j), and (k) of section 204".

Inclusion of conveyance costs in debentures

SEC. 117. Section 204(k) of the National Housing Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 229."

Investment insurance

SEC. 118. Section 701 of the National Housing Act is amended by striking out the colon at the end of the first proviso and everything that follows and inserting a period in lieu thereof.

Legal notification

SEC. 119. Section 512 of the National Housing Act is amended by adding the following at the end thereof: "For the purposes of compliance with this section the Commissioner's notice of a proposed determination under this section shall be considered to have been received by the interested person or firm if the notice is properly mailed to the last known address of such person or firm."

TITLE II—HOUSING FOR THE ELDERLY

Mortgage insurance program

SEC. 201. (a) Title II of the National Housing Act is amended by adding after section 230 (as added by section 114) the following new section:

"Housing for elderly persons

"SEC. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

"For the purposes of this section—

"(1) the term 'housing' means eight or more new or rehabilitated living units, not less than 50 per centum of which are specially designed for the use and occupancy of elderly persons;

"(2) the term 'elderly person' means any person, married or single, who is sixty-two years of age or over; and

"(3) the terms 'mortgage', 'mortgagee', 'mortgagor', and 'maturity date' shall have the meanings respectively set forth in section 207 of this Act.

"(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"(1) involve a principal obligation in an amount not to exceed $12,500,000 or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation, not to exceed $50,000,000;

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use, $9,000 per dwelling unit: *Provided,* That the Commissioner may, in his discretion, increase the dollar amount limitation of $9,000 per unit to not to exceed $9,400 per unit to compensate for the higher costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitations by not to exceed $1,250 per room in any geographical area where he finds that cost levels so require;

"(3) if executed by a mortgagor which is a public instrumentality or a private nonprofit corporation or association or other acceptable private nonprofit organization regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as, in the opinion of the Commissioner, will effectuate the purpose of this section, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner): *Provided,* That in the case of properties other than new construction, the principal obligation shall not exceed the appraised value rather than the Commissioner's estimate of the replacement cost;

"(4) if executed by a mortgagor which is approved by the Commissioner but is not a public instrumentality or a private nonprofit organization, involve a principal obligation not in excess (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) of 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage): *Provided,* That in the case of properties other than new construction the principal obligation shall not exceed 90 per centum of the Commissioner's estimate of the value of the property or project: *And provided further,* That the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations; such stock or interest shall be paid for out of the Section 207 Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance;

"(5) provide for a complete amortization by periodic payments within such terms as the Commissioner shall prescribe;

"(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 5½ per centum as the Commissioner finds necessary to meet the mortgage market; and

"(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, with 50 per centum or more of the units therein specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"(d) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to rent the dwellings included in such property or project.

"(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(f) of this Act) the following: "The provisions of this section shall also apply to the insurance of any mortgage under section 231 or 232 except that compliance with such provisions may be waived by the Commissioner in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services

without full compensation for the purpose of lowering the costs of construction and the Commissioner determines that any amounts thereby saved are fully credited to the nonprofit corporation, association, or other organization undertaking the construction."

Loan program

SEC. 202. (a)(1) The purpose of this section is to assist private nonprofit corporations to provide housing and related facilities for elderly families and elderly persons.

(2) In order to carry out the purpose of this section, the Administrator may make loans to any corporation (as defined in subsection (d)(2) for the provision of rental housing and related facilities for elderly families and elderly persons, except that (A) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, and (B) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

(3) A loan to a corporation under this section may be in an amount not exceeding 98 per centum of the total development cost (as defined in subsection (d)(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than the higher of (A) 2¾ per centum per annum, or (B) the total of one-quarter of 1 per centum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the loan is made and adjusted to the nearest one-eighth of 1 per centum.

(4) There is authorized to be appropriated not to exceed $50,000,000, which shall constitute a revolving fund to be used by the Administrator in carrying out this section. The amount outstanding from such fund at any one time for related facilities (as defined in subsection (d)(8)) shall not exceed $5,000,000.

(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

(c)(1) Housing constructed with a loan made under this section shall not be used for transient or hotel purposes while such loan is outstanding.

(2) As used in paragraph (1), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of paragraph (1) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this subsection the Administrator shall perform the functions vested in the Commissioner by such section 513.

(3) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation undertaking the construction.

(d) As used in this section—

(1) The term "housing" means (A) new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

(2) The term "corporation" means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term "development cost" means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term "elderly families" means families the head of which (or his spouse) is sixty-two years of age or over; and the term "elderly persons" means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section.

(5) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(6) The term "Administrator" means the Housing and Home Finance Administrator.

(7) The term "construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(8) The term "related facilities" means (A) new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. Clause (3) of section 302(b) of the National Housing Act is amended to read as follows: "(3) the Association may not purchase any mortgage, except a mortgage insured under section 220 or 803, or a mortgage covering property located in Alaska, Guam, or Hawaii, if the original principal obligation thereof exceeds or exceeded $17,500 for each family residence or dwelling unit covered by the mortgage: *Provided*, That with respect to mortgages purchased under section 304 the principal obligation shall not exceed $20,000".

SEC. 302. The last sentence of section 304(a) of the National Housing Act is amended by striking out "advance planning of home construction" and inserting in lieu thereof "home financing".

SEC. 303. (a) Section 305(b) of the National Housing Act is amended by striking out everything following the first sentence and inserting in lieu thereof the following: "Subject to the provisions of this section, the prices to be paid by the Association for mortgages purchased in its operations under this section shall be established from time to time by the Association. The Association shall impose charges or fees for its services under this section with the objective that all costs and expenses of its operations under this section should be within its income derived from such operations and that such operations should be fully self-supporting."

(b) When the holder of a commitment contract entered into by the Federal National Mortgage Association prior to August 27, 1958, pursuant to section 305 of the National Housing Act, cannot deliver the mortgages covered thereby within the original commitment period, and establishes that hardship to such holder will result therefrom and that such inability to deliver the mortgages is a consequence of circumstances beyond the control of such holder, the Association shall reissue or extend such commitment for a reasonable additional period or periods, according to the circumstances, on terms not less favorable than were the terms of the original commitment.

SEC. 304. Section 305(e) of the National Housing Act is amended by adding at the end thereof the following new sentence: "On and after the date of enactment of the Housing Act of 1959, the Association is authorized to enter into advance commitment contracts and purchase transactions (in addition to those authorized by the preceding sentence) relating to mortgages with respect to which the Federal Housing Commissioner shall have issued pursuant to section 213 a commitment to insure or a statement of eligibility, without regard to any of the limitations contained in the preceding sentence; except that the total amount of the additional advance commitment contracts and purchase transactions authorized by this sentence which may be outstanding at any one time shall not exceed $25,000,000, of which the amount of $12,500,000 shall be available solely for commitments or purchases of mortgages where the management or sales-type cooperative involved is certified by the Federal Housing Commissioner as a consumer cooperative and the amount of $12,500,000 shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative."

SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds".

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the

Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection.

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

TITLE IV—URBAN RENEWAL

Statewide planning

SEC. 401. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

Clarifying amendments

SEC. 402. (a) Section 102(a) of the Housing Act of 1949 is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes".

(b) Section 102(c) of such Act is amended by striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

Early land acquisition

SEC. 403. Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "In any case where, in connection with its undertaking and carrying out of an urban renewal project, a local public agency is authorized (under the circumstances in which the temporary loan herein provided is requested) to acquire real property in the urban renewal area, the Administrator, in addition to all other authority under this title and notwithstanding any other provisions of this title, regardless of the stage of development of the urban renewal plan and whether before or after the approval thereof, may make a temporary loan or loans to any such local public agency to finance the acquisition of such real property: *Provided*, That no loan for such purpose shall be made unless (1) the governing body of the locality involved shall have approved by resolution or ordinance the acquisition of real property in the urban renewal area, and (2) either (A) the Administrator shall have determined that such loan is reasonably secured by a first mortgage or other prior lien upon such real property or is otherwise reasonably secured, or (B) the governing body of the locality shall have assumed the responsibility to bear any loss that may arise as the result of such acquisition in the event that the property so acquired is not used for urban renewal purposes because the urban renewal plan for the project is not approved, or is amended to omit any of the acquired property, or is abandoned for any reason: *Provided further*, That the Administrator may, in his discretion and subject to such conditions as he may impose, permit any structure so acquired to be demolished and removed, and may include in any loan authorized by this section the cost of such demolition and removal if the approval of the local governing body extends to such demolition and removal: *And provided further*, That the loan contract shall provide that the local public agency shall not dispose of such real property (except in lieu of foreclosure) until the local governing body of the locality involved shall have either approved the urban renewal plan for the project or consented to the disposal of such real property."

Loans

SEC. 404. Section 102(e) of the Housing Act of 1949 is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President, exceed $1,000,000,000. For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

Grants

SEC. 405. Section 103 of the Housing Act of 1949 is amended—

(1) by amending the first sentence of subsection (b) to read as follows: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make grants under this title aggregating not to exceed $1,350,000,000, which limit shall be increased by $550,000,000 on the date of enactment of the Housing Act of 1959: *Provided*, That such limit, and such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $100,000,000 upon a determination by the President that such action is necessary to meet those requirements of communities, having populations which are not in excess of one hundred thousand according to the most recent available census figures, which cannot otherwise be met under the authorization set forth above.";

(2) by striking out the period at the end of the second sentence of subsection (b) and inserting in lieu thereof a colon and the following: "*Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance."; and

(3) by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of this or any other Act, if financial assistance authorized by this title to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in sections 102(e), 103(b), and 106(e), and the second paragraph following the paragraph numbered (6) of section 110(c), the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted except on the basis of (1) urgency of need, and (2) feasibility, as determined by the Administrator.

"(d) The Administrator may contract to make grants for the preparation or completion of community renewal programs, which may include, without being limited to, (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community, (2) the measurement of the nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation, and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies', the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made."

Public improvements by Federal agencies in urban renewal areas

SEC. 406. Section 105(b) of the Housing Act of 1949 is amended by adding the following before the semicolon at the end thereof: ": *And provided further*, That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and

funds have been made available) to make the improvements involved".

Public disclosure by redevelopers

SEC. 407. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(e) No understanding with respect to, or contract for, the disposition of land within an urban renewal area shall be entered into by a local public agency unless the local public agency shall have first made public, in such form and manner as may be prescribed by the Administrator, (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders and investors, and other interested parties, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation, and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing involved in such redevelopment and rehabilitation: *Provided,* That nothing in this subsection shall constitute a basis for contesting the conveyance of, or title to, such land.".

State loan ceiling

SEC. 408. Section 106(e) of the Housing Act of 1949 is amended by striking out all of the text before the proviso and inserting in lieu thereof the following: "Not more than 12½ per centum of the grant funds provided for in this title shall be expended in any one State".

Relocation payments

SEC. 409. (a) (1) The first sentence of section 106(f)(2) of the Housing Act of 1949 is amended to read as follows: "As used in this subsection, the term 'relocation payments' means payments by a local public agency to individuals, families, and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan: *Provided,* That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments."

(2) No relocation payments under section 106(f) of the Housing Act of 1949 shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

(b) Section 106(f)(2) of such Act is further amended by striking out "$100" each place it appears and inserting in lieu thereof "$200", and by striking out "$2,500" and inserting in lieu thereof "$3,000".

Hotels and other transient housing

SEC. 410. Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"(g) No provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any urban renewal area under this title shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

Low-rent housing in urban renewal areas

SEC. 411. Section 107 of the Housing Act of 1949 is amended to read as follows:

"Payment for land used for low-rent public housing

"SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the fair value of land to a private redeveloper who wants to buy a site in the community for private rental housing with physical characteristics similar to those of the proposed low-rent housing project, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided,* That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analagous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs), be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Requirements for urban renewal plan

SEC. 412. Section 110(b) of the Housing Act of 1949 is amended by inserting after "to indicate" in clause (2) the following: ", to the extent required by the Administrator for the making of loans and grants under this title,".

Nonresidential redevelopment

SEC. 413. Section 110(c) of the Housing Act of 1949 is amended by striking out the second paragraph following the paragraph numbered (6) and inserting in lieu thereof the following:

"Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided,* That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further,* That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactment of the Housing Act of 1959 shall not exceed 20 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date."

Local grants

SEC. 414. (a) Section 110(d) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, no donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project solely on the basis that the construction of such improvement or facility was commenced without notification to the Administrator or prior to Federal recognition of such project, if such construction was commenced not more than three years prior to the authorization by the Administrator of a contract for loan or capital grant for the project."

(b) The requirement in section 110(d) of the Housing Act of 1949 that the assistance provided by a State, municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act, shall not apply to assistance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within sixty days after the provision of such assistance was initiated.

Credit for loss of interest

SEC. 415. Section 110(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided,* That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the second sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(1) acquisition of land (but only to the extent of the consideration paid to the owner

and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of subsection (c); and

"(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges as determined above), exclusive of taxes and payments in lieu of taxes, but not beyond the point where such project is completed; but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

Uniform date for interest rate determination

SEC. 416. Section 110(g) of the Housing Act of 1949 is amended—

(1) by striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) by inserting in the second sentence after "Any" the word "such"; and

(3) by striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

Conforming amendments

SEC. 417. The Housing Act of 1949 is amended—

(1) by striking out the word "capital" in section 100, in the second sentence of section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), 106(c)(8), and 106(e);

(2) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to section 103(d)"; and

(3) by adding at the end of section 110 the following new subsection:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement, without such assistance, of surveys and plans."

Urban renewal areas involving colleges or universities

SEC. 418. Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Urban renewal areas involving colleges or universities

"SEC. 112. In any case where an educational institution is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution, or (3) by any combination of the foregoing, the Administrator is atuhorized to extend financial assistance under this title for an urban renewal project in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas: *Provided*, That the aggregate expenditures made by such institution (directly or through a private redevelopment corporation) for the acquisition (from others than the local public agency), within, adjacent to, or in the immediate vicinity of the project area, of land, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses in accordance with the urban renewal plan (or with a development plan proposed by such institution or corporation, found acceptable by the Administrator after considering the standards specified in section 110(b), and approved under State or local law after public hearing), and for the demolition of such buildings and structures (including expenditures to assist in relocating tenants therefrom), if, pursuant to such urban renewal or development plan, the land is to be cleared and redeveloped, as certified by such institution to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal project: *Provided further*, That no such expenditures shall be deemed ineligible as a local grant-in-aid in connection with any such project if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such urban renewal project: *And provided further*, That the term 'educational institution' as used herein shall mean any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

Urban planning

SEC. 419. Section 701 of the Housing Act of 1954 is amended to read as follows:

"Urban planning

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development by State and local governments on a continuing basis, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—

"(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of State government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities, other municipalities, and counties having a population of less than 50,000 according to the latest decennial census, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization, and (C) cities, other municipalities, and counties referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection;

"(2) official State, metropolitan, and regional planning agencies empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

"(3) cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', has determined to be a major disaster;

"(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and

"(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems.

"(b) A grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding $20,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

"(d) It is the further intent of this section to encourage comprehensive planning for States, cities, countries, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, together with long-range fiscal plans for such development; (2) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) intergovernmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

"(e) In the exercise of his function of encouraging comprehensive planning by the States, the Administrator shall consult with those officials of the Federal Government responsible for the administration of programs of Federal assistance to the States and municipalities for various categories of public facilities."

Investment by banks in long-term obligations of local public agencies

SEC. 420. The next to the last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by striking out "prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon,

which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity" the first place it appears and inserting in lieu thereof the following: "monies in an aggregate amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay, when due, the interest on and all installments (including the final installment) of the principal of such obligations, which monies under the terms of said agreement are required to be used for such payments".

TITLE V—LOW-RENT PUBLIC HOUSING

Declaration of policy

SEC. 501. Section 1 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentences: "In the development of low-rent housing it shall be the policy of the United States to make adequate provision for larger families and for families consisting of elderly persons. It is the policy of the United States to vest in the local public housing agencies the maximum amount of responsibility in the administration of the low-rent housing program, including responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Authority), with due consideration to accomplishing the objectives of this Act while effecting economies."

Central administrative office facilities

SEC. 502. The last sentence of paragraph (5) of section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting after "1949" the following: ", or in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff,"; and

(2) by striking out "its functions as such local public agency" each place it appears and inserting in lieu thereof "the functions of such local public agency".

Rents and income limits

SEC. 503. (a) Paragraph (1) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing shall be available solely for families of low income. Income limits for occupancy and rents shall be fixed by the public housing agency and approved by the Authority after taking into consideration (A) the family size, composition, age, physical handicaps, and other factors which might affect the rent-paying ability of the family, and (B) the economic factors which affect the financial stability and solvency of the project."

(b) Paragraph (7)(b) of section 15 of such Act is amended by inserting after "a gap of at least 20 per centum" the following "(or 5 per centum in the case of any family entitled to a first preference as provided in section 10(g))".

Minimum age for admission of single persons and elderly families to low-rent projects

SEC. 504. The second and third sentences of paragraph (2) of section 2 of the United States Housing Act of 1937 are amended to read as follows: "The term 'families' means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who has attained the age of fifty and is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term 'elderly families' means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or has attained the age of fifty and is under a disability as defined in section 223 of that Act."

Low-rent housing authorization

SEC. 505. (a) Section 10(i) of the United States Housing Act of 1937 is amended by striking out all that precedes the third proviso and inserting in lieu thereof of following:

"(i) Notwithstanding any other provision of law, the Authority may enter into new contracts for loans and annual contributions for (1) not more than such number of dwelling units as does not exceed the number of units which were covered by annual contribution contracts on the date of enactment of the Housing Act of 1959 and are not built, the contracts therefor being canceled; and (2) additional dwelling units which, together with the dwelling units covered by new contracts entered into under clause (1), do not exceed thirty-seven thousand units: *Provided*, That the Authority may enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder".

(b) The last proviso under the heading "Public Housing Administration, Annual Contributions" in title I of the First Independent Offices Appropriation Act, 1954 (67 Stat. 307), is repealed.

Extension of waiver in case of veterans and servicemen

SEC. 506. The proviso in section 15(8)(b) of the United States Housing Act of 1937 is amended by striking out "March 1, 1959" and inserting in lieu thereof "October 1, 1961".

Payment for services

SEC. 507. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(10) Notwithstanding any other provision of law or any contract or other arrangement made pursuant thereto, any public housing agency which utilizes public services and facilities of a municipality or other local governmental agency making charges therefor separate from real and personal property taxes shall be authorized by the Authority (without any amendment to the contract for annual contributions or deductions from payments in lieu of taxes otherwise payable) to pay to such municipality or other local governmental agency the amount that would be charged private persons or dwellings similarly situated for such facilities and services."

TITLE VI—COLLEGE HOUSING

SEC. 601. Section 401(d) of the Housing Act of 1950 is amended to read as follows:

"(d) To obtain funds for loans under subsection (a) of this section, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,175,000,000: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $125,000,000: *Provided further*, That the amount outstanding for hospitals, referred to in clause (2) of section 404(b) of this title, shall not exceed $50,000,000."

SEC. 602. (a) Title IV of the Housing Act of 1950 is amended by adding at the end thereof a new section as follows:

"Loans for classroom buildings and other academic facilities

"SEC. 405. (a) In addition to the other purposes for which financial assistance may be extended under this title, the Administrator may make loans to educational institutions for (1) the construction of new structures suitable for use as classrooms, laboratories, and related facilities (including initial equipment, machinery, and utilities) necessary or appropriate for the instruction of students or the administration of the institution, and (2) the rehabilitation, alteration, conversion, or improvement of existing structures for the uses described above if such structures are otherwise inadequate for such uses. As used in this section, the term 'educational institution' means any educational institution offering at least a two-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(b) Any educational institution which, prior to the effective date of this section, has contracted for the construction, rehabilitation, alteration, conversion, or improvement of any structures for the uses described in subsection (a) above may, in connection therewith, receive loans authorized by this section, as the Administrator may determine, but no such loan shall be made in connection with the construction, rehabilitation, alteration, conversion, or improvement of any such structure if the work thereon was commenced prior to the effective date of this section, or was completed prior to the filing of an application under this section.

"(c) There is hereby authorized to be appropriated not to exceed $50,000,000 which shall be deposited in a revolving fund to be used for the purpose of making loans under this section."

(b) Title IV of such Act is further amended by—

(1) striking out "HOUSING" in the heading of such title and inserting in lieu thereof "LOANS";

(2) striking out "FEDERAL" in the heading of section 401 and inserting in lieu thereof "COLLEGE HOUSING";

(3) inserting after "loan" in clause (1) of the proviso in section 401(a) the following: "(including any loan under section 405 of this title)";

(4) striking out "A loan to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator" in section 401(c) and inserting in lieu thereof of the following: "A loan under this section to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator, and a loan under section 405 of this title to an educational institution may be in an amount not exceeding the cost of construction of the structures involved (including related facilities), and the land on which the structures are located, as determined by the Administrator";

(5) striking out section 401(f) and inserting in lieu thereof the following:

"(f) There are hereby authorized to be appropriated to the Administrator such sums as may be necessary to carry out the purposes of this title."

(6) inserting before the semicolon in section 402(c)(2) a colon and the following: "*Provided*, That the Administrator shall extend financial assistance to educational institutions under section 405 only after consultation with, and in accordance with the advice and recommendation of, said Office of Education";

(7) adding the following new subsections at the end of section 402:

"(e) The provisions of section 309 of the Independent Offices Appropriation Act, 1950 (63 Stat. 662), which are applicable to corporations or agencies subject to the Government Corporation Control Act, shall also be applicable to the activities of the Administrator under this title.

"(f) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on any project assisted under this title, the construction or rehabilitation of which was commenced after the date of enactment of the Housing Act of 1959, (1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended, and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed; but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction."; and

(8) inserting after "For the purposes of this title," in section 404 the following: "except as otherwise provided in section 405,".

SEC. 603. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out "and (4)" and inserting in lieu thereof "(4)" and by inserting before the period at the end thereof the following: ", and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection".

(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be cosigned by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution."

TITLE VII—ARMED SERVICES HOUSING

SEC. 701. (a) Section 803(a) of the National Housing Act is amended by striking out "September 30, 1960" and inserting in lieu thereof "October 1, 1961".

(b) The second sentence of section 803(b)(3) of such Act is amended by striking out "have a maturity not to exceed twenty-five years" and inserting in lieu thereof "but not to exceed thirty years from the beginning of amortization of the mortgage".

(c) Section 803(b)(3) of such Act is further amended by adding at the end thereof the following: "The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants."

(d) Section 803(c) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is further authorized to reduce the amount of the premium charge below one-half of 1 per centum per annum with respect to any mortgage on property acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to the provisions of this title as in effect prior to August 11, 1955."

(e) Section 803 of such Act is further amended by adding at the end thereof the following new subsection:

"(k) The Commissioner shall not insure any mortgage under this section unless the principal contractor or contractors engaged in the construction of the project involved file a certificate or certificates (at such times, in the course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of such project have been paid not less than one and one-half times the regular rate of pay for employment in excess of eight hours in any one day or in excess of forty hours in any one week."

SEC. 702. (a) The first sentence of section 404(a) of the Housing Amendments of 1955 is amended to read as follows: "Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire, by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act."

(b) Section 404(b) of the Housing Amendments of 1955 is amended to read as follows:

"(b) Notwithstanding any provision of subsection (a) to the contrary, the Secretary of Defense or his designee shall, in the manner provided in subsection (a), acquire by purchase, donation, or other means of transfer or, if the parties cannot agree upon terms for acquisition by such means, by condemnation, any housing described in clause (1) or (2) of subsection (a) of this section which is located at or near a military installation where the construction of housing under the Armed Services Housing Mortgage Insurance Program has been approved by the Secretary."

(c) Section 407(f) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957, is amended to read as follows:

"(f) This section shall have no application to any housing described in clause (1) or (2) of section 404(a) of the Housing Amendments of 1955, as amended."

SEC. 703. Section 404(c)(2) of the Housing Amendments of 1955 is amended by striking out the matter preceding the first colon in the third sentence and inserting in lieu thereof the following: "The amount of such deposit in any case where the sponsor or owner has not certified the cost of the project to the Federal Housing Commissioner at the time of the enactment of this Act shall be determined by the Secretary of Defense, or his designee, in accordance with the Act of February 26, 1931 (46 Stat. 1421), a view toward accurately estimating the equity of the sponsor or owner".

SEC. 704. (a) Title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 810. (a) Notwithstanding any other provision of this title, the Commissioner may insure and make commitments to insure any mortgage under this section which meets the eligibility requirements hereinafter set forth.

"(b) No mortgage shall be insured under this section unless the Secretary of Defense or his designee shall have certified to the Commissioner that (1) the housing which is covered by the insured mortgage is necessary in the interest of national defense in order to provide adequate housing for military personnel and essential civilian personnel serving or employed in connection with an installation of one of the armed services of the United States, (2) there is no present intention to curtail substantially the number of such personnel assigned or to be assigned to the installation, (3) adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distances of such installation, and (4) the mortgaged property will not so far as can be reasonably foreseen substantially curtail occupancy in any existing housing in the vicinity of the installation which is covered by mortgages insured under this Act. Any such certificate issued by the Secretary of Defense or his designee shall be conclusive evidence to the Commissioner of the eligibility of the mortgage for insurance in accordance with the requirements of this subsection.

"(c) The Commissioner may accept any mortgage for insurance under this section without regard to any requirement in any other section of this Act that the property or project be economically sound.

"(d) The Commissioner shall require each project covered by a mortgage insured under this section to be held for rental for a period of not less than five years after the project or dwelling is made available for initial occupancy or until advised by the Secretary of Defense or his designee that the housing may be released from such rental condition.

The Commissioner shall prescribe such procedures as in his judgment are necessary to secure reasonable preference or priority in the sale or rental of dwellings covered by a mortgage insured under this section for military personnel and essential civilian employees of the armed services, and employees of contractors for the armed services, as evidenced by certification issued by the Secretary of Defense or his designee. Such certificate shall be conclusive evidence to the Commissioner of the employment status of the person requiring housing and of such person's need for the housing.

"(e) For the purpose of providing multifamily rental housing projects or housing projects consisting of individual single-family dwellings for sale, the Commissioner is authorized to insure mortgages (including advances on such mortgages during construction) which cover property held by a private corporation, association, cooperative society, or trust. Any such mortgagor shall possess powers necessary therefor and incidental thereto and shall until the termination of all obligations of the Commissioner under such insurance be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with, and acquire for not to exceed $100 such stock or interest in, any such corporation, association, cooperative society, or trust as he may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the corporation, association, cooperative society, or trust at par upon the termination of all obligations of the Commissioner under the insurance.

"(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed $5,000,000 or (2) not to exceed, for such part of such property or project as may

be attributable to dwelling use, $2,500 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require.

"(g) To be eligible for insurance under this section a mortgage on any property or project constructed for eventual sale of single-family dwellings shall involve a principal obligation in an amount not to exceed $5,000,000 and not to exceed a sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203(b)(2) of this Act if the mortgagor were the owner and occupant who had made the required payment on account of the property prescribed in such paragraph.

"(h) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed the maximum term applicable to mortgages under section 207 of this Act and shall bear interest (exclusive of premium charges for insurance) at not to exceed the rate applicable to mortgages insured under section 207, except that individual mortgages of the character described in subsection (g) covering the individual dwellings in the project may have a term not in excess of the maximum term applicable to mortgages insured under section 203 of this Act or the unexpired term of the project mortgage at the time of the release of the mortgaged property from such project mortgage, whichever is the greater, and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage of the character described in subsection (g) of this section may provide that, at any time after the release of the project from the rental period prescribed by subsection (d), such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage insured under this section may include eight or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed five thousand dwelling units.

"(j) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages of the character described in subsection (g) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable: *Provided*, That wherever the words 'Fund', 'Mutual Mortgage Insurance Fund', or 'Housing Insurance Fund' appear in section 204 or 207, such reference shall refer to the Armed Services Housing Mortgage Insurance Fund with respect to mortgages insured under this section.

"(k) The provisions of sections 801, 802, 803(c), 803(i), 803(j), 804(a), 804(b), and 807 and the provisions of section 803(a) relating to the aggregate amount of all mortgages insured and the expiration date of the Commissioner's authority to insure under this title shall be applicable to mortgages insured under this section.

"(l) If the Commissioner determines that insurance of mortgages on any housing of the type described in this section is not an acceptable risk, he may require the Secretary of Defense to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to mortgages insured pursuant to this section. There are hereby authorized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guaranty."

(b) Section 808 of such Act is amended by striking out "The" and inserting in lieu thereof the following: "Except in the case of mortgages on multifamily rental housing projects insured under section 810, the".

(c) Section 212(a) of such Act is amended by striking out "or under title VIII" and inserting in lieu thereof "or under section 803 or 810 of title VIII".

TITLE VIII—MISCELLANEOUS

Surveys of public works planning

SEC. 801. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent."

Disposal of Passyunk and Newport war housing projects

SEC. 802. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

(b) Section 406(c) of the Housing Act of 1956 is amended by striking out "three years" in the first proviso and inserting in lieu thereof "five years".

Farm housing research

SEC. 803. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"(c) The authority of the Housing and Home Finance Administrator to make grants under subsection (b) shall expire June 30, 1961. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $100,000 during the period beginning July 1, 1959, and ending June 30, 1961."

Hospital construction

SEC. 804. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1958" and inserting in lieu thereof "1960".

(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: "and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1960, and June 30, 1961".

Savings and loan associations

SEC. 805. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: "and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association".

(b) The second paragraph of section 5(c) of such Act is amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection."

(c) Section 5(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection except the area restriction, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest an amount not exceeding at any one time 5 per centum of such withdrawable accounts in loans to finance the acquisition and development of land for primarily residential usage, subject to such rules and regulations as the Board may prescribe."

Voluntary home mortgage credit program

SEC. 806. Section 610(a) of the Housing Act of 1954 is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1961".

Defense housing projects

SEC. 807. Section 606 of the Act of October 14, 1940, as amended (42 U.S.C. 1586), is amended—

(1) by inserting the following sentence after the first sentence of subsection (b): "If any such project is consolidated under a single annual contributions contract with any low-rent project being assisted with annual contributions under the said Act, the payment of any annual contribution on account of any project so assisted shall not be deemed to be a capital grant or annual contribution with respect to any project conveyed hereunder."; and

(2) by inserting the following proviso before the semicolon at the end of subsection (c)(3): ": *Provided*, That the provisions of this paragraph shall not be applicable to any project which is consolidated under a single contract with one or more low-rent projects being assisted under the United States Housing Act of 1937, and all income from any such project conveyed under this section may be commingled with funds of the project or projects with which it is consolidated and applied in accordance with the requirements of the consolidated contract and the provisions of section 10(c) of the said Act".

Disposal of project

SEC. 808. Notwithstanding any other provision of law, the Housing and Home Finance Administrator may, whenever he deems it desirable, in the public interest, and in the fulfillment of the purposes of title VI of the Act of October 14, 1940, as amended (42 U.S.C. 1587), with respect to a housing project known as the Southmore Mutual Housing Corporation Project of South Bend, Indiana, consent to the modification, with respect to purchase price, repayment period, rate of interest, time of payment of any installment on principal or interest, security, or any other term, of any contract, sale, mortgage, or other agreement with respect to such project or any part thereof.

Real estate loans by national banks

SEC. 809. Section 203 of the National Housing Act is amended by adding at the end therof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits."

Mr. SPENCE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: Strike out everything beginning on page 74, line 25, through page 77, line 22, and substitute the following:

"SEC. 602. Title IV of the Housing Act of 1950 is amended by adding the following new subsections at the end of section 402:".

On page 78, line 25, strike out the semicolon and the word "and" and on page 79, strike out lines 1 through 3.

Mr. McDONOUGH. Mr. Chairman, this amendment would strike out the $50 million in the present bill that is provided for the building of classrooms. As I stated when I spoke during the general debate, it seems to me that this is under the wrong jurisdiction. If this should be approved, you are making the administrator of housing an administrator of educational facilities because it is not only the construction of the classroom which certainly cannot be considered housing in the sense that it is not a place to reside but a place to be instructed in as compared to the provision of the bill for dormitories. I am making no objection to the dormitory section of the bill. There are other facilities whereby this money can be obtained. There is a customary, traditional source for such money from people who make contributions to colleges frequently. With a $50 million program provided by the Federal Government under a subsidized interest rate, you are certainly going to dry up that source to a large extent. This has been discussed here in general debate. As a matter of fact, the gentleman from West Virginia referred to it just a moment ago. I would like to call your attention to the bill that is now pending before the Congress which is known as S. 1017, which provides for an alternative means for assistance in financing academic building construction which does not violate the fiscal policies of the country. When I refer to fiscal policy, I do not want to have to emphasize the fact that we are facing a financial crisis in this Nation. We have not yet yielded to the administration's request that we allow an increase in the rate of interest on bonds so that we can go into the market and obtain money to finance this Government, which is moving the whole financial structure of this country into short-term loans. We are cashing more savings bonds every year and every month than we are selling. We are further obligating that and putting a burden upon the fiscal policy of the Government by this $50 million for classrooms which will not harm anyone, if it is taken out of the bill, and by the other obligations that are in this housing bill.

The housing bill provisions for $50 million in direct loans to colleges and universities for the construction of classrooms and other academic buildings are strongly objectionable to the administration on the specific grounds summarized below. If passed with these provisions, there is serious risk that the bill would be unacceptable to the President even if it contained no other objectionable features.

First. Direct loans for academic buildings at the subsidy interest rate applicable to the college housing provisions of existing law would violate established administration fiscal policies on three counts: (a) They would extend the subsidy interest rate provisions of the college housing loan program into a vast new field; (b) they would require reliance on Federal expenditures rather than private lending; and (c) the potential annual expenditures, if the program is expanded enough to come anywhere near meeting the existing need, would be very large.

Second. The administration, in S. 1017, has proposed an alternative means of assistance in financing academic building construction which does not violate these fiscal policies and which would be of as great, or greater, value to the colleges and universities. It would provide grants payable over 20 years equivalent to 25 percent of the principal amount of long-term loans for college buildings—both housing and academic. In the case of loans lacking the benefit of tax exemption of interest payment, the Federal Government would also guarantee payment of principal and interest.

Third. The $50 million provided for in the housing bill is clearly only the beginning of what would inevitably become a program of major dimensions. The administration bill provides for assistance in constructing $1 billion worth of academic buildings over 5 years. This amount represents a realistic measure of the scale to which the housing bill amendment would have to be expanded in order to be adequate.

Fourth. Loans for academic buildings, unlike loans for the income-producing facilities covered by the existing college housing loan program, cannot be paid off through the earmarking of specified revenues derived from the use of the buildings. Loans for academic buildings thus represent a form of aid to higher education which should be recognized as such and dealt with by the education committees rather than as a provision of housing legislation.

Mr. RAINS. Mr. Chairman, will the gentleman yield for a question?

Mr. McDONOUGH. I yield.

Mr. RAINS. I want to ask the gentleman if he seeks to strike out this section altogether or transfer this amount to the college dormitory section?

Mr. McDONOUGH. No; I ask to strike out the amount altogether because the amount that is in the college dormitory section is $250 million, which as a matter of fact in conference and by the vote of the other body seemed to be a sufficient amount to meet our college dormitory program, and is only $50 million short of the amount the gentleman included in the bill that was acted upon by this House.

Mr. RAINS. It was $400 million, as the gentleman remembers, in the bill that we passed, but it was cut to $300 million in conference.

Mr. McDONOUGH. In conference—that is right.

Mr. RAINS. Now the dormitory provision is $50 million less and, as I recall it, this classroom housing was cut also in conference and is $50 million and you seek to cut it out of this bill.

Mr. McDONOUGH. That is the $50 million for the classrooms. We are entering into a new program here that may run into billions of dollars. This $50 million is only the first approach, and while we are adding to the burdens of the fiscal policy and responsibility of this Government, we are not relieving it a bit by giving it an opportunity to go into the market and get this money on the same basis as any other institution that is seeking bond money to finance itself. It is a serious responsibility and I think we should face up to it at this time.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had hoped when the gentleman was going to offer this amendment, he would at least recognize the need certainly in the college dormitory program. But, since he seeks to strike it out completely, I will say he should not be worried about the expense of the item to the administration. This fact is correct. I hope my friends on the Committee on Education and Labor will listen to this. Whichever way one decides the question, whether you are to put it in this bill or not, is one thing—but this fact is true. The administration has re-

quested a program calling for $500 million for outright grants to colleges. Yes, that is correct. I have checked this one for sure. The amount of loan funds—and this is only loan funds—in this bill is only $50 million. Yet, you have a bill pending by the administration asking for $500 million of direct grants.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. McDONOUGH. I think this ought to be cleared up. Five hundred million dollars for classrooms and dormitory construction.

Mr. RAINS. If it is for classrooms and dormitories, I repeat, that bill seeks to duplicate what we have in this bill. So you argue on one side we should not put classrooms in this bill; on the other side the administration has wanted to put dormitories in another.

Mr. McDONOUGH. That is right.

Mr. RAINS. All right, but it is a little confusing, you will have to admit.

Mr. McDONOUGH. Not at all.

Mr. RAINS. I would like to point out the interesting fact that approximately one-half of the $800 million in loans for dormitories have included cafeterias and other service facilities in connection with the college.

Now, since we have got a confused situation here in the pending administration bill on education, I say that this is not too much of a departure. There is no necessity for me to argue the need. I wish I could show you the hundreds of letters I have from presidents of universities and colleges, small and large, from every State of the Union, of every type, whether they be private colleges, State universities, or what not, showing the greatest need they have is for some space to put the kids of America who want to go to college and get a scientific education.

I am not going to make a speech on education. I think I can say that we need an educational program for colleges in America worse than we need a highway program, because as I look at the picture the only place we seem to be falling behind the one great enemy we have in this world is in the scientific and educational programs. After I listened to my good friends who have been abroad there is no doubt of it; and I say again I wish there were some way to get the gentleman's bill to the floor. But we should deal with an important matter of this kind whether or not it is in this bill or some other bill.

I will say here what was said on the Senate floor: If this bill contains this item, I will do all I can to help get the educational program passed and afterward hope he would offer an amendment to set up the same program in another bill. So we are arguing for nothing. As a matter of fact, the only question is, Do we need it?

It is said we cannot afford it. I am well aware of that, but at the same time the administration seeks $500 million in grants. This is a loan program, and the Government has never lost a penny on a loan to a college.

So I hope you will vote down this amendment which seems to me to be aimed at not trying to help the whole program of college housing but just to strike it out and further reduce it.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

The CHAIRMAN. The gentleman from New Jersey is recognized for 5 minutes.

Mr. WIDNALL. I do not intend to take the 5 minutes.

What I wanted to bring out in my conversation with the gentleman from Alabama [Mr. RAINS] was this: It is my intention to support the amendment offered by the gentleman from California [Mr. McDONOUGH]. It is also my intention to support an increase in the college dormitory authorization for the $50 million that will be saved by eliminating the classroom program.

In the Senate this same amendment was offered and almost carried. I believe that there is considerable sentiment for this type of program rather than the one in the present bill.

So I hope very serious consideration will be given to the amendment offered by the gentleman from California [Mr. McDONOUGH].

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in support of the McDonough amendment.

Mr. Chairman, I understood the gentleman from Alabama to say earlier in the debate that this provision, in his opinion, had no place in the bill, but that the other body included it and, therefore, he thought he should defend it. That as I recall was his attitude toward it. The gentleman also said just now that he was more interested in dormitories than in the college classroom program.

In my opinion this classroom item not only has no place in this bill, but it involves a very important basic principle. The gentleman from Alabama expressed his view of the issue here, stating that the only question is: Do we need this program? I do not believe that is the issue at all. I think that the need for additional college facilities today is pretty generally recognized.

The question is, What is the Federal responsibility? What kind of program should we set up? How adequate should it be? Should it go through the regular committee channels? I am not just simply defending jurisdiction of the Committee on Education and Labor in opposing this provision. I feel very strongly that there is a basic principle involved. The aid to be provided will be furnished in a very different way if we leave it in this bill than if we provide it in accordance with the administration's recommendations.

What is proposed in this bill is that subsidized loans are to be made available for any of a variety of purposes, educational facilities, academic facilities of one sort or another, and so forth. On the other hand, if we accept the approach incorporated in my bill, H.R. 4267, the administration's proposal, we will be encouraging colleges to help themselves, not do the job for them.

We will provide a Federal guarantee for the non-tax-exempt bonds of interest and principal, and also certain grants. This $500 million that the gentleman refers to as an argument in favor of the $50 million which he seeks, is to be made available in direct grants, to be made available over a 20- to 25-year period. I would suggest that this is an altogether different proposition from the proposal of loans such as incorporated in this bill. The $500 million will repay, over a 20-year period, one-quarter of the $2 billion worth of construction bonds which will be issued.

The basic purpose for these grants over a 20-year period will be to see to it that the colleges or educational institutions do their own job. We are making it easier for them to do their own job. We should not inject ourselves into what has been done on a private basis and attempt to finance it on a public basis.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from New York.

Mr. MULTER. I would suggest that the people of the country are tired of waiting for aid to school construction and for college classrooms. I do not think they are concerned with the parliamentary procedure or whether or not the gentleman's bill will be considered or this one. I think they want this legislation, and I think this is the time to pass it.

Mr. FRELINGHUYSEN. They may be tired of waiting, but nonetheless it would be undesirable to have an ill-conceived program set up as a precedent. If this should happen, we would be obliged to contribute millions of dollars without even having considered a possible alternative.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to commend the gentleman from New Jersey for the very splendid statement he has made. He has pointed out the very obvious difference that ought to be readily understood by everybody between what the administration proposes and what is here proposed to be done. They are radically different, the approach is different, and I sincerely hope the amendment is adopted.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply want to say that college enrollments projected into the future show that they will be doubled in the next 10 or 12 years. We now have 3½ million persons in college. In 1970 we will have 7¼ million persons in college. As a nation we are going to have to build twice as much educational facilities as we now have in the next 12 years. It took us 200 years to get the present college plant built.

I have received support for this program from the colleges not only in my own district, but in others as well. I have letters from the president of the University of Colorado, the presidents of the Colorado State University, Skidmore College, University of Bridgeport, Washington University Libraries and Trinidad State Junior College, all in support of this program.

This program does not cost the taxpayers 1 dime. These are loans and every dollar involved will be paid, with interest, to the Federal Treasury.

The alternative to this is: first, we will not have adequate facilities, or second, if we fail to act this year, a few years down the road we will be asked to pass a crash program which will not involve loans to be repaid, but will involve grants which will cost the taxpayers far more heavily than this program.

Mr. Chairman, I ask for the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RAINS and Mr. McDONOUGH.

The committee divided, and the tellers reported that there were—ayes 133, noes 146.

So the amendment was rejected.

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: On page 1, line 8, amend section 101 by striking out "1960" and substituting "1961".

On page 10, lines 2 through 11, amend section 107(a) to read as follows:

"SEC. 107. (a)(1) Section 217 of the National Housing Act is amended by striking out '$7,000,000,000' and inserting in lieu thereof '$12,000,000,000'.

"(2) Section 217 of such Act is amended, effective October 1, 1959, by (A) striking out 'July 1, 1956', and inserting in lieu thereof 'October 1, 1959', and (B) striking out '$12,000,000,000' and inserting in lieu thereof '$5,000,000,000'."

Mr. WIDNALL. Mr. Chairman, we have heard previous speakers talk about FHA and the fact that if this housing bill is not passed FHA will collapse and the entire housing business in America will deteriorate to the point where it will really have a tremendous adverse impact on the economy.

I would like to point out to the Members of the House that in the first week of January this year, the gentleman from California [Mr. McDONOUGH] and I offered an increase in authorization for the FHA of $6 billion. That could have been passed at that time, the authorization could have been given and it would not have been necessary for the agency to enter into what they call "assurances to commit."

In this bill I do not believe there are realistic figures. First of all, $4 billion is supposed to take up the "assurances to commit" that are outstanding. Actually there are over $5 billion at this time, and we should have enough to take care of those assurances. This $5 billion figure is taken care of in the first part of my amendment. There is then an additional $5 billion that would be exactly in accordance with previous law, with no time limit on the period during which those authorizations could be utilized.

Just remember this. We have never had a cutoff date on FHA. If the Congress of the United States wants to face exactly the same situation we are facing now, when the agency in order to stay in business must try to find some way whereby mortgage commitments can be assured, then continue with the program as it is outlined. This would increase FHA authorization by $8 billion, only $3 billion above the authority needed to meet outstanding assurances.

Also in this section, section 1 of the National Housing Act authorizes FHA to insure loans for home improvement to the 51 million homes of this Nation.

This program has had 25 years of experience and has helped 22 million home owners to maintain their property standards by securing low-cost Government-insured loans for remodeling, repairing and modernizing their homes. It has lifted the standards to such an extent that it cannot be evaluated in dollars.

So that this program may continue in an orderly, planned manner, I propose a change in the proposed extension of the modernization and repair section. This section would be extended to October 1, 1960, under this bill. My amendment would extend the program for at least 2 years, until October 1, 1961, so that production, sales and improvements can be scheduled over a reasonable time.

Again I would like to point out to the Congress that this is the first time there has been just a 1-year extension. We previously had 2- to 3-year extensions. It seems uncalled for and is only calculated to slow down modernization and repair loans because you simply cannot have adequate plans for the future on this basis.

The FHA property improvement program does not cost this Government 1 red cent. So why should there be any reluctance on the part of the Congress to vote for this type of activity? In fact, it is a money maker and has a reserve of over $70 million after all expenses. I just hope that very serious consideration will be given to this. I hate to bear the responsibility as a Member of the Congress for the condition that exists right now in the FHA. We are responsible—not the agency and not the President. The President has asked for an authorization for the FHA. He asked for the authorization long ago—back in January of this year, and if we are in a situation where it is said on the floor of the other body, "We make it very clear in the bill that we do not regard this practice as legal and we do not want any more of it. As a matter of fact we prohibit it. Four billion dollars plus the amount the revolving fund returns will be available to take care of new FHA insurance commitments," it is because of our own refusal to act.

If we do not want this type of operation to continue, then give the FHA enough money to operate on. Keep 40 percent of the building program of America going. Do you want to share the responsibility for cutting it off? I do not.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, you know I am a little surprised by the speech made by my good friend, the gentleman from New Jersey. It is not his fault, but it is the administration's fault that they are now called upon to use illegal agreements to insure because he and I and the gentleman from California tried our best to pass a housing bill last year that would have had plenty of money in it for the FHA.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. McDONOUGH. There was no additional money authorized for FHA in the last housing bill a year ago.

Mr. RAINS. A year ago we asked the administration time and time again and said, "How much do you need?" Go back and read the hearings. They said, "We do not need it. We have enough to go on even without the housing bill." I even went so far and I should not have been so unkind to my good personal friend and former colleague, Albert Cole, as to say in the hearings: "You were not trying to deceive us, were you?"

Mr. McDONOUGH. The gentleman must admit that there was no additional authorization.

Mr. RAINS. And the reason is the administration would not ask for it.

Mr. McDONOUGH. All right. Now following that, however, we did authorize $4 billion for Fannie Mae and an additional $6 billion for the FHA.

Mr. RAINS. The administration did not ask for it and then when we gave the FHA authority which they need, the President vetoes the bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. McCORMACK. If the President had not vetoed the bill, they would have had $10 billion more.

Mr. RAINS. Absolutely.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. HALLECK. If the President had not vetoed the bill, the people of this country who are being hurt by inflation and the rising cost of living would have been hurt more.

Mr. RAINS. Mr. Chairman, I decline to keep on yielding for political speeches. The gentleman can talk on his own time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I will be glad to yield later. I said that we have been willing on the committee and in the Congress to give FHA all the insurance authority they asked for, and we have done it on every occasion. Now we get an audacious proposal made to you, the Members of the Congress, who wrote this law—and certainly it has had a great record—it was born and conceived in a Democratic administration and it has been nurtured by Democrats and Republicans in Congress alike. We have all done a good job for FHA. Nobody can doubt that. Both Democrats and Republicans. Now to suddenly say, "We cannot trust you fellows with this creature which you made, any longer; and we want to turn it loose to the wild blue yonder of bureaucracy uncontrolled."

In other words, to cut it loose from congressional authority and cut this program off completely, which is a child and creature of you, the Members of this Congress, is strange indeed.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. WIDNALL. Does the Veterans' Administration program have a termination date?

Mr. RAINS. The Veterans' Administration program, of course, is a readjustment program. Except in the years at the beginning, the FHA program from its inception had the insurance authority set year by year by the Congress of the United States.

Mr. WIDNALL. But it had no termination date?

Mr. RAINS. It had no termination date.

Mr. WIDNALL. But the money was authorized and this is the first time this is being done, to have a cutoff date on the authorization.

Mr. RAINS. Let me try to tell you the true facts. Does anybody have any idea on the other side of the aisle, next year that we are not going to face the housing bill again? Does anybody actually believe that we can pass a law to keep us from bringing another housing bill in next year? It cannot be done. Next year is an election year. The opponents of housing want the FHA put off way beyond that date so the bill could more easily be vetoed. If the Members of this Congress are willing to give up their own authority over the FHA to say how much and when they shall have it, then I sadly miss my guess because we are proud of the FHA and we do not want it in politics. We want it instead to be the one thing that will help the people of this country to get homes.

So I ask you to vote this amendment down.

Mr. McDONOUGH. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. McDONOUGH. Mr. Chairman, the cat is out of the bag right now, if the Members want to know the fact of the matter; the cat is out of the bag; because FHA is definitely held as hostage in this bill in order to expand, improve and bolster the other programs that will be in this bill next year.

FHA is the most acceptable part of any housing bill we have had on the floor since I have been in the Congress. It has insured more than $30 billion worth of mortgages on homes. It has developed a reserve of nearly $700 million. It has paid its own administrative expenses.

Because it is so desirable the opposition on this committee and apparently the attitude here today is that it has to be adopted and, therefore, we will put all the other things we want in it that the other side does not want.

We have tried to argue reasonably here on expenditure. We are not opposed to urban renewal; we are not opposed to college dormitories; we are not opposed to many sections of the bill, but the amounts in the bill are excessive insofar as the needs are concerned because in urban renewal we have $1,320 million that we have not even got a workable program for but still it is part of the debt obligation of the Nation.

Insofar as classrooms are concerned we have had a vote and it is settled that it has a place in this bill. I still maintain it does not in spite of the vote.

The President in his message the other day made an appeal as Chief Executive of the Nation, and no one can say that he does not have the confidence of the American people behind him in everything he has done. He said:

> The increase in FHA's loan insurance authority should not be made contingent upon the possibility of approval by the President after Congress has adjourned of legislation which contains features that the administration finds seriously objectionable and that are entirely unrelated to FHA's loan insurance program.

He has made an appeal to give to the administration the opportunity to further insure loans on homes. Construction of homes produces the most employment through the construction of the building and the sale of the appliances that go into the home. It does the most for the stability of the economy and the enrichment of this country. He asks that that program be continued, and he does not want it contingent upon these other programs that are in this bill that are undesirable and that were the cause of his veto of the original bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RAINS and Mr. WIDNALL.

The Committee divided, and the tellers reported that there were—ayes 126, noes 172.

So the amendment was rejected.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. McDONOUGH: Page 49, lines 11 and 12, strike out "by $550,000,000 on the date of enactment of the Housing Act of 1959" and insert "by $350,000,000 on the date of enactment of the Housing Act of 1959 and by an additional $200,000,000 on July 1, 1960".

Mr. McDONOUGH. Mr. Chairman, this amendment does not reduce the amount of funds provided in the bill for urban renewal. It does divide the $550 million into an expenditure of 2 years and specifies that $350 million be spent during the first year and $200 million the second year. It does not disturb the $100 million that is provided in the bill, at the President's discretion, to recognize the demands from small cities that may be crowded out of the picture, because, as the bill is written, it is first come first served, and the big cities are more capable of providing a workable plan than the small cities.

Now, in considering urban renewal, I hope I may have your attention for a few moments. We have committed ourselves to $1.3 billion in the last 10 years. The urban renewal program is about a 10-year-old program. It started in 1949. As many of you may realize, a commitment requires a workable program and cooperation on the part of the city, county, and State. It requires the purchase of a certain amount of land. It requires, in many cases, court action. The right of eminent domain has become a customary use in urban renewal for the transfer of property from one person to another instead of the ordinary right of eminent domain of its use for the purchase of right-of-way for highways for the use of all the public. Out of the $1.3 billion that we have committed ourselves for, less than $250 million has been expended by actual cash delivery to the various cities. In other words, we have had 647 projects across the Nation. They have requested funds. They have asked for planning money. They asked to be considered. Out of the 647 only 44 projects have been cleared. Now, it is evident that the $650 million that is in the present bill that we are considering is not necessary for the next year, because all that will be done with it is to have the cities come in and ask to be put on the line for a certain sum of money to redesign congested slum areas of their cities, and eventually obtain the money. Now, do we want to do that when we are facing the situation that we are in fiscally? We have a debt of almost $300 billion. We have a deficit in the present budget. We have a problem of seeking money to finance the Government in the money market today, and still we are asking in this bill for the authority to obligate another $650 million for urban renewal which, according to the history of the whole program, out of 647 projects applied for only 44 of them have been cleared.

Now, you may say, Well, all of them are going to come in all at one time. Well, if they do, then the budget will certainly be thoroughly unbalanced that particular year, and because the obligations have been committed, they will have to spend the money forthwith. And, I maintain that nobody is going to be injured. The administration and I personally favor an orderly urban renewal program in this country, but I do not believe in extravagant expenditures.

Furthermore, I believe that any future housing bill that we write here certainly ought to have a time limit on it from the time the city or the county may ask for urban renewal money; that a workable program must be made available; that the money must be used within a 5-year period or it must be taken off the books. I cannot tell you the timetable of the $1,320 million that is now committed. Some of it may be 10 years old, but still it is a debt obligation on the Nation, and I think that is too much of an obligation for the Nation to assume under the circumstances.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Iowa.

Mr. GROSS. How much of the 1 billion-plus for this program will come back to the United States Treasury eventually?

Mr. McDONOUGH. Come back in what manner?

Mr. GROSS. Will any of it come back?

Mr. McDONOUGH. No. The argument is that this will increase the tax revenues of the city or the county, that it will provide more convenience for shopping, that it will remove some of the unsanitary and unlivable conditions in the city—all of which may be true, but in my opinion that is a first and primary responsibility of the city or the county in which the situation exists.

Mr. GROSS. I should think so. And the gentleman is saying, then, that none of this money will come back to the U.S. Treasury?

Mr. McDONOUGH. None of this money will come back to the U.S. Treasury; no.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

As I listened to the remarks, Mr. Chairman, of my good friend from California [Mr. McDONOUGH], my mind went back to another distinguished gentleman who used to sit in the seat he now occupies. The man who actually wrote the urban renewal program was a Republican by the name of Jesse P. Wolcott, of Michigan, in a Republican Congress. Let us get the record straight. They are straying away from the Founding Fathers. Actually the program up until that time was a slum clearance program. We were clearing slums. But it was under his leadership as chairman of the Committee on Banking and Currency and in that Congress that the urban renewal concept was developed.

There are a lot of things wrong with the urban renewal program, but the purpose and intent of it is not wrong. The heart of the cities of America—and I am a small town boy—I know that the heart of the cities of America is rotting out with decay and blight and slums.

I know that my good friend from Iowa just suggested that it was the business of the cities to change it. I agree in part with that, but I remind you also that the strength and might of America, yes, the very backbone and economic might of this country, is in the cities.

So do not pass the buck and say that Uncle Sam has no interest in what happens in New York or Des Moines or Los Angeles. Uncle Sam has a very great stake in what happens in the cities of America.

Listen to this—and these are true figures. We did not have a housing bill last year, as you know. This bill is to take care of the backlog. Over $300 million of projects have already been approved and are pending in the Urban Renewal Agency. They need immediate attention. In addition to that there are many more that are along the way. Instead of this being too much—and it is only $50 million more than the yearly amount we put in the bill that passed this House for 3 years, and this is only for 1 year—$550 million and $100 million for the President to use for small cities if he desires—this will not even catch up with the backlog of approved projects that have been waiting, which have had the planning, which the cities have worked up and are ready to go. But in a program written, conceived by, and dedicated in a Republican administration we now find all of the faltering and holding back on the desperate problems that face the cities of America on the minority side of the aisle.

I simply say this, that this program for the cities of America, and for the small towns of America, has the urgency to cause us to want to give as much as we possibly can in this bill to catch up on the backlog that is now pending.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. McDONOUGH. I appreciate the gentleman's tolerance of my interruptions. I do not disagree with the gentleman about urban renewal through an orderly program. Then it is acceptable and proper. I am not proposing to cut the amount one bit in my amendment. However, does the gentleman agree with me that a time limit ought to be set here so that a city cannot commit the Federal Government for $50 million and hold it in abeyance for 5 or 6, or 7 or 8, or 9 or 10 years?

Mr. RAINS. Of course, I agree. But the gentleman knows that under the regulations promulgated by the Agency what he is talking about is not possible. As a matter of fact the regulations of the Agency recognize that the programs be brought up to date and programed over certain periods of time.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. RAINS] has expired.

The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, on that I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. McDONOUGH and Mr. MULTER.

The Committee divided, and the tellers reported that there were—ayes 121, noes 169.

So the amendment was rejected.

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: On page 74, line 20, strike out "$1,175,000,000" and insert "$1,225,000,000."

Strike out everything beginning on page 74 line 25, through page 77, line 22, and substitute the following:

"SEC. 602. Title IV of the Housing Act of 1950 is amended by adding the following new subsections at the end of section 402:".

On page 78, line 25, strike out the semicolon and the word "and" and on page 79, strike out lines 1 through 3.

Mr. RAINS. Mr. Chairman, I reserve a point of order against the amendment because I think we have already voted on a similar amendment.

The CHAIRMAN. The gentleman from Alabama reserves a point of order.

The gentleman from New Jersey [Mr. WIDNALL] is recognized.

Mr. WIDNALL. Mr. Chairman, this amendment carries out what was intended by the McDonough amendment previously acted on. By this amendment the $50 million for college classrooms would be stricken out of the first part of the bill and carried over to college dormitories. If this amendment is carried the college dormitory authorization will be increased by that amount and the college classroom program canceled out.

Since I do not seem to be persuasive myself with respect to the amendments I have offered, I would just like to read a statement made by Senator FULBRIGHT on the Senate floor when this same amendment was offered in the other body. I am sure all of us in the House have a very high regard for Senator FULBRIGHT and know of his great interest in educational matters over a long period of years. Senator FULBRIGHT at the time an effort was made in the Senate to do exactly this same thing said in support of the amendment:

First, I wish to refer to the opposition of the administration to the classroom program, which would authorize appropriations. Let me say that even if the administration did not veto the bill on that account, there would be no way, under that authority to appropriate, to make the administration request and spend the funds. On the other hand, the regular college dormitory program, which the amendment of the Senator from Connecticut would increase by $50 million, is the traditional and established college housing program which provides authority to borrow on the basis of a formula which has been fought out and approved by the Senate for several years now.

Finally, the overall amount available for the colleges is more important, it seems to me, than a new program for classrooms.

Mr. Chairman, I would like to urge very, very serious consideration of this amendment. It was a key point of opposition to the previous bill, and it certainly would be a key point of opposition to the present bill if the classroom program is included by the Congress.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield.

Mr. MULTER. The purport of the gentleman's amendment is to take out of the bill the authorization for college classrooms and add it to college dormitories.

Mr. WIDNALL. The gentleman is correct.

Mr. MULTER. The purport of the amendment, if enacted, would be to take out of the bill the authorization for classrooms and reallocate it to dormitories.

Mr. WIDNALL. That is right.

Mr. Chairman, I yield back the balance of my time.

Mr. MULTER. Mr. Chairman, I make a point of order against the amendment, but I believe the gentleman from Alabama already has reserved a point of order.

Mr. RAINS. I am going to withdraw my reservation of a point of order and rise in opposition to the amendment.

The CHAIRMAN. The point of order is withdrawn.

The gentleman from Alabama is recognized.

Mr. RAINS. Mr. Chairman, this is marching up the hill and back down again. This is the very same thing with just a little different quirk to it that the Committee voted down overwhelmingly on the first vote of the afternoon.

This amendment seeks to take this particular money for classrooms and transfer it to college dormitories. We had already acted on the classroom proposition and I thought maybe a point of order would lie, but I found out it would not; but I do know this for sure, that we have already voted on the major part of this amendment and the Committee has already fully expressed itself.

In my judgment transferring this to college dormitories would not fill as great a need as to leave it where it is urgently needed in connection with scientific laboratories, classrooms, and so forth.

I do not care to extend the debate. We have already debated it at length a while ago.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is far more important, or just as important at least, to have loans for classroom facilities which benefit the individual student as it is for dormitory housing, is that right?

Mr. RAINS. I agree with the gentleman.

Mr. McCORMACK. If the gentleman's first amendment to strike out the $50 million had been adopted, I doubt if he would have offered the amendment to increase the $300 million to $350 million.

Mr. RAINS. I do not know about that, but we decided the issue a while ago.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I would like to ask the gentleman if he would agree with the request I have from the president of the University of Bridgeport—which incidentally is in the district of our able and distinguished colleague from Connecticut, Mr. DON IRWIN—when he states:

> We are also in the process of trying to raise money for a desperately needed new science building, and we find it very difficult to get the funds needed. To date we have only about three-fourths of the necessary amount, and it is doubtful if we will make our goal, which will necessitate our constructing a smaller and unsatisfactory building. For this reason we are greatly interested in the provision in the current bill making money available for buildings for general education purposes.

Does the gentleman agree with that statement?

Mr. RAINS. I agree, and I think it is the general feeling of all colleges of the country.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This amendment does not reduce the amount of the bill at all?

Mr. RAINS. Not at all.

Mr. BROWN of Georgia. The amount of the bill would remain the same with or without the amendment, is that right?

Mr. RAINS. It does not reduce the total amount of the bill one penny. The amendment would not, if adopted.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Iowa.

Mr. GROSS. After listening to this debate today I am beginning to wonder if there is a county or State that is solvent. Are they all busted?

Mr. RAINS. Of course I am not an expert on that, I may say to the gentleman. I do not know what shape they are in. I know they are constantly saying they need more money for colleges, universities, and so forth.

Mr. GROSS. As with the bill we had before us yesterday, apparently there is no problem too small and none too large to be solved out of the U.S. Treasury.

Mr. RAINS. I cannot agree with the gentleman that we ought to curtail the housing programs, because I think they are essential.

Mr. TOLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is hard to understand why the opposition to the construction of college classrooms is ever presented whether under the guise of the jurisdictional question of which committee should have such a matter for consideration or otherwise. When you realize that the education of our people is the most important factor in developing the defense and security of our Nation; when you consider the extensive effort which the Soviet Government is putting forth to educate their people and provide every conceivable inducement therefore; and when you understand that the development of scientists, mathematicians, teachers, and technicians as well as scholars of all kinds is of utmost importance in the struggle for superiority and in the effort to demonstrate the superiority of our country in the educational field, it is inconceivable that anyone would make any effort to oppose any program which would give us the educational superiority which we need and which will provide us with the brains and skills needed to defend this country and to provide for its security to say nothing of the byproduct of culture which it will also develop.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. MULTER and Mr. WIDNALL.

The Committee divided and the tellers reported that there were—ayes 121, noes 167.

So the amendment was rejected.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLMER: On page 70, line 6, strike all of title V beginning on page 70, line 6, through page 74, line 12 and renumber titles and sections of the bill accordingly.

Mr. COLMER. Mr. Chairman, this is the public housing amendment. I had the privilege of addressing the House here earlier for 15 minutes during consideration of the rule on this subject and in these 5 minutes I can only touch on the highlights.

I am very much concerned about this particular item in this bill as it affects the overall future of this country.

Mr. Chairman, I recognize that there are some people who are not concerned about the future of their grandchildren and the future of this Republic. I just said to a Member of this House a moment ago that I wish I could bring myself to the position where I approached these matters purely on a party line and just let it rest there. I get no particular pleasure out of hearing the sound of my voice any more than you do. But I think I have a responsibility as a Member of this Congress to my people and to your people and to the continuation of this, the most perfect embodiment of human government ever conceived by the mind of man.

I say that this type of legislation is going far afield from the basic concept upon which this Republic was founded and upon which it has prospered throughout these years.

This amendment would strike out public housing. I am asking you to do here today what you have done on several previous occasions, write the record in this House that you are opposed to public housing. Let us take our responsibility. Let the other body do what it sees fit.

We hear a lot about a veto of this bill. We hear a lot about party lines. As I said before, I am not concerned about the politics of this. The President's responsibility is whether he wants to sign this bill or not sign it. But my responsibility is to urge that which I think is best for this country.

As I pointed out earlier in the debate this would save $1,424,026,500 on these 37,000 units. I read the figures to you today that will prove that. I do not have time to go over them again now. But that is an awful lot of money for a nation that owes $280 billion-plus. Somewhere along the line we ought to stop, look, listen, and consider where we are going in this country. Oh, I know there is a lot of politics in it, local as well as party. I am just going to take your time here to read what a man said about it. And, by the way, he was a strong advocate of public housing. His name was Charles Abrams. He was a former consultant to the U.S. Housing Authority and an ardent supporter of public housing.

This is what he said:

> The politician who dominates the housing authority controls the city's political destiny.

Is that what you are interested in? Speaking of projects in New York City alone, he went on to say:

> Within a few years the families in housing projects will be nearly 10 percent of the city's total and the investment of the authority will exceed $2 billion with all that this means in construction, contracts, patronage, and other rewards for worthy persons.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. GEORGE. Mr. Chairman, I object.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

Mr. COLMER. I hope the gentleman will not do this for my sake. I have had my time.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Mississippi, if he desires additional time. Before that, however, let me say that if there is a further disposition to rush this bill through the House today to get the Thursday to Tuesday club on the road, it may result in a reverse action. The Members might be here voting tomorrow. I repeat, you might be here voting tomorrow.

I now yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, I appreciate the good intention of the gentleman from Iowa. I am sure he feels about this matter as I do. I am sure many others feel as I do. I had 15 minutes under the rule, and I have had my 5 minutes here now. I hope the gentleman will utilize the time himself. I am appreciative of the gentleman's efforts, but under the circumstances I just must decline. I thank my colleague for whom I have such a high regard very much. I hope he understands.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to withdraw the motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. BASS of Tennessee. Mr. Chairman, I object and ask for a vote on the motion.

The CHAIRMAN. Objection is heard.

The question is on the preferential motion offered by the gentleman from Iowa.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. McCORMACK. Mr. Chairman, I hope my friend, the gentleman from Tennessee will permit the gentleman from Iowa to withdraw his motion, because we all understand the very fine motive that the gentleman had.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BASS of Tennessee. The only reason I objected was not that I wanted a vote on it, but I wanted to eliminate the possibility of another motion being put maybe the next moment. It is a parliamentary procedure.

Mr. McCORMACK. We could meet that situation if it should arise. The gentleman from Iowa asked unanimous consent for the time of the gentleman from Mississippi to be extended and Members, within their proper rights, objected, and the gentleman from Iowa properly exercised his rights under the rules and offered the motion. The unanimous consent request that the gentleman made showed what his motive was and it was a proper motive under the circumstances.

Mr. BASS of Tennessee. Will my leader yield again?

Mr. McCORMACK. I am glad to have you say I am your leader. I might say the gentleman has been very responsive. I do not want any misunderstanding in the RECORD.

Mr. BASS of Tennessee. I would like to say that every time I follow the leadership of the distinguished gentleman from Massachusetts I always feel like I am going in the right direction. Will the gentleman yield further?

Mr. McCORMACK. I am delighted at the gentleman's last statement. I am so overwhelmed that I not only yield, but I am waiting.

Mr. BASS of Tennessee. Mr. Chairman, in deference to the request of my leader, I withdraw my objection.

Mr. McCORMACK. The gentleman from Iowa can renew his request when I get through. I took this time to say a few words. I intended to speak a little later, but I am now taking advantage of this opportunity to speak.

Mr. Chairman, in relation to the amendment offered by the gentleman from Mississippi, we all know the gentleman from Mississippi is honest in his position. He has always been opposed to public housing. Nobody doubts the purity of his motives. I do not think the gentleman from Mississippi doubts the purity of the motives of any other Member who believes in this program. I voted for 90 percent of parity. I would not want anyone to doubt the purity of my motives.

I voted for the development of our great natural resources of our country, and all sections of the country—down in Mississippi, too.

I voted for the soybean subsidy in Mississippi.

I voted for tobacco.

I voted for agriculture all along the line because I felt our agricultural life in America should be kept virile and dynamic.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COOLEY. The gentleman even voted for tung nuts.

Mr. McCORMACK. Yes.

Now, I am sure my friend, the gentleman from Mississippi, favored some of these things, if not most of them. I am glad to see that he and I agree in that respect. But, when we come to public housing, then my friend departs. I will not address my remarks to my friend from Mississippi, but I wonder if he realizes today there are still in America 6 million American families with a total family income of $1,000 a year or less. I wonder if he realizes there are close to 6 million American families—and I am talking about families and not individuals but American families—with a total family income of between $1,000 and $2,000. I wonder if he realizes 50 percent of the families of America have a total family income of $3,500 or less.

So we have our problems; and as we try to meet the problems of agriculture, as we try to meet the problems of flood dangers throughout the country, as we try to meet the problems of conserving our great natural resources, so this program is designed to meet one of our problems. I submit it is a fair problem. It is not something new; it is something we have been carrying on for years. It is the problem facing families living under substandard conditions in our great cities. In fact, I have lived under them myself as a boy; I have actually experienced such conditions. It is not an academic question with me; it was a very live question. I hope the amendment will be defeated.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to withdraw the motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, no one is more ready for a vote than I, and I am not going to detain you very long. The 37,000 units proposed here is less than 3 percent of total housing construction in the United States. This housing is lived in by people whose income is under $2,100 a year. That is the average of those who live in this public housing.

I have said many, many times, and I repeat here again, that if this is so bad—and I wish my esteemed friend from Mississippi would take me seriously—why does he not introduce a bill to take care of these people in some other program? Why does not someone come forward with a method that will take the place of public housing for the poor unfortunate people of America who are condemned to live in slums?

There are certain things, good as is the private enterprise system, that it cannot do. To meet this problem is part of the duty of government.

I remember one time at a Rotary Club down in the State of Alabama I made a speech. I was a member of the State legislature at the time. I said: "I am against old-age pensions." They did not give me time to finish my statement; they applauded when I had got that far. When the applause had subsided I continued. I said: "What I would like is something better, a social security program that covers everybody."

Why do you not find some kind of answer? That is what I ask the critics of public housing. Under the private enterprise system, shall we just sentence these people to go out in the backyard and 10 and 12 families use the same spigot and live in hovels the owners will not keep up? Oh, you say, we ought to make them keep them up. How can you make them keep them up when the returns from the poor families living there—some of whom make $700 and $800 a year—how can the owner get a rent from them sufficient to keep it up?

Why do we not finally confront the problem as it really is? It is a part of the social problem of America; it is a part of the problems of our system. I cannot believe that any man, opponent or whatnot of public housing, would ever be satisfied with his country with more than 10 percent of the people living in indecent slums and under terrible conditions not even fit for a human being to exist in.

Yes. And I will tell you one thing more: The cheapest thing for the taxpayer that could be done in America would be to clean out the slums and give the people a decent place in which to live. More tax money, you know, goes to fight crime in the type of place where these people live than is represented by the cost of public housing or than goes into the program itself.

Why do we not look the issue squarely in the face? Why do we not get rid of the slums? Why do we not actually find an answer to it? If there is something really wrong with this program that has been going on for quite a number of years, somebody ought to find out what it is and come up with the answer, but nobody does.

This housing is for poor people, this housing is to take care of the unfortunate people in this country, this housing is to give them a decent chance for a decent living. They are American citizens and they are entitled to the same privileges as we are. It is all right to be against something but it is never really right unless you have an answer for it in this democracy of ours.

This amendment ought to be voted down. I do not think there is real opposition by the administration to 37,000 units of public housing. I have seen so many times my esteemed friends on this side support the famous number of 35,000 units. The President of the United States has called for it time and time again. Some may say we do not need it. But read the hearings in the Senate on this bill. Read the countless pages of testimony before our committee. The record in favor of public housing has been documented time and time again.

Mrs. SULLIVAN. Mr. Chairman, I rise to defend the need of more public housing. While there are many things in the housing bill in which I am vitally interested, I am going to speak briefly only on two phases of the bill—undoubtedly the two most controversial features of it—urban renewal and public housing.

Urban renewal is popular and everyone professes to be for it; the only trouble is that many of our good friends on the Republican side, and the President, are for it more in spirit than in substance. If only there were an inexpensive and painless way of wiping out the slums and blight and decay in our cities and rebuilding them into the kind of places we want to live in, preferably without spending any Federal funds, I am sure the President and his advisers would have brought forward the biggest and best urban renewal plan anyone could desire.

But I am afraid that, if the cities are to be rescued from imminent strangulation then we are going to have to make this urban renewal program far more effective than it has been up to now, and we are going to have to spend lots of money—Federal, State, and local—to accomplish the task. In St. Louis, we are seeing dramatic accomplishments every day under this program. Other major cities throughout the country can show the same tremendous forward strides. Now, many of our smaller communities are coming forward with urban renewal plans and projects, and the urban centers of the Nation are in the process of fighting their way back to health out of the obsolescence and decay and the past mistakes growing out of lack of sensible city planning. Congress initiated this program 10 years ago in the Housing Act of 1949, realizing then it was a tremendous challenge—and an expensive one. The results so far of that decision, in cities throughout the Nation, are dramatic proof of the soundness of the urban renewal idea. Let us now carry it out as intended. Our cities can then be, not only spectacularly attractive, but efficient, too. Most of the tax revenues of the Federal Government comes out of the cities. We must now spend some of that huge revenue from the cities to help the cities to survive and function, and thus produce more tax revenues.

Mr. Chairman, one of the big problems in carrying out an urban renewal project, or a highway construction project, or a slum-clearance project, or any progressive step in our cities, is the fact that there is often—usually—no place for the displaced families to move to. You saw what happened here in Washington when the Southeast area was cleaned out in preparation for a vast renewal project. The same problem arises in every city as slums are cleaned out—or when the attempt is made to clear them out. Where can the displaced go? For many of these people, public housing is the only solution. Yet the public housing program has come to a virtual halt. We are told, however, that thousands of authorized units have not yet been built and occupied. The President used that argument in his veto. As the Senate demonstrated in its hearings, this statement in the President's veto was completely misleading—it was tricky talk. The 37,000 additional units provided for in this bill will be used—and more will be needed in the near future. We know that. Cities of all sizes need more public housing and have urged and beseeched our Subcommittee on Housing to provide additional public housing authorizations.

Mr. Chairman, in defending the need for more public housing I am certainly not going to defend all of the policies followed in public housing or all of the people in all of the public housing units in this country. I have been extremely critical of many features of the program—so much so, that in asking questions during our hearings, I must have given the impression to some witnesses and spectators that I am against public housing. In any event, I began receiving letters and telegrams and even phone calls from St. Louis officials who told me they were shocked to hear that I was going to vote against public housing. Of course the information was wrong, as they knew it must be.

But the point I make here is this: I am for a public housing program which will help decent and deserving people to live decently, as Americans; but the program must be tightened up in administration in many places in this country to get rid of undesirables and eliminate practices none of us can condone.

On the other hand, it is clear to me that the fight against more public housing is often based not on the admitted deficiencies of the program as they have shown up from time to time in some places but rather on the concept of public housing.

I believe in the concept. I want to see the reality come closer to the concept. And I have been devoting much of my efforts in the Subcommittee on Housing toward that objective.

Nevertheless, regardless of all of its faults—and it has many—the public housing program is an absolutely essential part of the Nation's housing requirements, and, if we are going to do all of the things we propose to do in improving our cities and towns, we must absolutely continue to build new public housing as well as all other types of housing. You must have public housing available if you are going to clear out huge areas of cities for redevelopment.

When all of our families are assured the opportunity for decent, livable homes in the American tradition—or what we like to think is the American tradition—we can then end the public housing program. But I do not think any of us will live to see that goal reached, particularly if we further postpone its arrival by refusing to vote for the kind of housing legislation our Nation now so desperately needs.

Mr. SANTANGELO. Mr. Chairman, I rise in opposition to the pending amendment. Mr. Chairman, I rise in opposition to this amendment to strike out the public housing provision and in support of the Senate bill 2539.

A great hue and cry has been raised as to the cost of the public housing features of this program. The Public Housing Administrator has said it would cost $500 per unit per year. The gentleman from Mississippi says it will cost $500 per unit per year. These 37,000 units will cost in subsidies $18½ million. It is clear and uncontradicted that the original cost will be raised by bonds that will not cost the Government one penny. So we are talking about the $18½ million of subsidy per year. This sum represents less than one-fourth of 1 percent of our Federal budget.

Who pays the taxes in these United States? Let us see which State has paid the taxes and which want public housing. The great State of New York, in which I am proud to live, paid in 1958 $15,348,079,000 toward the tax collections of the United States out of the $79 billion. We pay 19.2 percent of the total tax collections. The four big States, California, Illinois, Pennsylvania and

New York paid 42 percent of the total tax collections.

We ask you to give us better housing because we are footing the bill.

Let us take the great State of Mississippi. In 1958 the great State of Mississippi contributed toward the tax collections of the United States $176,473,000 and took back in grants and aids $102 million. Let us look at the grant-in-aid programs in which they received grants for unemployment insurance and highways. We from the great big States have supported the farm programs. The sponsor of this amendment comes from Mississippi. In 1958 Mississippi received in soil bank contributions for its farmers $18,800,000 and for agricultural conservation received another $5.8 million, or a total of $24.6 million. So we gave almost $25 million for the State of Mississippi and its farmers. This is almost $6 million more than the whole of the United States receives for public housing and they who do not pay the taxes and they who get more in grants-in-aid than they pay in taxes tell us that we in the cities cannot have public housing.

Yes, we in the cities have supported REA to give you people on the farms light, heat, and public conveniences. Yes, we supported the TVA to give you electricity down in Tennessee, and we have gone down the aisle here supporting you on the agricultural programs because we know there is an intertwining interest between the farms and the cities. But when we come to ask you to give us public housing you tell us that the cost is going to bankrupt the Government.

I say we are asking for that which you have. You have your trees, you have your homes, you have your conveniences. Give them to us. In my district urban renewal goes with public housing. Five thousand people have been dislocated in the past year in my district because of the high luxury apartments the rents of which range from $75 to $100 per month.

These people have come into my office and ask me for assistance to be relocated. They have been chased out of their homes and scattered to the winds after living in a community for 40 years, because there is no public housing provided.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman has seen fit to bring Mississippi in here as a target in this matter. I would just like to point out to the gentleman and in answer to the statement of my good friend from Alabama [Mr. RAINS], that among other things that Mississippi does not have to do it does not have to maintain 100 extra policemen to police these public housing units like they do in the city of New York. Public housing breeds delinquency.

Mr. SANTANGELO. We are paying for your policemen, because we are paying most of the taxes. And, we want to do things for you in your State. We give you the money so that you can pay your policemen. We are supporting the State of Mississippi. These 100 policemen are not needed for the housing projects but are needed to patrol the slums. We ask the people of the country to recognize the problems which we face. We would like to have our children raised in a little dignity, with decent homes, and have our slums eliminated. And, we ask you whether you have the pure heart to comprehend the situation; whether you have the will to pass upon it; whether you have the understanding to meet the needs of the city of New York and the other great cities of the Nation. This country is great in its material wealth, and we ask you to let us have public housing so that we can live in dignity and the people of our community live with pride.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COLMER, and Mr. MULTER.

The Committee divided and the tellers reported that there were—yeas 134, nays 180.

So the amendment was rejected.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take a minute or two to make an announcement. When we go back in the House I shall offer a motion to recommit. It will be a motion with instructions. I felt that a word or two about it might be appreciated.

This will be a motion which will give us a chance to register how we feel on these matters.

The issue here is fiscal responsibility. We passed a housing bill that was in my judgment away out of line and called for a veto. It was not a fiscally responsible bill. We now have a chance to vote for fiscal responsibility.

The instructions with the motion to recommit will spread the urban renewal provision over a 2-year period, which we have discussed; it will eliminate the $50 million college classroom provision which in my judgment has no place in this kind of bill. The motion would thus take $350 million out of the first year's budgeted expenses.

Everybody in this House wants a housing bill and there is no doubt that we are going to get one. We shall have a chance here, however, to register whether we are fiscally responsible or whether we wish to be listed among the irresponsibles. The issue will be very clear and I hope that under those circumstances we shall regard this bill as a violently budget-busting bill, which it certainly is. It is not far different from the one that was vetoed. That, too, was a budget-busting bill. Let us face it and let us vote for the motion to recommit when it comes.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Chairman, I move to strike out the last word to inquire from the majority leader before the vote and while the Members are here as to the program for the balance of the week and the program for next week.

Mr. McCORMACK. With the completion of this bill today, we will go over until Monday.

On Monday, the Consent Calendar will be called. Then there is a resolution out of the Committee on Appropriations which will come up under suspension of the rules. Permission for that was obtained yesterday. It is a temporary extension of appropriations for 1960.

On Tuesday, the Private Calendar will be called. Then there will be certain matters taken up under suspension, and I will ask later in the day for unanimous consent that the Speaker may entertain motions on Tuesday next for suspensions, and that will be the result of agreement between the leadership on both sides.

Mr. HALLECK. In other words, in granting this permission for suspensions on Tuesday next, it is with the understanding, of course, that any bills to be acted upon under suspension of the rules will be first cleared with the majority leader and the minority leader and, of course, as is the case with all suspensions they will be subject to the final determination of the Speaker.

Mr. McCORMACK. That is correct.

Then on Wednesday and the balance of the week, we are hopeful that the highway bill will come out. If the bill should come out on Monday and the Committee on Rules grants a rule on Tuesday, it is the intention to bring it up on Wednesday. In any event, it is the intention to bring it up just as quickly as possible after the bill is reported out and the rule is granted.

Then there is the military construction appropriation conference report. Then there is the foreign aid conference report or any other conference report, of course, that might be ready for consideration and action. Of course, there is the usual reservation that conference reports may be brought up at any time and any further program will be announced later.

Mr. HALLECK. Mr. Chairman, may I make one further inquiry of the majority leader? Can the majority leader at this time give us any information as to when we might expect the sine die adjournment?

Mr. McCORMACK. I wish I could but I cannot. I would say that if the labor bill is disposed of that would be one of the most serious hurdles removed. I am hopeful that the conferees will arrive at a resolution of the difference between both branches. But whether or not they do that, of course, as the gentleman from Indiana realizes as well as all other Members of the House, is a matter which we have to take care of. Among others that I have mentioned that is probably the most serious one which confronts us in relation to a sine die adjournment.

Mr. HALLECK. I thank the gentleman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the

bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, and pursuant to House Resolution 358, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HIESTAND. Mr. Speaker, I offer a motion to recommit which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HIESTAND. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. HIESTAND moves to recommit the bill (S. 2539) to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with the following amendments:

Page 49, lines 11 and 12, strike out "by $550,000,000 on the date of enactment of the Housing Act of 1959" and insert "by $350,000,000 on the date of the enactment of the Housing Act of 1959 and by an additional $200,000,000 on July 1, 1960."

Page 74, strike out line 25 and all that follows down through line 3 on page 79.

Page 79, line 4, strike out "SEC. 603" and insert "SEC. 602."

The SPEAKER. The question is on the motion.

Mr. HIESTAND. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 156, nays 231, not voting 48, as follows:

[Roll No. 147]

YEAS—156

Abbitt	Curtin	Keith
Abernethy	Curtis, Mass.	Kilgore
Alexander	Curtis, Mo.	Kitchin
Alger	Davis, Ga.	Knox
Allen	Derounian	Lafore
Arends	Devine	Laird
Ashmore	Dixon	Langen
Auchincloss	Dorn, S.C.	Latta
Avery	Dowdy	Lipscomb
Baldwin	Fenton	McCulloch
Barry	Fisher	McDonough
Bass, N.H.	Flynt	McIntire
Bates	Fountain	McSween
Baumhart	Frelinghuysen	Mack, Wash.
Becker	Gary	Mahon
Belcher	Gathings	Mailliard
Bennett, Mich.	Gavin	Matthews
Berry	Glenn	May
Betts	Goodell	Meader
Bosch	Griffin	Michel
Bow	Gross	Milliken
Bray	Gubser	Minshall
Brooks, La.	Haley	Mumma
Brown, Ohio	Halleck	Murray
Broyhill	Hardy	Nelsen
Budge	Harrison	Norrell
Burleson	Hébert	O'Konski
Bush	Hemphill	Osmers
Byrnes, Wis.	Henderson	Ostertag
Cahill	Herlong	Pelly
Casey	Hiestand	Pirnie
Cederberg	Hoeven	Poff
Chamberlain	Hoffman, Ill.	Quie
Chenoweth	Horan	Ray
Chiperfield	Hosmer	Reece, Tenn.
Church	Jarman	Rees, Kans.
Collier	Jensen	Rhodes, Ariz.
Colmer	Johansen	Riehlman
Corbett	Jonas	Riley
Cunningham	Judd	Rivers, S.C.
Robison	Smith, Kans.	Weis
Rogers, Mass.	Smith, Va.	Westland
St. George	Springer	Wharton
Saylor	Taber	Whitener
Schenck	Teague, Tex.	Whitten
Scherer	Thomson, Wyo.	Widnall
Schwengel	Tollefson	Williams
Scott	Tuck	Willis
Short	Utt	Wilson
Simpson, Ill.	Van Zandt	Winstead
Simpson, Pa.	Wainwright	Withrow
Smith, Calif.	Weaver	Younger

NAYS—231

Addonizio	Frazier	Morgan
Alford	Friedel	Morris, N. Mex.
Anderson Mont.	Fulton	Morris, Okla.
	Gallagher	Morrison
Anfuso	Garmatz	Moss
Ashley	George	Moulder
Aspinall	Giaimo	Multer
Ayres	Granahan	Murphy
Bailey	Grant	Natcher
Baker	Gray	Nix
Baring	Green, Oreg.	Norblad
Barr	Green, Pa.	O'Brien, Ill.
Barrett	Griffiths	O'Hara, Ill.
Bass, Tenn.	Hagen	O'Hara, Mich.
Beckworth	Hall	O'Neill
Bennett, Fla.	Halpern	Oliver
Blatnik	Hargis	Patman
Blitch	Harmon	Perkins
Boland	Harris	Pfost
Bolling	Hays	Philbin
Bonner	Healey	Pilcher
Bowles	Hechler	Porter
Boykin	Holifield	Price
Boyle	Holland	Prokop
Brademas	Holtzman	Pucinski
Breeding	Huddleston	Quigley
Brewster	Hull	Rains
Brock	Ikard	Randall
Brooks, Tex.	Inouye	Reuss
Broomfield	Irwin	Rhodes, Pa.
Brown, Ga.	Jennings	Rivers, Alaska
Brown, Mo.	Johnson, Calif.	Roberts
Buckley	Johnson, Colo.	Rodino
Burdick	Johnson, Md.	Rogers, Colo.
Burke, Ky.	Johnson, Wis.	Rogers, Fla.
Burke, Mass.	Jones, Ala.	Rogers, Tex.
Byrne, Pa.	Karsten	Rooney
Carnahan	Karth	Roosevelt
Celler	Kasem	Rostenkowski
Chelf	Kastenmeier	Roush
Clark	Kearns	Rutherford
Coad	Kelly	Santangelo
Coffin	Keogh	Selden
Cohelan	Kilday	Sheppard
Conte	King, Calif.	Shipley
Cook	King, Utah	Sisk
Cooley	Kirwan	Slack
Daddario	Kluczynski	Smith, Iowa
Daniels	Kowalski	Spence
Davis, Tenn.	Lane	Staggers
Dawson	Lankford	Steed
Delaney	Lennon	Stratton
Dent	Lesinski	Stubblefield
Diggs	Levering	Sullivan
Dingell	Libonati	Teller
Dollinger	Lindsay	Thomas
Donohue	McCormack	Thompson, La.
Dooley	McDowell	Thompson, N.J.
Dorn, N.Y.	McFall	Thompson, Tex.
Downing	McGinley	Thornberry
Doyle	McGovern	Toll
Dulski	Macdonald	Trimble
Durham	Mack, Ill.	Udall
Dwyer	Madden	Ullman
Edmondson	Magnuson	Vanik
Everett	Marshall	Vinson
Evins	Merrow	Wallhauser
Fallon	Metcalf	Walter
Farbstein	Meyer	Wampler
Fascell	Miller, Clem	Watts
Feighan	Miller, George P.	Wier
Fino		Wolf
Flood	Mills	Wright
Flynn	Mitchell	Yates
Fogarty	Moeller	Young
Foley	Monagan	Zablocki
Forand	Moore	Zelenko
Forrester	Moorhead	

NOT VOTING—48

Adair	Cannon	Hogan
Albert	Carter	Holt
Andersen, Minn.	Cramer	Jackson
	Dague	Jones, Mo.
Andrews	Denton	Kee
Barden	Derwinski	Kilburn
Bentley	Elliott	Landrum
Boggs	Ford	Loser
Bolton	Hess	McMillan
Canfield	Hoffman, Mich.	Machrowicz
Martin	Poage	Siler
Mason	Powell	Smith, Miss.
Miller, N. Y.	Preston	Taylor
Montoya	Rabaut	Teague, Calif.
O'Brien, N. Y.	Saund	Van Pelt
Passman	Shelley	
Pillion	Sikes	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Ford for, with Mr. Machrowicz against.
Mr. Adair for, with Mr. Preston against.
Mr. Bentley for, with Mr. Saund against.
Mr. Mason for, with Mr. Cramer against.
Mr. Holt for, with Mrs. Bolton against.
Mr. Miller of New York for, with Mr. Sikes against.
Mr. Kilburn for, with Mr. Boggs against.
Mr. Hess for, with Mr. Denton against.
Mr. Jackson for, with Mr. Loser against.
Mr. Pillion for, with Mr. Rabaut against.
Mr. Taylor for, with Mr. Hogan against.
Mr. Teague of California for, with Mr. Albert against.
Mr. Passman for, with Mr. O'Brien of New York against.
Mr. Derwinski for, with Mr. Montoya against.
Mr. Van Pelt for, with Mr. Powell against.
Mr. Barden for, with Mr. Carter against.
Mr. Siler for, with Mr. Shelley against.
Mr. Cannon for, with Mrs. Kee against.

Until further notice:

Mr. Andrews with Mr. Andersen of Minnesota.
Mr. Smith of Mississippi with Mr. Martin.
Mr. Elliott with Mr. Dague.
Mr. Landrum with Mr. Canfield.
Mr. McMillan with Hoffman of Michigan.

Mr. JENSEN and Mrs. ROGERS of Massachusetts changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 106, not voting 46, as follows:

[Roll No. 148]

YEAS—283

Addonizio	Brown, Ga.	Dooley
Alford	Brown, Mo.	Dorn, N.Y.
Anderson, Mont.	Broyhill	Downing
	Buckley	Doyle
Anfuso	Burdick	Dulski
Ashley	Burke, Ky.	Durham
Aspinall	Burke, Mass.	Dwyer
Ayres	Byrne, Pa.	Edmondson
Bailey	Cahill	Everett
Baker	Carnahan	Evins
Baldwin	Celler	Fallon
Baring	Chamberlain	Farbstein
Barr	Chelf	Fascell
Barrett	Chenoweth	Feighan
Bass, N.H.	Church	Fenton
Bass, Tenn.	Clark	Fino
Baumhart	Coad	Flood
Beckworth	Coffin	Flynn
Bennett, Fla.	Cohelan	Fogarty
Bennett, Mich.	Conte	Foley
Blatnik	Cook	Forand
Blitch	Cooley	Forrester
Boland	Corbett	Fountain
Bolling	Curtin	Frazier
Bonner	Curtis, Mass.	Friedel
Bowles	Daddario	Fulton
Boykin	Daniels	Gallagher
Boyle	Davis, Tenn.	Garmatz
Brademas	Dawson	George
Breeding	Delaney	Giaimo
Brewster	Dent	Glenn
Brock	Diggs	Granahan
Brooks, La.	Dingell	Grant
Brooks, Tex.	Dollinger	Gray
Broomfield	Donohue	Green, Oreg.

Green, Pa.	Mack, Ill.	Roberts
Griffiths	Mack, Wash.	Robison
Hagen	Madden	Rodino
Hall	Magnuson	Rogers, Colo.
Halpern	Mahon	Rogers, Mass.
Hardy	Mailliard	Rogers, Tex.
Hargis	Marshall	Rooney
Harmon	Matthews	Roosevelt
Harris	May	Rostenkowski
Hays	Merrow	Roush
Healey	Metcalf	Rutherford
Hébert	Meyer	St. George
Hechler	Miller, Clem	Santangelo
Hemphill	Miller, George P.	Schenck
Herlong	Mills	Selden
Holifield	Mitchell	Shelley
Holland	Moeller	Sheppard
Holtzman	Monagan	Shipley
Horan	Moore	Slack
Huddleston	Moorhead	Sisk
Hull	Morgan	Smith, Iowa
Ikard	Morris, N. Mex.	Spence
Inouye	Morris, Okla.	Springer
Irwin	Morrison	Staggers
Jarman	Moss	Steed
Jennings	Moulder	Stratton
Johnson, Calif.	Multer	Stubblefield
Johnson, Colo.	Murphy	Sullivan
Johnson, Md.	Natcher	Teller
Johnson, Wis.	Nix	Thomas
Jones, Ala.	Norblad	Thompson, La.
Judd	O'Brien, Ill.	Thompson, N. J.
Karsten	O'Hara, Ill.	Thompson, Tex.
Karth	O'Hara, Mich.	Thornberry
Kasem	O'Konski	Toll
Kastenmeier	O'Neill	Tollefson
Kearns	Oliver	Trimble
Kelly	Osmers	Udall
Keogh	Patman	Ullman
Kilday	Pelly	Vanik
King, Calif.	Perkins	Van Zandt
King, Utah	Pfost	Vinson
Kirwan	Philbin	Wainwright
Kluczynski	Pilcher	Wallhauser
Kowalski	Pirnie	Walter
Lane	Porter	Wampler
Lankford	Price	Watts
Lennon	Prokop	Weis
Lesinski	Pucinski	Westland
Levering	Quie	Whitener
Libonati	Quigley	Widnall
Lindsay	Rains	Wier
McCormack	Randall	Willis
McCulloch	Reuss	Withrow
McDowell	Rhodes, Pa.	Wolf
McFall	Riehlman	Wright
McGinley	Riley	Yates
McGovern	Rivers, Alaska	Young
McMillan	Rivers, S.C.	Zablocki
Macdonald	Roberts	Zelenko

NAYS—106

Abbitt	Fisher	Minshall
Abernethy	Flynt	Mumma
Alexander	Frelinghuysen	Murray
Alger	Gary	Nelsen
Allen	Gathings	Norrell
Arends	Gavin	Ostertag
Ashmore	Goodell	Poff
Auchincloss	Griffin	Ray
Avery	Gross	Reece, Tenn.
Barry	Gubser	Rees, Kans.
Bates	Haley	Rhodes, Ariz.
Becker	Halleck	Rogers, Fla.
Belcher	Harrison	Saylor
Berry	Henderson	Scherer
Betts	Hiestand	Schwengel
Bosch	Hoeven	Scott
Bow	Hoffman, Ill.	Short
Bray	Hosmer	Simpson, Ill.
Brown, Ohio	Jensen	Simpson, Pa.
Budge	Johansen	Smith, Calif.
Burleson	Jonas	Smith, Kans.
Bush	Keith	Smith, Va.
Byrnes, Wis.	Kilgore	Taber
Casey	Kitchin	Teague, Tex.
Cederberg	Knox	Thomson, Wyo.
Chiperfield	Lafore	Tuck
Collier	Laird	Utt
Colmer	Langen	Weaver
Cunningham	Latta	Wharton
Curtis, Mo.	Lipscomb	Whitten
Davis, Ga.	McDonough	Williams
Derounian	McIntire	Wilson
Devine	McSween	Winstead
Dixon	Meader	Younger
Dorn, S.C.	Michel	
Dowdy	Milliken	

NOT VOTING—46

Adair	Andrews	Bolton
Albert	Barden	Canfield
Andersen, Minn.	Bentley	Cannon
	Boggs	Carter
Cramer	Kee	Poage
Dague	Kilburn	Powell
Denton	Landrum	Preston
Derwinski	Loser	Rabaut
Elliott	Machrowicz	Saund
Ford	Martin	Sikes
Hess	Mason	Siler
Hoffman, Mich.	Miller, N.Y.	Smith, Miss.
Hogan	Montoya	Taylor
Holt	O'Brien, N. Y.	Teague, Calif.
Jackson	Passman	Van Pelt
Jones, Mo.	Pillion	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Martin for, with Mr. Derwinski against.
Mr. Machrowicz for, with Mr. Ford against.
Mr. Preston for, with Mr. Adair against.
Mr. Saund for, with Mr. Bentley against.
Mr. Cramer for, with Mr. Mason against.
Mrs. Bolton for, with Mr. Miller of New York against.
Mr. Sikes for, with Mr. Kilburn against.
Mr. Boggs for, with Mr. Hess against.
Mr. Denton for, with Mr. Jackson against.
Mr. Loser for, with Mr. Pillion against.
Mr. Rabaut for, with Mr. Taylor against.
Mr. Albert for, with Mr. Teague of California against.
Mr. O'Brien of New York for, with Mr. Passman against.
Mr. Powell for, with Mr. Van Pelt against.
Mr. Montoya for, with Mr. Siler against.
Mr. Hogan for, with Mr. Barden against.
Mr. Holt for, with Mr. Cannon against.

Until further notice:

Mr. Carter with Mr. Hoffman of Michigan.
Mr. Landrum with Mr. Dague.
Mr. Smith of Mississippi with Mr. Andersen of Minnesota.
Mr. Elliott with Mr. Mumma.
Mr. Andrews with Mr. Canfield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 8374) entitled "An act to amend Public Law 85–880, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. MANSFIELD, and Mr. HICKENLOOPER to be conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

H.R. 6118. An act to amend section 6 of the act of September 11, 1957.

INCOME TAXES FROM INCOME DERIVED FROM INTERSTATE COMMERCE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, with House amendments thereto, insist on the amendments of the House, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and appoints the following conferees: Messrs. CELLER, WALTER, WILLIS, MCCULLOCH, and MILLER of New York.

COMMUNICATIONS ACT OF 1934

Mr. HARRIS submitted a conference report and statement on the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs.

U.S. SEAMEN

Mr. MEYER. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. BONNER], chairman of the Committee on Merchant Marine and Fisheries, I submit a conference report and statement for printing under the rules.

ELECTION TO STANDING COMMITTEE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 365) electing DANIEL K. INOUYE, of Hawaii, a member of the standing committee of the House of Representatives on Banking and Currency, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That DANIEL K. INOUYE, of Hawaii, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Banking and Currency.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BULLY CREEK DAM

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 968) to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon, with Senate amendments thereto, and concur in the Senate amendments.

The clerk read the title of the bill.

The clerk read the Senate amendments, as follows:

Page 3, after line 15, insert:

"SEC. 4. That the modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, of the Eighty-sixth Congress, at an estimated cost of $3,431,000."

Page 3, after line 15, insert:

"SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of section 4 of this Act."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, the Senate amended H.R. 968 by adding two sections to authorize modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Tex., at an estimated cost of $3,431,000. The Senate had previously approved this project by passage of a separate bill, S. 962. The House also has approved this project by including it in the recently passed rivers and harbors omnibus bill. The Senate amended S. 968 to include the project because the modification work is of an emergency nature and the House-passed omnibus bill will not be acted on by the Senate at this session.

Port Mansfield is located on the southern coast of Texas about 98 miles south of Corpus Christi. It is a shallow-draft harbor recently developed by the Corps of Engineers. The existing project was completed in September 1957. Immediately after completion of the harbor, several storms in the Gulf of Mexico damaged the entrance jetties and shoaled the channel to the gulf entrance to such an extent that it is now usable only by boats with a draft of 4 feet or less. Thus the harbor and inside channel and all the port facilities are in excellent condition but direct access to the Gulf of Mexico is not available. For this reason, the modification project is considered of an emergency nature.

The modification work to be performed would provide for (a) an entrance channel from the Gulf of Mexico, 16 feet deep and 250 feet wide, to Padre Island; (b) a channel 14 feet deep and 100 feet wide from Padre Island to the Gulf Intracoastal Waterway, with two turnout curves, 12 feet deep and 100 feet wide; (c) a channel 14 feet deep and 125 feet wide from the Gulf Intracoastal Waterway to a turning basin at Port Mansfield, with the entrance curve into the turning basin widened to 200 feet, and with two turnout curves, 12 feet deep and 200 feet wide on the west side of the Gulf Intracoastal Waterway; (d) a turning basin 14 feet deep, 400 feet wide, and 1,200 feet long, with an irregular extension having a maximum width of 1,000 feet; (e) a shrimp boat basin, 12 feet deep, 350 feet wide, and 1,450 feet long; (f) a small-craft basin, 8 feet deep, 160 feet wide, and 800 feet long; and (g) parallel rock jetties at the gulf entrance 2,300 and 2,190 feet in length.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MOTIONS TO SUSPEND THE RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I should like to arrange for a day next week so that the Speaker may recognize for motions to suspend the rules. Before submitting the request, I should like to say that after consulting with the Speaker and the minority leader it has been agreed that if the request is granted, a list of the bills upon which the Speaker has agreed to recognize will be printed in the CONGRESSIONAL RECORD of next Monday before the adjournment of the House. Based upon that statement, I now ask unanimous consent, Mr. Speaker, that it may be in order on Tuesday next for the Speaker to recognize for motions to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, one Member of the House at least, in the person of the gentleman from Iowa, seeks to know something about the 19 bills concerning which unanimous consent is sought to suspend the rules. Until I have some idea—and other Members of the House ought to be interested—but until I have some idea of the bills that are to be brought up under suspension of the rules I am constrained to object.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course, I yield to the gentleman.

Mr. HALLECK. Mr. Speaker, I trust that the gentleman will not object. Let me say to him that, as has been explained, a list of the bills will be prepared and a copy of that list will be handed to me. I shall be very happy, on Monday, as that list is being made up, to discuss the matter with the gentleman from Iowa. I might say to him that it is my purpose, and it is already underway, to discuss whatever bills are suggested for suspension, with the Republican members of the committees involved. Certainly I will be guided by what the Republican members of the committees think about the suspensions and whether or not the bills should be cleared for suspension.

Of course, the gentleman may make his objection, if he wants to. But I want to say that this is a procedure that has been followed ever since I have been in the Congress as we come down to what we certainly hope is the end of the session. It is a method, a way, by which measures that should be enacted can be taken care of expeditiously. I do not say that it should be used to handle highly controversial matters at all. That is not the purpose. But it is to take care of the bills that have been reported out of committees and in respect to which there is very substantial agreement.

Mr. McCORMACK. Mr. Speaker, I might also say in furtherance of what the minority leader has said that it is my hope and expectation to have a list of the bills that have already been requested by tomorrow. No final action has been taken on them. But it is my intention to give the minority leader a copy. No bill will be brought up unless it meets the approval of the minority leader and myself and, of course, the Speaker, who has the authority under the rules to make the decision.

Mr. GROSS. Mr. Speaker, the majority leader, being the fair gentleman that he is, will agree with me that that will come just a little late. If unanimous consent is granted this afternoon, to take up 19 bills on a day next week, an objection unless made now, without any knowledge of the bills, would come very late thereafter, would it not?

I recall that just about a year ago we had, as I remember it, 35 bills called up under suspension in 1 day. I recall that action was had on only four or five of these bills and, that I objected to going on with suspensions the following day and succeeded in eliminating a few of the bills that were not necessary to be passed.

I have no desire to usurp the leadership on either side of the aisle. That is the last thing I want, I assure both the majority leader and the minority leader. But I think the Members of the House ought to know what is proposed to be considered under suspension of the rules.

Mr. McCORMACK. Mr. Speaker, I had stated that I intended to insert them in the RECORD on Monday. What I really meant to say was that I intended on Monday to announce them to the House. Of course, then they would go into the RECORD. I realize that the printing in the RECORD would not appear until the following day, but an announcement to the House would be notice to the Members who were present.

In addition to that, I have had the hope and the expectation, as I have said, of at least a preliminary but rather comprehensive list being prepared by tomorrow and to give a copy of that to the minority leader and to the Speaker and

then the three of us would confer on Monday in connection with the final decision as to what bills would be brought up on Tuesday. None of these is of a highly controversial nature. I realize there may be one or two in which some Members might have an interest, but we will be very careful in connection with that, as the gentleman from Iowa well knows.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. HALLECK. I made one statement that I think probably I should clarify, because I would not want the gentleman to misunderstand. I said to the gentleman from Iowa that I would consult with him about this proposed list of suspensions. I did not mean by that to say that I would be in a position giving the gentleman the veto power on these bills because obviously, if they are cleared by the Republican members of the committees and by the leadership generally I should feel constrained, in spite of any single individual objection, to permit those bills to come up under suspension.

I might say to the gentleman, as far as I am concerned, I do not propose to agree to suspension for bills of a highly controversial nature, such as some of those that came up in the closing days of the last session. It is not my understanding that any such thing is proposed at this time.

Mr. GROSS. Mr. Speaker, I have no desire to prolong this discussion. Let me ask the gentleman this question. Is this for 1 day next week?

Mr. McCORMACK. Yes.

Mr. GROSS. The gentleman's unanimous-consent request would be for 1 day. Has the gentleman decided what day?

Mr. McCORMACK. Tuesday.

Mr. GROSS. For Tuesday only?

Mr. McCORMACK. Yes. Today's request is for 1 day. Suppose there are other bills and we have an opportunity of another day, then I might ask for that later. But this request today is only for Tuesday. What might happen with respect to another request, I am unable to state now. Projecting my mind ahead, in the event a week from Saturday is a good target day, I can see where Members who are interested in bills that are more or less noncontroversial would expect wise and fair leadership to afford them an opportunity of considering such bills. I am not stating to the gentleman I have that in mind. I have no such thought in mind, but I certainly can see where that might develop and I would not want to shut off the possibility of something like that taking place.

Mr. GROSS. I will go along with the gentleman on this basis once more, and see what happens, but I will certainly have reservations thereafter.

Mr. McCORMACK. I appreciate that and I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT TO SMALL BUSINESS ACT

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the distinguished gentleman from California [Mr. ROOSEVELT] and I have today introduced a bill to amend the Small Business Act to provide that a small-busness concern may not be denied assistance thereunder solely because of the type of business in which it is engaged if such business is lawful in the community where such concern is located.

In 1957, Subcommittee No. 2 of the House Small Business Committee, under my chairmanship, conducted a study of the operation of the Small Business Administration. In connection with those hearings, one of the problems explored by the subcommittee was the eligibility for financial assistance from the Small Business Administration by small-business concerns in the liquor industry. Despite the testimony developed at the hearings which established that the policy of the Small Business Administration was in direct conflict with the declaration of policy as stated in the law and contrary to the purposes for which the Small Business Administration was created, the Loan Policy Board to this day has failed to revise its policy in this connection. The alcoholic beverage industry is a legal industry but this action by the Small Business Administration has, in effect, declared it illegal, contrary to the Constitution of the United States and contrary to the laws of most of the States of the Union.

The defense of the administration that the Loan Policy Board has recommended this discrimination is no excuse. That Board has no such power. In setting up the Loan Policy Board, the Congress provided in the act that:

> The Loan Policy Board shall establish general policies (particularly with reference to the public interest involved in the granting and denial of applications for financial assistance by the administration and with reference to the coordination of the functions of the administration with other activities and policies of the Government) which shall govern the granting and denial of applications for financial assistance by the administration. (Sec. 4(d), Small Business Act.)

This power to regulate general policies does not envisage the proscribing of legal industries. Nowhere in the debates of either the House or the Senate nor in the reports which accompanied the bill when it passed the Congress can we find the authority assumed by the Loan Policy Board to discriminate against any one industry. There is no such restriction against places of recreation, hotels, motels, restaurants, or any other businesses which receive part of their income from the sale of liquor. Why, then, proscribe one whose major or sole income is from such sales? However, in effect, the Small Business Administration by the policy statement issued by the Loan Policy Board has amended by regulation the clear language of the law. The law cannot be amended by regulation.

Again, recently at the hearings held by Subcommittee No. 1 of the House Select Committee on Small Business, under the able chairmanship of Hon. JOE L. EVINS, the eligibility for financial assistance for small-business concerns in the liquor industry was discussed. Mr. Wendell Barnes, Administrator of the Small Business Administration, again stated that small-business concerns in the liquor industry are ineligible because of the regulation of the Loan Policy Board that a small-business concern is ineligible if a substantial portion of its gross income is derived from the sale of alcoholic beverages.

The language of my proposed amendment is broad enough to cover all industries which are lawful and subject to licensing by a State or a political subdivision thereof. If my bill is passed, it will rectify this apparent injustice. The bill would make all legitimate business concerns elgible to file applications for financial assistance. The agency could then process these applications under their present procedure and criteria and each loan would stand or fall on its own credit sufficiency.

The refusal of the Loan Policy Board to reconsider this arbitrary and inequitable discrimination requires congressional action to amend the Small Business Act. I hope for speedy action by this Congress on my bill.

STATEMENT OF 36 DEMOCRATIC MEMBERS ON PRESIDENT EISENHOWER'S MEETING WITH OUR WESTERN ALLIES

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, on the eve of President Eisenhower's departure for Bonn, London, and Paris to meet with the heads of allied governments prior to his scheduled visits with Premier Khrushchev, a group of 36 Democratic Members of the House issued a joint statement outlining what we believe to be a constructive approach to the realities of our present world situation.

While we do not presume to advise the President on the conduct of his talks abroad, it is the collective judgment of the signers that the President should speak for members of both political parties in seeking to assert American vision and leadership.

Signers of the joint statement include LEROY ANDERSON, Montana; THOMAS L. ASHLEY, Ohio; WAYNE N. ASPINALL, Colorado; JOHN A. BLATNIK, Minnesota; CHESTER BOWLES, Connecticut; CHARLES A. BOYLE, Illinois; QUENTIN BURDICK, North Dakota; MERWIN COAD, Iowa; JEFFREY COHELAN, California; JOHN D. DINGELL, Michigan; CLYDE DOYLE, Cali-

fornia; GERALD T. FLYNN, Wisconsin; JOHN R. FOLEY, Maryland; HARLAN HAGEN, California; KEN HECHLER, West Virginia; CHET HOLIFIELD, California; CECIL R. KING, California; HARRIS B. MCDOWELL, JR., Delaware; GEORGE MCGOVERN, South Dakota; LEE METCALF, Montana; WILLIAM S. MOORHEAD, Pennsylvania; ABRAHAM J. MULTER, New York; JAMES G. O'HARA, Michigan; GRACIE PFOST, Idaho; CHARLES O. PORTER, Oregon; JAMES M. QUIGLEY, Pennsylvania; WILLIAM J. RANDALL, Missouri; HENRY S. REUSS, Wisconsin; GEORGE M. RHODES, Pennsylvania; RALPH J. RIVERS, Alaska; PETER W. RODINO, New Jersey; JAMES ROOSEVELT, California; FRANK THOMPSON, JR., New Jersey; AL ULLMAN, Oregon; ROY W. WIER, Minnesota; and LEONARD G. WOLF, Iowa.

Mr. Speaker, the joint statement follows:

JOINT STATEMENT BY DEMOCRATIC MEMBERS OF THE HOUSE OF REPRESENTATIVES ON THE MEETING OF PRESIDENT EISENHOWER WITH THE HEADS OF GOVERNMENT OF THE WESTERN ALLIES PRIOR TO HIS MEETING WITH PREMIER KHRUSHCHEV

The President of the United States and the Premier of the U.S.S.R. will shortly meet. We believe that the great opportunities which present themselves far outweigh the dangers which might conceivably exist. Since these exchanges are for the purposes of discussion rather than negotiation, they may explore the widest range of approaches to the problem of how to ease tensions between East and West. The open curtain is much to be preferred to the Iron Curtain.

We know that world peace cannot be established in an atmosphere of claims of military superiority or threats of nuclear retaliation. No nation can emerge as a victor from a nuclear war.

We would not presume to advise the President on the conduct of his talks. But if the results of these talks are to be fruitful, the United States must bring to the table a vision of the kind of world we should like to see 10 years from now. If we have no vision of the world we seek, the talks can only be negative, bogging down in petty struggles for shortrun advantage. Indeed, if we have no vision of the world we seek, our own policy will be the same—mere reaction to outside pressure, the prisoner of events rather than their master.

It seems appropriate, therefore, that we, members of the majority opposition party, offer a suggestion of what we think that vision should be. Our purpose is to assure the President that he will have our support in a bold approach to the future and to convince Mr. Khrushchev that the President speaks for members of both parties in that bold approach.

I

What are the essentials of this vision?

The world of 1970 should be secure and confident of continued peace.

No nation should fear military aggression, or that it will suffer the backlash of a world thermonuclear war. This would require international procedures for the settlement of disputes, a task in which we would expect the United Nations to play an important role. This world peace would imply an end to nuclear testing, with adequate inspection. It would imply that those nations possessing nuclear weapons would be restricted in number. It would also imply some regulation downward of conventional armaments.

The world of 1970 should be characterized by political freedom for all the nations of the world. This would mean a loosening of the bonds of the nations of Eastern Europe and their progressive incorporation into a united Europe—East and West. It would mean increased self-determination for the nations of Asia and Africa.

The world of 1970 should also be characterized by economic security. All nations should be assured of a place in world trade and access to the means of acquiring capital and technical know-how for economic development. This implies multilateral arrangements to aid the less fortunate parts of the world in their economic development. With a reduction in tensions and regulation of arms, greater resources of goods and human energy would be released for this task.

II

In building this future world, Soviet cooperation is greatly to be desired. The Soviet Union should be invited to join in a summit conference, not just of the greater powers, but of all nations. This could be accomplished by the heads of states representing their countries at the U.N. At such a summit meeting, the greater and lesser powers could examine their common goals and how to achieve them. Present differences which threaten the world could be submerged in the common task of helping mankind to realize its age-old dreams.

Every effort should be made to persuade the Soviet Union and her allies that their cooperation in this world enterprise is to their national interest as well as ours. But if they refuse, we are convinced we must move forward to realize our vision of 1970 as best we can without them. Our policy cannot be based solely on reaction to Soviet pressure. For we are confident that a world expressing the values of America and of free men everywhere will be realized in spite of Soviet objections or obstructions. We intend to build this better world—with the Soviets if we can, without them if we must.

III

If the Soviets refuse to join with us in building this better world, we must settle for one diminished in size but not in quality. With or without the Soviet Union, our vision must be of a free world community.

This free world community would offer economic security; within its boundaries there would be stable expectations both as to trade, and as to the means of acquiring capital and technical know-how for economic development.

Politically, the free world community would offer tolerance for diversity, rooted in respect for the human being and his individual rights. The sham appeal of communism is to hold out a political religion bringing the drab gray of worldwide uniformity. The free world community would appeal to mature minds. Its members could freely develop their national institutions and personality, confident that diversity would be welcomed and respected.

Denied the cooperation of the Soviet Union, the free world, including the United States, would have to provide for military security. In this we must have allies, but we do not require a solid phalanx all around the free world perimeter. The neutrals would play a significant role in a free world community.

No one is attracted to a crusade for the status quo. The building of a free world community gives all nations the common purpose of peacefully effecting changes which must be realized. For ourselves, it provides a framework in which America's economic and military efforts can be integrated in the broad historic enterprise of building the free world community.

We are convinced that the existence of such a community with its tangible goals would have a powerful and magnetic effect on both sides of the Iron Curtain. The idea of a free world community is in itself a powerful inspiration to stir the hearts of men and win their loyalty.

Today, the surge for a free world community is being felt both at home and abroad. Its fulfillment should no longer be deferred nor made contingent on Soviet consent. Whatever the difficulties of the past may have been, we can no longer blame the Soviets for our failure, from this point on, to be more effective in promulgating the free way of life. The establishment of a world community is the responsibility of the free world.

Mr. BOWLES. Mr. Speaker, in connection with the remarks made by my colleague the gentleman from Wisconsin [Mr. REUSS], I should like to call attention to an article on this subject which appeared in yesterday's edition of the Baltimore Sun. The article is entitled "Thirty-six Legislators Ask President To Propose Idea," and reads as follows:

DEMOCRATS URGE BROADER SUMMIT—36 LEGISLATORS ASK PRESIDENT TO PROPOSE IDEA

(By James MacNees)

WASHINGTON, August 25.—A group of 36 House Democrats today urged President Eisenhower to propose a summit conference of all nations when the Chief Executive meets with Nikita S. Khrushchev, Soviet Premier, on the latter's visit to this country next month.

In a statement, the Democrats also urged the President, in his upcoming talks with the Western allies and later with Khrushchev, to go beyond "short-range cold war issues and boldly express the determination and vision of the United States to establish a world community of free nations, with or without Soviet cooperation."

URGE POSITIVE IDEA

Noting that Mr. Eisenhower's talks with Khrushchev are to be discussions rather than negotiations, the Democrats declared that if the talks are to be fruitful the United States must bring to the table a vision of the world as we would like to see it 10 years from now.

Without such vision, the statement continued, "the talks can only be negative, bogging down in petty struggles for short-run advantage."

"The world of 1970 should be secure and confident of continued peace," the statement said.

The vision, as conjured up by the Democrats who are mostly junior members from the North and West, was drawn as follows:

"No nation should fear military aggression, or that it will suffer the backlash of a world thermonuclear war."

This, the Democrats said, would require machinery for settlement of international disputes in which the United Nations would play an important role. It would imply an end to nuclear testing, with adequate inspection.

WOULD FREE SATELLITES

It would imply that nuclear nations be restricted in number. It would further imply some regulation downward of conventional weapons.

"The world of 1970 should be characterized by political freedom for all the nations of the world."

This would mean loosening the bonds of the nations of Eastern Europe and their progressive incorporation into a united Europe—East and West—and increased self-determination for the nations of Asia and Africa.

"The world of 1970 should also be characterized by economic security," the Democrats statement continued, with all nations assured of a place in world trade and access

to means of acquiring capital and technical know-how for economic development.

The Congressmen said the Soviet Union should be invited to a summit conference of all nations looking to this end and that every effort should be bent to persuade the Russians to cooperate.

"But if they refuse, we are convinced we must move forward to realize our vision of 1970 as best we can without them," the Democrats said.

"Our purpose," the majority lawmakers said, "is to assure the President that he will have our support in a bold approach to the future and to convince Mr. Khrushchev that the President speaks for members of both parties in that bold approach."

The Democratic statement particularly stressed that:

1. The President's discussions with the Western leaders and with Khrushchev must go beyond the "who will bury who" stage.

TO MAKE GOALS CLEAR

2. It must be made clear to the world that American policy is not based "solely on reaction to Soviet pressure" but that the United States has visions, goals, and purpose for a free world community which it is determined to build "with the Soviets if we can, without them if we must."

3. A summit meeting, including more than just the great powers must have an agenda looking toward the world of 1970 rather than just dealing "with the leftover problems of World War II."

"Whatever the difficulties of the past may have been, we can no longer blame the Soviets for our failure, from this point on, to be more effective in promulgating the free way of life.

"The establishment of a world community is the responsibility of the free world," the Congressmen concluded.

DESECRATION DAY MINUS 21—20—19

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the moral countdown of our Nation's opposition to communism has started with the invitation to Khrushchev.

What a change within the short time of 7 years.

Two prominent Americans, in 1952, were barnstorming the country, charging that the leaders of our Nation were soft toward communism. Historical note: The United States and the United Nations were fighting to save Korea from armed aggression by the Communists during that same period in 1952.

But those two prominent Americans in 1959 have invited the dictator of Red Russia to visit the United States, thereby conveying to the rest of the world the impression that the people of the United States are ready to appease tyranny.

Who's soft on communism in 1959?

An August 15 deadline in the New York Herald Tribune quotes one of these two prominent Americans as saying that "real peace lies in mutual respect."

Communist Russia has betrayed almost every treaty it ever signed.

Is this proof of respect for others?

Can free people overlook, condone, or confer respectability upon communism and Communist leaders for their brutal and continuing crimes against human rights without sacrificing the self-respect that is the very heartbeat of freedom?

Khrushchev solemnly promised safe conduct to and from the truce parley and then betrayed the trusting leaders of Hungary's heroic fight for independence to their deaths.

Can we respect this master of deceit and treachery?

And honor him with our hospitality?

Peace is such a wonderful prospect that it sometimes induces self-hypnosis.

Words are substituted for realities.

The two prominent Americans claim that Khrushchev must come to the United States to see how strong we are so that he will abandon his designs for world conquest.

Conveniently disregarding the fact that the small but hard-core group of Communists who have been living in the United States for 10, 20, 40 years, seeing our material strength every day and sharing the comforts, conveniences, and wealth of our country, have not budged 1 inch in their fanatical dedication to communism.

And yet we are asked to believe that a whirlwind visit will reform Khrushchev.

What nonsense.

The two prominent Americans then contradict themselves by saying that we must "show the same dedication to our principles as he shows to his."

Conceding the need for us to show determination—right.

Acknowledging that communism is motivated by principles? Wrong.

Since when have the big lie, murder, torture, and suppression of every human right qualified as principles?

Since when have smiles and cheers and good will toward a tyrant been considered as evidence to the world of our determination to strive for peace based on liberty and justice?

Behind these transparent excuses that are supposed to justify the invitation to Khrushchev are more serious considerations stemming from the failure at Geneva.

The cause of peace will not be served by deferring to Khrushchev.

For that is the inevitable way to appeasement that whets a dictator's ambitions.

They say that communism and Communists only respect the material power that would hurt them should they miscalculate by resorting to armed aggression.

This is correct as far as it goes. The whole truth is that they only respect in us the power and vigilance, reinforced by the moral armament that they could never match.

This is the strongest weapon for truth and justice in our whole arsenal.

The world is watching to see if there is any weakening in our devotion to the principles of human freedom.

The fact is that there will be no hope of peace if we surrender our principles.

If we remain mute, if we fail to show our determination to uphold those principles in our relations with other nations, then the world will say that we have lost faith in ourselves and in humanity.

Only by orderly protests, beginning now, can we prove that the free people of the United States repudiate the servile invitation to Khrushchev that was issued by two prominent Americans.

Otherwise, September 15, 1959, will go down in history as Desecration Day when the United States became soft toward communism and violated its own self-respect.

STATEMENT TO INTRODUCE LEGISLATION BANNING RACIAL DISCRIMINATION AGAINST MEMBERS OF THE ARMED FORCES

Mr. NIX. Mr. Speaker, I am about to introduce a bill that is designed to combat a vicious form of un-Americanism: racial discrimination against the soldiers, sailors, and airmen of our country in public or semipublic places, or on public or semipublic conveyances.

When a man is drafted, or joins one of the branches of the armed services, his race is a matter of little or no consequence. He is expected to serve his country to the fullest extent of his capacities, and to lay down his life in defense of it if that should prove necessary. The uniform he wears bears testimony to his willingness to make the ultimate sacrifice. To treat a man who wears that uniform with contumely merely because of the color of his skin is an insult to America and to everything for which our country stands.

It must be a sad and bitter experience for a colored soldier, who has been told by his officers that he is a defender of liberty and democracy, to be confronted with a complete denial of these ideals when he visits a town or travels by train or bus in certain parts of the country. Would it really be so astounding if Communist brainwashers, if given half a chance, could convince such a soldier that democracy is a hollow ideal?

We cannot permit this situation to persist. We are dutybound to protect those who serve the Federal Government in defense of all we hold dear, including our very lives. My bill will help us to discharge that sacred obligation.

REPORT ON THE 86TH CONGRESS, 1ST SESSION

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TELLER. Mr. Speaker, now that the 1st session of the 86th Congress is drawing to a close, I rise to evaluate some of its main activities, and to report to my constituents—as I have done every year since I became a Member of Congress—on its work.

While the 1st session of the 86th Congress has had some disappointments, it has in the main been a hard-working

Congress during its 8-month-long session. We are scheduled to deal with housing and labor-management reform, and we have passed laws relating to foreign-aid reform, veterans pensions, unemployment compensation. Hawaii became our 50th State. We have, however, made no more than starts on important legislation dealing with civil rights and education. Our 2d session of the 86th Congress, scheduled to begin in January 1960, will have to face these and other major problems.

We were just coming out of a recession when, in January 1959, our 86th Congress convened. As prosperity developed, many Members of Congress had second thoughts on legislation which the recession had inspired. The emphasis changed to concern over inflation.

The truth, as I see it, is that both recession and inflation are part of a single problem—the problem of maintaining a stable, high employment economy. The Government's role in our free enterprise society is to see to it that the people have confidence in such a continued economy, for lack of confidence breeds recessions which need not occur.

Inflation is a terrible thing, and we ought to recruit our best brains and all our legislative resources to combat it. It robs the worker, the businessman and the pensioner of the fruits of his industry. When the 1958 recession hit our country, we were unprepared and President Eisenhower failed to take immediate necessary Executive action. The Congress had to act. The Nation quickly learned that a recession, like inflation, is a robber of the fruits of work and industry. What is necessary as a start is to recast our Employment Act of 1946. It is now little more than a statistics-gathering device. It ought to be converted into a genuine vehicle for prompt action to recognize recession warnings and gage the need for appropriate action in time. Otherwise the Government spending will come too late—it will not help to accelerate the end of the recession, on the contrary it will take effect when prosperity is already on the way and hence will feed inflation instead.

The $40 billion we spend each year for national defense is an underlying condition which prompts inflationary forces, and in the continued face of the cold war there seems little we can do to reduce this huge annual expenditure. The billions we spend on storing surplus wheat and other farm products are indefensible, and the need for a revised national farm policy is imperative.

THE KHRUSHCHEV VISIT

A world thermonuclear war is so awesome to contemplate, stands so much in danger of destroying all participants and ending our civilization, that we must exhaust every possible avenue for securing world peace. A durable world peace would include an end to nuclear bomb testing, with adequate provisions for inspection.

The West Berlin crisis, a product of tragic World War II mistakes, is the immediate occasion of Khrushchev's visit to the United States. If this crisis will be eased by Khrushchev's visit, we are all for it. And we all favor an increase in communications between Soviet Russia and the United States, particularly because it will point up to the Kremlin leaders that our people are unified and determined in their desires for peace and freedom.

There are, however, a number of dangers in the visit. Our allies may be led to believe that we are ready for separate negotiations with Soviet Russia. The visit may be construed as a willingness on our part to give respectability to the subversive Communist movements in our country. The freedom-loving underground in captive countries may be discouraged. We may be seduced into letting our guard down in the face of the persistent international Communist conspiracy. For all of these reasons we may weaken our role as a beacon of world freedom.

These, in the present posture of the cold war, are real dangers. We need only to recall the enslavement of Hungary, the Berlin airlift, the rape of Indonesia, the unprovoked attack on South Korea—these and other terrible assaults on free countries—such as the present situation in Laos—are too recent to forget, and there is nothing in Khrushchev's utterances to lead us to believe that the Communist program has changed one iota.

The Khrushchev visit, therefore, affords very little ground for confidence. Most of us are apprehensive, suspicious.

If we keep our minds clear, and our free allies are kept informed of our actions, perhaps some good can come from Khrushchev's visit. We should be polite, of course, but firm. A sense of weakness or despair will not help our cause. But we can show to all the world that our desire for peace is always foremost, whatever the sacrifice short of losing our freedom. In this way everybody in the world, including Khrushchev, may learn to understand more fully the sincerity of American people and their strength of purpose.

HOUSING

President Eisenhower's veto of the housing bill was an act of irresponsibility, for the developing slums and the growing deterioration of our housing add up to a national scandal. We are told that the President's veto was motivated by a desire to combat inflation. Quite apart from the point that this is palpably untrue, it seems clear that few people have stopped to ask themselves the question: How much does it cost city, State and Federal Governments to maintain crime-breeding and disease-ridden slums?

Now that we have passed a somewhat toned-down housing bill, I hope the President will sign it. The need is great and urgent, particularly for urban renewal, college housing, and housing for the elderly.

Slum clearance, while urgent, also has tragic human consequences for those who reside or have small businesses in the area scheduled for clearance. Compelled relocation of these people uproots their lives and destroys their businesses. I have therefore introduced bills to provide for reimbursement by the Federal Government to such persons as follows: payment for indirect as well as direct expenses and losses; payments to tenants for the difference in rental for 1 year between the old rental and the higher rental which they might be obliged to pay for new homes or businesses; payment to businessmen of a fair and reasonable value of their business if they cannot find a new location and if they are not offered a preference in the redevelopment project itself; increase the maximum payments to $500 in the case of an individual or family and $10,000 in the case of a businessman—existing law authorizes payments for "reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit" limited to $100 in the case of an individual or family or $2,500 in the case of a business concern—authorize the administrator of the Small Business Administration to make low-cost loans to those displaced by urban renewal projects.

The Federal Government, indeed the State and local governments generally, now follow a policy on condemnation awards which is wholly unfair to those whose property or business is taken for urban renewal projects. Good will is not compensated. Removal and other costs are not adequately reimbursed. Accordingly, I have introduced a bill to establish a Commission To Study the Adequacy of Compensation in Federal Land Acquisitions. I shall continue to press for the immediate enactment of my bill. I think that the Government should set an example of fairness in dealing with people who are obliged to sacrifice their homes or businesses for urban renewal programs.

LABOR-MANAGEMENT REFORM

I expect that we will have enacted a labor-management reform law. Full reporting and disclosure of union finances, the protection of unions and management against racketeering, and the safeguarding of union members' democratic rights through such means as secret ballot elections and the regulation of disciplinary proceedings against union members—these and related objectives are mandatory subjects for legislation.

The revealed and pressing need for such legislation prompted me to propose, as a compromise bill, H.R. 7811. The purpose of my bill H.R. 7811 has been to strike at evil and wrongdoing in the labor-management field without impairing the integrity of the collective bargaining process. Management and the public interest will suffer grievously if honest and responsible union officials are hampered in their efforts to avert needless strikes, to arrive at fair collective bargaining settlements, to live up to the terms of collective bargaining agreements.

In sum, we should not in pursuing the legitimate cause of reform weaken the integrity of union-management relations conducted by decent unions with free management.

It is my hope that the operation of our projected labor-management reform

law will not be repressive either to honest unions or to management and will bring about democracy and an end to wrongdoing and corruption without weakening the fabric of collective bargaining, without causing unnecessary strikes.

There are a number of other labor subjects which will face the Congress next year. One of them has to do with bringing about 9 million persons under the Federal wage and hour law who are not now covered by that law. These people who are not covered pay the same taxes as other citizens who are covered and are as much affected by the cost of living brought about by our huge defense expenditures and other Government policies, as are the employees covered by the law. I recognize that there are a number of complications having to do with the nature of the industries which are excluded from coverage because of their characteristics, but we must move forward in this field in fairness to all American citizens.

EDUCATION

As a member of our Committee on Education and Labor, and particularly because of the many years of my preoccupation with education, I am naturally interested in improving American education. The tasks which we face in the field of education today are gigantic. They are the inevitable outcome of long years of neglect, of lazy approaches, and, in fact, of outright indifference to the obligations which have been thrust upon us by world events.

We must give more than verbal recognition to the fact that education, along with national defense, is a frontline national responsibility as well as a means to strengthen the Nation's security. We must put into effect an active, efficient, and comprehensive program which will not only alleviate the current educational crisis but will also help to insure for the future an upgraded educational system.

Accordingly, I have introduced bills which would include amplified provisions for elementary and secondary school construction; annual college scholarship grants; fellowship grants and a fellowship loan fund for postcollege research and study; Federal grants for construction of State and municipal colleges and college research and laboratory facilities; increasing teachers' salaries; grants for developing pilot teaching programs; revision of our tax law so as to permit parents to take reasonable deductions for children attending college; and assistance for adult education.

Our Committee on Education and Labor has approved a bill for increasing teachers' salaries and aiding school construction, but the House has not yet acted upon it. This is one of the disappointments of the session. The need is for more vigorous action next year.

The international situation remains bad, and in the present cold war we are obliged to spend billions of dollars annually for aiding foreign countries. This is all to the good if a hot war is averted, for precious lives and immeasurably more billions of dollars would then have to be spent. But are we not, in our preoccupation with our European and Asian allies, neglecting our Latin American friends? They are our historical concern and, together with us, would constitute a great bulwark of unity for free institutions. They are in a state of destitution, a prey to communism. I have, therefore, proposed the necessity for a bold new program for Latin America, aimed at helping our Latin American neighbors to industrialize, to raise the standard of living of their people, and to establish stable democracies.

We live in a great country, and our standard of living excels any in the world, or in world history. This does not, however, mean that we can stand still. For example, the lot of our people on social security should be improved, and social security benefits should be provided for millions of persons who are not now covered at all. Our educational system is in need of major overhauling and improvement. We need to find better solutions for union-management conflicts. These are some of the host of problems of a free society. I hope the Congress will continue to address itself to these issues and these problems, so we may go forward as an ever better and stronger America.

THE DISTRICT OF COLUMBIA JUVENILE COURT NEEDS MORE JUDGES

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, I hope that Congress will take action before it adjourns to avert a serious crisis in the Nation's Capital.

The Juvenile Court of the District of Columbia was established over half a century ago, when Teddy Roosevelt was President of the United States in 1906. At that time there was only one judge on the court.

Now in 1959, eight Presidents and two world wars later, there is still only one judge on the court. Perhaps because of this fact, respect for the law has diminished among juveniles. What else can be expected if the court backlog forces a case to be delayed until 6 to 8 months after the offense? How does this affect the whole problem of juvenile delinquency if the offender has such a long span of time before he is called to account?

Mr. Speaker, the statistics on juvenile crime in the District of Columbia are alarming. One judge on the juvenile court handled 9,980 hearings in 1950 and 17,916 in 1957; the trend is steadily upward, outrunning the increase in population. But even more alarming than these cold statistics are the daily instances of juvenile mob violence on the open streets. Yokings, knifings, beatings—every known form of crime is being perpetrated by these juvenile gangs. Members of Congress and their wives and families have not been immune to these threats. The wave of juvenile crime must be brought under control.

I believe it is imperative that the House pass S. 1456, a bill which adds two judges to the juvenile court of the District of Columbia. This is not the final answer to our crime problem, but it will clearly help in shortening the time between offenses and hearings, and will enable the judges to give more careful and less hurried consideration to the hearings they conduct.

Mr. Speaker, we are trying to dispense juvenile justice with the same machinery we had before the Old House Office Building was opened in 1908. Those were the days of comparative calm when the stresses and strains of the speeded-up world were not yet upon us. But today we must rise to the challenge, because what happens right here in this city—the showcase of democracy in the free world—may mean more than a lot of our foreign aid programs.

And so, Mr. Speaker, I plead with my colleagues to look around them in this great city, and take this highly necessary step toward curbing juvenile crime by adding two judges to the District of Columbia juvenile court.

PATENTS AND INVENTIONS—AN INFORMATION AID TO INVENTORS

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WILSON] may extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WILSON. Mr. Speaker, the Patent Office has recently published a new pamphlet entitled "Patents and Inventions—An Information Aid to Inventors." This is a very helpful pamphlet that answers questions and gives valuable information regarding patents and patenting procedures. It also gives inventors assistance in the developing and marketing of their inventions.

This is a truly valuable service available to our constituents, and I recommend to our colleagues that they obtain copies of this pamphlet to send to constituents who so often inquire as to patent procedures. I think Commissioner Robert C. Watson deserves the commendation of the Congress for making such a valuable contribution to the economic system of our country.

THE EFFECTS OF NUCLEAR WAR

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 45 minutes.

Mr. HOLIFIELD. Mr. Speaker, never in the long and turbulent history of mankind has the danger of self-destruction been so great or so imminent. For the first time there has been delivered into man's hand, weapons of such awesome power, such massive destructive scope that it is difficult to comprehend a war in which such weapons would be used.

Such weapons are real, however; they are not figments of the imagination.

The number of these terrible weapons are increasing at an unbelievable rate. We have passed the handmade production era. We are in the mass production era.

The inventories of the three nuclear weapons owning nations are growing and bursting the doors of their hidden caverns. Will they ever be used in war? No man can answer that question. We can only turn our thoughts back to the thousands of years of man's war upon man. In every age, in every war, man used the most efficient weapon available in his quest for victory. We even closed World War II on August 9 and 12, 1945, with the atomic weapon. The Japanese will to continue their suicidal struggle crumpled in the sight of the awesome mushroom clouds that arose over the two blasted cities of Japan. The intelligent minds throughout the world reeled as the impact of these weapons was revealed. A massive revulsion of feeling, a questioning of conscience, arose among thousands of scientists, educators, spiritual leaders and millions of laymen.

Now, some 14 years later, the spreading avalanche of nuclear weaponry threatens the existence of civilization and the very physical shape of those individuals who might survive a nuclear world war.

The 20,000-ton TNT equivalent Hiroshima bomb has been replaced by the 20-million-ton TNT equivalent hydrogen weapon that may be dropped on Washington, D.C., London, or Moscow.

Because I believe there is yet a little time left—a little precious time for man to stop, look, and listen to the voice of reason before he takes the final catastrophic step—I have asked for a few minutes today.

I am hopeful that world peace can be established. There is no problem more difficult or more pressing than the quest for world peace. The leaders of every great nation in the world should convene and remain in continuous session until this problem is solved. The parliaments of all nations should stand by for the purpose of enlightening debate and for implementation of plans for peace.

I know that this will not be done. I fear that peace may not be established. It is for these reasons that I continue in a small way, as a Member of Congress, the arduous task of trying to utilize the time that may be left to inform and to warn my colleagues and the people of the stark and fearsome realities of nuclear war.

THE EFFECTS OF NUCLEAR WAR

Our military and diplomatic leaders state that America's greatest hope of avoiding the catastrophic effects of an all-out nuclear war lies in the maintenance of the strongest possible strategic offensive forces. Indeed, our national policy today is to present such a strong threat of retaliation that a potential aggressor—specifically, the Soviet Union—will be deterred from either attacking us directly or taking any such hostile steps that might provoke us to use our strategic offensive forces in retaliation.

This is fundamental. It is the bedrock on which our total military program has been built. It is the one basic precept that has not appreciably changed since the first atomic bomb was detonated over hapless Hiroshima.

UNANSWERED QUESTIONS

But logic and common sense demand that we ask ourselves one basic question, from which many other questions flow. If we are to depend on massive retaliatory power alone to prevent the outbreak of nuclear war, particularly in view of repeated trips to the brink, what happens if our deterrent fails to deter? What happens if the enemy underestimates either our military strength or our will to resist repeated, but limited, encroachments? What happens if neither side is willing to back down in a serious international crisis? If deterrence fails, is there no choice other than surrender or devastation?

In short, a basic unanswered question now faces the American people as well as our national leadership. That is: What lies beyond the "brink" of a nuclear attack?

JOINT COMMITTEE INVESTIGATION

The Joint Committee on Atomic Energy's Special Subcommittee on Radiation, of which I am chairman, has just completed a step-by-step examination of this all-important question in a series of public hearings. Our report, entitled "The Biological and Environmental Effects of Nuclear War," will soon be printed in quantity and available for distribution to the public. The printed record of the hearings is expected to be available within a few weeks.

In undertaking this study, our subcommittee first posed a realistic, though moderate, hypothetical attack against the United States and then called on the foremost experts in the country to analyze the consequences of such an attack. The hearing record and the summary report produced as a result of this study indicate for the first time the type of situation we would have to face in the event of a nuclear attack on our country.

From the outset our subcommittee recognized the inherent difficulty of examining such a problem as this in public hearings. Facts about nuclear carnage are not pleasant. Never before has a committee of Congress analyzed potential casualties on the scale encountered in nuclear war. It is shocking to do so, but such is the nature of a possible nuclear war and the subcommittee had no choice but to face up to the grim realities of such a possibility. The people are entitled to know the facts.

THE HYPOTHETICAL ATTACK

The hypothetical attack considered by the subcommittee assumed that 263 nuclear weapons in sizes of 1, 2, 3, 8, and 10 megatons with a total yield of 1,446 megatons were detonated on 224 targets within United States. The targets used in this attack were selected from the unclassified OCDM list of critical target areas and from published lists of military bases and Atomic Energy Commission installations.

Although this is considered a moderate level of attack, I may note that the Hiroshima atomic bomb was estimated at 20 kilotons, having an explosive equivalent of 20,000 tons of TNT. A 1-megaton weapon—1 million tons of TNT equivalent—has the explosive equivalent of 50 Hiroshima atomic bombs.

In addition, the hypothetical situation assumed that 2,500 megatons were detonated elsewhere in the Northern Hemisphere in attacks on overseas U.S. bases and in retaliation against the aggressor homeland. Thus, for purposes of calculating worldwide fallout, the detonation of approximately 4,000 megatons in all was assumed. All detonations were arbitrarily designated as surface bursts having a yield of 50 percent fission and 50 percent fusion.

In order to provide realistic data for use in determining the effects of meteorological factors, the actual weather conditions recorded for a specific day last fall were assumed to have existed at the time of the attack.

The blast, thermal and radiation effects of this attack on the United States were described to the subcommittee in great detail by a distinguished group of scientific and medical experts. Although the blast and thermal effects caused the greatest physical damage and the largest number of human casualties, the most important hazard faced by survivors of the attack was that posed by the radioactive fallout, which gradually enveloped a large part of the total national area.

THE FALLOUT PATTERN

Based on the subcommittee's assumptions concerning the hypothetical attack, the Office of Civil and Defense Mobilization prepared a series of maps showing the progression of fallout across the United States following the attack—these maps are reproduced in the subcommittee's hearings and report. The first map demonstrates the way in which the radioactive fallout is depositing downwind from the targets at 1 hour after the attack. At this time, less than 10 percent of the country is affected by fallout, but the dose rates are very high, exceeding 3,000 roentgens per hour in some areas.

As an indication of the danger this represents, a dose of between 450 and 700 roentgens will cause certain death to approximately half the people exposed. A somewhat higher dose, possibly in the range of 750 to 1,000 roentgens, would prove fatal to all those exposed.

The roentgens-per-hour figure refers to the rate of gamma emissions from the fission products; that is, the rate at which an unshielded person would receive a radiation dose at a given time. Generally speaking, the radiation dose is cumulative, but the dose rate declines over a period of time.

The second fallout map showing the condition prevailing 7 hours after the attack indicates that fallout intensities exceeding 1 roentgen per hour cover approximately 30 percent of the national land area.

Two days after the attack 46 percent of the national land area is covered by radiation intensities ranging from one-tenth roentgen per hour to greater than 30 roentgens per hour.

COST IN LIVES AND HOMES

The impact of this assumed attack on the lives and homes of Americans would have been catastrophic.

Under conditions existing today, more than one-fourth of the dwellings in the United States would have been destroyed and damaged beyond repair. Another one-fourth would require major repairs.

Outside the areas of blast and thermal damage, another one-fourth of our dwellings would have been so severely contaminated by radioactive fallout that they would require major decontamination. Of these, some 2½ million dwellings would have to be abandoned for periods of extending up to several months.

Of far greater importance, this attack would have cost the lives of approximately 49 million Americans and would have caused serious injury to another 20 million.

In addition, certain genetic hazards, about which a great deal remains to be learned, and various problems resulting from the environmental contamination would have been produced by this attack.

SOURCE OF ESTIMATES

For the record, I wish to note that these estimates were not made by me or by my subcommittee. In fact, no single individual arrived at these totals through his own calculations alone. These estimates represent, instead, the final product of our entire Federal damage assessment system, based on the hypothetical attack assumptions furnished to the OCDM by the subcommittee.

It should also be emphasized that the assumed attack represents only a hypothetical example of what could happen. Other attack patterns of greater or lesser total megatonnage could have been planned, and by the same token, extrapolations from this particular pattern and these effects can be made either upward or downward.

In computing the results of this attack, the National Damage Assessment Center of the OCDM took into account a vast number of factors, including the location of targets, the size and makeup of each individual weapon, fallout patterns, available shielding, weather conditions, the time of day, and the location of transient populations.

While the Damage Assessment Center made its computations with respect to the total estimated physical damage and casualties, the subcommittee received expert testimony on the different types of effects that would have resulted from this attack.

Dr. Frank Shelton of the Defense Atomic Support Agency in the Department of Defense described in detail the blast, thermal, and radiation effects of each type of weapon detonated in the assumed attack.

The biological effects of the attack were described to the subcommittee by a distinguished group of experts drawn from laboratories throughout the country and including those scientists and medical doctors having the greatest practical experience in the study and treatment of the Nagasaki and Hiroshima survivors and of the Rongelap natives accidentally exposed to radiation in the Pacific tests.

The environmental effects, including the effects on animals and food crops, were presented to the subcommittee by experts in ecology and agriculture.

In the course of the hearings, the subcommittee drew on the resources of the Atomic Energy Commission, the U.S. Naval Radiological Defense Laboratory, the Department of Agriculture, and the Food and Drug Administration, as well as those of the Department of Defense, the Office of Civil and Defense Mobilization, and various nongovernmental institutions.

SURVIVAL MEASURES

While the main purpose of the subcommittee investigation was to determine the biological and environment effects of a possible nuclear war on the United States under conditions prevailing at the present time, we also received extremely important testimony on the technical possibility of reducing those effects through nonmilitary protective measures. Though usually termed "civil defense," or nonmilitary defense, these measures might more appropriately be called "survival measures."

The casualty data presented to the subcommittee indicated that nearly 75 percent of the deaths resulting from the assumed attack would have been caused by blast and thermal effects, combined with immediate radiation effects. Only 25 percent of all fatalities would have resulted from fallout. At the same time, however, more than half of the surviving injured would have radiation injuries.

Expert testimony presented to the subcommittee indicated that moderate shelter protection against the fallout effects would have saved not only the fallout casualties but also a great many of the blast and thermal casualties. This is because the vast majority of blast and thermal casualties would be caused by the relatively low blast pressures and thermal intensities occurring over wide regions surrounding the immediate target areas.

One particular fallout shelter, designed by the U.S. Naval Radiological Defense Laboratory and occupied by laboratory personnel during an actual test detonation in Nevada, consists of a standard Navy ammunition hut of the quonset type. This shelter, placed three feet underground, would reduce fallout intensities by a factor of 1,000 and protect against blast at a level of 10 pounds per square inch. The cost of the shelter is estimated at $100 to $125 per person sheltered.

It was also testified that this same fallout shelter can be designed for protection against a blast pressure of 35 pounds per square inch. Such protection under conditions of the subcommittee's assumed attack could reduce the number of fatalities from approximately 25 percent of the U.S. population to about 3 percent. All of these would result from the immediate blast effects, no deaths would be anticipated from either thermal or radiation effects alone under these conditions.

The cost of providing this high level protection for 200 million people was estimated as between $5 billion and $20 billion, depending on the use made of existing facilities.

In passing, I may note that this estimate for a one-time expenditure falls within a range of from somewhat less than our annual subsidies for farm products to approximately one-half our yearly expenditures for military defense.

PERSONAL VIEWS ON REQUIREMENTS FOR SURVIVAL

Thus far, I have been speaking as chairman of the Joint Atomic Energy Committee's Special Subcommittee on Radiation. I have been reporting on our subcommittee's study and investigation of the effects of a possible nuclear war. The remainder of my remarks represent my personal conviction arising from my work as chairman of that subcommittee and as chairman of the House Government Operations Committee's Subcommittee on Military Operations.

Although I am aware that some of the other members of these two subcommittees share my views, I do not wish to represent my remarks as in any way reflecting the position of either subcommittee. I speak as an individual Member of Congress, who has become acquainted with the grim and brutal facts of weapon technology.

As a charter member of the Joint Committee on Atomic Energy, I have witnessed the development of weapon technology from a privileged vantage point. In the past 10 years, I have seen the destructive power of nuclear weapons multiplied through major developments and many refinements in the art.

At the same time, I have been shocked and appalled by our failure—or I should say, our refusal—to do anything to protect our people from the devastating effects of nuclear weapons in the event this Nation is attacked. The executive branch has refused to develop an effective national program for the protection of our people, and the Congress has not been willing to appropriate large funds for civil defense in the absence of a realistic Executive plan.

As a consequence, the people of America now stand unshielded from the horrifying effects of a possible nuclear attack.

CONCEPT OF PUBLIC LAW 920

When my Subcommittee on Military Operations began its civil defense investigations in 1956, the civil defense policy of the Federal Government was based on legislation enacted in the period immediately following the outbreak of hostilities in Korea. That legislation, known as the Federal Civil Defense Act of 1950—Public Law 920, 81st Congress—was outmoded upon enactment. It vested primary civil defense responsibility in the States and localities and created an obscure and impotent Federal Civil Defense Administration at the Federal level.

Today, almost 10 years later, that law remains virtually unchanged. Notwithstanding the development of multimegaton hydrogen weapons—which we have been living with for the past 7 years—

there have been only minor modifications of Public Law 920.

The principal change to Public Law 920 came with the passage of Public Law 606 of the 85th Congress, which changed the "primary" responsibility of the States and localities to the "joint" responsibility of the Federal, State, and local governments. In practice, even this change has been meaningless because the term "joint" is undefined. I have sought in vain to have this "joint" responsibility defined or clarified. Does it mean 99 percent State and local and 1 percent Federal responsibility? Or does it mean a 50–50 relationship or a 30–70 division of responsibility? No one in the executive branch or the Congress has been able to tell me exactly what this term "joint" responsibility means.

There has also been a reorganization of Federal civil defense functions, brought about by Reorganization Plan No. 1 of 1958, which combined the Federal Civil Defense Administration and the Office of Defense Mobilization to form the present Office of Civil and Defense Mobilization. This reorganization plan elevated the Federal Civil Defense Administration from an obscure agency to a privileged place in the President's office. But the program and policy of Federal civil defense has not changed. We continue with the same concepts we had in 1950.

NINETEEN HUNDRED AND FIFTY-SIX INVESTIGATION

In 1956 the Military Operations Subcommittee conducted the most comprehensive investigation of civil defense ever undertaken by a committee of Congress. We studied the entire Federal program and examined individual State and local programs all over the country. Our seven-volume set of printed hearings included testimony from mayors, governors, civil defense directors, outstanding representatives of the medical profession and various fields of science and engineering, as well as from every member of the Joint Chiefs of Staff.

At the conclusion of this study and investigation our subcommittee recommended the adoption of a comprehensive national civil defense program to insure the protection of our people and the survival of our Nation in the event of an enemy attack.

RECOMMENDED NATIONAL PROGRAM

Briefly stated, the recommendations and legislation put forth by our subcommittee called for a recognition of Federal responsibility for national civil defense and the adoption of a nationwide master plan for civil defense preparedness.

The key measure of the national civil defense program recommended by our subcommittee was shelter protection against the blast, thermal and radiation effects of nuclear weapons. In addition, improved Federal civil defense organization and procedures were recommended.

These recommendations are just as valid today as they were in 1956. Almost nothing has been done by the executive branch or the Congress to improve our civil defense posture during the past 3 years, despite the constantly increasing destructiveness of nuclear weapons, despite the onrushing threat of the international ballistic missile era.

SHELTER NEED BEING RECOGNIZED

One extremely important development of recent years, however, has been a growing recognition that shelter protection must be the starting point of any effective civil defense program.

The Federal Civil Defense Agency—the OCDM—is no longer preaching a philosophy of mass evacuation to the open countryside, where our people would be killed by radioactive fallout if they did not die from exposure to the elements. OCDM is now advising the people to build their own shelters. I may note, however, that despite the do-it-yourself exhortation of the FCDM, few if any home shelters are being constructed.

Since our 1956 report, numerous study groups have examined the problem of protecting our people from the effects of nuclear weapons, and to my knowledge not one authoritative group has found any solution or made any proposals that did not include a recommendation of shelter protection.

Among those groups recommending a shelter program are the Operations research Office of Johns Hopkins University, the Rand Corp., the Rockefeller special studies project of 1958, the President's special study group known as the Gaither Committee, and the recent Special Task Force on Protection from Radioactive Fallout, which was appointed by Governor Rockefeller of New York.

The 1958 Rockefeller special studies project report, which was published before Mr. Rockefeller became Governor, advocated strong Federal leadership to meet the national civil defense requirement. It characterized civil defense as a basic component of our total defense system.

The special task force which recently submitted its report to Governor Rockefeller cited the fundamental requirement for shelter protection, but its basic recommendation reverted to the Public Law 920 concept to State and local responsibility. The report recommended the passage of State legislation to require individual home and apartment building owners to provide shelter protection from fallout. I predict that no State legislature will dare to pass a mandatory law requiring direct private expenditure to meet alien enemy attack on our Nation. An enemy attack on our Nation would constitute a national challenge to our sovereign existence as a Nation and would be met with a strong national resistance, not uncoordinated piecemeal effort by a few individuals.

I commend the special task force for its recognition of the need for radiation shelters, but I am convinced that passage of the recommended legislation will never occur. Even if the State of New York should adopt such legislation, the actual construction of shelters would be many years coming and would not solve the problem of national survival nor the problem of national rehabilitation.

I may say, also, that I commend Governor Rockefeller for his willingness to grapple with this very difficult and challenging problem. As far as I know, this is the first time a State Governor has been willing to take any direct action to achieve shelter protection for his State. I am afraid, however, that this effort will prove as futile as the FCDA–OCDM policies of the past 9 years.

Governor Rockefeller has at least recognized the fact that radiation can be the great killer of unprepared populations and he has also recognized that correctly prepared shelter can be the great saver of human life from the effects of enemy nuclear attack. As a Democrat, I applaud this Republican Governor for at least partly facing up to his responsibility as the chief executive of a great State. I deplore the fact that 35 Democratic State Governors are too poorly informed or lacking in fortitude to face the facts and hazards of the nuclear age. I would bid them wake up before it is too late, acknowledge the hazards of nuclear war to their various populations, and take the additional steps past Governor Rockefeller's abortive effort by demanding that the Federal Government discharge its constitutional responsibility of protecting all of our citizens from enemy attack.

FAILURE OF NATIONAL LEADERSHIP

The largest single obstacle to effective civil defense in this country has been a pointblank refusal by the national leadership to recognize the civil defense problem as one that can be solved. Lip-service has been given within the executive branch and in Congress, but no positive action has been taken.

Every year OCDM conducts an Operation Alert exercise which demonstrates our complete inability to cope with the effects of a possible nuclear attack without the provision of shelters. But an executive branch recommendation for a national shelter construction program has not been forthcoming.

The National Security Council and the Joint Chiefs of Staff have been briefed time and time again on this problem, and I think it is one of the great tragedies of our time that these two important bodies have not properly advised the President of our civil defense requirements.

One fundamental fact that has not been faced is that the protection of our people from the devastating effects of a possible enemy attack is a constitutional responsibility of the Federal Government. Whether the enemy strikes at our military forces or at Keokuk, Iowa, or at any other point in the United States, the defense problem is national in scope and must be dealt with by action of the Federal Government.

Yesterday afternoon I received in my office a copy of a special message from the President to the Congress transmitting a supplemental appropriation request for civil defense funds. The letter is dated August 25, 1959, and the request is for $9 million to finance the

various civil defense functions delegated to Federal agencies outside the Office of Civil and Defense Mobilization.

The President's letter also urged reconsideration of an earlier request for $12 million to match funds spent by State and local governments for personnel and administrative costs of civil defense. This request has twice been refused by the House. In the first instance it was rejected by a voice vote and only a few weeks ago it was rejected by a vote of 241 to 166 on the conference report. It is now pending in conference with members of the other body.

I cite this message of the President for two reasons. First, it demonstrates the extreme difficulty of obtaining even modest appropriations for civil defense purposes. Second, some of the language used by the President in support of his request is extremely pertinent to the main points of my remarks today.

The President's stated reason for making his request was that "along with our military defense and retaliatory forces, civil defense and defense mobilization are vital parts of the Nation's total defense—together they stand as a strong deterrent to war."

These are the words of the President, and to my knowledge it is the first time he has so clearly acknowledged this vital relationship between retaliatory forces and civil defense preparedness.

The President is even more emphatic later in his message when he states that "our total defense is incomplete and meaningless without reliable and responsible home defense."

He goes on to say, "Survival cannot be guaranteed merely with a capacity for reprisal. Equally important is our ability to recover. This means staying power and endurance beyond that ever before required of this Nation or any nation."

I am encouraged by these words uttered by the President just 2 days ago. But again I feel compelled to call attention to the fact that the programs the President is supporting fail to meet the civil defense requirement which his words acknowledge.

I must in good conscience ask these questions: Is this another example of lipservice to the fundamental importance of civil defense or is there now a realization on the part of the President and his advisers of the real import of his words? Is there now a determination within the executive branch that at long last the American people are mature enough to be told the terrifying facts of national defense in the nuclear weapons era, and that they are going to be given a chance to survive in the event of an enemy attack?

For the answers to these questions we must wait to see if concrete proposals for a realistic national civil defense program are forwarded to the Congress in support of the President's forthright words on the importance of effective civil defense.

I am inserting at this point the full text of the President's letter of August 25 as an attachment to my remarks.

I am also inserting the breakdown of casualties for 71 metropolitan areas as computed by the Office of Civil and Defense Mobilization. These figures are based on the hypothetical attack pattern as outlined by the Subcommittee on Radiation of the Joint Committee on Atomic Energy.

Figures used in these tables are based on 1950 population, and should be increased about one-sixth to compensate for increase in the national population of 1959:

Effects on individual metropolitan areas

[In thousands]

Target area and weapons	Number of people, attacked areas [1]	Number killed 1st day	Number fatally injured	Number of surviving injured
2-10 megaton weapons each:				
Boston	2,875	1,052	1,084	467
Chicago	5,498	545	447	648
Detroit	3,017	820	593	557
Los Angeles	4,367	698	2,136	814
New York City	12,904	3,464	2,634	2,278
Philadelphia	3,671	1,309	989	777
Subtotal	32,332	7,888	7,883	5,541
1-10/1-8 megaton weapon each:				
Baltimore	1,338	591	466	174
Cleveland	1,466	394	298	316
Pittsburgh	2,214	597	659	43
St. Louis	1,292	563	370	161
San Francisco	2,241	734	769	301
Washington, D.C	1,465	579	433	228
Subtotal	10,016	3,458	2,995	1,223
1-10 megaton weapon each:				
Atlanta	672	155	206	160
Buffalo	1,089	253	140	158
Cincinnati	904	461	261	93
Dallas	614	130	314	124
Houston	807	81	57	114
Kansas City	814	265	230	144
Milwaukee	872	151	112	189
Minneapolis	1,117	201	92	97
New Orleans	685	319	226	74
Portland	705	156	103	131
Providence	682	210	263	144
Seattle	732	168	99	126
Subtotal	9,693	2,550	2,103	1,554
1-8 megaton weapon each:				
Albany	514	69	51	63
Birmingham	559	159	137	86
Columbus	504	245	134	54
Dayton	458	200	119	58
Denver	564	138	144	118
Indianapolis	552	137	88	109
Louisville	577	264	156	59
Memphis	482	76	51	97
Norfolk	446	180	117	59
Rochester	488	212	107	59
San Diego	557	58	202	126
Youngstown	529	121	189	76
Subtotal	6,230	1,859	1,495	964
1-3/1-2 megaton weapon each:				
Akron	410	162	104	66
Allentown	436	45	79	117
Fort Worth	361	73	189	74
Hartford (New Britain)	539	124	110	119
Springfield-Holyoke	456	157	100	72
Toledo	396	107	74	75
Wilkes-Barre	393	51	48	63
Subtotal	2,991	719	704	586
1-3/1-1 megaton weapon each:				
Bridgeport	504	105	84	54
Canton	283	84	59	42
Chattanooga	246	85	77	29
Davenport	234	73	53	53
Erie	219	54	42	42
Flint	271	77	46	39
Grand Rapids	287	124	66	21
Knoxville	337	112	106	38
Lancaster	235	54	51	49
New Haven (Waterbury)	546	192	138	95
Peoria	250	84	54	28
Reading	256	72	66	60
South Bend	205	84	53	34
Syracuse	342	89	68	73
Trenton	230	41	80	97
Utica-Rome	284	107	60	2
Wheeling	355	59	58	46
Wichita	222	78	75	38
Wilmington	269	77	76	67
Worcester	547	128	151	97
Subtotal	6,122	1,779	1,463	1,004
1-1 megaton weapon each:				
Binghamton	185	58	32	17
Evansville	161	60	34	23
Fort Wayne	184	69	41	23
Greensboro	191	28	19	32
New Britian (included with Hartford).				
Rockford	152	42	25	25
Waterbury (included with New Haven).				
York	203	46	31	17
Subtotal	1,076	303	182	137
City target area total	68,460	18,556	16,825	11,009
Nontarget area total	82,239	1,095	5,354	6,182
Grand total	150,699	19,651	22,179	17,191

[1] 1950 population figures.

THE WHITE HOUSE,
Washington, D.C., August 25, 1959.

The PRESIDENT OF THE SENATE.

SIR: I transmit herewith to the Congress a supplemental appropriation request of $9 million for the fiscal year 1960 for the "Salaries and expenses" appropriation of the Office of Civil and Defense Mobilization. These funds are necessary to finance the civil defense and defense mobilization activities assigned to several Federal departments and agencies pursuant to law and the national plan for civil and defense mobilization.

I cannot emphasize too strongly the urgent need for the Congress to appropriate such funds before adjournment.

Along with our military defense and retaliatory forces, civil defense and defense mobilization are vital parts of the Nation's total defense—together they stand as a strong deterrent to war.

For this reason I am asking the Congress to reconsider my earlier request for funds to assure that Federal agencies, which have vital responsibilities for nonmilitary defense, will be enabled to discharge these crucial functions.

The nature of nuclear war places upon the American people the responsibility for considerable action and sacrifice to insure their own security. This is clearly spelled out in the national plan for civil defense and defense mobilization and the national shelter policy.

But the American people have the right to expect of their Government intelligent and aggressive preparation to carry out its essential defense role and to do those things which are beyond the capability of individuals.

I believe the American people will demand this. As an indication of the growing public desire for a strong civil defense, I call your attention to the unanimous vote by which the Governors' conference at San Juan passed a resolution supporting the national fallout shelter program. I was pleased by this action.

There persists in many minds the image of civil defense as something apart from regular government, something which would spring into being to bear the vast responsibilities of home defense and recovery in case of attack. This is a false image.

The responsibilities for civil defense in this Nation rest squarely on regularly constituted government at local, State, and Federal levels, and upon people.

There is before the conferees on the present independent offices appropriation bill my request for $12 million to match funds spent by State and local governments for personnel and administrative costs of civil defense. It is most urgent that this item be approved.

Matching funds are required to strengthen civil defense at the State and local levels, the very heart of civil defense, and to give tangible evidence of Federal leadership in encouraging State and local governments to prepare the defenses for the people. These funds will implement Public Law 85–606.

Civil defense, the defense of our people in the missile age, is the joint responsibility of the Federal, State, and local governments; no one level of government can do the whole job. The partnership among the Federal, State, and local governments never was more intimate or more necessary.

The Office of Civil and Defense Mobilization and State and local civil defense offices serve a staff function to help elected officials perform their vital home defense roles by using all the built-in capability of existing government structure.

Within the Federal Government there are departments and agencies peculiarly competent to cope with many of the diverse problems that would come with nuclear war.

The request I am resubmitting today is for funds needed to permit these specially competent agencies to contribute their experience, knowledge, and resources to the total effort required.

The request is modest. But these modest funds will enable the Federal Government to take a long stride toward mobilizing its total resources to meet this problem.

The history of appropriations for Federal agency preparedness is most unfortunate. In fiscal year 1959, departments and agencies were asked to include funds necessary to finance all their civil defense and defense mobilization functions as a part of their regular budget estimates. The Congress eliminated these defense funds and directed that these departmental requests be consolidated in the budget for the Office of Civil and Defense Mobilization.

For fiscal year 1960, my budget for the Office of Civil and Defense Mobilization included $12 million to be allocated among nine departments and agencies needed to finance civil defense and defense mobilization programs. The $3 million provided does not enable the Federal Government to carry out the responsibilities contained in the National Security Act, the Defense Production Act, and the Federal Civil Defense Act.

It would be unwise to neglect our civil defense mission because our total defense is incomplete and meaningless without reliable and responsible home defense. Survival cannot be guaranteed merely with a capacity for reprisal. Equally important is our ability to recover. This means staying power and endurance beyond that ever before required of this Nation or any nation.

I recommend that the Congress appropriate the funds outlined above to carry out these programs which are so vital to the national security. The details of this proposed appropriation are set forth in the attached letter from the Director of the Bureau of the Budget.

Respectfully yours,

DWIGHT D. EISENHOWER.

Mr. RIEHLMAN. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to my colleague on the Government Military Operations Subcommittee who over the years has sat with me many, many hours exploring this subject which is so important to our Nation.

Mr. RIEHLMAN. First, I commend the gentleman for the very thorough and careful presentation that he has made to the Members of the House this afternoon on this fallout problem with which our Nation will be faced in case of a hydrogen bomb attack.

I do not think any person in the House has ever given more diligent and careful study to a more important subject than the gentleman from California [Mr. HOLIFIELD]. It has been my privilege to serve with the gentleman for several years on this subcommittee when we were studying Federal civil defense matters, and I want to say that I think this is one of the most comprehensive and fine presentations that we have had on this matter from either subcommittee on which he has served as chairman. I hope this presentation will get the type of publicity it deserves and that the Members of the House will heed the warning that has come from his two committees in respect to this matter which confronts not alone the Members of Congress, but also every civilian in the United States of America.

Mr. HOLIFIELD. I thank the gentleman from New York for his remarks, and I will say that every report that has come from this subcommittee has been unanimous from both the Democratic and Republican sides of the aisle. I will also say that the Special Subcommittee on Radiation that held hearings in 1957 and again in 1959 on the bomb effects of active fallout and the report which will be coming out this coming month were also unanimous reports of the committee.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to our distinguished Speaker.

Mr. RAYBURN. I want to say to those present and to the gentleman from California in particular that I am proud that a man of his industry and great ability has taken it as a part of his great duties to go into this subject so thoroughly as he has as the leader of the subcommittee; and I want to congratulate the other members of his subcommittee. I trust, along with the gentleman from New York [Mr. RIEHLMAN] who just commended the gentleman from California, that his warning and the facts that he has adduced here this afternoon will be a challenge not only to the Congress, to everyone in public life throughout the length and breadth of the Government of the United States, but also to the States and to our people that they will be on the alert and be willing to do the things necessary to protect their own lives and the lives of others.

I thank the gentleman from California for his hard work.

Mr. HOLIFIELD. I thank the Speaker and appreciate more than I can express his commendation of my efforts.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. PORTER. Of course, I associate myself with the remarks of our distinguished Speaker, as does everyone else here. The gentleman from California is a hardheaded idealist. He is telling us of the dangers of radiation fallout. I note on the chart that Oregon is the one State that seems to be the least touched. I realize, of course, that this is a hypothetical situation which probably will not happen in real life, so I am not going to make any chamber of commerce speech and say "Come to Oregon" because if these things do happen I do not think we would escape.

I was glad to notice, as I assume the distinguished gentleman has noticed, that the President extended our unilateral cessation of nuclear weapons tests for 2 more months.

Mr. HOLIFIELD. Yes.

Mr. PORTER. I would like to ask the gentleman this question: Does the gentleman have hopes that the administration will do something either in the Public Health Service or some place else to set up administratively a group of experts who are trained in the field of radiation, so we can undertake a constructive public health program of study?

Mr. HOLIFIELD. I will say to the gentleman from Oregon that this is a most complicated subject. Our committee has grappled with it for some time. The situation is this: The Public Health Service has been suggested as being the

agency that could do this job. They had an appropriation of about $600,000 last year, as I remember, to do the work of radioactive detection.

We spent last year in the Atomic Energy Commission through contracts with universities and laboratories not only in this country but also throughout the world, as a matter of fact, better than $20 million; and in the Defense Department something like $38 million was spent for the purposes of detecting and measuring the radioactive fallout as it occurs throughout the world so we will know just exactly what this means.

The gentleman from Oregon has been here long enough to know that it is much easier to get appropriations for the Atomic Energy Commission and the Defense Department than it is for the Public Health Service. If I could have my way, which I cannot, of course, I would say that there should be one agency distinct from either the AEC or the Defense Department to do this type of job of measuring the total radiation from all causes, from X-ray machines, from weapons testing, from reactors, and from reactor waste disposal which is going to be a greater and greater problem and upon which my Subcommittee on Radiation held hearings this year.

All of these things have to be taken into consideration because radiation is cumulative in nature; and, regardless of where you get it, it becomes a part of your body and is an accumulated component of your body and therefore has a tendency to go great harm to your body.

I do not believe the Congress would place in the Public Health Service this tremendous responsibility. In the first place, they do not have as many trained people as the Defense Department, they do not have as many trained people as the Atomic Energy Commission has. I have advocated the building up of competent personnel and an increase in appropriations so that this can be done, if it can be done, by the Public Health Service. But we are going through an interim period of learning in this great field, and until we do have the confidence in an agency like the Public Health Service that we now have in the contractors that are working for the Defense Department and the Atomic Energy Committee, I would have to support keeping it where it is for the present. I might say that the money the Public Health Service is spending on contracts for the AEC is AEC money.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Oregon.

Mr. PORTER. I thank the gentleman for his answer to my question. I have one other question I would like to ask. I know this matter needs further attention and that the gentleman is going to give it that further attention. Is it not true that we have far too few trained people, even if we do not have a war, on the technician and professional level to take care of the radiation problems that are naturally going to come out of the exploitation of atomic energy? Should we not be doing something about that pressing problem?

Mr. HOLIFIELD. I think we should. Incidentally, there is a grant-in-aid to students, to trainees, in the Atomic Energy Commission program at the present time. We are making grants-in-aid for the training of people in this field—not enough, I would say.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. CLEM MILLER. Since coming to Congress I know of no one in whose sincerity and integrity I place more reliance. I know that atomic energy is associated with the name of the gentleman from California [Mr. HOLIFIELD].

In this speech here this afternoon he is making a wonderful contribution to our understanding, and I hope that it gets the publicity and the attention it deserves. I know in my own congressional district we are far too indifferent about this entire problem, and I hope by speeches and remarks of this kind we can impress upon them the gravity of the situation. I wish to pay tribute to my colleague from California.

Mr. HOLIFIELD. I appreciate the gentleman's words very much. They are very generous.

We have a fine membership on the Atomic Energy Commission and on the committee dealing with military operations, and I think each and every one of the members of those committees is just as dedicated to the welfare of the Nation as I am.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I wish to associate myself with the remarks of the gentleman from California. I think the work he and his committee have done in calling to public attention the significance of the dangers of radiation from an immediate blast and heat and also from fallout should do much to make Americans become more sober in their assessment of the risks of war. There have been persons in the United States who have, I think, loosely, carelessly, and perhaps foolishly, suggested that we could afford the risks of a war. They are prepared to write off tens of millions of American citizens as immediate casualties. It seems to me that the maps shown here and the reports the gentleman has issued make it clear that that would be the minimum cost of such a war.

Does not the gentleman share at least a sense of appreciation that the President spoke so soberly and so earnestly on Tuesday at his press conference on the necessity to pursue every possible route by which we might discover a way toward a general or even partial disarmament. I express appreciation to the President for the thoughts he expressed which I am sure are the hopes of the human race, with the wonderful resources of atomic energy, that can be used to help lift the burdens from the human race.

Mr. HOLIFIELD. I would say that my hopes and my prayers go with the President of the United States in the tour he is making abroad. In the coming visit between the President and the top representative in power at least of the Soviet Union, if there ever was a time in humanity's long history when dedication to the establishment of peace should be in the forefront of every man's mind, heart and soul, this is the time.

I am not an alarmist. I have lived with this thing for 13 years. They say that familiarity breeds contempt, but I will say this with all the fervor of my being, that there is no contempt in my heart for the terrible situation that mankind finds itself in today. There is only bleeding in my heart, because I realize the great danger and I fear that too few people today realize this danger and are willing to make the effort to inform themselves and are willing to make the sacrifices that may be necessary to prevent such a holocaust from ever being visited upon the human race.

Mr. JOHNSON of Colorado. I take it, by the gentleman's remarks, that he recognizes that before we can transform others we must transform ourselves, or at least a part of our problem today is to transform ourselves.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

SPECIAL ORDERS TRANSFERRED

Mr. JOHNSON of Colorado. Mr. Speaker, earlier today the gentleman from Wisconsin [Mr. REUSS] and I had secured consent for special orders on tomorrow. In view of the decision subsequently made today that there would be no session tomorrow, I now ask unanimous consent that the special orders granted myself and the gentleman from Wisconsin [Mr. REUSS] be transferred to the calendar on Monday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

DEPLETION ALLOWANCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter, and also to extend my remarks on another subject following these remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I note, because of the hour, that some of the Members who wished to take part in this discussion have had to catch planes; consequently the gentleman from Oklahoma [Mr. JARMAN] sent me a note with his apologies, and the gentleman from Ohio [Mr. VANIK] also could not be here. However, I am going to put certain information in the RECORD with the hope that it will establish a basis for a discussion on this important matter of reducing the depletion allowance, which I assure you is going to be discussed more and more in the next Congress.

The issue here, Mr. Speaker, of course, is not to do away entirely with the de-

pletion allowance. The issue that we want to bring before the Committee on Ways and Means and before this House is to reduce it from 27½ percent to 15 percent. That reduction would mean, by reliable estimates, a saving of some $400 million to $500 million each year, an amount the Nation could use very handily. I am just going to make a few remarks about it. Then I will ask to have certain matters included in the RECORD, and that will be all today for my part.

Mr. Speaker, this 27½ percent has been in the law for 30 years or more. I do not see anything sacred or scientific about it. It is time we reexamined it. What do we do here? We more than double past costs. We go far beyond costs. In fact, the estimates show that it costs about 19 times the cost of wells because of the use of this depletion allowance which enables the oil well operator or another such owner to take 27½ percent off his gross income.

You might ask, Why are they allowed to recover more than their original investment? Well, those of us who are asking for this reduction agree that there is some subsidy justifiable but not this much. It is the only industry with a chargeoff for intangible costs, such as seismography, drilling and labor, and yet with depletion allowance two-thirds of this allowance goes to corporations with more than $250 million of assets. So, you cannot say this is something that the little fellow needs.

In my remarks which I shall place in the RECORD in just a moment I go into this thing in some detail. First, though, I want to say something about a matter brought on the floor yesterday by the gentleman from California [Mr. HIESTAND] that this was a deferred or delayed tax; not forgiveness. I cannot understand this point. Twenty-seven and a half percent is taken off of gross income each year. It is left off. The saving is about $400 million a year for people who do not deserve it and who do not need it.

At this point I shall ask that my prepared remarks be inserted in the RECORD.

(The matter referred to is as follows:)

DEPLETION ALLOWANCE FOR OIL AND GAS INTERESTS SHOULD BE REDUCED FROM 27.5 TO 15 PERCENT

Mr. PORTER. Mr. Speaker, today I wish to discuss a matter of grave importance to the American taxpayer and to the national welfare. On April 16, 1959, I introduced a bill to amend the Internal Revenue Code of 1954 to reduce the percentage depletion rate for oil and gas wells from 27½ to 15 percent of gross income.

I have introduced this amendment to plug one of the most notorious loopholes in our tax structure. In these days of danger, when the U.S. Government must make vast expenditures for armaments and at the same time fight inflation, we must act to prevent the loss of hundreds of millions of dollars in revenue to the U.S. Treasury.

My colleagues from Oregon, Senators MORSE and NEUBERGER, have filed a similar bill in the other body. Other Members in both bodies have filed such bills in this and previous sessions.

As you know, the Internal Revenue Code provides for depletion allowances in computing taxable income in the case of the natural resources, such as oil, gas, mines, or similar properties. The underlying theory of the depletion allowance is this: That at least part of the receipts from the severance of natural resources represents a return of capital, that is, a recovery of part of the cost of acquiring or developing the property. Returns in the form of capital should, of course, be tax exempt.

Depletion deductions are allocated between the owner and other persons having a "depletable" economic interest in the well or mine. Royalty owners are included; stockholders are excluded.

The depletion allowance for the natural resources industries is comparable to the depreciation allowance granted to industrial firms.

These depreciation allowances provide a tax-free return for manmade instruments of production which are subject to wear and tear in the course of operations. Similarly, every barrel of oil which gushes from a well reduces the available supply, and thus uses up some capital.

There is little quarrel over the theory of depletion allowances for the petroleum industry. The question arises as to the amount of the depletion allowance. All too often there is no reasonable relation between the amount of depletion allowance and the cost of acquiring or developing the property. All too often double recovery of costs occurs. In addition to the depletion allowance, certain exploration and development costs which may be regarded as capital expenditures are deductible as current expenses.

INCREASING VALUE OF DEPLETION

To begin with, the figure of 27½ percent depletion allowance was written into the law more than 30 years ago. This percentage was agreed upon after so-called scientific determination, so its proponents say, to permit adequate incentive for the oil industry.

It must be remembered, however, that in these intervening 30 and more years, the tax on corporate incomes has been advanced from 13 to 52 percent. Consequently, the depletion allowance has become more and more valuable. It is true, of course, that the total tax bite has widened over the years. However, the income tax on the oil industry would be far greater today without the depletion allowance.

In the second place, the depletion allowance for the oil industry has no time limit. As long as oil flows from a well, 27½ percent of income is allowed for depletion. In other words, then, regardless of the actual cost of the well, tax relief goes on and on. Therefore, by the time the well has run dry, the cost of acquisition and development may have been recovered many, many times over.

As a matter of fact, competent authorities tell us that recovery value of depletion allowances averages 19 times the cost of the wells.

In contrast to these tax advantages allowed the oil interests, in the case of ordinary businesses, investment in physical assets is recovered tax free through depreciation deductions. But when the original investment has been recovered, a depreciation deduction is no longer allowed under the tax laws.

DOUBLE RECOVERY FOR OIL INTERESTS

And in the third place, our revenue laws provide double tax recovery for the oil interests. In addition to the 27½-percent depletion allowance, the law grants allowances for intangible drilling and development costs, in the first year of a successful oil strike. These intangible costs include seismographing, drilling, and labor costs. Tangible items like storage tanks, pumps, and pipes may be depreciated just like any capital asset.

Oil production is the only industry which grants a chargeoff for intangible costs, plus depletion allowances. Many experts are of the opinion that the value of the chargeoff privilege is almost as large as that of the depletion allowance itself.

The enormous value of the depletion allowance and the special chargeoff privilege have produced a class of favored taxpayers.

The revenue laws as now written have established a billion-dollar subsidy for petroleum and gas production.

Various estimates have been made as to the magnitude of this loophole in our tax structure. If the depletion allowance were reduced to 15 percent, reliable estimates indicate that between $400 million and $500 million would be recovered by the Federal Treasury each year.

In these times when we here in America face a dual peril, the dangerous havoc wrought by the inflationary spiral on the home front and threats of cold and hot wars on the international front, these hundreds of millions of dollars are significant sums in the money flows to and from the U.S. Treasury.

HOW THE OIL LOOPHOLE WORKS

A few years ago the Bureau of Internal Revenue illustrated how the oil loophole works. In 1951 an oilman, identified as taxpayer A, had a total income of some $14.3 million. The tax he paid was all of $80,000 or 0.6 percent.

Then there was taxpayer B, likewise an oilman. His income was a mere $4.4 million, and the tax he paid, $150,000, or 3.4 percent.

In contrast, a married couple with two dependents, whose net earned income was $400,000, would have paid $338,750, or almost 85 percent of the total.

Not only is the Federal Treasury losing funds through the tax loophole provided oil companies, but petroleum firms are in an extremely favorable tax position compared with other industries. A recent study of 200 large corporations shows that in 1957 14 petroleum refining corporations paid taxes equal to 18 percent of their pretax profits, compared with 46.6 percent for the 200 corporations as a whole. If these 14 petroleum companies had assumed a tax burden equal to that of the entire 200 corporations, their additional tax in that year would have been increased by $260 million.

Let me submit another illustration of the extraordinarily favorable tax position enjoyed by petroleum concerns.

In a tabulation presented to the Senate last year showing net income before

and after taxes and taxes as a percent of pretax income for 20 unidentified oil companies, in 1956, with the general corporate income tax at 52 percent, the ratio of taxes to pretax income was less than 5 percent for 4 companies, 5 to 10 percent for 6 companies, 10 to 15 percent for 3 companies, 15 to 20 percent for 4 companies, 20 to 25 percent for 2 companies and over 25 percent for only 1 company.

These are a few examples of the marked tax differential treatment given the petroleum industry. Some years ago a study was made to determine the extent to which actual depletion allowances exceed depletion costs. This survey was undertaken in 1952 by the President's Materials Policy Commission. The Commission compiled figures for 260 selected corporations which accounted for about 80 percent of total depletion claimed by corporations in 1948. These are the most recent data available and there is no reason to suppose that the picture has changed materially.

A BILLION-DOLLAR WINDFALL

In 1948, those oil and gas companies which were included in the study were granted total depletion allowances of $1.075 billion. The actual cost depletion or adjusted basis depletion was calculated at $44 million. Annual cost depletion is computed by spreading the original cost, less amounts previously recovered tax free, over the estimated remaining life of the property. Therefore, the "windfall" to the companies was computed to be $1.031 billion.

During the following year, 1949, allowable depletion for these same oil and gas companies amounted to $953.4 million. This was $915.6 million more than calculation of depletion on the annual cost basis. Little wonder that the oil interests are lobbying forcefully to retain their present tax advantage.

I would now like to examine the relationship of our tax structure to American oil firms engaged in exploration and production abroad. Tax advantages granted such American companies have vast ramifications.

Nearly 200 American companies are engaged in oil exploration or producing crude oil abroad. By 1958, American investments in foreign oil had grown to 57 percent of all foreign oil reserves.

The scope of operations of U.S. oil companies with interests abroad is tremendous. For example, in 1957, net income after taxes of 33 major oil companies was $3.1 billion. Of this grand total, it is estimated that $1.9 billion was derived from domestic operations and $1.2 billion from foreign operations. In 1956, of total income after taxes of $3 billion, these 33 firms obtained $1.9 billion domestically and $1.1 billion from foreign sources.

Of greatest importance to the U.S. Bureau of Internal Revenue is the fact that these American oil firms operating abroad pay little or no taxes to the American Government. This is so, even though their income from foreign operations after paying all foreign royalties and taxes may exceed hundreds of millions of dollars. Why? Chiefly because the depletion allowance is granted all American companies wherever they operate. The most glaring example of tax favoritism to a single company is the case of the Arabian-American Oil Co.—Aramco. In 1955, Aramco had net earnings, after deduction of all expenses, royalties, and foreign income taxes, of more than $272 million. In that year, so published reports say, this company paid no Federal income taxes. Its depletion tax that year exceeded $148 million. Now then, if there had been no depletion allowance, taxes of $61 million would have been paid the U.S. Government.

Many tax experts raise an issue regarding the application of a 27½-percent depletion allowance to American companies operating abroad. These foreign oil fields are for the most part in the Near East. In these areas oil fairly gushes from the sands. To speak of risks involved in oil exploration is laughable. How, then, can a 27½-percent oil depletion allowance be justified on the grounds of risks and uncertainties of exploration?

I have illustrated extensively the vast advantages accorded the oil and gas industries by the structure of our tax laws.

PLENTY OF OIL RESERVE

The proponents of the 27½-percent depletion allowance claim that such extraordinary benefits are due oil interests because of the unique risks involved in exploring for oil. It is said that by granting percentage depletion, Congress has provided funds for oil operators to carry on explorations to make new discoveries as old wells run dry. At the present time, so the experts say, known oil reserves are only about 13 to 14 times annual output.

It is also claimed that the wildcatter is the pivotal figure in bringing in view oil wells. Oil discovery is costly and more frequently than not the oilman's efforts are rewarded with dry wells. In fact eight times out of nine an explorer finds a dry well. Even in proven fields, one well out of four is dry.

The cost of drilling a wildcat well is in the neighborhood of a quarter of a million dollars, on the average. However, the expense for drilling wells may frequently run into a million dollars or more.

Mr. Speaker, the full story of oil discoveries should be told. Although wildcatters are a prime factor in discovering new wells, today, development wells, or those owned by the big oil firms, now play the major role in adding to our oil supply. In 1957, however, there were 11,739 wildcat wells drilled. Of these, only 1,652 were successful and the rest were dry. There are the "eight out of nine" always quoted.

But, in addition, there were 41,038 development wells drilled in that same year. Almost 30,500 were producers. Of a total of 52,777 wells drilled then, in 1957, 32,076 were successful wells, or one and a half producers to each dry hole.

Drilling a wildcat well incurs the greatest risks in oil exploration. While the large oil companies do come upon dry wells in their search for oil, their fields are very largely proven. They have the financial means to attempt many oil strikes, and for them the law of averages usually works well. On the other hand, the wildcatter may have sufficient means to drill only a few wells. The small prospector with limited income from his properties receives little or no benefit from percentage depletion, especially during exploratory and development stages. Tax benefits are not available until the property begins to produce.

THE BIG COMPANIES GET THE BENEFIT

We should not be surprised to learn that by far the largest benefits from oil depletion allowances accrue to the giants in the industry. According to the Bureau of Internal Revenue, two-thirds of the tax allowances for depletion of oil supplies was claimed by corporations with assets of $250 million or more. Any losses experienced by these concerns enjoy the same carryover privileges as all business. Thus, losses may not only be written off against other income, but may be carried back 3 years and forward 5 to be set off against income of those years.

Furthermore, those who claim that the 27½-percent depletion allowance is justified on the basis of risks involved in oil exploration forget that wealthy investors, like movie stars, rich professional men, and others frequently buy up oil royalties and leases from proven fields to avoid high taxes. These investors also reap the advantages of the depletion allowance, although by no stretch of the imagination can anyone claim that such moneyed individuals are worrying themselves into nervous wrecks over the uncertainties connected with oil explorations.

It is also true that the owners of the land upon which discoveries of oil have been made in most instances have made little or no contribution to those discoveries.

The advocates of the 27½-percent depletion allowance state that the United States must have ample oil supplies in case of war. This generous allowance, therefore, is a necessary incentive for continuing oil explorations in the interests of the national security. No one knows what the next war will bring. No one really knows what the petroleum requirements will be.

Technological changes have been so swift and vast that future hostilities among major nations may well be of the pushbutton variety, over within a short time. Lethal showers of missiles may rain their hideous destruction from continent to continent, leaving a devastated earth. In such a war, who can estimate oil needs competently?

REDUCTION WILL NOT ENDANGER SUPPLY

In any case, there is no indication that a reduction of the 27½-percent oil depletion allowance to 15 percent would reduce oil supplies below fully adequate levels.

I have another issue to raise with those who favor a 27½-percent depletion allowance to the oil and gas interests. How can it be that we grant a depletion allowance to encourage production and exploration, and at the same time limit our domestic production by voluntary agreement under State jurisdiction? Output of many wells is limited to 8 days a month, supposedly in the interests of conservation and prevention of excessive production. Then, too, foreign production proceeds unabated and when under

American control reaps the benefits of our American tax laws. What is the effect of this anomalous situation? A tremendous advantage to the big importing companies and hardship to the small domestic producer.

Mr. Speaker, let me now ask the following question fairly and squarely. Do the big oil companies need a subsidy? I say, "No."

In a recent year total dividends paid by the oil industry to its stockholders or owners amounted to $695 millions.

Furthermore, profits after taxes per dollar of sales during the first quarter of 1959 amounted to 9.3 cents. This figure was second highest among all major industrial classes.

OIL EXECUTIVES WELL PAID

Another indication of the well-being of the petroleum industry is the compensation of its executives. Average salary of the presidents of 10 giant oil companies last year, 1959, was almost $159,000. The result of a broader sample for the entire petroleum industry showed that last year policymaking executives drew down an average salary of $68,800—not too bad, at all. The petroleum industry ranked third among all industries surveyed, topped only by chemicals—$86,000—and autos—$72,600.

And now a word about profits on foreign oil production accruing to American companies. The following quotation tells the story. It appeared in a story by J. H. Carmical which ran in the New York Times, February 15, 1959:

Last year the profits of a leading international company on all operations outside the United States averaged 64½ cents a barrel based on its total foreign production, virtually all of which was refined, transported, and marketed through its own facilities.

Under its 50–50 profit-sharing plan with other countries, the profit on crude oil production averaged 80 cents a barrel.

For 1956 * * * the worldwide net earnings of four international oil companies averaged 93½ cents a barrel on all operations based on the amount of crude oil produced. In 1957, the figure dropped to 89.7 cents a barrel and in the first 9 months in 1958 to 74.3 cents.

In these years the net profit from crude oil production was about 80 cents a barrel in the Middle East.

I urgently request that action be taken immediately upon my amendment to the Internal Revenue Code whereby the depletion allowance for oil and gas wells would be reduced from 27½ to 15 percent. At all times we need to plug every tax loophole; especially in these days of dire threat to our national safety and our national economy, we cannot permit huge losses to the U.S. Treasury through the sieves of obsolete and discriminatory tax laws.

What action can we expect will be taken legislatively on a proposition about which many in this Congress talk but which has made little if any progress toward enactment?

It is my understanding that the Ways and Means Committee may hold hearings on proposals in this general area during the recess. However, if no affirmative action is taken in January of 1960, it seems to me that other measures should be invoked to place this legislation before the House.

This is a half-billion-dollar subsidy for people who do not deserve it and who do not need it. Surely this is a source of additional revenue which we can no longer ignore and which it is our duty to tap without further delay.

I want also to refer briefly to a letter and press release I received from the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], which I shall insert in the RECORD at this point.

(The matter referred to is as follows:)

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR CHARLES: This is in response to your letter of August 24, 1959, urging that hearings be conducted on your bill, H.R. 6477, which relates to reducing the percentage depletion allowance.

As you are, of course, aware, this session of Congress is rapidly growing to a close, and there are a number of legislative matters on which the Committee on Ways and Means is now engaged. These are matters on which hearings have been held and which are pursuant to the schedule previously established.

I am enclosing for your information a detailed press re-release which I issued on August 17, 1959, relative to the program of the Committee on Ways and Means during November and December 1959, for panel discussions on the subject of the possibility of broadening the tax base and constructive tax reform. As may be observed, item G, "Business Deductions," includes a specific panel on percentage depletion and exploration and development costs. I feel confident that you might be interested in this panel discussion, as well as some of the other items which will be discussed. The discussions begin on November 12, 1959, on the subject of percentage depletion.

As is indicated in the press release, these discussions will not constitute hearings on specific bills but rather will be discussions by experts of the general subject.

Sincerely yours,

WILBUR D. MILLS,
Chairman.

CHAIRMAN WILBUR D. MILLS, COMMITTEE ON WAYS AND MEANS, TODAY ISSUED THE PROGRAM FOR THE PANEL DISCUSSIONS ON BROADENING THE TAX BASE

Chairman WILBUR D. MILLS, Democrat, of Arkansas, Committee on Ways and Means, today issued the program for the series of public panel discussions to be held before the full Committee on Ways and Means beginning November 2, 1959. These discussions constitute a first step in a comprehensive study by the committee of the possibilities of establishing a broader income tax base that would make it possible to meet revenue needs with lower rates of tax.

This schedule differs in several minor respects from the outline included in the press release of June 5, 1959. On the basis of this schedule, the hearings will run from November 2 to December 4. Any changes in this program will be announced at a later date. Each invited witness, prior to the panel discussions, will prepare a statement on the topic assigned. All such statements will then be published in a volume which will be made public.

Chairman MILLS reemphasized the point made in earlier releases that these public panel discussions are exploratory in character. These discussions will examine our Federal income tax laws in the light of the basic principles that should control an equitable broad-based tax system consistent with the needs of a growing economy.

The chairman pointed out that the individuals were invited on the basis of their experience and qualifications to discuss the topic concerned, and not on the basis of an affiliation with any organization or institution. No legislative program will be undertaken by the committee with respect to these matters until all interested persons have been afforded the opportunity to express their views in public hearings.

Mr. PORTER. Mr. Speaker, apparently no hearings are scheduled for the bills reducing the percentage depletion allowance but there will be discussions by experts. I cannot sit down here today without naming these experts who are going to discuss it. On November 12 on the subject "Percentage Depletion and Exploration and Development Costs," there will be a discussion by these 10 men: Richard Gonzalez, Humble Oil Co.; Scott Lambert, Standard Oil of California; Charles Galvin, professor of law, Southern Methodist University; Arnold Harberger, professor of economics, University of Chicago; Peter Steiner, professor of economics, University of Wisconsin; John Menge, professor of economics, Dartmouth College; Joseph Sneed, professor of law, Cornell University; Herbert Jackson, Pickands Mather Co., Cleveland, Ohio; L. J. Randall, Hecla Mining Co., Wallace, Idaho; and Rolla Campbell, Island Creek Coal Co. I have named five professors and presumably five lawyers who work for companies who are profiting to such a great extent. I hope that this is an objective group. I do not say that it is not, but just looking at the line-up here I would say that the question could be brought up. I shall read their report which they are preparing as experts with great interest. We will see what they think about percentage depletion.

Mr. Speaker, at this point I will insert in the RECORD, under the unanimous-consent permission previously granted, a memorandum I had prepared by the Library of Congress on the "Earnings of American Petroleum Companies Operating Abroad and Related Information." This will show you that these companies do not need special tax indulgence and will show you, I think, that we are long overdue in removing this discrimination.

(The matter referred to is as follows:)

EARNINGS OF AMERICAN PETROLEUM COMPANIES OPERATING ABROAD AND RELATED INFORMATION

(By Warren W. Scott, analyst in mineral economics, and Julius W. Allen, analyst in industrial organization and corporation finance, economics division, March 10, 1959)

At the outset it must be recognized that it is difficult to obtain much reliable data comparing net profits of American oil companies from their foreign operations with the net profits derived from domestic operations. This is true for a variety of reasons. Most companies operating abroad are branches or subsidiaries of corporations that also have substantial domestic operations. Published profit data are usually not segregated as to the source of income. Some companies are engaged in only one phase of the industry, such as production of crude oil, whereas others embrace the entire industry, including sale at retail. Income is, of course, derived from numerous sources, including, in addition to the sale of petroleum and all of its derivatives and byproducts, transportation by pipeline and tanker.

Comparison between domestic and foreign operations is further complicated by fluctuating exchange rates, changes of foreign royalty and tax legislation and decrees, and the particular accounting methods used by each company. The recent changes in tax and royalty policy, outlined at the end of this report, may well have significant impact on profits on foreign operations in the future.

Estimates as to the number of American enterprises engaged in exploring for or producing crude oil abroad range from 190 to nearly 200.[1] These operations are carried on in about 90 countries. Of these approximately 190 companies all but 68 are also engaged in domestic exploration and/or production.

American investment in foreign oil ventures has grown substantially. In 1938 U.S. interests owned an estimated 35 percent of foreign oil reserves. By 1958 this had increased to 57 percent.[2] This increase is due to such factors as increasing costs of domestic exploration and production, substantial reserves abroad, and the need to assure adequate supplies for essential defense and nondefense requirements.

The data on profits from foreign operations of petroleum companies, compared where possible with profits from domestic operations, in this report consist of the following:

1. The 1957 net income and net assets of two major international oil companies derived from their 1957 annual reports.

2. The 1951–57 net income and net assets of two major subsidiaries of Standard Oil Co. (New Jersey), one a domestic and one a foreign subsidiary.

3. The 1955 net income and net assets of five major international oil companies derived from a 1955 study by the Texas Gulf Producing Co.; a comparison with certain other integrated companies which operate primarily domestically is also made.

4. The 1957 data on income from foreign and domestic operations of 33 oil companies on a consolidated basis, as prepared by the Chase Manhattan Bank.

5. The 1957 data on foreign investment and net earnings compiled by the U.S. Department of Commerce.

6. The certain data on profits per barrel of oil from abroad—no comparisons between foreign and domestic production appear available on this basis.

(1) Two international oil companies, Standard Oil (New Jersey), and Socony Mobil, in their published annual reports for 1957 provide data on income and net assets on a geographic basis, are shown in table 1.

(2) Table 2 gives a comparison of net income and net assets of two subsidiaries of Standard Oil Co. (New Jersey); one, the Humble Oil & Refining Co., a domestic subsidiary, and the other, Creole Petroleum Corp., a subsidiary operating in Venezuela, for the years 1951–57.

(3) In a study "Limitation of Oil Imports, Proposed by Texas Gulf Producing Co., Gordon W. Reed, Chairman," issued May 28, 1957, tables 3 and 4 are included.

[1] See: Coqueron, Frederick G. and others: "Annual Financial Analysis of the Petroleum Industry, 1957," New York, Chase Manhattan Bank, 1958; and Fanning, Leonard M., "The Shift of World Petrolcum Power Away From the United States," Pittsburgh, Gulf Oil Corp., 1958.

[2] Fanning, Leonard M., "The Shift of Petroleum Power Away From the United States," table 5.

TABLE 1.—*Geographic distribution of net income and net assets of Standard Oil Co. (New Jersey) and Socony Mobil Oil Co., 1957*

[In thousands of dollars]

	Standard Oil Co. (New Jersey)				Socony Mobil Oil Co.			
	United States	Other Western Hemisphere	Eastern Hemisphere	Total for company	United States	Other Western Hemisphere	Eastern Hemisphere	Total for company
Net income	$198,347	$446,455	$160,375	$805,177	$88,913	$47,431	84,089	$220,433
Net assets	$3,345,979	$1,635,637	$773,995	$5,755,611	$1,676,843	$198,913	$503,165	$2,378,925
Net income as percent of net assets	5.9	27.3	20.7	14.0	5.2	23.8	16.7	9.3

TABLE 2.—*Net income and net capital stock and surplus of Humble Oil & Refining Co. and Creole Petroleum Corp., 1951–57*

[Dollar figures in thousands]

Year	Humble Oil & Refining Co.			Creole Petroleum Corp.			Year	Humble Oil & Refining Co.			Creole Petroleum Corp.		
	Net income after taxes	Net capital stock and surplus	Net income as percent of net capital stock and surplus	Net income after taxes	Net capital stock and surplus	Net income as percent of net capital stock and surplus		Net income after taxes	Net capital stock and surplus	Net income as percent of net capital stock and surplus	Net income after taxes	Net capital stock and surplus	Net income as percent of net capital stock and surplus
1957	$175,910	$1,338,096	13.1	$396,907	$889,853	44.6	1953	$164,258	$1,008,585	16.3	$228,997	$693,458	33.0
1956	178,961	1,257,582	14.2	336,434	802,047	41.9	1952	145,292	928,513	15.6	220,931	645,518	34.2
1955	174,997	1,163,868	15.0	292,944	756,598	38.7	1951	169,480	865,237	19.6	202,278	605,645	33.4
1954	146,303	1,072,925	13.6	239,651	739,119	32.4							

Source: Moody's Industrials, 1958.

TABLE 3.—*Ratio: Dollars net income to dollars net investment. Standard Oil (New Jersey), Gulf Oil, Standard Oil of California, The Texas Co., Socony Mobil Oil—United States, other Western Hemisphere, Middle East, total company,[1] year 1955*

[Unit: $1,000,000; source: Annual reports]

Item	United States	Other Western Hemisphere	Middle East	Total company
STANDARD OIL CO. (NEW JERSEY)				
Net income	$182	$356	$138	$709
Net investment	$3,054	$1,087	$172	$4,680
Percent net income to net investment	5.96	32.8	79.8	15.15
GULF OIL CORP.				
Net income	$72	$43	$103	$218
Net investment	$1,208	$183	$137	$1,528
Percent net income to net investment	5.96	23.5	75.3	14.28
STANDARD OIL CO. OF CALIFORNIA				
Net income	$127	$14	$90	$231
Net investment	$1,340	$92	$95	$1,527
Percent, net income to net investment	9.48	15.22	94.10	15.12
THE TEXAS CO.				
Net income	$128	$19	$91	$263
Net investment	$1,322	$83	$95	$1,677
Percent, net income to net investment	9.68	23.10	95.50	15.70
SOCONY MOBIL OIL CO.				
Net income	$98	$22	$64	$207
Net investment	$1,378	$106	$116	$1,845
Percent net income to net investment	7.12	20.72	55.20	11.22
Average percent net income of 5 companies	7.3	28.9	79.0	14.46

[1] Income from other sources and areas is also included in total company.

Source: Limitation of oil imports proposed by Texas Gulf Producing Co., Gordon W. Reed, chairman, May 28, 1957. Table 1.

TABLE 4.—*Ratio: Dollars net income to dollars net investment. Standard Oil Co. (Indiana), Phillips Petroleum, Sinclair, Cities Service, Sun Oil, Atlantic Refining, Tidewater, Union Oil, Continental, and Pure Oil, year 1955*

[Unit: $1,000,000; source: Annual reports]

Company	Net income	Net investment	Percent net income to net investment
Standard Oil (Indiana)	$157	$1,701	9.25
Phillips	95	901	10.56
Sinclair	81	829	9.75
Cities Service	49	577	8.54
Sun Oil	48	447	10.78
Atlantic Refining	39	438	9.00
Tidewater	38	378	9.97
Union	30	354	8.64
Continental	46	329	14.08
Pure Oil	35	317	11.06
Average percent net income—			
Of 1st 5 companies			9.78
Of total 10 companies			10.16

Source: Limitation of oil imports proposed by Texas Gulf Producing Co., Gordon W. Reed, chairman, May 28, 1957. Table 2.

It is to be noted that table 3 does not include segregated data on areas of the Eastern Hemisphere outside of the Middle East. The companies in table 4 are integrated companies that derive the bulk of their income from domestic operations, even though several of them have holdings of oil-producing property or rights to such property abroad and import oil.

(4) The following table, taken from the 1957 annual financial analysis of the petroleum industry issued by the Chase Manhattan Bank report, issued in July 1958, shows the net income of 33 oil companies (combined) which in 1957 produced approximately 59 percent and processed 64 percent of the free-world crude-oil supply, segregated by domestic and foreign operations:

TABLE 5.—*Net income after taxes of 33 major oil companies derived from domestic and foreign operations, 1956–57*

	Millions of dollars		Percent change	Percent of total	
	1957	1956		1957	1956
Domestic operations	1,897	1,864	+1.8	61.2	62.1
Foreign operations	1,203	1,139	+5.6	38.8	37.9
Total	3,100	3,003	+3.2	100.0	100.0

Source: Chase Manhattan Bank. Annual financial analysis of the petroleum industry, 1957 (p. 8).

Geographic distribution of net assets [3] of these 33 companies at the end of 1957 is as follows:

TABLE 6.—*Net assets of 33 U.S. oil companies, Dec. 31, 1957*

	Millions of dollars	Percent of total
United States	19,156	77.4
Canada and Latin America	3,894	15.7
Western Hemisphere	23,050	93.1
Eastern Hemisphere	1,712	6.9
Total	24,762	100.0

Source: Chase Manhattan Bank of New York. Annual financial analysis of the petroleum industry, 1957, by Frederick G. Coqueron et al., New York, 1958 (p. 11).

On the basis of these figures, it may be derived that for these 33 oil companies net income from foreign operations as a percent of their net assets in foreign countries amounted to 21.5 percent; and that net income from domestic operations as a percent of net assets in the United States amounted to 9.9 percent. For foreign and domestic operations combined, net income of these 33 oil companies amounted to 12.5 percent of their combined net assets.

[3] Net assets are equal to total assets minus current liabilities, long-term debt, other liabilities and minority interests, and preferred stock; they are equal to net worth excluding preferred stock.

Concerning distribution of net income by the 33 oil companies according to domestic and foreign operations the bank's analysis showed that the companies which derived a substantial portion of their income from foreign operations fared better than those enterprises whose activities were confined primarily to the United States. Distribution of net income by company groups is shown below:

TABLE 7.—*Net income of 33 U.S. oil companies, 1957*

[Millions of dollars]

Crude producers	135
Integrated refiners	965
International	2,000
Total	3,100

Source: "Annual Financial Analysis of the Petroleum Industry, 1957," Chase Manhattan Bank, New York, July 1958: 9.

(5) These profit data receive a degree of corroboration from the data on foreign investment and net earnings compiled annually by the U.S. Department of Commerce. The following table shows, by region, the book value of direct investment by U.S. oil companies in foreign countries, the net earnings of these companies in foreign countries, and these earnings as a percent of the foreign investment.

TABLE 8.—*U.S. petroleum companies investments and net earnings in foreign countries, 1957*

[Millions of dollars]

	Book value of direct investments by U.S. oil companies in foreign countries	Net earnings [1] of U.S. oil companies in foreign countries	Net earnings [2] as a percent of direct investment
Total, all foreign areas	8,981	1,623	18.1
Western Hemisphere	5,505	803	14.6
Canada	2,154	95	4.4
Latin America	3,161	701	22.2
Venezuela	2,179	613	28.1
Other Latin America	982	88	8.9
Netherlands West Indies, Trinidad, and other dependencies of West European countries	190	7	3.7
Eastern Hemisphere	3,477	819	23.5
Western Europe	1,184	163	13.8
United Kingdom	394	111	28.2
Other Europe (Germany, France, Italy, etc.) [3]	790	52	6.6
Kuwait, Bahrein, and Qatar	454	157	34.6
Asia and Africa	1,839	499	27.1
Saudi Arabia, Iraq, and Iran	954	369	38.7
Indonesia, India, Philippines, Japan, Australia, and New Zealand	532	120	22.5
Liberia	296	(4)	(4)
Union of South Africa	57	10	17.5

[1] Earnings are the sum of income and undistributed subsidiary earnings; income is the sum of dividends, interest, and branch profits.
[2] Earnings are not strictly comparable because of different types of facilities in different countries, etc.
[3] May be composed considerably of investments in refineries, distribution facilities, etc.
[4] Not available.

NOTE.—Details may not add to totals because of rounding.
Sources: Derived from: (a) Spriggs, Dillard. "Oil Now Largest U.S.A. Investment Abroad." World Petroleum, v. 29, December 1958: 64–5. (b) Pizer, Samuel, and Frederick Cutler. "Private Foreign Investments Near $37 Billion." U.S. Department of Commerce. Survey of current business, September 1958: 15–23. Tables 2, 3, 4.

It should be noted that the book-value data of this table tends to understate the total amount of investment made outside the United States by oil companies operating overseas. As Dillard Spriggs, a specialist in petroleum economics, has pointed out:

"Book-value data are considerably smaller than the total capital expenditures carried by U.S. oil companies operating overseas. A large part of these expenditures is financed out of charges against income, such as depreciation allowances; but neither these expenditures nor those financed by borrowing or equity financing in foreign capital markets are included in the book value of investment as reported by the Department of Commerce." [4]

To the extent that book-value data tend to understate the total amount of foreign investment, the profits as a percent of this investment are overstated.

As table 8 shows, of the total $8,891 million book value of direct investments by U.S. oil companies in foreign countries, $5,505 million, or 61.2 percent, is invested in the Western Hemisphere, Venezuela accounting for 24.3 percent of our total foreign oil investments. Canada is next largest, with about 24 percent of our total foreign oil investments.

Our oil investments in Kuwait, Bahrein, Qatar, Saudi Arabia, Iraq, and Iran amount to 15.6 percent of our total foreign oil investments.

Net earnings on the book value of all these foreign oil investments averaged 18.1 percent in 1957. The highest indicated earnings percentages were in Saudi Arabia, Iraq, and Iran, which, combined, averaged 38.7 percent of investment values. The next highest earnings percentages were reported for Kuwait, Bahrein, and Qatar, with a combined average of 34.6 percent. Earnings in the United Kingdom were 28.2 percent. Earnings in Venezuela were next in line, with 28.1 percent of the book value of direct investments.

It should be reemphasized that these earnings percentages can only reflect general orders of magnitude. Differences in valuation and accounting practices are sufficient to effect the amount of reported profits to a substantial degree. As one investment service has stated, "Virtually no two company statements are strictly comparable and, to the extent that variations tend toward or away from conservatism, earnings are either under- or over-stated." [5]

No data on profits per barrel of oil produced domestically were found. The following quotation discloses some information on such profits on foreign oil production by American companies.

"Last year, the profits of a leading international company on all operations outside the United States averaged 64½ cents a barrel based on its total foreign production, virtually all of which was refined, transported, and marketed through its own facilities.

[4] World Petroleum, December 1958, p. 64.

[5] "Standard and Poor's Industry Surveys, Oil," basic analysis, May 1, 1958, p. 0–45.

"Under the 50–50 profit sharing plan with other countries, the profit on crude oil production averaged 80 cents a barrel.

"For 1956 * * * the worldwide net earnings of four international companies averaged 93½ cents a barrel on all operations based on the amount of crude oil produced. In 1957, the figure dropped to 89.7 cents a barrel and in the first 9 months in 1958 to 74.3 cents.

"In these years, the net profit from crude oil production was about 80 cents a barrel in the Middle East." [6]

A brief survey of recent developments in Venezuela and the Middle East follows:

VENEZUELA

The book value of American oil companies' direct investments in Venezuela on December 31, 1957, amounted to $2,179 million, or 24.3 percent of our total direct foreign oil investments, according to the U.S. Department of Commerce study cited above. In 1957 Venezuela produced 1,014,424,454 barrels of oil, of which 877,543,964 barrels, or 86.5 percent, were produced by three large American companies in the area, as follows:

Venezuela oil production, 1957

[In barrels]

Creole Petroleum Corp. (Standard Oil Co. of New Jersey)	419,184,866
Compania Shell de Venezuela (Shell Oil Co.)	319,834,871
Mene Grande Oil Co. (Gulf Oil Corp.)	147,524,227
15 other companies (United States and other)	136,880,490
Total [1]	1,014,424,454

[1] More than 50 oil companies are now active in Venezuela.

Source: World Oil, Aug. 15, 1958: 166; Financial Times (London), Dec. 23, 1958: 1.

In 1943 the Venezuelan Government considered adopting a policy of sharing about 50–50 in the earnings of foreign oil companies. This policy was formally introduced in 1948. That Government has increased the rate in recent years to about 56 percent for itself from the larger producers. In December 1958 the Venezuelan ruling junta announced tax increases which would boost the Government's expected share of oil company revenues to 60 percent, and for the larger companies, Creole Petroleum Corp., for example, the rate may become about 63 percent or higher. The new tax would be retroactive to January 1, 1958. This rate increase was made without prior consultation with the oil companies, and it evidently applies to all Venezuelan taxpayers. This increase is effected mainly by raising the top surtax rate from 26 to 45 percent of net taxable income at or above 28 million bolivares (about $9.8 million). This increase is slightly offset by a repeal of the tax on gross operating revenue. The special oil exploration tax (usually called royalty) equal to 16⅔ percent or more of their production is still retained. The bulk of the tax increase will fall on foreign oil and iron ore concerns which provide two-thirds of Venezuelan Government revenue. Additional oil taxation revenue for 1958 is estimated at $170 to $200 million.

More details were given in January 1959, as follows:

"In 1957 the direct payments, including royalties and income tax made by the oil companies to Venezuela totaled $946 million. With oil production last year (1958) down about 7 percent from the 1957 level and prices received perhaps a bit lower, such payments on the old basis for 1958 would have totaled about $890 million. Under the new levy, these are expected to rise by more than $200 million to $1,100 million.

"In addition to these direct payments, Venezuela in 1957 and 1958 received some $700 million [7] in bonus payments on new concessions, mostly to American companies, on about 2 million acres of prospective oil lands."

Source: Carmical, J. H., "Oil Concerns Hit Venezuelan Tax," New York Times, Jan. 11, 1959:1,14F.

Creole Petroleum Corp.'s gross operating income in 1957 amounted to $1,128,903,836.

The corporation paid the following taxes:

Production tax (Government royalty on oil)	$204,550,000
Taxes	6,871,470
Income taxes	177,000,000
Total [1]	388,421,470

[1] Moody's Industrials, 1958 ed.

After deducting other expenses the corporation's net income in 1957 amounted to $396,906,713, according to Moody's Industrials, 1958 edition.

For the first 9 months of 1958 Creole Petroleum Corp.'s net profits were $249,020,000. The new tax rate will increase the Venezuelan Government's take by an additional 12½ percent retroactive to January 1, 1958.

Concerning the effects of the increased taxes on the oil companies, Petroleum Week recently stated:

"This $200 million tax boost is equal to an added 21-cents-per-barrel cost on the industry's estimated 1958 Venezuelan production (about 940 million barrels).

"The 18 to 22 cents rise in costs compares with a previous profit range of around $1 to $1.30 for the main Venezuelan crudes—a cut of from around 16 to nearly 25 percent.

* * * * *

"Creole's profit per barrel thus, has been slashed about 22 cents to only 63 cents. (Creole's profit per barrel runs lower than the industry average because of the company's high proportion of lower priced heavy crudes.)

"Most medium-sized Venezulean producers estimate that their individual profits will be reduced by around 20 cents per barrel.

* * * * *

"The Venezuelan law, it should be recalled, does not contain the important depletion provision of the U.S. law.

"How will all this affect the market position of Venezuelan oil?

"While it's still too early to predict results in actual barrels, there can be no doubt that the sharpness of the new tax cost, added to the cost of already high-priced Venezuelan oils, will reduce the salability of Venezuelan oil, particularly in markets that are tributary to Middle East supply sources.

* * * * *

"Venezuelan oil is not only higher cost, but considerably higher priced (by roughly $1 a barrel) than Middle East crude.

* * * * *

"Though higher priced, Venezuelan production until now has been more profitable than Middle East. The previous average per-barrel profit of $1 to $1.30 on Venezuelan crudes compared with a profit range of only around 50 to 90 cents on various Middle East crudes."

Source: Jablonski, Wanda M., "Venezuelan Oil Costs Jump Sharply," Petroleum Week, January 9, 1959: 30–31.

The same source 3 weeks later stated:

"The sharp 20- to 29-percent hike in Venezuelan oil tax costs is already beginning to be reflected in oil operations in that country.

"One American company with production in both Venezuela and the Middle East has cut back its Venezuelan heavy crude shipments by 15,000 barrels daily.

* * * * *

"Creole last week officially announced that its 1958 earnings (still unaudited) will fall to approximately $239 million on the new basis. This is a slash of $99 million from its previously estimated 1958 earnings of $338 million, a cut of 29 percent.

"It amounts to a profit split of almost 65 percent for the government and only 35 percent for Creole. (It also represents a drop of $158 million from Creole's net income of $397 million in 1957, a peak profit year.)

"Increased volumes of Venezuelan crudes necessarily have had to be discounted both to third parties and to affiliates (directly or through transportation or other gimmicks) if the sales were to be made at all. Some of the newcomers, for instance, have had to offer as much as 80 cents off to get outlets."

Source: Jablonski, Wanda M., "Venezuela Sought To Ease Venezuela Tax Impact," Petroleum Week, January 30, 1959: 14.

THE MIDDLE EAST

The book value of U.S. oil companies' direct investments in Kuwait, Bahrein, Qatar, Saudi Arabia, Iraq, and Iran amounted to $1,408 million on December 31, 1957, according to the Department of Commerce.

U.S. oil companies own about 58.8 percent of the oil in the Middle East, which is a larger share of ownership than any other country. Of the American ownership, Gulf Oil Corp. owns the largest stake, with Standard Oil Co. of New Jersey next. Other important American companies are Standard Oil Co. of California, the Texas Co., Standard Oil of Texas, and Socony Mobil Oil Co.

These companies pay royalties to the various governments on the profits on oil produced in the Middle East. Generally these royalties are on a 50–50 basis but some American companies (see later table), pay 60 percent to Iran. In May 1958 the Standard Oil Co. of Indiana contracted to pay 75 percent to Iran through its subsidiary, Pan American Petroleum Co. (later called Pan American International).

On October 16, 1958, the same company rejected terms for a concession by which Saudi Arabia would have practically taken over the operations by that company in Saudi Arabia.

An agreement was made in 1957 between Iran and an Italian company for Iran to get 75 percent of the profits. In the neutral zone, Saudi Arabia has a contract for 56 percent of a Japanese oil company's profits plus other concessions. The same Japan Petroleum Trading Co. has a contract to give 57 percent of its net profits in the neutral zone to Kuwait.

It has been estimated that 85 percent of all the income of Saudi Arabia is from oil, from which it received about $280 million in 1957. In Kuwait, Qatar, and Bahrein about 90 percent of income comes from oil.

The principal U.S. oil companies in the Middle East, their shares of the oil concessions and how profits from Middle East oil are shared percentagewise between the country and the companies, are shown in the following table:

[6] Carmical, J. H., "Arab Lands Seek More Oil Profits," New York Times, February 15, 1959, sec. 3: 1, 5.

[7] This was cited as being $686 million by H. W. Haight, president of Creole Petroleum Corp. in World Petroleum, January 1959:16.

U.S. oil companies' ownership interests in the Middle East and royalty percentages for profits sharing, 1958

State	Producing company	Ownership (only U.S. companies shares of ownership shown here)	Ownership percentages (United States)	Royalty agreements with state (country-company profits percentages)
Kuwait	Kuwait Oil Co., Ltd	Gulf Kuwait Co. (Gulf Oil Co.) (100 percent subsidiary).	50	50–50 usually, of company profits from Middle East production only, but several governments are bargaining for shares of profits on marketing of oil outside of Middle East. Some are bidding for larger shares of profits.
Saudi Arabia-Kuwait neutral zone.	American Independent Oil Co	10 U.S. companies	100	
Saudi Arabia	Arabian American Oil Co. ("Aramis")	Standard Oil Co. of California	30	
		The Texas Co	30	(50–50 except where otherwise indicated.)
		Standard Oil Co., New Jersey	30	
		Socony Mobil Oil Co	10	
Iraq	Iraq Petroleum Co., Ltd	Near East Petroleum Corp. (Standard Oil Co., New Jersey, 50 percent; Socony Mobil Oil Co., 50 percent).	23.75	
Iran	Iranian Oil Exploration & Producing Co	Standard Oil Co., New Jersey	7	60–40.
	Iranian Oil Refining Co	Standard Oil Co., California	7	
		The Texas Co	7	
		Gulf Oil Corp	7	
		Socony Mobil Oil Co	7	
		Iricon Agency, Ltd. (9 U.S. companies)	5	
	Pan American International (not yet producing)	Standard Oil Co. of Indiana	(1)	75–25.
Qatar	Same as Iraq Petroleum Co., Ltd			
Bahrein	Bahrein Petroleum Co., Ltd	Standard Oil Co. of California	50	
		The Texas Co	50	
Syria	Syrian-American Oil & Gas Co	James W. Menhall & Associates	100	
Yemen	Yemen Development Corp	George E. Allen and other American interests.	100	

[1] Not located; but probably 100 percent or substantial.

Sources: Mezerik, A. G., Oil in the Middle East, International review service, vol. 4, September 1958: 28–29. Arabian American Oil Co. Middle East oil developments, March 1956.

Mr. PORTER. Mr. Speaker, I will in a moment be glad to yield to anyone who is so patient as to stay all this time. First I would like to say that this matter of being able to make an address to the House under these circumstances is something that our British colleagues do not share. Visiting here in this country right now, today, is my distinguished friend Joe Reeves, a Member of Parliament, who told me about their methods there. I think we are fortunate to have this opportunity to make our views heard.

I know the gentleman will agree with me however, that it is alway better when we have a few more people on the floor, if we are going to have a useful argument. I am very glad the gentleman stayed here so at least we can have some clash of opinion. At this time I am happy to yield to my friend the gentleman from California [Mr. UTT]. I am glad he stayed.

Mr. UTT. Mr. Speaker, I appreciate the fact that my colleague from Oregon is willing to yield to me. I advised him ahead of time that my remarks would probably be in opposition to some remarks which he was going to make. However, I am not acquainted with his prepared statement, as it has been put in the RECORD without being read. So perhaps I am going to have to anticipate some of the points which he intends to cover.

But I do not think the discussion should be closed without some consideration of the basic concept of depletion, a part of which was discussed yesterday by the gentleman from Oklahoma [Mr. JARMAN] and others. But we must remember that depletion is a discovery incentive as one point; and second, it is the replacement of a wasting asset. They are two schedules.

Second, the gentleman has picked upon the oil companies or chosen the oil companies as the horrible example because they have 27½ percent depletion schedule. I submit to the gentleman that you cannot determine a multiplication product without taking into consideration the multiplier and the multiplicand in order to get the right answer. In all depletion there is the percentage of depletion multiplied by the cutoff point. Therefore, the 27½ percent allowed in oil is far less than the 15 percent which is allowed for lime which is converted into cement, because the law says that the point at which the product first becomes merchantable is the point at which the depletion shall be figured.

Oil is cut off at the well head, because there is a market for it. It becomes a marketable product at the well head. Therefore, it is 27½ percent multiplied by one, which equals 27½ percent.

If you go to cement, limestone from which cement is made, you find a 15-percent depletion, but not at the mine; not after it is brought to the surface; not after it is transported to the kiln; not after it is ground; not after it is run through the kiln; not after it is screened to 400 mesh; not after it is put in the sack; but when it is put on the train. Then you figure your depletion. And that is about five times more valuable at the railhead than it is at the mine. Therefore, your multiplier is 15 percent times 5, which is 75 percent.

Why not choose the cement companies as the object of your affection rather than the oil companies?

Mr. PORTER. If I may reply, I should like to.

Mr. UTT. Certainly.

Mr. PORTER. Of course, I know the gentleman will agree that a wrong done the American taxpayer in a cement sack does not excuse a wrong done in an oil barrel. The matter of how much money, of course, is involved. I believe that any depletion that does not serve a good point in subsidizing an operation that we want to give tax benefits to is wrong and I will support legislation to correct these wrongs. As for the discovery incentive, the gentleman should understand that I do not propose to do away entirely with the depletion allowance at this point. I do propose to reduce it because of the great profits of the oil companies and the fact that they are going to the big oil companies. I would say to the gentleman it does seem to me that it is certainly a discovery incentive.

In the light of the facts concerning oversea oil companies in Venezuela and in the Middle East, for example, certainly there, where the oilfields have been so well established and where they are making lots of money and companies like Aramco are not paying any taxes at all to us these days, I have these figures in my prepared remarks and the gentleman can see them in due course or the gentleman may be familiar with them anyway. As for replacing a wasted asset, 27½ percent off the gross every year does more than replace it. The figures show that on the average a well is replaced 19 times by the use of this percentage of depletion allowance.

If you have a typewriter and you are working as a lawyer, you get to depreciate it to cost, but you do not go beyond the cost. Yet, that is what happens with the oil depletion allowance. I think it has gotten completely out of hand. There is nothing scientific or sacred about the figure of 27½ percent. The biggest companies are getting this advantage. They ought to pay their fair share into the U.S. Treasury. I am hoping that early in the next session we will have this matter on the floor so that the gentleman and I can see it thoroughly debated.

Mr. UTT. I assure the gentleman the matter has been before the Committee on Ways and Means. You have reference to the panel hearings in November. Those were simply expert hearings. The public hearings will be had in January and both sides will be before the

Committee on Ways and Means to discuss the matter of depletion not only with reference to oil but to the entire issue.

Mr. PORTER. I am pleased to hear that.

Mr. UTT. These hearings are a matter of technical advice from the industries and from the tax people interested in it.

Mr. PORTER. I am glad that they are going to be held. Can the gentleman tell me—does he think the 10 people selected are going to be objective; or does he think those representing the oil companies are going to favor retaining the 27½-percent allowance; or that some or all of the professors are going to be against it? Would the gentleman offer an opinion?

Mr. UTT. Frankly, I think anyone who is an expert in that field will support the 27½-percent figure because I think the figures will bear out the fact that it is necessary.

Mr. PORTER. Do you think all 10 will then agree? If so, the hearings are a waste of time.

Mr. UTT. I do not think they are. If I were called as an expert, which I am not, that would be my conclusion from the figures I have seen and the way I understand it. The figures, of course, can be turned to fit almost any case. Your example of the reproduction 19 times of 1 well is true, if that well is drilled in a known field that was discovered. The record will show that 49 dry holes are drilled before they discover a new field, and that cost comes out of the 27½-percent depletion. As for them paying additional money, I am referring to the remarks of the gentleman from California [Mr. HIESTAND] about deferred taxes, which was not a proper reference, because it is not an actual deferred tax.

Mr. PORTER. It certainly is not.

Mr. UTT. But, it permits the oil operator to discover additional resources which would, when they come into effect, pay additional taxes. There are many, many cases where a depletion allowance has been granted and that money plus additional net profits has gone into the development of new fields and has produced revenue to the Federal Government far in excess of what would have been produced if the man had been taxed 100 percent on his first production.

Mr. PORTER. I wonder if the gentleman and I could agree on legislation to do away with depletion allowance for companies operating overseas with respect to their oversea operations?

Mr. UTT. I could not agree, and I could not disagree because I do not know what the depletion schedule results in so far as overseas development. I will have to plead ignorance as to that field. That will be discussed before the Committee on Ways and Means.

Mr. PORTER. I hope the gentleman will look at the report, inserted earlier, I have from the Library of Congress Legislative Reference Service with reference to the earnings of companies operating overseas.

Mr. UTT. I will be very glad to do so. I might ask the gentleman from Oregon if in your prepared statement or in all of the included literature, you pointed out certain horrible examples in Texas of oilmen who have paid very little taxes because of the depletion allowance?

Mr. PORTER. I have one horrible example where a couple, a married couple, pay about 83 percent of their income in taxes whereas—and this is not in Texas only; it could be California or anyplace—whereas if they got that income from oil they would pay much less percentagewise. That is the closest I come to a horrible example. I think it is a pretty bad one, the one I mentioned yesterday in debate.

Mr. UTT. I think that one, the one I have in mind, also is where the statement is made that out of a $14 million income, they only paid 2 percent in taxes.

Mr. PORTER. No, no, that was not my example.

Mr. UTT. Then I am anticipating, and I am somewhat in the dark.

Mr. PORTER. It was not my example.

Mr. UTT. I do want to say in this case to which reference was made in the hearings in 1950 before the committee, it was well demonstrated that in the case to which they referred, there was an income of some $13 million a year from oil and 27½-percent depletion allowance of about $2½ million.

But the same gentleman in the next few years invested more than $13 million in an attempt to discover a new field, which he did; so his income became about $5 million a year, and on that income after he takes his million and a half depletion he is in the 80-percent bracket and is paying about $3½ million a year because of his new discovery. If he had not gone out and discovered a new field the Treasury would have been that much worse off.

Mr. PORTER. I agree that we need to discover new oil wells in this country, although I point out that we already have 13 to 14 times our annual needs in oil in the ground now in provable reserves. That does not include oil shale.

So it is not exactly a critical situation. We are not proposing to do away with the depletion allowance. We say there is nothing magic about 27½ percent, that it should be reduced in view of the great profits made by these companies. The little wildcatter has to make money before he can get to the place where he can take the 27½-percent depletion allowance.

Mr. UTT. Will the gentleman tell me what is the difference between a great corporation making a lot of money and an oil company making a lot of money? Perhaps the corporation tax should be raised to 60 percent.

Mr. PORTER. We want to have them treated just as other corporations are treated without giving them specific advantages which they do not need or deserve. We maintain that the depletion allowance could be reduced from 27½ percent to 15 percent.

Mr. UTT. I do not know that I agree with the gentleman that it is a situation in which it is necessary to do that, but oil reserves are going to be necessary to the country.

I appreciate the gentleman's yielding to me and apologize for taking so much of his time.

Mr. PORTER. I thank the gentleman for his contribution and I hope we will have a chance to continue this when the legislation comes before the House early next year.

A CONGRESSMAN'S RIGHT TO TRAVEL

Mr. PORTER. Mr. Speaker, can the executive tell the legislative that its Members cannot go to a particular country if we are not at war with that country? What about the doctrine of separation of powers?

Many Members of Congress want to go to China. I am one of them. My application for permission has been turned down by the Secretary of State.

It is true that the United Nations is technically still at war with China. However, that the State Department has given permission to 41 journalists to go to China is ample proof that we are not actually at war with China.

If 41 journalists can have Executive permission to go to China, why cannot a Member of Congress receive the same permission?

This is the question I have sought to put before another coequal branch of our Government, the judiciary.

Under unanimous consent, I include the text of the civil action filed today on my behalf by my attorneys, Joseph L. Rauh, Jr., Daniel H. Pollitt, and John Silard, in the U.S. District Court for the District of Columbia.

CHARLES O. PORTER, PLAINTIFF *v.* CHRISTIAN A. HERTER, INDIVIDUALLY, AND AS SECRETARY OF STATE OF THE UNITED STATES, DEFENDANT—COMPLAINT FOR INJUNCTION AND DECLARATORY JUDGMENT

1. This is a civil action for equitable relief and for declaratory judgment arising under the Constitution and laws of the United States. The amount in controversy exceeds $10,000, exclusive of interest and costs.

2. This court has jurisdiction of this action under D.C. Code, sections 11–305 and 11–306; under section 10 of the Administrative Procedure Act, title 5 United States Code, section 1009; and under title 28 United States Code, sections 1331, 1332, 2201, 2202, and 1343.

3. Plaintiff is a citizen of the United States and of the State of Oregon.

4. Defendant is Secretary of State of the United States of America. His official residence is in the District of Columbia. He is charged by law with the duty of issuing passports to U.S. citizens, but has asserted and now asserts the power to withhold passports or limit their use and thereby restrict the travel opportunities of citizens.

5. The defendant will not validate passports for travel to countries such as China, with which we do not have diplomatic relations. At the present time, the following inscription is printed in every U.S. passport, including the one issued on August 7, 1958, to plaintiff: "This passport is not valid for travel to the following areas under control of authorities with which the United States does not have diplomatic relations: Albania, Bulgaria, and those portions of China, Korea, and Vietnam under Communist control."

6. The Department headed by the defendant has publicly announced and formally ruled that travel to China would be a violation of the terms and conditions of

the passport, would result in the revocation of the passport and the denial of passport facilities in the future, and that travel to China might cause the institution of a criminal prosecution.

7. The Department of State has seized, declared invalid, and refused to renew the passports of citizens who traveled to China with passports containing the aforesaid restrictions.

8. The Department of State has made exceptions to the above-mentioned policy and has authorized or agreed to authorize 27 American news correspondents to visit China. A letter to plaintiff dated August 18, 1959, contains the names and addresses of such persons, and is attached hereto as exhibit A and made a part hereof.

9. Plaintiff is, and at all times pertinent to this complaint has been, a Member of the U.S. Congress representing the Fourth Congressional District in the State of Oregon.

10. Plaintiff is, by virtue of his office, charged with the duty of formulating and voting on legislation concerning the domestic and foreign relations of the United States.

11. Plaintiff has concerned himself with the important shipping, commercial, and trade interests of the State he represents and the relationship of these interests to the Nation's foreign policies.

12. Plaintiff has, in pursuance of his duties as a Member of Congress, conducted investigations by personal visits into the relations of the United States with the Dominican Republic, and with the Republic of Cuba, and with other nations.

13. Plaintiff, at the end of the current congressional session, intends to leave for the Orient on congressional business. His itinerary now contemplates stops at Japan, the Philippine Islands, Formosa, and Hong Kong.

14. Plaintiff, on this forthcoming trip, desires to visit China to learn about the conditions and potentialities of trade and other facts relating to U.S. policies and legislation.

15. The Congress of the United States, of which plaintiff is a Member, has, since 1790, enacted 28 bills relating to passports. Some of these bills, such as the act of April 30, 1878 (20 Stat. 40), expressly direct the Secretary of State to issue passports to persons desiring to go to designated foreign countries.

16. On July 7, 1958, the President of the United States sent a message to Congress requesting legislation to enable the Secretary of State to refuse passports, among other things, "for travel to areas where there is no means of protecting them (American citizens) or where their presence would conflict with our foreign-policy objectives or be inimical to the security of the United States."

17. On July 7, 1958, the Secretary of State transmitted a proposed bill to the Speaker of the House which, among other things, would authorize the Secretary of State to refuse passports for travel in designated countries or areas. This legislation is currently pending before the Congress of the United States.

18. On October 16, 1958, plaintiff was informed by letter from William B. Macomber, Jr., that Members of Congress are given the same legal considerations as any other American citizen regarding the prohibition against travel to Communist China. Plaintiff was further informed by this letter that "The policy with regard to travel by Americans to Communist China remains unchanged, although it is naturally subject to periodic review. Those few exceptions which have been made in the past were dictated by compelling considerations of national and humanitarian interests, such as the visit made by their respective mothers to two Americans imprisoned in Red China."

19. By letter dated December 12, 1958, plaintiff was informed by William B. Macomber, Jr., Assistant Secretary of State, that "if a Member of Congress were to apply for a passport valid for travel to Communist China, his application would receive the Department's fullest consideration in the light of the Government's general policy and any exceptions which may be made thereto."

20. On June 10, 1959, plaintiff wrote the defendant Secretary of State "applying for permission to visit Red China." Plaintiff pointed out in this letter that "a Member of Congress has a right to go anywhere in the world to do his duty as a U.S. legislator as he sees it, except in time of war or emergency. Any other policy would seem to be an unconstitutional breach of the separation of powers."

21. By letter of July 2, 1959, William B. Macomber, Jr., Assistant Secretary, writing for the Secretary of State, denied plaintiff's application. A copy of this letter is attached hereto as exhibit B and made a part hereof.

22. By telegram of August 19, 1959, plaintiff asked defendant "whether there are any further administrative remedies open to me."

23. By letter of August 25, 1959, plaintiff was informed by William B. Macomber, Jr., Assistant Secretary, writing for the Secretary of State, that: "Actions denying validation of passports for Communist China are based upon foreign policy considerations and consequently raise no issues for determination by administrative procedures. In view of the foregoing, and the provisions of section 51.143 of the passport regulations (22 CFR) you are considered to have exhausted your available administrative remedies."

24. Plantiff has exhausted his administrative remedies.

25. The action of the defendant in this case is unlawful in that:

(a) Plantiff, as a Member of the U.S. Congress, has a right, duty, and obligation to obtain information relating to pending legislation, by personal visit or otherwise. Defendant's denial of plaintiff's right to visit China is a violation of the separation of powers doctrine and impinges upon plaintiff's constitutional rights as a Member of Congress.

(b) The statutes authorizing the Secretary of State to issue passports do not authorize him to prevent the travel of a U.S. citizen, particularly a Member of the U.S. Congress, to China.

(c) Plaintiff as an American citizen has a right under the first, fifth, and ninth amendments to travel to China.

(d) The denial of the right to travel to plaintiff, while authorizing others to travel in China, is unreasonable, arbitrary, and discriminatory and in violation of plaintiff's rights under the due process clause of the fifth amendment.

26. The damage done to plaintiff by the unlawful acts of defendant is irreparable, the full extent thereof cannot be measured in monetary terms, and is continuing, so that plaintiff has no adequate remedy at law.

Wherefore, plaintiff prays that this court—

(a) Adjudge and declare that defendant's refusal to afford passport facilities to plaintiff so that he may go to China is in violation of plaintiff's rights under the Passport Act of 1926 and the Constitution of the United States;

(b) Issue an injunction preventing the defendant from withholding from plaintiff passport facilities so that he may go to China and enjoining the defendant from taking any adverse action whatsoever by way of passport cancellation, denial of future passport facilities, the institution of criminal proceedings or otherwise against the plaintiff by reason of travel to China;

(c) Issue an injunction compelling defendant to remove from plaintiff's passport the limitation upon its use for travel to China;

(d) Issue a preliminary injunction, pending the disposition of this action, enjoining the defendant from continuing to deny passport facilities to plaintiff necessary for his travel to China;

(e) Grant such other and further relief as to the court may seem just and proper.

Respectfully submitted.

JOSEPH L. RAUH, Jr.,
DANIEL H. POLLITT,
JOHN SILARD,
Attorneys for Plaintiff.

AUGUST 27, 1959.

EXHIBIT A

DEPARTMENT OF STATE,
Washington, August 18, 1959.

DEAR MR. PORTER: Pursuant to your verbal request of August 3, 1959, there is listed below the name and address of each person whose passport is now validated for travel to Communist China:

NEWS CORRESPONDENTS

William Keyes Beech, Tokyo Correspondents Club, No. 1 Shimbun Alley, Marunouchi, Tokyo, Japan, Chicago News, Chicago, Ill.

William Benton, Sasco Hill Road, Southport, Conn., Encyclopedia Britannica, New York, N.Y.

Demaree C. Bess, Kimberly Knoll, Asheville, N.C., Saturday Evening Post, Philadelphia, Pa.

Russell D. Brines, 95 East Emerson Street, Chula Vista, Calif., Copley News Service, San Diego, Calif.

Forrest C. Edwards, Al Estoril Court, 15 Garden Road, Hong Kong, Associated Press, New York, N.Y.

Yancey Sherard Gilkerson, Jr., 112 Lanneau Drive, Greenville, S.C., Fairchild Publications, New York, N.Y.

George Howard Grim, 4825 East Lake Harriet Boulevard, Minneapolis, Minn., Minneapolis Star and Tribune, Minneapolis, Minn.

William K. Hosokawa, 3060 Cherry Street, Denver, Colo., the Denver Post, Denver, Colo.

Chesly Leon Manly, 3300 Lake Shore Drive, Chicago, Ill., the Chicago Tribune, Chicago, Ill.

Robert W. Martin, 116 4-Chome Fukayawa-Machi, Setagaya-Isu, Tokyo, Japan, U.S. News & World Report, Washington, D.C.

Igor M. Oganesoff, Gloucester Hotel, room 402, Hong Kong, the Wall Street Journal, New York, N.Y.

Oland Dale Russell, 2251 Quincy Street, Arlington, Va., Scripps-Howard newspapers, Washington, D.C.

Guy Warren Searls, 517 Jaffee Road, top floor, Hong Kong, Columbia Broadcasting System, Washington, D.C.

James Vincent Sheean, South Pomfret, Vt. Westinghouse Broadcasting Co., Washington, D.C.

Archibald T. Steele, 1002 Franklin Street, Boise, Idaho, New York Herald Tribune, New York, N.Y.

The following news correspondents have been designated by the particular news agency indicated and upon request their passports will be validated for travel to Communist China:

James C. Burke, 349 Sound Beach Avenue, Old Greenwich, Conn., Time, Inc., New York, N.Y.

Marquis William Childs, 3554 Edmunds Street NW., Washington, D.C., St. Louis Post-Dispatch, Washington, D.C.

F. Tillman Durdin, Gloucester Hotel, Hong Kong, New York Times, New York, N.Y.

Robert S. Elegant, 139 Sundarnagar, New Delhi, India, Newsweek, New York, N.Y.

Raymond Fritz Falk, 24 Otsuka Kubo-Machi, Bunkyo Ku, Tokyo, Japan, American Broadcasting Co., New York, N.Y.

Julian Bryan, 1 East 42d Street, New York, N.Y., North American Newspaper Alliance, New York, N.Y.

Fulton Lewis, Jr., 2800 Upton Street NW., Washington, D.C., Mutual Broadcasting System, Washington, D.C.

Wendell S. Merick, 41A Conduit Road, Hong Kong, United Press International, New York, N.Y.

James Albert Michener, Tinicum, Pa., the Reader's Digest, Pleasantville, N.Y.

John Philip Potter, Imperial Hotel, Tokyo, Japan, Baltimore Sun, Baltimore, Md.

James G. Robinson, care of Foreign Correspondence Club, Chiyoda-Ku, Tokyo, Japan, National Broadcasting Co., New York, N.Y.

Sol Witner Sanders, No. 14 Hiroo-cho, Minato Ku, Azabu, Tokyo, Japan, McGraw Hill, New York, N.Y.

If I can be of any further service please call upon me.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

EXHIBIT B

DEPARTMENT OF STATE,
Washington, July 2, 1959.

The Honorable CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: I refer to your letter of June 10, 1959 requesting permission to visit Communist China shortly after the adjournment of the present session of Congress. You indicate your desire to be accompanied by a number of persons and that the purpose of your visit is to learn about conditions and trade potentialities and other facts relating to policy and legislative aspects.

In 1952 the Department established the policy of not validating passports for Communist China. This policy is based on a number of considerations, among which are the fact that a state of unresolved conflict still exists between the United States and Communist China stemming from the latter's aggression against the United Nations in Korea and the fact that the Peiping regime continues to resort to force from time to time in the Taiwan Strait area. The emergency declared by President Truman in 1950 is still in effect.

Another factor of importance is that in the absence of diplomatic relations with Communist China, it is not possible for the Government to provide the customary protection to Americans traveling on the China mainland. In addition, the Communist Chinese have consistently maltreated Americans and continue to hold American citizens in prison as political hostages despite their pledge of September 10, 1955, to release them expeditiously. Another and important factor is the effort of the Communist Chinese to utilize trade and cultural contacts to promote political objectives hostile to our interests.

In August 1957, the policy was modified in order to permit reporting in depth on what was happening on the mainland of China. This modification only applies to the full-time correspondents of American news-gathering organizations which qualify under certain criteria set up by the Secretary of State in collaboration with representatives of the press. Briefly, accreditation was given to those American news organizations which had demonstrated sufficient interest in foreign news coverage to maintain at least one full-time American correspondent in Communist China for a period of 6 months or longer. It is significant that up to the present time only one American correspondent has been given a visa by the Communist Chinese regime.

In only three other instances have exceptions been made: (1) In December 1954 for the personal aid to the Secretary General of the United Nations proceeding to Peiping under United Nations mandate to seek the release of American airmen of the U.S. command held prisoners of war in Korea; (2) In November 1957 for an attorney to obtain evidence for the defense of clients charged with sedition, the court having held that nonvalidation of the passport for Communist China would result in the dismissal of the Government's case; (3) for visits of immediate family members of persons illegally incarcerated by the Communists.

In your case, I might add that as a Member of Congress your visit would be interpreted throughout Asia as well as by the Communist Chinese as a basic change in policy at the very time when the Communists are engaged in liquidating the Tibetan revolt, threatening war in the Taiwan Strait and showing increasing arrogance and contempt for international law and decency.

In conclusion and with respect to the inquiry posed in the penultimate paragraph of your letter I would like to offer the following quotation from the decision of the U.S. Court of Appeals for the District of Columbia Circuit by Circuit Judge Prettyman in the William Worthy, Jr., passport matter:

"Judgment on what course of action will best promote our foreign relations has been entrusted to the President, not to the courts, journalists, scholars, or even 'public opinion'. He makes his decision with the aid of the Department of State, a large organization with stations throughout the world, as well as on the basis of information received from all other parts of the executive branch. We, if we had all this information, might reach a different decision. But the Constitution has wisely placed that burden in the hands of one who must justify his decisions before the electorate."

I am sorry that I cannot comply with your request.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

LABOR CHARTS IMPORT STUDY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 15 minutes.

Mr. BAILEY. Mr. Speaker, a meeting of tremendous importance to American workers and to the entire organized labor movement of the United States took place last week in the State of Pennsylvania.

That meeting brought together the executive council of the American Federation of Labor and the Congress of Industrial Organizations, and one of the major topics on the agenda was a resolution sponsored by several major unions calling for legislation to safeguard American production and jobs from unreasonable foreign competition.

This proposal, in my opinion, represents an opportunity to serve effectively and forthrightly the interests of American wage earners in numerous industries vulnerable to the disruptive force of low-cost import competition.

Moreover, it signifies a timely and welcome awareness on the part of key leaders in the labor movement of the United States that, in many cases, even the unmatched productive efficiency of the American workingman is not sufficient to prevent grievous injury to the domestic economy under the administration's present trade policies.

Briefly, the resolution presented to the executive council by five unions—the Amalgamated Clothing Workers of America; the International Ladies Garment Workers; the Textile Workers Union of America; the United Hatters, Cap and Millinery Workers; and the Leathergoods, Plastic and Novelty Workers—involved the following basic steps:

First, legislation is needed to empower the Tariff Commission to determine normal levels of domestic production in terms of production in the past and the anticipated needs of our expanding population.

These normal levels of domestic production would be safeguarded by a quota system. Quotas would be computed on the basis of the difference between U.S. production and total U.S. consumption of each product in question. Within these quotas, imports would remain governed by existing tariff schedules or by new rates negotiated by the executive branch.

However, imports outside the quotas would be subject to a different tariff schedule based on such factors as wage differentials in the domestic industry and abroad, and those foreign industries which were found to be exploiting their workers with sweatshop wages below the standards of their own countries would be subject to penalties.

By the same token, as foreign wages increase, the United States would modify its tariffs accordingly, so as to furnish strong incentive to foreign manufacturers to raise their wage scales and their workers' standard of living, without necessarily increasing the prices of their products to the American consumer.

It has been found that many foreign industries maintain a competitive advantage through substandard wages and working conditions. Shocking instances of exploitation and sweatshop working conditions were discovered in the textile plants of Hong Kong and Japan, for example, and it is these very plants that are flooding the American market with cheap goods, placing thousands of American jobs in jeopardy.

These unprincipled industries are keenly anxious to penetrate the American market as deeply as possible and collect windfall profits which are not shared by their underpaid employees. This is their strategy—and so far we have been letting them get away with it.

I submit that such conditions of unfair competition, costly to both American and foreign working people, must be halted by prompt and vigorous countermeasures.

It is such a countermeasure that was submitted to the labor federation's executive council last week. The plan was reviewed, but final action was deferred pending additional study by staff economists.

In all frankness I will concede that I was disappointed to learn that this proposal had encountered some delay. However, I and many of my colleagues are very, very much encouraged that this problem has been taken under active consideration by the leaders of the American labor movement, and that the dimensions of the threat to jobs and job opportunities are recognized. I am

hopeful that the economic study now underway will result in a strong program to remedy the serious flaws in our foreign trade policies.

Many of my colleagues will note that the provision for a flexible, or "sliding scale," tariff is not a new one. In fact, a sliding scale tariff for the purpose of rewarding advances in wages and living standards abroad was strongly recommended only last year by the American Tariff League, which has since reorganized as the Trade Relations Council of the United States.

In this connection, I would call my colleagues' attention to the Tariff League's monumental research study, "The United States in World Trade," published in February 1958, which said in part:

> We recommend that, in furtherance of a fair tariff structure, consideration should be given to the institution by the United States of an incentive, or sliding scale, tariff system which would recognize and reward any foreign country which improves its living standards or wages for its workers.
>
> In practice, such a system would permit the reduction of the United States duties below our basic rate, for any item originating in a country in which the workers producing the item have been paid increased wages. For countries contiguous to the United States, such as Canada, this system, over a period of time, could result in a North American common market. Special situations such as Commonwealth preferences and trade in agricultural products might have to be resolved, but the time might come when a common border, now free of troops, would also be free of customs men.
>
> This recommendation involves a major tariff policy change. Congress might wish to create a special study group to determine the feasibility of a sliding scale tariff as above outlined, and to make recommendations as to legislative and administrative changes necessary.

It is regrettable that this recommendation by the American Tariff League was not paid greater heed by the Congress and the executive branch, inasmuch as many members of the great labor federation of the United States now indicate that such a sliding scale tariff as the League proposed would help safeguard numerous domestic industries and jobs.

Although the Congress did not act on this proposal when first advanced, that is not to say that we shall not profit by experience and take prompt action to examine all aspects of this recommendation and to adopt such legislation as the Congress deems necessary and proper.

It remains to be seen, of course, whether the administration will continue to resist public opinion favoring a common sense approach to foreign trade. Certainly it is fair to say that the American Tariff League's sliding scale proposal received less than its fair share of attention a year ago due to the controversial and, in my opinion, unjustifiable requests of the administration for a 5-year extension of the Trade Agreements Act.

Now, a large segment of our country's labor movement, representing many hundreds of thousands of American workers, is insisting on a modernized policy geared to meet the current import crisis. These organizations, I am sure, welcome the cooperation and support of farsighted industry groups such as the Trade Relations Council in their campaign to prevent the wholesale destruction of American jobs at the hands of economic invaders from abroad.

My fond hope is that the administration will at last see the handwriting on the wall, that it will take steps to correct the wrongs already committed, and that it will abandon any notion of undermining the last feeble foundations of our tariff structure at the next charity bazaar conducted by the General Agreement on Tariffs and Trade.

If and when this metamorphosis occurs, the American working man can conclude those he selected to represent him at the highest governmental policy level truly hold his interests at heart. Until then, he can only hope and pray, and vote his convictions.

OIL IMPORT QUOTA PROGRAM IS DISCRIMINATORY AND HARMFUL TO AMERICAN FREE ENTERPRISE

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 30 minutes.

Mr. CONTE. Mr. Speaker, twice before, in March and April of this year, I have risen here on the floor to question the wisdom of the Presidential ruling placing import quotas on crude, residual and finished oils.

I have sought to show that the national security argument on which the program is based is wholly specious; that import quotas on oil will not help to strengthen our Nation for any time of emergency. The nature of war in our modern world is such that a short conflict would make all oil supplies, other than those already refined and on hand, superfluous. A protracted conflict would increase our need for oil from many places in the world.

I have mentioned the harmful effects of oil import quotas on our relations with allied countries. I was pleased to see that the President removed Canadian and Mexican oil from the quota program, although it was clear that these two nations which are at one with the continental United States for defense purposes, would never have been included under the terms of the program if the real concern were with national security. But today Venezuela and other oil-producing allies of the United States are still restricted in their oil exports to this country, and because we must cater to the profit-hungry motives of certain American producers, our relations with these countries continue to deteriorate.

I have spoken, Mr. Speaker, of the inflationary potential of import restrictions on oil. Right now, during the warm summer months, the demand for oil is not as high as it is in the winter. Furthermore, the oil industry is still working off some of the extra reserves of oil which had been stored up by importing firms in expectation of import restrictions. But we should be very clear about this one point: a restrictive program such as we now have for oil imports cannot be judged by a few months of operations. We may very well be riding the calm seas which come before the cold winter storms when not even the most effective bureaucratic juggling from Washington will be able to hold oil prices in line. The cardinal fact remains; we have effectively eliminated foreign competition for our domestic oil producers. When you eliminate competition, it is only a question of time until the prices go up.

Today, Mr. Speaker, I would like to discuss the terribly discriminatory nature of the mandatory oil import quota program for oil, as it is working out in practice.

I have made a review of the cases which have been appealed from decision by the Oil Import Administration—in the Department of the Interior—to the Oil Import Appeals Board. I do not wish, in any way, to doubt the impartiality and dedication to duty of the personnel of the Oil Import Administration and the Oil Imports Appeals Board. But the decisions which have been handed down by these two bodies reflect an unprecedented peacetime interference in the operation of a domestic industry, and a total disregard for the economic health or even the existence of certain firms as long as oil imports are held down to the unnaturally low levels prescribed by Presidential proclamation.

This afternoon I would like to give you a few examples of how our Government is discriminating against certain oil companies in order to give a bonanza of bigger markets and higher prices to other companies.

The President's ruling on oil restricted imports of residual oil to 1957 levels. The White Fuel Corp. of Boston is a firm particularly hard hit by that decision, because in every year from 1953 through 1956, and in 1958, White Fuel Corp.'s purchases of residual fuel oil exceeded the quantity purchased in 1957. One reason was that the winter of 1957 was 8.7 percent warmer than normal in Boston. As a result of its low 1957 level of importation, White Fuel was able to import only 7,664 barrels of residual fuel oil a day when the President issued his ruling this spring—in comparison to a level of 14,352 barrels a day during the same period last year.

As White Fuel Corp. stated to the Oil Appeals Board, the uncertainty of supply now makes it impossible for the firm to assure customers with existing supply contracts that it will be able to perform existing contractual obligations. As a result, White Fuel and its customers are confronted with uncertainty and conditions which are economically paralyzing.

But the Oil Import Appeals Board turned down White Fuel's appeal for relief with the statement that "the Board has no discretion to act so as to cause the maximum level of imports of residual fuel oil to be exceeded."

Or let us take the case of the Gulf Oil Corp., which through a wholly owned subsidiary owns two-thirds of the capital stock of the Venezuela Gulf Refining Co. (Vengref). This firm now produces 10,800 barrels a day of residual fuel oil, and with the completion in September of this year of a new topping plant now under construction, daily output will go

up to 39,300 barrels. Gulf developed these new oil reserves and planned and started construction of transportation and refinery facilities before any import restrictions were promulgated. A tremendous amount of capital has been invested in this growing enterprise. Yet the Government's oil import quotas, based on 1957 levels, allow Gulf to import a mere 2,019 barrels of residual oil daily. And on appeal to the Oil Import Appeals Board, asking for an increased allocation, Gulf was turned down cold. The Board found itself powerless to take any action beyond the level of importation prescribed in Presidential proclamation.

In the appeal of the Eastern States Petroleum & Chemical Corp., the Appeals Board refused to grant the petitioner an increase in its import quota of crude and unfinished oils because the petitioner had inadvertently failed to report certain imports under the old voluntary oil import program. The Appeals Board does not claim that petitioner's claim is unjustified. It simply brushes the whole matter aside by saying "that it has no authority to correct errors directly related to the voluntary program, under which the Board had no functions."

In the meantime, the voluntary program has been superseded by the mandatory program and petitioner has no place to turn.

Furthermore, the Eastern States Petroleum & Chemical Corp. is told that it cannot enter into barter arrangements on foreign oil outside of its regular import quota, even though the company suffers a hardship resulting from "long-term tanker contracts for the movement of barter oil" under which it is "obligated to continue substantial payments."

It is enlightening to hear what the Board has to say about contract commitments:

> Actually, request for relief from contract commitments is viewed by the Board as a remote basis for supporting an increased oil allocation, since the relief sought really is from the obligations under a contract, which involves questions of defenses to the obligations, such as force majeure, money damages, mitigation of damages, and other matters of contract law. In this perspective, the Board finds the problem to be beyond the scope of its authority.

Of course what that means is that the Government has no concern for whether American firms can live up to their contracts—just as long, of course, as we can protect a certain segment of the domestic oil industry against disturbing foreign competition.

Furthermore, barter arrangements are strictly forbidden except under the regular quotas. One wonders why this is necessary, since barter arrangements do not add to the net amount of foreign oil entering the United States. Is it possible that certain interests want to restrict any oil dealings with foreign concerns, no matter what their nature?

In many cases firms imported exceptionally low amounts of oil during the established base year because of fires, strikes or special economic conditions. As a result their quotas were substantially lower than would have been otherwise. Many appealed for relief. But the Appeals Board turned almost everyone down. The Board said that although it had the authority, on grounds of hardship, to modify any allocation, it was of the view that such hardship must be of "an exceptional degree." The Appeals Board notes "that the very nature of the mandatory adjustment program—on oil imports—resulted in hardship of some degree to a large segment of the oil industry."

So it is no longer enough for a firm to show that it has been unjustly treated. It must show that it is the victim of hardships—and not just slight hardships, but hardships of the greatest possible degree. Judging by the small percentage of favorable decisions handed down by the Oil Imports Appeals Board, such hardship must be practically enough to put you out of business forever—and in some cases, not even that can be counted as hardship. For if granting relief to any firm involves going over the magic level of imports authorized by Presidential proclamation, and thus poaching on the markets now set aside for certain domestic interests, or if it involves giving an import quota to a firm without an import history, then there seems to be no choice other than letting you go out of business. All of this is in the name of national security, of course.

An example is Hess, Inc., an independent oil company with no domestic or foreign crude oil production, which is entirely dependent on other sources for the crude oil to supply a refinery it has built in Port Reading, N.J., with a daily capacity of 45,000 barrels. This refinery was specifically built to process heavy imported oil from Venezuela. It cost more than $15 million to build the refinery, and the costs of converting it to another type of oil refining would be prohibitive. This refinery went into operation in November 1958 and was handling 35,000 barrels a day of crude and unfinished oil up to the imposition of quotas on oil imports by the President. Now Hess, Inc. can import less than 8,000 barrels a day. The result may well be economic disaster for this firm, and in any situation places the company under a heavy competitive disadvantage.

In California, the Golden Eagle Refining Co., which operates a small independent refinery in Los Angeles and markets petroleum products in 5 Western States to 64 small independent service station and dealer customers, is prohibited from importing any high octane gas which it needs to supply its customers. The company began import operations in 1958, and thus is ineligible to import finished products, for which the base year is 1957. Golden Eagle does not even have a right to appeal to the Oil Imports Appeals Board. Presently it is purchasing gasoline on a catch-as-catch-can basis from the gulf coast. The supply is tenuous and the price is unpredictable. If the price goes up, or if tanker rates go up, Golden Eagle may well be forced out of business. Yet in response to an urgent appeal to the Oil Import Administration we are simply told that the Presidential proclamation leaves the Oil Import Administration no discretion in the case, and that although "we are considering a recommendation to the President that the proclamation be amended to permit newcomers to qualify for allocations, we have no assurance that such an amendment will be made in the near future."

Mr. Speaker, what a shabby way that is for the U.S. Government to treat an American business firm.

Before I close, I wish to give one more example of the short-sighted and harmful decisions being made by the Oil Import Appeals Board. The Union Oil Co., of California, entered into a contract with the Maruzen Oil Co., Ltd., of Japan, to exchange crude and residual oil for Japanese unfinished naptha distillate. In 1958 Union Oil imported an average of 4,680 barrels daily of the Japanese naptha in exchange for an average of 6,914 barrels daily of California crude and residual oil. This was highly advantageous from the point of view of marketing American residual oil, which is in oversupply on the west coast.

But the Presidential proclamation ruled that any firm's imports must consist of no more than 10 percent unfinished oils—as opposed to crude oil. Therefore Union Oil was unable to continue its exchange with Japan. Despite the fact that the operation was highly economical, the ships being used both East-West and West-East, and despite the fact that Union Oil's agreement with Maruzen helped to relieve the excess of residual oil on the west coast, the Oil Import Appeals Board turned down Union Oil's petition for relief. Moreover, the decision forced Union Oil to break a contract to supply the U.S. Government with jet fuel in the second and third quarters of 1959. It is hard to see how any governmental decision could be more self-defeating to our national interest, no matter how you define it.

Mr. Speaker, I wish I could say that these cases are not typical. That would not be accurate. The truth is that the Presidential proclamation is causing widespread confusion, hardship, and rank injustice in the oil industry. The Oil Imports Board is continuing its policy of ignoring legitimate appeals. On August 3 it turned down appeals of several companies, including White Fuel, Jersey Standard, Gulf, and Texaco, without so much as a hearing.

On the one hand we see certain segments of the oil industry literally profiteering from the Presidential proclamation, as they get windfall import allocations they do not deserve. These favored segments of the industry are waiting until oil supplies get short so that they can begin to push up prices—and you may be sure that they will have a score of good reasons to tell the President and all the rest of us that those price increases are justified.

I have said before and I say again: this program of restricted oil imports is motivated by nothing other than the selfish desires of certain American oil tycoons who plan to profit at the expense of the entire Nation.

On the other hand, I have been telling you today of companies whose investments are being ruined, whose tradi-

tional customer outlets are being destroyed, and who face serious loss of financial position or bankruptcy itself.

In a land which boasts of free enterprise, this is a sorry spectacle indeed.

Just this week the American Enterprise Association published a study of the oil import question by Prof. William H. Peterson, of New York University. I commend this study to all of my colleagues. At this point I would like to quote one brief section from the conclusion of Professor Peterson's study. "Serious inequities to old and new importers are inevitable under the quota system," he writes. "Administrative problems attached to the implementation of the Government's restriction program are such that as long as the program continues, they can only lead to deeper and more pervasive Federal controls, as the history of the farm problem attests. The assignment of quotas is a case in point; for whether on a historical basis or on a basis of refinery capacity, quotas stifle competition and inevitably create inequities. The bureaucratic determination of the proper level of imports and a nonexcessive price for petroleum products, in a dynamic situation with constantly shifting variables is virtually impossible and certain to be fraught with political pressures."

Rarely, Mr. Speaker, has any Government program involved us in such a multitude of evils as the mandatory oil import program. I can think of no better time to abolish the program and return to a free market than today as we celebrate the 100th anniversary of the drilling of the first oil well by Col. Edwin L. Drake, in Pennsylvania, on August 27, 1859.

UNFINISHED BUSINESS BEFORE THE CONGRESS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, now that the end of this session of the Congress is in sight—or, at the very least, is just over the horizon—I would like to take this opportunity to say a few words about a piece of unfinished business.

I think we are all aware that we will leave here with many important matters unresolved. I say this with no intention of belittling our accomplishments. We have made a good start, and I have every confidence that many vital issues will be adequately treated by this House before the 86th Congress passes into history. For the most part there have been sound reasons for postponements where they have occurred.

That is not the case, Mr. Speaker, with regard to the specific piece of unfinished business I have in mind, the area redevelopment bill. In this instance, I submit, the delay is unnecessary and inexcusable.

Let me remind the House of a few undisputed facts—undisputed because they are in the record for all to read.

First. The need for some form of assistance for distressed areas was recognized by both of our great political parties as far back as 1952, and both presidential candidates made reference to this need.

Second. Legislation containing a full, well-rounded program to provide such assistance was introduced in both Houses in the 84th Congress. It was actually passed in the Senate; it failed here because of a parliamentary maneuver in the closing hours before adjournment.

Third. Similar legislation was introduced in the 85th Congress, and was adopted by a substantial vote in both Houses. It was killed, after adjournment, through a pocket veto by the President, an action which many members of his party still have cause to regret, as they view our deliberations from the tranquil vantage point of private life.

Fourth. Despite his veto of last year, the President's economic message to Congress this year again urged, for the second time, legislation to assist depressed areas.

Fifth. Once again, such legislation was introduced—this time with modifications to meet some of the President's objections. Again it has passed the Senate. Again it has been favorably reported by our Banking and Currency Committee. But now it lies in the Committee on Rules, neither alive nor dead, fresh-frozen, if you please, needing only enough heat to bring it to useful form.

During the course of these events, of course, there have been extensive hearing before the Congress. The deplorable problems of these distressed areas, the sufferings of their people, the gallant efforts so many of them have made to pull themselves up by their own bootstraps—all this has been spread upon the record. We have heard from the mayors of cities and the Governors of States, not once but many times.

And in the same way, Mr. Speaker, in the same exhaustive detail, the proposed remedies for the problems have been examined and reexamined, refined and amended, explained and discussed. There are not unexplored mysteries in this field. Even the differences of opinion among those concerned with the problem are relatively minor.

Yet what do we find when it comes to final and positive action?

We find the President of the United States—who promised to act on this matter almost 7 years ago to the day, when he was first a candidate—does not so much as mention area redevelopment in the list of legislation he hopes to see enacted this year.

It is ironical to me, Mr. Speaker, that the President placed high on his list the mutual security program, which embraces economic aid for our friends overseas, but could not spare a word for the afflicted areas in our own country.

I think my record proves I am no isolationist. I believe in foreign aid. But the best kind of aid we can give to the cause of democracy throughout the world is to maintain a strong, prosperous, fully productive society here at home. When we neglect that objective we are undermining the whole structure we have built at such tremendous cost.

The blame does not rest upon the President alone. Indeed, too many of us, and the citizens we represent, have fallen into the trap of complacency. Too many of us echo the cry that the recession is over, that prosperity is back, and all we have to worry about now is inflation.

I want to remind the House that the recession is not over for the depressed areas, almost 200 of them, spread over our country from coast to coast. And it will not be over, it cannot be over, until they are helped to overcome the fundamental difficulties, the massive obstacles, which now burden them.

I am a realist, Mr. Speaker, and I accept the fact that no plea of mine is likely to be effective at this late hour. But I say it is a tragedy that such a badly needed measure, so carefully drawn and so thoroughly discussed, should be left upon the very threshold of enactment.

It is a tragedy, and it is outright defiance of the mandate placed upon many of us by the voters last November. I say we have been remiss in our duty; and our failure to act is a grievous blot upon the record of this session, all the worse because we could so easily have faced up to the need and fulfilled the obligation that rests upon us all.

As a further extension of my remarks, Mr. Speaker, I include the following article from the August 31, 1959, issue of Newsweek magazine:

UNEMPLOYMENT BEARS WATCHING

Is unemployment threatening to become a major problem again?

Some observers think so.

They point to the increase in the seasonally adjusted unemployment rate (the percentage of the labor force without jobs).

It rose from 4.9 percent to 5.1 percent in July, when it should have been falling.

Harvard economist Sumner Slichter, for one, thinks the rate is uncomfortably high and "reflects the difficulties that the economy is having in restoring men to work" (in part because of automation and increased efficiency).

But Government experts play down the increase, pointing out that it's difficult to get accurate figures when many temporary summer jobseekers are moving into and out of the labor market.

The unemployment rate for August, which should drop, may prove who is right.

HOW TO REDUCE INTEREST RATES

Mr. PATMAN. Mr. Speaker, the high-interest crusade is now in high gear. All pressures at the administration's command are being exerted on Congress to repeal the 40-year-old legal ceiling on Treasury bonds.

The most frequent argument we hear and read in all the newspapers and magazines is devoted to this proposition. During the World War II years and in the postwar years, the Democratic administrations maintained low interest rates only by having the Federal Reserve buy in great quantities of Government securities, a program which required the Federal Reserve to increase the money supply faster than increases were taking place in the economy. If we could believe all the statements being made to this effect, we would have to

believe, as is frequently said, that this policy of low interest rates caused the postwar inflation. Today I want to call the Members' attention to the Federal Reserve Board's own record on this question. The record shows just the opposite of these propaganda claims.

REASONS WHY RECORD OF DEMOCRATS' LOW-INTEREST POLICY EMBARRASSES NEW ARGUMENTS FOR HIGH INTEREST

Why are these claims being made that the low-interest policy resulted in an overexpansion of the money supply? The reason is obvious. The record of accomplishment under the low-interest policies of the Democratic administrations is most embarrassing to the proponents of the present Republican high-interest policy. The Democratic administration was in charge during the greatest war in history, a time when almost half of all the goods and services the country was then capable of producing were taken by the Government to prosecute the war. There were critical shortages of materials, of transportation, of energy, and shortages of manpower. Yet interest rates were maintained at reasonable levels; the rate on long-term Government bonds was never pushed above 2½ percent.

In the postwar years after price controls and material allocations were dropped and there were still great shortages, and a backlog of demands of all kinds, a Democratic administration still maintained interest rates at reasonable levels; the long-term rate on Government bonds was still not raised above 2½ percent—that is, until the so-called Treasury-Federal Reserve accord of March 1951. And even after that, the rise in this rate was moderate. It averaged less than 2.7 percent in the year 1952, just before this administration took office.

Obviously, this record is most embarrassing to the present administration. It is embarrassing compared to what the administration has already done, and it is even more embarrassing to its public relations campaign to have Congress repeal the 4¼ percent ceiling which was enacted in 1918 and never heretofore violated. It should be embarrassing. Since 1952 the administration has increased short-term interest rates severalfold and has almost doubled long-term interest rates. Yet in these years it has not been plagued with shortages. There has been no problem of trying to channel investment funds into an expansion of productive capacity. On the contrary, in most of these years the administration's policy has been to try to retard and hold back expansions of productive capacity, because it has believed that its capacity to produce was outrunning consumption demands.

INTEREST RATES DOUBLED

Relative either to the population of the country, or the incomes of the people, the Federal debt has not increased but has come down substantially. Yet interest rates have been doubled.

All demands for funds, to finance private investment at home and abroad and to finance all deficits of Federal, State, and local governments, have not increased relative to the national income. Yet interest rates have been doubled.

High interest rates have not caused people to save any larger percentage of their incomes. Yet interest rates have been doubled.

Furthermore, even if it were true that the administration could bring about a higher proportion of savings through its high-interest policies, this would defeat its central economic policy which is to dampen investment. If there were more savings this would, according to the administration's propaganda about free money markets, bring interest rates down, and thus encourage business to expand productive capacity. Yet the administration is trying to check expansion of productive capacity, and it is depending upon high-interest rates to discourage business firms from expanding capacity, because expansion is already greater than consumer demand. How can it explain, then, this program of raising interest rates still further, and thus reducing the buying power of the great masses of the people despite the fact that it recognizes that the problem is an insufficiency of consumer buying power? It is a most difficult thing to explain. And obviously the spokesmen for the administration are not going to say simply that the administration must follow a high-interest policy, and demand even higher interest rates, simply because the Wall Street bankers and moneylenders want higher interest rates, and because a small minority of wealthy families who receive their incomes clipping coupons want high interest rates.

So how to explain it? How can the administration spokesmen sell the idea the Government is simply helpless in this matter of interest rates, and really has nothing to do with interest rates, when the previous Democratic administrations admitted that the Government determines interest rates and proved it with a 20-year low-interest policy? The only way they can get around that, it seems, is to imagine that there is something wrong with the previous record which is not there.

HIGH AUTHORITIES NOW ARGUE DEMOCRATS' LOW-INTEREST POLICY INFLATED THE MONEY SUPPLY

So what we are hearing on all sides these days is that the pre-1951 period, which is now called a period of "bond pegging," required the Federal Reserve to buy in billions of dollars of bonds, because people did not want to keep them at what are now called "artificially low" interest rates; and these purchases by the Federal Reserve proliferated the money supply and caused inflation. Some of the spokesmen for this argument even go so far as to claim that in order for the Government to have anything to do with interest rates at all, it would have to control prices and allocate materials and, in short, regulate everything. There is no middle ground at all according to their argument: either the Government has absolutely nothing to do with setting interest rates and is completely helpless in this matter, or it would have to regulate everything. Let us examine this argument that the so-called bond pegging policy caused an undue increase in the money supply.

This week's issue of U.S. News & World Report carries as its feature article an 8-page interview with Secretary Anderson which devotes most of its space to this argument. Secretary Anderson is quoted as saying:

> Now the penalty we paid for it was putting additional money into the stream of activities without specific relation to the demands of the economy.

And further:

> We tried this system during World War II and for about 6 years after the war. It nearly led to disaster. It became so inflationary, after the outbreak of fighting in Korea, that the Treasury and Federal Reserve agreed that the program had to be stopped, that its costs to the American citizens were simply too high.

Furthermore, since Mr. Marriner Eccles has recently been recruited to help out in the campaign in this drive to repeal the interest rate ceiling, this article in U.S. News & World Report also leans heavily on his recent and now famous statement which makes the same argument. Secretary Anderson is quoting Mr. Eccles in part as follows:

> A large part of the postwar price inflation was a result of the Federal Reserve's purchasing billions of dollars of Government securities at fixed prices in order to prevent an increase in interest rates.
>
> * * * * *
>
> In doing this, an excess amount of bank reserves was created which brought about an inflationary expansion of commercial bank credit and of the money supply. The present administration and the Federal Reserve are trying to avoid making this mistake by curbing the growth of bank credit, and allowing the interest rates to rise.

Now what are the facts?

I can assure you that none of these statements accord with the record. They are just the opposite of what the record shows.

RECORD SHOWS MONEY INCREASES WERE LESS INFLATIONARY UNDER LOW-INTEREST POLICY THAN UNDER HIGH-INTEREST POLICY

In the 4 years just prior to the accord, years in which the Government bond rate was maintained at a top 2½ percent, the total money supply was increased by 9 percent, while the gross national product in constant prices increased by 13 percent.

This record of the actual increase in the money supply, at a rate substantially less than the rate at which the output of real goods and services was increasing, hardly supports the notion that the bond-pegging program caused an inflation of the money supply. And it hardly supports the notion that a low-interest policy requires price controls and materials allocation, because in this period the price controls and materials allocation had been dropped. Now what has been the record since the Federal Reserve withdrew from its commitment to maintain low interest rates and embarked on its program of trying to raise interest rates?

In the first 4 years after the so-called accord, 1950–54, when a sharp rise in interest rates was attained, the total money supply was increased by 18 per-

cent, while the real increase in gross national product was only 14 percent.

In short, in this period when the Federal Reserve had no commitment to buy Government securities, it increased the money supply a great deal more than the increase in goods and services.

Finally, let us look at this record during the 4 years just past when the Federal Reserve was not only under no commitment to buy Government securities, but seems to have been under a commitment to help raise interest rates as high as possible. This is the worst record of all. The money supply was increased by 15 percent or half again as great as the increase in real goods and services, which was only 10 percent.

No matter which of the several accepted definitions of "money supply" we use to examine this record, we get the same answer. None of them support the assertion that the Government inflated the money supply more when it followed a low-interest policy than since it has been following a high-interest policy. The facts are just the opposite. The money supply was not increased at a rate faster than the real growth in the economy in the postwar years, when a 2½-percent bond rate was maintained. And the money supply has been inflated much more relative to increases in the economy under the high-interest policy.

I will insert here in my remarks a table showing the increase in the money supply in each of the 4-year periods I have mentioned, expressed as a ratio of the real increase in the gross national product. It shows this ratio for each of three different ways of measuring the money supply. To illustrate, in the 1946–50 period the total money supply was increased only 67 percent as much as the real increase in the gross national product. In the 1954–58 period the money supply was increased by 151 percent as much as the real increase in the gross national product.

Increase in money supply as a ratio of real increase in gross national product (currency in circulation, plus)

[In percent]

	All time and demand deposits (including savings banks and postal savings)	Time and demand deposits in commercial banks	Demand deposits in commercial banks
1946–50	67	57	44
1950–54	126	89	104
1954–58	151	94	67

NOTE.—The above figures are computed from Federal Reserve sources and reflect the Fed's normal "adjustments" to eliminate interbank deposits, items in process of collection, etc.

Even if this record did not refute the assertion that the bond pegging period caused the Federal Reserve to inflate the money supply, there is no reason why the Federal Reserve purchases of Government securities should have caused it to increase the money supply any more than it cared to do so. Both Secretary Anderson and Mr. Eccles well know this. True, when the Fed purchases Government securities, it increases member bank reserves, on which the banks can create several dollars of new money for each dollar of reserves. But the Reserve Board had, and still has, its normal tool for reducing the rate at which the banks can make loans and investments per dollar of reserves, and can thus maintain the same money supply as before, or any other money supply it sees fit to maintain.

MR. MARRINER ECCLES DOES NOT SPEAK FOR DEMOCRATIC POLICY

Now why bring Mr. Eccles into this campaign to repeal the interest-rate ceiling? Are Members of Congress to believe that because Mr. Eccles was once Chairman of the Federal Reserve Board during a Democratic administration that he is really a low-interest man who recognizes, nevertheless, some peculiarities in the present situation which justify high interest?

If so, let me remind Members of a little history. Mr. Eccles is as much a bankers' man and a high-interest man as Chairman Martin is, and has been so all along. Even in the World War II years, Mr. Eccles was constantly pushing for higher bank profits. I happen to know, because I was one of those who debated his proposed policies with him at the time.

True, Mr. Eccles had a way of presenting his argument more in accordance with the facts when he was on the Federal Reserve Board—and close to the facts—than he has done recently, when he seems to be removed from the facts and depending upon a faulty memory. And he always presented his position in a way which I consider less subtle than Chairman Martin's way. For example, take the present controversy over the question of which method the Federal Reserve should use to increase the money supply, when it does increase the money supply.

As we know, it has two methods. It can acquire more Government securities in the open market, a method which increases bank reserves and also helps the Treasury, because the interest on securities held by the Fed goes back into the Treasury. Alternately, the Fed can change its regulations so as to permit the member banks to create money at a greater rate on each dollar of reserve, a method which permits the banks to acquire more Government securities and thus increase bank profits.

The same money supply—the same amount of money and credit available to business and consumers—can be created by either method; and the contributions of the two methods can be changed up or down in different proportions with the same result. Chairman Martin, however, argues that the method which helps the Treasury is inflationary, not because there will be any greater money supply, but because people will misunderstand it, and think it will be inflationary and, therefore, will tend to make it so. And, of course, I could add that the only reason why people might think that the method which helps the Treasury would be more inflationary is that Chairman Martin has told them that it is.

Mr. Eccles, on the other hand, when he was on the Federal Reserve Board never argued that one method was more inflationary than the other. He admitted that they were both the same, but he did push for the method which increases bank profits for the simple reason that he was concerned about bank profits and said so.

That is the kind of position you can argue with and consider on the merits. And depending on the merits, it may be a position you can agree with. But the Truman administration did not agree with it, at least not beyond a point. It was for the very reason of Mr. Eccles' insistence on raising interest rates, back in 1947, that President Truman failed to reappoint him as Chairman of the Federal Reserve Board, although Mr. Eccles remained a member of the Board.

HOW REPUBLICAN HIGH-INTEREST POLICY WAS SWITCHED FOR DEMOCRATIC LOW-INTEREST POLICY

During World War II, interest rates were held within reasonable bounds. The interest rate on 3-month Treasury bills was held at not more than one-half of 1 percent, and the maximum rate permitted on Government bonds was 2½ percent. This rate on Government bonds was, in fact, held throughout postwar years until the so-called accord of early 1951.

In mid-1947, however, the Federal Reserve, under Mr. Eccles' chairmanship, reversed its policy with reference to short-term rates and began raising these rates. During the first half of 1947, 3-month Treasury bills had been maintained at a rate under four-tenths of 1 percent. But in July of that year, it was raised to six-tenths of 1 percent. All other short-term rates jumped almost immediately, and so did long-term rates. Market yields on 3- to 5-year Treasury notes rose from 1¼ percent to more than 1½ percent by the end of the year. Yields on 7- to 9-year bonds jumped from 1½ percent to a rate slightly over 2 percent by the end of that year. Long-term Government bonds which were selling in the market at an average of 2.22 percent in June, promptly began to rise and were soon up to the 2½ percent rate.

In January of 1948, Mr. Truman refused to reappoint Mr. Eccles as Chairman of the Federal Reserve Board. He appointed, instead, a Republican member of the Board of Governors, Mr. McCabe, who held the position until he resigned from the Board on March 15, 1951, immediately after negotiating the so-called Federal Reserve-Treasury accord which was reached at that time.

Exactly what the "accord" meant at the time it was worked out, no one seemed to know except the participants in this agreement. As time went on, however, it began to become clear that the "accord" meant, or was being interpreted to mean, that long-term bond rates were to be raised just as short-term rates had previously been raised. More recently, since the Eisenhower administration came into office, public explanation of the accord have been expanded to emphasize that the Federal Reserve is independent from the rest of the Government, and free to follow

whatever credit and interest rate policies it sees fit, without interference or suggestion from the rest of the Government.

Mr. William McChesney Martin, who is now Chairman of the Federal Reserve Board, negotiated the accord on behalf of the Treasury. He was then an Under Secretary of the Treasury and handled the negotiations, because the new Secretary Snyder was in the hospital. Mr. Truman appointed Mr. Martin to the Federal Reserve Board immediately after that, I believe, with the understanding that Mr. Martin would hold the long-term bond rate at 2½ percent. But that was not done. They were raised only gradually for a long time—a slow upgrade through 1952—then with all deliberate speed after the Republican administration came to power, to the point now, where they are bumping the 40-year-old ceiling.

Repeal the 4¼ percent ceiling? This would be the sheerest folly. Interest rates would be raised sky high, with the excuse that it was being done to fight inflation. That excuse is already being established.

THE ADMINISTRATION IS SWITCHING ITS LINE ABOUT CAUSES OF INFLATION

I wonder how many people have noticed the new and sudden switch in the administration's propaganda line. For the last 18 months, up until the past week or so, the administration's tremendous voice has been devoted almost exclusively to telling the American people that the Democratic Congress and its so-called irresponsible spending was causing inflation. Every possible objection was made to the legislation which finally pulled us out of the great recession on the ground that it would cause inflation. All attempts to call attention to the facts, that inflation was not taking place, and that the great talk about inflation was simply helping drive interest rates up, quieted the propaganda blast not at all. Now, all of a sudden, with the biggest peacetime deficit in history having been met in the past fiscal year, no inflation having taken place, and the Federal budget projected to be in balance in the current fiscal year, comes the big switch. Administration spokesmen are now boasting that we—whoever "we" is—have managed to keep the price level steady over the past 18 months and now, we, whoever "we" is, are determined to continue winning the battle against inflation by raising interest rates.

GOOD BUSINESS WAY TO MEET THE DEBT PROBLEM UNDER HIGH INTEREST

There is a way this situation can be met. Let me suggest a way to meet it.

First, let the Government follow a good businesslike procedure which the big corporations follow when long-term interest rates are high. What the corporations do for the most part is go to the banks or the money market and borrow on short-term, even at very high rates, and wait for long-term rates to come down. The Government can do the same. It would be folly for this Congress to permit this administration to enter into long-term contracts for the Treasury to pay high interest rates over the next 10, 15, 20, or even 30 years. The next administration may return to a low-interest policy and that will be the time to put the debt on a long-term basis. It will cost the public much less in the long run, even if we have to pay higher rates for short-term debt than the prevailing rates on long-term debt.

Well, of course, the administration's spokesmen have now thought up an argument against this. They are now arguing that short-term debt is inflationary. They are arguing that short-term debt instruments are very much like money and, therefore, when the Government issues short-term debt, it is doing about the same thing as increasing the money supply. The argument has no merit, but I have a solution for those people who like to make the argument. If they think short-term debt is increasing the money supply, then the Federal Reserve can raise reserve requirements of the member banks and thus offset this increase in the money supply.

This action would, of course, reduce bank profits somewhat but, then, bank profits are now at a level where they can stand to be reduced.

WHO OWNS THE $42.7 BILLION OF U.S. SAVINGS BONDS?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the administration has tacked onto its proposal for removing the interest-rate ceiling on marketable Government bonds a proposal for removing the ceiling also on U.S. savings bonds.

This latter proposal has been presented with a great deal of sentimental appeal. In his message of day before yesterday, the President spoke of the Government's "trusteeship position with respect to the 40 million Americans who own savings bonds," and he made a great appeal concerning what he called the Government's obligation to deal fairly and justly with the millions of citizens who invest a portion of their savings in Government bonds.

The administration's proposal is, insofar as savings bonds are concerned, to raise the interest rate by one-half of 1 percent—that is, if Congress gives in and passes the administration's bill.

As I have pointed out previously, this would mean that a family owning $1,000 worth of these bonds would receive the additional $5 per year. A family owning $100 worth of these bonds would receive an additional 50 cents per year. Yet as we all know the general increase in interest rates, all across the board, which would be made if this bill were passed would cost the average American family hundreds of dollars more each year in increased prices and in increased charges to finance automobiles, to finance the mortgage on the house they buy, to finance purchases of furniture, household appliances, and many other things.

Yet the way in which this idea of being fair with the more than 40 million people has been presented has led a great many people to assume, seemingly, that the savings bonds now outstanding are widely owned by the American people. For example, Miss Sylvia Porter, in her column last night, said that—

> Over 40 million Americans now own more than $42 billion of these riskless nonmarketable bonds which pay 3 percent interest if held to maturity.

Furthermore, while Miss Sylvia Porter is normally a sound analyst as well as a good reporter, she was somehow led to think that there will be bad consequences if Congress fails to raise the interest rate on these savings bonds.

Similarly, in his now-famous interview with U.S. News & World Report, Secretary Anderson gave the picture this way:

> We have to be aware of the fact that as many as 40 million Americans own $42.5 billion worth of E and H bonds.

Since everybody knows that there are not many more than 40 million families in the country, such statements tend to suggest that practically every family owns some of these savings bonds. And since $42.7 billion worth of bonds divided among 40 million people makes an average of about $1,060 per person, such statements tend to suggest that most American families own about $1,000 worth of these bonds.

SEVENTY-THREE PERCENT OF ALL FAMILIES OWN NO SAVINGS BONDS WHATEVER

Here are the facts:

Seventy-three percent of all American families own no savings bonds whatever—not a nickel's worth.

Another 10 percent of the families own savings bonds in some amount of less than $200. In other words, 83 percent of the American families have less than $200 worth of these bonds.

No family among 91 percent of all American families owns as much as $1,000 worth of these bonds. Only 9 percent of the families own as much as $1,000 worth.

Only 5 percent of the families own as much as $2,000 worth of these bonds.

Well, of course, we have heard the argument that people ought to have a better interest rate on their savings account. What is the answer on this?

Fifty percent of all the American families have no savings account. Another 13 percent have savings accounts amounting to less than $200.

Only 7 percent of all the families have a savings account which amounts to $2,000 or more.

AMONG TWO-THIRDS OF ALL FAMILIES, NO FAMILY HAS AS MUCH AS $500 OF LIQUID ASSETS

Now, taking all liquid assets, including U.S. savings bonds, savings accounts, and just plain checking accounts, how many families in the country have any liquid assets at all?

Twenty-five percent of all the families have no liquid assets.

Another 18 percent have total liquid assets amounting to less than $200.

Another 13 percent of the families have total liquid assets amounting to between $200 and $500.

In other words, among two-thirds of all the families in the country none has as much as $500 of liquid assets.

What is the source of these figures? The Federal Reserve Bulletin for July 1959. The data are estimated, of course, as they have been gathered by sample survey. This survey—called the Survey of Consumer Finances—has, however, been in operation for a long time. It is conducted by the Board of Governors of the Federal Reserve System in cooperation with the Survey Research Center of the University of Michigan. The technicians who have made the survey have scientifically computed the range of probable errors in the sampling, and these show that a high degree of confidence can be placed in the results. The technical explanation of the survey may be found on page 709 of the Federal Reserve Bulletin for July.

Now, let me give one qualification. The data I have cited are for what may be called the family spending units, rather than for just families as one might sometimes think of what constitutes a family. This spending unit is defined as all persons living in the same dwelling and related by blood, marriage, or adoption, and who pool their incomes to meet their major expenses. A husband and wife living together are always counted as one spending unit, and all children under 18 years of age are so counted in the same unit. However, where there are children of 18 years of age or more, or other relatives who earn more than $15 per week and do not pool their incomes with the incomes of the rest of the family, these are classified as separate spending units.

TECHNICAL NOTE

Altogether there are 56.8 million family spending units in the country as contrasted to 52.2 million family units—that is, all members of the family living in the same dwelling—according to the survey's estimate. In other words, this definition of the spending unit inflates slightly the number of families, as some people might think of the family group, but it does not distort the results if we keep this fact in mind. Indeed, the Federal Reserve Board and the technicians who have made this survey evidently thought this definition better than a definition that would simply count all people living in a single dwelling as a single family.

Now back to this question of who owns the savings bonds.

I will present a table which distributes the $42.5 billion of savings bonds outstanding, series E and H, on the basis of the results of the Federal Reserve Board's survey, which was made the early part of this year. This is how the table is computed.

First, the Federal Reserve survey shows that 73 percent of the families own no savings bonds. That is, 41.5 million family spending units of the total of 56.8 million family spending units owned no Government bonds whatever.

The survey shows that 10 percent of the family spending units own Government savings bonds in amounts of somewhere between $1 and $199. Assuming that the average amount owned by these families is an amount midway between the stated minimum and maximum, that would be $100. Furthermore, wherever the Federal Reserve report shows that a certain percentage of the family spending units held bonds in amounts between a stated minimum and maximum, the midway point between the minimum and maximum is assumed to be, for purposes of this computation, the average amount the families in these brackets actually had. Assuming the midpoint of the range as the average will undoubtedly tend to overestimate the amount of bonds actually held by the owners of small amounts—families of low and moderate incomes—and it will thus tend to understate the amount actually owned by the 5 percent top bracket of owners. In fact, we get the estimated amount of savings bonds held by the 5 percent of the families who held $2,000 worth or more by subtraction. We estimate the amount held by those families for which both a minimum and maximum range is stated, in the way I have indicated, and then subtract the total held by these 95 percent of the families from the grand total of savings bonds outstanding to arrive at the amount owned by the top 5 percent of the families.

FIVE PERCENT OF THE FAMILIES OWN 87 PERCENT OF THE SAVINGS BONDS

The result is that we find that 95 percent of all the families own altogether about $6.5 billion of the outstanding savings bonds. Only 5 percent of all the families—those holding $2,000 or more—own $36 billion, or 87 percent of all the savings bonds outstanding. This would necessarily mean that this 5 percent of the families own savings bonds amounting to an average of $12,860 per family. This is somewhat more than an individual is permitted under the law to own, so we must assume that in some instances the bonds are in the names of more than one member of the family.

THE PLEA FOR RAISING THE RATE ON SAVINGS BONDS HAS BEEN OVERPLAYED

Now as to the proposal to raise the interest rate on savings bonds, certainly we can all find more sympathy with this than with the proposal to raise interest rates on the marketable bonds. The latter are purchased and speculated in by the bond dealers and the big financial institutions, and, furthermore, raising interest rates on marketable bonds would inevitably raise all interest rates in the economic system.

Estimated distribution of ownership of U.S. savings bonds among U.S. families

Minimum and maximum amount owned	Assumed average amount owned	Percent of all family spending units	Number of family spending units (millions)	Computed amount owned (billions)
0	0	73	41.5	0
$1 to $199	$100	10	5.7	$0.6
$200 to $499	400	5	2.8	1.1
$500 to $999	750	3	1.7	1.3
$1,000 to $1,900	1,500	4	2.3	3.5
Subtotal		95	54.0	6.5
$2,000 and over	12,860	5	2.8	36.0
Total		100	56.8	42.5

Source: Minimum and maximum amounts owned and percentage distributions of family spending units are from Board of Governors, Federal Reserve System, "Bulletin," July 1959, supplementary table 7, p. 715.

I do point out, however, that the argument for raising the rate on savings bonds has been greatly overplayed, as is apparent when we consider several facts.

First. A lower rate on savings bonds is entirely justified from the standpoint of the investor, by reason of the fact that savings bonds are redeemable at par at any time. An investor knows he can get his money back any time he needs it. If he buys a marketable bond at $100, under present circumstances, he may be able to get back only $90 for that bond next month.

Second. The fact that the amount of savings bonds cashed in in recent months has exceeded the amount of new savings bonds being issued does not necessarily mean that people are cashing in their savings bonds in order to put their money into something that yields a higher interest. On the contrary, consumer spending has been going up, and when this happens people cash in their bonds to buy the things they have been saving to buy, not to obtain higher interest rates.

Third. Most people who invest in savings bonds do so as a method of saving, not because of the interest rate. They join a payroll savings plan because this is a convenient way of saving and frequently results in savings that would otherwise not be made. As I have pointed out previously, the Ford Foundation in a recent survey asked people why they save, and received no answer that people save because of the interest they can obtain on their money. They save to take care of their old age and for other reasons of that kind.

Fourth. Raising interest rates on savings bonds will also have some tendency to raise other interest rates. And it will provide a new argument for raising other rates. For several years now Congress has been kept on a merry-go-round reference interest rates. The administration comes in and insists that one particular rate has to be raised to make it competitive with other rates, then it comes back a month or so later asking that some other rate be raised because it is now out of line with the one raised previously. And so it goes.

Finally, we cannot escape these facts: If we raise the interest rate on savings bonds, we will not be helping 73 percent of the families of the country even by so much as a nickel, because 73 percent of the families own no savings bonds whatever. We will be helping only 5 percent of the families—those who own $2,000 or more of these bonds. Ninety-five percent of all the families would each receive less than $7.50 a year as a result of this proposal, and this amount would be a very small offset to what they would lose from a general increase in interest rates, they would lose a great deal more in the family budget from increased prices, increased taxes, increased utility rates, and increased interest charges to finance home mortgages, installment purchases, and in many cases these days even clothing for the children purchased on an installment plan.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SAUND, at the request of Mr. MCCORMACK, through September 13, on account of official business.

Mr. HALL, for 3 weeks from date, on account of attendance of an international conference on official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. JOHNSON of Colorado, for 45 minutes, on Friday, August 28, 1959.

Mr. REUSS, for 30 minutes, on Friday, August 28, 1959.

Mr. ALGER (at the request of Mr. CONTE), on Monday next, August 31, for 30 minutes.

Mr. FLOOD, for 15 minutes today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. PELLY.

Mr. LINDSAY and to include extraneous matter.

(At the request of Mr. CONTE, the following Members were granted permission to extend their remarks and include extraneous matter in the RECORD:)

Mr. SIMPSON of Pennsylvania.

(At the request of Mr. MEYER, and to include extraneous matter, the following:)

Mrs. SULLIVAN.

Mr. BARING.

Mr. DENT in two instances.

Mr. MCCORMACK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2504. An act to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; and

H.R. 8160. An act to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes.

ADJOURNMENT

Mr. MEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p.m.), pursuant to its previous order, the House adjourned until Monday, August 31, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1337. A letter from the Comptroller General of the United States, transmitting a report of review of offshore procurement of F–86K aircraft by the U.S. Air Force under contract No. AF–61(514)–547; to the Committee on Government Operations.

1338. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during July 1959 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) as amended, pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1339. A letter from the Acting Director, U.S. Information Agency, transmitting the 12th semiannual report, covering the period from January 1 to June 30, 1959, as required by section 1008 of Public Law 402 (80th Cong.); to the Committee on Foreign Affairs.

1340. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 15, 1959, submitting a report, together with accompanying papers and an illustration, on a survey of Monterey Bay (Monterey Harbor), Calif., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 219); to the Committee on Public Works and ordered to be printed with one illustration.

1341. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 8, 1959, submitting a report, together with accompanying papers and illustrations, on an interim report on McKinney Bayou, Red River Basin, Ark., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 25, 1938 (H. Doc. No. 220); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 4. A bill to authorize the construction of a nuclear-powered icebreaking vessel for operation by the U.S. Coast Guard, and for other purposes; with amendment (Rept. No. 1057). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6482. A bill relating to the credits against the unemployment tax in the case of merged corporations; with amendment (Rept. No. 1058). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 8728. A bill to amend the Federal Boating Act of 1958 to extend for an additional year the period when certain provisions of that act will take effect; with amendment (Rept. No. 1059). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 7605. A bill for the relief of the State of Oklahoma; with amendment (Rept. No. 1060). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. House Joint Resolution 352. Joint resolution to authorize preliminary study and review in connection with proposed additional building for the Library of Congress; without amendment (Rept. No. 1061). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 2181. An act to amend the Mineral Leasing Act of February 25, 1920; with amendment (Rept. No. 1062). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8394. A bill to assure orderly marketing of an adequate supply of hogs and pork products; to encourage increased domestic consumption of pork and pork products; to maintain the productive capacity of the hog-farming industry; to avoid the feeding of hogs to less desirable weights; and to stop further declines in live-weight prices received by hog producers; with amendment (Rept. No. 1063). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 7889. A bill to require marketing quotas for rice when the total supply exceeds the normal supply; without amendment (Rept. No. 1064). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4781. A bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes; without amendment (Rept. No. 1068). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 2424. A bill to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to

news and other similar programs; with amendment (Rept. No. 1069). Ordered to be printed.

Mr. HOLTZMAN: Committee on the Judiciary. H.R. 2982. A bill to fix the official station of retired judges assigned to active duty; without amendment (Rept. No. 1070). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 725. A bill to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri; with amendment (Rept. No. 1071). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee of conference. S. 1958. An act to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen (Rept. No. 1072). Ordered to be printed.

Mr. COOLEY: Committee on Agriculture. H.R. 8343. A bill relating to the preservation of acreage allotments on land from which the owner is displaced by reason of the acquisition thereof by a Government agency in the exercise of the right of eminent domain; with amendment (Rept. No. 1074). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1915. An act for the relief of Chung Ching Wei; without amendment (Rept. No. 1065). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2081. An act for the relief of Yadwiga Boczar; without amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2101. An act for the relief of Ourania Ben Blikas; without amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. COOLEY: Committee on Agriculture. S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons; with amendment (Rept. No. 1073). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 8889. A bill to amend the provisions of the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and related legislation with respect to price support and marketing quotas on wheat; to the Committee on Agriculture.

By Mr. BONNER (by request):

H.R. 8890. A bill to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. BYRNE of Pennsylvania:

H.R. 8891. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee:

H.R. 8892. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 8893. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 8894. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MULTER:

H.R. 8895. A bill to amend the Small Business Act to provide that a small-business concern may not be denied assistance thereunder solely because of the type of business in which it is engageed, if such business is lawful in the community where such concern is located; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H.R. 8896. A bill to amend the Small Business Act to provide that a small-business concern may not be denied assistance thereunder solely because of the type of business in which it is engaged, if such business is lawful in the community where such concern is located; to the Committee on Banking and Currency.

By Mr. NIX:

H.R. 8897. A bill to prevent discrimination in any public or semipublic place or by any public or semipublic transportation against members of the Armed Forces because of race, color, or creed; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 8898. A bill to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government; to the Committee on Interior and Insular Affairs.

By Mr. KILGORE:

H.R. 8899. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. PRESTON:

H.R. 8900. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. BECKER:

H.R. 8901. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. DORN of New York:

H.R. 8902. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. WIDNALL:

H.R. 8903. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. DAVIS of Tennessee:

H.R. 8904. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H.R. 8905. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DULSKI:

H.R. 8906. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H.R. 8907. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. KING of California:

H.R. 8908. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. LANKFORD:

H.R. 8909. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. GEORGE P. MILLER:

H.R. 8910. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SELDEN:

H.R. 8911. A bill to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DENTON:

H.R. 8912. A bill to amend section 1332(c) of title 28 of the United States Code, relating to diversity of citizenship; to the Committee on the Judiciary.

By Mr. DIXON:

H.R. 8913. A bill to impose additional individual and corporate income taxes when necessary in order to offset deficits and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 8914. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

H.R. 8915. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the pony express; to the Committee on Banking and Currency.

By Mr. SPENCE:

H.R. 8916. A bill to provide for a simpler method of determining assessments under the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. STUBBLEFIELD:

H.R. 8917. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

H.R. 8918. A bill to amend the Soil Bank Act to prohibit the denial of a conservation reserve contract to a producer solely on the ground of the date his farm was acquired, if it was acquired to replace a farm previously taken by eminent domain; to the Committee on Agriculture.

By Mr. TOLLEFSON:

H.R. 8919. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 8920. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

H.R. 8921. A bill to amend the act of August 19, 1950, to permit the counting of service with the former Life Saving Service of the United States and with the U.S. Coast Guard as creditable service in determining the eligibility of a widow of a former member of the Lighthouse Service for payments under that act; to the Committee on Merchant Marine and Fisheries.

By Mr. DENTON:

H.R. 8922. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. HEALEY:

H.R. 8923. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER:

H.R. 8924. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. TOLLEFSON:

H.R. 8925. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BOYKIN:

H.R. 8926. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H.R. 8927. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. KILBURN:

H.R. 8928. A bill to provide for a simpler method of determining assessments under the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. LENNON:

H.R. 8929. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on cigarettes shall apply to cigarettes made with substitutes for tobacco; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 8930. A bill to provide standards for the denial of passports, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MOULDER:

H.R. 8931. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McSWEEN:

H.J. Res. 509. Joint resolution to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes; to the Committee on Agriculture.

By Mr. CANNON:

H.J. Res. 510. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes; to the Committee on Appropriations.

By Mr. SELDEN:

H.J. Res. 511. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended; to the Committee on Foreign Affairs.

By Mr. FINO:

H. Con. Res. 424. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. LAFORE:

H. Con. Res. 425. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. STAGGERS:

H. Con. Res. 426. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. STUBBLEFIELD:

H. Con. Res. 427. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. SIMPSON of Pennsylvania:

H. Con. Res. 428. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. TOLL:

H. Res. 364. Resolution creating a select committee to conduct an investigation and study of the accuracy of rumors concerning the existence of the Mafia; to the Committee on Rules.

By Mr. FULTON:

H. Res. 366. Resolution to rename and dedicate the House Office Building to the Honorable Joseph Cannon, the New House Office Building to the Honorable Nicholas Longworth, and the additional House Office Building to the Honorable Sam Rayburn; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 8932. A bill for the relief of James E. Silver; to the Committee on the Judiciary.

By Mr. AVERY:

H.R. 8933. A bill for the relief of Miss Hisayo Arai; to the Committe on the Judiciary.

By Mr. BOYLE:

H.R. 8934. A bill for the relief of Mihajlo Radosavljevic; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 8935. A bill for the relief of Abramo Dalfior; to the Committee on the Judiciary.

By Mr. CLEM MILLER:

H.R. 8936. A bill for the relief of Ray Corsetti; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.R. 8937. A bill to authorize the conveyance of certain real property of the United States to the Carnegie Institute of Technology; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

H.R. 8938. A bill to authorize the conveyance of certain real property of the United States to the Carnegie Institute of Technology; to the Committee on Interior and Insular Affairs.

By Mr. CORBETT:

H.R. 8939. A bill to authorize the conveyance of certain real property of the United States to the Carnegie Institute of Technology; to the Committee on Interior and Insular Affairs.

By Mr. FULTON:

H.R. 8940. A bill to authorize the conveyance of certain real property of the United States to the Carnegie Institute of Technology; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 8941. A bill for the relief of Mrs. Alice Anderson; to the Committee on the Judiciary.

H.R. 8942. A bill for the relief of Cleto Elequin, Jr.; to the Committee on the Judiciary.

H.R. 8943. A bill for the relief of Mrs. Dorothy L. Barr; to the Committee on the Judiciary.

H.R. 8944. A bill for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson; to the Committee on the Judiciary.

H.R. 8945. A bill for the relief of Modesta Pitarch-Martin Dauphinais; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

264. By the SPEAKER: Petition of the chancellor, Puritan Church-The Church of America, Washington, D.C., petitioning consideration of their resolution with reference to requesting Congress to restore the suspended Bill of Rights to the Constitution of the United States, by the impeachment of the Justices of the Supreme Court of the United States who were "fixed" to suspend it, including Mr. Justice Felix Frankfurter; to the Committee on the Judiciary.

265. Also, petition of the secretary-treasurer, National Association of Postmasters of the United States, Puerto Rico Chapter, Lares, P.R., petitioning consideration of their resolution with reference to requesting that a bill of Federal relations with Puerto Rico not be passed; to the Committee on Interior and Insular Affairs.

266. Also, petition of Bernardo Villas, Dumaguete City, Philippines, relative to the passage of a special law granting benefits for the Bolo Battalion in the Field in Negros Island; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Lyndon B. Johnson, of Texas, to the National Convention of the American Legion, at Minneapolis

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, August 27, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the very thoughtful and penetrating address delivered today by the capable majority leader of the U.S. Senate, the senior Senator from Texas [Mr. JOHNSON] before the national convention of the American Legion, in Minneapolis. I commend a reading of the address to my colleagues, and I urge that they give it their most serious consideration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEEPING THE PEACE

Commander Moore, officers of the American Legion, delegates, and distinguished guests, I come to you today fresh from an inspection trip through the heart of America's counterattack forces—the SAC base in Omaha.

It is unfortunate that I cannot describe to you all that I saw. I cannot. There are considerations of military security. And, like most of you, I am not a professional military man. I am a "citizen soldier."

But there is one impression I carried away with me that is unmistakable. It is that I will stake the finest bull on my Texas ranch that the best Nikita Khrushchev has cannot match what I saw yesterday.

The heart of America's striking force is strong—because of organization, men, and determination.

I wish I could say—in good conscience—that everything in America could be described in these terms. The unfortunate fact is that there are many fields in which we must "catch up"—a term that is unfamiliar with most of our people.

STRENGTH OF UNITY

But there is something even stronger than SAC itself. It is the unity and the will of the American people themselves. And that is why I am here to visit with you today.

The American Legion is held together by a commond bond. Comrades all, we have shared in the experience of wearing our country's uniform.

I put on that uniform and went to the Pacific. That was in 1941 when, because we were not sufficiently prepared for an attack, we were taking a heartbreaking beating that—if I can help it—will never happen again.

The Legion is composed of men who did not stop serving their country when they took off their uniforms and put on civilian clothes. You realized that freedom—up to this point—has never been won by a single struggle.

And to that end, you banded together 40 years ago in memory of past comradeship and in anticipation of service to come.

In the intervening years, you have welded together the unity and purpose of your Legion members and the inspiration and aid of the fine women of the Legion auxiliary.

The caliber and stature of your commanders—past, present, and, I am confident, in the future—exemplify the Legion itself.

A VOICE FOR A STRONG AMERICA

Men such as Comdr. Preston Moore are, have been, and will be an effective voice for a strong America. They have worked for a strong America. And they have worked for a strong Legion. Victory and success are their hallmarks. History will record the full accounting of their achievements.

In this connection, I'm happy to recall the majority support given by the U.S. Senate to the Kerr amendment to the Veterans Pension Act—for which I voted and which was strongly backed by the American Legion.

I am here today largely because of Preston Moore. He thought—and I knew—that I could learn something by this visit. It is our opportunity to exchange views on the most important issue before our people—the survival of freedom in this country.

Although both you and I have a direct interest in our Nation's defenses, I am not here to talk about military preparedness today.

It seems to me that there is another kind of strength which must be considered by Americans. And that is the moral and spiritual strength of our form of government and our order of society.

THE MAJOR ISSUE

All of us know the major issue in our world today: It is whether societies of freemen can maintain themselves. Such societies are faced by the greatest threat to Western civilization since John Sobieski raised the siege at Vienna and Charles Martel crushed the Saracens at Tours.

America is confronted by a brutal power, a totalitarian power, a supremely confident power whose chief spokesman boasts openly that my grandchildren—and your grandchildren—will be Communists. And this same chief of government brags openly that missiles can be delivered on this Midwest city from submarines in Hudson Bay.

If that Hudson Bay threat was intended to scare this Minneapolis Legion meeting, I suggest it was a mistake. Someone fed the brainwashing computer the wrong card.

Within a few weeks the present chief of communism—Nikita Khrushchev—will visit our shores. He will be the official guest of the President of the United States—and in the field of foreign relations that means the American people.

THE BEST INTERESTS

There have been strong expressions of concern and doubt about the wisdom of this invitation. There are those who feel that Mr. Khrushchev's visit is simply an elaborate facade for a two-man summit conference—which has been his publicly expressed goal since he attained power. Mr. Khrushchev's planned itinerary certainly does nothing to dispel this feeling.

But at this point, the wisdom of the invitation is academic. Khrushchev will be here. The issue remaining is whether we conduct ourselves in such a way as to serve the best interests of America.

On this, we must—and shall—stand behind our President.

Personally, I have no fears that Mr. Khrushchev can contaminate the American people. We can take in stride the best brainwashing he can offer, Marxist propaganda, threats of economic competition, limited war in the Far East, subversion in Latin America, submarines in Hudson Bay—or any other fine points of Soviet diplomacy.

In our lifetime, we have been through three wars, depressions and the ravages of cold war. Americans have been hardened to the realities of this world.

Our problem is how to see to it that Khrushchev will have a true picture of our country, a true picture of our people—and a true picture of our purpose.

PRISONERS OF HOPE

I hope that can happen. Because if it does happen that way, Nikita Khrushchev will return to the Soviet Union with his eyes wide open—and we will gain. We will gain because this Nation has no fear of the truth.

Within the satellite nations are millions of people, most of them prisoners of hope. And that hope must be sustained until the day of freedom becomes for them an actuality.

Mr. Khrushchev has objected to the resolution of the U.S. Congress concerning captive nations. In my opinion, the biggest captive nation in the world today, next to Communist China, is represented in the brainwashed people of Russia. And I strongly suspect that, included among the captives is the ruling class of the Soviets—that keep the rest of the people captive. For we tend to forget that a slave state puts shackles on its masters as well as its subjects. Those who rule are in turn ruled by the channels of information which are open to them.

It is doubtful whether a man in Mr. Khrushchev's position can have a true picture of the United States.

He may know about our military strength. He may know about our economic power. But there are many other things he can learn only by coming to our country and talking to our people.

UNITED DETERMINATION

I want him to know about America's willingness to fight for its freedoms.

I want him to know about America's united determination to preserve our independence.

And I want the Russian people to know about America's desire for peace—the Russian Army which fought so bravely as our ally in World War II; the Russian scholars, such as the Pasternaks and the brilliant Russian scientists; the ordinary Russian people who want, rather than an armaments race, only a few of the everyday consumer goods shown at the U.S. exhibit in Moscow. These are the ones who must ultimately feel the pulse and the heartbeat of America's deep desire for peace.

There are, of course, dangers in this visit to which we must be alert. But I believe our country can withstand exposure to those dangers. Americans are kindhearted; but they are not softheaded.

THE MARKED DECK

It would be tragic if we fell into the illusion that Mr. Khrushchev is coming here with a deal that would mean peace with honor or peace in our time. Because another man—a kindly, good man—once suffered that illusion, you and I had to spend many years in uniform defending our country and millions of people died.

Of course, Khrushchev would like to make a deal. Every dictator would like to make a deal—with a marked deck.

He would probably like to divide the world into two spheres of influence—with a nice, big slice marked out for the Soviet Union.

But the American people are not going to make such deal. We do not believe in a world divided into spheres of influence. We believe in a world in which the people have freedom of choice.

And so long as there is a Soviet sphere of influence which includes Hungary, Poland, East Germany and other satellites, no one can say that this is a world of free choice.

It would be tragic if we suffered from the delusion that Mr. Khrushchev can be charmed into changing his course. I do not know whether he would be amused or insulted by such a suggestion.

I do know that any Soviet official who has survived the Communist blood purges of the past 25 years is not to be beguiled like a schoolchild.

THE GREATEST TRAGEDY

But the greatest tragedy would follow if we came to the conclusion that this visit meant a thaw in the cold war. This is the delusion that could lead us into letting down our guard.

I believe in visits between the American and the Soviet peoples. I am a firm advocate of talking instead of fighting—where possible.

But I think the advice given to our ancestors to "keep your powder dry" was good advice—and applies with especial force today.

We should meet Khrushchev or any other Soviet official in good faith. We should listen to any proposals that are made. We should not permit Communist bad faith or Communist bad temper to tempt us into bad faith or bad temper.

But we should, we must, remember that a few kind words will not release Berlin. A few kind words will not free Hungary. A few kind words will not unite Germany. And smiles and quips—however pleasant—will not bring us the peace we desire nor change Khrushchev's determination to bury us.

The day of true peace can and must arrive. We have devised weapons of such fantastic destructive power that we must either live together or perish together.

That realization will come eventually to the Communists—as it has come to our people already.

THE JOB AHEAD

Until that day arrives, however, we cannot relax America's strength.

We must maintain adequate strategic striking power.

We must maintain adequate capacity to fight limited wars when they are forced upon us in remote corners of the globe.

And we must continue to help other people to remain free.

We do not ask other nations to come under our rule. We ask only that they remain independent.

But no nation will remain independent if we permit the balance of military power to shift to the Soviets. We cannot afford to be second best—even in weapons which we pray we never have to use.

This is the one field in which "second best" means last—and lost.

MAINTENANCE OF STRENGTH

We need not only be sure that we have adequate deterrent power to avoid nuclear war. We must also be sure that we have effective deterrent power against limited war—which might easily become a nuclear war. And this requires that we maintain our Army, Navy, Marine Corps, and Air Force in such strength that we can land at Beirut if we have to land at Beirut; that we can patrol the Straits of Formosa if we have to patrol the Straits of Formosa; that we can keep the NATO shield intact; that we can deny enemy control of our sea lanes by submarines whether in Hudson Bay or the Caribbean, or on the convoy route to our oversea bases and oversea allies.

We do not live, merely to build weapons. There must be more to life than that.

The day must come when even the most fanatical Communist yields to the pressure for peace. And there are roads to that goal.

There have been a number of Soviet officials parading through our country during the past few months. They have made visits which have been reciprocated.

CRACKS IN THE IRON CURTAIN

Little has been gained from these visits in terms of specific proposals to relax tensions of the cold war. But much may have been gained in opening chinks through the Iron Curtain.

This is the direction in which true peace lies. If Khrushchev can visit the United States, it will be difficult to persuade other Soviet citizens that they cannot visit also.

And at every turn, we should confront Khrushchev and his fellow Communists with a demand to break through the Iron Curtain and let in the light.

We should beset the Soviets at every turn with demands to bring the Russian people the facts about us that have been kept from them. They may respond, if they wish, by presenting their propaganda to Americans.

RAYS OF TRUTH

In a land like ours where speech is free, our citizens are armed against propaganda. But in a nation where the ruling group controls not only speech but thought itself, a few rays of truth are devastating.

We are a people of basic beliefs.

We are a people of basic desires.

For our children we desire a better life than we have lived.

We believe in our country. We believe in our form of Government. We fought for it before and we will fight for it again, if necessary.

We will talk and we are prepared to negotiate, for we are a reasonable people.

But we will not talk surrender. We will not negotiate away freedom—for ourselves or others, now or ever. We never have; we never will.

This has been true of America's past.

It holds true today and forever.

These are the truths for which our forefathers died. Trusting in God and keeping our powder dry, these are the truths by which our children and grandchildren shall live.

International Association of Personnel Women To Celebrate 10th Anniversary Year

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. LINDSAY. Mr. Speaker, in 1951, in Cincinnati, Ohio, a group of personnel executives met and founded the International Association of Personnel Women. During these past years, this organization has grown and it now has local affiliates in most major cities in this country as well as members throughout the free world. These women have dedicated themselves to furthering better labor-management principles and to the advancement of modern personnel practices.

Next year, the International Association of Personnel Women will hold its 10th annual conference in New York City at the Statler-Hilton Hotel commencing on April 27 and continuing through April 30. I am very pleased that this event will be held at a site in my district and take this opportunity to welcome the officers and members of the International Association of Personnel Women and wish them success on the occasion of their 10th anniversary year.

Moving Migrants From Overpopulated Countries to Countries Where Manpower Is Needed

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. McCORMACK. Mr. Speaker, in the publication of the George Washington University Federalist, fall 1959, there appeared an article, entitled "An Episode in My Political Career of Which I Am Especially Proud: Moving Migrants From Overpopulated Countries to Countries Where Manpower Is Needed," written by our distinguished colleague from Pennsylvania [Mr. WALTER]. There is no man in the Congress of the United States or elsewhere who is better qualified to discuss or write about the subject matter of his article than my close and valued friend from Pennsylvania. In my remarks, it is a pleasure for me to include therein the article written by Congressman WALTER:

AN EPISODE IN MY POLITICAL CAREER OF WHICH I AM ESPECIALLY PROUD: MOVING MIGRANTS FROM OVERPOPULATED COUNTRIES TO COUNTRIES WHERE MANPOWER IS NEEDED

(By FRANCIS E. WALTER, Representative from Pennsylvania)

When the victorious Allied armies liberated Western Europe and entered Hitler's Reich, they found over 8.5 million displaced people. Part of that mass of humanity were slave laborers conscripted into Hitler's war machine. Part were the wretched inmates of concentration camps. Part were refugees from bombed cities and villages milling aimlessly around the countryside and camping under the open skies.

UNRRA (United Nations Relief and Rehabilitation Administration), with the active assistance of the military forces of the Allies, provided food, shelter, and assisted those who could be sent to their countries quickly. By 1946, the number of displaced persons who could not be sent home due to the fact that their homelands were overrun by Soviet forces and Soviet-installed regimes, was close to 1.3 million. It soon became evident that these people would have to be resettled outside of Germany and Austria.

IRO (International Refugee Organization) took over where UNRRA and the military left off. By the summer of 1951, over 800,000 displaced persons found new homes in countries which offered them resettlement opportunities.

However, in 1951, it was realized that with the expiration of IRO scheduled to occur at the end of that year, the problem of resettlement of refugees and displaced persons would not be fully and successfully resolved. More than that, another problem was facing the free Western World: "surplus population," an ugly definition, meaning that there were too many people in Western Europe for whom work and opportunities for a decent livelihood could not be found.

At the same time, many overseas countries—Canada, Australia, and several of the Latin American Republics—indicated their interest in acquiring new settlers in order to increase their agricultural and industrial productivity.

In the late summer of 1951, I gathered in my office a few officials representing various agencies of the U.S. Government and submitted to them a tentative plan calling for the creation of an organization designed not only to take over the functions of IRO with respect to the resettlement of refugees and displaced persons, but also build an efficiently operated machine which would stimulate and carry out migratory movements from Europe to overseas countries.

My idea was to create an intergovernmental organization, outside of the United Nations for the obvious purpose of eliminating Communist interference, and to offer to the countries of emigration and the countries of immigration efficient shipping services, as well as assistance in their selection of immigrants and their vocational preparation for migration.

In a series of sessions, which continued in my congressional office for about a month or two, my plan began to take shape and before the year 1951 was over, we succeeded in obtaining the cooperation of the Government of Belgium, which invited 27 governments to participate in an international conference which convened in Brussels, Belgium, in November 1951.

A provisional organization was created by the Brussels Conference for the purpose of "making arrangements for the transport of migrants for whom existing facilities are inadequate and who could not otherwise be moved from certain European countries having surplus population to countries overseas which offer opportunities for orderly immigration." It was further decided that the new organization would provide and arrange for land, sea, and air transportation, assume responsibility for the charter of ships, work out a shipping program and take over actions as may be directly related to these ends.

The name of the organization is the Intergovernmental Committee for European Migration (ICEM). Its headquarters are in Geneva, Switzerland, and its present director is Mr. Marcus Daly, an American industrialist and civic leader. He succeeded two distinguished American diplomats, the late Hugh Gibson and Harold H. Tittmann. I have served as the U.S. delegate at all of the semiannual sessions of ICEM's Council, the organization's governing body.

Since the Conference in Brussels established ICEM, 897,788 European emigrants (including 13,171 European refugees stranded in the Far East) went to 17 overseas countries where they were able to start a new life. In this figure are included both refugees and "surplus workers" who became useful workers in the lands which accepted them. Also included are 110,000 Hungarian refugees who fled Hungary in the aftermath of the 1956 revolution.

The emergency operation undertaken by ICEM in October 1956, in connection with the Hungarian revolution, and the ensuing exodus from Hungary has earned that organization recognition and praise of the entire free world. Practically overnight ICEM's machinery sprung into action, and its helping hand was extended without delay and with the greatest degree of efficiency when and where such assistance was most desperately needed.

ICEM now comprised a membership of 29 nations of the free world. Since its inception, ICEM has spent close to $200 million, of which $72 million was contributed by the United States. What did this money buy? In addition to a wealth of experience, which would permit ICEM to expand its activities in the future and in addition to an imponderable but easily detectable capital of international goodwill, ICEM has created in close to one million hearts the feeling of happiness and purpose in living where war and misery had planted the seed of despair and hopelessness. But these humanitarian achievements do not tell the entire story of ICEM's usefulness. It should be stressed that ICEM is not solely a relief organization. By moving migrants from overpopulated countries to countries where manpower is needed, it achieves three purposes:

1. It relieves pressures on the U.S. immigration quotas by permitting European immigrants to resettle in countries other than the United States.

2. It relieves economic, social, and political pressures in European countries contributing to their stability, thus strengthening the free Western World.

3. It contributes to the economic development of overseas countries by supplying them with European manpower in the most desirable age bracket.

Foreign Firms Plague U.S. Firms

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 27, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, competition from foreign industrial firms, employing cheap labor, low prices, and American know-how, is plaguing more and more U.S. companies. Finally, the problem is on the very doorstep of Congress itself.

Just recently, I discovered that the CONGRESSIONAL RECORD, our own medium for recording debates, expressing views, and printing much of the data from which American history will be written, is being stitched with British wire.

Mr. Speaker, I grant that this is a relatively small matter in terms of money, but it illustrates how far foreign competition with American products has gone. In the first 6 months of 1959, all seven awards for CONGRESSIONAL RECORD binding wire appear to have gone to Holdwire, Ltd. During the second half, the Holdwire firm continues to obtain contracts. Some recent awards to the British company were as follows: July 23, 2,200 pounds; July 29, 3,000 pounds; July 29, 2,200 pounds.

Of course, our friends in London purport to favor the reciprocal lowering of trade barriers. It is interesting to speculate, however, on how soon we shall find that the proceedings of the British Parliament are stitched with foreign-produced wire or printed on American newsprint.

Mr. Speaker, the rate at which our manufacturers are losing markets, both at home and abroad, is truly alarming. I might point out that this result was foreseen by many Members who have sought to change our present foreign trade policies. Perhaps this small example in "our own living room," so to speak, will illustrate why the import problem calls for constant vigilance on the part of Congress.

Political Expediency Versus Educational Needs

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 27, 1959

Mr. DENT. Mr. Speaker, those of us who are part and parcel of the political scene in this Nation can easily put our finger on the culprit that causes our public criticism and the loss of public regard—the culprit is expediency.

In the name of all that is fair and good and just, we use expediency to cover up our failure to be fair and good and just.

One need not go deeper into history than this present session of Congress to come up with some rather disturbing facts and conclusions.

Let us look at education. For the past decade we have heard about the school crisis and yet, with the school bells tolling the new school year this September, we hear the same talk of crisis and shortages in both schoolrooms and teachers. If anything, the bells are louder because the crisis is worse.

For the past 6 years there have been repeated warnings that Federal aid for education has become a desperate necessity. Schoolroom shortages have plagued us. Miserably low teachers' salaries have caused a dangerous shortage of well-equipped instructors for the Nation's youth. The Eisenhower administration has shown no enthusiasm whatever for a sweeping Federal program. It is the job of the States and the local communities, is the answer—even though the States and local communities have been unable or perhaps unwilling to measure up to the task.

American parents will awaken from their vacation time lethargy with the complaints of their youngsters of overcrowded rooms and harassed school authorities.

Let us see what some of our better known experts have to say on this subject. An article by Robert B. Cooney pointed up some of the thinking on this subject and also showed the weakness of substituting expediency for effort:

The classroom and teacher shortage has grown over the years even as the Nation debated first whether it existed and then what to do about it.

One turning point was reached when a 1955 White House Conference on Education, stacked in its selection of delegates against

Federal aid to education, unexpectedly decided there was a need for Federal aid.

Since then, school bills have come closer than ever to passage but have still foundered on such issues as civil rights, Federal control or plain politics.

Probably the chief obstacle has been business opposition. Federal aid to build schools has been fought by the U.S. Chamber of Commerce, the National Association of Manufacturers, and the American Farm Bureau Federation.

EISENHOWER SHIFTS POSITION

President Eisenhower has constantly shifted his position on the school problem. He once expressed himself as flatly against Federal grants for school aid.

However, Democratic proposals of sizable Federal grants inspired him to counter with proposals which emphasized bonds and loans. In 1957, Eisenhower could have helped pass a school bill if he had moved to change the votes of just three House Republicans. He remained silent.

In Congress, a coalition of Republicans and southern Democrats has sabotaged Federal aid to schools, the latter in part because more schools would mean easier desegregation and a quicker transformation of the South.

At present, such a coalition has had bottled up since June 8 in the southern-controlled House Rules Committee a 4-year $4.4 billion Murray-Metcalf bill. It would raise teacher salaries as well as help build schools.

In the Senate, a labor subcommittee recently OK'd a 2-year $1.1 billion program, a sharply reduced compromise move which provides for construction only.

However, even as the Democratic bill in the Senate was cut down as a compromise to improve chances of passage and came to resemble closely the Eisenhower proposal of 1957, it ironically came under the threat of veto.

Flemming informed his August 26 press conference the classroom shortage is a problem of considerable magnitude. But he told the same conference that the Democratic Senate bill is contrary to the President's fiscal policy.

The U.S. Office of Education reported a few days ago that an estimated 42.7 million youngsters will enter classes from kindergarten through the 12th grade this school year.

This is an increase of 1.75 million over last year.

Because of the shortage of classrooms, one out of every four in the total school population will be shortchanged in education.

The number of pupils whose education is being impaired in varying degrees by the classroom shortage is about 10 million according to Health, Education, and Welfare Secretary Arthur S. Flemming.

Flemming said recent reports on public school enrollment show there were 1,843,000 pupils in excess of normal school capacity last year.

These excess students were added to an estimated 6 million in crowded urban elementary schools alone and another 2 million or so in obsolete or inadequate buildings to arrive at the total of 10 million.

And these figures are understated, since the statistics leave out urban high schools and all rural schools.

The way in which overcrowding impairs education is reasoned this way: The desirable maximum class size is considered to be 30 pupils; if a class has 40 or 50 pupils, then everyone's education is hampered, not just that of the 10 or 20 "excess" pupils.

INDIVIDUAL ATTENTION EFFECTIVE

The effect of individual attention through smaller classes can be startling. Carl J. Megel, president of the American Federation of Teachers, was visiting a school in New York City earlier this year. A heavy snowstorm that particular day cut attendance from the usual 45 pupils to 16. The teacher told of this incident:

"Mr. Megel, a very interesting thing happened today. A young lad, who has been a serious disciplinary problem, in this small class on this particular day, conducted himself in exemplary fashion and at the end of the day came to me and said: 'This is the first day that I have thoroughly enjoyed school.'"

If the problem of surplus students is handled simply by cramming more pupils into each classroom, the problem of the teacher shortage has multiple effects.

U.S. Commissioner of Education Lawrence G. Derthick had this to say a few days ago:

"The deficit of teachers will mean, in many communities, overlarge classes or the employment of teachers without adequate training, or both. In many instances, it will also mean curtailing the number of subjects offered."

Last year the Nation's elementary and secondary schools were short 182,000 teachers. This year, Derthick reported, the shortage will amount to 195,000.

TEACHER TURNOVER RATE HIGH

Derthick said the teacher shortage is intensified by a teacher-turnover rate of 10.9 percent. He said current studies show this rate to be more accurate than the 7.5 percent formerly used in calculating shortages.

Why are teachers increasingly leaving their profession?

Low salaries is the chief reason, according to Megel.

The head of the teachers, whose job requires him to keep in touch with trends around the country, discussed the problem in these terms:

"A school district which I visited in May offers a case in point. Out of 160 teachers, 34 well-qualified certificated teachers resigned their positions and indicated their decision of finding employment elsewhere.

"Low salaries, of course, still constitute the major reason for this exodus of teachers from their chosen profession.

"But, in addition to low salaries, the overcrowding occasioned by shortage of classrooms makes it impossible for the conscientious teacher to do a competent job in the classroom.

"Overcrowding increases disciplinary problems because teachers are unable to provide individual attention to so many boys and girls in such a few minutes of a class period."

Segregated schools, where they exist, add to the problem because they prevent the most efficient use of school facilities and teacher resources.

SCHOOL AGERS INCREASE STEADILY

The Nation's school-age population was 37.3 million in 1955. It rose 6 million to an estimated 43.3 million in 1959. This was a rise of over 16 percent.

By 1963 the school-age population is expected to increase nearly 13 percent, or by another 5.5 million, to a total 48.8 million.

Meanwhile, 10 million American schoolchildren are handcuffed in their educational opportunities.

Is it any wonder that some of us, both in and out of Congress, wonder if we are seeing and hearing straight when we hear and see the inexcusable doubletalk and lack of sincerity in our whole approach to the crisis in education?

The real threat of this inaction and political expediency is the threat to unity in this country. How can a nation so confused and in a sense, so inconsiderate of its own needs, hold out that hope to the world leadership that will lead us all to the promised land of peace, tranquillity and prosperity.

How can an American explain the President's veto of two housing bills, each of which contained sums of money to be loaned to our institutions of higher learning for the purpose of building needed dormitory space to relieve conditions described by some observers as being close to a national disgrace, while at the same time approving a foreign development fund expenditure of some $30 million, to build dormitory housing for the University of Burma.

Whom do we fool with this silly and almost idiotic procedure? Do we fool the American workmen, businessmen, or farmers when the President talks about refusing to sign a $1 billion a year aid to education bill, while at the same time, he demands a higher appropriation for so-called foreign mutual aid which he has had amended to give the receiving foreign countries the right to spend the whole aid program for education. This is no fairy tale, it actually happened. The President threatened to veto the Murray-Metcalf bill for $1,100 million yearly aid to American education while at the same time threatened to call Congress back into special session, if it failed to up the multibillion-dollar foreign aid bill.

The question was, who was fooled? The answer is simple—All of us are fooled and especially the harassed taxpayer who too often condemns the teachers and the school system for taking too much out of his tax dollar.

The best dollar's worth we buy is education. Recently, we had an example of how easily the American public can be fooled by the clever and sometimes sinister activities of the hired specialists whose job it is to mold public opinion.

In the face of the highest military budget and the lowest people's needs budget in history, we were led to believe that if we passed a killer labor bill and got rid of Jimmy Hoffa, everything would be all right.

The sun would shine again, cats would purr, dogs would whine, clouds would disappear, and American enterprise could prosper and grow rich.

The only trouble with that is that the so-called tough bill has passed, and yet the schoolrooms are still crowded, our teachers are still underpaid and although Jack Parr still has his show, the salaries of southern teachers are only 50 to 60 percent of our northern teachers while the southern coalition of Congress smiles broadly at the maneuvering that has gained them the greatest victory in all of the years of their political control of congressional committees.

The southern Democrats and northern Republicans have combined to put this program on this year's list of congressional achievements:

First. Bottled up the aid to education bill.

Second. Killed the civil rights—desegregation—bill.

Third. Passed the Landrum-Griffin bill—described by GOP leaders as labor "killer" bill.

Fourth. Veto of two public and education housing bills.

Fifth. Veto of Army Engineer approved and planned flood and water control.

Sixth. Increased gasoline tax 1 cent to meet higher banker interests on loans for the highway program.

Seventh. Increased interest rates for the benefit of bankers and moneylenders increasing short-term interest from a low of three-fourths of 1 percent under Truman to over 5 percent under Eisenhower—the increased interest payments alone would pay for two Murray-Metcalf aid to education bills.

Eighth. Passed amendments to foreign aid allowing foreign countries to keep money loaned for aid purposes if they put it into education, while at the same time killing American aid to education here at home.

Ninth. Vetoing any bills dealing with area redevelopment.

Tenth. Refusing to allow deduction in personal income tax to help pay for educational and ordinary living requirements.

Eleventh. Refusal of coalition to pass bill extending and revising social security, unemployment compensation, and so forth.

Twelfth. Continuing a disastrous farm program that has allowed certain persons and groups to receive millions of dollars in the name of farm subsidy.

Last, but not least, the covering up of all of these failures by shouting "crook" at labor and bringing Khrushchev over to the United States in a drive to create a trade bargain that will further load our domestic shelves with cheaper made goods and in the end, further depress our American way of life.

All throughout this year's sessions there appeared to be a feeling of no reality. One keeps asking himself, is it really true—no education bill, no housing, no public works, no cut in military, no disclosure of known military purchase frauds and waste, no civil rights—all this, and work in Congress on Labor Day and next weekend, Khrushchev for lunch.

Of course, we will have a better record next year—why every politician from Ike's doors will be out lamenting the status of our educational system, the plight of the unemployment, the heartaches of the aged, the need for housing, the waste in Government—oh, yes, and above all the great rights of labor and the underpaid schoolteacher.

This will be the off-season talk, but come January and a new session, what will we get, I will tell you, the coalition.

Restrictions on Federal Interest

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 27, 1959

Mr. PELLY. Mr. Speaker, President Eisenhower has sent up a message requesting legislation to remove the limitation which the law now imposes on the rate of interest at which the Federal Government is allowed to borrow money for more than 5 years.

If such legislation is not enacted, the Democratic leadership of Congress must take full responsibility for their failure to heed the President.

The Treasury can pay whatever rates are required by security market conditions for short-term loans, but the 4¼ percent ceiling on 5 year or more maturities handcuffs the Treasury in its debt management responsibility.

Seventy-six billion dollars' worth of Federal securities will come due within the next year. Unless the Government is able to sell long-term bonds, the under 1 year Federal debt will climb to $100 billion. No responsible official would allow such a huge short-term liability to be created which in a crisis the nation might be asked to meet. It is a dangerous situation and fiscally irresponsible for such a condition to be forced on the Treasury. Congress should face up immediately to the debt problem.

It is particularly desirable to adjust the rate on savings bonds. This form of government loan is anti-inflationary and the patriotic citizens who invest their savings in this security in all fairness should be paid a rate of interest equal to that paid by private savings banks.

Mr. Speaker, I realize the political implications, but here is a case where President Eisenhower says the administration is willing to assume full responsibility for managing the Government debt if allowed to do so free from artificial restrictions.

Hope Deferred: Public Welfare and the Blind

EXTENSION OF REMARKS
OF
HON. WALTER S. BARING
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 27, 1959

Mr. BARING. Mr. Speaker, many of us have introduced bills during the present session of Congress dealing with our social security and welfare system. I wish to take this opportunity to call the attention of the Members of this House to a book which I have just read and which I believe every Congressman concerned with these issues will want to read.

The book is "Hope Deferred," written by Prof. Jacobus tenBroek and Floyd W. Matson, of the University of California, and published recently by the University of California Press.

Although its subtitle, "Public Welfare and the Blind," indicates the specific subject matter with which the book is concerned, "Hope Deferred" goes far beyond that special province to shed light on many of the most critical and vexing problems of government today. It deals directly, for example, with the issue of federalism: with the question of what in truth the relationship is—the respective rights and powers—of the State and National Governments under our system. The book deals no less directly with the sensitive issues of congressional-executive relations, which are more than ever in the forefront of our attention. Congress now possesses various committees, such as the Committee on Legislative Oversight, for the purpose of reviewing the work of executive agencies; still others of our committees are empowered to seek information from the executive. Most recently of all, the courts have made a renewed effort to define the role of congressional committees generally in relation to the executive branch. On all of these pressing and perennial problems "Hope Deferred" has a close and instructive bearing—not least of all in showing how Congress has come increasingly to exercise a reviewing and supervisory, rather than an initiating, role in developing our public programs and seeking to hold them to responsible account.

On still a different level, this book also casts new light on the relationship of the individual citizen, whether organized or unorganized, to the great programs of welfare and security which have been erected in our country in recent years—as well as his relationship to the executive agencies which administer those programs and the legislative machinery which enacts them.

Perhaps the most signal service provided by this book lies in its demonstration that our entire system of social security, ever since its adoption in 1935, has been the storm center of a continuous struggle between Congress and the executive branch of the Federal Government, in which two theories of the nature of social security have been in direct conflict. On the one hand officials of the social security administration have adhered to a policy of subordinating public assistance to the preferred concept of social insurance, on the assumption that those receiving public aid are a residual element to be minimized and disparaged: a policy utterly barren of any constructive element. This policy is the direct descendant of the medieval poor laws and workhouse, and has preserved that outmoded spirit through the imposition of a rigorous means test—a virtual pauper's oath—which effectually discourages the blind and the disabled from rising above the poverty and dependency that have been the requirements of eligibility for the program. Moreover, the executive theory has sought to enforce absolute Federal control over the assistance programs of the States and to disallow any departures, however legitimate and progressive, from its own administrative precepts—while at the same time permitting the Federal administrator the broadest latitude of discretion in ruling upon the programs. By contrast, Congress has consistently expressed a very different and opposed theory of public assistance, and moreover has held to it despite repeated reversals and opposition by the executive agencies: a theory which has sought to introduce constructive elements into the

program, which while placing a floor under relief permits the individual States complete freedom in devising liberal provisions of their own, and which above all is conscious of the need to maintain firm legislative control over the system.

In specific terms, "Hope Deferred" is a study of the most significant social provisions established for the blind over the past generation, most notably the programs of public assistance and vocational rehabilitation. The harsh point of the title is that, despite a number of genuine advances, the hope of the blind men and women of America for a recognition of their real capacities and needs is still deferred in both of these crucial areas. And I may add that there is another deferred hope which emerges from this book: the hope of Congress to have its will and intent, as expressed in some of the most important legislation of our time, carried out in the face of persistent hostility by appointive administrative officials.

Just as significant, I believe, is the evidence this book provides of the pressing need for legislation such as that contained in H.R. 14, which I introduced in the present session, and which was subsequently contained in some 60 bills submitted in the House, along with a similar bill introduced by Senator KENNEDY, of Massachusetts, and 32 other Senators: legislation expressly designed for the purpose of protecting the right of the blind to organize and to be consulted by Federal agencies in the conduct of programs for their welfare. Our bill recognizes the fact that independent organizations of the blind, as opposed to agencies for the blind, have in the past been systematically excluded from consultation in the development and administration of such programs, and indeed that these organizations have found themselves the targets of harassment and threat on more than a few occasions by officials of public agencies making use of Federal funds in their programs. The right to organize, in the case of such disadvantaged groups as the blind, is practically tantamount to the right of free speech and self-expression; and, by the same token, the right to consultation for the blind constitutes a right to be heard in the expression of their needs.

Although "Hope Deferred" does not deal directly with this legislation, it furnishes a convincing argument for it by exposing the negative and backward policies of aid and rehabilitation for the blind which might easily have been avoided if representative organizations of the blind themselves had been brought in for consultation in the formative stages.

On the same score, the opening section of the book in particular should be required reading for all administrators and workers in programs for the blind; for it clearly exposes the false stereotypes about the nature of blindness which have been largely responsible for these mistakes in policy and administration. More affirmatively, the authors draw upon the extensive literature of medical science and social science for a realistic appraisal of blindness and of the capabilities of blind persons. Their conclusion is "that the blind as a group are mentally competent, psychologically stable, and socially adaptable; and that their needs are therefore those of ordinary people, of normal men and women, caught at a physical and social disadvantage." Like other persons the blind "have a need for shelter but not a need to be sheltered: a need for adjustment and acceptance but not a need for toleration or patronage." The authors propose that every social program and institution for the blind be judged by the straightforward test of "whether it meets or defers meeting these needs; whether it presupposes the normality and equality of persons who are blind or presumes their abnormality and inferiority." It is a shocking commentary on the state of our welfare system that few if any of the numerous programs described in "Hope Deferred" come off with a passing grade when put to that test. This is notoriously the case with the sheltered workshops presently supported by the public rehabilitation program, wherein neither the goals of vocational rehabilitation nor the standards of fair employment are remotely approximated. The situation is not much improved in the remaining areas of rehabilitation, and is only beginning to be reformed in public assistance—where the existence of the means test and other onerous conditions of eligibility continues to frustrate the objectives for which the system was devised by Congress.

The authors of "Hope Deferred" are particularly well qualified to undertake such broad examination of public welfare as it affects the blind. Professor tenBroek—who is well known to Members of both Houses for his many articulate appearances in committee hearings—has been for nearly 20 years the president of the National Federation of the Blind, which represents affiliated statewide organizations of the blind in all but four of our States and is almost certainly the largest voluntary association of blind people in the world. Having lost his own sight in childhood, Dr. tenBroek began to play a significant role in organizations of the blind while still a very young man. He helped to organize the California Council of the Blind in 1934, and was the principal founder of the national federation 6 years later. In 1950 he was appointed to the California State Board of Social Welfare, a position in which he still serves and which has given him a solid background of administrative experience in all aspects of public welfare. What is most remarkable about all this is that these manifold activities are only avocations for Dr. tenBroek, whose main career is that of a scholar and teacher. At present he is chairman of his department at the University of California, where he has built a national reputation as a constitutional scholar. He has earned five degrees, most of them in law, and in addition to the present book has written two other substantial volumes and more than 50 articles on various problems of Government and welfare. It would indeed be difficult to find a man anywhere in the land more qualified to write on the particular public issues with which "Hope Deferred" is concerned.

Mr. Matson, who is also a member of the faculty of the University of California, is himself experienced in government and administration as well as broadly trained in the social sciences. He served as a Government analyst under General MacArthur during the occupation of Japan, and later was the administrator of a University of California educational program conducted for our military services in the Far East. He has been closely associated with the National Federation of the Blind for several years, and was a coauthor with Professor tenBroek and E. N. Barnhart of an earlier book, "Prejudice, War, and the Constitution," which 5 years ago won the highest award in political science, the Woodrow Wilson Foundation prize, as the best book on democracy and government.

"Hope Deferred" is, in my view, an equally significant contribution to our understanding of democracy and our knowledge of government. It is my earnest hope and belief that the book will serve to fortify Members of Congress in their efforts to create and maintain a sound system of public welfare; that it will bring an end to the opposition of professional and public welfare administrators to these constructive purposes; and finally that it will be instrumental in giving the general public a true picture of the capabilities of our blind citizens for normal lives and productive careers in the mainstream of American society.

Can We Set "Safe" Tolerances for Cancer-Inducing Agents?—Comments by Dr. Harold F. Blum of National Cancer Institute

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mrs. SULLIVAN. Mr. Speaker, a few days ago the Senate, on a routine call of the calendar, and without a record vote, passed a far-reaching bill on the use of coal-tar colors and other coloring substances in and on food. It is S. 2197, the proposed Color Additives Amendments of 1959, to authorize the establishment by the Food and Drug Administration of safe tolerances for coal-tar or other coloring substances which are not harmless under the terms of the Food, Drug, and Cosmetic Act of 1938.

Demands for such legislation have been increasing among food manufacturers as a result of a combination of court decisions on the one hand and of new testing techniques which now disclose that a number of coal-tar colors used for years under the impression they were harmless no longer can meet that requirement.

The Department of Health, Education, and Welfare has urged enactment of legislation such as contained in S. 2197, and experts from the Food and Drug Administration, the Senate Committee on Labor and Public Welfare, and representatives of the food and chemical industries sat down to draft mutually acceptable amendments to the bill as originally introduced. I am informed no hearings were held on this legislation, however. Now that it has passed the Senate, I understand efforts are being made in behalf of the food and chemical industries to have it scheduled for early action by the House Committee on Interstate and Foreign Commerce.

CONGRESS NEEDS TO BE INFORMED ON TECHNICAL MATTERS INVOLVED

Under the circumstances, Mr. Speaker, I think it is important that all of us who are interested in the issues this legislation presents should inform ourselves on the details of this legislation. I am reminded that only last March we had a prolonged debate and rollcall vote on special legislation on the use of an other-than-"harmless" coal-tar color, Citrus Red No. 2, on the skin of oranges. Many of us had strong misgivings about the authorized use on a food product of a coloring substance which is not harmless, even though we were assured it is safe in the manner and in the volume used on oranges.

Mr. Speaker, although I took an active role in the legislative drive which led to the Food Additives Act in the last Congress, and although I spoke on and voted against the Citrus Red No. 2 bill we passed in March, I am the first to acknowledge that I am not a scientist, not a chemist, not a physiologist—and that on these complex technical issues we who are not scientists must weigh and balance the conflicting views and statements of people who do have technical competence.

I am always trying to find reliable scientific information in this field of food chemistry but the difficulty is to be able to understand it when it is available. In this connection, a good friend of mine from St. Louis recently suggested that I look into the studies of a physiologist of the National Cancer Institute who had, she said, published an outstanding paper on the cumulative effects of certain carcinogens.

For the information of the Members, Mr. Speaker, I now include as part of my remarks in the CONGRESSIONAL RECORD the letter which I wrote to Dr. Harold F. Blum of the U.S. Public Health Service's National Cancer Institute and his reply, both of which are self-explanatory and, in the case of Dr. Blum's letter, well worth reading, I believe:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1959.

Dr. HAROLD F. BLUM,
National Cancer Institute, National Institutes of Health, Bethesda, Md.

DEAR DR. BLUM: A friend of mine in St. Louis, who is a very active member of the St. Louis Consumer Federation, has written me that she thinks your article in the June issue of American Scientist is the best answer to the question of whether tolerances should be set for coal-tar colors in foodstuffs. She warned me, however, that the article is very technical.

Could I have a brief statement in as nontechnical language as possible on the dangers of allowing continued use in or on food—even in very low amounts—of coal-tar colors found not in fact to be "harmless." I am interested in this from the standpoint of overall color legislation and such special bills as the one to permit continued use of Yellow 3 and 4 in butter, etc.

With best wishes, I am,
Sincerely yours,
LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District of Missouri.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Bethesda, Md., August 25, 1959.

Hon. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: This is in answer to your letter of August 17, in which you refer to my article in the June issue of American Scientist, and its bearing on the question of tolerance for coal-tar colors in foodstuffs with regard to cancer.

The article (Quantitative aspects of cancer induction and growth; as illustrated in carcinogenesis by ultraviolet light) is based on experimental studies of cancer caused in mice by repeated doses of ultraviolet light. It permits certain conclusions to be drawn regarding the origin and growth of cancers induced in this way. Since comparable studies have not been made using coal tar derivatives or other substances as cancer inducing agents, I cannot say with complete certainty that the same conclusions apply. But what evidence exists, suggests that continued dosage with such agents produce similar results, and I think that until further evidence is forthcoming we are justified in assuming the cases to be parallel.

If this point of view is adopted, cancer induction is to be regarded as a cumulative process which begins with the first dose of the cancer-inducing agent. Whether the cancer will reach detectable size within the lifetime of the animal in which it is induced, must depend upon how fast the cancer grows. Thus, a cancer induced by a single or a few doses of the agent may grow so slowly that it will never be detected, and of course will not seriously affect the animal. If the dosage is continued, however, cancer growth will speed up, and the cancer will reach detectable size before the animal dies. In the case of cancer induced by the more effective chemical agents, a single dose, if large enough, will result in a detectable cancer; but we do not have adequate knowledge of the effect of repeated small doses.

It is probable that there is a "threshold dose" for every cancer inducing agent, that is, a minimum dose below which no cancer is produced; but you can see that it would be very difficult to determine such a threshold if it exists. All one could hope to say would be that a given small dose did not produce cancers in a given kind of animal—say the mouse—within the lifetime of that animal. But one would be without any basis for assuming that this minimum dose applied to any other kind of animal—say man. Thus I cannot see how we have any sound basis for assigning tolerance doses or tolerance levels for cancer-inducing agents. I think this must be the case, whether or not the agent in question produces results exactly comparable to those produced by ultraviolet light.

Viewed in this way it would seem that the only practical answer would be to keep any substances known to induce, or suspected of inducing cancer at as low levels as feasible. The assigning of tolerance limits—which must necessarily be arbitrary—can only give a false sense of security.

I must point out again that these conclusions are, for the most part, based on studies of an agent other than those to which you refer specifically in your letter, and hence may not be completely justified. But until experimental studies have shown that similar relationships do not hold for chemical substances of the kind in which you are interested, I think one is justified in assuming that they do.

I hope that this brief statement will have made my point of view clear. The details of the argument, summed up only briefly in the article you mention, are too technical to present in short space. What I have said here, follows, I think, the experimental data, without bringing in theoretical points that might be more open to question.

I hope that this brief discussion will have answered your questions satisfactorily, but if there are points which I can help to clarify further, I shall be pleased to insofar as I am able.

Sincerely yours,
HAROLD F. BLUM,
Physiologist, National Cancer Institute.

Special Report

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. DENT. Mr. Speaker, although I have been very busy with the committee working on the labor legislation, I have tried to pick up a few pertinent facts on the trade issue.

It seems to me that in our desire for investment and trade profits we are completely overlooking the disaster lurking in the shadows of unemployment, lost jobs in production industries, and the apparent unawareness of labor, Main Street, and the smaller manufacturers.

Recently one of our leading metropolitan newspapers, the Pittsburgh Sun-Telegraph, Wednesday, August 19, 1959, published an editorial entitled "Labor Awakening." I present the editorial verbatim:

Organized labor has, in a large measure, in recent years been responsible for supporting the Rooseveltian policy of reciprocal trade agreements which have worked out so disadvantageously to the United States.

Already one effect of these treaties is that last year as many automobiles were imported as exported, and the United States is importing such a product as steel.

The real sufferer from these treaties, agreements, quotas, exchange arrangements, etc., is the American worker.

For many years conservatives have been cautioning labor that they have embarked on a dangerous course when their supported political measures are disadvantageous to them. But, having adopted labor internationalism, they would not retreat.

However, some unions are beginning to realize their peril. What they call imports from sweatshop countries have always been coming in from these same sweatshop countries.

The only difference was that during the war and the early postwar years businessmen were afraid to go to those countries, invest American capital in them, and then ship the

goods back here to compete with the American worker, who generally lost out.

It is interesting to note that the great free trade unions, the International Ladies' Garment Workers' Union; the Amalgamated Clothing Workers; the United Hatters, Cap, and Millinery Workers' International, and the Textile Workers, are leading in this reconsideration of a policy that has always been disadvantageous to the American worker.

A few points need to be made concerning this:

1. Most mass-production work can be done as efficiently by low-wage workers as by high-wage workers. Therefore, unless the high-wage worker is in some manner protected, he will outprice himself.

2. In the semiskilled industries the ability and efficiency of the workers play a small part in the total product; the bigger part is contributed by the machine, which can be operated as well by less-efficient workers, thus making the product cheaper to sell in the American market.

3. Since the Roosevelt regime, everything has been done to make the phrase "Buy American" unpopular, with the result that Americans buy what is made in Hong Kong or Japan or Czechoslovakia as readily as they buy American goods.

It is nonsense for American unions to believe that they can solve this problem by stimulating campaigns in other countries to increase wages there. They will be told to mind their own business.

Not all standards of living are the same, and not all people approve of the American standard of living, which includes many inflationary factors.

The soundest protection against the dumping of cheap goods into the world's greatest market is a protective tariff—and it would be startling, but it is foreseeable, that American labor will come to that.

For the record I want to put this important message before the Congress and if I could, before every worker, employer, banker, and professional individuals in this country.

The warning contained therein is one that none of us can overlook. There is no secret or mysterious formula for national prosperity. The answer is simple—production with wages sufficiently high to meet the costs of living, pay doctors and hospital bills, buy insurance, shop on main street for necessities and a few extra luxuries, keep a savings account, buy and maintain a car, maybe a small boat, send your kids to school, take a 2-week vacation, keep your church and charities obligations, and last, but not least, buy a radio, refrigerator, TV, washer-dryer, freezer, air conditioner, get your wife a modern step-saving kitchen, feed your kids the latest vitamins, and whatever else we are told we must have to maintain our way of life.

If we do not have most of these things within the reach of our working people the rest of the economy will fall flat on its face.

Without wages to carry this marketplace load, the professional individual, the banker, and the press, all service industries and businesses will die on the vine.

I will always remember my early youth in a small coal mining and brickmaking community on the banks of the Allegheny River in western Pennsylvania. The history of this town is a case in point.

This was a normal, small American town with its professional services, elected officials, its lawyer, doctor, barbershop, its hotel, stores, railroad station and telegraph office, with its painters, plumbers, and the tradesmen that are usually found in a going community.

Its community of 400 or 500 families prospered because the coal mine and clay mine provided payrolls which fed the whole economy. Then one dark day the mine shut down, the payroll stopped. In a short period of time, all commerce and business stopped. I recently visited this site, and nature has again taken over—there are no houses standing, no business places, and no people. The years have erased all of the things that once marked a thriving community. The town was a ghost town.

This then points up clearly and vividly that tradesmen, professionals, Main Street and Back Street cannot survive on their own. There must be production, because production produces payrolls, and payrolls produce prosperity. This lesson I have never forgotten, without production this town died and I am convinced that without production this Nation will die.

Somewhere, somehow, we have been sold a bill of goods. We are told that trade means peace and therefore even if it means unemployment, hardship, foreclosures, and shutdowns, it is worth it. Up to a point any sane person agrees.

However, will the results be what we are told they will be, or will the greedy, mercenary profiteers of other countries contrive to take advantage of our softness and further flood this country's domestic market with low-priced goods made by low standard wage earners and in most cases, from American designs and all too often bearing American trade names.

I cannot conceive of anything more damaging than to keep up this idiotic program that allows a nation like Japan to embargo the import of automobiles into the country while at the same time, dump their cars onto the American market, or for England to embargo turbines and generators while selling to our own Government agencies.

Again, we find Mexico putting an embargo on many products such as piston rings, forcing American companies like Perfect Circle to buy into their domestic industries in order to market their products in that country.

I mentioned Perfect Circle, and its Mexican experience; for the record I present the full story as well as a little noted item about the prosperity of the London stock market while the American market continues its erratic but definitely downward slide. The stock markets of Germany, Italy, Japan, and Belgium and other beneficiaries of our national trade suicide policy are reported doing well.

PERFECT CIRCLE TO BUY 45-PERCENT INTEREST IN MEXICAN FIRM

CHICAGO.—Perfect Circle Corp., Hagerstown, Ind., piston ring manufacturer, announced it has entered into an agreement to purchase 45 percent of the stock of Engranes y Productos Industriales, Mexico City, for approximately $800,000. A Perfect Circle spokesman said about two-thirds of the purchase price will be paid in piston ring manufacturing machinery.

The Mexican firm will be licensed to manufacture and distribute Perfect Circle piston rings and other products in Mexico, W. B. Prosser, Perfect Circle president, said in the announcement. A meeting of Engranes y Productos Industriales stockholders has been called for August 28 to ratify the agreement and to change the name to Industrias Perfect Circle S.A. The firm will continue to produce hydraulic automobile jacks, irrigation pump parts, and other replacement parts, according to the announcement.

A spokesman for Perfect Circle said the move was made because the Mexican Government banned piston ring imports. The company had planned to begin production in Mexico at some future time, but had to accelerate its program because of the governmental order cutting off the imports, he said.

He said the company had been forced to make similar moves in Argentina and Brazil when those nations closed their borders to the company's product.

All the way up and down the list of imports we find examples of restrictions, high tariffs, and outright embargoes against American-made goods.

This country prospered so long as it was a Democratic-capitalistic system of operation, but it is fast becoming a purely capitalistic system which cannot survive in free competition with nations that have no governmental mandated costs of production such as social security, unemployment compensation, exorbitant taxation, both personal and business.

In line with the above editorial, it might be good for all of us to take stock before we vote for H.R. 5, which will open the floodgates of American investment in foreign countries, and in a few short years, the domestic market will be lost completely to American-made goods.

What is our interest—American made goods, or American financed goods?

How long will the foreign worker allow himself to be exploited by American absentee investors?

Will we be building goodwill, or will we be sowing the seeds of discontent, distrust and instead of promoting peace will we unwittingly be harvesting a crop of bloodshed, devastation, and catastrophic war?

In a recent survey of the results of our ill-advised 4-year extension of the nonreciprocal Reciprocal Trade Act, we find the following very brief summary of results in just a few of the affected fields of production.

These statements of facts and logic have been given on the floor of the House, on the air and in many of our leading periodicals and newspapers.

Many Members of Congress are becoming aware of the seriousness of the situation and there is unrest and doubt never before so apparent amongst the membership.

Many of us wonder whether Congress was wise when it abdicated its constitutional prerogatives and turned over to the President the tariff and duty making powers which rightfully belong to Congress.

ESCAPE CLAUSE BOX SCORE

"Oh, but industry does have an official remedy," exclaims the liberal-trade enthusiast to import-wounded industries. But let's ask the man who sought one. Here's the January 1954 to May 1959 record:

Industries seeking remedy from Tariff Commission	45
Remedy denied by Commission	19
Remedy recommended by Commission to President	[1]26
But denied by him	17
Remedy granted by President	8
But drastically diluted by him	6
Full recommendation granted (out of 45)	2

[1] 1 in process.

FOREIGN CARS

Japan's Batsun, plastic-body sports car, speed of 86 miles per hour, now in order-taking stage and slated soon for United States market. Also targeted for United States is their tiny Subaru-360 at $1,100.

European-English cars captured 17 percent of Canadian market first 5 months of 1958; now up to 23 percent for same period in 1959. Imports here running about 10 percent of market.

SHIPPING BOTTOMS TAKE BEATING

U.S. shippers' share of American foreign commerce had rough sailing since World War II (military excluded):

Year:	*U.S. share (percent)*
1946	68.0
1951	43.0
1952	35.0
1953	30.0
1954	28.0
1955	22.0
1956	20.0
1957	18.0
1958	13.0
January 1959	[1]8.7

[1] Latest.

BINOCULARS

Jap binocular industry, principally geared to U.S. market, produced over 1.5 million units in 1958; United States purchased two-thirds of total output.

TYPEWRITERS

Nineteen million nine hundred thousand dollars of imported typewriters and parts in 1958 outstrip U.S. exports of $14.7 million first time in history.

CAP IMPORTS

National Cap and Cloth Hat Institute, joint labor-management group, seeks escape clause action to increase duty on Jap caps. Self-imposed Jap annual export quota of 15 million caps too large for U.S. market to absorb without serious damage, reports Institute. Comparative prices: Jap caps, 20 cents; U.S. caps, $1.

CLOTHING WORKERS CONCERNED

Amalgamated Clothing Workers of America, formerly strong trade agreements supporters, adopt resolution attacking destructive imports. Cite "cutthroat" competition in every branch of male apparel threatening thousands of jobs. Knit glove industry well on the road to destruction, as imports now 250 percent of U.S. production.

COPPER AND BRASS

Copper & Brass Research Association's study of causes in decline of domestic brass mill industry reveal: First year after sharp tariff cuts, imports multiplied 42 times preceding year level; imports almost 100 percent of U.S. tubular plumbing goods market; U.S. industry in 1958 operated less than 45 percent of 1943 capacity; United States converted from exporter to importer of brass mill products.

WESTERN EUROPE'S GOLD MOUNTS

Gold and dollar reserve holdings in Western Europe increased from $7 billion in 1950 (December) to $18 billion in 1959 (March).

LUXURY LINER LAMBS

Indicative of price differential in foreign-U.S. competition was arrival at San Diego of 30,000 Australian lambs on converted luxury liner Wesorarlia. Estimated delivery price: $10 a head or half of U.S. price. Importer's yearly goal: 100,000 head.

STEEL: "THE BIG SQUEEZE ON LITTLE STEEL"[1]

"In 1957, the United States exported 5.2 million tons of steel-mill products, and imported 1.1. million tons. But this ratio of almost 5 to 1—in favor of steel-mill exports—dropped to less than 2 to 1 in 1958, when exports fell to 2.7 million tons, and imports reached a high of 1.7 million tons (1959 steel imports running double U.S. exports. NWC).

"Because of these developments, we appear to have lost much of our foreign market, and a portion of our domestic market is in jeopardy. For example, the United States exported 721,000 tons of semi-finished steel in 1957. This dropped to 124,000 tons in 1958—a decrease of 83 percent. Exports of structural shapes decreased from 453,000 tons in 1957 to 292,000 tons in 1958, while exports of plates declined from 604,000 tons to 249,000 over the same period—a drop of 59 percent. Exports of tinplate, an item in which the United States has long had a preeminent position, fell from 538,000 tons to 244,000 tons—a decrease of 54 percent. * * *

"In the domestic market we are at a competitive price disadvantage in such products as rods, barbed wire, nails, reinforcing bars, and other items. * * *

"Within the past year or so, a number of specialty wire products have arrived on the American market in alarming quantities. * * *

"These are facts. * * * The American steel industry in certain areas is no longer competitive with the rest of the world."

U.S. AUTO EXPORTS-IMPORTS

Since 1955, U.S. auto exports dropped 50 percent, from over 200,000 annually to expected 100,000 in 1959 * * * 370,000 foreign car imports sold in United States in 1958; present rate indicates 600,000 this year.

UAW AROUSED

A. J. Mattes, president of local 239, UAW, wrote Baltimore Mayor Grady that over 300 General Motors workers in that city were laid off and remaining 1,500 are working less than 40 hours a week because of increasing number of foreign car imports. Thirty-five thousand autos imported via Baltimore the first 5 months of 1959 could have given employment to 2,500 workers at Chevrolet plant there, working two 8-hour shifts for 13 weeks.

AUTO PRODUCTION ABROAD

Daily output at Fiat's Mirafiore Works over 2,500; Volkswagen heading for 3,000 at Wolfsburg. Plymouth's mammoth Detroit lines turns out 1,100 daily; Rambler at modern Kenosha plant about 1,600 units.

ELECTRICAL EQUIPMENT

Florida Power & Light Co. ask foreign producers of heavy electrical generating equipment to bid on two 200,000-kilowatt steam turbogenerators * * * probably first effort by foreign manufacturers to penetrate private utility market, following successful efforts on Federal-State projects. Domestic firm salvaged contract on basis of delivery date.

[1] Excerpts, address by A. F. Franz, president, the Colorado Fuel & Iron Corp., to American Iron and Steel Institute, New York, May 28, 1959.

TURBINES

English Electric bids 30 percent under nearest American competitor to win Army Engineers' contract for eight hydraulic turbines for Big Bend Dam, S. Dak.

SEWING MACHINES

Brief filed with Tariff Commission reveals foreign sewing machine manufacturers now control about 75 percent U.S. market; e.g., U.S.-imported Jap machines up from 64,000 in 1950 to about 1 million in 1958.

WATCHES

Ranks of American watchworkers steadily reduced from 16,000 to 6,000 employees as foreign imports take 70 percent of annual domestic market; or 14 million out of 20 million uiits.

THE GOLD FACTS

United States now has $19.6 billion in gold, smallest reserve in over a decade, but foreign organizations and individuals have dollar claims of $15.1 billion against reserve.

TUNA FLEET

Imports of Jap tuna reduced ranks of San Diego's tuna clippers to 125 ships from 1952 high of 214. Sales sliced from about $40 million in 1954 to expected $19 million this year.

U.S MANUFACTURER LITERALLY LOSING HIS SHIRTS

National Association of Shirt, Pajama, and Sportswear Manufacturers went on record opposing State and Commerce Departments' representations on behalf American business and declared in favor of congressional regulation of foreign trade. Shirt imports from Hong Kong-Japan alone totaled 1.75 million dozen in 1958, equivalent to $15 million in U.S. wages for 6,000 American employees.

TOURISM: DOLLAR SOURCE

Frequently overlooked as dollar source to foreign nations is tourist industry; Americans spent $2.1 billion on foreign travel last year * * * 10 percent jump from 1957.

STEEL: "WHAT'S BEHIND THE RISE IN FOREIGN COMPETITION?"[2]

"Let me cite the predicament of one American industry. * * * The industry is that which makes table flatware * * * and recently stainless steel ware. * * * This is a new industry in Japan; flatware such as we use is not used generally in Japan.

"By 1955, imports had reached 3,134,000 dozen against U.S. production of 14,654,000 dozen; * * * in 1958, Japanese imports amounted to 8,444,000 dozen, with U.S. production of 14,740,000 dozen. * * *

"While this rise in imports was going on, the gentlemen of GATT progressively reduced tariffs.

"The big reduction was made in 1950 but further reductions were made in 1956, 1957, and 1958, after this industry had really been hurt.

"Japan, fearing action by the United States, voluntarily announced a quota limit to the United States of 5,500,000 dozen for 1958. * * * Up to this time, this industry has been given no relief and employment is off 25 percent. In spite of the announced quota of 5,500,000 dozen, 1958 imports were 8,444,000.

"The time will soon be here when we have completely lost our entire export business in steel, except for a few specialty items which are not made elsewhere."

You will note the seriousness of the situation by taking time to read further on the new and mystifying attitude of American business, bankers, and leading administration leaders in Washington.

[2] Excerpts, address by W. H. Diewel, senior vice president, Crucible Steel, to the American Management Association, New York, May 20, 1959.

One wonders if they understand the philosophy behind reciprocal trade, foreign aid, and mutual security aid that seems to have perverted by profit-seeking individuals and corporations that have found Government sponsorship for running away from national taxes, high wages and national responsibility.

Now let us look at another serious threat to American economic well-being and the wide-open deception being practiced upon the American consumer by well established American producers.

Lately the following announcement appeared in the magazine Business Week August 22, 1959, page 56:

TRANSISTOR-RADIO MAKERS WILL MARKET JAPANESE MODELS UNDER U.S. LABELS

In the past year, the U.S. electronics industry has watched Japanese manufacturers grab more than half the market here for transistor radios—largely by sales under Japanese labels. Now, some companies have decided to meet the foreign competition by marketing Japanese-made radios under their own U.S. trade names.

Latest transistor-radio manufacturer to join the importers is big Emerson Radio & Phonograph Corp. Through its international marketing subsidiary, Emerson has concluded an agreement with Tokyo's Standard Radio Corp. to import 100,000 radios in coming months. Emerson officials say it is making the move because Japanese companies are making radios and parts too small to be produced competitively in the United States. Emerson, which will sell the imports under its Jefferson Travis label, follows Motorola, Inc., as the second big radio maker to move into the Japanese import field.

Meanwhile, Tokyo's Ministry of International Trade & Industry is spurring Japanese efforts to make electronic computers. MITI plans to sponsor a company, 50 percent privately owned—to produce 50 computers next year, and more than that in each succeeding year.

We will soon find ourselves with shelves full of foreign made "American brand" goods that will defy detection by even an expert, let alone an innocent housewife buying in the American marketplace.

She may well be buying a Japanese-made product labeled by the company that has just furloughed her husband.

It will not be long now before the people in this country awaken to what is happening and the repercussions in the political field will shake the foundations of our democracy.

It is one think to talk peace, but it is another to deprive an American workman of his right to earn a living while at the same time profits are not impaired, but in fact, are increased.

The steel strike is a case in point. While our bankers are pressing the crown of gold upon the brow of labor, the foreign producers, in many cases with American money, American machinery, American know-how and American connections for marketing, are running wild.

The following appeared in an August 1959 issue of Business Week:

FOREIGN STEELMAKERS BOOST OUTPUT, ENLARGE THEIR SHARE OF WORLD MARKET

With the steel strike in its 6th week, executives of the struck U.S. mills are closely watching the speedy progress of steelmakers in Western Europe and Japan. Foreign steel companies are boosting their share of world steel markets—including the United States.

Steelmakers in West Germany and Japan are enjoying the liveliest boom. But steel output is also curving upward in France, Britain, and Italy.

In West Germany, steel producers are headed for a new output record of more than 30 million tons. Renewed capital investment and machinery exports have helped boost demand this year.

In Japan, the industry has been setting records all year, thanks to rising exports and a capital spending boom. With production likely to top 15 million tons this year—about 2 million tons over 1958—Japan threatens to displace France as the world's fifth largest steelmaker. Some of Japan's steel companies are getting ready to ask the World Bank for loans for a $300 million expansion program to raise capacity to 25 million tons in 1965.

In Britain, steel output has reached 80 percent of the industry's 26 million ton capacity. While investment still remains low, an upsurge in autos and appliances is adding to steel consumption. Auto production, in fact, has been gobbling up steel so fast that a shortage of sheet is feared.

In France, steel production has climbed almost 5 percent above last year's record level. Aided by devaluation, the French industry has managed to improve its share of Europe's growing steel market by being able to offer lower prices.

In Italy, steelmakers also enjoy expanding sales because of the Common Market. One sign of expansion is the government's proposal to establish a new 1-million-ton steel plant in southern Italy.

This picture of steel production is not, as proponents of the Reciprocal Trades Extension Act say, an isolated case. Rather than being the exception, it is becoming the rule. Let us look at another portion of the record contributed by many members, including WILLIAM JENNINGS BRYAN DORN, from South Carolina:

Steel imports are increasing at a fantastic rate. So are imports of glassware, pottery, chemicals, machine tools, textiles. In fact, every job in America today is threatened by unfair imports from foreign countries.

The farmer is likewise a victim of our unfair trade policies. Some years ago we exported a large portion of our wheat crop. American wheat was in demand beyond the seven seas of the world. We exported 60 percent of our cotton crop. At one time we exported a vast portion of our tobacco crop.

We were once the only nation in the world that grew tobacco. But under this trade program in Washington today the American farmer grows less and less, surpluses pile up while foreign countries grow more and more. For instance, in Canada the average tobacco farmer can plant 30 acres of tobacco, in Rhodesia 65 acres. But in the United States our farmers can plant an average of only 2.9 acres. They are not permitted to expand and grow in the American tradition.

Many cotton farmers in the United States can plant only 4 acres of cotton. No farmer can possibly clothe, feed, and educate his children on such an unbelievable income. There is distress in our land today by reason of our unfair foreign trade policy.

In foreign countries, farmers are often exempted from land taxes if they will grow more farm products, such as in Rhodesia. Turkey has exempted certain of her farmers from income taxes if they will grow more. Yet we have billions of dollars' worth of farm surpluses piled up in warehouses costing the taxpayers millions of dollars.

We need to free our farmers so they can plant more and have an equal opportunity with farmers in foreign nations. We need more foreign markets, not less. We should sell more cotton and wheat abroad, not less and less.

It is the duty of the State Department, the Congress, and the President to give to the American farmer and the American worker the same advantages and protection as offered by foreign countries to their farmers and workers.

There is nothing reciprocal about our present so-called reciprocal trade policies. There is no "sip" in it for the American work nor the American farmer.

No one would ever dream of asking Brazil to import coffee, nor India to import tea, nor Honduras bananas, nor the Malay States rubber. Yet the one-worlders, the dreamers, and idealists running our present trade program are demanding that we import textiles, steel, and automobiles. How ridiculous can we get?

UNFAIR IMPORTS LAYING AMERICA WASTE

The original idea of reciprocal trade was to sell automobiles, textiles, steel, wheat, and cotton to the other countries of the world and buy tea, coffee, rubber, cocoa, and products we need. Never before in the history of the world has a nation been required to import things it already has in surplus. Unfair imports have created disaster areas, ghost towns, unemployment, and distress.

Many foreign nations do not permit American automobiles to be sold in their countries. But, they sell theirs here. They put on import quotas which eliminate the sale of American products, but, at the same time, they demand that our State Department and the U.S. Government lower its tariffs and permit their goods to flood this country.

Those products we produce in surplus and those traditionally American should be protected by import quotas. These jobs should be saved for American workers and farmers.

This trade policy of the State Department is a foreign aid program. It is not designed to help the American farmer and the American worker. It is designed to help the foreign worker and the foreign farmer.

Along with the taking of the American worker's job and the farmer's acreage, we are being forced to pay the highest taxes in the history of the world to support a stupendous foreign aid program.

Yes, my friends, 43,000 employees to show the world how to make automobiles, how to make steel, how to grow cotton, how to grow wheat, how to grow tobacco. Technicians to show them how to pack it and ships to haul it to America in competition with the products of the American worker.

Incidentally, it takes 37½ percent of our foreign aid appropriations to pay our employees' salaries and expenses to give away our money.

They talk in Washington about $70 billion foreign aid. It is nearer $200 billion, starting before World War II in the form of lend-lease and other such programs.

The free traders and one-world State Department striped pants boys are saying that foreign aid must continue for 50 to 100 years. They go further than that and take your money, ladies and gentlemen, to build steel mills, automobile plants overseas, and then turn around and give these people free water and free electricity and guarantee them a profit.

During the debate last year in Congress on foreign aid, it was brought out that the American foreign aid representatives went to the leaders of the textile industry and asked them to go to Indonesia and other countries of the world and build textile plants—telling them that no risk was involved, profits could be guaranteed with cheap labor, Government water and electricity, all of this furnished by the American taxpayer indirectly.

In other words, just close your American plants, fire your employees and we'll help you set up overseas where you can get cheap

labor. Our textile people are loyal, patriotic Americans who believe in their workers. They want to keep their factories and jobs at home, so, in the main, they have refused these attractive offers.

I understand that some of the great manufacturers who came to Washington last year and participated in the President's conference favoring these unfair imports are now expanding their plants overseas and are bringing these goods made with cheap labor back to the United States. But, this does not help the American worker, nor the small businessman. They cannot move overseas and compete with this cheap labor. The only alternative for our laboring people is unemployment and breadlines.

Exports of machine tools have fallen off from 30 percent of U.S. production to 10 percent. In 1954, the United States imported 656,000 barrels of oil every day. In February of 1959, daily imports totaled 1,626,000 barrels daily. Yes, our great oil industry is being threatened.

Foreign nations pay their workers such a low wage that our lead, zinc, mercury, coal, copper, tungsten, iron ore industries are being threatened by floods of imports from abroad. The same applies to the glassware, sewing machine, camera, and typewriter industries.

IMPORTS PILE UP—EXPORTS DROP

The plywood industry is in serious trouble. Hardwood plywood imports from Japan, for instance, have increased from 1½ million square feet in 1951 to 659 million square feet in 1958. This is an increase of 12,950 percent. During the same period, domestic production declined even though domestic consumption more than doubled.

In 1956, the United States imported 107,000 foreign cars, and 400,000 in 1958. Present indications are that imports will run between 500,000 and a million this year. For the first time in history, we are importing more automobiles than we are exporting. This is shocking when we stop to think that the automobile industry first started in the United States.

The textile industry of foreign nations is expanding with American aid, while we have 345,000 unemployed textile workers and 300 closed textile mills. The Japanese can buy American cotton 7½ cents per pound cheaper than the American manufacturers can buy the same cotton. Then, the Japanese are permitted to send that same cotton after it is made into cloth back into the United States in competition with that of the domestic manufacturers.

In 1947, the United States exported $748 million worth of textiles and imported only $24 million worth. In 1955, under this fallacious trade program, textile exports fell to $242 million; while imports increased to $125 million.

Under the proper trade program our people should be employed. We should be selling these products abroad and we should be helping foreign nations by buying coffee, tea, cocoa, rubber, and those products we need. This is true reciprocal trade. Our present trade policy is a trade program for the benefit of foreign workers and foreign farmers. Foreign aid takes money from American farmers and workers. Our trade policy takes his job, too.

The idealists in the State Department tell us that we must buy from foreign countries in order to stop communism. America is the heart and core of the free world and has been the arsenal of democracy. If our industries are liquidated and our workers unemployed, I fail to see how this can stop communism.

If industry is built up with American money around the borders of Russia where it can be grabbed by the Red army or bombed by the Red air force, I do not see how this can stop communism.

On the other hand, it will help communism by weakening America and by building up those areas which the Communists can take over. One American worker and one American plant in the United States is worth more than a dozen within a day's march of the Red army.

What can we do about all of this? I am thankful that we live in America where we can vote for our President and our Representatives in Congress. Next year is election year.

The foreign aid program just passed the Congress. The so-called reciprocal trade program passed last year, for 4 years. The only hope we have to save our jobs, to save our industries, to save our farm acreage and domestic markets is to participate in the political elections of 1960.

We must start now at the precinct levels in both political parties to organize so that our program can be properly considered. A strong plank must be adopted at both national political conventions that will save the American worker, save the American farmer, save the American businessman from unfair foreign imports.

To accomplish this, a better trade and foreign aid program will have to be brought up at the precinct level, at the county and State conventions, and at the national conventions.

The time has come to put back into Congress the power to set tariffs and quotas.

An interesting observation that further peels away the false cover of the "trade for peace" slogan is contained in this excerpt from a Life editorial of recent date:

The public might better play along with Blough, who at least offers a way to keep prices level. His terms for this promise—no White House intervention—are a good idea anyway this year. Previous steel strikes, especially that of 1946, occurred in a chaos of price movements when nobody knew where the value of the dollar ought to settle. In all that yak, the White House had a right to the last word (Life, Feb. 4, 1946). Not so now. There is a well established world market for steel in which the U.S. industry is being pushed competitively not only by foreign steel but by other metals. Hitherto a prime source of inflation, the steel industry has discovered it can no longer afford inflation, and its battle is therefore more nearly the public's battle than hitherto. If it takes a long, tough strike to put Roger Blough and Co. in a position to keep steel prices down and meet their market, then a long, tough strike it should be.

One wonders if Life has bothered to look at the income angle, as well as the wage angle.

I will give you three figures from the Secretary of Labor Mitchell's report on Steel Facts and let you draw your own conclusions:

Wages of production workers:	
1950	$32
1959	44
Per ton figures, wages, and executive salaries:	
1950	$40
1959	58
Price of steel:	
1950	$129
1959	173

You be the judge as to whether labor is driving steel business away or rather that profit is the culprit. Profit earned here and abroad.

One cannot in one breath talk American and in the other buy foreign.

Trade is a two-way street, but we are only traveling one way, into international oblivion.

A record of trade that leaves out the reciprocity. The following detailed account gives a rather dismal picture of the increasing problems Americans are facing every day in the field of foreign trade:

In March of this year our imports reached a record high level above any previous month in our history. In June the March record was surpassed. Also in June our imports exceeded our commercial exports. The first half of 1959 saw our imports run 18 percent ahead of the first half of last year.

Our exports on the other hand have declined. In 1958 they dropped 16 percent from the preceding year and during the present year they have declined roughly another 5 percent.

These trends are being explained by liberal trade proponents as being temporary and abnormal. They say that the high imports this year are swollen by heavy steel imports attributable to the steel strike, the popularity of the small foreign automobile, and several other extraordinary factors. When the steel strike is settled and when the domestic automobile industry brings out its so-called compact car, imports will presumably level off. Last week Assistant Secretary of Commerce Henry Kearns in a press conference expressed the opinion that our exports would rise; and he doubted that we have priced ourselves out of foreign markets.

As for exports, the freer-trade apologists expect cotton exports to spurt and jet plane shipments to zoom, and thus to raise the export level.

If we examine these explanations and hopes we find that even though steel and automobile imports have risen, coffee and petroleum imports, which are among the highest of all, have suffered a decline in dollar value. If coffee prices rise this year imports will again loom larger. Also, it may be questioned whether steel imports will fall substantially after the strike. They began rising over a year before the strike was called and price comparisons with the foreign product would indicate a continuation of imports at a level considerably higher than in the past. If a judgment can be based on the experience with other products, imports that have a distinct price advantage will continue to increase; and steel should be no exception.

The same reservation applies to the small foreign car. It may be found that imported cars have established a market for themselves that will not readily yield to the smaller American car. Of course, even if the automobile industry, with its mass production techniques, should succeed in stemming the import tide without resort to import restrictions, this would offer little comfort to other industries that do not possess the vast resources of this giant among American industrial wonders. The test even with automobiles, however, is still to be met.

It should also be pointed out that the petroleum imports that helped swell the total import volume for the first half of 1959 began to decline after March when mandatory import quotas were established. This again would indicate that total June imports of all products were not abnormally high. Petroleum and coffee imports, both of which were down from previous levels, have been the No. 1 and No. 2 imports in dollar value for several years. Therefore the increased steel and automobile imports that are used as explanations to account for the surge in our total imports

do not of themselves succeed in making the high import levels of recent times abnormal. They are offset by declines elsewhere that may be of a temporary nature. Morever, high steel and automobile imports may continue.

That exports of cotton may increase seems assured with the increase in the export subsidy that went into effect August 1. Such an increase in exports will, however, be an artificial rather than a normal and healthy expansion, since the subsidy amounts to about 30 percent of the price. An increase of this kind should not be counted as a sound commercial development nor should the upward surge be listed as reflecting the capacity of the American economy to compete in the world market—quite the contrary in fact.

The anticipated increase in plane exports may also help to boost exports. This is expected to be in the magnitude of $400 or $500 million per year and will represent commercial exports. However, a sharp decline has been registered in coal exports within the past year, and this does not appear to be headed toward a reversal. An increase in exports in some other field, such as the expected rise in sales of planes abroad will indeed be needed to offset this loss.

Steel exports have recently been exceeded by imports at a ratio of 2 to 1 or more This is a startling development. In 1958 imports of typewriters for the first time also exceeded our exports. In many other fields, such as electronics, sporting goods, fishing tackle, cameras, sewing machines, farm tractors, etc., imports have increased sharply. Machine tools have also had the experience of increasing imports and falling exports; and this is very significant because machine tools are of themselves sources of technological development. Greater self-sufficiency abroad, as indicated by the decline in our exports, combined with the ability of other countries to export machine tools to us, are more than straws in the wind to be blown out of the way by the words of Assistant Secretary Kearns.

In the textile field exports have been declining for several years while imports have risen greatly. The trend to higher imports was halted, temporarily at least, by inducing Japan, the principal source of imports, to impose export restrictions on her shipments to us. That such restriction was necessary in order to save the domestic industry demonstrates once more the weak competitive position in which we find ourselves in the foreign field.

It should be clear enough all around that the increasing imports since 1957 plus the decline in exports since that time reflect, not an abnormal and passing condition, but bespeak yet greater competitive trouble for many of our domestic industries in the future.

There is yet further evidence of the uncomfortable position in which the United States finds herself in the foreign trade field. In 1958 we experienced a deficit of $3.4 billion in our total foreign account even though our merchandise exports exceeded our imports by more than $3 billion. Actual gold shipments abroad covered some $2.3 billion of this deficit. This drain on our gold has continued through the first half of 1959 during which period we lost another $955 million in gold. Our gold stock in Fort Knox has fallen below the $20 billion mark, the lowest level since 1940. The National Foreign Trade Council recently estimated a deficit of nearly $5 billion in our total foreign account for 1959.

The foregoing facts will not be vaporized by glib assurances of the freer trade elements. The latter seemingly have lost their contact with reality.

There is much else beside the statistics of imports and exports and figures on gold drain and falling U.S. gold reserves that should indicate even to the blindest that the United States has come into a highly vulnerable competitive position in the world. Even our great mass production industries, these giants that have been in the technological forefront and in the vanguard of automation are now finding themselves beset by a competition that is beyond their reach.

There should be no element of surprise in this at all. Other countries have imported or otherwise obtained from us through foreign aid approximately $30 billion of modern machinery in the past 11 years, $21 billion of it in the past 6 years. Installation of this machinery abroad has brought with it a great boost in foreign productivity. During these same years in the neighborhood of 10,000 foreign productivity teams have been given access to our factories.

The increase in foreign productivity, while uneven, has obviously been startling in many instances. Modern machinery superimposed on a low level of technology or primitive machinery, as has happened in many foreign production centers, has meant a boost in productivity not experienced in this country. We have saved a number of countries a generation of research and development by making available to them our latest technology.

This is not said by way of complaint; but we should at least have sufficient insight to comprehend the probable consequences of our policies. The echoes are now coming in from many directions.

Not least among our difficulties is the fact that foreign labor unions have yet far to go to equal ours in bargaining capacity. They are hobbled psychologically no less than ideologically. Therefore increasing productivity shows up in lower costs abroad more readily than in this country.

Not only is the trend in our trade in the past 18 months not abnormal; the competitive situation on which it is based is not a superficial one. The cause is deep seated and was long in the making. The higher costs of production in many of our industries compared with foreign costs are the result of developments that will not be undone overnight. In seeking to adjust to them an increasing number of our industries have been arranging for foreign production. Some of them have established branch plants in other countries; others are in the process of doing so and still others are studying the possibilities. In other instances licensing arrangements are made with foreign producers whereby our patents are made available on a royalty basis. Then again some of our companies have bought foreign concerns outright or purchased a substantial interest in them. Others are still shopping for production facilities in a number of countries.

The purpose is to gain the advantage of lower wages and thus to become competitive in foreign markets. In some instances as in the case of automobiles, tractors and typewriters, the foreign branches or subsidiaries ship the foreign-made product into this country itself. Principally, however, the purpose has been to hold the export position or rather to make up for the loss of exports by supplying foreign markets from foreign sources.

This trend toward partial emigration represents an adjustment by our industries to the competitive facts of life. As imports encroach on the market in this country and deprive our own industries of ever increasing shares of their accustomed market, industry is driven abroad as a matter of self-defense. Since capital has mobility this is not only a possible move but in many instances an unavoidable and sometimes a profitable one.

What is wrong with it?

There is nothing wrong with the self-defensive movement of itself; but there is something disturbingly wrong with the conditions that have brought forward this type of economic defense as a competitive necessity.

It is often said that we have priced ourselves out of foreign markets. This may be admitted without placing the blame on any particular factor of the domestic economy. Many will say that it is our high wages; but it would be just as easy to say that foreign wages are too low. Certainly heavy contributing factors of our high costs are the war expenditures and postwar defense outlays, the heavy national debt, price supports for agriculture, social security, etc. Our wages are admittedly high but we should not overlook the fact that they provide the tremendous purchasing power that has kept our economy at a high level. If foreign wages were higher than they are in relation to foreign productivity our higher wages would not creat a competitive disadvantage, such as is now the case.

If foreign wages could be increased our competitive troubles would disappear; but there is no present method that can be employed by us to accomplish this objective immediately or very soon.

The question then arises what can be done.

There are those who, though recognizing the difficulty, say that tariffs are not the answer; and, of course, tariffs are not the complete answer. They say that we must invent and modernize and sell more vigorously; we must mechanize all possible production and in general become more efficient.

All these years we had been told by the liberal trade advocates that we were in the forefront in technology, productivity, know-how and efficiency. Now, it appears, this is no longer true and we need to buckle down to hard work, take in our belts and reinvigorate our economy. Very well, but other countries are mechanizing too, and since they have a lower starting base they can easily outstrip us in raising their productivity. They too are buckling down and inventing and selling. Moreover, we are still assisting some of them technologically and financially and putting our techniques at their disposal.

The prospects are not bright for a pull-away by this country. Not at all. The other countries now have all that it takes to catch up with us, including the creation of mass markets. The question is how their catching up is to be accomplished. Must we be torn down in the process, or can we hold our own while the other countries come up?

We need a holding defense. This can best be contrived through a combination of tariffs and quotas, by the use of which suitable shares of our market can be opened to imports while reserving the remainder for ourselves. We can thus recognize the need for a high volume of trade without placing our industries on the sacrificial block as pawns in the shifting currents of international politics.

American industry is exposed competitively to imports to a degree not previously experienced. Our defenses are down, with an average tariff protection about 80 percent below the level of 25 years ago; and there is virtually no remedy today against injury from low-cost imports.

For these and other reasons it would be high folly to consider the present foreign trade situation as a passing phase of an abnormal development. Most of the pointers indicate otherwise. Therefore, we should prepare for what appears to be ahead.

SENATE

FRIDAY, AUGUST 28, 1959

(Legislative day of Wednesday, August 26, 1959)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, our Father, from whom all noble desires and all good counsels do proceed, whom we seek through all the mystery and perplexity of life, without Thee we cannot live bravely or well.

In this tragic and tangled world we are conscious of our woeful inadequacy to sit in the seats of judgment, to balance the scales of justice, and to respond with equity to the myriad calls of human need.

In this forum of a people's hope, wilt Thou crown with spacious thinking and with sympathy for all mankind the deliberations of those who here stand in places of opportunity and power?

Faced with questions which confront them, and almost confound them, dedicate to Thy glory and for human good their best endeavors.

Transform every task into a throne of service, and sanctify with the benediction of Thy approval this day's labor in the ministry of public affairs.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 27, 1959, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Foreign Relations Committee was authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it stand in recess until tomorrow morning at 10 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I hope the Senate will be able to complete action on House bill 1 today; and if we do, we shall not meet tomorrow. But if we do not, we shall continue in session until late this evening.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no committee reports, the nominations on the calendar will be stated.

EXPORT-IMPORT BANK OF WASHINGTON

The Chief Clerk read the nomination of James Smith Bush, of Missouri, to be a member of the Board of Directors of the Export-Import Bank of Washington.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Algernon L. Butler, of North Carolina, to be a U.S. district judge for the eastern district of North Carolina.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

NOTICE OF PROPOSED DISPOSITION OF CERTAIN MAGNESIUM SCRAP

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 4,413 short tons of cadmium-magnesium scrap and 451 short tons of magnesium scrap now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT ON TORT CLAIMS PAID BY GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report on tort claims paid by that Administration, during fiscal year 1959 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Appropriations.

"SENATE JOINT RESOLUTION 11

"Joint resolution memorializing the 86th session of the Congress of the United States to appropriate moneys for the Interstate Highway System for the fiscal years 1961 and 1962

"Whereas if the 86th session of the Congress of the United States does not appropriate moneys now for the Interstate Highway System, there is a possibility that the interstate highway program may be set back 2 years and $4,200 million; and

"Whereas such a setback would have a tremendously adverse effect on the highway system of the State of Nevada: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the Congress of the United States to appropriate, as soon as possible, moneys for the Interstate Highway System for the fiscal years 1961 and 1962; and be it further

"Resolved, That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States, the Speaker of the House of Representatives and to each member of Nevada's congressional delegation.

"Adopted by the assembly, March 25, 1959.

"CHESTER S. CHRISTINS,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly.

"Adopted by the senate, March 24, 1959.

"REX BELL,
"President of the Senate.
"LEOLA H. WOHLFEIL,
"Secretary of the Senate."

A letter, in the nature of a petition, from the Presidential Council of the Movement for the Defense of the Hungarian National Constitution, Cleveland, Ohio, signed by Ferenc Jakab, general secretary, relating to freedom of the captive nations, and so forth; to the Committee on Foreign Relations.

A resolution adopted by the National Association of State Budget Officers, New York, N.Y., favoring the enactment of legislation to authorize appropriations for all Federal grant-in-aid programs, not directly related to case loads or other factors that cannot be estimated accurately, 2 years in advance of the fiscal year in which such appropriations are to be matched and expended; to the Committee on Government Operations.

The petition of Ann McCauley, of Apalachicola, Fla., relating to the steel strike and American economy, and so forth; to the Committee on Labor and Public Welfare.

A resolution adopted by the City Council of the City of Los Angeles, Calif., relating to the 150th anniversary of the independence of Mexico, and so forth; to the Committee on Foreign Relations.

AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT, TO INCREASE GRANTS FOR CONSTRUCTION OF SEWAGE TREATMENT WORKS—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS

Mr. CHAVEZ. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 3610) to amend the Federal

Water Pollution Control Act to increase grants for construction of sewage treatment works, and for other purposes, and I submit a report (No. 835) thereon, together with the supplemental views of the Senator from Oregon [Mr. NEUBERGER]. I ask that the report may be printed, together with the supplemental views.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Mexico.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

S. 2613. A bill to authorize the conveyance of certain real property of the United States to the Carnegie Institute of Technology; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 2614. A bill to repeal certain retirement promotion authority of the Coast and Geodetic Survey; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 2615. A bill for the relief of Yahya Mahmoud Amin; to the Committee on the Judiciary.

S. 2616. A bill to provide for the issuance of a special postage stamp to commemorate the 100th anniversary of the birth of William Jennings Bryan; to the Committee on Post Office and Civil Service.

REPEAL OF CERTAIN RETIREMENT PROMOTION AUTHORITY OF COAST AND GEODETIC SURVEY

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to repeal certain retirement promotion authority of the Coast and Geodetic Survey. I ask unanimous consent that a letter from the Secretary of Commerce, together with a statement of purpose of and need for the proposed bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The bill (S. 2614) to repeal certain retirement promotion authority of the Coast and Geodetic Survey, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter and statement presented by Mr. MAGNUSON are as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., August 28, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
U.S. Senate, Washington, D.C.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. PRESIDENT AND MR. SPEAKER: There are attached four copies of a proposed bill "to repeal certain retirement promotion authority of the Coast and Geodetic Survey."

There are also attached four copies of a statement of purpose of and need for the proposed bill.

We are advised by the Bureau of the Budget that it would interpose no objection to the submission of this proposed legislation.

Sincerely yours,

FREDERICK H. MUELLER,
Secretary of Commerce.

STATEMENT OF PURPOSE OF AND NEED FOR THE PROPOSED LEGISLATION TO REPEAL CERTAIN RETIREMENT PROMOTION AUTHORITY OF THE COAST AND GEODETIC SURVEY

Sections 9 and 10 of Public Law 86-155 repealed the so-called tombstone promotion provision of certain existing laws which authorize a higher retirement grade for officers specially commended for performance in actual combat. Sections 9 and 10, however, related only to the Navy, the Marine Corps, and the Coast Guard. The existing tombstone promotion provision applicable to the commissioned officers of this Department's Coast and Geodetic Survey remains in effect.

In the interests of parity of treatment, we do not believe that the commissioned officers of the Coast and Geodetic Survey should continue to be granted this authority where similar authority with respect to the Navy, the Marine Corps, and the Coast Guard has been repealed.

The subject draft legislation would repeal the tombstone promotion authority of the Coast and Geodetic Survey.

ADJUSTMENT OF LEGISLATIVE JURISDICTION EXERCISED BY THE UNITED STATES OVER CERTAIN LAND—AMENDMENT

Mr. JAVITS (for himself and Mr. HART) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1617) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes, which was ordered to lie on the table and be printed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENT

Mr. BRIDGES. Mr. President, on behalf of myself, the senior Senator from Maryland [Mr. BUTLER], the senior Senator from California [Mr. KUCHEL], the junior Senator from Delaware [Mr. FREAR], and the junior Senator from Maryland [Mr. BEALL], I submit an amendment, intended to be proposed by us, jointly, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes. The purpose of this amendment is to correct the situation that is being created by an extraordinary move by one of the departments of our Government.

The Department of Agriculture has announced that, effective September 1, 1959, it will permit the export of grain moving under Government programs through Canadian ports, providing it passes U.S. Government inspection. This means, Mr. President, that U.S. inspection stations will have to be established at such Canadian ports.

The essential question involved here is simply whether American-owned surplus commodities shall be handled at our expense through a foreign port.

The Department of Agriculture proposes to ship surplus wheat through a foreign port at what is, in effect, a subsidy of that port. The question is whether we want to subsidize a foreign operation in that manner.

We are talking about commodities that every taxpayer of this country has money invested in.

Until this move by the Department of Agriculture, the American people and American businesses received some return benefits as part of the Public Law 480 program. This was only as it should be.

There seems to be no rhyme or reason, when the American taxpayer must foot the bill in carrying out this Public Law 480 program, why we should not permit the American economy to participate to the maximum extent in the business and commerce that develops out of these programs.

To cut off or reduce this American participation is to cut off or reduce the taxes of taxes from American businesses.

The reason advanced for shipping our Government-owned surplus commodities through a foreign port is that some savings in transportation costs are indicated.

There is a serious question in my mind whether enough will be saved through use of a foreign port to make up the amount which will be lost in the form of taxes from American businesses.

Mr. President, heretofore the Department of Agriculture has specified that grain and other surplus U.S. farm products for oversea delivery had to be handled through U.S. ports, and it was only in U.S. ports that grain inspection service, which is essential for export grain, was provided.

The amendment which I am offering simply maintains this sensible and proven satisfactory arrangement.

Mr. President, I ask that the amendment lie on the desk for 1 day. Certain other Senators have indicated they may wish to join as cosponsors.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will lie on the table for 1 day, as requested by the Senator from New Hampshire.

Mr. BUTLER. Mr. President, I heretofore filed an amendment of similar import to that now filed by the distinguished senior Senator from New Hampshire. My amendment is now printed and lying on the table. Having joined in the amendment of the senior Senator from New Hampshire I do not have at the moment any intention of calling up my amendment.

I ask unanimous consent that a copy of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 2, after line 3, insert the following:

"(4) Title III of such Act is amended by adding at the end thereof a new section as follows:

"'SEC. 306. Any shipment of surplus agricultural commodities to be exported to a foreign country under this Act shall be delivered to the ocean vessel on which such commodities are to be transported to the foreign port of discharge only at a United States port.'"

STABILIZATION PAYMENTS TO SMALL DOMESTIC PRODUCERS OF LEAD AND ZINC—ADDITIONAL COSPONSORS OF BILL

Mr. KERR. Mr. President, on August 26, I introduced Senate bill 2601, directing the Secretary of the Interior to establish and maintain a program of stabilization payments to small domestic producers of lead and zinc. Since that time both of the distinguished and able Senators from Nevada [Mr. BIBLE and Mr. CANNON] have requested to be joined as cosponsors to this important legislation.

Mr. President, I ask unanimous consent that when Senate bill 2601 is next printed, that the names of the Senators from Nevada he added as cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR SELECT COMMITTEE ON SMALL BUSINESS TO FILE REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized during the adjournment of the 1st session of the 86th Congress to file with the Secretary of the Senate a report entitled "Studies of Dual Distribution: The Flat Glass Industry, Together With Staff Report," and that the report be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I also ask unanimous consent that the Select Committee on Small Business be authorized during the adjournment of the 1st session of the 86th Congress to file with the Secretary of the Senate a report entitled "Monopoly and Technological Problems in the Scrap-Steel Industry" and that the report be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

LEASING OF COAL LANDS IN ALASKA—CONFERENCE REPORT

Mr. GRUENING. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment and the Senate agree to the same.

ERNEST GRUENING,
FRANK E. MOSS,
GORDON ALLOTT,
Managers on the Part of the Senate.

WAYNE N. ASPINALL,
WALTER ROGERS,
JOHN P. SAYLOR,
J. ERNEST WHARTON,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. McCARTHY:

Address by Senator KUCHEL, delivered in Statuary Hall on August 28, 1959, in commemoration of the death of Padre Junipero Serra.

By Mr. SCOTT:

Article written by Alan L. Otten, entitled "The Taft-Nixon, Ike-Rockefeller Parallels Are Much Less Valid Than Often Claimed," published in the Wall Street Journal on August 27, 1959; and article written by Courtney Sheldon, entitled "Elevating the Vice President," published in the Christian Science Monitor on August 26, 1959.

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

FUNCTIONAL REORGANIZATION FOR NATIONAL DEFENSE: A "MUST" IN THE SPACE AGE

Mr. ENGLE. Mr. President——

The PRESIDING OFFICER (Mr. FONG in the chair). The Senator from California.

Mr. ENGLE. Mr. President, today I wish to speak about the organization of the Federal Government in the space and missile programs. I shall also have some proposals to make regarding the organization, in general, of the Department of Defense. It is my conviction that U.S. supremacy in space science is threatened, not by lack of talent, but by lack of skill in bureaucracy. If we are to be superior to the Soviets, the first requisite is a system of government that can maximize our scientific and industrial capabilities.

Our form of government, our way of doing business, is relatively new in the perspective of history. The question is whether we can stand the test against one of the most efficient examples of the old order—a dictatorship with modern refinements, a dictatorship that has the singleness of purpose, the discipline to override the agony and frustration of the masses, and a straight line of command that can direct toward a single objective the resources, human and material, of a large and powerful nation. In meeting this challenge, the economic and political structures of this country face the greatest challenge in our history in the short years ahead. How we organize to do the job will be the difference between winning and losing the cold war.

Some time ago I held an informal, off-the-record dinner meeting with the industrial leaders in the aircraft, missile, and space field of southern California. I asked them a blunt question: "If we want to make better and faster progress in keeping ahead of the Russians in the missile and space field, what do you recommend—more money, better organization, or what?"

The answer was unanimous: That what we need most is better organization from a governmental standpoint. It was pointed out that in some selected areas, more money would be helpful. But the basic difficulty in making progress is the multiheaded approach to the solution of our defense problems and the bureaucratic quagmire that surrounds our missile and our space effort. I was impressed with the fact that these leaders did not ask for more money, particularly. What they asked for was better governmental organization.

NO CLEAR LINE OF COMMAND

This view of the matter has been corroborated time and again by the men in the military field who have primary responsibility for causing the missile and space program to go forward.

Maj. Gen. John B. Medaris, commander of the Army Ordnance Missile Command, said at a congressional hearing:

We have no handicap in the use of our us and our line of approach is approved.

It cannot be doubted that the confusion, the overlapping of jurisdiction, and the absence of a clear line of command are reflected in aircraft and missile production lags. Inherent in the whole process of missile development is the decision time element, the time required to get decisions as definitive approvals or guidelines on which to proceed.

As an example, recently I asked General Medaris how many people—as a minimum—he would have to get in the same room, to get a decision that would be firm. He counted off at least five—the Secretary of the Army, the Army budget officer, the Secretary of Defense, the defense budget officer, and someone from the Bureau of the Budget. I asked him whether he thought he ever could get them all in the same room at the same time, and he said he did not think so. At one hearing, he cried out rather forlornly:

> Some place there has to be one man who can make a decision, who can give a command, and who has the resources to carry it out.

Dr. Wernher von Braun, Director of the Development Operations Division of the Army Ballistic Missiles Agency, went even further in criticizing the constant interference with project development. He could not understand why there had to be so many committees. Medaris went from Huntsville, Ala., to Washington once a week, to get decisions; while Braun visited the Pentagon twice a month, for committee meetings. And, as if that were not enough, from time to time the committees visited the Huntsville project.

Vice Adm. John T. Hayward, Deputy Chief of Naval Operations for Development, commented at a House Space Committee hearing that it was not a question of "standing the heat in the kitchen," but "who it was who was in the kitchen." He said, "In the atom business you never had that—you knew who had the responsibility. You knew how it was done, and the military got what we needed."

Admiral Hayward believes we should have one U.S. space program. He testified that when he had a program he was anxious to see carried out, he would bring it to Admiral Burke, Chief of Naval Operations, and then he would take it to the Assistant Secretary of the Navy for Research and Development for his approval. He would also go to the Secretary of the Navy. Once it has cleared the Navy Department, the program goes to the Assistant Secretary of Defense for Research and Development, Dr. Herbert York—and then Dr. York may or may not present the matter to Roy Johnson of ARPA. William Holaday was also involved in the process when he was Director of Guided Missiles.

This is not a complete count. Admiral Hayward said there were at least 10 places where he could be vetoed. He then went on to say that after he gets the program approved in all these places, and even after appropriations are made by Congress, he still has to fight back down the line to get approval for the expenditure—and at any time the Bureau of the Budget may step in and impound the funds for the project.

Admiral Rickover has made some illuminating statements in his testimony before the Subcommittee on Military Operations of the House Committee on Government Operations on March 20, 1959. I should like to quote some of his remarks:

> I will develop later in my testimony what I consider to be the greatest single deterrent to the efficient and orderly process of research and development work; that is, constant interference in technical matters by nontechnical people or by technical people with no responsibility.
>
> * * * * *
>
> My complaint concerns ad hoc committees or panels that are set up in the Defense Establishment. The larger the Defense Establishment becomes, the more of these committees there are, and pretty soon we can get to the point—I can visualize that we will end up with nothing but committees and no work done.
>
> * * * * *
>
> I have definite convictions about committees that have no responsibility, but which take the liberty of making many recommendations, the members then running off somewhere else and getting on another committee on some other subject and making some more recommendations.

At this point, I should like to quote from some remarks made by Admiral Rickover on May 15, 1959, at the National Press Club:

> Question: "Have you a view, Admiral, on how we could establish the best missile program which would eliminate intraservice rivalries? Especially, as you suggest, around appropriations time?"
>
> Answer by Admiral Rickover: "About the same way you would eliminate rivalry between newspapers, I think. As long as you have human beings and human institutions you are going to have rivalry. If you have three services you will have one and a half times as much rivalry as you will have with two services. Each service, of course, figures on becoming a complete shield of the United States. So, if you wanted to cut out some of the money and some of the duplication, cut out one of the services."
>
> Question: "Would there be any advantage, in your view, Admiral, in having a single military service?"
>
> Answer by Admiral Rickover: "I think there would be. It's very significant to me that depending on the color of your uniform you follow a different party line 100 percent. To me, as a rational person, there is something fishy about that. I think we would be better off if we all wore the same uniform and stopped fighting each other. If you have three services you have three outfits that all feel they must defend the United States all by themselves."

Lt. Gen. Bernard A. Schriever, in his testimony before the Subcommittee on Governmental Organization for Space Activities of the Committee on Aeronautical and Space Science, on April 23, 1959, agreed, in response to Senator CANNON'S question, that clear and vertical decision-making channels on the overall program on policy matters apparently do not exist, and that complete responsibility and authority for program direction at the operating management level is not clearly defined because of the division between the various services in certain instances.

And later before the committee, on April 24, Generel Schriever, in speaking of the confusion our present setup causes among contractors, pointed out that when two agencies go to the same contractor, each wants the contractor's product and, in effect, they compete against each other, which could result in a higher net cost to the taxpayer.

MORE CZARS

The successful firings of IRBM's and ICBM's by the Russians led to the appointment of William M. Holaday as Guided Missile Director; the launching of Sputnik I brought in two czars': Roy W. Johnson as chairman of the Advanced Research Projects Agency (ARPA), and James Killian as the President's Special Assistant on Sciences and Technology; and concern over military domination of space activities resulted in the appointment of Dr. T. Keith Glennan as Administrator of the civilian National Aeronautics and Space Administration (NASA).

Meanwhile, Donald Quarles, the late Deputy Secretary of the Department of Defense had responsibilities that would tend to put him in conflict with all of these people. And we have just scratched the surface of those who have become involved in the decision-making process.

AGENCY HODGEPODGE

At the top levels of decision-making, we find a proliferation of committees. The NASA law created a Space Council, which is chaired by the President himself. It also set up a Civilian-Military Liaison Committee to coordinate space activities. The Chairman of this committee is William M. Holaday, who was formerly Director of Guided Missiles. As of July 1, the Civilian-Military Liaison Committee was given added authority to settle jurisdictional differences between Defense and NASA. Prior to July 1 the Committee was a place to exchange information. Now, while either McElroy or Glennan can appeal Holaday's decisions to the President, the Civilian-Military Liaison Committee can make decisions on jurisdictional matters on its own initiative. NASA itself—and I emphasize this—has 14 research advisory committees on which military personnel serve and, in turn, there are 34 working groups and committees in the Department of Defense on which NASA staff members serve. To complete the jurisdictional complexity and overlap, both NASA and agencies of the Defense Department give assignments to research and development units of the military services. As would appear inevitable, disputes arise as to the priorities and control of certain projects, and the solutions are always compromises which satisfy no one and cause further delays.

VIEW FROM THE PRESIDENCY

If we were to look at it from the vantage point of the President, we would find him advised by so many agencies that he could not possibly know where the decisions should be made. Here is an incomplete listing of the groups he turns to for assistance: The National Science Foundation; the National Science Board; the Chief Scientific Adviser, Dr. George B. Kistiakowsky, who succeeded Dr. J. R. Killian, Jr., about a month ago; the Federal Council for Science and Technology; the President's Scientific Advisory Council; the National Security Council; the Federal Aviation Agency; NASA; the Bureau of Standards; and the Department of Defense with all its subdivisions such as ARPA; the JCS;

the Director of Defense Research and Engineering, and the military services. If Mr. Eisenhower wanted to know about the value of a certain proposal, I doubt if he would be sure where to turn or whether he could get better information from someone other than the adviser he was consulting.

We do not have to look to the missile field alone to see problems of timelags. The decision-making process has the same faults in the development of all air-weapons systems. The total lead time required for production of a new air-weapons system in the United States is often 10 to 11 years, compared to only 5 years in the Soviet Union. For example, it took us 8½ years to develop the B–52 bomber, while the Russians had the comparable Bison in 4½ years. Our supersonic interceptor, the F–102 series, took 7 to 11 years, the Russian "Farmer" took 4 years. It takes us as long to plan to build a weapon as it takes the Soviets to plan and build it. Why the difference? Because we have so many different bases to touch and decisions to be made all down the line. This includes the production process. There is a need to delegate greater authority and responsibility to contractors, for example, to make technical decisions on weapons systems.

One contractor had to wait months for a decision by a committee to substitute an 8-day clock for a 1-day clock in an airplane he was producing. If we are to have any success in cutting corners, we must establish within the military services agencies with authority to make prompt contractual decisions, particularly technical decisions.

That these problems are long standing can be shown by the trouble we had getting adequate ammunition to Korea as the war dragged on. Even though we had a huge stockpile of World War II ammunition, we were short certain badly needed types. The military men did not know how long the war would last, so they only made requests for modest appropriations, at first, to get production started. When the situation became serious, larger appropriations were made. But it required 18 months, from the time the money was made available, to get the first finished ammunition from the manufacturers, and some time after that for them to reach full production. When we look at a chart of the operations of the Army Ordnance Corps, we find that an average of 113 days elapses from the original order to get the ammunition, to the actual award to the contractor. According to ordnance "lingo," there are 11 action offices with 35 steps to be taken in the process. We can no longer afford the luxury of such delays. Our survival depends now on our strength in being. The experience of previous wars is of no value to us. The oceans no longer protect us while we tool up. The missile race is one we must win if we are to stop Communist domination of the world.

Mr. President, I have had the Legislative Reference Service of the Library of Congress prepare at my direction organizational charts which are displayed in the rear of the Senate Chamber. These are organizational charts which show the functional organization of the Federal Government in the missile and space programs.

The first chart shows the general organization from the President on down.

The second chart shows the organization of the Defense Department itself for missile and space activities. The Defense Department is so complicated in its organization that it was necessary to set up a separate chart, because it was not possible to get all of the bureaus and agencies involved in the space and missile program under the Defense Department section which appears on the first chart.

It is perfectly obvious, from looking at this chart, and examining the various boxes, that there are vertical lines of operation in the Defense Department—the Navy, the Air Force, and the Army.

If Senators will make a close examination of the chart they will observe there is duplication in each of these vertical tiers of operating agencies.

Without going into detail, to describe each one of these at the present time, and because these operational charts cannot be printed as a part of the RECORD, I have had prepared by the Legislative Reference Service of the Library of Congress a short summary of each of the 101 separate and distinguishable agencies in the Federal Government which deal with this missile and space field, and I ask unanimous consent to have this document printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

FUNCTIONAL ORGANIZATION OF THE FEDERAL GOVERNMENT FOR SPACE AND MISSILE PROGRAMS

These notes accompany charts 1 and 2 and are designed to explain certain functions and relationshpis which, if shown graphically, would further complicate charts already containing more detail than is desirable.

Not every Federal agency concerned with space or missiles is included. For example, the Post Office Department plays an important part in the delivery of correspondence, reports, plans, specifications, contracts and payments having to do with space and missile programs. Nevertheless it is not included nor are a number of other agencies which have a marginal connection with these programs. An attempt has been made, however, to include all civilian and military agencies which have major roles, either as to formulation of policy or implementation of policies affecting space and missile programs. To have included every Federal agency having any conceivable connection with the space and missile programs would have tended to complicate unduly an already complex presentation.

The statements of responsibilities and functions are usually paraphrased to some degree to shorten the volume of these notes. In those cases requiring the exact wording as set forth in statute, regulation or directive, reference should be made to the pertinent documents.

The numbers of the items as they appear below correspond to the numbers found on the organization boxes on charts 1 and 2.

1. National Security Council (NSC):

Origin: National Security Act of 1947 as amended.

Membership: President, Vice President, Secretary of State, Secretary of Defense, Director of Defense and Civilian Mobilization. The Secretary of the Treasury and Director, Bureau of the Budget also attend Council meetings regularly. Others attend at the request of the President.

Functions: Chief advisory agency to the President on matters of broad policy affecting the national security and on the integration of domestic, foreign, and military policies in relation to national security.

2. NSC Planning Board:

Membership: Special Assistant to the President for National Security Affairs, officials representing State, Defense and Treasury Departments, ODCM and BOB.

Functions: Anticipates, identifies, and analyzes problems affecting national security and drafts policy statements for NSC consideration.

3. Operations Coordinating Board (OCB):

Origin: Executive Order 10483, September 2, 1953, superseded by Executive Order 10700, February 25, 1957.

Membership: Under Secretary of State, Deputy Secretary of Defense, Director CIA, Director USIA, Director ICA.

Function: Assists in effective coordination of national security functions among governmental executive agencies and provides for integrated implementation of national security policies.

4. Central Intelligence Agency (CIA):

Origin: National Security Act of 1947 as amended.

Function: Adviser to NSC on intelligence matters relating to national security.

5. Bureau of the Budget (BOB):

Origin: Budget and Accounting Act of 1921 (40 Stat. 20; 31 U.S.C. 11–16).

Function: Assists the President in preparing the budget and formulating fiscal program; supervises and controls administration of the budget and assists in improving the efficiency and economy of the conduct of Government service.

Remarks: The Director, BOB, regularly attends NSC meetings and a representative sits with the Department of Defense Ballistic Missiles Committee.

6. White House Office:

Function: Serves the President in performance of his duties and responsibilities. Facilitates and maintains communication with the legislative branch, heads of executive departments and agencies, and the public.

7. Special Assistant to the President for Science and Technology:

Origin: Appointed by commission by the President.

Incumbent: Dr. George B. Kistiakowsky (succeeded Dr. James R. Killian, Jr., July 15, 1959).

Functions: Chief adviser to the President on military and civilian aspects of science and technology.

Remarks: Acts as Chairman of the Science Advisory Committee. In creating this post, the President said (in his address to the Nation on November 7, 1957) that it would be Dr. Killian's task to assist him by monitoring the missile program and by helping to see that "Such things as interservice competition or insufficient use of overtime [should] not be allowed to create even the suspicion of harm to our scientific and development program."[1]

He is also chairman of the newly created Federal Council for Science and Technology.

8. President's Science Advisory Committee:

Origin: Established by the President on April 20, 1951, in the Office of Defense Mobilization. Reconstituted as the President's Science Advisory Committee and transferred to the White House effective December 1, 1957, with membership enlarged.

Membership: Dr. George B. Kistiakowsky, Chairman; Dr. Robert F. Bacher, Dr. William O. Baker, Dr. John Bardeen, Dr. Hans A. Bethe, Dr. Detlev W. Bronk, Dr. Britton Chance, Dr. James B. Fisk, Dr. James R.

[1] Department of State Bulletin, vol. 37, Nov. 25, 1957, p. 882.

Killian, Jr., Dr. Edwin H. Land, Dr. E. R. Piore, Dr. Edward M. Purcell, Dr. Isador I. Rabi, Dr. H. P. Robertson, Dr. Glenn Seaborg, Dr. Cyril S. Smith, Dr. Paul A. Weiss, Dr. Jerome B. Wiesner.

Functions: Advisers to the President in matters relating to science and technology. Functions as a board of review for the President's scientific program.[2]

9. Office of Civil and Defense Mobilization (OCDM):

Origin: Reorganization Plan No. 3 of 1953 (67 Stat. 634). Amended by Reorganization Plan No. 1 of 1958 and Executive Order 10773.

Functions: In addition to responsibilities for formulation of mobilization plans, is concerned with establishment of adequate stockpiles of strategic materials and strategic relocation of industry essential to national security.

Remarks: In 1958 the functions of the Federal Civil Defense Administration were combined with those of the Office of Defense Mobilization under the designation stated above.

10. Council of Economic Advisers:

Origin: 60 Stat. 24; 15 U.S.C. 1023; now functions under Reorganization Plan No. 9 of 1953.

Membership: Three, appointed by President with advice and consent of the Senate.

Function: Economic advisers to the President.

11. National Aeronautics and Space Council:

Origin: National Aeronautics and Space Act of 1958 (Public Law 85-568, July 29, 1958).

Membership: The President (who presides over Council meetings), Secretary of State, Secretary of Defense, Administrator of NASA, Chairman of AEC.

Not more than one additional member appointed by the President from the departments and agencies of the Federal Government.

Not more than three other members appointed by the President, solely on the basis of established records of distinguished achievement, from among individuals in private life who are eminent in science, engineering, technology, education, administration, or public affairs.

(The four members appointed by the President are: Dr. Alan Waterman of NSF, Dr. Detlev W. Bronk of NAS, William A. M. Burden, former Assistant Secretary of Commerce for Air, and Dr. John T. Rettaliata.)

Functions: To advise the President in the performance of these duties:

(a) Survey of all significant space activities of all U.S. Government agencies engaged therein.

(b) Develop a comprehensive space activities program for U.S. Government agencies.

(c) Designate and fix responsibility for direction of space activities.

(d) Provide for effective cooperation between NASA and DOD.

(e) Resolve differences arising among Government departments and agencies with respect to space activities.

Remarks: The act provided that the Council could employ a staff headed by a civilian executive secretary. As of this date this post has not been filled.

12. Federal Council for Science and Technology:

Origin: Executive Order 10807, signed by the President on March 13, 1959.

Membership: Chairman: Dr. George B. Kistiakowsky, special assistant to the President for Science and Technology; representatives of the Departments of Defense, Interior, Agriculture, Commerce, and Health, Education, and Welfare; Director of the National Science Foundation; Administrator of National Aeronautics and Space Administration; representative of Atomic Energy Commission. Representatives of the Department of State and the Bureau of the Budget may attend as observers.

Functions: To promote closer relationship among Federal agencies in planning their research and development programs, and to recommend ways in which the Federal Government can assist in advancing and strengthening the Nation's scientific effort as a whole.

Remarks: The Interdepartmental Committee on Scientific Research and Development was abolished by this order.

13. Department of State:

Remarks: The concern of this Department with the U.S. missile and space programs lies in relations with foreign powers arising from such programs. These relations include negotiations for supplying missiles as part of the military assistance program, bases for U.S. missile units, and tracking stations; settlement of injuries or damages to foreign nationals or properties arising from U.S. missile or space operations; negotiations of broad policies or agreements with foreign powers or organizations (such as NATO) involving employment of missiles or space vehicles; assistance in developing international scientific relations; matters involving sovereignty or control of space; and development of international law with respect to space.

14. Department of the Interior:

Remarks: Land in the public domain which the military services think necessary for missile target ranges, and the use of natural resources such as minerals and waterpower in missile and space vehicle programs are the concern of this Department.

15. Department of Labor:

Remarks: This Department is concerned with the supply of labor needed in the missile and space vehicle industry and with problems arising when there is dislocation of labor due to shifting of industrial activities from one place to another or when contracts are terminated or reduced causing substantial unemployment.

16. Department of Health, Education, and Welfare:

Remarks: The concern here is largely with the education of sufficient scientists and technologists to meet the needs of these programs and the field of space medicine.

17. Department of the Treasury:

Remarks: This Department is concerned with the raising of the vast sums necessary to finance these programs. It also is concerned, through [18] the Coast Guard, a military service within the Department, with the safety of overwater operations involving missile or space vehicle testing.

19. Department of Commerce:

Remarks: The concern of this Department with these programs is centered largely in [20] the Weather Bureau, which is interested in weather satellites as a means of improving forecasting techniques and, perhaps at a later time, in some degree of weather control; and [21] the National Bureau of Standards, whose scientific activities include research associated with standards of physical measurement, physical constants, and the critical properties of materials. The Department also has an interest through its Business Advisory Council and National Investors' Council and the Coast and Geodetic Survey.

22. Department of Defense (DOD):

Remarks: This Department is responsible for all of the activities of the Government having to do with missiles or space in which national security is involved. In the event the Secretary of Defense and the Administrator of NASA are unable to agree on the division of any responsibility between their respective agencies, the President makes the decision, as stated in paragraph 29 below.

NOTE.—See chart No. 2 for functional organization of the Department of Defense for missiles and space activities.

23. Civil Aeronautics Board (CAB):

Origin: Created as Civil Aeronautics Authority by section 201 of Civil Aeronautics Act of 1938 and redesignated as Civil Aeronautics Board by Reorganization Plan IV of 1940.

Membership: Five members appointed by the President with the advice and consent of the Senate.

Remarks: The relationship of this Board with these programs for the present is concerned with safety in air commerce, as affected by missile and space vehicle testing activities. At a later date, the functions of this Board may possibly be expanded to cover space travel when this becomes feasible.

24. Federal Aviation Agency (FAA):

Origin: Public Law 85-726, 85th Congress.

Remarks: Carrying out the policies and regulations relating to air traffic, this Agency is concerned with any military activities such as missile testing, which might affect the safety of air traffic.

25. Atomic Energy Commission (AEC):

Origin: Atomic Energy Act of 1946 (60 Stat. 755) as amended by the act of 1954, as amended (68 Stat. 919; 42 U.S.C. 1801 et seq.).

Membership: Five Commissioners appointed by the President with the advice and consent of the Senate.

Remarks: The concern of the AEC with missiles and space vehicles is in the use of nuclear energy in connection with warheads for missiles or as propulsion for space vehicles.

26. U.S. Information Agency (USIA):

Origin: Established under Reorganization Plan No. 8 of 1953.

Remarks: The relationship of USIA to these programs lies in explaining to foreign nations how the programs fit in with U.S. policies and objectives. Dissemination of scientific information is one means.

27. National Science Foundation (NSF):

Origin: National Science Foundation Act of 1950 (64 Stat. 149; 42 U.S.C. 1861-1875).

Membership of National Science Board: Roger Adams, Detley W. Bronk, Lee A. DuBridge, Laurence M. Gould, Paul M. Gross, Theodore M. Hesburgh, C.S.C., William V. Houston, George D. Humphrey, Robert F. Loeb, Kevin McCann, Donald H. McLaughlin, Edward J. McShane, Frederick A. Middlebush, Joseph C. Morris, Samuel M. Nabrit, Morrough P. O'Brien, Jane A. Russell, Paul B. Sears, Julius A. Stratton, Edward L. Tatum, Ernest H. Volwiler, Warren Weaver, Douglas M. Whitaker, Alan T. Waterman (ex officio).

Remarks: The Foundation is mostly concerned with the promotion, basic research and education in the sciences. It is responsible for evaluating the research programs of the Government, and at the request of the Secretary of Defense, initiates and supports specific research activities having to do with national defense. It also acts as a clearinghouse for information regarding scientific and technical personnel.

28. Smithsonian Institution Astrophysical Observatory:

Remarks: The interest of this agency in space matters rests in the Astrophysical Observatory, with headquarters at Cambridge, Mass. This organization, which conducts research on the various forms of energy which strike the earth's atmosphere, operates a satellite tracking program. The Observatory set up 12 stations to observe IGY artificial satellites by optical means.[3]

29. National Aeronautics and Space Administration (NASA):

Origin: National Aeronautics and Space Act of 1958 (P. L. 85-568) [National Advisory

[2] New York Times, Jan. 13, 1958, p. 13.

[3] House hearings on Astronautics and Space Exploration, 85th Congress, 2d session, pp. 367-368.

Committee for Aeronautics (NACA) was transferred to NASA under the act.]

Administrator: Dr. T. Keith Glennan.

Deputy Administrator: Dr. Hugh L. Dryden.

Functions: To plan, direct, and conduct aeronautical and space activities; to arrange for participation by the scientific community in planning scientific measurements and observations to be made through use of aeronautical and space vehicles, and conduct or arrange for the conduct of such measurements and observations; and to provide for the widest practicable and appropriate dissemination of information concerning its activities and the results thereof.

Remarks: In its declaration of policy (sec. 102 of the act) Congress declared that the "general welfare and security of the United States require that adequate provision be made for aeronautical and space activities" and that "such activities shall be the responsibility of, and shall be directed by, a civilian agency . . ." except that activities peculiar to the defense of the United States are the responsibility of the Department of Defense. Determination of which agency shall have responsibility and direction of any such activity is to be made by the President with the advice of the National Aeronautics and Space Council.

30. Civilian-Military Liaison Committee:

Origin: National Aeronautics and Space Act of 1958, section 204.

Membership: Chairman, William M. Holaday; Dr. Hugh L. Dryden, Dr. Abe Silverstein, Dr. Homer Joe Stewart and Ira H. Abbott from NASA; Roy W. Johnson (Director of ARPA), Maj. Gen. W. W. Dick, U.S. Army, Vice Adm. R. B. Price, U.S. Navy, and Maj. Gen. R. P. Swofford, U.S. Air Force.

Function: To provide for a constant exchange of information and, as far as practicable, agreement as to jurisdictions as between the Department of Defense and NASA. A charter revision July 1, 1959, gave Civilian-Military Liaison Committee authority to deal with jurisdictional disputes between NASA and DOD on its own initiative.[4]

31. National Academy of Sciences—National Research Council (NAS–NRC):

Origin: Act of Congress 1863 (12 Stat. 806). The Council was organized in 1916 by the Academy under its charter. Perpetuation of the Council was effected by Executive Order 2859, May 11, 1918, as amended by Executive Order 10668, May 10, 1956.

Remarks: Acts as adviser to the Government on scientific matters when requested. It does not maintain its own research facilities but works through boards and committees.

In August 1958 the Academy announced the formation of a 16-man Space Science Board "to survey in concert the scientific problems, opportunities and implications of Man's advance into space."[5]

The membership: Chairman, Dr. Lloyd V. Berkner; Dr. Harrison S. Brown, Dr. Leo Goldberg, Dr. H. Keffer Hartline, Dr. Donald H. Hornig, Dr. W. A. Noyes, Dr. R. W. Porter, Dr. Bruno B. Rossi, Dr. A. H. Shapley, Dr. John A. Simpson, Dr. S. S. Stevens, Dr. Harold C. Urey, Dr. James A. Van Allen, Dr. O. G. Villard, Jr., Dr. Harry Wexler, Dr. George P. Woolland, Executive Director, Dr. Hugh Odishaw.

32. Jet Propulsion Laboratory:

Origin: July 1, 1939, Army Air Corps jet propulsion project, sponsored by NAS, initiated at Caltech. November 1, 1944, it became the Jet Propulsion Laboratory.

Director: Dr. William H. Pickering.

Remarks: Operated by California Institute of Technology under Government contract. Jurisdiction over this agency was transferred by Executive Order 10793 from the Army to NASA on December 3, 1958, as the result of an agreement between the Secretary of the Army and the Administrator of NASA. The Army still has some contractual relationships with JPL which will continue until the work has been completed.

33. Joint Chiefs of Staff (JCS):

Origin: National Security Act of 1947 as amended.

Membership: Chairman: Gen. Nathan F. Twining, USAF; Gen. Lyman L. Lemnitzer, USA; Adm. Arleigh A. Burke, USN; Gen. Thomas D. White, USAF; Gen. Randolph McC. Pate, USMC (on matters concerning the Marine Corps).

Remarks: As the chief military advisers to the President, National Security Council and Secretary of Defense, the JCS carry the burden of advising the Government with respect to strategic plans, deployment, requirements, and doctrine for employment of missiles or military space vehicles.

34. Scientific Advisory Committee:

Origin: Established in 1953 as Strategic Missiles Evaluation Committee (chairman, Dr. John von Neumann) to advise the Air Force as to the feasibility of the ICBM. Later, it was transferred to the Office of the Secretary of Defense.

Membership: Chairman: Dr. Clark B. Millikan; executive secretary, Mr. Edward E. Harriman; Dr. Hendrik W. Bode, Dr. Harold Brown, Dr. John Dunning, Dr. Hugh L. Dryden (part time), Dr. Darol K. Froman, Mr. William B. Graham, Mr. Robert W. Henderson, Mr. Lawrence A. Hyland (part time), Dr. Charles C. Lauritsen, Brig. Gen. Charles A. Lindbergh, Dr. Robert R. McMath, Dr. James W. McRae, Dr. J. Barkley Rosser, Mr. Carroll L. Zimmerman, Prof. George B. Kistiakowsky (part time), Prof. Jerome B. Wiesner (part time), Dr. Carl F. J. Overhage.

35. Armed Forces Policy Council:

Origin: National Security Act of 1947 as amended.

Codified: 10 U.S.C. 171.

Membership: Secretary of Defense, chairman; Deputy Secretary of Defense, Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force.

Function: Advises Secretary of Defense and DOD agencies as to the scientific and technical feasibility of new developments. Also advises the military departments on problems within its competence.

36. Special Assistant for Guided Missiles:

Origin: First appointed in October 1950, by the Secretary of Defense as a special assistant. Office of Director of Guided Missiles established by directive of the Secretary of Defense on November 15, 1957. Reverted to Special Assistant status by memo from Secretary of Defense April 8, 1959.

Remarks: On July 1, 1959, it was announced that Mr. Holaday had been released from his assignment as Special Assistant to the Secretary of Defense for Guided Missiles, to spend full time as Chairman of Civilian-Military Liaison Committee.

His staff is being transferred to the Office of Director, Defense Research and Engineering. No plans have been announced as to assignment of a successor Special Assistant to the Secretary of Defense for Guided Missiles.

37. Director of Defense Research and Engineering:

Origin: Department of Defense Reorganization Act of 1958 (Public Law 85–599).

Incumbent: Hon. Herbert F. York.

Functions: (1) Principal adviser to the Secretary of Defense on scientific and technical matters; basic and applied research; research development, test and evaluation of weapons, weapons systems and defense materiel; design and engineering for suitability, productability, reliability, maintainability, and materials conservation. (2) Supervises all research and engineering activities in the Department of Defense. (3) Directs and controls (including assignment or reassignment) research and engineering activities that the Secretary of Defense deems to require centralized management.

The Director has been given authority to "approve, modify, or disapprove programs and projects of the military departments and other Department of Defense agencies in his assigned fields."

38. Research and Engineering Policy Council:

Membership: Two Deputy Directors, Defense Research and Engineering; Director, ARPA; Deputy Director, ARPA; Director of Research and Development, Army; Chief of Research and Development, Army; Assistant Secretary of the Navy (Research and Development); Deputy Chief of Naval Operations (Development); Deputy Chief of Staff Research and Development, Headquarters U.S. Marine Corps; Assistant Secretary of the Air Force (Research and Development); Deputy Chief of Staff, Development, Air Force; Mr. George Lukes, Secretary.

39. Defense Science Board:

Membership: Chairman, Dr. H. P. Robertson. There are 28 members, composed of chairman of scientific panels, committees and boards of the Federal Government, who are ex officio members, and others from industry, educational fields, and independent scientific and technological agencies. This gives a Board composed of men eminently qualified in their respective fields.

Function: To advise the Director of Defense Research and Engineering on matters of scientific and technological policy.

40. Weapons Systems Evaluation Group (WSEG):

Origin: Established February 21, 1949, by Joint Chiefs of Staff and Chairman, Research and Development Board, with concurrence of the Secretary of Defense.

Director: Vice Adm. John H. Sides, U.S. Navy.

Director of Research: Dr. Charles A. Boyd, Jr.

Remarks: This group is under the administrative direction of the Director of Defense Research and Engineering. It also receives directives straight from the Joint Chiefs of Staff. Its work is essentially that of operations analysis of weapons systems.

41. OSD Ballistic Missiles Committee:

Origin: Established November 8, 1955, by Secretary of Defense.

Membership: Chairman: Hon. Thomas S. Gates, Jr., Deputy Secretary of Defense; Director of Defense Research and Engineering; Assistant Secretary of Defense, Comptroller; Assistant Secretary of Defense, Properties and Installation; Assistant Secretary of Defense, Supply and Logistics; representative, Bureau of the Budget.

Remarks: By including in the membership those officials from whom clearance must be obtained in connection with the different phases of the missile program, much time is saved over the old system of sending papers from office to office "for comment or concurrence."

42. Assistant Secretary of Defense, Comptroller.

43. Assistant Secretary of Defense, Properties and Installations.

44. Assistant Secretary of Defense, Supply and Logistics.

45. Assistant Secretary of Defense, International Security Affairs.

Remarks: The first three of the above list are members of the OSD Ballistic Missiles Committee. Their offices have a backup responsibility in this connection. There is also an additional resonsibility in connection with missiles other than the ballistic type.

Specifically, the Comptroller is concerned with the funding of missile programs and how this fits into the fiscal policies of the Defense Department.

The Assistant Secretary for Properties and Installations is concerned with policies governing the acquisition and use of properties

[4] NASA press release, July 1, 1959.

[5] NAS Press release, Aug. 3, 1958.

for testing sites and installation of missile sites.

The Assistant Secretary for Supply and Logistics is concerned with policies governing the production and procurement of items related to the employment of missiles, such as ground handling equipment, and with general logistic support for the missile program and the operational employment of missiles.

The Assistant Secretary for International Security Affairs is interested in the provision of missiles to foreign governments, either by grant aid or sale, and their employment under the policies of our military assistance program.

46. Secretary of the Army:

Incumbent: Hon. Wilber M. Brucker.

Remarks: As head of the Department, he is responsible for Army activities in connection with missiles and military space vehicles.

47. Army Ballistic Missile Committee:

Origin: This was initially a joint Army-Navy committee concerned with development of an IRBM. Subsequently, effective February 19, 1957, the committee was redesignated under its present name by the Secretary of the Army.

Membership: Chairman: Secretary of the Army, Director of Research and Development, Chief of Research and Development, Chief Scientist of the Army, Director of Special Weapons; Office of Chief of R. and D.

Function: Advisory and expediting committee for handling research and development of such missiles as Jupiter and Pershing and special projects assigned to the Army such as supplying space vehicles.

48. Assistant Secretary of the Army for Financial Management:

Incumbent: Hon. George H. Roderick.

Remarks: This office is concerned with the funding of missile and space programs which are assigned to the Army, and with the preparation of budgetary requests.

49. Assistant Secretary of the Army for Logistics:

Incumbent: Hon. Courtney Johnson.

Remarks: Responsible for policy matters in the field of logistics as they pertain to Army missiles and space activities.

50. Director of Research and Development, Army:

Incumbent: Mr. Richard S. Morse.

Remarks: Responsible to the Secretary of the Army for the Army R. and D. program.

51. Chief of Staff of the Army:

Incumbent: Gen. Lyman L. Lemnitzer, USA.

Remarks: Responsible to the Secretary of the Army for military aspects of the missile and military space vehicle program within the Army.

52. Scientific Advisory Panel:

Membership: Chairman: Dr. James McRae. Eight committees of five to eight members each, with chairman and vice chairman for each committee: Firepower, ground mobility, air mobility, communication and electronics, human factors, environmental research, chemical, biological, and radiological warfare, management of research and development.

Function: To advise the Secretary of the Army, Chief of Staff, and Chief of Research and Development on all scientific and related matters of concern to the Army.

53. Deputy Chief of Staff for Logistics, Army:

Incumbent: Lt. Gen. R. W. Colglazier, Jr., USA.

Remarks: Responsible to the Chief of Staff for procurement and production of Army missiles and their associated equipment and materiel, also for logistic support for missile firing units.

54. Chief of Research and Development, Army:

Incumbent: Lt. Gen. Arthur G. Trudeau, USA.

Remarks: Deputy to the Chief of Staff for research and development responsibilities of the Army.

55. Director of Special Weapons, Army:

Incumbent: Maj. Gen. W. W. Dick, USA.

Remarks: Responsible to Chief of Research and Development for research and development activities with respect to Army missiles and space vehicles. Coordinates the Army missile and space projects for the Chief, R. and D.

56. Research and Development Review Board:

Membership: Chief of Research and Development, Deputy Chief of Research and Development, Chief Scientist Adviser, Secretary of the Board.

A working group of nine members including: Chief of Programs and Budget, Director of Special Weapons and alternate, Director of Development and alternate, Director of Research and alternate, Chief of Plans Division, Secretary of the Board.

Remarks: Reviews program segments and budget estimates concerned with research and development submitted by the general staff, technical services, and other operating units in the research and development field to insure that: combined programs for all services are integrated and coordinated and are in consonance with strategic and program guidance; all important fields of research and development are adequately covered; and non-essential projects are eliminated.

57. Chief Signal Officer:

Incumbent: Maj. Gen. R. T. Nelson.

Remarks: Responsible for planning, direction, and supervision of the Army program for signal communications electronics, and photographic activities as they pertain to the missile and military space satellite programs of the Army.

58. U.S. Army Signal Research and Development Laboratories:

Remarks: These are the field agencies responsible for implementing the Signal projects concerned with missile and military space programs.

59. Chief of Ordnance, Army:

Incumbent: Maj. Gen. J. H. Hinrichs, U.S. Army (nominated to be lieutenant general).

Remarks: Concerned with technical feasibility of new missile projects. He has overall supervision and coordination of the technical aspects of guided missile systems.

60. Chief of Engineers:

Incumbent: Maj. Gen. E. C. Itschner, U.S. Army (nominated to be lieutenant general).

Remarks: The Corps of Engineers is responsible for the construction of certain Army and Air Force missile launching sites.

61. U.S. Army Ordnance Missile Command (U.S. Army, OMC):

Activated: March 31, 1958.

Commanding General: Maj. Gen. John B. Medaris, U.S. Army.

Remarks: This command was established to bring under one head the agencies of the Chief of Ordnance primarily concerned with missiles. It has been assigned the responsibility, with necessary authority delegated, for execution of the whole Ordnance mission for guided missiles.

On matters of special priority (such as Jupiter) the Chief is authorized to go directly to the Secretary of the Army for guidance.

62. Army Ballistic Missile Agency (ABMA):

Remarks: Activated on February 1, 1956, to have program responsibility for longer range ballistic missiles: Redstone, Jupiter, Pershing, and space vehicles. Dr. Wernher von Braun is the scientific director.

63. Army Rocket and Guided Missile Agency (ARGMA):

Remarks: Responsible for free rockets and for those guided missiles which do not fall under the control of ABMA. This Agency is credited with development of the Honest John, Nike family, Lacrosse, and Hawk.

64. White Sands Missile Range:

Remarks: Activated July 9, 1945, as the White Sands Proving Ground. It provides a range for testing missiles, appropriate to its limited range, by all three services. It also conducts engineering tests of complete missile systems before release to troops.

65. Secretary of the Navy:

Incumbent: Hon. William B. Franke.

Remarks: As chief official of the Department of the Navy, he is responsible for the Navy's missile and space vehicle program.

66. Assistant Secretary of the Navy (Research and Development):

Incumbent: Hon. James H. Wakelin.

Remarks: Formerly Assistant Secretary of the Navy (Air), he was given the added responsibilities for research and development. During a recent reorganization, the office was redesignated as shown above.

67. Navy Ballistic Missile Committee:

Membership: Chairman, Chief of Naval Operations; Assistant Secretary of the Navy (R. and D.); Under Secretary of the Navy; Deputy Chief of Naval Operations (Readiness); Director of Guided Missiles.

Remarks: This Committee was formed in connection with the Special Projects Office to provide one agency to give top level direction to the fleet ballistic missile program (Polaris).

68. Chief of Naval Operations (CNO):

Incumbent: Adm. Arleigh A. Burke, U.S. Navy.

Remarks: He is the principal naval adviser and naval executive to the Secretary of the Navy on the conduct of the activities of the Department of the Navy. Responsible to the Secretary of the Navy for determining operational requirements for missiles and directing the bureaus in fulfilling these requirements.

69. Navy Research and Development Committee:

Membership: Chairman, Assistant Secretary of the Navy (R. and D.); Chief of Naval Research; officers in offices of CNO, Navy bureaus, and Commandant of the Marine Corps concerned with research and development matters.

Function: To assist the Assistant Secretary for R. and D. in review and supervision of programs.

70. Director, Office of Special Projects (Polaris):

Incumbent: Rear Adm. W. F. Raborn, U.S. Navy:

Remarks: This is a quasi-bureau, single-manager type of operation, specially established to cut across channels and expedite the fleet ballistic missile program. The Director has direct access to the Secretary of the Navy when guidance is needed.

71. Deputy Chief of Naval Operations for Development:

Incumbent: Vice Adm. J. T. Hayward, U.S. Navy.

Mission: To exercise overall planning and direction of the Navy research and development program.

Functions: Planning and coordinating future development, coordinating requirements, evaluating effectiveness, assigning priorities, weighing costs.

Remarks: The purpose of this office is to increase the ability of the Chief of Naval Operations to keep the research and development programs progressive and flexible.

72. Deputy Chief of Naval Operations (Air) [DCNO (Air)]:

Incumbent: Vice Adm. R. B. Pirie, U.S. Navy.

Remarks: Responsible to CNO for all Navy requirements and operations with regard to guided missiles.

73. Director of Guided Missiles Division:

Incumbent: Rear Adm. K. S. Masterson, U.S. Navy.

Remarks: Coordinator of the Navy guided missiles program. Reviews and formulates operational requirements and develops preliminary operational concepts and techniques for missiles. He is the executive member of the Navy Ballistic Missile Committee, to which he reports directly.

74. Chief of Naval Research:

Incumbent: Rear Adm. Rawson Bennett II, U.S. Navy.

Remarks: The Office of Naval Research is part of the Executive Office of the Secretary of the Navy, established in 1946 (10 U.S.C. 5150–5153). The Chief of Naval Research is appointed by the President. He is principal adviser to the Secretary of the Navy on all basic research matters. He also keeps CNO advised of developments within this field and disseminates information to the bureaus of the Navy as well as other interested agencies.

75. Naval Research Laboratory (NRL):

Remarks: Conducts a broad program of research and development which includes nearly every area of the physical sciences of interest to the Navy. Much of its program is done for and financed by the Navy Bureaus.

The Naval Research Laboratory was made responsible for the scientific earth satellite program which was part of the United States participation in the International Geophysical Year (IGY).

76. Bureau of Aeronautics (BuAer).

77. Bureau of Ordnance (BuOrd).

Remarks: Both of these Bureaus have responsibility for research, development, procurement, and production of missiles assigned to their respective jurisdictions. Legislation has recently been enacted authorizing merger of these two Bureaus into a Bureau of Naval Weapons.

78. Bureau of Ships (BuShips):

Remarks: This Bureau is concerned with the construction or conversion and adaptation of ships for the firing of missiles.

79. Bureau of Yards and Docks (BuDocks):

Remarks: This Bureau has the responsibility for construction of naval shore establishments, including missile test centers and stations.

80. Test ranges and stations:

Remarks: The Navy operates a number of missile testing facilities under BuAer or BuOrd. The former operates a large test center at Point Mugu, Calif., and BuOrd has missile testing facilities at China Lake, Calif., and Chincoteague, Va. The Army facilities at White Sands Missile Range and the Air Force facilities at Cape Canaveral, Fla., are also available to the Navy.

81. Secretary of the Air Force:

Incumbent: Hon. James H. Douglas.

Remarks: As head of the Department, he is responsible for Air Force activities in connection with missiles and military space vehicles.

82. Air Force Ballistic Missile Committee:

Membership: Chairman, Secretary of the Air Force; Assistant Secretary, Research and Development; Assistant Secretary, Financial Management; Assistant Secretary, Materiel; Vice Chief of Staff; Assistant Chief of Staff for Guided Missiles.

Function: To expedite the ballistic missile programs having special priorities. Like its counterparts in the Army, Navy, and Office of the Secretary of Defense, this committee includes in its membership the principal officials who are concerned.

83. Assistant Secretary of the Air Force (Research and Development):

Incumbent: Hon. Joseph V. Charyk.

Remarks: Responsible to the Secretary for direction, guidance, and supervision over the Air Force research and development program.

84. Assistant Secretary of the Air Force for Materiel:

Incumbent: Hon. Philip Taylor.

Remarks: Responsible to the Secretary of the Air Force for direction, guidance, and supervision over the procurement, production, distribution, maintenance, and disposal aspects of the missile programs.

85. Assitant Secretary of the Air Force (Financial Management):

Incumbent: Hon. Lyle S. Garlock.

Remarks: Is responsible to the Secretary of the Air Force for direction, guidance, and supervision over the fiscal and financial management aspects of the Air Force missile program.

86. Chief of Staff, U.S. Air Force:

Incumbent: Gen. Thomas D. White, U.S. Air Force.

Remarks: Responsible to the Secretary of the Air Force for the military aspects of the Air Force missile and space vehicle programs.

87. Assistant Chief of Staff for Guided Missiles:

Incumbent: Maj. Gen. C. M. McCorkle, U.S. Air Force.

Function: Advises and assists the Chief of Staff on all matters relating to guided missiles. He coordinates the Air Force staff efforts and monitors the missile programs.

88. Scientific Advisory Board:

Membership: Chairman, Lt. Gen. D. L. Putt, U.S. Air Force, retired; Vice Chairman, Dr. M. Guyford Stever; Military Director, Lt. Gen. Roscoe C. Wilson, U.S. Air Force.

Ten panels, totaling about 160 members. The panels cover the following fields: Aeromedical and biosciences, aerospace vehicles, electronics, geophysics, guidance and control, nuclear energy, psychology and social sciences, reconnaissance, basic technology.

89. Deputy Chief of Staff for Materiel:

Incumbent: Lt. Gen. Clarence S. Irvine.

Remarks: Develops materiel policies, plans, and programs for the support of the Air Force missile program.

90. Deputy Chief of Staff, Development:

Incumbent: Lt. Gen. R. C. Wilson, U.S. Air Force.

Remarks: Responsible to the Chief of Staff for the direction and implementation of the Air Force research and development program.

91. Air Research and Development Command (ARDC):

Commanding General: Lt. Gen. Bernard A. Schriever, U.S. Air Force.

Remarks: This command conducts approved Air Force research and development programs, both through contractual relationships with outside agencies and in its own facilities. It is the operating agency through which the Air Force manages every aspect in the development of a new weapons system from basic research to final tests of hardware.

92. Ballistic Missile Division (BMD):

Commanding General: Maj. Gen. O. J. Ritland, U.S. Air Force.

Function: Responsible for the development of the long-range ballistic missile systems.

Remarks: The Air Force announced on October 2, 1958, that it had reorganized BMD to give a new emphasis to military space projects, equal to that which had previously been given to missile projects.

93. Space Technology Laboratory:

Function: Responsible to the Ballistic Missile Division on a contractual basis for technical matters in relation to the Air Force ballistic missile program.

94. Air Materiel Command (AMC):

Commander: Lt. Gen. Samuel E. Anderson, U.S. Air Force.

Function: Provides materiel support (procurement, production, maintenance, etc.) for all Air Force missile programs.

95. Ballistic Missile Center:

Commanding General: Maj. Gen. Ben I. Funk, U.S. Air Force.

Function: Responsible for procurement, production and logistic planning for ballistic missile programs.

Remarks: This agency works very closely with the Ballistic Missile Division and, while the commander of the center is not under General Schriever, he is, in effect, his deputy for procurement, production and logistics.

96. Aeronautical Systems Center:

Function: Responsible for procurement, production and management of missile programs other than ballistic missiles.

Remarks: This is the counterpart of the Ballistic Missile Center. The Ballistic Missile Center was established to deal with the special priority ICBM–IRBM programs while the Aeronautical Systems Center renders the same service for all of the other Air Force missile programs.

97. Air materiel areas:

Function: To provide materiel support for assigned missile programs.

98. Weapons system project offices:

Function: Responsible for the direct Air Force management of a single missile weapon system during the development and production phases.

Remarks: These offices perform the same service for missiles such as Snark, Hound Dog and others that BMD performs for the ICBM–IRBM programs.

99. Test centers:

Remarks: The Air Force has several testing facilities for missiles and space vehicles. The Air Force Missile Test Center at Cape Canaveral, Fla., and Vandenberg Air Force Base in California are test and firing centers for the ICBM–IRBM program. Facilities at White Sands Missile Range are used through the medium of Holloman Air Development Center in New Mexico. The Arnold Engineering Development Center at Tullahoma, Tenn. and the Air Force Flight Test Center at Edwards Air Force Base in California have important engineering test functions. The Special Weapons Center at Kirtland Air Force Base, Albuquerque, N. Mex., is concerned with nuclear warheads for missiles.

100. Advanced Research Projects Agency (ARPA):

Origin: Directive by the Secretary of Defense, February 7, 1958.

Director: Roy W. Johnson.

Remarks: Responsible for direction or performance of such advanced projects in the field of research and development as the Secretary of Defense shall, from time to time, designate by individual project or by category. ARPA is authorized to arrange for the performance of research and development work by the military departments and by other agencies of the Government.

Since the appointment of the Director of Defense Research and Engineering, the research and development activities of ARPA are supervised by the former.

101. Naval Research Advisory Committee:

Origin: Act of August 1, 1946 (10 U.S.C. 5153).

Membership: C. G. Suits, Chairman; F. Seitz, Vice Chairman; R. F. Bacher, Clifford Furnas, T. Keith Glennan, E. H. Heinemann, R. A. Kern; A. B. Kinzel, J. W. McRae, Garrison Norton, E. R. Piore, I. I. Rabi, Dr. Roger Revelle, S. E. Terman, E. A. Walker.

Function: To consult with and advise the Chief of Naval Operations and the Chief of Naval Research.

Mr. ENGLE. Mr. President, I have mentioned the matter of duplication and overlapping in these various agencies. I have had a list prepared of the agencies in the Department of Defense performing similar functions as to space and missile programs.

No. 1 is "Research, development, engineering, and testing—civilian posts."

No. 2 is "Research, development, engineering, and testing—military posts."

No. 3 is "Research and development reviewing agencies."

No. 4 is "Ballistic missiles expediting committees."

No. 5 is "Scientific advisory agencies."

No. 6 is "Agencies responsible for development of long-range ballistic missiles."

No. 7 is "Staff coordinators of missile programs."

Also listed are scientific advisory bodies outside the Department of Defense and civilian-military activities in space.

Mr. President, I ask unanimous consent to have printed in the RECORD a short description of each of these various groups in these various brackets which perform similar functions in the space and missile field.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

A. AGENCIES IN THE DEPARTMENT OF DEFENSE PERFORMING SIMILAR FUNCTIONS AS TO SPACE AND MISSILE PROGRAMS

[Numbers in brackets refer to numbered boxes on chart No. 2]

1. Research, development, engineering, and testing, civilian posts:

(a) Office of the Secretary of Defense:

[37] Director of Defense Research and Engineering (Dr. Herbert F. York).

Overall supervision of all research and engineering activities in the whole Department of Defense, including authority to approve, modify or disapprove programs and projects of the military departments and other Department of Defense agencies in his assigned fields.

[100] Advanced Research Projects Agency (ARPA) (Director, Mr. Roy W. Johnson).

Responsible for direction or performance of such advanced projects in the field of research and development as the Secretary of Defense shall, from time to time, designate by individual project or by category. Authorized to arrange for the performance of research and development work by the military departments and by other agencies of the Government.

NOTE.—With regard to the two agencies above, Public Law 85-599, section 9, authorizes the Secretary of Defense or his designee to engage in basic and applied research projects with respect to weapons systems and military requirements, including advanced projects and, until August 6, 1959, in such advanced space projects as may be designated by the President.

ARPA has been designated to pursue certain projects but the law appears to permit the Secretary of Defense to assign these projects to the Director of Defense Research and Engineering if he chooses.

(b) Department of the Army:

[50] Director of Research and Development (Mr. Richard S. Morse—as of June 1, 1959).

Operates at the Assistant Secretary level but without that title. He performs a function for Secretary Brucker similar to that which Dr. York performs for Secretary McElroy but without quite such broad authority. Mr. Morse's post was not established by law as was Dr. York's post.

(c) Department of the Navy:

[66] Assistant Secretary of the Navy (Research and Development) (Mr. James H. Wakelin).

R. and D. functions were previously assigned to the Assistant Secretary of the Navy (Air). Under the Defense Reorganization Act, this office was abolished by the Navy and the office of Assistant Secretary of the Navy (Research and Development) was established.

(d) Department of the Air Force:

[83] Assistant Secretary of the Air Force (Research and Development) (Dr. Joseph V. Charyk).

2. Research, development, engineering, and testing—military posts:

(a) Department of the Army:

[54] Chief of Research and Development (Lt. Gen. Arthur G. Trudeau, U.S. Army).

He has primary General Staff responsibilities for planning, coordinating, directing, and supervising all Army research and development.

(b) Department of the Navy:

[71] Deputy Chief of Naval Operations for Development (Vice Adm. John T. Hayward, U.S. Navy).

Within the Office of the Chief of Naval Operations, is responsible for planning, direction, and control of research and development activities. (Acts in a capacity similar to that of General Trudeau.)

[74] Office of Naval Research (Chief, Rear Adm. Rawson Bennett II, U.S. Navy).

This office was established by law and the Chief is appointed by the President. It has primary responsibility for initiating and conducting basic research for the Navy and for maintaining contacts with outside scientific research agencies. In the recent reorganization of the Navy Department, the function of coordination of the Navy applied research and development programs was transferred to Deputy Chief of Naval Operations (Development) [71].

The Office of Naval Research was originally established as a basic research agency. Several years ago the coordination responsibility was added. The recent reorganization, which included the shifting of the coordination function to Admiral Hayward's office, has had the effect of reestablishing the Office of Naval Research as it was originally conceived.

Both Admiral Bennett and Admiral Hayward report to the Assistant Secretary of the Navy (Research and Development), the former on basic research matters, the latter on applied research, development, engineering and testing.

(c) Department of the Air Force.

[90] Deputy Chief of Staff, Development (Lt. Gen. Roscoe C. Wilson, U.S. Air Force).

General Wilson has the same kind of responsibility for research and development activities under the Chief of Staff, U.S. Air Force, that General Trudeau has under Chief of Staff, U.S. Army, and that Admiral Hayward has under the Chief of Naval Operations.

3. Research and development reviewing agencies.

(a) Office of the Secretary of Defense:

[38] Research and Engineering Policy Council. Membership: Chairman, Director of Defense Research and Engineering (Dr. York); Deputy Director of Defense Research and Engineering (Mr. John B. Macauley); Deputy Director of Defense Research and Engineering (Mr. Howard A. Wilcox); Director, Research and Development, Army (Mr. Morse); Chief, Research and Development, Army (General Trudeau); Assistant Secretary of the Navy (Research and Development) (Mr. Wakelin); Deputy Chief of Staff, Research and Development, Headquarters, U.S. Marine Corps (Brig. Gen. G. R. E. Shell, U.S. Marine Corps); Assistant Secretary of the Air Force (Research and Development) (Dr. Charyk); Deputy Chief of Staff, Development, Air Force (General Wilson).

(b) Department of the Army:

[56] Research and Development Review Board: Chairman, Chief of Research and Development (General Trudeau); Deputy Chief of Research and Development (Maj. Gen. R. J. Wood, U.S. Army); Chief Scientist Adviser (Dr. Weber); Secretary of the Board. There is also a working group of nine members.

(c) Department of the Navy:

[69] Navy Research and Development Committee Membership: Chairman, Assistant Secretary of the Navy, Research and Development (Mr. Wakelin); Chief of Naval Research (Admiral Bennett); Deputy Chief of Naval Operations, (Development) (Admiral Hayward); officers in Office of Chief of Naval Operations, Navy bureaus and Office of Commandant, Marine Corps, concerned with research and development matters.

4. Ballistic missile expediting committees:

(a) Office of the Secretary of Defense:

[41] OSD Ballistic Missiles Committee: Established in 1955 to expedite decisions regarding long-range ballistic missiles.

Membership: Director of Defense Research and Engineering (Dr. Herbert F. York); Assistant Secretary of Defense (Comptroller), (W. J. McNeil); Assistant Secretary of Defense (Properties and Installations), (F. S. Bryant); Assistant Secretary of Defense (Supply and Logistics), (E. P. McGuire); representative, Bureau of the Budget.

(b) Department of the Army:

[47] Army Ballistic Missile Committee Membership: Secretary of the Army (Wilber M. Brucker); Director of Research and Development (Richard S. Morse); Chief of Research and Development (Lt. Gen. A. G. Trudeau); Chief Scientist of the Army (Dr. H. C. Weber); Director of Special Weapons (Maj. Gen. W. W. Dick, Jr.).

(c) Department of the Navy:

[67] Navy Ballistic Missile Committee Membership: Assistant Secretary of the Navy (Research and Development); (Mr. James H. Wakelin); Chief of Naval Operations (Adm. A. A. Burke, U.S. Navy); Under Secretary of the Navy, (Mr. Fred A. Bantz); Deputy CNO (Readiness) (Vice Adm. W. M. Beakley, U.S. Navy); Director of Guided Missiles (Rear Adm. K. S. Masterson).

(d) Department of the Air Force:

[82] Air Force Ballistic Missile Committee Membership: Secretary of the Air Force (James H. Douglas); Assistant Secretary (Research and Development) (Dr. J. V. Charyk); Assistant Secretary (Financial Management) (Lyle S. Garlock); Assistant Secretary (Materiel) (Philip Taylor); Vice Chief of Staff (Gen. C. E. LeMay, U.S. Air Force); Assistant Chief of Staff for Guided Missiles (Maj. Gen. C. M. McCorkle, U.S. Air Force).

NOTE.—Each of these ballistic missile committees has a similar function: to expedite the research, development, and production of long-range ballistic missiles. With this in mind, in each case the membership is composed of those top policy officials whose concurrence would be required before a program could proceed.

There is no overlapping in membership. Such duplication of effort as exists can be said to be due to any existing duplication in weapons systems which might conceivably exist; for example, between Thor and Jupiter or possibly between the Atlas-Titan-Minuteman group and Polaris.

5. Scientific advisory agencies:

(a) Office of the Secretary of Defense:

[34] Scientific Advisory Committee:

This committee should not be confused with the Science Advisory Committee of which Dr. Killian is Chairman and which reports to the President. The Scientific Advisory Committee was established in 1953 to advise the Air Force as to the feasibility of the ICBM. Later, it was transferred to the Office of the Secretary of Defense although it still reviews the Air Force ballistic missile program from time to time.

Membership: Chairman: Dr. Clark B. Millikan for other members, see table 1).

[39] Defense Science Board:

Chairman, Dr. H. P. Robertson. Membership (see table 1): The 28 members of this board are chairmen of scientific panels, committees and boards of the Federal Government (ex officio members) and others from outside agencies.

The function of this agency is to advise the Director of Defense Research and Engineering on matters of scientific and technological policy, whereas the Scientific Ad-

visory Committtee advises in the specific field of missiles and rockets systems.

(b) Department of the Army:

[52] Scientific Advisory Panel:

Chairman, Dr. James McRae. Membership: Eight committees of five to eight members each.

Advises Secretary of the Army, Director of Research and Development, Chief of Staff, and Chief of Research and Development, on all scientific and related matters of concern to the Army.

(c) Department of the Navy:

[101] Naval Research Advisory Committee: Chairman, C. G. Suits; membership (see table 1); advises and consults with Chief of Naval Operations, Deputy CNO (Development) and Chief of Naval Research.

(d) Department of the Air Force:

[88] Scientific Advisory Board: Chairman, Lt. Gen. D. L. Putt, USAF (retired); membership, 10 panels, totaling about 160 members, covering the spectrum of sciences and technologies of concern to the Air Force.

6. Agencies responsible for development of long-range ballistic missiles:

(a) Department of the Army:

[61] U.S. Army Ordnance Missile Command (commanding general, Maj. Gen. John B. Medaris, U.S. Army; and

[62] Army Ballistic Missile Agency (ABMA) (commanding general, Brig. Gen. John A. Barclay, U.S. Army) (scientific director, Dr. Wernher von Braun).

ABMA was established February 1, 1956, to have the program responsibility for Army long-range missiles: Redstone and Jupiter. To these have been added the Pershing and any space projects assigned to the Army which use Redstone or Jupiter systems as launching vehicles.

The Ordnance Missile Command was activated on March 31, 1958, to put all missile activities under one agency which is responsible directly to the Chief of Ordnance. General Medaris, who had commanded ABMA, assumed command of the new Ordnance Missile Command and continued to be the point of contact for ARPA and NASA on projects for those agencies as he had previously been while commanding ABMA. While authorized direct access to the Secretary of the Army on urgent matters, the normal procedure is to deal through the Ballistic Missile Committee of which the Secretary is Chairman.

(b) Department of the Navy:

[70] Director, Office of Special Projects (Rear Adm. W. F. Raborn, U.S. Navy).

This Office was created to expedite the fleet ballistic missile program (Polaris) and the director has been given single-manager type of authority (similar to that held by General Medaris), including access to the Secretary of the Navy, through the medium of the Navy Ballistic Missile Committee.

(c) Department of the Air Force:

[92] Ballistic Missile Division (commanding general, Maj. Gen. O. J. Ritland, U.S. Air Force).

This Division has responsibility for the development of Air Force long-range ballistic missile systems (Atlas, Thor, Titan, Minuteman) and for such space operations as may be assigned to the Air Force. In this capacity, it is similar to Army's ABMA [62] and, to some extent, to the Navy's Office of the Director of Special Projects [70].

Recently, the commanding general, Lt. Gen. Bernard A. Schriever, U.S. Air Force, was advanced to the post of commanding general, Air Research and Development Command and was succeeded by General Ritland (whose nomination to major general is now before the Senate).

7. Staff coordinators of missile programs:

(a) Department of the Army:

[55] Director of special weapons (Maj. Gen. W. W. Dick, Jr., U.S. Army).

This officer coordinates the Army space and missile projects under the supervision of the chief of research and development. He is a member of the Army Ballistic Missile Committee.

(b) Department of the Navy:

[73] Director of Guided Missiles (Rear Adm. K. S. Masterson, U.S. Navy).

Coordinator of the Navy guided missiles program, this officer has been moved, under the recent Navy reorganization, from DCNO (air) to DCNO (development). He is the executive member of the Navy Ballistic Missile Committee [67].

(c) Department of the Air Force:

[87] Assistant Chief of Staff for Guided Missiles (Maj. Gen. C. M. McCorkle, U.S. Air Force).

This officer is the coordinator of Air Force staff efforts concerning missiles and he monitors the missile programs. He is also a member of the Air Force Ballistic Missile Committee [82].

B. SCIENTIFIC ADVISORY BODIES (OUTSIDE DEPARTMENT OF DEFENSE) CONCERNED WITH SPACE SCIENCE AND TECHNOLOGY

[Numbers in brackets refer to numbered boxes on chart No. 1]

1. [8] Science Advisory Committee:

Chairman: George B. Kistiakowsky.

Membership: (See table 1).

Advisers to the President in matters relating to science and technology; board of review for the President's scientific program.

2. [27] National Science Foundation:

Membership of the National Science Board: (See table 1).

This agency is concerned with promotion of basic research and education in the sciences. It evaluates Government research programs and, at the request of the Secretary of Defense, initiates and supports specific research activities relating to national defense.

3. [31] National Academy of Sciences-National Research Council:

This is a quasi-governmental agency, organized in 1863 under a Federal charter. The Council was organized in 1916 under the congressional charter of the Academy.

Under its charter, the Foundation is obligated, when asked by any department of the Government, to "investigate, examine, experiment, and report on any subject of science or art * * *." The cost of such services is paid from appropriations for that purpose but the Academy receives no compensation for its services.

A Space Science Board of 16 members (see table 1) was formed in 1958 "to survey in concert the scientific problems, opportunities and implications of man's advance into space."

C. CIVIL-MILITARY ACTIVITIES IN SPACE

In setting up the National Aeronautics and Space Administration [29] in 1958, Congress declared that it was U.S. policy "that activities in space should be devoted to peaceful purposes for the benefit of all mankind." Hence, a civilian space agency appeared to be more fitting for carrying out this policy than one under the military. A nucleus was provided in the National Advisory Committee for Aeronautics, which was absorbed into the new agency.

To advise the President in developing a comprehensive program for aeronautical and space activities, and in providing cooperation between NASA and the Department of Defense, a National Aeronautics and Space Council [11] was established, the members to be: Chairman, the President; Secretary of State; Secretary of Defense, Administrator of NASA, Chairman of the Atomic Energy Commission, one additional member from the Federal Government, three additional members from outside the Government, eminent in fields of science, education, engineering, technology, administration or public affairs.

To keep the civil and military authorities advised as to what the others were doing, a Civilian-Military Liaison Committee [30] was established.

NOTE.—This is one means of achieving liaison between agencies. Another is for heads of activities to call each other informally and discuss mutual problems, without regard to the formal channels on the organization charts. This is usually what happens when busy men, striving to do their jobs well, begin to look around for more simple and direct ways of doing their work while, at the same time, keeping in proper channels. From recent remarks during a congressional hearing, it would appear that C–MLC has not yet begun to function in the full capacity envisioned for it, perhaps due to problems of getting organized.

Mr. ENGLE. Mr. President, I have mentioned the fact that Admiral Rickover complained bitterly that we had committees on committees, that we had a great many people serving on a number of committees, and that when they got off those committees they often moved onto other committees.

Mr. President, I have had prepared a chart of the membership of the scientific advisory bodies to the Federal Government, and listed are names of those upon those scientific advisory bodies and the various committees on which they serve; the Science Advisory Committee, the National Science Board, the Space Science Board, the Scientific Advisory Committee, the Defense Science Board, the Scientific Advisory Panel—Army—the Naval Research Advisory Committee, and the Scientific Advisory Board—Air Force.

I ask unanimous consent that this table be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Membership of scientific advisory bodies to the Federal Government

[Numbers in columns refer to numbered boxes on charts 1 and 2]

	(8) Science Advisory Committee	(27) National Science Board	(31) Space Science Board	(34) Scientific Advisory Committee	(39) Defense Science Board	(52) Scientific Advisory Panel (Army) [1]	(101) Naval Research Advisory Committee	(88) Scientific Advisory Board (Air Force) [2]
Roger Adams		X						
Allen Astin					X			
Robert F. Bacher	X						X	
William O. Baker	X							
John Bardeen	X							
Lloyd V. Berkner			X					
Hans Bethe	X							
Hendrik W. Bode				X				
Detlev W. Bronk	X	X			X			
Harold Brown				X				
Harrison S. Brown			X					
R. W. Cairns					X			

Footnotes at end of table.

Membership of scientific advisory bodies to the Federal Government—Continued

[Numbers in columns refer to numbered boxes on charts 1 and 2]

	(8) Science Advisory Committee	(27) National Science Board	(31) Space Science Board	(34) Scientific Advisory Committee	(39) Defense Science Board	(52) Scientific Advisory Panel (Army) [1]	(101) Naval Research Advisory Committee	(88) Scientific Advisory Board (Air Force) [2]
Britton Chance	X							
John Dunning				X				
Hugh L. Dryden				X	X			
Lee A. DuBridge		X						
Elmer W. Engstrom					X			
James B. Fisk	X							
Darol K. Froman				X				
Clifford Furnas					X		X	
T. Keith Glennan							X	
Leo Goldberg			X					
Laurence M. Gould		X						
William B. Graham				X				
Paul M. Gross		X						
Edward E. Harriman				X				
H. Keffer Hartline			X					
E. H. Heinemann							X	
Robert W. Henderson				X				
Theodore M. Hesburgh, C.S.C.		X						
Donald F. Hornig			X					
Frank L. Horsfall					X			
William V. Houston		X						
George D. Humphrey		X						
Lawrence A. Hyland				X				
Zay Jeffries					X			
Warren C. Johnson					X			
R. A. Kern					X		X	
James R. Killian, Jr.	X				X			
A. B. Kinzel					X		X	
George B. Kistiakowsky	X			X				
Edwin H. Land	X							
Charles C. Lauritsen				X				
Charles A. Lindbergh				X				
William Littlewood					X			
Robert F. Loeb		X						
George D. Lukes					X			
Kevin McCann		X						
Donald H. McLaughlin		X						
Robert R. McMath				X				
James W. McRae				X	X	X	X	
Edward J. McShane		X						
Frederick A. Middlebush		X						
Clark B. Millikan				X	X			
Joseph C. Morris		X						
Samuel M. Nabrit		X						
Garrison Norton							X	
W. A. Noyes			X					
Morrough P. O'Brien		X						
E. R. Piore	X						X	
R. W. Porter			X					
Edward M. Purcell	X							
Lt. Gen. D. L. Putt (USAF, retires)					X			X
Dr. Isador Rabi	X						X	
E. Duer Reeves					X			
C. F. Rassweiler					X			
Roger Revelle							X	
H. P. Robertson	X				X			
L. Eugene Root					X			
J. Berkley Rosser				X				
Bruno B. Rossi			X					
Jane A. Russell		X						
Glenn Seaborg	X							
Paul B. Sears		X						
Wilbur Schram					X			
Frederick Seitz					X		X	
A. H. Shapley			X					
Leslie E. Simon					X			
John A. Simpson			X					
Cyril Smith	X							
S. S. Stevens			X					
M. Guyford Stever								X
Julius A. Stratton		X						
C. G. Suits							X	
W. J. Sweeney					X			
Edward L. Tatum		X						
S. E. Terman							X	
L. T. E. Thompson					X			
Harold C. Urey			X					
James A. Van Allen			X					
O. G. Villard, Jr.			X					
Ernest H. Volwiler		X						
E. A. Walker							X	
Alan T. Waterman		X			X			
Warren Weaver		X						
Jerome B. Wiesner	X			X				
Paul A. Weiss	X							
Harry Wexler			X					
Douglas M. Whitaker		X						
Roscoe C. Wilson, USAF								X
Harry A. Winne					X			
Dael Wolfle					X			
George P. Woollard			X					
Carroll L. Zimmerman				X				

[1] Has 8 committees of 5 to 8 members each. Names not immediately available.
[2] Has 10 panels totaling about 160 members. Names not immediately available.

Mr. ENGLE. Mr. President, I have mentioned the overlapping and duplication of these various agencies inside the Defense Department itself, and I remind the Senate that this does not cover those agencies which are included within NASA. As I said previously, NASA itself, in addition to these I have already mentioned, has 14 research advisory committees on which military personnel serve, and in turn there are 34 working groups and committees of the Department of Defense on which NASA staff members serve.

To complete the jurisdictional complexity and overlapping, both NASA and the agencies of the Defense Department give assignments to research and development units in the military services, so there are even more groups than I have mentioned.

POSITIVE SUGGESTIONS—THE ADVANCED RESEARCH PROJECTS AGENCY (ARPA) SHOULD BE ABOLISHED

It is perfectly apparent from the examination of these charts that the Advanced Research Projects Agency—ARPA—is the fifth wheel in the space and missile organization. The Secretary of Defense is directly responsible, with his various assistants and committees, for the missile program. Since he has three operating agencies—the Army, the Navy, and the Air Force, the existence of a fourth research and operating agency makes no sense whatever.

The research activities of ARPA ought to be transferred to Dr. Herbert F. York, Director of Defense Research and Engineering, who is principal adviser to the Secretary of Defense on scientific and technical matters. His office, which operates directly under the Secretary of Defense, does the following: First, advises on basic and applied research, research development, test and evaluation of weapons, weapons systems and defense materiel; design and engineering for suitability, productability, reliability, maintainability, and materials conservation—which is quite a mouthful and covers quite a broad scope; second, supervises all research and engineering activities in the Department of Defense; third, directs and controls—including assignment or reassignment—research and engineering activities that the Secretary of Defense deems to require centralized management. As Director of this agency he has been given authority to "approve, modify, or disapprove programs and projects of the military department and other Department of Defense agencies in his assigned fields."

The broad scope and significant powers given to Dr. York in the field of research and engineering and Mr. Johnson as Chief of the Advanced Research Projects Agency has, inevitably, brought about misunderstanding.

I have just referred to research functions. Similarly, there is no justification for ARPA duplicating the operating functions which are now adequately handled through the three separate services. There is no function presently being conducted by ARPA as an operating agency that could not be just as well handled in one or more of the present

military services. General Schriever, although stating that ARPA had performed some good functions, has expressed the opinion that ARPA could be very well done away with at the present time. His testimony on the subject on April 23, 1959, before the Subcommittee on Government Organization for Space Activities, would be of interest. I should like to quote from page 428 of the hearings:

Senator SYMINGTON. Just for the record, what precisely would be accomplished by the future abolishment of ARPA, as you suggest?

General SCHRIEVER. Well, I think primarily it would bring the operator and developer together under the same tent so that we can, in fact, have a single point or centralized point for planning, programing, budgeting, and implementing.

Senator SYMINGTON. It will consolidate responsibility with authority.

General SCHRIEVER. Yes.

Senator SYMINGTON. And shorten the time required to do the job?

General SCHRIEVER. I think so. Yes.

Senator SYMINGTON. Would it end up by doing the job for less money? Of course, if you shorten the time you would also save money.

General SCHRIEVER. I think it would.

Senator SMITH. You mean your question is predicated on the abolishment of ARPA?

Senator SYMINGTON. My question is: Precisely what would the abolishment of ARPA accomplish?

I believe that you said that you felt ARPA might be abolished as of July 1, 1959. Is that correct?

General SCHRIEVER. Yes. If some decisions are made with respect to the operating responsibility.

If those decisions are not made, then you have got to have a referee at the Department of Defense level.

Senator SYMINGTON. A referee between whom and whom?

General SCHRIEVER. Between the services as to who does what.

So General Schriever made a rather significant statement, I would think, for a military officer, in response to questions asked by the distinguished Senator from Missouri in recommending that this particular agency be abolished.

CONSOLIDATION OF THE SPACE AND MISSILE PROGRAMS

A careful study of the subject matter indicates no logical basis for completely separating the missile and space programs. In reviewing the history of the matter, it appears that the National Aeronautics and Space Administration—NASA—was set up as a separate civilian agency because the Administration wanted to negate the idea of our space program being military in character and to place emphasis, as far as the development of our program in outer space is concerned, on the civilian and peacetime uses of space and our space activities.

This is commendable, but I think the significant fact overlooked was that the Defense Department is under civilian leadership. The Secretary of Defense and all his top assistants are civilians. As far as I can determine, the Russians have not been too thin-skinned about the military operation of their space program. My information is that they have their entire space program under military leadership. However, I am convinced that NASA and our outer space program have been too well established and are too far down the road to completely abolish them and start over again. I think, however, that we can make some improvements by taking the services out of the satellite business and setting up a military applications division in NASA to look after their interests in this field. This would operate in somewhat the same manner as the military applications division in the Atomic Energy Commission. These two programs have many similarities. Atomic energy, for instance, is not used exclusively for wartime purposes. However, many of the things developed in the atomic energy field do have military applications. As an illustration, the Atomic Energy Commission can develop a small warhead which, when developed, is delivered to the respective military services for use in connection with the intercontinental ballistic missiles, the Polaris missile, the Nike-Zeus, or whatever particular vehicle will be used to carry the warhead.

The same thing is true with reference to space activity. There are certain types of space activities that have military applications; for instance, communications, weather information, and surveillance of certain areas of the earth. There is no use in having both NASA and the military developing space vehicles and the boosters which put them into space. Let me take a moment here to explain my terms, since even the experts are not always agreed on terminology. By space vehicles I mean the satellites, probes, and similar mechanisms which are sent into outer space to perform various missions. The boosters are the rockets which propel these vehicles into space and, having done so, usually become detached. I am not proposing that the military turn over to NASA further development and production of these boosters—the Atlas, Thor, Jupiter, and so on. These are components of weapons systems and there must be no interference with our defense program.

What I propose is that the development of the satellites and outer space vehicles be done by NASA but that, in this development, there be given concern for specific military applications. If the military departments need a space vehicle, that vehicle can be developed by NASA and turned over to the military for its particular type of application. When NASA needs a booster they should take advantage of what the military has to offer, either in existing hardware or in know-how acquired from developing rockets for weapons. If the military has nothing to offer, then NASA can develop its own boosters.

It must be remembered that a space vehicle has three of the four problems involved in an ICBM. It has the problem of propulsion, the problem of guidance, and the problem of reentry. The only one separate characteristic of the ICBM is the warhead. In place of this, the space vehicle has a scientific payload. With three of four of the essential problems involved in going to, remaining in, and returning from, outer space completely overlapping between the civilian and the military applications of space knowledge—the conclusion is inevitable that the two ought to be worked very closely together. For that reason, I advocate the establishment of a military applications division in NASA to see that that kind of coordination occurs and that duplication of working and overlapping of functions are avoided not only in the top echelon of the Department of Defense but down through the operating agencies.

I call the Senate's attention to the findings made by the Committee on Aeronautical and Space Sciences in its report on Governmental Organization for Space Activities dated July 14, 1959. Item 2 of the findings states: "The distinction between civilian space activities and military requirements is difficult to determine, particularly with reference to assignment of responsibility." The discussion of this matter in the report is of very great interest. I regret that the committee's findings and recommendations were not somewhat more specific on what can be done.

The testimony of General Schriever before the Subcommittee on Government Organization for Space Activities, part I just referred to, regarding the close connection between civilian and military space operations will, I am sure, be of great interest to the Members of Congress and the public generally. General Schriever makes it very clear that the two are inseparable. He points out that satellites will provide us with an additional means of extending our present military capabilities. These matters are currently under study and are highly classified. It is clear, however, that satellite warning systems will make it possible for us to detect the launching of Soviet missiles much sooner. Reconnaissance satellites can give us information regarding the military operations throughout the world and, to name a few others, there are communications, weather, navigation, and mapping and charting satellites. All these can perform important military functions for all three services. They also, of course, have important nonmilitary applications, but these connections clearly negate the idea that the military and the civilian space operation ought to be completely separate. The reverse is true. They ought to be put together, and that is what I propose when I suggest that a formal military applications division be made a part of NASA, and that that division have the power to eliminate duplication and overlapping of work down the line through the various services and in the Defense Department—and, in addition, have the function of getting into the hands of the military, at the earliest possible time, information with respect to the military application of the space development programs.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ENGLE. I am delighted to yield to the distinguished Senator from Missouri, chairman of the committee which made this investigation, from whose report I have just quoted testimony.

Mr. SYMINGTON. I was absent from the city yesterday, and did not have the

opportunity to see the text of the address of the able junior Senator from California until this morning.

I believe this address is as important as any made on the floor of the Senate this year.

When our President went to Europe, with the prayers and best wishes of the American people, one of the reasons he gave in a press conference as to the importance of seeing the people of Europe, and having Mr. Khrushchev come here, was the tremendous cost of our Military Establishment. I believe he mentioned a figure of $41 billion.

In my opinion, what the able Senator from California is doing today is showing how a vast amount of money could be saved through major reorganization of the Department of Defense.

I regret that less than half a dozen Senators are present in the Chamber to hear this important address, but am glad to note that the able junior Senator from Mississippi [Mr. STENNIS] is presiding over the Senate at this time. No one is more cognizant of various problems of national defense than he.

I note that the Senator from California, in his magnificent address, has referred to the findings of a Space Subcommittee over which I had the honor to preside, and which subcommittee made a report last July. He mentions the fact that the committee report should have been more specific. I agree. Nearly all witnesses felt it was a bit too early to change any legislation, because said legislation was so new it actually had not had time to be tried out. Therefore the recommendations the subcommittee made were on the basis of recommendations to the executive branch, to "button up," so to speak, decisions under the laws as they now exist.

I ask my distinguished colleague if he does not believe that a great deal of money could be saved if we were to reorganize the astronautics aspects of the military and civilian branches of the Government at this time.

Mr. ENGLE. I certainly do agree with my distinguished friend from Missouri. I appreciate the compliment he has paid me today, because, not only as a former Secretary of the Air Force, but as a nationally known expert in the field with which we are dealing today, he is the most competent authority I know of to deal with this particular problem. The recent hearings and the report of his committee did a great deal to ventilate this whole subject matter for the Nation.

One of the recommendations specifically made by his committee has already been followed out, namely, putting the Civilian-Military Liaison Committee in a position to move more actively and more directly. Instead of being a debating society, it now has the authority to settle interdepartmental disputes, which authority it did not have prior to July 1 of this year.

What I have recommended is in line with the testimony before the Senator's committee. General Schriever's testimony was very plain, that the function of going out into space cannot be separated into two segments, one on the civilian side and the other on the military side. He pointed out that they completely overlap.

As I have said, I think we have been a little too thin skinned. We wanted to be sure that we would have a civilian agency doing the research and development in the field of space science. We ignored the fact that the whole top echelon of the Defense Department is civilian dominated.

What I am saying is that we should create a Military Applications Division inside the Space Agency, just as we have a Military Applications Division inside the Atomic Energy operation. I believe that if we did that we would start to clean up the overlapping and duplication.

As I pointed out a few minutes ago, NASA has 14 research advisory committees on which military personnel serve, and there are 34 working groups or committees in the Department of Defense on which NASA staff members serve.

It can be seen how easily they become confused, and how difficult it is to find out who has jurisdiction, and who should make the decision. After one has run the trapline of all those committees, he still does not know whether he is going to get to the man who has the power to make the decision or not.

Mr. SYMINGTON. I shall have further questions later, and thank the Senator for his kind remarks. I again say there has been no more important address on the floor of the Senate this year than the one the Senator from California is now delivering. Having read the complete text of the Senator's address, I shall defer other questions until he has developed additional points.

Mr. ENGLE. I thank my friend from Missouri; and I shall be glad to yield later.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the distinguished Senator from Alaska.

Mr. BARTLETT. The speech which the junior Senator from California is now making is, as the Senator from Missouri just said, one of the most important delivered on the floor of the Senate this year. I commend the Senator from California for his penetrating, analytical approach to this problem, which involves the very survival of our Nation.

The recommendations which the Senator has outlined are pertinent to the subject, and in my opinion they should be considered and acted upon without delay. It is not only that we do not have sufficient scientific talent to provide for duplication. It is not only that we do not have money to waste on these programs; but time is of the essence, and we must coordinate and plan properly, in order that we may not lag in competition in this great new field.

Although it is true that at the moment very few Senators are present in the Chamber to hear the speech of the Senator from California, I think his remarks should have, and will have, widespread attention in this Nation in the days immediately ahead. Those concerned with military matters and space matters will surely read it, reread it, and study it. My prediction is that the audience will be much wider than that, because in my opinion the Senator goes to the very heart of the question of the survival of our country. I think he is to be commended for calling these matters to the attention of the American people today.

Mr. ENGLE. I very much appreciate the remarks of my distinguished friend from Alaska. He represents one of the newest States, one which is only a short distance from the Soviet Union, and which, in a sense, is an outpost of America in facing the Soviet challenge, which might come across the North Pole.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to my distinguished friend from Pennsylvania.

Mr. CLARK. I hesitate to interrupt the train of the Senator's fine speech, but inasmuch as two of my colleagues have already made comments, I am sure my friend will not mind if I join them in expressing my admiration and appreciation for the very constructive and detailed speech which the Senator from California is making.

He knows the great efforts along these lines which have already been made by the junior Senator from Missouri [Mr. SYMINGTON] and the junior Senator from Washington [Mr. JACKSON] as members of the Committee on Armed Services. It is heartening to me, as one who does not serve on this committee, to see the fresh blood coming into the committee and taking the initiative in urging a comprehensive reorganization of our defense activities, which is so long overdue, which has been the responsibility of the President of the United States for the last 6 years, and about which he has done so very little.

I commend the Senator from California and am delighted at the interest he is taking in the subject. As a result of the fresh views which he brings to this subject, I hope that before the present Congress fades into history we will have pushed water up hill and forced a reluctant administration to save the billions of dollars in defense which could come from reorganization, while, at the same time, giving a greater efficiency to our Armed Forces.

Mr. ENGLE. I appreciate the remarks of the Senator from Pennsylvania. I am glad he mentioned the matter of defense reorganization in its total picture, because I intend to deal with that. The complaints about the need for reorganization in the Department of Defense from the military leaders themselves would take 3 days to recite if they were all quoted on the floor. Yet no one does anything about them. I have made some specific recommendations, because eventually it will be necessary to get down to doing something about them. I recommended the abolishment of ARPA. General Schriever had the courage to sit before the chairman of the subcommittee, the distinguished Senator from Missouri [Mr. SYMINGTON] and recommend the abolishment of ARPA.

I have suggested putting the operations of ARPA into the respective services, because we have three tiers of

operating services now. I have made a specific recommendation, that we should create a military applications division in NASA, which is the civilian space agency, in the same manner as we have a military applications division in the atomic energy field. The problem is practically the same.

I am glad the Senator from Missouri mentioned the President of the United States, because I desire to deal now with some of the broader problems—the matter of the unification of the services, and the matter of the basic reorganization of the services. I will quote what the President of the United States said in his message to Congress on April 3, 1958:

> Separate ground, sea, and air warfare is gone forever. If ever again we should be involved in war, we will fight it in all elements, with all services, as one single concentrated effort.

Then he said—and I emphasize this sentence:

> Peacetime preparatory and organizational activity must conform to this fact.

I call particular attention to the last sentence of the statement I have just quoted. We are a long way from the preparatory and organizational activity that conforms to the fact that separate ground, sea, and air warfare is gone forever. We still have the same organization we always had. We still have the same organization that is based upon fighting separate ground, sea, and air warfare. We still have the Army to fight the ground wars, the Navy to fight the sea wars, and the Air Force to fight the air wars. Now, if the President is right—and I think he is—that separate ground, sea, and air warfare is gone forever, why do we not change our organization to meet the new kind of war that must be fought? This will call for a complete reorganization of the Department of Defense along the lines of functions and missions, rather than the outmoded Army and Navy and Air Force organizational setup.

Gen. Maxwell Taylor, on a recent national television program, made the statement that we simply are not able to determine what we have from a budgetary standpoint. For instance, our retaliatory capability at the present time is spread between the three services. The Strategic Air Command has the biggest part of it, but the Navy has some, and the Army has some in connection with short-range atomic weapons. As long as this continues we will always be over built in one section and under built in some other. General Taylor said that there was simply no system presently set up whereby we can find out what we have in each one of these functional fields.

I am sure there is no Member of the Senate who is more familiar with that fact than the present occupant of the chair, the distinguished Senator from Mississippi [Mr. STENNIS], who is not only a member of the Committee on Armed Services, but is also a member of the subcommittee of the Committee on Appropriations which deals with defense matters.

As another illustration, continental air defense is spread at the present time between the Air Force, the Army, and the Navy. The Army has the point defense, the Air Force has the area defense, and the Air Force and the Navy operate the early warning system.

In other words, we have the Air Force and the Navy out there to yell "Here they come." Then we have the Air Force, in the next echelon, taking over on area defense. But if the enemy gets past the Air Force, then the Army has to take over on point defense. This is going to lead to confusion.

As General Taylor said, we cannot tell from the organization we have now when we are overbuilt in one area and underbuilt in another.

My suggestion, therefore, is that the present organization structure of the Defense Department be abolished, that we eliminate the designations of the Army, the Navy, the Air Force, and the Marine Corps as service designations, and that the Defense Department be reorganized on the basis of functions and missions.

REORGANIZATION ON FUNCTIONAL BASIS

I would not be too specific at this time with respect to the details, but it seems to me that we ought to have at least a retaliatory striking force; a limited war force; a continental defense; and a logistic command.

Col. Seymour I. Gilman, of the Army, has written an intensely interesting article on this subject in the Military Review of April 1959. His proposed reorganization provides for two groups of combat forces—the Deterrent Force and the Unified Commands; two groups of support forces—the Air Defense Command and the Assault Command; and, lastly and separately, the Logistic Command, which has responsibility of backing up the other four with logistic support.

The chart in the Senate Chamber is a blowup of the functional reorganization which Colonel Gilman has recommended.

Several other proposals for functional organizations have been made; two of which stand out in my mind are the one by Henry A. Kissinger and an earlier one by Col. Albert P. Sights, Jr., of the Air Force.

I am not prepared to comment on the logic of the detailed areas, but I am perfectly sure that the reorganization of the Defense Department on the basis of mission and function is an absolute prerequisite to meeting the challenge of modern warfare, and the sooner we get to it the better. This will be promptly followed by the change in the budgetary process, which would meet the criticism that Gen. Maxwell Taylor has leveled against our present system, that because of our organization difficulties we find ourselves operating in the dark about half the time.

The mechanical difficulties of arranging such a massive reorganization are enough to deter the bravest in spirit. Recently, the Navy Department recommended the consolidation of two of their operating bureaus—the Bureau of Aeronautics and the Bureau of Ordnance. An act authorizing that consolidation has just been signed by the President. I was surprised to hear the witnesses for the Navy talk about the confusion and difficulty that attends even putting together two of their bureaus. You will note on the organizational chart which I have submitted that they are a long way down in the organization structure. And so I have no doubt that effecting the kind of reorganization I am talking about is going to take some doing.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. SYMINGTON. At the end of the last war there was a committee, the Richardson committee, consisting of two generals and two admirals. There was Admiral Richardson and an admiral whose name I cannot now remember. There was General George, and a general whose name I cannot now remember. That committeee, based upon their war experience, voted to have real unification of the services. The vote was 3 to 1.

At that time one of the strongest advocates of such unification was the then General Eisenhower. Later a unification bill was passed, but it was not in accordance with the type and character of the bill which Secretary Stimson, General Marshall, General Eisenhower, and many others felt was right. Instead of obtaining one service, as was the original hope, the debate centered on the position of those who favored administration as against coordination. Coordination won.

As a result, we now have four services counting the Defense Department instead of one, whereas before we had two. We have the Air Force, in addition to the Army and Navy; and we also have the Department of Defense.

Since that time it has been all too obvious that we should increase the authority of the Secretary of Defense. This has been done several times and again last year by the Congress. But especially because of changes in the nature of possible war—changes which in the last 15 years have been greater than in the previous thousand we are now operating our defenses on the basis of tradition, instead of reorganizing them in recognition of progress.

Do these remarks of mine conform to the thinking of my distinguished friend?

Mr. ENGLE. I certainly agree with my distinguished friend, the Senator from Missouri. A little later in my remarks I shall discuss briefly the problems connected with unification. I believe that a reorganization of the Defense Department on a functional basis must be preceded by a real unification.

But, as the distinguished Senator from Missouri has said, instead of decreasing the number of branches of our armed services, they wound up by increasing the number. Now we have four; and, in addition, as I have pointed out, in the space and missile field we have a fifth wheel on the wagon—to wit, ARPA, which ought to be abolished.

As I have observed, in his article Colonel Gilman has suggested that the reorganization on a functional basis be phased over a 5-year period. I think it will take that long, even if we started now. So the sooner we start, the better.

I have already referred to the proposed organization chart of the Defense Department along functional lines, as suggested by Colonel Gilman in his article. Since this chart cannot be reproduced in the CONGRESSIONAL RECORD, I shall insert, at this point, a description of the chart, as it is presented in the article. I am not prepared to say whether this would be the best possible organization on a functional basis. For instance, I would prefer to strike out the word "Air," before the words "Defense Command", and have this section read "Continental Defense Command"—which would include all types of defensive activities or plans, in addition to air defense. However, it is something to start with; and it certainly lays the foundation for the kind of thinking that needs to be done in this field.

Colonel Gilman has prepared a detailed description of his proposal, as follows:

The proposed organization shown in the figure is designed on a functional basis, in terms of the job to be performed, independent of artificial land, sea, and air areas of responsibility.

The principal features of the proposed organization are:

1. It provides the Secretary of Defense with complete authority and control over all the Armed Forces and military operations essentially as provided for in the Reorganization Act of 1958.

2. It provides a military Chief of Staff and a General Staff in place of the JCS and the Joint Staff.

3. It substitutes functional commands for the present Departments of the Army, Navy, and Air Force.

4. It provides a unified deterrent force.

THE SECRETARY OF DEFENSE

Under the fundamental principle of overall civilian control of the military the Secretary of Defense retains the same general authority and control of the various forces as he now has with respect to the three services and the unified commands under the Reorganization Act of 1958. He also absorbs the functions and responsibilities of the JCS and the Joint Staff. The assignment of a Chief of Staff and a General Staff to his office enables him to carry out these functions. He is responsible for the direct allocation of funds, personnel, and other resources to the various forces. Thus he is in a position to influence directly the balance of effort between the forces and to ensure adequate emphasis on high priority projects.

THE SUPPORT FORCES

The support forces include the Air Defense, Assault, and Logistic Commands. These commands provide combat-ready units and logistic support for the combat forces but are not responsible for combat operations.

The common functions of the support forces include the following:

1. Organizing, administering, training, and equipping combat-ready units and providing them to the deterrent force and unified commands, as directed by the Secretary of Defense.

2. Support of the deterrent force and unified commands, as directed by the Secretary of Defense.

3. Determination of qualitative requirements for weapons and equipment required to accomplish assigned missions.

4. Development of doctrines, procedures, tactics, and techniques applicable to their respective commands and their assigned units.

AIR DEFENSE COMMAND

This command is responsible for furnishing combat-ready air defense units and equipment to the combat forces. These units are organized, trained, and equipped to provide defense against the entire threat spectrum whether projected from land, sea, or air. This includes the capability for defense against the intercontinental ballistic missile (ICBM), the intermediate range ballistic missile (IRBM, both surface and sublaunched), manned aircraft, air-to-surface missiles, and military satellites. Antisubmarine units are developed and provided by the Air Defense Command because the primary threats of the future submarine will be the use of IRBM's of the Polaris type. This then becomes an air defense problem in a functional organization.

The weapons and equipment required to accomplish these operations include surface-to-air missiles; anti-ICBM's; anti-IRBM's; interceptors; ground, airborne, and shipborne early warning radar; fire direction systems; as well as associated ground environment and communication systems.

ASSAULT COMMAND

This command is responsible for furnishing combat-ready offensive units and equipment to the Combat Forces. These units are organized, trained, and equipped for offensive operations, projected from land, sea, or air and irrespective of the range of engagement—from close combat to intercontinental ranges.

The units provided by the Assault Command are capable of the following types of offensive roles:

1. Strategic, tactical, and fleet air operations.

2. Offensive missile operations whether projected from land, sea, or air.

3. Offensive ground operations involving the use of the new pentomic units.

4. Amphibious operations.

5. Airborne and air-landed landing operations.

6. Naval combat support operations.

7. Mine warfare operations.

8. Chemical, biological, and radiological warfare operations.

9. Psychological and unconventional warfare operations.

LOGISTIC COMMAND

The Logistic Command is responsible for the provision of all aspects of logistic support for the Support Forces and for the Combat Forces, irrespective of land, sea, or air application. Each of the commands and the Deterrent Force have only such integral logistic support units and facilities as are required for immediate support of their own respective missions.

The principal responsibilities of the Logistic Command are:

1. Research and development.

2. Centralized procurement.

3. Transportation (including Military Air Transport Service (MATS), Military Sea Transportation Service (MSTS), and convoy operations).

4. Storage, supply, distribution, maintenance, repair and replacement.

5. Communications.

6. Weather service.

7. Medical service.

8. Real estate and construction.

DETERRENT FORCE

This force is organized, trained, and equipped to deploy to or strike on short notice any designated target area in the world to deter or defeat enemy aggression. It also is used to put out "brush fires" as well as to support or reinforce United States or allied troops overseas, as required. It includes those Air Defense Forces required to protect the Deterrent Force Bases from surprise enemy air or missile attack. It is organized by the assignment of appropriate units furnished by the support forces. The force includes aircraft (land or sea based); offensive missiles, such as ICBM, IRBM (ground and sublaunched); offensive satellites; and appropriate Strategic Army Corps (STRAC) units.

Air and missile operations may be conducted independently, in support of, or in conjunction with appropriate airborne operations. As distinguished from the present deterrent concept based on the use of the Strategic Air Command only, the proposed Deterrent Force insures the complete use of all ground, sea, and air forces capable of deterrent action and insures their complete coordination under a single commander. A cellular organization permits all or specified portions of the force to be committed. The necessary air and sealift is allocated to this force on a permanent basis as required for training and operations.

Although the Deterrent Force is, in effect, a unified command, it is designated as a separate force in order to emphasize its importance to the world as the cornerstone of our national policy of deterrence.

UNIFIED COMMANDS

The Unified Commands are established and directed by the Secretary of Defense and essentially have the same missions and areas of operations as are now prescribed by the Reorganization Act of 1958, with the exception of the Strategic Air Command and the Continental Air Defense Command. The Strategic Air Command becomes a part of the Deterrent Force and the Continental Air Defense Command contains all units and equipment required for the air defense of the United States, except those which are assigned to protect the deterrent bases. The Unified Commands are all constituted by the assignment of such units provided by the Support Forces as required to accomplish the mission assigned by the Secretary of Defense.

Mr. President, I call attention to a speech made by Gen. Maxwell D. Taylor before the National Press Club on June 25, 1959, in which he also dealt with this problem. It was a significant speech, and was delivered at the time when General Taylor was preparing to retire. I should like to quote from his speech. He said:

It is possible to make this thing plain if one goes to the necessary trouble. So I would lead off and make a declaration of sincere belief; namely, that one of the great problems we are faced with in our country today is the need for a complete reappraisal of our military and strategic objectives in the light of the changes which have occurred in the world and which have invalidated, in my judgment, the dependence upon massive retaliation as the fundamental keystone of our strategic art; that following such a reappraisal we then need to determine once more the building blocks which should go into our national strategy.

We should determine the kinds of military forces which are appropriate to these changed conditions and, after that, then determine yardsticks of sufficiency for these various functional categories. I mean by functional categories those functions that contribute toward strategic retaliatory forces; those forces that go into continental air defense; the so-called limited war forces; the antisubmarine forces. Those are the categories I have in mind.

Then, having determined what is the yardstick, how much is enough in these areas, then we should recast—

I emphasize this point, Mr. President—

our entire budgetmaking procedure of the Department of Defense so that we budget,

not vertically in terms of the forces of the Army, Navy, and Air Force, but horizontally in terms of these functional forces.

Mr. President, even a casual examination of the chart which I have placed in the Chamber today indicates the validity of what General Taylor was talking about.

REAL UNIFICATION NEEDED

Underlying the whole problem of reorganization of the Defense Department along functional lines and jobs to be done is the unification—and by that, I mean the real unification—of the services. It seems to me that the unification of the services is a necessary prerequisite to the reorganization of the Defense Department on a functional basis.

Mr. President, I may say that I have dealt with some things which can be done immediately, in my opinion—such as, first, abolition of ARPA, and, second, creation of a military applications division, inside of NASA; and I have spoken of the major problem of reorganization on functional lines, as urged by General Taylor. But underlying all that, we need to do this job of unification.

On May 16, 1957, the distinguished columnist, James Reston, discussed the unification problem, in an article in the New York Times. In his article, he made the following comments regarding some statements made by the President of the United States:

The President recalled this morning that he returned from World War II convinced that "the day of the separate services was gone."

I have already referred to the President's statement that the day of separate ground warfare and separate air warfare and separate sea warfare is over.

I read further from the article:

He added that he had encountered "very fierce opposition" then, but that the law establishing the Defense Department did not meet with his desires.

He wanted at that time a chief of staff for the President. He emphasized over and over again that the main thing that was needed was the power of decision to settle inevitable differences among the services.

"In war," he said, "you must have decision. A bum decision is better than none. And the trouble is that when you get three [decisions] you finally get none."

"We all agree," he told the Armed Services Committee of the Senate in 1947, "that that kind of [unified] command is necessary in the field. In my opinion, it is necessary in such things, finally, as our planning and our basic legal authority."

That was in 1957. Since then we have had the Defense Reorganization Act of 1958, which was a significant improvement. But everybody agrees we have not gone far enough yet, and it is perfectly apparent that we have not. While the Reorganization Act was a constructive move in the right direction, I point out that it was just that—a move, but not an end in itself. I strongly believe that we should use it as the means of further reorganization until we put our defenses in proper shape to meet the challenge which faces us.

These charts showing the space and missile programs clearly illustrate the difficulty. We have three vertical tiers of operating agencies: the Army, the Navy, and the Air Force. Then, alongside of that, we have the fourth function—the Advanced Research Projects Agency—which I have suggested should be abolished. Senators will observe that General Taylor referred to the difficulties this organizational situation creates in the budget-making process. He said we should recast our entire budget-making procedure so that we budget not vertically in terms of the functions of the Army, Navy, and Air Force, but horizontally in terms of functional forces.

Mr. SYMINGTON. Mr. President, will the able Senator yield?

Mr. ENGLE. Yes; I yield to the Senator from Missouri.

Mr. SYMINGTON. I continue to be impressed with this address and ask this question: Does not the Senator believe a single Chief of Staff would be one of the primary steps forward we could take?

Mr. ENGLE. I have favored a single Chief of Staff, and the Senator will observe that in the proposed reorganization by Colonel Gilman, which I have referred to in this speech, a military Chief of Staff and a general staff is advocated in this particular program. Without endorsing this program in all of its details, I think when we finally have a unified service, we ought to have a unified Joint Chiefs of Staff—when we have that, we will have one Chief of Staff.

Mr. SYMINGTON. I bring this up because I am impressed with the step-by-step approach the Senator is taking. It is well known that President Eisenhower, back in 1945, favored a single Chief of Staff. According to Mr. Reston, as you have pointed out, in 1957 he favored a single Chief of Staff. Yet, to the best of my knowledge since becoming President he has never recommended a single Chief of Staff. Therefore, I make the point that we are not implementing the thoughts that many of us have had for many years, from the standpoint of proper defense organization.

A single Chief of Staff would be one of the first steps, toward real unification. As illustration, for some years now the Army has come to the Joint Chiefs of Staff with a recommendation for additional airlift. But the Army is consistently outvoted on this point in the Joint Chiefs of Staff. Later, when the question of airlift comes to the Congress, the statement is made that the Joint Chiefs of Staff have decided current airlift is adequate. In that way, because of this majority vote, instead of having the views of the man responsible for the Army picture, the American people are misled into believing that it is a Joint Chiefs of Staff decision. The opinion does not reflect the view of the Army Chief of Staff.

This morning I noted what to my mind is a serious matter from the standpoint of the security of the United States. That is the invasion of Indian territory by Communist China.

Would not the Senator agree with me that this is a serious matter?

Mr. ENGLE. It is not only serious in itself, but it seems to me it takes on additional seriousness in the light of the visitor we are soon to have here from the Communist world.

Mr. SYMINGTON. I also heard this morning that fighting in Laos has started again and is increasing in intensity. Would not the Senator think that is important from the standpoint of our own national interest, especially considering the billions of dollars we put into Indochina.

Mr. ENGLE. It further illustrates the arrogance of the Communists. One would think they would have the decency to "lay off" and desist from their aggressions throughout the world until they could get this little mutual visit that has been scheduled over with; but they haven't even the good manners to do that.

Mr. SYMINGTON. I noticed also today that there was a naval attack yesterday in the Strait of Formosa; that the National Chinese and the Chinese Communists fought, and one of the Chinese Communist vessels was set afire. In other words, although we have had the concept of the defense of the United States, called "massive retaliation," which I think we all agree is not the best, we also have a ground force combat problem and a naval combat problem. To me, this condition emphasizes the importance of having also an army, a navy, and an air force capable of waging conventional war, as well as one capable of handling massive retaliation.

Does the Senator agree?

Mr. ENGLE. The Senator is correct, as he always is in connection with these matters. I place the priorities in this way: The first priority, of course, is to establish an indestructible retaliatory power in the nature of a intercontinental ballistic missile, the Atlas, the Minuteman, the Titan, or the Polaris. The second highest priority is the reorganization of our Army, Navy, and Air Force to fight brush wars. I think when there has occurred a balance of power, so far as intercontinental ballistic weapons armed with hydrogen and nuclear warheads, are concerned, the next struggle is going to be in the area of periphery wars, and the capability of fighting those wars such as there is in Laos today, such as there has been in Formosa, and on the border of India.

We do not know where another war may break out, but we may be sure the Communists will be prodding, and probing, and unless we want to be nibbled to death, we had better get the Army, Navy, and Air Force ready to fight conventional, limited war in those areas.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. HENNINGS. I do not like to interrupt the splendid address of the Senator from California, but I wish to associate myself with what he has said, if I may be permitted to do so, and also with what my colleague from Missouri has said with respect to the address. This is an exceedingly important subject. I am sorry there are not more Senators present this morning to get the benefit of what the Senator from California has said. I hope all Senators will read his address in the RECORD.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ENGLE. I am delighted to yield.

Mr. STENNIS. Mr. President, my comments will be with reference to the Senator's speech, or otherwise I would propose a unanimous consent request that they be printed elsewhere, instead of as an interruption of the speech.

I really consider myself highly fortunate that by chance I came to the Senate Chamber on the way to some other official duties, so that I could listen to this speech by the Senator from California. I know the Senator is making a very fine contribution in a very complicated field, to which there is no quick solution of problems. I believe with all my heart, based on my limited experience in wrestling with this subject, that the Senator is certainly on the right road. I believe his clear statement of this problem, with the possibilities for solution, as reflected in the speech, will prove to be a landmark.

I think there are several reasons why we are necessarily traveling along the road toward the city of a unified service or one service. There are economic reasons as well as the reasons the Senator has mentioned. I can fully understand the difficulties in the path of the thinking of our very esteemed military men in all the services. I am quite hesitant to try to advance a thought in this field, because it is outside of my function, but I know the thought must come in large part from outside the military services. That is not a reflection upon them at all, but is simply a statement of the facts of human nature. In regard to the legal profession, which is my profession, since I am a lawyer, the proposal for change had to come from outside the realm.

I am happy to be able to say sincerely there is no one with more energy, more devotion and more capability of studying this matter than the Senator from California. He does not hit in the bark. When he hits it is a lick in the wood.

The Senator is very fair about this matter. He has no irons in the fire. I commend the Senator very highly for his very fine work.

My only complaint is that the Senator did not let me, as well as other Senators, know when he was going to make this speech. It is one of the fortunes of our system that the merits of his speech will be preserved. I think it will cause tremendous study and will be a definite step forward.

I am sure this proposal is going to meet with opposition also, and it will be sincere opposition. We must move forward, however. There is no solution, as I see it, to our present military problems within the framework of our present organization, because the problem is different, the conditions to be met are different, and the solution will require a different system.

I believe the Senator is advancing in that direction, and I commend him highly, as well as thank him.

Mr. ENGLE. Mr. President, I certainly appreciate the remarks by my distinguished colleague from Mississippi. No one in this Senate is more familiar with the difficulty of managing the problems about which we are talking today than the distinguished Senator from Mississippi, who not only serves as chairman of the Military Construction Subcommittee of the Committee on Armed Services but also handles the military construction appropriation bill. Those two obligations, which are onerous obligations, are certainly best calculated to give the Senator from Mississippi the finest grasp of this subject matter of anyone in this body.

I say to the Senator that managing this problem is like trying to pick up a haystack—there never seems to be a good place to get hold. What I am trying to do is to find a way to get hold of the problem.

PROBLEMS INVOLVED IN INTEGRATION OF SERVICES

We cannot, however, get reorganized in terms of functional forces until we have wiped out the present organizational system and created a unification of the forces. Achieving complete unification is a difficult and tedious task. It will take some time. Here are some of the problems involved in a complete integration of the military services:

First. It will be necessary to consolidate four separate promotion lists. Senators may recall the difficulty back in the late forties—when large numbers of Reserve officers were integrated into the Regular services—of fitting them equitably into the promotion lists. Senators can imagine the problem of consolidating the entire promotion lists of the Army, the Navy, Air Force, and Marines.

Second. A collateral problem will be the consolidation of four separate lists of personnel serial numbers, or an adoption of a totally new list of numbers. At the present time each service has its own system of serial numbers.

Third. Mountains of paper will be involved in changing the personnel records to reflect the consolidation of the four separate promotion lists and the consolidation of the four separate lists of serial numbers.

Fourth. There will have to be a consolidation of service regulations or their replacement by a new set of regulations. At the present time each service has its own regulations. They have been different with reference to reserve requirements. This applies both to Regulars and Reserves of each of the services, all having separate regulations.

Fifth. The merger of the technical services will require a lot of time and patience; for example, here—in no special order—are some of the mergers which would be involved:

(a) The Army Engineers and Navy Seabees and Engineers.

(b) The various service medical units.

(c) Quartermaster and supply services.

(d) Ordnance and weapons procurement.

(e) Aircraft procurement.

(f) Judge advocates general.

(g) Chaplains.

One would think they would be able to unify the chaplains in the service without any trouble at all.

(h) Special services for the respective services, such as PX's, theaters, recreation, and so forth.

(i) Research and development activities.

(j) Logistic support.

(k) Transportation.

(l) Finance operations—paymasters.

(m) Comptrollers and auditors.

(n) Provost marshals.

(o) Signal communications.

(p) Intelligence activities—this includes attachés to the various embassies.

We would think that we could get the attachés to the embassies unified without too much trouble.

(q) Adjutants general and personnel activities.

(r) Career management for officers and senior noncoms.

(s) Service schools and colleges.

(t) Chemical, biological, and radiological warfare.

(u) Posts, camps, stations, bases, and shore establishments.

(v) Inspectors general.

(w) Reserve and National Guard activities.

(x) Bringing Joint Chiefs of Staff into harmony with new defense reorganization.

(y) Civilian personnel administration.

We are not as far away from a complete unification as some people might think. I see a definite trend in that direction right now. For example, the unified commands as now set up go a long way toward integration of the separate arms into one fighting force. I am referring now to the unified commands we have overseas. It should not be too hard to carry this step up to the Washington level.

BUDGETING BY FUNCTION

Another example which illustrates my point is the way in which the defense budget is now presented. Let me quote some testimony which was given on June 17 before the Senate Preparedness Investigating Subcommittee:

Mr. VANCE. Mr. Stans, * * * you said you reviewed the budget on a functional basis, and that you considered such a review the most important way to get at the needs of defense. * * * I wonder if you will tell us what you meant?

Of course, Mr. President, that was the very point General Taylor was making before the Press Club.

Mr. STANS (Director of the Budget). Without balancing to every dollar requested in the budget, we grouped together the program components of each of the four military services into four categories. One was the strategic striking forces, the second was the defense of the striking force and the home base, the third was the ground and sea forces, and the fourth was the general category of support to the forces.

Which, of course, would be the logistic support forces, and this is not much different from the breakdown that has been indicated in Colonel Gilman's organization from a functional standpoint.

Mr. Stans proceeds:

Now, working within those four categories, we pulled together in a broad sense the various programs and looked at them as an aggregate by functions rather than looking at the budget of the Department of Defense in terms of the separate military services.

Mr. VANCE. Could you explain in a little bit more detail what you mean when you say you pulled them together in a broad sense?

Mr. STANS. Well, we broke out of the Air Force, Army, Navy, and Marines, to the extent that their budget submissions included such items—for example, all of the programs relating to strategic striking forces as one category. Most of it is in the Air Force, but within the Navy an item of that character is the Polaris submarine. We grouped together for consideration of the budget all of the items in the service that could properly be classed as a strategic striking forces program in terms of the weapons systems. We did the same with respect to the other categories.

That concludes his statement. Of course, as I have said, this testimony occurred on June 17, and it was after that that General Taylor made the statement before the Press Club, and made a statement, too, on a national television program, that there was no way today to tell what we actually had in these functional fields. Sure, they are grabbing for it, and I am glad that they are.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. SYMINGTON. Mr. President, the Senator from California, in his typical fashion, has put his hands on a most interesting piece of testimony by the Director of the Bureau of the Budget. As a member of the Senate Preparedness Investigating Subcommittee, I heard Mr. Stans make that statement.

It is the function of the Bureau of the Budget to try to get maximum return for the citizens' tax dollar, is it not?

Mr. ENGLE. That is their announced function.

Mr. SYMINGTON. What the Director of the Bureau of the Budget is really doing here, as I see it, is outlining the fact that in order to obtain maximum return for our tax dollars, we should go to the functional system and, as he says, "break out" of the Air Force, Army, Navy, and Marine setup in order to obtain maximum efficiency. Note that the number one man in the fiscal field of the administration's budget setup, and the number one fiscal man except the Secretary of the Treasury is, in effect, endorsing the proposal which the Senator from California is recommending to the Senate this morning.

Is that not a fair interpretation of this testimony?

Mr. ENGLE. That is correct, and they are trying to put it into operation in practice without taking the bruising step of saying to these services, "You are abolished as a service designation."

I recall that Abraham Lincoln was having trouble getting a military company over a fence. He did not know what kind of order to give to get the company over the fence, so he gave the order, "Halt." Then he said, "Fall out, and fall in on the other side of the fence." That is what is needed in the Defense Department. Somebody needs to say, "Fall out," as far as the present service designations are concerned, "and fall in on the other side of the fence," in a different kind of lineup.

Mr. DOUGLAS. Will the Senator yield?

Mr. ENGLE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Could not a part of this difficulty be solved by making the Marine Corps the force for limited war, if the Marine Corps took over the mission of limited war with certain other units which might be added to it?

Mr. ENGLE. The Marines are a great fighting organization, and I assume that any time we have limited wars the Marines will be active and in the forefront of the combat. I would hope that whatever functional organization we set up to manage limited wars it will be one as good as the Marines.

Mr. DOUGLAS. It is already such a force in being.

Mr. ENGLE. There are not enough of them at the moment.

Mr. SYMINGTON. Will the Senator yield?

Mr. ENGLE. I am glad to yield.

Mr. SYMINGTON. Mr. President, all the arguments made for the Army are also equally applicable to the Marine Corps, to the best of my knowledge. The Marine Corps and the Army, together, are the ground combat forces of the United States.

I have always supported the Marine Corps. It is sad but true that as we see Communist developments in those three separate places this morning, Laos, India, and Formosa, we find that we are lacking in mobility and modernity in both the Marine Corps and the Army; for example, in airlift and in new weapons. It is inconceivable to me that we can have all these commitments, all over the world, to many of our friends, which commitments are being reemphasized today, and, at the same time, have ground troops which are neither modern nor mobile.

I do not want to take too much of the time of the Senator from California, but I thank him for this fine address, because for many, many years I have advocated a proper unification of the services as the best way to obtain maximum defense at minimum cost.

Nobody wants to abolish any of the services. But they must be tightened up into one overall command. We are not only losing vast sums of money, which the testimony of the Director of the Bureau of the Budget so clearly shows, but because of the increasing importance of time in our military picture, we are losing time, and time is priceless, and therefore we are very definitely jeopardizing our security.

Mr. ENGLE. I agree with the Senator. I have been very careful to say that while we should abolish the present service designations, we must continue the same kind of basic activities we now have. But these activities have to be organized along functional lines.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the Senator from North Carolina.

Mr. ERVIN. I commend the able and distinguished junior Senator from California upon his profound presentation of the problem, the solution to which is essential to the preservation of our national existence. The presentation of this problem by the Senator from California is evidence of what all of us who serve with him on the Armed Services Committee have long since observed and known to be true; namely, that no Member of Congress has devoted more energy and time to the study of the problems connected with national defense, or is rendering more magnificent service to the people of his country, than the distinguished Senator from California.

Mr. ENGLE. I appreciate the remarks of my distinguished friend from North Carolina, who is a member of the Committee on Armed Services, and one of the best informed members of that committee.

I wish to bring this statement to a close. I have made some specific suggestions. We could pile testimony in the Senate Chamber until there would be no room for Senators, in support of the kind of programs which I have advocated.

First, I have said, Let us abolish the fifth wheel on the wagon. Let us abolish ARPA. Second, let us create a Military Applications Division inside NASA. Third, let us achieve a unification of the armed services, and then let us reorganize the armed services of the country and the Defense Department on a functional basis.

Where do we go from there? It is one thing to say we should reorganize, but somehow or other we never seem to make any progress.

STUDY NECESSARY TO SET UP UNIFICATION PROGRAM

It is possible that most of the specific mergers I referred to a moment ago could be accomplished under the authority and procedure contained in the Defense Reorganization Act of 1958, but it is perfectly obvious that further unification is not going to go forward without some general plan prepared in advance, with various phases worked out so they will come in a logical sequence. We cannot do this all at once and we must not let our military organization be torn to pieces with the current world situation as critical as it is. The job will have to be done according to a plan which has been carefully thought through and prepared so that, if an emergency arises, we can stop the merging process temporarily and deal with the crisis without loss of combat effectiveness. When the emergency passed, we would then pick up the process where we left off.

STUDY SUGGESTED BY ARMED SERVICES COMMITTEE

For these reasons I wish to suggest, Mr. President, that a study be undertaken under the jurisdiction of the Armed Services Committee for the purpose of laying the foundation for a complete unification of the services. I visualize that this study would be conducted on a strictly objective, nonpolitical basis for the purpose, first, of making the complete reappraisal of our military and strategic objectives as proposed by General Taylor. Then I would think the study should progress to an examination of the steps to be taken to reorganize our military organization along the lines most efficient and effective in meeting

these military and strategic objectives, with benefits to be expected and pitfalls to be avoided. Finally, I would expect that the study would point the way for unification by including a carefully thought out, time phased broad program for getting the myriad of steps accomplished. Somewhere along the line, such a study ought to be made, and I may decide, after consultation with the chairman of the Committee on Armed Services, to offer a resolution on the matter at a later date.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield to the Senator from Missouri.

Mr. SYMINGTON. I believe there is great merit in the recommendation of the able Senator from California. I have discussed this subject many times with the chairman of the Senate Armed Services Committee, who is at least as wise in this field as any other Member of the Senate.

However, the problem—as has been brought out in able fashion by the Senator from California—is that it is almost impossible to get anywhere in a reorganization which involves the executive branch without the support of the administration.

Let me illustrate. Last year the administration came before the Senate and requested a bill which gave some further possibilities toward unification. When the bill came to the Senate there was much debate. But it was supported by the administration, and therefore it passed, by a vote of 80 to 0, if my recollection is correct as to the figures. Although I would fully support anything that could be done following the excellent recommendations of my friend, I emphasize how difficult it will be unless we can get the support of the administration, as is so well demonstrated by the past history, which the able Senator from California has so ably presented today.

I hope to have the opportunity of joining with my friend in discussing this idea with the chairman and other members of the committee, because I believe his ideas have great merit, and have felt that way for many years.

Mr. ENGLE. I thank the Senator from Missouri. He is correct. There will be great difficulty in moving without the support of the administration; and I will not proceed with the resolution until I have thoroughly discussed it with the chairman of the Senate Committee on Armed Services.

For almost 16 years in the House of Representatives—6 of those years as chairman of a House committee—I learned something about dealing with bureaucrats. The way to get a bureaucrat to move is to make it so uncomfortable that it is easier to move than not to move. The way to get action is to make it so onerous not to go forward that going forward is less painful than sitting still.

I believe that if we establish a committee for the specific purpose of holding the feet of administration officials to the fire, day by day we can force this reorganization. We can make them go forward because we will make it more painful for them not to move than to move, and thereby we will get action.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ENGLE. Permit me to conclude, and then I shall be glad to yield.

It will be recalled that the Committee on Foreign Relations conducted a full-scale study of the foreign aid program during the last Congress. I believe in the principle of foreign aid, and I am sure this study was constructive and helpful. I believe even more in a sound national defense, and I point out that while the foreign aid program has been running under $4 billion a year, we are spending around $40 billion a year on our Military Establishment.

With the abundant evidence in front of us pointing to urgent need for better defense organization—and I have given only a few examples today—I believe that a thoroughgoing study such as I have suggested is even more important than was the one on foreign aid. Having made such a study, we should then be in a position—as General Taylor suggested—to determine the building blocks which should go into our national strategy and determine the kinds of military forces which are appropriate to the changed conditions which have made some of our defense concepts and organization obsolete.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield.

Mr. SCOTT. I regret that I did not hear the beginning of the remarks of the distinguished junior Senator from California. Do I correctly understand that he is proposing a reorganization of the Department of Defense?

Mr. ENGLE. Yes.

Mr. SCOTT. Then I am wondering, since we are hopefully at the end of the session, why this was not done at the beginning of the session, when there might have been some chance to enact some legislation. Since the Senator's party is in control of Congress by a two-thirds majority in each House, I wonder what the purpose is to propose the reorganization of the Department of Defense by the executive in the dying days of the session. If the Senator really wants legislation, why was it not proposed earlier?

Mr. ENGLE. I do not expect to have the reorganization done between now and Labor Day.

Mr. SCOTT. I was under the impression the Senator did.

Mr. ENGLE. Oh, I have no such intention at all. I think it will take at least 5 years to accomplish a reorganization, if it can be done in that time. That kind of time schedule has been suggested.

I am sorry the Senator from Pennsylvania was not on the floor to hear the program I have laid out, and in which I suggested the establishment in the Committee on Armed Services of a subcommittee—and, of course, it would be a bipartisan committee—to undertake to study the specific steps which would make this proposal possible.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. JOHNSTON of South Carolina. I notice the Senator from California said 5 years. I think he should correct that statement a little. It might be done in the next 2 or 3 years, when we have a new administration, as the Senator brought out in his speech a few minutes ago. We might be able to build up such a record that when there is another administration, the reorganization could be done immediately. Is not that true?

Mr. ENGLE. I hope we shall have a more aggressive action in the administration with reference to this necessary step. I recall that the distinguished Senator from Kentucky [Mr. COOPER], in a teleivsion program the other day, called upon the President of the United States, who has been a distinguished general, to take such action. Certainly the President understands, probably better than anyone else, as my speech has indicated, the importance of this particular subject. I call upon the President to take some further steps in this field in the next year, before he leaves office. I hope the President will do so.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. SYMINGTON. I congratulate the Senator from California for mentioning the recommendation of the able senior Senator from Kentucky [Mr. COOPER]. The Senator from Kentucky was a member of the Committee on Armed Services when I first came to the Senate. He was a constructive, able member of that committee. I am sorry he did not see fit to serve on the committee when he returned to the Senate, and have so told him.

Since 1945, beginning with the original Woodrum-Wadsworth committee, and then the Richardson committee, to which I have already referred, we have been attempting year by year, to get further unification of the services. Those of us who believe we should have "administration" in the Department of Defense have always been defeated by those who believe in "coordination." We are paying the gigantic bill for that coordination thinking, millions of dollars a day. In 1949, 1953, and 1958, we made some more effort to correct the situation, but we have never approached the heart of the problem.

I worked hard on the Senate floor for further unification as expressed in the Reorganization Act of 1958, and deeply appreciate a letter from the President because of my work to that end.

Nevertheless, when we see the troubles which are breaking out all over the world, it seems even important that we should have the type and character of service unification which this morning the distinguished Senator from California has recommended to the Senate and the people of the United States. I think his talk is one of the most important addresses I have heard in the Senate since it has been my privilege to be a Member of this body.

Mr. ENGLE. I appreciate the kindness of the Senator from Missouri, especially his being present this morning to contribute, from his wide knowledge and very distinguished record in

this field, to the discussion we have had today.

I now yield to the Senator from Pennsylvania.

Mr. SCOTT. As a concluding comment, I am sure that few people have been more earnest or diligent in their desire to get the very best out of the armed services than have the junior Senator from California and the junior Senator from Missouri. For what they have done, I am certain all Members of Congress are grateful.

But I conclude with the expression of a wonder I have repeatedly entertained before. The Senator's party has been in control of Congress for 26 out of the last 30 years. In only 2 years out of the last 30 years has my party been in control of the Presidency and of Congress. Again the question recurs, if what the Senator is proposing is so important, if the changes he is suggesting ought to be made, if the defense of the country cries for the strengthening or the reorganization of the Military Establishment, then why, in the name of all that is holy, has not the Senator's party, in 26 years, really done something about it, except to talk about it? On that note, I shall conclude, hoping to be recognized in a moment for the purpose of suggesting a correction of the RECORD.

Mr. ENGLE. Mr. President, one final word; then I shall yield the floor, because other Senators desire to speak.

In my opinion, the matter of defense reorganization and the security of the Nation should not be regarded and treated as a partisan matter. If I wanted to make a partisan response to the Senator from Pennsylvania, I could certainly do so. I could point out that this administration has been in power for 6½ years or more; that a general is in the White House; that he has promised to reorganize the Department of Defense and clean up the mess in the Pentagon; and that he has not done so.

There is much to be said in a partisan argument on this subject; but I was very careful, I may say to the Senator from Pennsylvania, to try to keep this discussion off the partisan level and on a bipartisan level, with a view to doing something constructive in this field.

CIVIL RIGHTS

During the delivery of Mr. ENGLE'S speech on defense,

Mr. HENNINGS. Mr. President, will the distinguished Senator from California yield to me for a very brief statement, provided he does not lose the floor, and with the further provision, for which I ask unanimous consent, that my statement may appear at the conclusion of the remarks of the distinguished Senator from California?

Mr. ENGLE. I am delighted to yield to my friend for that purpose.

Mr. HENNINGS. I thank the Senator for his generosity.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HENNINGS. Mr. President, considerable concern has been expressed in many quarters about the length of the present session of Congress and whether there remains enough time for action on legislation to preserve and protect the constitutional freedoms and liberties of all the people of our great country.

Of course, I am in no better position than anyone else to estimate just how much longer we will be in session here in Washington. As chairman of the subcommittee which conducted months of hearings and heard numerous witnesses on the subjects of individual rights and guarantees, I do presume to say that I can speak with some measure of authority on the possibility of rights legislation being approved this year by the Senate.

I sincerely believe, Mr. President, that the Senate of the United States will have this year the opportunity to act on so-called civil rights legislation, and I do not believe I am engaging in wishful thinking or idle guesswork when I say this.

I might say, Mr. President, that I have discussed the matter with the distinguished majority leader several times in recent weeks and often in the months prior to this. The distinguished majority leader has given me assurance of his cooperation, and I in turn have given him assurance of mine. The Senator from Texas [Mr. JOHNSON] has said, just as he has stated to the entire Senate and to the public, that he proposes to bring civil rights legislation before the Senate prior to adjournment. The majority leader, as we all know, is a man who means what he says, and he does not speak lightly. I firmly believe that the Senate will vote this year on such legislation.

With the support of a number of other Senators, including the distinguished occupant of the chair, the Senator from Pennsylvania [Mr. CLARK], my distinguished colleague from my own State [Mr. SYMINGTON], the distinguished Senator from California [Mr. ENGLE], the distinguished Senator from Wisconsin [Mr. WILEY] and other Senators, I have undertaken to construct what we might call a comprehensive series of amendments which will sustain and strengthen the individual freedoms of all Americans. This so-called package is the pending business before the Committee on the Judiciary.

As a member of that committee, having been present at a number of meetings when the committee has discussed the proposed legislation, I have come reluctantly to the deliberate conclusion there is no hope at all that my proposed amendments or any other rights legislation will be reported by the committee.

These same amendments, however, are before the Senate, Mr. President, in the form of amendments which I, with the support of a number of other Senators, have submitted. These amendments have been printed as amendments "8–17–59—J," as a convenience for all Members of the Senate.

I intend to propose these amendments to proposed legislation being considered by the Senate. I intend to do so at an appropriate time and I intend to do so this year.

I say at an appropriate time, because I believe it certainly devolves upon us to cooperate with the program of scheduling of consideration of proposed legislation which the policy committee of the majority party has been working on, and which has been to some extent already outlined.

This, of course, is a direct method of taking proposed legislation to the Senate itself when there is no hope that a bill will be forthcoming from a committee. I initiated this course of action. Since doing so, others have spoken of following the same procedure. This procedure obviates three debates which could occur in reaching a bill through the motion to discharge the committee—offered by the distinguished senior Senator from New York [Mr. JAVITS] a day or two ago, (a) debate on the motion to take up the resolution from the calendar to discharge the committee; (b) debate on the resolution; (c) debate on taking up the bill; and (d) debate on the bill, which needs to be strengthened with provisions in the group of amendments I intend to offer.

My course of action is designed to bring rights legislation before the Senate. I have every intention of adhering to it, so that Senators will not leave Washington without having had the opportunity to consider what many of us believe to be vital, important, and indispensable work to be engaged upon before the Senate adjourns.

I thank my distinguished friend from California.

THE DOMINICAN REPUBLIC

Mr. JOHNSTON of South Carolina. Mr. President, I call the attention of the Senate to an article entitled "Dominican Republic: An Analysis," published in the News and Courier, of Charleston, S.C., of August 20, 1959. The subtitle reads: "Trujillo's Nation Is Police State but Has Virtues."

This editorial writer, Anthony Harrigan, visited the Dominican Republic to study the situation in that island dictatorship.

I wish to read a few paragraphs from the article. The writer states:

Rafael Trujillo served as an officer of the constabulary formed by the U.S. Marines.

I myself did not realize that.

He came to power in 1930, and has held absolute sway over the country since that year.

The modernization of the country is evident to anyone who flies over it or visits the capital city for even a few hours. Wielding dictatorial powers, Trujillo has performed remarkable feats of modernization, which are in sharp contrast to material conditions in Haiti. Whether these material gains are worth the sacrifice in liberty is for the Dominicans to decide. Their failure to rebel against Trujillo would indicate that they either have no passion for liberty or prefer order under dictatorship to the threat of disorder under democracy.

Another fact that must be taken into account is that the Dominican Republic buys a lot of American goods, keeps its financial house in good order, and is opposed to the Soviet form of authoritarian rule.

Americans, of course, would prefer to see all nations value personal liberty and refrain

from oppressive acts. But the United States cannot make other peoples love liberty and hate tyranny.

Mr. President, I ask unanimous consent that the entire article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOMINICAN REPUBLIC: AN ANALYSIS—TRUJILLO'S NATION IS POLICE STATE—BUT HAS VIRTUES

(EDITOR'S NOTE.—This is another in a series of articles by the associate editor of the News and Courier, now on a tour of the Caribbean.)

(By Anthony Harrigan)

CIUDAD TRUJILLO.—Arriving at an unemotional conclusion regarding the Dominican Republic is a hard but necessary task for an American newsman.

U.S. citizens, steeped in the ways of democracy and accustomed to personal liberty, encounter an authoritarian government in the Dominican Republic. In less polite language, the Dominican Republic is a police state.

A brochure distributed by the Dominican Director General of Tourism lists the National Palace, seat of the government, under the heading "What To See in Ciudad Trujillo."

Trusting this advice, I walked to the street fronting on the handsome government building, which is set back far from the pavement behind a high fence.

I no sooner put one foot on the sidewalk opposite the gate than a steel-helmeted guard ordered me to halt. He demanded my papers, and directed me to stand alongside a wall. The guard, a corporal, summoned a tall, imperious-looking officer who studied my papers for approximately a quarter of an hour.

Finally, the officer crossed to where I was waiting and ordered me to walk back down the street by which I had approached the palace.

This was a minor incident but indicative of the atmosphere in Ciudad Trujillo. Grim-faced police stand guard at every corner. Armored cars, equipped with machineguns, can be seen behind the gates of police stations.

Another reminder of the authoritarian state is the radio in my room at El Embajador, the magnificent modern hotel overlooking the sea (which, by the way, is deserted except for a handful of guests).

One cannot tune this radio to any station within range. There are five dial positions—all of them local stations—and one has a choice of listening to anti-Castro news reports or popular music. The visitor also has the opportunity to read any Spanish-language newspaper he wants, providing it is El Carib, the Ciudad Trujillo daily.

Having said that Ciudad Trujillo's atmosphere is distasteful to Americans who value liberty and desire freedom of movement in foreign countries, the other side of the picture should be presented.

Historical perspective is needed to understand this nation.

The Dominican Republic, formerly called Santo Domingo, occupies the eastern half of the island of Hispaniola. Haiti occupies the western half, and faces Cuba across the Windward Passage.

Since this city was founded by Bartolome Columbus, brother of the discoverer, in 1496, it has had a bloody history. Massacres, earthquakes, hurricanes, and pirate raids form the history of this tragic land. The black rebels of Haiti also almost exterminated the white population of the island in the early 19th century. Prominent Santo Domingans fled the country, among them the governor of the island who is buried in the churchyard of St. Denis Church on the Wando River near Cainhoy, S.C.

Finally, in 1916, the U.S. Navy established a military government for the country, which lasted until 1924. Rafael Trujillo served as an officer of the constabulary formed by the U.S. Marines. He came to power in 1930, and has held absolute sway over the country since that year.

The modernization of the country is evident to anyone who flies over it or visits the capital city for even a few hours. Wielding dictatorial powers, Trujillo has performed remarkable feats of modernization, which are in sharp contrast to material conditions in Haiti. Whether these material gains are worth the sacrifice in liberty is for the Dominicans to decide. Their failure to rebel against Trujillo would indicate that they either have no passion for liberty or prefer order under dictatorship to the threat of disorder under democracy.

Another fact that must be taken into account is that the Dominican Republic buys a lot of American goods, keeps its financial house in good order, and is opposed to the Soviet form of authoritarian rule.

Americans, of course, would prefer to see all nations who value personal liberty and refrain from oppressive acts. But the United States cannot make other peoples love liberty and hate tyranny.

After having experienced the atmosphere of this country under the Trujillo rule, I conclude that we should be neither pro- nor anti-Trujillo. We should not embrace the Dominican Government. Neither should we seek its destruction.

In the case of Trujillo's Dominican Republic, as in the case of Castro's Cuba, we should demand no more and no less than that U.S. citizens and business interests receive fair treatment and that our country's need to protect itself against Soviet aggression be respected.

NEW YORK DEMANDS EXTRAORDINARY ACTION FOR THE MAINTENANCE OF LAW AND ORDER

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate an editorial entitled "Extraordinary Action—Now," which was published in the New York Journal-American of Tuesday, August 25, 1959.

The editorial, which deals with the crime and corruption that have resulted in the world's largest city, because of forced racial mixing, is one of the strongest I have seen. It refers to the problems of New York City, and points out that things in that integrated city have gotten so bad that the police commissioner has been urged by leading citizens to utilize 2,500 civil defense volunteers, to help enforce law and order. Also suggested to the police commissioner of New York has been the use as auxiliary police of a selected number of taxi drivers.

Mr. President, any city, in any State or in any country, that has reached so low a point in morality, law, and order that people must think in terms of a sort of vigilante enforcement of the law, and must look beyond police enforcement for a solution of its problems, should consider what has caused such an appalling condition. No matter how many police are hired, unless the root of the trouble is eliminated, the problem will continue to grow.

In this instance, Mr. President, I believe the city of New York should look back to its adoption of civil rights rules and regulations which forced integration upon the people of New York City. I believe it will find that action was the root of the problem; and I believe that a movement back toward tolerance of segregation, when it is desired, will be of great help.

Similarly, I plead with the Members of this body who are trying to force civil rights upon unwilling people in parts of the Nation which those Senators do not represent, to leave this issue alone, and let our people remain in peace.

Mr. President, I ask unanimous consent to have this very brief editorial printed in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EXTRAORDINARY ACTION—NOW

The appalling new eruption of teenage gang warfare on the Lower East Side Sunday night is irrefutable evidence that New York City's regular crime controls are no longer adequate to maintain law and order.

Three years ago, society mobilized its every normal resource in the racially mixed neighborhood to effect a truce between rival factions of young hoodlums. Extra police were thrown into the area. The Youth Board organized a club. The clergy, local merchants, and regular citizens all pitched in to pamper and make every conceivable compromise.

It was not enough. On Sunday night the seething hatreds and lust for violence exploded in raw terror, with roving packs of delinquents hunting each other with guns and knives. A 15-year-old girl was shot dead. A young man walking with his wife was stabbed in the back. An 11-year-old boy riding a bicycle was shot in the face and four other youths were wounded.

It was a breakdown of law and order which verged for hours on anarchy—an anarchy made doubly significant by the civic efforts which for 3 years had done everything to prevent it.

For more than a decade, the problem of crime in New York City has been mounting in wave after wave of viciousness. Hardly a day passes without new acts of horror occurring. Our jails are packed far beyond safe maximums. There are vast areas of our streets and parks which are no longer safe after dark.

When a society is confronted with an extraordinary problem, extraordinary measures must be taken in self-defense. The streets of New York City must be made safe. And since the ordinary crime controls no longer can guarantee protection from murderers, muggers, holdup men, and juvenile terrorists, the time for extraordinary action is now.

Only hours after the bloody violence on the lower East Side Sunday night, Supreme Court Justice Samuel Hofstadter made an unprecendented appeal to Governor Rockefeller to take extraordinary measures to end what he called the appalling, frightening increase of murder day by day.

He called for swift trial and punishment for killers, declaring that homicide cases could be disposed of in weeks instead of years if legal machinery were speeded. Acquittals on pleas of insanity, he recommended, should be followed by mandatory confinement in a mental institution.

"A wild beast who preys on humans must be destroyed expeditiously," the judge said, "and a mad dog must be leashed quickly and held in confinement."

We congratulate Justice Hofstadter on his position and back him completely. But the

problem, essentially, is one of crime control and crime control is a problem of policing.

New York City needs more police. Since more police are impossible without higher taxes, and we have enough of those now, the ranks of the regular police must be swelled by some kind of a home guard.

We have urged editorially that Police Commissioner Kennedy consider making more effective use of the readymade force of 2,500 trained civil defense volunteers. We have urged that he consider arming a select number of taxi drivers with good war records as auxiliary taxi cops. We appeal to him again today to tap these reservoirs of manpower, and we say that the time has come for him to tell his regular men to get really tough.

To Mayor Wagner and to the city council we say also that the time has come for them to give immediate consideration to establishment of an after-dark curfew on teenagers in dangerous areas.

And to both Mayor Wagner and Police Commissioner Kennedy we suggest as strongly as possible that they do not underestimate the public concern over crime.

New York City demands that its streets be made safe. Its people demand extraordinary action—now.

Mr. JAVITS. Mr. President, I respectfully ask the senior Senator from South Carolina to give his attention to the brief statement I shall make at this time:

Quite a concerted effort is being made by various Senators, including the Senator from South Carolina [Mr. JOHNSTON], to call attention, in a dramatic way, to the troubles with law enforcement of New York City, which are real, and are pertinent for consideration and action, and to lay the responsibility for them to the efforts we in New York have made to afford, by law and otherwise, equal opportunity to all people, regardless of color or race.

We are delighted to receive any stimulus which any Senator may wish to give us as regards law enforcement. But I assure the Senator from South Carolina that he will never get the clock turned back in New York City—as I think the clock is being turned back in certain parts of the South and perhaps in other parts of the country—as regards the question of equal rights for all the people and equal opportunity befitting the dignity of all men, regardless of their race or color.

Our city of New York is firmly back of the principle of equal treatment and equal opportunity for all its citizens treating them all as of one class; and we believe that in that way, and in no other way, can proper progress be made for a secure and just society here.

OPENING OF U.S. CONSULATE IN POZNAN, POLAND

Mr. AIKEN. Mr. President, on August 25, the State Department issued the following release:

OPENING OF U.S. CONSULATE IN POZNAN, POLAND

Under an agreement with the Polish Government reached last year, the United States will reopen its consulate at Poznan, Poland, on August 29, 1959. The Polish Government is expected to reopen its consulate in Chicago in the near future.

In this morning's newspapers, we read that the United States is going to carry on an airlift to take small arms to Laos, in the interior of Asia.

Mr. President, without deprecating in any way the shipment of small arms to Laos, I venture the opinion that the reopening, on tomorrow, August 29, of the U.S. consulate at Poznan, Poland, and the reestablishment of closer relationship with the people of Poland, undoubtedly will be more effective in combating international communism than will the shipment of small arms to Laos.

RESCISSION OF ALL OTHER APPROPRIATIONS TO AID HIGHWAY PROGRAM IS UNWISE PROCEDURE

Mr. NEUBERGER. Mr. President, earlier this week, the capable junior Senator from Tennessee [Mr. GORE] introduced a bill to provide for supplemental financing of the Federal highway program by recession of 1 percent of all appropriations approved for the fiscal year 1960, with certain stated exceptions. The bill, S. 2588, provides that there be dedicated to the highway trust fund such portion of the revenue from excise taxes on automobiles as may equal the total amount of such rescission.

In short, the proposal is that we finance the Federal highway program by reducing funds already approved for other Federal functions.

Mr. President, I oppose this suggestion. My reasons are these:

First. The inference of this extraordinary proposal is that the judgment of Congress in approving the original appropriations was faulty, and that a 1-percent cut can be made with complete impunity.

The assumption is, apparently, that Congress was 1 percent too high in its decision with respect to allocation of Federal funds to each Government function and that, recognizing this fact, Congress may now correct this error of overgenerosity by withdrawing and redistributing these moneys.

It seems to me that this suggestion makes a mockery of the lengthy and detailed appropriation procedure which Congress follows in determining the amount of funds which particular programs will receive.

If the elaborate and time-sanctioned justification process imposed upon the executive branch is meaningful, then it is difficult to see how Congress can suddenly conclude that sums considered a few weeks ago minimal to acomplish assigned governmental purposes are now excessive, and can be safely trimmed.

SHALL ROADS BE MORE IMPORTANT THAN HUMAN HEALTH?

Are we going to take funds from cancer research, and apply them to roads?

What of grants for old-age assistance?

Will we reduce the money available for promoting the training of nurses, or for conserving our forests, or for protecting wildlife? Are all of these to be docked 1 percent?

What of funds for the development of intercontinental missiles—a field in which many believe we are now lagging far behind the Soviet Union? Shall we take funds from this program, without even the benefit of a hearing before the Armed Services Committee, to attempt to assess the significance, in terms of national security of such a move?

If we have appropriated 1 percent too much for any particular Federal function, then the Appropriations Committee should so advise us; and the surplus amount should be rescinded, and should be restored to the Treasury.

But to arbitrarily reduce appropriations by a fixed percentage, without House or Senate committee hearings or review, would be to reduce to a nullity the orderly procedures of government.

If we can reduce appropriations by 1 percent, then it would not be farfetched for the public to conclude that perhaps we are groping totally in the dark, and may be appropriating 5 percent, or even 10 percent, in excess of minimum needs. I refuse to believe that such an implied attack on the accuracy of the Appropriations Committee's conclusions is justified.

Nor can one argue logically, Mr. President, that the frame of reference within which appropriations were considered earlier this year has significantly altered, so as to make it necessary to redistribute present Federal resources and channel an increased segment of them into the Highway Trust Fund.

The situation with regard to highways which we face today is the same as the one we faced last January, when the congressional appropriation process for the fiscal year 1960 began. We confront, not a new crisis in the Federal road program, but a continuing one.

WHICH AGENCIES WILL BEAR THE 1 PERCENT REDUCTION?

Second. S. 2588 proposes that the 1-percent rescission shall not apply—to the extent that the President determines that the amount appropriated cannot be reduced—to any appropriation made for: (a) Compensation and pensions payable under the laws administered by the Veterans' Administration; (b) obligations payable from the highway trust fund; (c) refunds of overpayments of taxes, customs duties, and other amounts paid to the United States, (d) interest on the public debt; and (e) any other obligation of the United States the fulfillment of which is both authorized and directed by act of Congress.

Mr President, the bill names four specific and one general exception to the rescission language. The latter is so broad that I doubt if even the legal eagles of the Bureau of the Budget currently comprehended its full significance. Would it apply to Federal aid to dependent children? Does it cover postal receipts which are appropriated? What about price-support payments for peanuts? What about soldiers' pay?

And if the exceptions are designed only to protect appropriations automatically guaranteed by statute, is this a reasonable distinction? Are funds for impacted schools more important than those for cancer research? Are tobacco prices more essential than development of our forest-access roads?

Furthermore, what happens with respect to programs included within particular appropriation acts? Would the Department of Defense suffer a 1-percent cut across the board? Or would particular programs within the Department be slashed and others left untouched? If so, what would happen to the military spending program outlined by Congress through the appropriation process?

Would the budget for the Agricultural Research Service be reduced and not that for the Agricultural Marketing Service? Or would neither be cut and a slash taken in the Foreign Agricultural Service and Public Law 480? Or would all suffer a 1-percent reduction? What of the conservation activities of the Forest Service, National Park Service, and Soil Conservation Service? How much of the cut would they sustain?

PROPOSAL LEAVES NEBULOUS PRECISE SUMS INVOLVED

Third. The financial impact of the proposal contained in S. 2588 is extremely hazy. The amount of money which would be channeled to the highway trust fund is nebulous. And it cannot be known with exactitude until after the close of the fiscal year. We would belie groping in the night.

The general exception clause is vague. It is not apparent how much money would be allocated to highways as a result of passage of S. 2588. Power to determine the amount would lie with the President, not Congress.

Language of S. 2588 suggests that the President determine the extent to which a particular appropriation included among the exceptions may be reduced by 1 percent.

But when would this be known?

For instance, the amount of money needed to fulfill Federal financial responsibility for grants to States for unemployment compensations and employment service administration is computed on the basis of projected unemployment. Such predictions are, of course, seldom infallible. It may not be apparent until almost the end of the fiscal year as to whether or not appropriated funds will be adequate. Should need be greater than anticipated, a supplemental appropriation may be requested. Similar situations exist with respect to numerous programs. To cut such programs now may merely mean a larger supplemental later. This is not financing; it is sleight of hand.

Fourth. Enactment of S. 2588 would establish a precedent. In my opinion it would be a poor precedent, a very unwise precedent.

If we slash a major portion of the budget 1 percent in order to divert this sum to highways, why not slash another 1 percent to care for other important programs?

Many of us from the West believe that our waterpower projects have been starved under this administration. Why should we not band together after the general appropriation process has been completed and move to dock every money bill 1 percent to help impound the Columbia's waters?

And what of Senators from the great eastern cities who find that present Federal urban renewal activities are inadequate in the face of need? Would not they have a right to their 1 percent?

PERILOUS PRECEDENT MIGHT BE ESTABLISHED BY BILL

Mr. President, for these reasons I regard the proposal embodied in S. 2588 as an unwise one. It defies the rule of reason.

I have urged, on several occasions, funds needed to keep the Federal highway program on schedule be obtained from an increase in the gasoline tax. I have introduced legislation which would provide for a temporary increase of 1½ cents in the tax on motor vehicle fuel to cover costs until Congress has an opportunity to assess the user studies and cost figures which will become available in 1961, as the result of special studies now under way.

Mr. President, what is inherently wrong with increasing the gasoline tax?

Some have suggested that the gas tax should be left to the States. But the Federal Government has had a gasoline tax for many years. If the States are agreeable to the Federal Government paying 90 percent of the $40 billion cost of the new Interstate Highway System, then can these same States reasonably object to the Federal Government's increasing its share of gasoline revenues?

Congress approved the gasoline tax as a major part of the financing provisions of the Highway Act of 1956. If a 3-cent Federal gasoline tax was proper then, is a 4-cent or a 4½-cent tax to be so deplored now, particularly in view of price inflation which has occurred in the interim?

The eminent Senator from Tennessee has objected to increasing the gasoline tax because, he contends, all Federal excises on autos and trucks and buses do not go directly into the highway trust fund. He is correct in his claim.

But what is there which makes doctrine of the claim that excises from a certain source must all be allocated toward matters related to this source?

Do the 10-percent excise revenues from sale of light bulbs go toward hydroelectric projects?

WHY NOT ALLOCATE TOBACCO REVENUES TO CANCER RESEARCH?

Do the taxes collected from the sale of cigarettes go toward seeking the answer to cancer of the lung? Do the excise taxes collected on the sale of liquor go to the National Mental Health Institute, for research to help rehabilitate the Nation's 5 million victims of chronic alcoholism?

This might just as logically be advanced as the claim that all excise taxes on cars and trucks must go only into roadbuilding channels.

Mr. President, I respect the sincerity of the Senator from Tennessee in offering his proposal, but it is my belief that passage of S. 2588 would not be desirable.

I think we might better look to an increase in the gasoline tax than to accept the rescission scheme.

I am aware that taxes are rarely popular. Yet the American people are wise and they know that freedom cannot be defended, nor roads built, without sacrifices. If we dock missiles, cancer research, and protection of fish and wildlife 1 percent, or more, to pave highways, we have gained very little and we may have lost a great deal. I have been proposing since March 4 an increase in the gasoline tax from 3 cents to 4½ cents, as recommended by President Eisenhower. Reaction to my bill for this increase has been favorable, if my mail is to be given credence. People would rather pay for our highways now than shove off this burden onto future generations, who will have plenty of problems of their own as Russia and Red China emerge from peasantry and become industrial nations, with the capacity to produce modern weapons and other products of technology.

I do not think we will even be doing our interstate highway program a service, in the long run, if we announce that every other Government program must be sacrificed, meat-axed, and pared down so that roads can be built. Such a plan will not only make a mockery of the appropriation process, but it will result in lasting antagonism against the future of the highway program which might require years to dissipate.

With his characteristic zeal and ingenuity, the able Senator from Tennessee [Mr. GORE] has advanced an interesting and tempting proposal. Yet I honestly and regretfully believe that it would not be wise for us of the Senate to adopt it at this time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NEUBERGER. I will yield in a moment.

I regret very much that the distinguished Senator from Tennessee [Mr. GORE] was not able to be present today to hear my discussion in opposition to his very ingenious proposal. We informed his office of my intention to deliver these remarks, but they informed us that unfortunately the Senator was out of the city on official business. I know that when he returns he will undoubtedly reply to my remarks with his characteristically good temper, ability, and very profound intelligence.

I am happy to yield now to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I should like to commend my good friend from Oregon for a thoughtful discussion of a very puzzling and difficult problem. I should like to associate myself with his view that it would be unwise to provide the funds for going forward with the highway program by cutting appropriations by any particular percentage, for the reasons given by the Senator from Oregon.

I would say to him also that when the gasoline tax measure was on the floor of the Senate at an earlier date, I voted for it; and I would vote for it again if we were faced with the dire choice of no highway program or an increase in gasoline taxes. But I desire to ask the Senator a question. He believes, I think, that it is wise to have the highway pro-

gram on a pay-as-you-go basis. Is that correct?

Mr. NEUBERGER. That is correct.

Mr. CLARK. The Senator therefore feels, does he not, that there ought to be earmarked for the highway program revenues adequate to permit the program to go forward? Does the Senator agree?

Mr. NEUBERGER. I think we ought to collect enough revenues to keep the program on a pay-as-you-go basis. I do not know that I necessarily feel the funds must be earmarked in some special account.

Mr. CLARK. Is it the view of the Senator that the President's original proposal with regard to the trust fund, which is now a part of the law, is unwise?

Mr. NEUBERGER. My general feeling is in opposition to the earmarking of funds. I think that, as a general proposition of government, is unwise. My view is that we should collect enough revenues to pay for all our governmental needs, but I am not certain I favor special funds earmarked for different special purposes.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. NEUBERGER. I yield.

Mr. CLARK. I tend to agree with my friend from Oregon in that regard, but we are now stuck with the trust fund by reason of previous legislation.

Mr. NEUBERGER. That is correct. We face a condition, rather than a theory.

Mr. CLARK. The Senator is correct. This is a condition we face.

We have a situation in Pennsylvania where the automobile clubs, the automobile manufacturers and the truckers, have succeeded in their attempt to have earmarked special funds. I wish that had not been done, but it has been done, and we are stuck with it.

I am sure my friend from Oregon would agree that a gasoline tax is a regressive tax, not a progressive tax. I am sure the Senator would agree we would reluctantly impose further regressive taxes on top of State regressive taxes on the same subject.

As I pointed out a short while ago, nonetheless I voted for the tax, when it came before the Senate at an earlier time.

Let me ask the Senator a question. Why would not the proper way to handle this situation be to transfer to the highway trust fund enough of the excise taxes now being collected from motor vehicles and other activities closely identified with highways, and to make up for the deficit thus created in the general revenues by closing some of the outrageous tax loopholes with which my friend is very familiar? I can list three which I think would provide sufficient revenues. First, we should adopt again the amendment of the Senator from Minnesota [Mr. MCCARTHY] to eliminate the 4-percent dividend credit. Second, we should adopt the suggestion of the Senator from Wisconsin [Mr. PROXMIRE] and collect the tax on dividends at the source. Third, if more money is needed, why should the oil companies not make some contribution to the highway program, by reducing the oil depletion allowance from 27½ percent to 20 percent, and putting the extra tax revenues in the highway fund?

Mr. NEUBERGER. I thank the Senator for his questions. To begin with, I think the Senator from Pennsylvania and I voted together on the elimination of all the tax loopholes which the Senator has cited. I refer to the proposal of the Senator from Minnesota [Mr. MCCARTHY] regarding dividends; the proposal of the Senator from Wisconsin [Mr. PROXMIRE]; and the oil-depletion allowance diminution proposed by the Senator from Pennsylvania [Mr. CLARK] and by the able Senator from Illinois [Mr. DOUGLAS] who is with us on the floor.

However, we must face the fact that the Senate—we think unwisely—rejected our proposals, or else they were eliminated in conference.

Mr. CLARK. If the Senator would yield further, previously those items were not considered under the same pressures they will have to be now considered, with reference to keeping the highway program going.

Mr. NEUBERGER. I would be perfectly willing to see the anti-tax-loophole provisions offered again. I would support them if they should reach the Senate floor. I hope that they will.

So long as we are confronted with the evident fact that a highway excise tax taken from the general fund would leave a hole in the general fund I would oppose it, because to follow that procedure in the existing circumstances would be to rob Peter to pay Paul. It would be much like a family taking the grocery money to pay the doctor's bill.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. NEUBERGER. I yield.

Mr. CLARK. The Senator would not be of that view would he, if the two items were coupled together so that the transfer of the excise taxes to the highway fund would be contingent upon the closing of the tax loopholes, to refurbish the general treasury?

Mr. NEUBERGER. If the transfer of the excise taxes were coupled with sufficient anti-tax-loophole provisions, which the Senator from Pennsylvania has mentioned, so that there would be sufficient funds to make up for the gap or schism left in the general fund of the Treasury as a result of transferring the excise taxes, I would support it.

Mr. CLARK. I thank the Senator. That is my proposal.

Mr. NEUBERGER. However, I should like to say that so long as the taking out of the excise taxes would merely leave a big hole in the general fund, I think we would be accomplishing absolutely nothing.

Mr. CLARK. I am in complete accord with my friend from Oregon.

Mr. NEUBERGER. I thank the Senator from Pennsylvania.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon has the floor.

FIFTY-FIRST BIRTHDAY OF SENATOR JOHNSON OF TEXAS

Mr. NEUBERGER. Mr. President, I regret very much I was not present on the Senate floor yesterday when tributes were paid to the majority leader on his 51st birthday. I would have appreciated the privilege of being able to take part.

I wish to say about the majority leader that, in the broadest terms of human chronicles, I imagine very few things we have done will endure in history. Yet I believe the Senator from Texas [Mr. JOHNSON] will get credit in our American history for the fact that he was majority leader of the Senate when we brought into the Union two new States, Alaska and Hawaii. In my opinion, these are two outstanding achievements which have been accomplished in recent years.

I think these are very significant achievements, in view of the fact that some of the opponents of civil rights opposed the entrance of both Hawaii and Alaska into the Union, particularly because of the large population in Hawaii of Polynesian and Asiatic origin. I feel it has been a great accomplishment in terms of democracy and freedom, particularly when we consider the fact that the majority leader comes from Texas, a State which has been involved emotionally in the civil-rights struggle, whereas in the very recent earlier years we had majority leaders from States such as Ohio and California, which are on quite the opposite side of the civil-rights struggle. Yet under those majority leaders we did not take either Hawaii or Alaska into the Union.

Hawaii and Alaska are the first new States since 1912, which was before I was born. I fervently feel the admission of these States is an achievement of which the majority leader may be proud, not only on his 51st birthday but on all the many future birthdays which we trust he will enjoy.

HIGH SPEED PHOTOGRAPHY

Mr. MAGNUSON. Mr. President, the forthcoming Fifth International Congress on High Speed Photography will be held at Washington, D.C., in October 1960. The congress is sponsored by the Society of Motion Picture and Television Engineers.

This congress has been preceded by similar meetings in Washington in 1952, Paris in 1954, London in 1956, and Cologne in 1958. Previous congresses abroad have been endorsed and assisted by the government of the country in which they were held. Therefore it is fitting that we do all we can to encourage this valuable scientific congress. By means of a joint resolution, we can welcome our international visitors and support our Society of Motion Picture and Television Engineers.

I ask unanimous consent that a joint resolution and statement be printed in the RECORD, to explain the purpose of this congress and the importance of high-speed photography in this age of automation and space travel.

There being no objection, the resolution and statement were ordered to be printed in the RECORD, as follows:

PROPOSED JOINT RESOLUTION TO ENDORSE THE FIFTH INTERNATIONAL CONGRESS ON HIGH-SPEED PHOTOGRAPHY TO BE HELD IN WASHINGTON, D.C., IN OCTOBER 1960, UNDER THE SPONSORSHIP OF THE SOCIETY OF MOTION PICTURE AND TELEVISION ENGINEERS

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

IMPORTANCE OF HIGH-SPEED PHOTOGRAPHY

SECTION 1. Photographic techniques which can magnify the time scale of scientific phenomena are extremely important to the research and engineering activities of every nation.

HISTORY OF THE INTERNATIONAL CONGRESS ON HIGH-SPEED PHOTOGRAPHY

SEC. 2. The First International Congress on High-Speed Photography was held in Washington, D.C., in 1952. It was organized and conducted under the sponsorship of the Society of Motion Picture and Television Engineers. Subsequent meetings were held at 2-year intervals in Paris, France; London, England; and Cologne, Germany. In each instance these meetings have received the recognition and the support of the governments of the respective host countries. With each meeting, the International Congress on High-Speed Photography has grown in stature and in prestige.

The Society of Motion Picture and Television Engineers is once again sponsoring the International Congress on High-Speed Photography in Washington, D.C. This fifth congress will be held in October 1960. The Society of Motion Picture and Television Engineers is fully appreciative of the importance of assuring that this international scientific meeting is conducted in a manner which will bring credit and enhanced prestige to the United States of America as the host Nation.

PURPOSE OF THIS RESOLUTION

SEC. 3. The Congress, sincere in the belief that:

(1) The democratic environment of the free world is the best environment for achievement in science;

(2) Scientists and engineers have special advantages and opportunities to assist in achieving international understanding since the laws and concepts of science cross all national and ideological boundaries; and being interested in: (1) promoting international understanding and good will; (2) enhancing the excellence of American science, both basic and applied; (3) furthering international cooperation in science and technology by creating the necessary climate for effective interchange of ideas; does hereby endorse the Fifth International Congress on High-Speed Photography to be held in Washington, D.C., in October 1960 under the sponsorship of the Society of Motion Picture and Television Engineers, and urges that all interested agencies of the Federal Government actively participate to the fullest extent possible.

PEACETIME USES OF HIGH SPEED PHOTOGRAPHY

High speed photography covers a wide field of methods of either stopping action or slowing it down to where it may be carefully studied, measured, or chronologically analyzed. Basically, there are five types of high-speed cameras—motion picture, short duration exposure control, smear or streak, image dissection, and framing-sequence cameras. I will not endeavor to describe these, but will say that, with the correct selection of camera type and its precise usage, these high speed photographic systems will give the scientist and engineer a tool that is extremely valuable in nearly all phases of our present day living.

The automobile we drive, the telephone we use, the tin can that holds our foodstuffs and even the girdle worn by women, reflect the industrial use of high speed photography. This use ranges from the very exacting study of the combustion of gasoline in the motor, the perfection of mass production machinery and resulting automation, to the skillful advertising of the three-way stretch. The automatic dial telephone required high speed photographic instrumentation for that study which resulted in the telephone's present day accuracy. As is so often the case in satisfying the needs of a specific study, a camera was designed that eventually became of worldwide importance. This is the story behind Bell Labs design of the Fastax camera some 23 years ago. Almost all of the high velocity mechanical action in precision equipment today has utilized, in some way, high speed photographic techniques.

Medical uses are not as prevalent, but scientists use high speed photography in the study of the heart, larynx, eardrum, muscular reaction, and body functions. High speed microphotography is used at the National Institute of Health for cancer studies, and we know of cases wherein ultra-high-speed equipment is required to formulate the techniques essential for the study of human reactions to explosive phenomena.

The field of aviation has grown up with high speed photographic techniques. Our antiquated propellers were perfected as a result of studies made possible by this research tool. Jet engines have been studies for motor burning characteristics, temperatures, and other parameters. All aircraft designers utilize nearly all of the types of systems in their studies of vibrations, air flow, motors, flight characteristics, and other mechanical, electrical, or aerodynamic features.

Simple high speed photography has even entered the field of sports. Our photo-finish cameras' study of golf swings to determine that the highest velocity of the club head has been reached at the time of impact, the curving of a baseball, and human or animal running styles have all been studied through this technique.

High speed photography has not only been a tool for fault finding in mechanical motion, but has been a most valuable tool in the field of research in explosive phenomena, dynamic characteristics of machine and nature, the chemistry of condensation and vaporization in volatile liquids, and the study of outer space. It seems since we are continuously finding new fields in which proven techniques have become applicable, that every field of science and engineering now has something to gain through the correct usage of high speed photography.

ELECTION OF SENATOR LISTER HILL TO HONORARY MEMBERSHIP IN THE AMERICAN DENTAL ASSOCIATION

Mr. FULBRIGHT. Mr. President, the distinguished senior Senator from Alabama [Mr. HILL] has long been one of the most effective and enlightened supporters of improved medical research and development in this country.

In recognition of his outstanding leadership, the American Dental Association unanimously elected the Senator from Alabama [Mr. HILL] an honorary member of the association. I know of no man who deserves such recognition more.

I ask unanimous consent that a copy of the statement of the board of trustees of the American Dental Association, nominating the Senator from Alabama for honorary membership in that organization, be printed at this point in the RECORD.

Mr. President, I also ask unanimous consent that the remarks of Dr. Alstadt of Arkansas, president of the association, made upon the occasion of the presentation of the certificate of honorary membership to the Senator from Alabama [Mr. HILL] be printed in the RECORD, together with the speech to the association by the Senator from Alabama.

There being no objection, the statement and remarks were ordered to be printed in the RECORD, as follows:

HONORARY MEMBERSHIP IN THE AMERICAN DENTAL ASSOCIATION FOR SENATOR HILL

It is particularly gratifying to the board of trustees, as it will be to all members of the association, that there is an opportunity to honor in person a man who took a leading part in obtaining funds for the construction of the National Institute of Dental Research Building, a man who has been a stanch supporter of all efforts to improve dental health and research and a man who has made an immeasurable contribution to the health of the American people—Senator LISTER HILL, the senior Senator from the State of Alabama.

Senator HILL, who is a native of Montgomery, Ala., is a member of the legal profession. He served in the House of Representatives from 1923 to 1939 when he was elected to the U.S. Senate. He has been reelected for four consecutive terms and the country is assured of his distinguished services until 1963.

Senator HILL is a statesman dedicated to the causes of health, perhaps, in part, because he himself is the son of a distinguished pioneer surgeon. He is chairman of the Senate Labor and Public Welfare Committee before which most health matters come. He is also the chairman of the Senate Appropriations Subcommittee which also considers matters in this field. His name is attached to the Hill-Burton Act which has helped tremendously in providing hospital facilities for the people of this country. He was the sponsor of the bill which made possible the free distribution of Salk vaccine to all children between the ages of 3 and 20. He is the author of the Mental Health Act 1955. In the recent session of the Congress, for fiscal year 1959, he was successful in adding 75 millions to the total budgeted for research in the health fields. He took a leading part in the provision of funds for the National Institute of Dental Research Building, and he was instrumental in increasing the Federal appropriation for dental research activities to the highest level in history—in fact, to the highest level for dental research in any country of the world.

The officers, trustees, and members of this association are grateful to Senator HILL for his dynamic leadership in bringing better health to more and more of the people of this country, particularly through the new knowledge gained by research. In recognition of his devotion to the health of all of the people of this country, the board of trustees, with pride, nominates Senator LISTER HILL for honorary membership in the American Dental Association.

101. *Resolved,* that Senator LISTER HILL be elected an honorary member of the American Dental Association.

REMARKS BY PRESIDENT ALSTADT IN PRESENTING CERTIFICATE OF HONORARY MEMBERSHIP TO SENATOR LISTER HILL, HOUSE OF DELEGATES, MONDAY, NOVEMBER 10, 1958, DALLAS, TEX.

PRESIDENT ALSTADT. Mr. Speaker, members of the house of delegates, and distinguished guests, serving in various capacities of professional and community life, I have had the pleasure and honor to confer awards of various types on outstanding individuals. This occasion today marks the highlight of those experiences.

It is not necessary for me to enumerate to any dentist in Alabama or to any dentist in the United States the qualifications Senator LISTER HILL has in order to be elected an honorary member of the American Dental Association. Everyone knows the tremendous contributions he has made to the dental and medical health professions. Here is the man very largely responsible for obtaining the Dental Research building which had been a dream of the American Dental Association for 10 years. His other contributions to science are innumerable.

The American Dental Association has a wonderful friend in Senator LISTER HILL. I am very proud and honored that he is a good personal friend of mine. As president of the American Dental Association, I have received many, many letters approving of the nomination of Senator HILL as an honorary member. I wish to read three or four of these short letters from his people in Alabama to show he does have the esteem of the leaders in Alabama. The first is my letter to Senator HILL written in January of this year. Part of it reads as follows:

"In the 99-year history of the American Dental Association there have been granted only a very few honorary memberships, but our members are so appreciative of the fine service that you are rendering the American public, and also your understanding and splendid cooperation in dental problems make us feel that we would like to have you one of us."

A letter from a leader in Alabama:

"May I congratulate you and the board of trustees for selecting this eminent Senator for this honor. You may be assured that we in dentistry and especially those in Alabama are very proud of the association's recognition of his work. You may be certain we shall cooperate in every manner in celebrating this event."

Another letter from Alabama:

"I will be happy to join you and other members of the association in honoring Senator LISTER HILL from my home State of Alabama. He has always been a good friend of medicine and dentistry."

Another letter from Alabama:

"As an Alabamian and as a dentist, I am proud of Senator HILL's successful efforts for the health of the American people."

Another letter addressed to Senator HILL:

"Please let me congratulate you on having been chosen for honorary membership in the American Dental Association. We Alabama dentists will have to wear larger hats to Dallas because our Senator is being so honored. Dentistry will always be indebted to you."

Another one: "I concur 100 percent."

Well, what can you do for a man of his capabilities, his loyalty, his understanding and his friendship other than give him the highest award of the American Dental Association? Therefore, in behalf of the officers and trustees and the 91,000 dentists of the United States who belong to the American Dental Association, I hereby confer upon you, Senator LISTER HILL, honorary membership in the American Dental Association.

Now, our fellow members, Senator LISTER HILL, of Alabama.

[Senator HILL was given a standing ovation.]

SPEECH BY U.S. SENATOR LISTER HILL, OF ALABAMA, BEFORE THE AMERICAN DENTAL ASSOCIATION, DALLAS, TEX., NOVEMBER 10, 1958

President Alstadt, my friends—and now fellow members—of the American Dental Association, I am deeply grateful for the honor you have bestowed upon me this morning. Honorary membership in the American Dental Association is a distinction for which, I am told, few have been chosen. It fills my heart to stand with you today and, in truth, to be one of you.

It is timely that we gather here in this 99th annual convention of the American Dental Association. Within a few weeks you will enter the centennial year of ADA's unselfish and devoted and dedicated work in the cause of safeguarding and building the health of our people and the strength of our Nation.

You stand at the threshold of your second century, and it is appropriate that we take a look at developments in the field of dentistry, at new problems and new challenges, and at the outlook for the coming years. For we know that of all medical problems, oral disease makes the greatest impact on the American people. Few persons escape it entirely, and it represents one-sixth of the total cost of medical care—an annual expenditure of some $1.5 billion.

But first permit me to pay tribute to your honored organization and to its fine representation in Washington. During my years in Congress, I have met with the representatives of countless organizations; I have heard the testimony of literally thousands of persons. May I say that in all that time no representatives have impressed me more, with their sincerity and their insight into the problems of Government, than your representatives for the American Dental Association. In Dr. Harold Hillenbrand, in Mr. Bernard Conway, in Dr. Willard Camalier, I have found always the spirit of cooperation and understanding, never the spirit of negation.

They have been diligent and ever alert in protecting the rights and freedoms of your profession, always firm that acceptable solutions to social-economic dental problems must preserve and promote the high traditions of the dental profession, yet always eager to help us find solutions in the public interest to the problems we encounter, and always placing humanity first. On many occasions they have looked ahead for us, anticipating the problems, and have brought to us wise and constructive suggestions for solving these problems.

Always I have found a fine sense of civic responsibility in the American Dental Association, in your constituent State societies, and your district and local groups. This has been demonstrated in your support of fluoridation programs and in many community activities.

We are joined today in our pride and gratification in the knowledge that the National Institute of Dental Research will at long last have its own separate building in the National Institutes of Health at Bethesda, Md. The past session of Congress accepted the original recommendations of our Senate Health Appropriations Committee and provided $3,700,000 for the construction of this fine building—magnificent in concept and a landmark in the history of dentistry. The architectural plans for the building were completed just 2 weeks ago. Within another 2 weeks, bids for construction will be received and the contract will be awarded in January. Construction will start in the early spring.

The National Institute of Dental Research, housed in its own building with its Dental Research Center, will add to the dignity and the prestige of dentistry. Our dental research specialists will be able to bring together and concentrate their resources and their energies—now dispersed in makeshift and inadequate facilities. They will be able to press ahead into new areas of basic as well as clinical research, tying in their work with biological and chemical and psychological research.

During the past session of Congress, we appropriated some $7.5 million for the programs of the Institute of Dental Research. This is a million dollar increase over last year's appropriation and some 20 percent above the administration's request. These funds will enable the Institute of Dental Research to expand its programs for research fellowships and research training, and for training grants and support.

The Institute's program of individual fellowships now reaches all levels of study. It grants postdoctoral and special fellowships for certain types of advanced research in the field of dentistry. The program of student fellowships has been broadened. There are fellowships for graduate research, and even fellowships for undergraduate students, making it possible for them to engage in part-time research.

The program provides for the dental graduate and the undergraduate to broaden their training through research experience in the related sciences, such as pathology, pharmacology, and biochemistry, which are basic to dentistry as to the other health sciences. And on the other hand, graduates of basic science departments are given opportunity to prepare for careers in dental research.

In its program of training grants to institutions, the Institute of Dental Research makes grants to the dental schools to assist them in the establishment, expansion, and improvement of training and teaching. Just within the 2 years of the grants program, 17 research training centers have been established. The grants serve two primary purposes: First, to defray the expenses of the institution in providing its training program and, second, to enable the school to pay subsistence stipends and allowances to individual trainees.

In addition to these training and research programs in dentistry, a substantial portion of the funds for the U.S. Public Health Service, as we know, goes to support State and local public health programs in the field of dentistry.

Those of us familiar with the progress of the dental profession during the past half century cannot fail to be impressed with the evolution of dental practice. In dentistry, as in other medical fields, there has been historic progress toward the concept of man as a single biological entity. The evolution of dental practice, in its relationship to the biological and other sciences, has come about chiefly through dental research. For research is the mind and the heart of dental progress, as it is of all medical progress.

The American Dental Association long ago recognized the vital place of research in the growth of the then relatively young profession of dentistry. Just after the turn of the century, ADA brought into being a committee on scientific research. Let us recall some of the more outstanding milestones set in place by the American Dental Association and its committee on scientific research, working with the Congress and the medical research agencies of our National Government.

In 1928 the ADA set up the research-associate program in cooperation with the National Bureau of Standards, for research and testing in dental materials. This eventually led to physical and chemical standards for practically all dental materials in use today.

In 1931 Dr. Hugh S. Cummings, Surgeon General of the Public Health Service, appointed five doctors of dentistry as consultants in dental research, recognizing the relationship between oral and other diseases. In 1941 a research-associate program was

established at the then National Institute of Health to carry on investigations in the field of biology as it relates to dental health. The research-associate programs, I may add, served as a pattern in the shaping of today's research fellowship programs.

The most significant step came in 1948 with the establishment by Congress of the National Institute of Dental Research, as an integral part of the National Institutes of Health. I should note here that the American Dental Association played the major role in securing the enactment of this legislation, with its vigorous support and persistent demand for the Institute of Dental Research.

The scope and variety of dental research has grown rapidly in recent years, with increased funds provided by Congress. Dental research today is concerned not only with the causes, control, and treatment of dental caries and peridontal diseases, but also with a number of other diseases and malformations affecting the mouth and adjacent structures. These include cancer, cleft lip and palate, oral manifestations of systemic disease, and the influence of oral diseases on other organ systems of the body.

We have found that many dental defects are hereditary, and a study in human genetics is being carried on at this time in southern Maryland by the Dental Research Center. Use of the electron microscope has traced the precise way that decay attacks tooth enamel. An instrument capable of cutting ultra-thin sections of dental tissue—one hundred thousandth of a millimeter in thickness—permits cell study in enamel and dentin, and traces development of the tissues from the earliest stages to maturity.

The past century has been a century of progress for the dental profession. Inspired by your devotion to the health of our people, your courage, your vision, and your faith, we shall continue to go forward. We shall continue to intensify and enlarge dental research; the ranks of dental scientists and research teachers will be multiplied and strengthened; and our dental schools will more and more seize every opportunity to apply the knowledge and the techniques of the biological sciences.

There are many problems and many challenges ahead. Even now 60 percent of our people do not avail themselves of regular dental treatment. A population growth of 3 million a year in the United States demands additional numbers of dentists, technicians, and nurses. The rise in population is chiefly among children and the aged—adding to the problem, since these are the age groups which require additional dental care, and which present special dental problems. We must devise programs of public education, and impress upon the people the need for regular dental checkup and continued dental protection.

These needs will be met in America. There remains the international challenge. We know some of the dramatic stories of preventive medicine: The mass use of penicillin against yaws; the millions of shots against yellow fever; the worldwide campaign against malaria. These programs have saved millions of lives and ended untold suffering and disability. They have helped to make possible great advances in the economies and in the standards of living of the recipient countries. Our contributions to them have been widely appreciated, principally by the governments of the countries.

But I am not content with programs that have more meaning to governments than to the people. And I have been impressed with the reports from men in the international health programs who have told me of this repeated experience—the one service that has meant most to the individual person receiving it, the most sought after, and the longest remembered, is the service provided by the all too occasional dentist on an international health team.

I believe our international health programs are missing a great opportunity not only for effective service but for effective human relations. The malaria program that has saved millions of lives is a tremendous fact. But it may not be a fact at all to the individual beneficiary. He has been saved from a disease he did not have, and of which he was never aware.

But the individual who needs dental treatment, the man with an aching jaw—he will never forget the American dentist who relieved him of a real and pressing anguish.

Millions of people in the underdeveloped areas are without access to any sort of dental care. We cannot provide treatment for these multitudes. We could not in the foreseeable future train sufficient of their own people to meet the need. But we can turn our thoughts to this need. We can provide the spur to effective action that will make use of this potential for international human relations, for building and strengthening our friendships with other nations in the titanic struggle against communism.

In the closing days of the past session of Congress, I introduced a bill to establish a National Institute of International Medical Research in the U.S. Public Health Service. I shall reintroduce the bill in January and work for its prompt enactment. It too would constitute another weapon in America's arsenal against communism. And while it would benefit other nations, exchange of international research would bring many benefits to the United States.

We recall that so much of our medical progress has been due to research and discovery in other countries. Now we are told that if all the research experience in the world today bearing on cancer and heart disease could be brought together, sifted and refined, and further research conducted on the basis of this knowledge—a major breakthrough against these dread diseases not only would be possible, but even likely, in the immediate future.

We recall too that only last winter the epidemic of Asiatic flu, originating in North China, took some 76,000 American lives. Other new and undiscovered diseases can strike America at any time.

We have moved into a new phase of the struggle against Communist Russia, Communist China, and their satellites. Ever greater and more deadly nuclear weapons have led, temporarily at least, to an emphasis on other instruments of strategy. Communist Russia has shifted her offensive to infiltration and subversion, to economic penetration, to psychological and technological warfare. We must meet this new and varied challenge of communism with new, imaginative weapons of our own. The ability to end sickness, suffering and death in countries is one of our strongest weapons.

Medical science as an instrument of foreign policy can build people-to-people friendships far stronger and more lasting than loans or grants of money, or the official pronouncements of governments. We know that America must remain strong in her military preparedness. We must press forward with exploration of outer space, with the development of missiles and rockets, and with our capacity to meet the threat of localized aggression. But we must make use of other weapons and other tools—of every means for building and holding friendships, for building and strengthening the trust and friendship of the uncommitted nations of the world; for beating back the tide of communism that batters against the shores of our America and all the free world.

AGRICULTURAL POLICY COMMISSION

Mr. STENNIS. Mr. President, since making my speech on the Senate floor on July 16, 1959, proposing an Agricultural Policy Commission, several important developments have occurred that reemphasize the critical need for this study and reappraisal of our entire agricultural program.

The August 1, 1959, cotton report indicates a record yield of 474 pounds per acre—a crop of approximately 14.8 million bales. This is 3.4 million bales more than the total domestic consumption and exports for the immediate past season ending on August 1, and is expected to be approximately 1 million bales more than total consumption for the current marketing year. The shocking truth is that even with the allotted acreage reduced to a bare minimum, we are adding cotton to our surplus supply.

Recent reports point up serious problems in the administration of the new choice A and B cotton programs. It is my understanding that only a small percent of the cotton will be produced under the choice B program; and, as a result, this will force most of the crop through the Commodity Credit Corporation. This could develop into a most serious problem and could disrupt the entire marketing pattern at the local level.

I am also informed that the new program is having adverse effects on the function of futures sales. A few days ago the New Orleans Exchange for the first time in its history failed to report a single transaction in cotton for future delivery. The full blame for this critical situation was placed on the administration and operation of the new cotton program. These conditions certainly illustrate, in a most emphatic way, the need for revision and change in our cotton program. Several other basic agricultural commodities face similar problems.

On Wednesday of last week, the President through his Secretary of Agriculture, Mr. Benson, expressed great concern in the present farm law and particularly as it applies to wheat. It was pointed out that the Government investment in wheat would probably amount to $3.5 billion next year with interest, storage, handling, and transportation charges amounting to $1.5 million each day. The President indicated that he plans to make a personal appeal to the people by radio and television for farm legislation before the next session of Congress. I am glad that this problem has the President's personal attention, but with the sharp differences of opinion existing among the administration, farm groups, and the Congress, I see no real hope of sound legislation until a complete reappraisal and evaluation is made of existing program and basic objectives and a policy clearly established. It may be possible to get stopgap legislation or another patch on existing law to give some temporary relief. This is the usual pattern in an election year.

The only sound way to resolve this problem and avoid another series of patchwork amendments is through establishment of an Agricultural Policy Commission whose members will be dedicated to working out a better program on a commodity-by-commodity basis.

My bill, S. 2395, would set up a commission patterned after the Hoover Commission. It would be composed of 12

members. Four would be appointed by the President of the Senate—two from the Senate and two from private life. Four would be appointed by the Speaker of the House—two House Members and two from private life. Four would be appointed by the President of the United States—two from the executive branch and two from private life.

The duties of the Commission would be to make a full and complete study on a commodity-by-commodity basis of various agricultural programs of the Federal Government, including, first, price support program; second, programs for the control of production; third, programs for the disposal of agricultural surpluses; and fourth, other programs relating to production of all price supported commodities, for the purpose of determining the extent to which such programs should be modified, replaced, or improved, with an objective of stabilizing the agricultural economy of the United States.

In addition to these duties, the Commission would give careful study to the contribution which a long-range expanded agricultural research program would have on solving basic problems of production cost, quality improvement, farm income and surpluses.

The Commission would be composed of high-level, competent people who would be capable of evaluating the farm problem and making sound recommendations on this important and vital subject.

The Commission would be required to withhold its report until after the 1960 election.

I call on the President of the United States and the Secretary of Agriculture to give their support to this proposed legislation. This bill should be considered during this session of Congress, thereby enabling the Commission to initiate a study within the next few months. It would be a serious mistake to let our agricultural problem continue in its present form and neglect the opportunity to make a sincere effort to formulate a realistic farm program.

If a better plan is not devised, the American farmer will continue to be criticized by consumers and taxpayers, and the present program may even collapse under its own weight.

We badly need the fresh approach such a commission could give us, and the basic recommendations they could make would be a firm foundation for a new, efficient, economical, and effective farm program.

Mr. President, these figures with reference to wheat—and I make no reference to wheat as being any more of a problem than cotton or anything else that is in this support program—are figures which we who are vitally concerned with the farm program try to run away from. They are put in such light sometimes as to be highly misleading, but there is enough truth in these figures to prove that a continuation of this program without some basic, fundamental changes and evaluations is going to cause the entire program to collapse, and we pull down the house on ourselves when we let that happen.

With all deference to everyone, members of committees, administration, and everyone else, I do not believe it is politically possible for us to get a basic reevaluation, a reappraisal in the enactment of sound farm legislation, during a presidential year, and that is why I propose that this basic study must be made along the lines indicated here. We should take time enough to get to the fundamentals and then bring in a recommendation really painting this picture as it is, not trying to justify anything that exists, not trying to justify any administration or any President or any Congress or any area, but show this problem as it is, with the hope that there would be some recommendations that would be fundamental and elemental and give us something to travel on.

Mr. President, I again call the attention of the Senate, the Congress, the country, to the dire need for this remedy.

HUGE IMPORTATIONS OF LAMB SHOULD BE CONTROLLED

Mr. McGEE. Mr. President, I wish to say a word this morning about the condition of the domestic lamb industry, a vital segment of the sheep industry, and its economic welfare.

For some time the lamb market has been in deep trouble, partly due to the importation of frozen carcasses, and partly due to some questionable practices of lamb grading, condoned by the Department of Agriculture.

At the present moment this difficult situation is about to be compounded by a rising upsurge of live imports of lamb into this country. From Australia recently a shipload of 30,000 lambs was brought to the west coast. Those lambs are now in quarantine, but will soon be released for slaughter.

Application has been made by the same group to bring in another 30,000 very soon, and I submit that if this is continued we are going to intensify the economic plight of a legitimate and a fundamental and basic American economic group.

Let me mention only for the record the sudden upsurge in imports of lambs from abroad. Lamb and mutton imports in 1956 amounted to only 1⅓ million pounds. They had jumped in 2 years to 24 million pounds in 1958, and for the first 5 months of the present year, 1959, they have already exceeded the total of 1958.

I say, Mr. President, that if we permit these lambs from Australia to be led to slaughter in the United States, we are in effect preparing to lead to slaughter an agricultural economic segment, the sheep industry, and that is a situation we might well look into.

Therefore I suggest, Mr. President, that the Department of Agriculture take the proper procedures, the precautionary steps, to check these future imports, and that negotiations be undertaken with the governments involved outside the United States in order to attempt to put these importations back under proper regulation.

Mr. President, I ask unanimous consent that an item appearing in a report called "Sheep Industry Journal" for August 22, 1959, about the importation of lambs from Australia, together with a table showing the amount of such imports, appear in the RECORD at this point.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

The Delfino interests have filed a new application with the Department of Agriculture quarantine officials for the importation of 30,000 more live lambs from Australia. The first shipload is still in quarantine at San Diego, due to be released soon for slaughter.

Producer groups in Australia and New Zealand have been in this country seeking to find ways in which they can come into the United States with increasing quantities of lamb. Some of them have been meeting with American Farm Bureau officials in Chicago this week seeking their support for exporting more lamb from south of the equator into the U.S. market. National Wool Grower and National Lamb Feeder Association officials met with the foreign producer representatives last week in California. No firm conclusions were reached—just study the problem more.

Lamb and mutton imports by years

	Pounds
1955	2,252,000
1956	1,372,000
1957	3,543,000
1958	24,000,000
1959 (between Jan. 1 and May 31)	25,327,000

THE DANGEROUS SITUATION IN LAOS

Mr. JAVITS. Mr. President, I should like to say a few words today about the situation in Laos, to which I think our attention is very markedly being directed nowadays. The situation there is, as our Secretary of State has reported, very dangerous.

I have spent the last few days, Mr. President, in doing a little research on the subject, in order to ascertain whether some firm recommendation is advisable.

Mr. President, I was not here yesterday when my colleague from New York [Mr. KEATING] made some comments about this matter, particularly in respect to the complacency which may be induced by Mr. Khrushchev's visit. I believe all these warnings to us upon that score are very pertinent.

I had in mind, however, in this regard, something along the lines of initiative in the field of foreign affairs. In the first place, I believe our Government is entitled to support in the Senate for its decision to airlift military aid to the Government of Laos, to enable it to deal with the indirect Communist aggression seeking to subvert its Government by challenging the Lao Government's authority internally by force. While this aid is essentially and thoroughly in accord with our foreign military aid policy, it is, at the same time, also necessary to take more definite action on the diplomatic front.

For this reason it is important, as I see it, to get United Nations action, as we did in respect of Korea, Suez, and other international troubles which could have expanded and become very much more serious.

United Nations action has proved effective in these cases; but it is clear from

the statement of Secretary General Hammarskjold of the United Nations today that he does not conceive his authority to extend far enough to enable him, on his own recognizance to take adequate action by sending observers, or even an envoy to look into the Lao situation.

While our Government, therefore, takes the emergency measure of sending arms to Laos by airlift, we should also be contemplating United Nations interposition in the difficulty. This can be effected by a special emergency session of the United Nations General Assembly.

The Assembly is not scheduled to meet in regular session until September 15. A special emergency session, such as was held in connection with the Suez difficulty, and Hungary, can be called by a vote of seven members of the Security Council.

I point out in that regard that the Soviet veto is not effective to block such a call.

The Chair may recall that the Soviets opposed the motion in the Security Council in 1956 for a special emergency session of the General Assembly, in connection with the situation of Hungary. The vote was 10 to 1. The Soviet Government voted against it, but that did not stop the General Assembly from being called. So it laid down the precedent that such procedure is not subject to a veto. That is a very important precedent.

Currently our Government should give urgent attention to initiating the call for a Security Council session, which could, in turn, call for a special emergency session of the United Nations General Assembly to deal with the threat to the national integrity of Laos, existing by virtue of the attempted subversion and infiltration from its Communist neighbor, North Vietnam.

In a Security Council hearing the Laos representative could be heard. That would have this advantage: If the sticky fingers of Mr. Khrushchev are in this deal—and I have little doubt that they are; certainly the Communist Chinese are in this deal up to their necks—the world would have some notice of that fact.

It must be recalled that this is nothing new in Laos. In 1957 Communist irregulars and infiltrators, also from North Vietnam, sought to overpower the young government of Laos, and the threat which is now again becoming an actuality has been imminent ever since the 1954 settlement of the Indochinese situation.

The reason is very obvious. Laos is a primitive country, without too much in the way of roads or other development, lying on the border of North Vietnam, where it is very easy to get at, and obviously is a very succulent dish for an effort at Communist takeover.

In addition, the people have a very low standard of living. Laos is a primitive state, with a population of about 2 million, whose per capita share of the gross national product is $50 a year. Fortunately we have been giving aid there—enough aid to keep an effective defense force, and also to do something about raising standards of living, standards of health, and sanitation in the country.

We have extended grant aid of about $40 million a year to support military forces and internal security efforts, which aid has been sufficient so far to hold the situation under control.

Also our defense support aids the Lao Government's civic action program, which provides mobile units sent into the country by the Government to help solve local economic and health programs.

There was a time when there were Communists in the Lao Government, but in 1957 the Lao leaders got together and showed an understanding of communism. They have had the intelligence and courage to seek to preserve the independence of their country by making the greatest possible advance in the development of their living and other standards. This forward march needs to be encouraged and continued; but first and foremost, as we know very well, the national integrity of Laos must be preserved.

This situation arises at a very strategic time, because if Khrushchev is coming here to talk with Eisenhower, he can hardly want the black eye hung on him of trying to subvert Laos, if it is hung on him by United Nations General Assembly action. The Russians have shown that they are susceptible to a demonstration of world public opinion which comes from the United Nations General Assembly. This is perhaps one of the most significant aspects of our postwar knowledge about the Russians. A public opinion in the world, expressed through the United Nations General Assembly, apparently represents a very important influence upon them, especially in a matter of forcible subversion of this kind.

It may very well be, also, that such an emergency session will consider seriously the extension of the United Nations emergency force now functioning on the Egypt-Israel border to the Laos-North Vietnam border; or the situation may call only for United Nations observers.

In any case, the Secretary General of the United Nations has made it clear that this authority does not extend to definitive action. As the situation is very dangerous Secretary Hammarskjold has a right to receive instructions from the General Assembly.

I therefore suggest that at this strategic moment, when Khrushchev is likely to be on his way soon, and must himself address the General Assembly of the United Nations in regular session starting September 15, our Government should give early and earnest consideration to getting the General Assembly convened in emergency session on the Lao crisis, acting through convening a meeting of the Security Council, which it can do, as we are a permanent member.

I point out that on previous occasions, such as that in 1956, when there was an emergency meeting of the General Assembly, the emergency meeting merged into the general session, with the papers of the emergency session being turned over to the general session.

The situation is analogous at this time. I think this is a very important aspect of the way in which to deal with the situation of Laos, namely, to highlight its emergency quality. It certainly is a dangerous emergency. The attention of the whole world should be called to it. We should endeavor to seek international measures to deal with it.

It is true that the Communists have the initiative, and that they can poke at the free world at places of their own choice—yesterday Berlin, today Laos, tomorrow somewhere else. But it is also true that the free world has in the United Nations an organization which has shown some effectiveness. It also has its moral power, and finally its military strength, if it needs to use it.

We have also learned, the hard way, that if we want to resist the nibbling process, we must step hard with our feet upon the hand which is reached out to grab a little country, as is being demonstrated now. So I hope very much that our Government will take the initiative, and that it will be supported by the Senate.

I am delighted that my colleague spoke yesterday. I felt that I wished to contribute to the general position in that regard by speaking today. I hope other Members will make themselves heard. Our Government is entitled to support for taking the step of sending emergency arms by airlift, and it is entitled to be stimulated by the knowledge that it will be supported in treating this situation as an international crisis, as a very dangerous threat to the free world, and using this strategic time to enlist the General Assembly, through a special emergency session, in an effort to rid us of the very grave danger which now exists in Laos.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an article entitled "United States Plans Airlift of Emergency Aid for Army in Laos," published in the New York Times of today, August 28, 1959, and also an article relating the progress which has been made in Laos, written by Ernest K. Lindley, and published in Newsweek for June 1, 1959.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 28, 1959]

UNITED STATES PLANS AIRLIFT OF EMERGENCY AID FOR ARMY IN LAOS—SUPPLIES WILL ENABLE 8,000 MORE MEN TO HELP GUARD COUNTRY AGAINST REDS

(By E. W. Kenworthy)

WASHINGTON, AUGUST 27.—The U.S. Pacific Command will begin airlifting emergency military supplies to Laos within a few days, Defense Department officials said today.

The State Department announced late yesterday that the United States had decided to increase aid to the southeast Asian kingdom, whose security has been threatened by Communist guerrillas.

Laos has a 600-mile border with Communist North Vietnam and Communist China. Small bands of troops from North Vietnam have been slipping across the border, particularly in the provinces of Samneua and Phongsaly in northern Laos. They have been joining remnants of a battalion of Laotian Communists.

SUPPLIES AVAILABLE IN ORIENT

The additional U.S. aid will enable Laos to increase her army from about 25,000 to 29,000 men and her village militia from 16,000 to 20,000.

The supplies will be of the same kind that the United States has been furnishing Laos for the last 4 years under a military assistance program—small arms and ammunition, clothing, tents, jeeps and radio equipment.

Such supplies are available at U.S. bases in Japan, the Philippines, Okinawa and Taiwan. The responsibility for airlifting them into Laos has been given to Adm. Harry D. Felt, commander of all U.S. forces in the Pacific, whose headquarters are in Honolulu.

Defense Department officials said that the airfield at Vientiane, the administrative capital of Laos, could handle C–119 military transports.

Meanwhile, on Capitol Hill, Senator KENNETH B. KEATING, Republican, of New York, cited the Lao crisis as an effective illustration of the need for an adequate foreign-aid program.

Mr. KEATING said that the Lao situation "show perfectly" that the aid program is not a giveaway, but is "absolutely necessary in our national interest."

Senator KEATING also said that Communist actions in Laos again revealed the emptiness of Moscow's professions that it wants peace.

He said that Premier Nikita S. Khrushchev, "who of all men has the power to stop this aggression, is insulting the intelligence of the free world if he thinks he can come to this country and convince Americans or any other people of the free world of his peaceful intentions at the very time he is calling the signals on the kind of deliberate slaughter which is going on in Laos."

U.N. CHIEF DECLINES TO ACT

(By Lindesay Parrott)

UNITED NATIONS, NEW YORK, August 27.—Secretary General Dag Hammarskjold declined today to send a United Nations observer team to Laos unless a major body of the international organization demanded such action.

The Secretary General, who is in Buenos Aires, said in a message sent here that his authority probably did not extend that far.

Unofficial statements here revealed that Mr. Hammarskjold had set in motion diplomatic measures requested by the Lao Government to relieve Communist pressure. But the Secretary General said he had received no request from Laos or from any other government to send official observers.

His statement made plain that a United Nations border patrol would be sent only with the consent of both Laos and North Vietnam or under a firm directive from the Security Council, the General Assembly, or the powers that supervised the Geneva agreements of 1954.

Britain and the Soviet Union were cochairmen of the 1954 Geneva Conference that ended the 8-year war between French and Communist forces in Indochina. The armistice in Laos, a former French protectorate in Indochina, was supervised by a commission that consisted of representatives of Canada, India, and Poland. The commission suspended its activities last year.

STAND EXPRESSED EARLIER

Mr. Hammarskjold's statement was made public here to clarify the position he had expressed in a news conference this month and in conversations last week with Ngon Sananikone, a special Lao envoy.

Mr. Hammarskjold made the following points:

On various occasions he has sent personal envoys to two disputing countries at the "joint request" by both.

When invited by a single country, he has sent an envoy there.

It is beyond the competence of the Secretary General to enforce a mission on a state or on states that have not formally requested such action.

"It must be regarded as outside the competence of the Secretary General," the statement said, "to arrange a mission regarding the border situation in Laos without an invitation from Laos and the other country concerned (North Vietnam)."

Mr. Hammarskjold suggested, however, that he might act on a "joint initiative by the two cochairmen of the Geneva Conference of 1954, after consultation of the two countries concerned."

BRITISH-UNITED STATES TALKS EXPECTED

LONDON, August 27.—The Communist advance in Laos and the ways to meet it are expected to be taken up tomorrow in the first working session connected with President Eisenhower's visit to Britain.

While the President visits Queen Elizabeth at Balmoral Castle in Scotland, Secretary of State Christian A. Herter will meet Foreign Secretary Selwyn Lloyd at the Foreign Office.

The most urgent problem before them seems to be the advance of Communist guerrillas in Laos.

On Monday before he left the United States, Mr. Herter told a group of Senators and Representatives that the Lao situation was "very dangerous." He indicated that he would like the United Nations to send border observers.

Today the Marquess of Lansdowne, Joint Parliamentary Under Secretary for Foreign Affairs, discussed Laos with the Soviet Ambassador, Yakov A. Malik.

TWENTY-FIVE VILLAGES SAID TO FALL

VIENTIANE, LAOS, August 27.—About 25 villages with a total of 8,000 persons in northern Laos have been occupied by enemy forces or their sympathizers, according to military intelligence reports received here today.

Six to eight North Vietnamese battalions are massed along the border, the reports said, but there is still no conclusive evidence that Vietnamese troops have participated in military activity in Laos.

A lack of facts on military developments in Laos was said to have prompted U.S. sources to protest to the Lao Defense Ministry. Shortcomings in communications and an apparent lull in military action were believed to be the cause of sketchy reports.

[From Newsweek, June 1, 1959]

NEAR MIRACLE IN LAOS

(By Ernest K. Lindley)

VIENTIANE.—A near miracle has occurred in landlocked Laos, most remote, most primitive, least organized of the free nations which sprang from French Indochina. It is not entirely a miracle because it is due to the intelligence and courage of Laotian leaders who understand communism and are resolved to preserve the independence of their country. The American Government has given effective help. As a result the situation in Laos is utterly different from that depicted in recent congressional rehashings of the past.

To appreciate the near miracle it must be remembered that Laos has a very long border with Communist North Vietnam and China. Its two northern provinces were controlled by Laotian Communist troops when the Indochina war ended in 1954. Two Communists were admitted to the cabinet in 1957. Only a year ago, the Communists and their allies scored an ominous political victory, winning a majority of the additional seats in the enlarged National Assembly. Meanwhile, corruption had made Laos a highly publicized example of badly administered American aid.

Last summer the near miracle began to develop. Most of the older anti-Communist leaders put aside their feuds and united in a new party: Rally of the Laotian People. Concurrently, progressive younger Laotians who had never held elective office, although most of them had served in appointive posts, organized the Committee for Defense of National Interests, dedicated to clean government as well as to saving Laos from communism. A new cabinet was formed, including four of these young men and excluding the Reds.

REPULSE

Last October the new government removed the chief cause of graft by abolishing import license and devaluating the currency. It firmly withstood a phrenetic Communist counteroffensive—demands for reactivation of the International Control Commission (including a Communist member) which had left Laos in July supported by a strong propaganda campaign from North Vietnam and raids across the border by Vietminh troops. In January, it obtained a 1-year grant of special powers from the National Assembly and added three army officers to the Cabinet.

Four months ago this new regime launched a campaign designed to destroy Communism at the rice roots. One arm of the campaign is village improvement—most of the 2 million Lao live in some 10,000 villages. The Government is giving the villages cement and roofing materials, and they are building schools. The village campaign includes public health and local roads. The other arm of the campaign is the strengthening of the administrative pyramid, extending downward to the villages.

ADVANCE

Traditionally, each village elects its own headman and the headmen of each group of 6 to 10 villages elect their district leader. Now these lower officials must be approved by the National Government. The Communists and their dupes are being eliminated. The prestige of reliable lower officials is being built up by giving them official huts and staff assistance. In this the Lao Army, trained, at our expense, has an active role. Six picked army men are assigned as staff to each district leader. Meanwhile, graduates of the U.S. training programs in agriculture, public health, etc., are beginning to move into the field.

Thus while backward-looking Congressmen rake over the past, Laos has moved ahead. I talked with Premier Phoui Sananikone and with such younger officials as Inpeng Suryadhay, Secretary of State for Education, and Lt. Col. Oudone Sananikone, Secretary of State for Social Affairs and Public Health. They seem to me to be both capable and socially enlightened. The changed situation in Laos justifies two conclusions: (1) Despite past waste and corruption, American aid has been a success and (2) not to give this new regime our unstinting support would be blind folly.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT ENTITLED "FEDERAL DISASTER REPORT MANUAL"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business, H.R. 1, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 839, Senate Resolution 179; and that upon the conclusion of action upon Senate Resolution 179, the Senate resume the consideration of H.R. 1.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 179) to print for the use of the Committee on Government Operations additional copies of Senate report entitled "Federal Disaster Report Manual."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JAVITS. Mr. President, may I ask the acting majority leader whether the resolution has been cleared with the minority leadership?

Mr. MANSFIELD. Yes; it has been cleared. The additional copies of the manual are needed because of the earthquake situation in Montana. That is why I have asked for the consideration of the resolution at this time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 179) was agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Government Operations eight thousand additional copies of Senate Report Numbered 807, Eighty-sixth Congress, entitled "Federal Disaster Relief Manual", reported to the Senate by the Committee on Government Operations.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. YOUNG of Ohio. Mr. President, in my opinion the bill under consideration presents a very grave problem in connection with the note of the Canadian Government dated April 9, 1959, in which that Government expressed, in no uncertain terms, its opposition to H.R. 1, which has been debated in the Senate for some time, and probably will be debated further today and tomorrow, and perhaps even next week, before a vote is taken.

Mr. President, I am opposed to H.R. 1. I hope very much that the motion to refer the bill to the Committee on Foreign Relations will be adopted. I feel that in view of the grave questions raised by Canada's objection to the proposed legislation and her insistence upon her rights under existing treaties, the Senate should support the motion to refer the bill to the Committee on Foreign Relations for further consideration.

If, however, that motion fails, and the debate proceeds upon the merits of the bill, I am aware of the claim made that the bill provides for only a temporary diversion of the waters of the Great Lakes. Yet I am fearful of the precedent if the Senate should, by an affirmative vote, pass the bill. From my point of view, there is no justification for the bill. I entertain the hope that should the bill be passed by the Senate, as it was passed by the House of Representatives, the President will veto it because of the attitude of the Canadian Government.

I may say, in that connection, as one who has studied the vetoes of President Eisenhower during the time I have been a Member of this body, that were the bill to pass the Senate as it has passed the House, and were the President to veto it, I consider that it would be the only veto of President Eisenhower which would have justification. I would much prefer that the bill be referred to the Committee on Foreign Relations or be defeated in the Senate, so that I might be in a position rightfully to tell my constituents in the State of Ohio that, in my studied judgment, the President of the United States has been wrong in his every veto since I became a Senator.

Therefore, I hope we will not afford the President the opportunity of being right in this one instance, should he veto the bill. Should the distinguished senior Senator from Illinois [Mr. DOUGLAS], who is the present occupant of the chair, succeed in having the bill passed through this body, under his great leadership, I would be sorry to be put in the position of supporting an Eisenhower veto.

Mr. President, I shall now proceed to another subject.

Mr. LAUSCHE. Mr. President, will the Senator yield before he proceeds to the other subject?

Mr. YOUNG of Ohio. I yield to my distinguished colleague from Ohio, provided I do not lose the floor.

Mr. LAUSCHE. Mr. President, with the permission of the distinguished junior Senator from Ohio, I should like to point out again that what has been said on this subject by Charles Cheney Hyde, a recognized expert on international law. It is so significant that it ought not be omitted from the RECORD.

Mr. Hyde points out that under the agreement made initially, I believe, in 1909, and then reinforced in 1950, the Government of the United States and the Government of Canada entered into what was known as a convention; and that under that convention they agreed to conduct themselves in a specified manner with regard to the waters which had their origin in either of the nations, or which flowed through either of the nations or constituted boundary lines.

In that convention, it was stated that no changes in the courses of waterflow and no changes in the elevation of the waters shall be achieved by the construction of dams or other artificial impoundings which would have a damaging effect upon the ability to generate hydroelectricity or navigate ships, without the consent of both of the signatures.

The convention provides, by the solemn covenant of our Government and that of Canada, that disputes are to be referred to the International Joint Commission. That is, it specifically states than when an item arises in which there is a dispute, that matter shall be referred to the International Joint Commission.

Our Nation has been noted throughout its history for its devotion to the promises and the contracts it makes. But now we find that we are asked to vote to have our Nation proceed, by means of this bill, to violate the covenant or treaty which has been made between our country and Canada.

Mr. President, today, we hear on all sides, "Do not listen to Khrushchev or to the Soviets. Their word is not worth the paper it is written on." Such statements have been made on the floor of the Senate; and they point out the chief basis for differentiating between the Soviets and the free world, including ourselves. We know of the promises the Soviets have broken, after they have made them to all of the captive nations. The Soviets said to them, "We will give you the right to vote"; and the Soviet compacts with those nations provided that they would have the right to vote. But Stalin and Khrushchev broke those promises.

My point is that although the entire history of the United States testifies to the fact that our country has never broken a promise or a commitment, yet it is now proposed, by means of the pending bill, that our country say, in effect, to Canada, "Yes; we have a convention with you; and we have agreed with you that we would not divert these waters, by means of the building of dams, or otherwise. However, the time has come when we feel that we can break that compact."

Mr. President, such an attitude is completely foreign to what our country has always stood for.

So I wish to commend my colleague [Mr. YOUNG] for his statement in regard to the importance of the treaty, or the convention, as it is called. If the precedent now proposed were to be established, we surely would pay a very large price for it; we surely would put a dent in our armor; and we surely would tell all the world that we believe in the sanctity of treaties only so long as we find them useful to us, but that when situations develop in such ways that the treaties we make become disadvantageous to us, we throw them overboard.

Mr. CASE of South Dakota. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Ohio yield to the Senator from South Dakota?

Mr. YOUNG of Ohio. I do not yield at the moment, Mr. President.

Mr. CASE of South Dakota. I wish to ask a question in regard to what the senior Senator from Ohio [Mr. LAUSCHE] has stated just now.

Mr. YOUNG of Ohio. First, Mr. President, let me say that my distinguished colleague [Mr. LAUSCHE] has just made what I regard as a very notable statement; and through that statement he has presented an irrefutable argument against H.R. 1, which now is before the Senate. I am very happy to join my colleague in his opposition to this measure.

At this time I yield to the Senator from South Dakota [Mr. CASE], provided I may do so without losing the floor.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Is there objection? Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, as I have stated earlier in the course of the debate on the pending bill, I believe that the protest voiced by the Canadian Government in its letter of April 9 of this year, and to which it alluded in its letter of April 16 of this year, raises a question of comity between the two countries; and I believe that question might properly interest the Senate Committee on Foreign Relations.

I have already indicated that if that issue were raised, I would believe that, as regards the question of jurisdiction, the Committee on Foreign Relations would be well within its rights in asking that the bill be referred to it.

The first clause of the rule which defines the jurisdiction of the Foreign Relations Committee gives that committee jurisdiction of matters which relate to the relationship of our country with other countries.

However, I wonder just how the Senators from Ohio avoid the reservation which was included in the Treaty of 1909, which declared that the waters of Lake Michigan were wholly within the United States.

Mr. LAUSCHE. The treaty itself contains the statement that nothing in it shall in any way affect the general authority which was given to that Joint Commission.

Let me read, beginning with page 571, from the book written by Charles Cheney Hyde:

> The United States has in the present century concluded significant agreements with both Mexico, and Great Britain, with respect to the uses of waters constituting a part of, or appertaining to, or flowing across, its frontiers.
>
> The arrangement known as the Convention Concerning Boundary Waters between the United States and Canada was an achievement of great moment. Each contracting party reserved to itself "the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary or into boundary waters."

I interpolate to say that that sentence would seem to give support to the statement the Senator from South Dakota made a moment ago.

I read further from that portion of the book:

> It was agreed, however, that any interference or diversion on either side of the boundary, resulting in injury on the other side thereof, should give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where the diversion or interference occurred. No further uses or obstructions or diversions (in addition to those previously permitted or thereafter to be provided for by special agreement) affecting the natural level or flow of boundary waters were to be made except by authority of the United States or Canada "within their respective jurisdictions" and with the approval of a joint commission known as the International Joint Commission established by the convention.

I read further from the book:

> Save with the approval of the Commission the construction or maintenance of no remedial or protective works or any dams or obstructions were to be permitted by either contracting party on its own side, if the effect thereof would be to raise the natural level of waters on the other side of the boundary.

Mr. CASE of South Dakota. Mr. President, I have raised the question because I thought the RECORD should show the basis of the belief, which some hold, that the treaty might be breached or violated by this bill.

But the actual determination of whether the treaty or the convention would be breached in any degree should not, in my opinion, be made by the Public Works Committee. I believe that the responsibility of the Public Works Committee was primarily to consider the public-works aspects of the matter, particularly as regards the utilization of the water.

During the hearings on the bill, I stated that I did not believe this international question came properly within the jurisdiction of the Committee on Public Works. I believe it would more properly be considered by the Foreign Relations Committee.

Of course, there are differing opinions in regard to the proper interpretation of the treaty, but certainly it is of record, this year, that the Canadian Government feels the treaty would be violated. A year ago that was not so. At that time there was a letter, which was referred to in the debate, which indicated that a temporary diversion for the purpose of study would not be seriously objected to by the Canadian Government. But this year a different situation exists. A very specific representation was made by the Ambassador of Canada to the State Department of the United States, which I placed in the RECORD the other day. That was done in April. Again, in August, just a few days ago—on the 20th of August—as a matter of fact—the Canadian Ambassador referred again to their note of April 9, 1959, and said he advised our State Department that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note.

So certainly the Government of the United States is on notice that the Canadian Government takes the position the convention would be violated.

In view of that fact, I think that the Committee on Foreign Relations would be within its rights if is should, as has been suggested, through motion made on the floor, ask that the bill be referred to that committee.

Again I should like to say what I said the other day. There is no country on the face of the globe with whom I think it is more important that we maintain a clear, friendly understanding than with our friends to the north, the Canadian Government.

In view of that fact, I would support a motion to refer the bill to the Committee on Foreign Relations.

Mr. LAUSCHE. Mr. President, if I may say this to the Senator from South Dakota, I made it my special business to read the statement which he made the other day, and my reaction to it was to this effect: The Senator from South Dakota believes that the diversion ought to be permitted, but he recognizes the sanctity of international agreements, and therefore feels this item ought to be referred to the Foreign Relations Committee.

I was greatly inspired by what I read, and may I say to my colleague from Ohio [Mr. YOUNG] that I was uplifted when I heard him so vigorously recommend that the bill should go to the Foreign Relations Committee.

I think we get down to what are plain, simple, human relations—my word made to a fellow man. Our integrity is dependent upon the constancy with which we keep our word. That is true of individuals; and it ought to be more so of nations, because nations represent millions of people, and when governments repudiate their word, they throw an odious reflection upon the people living within those countries.

I have already stated that Canada has said, "We have a convention with you. You are violating it." I have quoted from Hyde's book, which establishes that convention in his views. Yet on the floor of the Senate we are contemplating a repudiation of that agreement.

Now I should like to read, if the Senator will further permit me, what was carried in the Financial Post of Toronto, Canada on August 8. I read from an article published in that paper:

> How long will Canada survive as a separate nation?

That is quite a significant question. I continue to read:

> Through the free and natural operation of economic forces, day by day Canada's control over her own destiny decreases—and American control increases. It is a situation which too few Canadians know about and which many Canadians don't even like looking at. Few Americans know about it. But John Davis, of British Columbia Electric, recently did a very useful job in setting forth the main facts of this growing Canadian dilemma. He was speaking at a seminar on Canadian-United States relations at the University of British Columbia:
>
> "United States investment in Canada is known to be approaching $14 billion. It is getting on toward $1,000 for every man, woman, and child in our 10 Provinces. It is more than three times Canada's total annual investment in new industrial plant and equipment. * * * Even if Canadians devoted all of their personal savings to the task, it would take at least a generation to buy the last American investor out."
>
> At that, the $14 billion total understates the true magnitudes, Mr. Davis points out. Present market value of United States private investment in Canada is probably around $20 billion. At the $1-billion-a-year rate at which book value is rising, it will soon equal our gross national product.

Then come some pertinent questions, and I wish that my colleagues would pay attention to them:

> "What would the average U.S. citizen think about a level of foreign investment which was equal to 60 percent of total yearly output of goods and services in 1959?" Mr. Davis asks. "Even in 1914, the highest year on record, it was less than 15 percent of the then national income of the United States." Well over half the profits paid out by Canadian business go to nonresidents. By 1980 the proportion could be 70 percent. As for profits not paid out but reinvested by foreign owners in Canadian undertakings, "their very magnitude may make it impossible for future

generations of Canadians to begin to buy back their national heritage."

Notwithstanding the many economic advantages flowing from United States direct investment here, Mr. Davis says, "Canadians might well ponder the question as to whether a country can have a meaningful, independent existence in circumstances where nonresidents hold title to most of the means whereby it earns its livelihood." What would Americans do if British, German, or Japanese capital had similar penetration into their economy? One thing is sure—they would be jumping up and down with agitation and concern.

That is the situation in Canada. They are complaining and groaning. They say, "Now you are wanting to take from us waters which belong to us and which by agreement you contemplated and promised to protect. You want to take them for the purpose of advancing the economic richness of the United States at the expense of the economy of Canada."

I say, the least that we could do is to turn this over to the Committee on Foreign Relations, either with or without instructions, as suggested by the Senator from South Dakota [Mr. CASE] that within a limited time the report shall be made. No Senator on the floor, unless he studies these documents carefully, will be in a position to vote intelligently on this subject. Each Senator ought to have the advice of the Committee on Foreign Relations considering the significance of what is happening.

Mr. YOUNG of Ohio. Mr. President, I express my admiration and gratitude to the distinguished Senator from South Dakota and to my distinguished colleague, the senior Senator from Ohio, for the powerful arguments they have advanced against H.R. 1 and in favor of referring the bill to the Committee on Foreign Relations of the Senate.

Mr. President, without losing my right to the floor, I ask unanimous consent that I may yield to the Senator from New Hampshire.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

TRIBUTE TO MAJ. GEN. WILLIAM P. FISHER

Mr. BRIDGES. Mr. President, in the Air Force "goodby" is a word seldom used. Men who have served together part with the expectation of serving together again. They look upon their separation as only a temporary thing.

That is the way I choose to look upon the reassignment of Maj. Gen. William P. Fisher, Director of Legislative Liaison for the Air Force. Although he is leaving Washington for McGuire Air Force Base, N.J., where he will command the Eastern Transport Air Force in MATS, I expect to see him returned to Washington for positions of even greater responsibility. His record as a commander and staff officer foretell a promising future in the Air Force. It is a record in which he can take great pride and I ask that it be printed in the RECORD at the conclusion of my remarks.

Mr. President, I take this opportunity to welcome, as the new Director of Legislative Liaison, Maj. Gen. Thomas C. Musgrave, who also brings to the position an admirable array of accomplishments and successes. I know I speak for my colleagues in the Senate, as well as myself, in extending best wishes to Generals Fisher and Musgrave for continued notable achievements and progress. To General Fisher, our thanks for his outstanding service to the Congress.

There being no objection, the record was ordered to be printed in the RECORD, as follows:

MAJ. GEN. WILLIAM P. FISHER, U.S. AIR FORCE

PART I. NARRATIVE

William Parker Fisher was born in Atlanta, Ga., on August 11, 1911. His father, Parker William Fisher, a Congregational minister, moved his family several times before Southern Pines, N.C., became their permanent residence. From there he entered North Carolina State College at Raleigh and after an interruption of 2 years, during which he worked at various jobs, he graduated in 1934 with a B.S. degree in mechanical engineering. Long an aviation "bug," he applied for and was selected as an Army flying cadet. In June 1935, he was graduated from Advanced Flying School, Kelly Field, Tex., and on October 1, 1936, he was among the first 50 to be appointed second lieutenant, Air Corps, Regular Army, under the Thomason Act.

Mitchel Field on Long Island, N.Y., was his first duty station and there he remained from 1935 to 1940, first assigned to the 1st Bomb Squadron and then to Headquarters of the 9th Bomb Group. He served successively as pilot of B–10's and B–18's; group bombardier; assistant group navigation officer; and instructor in the group's navigation school.

In March 1940, First Lieutenant Fisher became Base Engineering Officer at Wheeler Field, Hawaii. On his promotion to captain, he became the Commander of the 78th Pursuit Squadron, then flying P–36's and P–40's.

Captain Fisher was made assistant operations officer for the Hawaiian Air Force in May 1941. In September of that year, he, Maj. Emmett "Rosie" O'Donnell and others took part in the epoch-making flight of nine B–17's from Hawaii to the Philippines. For his participation he was awarded the Distinguished Flying Cross.

Major Fisher's "gold oak leaves" were 2 days old when, on December 7, 1941, the Japanese attacked Clark Field and the unit he commanded, the 28th Bomb Squadron of the famed 19th Bomb Group. He wears the Purple Heart for the wound he received during the bombing.

He led the 28th Squadron from Bataan to Mindanao in January 1942, where it was converted to an infantry unit. For more than 2 months he and his men fought the Japanese army before their unit was overwhelmed. Out of the Philippines, Major Fisher was given command of all allied fighter units in East Java. When Java fell in March 1942, he was first evacuated to Australia and then in April 1942 returned to the United States. From then until July 1943, Lieutenant Colonel Fisher was in Headquarters, 3rd Air Force at Tampa, Fla. The following few months he spent with the 58th Bomb Wing.

Wearing his new "eagles," Colonel Fisher took a long, hard "bucket-seat" ride via the South American-African route to China to take charge of the 308th Bomb Group. His B–24's operated under the direct control of Maj. Gen. Claire Chennault of Flying Tigers fame. The 308th Group flew every type of mission in the books—and a few others. It was, in effect, the Strategic Air Force of the China Theater. For service as its commander, Colonel Fisher received the Oak Leaf Cluster to the DFC; the Legion of Merit and the Air Medal.

Colonel Fisher left his combat command in October 1944, and reported to Washington, D.C., as Deputy to Gen. Lauris Norstad, Chief of Staff of 20th Air Force. He was awarded the Oak Leaf Cluster to the Legion of Merit for his work. Subsequently he served on the Air Staff in Washington, under Gen. Curtis E. LeMay and Maj. Gen. Fred Anderson, until September 1947, when he entered the Air War College, Maxwell Field, Ala.

For approximately a year after his graduation in June 1948, Colonel Fisher was a member of the Air War College faculty. He departed Alabama for Texas in March 1949, to become Commander of the 7th Bomb Wing and Carswell Air Force Base at Fort Worth. Reassigned in January 1950, he moved to Tucson, Ariz., to be commander of both the 43rd Bombardment Wing and Davis-Monthan Air Force Base. The 7th and 43rd Wings were the first two wings of B–36's in the Air Force. When the 36th Air Division was activated there in September 1951, Colonel Fisher was appointed its commander and was promoted to brigadier general the following month.

With all of his experience in bombers, General Fisher was an obvious choice in October 1952, to assume the leadership of Far East Air Forces (FEAF) Bomber Command and the three B–29 wings operating from bases in Japan and Okinawa against targets in North Korea during the last year of the Korean action. For his exceptionally meritorious service in that position he was awarded the Distinguished Service Medal.

Gen. Curtis LeMay called General Fisher in July 1953 to be the Inspector General of SAC at Headquarters. Two years later, in April 1955, General Fisher took command of the newly activated 1st Air Division, and then a year later, on August 7, 1956, he became Deputy Commander, 8th Air Force with Headquarters at Westover Air Force Base, Mass. In that position, on October 24, 1956, he gained the second star of a major general. For his work in the 8th Air Force, General Fisher was awarded a second and third Oak Leaf Cluster to the Legion of Merit.

In Washington, D.C., General Fisher was successively appointed Deputy Director of Leigslative Liaison, Office of the Secretary of the Air Force, on April 25, 1958, and Director on June 28, 1958.

As a Command Pilot and Command Observer, General Fisher has flown more than 6,600 hours in jet and conventional aircraft. During World War II and Korea he flew a total of 59 combat missions.

I thank the distinguished Senator from Ohio.

PUBLIC POWER NEEDS OF NORTHEASTERN STATES—RESOLUTIONS

Mr. YOUNG of Ohio. Mr. President, the American Public Power Association, representing over 800 local publicly owned electric utilities, at their annual convention held earlier this year, adopted two resolutions designed to provide the people of the Northeastern States with low cost electricity.

On June 15 of this year, I presented these resolutions to the Senate. It was stated to me that electric power rates in the northeastern region of the United States are the highest in the Nation and that steps should be taken to develop the electric power resources of this entire area, as has been done in other regions.

The average rate for the State of Ohio, based on the use of 250 kilowatt-hours per residential consumer is $6.96. The entire northeastern area from Avon east to the Pennsylvania border along Lake

Erie is served by the Cleveland Electric Illuminating Co. and the charge of this corporation effective February 15, 1959, is $7.04.

Vincent M. DeMelto, commissioner, division of light and power of the city of Cleveland, writes me that it is true, as I stated on June 15, that the electric power rates in the northeastern region of the United States are the highest in the Nation. The State of Ohio is included in the northeastern region of the United States, but the facts are, I am glad to report, that the rates in Ohio are lower than in some other States in this region. The average stated rate in New Hampshire, being the highest rate in the Nation, is $8.92, Massachusetts $8.91, Vermont $8.90, Rhode Island $8.74, Maine $8.51, New York, $8.10, and Connecticut $8.

Vincent M. DeMelto, commissioner of light and power of the city of Cleveland, reported to me as follows under date of July 21, 1959:

Our resolutions requested Congress to establish a Northeastern Power Administration to include "from the Ohio River Valley to the northeast section of the country" and would, therefore, include Ohio. Ohio's rates are not the highest in the Nation—6.96, but this rate is kept low by the competition the private utilities have to face from 101 municipally owned light and power utilities. For example, in Columbus, Ohio, there is no municipal light plant and the rate is 7.50. In Cincinnati, Ohio where they face competition from Hamilton's muny light plant which has the lowest rate in the State, 5.85, the Cincinnati rate is 6.86.

Compare the above rates with the States where the Federal Government has developed hydro-power and made use of said power for the benefit of the people such as the following State average rates; Washington has the lowest average State rate in the country, 4.53; Tennessee has the State average rate of 4.84; Oregon, 5.40; Alabama, 5.42; Idaho and Georgia, 6.41; Nevada, 6.50 and the all public power State of Nebraska, 6.23. This gives you a general picture of electric rates around the country. You can see why we in Ohio are fighting to keep the electric rates low. There is no reason why we should not obtain low cost electricity from Niagara Falls and there is no reason why the Federal Government should not create a Northeastern Power Administration which would benefit not only New England but Ohio, Pennsylvania, and neighboring States.

It is evident to me on the basis of information furnished by Elmer L. Lindseth, president of the Cleveland Electric Illuminating Co., who is a nationally known and respected authority on private power and a leading citizen of Ohio, that the New England section of the northeastern region of the United States has the highest rates in the Nation and that Ohio and Pennsylvania electric consumers pay smaller residential service bills than electric users in the States I named and in a number of other States.

The Cleveland Electric Illuminating Co. is one of the great corporations of America. Thousands of my fellow citizens have prudently and wisely invested their savings and, as stockholders, are part owners of the CEI, as it is known to all Ohioans.

Elmer L. Lindseth, its president, with the slogan, "The best location in the Nation," has done more for the advancement and really good productive advertising of my home community than any other individual. Thousands of people hold him in the highest admiration, affection, and respect.

Mr. Lindseth, stated in a letter to me:

The eight independent electric utility companies in Ohio this year are spending $213 million in expansion to meet future needs. Over the next 5 years, more than a billion dollars in all will be spent; and over the next 10 years, the aggregate for new construction will be close to $2 billion. Certainly this region needs no Federal power projects to serve the needs of the area.

* * * * *

I'm sure we can all feel pride in the fact that it is important because of low cost power that Ohio now stands second in the Nation in "value added by manufacturing"—a key index of the economic health of the State. We can feel equally proud that in the last decade Ohio ranked first among all States in the Nation in industrial plant expansion.

Vincent M. DeMelto reported to me further:

Between Cleveland and the Pennsylvania border along Lake Erie, are huge undeveloped areas which could be developed and large industries brought in to give our people jobs and to bring tax relief and other benefits to our communities. Why are not industries attracted to this area which has ample water in Lake Erie and ample transportation facilities both by water and rail and for which the city of Cleveland is willing to provide ample water supply? Why does Diamond Alkali Co. generate their own electricity?

* * * * *

This is the competition we in Ohio must face. It is why we can no longer attract private industry along Lake Erie. Therefore, it is imperative to secure Niagara power for the people of Ohio the same as is enjoyed by certain sections of New York State.

* * * * *

We are not being selfish in trying to bring cheaper electricity into the State of Ohio. We are not concerned as to whether a private utility or a public power agency brings this low cost electricity into our State. If the private utility does not care to avail themselves of hydropower, why should they object to the public power agencies bringing it into the State for the benefit of all of our people?

Mr. President, Brooks Hays, of Arkansas, a former colleague of mine in the House of Representatives, now a member of the Board of Directors of the Tennessee Valley Authority, recently stated that the U.S. Treasury is some $12 billion richer—not millions, but billions—and the people of the Tennessee Valley area have been saved many millions of dollars in flood damages and the costs of electric service because of the work of the Tennessee Valley Authority.

During the 26 years the TVA has been in existence, economic gains have come to the entire Tennessee Valley area and to people living in neighboring States.

The TVA has served all elements of life in the Tennessee Valley, and, in fact, private utility companies have naturally benefited by TVA operations.

All of us know, Mr. President, that during World War II the Tennessee Valley Authority was a great bulwark in the defense of this Nation against Fascist aggression, and except for the TVA, the A-bomb and the H-bomb would not have been perfected and the atomic experiments completed as soon as they were.

Since 1937, private electric utility companies have increased and expanded three times from what they were in 1937, when the TVA started its power operations.

May I add that it is a happy personal recollection that I, as Congressman, voted to create the TVA and as United States Senator voted in support of the TVA self-financing bill so that a major region of the United States is not to be handicapped for lack of electric power.

If similar projects would be beneficial to Americans living in other regions of this great country, I would be happy to support them also.

TRIBUTE TO FORMER SENATOR CHAN GURNEY

Mr. CASE of South Dakota. Mr. President, the Yankton Press and Dakotan of my State of South Dakota has a very brief editorial entitled "Tribute to Gurney." It is a splendid tribute to my predecessor in the U.S. Senate.

I ask unanimous consent that the editorial be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRIBUTE TO GURNEY

Yankton's Chan Gurney, a member of the Civil Aeronautics Board and formerly a Senator from South Dakota for two terms, receives high rating as one of the five best members of the Board, in a survey recently conducted by Airlift, monthly publication devoted to affairs in the aviation industry, and published in Washington.

Seeking an answer to the question: "How does the airline industry evaluate the members of the CAB since that five-man agency was created in 1938?" the magazine polled 252 top executives and attorneys among all of the certified airlines. More than 40 percent, or 103, responded with marked and unsigned secret ballots within the time limit specified.

Gurney, who has served on the Board since 1951, was one of the top five named as best members, and one of the two incumbents chosen. The choice was made from a total of 23 men who have served on the Board since it was created.

This is a fine tribute to the Yankton man, and one which his many South Dakota friends know is well merited.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry. What is the pending business before the Senate?

The PRESIDING OFFICER. H.R. 1, and the question is on the adoption of the first committee amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MANSFIELD. I yield the floor for that purpose.

Mr. PROXMIRE. I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WILLIAMS of Delaware. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll, and the following Senators answered to their names:

Aiken	Fong	Magnuson
Anderson	Green	Mansfield
Bartlett	Gruening	Morse
Bible	Hart	Moss
Butler	Holland	Mundt
Byrd, W. Va.	Jackson	Muskie
Case, N.J.	Javits	Proxmire
Case, S. Dak.	Johnston, S.C.	Sparkman
Clark	Jordan	Stennis
Cooper	Kuchel	Wiley
Dirksen	Lausche	Williams, Del.
Douglas	Long, Hawaii	Yarborough
Dworshak	McCarthy	Young, Ohio
Ellender	McGee	
Ervin	McNamara	

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senators from Connecticut [Mr. DODD and Mr. BUSH] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference in Warsaw, Poland.

Mr. KUCHEL. I announced that the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], and the Senator from New York [Mr. KEATING], are absent on official business.

The Senator from Nebraska [Mr. HRUSKA], is absent on official committee business.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. BRIDGES, Mr. BUSH, Mr. CANNON, Mr. CARLSON, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. COTTON, Mr. CURTIS, Mr. ENGLE, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HAYDEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. LANGER, Mr. LONG of Louisiana, Mr. MARTIN, Mr. MCCLELLAN, Mr. MORTON, Mr. MURRAY, Mr. NEUBERGER, Mr. PROUTY, Mr. RANDOLPH, Mr. ROBERTSON, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, and Mr. YOUNG of North Dakota entered the Chamber and answered to their names, when called.

The PRESIDING OFFICER. A quorum is present.

THE LATE SENATOR JOHN B. KENDRICK

Mr. YARBOROUGH. Mr. President, the late Senator John B. Kendrick, of Wyoming, was born in Cherokee County, Tex., about 20 miles from my boyhood home. Representative W. W. Glass has given us a glimpse of Senator Kendrick's boyhood in a recent article in Barnes Broiles' Jacksonville Daily Progress, the most democratic daily newspaper in Texas and one of the most fearless daily papers in the Nation. W. W. Glass, of Jacksonville, Cherokee County, Tex., a member of the State house of representatives, has served the people of Texas for over a decade and has proven by act and deed over the years that he is a fearless champion of the people's rights in the tradition of Texas' great Jim Hogg. In this article about the late Senator Kendrick, Representative Glass has made a contribution to our early history.

Senator Kendrick made a contribution to the Senate which is being felt to this day. Our distinguished and esteemed colleague from Wyoming, Senator JOSEPH C. O'MAHONEY, whose argument in the Strauss case was one of the Senate's modern landmarks of force and logic, was once an administrative assistant to Senator Kendrick. In turn, the able and diligent junior Senator from Wyoming, GALE MCGEE, was once administrative assistant for Senator O'MAHONEY. The courageous example of the orphan boy from east Texas is reflected in the courageous service for the people so often displayed on the floor of the Senate by the two present Senators from Wyoming.

Mr. President, I request unanimous consent that the article by W. W. Glass, from the Jacksonville Daily Progress of August 16, 1959, entitled "Was Distinguished Senator—Wyoming's Governor Kendrick Born in Cherokee County," be printed in today's CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAS DISTINGUISHED SENATOR—WYOMING'S GOVERNOR KENDRICK BORN IN CHEROKEE COUNTY

(By W. W. Glass)

Some years ago, as I strolled one afternoon through Resthaven, the city cemetery of Jacksonville, I came to a tombstone and grave which caused me to stop, linger, and meditate for many minutes. The tombstone, marked for Rosa Kendrick, brought to my mind a story I had heard years before.

The story: An orphan boy and girl, John B. and Rosa Kendrick, had grown up in the vicinity of Jacksonville where they lived for a long time with a brother-in-law and sister, Mr. and Mrs. John Phelps.

The girl, Rosa Kendrick, died in early womanhood; but the boy, John B., had in youth gone with a bunch of cowboys driving a herd of cattle over a long trail from Texas to Wyoming. On the trip, he had become critically ill with a fever, and had been forced to ride for days in the chuck wagon, days in which he talked of death with a fear that he would have to be buried in an unknown spot somewhere on the long, lonely trail.

But he survived the trip and later settled in Wyoming. There he developed a cattle ranch of his own, and later became a member of the State senate.

Then he became Governor of Wyoming, and later a U.S. Senator from that State. In the U.S. Senate he served until his death, a period of almost 17 years.

As I lingered at the foot of Rosa Kendrick's grave, I thought how bleak and desolate the future must have seemed to her at times as she wandered over the Phelps' old homestead, the place where two of the children, Lillian and Guy Phelps, still live; how despondent and dejected she must have been at times; how she must have felt at times that she and her orphan brother were children of misfortune, although they found a welcome in a relative's home.

And I thought that she perhaps little dreamed that that orphan brother would years later become a wealthy, successful cattleman, a Governor and finally a distinguished U.S. Senator.

Nor could she ever have dreamed that that brother, in his years of success, would name his only daughter Rosa in her memory, in memory of the orphan sister who had shared his privations in childhood.

As I lingered at the grave of Rosa Kendrick, associations brought other thoughts to mind. I thought of Senator Kendrick's colleague from Wyoming in the U.S. Senate, Frances E. Warren, and of the tragedy that befell his family.

Senator Warren's daughter, Helen, had in young womanhood married a young army officer, a graduate of West Point, John J. Pershing. Later Pershing reached the very top in the military world.

During World War I he was the Commanding General in charge of the American and Allied Forces in Europe, a position similar to that held by General Eisenhower in World War II. And during World War I Pershing's fame equalled, perhaps even surpassed, that given to Eisenhower in World War II.

Yet just a few years before Pershing's great fame, Helen Warren Pershing and her three daughters perished in a fire. They never lived to see the acclaim given to either Pershing or Senator Warren; for Senator Warren himself later became Chairman of the Committee on Foreign Affairs and one of the most powerful men in the United States.

Mr. YARBOROUGH. Mr. President, in this article it is pointed out how the late Senator Kendrick of Wyoming, an orphan boy, was brought up by relatives in Cherokee County, in the pinelands of east Texas. His mother died at an early age. He went up the cattle trail to Wyoming, contracted a fever en route, but survived it, and settled later in Wyoming. He had a very distinguished career as a great cattleman on the Great Plains. He later became a member of the Senate of the State of Wyoming, and later Governor of that State. Then he served as a Member of this body for 17 years. The connections of the two present Senators from Wyoming with him are a lasting tribute to his contributions.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Wyoming.

Mr. McGEE. I wish to say to my colleague from Texas that we in Wyoming are proud to have had the opportunity to share with Texas this great man, the late Senator John B. Kendrick. We were always grateful that we had the phenomenal period in the history of this country known as the long drive that produced the cattlemen of the 19th Century, because in that truly American era we produced the circumstances that brought John B. Kendrick from Texas to Wyoming.

Senator John B. Kendrick was the architect, really, of the modern Democratic Party in the State of Wyoming. When he got into the State legislature as a Democrat, there were no Democrats in major State or National office. As a result, his success, first in 1910, to be translated later into the governorship and then membership in the U.S. Senate, marked the upsurge in interest in democracy in our area. But he was more than just the architect of the Democratic Party in Wyoming. John B. Kendrick was more than a Wyoming Senator. I do not suppose any man has ever epitomized more the symbol and the cause of the West than has Senator Kendrick.

Senator Kendrick was not just a Wyoming Senator; he was truly a western Senator. Some of his family still live in Wyoming. His original ranch near Sheridan is a part of the holdings of his son, Manville Kendrick, who still resides there. There are other descendants of Senator Kendrick, of whom the State is still proud, who are scattered all over. But of John B. Kendrick we believe the very best was given, and to the rest of us the very best was received.

Senator Kendrick was an inspiration to my senior colleague, JOE O'MAHONEY, and through JOE O'MAHONEY, to me.

I have heard from my colleagues on the floor of the Senate that he remains to those still here who remember him an inspiration to them in guiding their conduct on the floor of this body.

I thank the distinguished junior Senator from Texas for having brought this matter to the attention of the Senate today.

Mr. YARBOROUGH. Mr. President, I thank the distinguished junior Senator from Wyoming for the comments he has made on the inspiring career of the orphan boy, John Kendrick, who went up the trail to Wyoming, where, on the Great Plains of the West, his early training evolved into the great leadership which he gave to the government of Wyoming and to this body.

We are proud he spent some of the formative years of his life in that area of east Texas which produced Jim Hogg, O. M. Roberts, and John H. Reagan, two of our greatest Texas statesmen. The majority of those in Texas who have been called "statesman" by the historians of Texas have come from that relatively small area of the State, the area where John Kendrick was born and spent his boyhood.

I desire to pay tribute, too, to the great State that saw the great possibilities in him and gave him the honor of leadership.

Walter B. Webb, in his book "The Great Plains" pointed out that through the 1870's, the 1880's, the 1890's and the 1900's and thereafter for two generations, every progressive governmental movement in America came from the Great Plains. Wyoming was the first State to give to the Nation woman suffrage. Webb asks, "What was in the spirit of that land that caused governmental progress in that era to come out of the Great Plains area of America?"

John Kendrick, coming from the most democratic area in Texas, and going into the most progressive area in the United States on the Great Plains, to a State which had already adopted woman suffrage, did much for progressive government in Wyoming and in America, and that combination of environment and self-training gave this body such a unique statesman.

I thank the distinguished junior Senator from Wyoming for his contribution.

CHINESE COMMUNIST ASSAULT ON INDIA

Mr. KUCHEL. Mr. President, it is deeply distressing to read on the news ticker that Prime Minister Nehru of India has announced that Chinese Communist forces have invaded northern India.

On Wednesday of this week, it is reported, 200 Chinese Communist troops recrossed the border into the North East Frontier Agency. In skirmishes with Indian forces, they established a number of border posts. Prime Minister Nehru also revealed that such aggression had taken place as early as August 7 in the same area, but the invading troops from the north had returned to their own territory until this week.

The North East Frontier Agency, Indian territory, lies directly south of Tibet and close to the Indian protectorates of Bhutan and Sikkim. Mr. Nehru has repeatedly warned the Communist Chinese, in recent weeks, that aggression on these feudal states of Bhutan and Sikkim will be considered aggression against India.

The Indian Ambassador at Peiping has lodged an official protest with the Chinese Communist Government; and Prime Minister Nehru has ordered Indian military forces to defend the invaded areas.

Apparently this new Communist aggression is two-pronged. Back in July the Chinese Communists occupied the Stangura area of Kashmir's Ladakh territory, and actually captured—for a time—an Indian reconnaissance group sent to investigate. The Peiping Government has not yet replied to the Indian protest on that occasion.

Thus we see a coordinated aggression on both flanks of Tibet. The North East Frontier Agency lies south of the still bleeding Buddhist Kingdom recently ravaged by the Communist Chinese, and Ladakh lies directly to the west.

Reports claim that the Chinese Communists themselves have claimed that Indian forces attacked them in the NEFA area and that they are merely fighting back in self defense. This is an old Communist cry, Mr. President, and it will not be believed, as it should not be believed, particularly since it involves, this time, a peaceful nation, the Republic of India, which has remained steadfastly neutral despite past serious provocations from her huge and menacing Red neighbor.

All peace-loving peoples will strongly approve of Mr. Nehru's forceful response to the Communist invasion, and our hearts and prayers go out to him and to his people, all of whom love freedom as do we.

These new attacks, Mr. President, cannot be properly evaluated at this time. They may represent mere temporary skirmishes, another segment of that continual and seemingly never-ending prodding action of the Communists to probe the free world defenses, to determine what resistance or what weaknesses they may find. This necessity of waiting until the situation clarifies itself before it can be effectively analyzed by us and by our free world friends, and then dealt with, is accentuated by the extremely rough, mountainous terrain of the area and the lack of communications, also, of the area in question.

I am particularly concerned over the fact that this aggression occurs at a time when the Chinese Communists—by self-admission now, Mr. President, in grave trouble economically—are launching a new artillery offensive in the Formosa Strait, and, so far as we know, are continuing their military pressures on the unhappy state of Laos.

During President Eisenhower's visits in Europe and prior to the planned visit of Mr. Khrushchev to this country, these events have a sobering effect on all our efforts seriously and honestly to negotiate with and consult with the Communist bloc, to win what the President describes as a peace with honor and with justice all around the globe. These events should enable the American people and all freedom-loving peoples, as Mr. Khrushchev comes to America, to look realistically and soberly on any easy friendliness which his visit might superficially inspire.

Mr. President, we must vigorously explore every reasonable and honorable hope for peace. That includes exchanges and conversations with the Soviets, to give them every chance of providing with deeds, as the President says, a demonstration of peaceful intent.

These new and saddening incidents in northern India provide us with the vivid reminder of the traditional Communist practice of force in international relations and of America's and of the free world's unyielding policy to contain it.

Mr. President, I suggest that the Soviet Government and its leader, prior to his departure for his visit to America, should make crystal clear to all the

world Russia's position on India's charge of Chinese Communist aggression and deceit.

EXCHANGE OF CERTAIN MORTGAGES FOR GOVERNMENT BONDS

Mr. CLARK. Mr. President, a week ago last Thursday, August 20, after an elaborate debate and by a vote of 56 to 29, the Senate adopted a resolution stating it was the sense of the Senate that certain transactions involving FNMA mortgages and low interest Federal Government bonds should not be consummated.

On Tuesday, August 25, pursuant to unanimous consent previously given, the distinguished minority leader [Mr. DIRKSEN] entered in the RECORD, at page 16913, a statement with respect to the action the Senate had taken on the previous Thursday. That statement contains certain omissions of material fact and certain inaccuracies—both, I am sure, quite inadvertent—which I believe should be corrected for the permanent RECORD.

I had hoped that these remarks could be made while the distinguished minority leader was on the floor, but, after having attempted unsuccessfully for the last 2 days to find time mutually convenient to both of us, when I could get the floor, the Senator from Illinois graciously agreed this morning that if I could get the floor today I might proceed, even though he were not in the Chamber.

Mr. President, the first important omission in the statement of my good friend from Illinois—I refer to my good friend the minority leader from Illinois, I will say, since I see my distinguished friend the senior Senator from Illinois [Mr. DOUGLAS] turn around. I can assure the senior Senator I am afraid nothing I have to say will be of any interest to him, although I hope it will be.

Mr. President, the first omission I should like to bring to the attention of the Senate is that the junior Senator from Illinois [Mr. DIRKSEN] quoted rather extensively from comments made by the senior Senator from Florida [Mr. HOLLAND] and the senior Senator from Ohio [Mr. LAUSCHE], apparently attempting to convey the impression that these two Senators were opposed to the resolution.

The fact of the matter is that both the senior Senator from Florida [Mr. HOLLAND] and the senior Senator from Ohio [Mr. LAUSCHE] voted in favor of the resolution, after certain language to which they objected had been deleted. I think for the RECORD it is only fair to state that the comments of the Senator from Illinois [Mr. DIRKSEN] would have given the casual reader a quite different impression.

The second statement to which I take exception, made by the distinguished minority leader is:

> The astonishing fact is that in the debate last Thursday these three stated reasons for opposing the exchange were scarcely mentioned.

Mr. President, anyone who wants to look at the record of the debate, starting on page 16506 of the RECORD for August 20, 1959, will find that the three reasons in support of the resolution were, first, the obvious loss to the Federal Government of income on mortgage loans; second, the perceptible loss of tax revenues to the Government; and, finally, the adverse effect the transaction would have on the home mortgage market.

I took the floor in support of the resolution, as can be seen from page 16508 of the RECORD, and held it continuously for well over an hour, during which time I debated these three reasons at great length. I engaged in a colloquy with respect to the first reason with the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. BENNETT], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from New York [Mr. JAVITS], and several other Senators.

Thereafter, I discussed the second reason in support of the resolution, as appears at page 16512 of the RECORD, and engaged in a colloquy with the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Alabama [Mr. SPARKMAN], and again with the Senator from Oklahoma [Mr. MONRONEY].

On page 16514 I debated at some length the third reason in support of the resolution and introduced a number of exhibits in the RECORD in support of the proposition that the mortgage market would be adversely affected if the resolution were agreed to.

Mr. President, I think that establishes quite conclusively the fact that the three reasons were adequately debated, and I suggest for the RECORD that the summary of the debate given by my friend the junior Senator from Illinois is not exactly accurate.

Finally, Mr. President, I should like to point out that it was testimony from an administration officer, the president of FNMA, Mr. Baughman, and the Assistant Secretary of the Treasury, Mr. Baird, which convinced the Senate Banking and Currency Committee that the first two reasons were sound, and it was the testimony from the Home Builders Association which convinced the committee that the third reason was sound.

Mr. President, it is said that only a woman wants to have the last word. Perhaps this is not the last word on the subject, but at least I have made an effort to correct the RECORD. Perhaps we should all agree now that the milk is spilled, and we should stop crying about it.

Mr. President, I turn now to another subject, the pending bill.

Mr. PROXMIRE. Mr. President, will the Senator yield before leaving that subject?

Mr. CLARK. I gladly yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, will the Senator repeat the statement of the junior Senator from Illinois, the distinguished minority leader, with regard to this? I missed that at the beginning of the Senator's remarks.

Mr. CLARK. On page 16913 of the RECORD for August 25, pursuant to unanimous consent previously given, the Senator from Illinois introduced into the RECORD a rather elaborate attack on the resolution and the action by the Senate, which I felt contained a number of omissions and inaccuracies, which I have just been in the course of attempting to set straight.

Mr. PROXMIRE. Yes. I am simply asking whether or not among these charges made by the junior Senator from Illinois was one that there was inadequate consideration and discussion.

Mr. CLARK. Yes. The Senator from Illinois said:

> The astonishing fact is that in the debate last Thursday these three stated reasons—

I interpolate, the reasons as stated in the resolution why it should be adopted—

> were scarcely mentioned. Instead, the burden of the attack was that this exchange was some kind of questionable "deal."

Then the Senator from Illinois excerpted, I personally think a little bit out of context, some of the relatively strong language which the Senator from Oklahoma had used in condemning the position of the administration with respect to the resolution.

Mr. PROXMIRE. Mr. President, if the Senator will yield further, I should like to say that I was present during the entire hearings on this matter at which Mr. Baughman and Mr. Baird testified. I was present during the entire debate, and as I recollect it, and as I think any prudent, fairminded person would have to agree who has read the record, this was a very responsible and careful discussion of the issues that were involved in the resolution. On the part of the proponents of the resolution, the debate seldom, if ever, to my knowledge, left those three principal issues, and I thought that it was one of the most comprehensive and effective discussions right on the point that I can recall since I have been in the Senate. I thought the senior Senator from Pennsylvania, who, of course, was the author of the resolution and was the leader in the debate, did an excellent job of keeping the discussion on the issue.

Of course, the senior Senator from Pennsylvania delivered the principal speech. He held the floor, as he has said, during most of the discussion on this issue, and the Senator from Oklahoma [Mr. MONRONEY], the Senator from Tennessee [Mr. GORE], and others who took part in this discussion, including the senior Senator from Illinois [Mr. DOUGLAS], confined themselves, to the best of my knowledge, almost entirely to the precise provisions that were in the resolution, and did not depart from them at all.

Furthermore, they were temperate with regard to the President. I am a little amused, but I am disappointed, when our good friends in the Republican Party insist that we are demeaning the office of the Presidency or are somehow

attacking the motives of the President, in view of the way they treated Franklin D. Roosevelt, in view of the way they treated Harry Truman, and in view of the fact that, in my experience, the Members of the Senate have been most respectful to President Eisenhower. I am sure there is not a single statement in the entire debate that called into question the President's motives, that called into question the President's integrity, that called into question the President's character or sincerity.

Mr. CLARK. I thank my friend for his support of my position, for which I am very grateful indeed.

I made an earnest effort to keep partisan politics out of the debate. Perhaps we did not entirely succeed.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. CLARK. Mr. President, with regard to the pending bill. I rise in opposition to the bill with some regret, because of my deep friendship for my good friend, the senior Senator from Illinois.

I would like to state three principal reasons why I cannot bring myself to support the proposed legislation. The first is economic, and has to do with the situation in the port of Erie, Pa., one of the Great Lakes ports which will be affected, at least to some extent, by the legislation, if the bill is adopted.

I should like at this point, if I may, Mr. President, to request unanimous consent to have printed in the RECORD a telegram from Arthur J. Gardner, mayor of the city of Erie, expressing strong opposition to the proposed legislation.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ERIE, PA.

U.S. Senator JOSEPH CLARK,
Senate Office Building,
Washington, D.C.:

As mayor of the city of Erie, Pa., I again wish to enter a protest against proposal to divert additional waters from Lake Michigan for the Chicago area. The city of Erie, the Commonwealth of Pennsylvania, and private interests have invested millions of dollars in waterside facilities in this part of the State and believe usage of these facilities would be endangered by increasing water diversion from the Great Lakes. I strongly request defeat of the proposed legislation.

Mayor ARTHUR J. GARDNER.

Mr. CLARK. Mr. President, next I offer a telegram from Edward E. Greene, chairman of the Port Commission of the City of Erie, objecting to the passage of the pending bill, and ask unanimous consent that it may appear in the RECORD at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ERIE, PA.

U.S. Senator JOSEPH CLARK,
Senate Office Building, Washington, D.C.:

Port Commission of Erie, Pa., vehemently protests proposal for water diversion increase from Lake Michigan for Chicago. We have developed facilities at costs of several millions of dollars. Believe they should be protected. Private interests have even greater investments. Please present our views to the Senate.

EDWARD E. GREENE,
Chairman, Port Commission, City of Erie.

Mr. CLARK. Mr. President, I also offer for the RECORD at this point a telegram from Mr. Joseph Meagher, executive editor of the Erie Times papers, requesting me to oppose the bill as detrimental to the city of Erie, and I ask unanimous consent that it may appear at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ERIE, PA., *August 26, 1959.*

Senator JOSEPH CLARK,
Senate Office Building, Washington, D.C.:

It is important to the future of Erie, only Pennsylvania-St. Lawrence Seaway and world port, that the Chicago diversion bill be defeated. Should this bill pass, it would undo the more than $2 million in State and Federal funds given Erie to build its port facilities. Lowering the lake level by even 1 inch would seriously jeopardize Erie's future. It would mean our harbor would have to be again be deepened at excessive Federal cost, and would turn away shipping which is just now beginning to make Erie a regular port of call. Our economic future is dependent on the steady growth of our port and the Chicago diversion bill would do incalculable harm. We urge you fight and vote against H.R. 1.

JOSEPH MEAGHER,
Executive Editor, Erie Times Papers.

Mr. CLARK. Mr. President, I myself do not consider this to be a partisan matter.

Mr. PROXMIRE. Mr. President, will the Senator yield on the insertions he has just made?

Mr. CLARK. In just a second, if the Senator will permit me to finish these remarks.

I think the debate in the Senate so far indicates that this is not a partisan matter, but I do point out for the RECORD that Mayor Gardner, of Erie, is a Democrat, and the Erie Times newspapers are strongly Republican.

So, as far as the city of Erie is concerned, I believe that all elements in the community are united in opposition to the bill.

I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, a charge has been made by those who favor the bill that the opponents are misled, that they do not understand the issues, that they are not qualified to speak on the bill, or are complaining about something that is so trivial in its damage as to be negligible or ridiculous.

I should like to ask the senior Senator from Pennsylvania whether those who have communicated with him are, in his judgment, thoughtful, responsible people who would speak on the basis of an understanding of the situation, or whether it may be that they might not have accurate information or would not be in a position to understand what the situation is.

Mr. CLARK. Mr. President, I know them all personally, and I can assert that they are high-grade gentlemen, men of integrity, who sincerely believe that what they say is true.

I must say that I am not an engineer. I have listened with interest to some of this debate, and I know that the proponents of the legislation are of the view that the leaders in the Erie community are unduly alarmed about the harm the diversion could do to them.

All I can say is that these people are on the spot. Erie is their city. They are very much concerned in getting their share of the great expansion of traffic which will result from the opening of the St. Lawrence Seaway. They feel themselves in keen competition with other Great Lakes ports, and they believe that the enactment of the bill would hurt them. I must honor their position, because, despite my great regard for my dear colleague, the senior Senator from Illinois, I represent these people in Erie. They think they are going to be hurt, and I have not been convinced that they are not.

Mr. PROXMIRE. I think the Senator from Pennsylvania is correct. While, of course, a mayor or a newspaper editor may not be an engineer or may not be technically qualified, the fact is that the Public Works Committee consulted with a number of qualified, dispassionate, objective witnesses. Every one of the qualified, objective experts, without exception, testified that this diversion, which is opposed by the people of Pennsylvania, Wisconsin, Oregon, Washington, and New York, is unnecessary to the study which is the heart and soul of the bill. Those qualified engineers are objective and have no personal interest in the question.

Mr. CLARK. I thank my friend for his interjection.

But opposition to the bill in Pennsylvania is not confined to the port of Erie. There appears in the record, under date of April 30, 1959, page 324 of the hearings, a letter addressed to me by Hon. David L. Lawrence, the Governor of Pennsylvania, expressing his objection to the proposed legislation and urging me to oppose it.

I ask unanimous consent that Governor Lawrence's letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 30, 1959.

Hon. JOSEPH S. CLARK, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I wish to call to your attention the very serious adverse effects upon Pennsylvania of H.R. 1 which was passed by the House and has been referred to the Senate Committee on Public Works. This bill would permit the Metropolitan Sanitary District of Chicago to divert out of the Great Lakes an additional 1,000 cubic feet per second of water for a period of 12 months.

At the present time, the Metropolitan Sanitary District diverts 2,500 cubic feet per second from the Great Lakes Basin pursuant to a decree of the U.S. Supreme Court, in addition to diverting an unknown quantity of water for domestic pumpage. The right to divert domestic pumpage is now being tested before the U.S. Supreme Court by

the Commonwealth of Pennsylvania and the other Great Lakes States. This diversion is not minimal. The present diversion is equal to the average flow of the entire Delaware River. The additional diversion which would be authorized by this bill would lower the level of Lake Erie 1½ to 2 inches. While this may appear to be but a slight matter, it would affect adversely all riparian landowners and seriously interfere with the operation of the port of Erie. Much effort and money have been expended to maintain a deep channel at this port. The lowering of the lake level vitiates this work.

Moreover, the lowering of the lake level would result in a loss of 1 to 1½ million tons of shipping each year for each inch by which the lake level is lowered. The Great Lakes barges, which carry so much of the commerce of this region, are loaded to the nearest inch. Consequently, the maintenance of lake levels is of utmost importance to the shipping industry and the commerce of the Great Lakes area. This commerce is a significant factor in Pennsylvania's economy.

The lowering of the lake level also affects the power potential at Niagara. Since a large section of Pennsylvania will be among the preferred users when the hydroelectric power is developed, this potential loss of cheap power also affects Pennsylvania adversely.

The purpose of this bill is entirely to save the Metropolitan Sanitary District of Chicago the expense of proper sewage treatment. The diversion is not needed for navigation or flood control. It will confer no benefit upon any other Great Lakes community, but, on the contrary, will damage all of them to some extent.

The diversion of water, one of our most precious natural resources, out of its watershed area in order to benefit some other area, constitutes a new and dangerous principle of law.

With kindest personal regards, I am,

Very truly yours,

DAVID L. LAWRENCE,
Governor of Pennsylvania.

Mr. CLARK. The chief legal officer of the Commonwealth of Pennsylvania has also forwarded a statement in opposition to the pending bill, and has also written me asking me to oppose the proposed legislation.

Our attorney general is a somewhat unique, but much beloved character. She is a former judge of the court of common pleas in Allegheny County. I believe she is one of the very few women learned in the law who have become attorney general of a State. I ask unanimous consent that the statement of Attorney General Anne X. Alpern to the Committee on Public Works of the U.S. Senate, which appears at page 322 of the hearings, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATEMENT OF ATTORNEY GENERAL ANNE X. ALPERN, PRESENTED TO THE COMMITTEE ON PUBLIC WORKS, U.S. SENATE

The Commonwealth of Pennsylvania is opposed to the passage of either H.R. 1 or S. 308, which would permit the diversion of water from Lake Michigan by the Metropolitan Sanitary District of Chicago. The Honorable David L. Lawrence, Governor of the Commonwealth of Pennsylvania, in opposing H.R. 1 before the House of Representatives, submitted the following statement which reflects the views of this State:

"The Commonwealth of Pennsylvania is strongly opposed to the passage of H.R. 1. This bill, introduced by Mr. O'BRIEN of Illinois, would permit the Metropolitan Sanitary District of Chicago to divert out of the Great Lakes an additional 1,000 cubic feet per second of water for a period of 12 months. At the present time the metropoliton sanitary district is diverting 1,500 cubic feet per second of water pursuant to a decree of the U.S. Supreme Court in addition to an undetermined quantity of water for domestic pumpage. This total diversion would be equivalent to the entire average flow of the Delaware River.

"Approximately 20 percent of the Nation's economy is to be found in the Delaware Basin service area. This entire area is dependent upon the flow of the Delaware River for domestic and commercial uses. The peak flow of the river in January 1959 was only 3,400 cubic feet per second. The average flow is 2,000 cubic feet per second. A greater amount than this is being taken out of the Great Lakes every day by the metropolitan sanitary district. None of this water is being returned to the watershed to which it rightly belongs.

"For the Congress to permit an additional diversion of water which would equal the flow of one of the mighty rivers of this land is to deprive the people of the Great Lakes area, the industries, the domestic and recreational users, and the governments, of one of their most valuable natural resources. While the amount of the water to be diverted in comparison with the entire volume of the Great Lakes may not appear to be large, the damage it would inflict upon the Great Lakes States is enormous. This total diversion would lower the level of Lake Erie as much as 1½ to 2 inches. This would adversely affect all riparian landowners and seriously interfere with the operations of the Port of Erie. Much effort and money have been expended to maintain a deep channel at this port. The lowering of the lake level vitiates this work.

"The division confers an unearned benefit upon the metropolitan sanitary district to the great detriment of the other ports on the Great Lakes. It also adversely affects the commerce on the Great Lakes. The lowering of the lake level results in a loss of more than 1 million tons of shipping each year for each inch by which the lake level is lowered. The barges which carry so much of this region's commerce are loaded to the nearest inch. Consequently, the maintenance of lake levels is of utmost importance to the Great Lakes' economy and to the economy of Pennsylvania. The lowering of the lake level also affects the power potential at Niagara. A large area of Pennsylvania will be among the preferred users of the hydroelectric power developed there. Any loss of power is, therefore, a loss to these Pennsylvania consumers.

"On behalf of Pennsylvania, I urge that this measure be defeated."

In addition, the U.S. Supreme Court, in an order handed down on June 29, 1959, ordered a reopening of the entire controversy and appointed Hon. Albert B. Maris, U.S. senior circuit judge, as special master to hear the matter. We feel that all parties will have the fullest and fairest opportunity to present their positions in this proceeding and that action by the Congress would be highly inappropriate at this time. The Constitution contemplates that controversies among the States be settled in the U.S. Supreme Court. We ask only that this procedure be honored in this case.

Mr. CLARK. Mr. President, I believe I express the almost unanimous feeling of the people of the Commonwealth of Pennsylvania when, as their Senator, I oppose the pending bill. However, there are two other reeasons why it seems to me, looking at the question impartially, and without regard to the position of the port of Erie, the proposed legislation would be unwise.

The first is that I do not believe that the legislature is the proper tribunal in which to determine how much water should be taken from a common pool—probably the biggest common pool in the world, the Great Lakes of America—for the benefit of one of the riparian users, over the objections of others equally entitled to water. This seems to me, as a lawyer, to be fundamentally and primarily a justiciable matter for determination by the courts.

It cannot be successfully argued that there is no readily available judicial tribunal prepared to deal with this question, because the Supreme Court of the United States, on June 29, 1959, appointed a special master in litigation dealing with this very subject. The task of the special master is to determine the extent to which, under all the circumstances, the proposed diversion by Chicago would be in accordance with law and in accordance with the rights of others who border or abut on the Great Lakes.

It so happens that the special master is a distinguished Pennsylvanian, Albert B. Maris, who formerly served on the Circuit Court of Appeals for the Third Circuit, which comprises the States of Delaware, New Jersey, and Pennsylvania.

Judge Maris has spent the better part of a lifetime in extraordinarily able service on the Court of Appeals of the Third Circuit, and I know of no more objective, well balanced, and able jurist than Judge Maris, to deal with this problem.

I should think that in the calm of a courtroom hearing before an experienced jurist, this question could be far better decided in the public interest than it could be in the atmosphere of the House and Senate, where—unfortunately—so many rationales, so many motivations, and so much of the argument and determination, are based upon considerations other than the strict equities of the case.

It may well be that, as a Senator from Pennsylvania, I give undue influence to the opposition of the mayor of Erie, my Governor, the attorney general of the State, and the newspapers. Such pressures, if one wishes to call them that, would not be imposed upon a jurist determining this question as a court would determine it, without regard to the swings of public opinion and pressures which inevitably—and probably quite properly in most instances—affect the judgment of legislative bodies.

So my second reason for opposing the bill is that we should leave the question to the judiciary, where it is now pending.

My final reason—and I suspect the most important one of all—is based upon a position which I believe I would be compelled to take even if Erie did not front on the Great Lakes, and even if Erie were not attempting to develop to the utmost its opportunity as a result of the completion of the St. Lawrence Seaway. I refer to the implication with respect to our foreign affairs. It seems

to me that we have no more valuable ally in the world than the Dominion of Canada. Unfortunately—and I say this without any undue partisan motive—our relations with the Dominion of Canada have deterioriated conspicuously during the past 6 years.

At the present time we are engaged in negotiations with the Dominion of Canada relating to the Columbia River and its waters. We are in a situation in which I firmly believe it would be unwise further to erode our relationships with our good neighbor to the north by enacting unilaterally and without its consent—and, it is said, in violation of two treaties—proposed legislation to which the Dominion so strongly excepts, as has been made clear by other Senators who have discussed the problem.

It seems to me that at the very least we should send this problem to the Foreign Relations Committee, in order that it may take a look at it, not from the point of view of whether Chicago, in order to properly dispose of its sewage, should take more water out of Lake Michigan, but from the standpoint of what the bill would do to our relationships with the Dominion of Canada. I would feel very reluctant to support the bill, regardless of the other arguments against it, unless the Foreign Relations Committee should come back with a report which made it very clear that there would be no damage to our relations with the Dominion of Canada.

There is perhaps another reason which I should mention in closing: Everybody appears to agree that this matter needs further study. The bill itself calls for a study. The city of Chicago has been diverting a substantial amount of water from Lake Michigan for a great many years. Why is it not wise, at the very least, to adopt the amendment which I understand the distinguished senior Senator from Michigan [Mr. McNAMARA] will offer, to strike out the provision for diversion and to go ahead with the study? Why should we anticipate the results of the study before we know what they are? For these reasons, I find myself compelled to oppose the bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. PROXMIRE. I am delighted to hear the Senator speak of Judge Maris. I did not know who Judge Maris was when he was appointed. He follows the great Charles Evans Hughes, who had a similar responsibility, as I understand, as a special master appointed by the Supreme Court, and who did extremely competent, objective, and fair work some years ago.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. As a matter of interest, Judge Maris is a former law partner of my colleague, the distinguished junior Senator from Pennsylvania [Mr. SCOTT].

Mr. PROXMIRE. That is another indication that Judge Maris is a man of high competence.

The Senator from Pennsylvania, I believe, has made an extremely compelling and important point which has been overlooked generally in the debate, not only this year, but in past years, that a dispute over riparian rights among different States, involving extremely complicted legal problems, and some very complicated technical problems, cannot be decided in Congress with anything like the equity with which it can be decided in the courts; not that Members of Congress are not persons of good judgment, honesty, and integrity, but because there are so many other matters which take their time.

Frankly—and I shall speak frankly and bluntly about this—there is no question that in many issues political considerations have to be given weight—and I think they should be given weight many times—particularly when a matter of the interest of economic groups is concerned. Every Senator must arrive at what he believes are the fair and just equities when political matters come before him for a vote.

This proposal is not anything like that. This is a matter of a simple decision based upon legal and technical understanding and judgment.

I submit that men of the caliber of Charles Evans Hughes and Albert Maris, who I understand was the senior judge of his circuit at the time of his appointment——

Mr. CLARK. No; he was not the senior judge. Judge John Biggs was the chief judge, or senior judge. Judge Maris retired under the retirement laws available to the judiciary. He served on the bench for, I should say, 25 years.

Mr. PROXMIRE. Perhaps he had been the senior judge before he retired.

Mr. CLARK. He might have been.

Mr. PROXMIRE. At any rate, he is a man of very great judicial experience. The Supreme Court has appointed a man of established competence. Such a man, listening to all the testimony, is in a position, as the Court made sure, to subpena all the necessary records. The order provides that:

> He is hereby appointed special master in each of these causes, with authority to summon witnesses, issue subpenas, and take such evidence as may be introduced and such as he may deem it necessary to call for. The master is directed to hold hearings with all convenient speed, and to submit such reports as he may deem necessary.

That was the way the situation was solved back in 1930 under the great Judge Hughes; I submit it is the way in which it should be solved today.

Mr. CLARK. I think the Senator from Wisconsin is quite correct in that regard.

We in Pennsylvania have another precedent to which I call the Senator's attention. It has to do with the utilization of the waters of the Delaware River. Some years ago the States of New York, New Jersey, Delaware, and Pennsylvania attempted to enter into an interstate compact to determine how the waters of the Delaware River should be utilized. Unfortunately, as I think, my State, which at that time was under different political leadership than it is today, refused to ratify the compact. The State of New York, which was determined to take water out of the headwaters of the Delaware to use for drinking purposes in New York City, brought suit in the Supreme Court of the United States. A river master was appointed. As a result of testimony and a survey, he directed that the State of New York should be permitted to take from the headwaters of the Delaware a certain number of gallons of water, or a certain number of millions of cubic feet of water a day, as I think it is expressed today.

The result was the city of New York built enormous aqueducts and reservoirs up on the headwaters of the Delaware and is today diverting from the Delaware River Valley an enormous amount of water for the people of New York. This was done, however, under the judicial process, within the jurisdiction of the Supreme Court of the United States, and after careful testimony before a river master. I suspect that if this had been done by political action, the animosity which would have been aroused as a result of that political action would have left wounds which would not have healed to this day. Yet now it is almost impossible to get into an argument as to whether the city of New York is not entitled to take this water, because the question has been judicially determined that New York is entitled to it. This, I suspect, is a good precedent for what should be done in the Great Lakes area.

Mr. PROXMIRE. Mr. President, I wish to comment on the third point which the Senator from Pennsylvania raised; namely, our foreign relations. I should like to ask him a little about them, because I think few people realize how very deeply and strongly Canada feels about this matter. This is not simply a matter of a pro forma protest; it is a matter of very, very deep concern to Canada. I think few persons realize the attitude in Canada toward the United States. It is an entirely different attitude, psychologically, from the attitude of the United States toward Canada. The United States is the big, dominant power. Our investments in Canada are immense. Many Canadians work in industries which are owned by Americans. The United States takes a tremendous amount of income out of Canada and makes great investments in Canada. Under those circumstances, there is bound to be a situation which is psychologically quite different.

I think any realist who looks at the returns of the last election in Canada will recognize that one of the reasons why Mr. Diefenbaker was elected was that he insisted on nationalism and independence in Canada from the big United States, a willingness to stand up for Canada, to insist to the last letter upon the sovereignty of Canada, and to take whatever action was necessary to assert the sovereignty of Canada.

Recognizing that situation, and reading the language of their memorandums on this diversion issue, it seems to me that any person would have to come to the conclusion that Canada is deadly serious about this. It is not simply a matter of offending a fine neighbor; it is a matter of a fine neighbor who has the power to damage us very greatly, not only in the Columbia River Basin, but as

I shall show a little later, when I get the floor, very seriously in the St. Lawrence, in a way which has not been brought out fully before.

Mr. CLARK. I thank the Senator from Wisconsin. I find myself in substantial agreement with him. I am one who believes that much of a Senator's strength comes from his staff. While I have been on my feet, my staff has pointed out two inaccuracies in my statement as I was speaking. I ask that the RECORD to be corrected to show that it is Judge Albert B. Maris to whom I was referring; and also, although perhaps it is to late to have the RECORD corrected, Canada is not a Dominion, but is an independent member of the Commonwealth of British Nations. I convey my apologies to my Canadian friends for my having used so obsolete an expression.

Mr. PROXMIRE. Mr. President, both my very good friend the senior Senator from Illinois [Mr. DOUGLAS] and the outstanding chairman of the subcommittee of the Public Works Committee [Mr. KERR] who was responsible for the committee report are strong proponents of the pending bill. I have tried to question them in regard to the committee report and in regard to the amendments which have been submitted—including the pending amendment. Although the Senator from Illinois [Mr. DOUGLAS] has been willing to answer briefly, and the Senator from Oklahoma [Mr. KERR] at somewhat greater length, both of them have had to leave the Chamber, to go to lunch, after we really got started with the questioning. It seems that, somehow or other, questions from this Senator make them hungry. I hope the senior Senator from Illinois will be able to overcome that situation. [Laughter.]

I also hope he will be able to assume an attitude somewhat different from that implied by the beautiful sentiment he expressed the other day, when he said he was adopting the attitude of Ferdinand the Bull, and would simply sniff the sweet flowers, but would not engage in combat.

Inasmuch as I do not now see him rising to participate in the debate, I shall have to proceed. However, I wish the RECORD to show clearly that when I now refer to the Senator from Illinois, I do so in his presence; and certainly he is as able as any man I know to take care of himself.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Lay on, Macduff. [Laughter.]

Mr. PROXMIRE. I thank the Senator from Illinois.

Mr. President, the other day, after I asked the senior Senator from Illinois a question about the meaning of the language of the amendment we are discussing, he replied by saying that, as a kind of triple-deck Ivy Leaguer, I should be able to read and to understand the language used in the amendment.

Mr. President, since then, I have had occasion to refer to the biographical sketch of the senior Senator from Illinois [Mr. DOUGLAS], as it appears in the Congressional Directory. In the course of the debate to which I have referred, he spoke of himself as a son of the plains and a plain Illinoisan. However, upon reading his biographical sketch in the Congressional Directory, I find that he is a graduate of Columbia University, which is about as Ivy League an educational institution as it is possible to find. Not only that, but I find that he is a Ph.D. from Columbia.

Mr. President, when the Senator from Illinois talks about "triple-deck Ivy Leaguers," a Ph.D. is exactly that. A B.A. is the first deck; an M.A. is the second deck; and a Ph.D. is the third deck.

So the senior Senator from Illinois [Mr. DOUGLAS] has achieved the great distinction of possessing a Ph.D. degree, and thus he is a triple-deck Ivy Leaguer through and through.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. I do not intend to assist the Senator from Wisconsin in his filibuster——

Mr. PROXMIRE. Mr. President, this is no filibuster. I am coming to that point next. I have a book, of some 300 pages, on the filibuster; and I should like to read that book to the Senator from Illinois, to prove that this is not a filibuster. [Laughter.] But I will not do so.

Mr. DOUGLAS. Mr. President, the reference which has been made to degrees suggests a comparison which might lower the temperature in the Chamber and give all of us a good laugh. It is sometimes said that the degree B.S. has a self-evident meaning attached to it; that the degree M.S. means "more of the same"; and that the degree Ph.D. means "piled higher and deeper."

Mr. PROXMIRE. I thank the distinguished Ph.D. who has just addressed the Senate. [Laughter.]

Mr. President, the Senator from Illinois spoke as "a son of the plains." However, the fact is that the Senator from Illinois was born in the great, aristocratic State in which Bar Harbor is located—to wit, Maine. He grew up in Maine; he was educated in Maine. Thereafter, as I said, he completed his education at Columbia University, with the kind of Ph.D. he has just described; he, himself, has just now explained what it means.

The Senator from Illinois has accused the Senator from Wisconsin of engaging in a filibuster. Except for attempting to answer the allusions and the diversions of the Senator from Illinois, the Senator from Wisconsin has done his level best to confine his remarks to this bill and to discuss this bill, and has not discussed anything else, except when the Senator from Illinois referred to the Ivy League or to Ferdinand the Bull or to the qualities or characteristics of Ferdinand the Bull, or to similar things.

At any rate, the junior Senator from Wisconsin wishes to assure the Senator from Illinois that the junior Senator from Wisconsin will continue to discuss the pending bill as fully as he can.

But if the Senator from Illinois insists on calling this a filibuster, let me say that I have had my staff obtain from the Library of Congress all the material it has on filibusters.

It has a great deal of material; and I think it might be edifying to the Senate for it to hear a full discussion of the filibuster, because of course this is an extremely important issue in the Senate.

Since I did not bring up the issue of the filibuster—on the contrary, the Senator from Illinois did—perhaps it would be desirable for us to go into a lengthy discussion and consideration of this matter, because it does in his judgment though not in mine pertain to this bill.

Mr. HART. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Michigan.

Mr. HART. I thank the Senator from Wisconsin for yielding.

Let me say that once before, during the course of this debate—and I must admit I had to leave the floor before the discussion of that point had been concluded—reference was made to the educational background and qualifications of certain Members who have engaged in this debate.

I am sure that long before any person in this Chamber had obtained a doctorate, all of us were exposed to geography. Whether in the middle of the 20th century that subject is still taught under that name, I do not know. But before we become involved in a debate in regard to filibusters, I wish to be sure that all of us have a basic understanding of the topographical and the geographical features of the basin which is known as the Great Lakes Basin.

I shall make this point particularly because earlier in the debate the distinguished senior Senator from Illinois [Mr. DOUGLAS] commented on the fact that I had said I can sit on the front porch of my home on Mackinac Island—which is on what is known as the East Bluff—and can look out over the waters and, for the life of me, I cannot tell whether I am looking at Lake Michigan or at Lake Huron.

The senior Senator from Illinois pointed out that regardless of whether I could tell that or not, the international boundary line is 37 miles to the east of my front porch; and, therefore, assuredly when I look at the waters within sight of my porch, I look at something that is not Canadian.

Of course, Mr. President, the difficulty is that whatever it is that makes up water cannot understand this business of an international line any better than I can as I sit on my front porch.

Before any one of us dismisses lightly the point the senior Senator from Ohio [Mr. LAUSCHE] has been emphasizing—namely, the attitude of Canada—I believe all of us should look again at the map which is displayed in the rear of the Chamber.

The senior Senator from Oklahoma [Mr. KERR] has repeated the proposition that when we speak of Lake Michigan, we are speaking of property of the

United States; that at no point does Lake Michigan bound the Dominion to our north.

My point is that if waters are diverted from Lake Michigan, the international boundary line 37 miles east of Mackinac Island will not retain for the Dominion of Canada the waters of Lake Huron.

None of us has to be a doctor of geography, metaphysics, or anything else in order to understand that point; we simply have to have progressed in our educational experience to the point of studying in the fifth grade, I would guess, or perhaps the sixth grade; and when one has progressed that far in the educational field, he is able to recognize a map when he sees one and is able to understand some of the things that are shown on a map.

In the present case, regardless of whether we come from Montana, Louisiana, Maine, or Michigan, we do know that if Lake Michigan is tilted and if its waters are poured out—for whatever purpose, whether to clean sewage out of some city, or to bring more acres of land into cultivation—the Dominion of Canada, its people, and its Government very genuinely have reason for alarm. They would be in real trouble, I would think, if they had not some understanding about this. Their great difficulty comes from the fact that they thought they had an understanding with us.

I would not pretend to be a practitioner of international law, but I have heard opinions expressed on the floor of the Senate to the point that neither the treaty of 1909 nor the treaty of 1950 would be violated or jeopardized by the tilting of Lake Michigan. I think the imperative thing for us to understand is that the people of the Dominion of Canada believe that it would be, and I, as a newcomer here, perhaps overstate my feeling when I say I am appalled that we could seriously discuss action which this best of neighbors, in language which, accepted as diplomatic, is brutal, has told us, "You do violence to our written agreement."

Again, I am not qualified to judge the applicability of these two treaties——

Mr. PROXMIRE. If the Senator will desist for a moment at that point, I should like to state it is my understanding that the distinguished Senator from Michigan is a former U.S. district attorney and legal adviser to the Governor of Michigan. If the Senator is not qualified, which Senator is qualified? I make that point because the modesty of the Senator from Michigan prevents him from making that statement.

This is a complex matter. It is a matter for specialists in this kind of law. But on the point the Senator from Michigan makes, that the people of Canada and the Government of Canada feel very, very strongly about this, I think anybody, whether he is a lawyer, as the Senator from Michigan is, and a distinguished one, or a nonlawyer, as the Senator from Wisconsin is, can concede that this matter is important, because we may lose much if Canada is put in a position where she can justifiably, as has been demonstrated, and as will be demonstrated, do very serious harm to our country.

Mr. HART. Indeed. Because of the difficulty which attaches to a judgment on a question of international law or treaty, all of us would want to have the assurance that at least the committee of this body which has primary concern and responsibility in that field should guide us in a way that will avoid a breach of word and have an opportunity to study and report to the Senate.

I sense there are those in this body who have voted favorably for the bill in the Public Works Committee who have been careful to explain that their position goes only to the point of the area of consideration assigned the Public Works Committee, and that they reserve judgment with respect to the treaty question.

Mr. PROXMIRE. Let me say at that point that a majority of the Public Works Committee, which worked so hard over this bill, very obviously, favor this bill's going to the Foreign Relations Committee.

Mr. HART. It is not at all surprising, in view of the strong assertions which have been made by our Dominion neighbor.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. Is the Senator from Michigan willing to yield?

Mr. HART. I appreciate very much this opportunity, and I merely make this point. The geography is not very complicated, and the map is here. I think anyone looking at the map of Lake Michigan realizes that through the straits at Mackinac these waters intermingle, and that the waters which are joined at the Straits of Mackinac bound our Dominion neighbor, and that is the reason why this matter is of great concern to that neighbor.

Mr. PROXMIRE. I have heard the debate on this question this year and last year. I have studied the record. I have studied the CONGRESSIONAL RECORD. I have studied the debate in the other body. I have never heard this point made with such absolute clarity and with such convincing quality as the Senator from Michigan has made it.

I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I suggest that a very important phase of this discussion has been dealt with in the last 5 minutes, and that is, With what degree of certainty can we here on the Senate floor, based on the information that is in our hands, speak on the meaning of the treaty that is involved? The Senator from Michigan is a lawyer. There are other lawyers on the Senate floor.

Mr. PROXMIRE. May I say, because I know the Senator from Ohio is too modest to qualify himself, that the Senator from Ohio is not only a lawyer, but a distinguished former judge, who has spent much of his life in the law, and has a thorough understanding of the meaning and the philosophy of the law.

Mr. LAUSCHE. I thank the Senator very much, but those who have practiced law and have tried to interpret contracts, and especially anyone who will look at this treaty, will be fooling himself and fooling the Senate if he attempts to declare with certainty what the exact meaning of that document is. On that basis, the least we can do is refer the bill to the Foreign Relations Committee and allow the committee to call in the legal advisers of the State Department and other experts to discuss the treaty paragraph by paragraph or article by article.

The Senator from Wisconsin has said that the Senator from Ohio is a former judge. I am a former judge, and one thing I learned: When any lawyer came before me and attempted to speak in an air of absolute infallibility on any item, I suspected him.

That is one of the phases to which we have been subjected on the Senate floor—members of the Public Works Committee finally advising the Senate what the treaty means and what course shall be followed with respect to it.

I think the Senator from Illinois, with all of his philosophic learning and the degrees which he possesses, will agree with me that there was once a famous Greek who said, "I am wise because I do not know, and I know that I do not know; and you are a fool because you do not know, and think that you do know."

That is the situation which in a large degree is prevailing on the floor of the Senate.

Mr. HART. Mr. President, I assume, from the silence of the Senator from Illinois, that the translation given by the Senator from Ohio is precise and accurate.

Mr. LAUSCHE. It was not directed at anyone. I hold the Senator from Illinois in the highest esteem, and I want to say to him that I believe, to a degree exceeding that of anyone on the Senate floor, when there are personal considerations of the State involved, he seeks to do justice. I can see that in this case he disregards the State Department, disregards the Department of Health, Education, and Welfare, disregards the Department of the Army, and disregards the Bureau of the Budget. He casts aside their advice and states that it is meaningless.

My analysis of that is that those departments have no purpose to serve Ohio or Wisconsin or Illinois. They are attempting to advise us honestly and properly what we should do.

I wish to say, with respect to the junior Senator from Illinois [Mr. DIRKSEN], can anyone imagine the Senator on the Senate floor urging the adoption of the bill, when the President of the United States states, through all of his departments, it is bad and dangerous so far as international relationships with Canada are concerned, in other circumstances? The Senator from Illinois [Mr. DIRKSEN] ordinarily would be calling upon every ingenuity which he possesses to have the bill defeated, but Illinois is involved, and so the Senator capitulates to the demands of his own State, and in a measure—and I say it respectfully—abandons the interests of the Nation and the interests of the people as a whole.

The Senator from Michigan [Mr. HART] has tried to point out how interwoven the Great Lakes system and the St. Lawrence Seaway are. For the first time in my life, since I came onto the Senate floor, have I heard the argument made that Lake Michigan was a separate and independent body of water and that it did not comprise a part of the Great Lakes as a body. I do not know whether there are any students in the Senate today, but any Senator who has studied the Great Lakes I am sure knows they are spoken of as the Great Lakes, and Lake Michigan is a part of the Great Lakes. Senators can look at the almanac and can look at textbooks and everywhere, and they will find them spoken of as the five Great Lakes.

For the purpose of the argument on the Senate floor it is said, "Lake Michigan is not a part of the Great Lakes."

If we cut off Lake Michigan, as the Senator from Michigan [Mr. HART] said, what will happen to Lake Erie? What will happen to Lake Ontario? What will happen to the St. Lawrence Seaway? It would be like cutting off the circulation of the blood in the body. The body would die. So all the usefulness of Lake Erie, of Lake Ontario, and of the St. Lawrence Seaway, would atrophy. They would become far less useful without Lake Michigan.

Mr. PROXMIRE. Mr. President, will the Senator desist at that point for a minute. I have in my hand a publication on variations in Great Lakes levels, by the Corps of Engineers, dated in February of 1952. On page 5 is a statement:

Lakes Huron and Michigan are in effect one lake, referred to as Lake Michigan-Huron by hydraulic engineers. The connection through the Straits of Mackinac is so broad and deep that there is no perceptible flow between the two lakes and their surfaces stand at the same elevation.

Mr. LAUSCHE. Is that the Army report?

Mr. PROXMIRE. The report of the Corps of Engineers, U.S. Army, Great Lakes Division.

Mr. LAUSCHE. I ask the Senator from Wisconsin if that is the expert, unbiased study made by the Corps of Engineers on this diversion problem. Is that the report filed in 1957?

Mr. PROXMIRE. No. This is a report filed in 1952. It pertains to variations in Great Lakes levels.

Mr. LAUSCHE. Will the Senator please read that language again?

Mr. PROXMIRE. Yes. I shall read it again. It is in a report which does not have any purpose except to explain the variations of the lake levels.

Mr. LAUSCHE. Yes.

Mr. PROXMIRE. It states:

Lakes Huron and Michigan are in effect one lake, referred to as Lake Michigan-Huron by hydraulic engineers. The connection through the Straits of Mackinac is so broad and deep that there is no perceptible flow between the two lakes and their surfaces stand at the same elevation.

Mr. LAUSCHE. Yes.

Mr. PROXMIRE. The point the Senator from Michigan was making earlier, and the point the Senator from Ohio was making so emphatically and clearly, it seems to me, is corroborated by the expert, qualified observation and assertion of the Corps of Engineers.

Mr. LAUSCHE. Mr. President, while we are discussing this subject, I should like to read further from the textbook I have drawn upon several times in this discussion, which is Hyde's International Law. This deals with how the Dominion of Canada and the United States propose to settle disputes.

I should like to read what this distinguished expert stated. I will begin where it may seem disconnected, but I will tie it in:

No further uses or obstructions or diversions (in addition to those previously permitted or thereafter to be provided for by special agreement) affecting the natural level or flow of boundary waters were to be made except by authority of the United States or Canada "within their respective jurisdictions" and with the approval of a joint commission known as the International Joint Commission established by the convention.

In other words, no diversions or dams or any artificial changes in the natural flow of the waters were to be made except by the authority of the United States or Canada and with the approval of a joint commission known as the International Joint Commission.

Save with the approval of the Commission the construction or maintenance of no remedial—

And this is a remedial project—

or protective works or any dams or obstructions were to be permitted by either contracting party on its own side, if the effect thereof would be to raise the natural level of waters on the other side of the boundary. It was declared to be expedient to limit the diversion of waters from the Niagara River so that the level of Lake Erie and the flow of the stream should not be appreciably affected.

This is another subject of argument:

The amount to be diverted from that river within the State of New York above the Falls of Niagara "for power purposes" was expressly limited.

Next we come to the International Joint Commission:

To the International Joint Commission to be composed of six Commissioners (three to be appointed in behalf of each party)—

That is, the United States and Canada—

was given broad jurisdiction in cases involving the use or obstruction or diversion of waters. The following rules or principles were adopted for its guidance. Each party was to have on its own side of the boundary similar and equal rights in the boundary waters. The following order of precedence was to be observed among the various uses enumerated, and no use was to be permitted which might tend materially to conflict with or restrain any other use given preference over it in that order:

This author then begins to enumerate the priority that was to be considered by the Commission:

1. Water for domestic and sanitary purposes.

2. Uses for navigation, including the service of canals for the purposes of navigation.

3. Uses for power and for irrigation purposes.

The point I am trying to make is that this International Joint Commission has been vested with the responsibility to deal exactly with what we are trying to deal with in Congress.

Mr. PROXMIRE. I yield to the Senator from Michigan.

Mr. HART. Mr. President, I desire to propound a question, and I acknowledge, in doing so, that I am a newcomer and perhaps I am overwrought about the fact that a friendly foreign nation is protesting; I ask whether or not it is a frequent occurrence. Does it happen often that the Senate of the United States continues to discuss an action which a good neighbor is advising us breaches faith, or is this an extraordinary situation?

Mr. PROXMIRE. In reply to the Senator from Michigan, I should like to quote the Canadian note of April 9, 1959, which said in part:

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin.

And then they say this:

Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

This is the fourth time since 1954 that Canada has been offended by the Congress of the United States either passing this legislation or bringing it up.

Mr. HART. Yes. Of that I am aware, that the Dominion of Canada insists that to divert Lake Michigan water would violate a solemn obligation of this Nation.

My curiosity goes to this question: Except for this proposed Lake Michigan diversion, how often have we been told that what we are about to do, or that which is proposed, or what we are urged to undertake, is an action which would violate a similar written agreement?

In the knowledge of the Senator from Wisconsin or the Senator from Ohio, both of whom have been here far longer than I, have we ever been faced with this problem before?

Mr. PROXMIRE. As I recollect, the Senator from Michigan came to this body only a year later than I, but I have been unable to discover any precedents for what is proposed. There may have been, but I know of no similar circumstances in which we have simply disregarded not only the protests of a friendly foreign power, but the specific recommendations of the Secretary of State, who tells us that this is a wrong thing to do, an improper thing to do. Of course, there are no partisan politics involved. I recall no similar situation in my very limited knowledge, but I do have some knowledge of the history of this country and I can recall none.

Mr. HART. If the Senator from Wisconsin would yield to the Senator from Ohio, I would be curious to know his experience about it.

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. I have been on the Foreign Relations Committee for only 7 or 8 months, but at no time do I recall that a protest of that type has come from any friendly nation. I have read about protests from the Soviet Union. I think it would be advisable to have the staff of the Foreign Relations Committee gather and report to us the number of instances in which countries with which we have had friendly relations, with whom we say we are living in amity, tell us that we are about to steal their property and that they do not want us to do it.

Mr. PROXMIRE. I think that is an excellent answer to an extremely cogent point that has been made, and it is another reason why, as was recommended by the majority of the members of the Public Works Committee who considered this bill and recommended it, the matter should go to the Foreign Relations Committee.

Mr. President, last night the Senator from Michigan and I wrote a letter to each Senator in which we expressed the hope that an amendment which will be offered sometime later by the senior Senator from Michigan [Mr. MCNAMARA] will be favorably considered. I understood it would be offered today; perhaps it will be at some other time.

What this amendment would do, Mr. President, would be to delete the 1-year diversion provision from H.R. 1. It provides for the study. It provides that the Federal Government shall pay for the entire study. It provides for a completely fair study, a study that is approved, as I shall show, by all of the agencies involved, as being completely adequate; but it would delete the diversion provision.

I would like to read to the Senate this letter, which is quite brief:

We hope you will support the McNamara amendment which would provide for the study in H.R. 1, but remove the 1-year diversion. This amendment will be offered Friday.

We feel the case for the McNamara amendment has solid merit for these reasons:

Four Federal agencies were consulted on this bill as experts. Of the four agencies consulted, every one without exception indicated that the 1-year diversion was either unnecessary or undesirable or both.

The Department of the Army declared that the Department has already submitted a report printed as Senate Document 28 of the 85th Congress evaluating the effect of the diversion.

Since the Army has already made its report, it is clear that the additional diversion will be of no value to it. Therefore adoption of the McNamara amendment eliminating the diversion from the study would delete a provision of the bill unnecessary to the study in the judgment of the Corps of Engineers.

The Department of Health, Education, and Welfare stated, according to the report of the majority of the Public Works Committee, page 6: "The opinion that completion of a satisfactory study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without additional diversion over the amount now authorized."

Mr. President, as I shall point out shortly, I think that just cuts the heart out of the case for a 1,000-cubic-foot-per-second diversion from Lake Michigan. The letter continues:

The Department of State (according to the majority of the committee, p. 6, Committee Report on H.R. 1) "voiced the belief that enactment of this legislation would adversely affect our relations with a friendly foreign government, and therefore was unable to support it." The one reason this legislation is opposed by Canada is because it provides for additional diversion of water from the Great Lakes and the St. Lawrence watershed for 1 year. Clearly the position of the State Department is on the side of the McNamara amendment.

The Bureau of the Budget (according to the majority of the committee, p. 6, committee report on H.R. 1) "recommended against enactment" of the bill, and recommended "a full technical study of the sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago to be undertaken and financed jointly by the Public Health Service and the sanitary district without any actual increase in the present diversion of water from Lake Michigan." Of course, this is exactly what deletion of additional diversion in the McNamara amendment provides.

Except that the McNamara amendment would be more generous to Chicago and provide that the Federal Government would pay for the entire cost of the study, as is provided now in the bill. So it is in this sense that it would delete the diversion.

The letter continues:

It is in this sense a Budget Bureau amendment—

That is, the McNamara amendment is a Budget Bureau amendment. The letter continues:

SUMMARY

All four of the Federal agencies consulted by the Public Works Committee agree that the additional diversion is unnecessary or undesirable or both. No representative of a Federal agency favored the additional diversion.

The two agencies responsible for making the study—the Department of the Army and the Public Health Service—agree that the additional diversion is unnecessary. The State Department says they will not support the additional diversion because the bill adversely affects our relations with a friendly foreign power. The Bureau of the Budget flatly opposes the bill and recommends precisely the kind of study—without diversion—which would be provided by the McNamara amendment.

Mr. President, since that letter was written I have had a chance to study the majority committee report more thoroughly than I did before, and I do not think I have ever read a report of any committee which more fully documents the case against the bill than this majority report.

I should like to strengthen this letter by reference to the majority report, and I think I can strengthen it very greatly.

In the first place, on page 13, in a quotation from a letter written by Wilber M. Brucker, Secretary of the Army, to the chairman of the Committe on Public Works, is this statement:

A report entitled "Effect on Great Lakes and St. Lawrence River of an Increase of 1,000 Cubic Feet per Second in the Diversion at Chicago," printed as Senate Document No. 28, 85th Congress, contains data pertaining to the effect of increased diversion on Lake Michigan and on navigation on the Illinois Waterway.

This is what the Army said:

Accordingly, legislation is not necessary to obtain data in relation to those items.

It is important that the Senate know that it was not the interpretation of the Senator from Wisconsin or any other opponent of the bill that a previous report which had been filed made this legislation unnecessary. It was the statement of the Secretary of the Army himself, who said:

Accordingly, legislation is not necessary to obtain data in relation to those items.

They are the only items the bill provides should be studied.

In the second place, on page 14 of the committee report, the position of the Public Health Service is made even more emphatic. I wish to call to the attention of the Senate the fact that during all the years this study has been conducted, it has been clear to those who have had an opportunity to listen to the proponents and consider the merits of the proposed legislation that the only real argument for this bill, or similar bills which have been introduced before, is based upon the health, safety, and welfare of the people of Chicago and the Metropolitan Sanitary District of Chicago.

Goodhearted, generous Senators have supported the bill in the past, but they have been mistaken. They have supported it because they have been goodhearted, because they have felt that human welfare and human health must come before any considerations of navigation, power, monetary advantage, or anything else. That is why I believe that many people who have had an opportunity to consider this question only in a cursory way have been swayed by the arguments of the senior Senator from Illinois and other proponents of the bill. But, Mr. President, a vote for this bill is not humanitarian in any way.

The fact is that the authority on health is the Public Health Service. The fact also is that in all the years of testimony on the bill the proponents of the bill have been unable to obtain a single public health expert—not one—to testify that the proposed diversion would improve the health of the people of Chicago. As a matter of fact, in 1947, the most comprehensive and definitive study ever made of Chicago's health was made by the Public Health Service and others, in collaboration with the distinguished doctors and medical authorities in Chicago. They came to the conclusion that no additional water should be diverted from Lake Michigan until recommendations made in the definitive study referred to were carried out, recommendations which have not been carried out completely to date.

Although, of course, every Senator, if he is a human being, must be motivated by sympathy and by a desire to help those whose health is endangered, I believe that the way to help them is by securing the advice of doctors and qualified Public Health experts. The proponents of the bill have not been able

to produce a single witness to testify that the proposed diversion would improve, benefit, or serve the health of the people of Chicago.

On the other hand, the Public Health Service has made the following statement with respect to House bill 1 and its companion bill S. 308. I quote from page 14 of the committee report. This is a letter from Arthur S. Flemming, Secretary of the Department of Health, Education, and Welfare, to the chairman of the Committee on Public Works. This is what Mr. Flemming writes:

Our comment on this bill has been prepared in the light of the points raised and the generally adverse position taken in the July 1, 1959, letter from the Budget Bureau on S. 308. This Department is in agreement with the recommendations made in the July 1 letter. We believe that a study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without an increase in diversion. From the point of view of water pollution control additional diversion over the amount now authorized is not absolutely necessary for the completion of a satisfactory study.

"Not necessary." This is the qualified authority, which has no ax to grind, no partisan reason to be influenced in any way. The agency was asked for an opinion. It stated that the proposed diversion, which Canada protests vehemently, which a number of States protest, and which might endanger economy of the northwestern part of our country, is not necessary to the only purpose the proposed legislation could serve.

Mr. Flemming continues:

It should be noted, however, that the Budget Bureau proposal is for a study which would be limited to a study of the sanitation and sewage treatment problems of the District and the Illinois Waterway. Unlike the study proposed in S. 308—

Which is the same as H.R. 1—

it would not include an exploration of the effects of an increased diversion of water from Lake Michigan into the waterway other than as one possible means of correcting existing and future sanitation problems in the area—and as such an alternative means of correction, increased diversion would be evaluated in terms of comparable costs and effectiveness.

Those words are extremely important, because what the Budget Bureau is proposing and what the Public Health Service is approving, is a fair study, a study that would not provide water diversion for a year and a study of such diversion on a practical basis, together with a theoretical study—some kind of sample study—of aeration, and then some kind of theoretical study of chlorination. This contemplates a study of all alternatives on an equitable basis, without the proposed diversion, which the Public Health Service says is not necessary.

I continue to read from Mr. Flemming's letter:

Authorizing legislation designed to carry out the Budget Bureau study recommendation should, therefore, carefully limit the Department of Health, Education, and Welfare responsibilities to matters which are within the scope of Public Health Service present responsiblities and competence.

This is exactly the kind of study that can best serve the people of Chicago and of all the Great Lakes region. The qualified experts agree. There is not a Chicago doctor who is qualified who can be brought down to testify to the contrary. The authorities agree that the way to make this study is the way the Public Health Service and the Budget Bureau say it should be made, without additional diversion. I am sure that that kind of legislation would be passed unanimously, so far as the opponents of the bill are concerned. I do not know of anyone who would oppose it. Canada would have no reason to oppose it.

I read further from the letter of Mr. Flemming:

The study authorized might well be described to include: (1) an analysis of the present and projected future water quality of the Illinois Waterway under varying conditions of streamflow and waste treatment and disposal; (2) an evaluation of municipal and industrial waste treatment and disposal practices including storm water overflows within the Metropolitan Sanitary District of Greater Chicago; (3) an evaluation of water quality needs of the entire Illinois River Basin; and, (4) alternate means of solving sanitary problems, including additional treatment measures. A 3-year period—to begin after funds become available—should be allowed for completion of the study and an additional 6 months for the correlation of the results thereof with the Secretary of the Army and the preparation of the Secretary's final report to the Congress.

This is what the Senator from Michigan intends to propose in his amendment. It makes all the sense in the world. It would satisfy Canada. It would satisfy Wisconsin, Vermont, New York, Oregon and Washington. There would be no objection to it. Every expert insists that it would solve the problem just as well, from the standpoint of the people of Chicago.

Mr. Flemming goes on to say:

If the study is to be of maximum use in the solving of sanitary problems, it would be necessary for representatives of this Department to have access to all public and private sources of pollution, treatment, and disposal facilities, systems, and records, and authority to observe operations and practices in connection therewith.

At a later date, when the proponents of the bill are available for questioning, I should like to ask them whether this authority is provided in the bill before the Senate. It seems to me that the bill would be deficient if such authority is not provided. From the comment of the Secretary of Health, Education, and Welfare, such a provision is necessary if an effective study is to be made. Such authority should be provided. I know of no such amendment to the bill. I ask the proponents to state whether there is such an amendment.

I shall read one further statement from the letter of Mr. Flemming. It is most emphatic and goes to the heart of the bill. It seems to me it is a reason all by itself, no matter what the other arguments may be for the bill, why there should not be additional diversion. Mr. Flemming says:

In the event that the responsibility for financing any Federal costs is to rest solely in this Department, it is most important that the authorizing statute make clear the necessity for additional appropriations for this project.

So far as I know, such provision has not been provided in the proposed legislation. That is another important objection to the bill. There is no evidence that I know of that the authority rests solely in the Department of Health, Education, and Welfare, although the man who will be responsible for making the study said it should be. I think we should have an answer from the proponents of the bill as to why that authority is not provided.

The Bureau of the Budget also was consulted. The Bureau of the Budget, in the Executive Office of the President, had this statement to make on the bill, in a letter dated June 1, 1959, addressed to the chairman of the Committee on Public Works, signed by Phillip S. Hughes, Assistant Director for Legislative Reference:

The Bureau of the Budget must recommend against the enactment of S. 308.

That bill, of course, is the same as H.R. 1.

However, there is an avenue of further exploration which may prove fruitful, i.e., a full technical study of the sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago to be undertaken and financed jointly by the U.S. Public Health Service and the sanitary district without any actual increase in the present diversion of water from Lake Michigan. We visualize that such a study would attempt to determine existing sanitary conditions in the Illinois Waterway and extrapolate future conditions based on anticipated population growth.

The study would also explore alternative means of correcting the problems, including a possible increased diversion of water into the Illinois Waterway, the effect of which should not be difficult to calculate, and evaluate the alternatives in terms of cost and effectiveness. Such a study is considered feasible by the Public Health Service, and if acceptable we would strongly recommend that your committee consider legislation to authorize it.

Again, I say, this seems to me to be a fair way to accomplish the study.

In the letter which the junior Senator from Michigan [Mr. HART] and I wrote to all Senators last night we also refer to the position of the State Department. This position was made clear in the testimony before the Committee on Public Works in a statement by Mr. Woodbury Willoughby, Director of the Office of British Commonwealth and Northern European Affairs. I read the entire paragraph in which this statement was made:

Neither the Niagara Treaty nor the International Joint Commission orders relating to the development of power by the United States and Canada in the International Rapids section of the St. Lawrence River place any specific limitation upon diversions of the type authorized by H.R. 1.

That is exactly the position which the proponents of the bill have been taking. That is what they have been asserting over and over again. The State Department says that may be true; but then they go on to say—and this is the critical issue:

Nevertheless, the Department is not in a position to question the Canadian position that an additional withdrawal of water from

the Great Lakes Basin such as that under consideration would affect adversely Canadian navigation and power interests in the Great Lakes, their connecting channels, and the St. Lawrence River.

I submit that if the State Department is not in a position to question that, then what Senator is? Senators are taking upon themselves a terrific responsibility.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. Can the Senator from Wisconsin imagine how delighted Queen Elizabeth must be to recall her visit to Chicago, which gave that city the biggest day in its history? She must be bobbing up and down with joy to realize that hardly had she left Chicago when the leading representatives of that city were doing everything within their power to break an ironclad agreement which our country has with Her Majesty's Government. That is surely one way to cement our foreign relations. I think this is an insult to the Queen.

Mr. PROXMIRE. The Senator from Vermont is correct. As I recall, Chicago was the city selected by the Queen of England to be honored by her gracious presence. I had hoped that the Queen might visit Milwaukee. But we were not so honored. The Queen went to Chicago. She graced and honored that city. The people of Chicago turned out in large numbers to greet her. They were delighted by her presence.

The Queen having honored the city of Chicago, she is now being rewarded in this fashion.

Mr. AIKEN. I think that when she reads the CONGRESSIONAL RECORD, as she probably will, she will decide that "Big Bill" Thompson represented the sentiment of Chicago, after all.

Mr. PROXMIRE. I am not certain that the Queen reads every word in the CONGRESSIONAL RECORD.

Mr. AIKEN. She may read it by proxy.

Mr. PROXMIRE. I can think of worse fates, but not very many. At any rate, I agree with the excellent argument made by the Senator from Vermont. There is no question that Chicago and the entire country were honored by the visit of Queen Elizabeth and the very gracious way in which she spent the time she did in Chicago.

Queen Elizabeth is also Elizabeth, the Second, by the grace of God, of the United Kingdom and Canada, and of her other realms and territories, Queen.

Mr. AIKEN. And she is a most gracious Queen, too.

Mr. PROXMIRE. She is. It is very unfortunate and sad that she is being insulted under these circumstances and in this way by a disregard by the committee of the position taken by the Canadian Government, and of the advice of our own State Department experts on this matter.

The position of the Canadian Government has been referred to by other Senators before, but one has to refer to page 20 of the report—and it is still the report of the majority—in order really to appreciate, and fully appreciate, how strongly and deeply the Government of Canada feels about this. I shall read from a note of the Canadian Government, signed by the Ambassador of Canada, dated April 9, 1959, and addressed to the Hon. Christian A. Herter, Acting Secretary of State:

> The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular:
>
> (a) The Boundary Waters Treaty of 1909: "The applicability of either article II, paragraph 2, or article III of this treaty depends upon the interpretation of physical facts."

I hope Senators who read the RECORD and those who hear me now will pay attention to the objection of Canada, because it is not a pro forma objection; it is not an extravagant, baseless objection; it is not a trivial objection based on a notion that somehow Canada's sovereignty is being challenged. It is a thoughtful, considered objection, one which is very firmly based upon their own understanding of international law, because they go on to say:

> If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.
>
> If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

Of course, no such approval has been secured, and no attempt has been made to secure the approval of the International Joint Commission.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. The point which the Senator from Wisconsin is now making is the point which was made by the expert on international law, from whose book I quoted earlier.

If an attempt is made to create an impoundment of water or a diversion of water, with the result of either raising the level or lowering the level of the Great Lakes and the level of the St. Lawrence Seaway and if a dispute develops in that connection the dispute is to be determined by the International Joint Commission. Is that the understanding of the Senator from Wisconsin?

Mr. PROXMIRE. Absolutely so.

Mr. LAUSCHE. But in this case no effort has been made to invoke the arbitration powers and functions of the International Joint Commission, so as to determine the dispute in this instance.

Mr. PROXMIRE. The Senator from Ohio is entirely correct.

As he knows, the International Joint Commission is composed of three American members and three Canadian members. If we are not going to permit that Commission to function in this case, there is every reason for Canada to feel that perhaps she should give the 1-year notice that is required, and then invalidate the treaty of 1909, and then be able to use the waters of the Columbia River just as completely and just as fully as she might desire.

Mr. LAUSCHE. I fully support what the Senator from Wisconsin has said.

I repeat my previous statement: It will be a sad day in the history of our country if the Congress of the United States begins to flout and to disrespect the treaties and conventions our country has solemnly made with foreign nations. No conceivable project has such value for any city in the United States as to justify our announcing to the world that we would disrespect our treaties.

But I should like to ask the Senator from Wisconsin whether in his opinion that is exactly what we are being urged to do by means of this bill.

Mr. PROXMIRE. The Senator from Ohio is entirely correct. And as a distinguished member of the Foreign Relations Committee, he fully appreciates the effect that could have, not only on Canada, but also on other nations.

Furthermore, we know what could be the direct and immediate consequences of such action on the State of Alaska, for example, particularly as regards the Yukon River. And in that connection, we must also keep in mind the point which was made so brilliantly, on yesterday, by the Senator from Oregon, in regard to the adverse effects on Montana and on Oregon and on Washington, and also the very adverse effects, which I shall discuss in a minute, on New York.

Mr. GRUENING. Mr. President, will the Senator from Wisconsin yield briefly to me, if it is understood that in doing so he will not lose the floor?

Mr. PROXMIRE. Yes; with that understanding, I yield.

Mr. GRUENING. Let me say that I greatly appreciate his understanding and appreciation of the interest Alaska has in this situation. The streams of Alaska are of very great importance to the 49th State. They are unharnessed, and run wastefully to the sea. As all of us know, Alaska has the largest undeveloped waterpower potential which exists on the North American continent. But under the present administration's policy of no new starts, no substantial development of that waterpower potential has occurred and now the President has vetoed the public works bill which included provision for the beginning of studies looking toward the construction of a great dam at Rampart, on the Yukon River, which would enable us to begin to catch up with the very great progress in this field that has been made by Russia. It is very evident that if we do not abandon that administration policy, and revert to the power policies of Presidents Roosevelt and Truman, we shall be left farther and farther behind, in the race with the Soviets.

Mr. PROXMIRE. I concur in the statement the distinguished Senator from Alaska has made. I am sure that my distinguished colleague, who represents the great State of Alaska—which is the largest of all the States in the Union, is one-fifth as large as our entire Nation, is far larger than the State of

Texas, and depends to so great an extent on water, as the Senator from Alaska has pointed out, and has by far the greatest undeveloped water potential in our entire country—realizes that the waters which the pending bill would affect must be developed in such a way that Alaska's great neighbor, Canada, which controls the headwaters of the Yukon River, will not be persuaded that she can act unilaterally in regard to those waters, and in taking such action, perhaps cause serious damage to Alaska.

Mr. GRUENING. I thank the Senator from Wisconsin.

Mr. LAUSCHE. Mr. President, if the Senator from Wisconsin will yield again to me——

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. Let me say that when I interrupted, the Senator from Wisconsin was discussing the second paragraph of item (a) of the letter which the Canadian Government sent to our Government. I refer to the letter which appears on page 20 of the committee report.

Mr. PROXMIRE. That is correct; and I thank the Senator very much.

Mr. President, I should like to read the last paragraph which appears on page 20 of the report, because I believe it deals with a matter which, in my opinion, every Senator can grasp very quickly. It refers to the protest made by the Canadian Government to our Government, through our State Department. I now read further from the letter, dated April 9, 1959, addressed by the Canadian Ambassador, Mr. Heeney, to the Honorable Christian A. Herter:

> In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

In other words, Canada has spent her good tax money to construct those very, very expensive works—and they have been particularly expensive for Canada, inasmuch as her population and her income or revenue are much smaller than ours. But the pending bill, if enacted, would result in taking away great quantities of Canada's precious water, and without any compensation whatever to Canada.

Today, I have been talking to New York experts on the New York Power Authority. They have assured me, in complete sincerity—and they are well qualified to speak on these points—that every gallon of water or every bucket of water removed from the flow down the St. Lawrence River will mean a loss of power, because the Canadian dams and the New York dams are operating in such a way as to use all the available water; and if some of it is removed, then it will be found that the power developed at those dams is reduced.

I believe that the analogy used by the senior Senator from New York [Mr. JAVITS] was very apt; he said that in view of the way this legislation is drawn, if it were to be enacted, every time a faucet in Chicago was turned on, a light in New York would go out.

Of course, Mr. President, the effect of the proposed diversion on the people of Canada, a sovereign country, would be even greater and even more severe, because Canada has made a far greater investment, in proportion to her wealth, than has our country, in the developments on the St. Lawrence; and, thus, Canada has even more reason to be concerned about this proposal.

I read now from page 21 of the same letter sent to our Government by the Canadian Ambassador, Mr. Heeney:

> (a) The construction of the St. Lawrence Seaway: Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation.

But it is the understanding of Canada that the unilateral action proposed by the pending bill would be repugnant to the purpose of the St. Lawrence Seaway legislation, because in the letter the Canadian Ambassador states:

> Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

The St. Lawrence Seaway is of great importance to my State, and is of tremendous importance to the whole country. No one would like to see the seaway damaged in any way.

Mr. President, just think of the importance of the seaway to Canada. Canada has spent far more on the seaway, absolutely, than we have. In terms of her per capita income, in terms of her population, in terms of her national wealth, Canada has spent many, many more times the money we have. The St. Lawrence Seaway is the lifeblood of Canada, and in this legislation we damage it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. A moment ago the Senator from Wisconsin was quoting the letter from the Canadian Government, pointing out the damage that would come to its ability to generate electricity along its shores. Which, if any, unit of government in the entire basin is to gain financially in the capacity to generate electricity if this bill is enacted?

Mr. PROXMIRE. The answer is that the power installations at Lockport, Ill., would gain. They are to gain, as I understand, something like one-quarter—anyway, it is a fraction, and a significant fraction—of the loss that will be suffered on the St. Lawrence at Niagara and elsewhere; but there will be a clear, unquestionable gain at Lockport. In a sense, it is taking money out of the pocket of Canadians and New Yorkers and putting it in the pocket of Illinoisans.

Mr. LAUSCHE. If the Senator will yield further, I am going to read from the report of the Division engineer, North Central Division——

Mr. PROXMIRE. Let me add to what I have said, that absolutely no other would gain.

Mr. LAUSCHE. That is, there is only one governmental unit which would gain.

Mr. PROXMIRE. The only governmental unit that would gain is in the State of Illinois and the power authority at Lockport.

Mr. LAUSCHE. Lockport?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. And all other hydroelectric generating plants will be impaired in their generative capacity. Is that correct?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct.

Mr. LAUSCHE. If there is any dispute about the statement made by the Senator from Wisconsin, I point out that the report of the Corps of Army Engineers of January 1957, contains a summary, in table 23 of that report, of what the impact will be on hydroelectrical generation.

Mr. PROXMIRE. May I ask unanimous consent, with the agreement of the Senator from Ohio, that that table be placed in the RECORD?

Mr. LAUSCHE. Yes; I should like very much to have it done.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual loss of power at Niagara and St. Lawrence River plants resulting from permanent increase of 1,000 cubic feet per second in diversion from Lake Michigan at Chicago

Plant	Reduction in flow (cubic feet per second)	Kilowatts per cubic foot per second	Loss of capacity (kilowatts)	Hours per year	Annual loss of energy (megawatt-hours [1])
Lewiston	500	22	11,000	8,766	96,426
Sir Adam Beck	500	22	11,000	8,766	96,426
United States Barnhart Island	500	6.16	3,080	8,766	27,000
Canada Barnhart Island	500	6.16	3,080	8,766	27,000
Beauharnois	1,000	6	6,000	8,766	52,596
Lachine	1,000	2.6	2,600	1,422	3,697
Total			36,760		303,145

[1] 1 megawatt-hour is equivalent to 1,000 kilowatt-hours.

Mr. LAUSCHE. There are six places in Canada that would have their hydroelectric generation affected: Lewiston, Sir Adam Beck, U.S. Barnhart Island, Canadian Barnhart Island, Beauharnois, and Lachine.

Each one of them will suffer adversely, from a financial standpoint, if this water is permitted to be diverted.

Now, in table 24 there is a tabulation of the governmental units or generating plants that will benefit. And, as has been

stated by the Senator from Wisconsin, Lockport will benefit. Lockport is the only one that will benefit. All others will suffer financially.

I do not know what the identity of the Lockport generating plant is. Does the Senator from Wisconsin know whether it is owned by a governmental unit in Chicago, or whether it is a private enterprise, or what?

Mr. PROXMIRE. I see the distinguished Senator from Illinois on the floor, and if he cares to answer that question, I will yield to him.

Mr. DOUGLAS. It is owned by the sanitary district, but there is little power generated there. We no longer generate power for the city of Chicago, and it would not be of particular benefit to the people of Chicago.

We are primarily interested in pollution and in protecting the communities to the south of Chicago; and, as an incidental effect, it would help navigation.

I have answered the question. Now I am going to sit down and be Ferdinand the Bull and sniff the flowers.

Mr. PROXMIRE. May I interject at this point to say I appreciate the very evident good humor of the Senator from Illinois. I realize the situation under which he is operating, and I think he is displaying exemplary restraint in view of the fact that no one loves a good fight or a good debate more than does the Senator from Illinois, and no one is better qualified to speak on this subject. This is almost cruel and inhuman treatment of the Senator from Illinois.

Mr. LAUSCHE. This report shows that Lockport, which is owned by the sanitary district, a governmental unit, will gain 70,410 megawatt-hours in a 3-year diversion. The 6 generating units which I previously identified on the Canadian side will lose 900,000 megawatts in 3 years. So the figures show that 900,000 megawatts will be lost by the Canadian generating plants in 3 years, and 70,000 megawatts will be gained by Illinois.

Mr. PROXMIRE. I am very happy to get that information. I thought the gain by Lockport would be much more substantial than that figure. The figure given indicates it would be around one-twelfth, or 7 or 8 percent of the loss.

Mr. President, it is clear to everybody that the aggregate effect is loss. The gain, as the Senator from Illinois has properly stated, is slight and amounts to a small figure.

I conclude my reference to the Heeney letter of April 9, 1959, from the Ambassador of Canada, by referring to the next to the last paragraph, which states:

> Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

The position of Canada, it seems to me, could hardly be more emphatic or clear cut. It is certainly based on a clear, and expert evaluation. They know what they are saying. But in this legislation—for a 1-year diversion we will not even talk to them. There is nothing in the proposed legislation that there will be any agreement before the temporary diversion is made. The only even tentative gesture in the direction of Canada is that there will be some kind of consultation before permanent diversion, but a consultation under very unequal circumstances, because we make clear that we reserve to ourselves power over Lake Michigan. There is the arrogant implication that we can do whatever we please with Lake Michigan and disregard the interests of Canada.

Mr. President, I turn to a final item I should like to discuss, as to why the matter should be referred to the Committee on Foreign Relations. When my beloved colleague the senior Senator from Wisconsin makes that motion, I earnestly hope all Senators will support him, because the motion merits the support of every Senator.

Mr. President, it is my understanding there has been a disagreement between the labor conferees, and that the labor bill may be returned to the Senate this afternoon. I understand the conferees will return to the Senate to ask for instructions later this afternoon. I say that, since I hold the floor and this may be one means of communication with other Senators who would like to know whether they should stay at the Capitol. I presume on the basis of that advice they certainly had better do so.

Mr. President, I should now like to refer to one final reason why the measure should be referred to the Committee on Foreign Relations.

The natural water supply to Lake Superior, and hence to the entire Great Lakes Basin, has been increased by diverting water from the Hudson Bay watershed into rivers which are tributary to Lake Superior. These additions of water have been accomplished by Canada through the construction, with Canadian money and Canadian labor, of diversion dams, and the improvement of existing river channels on the so-called Long Lac and Ogoki projects.

The addition from Long Lac began in 1939. The addition from the Ogoki project began in 1943.

Parenthetically, it should be noted that the rearrangement of the flow of these rivers, which are entirely within Canada, but which are tributary to the international waters of the Great Lakes, is governed by notes exchanged October 14 and 31 and November 7, 1940. Would we not also have to enter into an agreement with Canada prior to the alteration of the natural flow of Lake Michigan, which is certainly tributary to international waters?

Mr. President, 7,160 square miles of drainage area of the Long Lac-Ogoki projects were thus artificially made tributary to the Great Lakes. That was done artificially, at a great cost to Canada, with an investment of Canadian money and labor. The total average additional flow amounts to about 5,000 cubic feet per second.

That is water taken out of the Hudson Bay watershed and put into Lake Superior, to increase the flow at Niagara and at Quebec and other places the Canadian government, the Canadian industry and the Canadian citizens enjoy.

The 1950 treaty did not allocate the 5,000 cubic feet of water specifically for diversion, but it does provide Canada full use at Niagara.

The 1950 treaty did not allocate this additional water, with the effect that the entire additional flow is reserved for the exclusive use of the Canadian hydroelectric plants on the Niagara River. The treaty further provides that this water shall continue to be governed by the exchange of notes previously mentioned, so that, in effect, this addition of water is now based upon the provisions of a treaty between the two nations.

The St. Lawrence powerplants are operated under the terms of the treaty of 1909 and the control of the International Joint Commission, which was created by that treaty. Since the Long Lac-Ogoki additions were not being made at the time of the treaty, it contains no specific provisions relative to such additions of water. The International Joint Commission has ordered an equal division of water at the St. Lawrence plants. Hence, the United States is directly benefitting through the use of one-half of the additional water for power generation at Massena. This is why New York, the State authorities of New York and the experts from New York, are so deeply interested in the matter. They have consulted with us and they have given us this information.

The International Joint Commission has the authority to change the operating rules of the St. Lawrence plants. If the United States unilaterally diverts waters at Chicago which are naturally tributary to the St. Lawrence River from that basin into the Mississippi River, Canada would certainly have a strong case for recouping a portion of its loss which such diversion out of the basin would cause, by asking the International Joint Commission to allocate all of the 5,000 cubic feet per second which they have added to them for their exclusive use.

Mr. President, it would be feasible and it would be practical for Canada to do this. Canada has every reason to want to do it, because it would increase their power development. It would mean that Canada would be able to operate in a more productive and more profitable way, which would be more profitable to their industry and to their consumers who use the electricity.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator was reading from a document. The Senator said that if we diverted water at Chicago, the Canadian Government would be justified in going to the International Joint Commission. Will the Senator read that portion of the document again?

Mr. PROXMIRE. What portion does the Senator desire to have reread?

Mr. LAUSCHE. The Senator said, in substance, that if we granted an increased diversion of water at Chicago, the Canadian Government would be justified in going to the International Joint Commission and asking for an order allowing Canada to use the entire 5,000 cubic feet per second now available at Massena.

Mr. PROXMIRE. The Senator is absolutely correct. Shall I read that again?

Mr. LAUSCHE. Please read that again.

Mr. PROXMIRE. I think it deserves emphasis, double emphasis, and triple emphasis.

The International Joint Comission has the authority to change the operating rules of the St. Lawrence plants. If the United States unilaterally diverts waters at Chicago which are naturally tributary to the St. Lawrence River from that basin into the Mississippi River, Canada would certainly have a strong case for recouping a portion of its loss which such diversion out of the basin would cause, by asking the International Joint Commission to allocate all of the 5,000 cubic feet per second which they have added to them for their exclusive use.

Mr. LAUSCHE. The words which impressed me were "by asking the International Joint Commission" to award them the entire 5,000 cubic feet per second. In the Senator's document, it is suggested that the appeal will be made to the duly constituted legal body which has been designated by the U.S. Government and by the Canadian Government to act as the arbiter in disputes.

Mr. PROXMIRE. That is absolutely correct. Of course, if the international body could not agree, presumably Canada could take the case to the world court. That is provided in the treaty.

As I pointed out before, we can try the patience of Canada too much. The treaty also provides that with 12 months' notice Canada can terminate the treaty, end the treaty, and act unilaterally.

I may say to the Senator that the document has no expert standing of any kind. It is a memorandum I prepared after consultation with the New York authorities, for my own guidance, so that in this area, which is new to me and on which I am no expert, I could be accurate.

Mr. LAUSCHE. It is a tribute to the Senator's ethical approach to the problem, because in his own thinking he did not for a moment believe that Canada would arbitrarily and unilaterally say, "We will take the entire 5,000 cubic feet per second." The Senator said that Canada would go to the International Joint Commission and ask for a ruling.

Mr. PROXMIRE. The Senator from Ohio makes an excellent ethical, moral point. Canada does not act unilaterally, but goes to the Commission, which in this legislation we would ignore and which we have refused to consult. Canada would ask the Commission to make a decision, so that the matter could be decided in a fair and judicial manner, with equity and justice to everyone concerned.

Mr. LAUSCHE. If the proposed legislation is passed, in effect we would be saying, "Let us disregard the treaty and disregard the International Joint Commission which by solemn declaration of the U.S. Government and of the Canadian Government has been chosen as the arbiter. On our own, in full disregard of Canadian rights, we will proceed to dispose of the question."

Mr. PROXMIRE. Not only that, but I will say to the distinguished Senator that we would also disregard our own supreme judicial authority, the Supreme Court of the United States, which has taken jurisdiction over the matter. We would disregard the Court and the equities and interests of Ohio, Michigan, Pennsylvania, and New York by saying "Congress is going to act," without any regard for the parallel study which is being conducted at the present time by the Supreme Court, right at this very moment, under Judge Maris, on this exact matter.

Mr. LAUSCHE. The fact is, as I understand, that for the last 50 years Chicago has insisted upon the purpose to divert these waters. It was challenged in the courts. The Supreme Court has repeatedly stated that Chicago, in violation of the rights of the sister States, was taking water unlawfully out of the Great Lakes Basin to the damage of those sister States.

Chicago went to the courts. It was told to mend its ways.

I think it went to President Roosevelt and to President Truman, and it went to the War Production Board during the war, stating, "Give us this water. We need it to develop the strength of the Nation."

In every instance it was told that it was trying to take from the sister States property that belonged to them, and utilize it to its own use in Chicago.

Mr. PROXMIRE. Let me say to the Senator from Ohio that the Supreme Court has been more than fair with the city of Chicago. When because of natural conditions Chicago had to have and could make out any kind of case for additional diversion, the Supreme Court gave them, not an additional thousand cubic feet, but it gave them something like 8,500 cubic feet for some 50 or 60 days. So Chicago has recourse. They can go to the Supreme Court whenever they can make any kind of case, and the Supreme Court can decide tomorrow that Chicago is entitled to an additional thousand cubic feet, if it desires to do so.

Mr. President, the estimates by the expert I have cited and by qualified authorities from New York is that the gain to Canada, if she acted to take advantage of the additional 5,000 cubic feet which she herself has diverted from the Hudson Bay watershed into Lake Superior, would be some $518,000 for each year.

Mr. President, I am also informed on the basis of reliable and competent advice that this would not compensate Canada fully for her loss of the water at Chicago. This is because Canada could take no advantage of this additional diversion at Niagara.

Canada already has the full 5,000 cubic feet per second. She can take advantage at Quebec, because the fall is shorter. Even though there is more water involved, it is my understanding that she would not be fully compensated. At any rate, if she decides to take advantage and prevails, and I must say that the members of the Joint Commission would be sorely put to it to deny Canada under these circumstances, the loss to New York would be very, very significant and substantial.

I was told last year when the debate on this matter was progressing, by another Senator, whose identity I cannot reveal because he did not authorize me to do so, a great Senator, an outstanding man, of very substantial influence in the U.S. Senate, that if we could show to him that one single dollar that should justly and properly accrue to one State was being taken away from it for the benefit of another State, he would vote against the proposed legislation.

I submit that anyone who will study this matter, who will consult with qualified experts, will have to agree that more than a single dollar, literally thousands and thousands of dollars, are being taken out of the pockets of the people of New York, and the people of Canada, for the benefit of the people of Chicago.

Mr. President, there is a great deal more I should like to say on this bill, but above all I do not want the Senator from Illinois to suspect that I am trying to delay a vote or acting in a dilatory fashion or filibustering. So I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Dirksen	Martin
Allott	Douglas	Morse
Anderson	Ervin	Moss
Bartlett	Fong	Prouty
Bible	Gruening	Proxmire
Butler	Hart	Randolph
Byrd, W. Va.	Holland	Robertson
Cannon	Javits	Scott
Carlson	Johnston, S.C.	Sparkman
Case, N.J.	Jordan	Stennis
Church	Lausche	Thurmond
Clark	McClellan	Wiley
Cooper	McNamara	Yarborough
Curtis	Mansfield	Young, Ohio

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant of Arms be instructed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant of Arms will execute the order of the Senate.

After a little delay, Mr. BRIDGES, Mr. BUSH, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. COTTON, Mr. DWORSHAK, Mr. ELLENDER, Mr. ENGLE, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HAYDEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. JACKSON, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. KUCHEL, Mr. LANGER, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAG-

NUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH, Mr. SYMINGTON, Mr. TALMADGE, Mr. WILLIAMS of Delaware, and Mr. YOUNG of North Dakota, entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. Moss in the chair). A quorum is present.

The question is on agreeing to the first committee amendment.

Mr. LAUSCHE. Mr. President, I desire to speak on the bill pending before the Senate, and I should like to discuss particularly the international aspects of the bill.

It has already been pointed out that the Dominion of Canada, in three separate documents this year, has protested against any further diversion of water at Chicago. These protests are rather unusual in the history of our country. They are unusual because they come from a neighboring state with whom we have been on most friendly terms.

Intermittently papers are written, speeches are made, and discussions are had about a model relationship between neighboring countries. It is pointed out that with approximately 3,000 miles of border lines, there is not existent a single fortification or a single artificial construction intended for either defensive or offensive purposes. It is a model relationship. Consultations are had. Differences are worked out. Friendly intercourse is had on that basis.

The Senator from Wisconsin this afternoon made the statement, and I think it was subscribed to by the Senator from Michigan, that this proposal is probably unprecedented not only from the standpoint of our relationship with Canada, but of our relationships with other friendly nations in the world; that is, protests being filed with our country that we are contemplating the abrogation and the violation of a treaty.

I want to meditate on that subject for a minute. We have a treaty with Canada. There are two treaties which have relationships to the issues involved in the discussion. The first was entered into in 1909, and the second in 1950. Those treaties specifically deal with the waters which lie on our boundaries and the tributaries and bodies of water which flow into those boundary waters.

These treaties specifically provide a mode of operation to settle disputes. The treaties specifically stipulate that each Government has the right to make disposition of waters on its own side of the boundary, but that if and when such disposition of the waters either lowers or lifts the level of waters on the other side of the boundary to the damage of the other nation, the International Commission shall be called upon to arbitrate the dispute.

The Congress of the United States, through its Senate, in 1909 and 1950 approved those treaties. In other words, by specific declaration of the Senate, we subscribed to the solemn pledges contained in those documents. We, in effect, stated, "The agreements made by the State Department are honored by the Senate and will be recognized fully in substance and purport."

We are now in the year 1959. Those agreements are still in existence. The High Commissioners who constitute the 6-member Board are in existence. They can adjust this dispute. But we are proceeding in absolute defiance of the agreements, and are contemplating action in the Senate which definitely will be violative of our solemn promise.

I submit to my colleagues that if we have any justification for boasting about the dignity of our country, it lies on the basis of our fairness and justice in carrying out our agreements.

Condemnation has been made of Stalin and Khrushchev. On the floor of the Senate arguments have been made that the word of the Communist is not to be honored or respected or accepted. They do not keep their promises.

On the contrary, it has been argued and declarations have been made to the world that our word is as good as our bond, that when we sign a treaty or an agreement we will keep our word. That declaration is belied by the provisions of the bill which Senators are asked to approve on the Senate floor.

I should like to read, from the discussion which took place in Canada with respect to the treaty, some remarks by the Prime Minister, who participated in the discussion. This is a report of the House of Commons debates.

The debate took place on Thursday, April 16, 1959. The House met at 2:30 p.m. and the discussion was on water resources, Chicago diversion. The first statement I will read deals with what was said by the Right Honorable J. G. Diefenbaker, Prime Minister, as follows:

Mr. Speaker, on April 8 the honorable member for Rosedale asked:

"Would the Prime Minister tell us the attitude of the Canadian Government toward the legislation recently passed in the U.S. House of Representatives in regard to the diversion of water from the Great Lakes at Chicago?"

I replied, after dealing with one or two matters of history, and said:

"We are paying the closest attention to this matter, at the same time not wishing to do anything that would in any way cause a situation to arise which might not be beneficial.

Prime Minister Diefenbaker stated:

We are paying the closest attention to this matter, at the same time not wishing to do anything that would in any way cause a situation to arise which might not be beneficial.

I have repeated those words because they show the delicacy of the attention which the Prime Minister of Canada is giving to this subject. He did not want to take any action which might not be beneficial to the relationship existing between Canada and the United States.

I quote further from the remarks of Prime Minister Diefenbaker:

I now wish to bring the House up to date on this subject. When I last spoke on April 8, I stated what the fact was, that the Government was giving careful consideration, and since then has given further consideration, to the most effective manner of making known Canada's opposition to the bill which, as I said a moment ago, has passed the House of Representatives and is now before the Senate Committee on Public Works. A note registering the reasons for Canada's objection was delivered on April 9; and, with the leave of the House, I ask permission to table it so that it might possibly appear in "Votes and Proceedings." I am not going to read the entire note, but just two particular paragraphs thereof to indicate the general tenor and attitude of the Government in this regard. In the third paragraph the following appears:

"Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States of America. The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provision of two treaties in particular."

The first is the Boundary Waters Treaty of 1909 and the second is the Niagara Treaty of 1950.

The general summation of the attitude of the Government in this regard is contained in the last two pertinent paragraphs:

"Because of the importance attached by the United States of America and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

"I am instructed, therefore, to express the hope of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred."

I desire to comment a bit upon this last statement, and in the comment I will reread what Prime Minister Diefenbaker said:

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern——

What is happening in the United States.

Probably the thought of the U.S. Government honoring its agreements is poppycock. It is not worthy of being listened to by the Senators on the floor of the U.S. Senate. Honor in keeping one's word, honor in performing a contract, honor in carrying out the words of an international treaty, may be poppycock and ought to be disregarded by us. If we are so powerful from a military standpoint, if we are so powerful from an economic standpoint, that we can cast aside our word of honor and still hope to survive economically and materially as a Nation, probably there

is some justification in dishonoring our word. But I say to my colleagues that the matter of keeping one's word is more than the mere achievement of material and economic enrichment. It goes to the very virtue and the strength of a nation.

When a nation begins disregarding its word, it begins placing a stamp on the character of its citizens that those citizens do not keep their word, and I submit respectfully to my colleagues that that is exactly what the city of Chicago is seeking to have us do. It wants us, without sending this bill to the Foreign Relations Committee, pass it in face of the protest that has been made by the Dominion of Canada, and I do not believe that we have either the legal or the moral right to follow that recommendation of the city of Chicago.

Primarily we should not follow it because Chicago has in this matter a selfish economic purpose. The granting of 1,000 cubic feet of water per second in addition to the 3,300 feet which it is now taking out of the Great Lakes Basin would bring economic profit to Chicago and loss to every other port in all of the riparian lands in the Great Lakes Basin.

In a discussion which was earlier had with the Senator from Wisconsin it was pointed out that there are six powerful hydroelectric generating plants, I think three of them of U.S. ownership and three of Canadian ownership, which would suffer financial loss through the enactment of this bill. There is only one governmental unit which will profit, and that is the city of Chicago.

A second economic selfishness upon the part of the Sanitary District of Chicago lies in the fact that it will enjoy an increase in the ability to navigate from Chicago down to the Mississippi. The navigational capacity and the expense of keeping the water level high in the stream that goes from Chicago to the Mississippi will be lowered, while the expense on the Great Lakes will be increased.

A third selfish purpose of the Sanitary District of Chicago lies in the fact that though two departments of Government on the Federal level have stated that Chicago can make this test without the flow of an additional 1,000 cubic feet of water per second—and I have reference now to the statement made by the Department of Defense and the Department of Health.

Mr. AIKEN. Will the Senator yield to me to make a motion?

Mr. LAUSCHE. Not at this moment.

Four departments of the Government have protested the enactment of the bill, namely, the Department of Defense, the Department of Health, Education, and Welfare, the Department of State, and the Bureau of the Budget, speaking for the President of the United States, I take it. Not one branch of the Federal Government has encouraged the passage of the bill. Chicago would profit because it would decrease its costs in disposing of sewage. Therefore I respectfully submit that this bill contemplates aiding Chicago and harming all the riparian owners on the Great Lakes-St. Lawrence Seaway below the point where the diversion would occur.

I wish to read further from the House of Commons Debates:

Mr. SPEAKER. Would the Prime Minister perhaps modify his request so the letter will be printed as an appendix to Hansard?

Mr. DIEFENBAKER. Yes.

Mr. SPEAKER. Is the house agreeable to having this document printed as an appendix to Hansard today?

SOME HONORABLE MEMBERS. Agreed.

(For text of document referred to above, see appendix.)

Hon. L. B. PEARSON (leader of the opposition). Mr. Speaker, perhaps I could say a word with regard to this extremely important matter. I think the House will have learned with satisfaction that a note in the terms which the Prime Minister just read has been, I think on April 9, presented to the U.S. Government. It will be recalled that a note in not very strong terms was presented by the Canadian Government last year expressing our concern. This note of April 9 seems to be a much stronger one, and I think that is all to the good.

I believe I am right when I say that this note, however, presented on April 9, has been presented at a time when it is too late to influence Congress which has, if I am not misinformed, already taken action in this matter. Therefore, Mr. Speaker, it now remains for the President of the United States to protect Canada's rights in this matter by vetoing action which may have been taken by Congress. Perhaps if this note had been presented earlier before congressional consideration had been given, it might not have been necessary to rely entirely on the President of the United States to protect our interests in this matter.

However, the note has been presented and I hope it will have the effect it should have in preventing the United States from taking action which would be a breach of treaty arrangements between the two countries.

Mr. H. W. HERRIDGE (Kootenay West). Mr. Speaker, on behalf of this group I want to say that we are extremely pleased to hear the statement of the Prime Minister with respect to this latest note. We are also pleased to note that it is in stronger terms than any previous note. We support the government in any effort it may take to protect Canadian interests. We in this group hope that the Congress of the United States will pay attention to this day's proceedings and note from the proceedings that Parliament in this respect is unanimous.

I now read from the Appendix:

CHICAGO DIVERSION—CANADIAN NOTE TO UNITED STATES

(No. 184)

Sir: I have the honor on instructions from my Government to refer to proposals for legislation in the United States of America concerning an increase in the diversion of water from Lake Michigan through the Chicago drainage canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate. During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by United States of America authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States. The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular:

(a) The Boundary Waters Treaty, 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

(b) Niagara Treaty, 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated. In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deeper draft may proceed with full load to and from the ports of the upper Great Lakes. In this connection I would refer to the following matters:

(a) The construction of the St. Lawrence Seaway: Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

(b) Dredging: By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place or is about to take place in the International

Rapids section of the river, in the Amherstburg Channel and in the St. Clair River.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield now to permit me to make a motion?

Mr. LAUSCHE. I yield for that purpose.

Mr. AIKEN. Mr. President, I move to lay the pending business on the table, and on that question I ask for a yea and nay vote.

The PRESIDING OFFICER. Does the Senator from Ohio yield for that purpose?

Mr. LAUSCHE. I do.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. What is the pending business? Is the Senator from Vermont proposing to lay the amendment on the table or to lay the bill on the table.

The PRESIDING OFFICER. The Chair understood the motion to be to lay the bill on the table.

Mr. AIKEN. The motion is to lay the pending bill on the table.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McNamara
Allott	Fulbright	Mansfield
Anderson	Goldwater	Martin
Bartlett	Green	Morse
Bible	Gruening	Morton
Butler	Hart	Moss
Byrd, W. Va.	Hayden	Mundt
Cannon	Hennings	Neuberger
Carlson	Hickenlooper	Prouty
Carroll	Hill	Randolph
Case, N.J.	Holland	Robertson
Case, S. Dak.	Jackson	Scott
Church	Javits	Smathers
Clark	Johnston, S.C.	Smith
Cooper	Jordan	Sparkman
Curtis	Kennedy	Stennis
Dirksen	Kuchel	Symington
Douglas	Langer	Talmadge
Dworshak	Lausche	Thurmond
Ellender	Long, Hawaii	Wiley
Engle	Long, La.	Williams, Del.
Ervin	McClellan	Yarborough
Fong	McGee	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion to lay House bill 1 on the table.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Illinois will state it.

Mr. DOUGLAS. Will the Chair again state the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont [Mr. AIKEN] to lay House bill 1 on the table.

Mr. DOUGLAS. In voting on this question, will an affirmative vote be a vote to kill the bill?

The PRESIDING OFFICER. The Senator from Illinois has not propounded a parliamentary inquiry.

The pending question is on agreeing to the motion to lay House bill 1 on the table.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Have the yeas and nays been ordered on this question?

The PRESIDING OFFICER. That is correct.

Mr. WILEY. Mr. President, I was unable to hear clearly the response to the parliamentary inquiry. Is the pending question on agreeing to the motion to lay House bill 1 on the table?

The PRESIDING OFFICER. That is correct.

Mr. WILEY. I thank the Chair.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER (when his name was called). On this vote I have a pair with the distinguished majority leader of the Senate [Mr. JOHNSON]. If the Senator from Texas were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. CARLSON. On this vote I have a pair with the distinguished Senator from Oklahoma [Mr. KERR]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. RUSSELL], the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], and the Senator from Wyoming [Mr. O'MAHONEY], are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], and the Senator from Rhode Island [Mr. PASTORE], would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from New York would vote "yea."

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from Wisconsin [Mr. PROXMIRE]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Wisconsin would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senator from Connecticut [Mr. BUSH], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official committee business.

On this vote the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Connecticut would wote "yea," and the Senator from Nebraska would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from New York [Mr. KEATING] is absent on official business and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from New York would vote "yea," and the Senator from Mississippi would vote "nay."

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The result was announced—yeas 26, nays 41, as follows:

YEAS—26

Aiken	Fulbright	Morton
Bartlett	Hart	Prouty
Bible	Jackson	Scott
Cannon	Javits	Smathers
Case, N.J.	Jordan	Smith
Clark	Langer	Wiley
Cooper	Lausche	Williams, Del.
Dworshak	McNamara	Young, Ohio
Ervin	Martin	

NAYS—41

Allott	Goldwater	McGee
Anderson	Green	Mansfield
Butler	Gruening	Morse
Byrd, W. Va.	Hayden	Moss
Carroll	Hennings	Mundt
Case, S. Dak.	Hickenlooper	Randolph
Church	Hill	Robertson
Curtis	Holland	Sparkman
Dirksen	Johnston, S.C.	Stennis
Douglas	Kennedy	Symington
Ellender	Kuchel	Talmadge
Engle	Long, Hawaii	Thurmond
Fong	Long, La.	Yarborough
Frear	McClellan	

NOT VOTING—33

Beall	Gore	Murray
Bennett	Hartke	Muskie
Bridges	Hruska	Neuberger
Bush	Humphrey	O'Mahoney
Byrd, Va.	Johnson, Tex.	Pastore
Capehart	Keating	Proxmire
Carlson	Kefauver	Russell
Chavez	Kerr	Saltonstall
Cotton	McCarthy	Sshoeppel
Dodd	Magnuson	Williams, N.J.
Eastland	Monroney	Young, N. Dak.

So Mr. AIKEN's motion to lay H.R. 1 on the table was rejected.

ORDER OF BUSINESS—THE LABOR-MANAGEMENT REFORM BILL CONFERENCE

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, for the purpose of submitting a resolution with respect to the labor-management conference, and also to permit the distinguished Senator from Massachusetts to offer a resolution in his own right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. AIKEN. Mr. President, I object.

Mr. McNAMARA. Mr. President——

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I wonder if the Senator was permitted to state that all we are asking is a half hour so that the resolution will have an opportunity to lie over, so that the matter can be taken up on Monday.

Mr. AIKEN. We are in no hurry. The resolution will have a chance to lie over when it is once reported.

Mr. WILEY. Mr. President——

Mr. LONG of Louisiana. Mr. President——

Mr. WILEY. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. WILEY. Mr. President, I desire to speak on the first committee amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Louisiana?

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a unanimous consent request?

Mr. DIRKSEN. Mr. President, I did not know I had forfeited the floor yet.

The PRESIDING OFFICER. After the objection was entered to the unanimous consent request, the Senator from Illinois lost the floor. The Chair recognized the Senator from Wisconsin.

Mr. DIRKSEN. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. Mr. President——

Mr. DIRKSEN. Mr. President, I believe I am recognized, for the moment.

Mr. AIKEN. Mr. President, may I ask the Senator from Illinois how long he wished to lay aside the pending business?

Mr. DIRKSEN. I had hoped for only a very brief time.

Mr. AIKEN. That is the trouble. If the Senator from Illinois will agree to lay it aside for, let us say, 30 days, I would be glad to give consent. [Laughter.]

Mr. DIRKSEN. Regrettably, of course, the Senator from Illinois cannot agree to lay it aside 30 days.

Mr. AIKEN. That is too bad.

Mr. DIRKSEN. Mr. President——

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. The Senator from Wisconsin has yielded to the Senator from Illinois..

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Senator from Wisconsin may yield to me to make a statement, so that I will not be in violation of the rule with respect to setting forth a question.

Mr. AIKEN. I object, Mr. President.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. AIKEN. The Senator from Illinois made very plain what his statement would be.

Mr. DIRKSEN. Mr. President, I will have to serve notice on the Senate that there will be no yielding on the Senate floor so long as I am present, except in the form of a question. I have never raised this question. I have never taken advantage of a single Senator on this floor. I have never asked that the rule prevail, and for 2 whole days this discussion has been ranging all over the universe, in clear violation of the Senate rule. If it is going to be drawn upon the minority leader now there will not be another violation of that rule so long as I am on the floor.

Mr. AIKEN. That is a good idea.

Mr. DIRKSEN. Let us have that definitely understood. Everybody is going to conform to the rules—every one of them, including the 3-minute rule in the morning hour.

I asked for very little. I present myself very infrequently to the Senate. This is a matter of major moment to the entire country, already disclosed to the press and in the headlines, and certainly, Mr. President, it is not asking too much for the minority leader to take a moment to set forth a case.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I think it is much better to violate a rule of the Senate than it is to violate an international agreement, as the Senator from Illinois is trying to do. It is about time the Members of the Senate got some consideration, besides having everything arranged by two or three people in the leadership. It is about time we got consideration, too. I object.

Mr. DIRKSEN. Mr. President, perhaps the Senator from Vermont speaks for himself.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, I ask the Senator from Wisconsin whether he would object to yielding the floor in order that the Senator from Illinois and the Senator from Massachusetts, within 2 or 3 minutes each, may explain what we are going to ask the Senate to do on Monday. Is that agreeable?

Mr. AIKEN. The regular order is desired. Not knowing exactly what is back of the request, I think it would be better to have the regular order.

Mr. KENNEDY. I would say to the Senator that the Senator from Wisconsin is free to yield his time.

Mr. WILEY. I have the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor at this time.

Mr. AIKEN. But the Senator will lose the floor if he yields for anything but a question.

The PRESIDING OFFICER. The Senator will take his seat. Is the Senator from Wisconsin willing to yield the floor?

Mr. WILEY. Mr. President, in order to facilitate the particular matter at hand I yielded to the Senator from Illinois [Mr. DIRKSEN]. I want to know, when the Senator gets through, if I yield to the Senator from Massachusetts [Mr. KENNEDY] whether I can retain my right to the floor.

The PRESIDING OFFICER. If there is no objection, the Senator may retain his right to the floor. There was objection.

Mr. WILEY. May I ask unanimous consent?

The PRESIDING OFFICER. The Senator may ask unanimous consent.

Mr. WILEY. I do ask unanimous consent.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wisconsin?

Mr. AIKEN. I object, Mr. President.

The PRESIDING OFFICER. There is objection.

Mr. GOLDWATER. Mr. President, will the Senator yield so that I may address a question to the Senator from Vermont?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. GOLDWATER. Mr. President, will the Senator yield so that I may address a question to my friend from Vermont?

Mr. WILEY. I yield.

Mr. GOLDWATER. I might say to my good friend that he is putting some of his colleagues in a very peculiar position. When the matter of the Landrum-Griffin bill came across from the House there were many of our colleagues who wanted to vote forthwith on the floor. I very hesitatingly agreed to a conference, and I told my colleagues that within 7 days, or within a time when we did not have any progress, I would come back to the Senate floor and ask that the Senate instruct the conferees.

The Senator is putting us in a position of having to renege on a promise we made to our colleagues almost 2 weeks ago. I would be very hopeful that the Senator could yield enough time so that we might get the resolution into the

RECORD now, so that we will be in order to start voting on this very important matter by next Tuesday.

Mr. AIKEN. Could not the matter be submitted to the Senate tomorrow morning?

Mr. GOLDWATER. It could be, but it would not then be in order for the Senate to vote on it until a day had passed.

Mr. SYMINGTON. I wonder if the Senator from Wisconsin could yield the floor.

Mr. WILEY. I want to be very accommodating, but may I have about 5 minutes of my own to explain our position to this wonderful crowd, an opportunity we have been seeking for days? I should like to have an opportunity of discussing what I think is, as the Senator from Vermont has said, a bigger issue than even the labor issue, namely, whether we are going to kick Canada in the teeth, or whether we are going to honor our obligations under international law, whether we are going to set aside agreements and treaties. To me that is the big issue, and it has been stated in very plain language by the Ambassador representing the Canadian Government.

With the President abroad, where he is apparently trying to get further understanding, at this time the Senate should give consideration to the simple brief I sent around to each Senator. Practically no Senator has had an opportunity to read it. There is a single legal point involved, and that is what I want to discuss.

I do not wish to interfere with what I think is also a very important matter, that of seeking to get the two opposing points of view together so that the public itself will have some kind of labor law that we can all digest. That is important, but, I repeat, the Senate has really not been in session for the past 3 days. We have not had an opportunity to present our case.

In the beginning we asked that consideration of the bill go over so that we could have time to read the record, which we had not seen. We were not granted that right. This morning the time was taken up by other Senators speaking on other subjects. The same course was pursued yesterday.

When the Senators from Massachusetts and Illinois are through presenting their views, I ask Senators to remain to let me present what I think is the vital issue. If Senators will do that, I shall be very grateful to them.

I yield the floor.

Mr. DIRKSEN and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President——

Mr. DIRKSEN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does the Senator wish to make a parliamentary inquiry?

Mr. DOUGLAS. Mr. President, I wish to know which Senator from Illinois has the floor.

The PRESIDING OFFICER. The junior Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, it is certainly not my purpose to detain the Senate very long, and I am sure the Senator from Massachusetts does not wish to detain the Senate very long, either. We come only to make a brief report, and to establish the background for ratification of action that has been taken by general agreement.

Mr. McNAMARA. Mr. President, will the Senator yield? What happens to the pending business? I am interested in the pending business.

Mr. DIRKSEN. The pending business is still the pending business.

Mr. McNAMARA. It has not been set aside?

Mr. DIRKSEN. No, it has not been laid aside.

Mr. McNAMARA. I thank the Senator.

Mr. DIRKSEN. Mr. President, as everyone knows, on the 14th of August we discussed the matter of sending the labor reform bill to conference. The first conference was held on the 18th of August. As of today we have been in conference for 10 days.

The conferees have been diligent; they have been forebearing; they have been very temperate; and they have worked most assiduously at the job of agreeing on a labor bill. I am of the opinion that every conferee of the 14 who sat around the table is interested in obtaining a bill, and I pay an acknowledgement to every one of them for the patient spirit in which he has approached this labor. Today, however, we have arrived at what we think is something of an impasse.

Some days ago, after sessions with the majority leader and in pursuance of the point that was made in the course of discussion when the labor bill went to conference, we had indicated that we might come in with a resolution asking for an instruction of the conferees. We held off as long as we could. It was indicated that the resolution might be offered on Thursday, which was yesterday. We first hinted that it might be on Wednesday. In two or three discussions with the majority leader we finally agreed that it should be presented on Thursday or later, and that there would be a general agreement at least that it would not be called up until Monday for general discussion, in the hope that on Tuesday we could vote upon a resolution of instruction.

I am therefore prepared to submit such a resolution. I do so because it is within the rule to ask for an instruction and at the same time permit the conference to continue.

This evening the conferees agreed to meet again at 10:30 on Monday morning, but under the rule we can be instructed if we reach an impasse and believe that the Senate ought to work its will with respect to some provision in the bill that is perhaps highly controversial, and that has given us some difficulty. We have now reached that stage.

I will give the Senate just a word or two about our progress. We have reached agreement on the first six titles of the bill that is before us. There were, according to my notes, about 42 actions by the conference committee, some of them rather significant, some rather minor and clarifying in character, but when we finished the first six titles dealing with employer reporting, labor organization reporting, trusteeships, and all that sort of thing, we agreed that the six titles should be closed and could not be reopened except by unanimous consent.

That brought us to the question of title 7 in the bill. Let me mention, incidentally, that the bill before us, the Landrum-Griffin bill, is an amendment to the Senate bill in the nature of a substitute, and therefore we are dealing with a single amendment and everything that is in it. Under the rules, I think anything of reasonable germaneness can come up for consideration by the conferees.

There are a number of items in title 7 on which there is no dispute, such as filling a vacancy in case there is a vacancy in the office of the general counsel; the question of economic strikes, on which we have agreed; the question of a no man's land provision, and while there is some difference there, we are in virtual agreement. On the question of picketing, we have come pretty close together; there is still a little area of disagreement.

Our major difficulty, however, Mr. President, is in the field of secondary boycotts. Boycotts and picketing are covered by a single section in the House bill. There are two sections in the Senate bill. So in pursuance of the understandings we have had and the discussions we had, I ask this afternoon that the committee room be cleared of all staff members, so that the seven Senators and the Members of the House could lay everything on the table, examine the timetable, and determine what we might do in the interest of procuring a labor-management reform bill at the earliest possible date. I think it was agreed in the main, with some exceptions, that it was just as well that we come back to the Senate for an instruction in this controversial field.

So I laid all the cards on the table. There are no aces or deuces up the sleeve. The Senator from Massachusetts [Mr. KENNEDY], knows and has known what I contemplated doing.

The resolution I would have offered today is very short. It would say only that the Senate conferees recede from their insistence on that section in the Senate bill relating to the "no-man's land" provision, and that we concur in the section in the House bill on the same subject, although I think we might reach an agreement in that area with some amendments which have already been proposed in the conference.

Second, and more difficult, is that we recede forthwith from our insistence upon sections 707 and 708 of the Senate bill, relating to boycotts, and that we concur in section 705 of the House amendment on boycotts and recognition picketing.

That is the resolution I propose to offer. It is not privileged. It must lie over for a day before it can be called up. But before the majority leader left we had a great many discussions. The

Senator from Oregon [Mr. MORSE] participated in one. The Senator from Massachusetts [Mr. KENNEDY] participated in one or two. The Senator from Arizona [Mr. GOLDWATER] participated; and I thought we had a firm understanding that we would get the resolution on the table, and have it read to qualify under the rule, with the further agreement that it was not to be called up until Monday for general discussion, in the hope that on Tuesday we could consider the resolution and vote on it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. The Senator from Massachusetts [Mr. KENNEDY], has an alternative resolution, which would be considered in precisely the same way. So the only purpose at present in seeking to lay aside the unfinished business temporarily was to file these resolutions—not to discuss the substance of them—and let them go until the agreed time for bringing them up, so that the Senate could then vote on this question and instruct its conferees.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Arizona.

Mr. GOLDWATER. I should like to say a few words. I do not wish to detain the Senate long. I should like to discuss the resolution proposed by the distinguished minority leader.

I went to the conference full of hopes that we could reach an agreement in the conference. For the first week we made what I considered to be remarkable progress, but during the last week it became increasingly evident that we would come to grips on the three items which we know from the start would be controversial; namely, the no man's land provision, secondary boycotts, and picketing.

I think it is most important that our Senate colleagues instruct us in this field. In the first interim report of the McClellan committee it was specifically spelled out and signed by seven or eight members, that we should act legislativewise in the fields of no man's land, secondary boycotts, and picketing.

After 2½ years' service on that committee with the distinguished Chairman, the Senator from Arkansas [Mr. MCCLELLAN], I am convinced that unless we have effective legislation in these three fields, unless we allow the small businessmen of the country to have access to the courts to solve cases which the National Labor Relations Board will not take, by virtue of the fact that the business does not bear importantly enough on interstate commerce—if we do not prohibit secondary boycotts, as was intended by the Taft-Hartley Act; if we allow blackmail picketing to continue, we shall not have an effective labor bill.

We are down now to the points which affect the little businessmen of the country. We are down to the points which affect the corner drugstore, the shoe store, and the service station. We are not down to the points which affect General Motors, Ford, the UAW, and other big unions. We are down to the point where we are talking about things that affect the future of the small American businessman.

Mr. President, I am hopeful that this body, in its usual serious vein, will advise us in these fields, along the lines of the House bill.

In this connection, I ask unanimous consent that a press release which I issued on this subject this afternoon be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BARRY GOLDWATER ON LABOR BILL CONFERENCE

From the moment the Landrum-Griffin bill came to the Senate I held high hopes that the conferees could iron out the differences between it and the Senate version of a labor reform bill. I had hopes that the conference would produce a bill that would protect the American people, particularly the working people.

For the first week of conference, decided progress was made resulting in great improvement in the first six titles of the House bill. These titles are important because they cover reporting procedures, voting procedures, penalties, relief, and other areas pertaining to responsible labor union affairs.

However, it now becomes obvious to me that the conference cannot agree on the three most important items of the bill; namely, no man's land, secondary boycotts, and organizational or blackmail picketing.

The items on which the conferees seem obviously deadlocked touch directly on the small businessman and the small unions of this country. This is one of the reasons that has compelled me to seek solution by a Senate vote.

Two and a half years of serving on the McClellan committee has convinced me beyond doubt that the continued denial of court solution for cases the NLRB will not take; the continued permission of blackmail picketing; and the continued permission of the once-outlawed secondary boycott, will wreak immeasurable harm on the small businessman, the main-street merchant, of our country.

The conferees have worked diligently on these problems and I am sure it is not through willful intent that agreement has not been reached in these important areas. However, in the first interim report of the McClellan committee, action was specifically recommended in these three areas and, to my mind, such action is most vital to a proper labor reform bill.

It is with reluctance that I make this report to the Senate, but I feel that the interests of the American people can best be served now by allowing the Senate the opportunity to express itself in instructing the Senate conferees to accept the unagreed-upon language in the Landrum-Griffin bill.

Mr. GOLDWATER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a summary of the action taken by the conferees on labor reform legislation. This study has been prepared by a staff member, and shows the improvements which have been made in the bill during the course of the conference.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE ACTION TAKEN BY THE CONFEREES ON LABOR REFORM LEGISLATION

Definitions: Adopted the House language, which includes definitions of "Secretary," "officer, agent, shop steward, or other representative," and "district court of the United States," not contained in the Senate bill.

Title I—Bill of rights for union members: Senate bill required the union member to exhaust reasonable hearing procedures within the union not exceeding a period of 6 months before instituting legal or administrative proceedings against the union or its officers. House provision required only a 4 months' waiting period. Conference adopted House provision.

Right to copies of collective bargaining agreements: Failure to make copies available to employees and members covered by collective bargaining agreements made a crime by Senate bill. House provision enforced by injunction actions brought by Secretary of Labor in Federal courts. Conference adopted House provision.

Title II—Reporting by unions: Both bills require detailed union organizational and financial reports. Conference adopted House language which required every union to adopt a constitution and bylaws and which contained no exemption for small unions. Conference also adopted Senate provision requiring union financial reports to be in such categories as the Secretary of Labor may prescribe.

Union officers and employees conflict-of-interest reports: Senate bill required conflict-of-interest reports from every officer and employee receiving more than $5,000 a year in wages, salary, expenses, and allowances from the union. House provision required filing of conflict-of-interest reports from union officers and employees regardless of amount received from the union. Conference adopted House provision.

Reporting by employers: Senate bill required reports from employers and labor relations consultants on certain payments or loans to unions or union officers and employees and on expenditures for activities designed to persuade employees to exercise or not to exercise their rights. House bill would require these reports where the expenditures were for the purpose of interfering with, coercing or restraining employees in the exercise of their rights. Conference adopted compromise language requiring: (1) a report from an employer of any expenditure where an object thereof is to interfere with, restrain or coerce employees in the exercise of their rights; (2) a report from an employer and a labor relations consultant of any agreement or arrangement whereby the labor relations consultant undertakes activities to persuade employees in the exercise of their rights.

Attorney-client communications: House provision gave both attorney and client an exemption from reporting any privileged communication. Senate bill gave this exemption to the attorney. Conference adopted Senate provision.

Reports made public information: House bill made reports public information whereas Senate bill also gave Secretary authority to use reports as basis for compilation of studies and statistical reports. Conference adopted Senate provision.

Criminal provision: House bill made violations of title II a crime whereas Senate bill also made violations of rules and regulations issued by Secretary a crime. Conference adopted House provision.

Commissioner of Labor Reports: Senate bill provided for Commissioner of Labor Reports. No provision in House bill. Conference adopted House provision.

Non-Communist affidavits: Senate bill requires affidavits to be filed by employers and union officers. No provision in House bill. Conference adopted House provision.

Title III—Trusteeships: Both bills substantially the same. Trusteeships under House provision presumed valid for period of 18 months whereas Senate bill provided

only 12 months. Conference adopted House provision.

Title IV—Elections: Senate bill required union to comply with reasonable requests of candidates for union office to mail campaign literature under union auspices at candidates expense, but preserved privacy of membership lists. House provision gave candidates right to inspect and copy list of members where there is a union shop. Conference adopted Senate provisions and House provision with respect to inspection.

Removal of union officers: House bill provides removal procedures where union constitution does not provide an adequate procedure for removal of union officers guilty of serious misconduct. Senate bill provides removal procedures even where there is an adequate procedure in union constitution but it is not being followed. Conference adopted Senate provision.

Title V—Codes of ethical practices: Senate bill contains such a code. Not in House bill. Conference adopted House provision.

Title V—Safeguards for unions: Both bills impose a fiduciary responsibility upon union officers. House bill also gives union member right to sue union officer for breach of fiduciary responsibility. Not contained in Senate bill. Conference adopted House provision.

Bonding: Senate bill provides for blanket bonding of union officers and employees handling union funds with a maximum bond of $250,000. House bill required personal bonding not to exceed $500,000 and prohibited placing of bond with surety company in which any officer or employee had an interest. Conference adopted House provision.

Loans to union officers: Senate bill prohibited unions from making loans to its officers in excess of $1,500, whereas House had $2,500. Conference adopted $2,000.

Holding union office: Senate bill prohibited convicts and persons violating titles II and III from holding union office. House bill extended prohibition to Communists and ex-Communists, but disqualification removed if citizen's rights restored or Justice Department Parole Board approves such person's service as an officer. House bill also extends prohibition to labor relations consultants and employer associations. Conference adopted House provision.

Mr. KENNEDY rose.

Mr. DIRKSEN. Mr. President, before I yield to the distinguished Senator from Massachusetts, let me say again that I believe we are going to get a bill. I am glad that we are to meet again Monday morning. The conference has been conducted in the most amiable spirit. Now and then there was a little clash, but good feeling prevailed. So, approaching the problem as reasonable beings, I still believe that we can get a bill. But we have reached a difficult point with which we have wrestled for several days, and we do not seem to be able to agree. I think it is the appropriate thing to come back and ask the Senate for instructions.

I now yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Illinois has stated the facts very accurately.

It is true, in the words of the Senator from Arizona [Mr. GOLDWATER], that we did make remarkable progress on the first six sections of the bill. I think I can say quite accurately that the reason we did so was that the Senate conferees yielded. We yielded 27 or 28 times. According to my figures, the House conferees yielded three times. We did so in the hope of getting a bill. We then came to title 7. With respect to title 7, the Democratic Senate conferees made what I consider to be far-reaching proposals, going far beyond the bill which passed the Senate. We did so in an effort to meet the House conferees more than half way. I personally am not prepared, however, to accept the Landrum-Griffin bill in its entirety, without receiving instructions from the Senate. If that had been the disposition of the Senate, the decision last Monday should have been to accept the Landrum-Griffin bill at that time, without a conference.

To indicate the good will of the Senate conferees, I read from the New York Times of Friday, August 28:

> Senator GOLDWATER characterized the product of the conference so far as "90 percent Landrum-Griffin bill—maybe more than that."

The Senator from Arizona [Mr. GOLDWATER] is accurate. It is not going to be a 100 percent Landrum-Griffin bill, so far as the Senate conferees are concerned, unless the Senate so decides.

Therefore, we are offering a resolution which will be a substitute for that of the Senator from Illinois [Mr. DIRKSEN].

Our substitute covers three issues.

First, with respect to the no man's land provision, we are offering to yield to the States jurisdiction over all labor problems, which the NLRB currently refuses to handle. Under the proposal of the Senator from Illinois, the National Labor Relations Board could yield jurisdiction over any cases it wished with no limitation. To permit this would be a clear abdication of congressional responsibility.

We say, that cases which the NLRB refuses under its present jurisdictional standards to handle should be sent to the States. This is a major retreat from the Senate provision. It ends the no man's land and is truly a middle position between the Senate and House versions.

On the second point, we accept the broad language of the House bill with respect to secondary boycotts. But we insist on a few wholly reasonable and necessary limitations. First, restrictions upon subcontracting which are absolutely essential to stabilizing wages in such industries as the garment industry are not forbidden. In that industry while production is carried out by subcontractors, it is highly integrated and the unions customarily have utilized clauses in their contracts to insure against subcontracting to substandard sweatshops. We insist that unions in the garment industry continue to have that right and that it is socially desirable. To accept the House provisions without the limitations which we have suggested would be to invite chaos in this industry.

Workers on construction jobs should be granted the same right to picket as other workers and they should be subjected to the same restrictions as other workers.

The traditional right of workers to handle struck goods would be preserved by this substitute.

Workers would not be denied under the substitute the traditional right to ask the public not to patronize one who sells nonunion goods or goods of a manufacturer engaged in a labor dispute.

With respect to situs picketing in the construction industry, we have taken the language of the administration bill presented to the House and Senate. It was offered in the Senate by the Senator from Arizona [Mr. GOLDWATER].

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. May I ask whether the first of these provisions relates very importantly to the garment industry?

Mr. KENNEDY. The Senator is correct.

Mr. JAVITS. And the union of which so many of us are proud, namely, the International Ladies Garment Workers Union.

Mr. KENNEDY. The Senator is correct.

Mr. JAVITS. We would put them out of business if we did not meet that situation.

Mr. KENNEDY. The Senator is correct.

Finally, we accept the limitations on organizational picketing proposed in the House amendment. Organizational picketing in our substitute is closely restricted, with three qualifications which are fair and reasonable. The House bill provides that before there can be picketing, 30 percent of the employees must be signed up.

Second, picketing can continue for only 30 days.

Under our substitute if the result of the picketing is to deny the entry of goods—in other words, if the Teamsters say, "Sign up or you will not get any goods," an early election may be obtained by an employer—a right he does not have today. If the union loses the election, the picketing must cease.

Under our substitute proposal organizational picketing can take place only under limited conditions. All are in our opinion most fair and equitable.

First. A union may use pickets in an effort to organize until there is an election in which the NLRB can determine the employees' wishes. But a union which is stopping truck deliveries or other employees would not be allowed to avoid an election.

Second. Picketing, in the absence of a contract or an election, which has only the effect of notifying the public of nonunion conditions, and asking the employees to join the union would not be banned.

Third. A union would be allowed to picket an employer who has committed unfair labor practices. This exception respects the equities in a picketing situation and protects workers against unfair employer tactics.

If the union lost that election, it could not picket for a year. So I think this would protect the employer from this attack by the unions to put pressure on the employer to force him to coerce his employees to join the union, because otherwise he would not get deliveries.

In other words, we say, in effect: "You can start picketing with anything you

have, with any members you have; but if the picketing results in stopping deliveries or service employees from entering the premises, then there must be an immediate election." Then if the union loses the election it may not picket until a year later.

I must be frank. I do not know how we could go any further. That is 90 percent of the Landrum-Griffin bill. If the Senate wants to apply the hot cargo doctrine, because of the Teamsters, to all labor, and if we want to deny labor the right to picket and lessen the right of workers to protect themselves, then I think the Senate should adopt the suggestion of the Senator from Illinois. In my opinion, it would be far more difficult and far more restrictive than Taft-Hartley. It would virtually cut off any further attempts to organize unorganized workers. This matter will be debated next week.

The Senator from Oregon will offer a motion on no man's land, an alternative which is taken from the language of the Senator from Vermont [Mr. PROUTY], because he feels we have gone too far in that regard.

Mr. DIRKSEN. Mr. President, I should say to the Senate that I had not intended to discuss any specific provisions. I do not expect to discuss here very many of the provisions which are not in the Landrum-Griffin bill or in the Senate bill. Some of these provisions are not in either, as I recall. But here is my difficulty: We got into a tizzy in the illustration used about a mattress plant located, let us say, in Raleigh, N.C., which has a very good customer in St. Louis, Mo. They have a labor dispute in Raleigh, and the pickets show up at the customer's plant in St. Louis. We spend a day discussing what shall appear on the signs. Can they put something in the newspapers? Can they go on the radio?

Mr. KENNEDY. We agreed to that. It is not a part of our resolution.

Mr. DIRKSEN. It is a question of customer picketing.

Mr. KENNEDY. That is right. In that case, we have receded on the question of consumer picketing of a secondary employer.

Now we are going quite far in limiting the right of unions, the traditional right to carry on picketing. And I will say to the Senator that on the point which he raises we have already agreed to the House position.

Mr. DIRKSEN. There has been no agreement.

Mr. KENNEDY. There has been no resolution.

Mr. DIRKSEN. That is as to picketing. With respect to the other items in the bill, we have some difficulty. For instance, shall we mention the garment industry in the bill? The Senator from West Virginia [Mr. RANDOLPH], with logic on his side, asked, "If we are going to mention the garment industry, why not include a provision to safeguard the coal industry?"

I say now for him, as an old friend, that he made a valiant effort for the dominant industry in his State to have that provision written into the bill. But we rejected it. So it is not merely black and white; there are great areas in question. We have fended, foraged, and worked in order to find something of an agreeable ground that still meets this great problem that came like a wave out of the country with respect to recognitional picketing and also boycotting.

I am mindful of the Denver case, too. One of the conferees was in the contracting business. He said, "Don't be silly. If you have five subcontractors—plumbing, heating, electrical work, and the like—on the job in addition to the general contractor, and there is a difference, and they strike a subcontractor, you know that all the work closes down."

Is there an area of agreement, so as to maintain equity and fairness on all sides? Those are parts of the difficulty, and those, of course, we shall come back to belabor at greater length. But this is not the point of controversy. We must come back here to get instructions, because we simply have not been able to agree.

I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I shall take only 2 or 3 minutes to make a brief statement tonight. Before I discuss the so-called no man's land issue, I join with the Senator from Illinois [Mr. DIRKSEN] in assuring the Senate that this conference was a conference which at all times consisted of 14 committee members and the staff members who in good faith sought to work out a compromise settlement of this very troublesome legislation.

As I said this afternoon in committee, and I state on the floor of the Senate tonight, in my 15 years in the Senate I have never served under a leader in a conference who did such a magnificent job, who demonstrated such a complete impartiality, who was so considerate of the rights of his colleagues on the conference, as was the Senator from Massachusetts [Mr. KENNEDY] in the handling of this very difficult conference. I do not think there was a person in the conference—and I heard members of the conference say this in effect, and I heard the Senator from Illinois [Mr. DIRKSEN] say it in some detail this afternoon—I do not think any one of us on that conference ever participated in such a difficult conference from the standpoint of the complexity of the issues which confronted us. I think it is due the Senator from Massachusetts that I make this statement.

It is also due the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Vermont [Mr. PROUTY], who found themselves, time and time again, in disagreement with the four Democrats on the conference to state, I felt, as did the Senator from Massachusetts, that they too, recognized that we had the responsibility to our parent body of trying to do our level best to bring forth an agreement.

We tried, but up until this hour we have failed in the area which has been outlined by the Senator from Illinois and the Senator from Massachusetts.

The other point I wish to make, before I discuss briefly the no man's land issue, is, I most respectfully say to the Senator from Massachusetts and the Senator from Illinois, that it came as complete news to me—and the first time I heard it was at the press conference following the end of the committee conference this afternoon—that any agreement or any understanding was reached that there could be no further consideration of any item in the first six titles.

I am not sure that such an agreement was reached, but if it was reached, it must have been reached while I was in debate on the floor of the Senate or must have been reached while I was at a meeting of another committee, because I was not aware of that understanding. To the contrary, I had said in the conference, as my colleagues will remember, that on a couple of issues, for example, that involving union membership lists and that involving hearings, I hoped we could return to them at a later time, so that after further reflection they could be considered again. But I say to the Senator from Illinois, that that is all right. If that understanding was reached without my knowledge, I stand bound by it, because that is the way we play the game in conference.

Mr. DIRKSEN. I have kept very careful notes:

> At the fourth session of the conference, on Friday, August 21, it was, on informal motion by Senator KENNEDY, agreed that all matters in the first six titles shall be deemed closed and may not be reopened except by unanimous consent.

That was agreed to by unanimous vote.

Mr. MORSE. I simply repeat that I was unaware of that action at any time. Had I been aware of it, I would have had something to say about it.

Mr. KENNEDY. I, too, regret that the Senator from Oregon was not informed about that. I think it is my fault.

Mr. MORSE. It is nobody's fault. How could we, in a conference such as that, cover every detail?

Mr. KENNEDY. However, I do not think we should restrict any Senator from offering any resolution he wishes to offer. Personally, I feel that I am bound by such an agreement with respect to the first six titles. But I do not think a unanimous-consent agreement in conference binds any Senator here from offering any amendment.

Mr. DIRKSEN. It is binding only on the members of the conference. I doubt whether it is binding here.

Mr. MORSE. I think it is binding. The fact that I was not aware of it does not make the matter any less binding upon me.

To show my good faith in the matter, I think it is perfectly proper for me to say this now, as I did when we had our discussion regarding the action taken over the objection of some of us concerning the inspection of union membership lists. I said, "If this stands, I will spend all the rest of my time in good faith trying to help improve the bill. But if this is permitted to stand, I will never sign a conference report which

contains this provision, because in my judgment it would strike at the very roots of one of the most important rights of labor—namely, the right to protect itself, under union laws, and in the case of many unions, to protect itself even from its international officers."

After having made that statement, I think I give evidence of good faith when I say I would not knowingly have stopped the consideration of any other matter.

But be that as it may, let me say now that if my friend, the Senator from Vermont [Mr. AIKEN], will refrain for a moment from making the request which I am afraid he will make—namely, a request for the regular order—I wish to serve notice that when this matter is taken up on the floor, I shall offer an amendment to the no man's land proposal contained in the list referred to this evening by the Senator from Massachusetts [Mr. KENNEDY]; and I think the Senate is entitled to know that in the conference we reached no agreement on the no man's land provision.

It is my judgment—although the Senator from Illinois [Mr. DIRKSEN] and I disagree as to how close the conferees came to reaching an agreement—that the conferees did not come very close to reaching an agreement on the no man's land provision, because it involves another one of the great differences which exist among and between the members of the conference.

It is true that the Senator from Massachusetts offered a package resolution which contained some language in regard to the no man's land issue; but it was language to which I could not accede. But the Senator from Massachusetts made very clear that he was offering it only on condition that the provisions contained in the package resolution were adopted. But they never have been adopted.

I have taken the position that the so-called Prouty language on the no man's land issue—and I think that language is the best piece of draftsmanship on any issue we had before us at any time during the 11 days of the conference—should be the language finally adopted on the no man's land issue.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD—without reading it—a memorandum entitled "Main Provisions of Amendment To Be Proposed by Senator MORSE on No Man's Land Jurisdiction." I point out that the provisions of the amendment are the provisions on the no man's land issue which were drafted by the junior Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAIN PROVISIONS OF AMENDMENT TO BE PROPOSED BY SENATOR MORSE ON NO-MAN'S LAND JURISDICTION

1. The NLRB must publish within 30 days after the enactment of this act the limitations on its exercise of jurisdiction which it proposes to observe, and such limitations shall be substantially in accord with those now in effect.

2. Any person not certain whether his case comes under the jurisdiction of the Board may petition the Board for a ruling. If the Board does not act in 30 days on the petition, it will be presumed the Board has declined jurisdiction.

3. Whenever the Board, by rule or otherwise, declines jurisdiction over an unfair labor practice case, the State courts will have jurisdiction over such case. But the State courts shall apply and be governed solely by Federal law as set forth in section 8 of the National Labor Relations Act and NLRB and Federal court rules of decision construing these sections.

4. If a State sets up an agency to take jurisdiction over cases which the NLRB has declined by rule or otherwise, such an agency may take jurisdiction over not only unfair labor practice cases, but also representation proceedings and all other labor disputes. Here again the State agency shall apply and be governed solely by Federal law and Board and Federal court rules of decision construing such Federal law.

5. Decisions of an agency or court of a State shall be reviewed in State courts according to State practice and procedure, and then shall be subject to review only by the Supreme Court of the United States upon writ of certiorari.

Mr. MORSE. Mr. President, this issue involves—and I ask my colleagues to keep this point in mind over the weekend—the very fundamental question of whether we are to establish a precedent that State courts are to be given jurisdiction over interstate commerce issues, and thereby permit the danger of a future expansion by means of having State courts take over the handling of industrial relations in interstate commerce cases, which under the Constitution fall to the Federal Government.

Of course we can delegate that power if we wish to do so. But if we do delegate it, we then establish, not a uniformity of justice under the interstate commerce clause, but a lack of uniformity. In that case, in every State in which we suspect, from experience, that the State courts are not very sympathetic—and that is true in some cases—to the Federal policies under the Taft-Hartley Act, there is a danger of favoritism. Rulings may be made in favor of employers in those States and to the disadvantage—let me say to the Members of the Senate from New England and from the Midwest and from the West—of employers in other sections of the country.

I hold to the doctrine that the interstate commerce clause should be applied uniformly across the country—in the East, in the Middle West, in the West, in the North, and in the South.

The Prouty amendment provides, in essence, that the Congress will delegate to the State courts jurisdiction over the cases which the National Labor Relations Board says it will not take jurisdiction of—for one reason or another; but those State courts will be required to follow the Federal law; and any appeals will be made to the U.S. Supreme Court, by way of writs of certiorari.

That, in essence, I say, is the Prouty amendment; and that is the proposal I shall make when this matter comes before the Senate.

Mr. GOLDWATER, Mr. SCOTT, and other Senators addressed the Chair.

Mr. DIRKSEN. Mr. President, I had not contemplated that at this time there would be a lengthy discussion of the merits of the issues involved. This matter was brought up at this time mainly to get it before the Senate and in broad outlines to indicate the chief issues.

First, I wish to ask the Senator from Vermont whether there is objection to the submission of these two resolutions, to lie over, under the rule.

Mr. AIKEN. First, I should like to hear the answer of the Senator from Massachusetts to the pending question of the Senator from Pennsylvania [Mr. SCOTT].

Mr. DIRKSEN. Very well. In that case, I yield now to the Senator from Pennsylvania.

Mr. SCOTT. I thank the Senator from Illinois for yielding to me.

Mr. President, I should like to address a question to the Senator from Massachusetts [Mr. KENNEDY]. In commenting on his proposed substitute for the resolution of the Senator from Illinois, the Senator from Massachusetts has referred to his proposed substitute as a package resolution.

Some of the suggestions to which the Senator from Massachusetts has referred certainly have appeal—perhaps greater appeal than some of the other suggestions may have to some Senators. That being the case, let me inquire whether the Senator from Massachusetts would consider submitting, as substitutes, each of his proposals separately—in other words, each one as a separate substitute resolution—if that is possible—or whether, in accordance with parliamentary procedure, a way may be found to give the Senate an opportunity to vote on the separate instructions to the conferees, rather than to require the Senate to vote either up or down the entire so-called package resolution.

Mr. KENNEDY. This is submitted on behalf of myself, the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from West Virgina [Mr. RANDOLPH]. I assume they would regard it as far wiser to have these brought up issue by issue, so the Senate could work its will on them. So it is my intention to proceed in the manner the Senator from Pennsylvania suggests.

Mr. SCOTT. I thank the Senator from Massachusetts.

Mr. DIRKSEN. Mr. President, I yield now to the Senator from Arizona [Mr. GOLDWATER], for some clarification on the question about the package resolution.

Mr. GOLDWATER. Mr. President, the Senator from Oregon [Mr. MORSE] stated there had been no agreement on the no man's land provisions. I can understand how he would interpret that as being so. But the no man's land provisions contained in the so-called package resolution have been agreed to and accepted by the House of Representatives, and were agreed to informally by all the conferees then present. But when that proposal was put to a vote in the conference, it was defeated.

So, Mr. President, to state that the conference committee was not in agreement is not completely correct, although I can understand the mistake.

This leads us to a point about which we shall hear considerably during the subsequent debate; and I want my colleagues to understand it:

When the package resolution was under consideration, this question was asked: Is this a package resolution which later can be used as a weapon?

The answer was, "No."

And I understand the provisions of the package resolution to be provisions which the Senate Democratic conferees—not necessarily completely in agreement with the Senate Republican conferees—were offering for consideration.

A day or two later we found that it was a package arrangement, and that we would have to take either all of it or nothing; and I want my colleagues to know that. I am not critical as to that; but I think the language used in the conference was very clear, and I want to clear up that point.

Mr. DIRKSEN. Mr. President, at this time, I wish to yield to another member of the conference committee, the junior Senator from Vermont [Mr. PROUTY].

But before doing so, I ask unanimous consent that we may submit these resolutions at this time. Mr. President, I request unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. AIKEN. Mr. President, first, I should like to obtain a little information: Do I correctly understand from the majority leadership that the Senate will be in session until 10 o'clock or so tonight?

Mr. MANSFIELD. Yes.

Mr. AIKEN. At what time is the Senate to convene tomorrow morning?

Mr. MANSFIELD. At 10 o'clock.

Mr. LAUSCHE. Did the Senator from Montana say 8 o'clock?

Mr. MANSFIELD. If that is wished by Senators; but I said 10 o'clock.

Mr. AIKEN. Do I also correctly understand that it is anticipated that the Senate will be in session until late tomorrow night?

Mr. MANSFIELD. Probably.

Mr. AIKEN. On Monday, what will be the pending business?

Mr. MANSFIELD. On Monday, the measure which now is the unfinished business will continue to be the unfinished business or the pending business; but request will be made to have the unfinished business temporarily laid aside, in order that the Senate may proceed to the consideration—and I hope their consideration will not take too long—of these resolutions, in the hope that on Tuesday, perhaps under an agreement for limitation of debate, the Senate might reach a vote on the resolutions we are now discussing.

Mr. AIKEN. But do I correctly understand that it is the intention of the acting majority leader to have the measure which now is the unfinished business temporarily laid aside at that time, so that the resolutions in connection with the conference on the labor bill may then be considered?

Mr. MANSFIELD. That is correct.

Mr. AIKEN. And do I also correctly understand that it is planned and expected that thereafter consideration of the measure which now is the unfinished business or the pending business will then be resumed?

Mr. MANSFIELD. Yes.

Mr. AIKEN. I noted that the Senator from Pennsylvania [Mr. SCOTT] asked the Senator from Massachusetts [Mr. KENNEDY] whether it would be possible for the Senate to vote separately upon the various provisions of the package resolution; and I understood the answer to that question to be "Yes."

Mr. KENNEDY. Yes.

Mr. AIKEN. Does the Senator from Illinois so understand?

Mr. DIRKSEN. Under the rule, where there are different substantive matters in the same resolution, it is my understanding they are divisible, and they can be acted on in a separate vote. In addition, Senators should know, and I think they do know, these resolutions are amendable. A Senator can move to strike out or insert or amend, subject to the will of the Senate.

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. With that understanding, and thanking the members of the conference committee for giving us a breathing spell on the pending business, I would have no objection.

Mr. JAVITS. Mr. President, I reserve the right to object.

Mr. MANSFIELD. If this cannot be done under the pending business, the pending business can be laid aside to take up the resolution.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I want it to be understood that all of us shall have adequate notice of any unanimous-consent request to limit debate or the conditions under which amendments may be offered, and so forth. I think that is very important in this case. I expect to attend fully, but I do think we should understand ourselves on that score, and the assurance of the minority leader will be quite adequate for me.

Mr. DIRKSEN. I assure the Senator from New York on that point.

Mr. President, I want to yield to another member of the conference committee who has done yeoman service, the Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER. The Senator from Vermont.

Mr. PROUTY. I thank the Senator from Illinois. First, I should like to express my appreciation to the Senator from Oregon [Mr. MORSE] for his words of commendation on the no man's land proposal. It was done in good faith. I think it is the only realistic approach. It really preserves the States' rights concept. It allows the States to act in these matters, where in the past they have not been permitted to. I think it is a sound, worthwhile amendment.

Mr. President, I am not going to take time to discuss this or other issues at this time, because those will all be brought up later, next week. I do wish to point out that every conferee, both from the House and the Senate side, did his utmost to reach a fair and equitable conclusion. There was no intent on the part of any conferee to take any anti-labor or probusiness stand. The conferees were taking a position which they honestly believed would be in the interest of the general public.

We have not succeeded entirely in resolving these differences, but I have not yet given up hope that the conferees themselves may arrive at some decision which will meet with general approval before this matter is brought up on the floor of the Senate. I hope very much it can be done, and I am certain it is not beyond the realm of possibility.

I do want to pay my respects to the Senator from Massachusetts, chairman of the conferees, and to all members of both parties who served on the conference. They were there as honest men, trying to do a good job for the benefit of the people of this country, members of unions, as well as members of management.

We have gone a long way. We have a little distance to go. I think if there is good faith on both sides we are going to achieve the objective. I do appreciate the distinguished minority leader's yielding to me.

Mr. DIRKSEN. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. LAUSCHE. Mr. President, reserving the right to object, I would gladly like to accommodate, without objection, the request that has been made. On the bill that is pending the arguments have been germane and pertinent to the questions which the Senate has to answer. Implications have been made that they are raised with a deliberate purpose to delay. We have been told that we would meet tomorrow, Saturday, at 10 o'clock, and work until 12 o'clock——

Mr. MANSFIELD. Mr. President, will the Senator yield just for a correction of the RECORD? I did not say, and certainly there was no intimation, that we would meet until 12 o'clock tomorrow night. We did get unanimous consent this morning, however, to meet at 10 o'clock tomorrow morning.

Mr. LAUSCHE. I am glad to have the Senator from Montana say that. Reluctantly do I make the statement that the hours of meeting, in a measure, are being adopted to conform to the wishes of those who make the choice. By that I mean if coercion is sought to be applied and achievement of the objective through exhaustion, the hours are fitted to suit the objective.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Vermont.

Mr. AIKEN. I think the Senator from Illinois has the floor. I wanted to say that was exactly what I meant a short time ago when I said that the Members of the Senate deserved some consideration, too. We have been pretty well whipped around for nearly 2 months.

Mr. LAUSCHE. I asked merely for the opportunity of studying the record, and I was beaten down, ridiculed, for the proposition that I stated—that it is

impossible for me to receive the record at 12 o'clock and be able to go forward with any intelligence on the subjects that were discussed. We were called in at 10 o'clock this morning, and we are told we will be here until 12 tonight.

Recognizing the modification made by the Senator from Montana, the fact is that each one of us has understood that we will meet at 10 o'clock tomorrow morning and work until 12 o'clock tomorrow night. That is coercion, and nothing else.

Now the request is made that all things be set aside to accommodate the wishes and the convenience of those who were speaking to the Chair, and when they are accommodated those who are interested in the bill pending in the Senate shall be again subjected to these endless hours, with no one present listening to the arguments.

I have had my say. I do not hesitate in repeating that those are my impressions—that, according to the wishes of those in control, the hours are shortened or lengthened. It is a sort of Procrustes' bed. I refer to the man in Greece who caught travelers. He had a bed. When a man was too long to fit in the bed, he cut off his legs. When a man was too short, he stretched him. In other words, he did what was necessary to suit his wishes.

I do not object to the request, but I did want my views to be known on this subject.

Mr. MANSFIELD, Mr. DIRKSEN, and Mr. HOLLAND addressed the Chair.

Mr. LAUSCHE. I do not yield. I am representing the State of Ohio. It is a sovereign State. It has given its sons to this Union, in the defense of it, and on this important issue my State is entitled to better consideration than it has received in fixing the hours of debate.

Mr. MANSFIELD and Mr. HOLLAND addressed the Chair.

Mr. MANSFIELD. Mr. President, reserving the right to object, I wish to say the Senator from Ohio did not state the case clearly. We happen to operate in this body under majority rule. We obtained unanimous consent this morning to meet at 10 o'clock tomorrow morning. If the Senator wants to talk about sacrifices made by his State, I want to tell him that in the last two world wars, on a percentage basis, there were more men from the State of Montana than from any other State in the Union who served. I am not trying to be arbitrary or capricious. I am not trying to force my will on the Senator from Ohio or any other Senator, but we are operating under majority rule. Let me tell the Senator I am just as tired as he is, and I hope we can come to a vote soon enough so we can dispose of the bill one way or another.

Mr. HOLLAND. Mr. President, reserving the right to object, and I shall not object, because I think the resolutions submitted and the proposed amendment have been well thought out—I certainly commend the conferees for their good temper and for their assiduous attention to duty.

However, I should like to bring up one point which gives me some concern. I recall that when this important issue went to conference it was stated by some of our most respected Members that in the event there was disagreement in conference the Senate would have an opportunity to pass upon, to vote up or down, the House bill. I think my memory serves me correctly when I state that assurance was given not once but several times during the time we were discussing the question of allowing the bill to go to conference.

Mr. President, it may be that in the form submitted these various resolutions would permit that kind of action, but I am inclined to doubt it, after simply having heard this discussed. I should like to invite attention to the fact that there are Members of the Senate, of whom I am one—and I have heard others mention the same thing—who, when approached by the citizens of their States as to why they had been agreeable to having the bill go to conference, stated to those citizens that we had had assurance that in the event there was no working out of problems in the conference, in the event there was disagreement, the matter would be reported back to the Senate and the Senate would have a chance to vote up or down the House bill.

I bring that matter to the attention of the distinguished minority leader; to the attention of the distinguished chairman of the Senate conferees, the Senator from Massachusetts; and to the attention of other Senators who have spoken on the floor; because I think it is a matter which will cause some concern to various Members of the Senate. It certainly causes concern to me, because I have assured numerous citizens of my State I understood we were to have that right, that privilege, and that opportunity.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. If I have the floor, I am glad to yield.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for a comment?

Mr. DIRKSEN. I yield, Mr. President, but I hope we can have action on the request.

Mr. MORSE. This will take only about 30 seconds. It is a very important point the Senator from Florida has raised.

I will say to the Senator from Florida, this matter has been discussed. There is nothing in the form of these resolutions which would stop any Senator from offering a substitute, that the Senate conferees be instructed to bring back the Landrum-Griffin bill, if the Senate wants to do that.

Mr. HOLLAND. I thank the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to clarify one point.

Do I correctly understand that the resolution the distinguished Senator from Illinois will present would in effect approve all of the balance of the Landrum-Griffin bill on which agreement has not yet been reached in conference.

Mr. DIRKSEN. Mr. President, that is substantially correct.

Mr. McCLELLAN. That is what I thought. I understood the conferees had agreed to the first six titles. Now, the resolution proposes that the conferees recede from the Senate position and accept the House bill with reference to the highly controversial features of title 7. Is that correct?

Mr. DIRKSEN. That is substantially correct.

Mr. President, if I may put this matter in focus, my notes show there were 42 separate and distinct actions by the conference on the first six titles. Those we have buttoned up. We have come to title 7. Already there are a number of items on which we have agreed, like the economic strikers, the striking out of one of the sections, and that sort of thing. Therefore, the area of disagreement is narrowed.

The resolution I have submitted has been designed to be very simple; to concur on the no man's land language in the Landrum-Griffin bill, and, secondly, to accept the House version on boycotts and economic picketing. The resolution is very simple. It is subject to amendment. Any Senator can offer as many amendments as he wishes.

I believe, Mr. President, this action will keep faith with what we said when the bill was sent to conference.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I will state that the Senator from South Dakota has listened to this debate with considerable interest and has been thinking of its relationship to the pending business, which was temporarily laid aside. The Senator from South Dakota has also been thinking of the matter in terms of its relationship to the work which remains for this session to accomplish before it adjourns.

I was one of those, Mr. President, who voted to report the bill H.R. 1, from the Committee on Public Works, because I felt that our responsibilities dealt with the use of water and the public works aspects of the matter. I thought that question was properly before our committee.

A year ago, when we had a similar question as to the Lake Michigan water diversion, the representation before the committee was that Canada had no objection to the short-term diversion of water for the purposes of making a study. This year, however, after the bill passed the House of Representatives and came to the Senate——

Mr. President, may we have order in the Chamber? I am about to propound a unanimous-consent request which I think will have some significance.

The PRESIDING OFFICER. There is a unanimous-consent request now pending before the Senate.

Mr. CASE of South Dakota. Under my reservation, I want to state why I might

object to the request and propound another one, or at least raise a question concerning one.

This year, after the House of Representatives had acted on the bill, H.R. 1, the Government of Canada addressed a note to our State Department in which it took very sharp exception to the proposed legislation. That was brought to the attention of the Committee of Public Works at the time that we were considering H.R. 1.

I felt, however, that the international aspects of the matter were not something which should be determined by the Committee on Public Works, and I stated at the time that I felt that aspect of the matter should be considered by the Committee on Foreign Relations under the jurisdictional responsibilities of that committee.

On the 20th of August the Canadian Government again addressed a note to the State Department, calling attention to its memorandum of April 9, and pointing out that it explicitly had set forth its views and feelings that the action contemplated under H.R. 1 would be in violation of certain agreements and conventions.

Therefore, I feel that that aspect of H.R. 1, as to its effect upon the foreign relations of this country with such an important neighbor as Canada, should be considered by the Committee on Foreign Relations.

Mr. President, I should like, if possible, to ask unanimous consent that the bill, H.R. 1, be referred to the Committee on Foreign Relations with instructions to report thereon not later than the 15th of January 1960. Is that possible?

Mr. DOUGLAS. Mr. President, I must object.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. A motion has not been made.

Mr. CASE of South Dakota. Mr. President, I simply asked whether something of that sort could be granted. I think if unanimous consent could be granted, then the way would be clear for the consideration of the resolution which is proposed to be brought up. It would facilitate the work of this session. It would make it possible for us to proceed to other business and clean up the work of this session. It would give the Committee on Foreign Relations ample opportunity to consider those aspects of the bill. It would not amount to a tabling of H.R. 1. I voted against tabling H.R. 1. However, that procedure would make it possible for the Committee on Foreign Relations to consider the international aspects of the matter. By providing a date certain, January 15, we would insure that the bill would come back to the Senate with a recommendation, whatever it might be, of the committee.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Has the Senator from South Dakota made a motion?

Mr. CASE of South Dakota. Mr. President, is it possible to make that request?

The PRESIDING OFFICER. No. The Senator from South Dakota has not made a motion.

Mr. CASE of South Dakota. The Senator from South Dakota has not made a motion. The Senator from South Dakota has not made a request. The Senator from South Dakota has merely inquired whether it would be possible to make such a unanimous-consent request.

Mr. DIRKSEN. Mr. President, may I ask the Presiding Officer to put the question on the request to file these two resolutions, for myself and the Senator from Massachusetts [Mr. KENNEDY]?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. MCNAMARA. Mr. President, reserving the right to object, do I correctly understand that the resolution to be presented by the Senator from Massachusetts [Mr. KENNEDY] was signed only by the Senator from Massachusetts [Mr. KENNEDY]?

Mr. MANSFIELD. No.

Mr. DIRKSEN. By Senators MCNAMARA, MORSE, and RANDOLPH.

Mr. CASE of South Dakota. Mr. President, would the Chair advise whether I could make such a unanimous-consent request?

The PRESIDING OFFICER. The request might be made, but not at this point.

Mr. CASE of South Dakota. Not at this point.

Mr. DIRKSEN. Mr. President, has the Presiding Officer ruled on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the request from the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that with the Kennedy resolution there be filed certain matter, including analyses, which are submitted with his resolution for inclusion in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the resolutions will be received, and lie over under the rule; and, without objection, the analyses will be printed in the RECORD, as requested by the Senator from Illinois.

The resolutions are as follows:

The resolution (S. Res. 180), submitted by Mr. DIRKSEN, is as follows:

Resolved, That the conferees on the part of the Senate on the disagreeing votes of the two Houses on the amendment (in the nature of a substitute) of the House to S. 1555, the "Labor-Management Reporting and Disclosure Act of 1959", are instructed as follows:

(1) to recede forthwith from their insistence upon section 701 of the Senate bill and concur in section 701 of the House amendment captioned "Federal-State Jurisdiction";

(2) to recede forthwith from their insistence upon sections 707 and 708 of the Senate bill and concur in section 705 of the House amendment captioned "Boycotts and Recognition Picketing".

The resolution (S. Res. 181), submitted by Mr. KENNEDY (for himself, Mr. MCNAMARA, Mr. MORSE, and Mr. RANDOLPH), was ordered to lie over under the rule, as follows:

Resolved, That the conferees on the part of the Senate on the disagreeing votes of the two Houses on the amendment of the House of Representatives (in the nature of a substitute) to S. 1555, the "Labor Management Reporting Act of 1959", are instructed to insist on the inclusion in the conference agreement of the following provisions:

"FEDERAL-STATE JURISDICTION

"1. (a) Section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(c)(1) The Board, in its discretion, may, by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employers, where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction: *Provided*, That the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959.

"'(2) Nothing in this Act shall be deemed to prevent or bar any agency or the Courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction.'

"(b) Section 3(b) of such Act is amended to read as follows:

"'(b)(1) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. The Board is also authorized to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question of representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) and certify the results thereof, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under this paragraph, but such a review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director. The Board shall have an official seal which shall be judicially noticed. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.'

"BOYCOTTS AND RECOGNITION PICKETING

"2. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"'(4)(i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or (ii) to threaten, coerce, or

restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is:

"'(A) forcing or requiring any employer or self-employed person to join any labor or employer organization or to enter into any agreement which is prohibited by section 8(e);

"'(B) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9;

"'(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9;

"'(D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided,* That nothing contained in this subsection (b) shall be construed either to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act, or to prohibit publicity for the purpose of truthfully advising the public (including consumers) that an establishment is operated, or goods are produced or distributed, by an employer engaged in a labor dispute, without inducing employees to refuse to pick up, deliver or transport any goods, or perform any services at such establishment: *Provided further,* That nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful where not otherwise unlawful, any primary strike or picketing: *Provided further,* That nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful where not otherwise unlawful any strike or refusal to perform services at the site of the construction, alteration, painting, or repair of a building, structure, or other work and directed at any of several employers who are in the construction industry and are jointly engaged as joint venturers or in the relationship of contractors and subcontractors in such construction, alteration, painting, or repair at such site, and there is a labor dispute, not unlawful under this Act or in violation of an existing collective bargaining contract, relating to the wages, hours, or other working conditions of employees employed at such site by any of such employers.'

"(b)(1) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) It shall be an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, expressed or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person, and any collective bargaining contract entered into heretofore or hereafter containing such an agreement shall be to such extent unenforcible and void: *Provided,* That as used in this section and section 8(b)(4)(B) the terms "any employer", "any person engaged in commerce or an industry affecting commerce" and "any person" when used in relation to the terms "any other producer, processor or manufacturer," "any other employer" or "any other person" shall not include persons in the relation of (i) joint venturers or contractors and subcontractors within the meaning of the third proviso to subsection (b) of section 8, (ii) a person engaged in a labor dispute and any other employer who is performing for such person work which he is unable to perform because of the labor disptue; or (iii) a jobber or manufacturer and subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production, including jobbers, manufacturers, contractors, and subcontractors in the apparel and clothing industry: *Provided further,* That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.'

"(2) Any contract or agreement between an employer and a labor organization heretofore or hereafter executed which is, or which calls upon anyone to engage in, an unfair labor practice under section 8(e) of the National Labor Relations Act, as amended, shall to such extent be unenforcible and void.

"(c) Section 8(b) of the National Labor Relations Act, as amended, is amended by striking out the word 'and' at the end of paragraph (5), striking out the period at the end of paragraph (6), and inserting in lieu thereof a semicolon and the word 'and', and adding a new paragraph as follows:

"'(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective-bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"'(A) where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act, or

"'(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted, or

"'(C) where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed 30 days from the commencement of such picketing: *Provided,* That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further,* That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

"(d) Section 10(1) of the National Labor Relations Act, as amended, is amended by adding after the words 'section 8(b),' the words 'or section 8(e) or section 8(b)(7),' and by striking out the period at the end of the third sentence and adding the following:

"'*Provided further,* That where a charge is filed under section 8(b)(7) it shall be a defense both to the application for a temporary restraining order and to any complaint issued under section 10(b) to show that an unfair labor pratcice within the meaning of section 8(a) has been committed by the employer.'

"(e) Section 303(a) of the Labor Management Relations Act, 1947, is amended to read as follows:

"'(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) or section 8(b)(7) of the National Labor Relations Act, as amended.'"

The analyses accompanying Senate Resolution 181 are as follows:

EXPLANATION OF PROPOSED COMPROMISE ON TITLE VII

NO MAN'S LAND

The proposal adopts the House bill, except that it prevents the NLRB from declining to exercise jurisdiction in cases of a kind which it is currently willing to hear. A provision taken from the Kearns bill is included to expedite the handling of cases by the Board.

CONSTRUCTION INDUSTRY

The Senate would not insist upon the authorization of prehire contracts. The House version would also be dropped. Therefore, the present law would not be changed.

ECONOMIC STRIKES

The proposal follows the Goldwater bill and the administration's recommendations, except that economic strikers would not be permitted to vote after 1 year.

SERVICE ASSISTANTS IN COMMUNICATIONS INDUSTRY

The Senate would yield and drop this provision.

VACANCY IN OFFICE OF GENERAL COUNSEL

The House and Senate bills were identical. The provision is retained.

SECONDARY BOYCOTTS AND HOT CARGO

The proposal completely accepts the basic House position. Specifically, the proposal would:

1. Prohibit secondary boycotts by employees covered by the present law.

2. Prohibit secondary boycotts by employees subject to the Railway Labor Act.

3. Prohibit secondary boycotts by agricultural employees and employees of school districts.

4. Prohibit secondary boycotts by supervisory employees.

5. Prohibit threats or coercion of employers.

6. The hot cargo provision outlaw, with certain exceptions, all express or implied agreements between an employer and a labor organization by which the employer agrees not to do business with any other person. The proposed secondary boycott provisions would forbid any strike or concerted refusal to work on goods where the object is obtaining an unlawful hot cargo agreement.

The proposal follows the language of the House bill. The changes are the addition of provisos clarifying the following points:

1. The secondary boycott amendments are not to be construed to prohibit primary strikes and picketing permitted by existing law.

2. There is to be no prohibition on truthful appeals to consumers not to patronize an establishment, or not to buy goods, because the manufacturer is involved in a labor dispute.

3. The House bill invalidates the restrictions upon subcontracting which were indispensable to ridding the industry of sweatshops. Representatives LANDRUM and GRIFFIN stated that they had no such intention. An express proviso excepts these agreements.

4. The proviso also excepts from the hot cargo clause and section 8(b)(4) agreements relating to contractors on the same construction project. This change in the present law, which corrects an inequity against labor, was recommended by President Eisenhower.

5. The hot cargo and secondary boycott sections should not apply when an employer, who is engaged in a labor dispute, arranges to have another employer perform the work of men who are on strike for the benefit of the employer engaged in the labor dispute. This provision conforms to current legal interpretations. It too was recommended by President Eisenhower.

6. The hot cargo and secondary boycott provisions should not apply when the two employers are under the same ownership and control. This is the effect of the final clause of the proviso. The exception applies only when there is 95 percent common ownership and control.

ORGANIZATIONAL PICKETING

The Senate bill would forbid recognition or organizational picketing under two conditions: (i) When the employer has a contract with another bona fide union which is a bar to an election; and (ii) for 9 months after an election. The House bill extended the 9 months to 12 and added a third and fourth prohibition; (iii) To prohibit all organizational picketing unless the union could prove that it had the support of 30 percent of the employees; and (iv) to prohibit organizational picketing after 30 days unless the union had filed a petition for an election.

The proposal accepts points (i) and (ii) of the House bill. It omits point (iii). It accepts point (iv) of the House bill except that the picketing would be permitted to continue without a petition if it appealed only to the employees to join the union or the public not to patronize the nonunion establishment without causing truckers or the employees of other employers to refuse to cross the picket line.

On organizational picketing then, we once again accept the House version except for two propositions which are fair and reasonable:

1. A union may use pickets in an effort to organize until there is an election in which the NLRB can find out the employees wishes.

2. Nothing should be done to stop picketing, in the absence of a contract or an election, which has only the effect of notifying the public of nonunion conditions and asking the employees to join the union.

The Senate bill provided that the restrictions upon organizational picketing should not apply when the Board or court found that the employer was guilty of unfair labor practices. Any other view would encourage "sweetheart contracts" and paper locals.

The compromise proposal fully accepts the view that the Congress should deal with the no man's land, secondary boycotts, and hot cargo agreements, and organizational picketing in this legislation. It deals firmly with every one of these subjects.

The proposal embodies the language of the House amendments upon each of these subjects. Several qualifications have been made. None of them deal with corruption or abuse of power. Each is absolutely essential to the welfare of working people.

First. The no man's land is abolished by allowing the States to deal with cases over which the NLRB declines to exercise jurisdiction. The provision is qualified only to the extent that the NLRB may not decline jurisdiction over the kinds of cases which it is hearing today. This is necessary to prevent the NLRB from denying thousands of workers protection of the rights to organize and bargain collectively. It is necessary to keep the NLRB from denying thousands of employers and employees access to the machinery for holding elections which is available today. A provision has been added which would speed up the handling of NLRB cases.

Second. Hot cargo agreements and secondary boycotts would be forbidden with only these reservations:

1. Restrictions upon subcontracting which are absolutely essential to stabilizing wages in the garment industry are not forbidden.

2. Workers on construction jobs are granted the same right to picket, and they are subjected to the same restrictions as other workers.

3. The traditional right of workers to handle struck goods is preserved.

4. Workers would not be denied the traditional right to ask the public not to patronize one who sells nonunion goods or goods of a manufacturer engaged in a labor dispute.

5. It would be made plain that the prohibition upon secondary does not limit the right to engage in a primary strike and picketing.

Third. Organizational picketing is closely restricted with three qualifications which are fair and reasonable:

1. A union may use pickets in an effort to organize until there is an election in which the NLRB can determine the employees' wishes. But a union which is stopping truck deliveries or other employees would not be allowed to avoid an election.

2. Picketing, in the absence of a contract or an election, which has only the effect of notifying the public of nonunion conditions, and asking the employees to join the union would not be banned.

3. A union would be allowed to picket an employer who has committed unfair labor practices. This exception respects the equities in a picketing situation and protects workers against unfair employer tactics.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. CASE of South Dakota. I should like to submit the unanimous-consent request which I previously described.

Mr. DOUGLAS. Mr. President, I object.

The PRESIDING OFFICER. There is objection to the unanimous-consent request.

Mr. MANSFIELD. I want to move to table.

Mr. MORSE. Mr. President, a parliamentary inquiry. What is now pending before the Senate?

The PRESIDING OFFICER. The pending question is on agreeing to the first committee amendment to H.R. 1.

Mr. MORSE. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The senior Senator from Wisconsin has the floor at this time.

Mr. MORSE. May I ask the Senator from Wisconsin if he will yield to me for not more than 1 minute so that I may address a comment to the Senator from Arkansas?

Mr. WILEY. I yield, provided I do not lose the floor.

Mr. MORSE. I did not want the Senator from Arkansas to leave the floor tonight under the impression I think he might have gained from what the Senator from Illinois [Mr. DIRKSEN] said; namely, that the first six titles of the Landrum-Griffin bill have been approved by the conference.

There are many phases of the Landrum-Griffin bill which are contained in the first six titles which have been approved by the conference, but there are also some significant differences.

Mr. MCCLELLAN. It was my understanding that the conferees had agreed. They had worked it out for the first six titles. I did not say they accepted everything in the Landrum-Griffin bill, but there has been agreement, a meeting of the minds on the part of the conferees, on all issues in the first six titles.

Mr. MORSE. Yes. I am glad the Senator said that, because the colloquy left me with the impression that he thought the first six titles agreed to by the conferees consisted of the provisions in the Landrum-Griffin bill.

Mr. MCCLELLAN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

Mr. GRUENING, from the Committee on Government Operations, to which was referred the bill (S. 155) to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to libraries which are tax supported or publicly owned and operated, reported it favorably, with amendments, and submitted a report (No. 836) thereon.

ADDITIONAL BILL INTRODUCED

Mr. FREAR (for himself, Mr. WILLIAMS of Delaware, Mr. BUTLER, and Mr. BEALL), by unanimous consent, introduced a bill (S. 2617) to amend section 13 of the Fair Labor Standards Act of 1938, as amended, to provide an exemption from the minimum wages, maximum hours, and child labor provisions of such act with respect to homeworkers engaged in the making of natural holly, pine, cedar, or other evergreen wreaths, which was read twice by its title and referred to the Committee on Labor and Public Welfare.

(See the remarks of Mr. FREAR when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF FAIR LABOR STANDARDS ACT, RELATING TO HOMEWORKERS ENGAGED IN MAKING EVERGREEN WREATHS

Mr. FREAR. Mr. President, on behalf of myself, my colleague, the senior Senator from Delaware [Mr. WILLIAMS], the senior Senator from Maryland [Mr. BUTLER], and the junior Senator from Maryland [Mr. BEALL] I introduce, for appropriate reference, a bill to amend section 13 of the Fair Labor Standards Act of 1938.

This bill is designed simply to exempt homeworkers engaged in the making of

natural holly wreaths from the provisions of the Fair Labor Standards Act.

Mr. President, this proposed legislation would probably affect less than 1,000 farm families in Delaware and Maryland, and a few in the New England States, who spend winter months making wreaths from wild growing holly.

Briefly the usual arrangement is somewhat as follows: The dealers supply farmers with artificial berries. The farmers fashion the wreaths from the artificial berries and natural holly which are then collected by dealers in time for distribution at the holiday season. The whole affair is, for all practical purposes, a wholesome family project which one would like to think would be encouraged rather than limited or prohibited.

But, Mr. President, the farm families who have for years depended on this activity to supplement income during the slack winter months, usually for extra funds for Christmas, have been told that such activities are within the meaning of the Fair Labor Standards Act and as such are subject to the minimum wage laws, detailed recordkeeping, child labor provisions, and so forth. Unfortunately, these requirements have practically destroyed this very small business venture in many areas.

Mr. President, I am by no means attacking the Fair Labor Standards Act which is a progressive and, when appropriately applied, a needed statute.

However, in this instance it seems that the Government has simply "progressed" the farmers right out of the holly-wreath business. Therefore, Mr. President, I hope Congress will enact this measure and thereby enable these families to again supplement their modest incomes in this small way.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2617) to amend section 13 of the Fair Labor Standards Act of 1938, as amended, to provide an exemption from the minimum wages, maximum hours, and child labor provisions of such act with respect to homeworkers engaged in the making of natural holly, pine, cedar, or other evergreen wreaths, introduced by Mr. FREAR (for himself, and Senators WILLIAMS of DELAWARE, BUTLER, and BEALL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

RESOLUTIONS

The following resolutions were submitted:

By Mr. DIRKSEN:

S. Res. 180. Resolution giving certain instructions to the Senate conferees on the Labor-Management Reporting and Disclosure Act of 1959; ordered to lie over under the rule.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

By Mr. KENNEDY (for himself, Mr. MCNAMARA, Mr. MORSE, and Mr. RANDOLPH):

S. Res. 181. Resolution giving certain instructions to the Senate conferees on the Labor-Management Reporting and Disclosure Act of 1959; ordered to lie over under the rule.

(See the above resolution printed in full when submitted by Mr. KENNEDY, which appears under a separate heading.)

EXTENSON OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. COOPER submitted amendments, intended to be proposed by him, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which were ordered to lie on the table and to be printed.

INTERNATIONAL CONFERENCES TO STRENGTHEN RULE OF LAW AMONG NATIONS—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of August 24, 1959, the name of Mr. GRUENING was added as an additional cosponsor of the concurrent resolution (S. Con. Res. 74) favoring a plan to hold international conferences in order to strengthen the rule of law among nations, submitted by Mr. JAVITS (for himself and other Senators) on August 24, 1959.

COMMENDATION OF NATIONAL JAYCEE COMMUNITY DEVELOPMENT PROGRAM—ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of August 24, 1959, the names of Senators CHURCH, FULBRIGHT, AIKEN, CAPEHART, BRIDGES, HICKENLOOPER, BEALL, PROUTY, SYMINGTON, DWORSHAK, BUTLER, HART, RANDOLPH, SPARKMAN, COOPER, JORDAN, MOSS, and MORSE were added as additional cosponsors of the resolution (S. Res. 173) commending the National Jaycee community development program, submitted by Mr. HARTKE on August 24, 1959.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. WILEY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILEY. Mr. President, I think the motion that is most relevant and most pertinent would be to adjourn, but I rather think that if Senators continue to leave the floor, we will have a quorum call, and then we will see that the motion will not carry.

However, a few moments ago when I yielded, or, rather, it was a couple of hours ago, 5:30, 6:30, 7:30, I yielded with the idea that in a matter of minutes I could get the floor again. That was the purpose.

I have been very much disappointed, because I am frank to say that in my humble opinion there is only a handful of Senators who are interested in the vital issue here, only a handful. I have asked Senator after Senator if he has read my brief. My brief is very short, because in it I have quoted the Canadian memorandum.

Let us get the facts straight. My good friend, the Senator from South Dakota [Mr. CASE], has spoken once or twice or three times and made very illuminating remarks on this issue, and yet there were very few Senators on the floor of the Senate to hear him.

I realize we are all busy but, Mr. President, we violated every rule of procedure, as was said here. In what respect? When we have got matters that may involve severing our friendship with our neighbor, we sit in committees. We do not come up to the floor. We do not come up here to consider the matters of most significance.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. WILEY. Yes, I yield.

Mr. MCCLELLAN. Am I correct, as I have been advised, that actually this diversion amounts to only about a half an inch of water level? Is that correct?

Mr. WILEY. No; I do not think it is, but I am not going to discuss that tonight.

Mr. MCCLELLAN. I am one of those who would really like some information about it, since the Senator mentions now that it might cause unhappiness on the part of our neighbor if this bill should be enacted. I want to ascertain if it is a fact, as has been reported to me, I thought in good faith, that actually the diversion of water would lower the lake level less than an inch.

Mr. CASE of South Dakota. Would the Senator yield to me?

Mr. MCCLELLAN. I should like to know if there is any information on that subject.

Mr. WILEY. I will let the Senator from South Dakota answer that, because I am going to speak on the legal phase, but if Senators keep leaving, there will not be anyone to listen.

Mr. MCCLELLAN. Mr. President, I withdraw the question.

Mr. WILEY. Go ahead.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CASE of South Dakota. I think the Senator from Arkansas is correct in his impression. In fact, the effect upon Lake Michigan at the extremity would be probably not to exceed a quarter of an inch, and the variation in the lake level has been greater than that, of course, over a season.

On that basis, as far as the public aspects of it are concerned, I voted to report the bill, but I did say at the time that I thought the Public Works Committee was not the proper committee to consider another aspect that was raised by a specific communication from the Ambassador from Canada to our State Department, which carried this paragraph:

The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action

were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

Then it goes on to recite those treaties.

In view of the importance of good relations between Canada and the United States, I personally feel that a communication from the Ambassador from Canada to the State Department specifically setting forth the treaties which he thinks would be broken ought not to be ignored. Not only did this note come on the 9th of April, but again on August 20, this year, after our committee had acted, the Canadian Ambassador again directed a note to our State Department, calling attention to the communication of April 9, and said that he explicitly reiterated what was said before.

I felt that if foreign relations were involved in this matter, the Committee on Public Works should not pass upon that, any more than I think that the Committee on Public Works should make the final recommendation, let us say, with respect to the revenue features of a highway bill. The Committee on Finance would feel that it should have some opportunity to pass upon that.

So I have said all along during this debate, and I said it during the consideration by the Public Works Committee, that I would support a move to refer the bill to the Foreign Relations Committee so that it might consider that aspect of the matter.

I voted against tabling the bill. I feel it should be considered.

The unanimous-consent request which I suggested I might make, which I was told could not be made at that time, and which I expect to embody in a motion shortly, will be to refer H.R. 1 to the Committee on Foreign Relations, so that it might consider the international aspects of it, and not feel that the Public Works Committee was trying to answer in that field. In order that the bill might not be summarily dismissed, I would incorporate in my motion a direction that a report should be made back to the Senate by the 15th of January 1960.

I think that would give an opportunity for the Foreign Relations Committee to meet its responsibilities. It would insure that the bill would have further consideration, that whatever report should come from that committee on that aspect, it would facilitate completing the work in this session at this time.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. McCLELLAN. I wish to thank the Senator. I asked my question in all seriousness. I know the Senator is interested in the proposed legislation, and understands it well. Some of us do not, and I asked the question to get information.

I certainly, at this time at least, would not disagree with the suggestion that possibly the Foreign Relations Committee should have an opportunity to consider the matter. I am not saying yes or no, but what struck me as having some significance is that if the water level in the Great Lakes is going to be lowered only a quarter of an inch, that is very little water to be making a fuss about, and for neighbors like Canada and the United States to have a falling out about.

Mr. HART. I wonder if the Senator from Wisconsin would yield?

Mr. WILEY. I will yield, but if the Senator will just pardon me, I have the figures set up to show just what the diversion means in gallonage.

The lake is down 7 feet now. It is about 2 feet lower than it has ever been, and they are now taking not 1,000 feet, they are taking 3,300 feet, and they want another thousand feet, which would make it 4,300 feet.

What difference that would be in inches I do not know. Some say a half inch. The Senator from South Dakota says a quarter of an inch, and there is some evidence that it would be an inch. But be that as it may, that is not the point I want to argue.

Mr. McCLELLAN. I do not want to interfere with what the Senator wishes to argue; I merely made a request to get information.

Mr. HART. I appreciate the Senator's yielding, because I recognize the request as to that one aspect, as the Senator from Arkansas indicated, that if it was only a quarter of an inch, why, you wash that away in a rain any old time, and it is for that reason that I presume to intrude here.

I am advised that the diversion which is proposed for the 12-month period would reach 1,010 billion gallons of water. This is the information given me by a member of the staff of the senior Senator from Michigan [Mr. McNAMARA], who has participated in the study. When we convert the quarter inch into billions and billions of gallons of water, I am sure Senators will have a better appreciation of our concern, and be more sympathetic with the very grave expression from our Dominion neighbor.

Mr. McCLELLAN. There is one other question which I should like to have answered. This may be the only opportunity I shall have to hear the debate, and I wanted to obtain some information.

Is this quarter of an inch of water—if that is what it is—or so many million gallons, whatever the figure is, of additional water, essential and necessary to make an adequate test, or to make the adequate experiment which is desired? Is it absolutely indispensable to such a test?

Mr. WILEY. In my opinion the answer is no; but the proponents contend that it is. We have the testimony of the health authorities. Does the Senator from Michigan have that testimony before him?

Mr. HART. Yes.

Mr. WILEY. Will he read it?

Mr. HART. It is my understanding, if I may respond, that the four Federal agencies which have a concern in this area have advised the Congress that the diversion of these billions and billions of gallons of water is necessary. I think that is a fair summary.

Mr. McCLELLAN. I have read the reports from the several agencies. Who says that that much more water is necessary?

Mr. HART. The man standing on the Senator's right, the senior Senator from Illinois [Mr. DOUGLAS].

Mr. McCLELLAN. I shall be glad to have his reasons for needing the water.

Mr. DOUGLAS. Mr. President, I am not a hydraulic engineer or a sanitary engineer——

Mr. WILEY. Mr. President, this is another diversion. I wished to go into the legal phase, and argue the facts tomorrow.

Mr. DOUGLAS. I know that lawyers have very little concern for facts, but I was asked a question.

Mr. WILEY. Do professors know any facts?

Mr. HART. Mr. President, if I may ask the Senator from Wisconsin to yield a moment further, we are grateful to the Senator from Arkansas for giving us this opportunity, which all sides have been seeking in the days past. I express, on behalf of all of us who are concerned—not only ourselves, but the Dominion of Canada—our appreciation for this curiosity.

I should like to add one further fact, subject to correction by those who are far better informed in this area than I, namely, that the diversion proposed in the bill would reduce by 2 million tons the freight movement through the lake.

Mr. McCLELLAN. How could a reduction in level of a quarter of an inch, or half an inch, reduce shipping to that extent?

Mr. HART. It would be fine if we had a hydraulic engineer here who could graphically portray the situation. However, the situation involves a great deal of shipping and a great deal of water.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. PROXMIRE. I should like to give my own understanding as to why that is true. As I understand, lake steamers are loaded to within a fraction of an inch of the maximum clearance, in order that their clearance may be just as small as possible. That is because it is most efficient to have the fullest possible load.

It is my understanding that for every inch the level is lowered, 100 tons of cargo must be unloaded. As the Senator knows, a great amount of traffic is handled on the Great Lakes. That is why there would be a 2-million-ton loss, which has been testified to by outstanding experts. That testimony is concurred in by the impartial and qualified experts who have studied this question.

Mr. McCLELLAN. I cannot understand why a fraction of an inch of water should be so significant.

Mr. CASE of South Dakota. Mr. President, who has the floor?

Mr. McCLELLAN. I do not.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. WILEY] has the floor.

Mr. CASE of South Dakota. Mr. President, will the Senator from Wis-

consin yield to me for the purpose of making a motion?

Mr. WILEY. I yield.

Mr. CASE of South Dakota. Mr. President, I move that the pending bill, H.R. 1, be referred to the Committee on Foreign Relations with instructions to report it back with recommendations not later than the 15th of January next.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Engle	Morse
Anderson	Ervin	Moss
Bible	Frear	Proxmire
Butler	Green	Robertson
Byrd, W. Va.	Hart	Scott
Cannon	Holland	Smith
Carroll	Johnston, S.C.	Sparkman
Case, N.J.	Jordan	Stennis
Case, S. Dak.	Kuchel	Symington
Church	Langer	Thurmond
Cooper	Lausche	Wiley
Curtis	Long, Hawaii	Williams, Del.
Douglas	McClellan	Yarborough
Ellender	Mansfield	Young, Ohio

The PRESIDING OFFICER (Mr. HART in the chair). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. DWORSHAK, Mr. LONG of Louisiana, Mr. MORTON, Mr. NEUBERGER, Mr. PROUTY, Mr. RANDOLPH, and Mr. TALMADGE entered the Chamber and answered to their names.

RECESS TO TOMORROW AT 10 O'CLOCK A.M.

Mr. MANSFIELD. Mr. President, I move that the Senate recess until 10 o'clock tomorrow morning.

Mr. WILEY. Just a minute. I object.

Mr. MANSFIELD. I move, Mr. President——

The PRESIDING OFFICER. A motion to recess is not debatable.

The question is on agreeing to the motion of the Senator from Montana.

Mr. WILEY. Mr. President, can we amend the motion?

Mr. CASE of South Dakota. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate recess.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate stand in recess until 10 o'clock tomorrow morning. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll and Mr. AIKEN answered in the affirmative.

Mr. AIKEN. Mr. President, is this a motion? Is this a motion to recess?

The PRESIDING OFFICER. Let the Chair restate the question. The question is on agreeing to the motion to recess.

Mr. CARROLL. Until what time?

The PRESIDING OFFICER. To 10 o'clock tomorrow morning, under the order previously entered.

Mr. CARROLL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The rollcall has been started and one Senator has voted.

Several Senators called for the regular order.

Mr. CARROLL. Mr. President, what is the regular order? May we have order? We cannot hear the rollcall.

The PRESIDING OFFICER. Permit the Chair to state the question again, but the rollcall has started. The question is on agreeing to the motion made by the Senator from Montana that the Senate stand in recess until 10 o'clock tomorrow morning.

Mr. CARROLL. Mr. President, my parliamentary inquiry was propounded before the rollcall was in progress.

The PRESIDING OFFICER. The Chair must advise the Senator from Colorado that he is mistaken. The roll had been called to the point of having a response from the Senator from Vermont [Mr. AIKEN].

Mr. CARROLL. Did the Senator from Vermont respond before I put the parliamentary inquiry?

The PRESIDING OFFICER. Yes.

The clerk will continue to call the roll.

The call of the roll was resumed and concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Hr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senator from Connecticut [Mr. BUSH], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official committee business.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from New York [Mr. KEATING] is absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from North Dakota [Mr. YOUNG], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New York [Mr. JAVITS] are detained on official business.

If present and voting the Senator from New York [Mr. KEATING] would vote "yea."

The result was announced—yeas 55, nays 2, as follows:

YEAS—55

Aiken	Cooper	Jackson
Allott	Curtis	Johnston, S.C.
Anderson	Douglas	Jordan
Bartlett	Dworshak	Kuchel
Bible	Ellender	Langer
Butler	Engle	Lausche
Byrd, W. Va.	Ervin	Long, Hawaii
Cannon	Frear	Long, La.
Carroll	Green	McClellan
Case, N.J.	Hart	McGee
Case, S. Dak.	Hennings	McNamara
Church	Holland	Mansfield

Martin	Randolph	Thurmond
Morse	Robertson	Wiley
Moss	Smith	Williams, Del.
Mundt	Sparkman	Yarborough
Neuberger	Stennis	Young, Ohio
Prouty	Symington	
Proxmire	Talmadge	

NAYS—2

Morton Scott

NOT VOTING—43

Beall	Capehart	Dirksen
Bennett	Carlson	Dodd
Bridges	Chavez	Eastland
Bush	Clark	Fong
Byrd, Va.	Cotton	Fulbright
Goldwater	Johnson, Tex.	O'Mahoney
Gore	Keating	Pastore
Gruening	Kefauver	Russell
Hartke	Kennedy	Saltonstall
Hayden	Kerr	Schoeppel
Hickenlooper	McCarthy	Smathers
Hill	Magnuson	Williams, N.J.
Hruska	Monroney	Young, N. Dak.
Humphrey	Murray	
Javits	Muskie	

So the motion to recess was agreed to; and (at 8 o'clock and 28 minutes p.m.) the Senate took a recess, under the previous order, until tomorrow, Saturday, August 29, 1959, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 28 (legislative day of August 26), 1959:

EXPORT-IMPORT BANK OF WASHINGTON

James Smith Bush, of Missouri, to be a member of the Board of Directors of the Export-Import Bank of Washington.

U.S. DISTRICT JUDGE

Algernon L. Butler, of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

EXTENSIONS OF REMARKS

Address by Hon. Thomas H. Kuchel, of California, at Ceremony Commemorating the Death of Padre Junipero Serra

EXTENSION OF REMARKS

OF

HON. EUGENE J. McCARTHY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, August 28, 1959

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the distinguished senior Senator from California [Mr. KUCHEL] at the ceremony in Statuary Hall, on August 28, commemorating the death of Padre Junipero Serra.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR THOMAS H. KUCHEL AT THE CEREMONY IN STATUARY HALL COMMEMORATING THE DEATH OF PADRE JUNIPERO SERRA, FRIDAY, AUGUST 28, 1959

These services commemorate the life and labors of a Franciscan friar whose intrepid Christian ministrations were spread throughout a great primitive area before the United States came into being. Junipero Serra, Franciscan missionary from Majorca journeyed to the North American continent in 1750, and in the last 1760's went northward to California.

In that northward trek, both he and his courageous, faithful companions sowed in the hearts and minds of men, the seeds of a new civilization under divine spirit. Father Serra brought with him the mission, which meant the spread of religion in these unknown lands; the presidio, which meant the expansion of the political and military control of Spain; and the pueblo, the town, which meant the establishment of orderly civil government. Here was a tripartite development, both secular and spiritual. The hard trails that his weary feet traversed from mission to mission along the El Camino Real continue today to be the royal road along which are strung great cities, great universities, great industries, and great agriculture—human progress in its every latest attainment.

One hundred and seventy-five years ago Father Serra departed this life. From a primitive unsettled land on the Pacific shore to which he came has developed a majestic center of cultural and economic life, rich in all the bounty of nature, our magnificent State of California.

While we honor Junipero Serra for the blessings of civilization he left in California, we shall not forget that his was a spiritual labor. The missions he built, the agriculture he founded—supported, incidentally, by irrigation systems which excite the admiration of the modern hydraulic engineer—were all means to an end. The sword was there to support the cross and so was the civil authority. But it was the cross which came first. Imbued with divine spirit, charged with an exalted mission, and sustained by an unfaltering faith, Father Serra brought to the Indians the civilizing message of Christian teachings. Here was the solid foundation upon which all other building rested. It is well to recall this simple fact in our own day. For we, too, have an exalted mission: To hold high the banner of man's freedom, to protect it from all assaults from the ungodly, and to advance it, by an unfaltering faith in the righteousness of our purpose.

The 1960 Republican Presidential Nomination

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 28, 1959

Mr. SCOTT. Mr. President, I should like to call to the attention of the Senate two articles which have appeared recently about Vice President NIXON. One is a long and very thoughtful analysis by Alan L. Otten about the situation with respect to the 1960 Republican presidential nomination. The other article is an interview in the Christian Science Monitor.

I ask unanimous consent to have these two articles printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follow:

[From the Wall Street Journal, Aug. 27, 1959]

NOT 1952—THE TAFT-NIXON, IKE-ROCKEFELLER PARALLELS ARE MUCH LESS VALID THAN OFTEN CLAIMED

(By Alan L. Otten)

WASHINGTON.—After looking long, but not too hard, at the jockeying for the 1960 GOP presidential nomination, some soothsayers are falling back on what is becoming a common political aphorism: "It will be 1952 all over again."

But this theory, while neat in its way, will not stand up under close examination.

Behind the assumption lies the belief that, regardless of the outcome, political events are casting Vice President NIXON in the role of the late Senator Taft, and New York's Governor Rockefeller in the role of General Eisenhower. Those who expect 1960 to be a repetition of 1952 state their case thusly: Mr. Taft, while commanding the loyalty of much of the GOP, also had the enmity of many party leaders, led by then Governor Thomas E. Dewey, of New York, who apparently now is masterminding the Rockefeller candidacy. The anti-Taft Republicans hitched their hopes to a bright new star with a nonpolitical aura, and put Mr. Eisenhower across by beating hard on the theme "Taft can't win."

Certainly there are strong similarities between the Taft-Eisenhower struggle and the Nixon-Rockefeller battle that's shaping up. Certainly the Rockefeller backers are getting set to try to torpedo the Vice President's White House ambitions with the same sort of "can't win" theme song they effectively used against the Ohio Senator. The differences, however, are equally striking, even if less well understood.

To begin with, Mr. Taft's opposition within the Republican Party was far more extensive than is the party opposition to Mr. NIXON. Or perhaps more accurately, the Vice President's following among GOP regulars is probably greater than that enjoyed by any other Republican, including Mr. Taft, in recent history. It is true, to be sure, that much of the Vice President's support lacks the fervor that characterized the Taft backers of the early 1950's.

In 1951 and 1952, some Republicans looked upon Senator Taft as an old warhorse, respected and even revered, but suspected as a candidate as being too conservative on domestic economic policies, somewhat arbitrary and a little condescending in dealing with people he did not consider his intellectual equals. Moreover, there were those who sincerely questioned Mr. Taft's views on foreign policy as being "too isolationist" and his qualifications to deal with the overriding issues between the United States and Russia.

MATTER OF BACKGROUND

By contrast, Mr. Rockefeller patently lacks the background and experience on which was built another 1952 Eisenhower slogan, "He knows how to deal with the Russians." Mr. NIXON, to be sure, also lacks the Eisenhower reputation as a war hero and standing as a military-diplomatic statesman in world councils. But the NIXON supporters can and do claim his years as understudy to Mr. Eisenhower and the late Secretary of State Dulles have given him a background that no other Republican today can enjoy. Certainly no one has ever seriously questioned the Vice President's internationalist tendencies, which have been evident at least since his years as a freshman Congressman.

To many people in 1952 Senator Taft was identified with what's commonly called the Old Guard wing of his party, even though politically he was more liberal on some issues—housing and health legislation, for example—than Mr. Eisenhower. Here again

by contrast, Mr. NIXON is part of and identified with a very popular President and Republican administration that has widespread support not only among Republican voters but, as well, among Democrats and independents.

Nowhere can the contrasts be more drawn, however, than in the political alinements of 1952 and 1959–60. For one thing, nearly all the former Taft backers are now firmly in the Nixon camp. But so, too, are many groups and individuals who once supported Eisenhower.

Lined up with Mr. NIXON also is much of the former citizens-for-Eisenhower group including its cochairman, former Under Secretary of Commerce Walter Williams. These once-Eisenhower, now Nixon rooters also include such liberal Senators as HUGH SCOTT of Pennsylvania and JOHN SHERMAN COOPER of Kentucky, as well as large numbers of GOP House Members. It is also an interesting fact that the Vice President's three principal staff political aides were either actively for or sympathetic with the Eisenhower candidacy of 7 years ago. These are Mr. NIXON'S top assistant, Robert H. Finch; his press secretary, Herbert H. Klein; and Charles K. McWhorter, a special assistant, who was secretary of the National Youths for Eisenhower in 1952.

Moreover, the bulk of Mr. Eisenhower's professional GOP support came from the Nation's 25 Republican Governors. Though there are now only 15 GOP Governors, most of them are lined up solidly with Mr. NIXON. The Vice President's widespread backing among lawmakers in Congress and the Republican Governors illustrates a fact that still is not fully appreciated.

Contrary to widespread impressions, the political "ins" supported Mr. Eisenhower in 1952, while much of the Taft support came from the "outs" who were trying to get "in." There were many exceptions, to be sure, to that generality. But with fewer exceptions now, the "ins" are backing the Vice President, while the "outs" are lining up with the New York Governor in hopes of getting "in." Most any professional politician would tell you that this, indeed, is not the strongest political position.

Moreover, it would be difficult to estimate the number of Republicans throughout the country who are deep in Mr. NIXON'S debt. He has spoken and campaigned for Republican candidates in nearly every State over the last 7 years. He has done favors in Washington for hundreds of GOP officials. While Senator Taft was primarily the philosophical leader of his party, functioning mainly through the Senate and only occasionally with grassroots contacts outside Ohio, Mr. NIXON has contacts and debtors everywhere.

And while Mr. NIXON seems to have a kind of party support that Mr. Taft never knew, Mr. Rockefeller would appear to have considerably less backing than did General Eisenhower. Whereas Mr. Rockefeller is largely unknown beyond the borders of his State, every American was familiar with the beaming smile of the World War II commander.

QUESTION OF THE POLLS

The public opinion polls, which were used with such devastating effect against Senator Taft before the 1952 convention, do not thus far seem likely to provide Mr. Rockefeller with similar ammunition. Mr. NIXON has been doing much better in the polls than did the late Senator, both with regular Republicans and independents. And while Mr. Eisenhower started pulling away in the polls once he entered the race, the New York Governor actually slumped after his big post-election showing. Mr. NIXON would have to slump very hard indeed for the opinion polls to give the Rockefeller camp much support for a "NIXON can't win" campaign.

The Vice President, too, is in many ways a more astute political performer than was the Ohio Senator. Mr. Taft had a brilliant mind, but comparatively little finesse with people—and it was a rare moment that he stirred an audience. His speaking style was dry and pedantic.

Mr. NIXON, on the other hand, is almost flawless mechanically: There is much of the actor in him, not that he is insincere, but rather that he has cultivated a dynamic stage presence. He is at ease, he is sure, he is dramatic, and his most recent doings in the international spotlight would seem to attest to these qualities.

The Vice President's press relations are good. He works assiduously at keeping newsmen informed and is deliberately patient under pertinent questioning. Mr. Taft's relations with the press, however, were spotty and unsatisfactory.

Mr. NIXON rarely runs away from hot issues but usually handles touchy subjects with a diplomacy the late Senator could not match. It is difficult, for instance, to imagine the Vice President doing what Mr. Taft did during the 1952 South Dakota primary when he was asked his views on the price of gold. This was a vital subject in the gold-mining area of the State, but Mr. Taft stoutly proclaimed the current price too high. Later, an aid remonstrated with him, thought he had persuaded the Senator he had spoken too harshly, and arranged for the question to be put to the Senator again the following day.

"I answered that last night," Mr. Taft snapped. "The price is too high."

In 1952, it must also be remembered, other candidates were in the wings—Governor Warren of California, perennial hopeful Harold Stassen, favorite sons—who helped deadlock the convention and permit the Eisenhower maneuvering. By all present indications, if Mr. Rockefeller challenges in 1960—and there seems little doubt that he will—it will be a two-man race, with no room to use favorite sons and stalking horses to halt the big first-ballot Nixon strength.

ART OF COMMAND

On the other side, there are several areas in which Mr. Rockefeller does not come up to the 1952 Eisenhower as a candidate. The New York Governor's newness on the political scene is not counterweighted, as it was in the general's case, with a long period as a popular leader. His brief tenure in Albany has not provided Mr. Rockefeller with the time to demonstrate his ability fully. His move to raise State taxes immediately after taking office did him little good, politically, as he himself admitted. And while it indicated his willingness to command, the uproar the tax boost caused gave evidence the measure did not have wide understanding or support. The art of command is not quite the same as the art of leadership.

It should not be overlooked, also, that the Rockefeller name in many sections of the country does not arouses friendly feelings. The 1952 Eisenhower was a self-made man up from the Kansas cornfields. Governor Rockefeller has a less bucolic background.

After all the evidence is in, a man would have to be downright imprudent to guess who will carry the GOP standard next year. But that same evidence makes very clear how inaccurate is the aphorism: "It will be 1952 all over again."

It won't be. It will be 1960, for the reason that NIXON is not Taft and Rockefeller is not Eisenhower.

[From the Christian Science Monitor, Aug. 26, 1959]

ELEVATING THE VICE PRESIDENT—A CAPITAL INTERVIEW WITH SENATOR HUGH SCOTT

(By Courtney Sheldon)

WASHINGTON.—Republican Senator HUGH SCOTT, of Pennsylvania, a veteran of eight terms in the House, national chairman of the Republican Party 1948–49, an early (1949) supporter of an Eisenhower candidacy in 1952, and today a supporter of Vice President NIXON for the GOP presidential nomination:

Sees no substantial difference between Vice President NIXON and Governor Rockefeller on foreign policy, but regards Mr. NIXON as the best qualified candidate in either party in the foreign-affairs field.

Anticipates Mr. Rockefeller would become the GOP presidential candidate and leader of his party after he has served another term as Governor and after a Nixon administration nationally.

Question: "Senator SCOTT, why do you feel Vice President NIXON is the best qualified man for the Republican nomination for the Presidency?"

Answer: "Well, I would say on the basis of experience and temperament, personality. Undoubtedly he is the best qualified candidate in either party in the foreign affairs field, one who has been singularly blessed with the opportunity to meet chiefs of state and of government. His experience and wisdom in handling difficult problems have been demonstrated by the Moscow trip, the Latin-American trip, by the way he conducted himself at the time of the two serious illnesses of the President, and by the degree to which his advice is valued by people experienced themselves in government; for example, in the National Security Council."

Question: "How do you feel Mr. NIXON compares as a votegetter with Mr. Rockefeller?"

Answer: "I think both have demonstrated they are excellent votegetters. They are both attractive personalities who grow in attraction as you have the chance to know more about them. A half hour before this interview I was talking with Governor Rockefeller. He is a most attractive man. I think if he is reelected Governor of New York—and I expect he would be—he would become the next candidate of the Republican Party for the Presidency, and I expect, too, that he would probably become the party's leader for a decade or more.

"There is a great place in the sun for Governor Rockefeller and I admire him without reserve. But the situation presently indicates that Republicans would be well advised to close ranks, as there is every indication they are doing, and really go to work along with independents and Democrats to elect a competent, experienced and wise and moderate man in DICK NIXON as their next President."

Question: "Then you don't feel Governor Rockefeller will formally become a candidate for the nomination?"

Answer: "It is my judgment that he probably will not in any real all-out down-the-line campaign. I think surveys among Republican leaders indicate that Vice President NIXON will be nominated on the first ballot, perhaps by acclamation. I hope that when they come around to talking about vice presidential candidates they will give very serious thought to Governor Rockefeller. I think it would be a dream ticket."

Question: "Since you were one of the original Eisenhower supporters, do you have indications from other early Eisenhower men as to their preference now?"

Answer: "Well, I have talked to many early supporters of President Eisenhower and to many Democrats-for-Eisenhower and the greater part of them favor Vice President NIXON as the Republican candidate. There are some who favor Governor Rockefeller and I think rather notably in one or two of the Southern States."

Question: "Would you say there is any substantial difference between Mr. NIXON and Mr. Rockefeller on international policy?"

Answer: "I can't see where such an area of difference would arise. Governor Rockefeller has some edge in South America by virtue of his experience in those countries, but the policy down there would be the same in either event, a good-neighbor policy of nonintervention and of friendly and benevolent cooperation. In the rest of the world, NIXON's experience counts more heavily. The policy of both of these gentlemen is the policy of Dwight Eisenhower."

Question: "What about domestic policy?"

Answer: "In domestic policy I would be inclined to say that the Nixon policy would be, in the future as in the past, adherence to the general Eisenhower program, a moderate, middle-of-the-road policy. Vice President NIXON has shown his convictions on the tough issues, such as civil rights, and in my judgment he has been right and proper in his attitude there. He has, if anything, shown an inclination to go a little beyond the Eisenhower program in some areas, such as housing.

"I think that Governor Rockefeller's record indicates he is perhaps somewhat more on the liberal side in meeting the necessities which the Governor of New York has to meet in the political world, but he is no wild-eyed radical by any means."

Question: "If there is a fight between the two for the nomination do you feel there will be any outstanding issues, or will it be over who is the best leader, over personality questions?"

Answer: "There are some differences on issues, but none that occur to me as the kind which appear in presidential campaigns. If it came to a choice between the two, it would be based on personality, experience, and ability to handle the job."

Question: "Any particular reason why you have made known your preference so early?"

Answer: "The main reason is that I don't want anything. I am sure that when I campaigned so vigorously for General Eisenhower there were many people in the entourage who may have harbored doubts on that score and wondered why I worked so hard and my wife worked so hard. I just wanted to keep on being a Member of the House of Representatives. The same thing is true now.

"I am extremely happy; in fact, I am in something of a glow about being a Senator of the United States. It is something I have wanted since I was 13 years old. Why should I want anything else? Not having anything in my mind except the desire to get the strongest candidate for the Republican Party and the best qualified man for the Presidency of the United States, I can afford to come out early."

SENATE

SATURDAY, AUGUST 29, 1959

(Legislative day of Wednesday, August 26, 1959)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

Dr. Lawrence D. Folkemer, pastor, Lutheran Church of the Reformation, Washington, D.C., offered the following prayer:

In faith, we lift our hearts unto Thee, O God, beseeching Thee for a mountainous faith to remove obstacles of prejudice, pride, and pettiness.

With courage, we call upon Thee for still greater courage to stand for the right course when the lesser course seems safer.

In hope, we look to Thee as our continuing refuge and strength, our peace and our deliverance.

Grant, O Lord, that we may never become too big or vain to pray; then cleanse our prayers of mere politeness and presumption. Help us to do Thy will, rather than to seek divine support for our own bidding.

In these misty days of uncertainty and confusion, wilt Thou guide the conversations and plans of our President and Congress, that America may continue as a lighthouse of freedom, godliness, and peace. Unite us, sustain us; and, above all, use us as Thou wilt. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 28, 1959, was dispensed with.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at this time there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF PUBLIC LAW 85–880—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"'That the first sentence of section 1 of the Act of September 2, 1958 (Public Law 85–880; 72 Stat. 1603) is hereby amended as follows:

"'(a) After the phrase, "World Science—Pan Pacific Exposition", insert "now known as Century 21 Exposition".

"'(b) Strike out "1961" and insert in lieu thereof "1961 and 1962".'

"SEC. 2. That part of clause (3) of section 3 of said Act before the proviso is hereby amended to read as follows:

"'(3) erect such buildings and other structures as may be appropriate for the United States participation in the exposition on land (six and one-half acres or more and including land necessary for ingress and egress) conveyed to the United States in fee simple and free and clear of liens and encumbrances, in consideration of the participation by the United States in the exposition, and without other consideration. In the design and construction of such buildings and other structures consideration, including consultation with the General Services Administration, shall be given to their utility for governmental purposes and needs after the close of the exposition'.

"SEC. 3. Clause (5) of section 3 of said Act is hereby amended to read as follows:

"'(5) incur such other expenses as may be necessary to carry out the purposes of this Act, including but not limited to expenditures involved in the selection, purchase, rental, construction, and other acquisition of exhibits and materials and equipment therefor and the actual display thereof, and including but not limited to related expenditures for costs of transportation, insurance, installation, safekeeping, maintenance and operation, rental of space and dismantling;'.

"SEC. 4. Section 3 of said Act is further amended by striking out the period at the end of clause (6) and inserting a semicolon and the word 'and', and by adding at the end of such section a new clause (7) as follows:

"'(7) procure services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $50 per diem'.

"SEC. 5. Said Act is amended by striking out section 7 and inserting in lieu thereof new sections 7 and 8 as follows:

"'SEC. 7. There is hereby authorized to be appropriated, to remain available until expended, not to exceed $12,500,000 to carry out the provisions of this Act, including participation in the exposition.

"'SEC. 8. The functions authorized in this Act may be performed without regard to the prohibitions and limitations of the following laws: section 3648, Revised Statutes, as amended (31 U.S.C. 529); section 3735, Revised Statutes (41 U.S.C. 13)'."

And the Senate agree to the same.

J. W. FULBRIGHT,
MIKE MANSFIELD,
B. B. HICKENLOOPER,
Managers on the Part of the Senate.

OVERTON BROOKS,
GEORGE P. MILLER,
OLIN E. TEAGUE,
JAMES G. FULTON,
GORDON L. MCDONOUGH,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

HOUR OF MEETING ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it take a recess until Monday morning, at 11 o'clock.

Mr. WILLIAMS of Delaware. I object.

The VICE PRESIDENT. Objection is heard.

JOINT RESOLUTION OF WISCONSIN LEGISLATURE

The VICE PRESIDENT laid before the Senate a joint resolution of the Legisla-

ture of the State of Wisconsin, which was referred to the Committee on Interstate and Foreign Commerce, as follows:

SENATE JOINT RESOLUTION 83

Joint resolution memorializing Congress to study the severe curtailment of railroad passenger service in Wisconsin

Whereas public transportation is vital to the social and political life of a nation and public welfare demands the utmost practical development of every form of transportation and the best possible service; and

Whereas World War II amply demonstrated that the transportation problem is one of deficiency and not of excess and that the development of transportation must keep pace with the expansion of the Nation's economy; and

Whereas modern transportation must reach all sections of our State and Nation, without discrimination, if our greatness is to be preserved; and

Whereas it is noted with grave concern by the members of the Wisconsin Legislature that while other forms of transportation are rapidly expanding and modernizing their facilities, the passenger service of the railroads operating in the State of Wisconsin and, to a great extent, across the Nation, has been steadily curtailed by the discontinuance of substantial numbers of trains, inadequate service by remaining passenger facilities, and a gradual withdrawing of related services to a point where this process critically affects the economic, social, and political existenece of our State and the Nation as a whole; and

Whereas since 1950 more than 70 passenger trains have been discontinued in the State of Wisconsin and there are pending applications to suspend operation of 12 more passenger trains serving Wisconsin communities which, if granted, will leave many more Wisconsin areas stranded without rail passenger service; and

Whereas if such trend continues unabated across the country, this Nation in time of national emergency will not be able to cope with sudden demands upon its transportation system: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin respectfully memorializes Congress to recognize the gravity of this transportation crisis by instituting a comprehensive study and investigation of the lamentable state of conditions of railroad passenger service in Wisconsin with an eye to solution of this problem; and be it further

Resolved, That special attention should be paid to those areas wherein abandonment or pending abandonment of railroad passenger service jeopardizes the welfare of the people of our State; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the presiding officers of the U.S. Senate and House of Representatives, to each Member of Congress from Wisconsin, and to the Chairman of the Interstate Commerce Commission.

PHILLIP ASH,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Assembly.

BILL INTRODUCED

Mr. ENGLE introduced a bill (S. 2618) to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States, which was read twice by its title and referred to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

EXCHANGE OF CERTAIN WAR-BUILT VESSELS FOR MORE MODERN VESSELS

Mr. ENGLE. Mr. President, I introduce, for appropriate reference, proposed legislation to permit unsubsidized steamship operators to exchange vessels presently owned by them for vessels of a superior or more efficient type now held in the laid-up fleet, or traded in in the future to the Government in connection with the new construction programs of the subsidized operators.

The value to be placed on each vessel at the time of the exchange is computed pursuant to subsection (d) of section 510, which takes into consideration the depreciated value based on a 20-year life and market value for operation in the foreign or domestic trade in the United States. In determining value, the Maritime Administration is also to consider the cost of placing both the traded-in vessel and the traded-out vessel in class.

If the traded-out vessel is one of an obsolete military type, which the military authorities believe would be more useful in an emergency if reconverted to a commercial type, then the cost of placing the vessel in condition for commercial operation is likewise to be considered in arriving at the fair and reasonable value.

The proposed legislation provides that any deficiency in value between the vessel traded in and the vessel traded out shall be paid in cash on the date of exchange, and that no cash payments shall be made by the Maritime Administration in connection with any exchange.

Another condition of the proposed legislation is that the traded-out vessel may be requisitioned in a national emergency on terms favorable to the Government. The traded-out vessel must also remain documented under the laws of the United States for at least 5 years after the date of exchange, or 20 years from the date of its construction, whichever is the later date. Any repairs to the traded-out vessel are to be performed in a U.S. shipyard.

The proposed legislation will assist unsubsidized companies in improving their fleets and will make available to the Government, in the event of a national emergency, superior vessels in active operation, instead of the less-desirable vessels. The Government will also derive cash payments in connection with the exchanges. There will be no element of subsidy aid in the program. The proposed legislation may also permit unsubsidized operators to remain in business for a longer period of time under the American flag, by using vessels which otherwise would remain in the Reserve Fleet.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2618) to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

RELEASE PRINTED IN THE RECORD

On request of Mr. WILEY, and by unanimous consent, a release issued by him today, August 29, 1959, relating to Wisconsin cheese output, was ordered to be printed in the RECORD.

WHAT IS COEXISTENCE?

Mr. ENGLE. Mr. President, I ask unanimous consent to have printed in the RECORD an article, entitled "What Is Coexistence?" written by Joseph Alsop, and published in the Washington Post of August 28. In the article Mr. Alsop makes a very careful analysis of our present situation; and in the course of his analysis, he has written as follows:

The West has tacitly accepted the Kremlin's rules for coexistence. These are: (A) That we cannot even support a legitimate government struggling to be free, as in Hungary, on their side of the line that divides the world; and (B) that the Kremlin can freely attack any conveniently vulnerable position on our side of the line.

Mr. President, certainly the Soviet activities and the activities of the Communist world in the last few days have raised in the minds of a great many of the people of this country some questions in regard to whether we are getting the carrot-and-the-whip treatment.

In any case, I believe that the article written by Mr. Alsop certainly warrants reading by the Members of this body and by the Members of the other body of the Congress; and I submit the article for printing in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT IS COEXISTENCE?

(By Joseph Alsop)

TOKYO.—What is coexistence? This will be the true, central theme of the talks between President Eisenhower and Nikita S. Khrushchev. Berlin and Laos are only episodes, though very important episodes, which raise questions about the meaning and possibility of coexistence.

If President Truman were in President Eisenhower's place, it is hard to believe that there would be any opportunity to discuss this vital topic. For if Truman had asked Khrushchev to the White House, and the acceptance of his invitation had then been followed by a naked Communist attack on a position of American interest, even in remote Laos, Truman would have disinvited Khrushchev at once.

But Eisenhower is not Truman, and the power position of the United States in 1959 is altogether unlike the power position that Eisenhower inherited in 1953. So there is little likelihood of disinvitation, although the Communist aggression in Laos amounts to a public expression of Khrushchev's contempt for the President and the country he leads. The vital topic will still be discussed, in a little more than a fortnight, by the two chieftains of the East and West.

The meaning of peaceful coexistence to Khrushchev and his subordinates and satellites can be easily summarized. They mean by peaceful coexistence playing the game of

the world power struggle according to the strange prevailing rules, and thus avoiding any serious risk of major war. The rules they play by, although we have largely accepted them, are rules made in the Kremlin.

These rules permit Khrushchev to tear up the most solemn Soviet commitments, given only a few years ago, because these commitments do not any longer correspond to the facts—meaning the facts of the greatly changed world power balance. They further permit Khrushchev to indulge in the crudest military threats to Berlin, after repudiating the agreement on Berlin reached by the Soviets and the Western powers in 1949. The result of these actions, moreover, is not American mobilization, but an invitation to Khrushchev to drop in at the White House.

Again, these Kremlin rules also permit Khrushchev, even when newly invited to the White House, to sponsor a naked Communist military aggression. The aggression is duly fuzzed up and disguised a little, of course, as a "popular" guerilla movement. But under the rules, any position can be attacked in this manner, where the attack seems safe and the aggression seems likely to pay off. This is what is happening in Laos.

In other words, Khrushchev looks at the current state of the power balance, and especially at the deterioration of the American deterrent. He looks at the mood of the President and the rise of peace-at-any-price feeling in London and elsewhere. After calculating these factors, he then looks for a vital position which he can grab for, without undue risk of a general conflagration. And he promptly grabs for that position, in full accord with the rules of the game as he understands them.

It is bitterly ironical to recall that an attempt to change those rules was once made by President Eisenhower, who came to power with a pledge to liberate the free peoples enchained by Soviet imperialism. In his confirmation hearings, former Secretary of State John Foster Dulles even suggested that it was downright immoral not to believe in the liberation policy.

In the last 7 years, one must remember, the opportunities for a serious liberation policy have been very great indeed. The situation in Eastern Europe reached the potential explosion point in this period, because of the death of Stalin and the post-Stalin disillusionment. Twice, in fact, great explosions have actually occurred in Eastern Europe, in East Germany in 1953, and in Hungary in 1956. If we had such an explosive situation on our side of the line that divides the world, it is easy to imagine what the Kremlin would do about it.

What we did about it was to eat the phony words about "liberation" as soon as they were taken seriously. All the resources of the CIA were used to help the Soviets damp down the East German rising of 1953. Our reaction to the Hungarian tragedy, by the same token, was too unpleasantly impotent to bear thinking about.

In this manner, the West has tacitly accepted the Kremlin's rules for coexistence. These are: (A) That we cannot even support a legitimate government struggling to be free, as in Hungary, on their side of the line that divides the world; and (B) that the Kremlin can freely attack any conveniently vulnerable position on our side of the line.

If these rules for coexistence are now approved by President Eisenhower in his talks with Khrushchev, and if they are then confirmed by the President's successor, the predictable outcome is the West's final and total defeat in the cold war. That is the fact now glaring us in the face.

POLLUTION AND SANITATION PROBLEMS ON THE GREAT LAKES

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD four articles published in the Chicago Daily News of August 26, August 27, and August 29, 1959.

One of the articles refers to the fact that the water in the vicinity of Detroit is polluted, because of the Detroit practice of dumping its effluent and raw sewage into the lake. Another of the articles refers to the very bad conditions which exist at Toledo, Ohio. Another of the articles shows that the pollution around Chicago is the least to be found at any inland city in the United States.

These articles should throw a great deal of light upon the debate now under way in the Senate and the attempts by the other Lake States to compel Chicago to resort to highly unsanitary practices which they themselves are following.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Aug. 26, 1959]

CITY IN "WATER WONDERLAND" HUNTS WATER—DETROIT RIVER POLLUTED, SO IT PLANS PIPE TO LAKE HURON

(By Nicholas Shuman)

DETROIT.—Michigan calls itself "the water wonderland," but its biggest city is going to have to go some to get water that's fit to drink.

Detroit is planning a multi-million-dollar project to pipe its needs about 50 miles from the nearest clean supply—Lake Huron.

The primary reason, according to city officials, is to get a second source of supply for emergencies, such as a nuclear war.

But a second reason is that the Detroit River—from which the city now gets all its water—is polluted.

In its last report the department of water supply noted "a slight deterioriation in the sanitary quality of the raw water, as evidenced by an average coliform index of 91.4, compared to 64 last year."

That means there are an average of 91 coli bacteria in each 100 cubic centimeters (about 3 ounces) of water. The coli are bacteria that exist in the colon. Thus they indicate the presence of sewage and the threat of dysentery, and perhaps typhoid.

While the average does not appear to be too high, the water department noted that on one day a sample showed a coliform index of 15,000.

A count of 1,000 is considered unhealthy even for swimming.

Andrew Dempster, Detroit sanitary engineer, noted that Connor Creek—"an open sewer," he called it—flows into the Detroit River less than a mile upriver from the city's one water intake on Belle Isle.

"That's what we worry about," he said.

Dempster said the city in 1926 had 400,000 cases of dysentery and as recently as the mid-1940's had 30 cases of typhoid a year. The typhoid was stopped with "breakpoint chlorination"—treatment beyond the point ordinarily needed for sterilization.

Dempster said the Detroit and St. Clair Rivers and Lake St. Clair are polluted by towns that dump sewage into them.

He admitted that the city adds its own pollution at 52 sewer outfalls along the river. From these raw sewage gushes into the stream during storms when the sewers are overloaded.

Detroit's sewage treatment plant is below town at the junction of the River Rouge with the Detroit River.

It is a primary treatment plant, which removes only 36 percent of the waste in sewage before dumping the effluent in the water.

(Chicago's Sanitary District removes 90 percent.)

Towns below Detroit take their drinking water from the same river. "So you know what they're drinking," one city official said.

One of the cities, Wyandotte, is demanding that Detroit improve its sewage treatment.

"But from our point of view it would be cheaper to give them our water," the Detroit official said.

Michigan is one of six Lakes States suing in the U.S. Supreme Court to force Chicago to dump its sewage into the lakes, as they do.

The same six States and Canada are opposing Chicago's effort in Congress to get more Lake Michigan water to cleanse the city's treated sewage in the sanitary canal.

[From the Chicago Daily News, Aug. 27, 1959]

URGES PLANNING OF WATER USAGE—IT'S MOST-WASTED RESOURCE, ILLINOIS CONFERENCE IS TOLD

SPRINGFIELD, ILL.—Water is the country's most-wasted natural resource, a statewide water-supply conference was told Thursday.

This continues to be true, said Ross L. Leffler, Assistant Secretary of the Interior, despite a new awareness of the importance of water to the economy, to health, and to recreation.

Leffler was the luncheon speaker at the 1-day conference sponsored by the Illinois State Chamber of Commerce.

There is currently a $2.6 billion backlog in waterworks construction in the United States, he said in a prepared speech.

He said a Public Health Service survey showed that of 18,000 water utilities in the country, 1 out of 5 is deficient in supply; 1 out of 3 has too little pumping capacity; 2 out of 5 are deficient in treatment and transmission capacity.

This is the case now, Leffler said, and estimates are that by 1975 population will grow from 175 million to 225 million or 235 million.

That means 50 million to 60 million more persons who will have to be served.

The answer, Leffler told the conference, lies in cooperative water use planning, involving and supported by every segment of the community.

And he said, the chamber of commerce is the logical group to help plan and push such a program.

Another speaker warned that Government and industry must continue their efforts to reduce water pollution.

"Considerable progress has been made," said Kenneth S. Watson, water management and waste control consultant to the General Electric Co., Schenectady, N.Y.

"But there are no grounds for complacency," he said.

"The dynamic rate of advancement in this Nation requires we must run fast in the pollution control field to stand still."

BEACH POLLUTION TESTS TO EXTEND TO INDIANA LINE

Chicago's Sanitary District will extend its tests for beach pollution to the Indiana border, Frank W. Chesrow, president, said Thursday.

"We want to find out if any industrial pollution is getting into our water," Chesrow said. He noted that Hammond's beaches have been closed for many years because of pollution.

Earlier this week the Sanitary District released figures on a survey of 11 Lake Michigan beaches extending from Milwaukee to the North Side.

Generally the bacteria counts declined from 11,000 per 100 cubic centimeters in Milwaukee to 150 in Chicago.

[From the Chicago Daily News, Aug. 27, 1959]

FIND AREA BEACHES LOWEST IN BACTERIA

Sanitary district officials Wednesday stuck out their chests toward Milwaukee and said: "Our beaches are cleaner than yours."

After the closing of Milwaukee beaches because of sewage pollution, the sanitary district took a survey of 11 Lake Michigan bathing areas ranging from the Wisconsin city to Chicago's North Side.

Here are the counts of coli (existing in the colon) bacteria it found in each 100 cubic centimeters of water:

Shorewood, Milwaukee	4,600
Grant Park, Milwaukee, plus	11,000
Racine	1,500
Kenosha	1,200
State Park, Zion	270
Johnson Park, Waukegan	750
Foss Park, North Chicago	930
Highland Park	930
Wilmette	240
Touhy Avenue, Chicago	150
Montrose Avenue, Chicago	150

Emanuel Hurwitz, sanitary district laboratory director, said:

"Many authorities are agreed that a coliform count in excess of 1,000 is a matter of serious concern to health authorities. This random sampling indicates that the sanitary district's operations have provided a high degree of protection to Chicago's beaches."

[From the Chicago Daily News, Aug. 29, 1959]

CAN'T BEAT CHICAGO AT TREATING SEWAGE—DAILY NEWS CHECK CONFIRMS CITY DOING BEST JOB ON LAKES

(By Nicholas Shuman)

TOLEDO, OHIO.—On all the Great Lakes, there's not a city that does a better job of treating sewage than Chicago.

This was confirmed in a 2-week, on-the-spot inspection by the Daily News of most of the major waterfront cities.

The 2,200-mile tour along the length and breadth of the Great Lakes was undertaken to find out whether it was true—as charged in Congress—that the Chicago Sanitary District is bumbling its job.

The charges flew during hearings on Chicago's plea for increased diversion of Lake Michigan water to help purify the treated sewage that the sanitary district pours into the Illinois Waterway.

All other lake cities dump their effluent in the lakes. To keep its waterfront and water supply clean, Chicago in 1900 began using the river waterway, which has a far smaller capacity to cleanse waste.

Spokesmen for States opposing the increased diversion said Chicago wouldn't need the extra water if it treated its sewage as well as other cities do.

Sanitary district officials answered that they are treating sewage according to the best known methods and that they still need more fresh water to neutralize the residual waste.

Toledo offered Chicago a supporting argument, without meaning to.

Here on September 19 will be dedicated the newest, fanciest sewage plant seen in the six-State inspection.

The plant, built at a cost of $9½ million, went into service in March. It is a gleaming showplace of glass, aluminum, and glazed tiles in decorator colors.

Standing in it, a layman conditioned to think of sewage plants as fetid sinkholes feels instead that he is in the U.S. pavilion of the latest international exhibit—it is that beautiful.

And its technical equipment is correspondingly fabulous.

"Our plant is the latest and the best, as modern as they come," said Arthur H. Niles, its superintendent.

How efficient is it?

"When we get settled down," Niles said, "we expect to get a b.o.d. reduction of 90 percent."

B.o.d. stand for biochemical oxygen demand, the technical measure of waste in sewage. What Niles meant was that his plant—the latest and the best—will be able to treat 90 percent of the waste out of Toledo's sewage before dumping the effluent into Lake Erie.

The 90.6 percent is the figure that the much criticized sanitary district averaged last year.

Measured in another way, Chicago's plant is better than Toledo's. That's in the amount of b.o.d. (or waste) remaining in the effluent after treatment.

Niles said he expects to get his effluent down to 26 parts per million of b.o.d. The sanitary district's effluent—the waste poured into the rivers—has 10 parts per million.

That means it's only about a third as dirty.

Reason for the difference is that Chicago's raw sewage is much cleaner than Toledo's to begin with. This is chiefly because Chicago, whose water is largely unmetered, uses much more water per capita. Thus, its sewage is much more diluted.

Thinking of Chicago's plant as removing 90.6 percent of the b.o.d. in sewage, here are the comparable percentages for the treatment plants of other Great Lakes cities:

Buffalo, N.Y.	29.0
Toronto, Ontario	35.0
Detroit	36.0
Duluth, Minn.	36.0
Racine, Wis.	28.0
Port Huron, Mich.	[1] 40.0
Superior, Wis.	[1] 40.0
Erie, Pa.	70.0
Green Bay, Wis.	70.0
Cleveland	70.4
Sheboygan, Wis.	84.8
Milwaukee	94.5

[1] Best possible, not annual average.

Even though Milwaukee's percentage reduction was higher than Chicago's, its effluent was nearly twice as foul because the raw sewage that went into its plants was more potent because of less dilution.

Niles, Toledo's superintendent, said, "I'll have to admit Chicago has done a good job."

Last week the Cleveland Plain Dealer commented editorially on what it called "the controversial cesspool politely known as the Chicago diversion case." It said:

"Cleveland's sewage treatment is done in precisely the same way as Chicago's. Both are activated sludge installations.

"The efficiency here varies from 88 to 95 percent, and the average is just the same as Chicago's 90.6 percent. To suggest otherwise is fraudulent."

Yet the facts do suggest otherwise.

The newspaper was speaking of only two Cleveland plants, which indeed are like Chicago's.

Cleveland, however, has a third plant. This is a primary installation—basically a settling system.

During May, the last month for which figures were available, this West plant removed only 28 percent of the b.o.d. from the sewage treated there, dragging the average for all three plants down to about 70 percent.

Effluent from the West plant goes directly into Lake Erie, within hollering distance of Cleveland's polluted Edgewater Beach.

And Cleveland looks even worse in comparison to Chicago when a measure is taken of the actual waste remaining in the effluents of the two systems.

Walter Gerdel, Cleveland's sewage commissioner, also had to admit: "Chicago has a marvelous installation."

INLAND GRAB

Mr. MCNAMARA. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Inland Grab," which was published in the Detroit Times of August 23. The editorial makes reference to the water diversion matter that is pending in the Supreme Court of the United States; and the editorial sets forth a brief history of what previously happened in this matter, dating back to the year 1900.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INLAND GRAB

Pending in the U.S. Senate, and due for an early vote, is a bill sanctioning robbery. It merits unswerving attack by every resident of Detroit and Michigan.

It would permit the Chicago metropolitan area to increase the amount of water it presently steals from the Great Lakes, by 1,000 cubic feet per second for 1 year.

That is enough water to create a 920-square-mile lake 6 feet deep in a year's time. Or, to put it another way, the volume would be great enough to create a river 20 feet wide and 10 feet deep stretching across the entire Nation within 15 days.

It is one of the wonders of Washington that such a bill ever could get as far as the floor of either House.

Yet this bill has passed the House and was reported out of the Senate public works committee.

And in previous sessions, bills three times as bad inasmuch as they would have allowed the theft of nearly three times as much water for a minimum 3-year period have passed both Chambers.

Only Presidential vetoes in each instance, 1954 and 1956, prevented them from becoming law.

The bill now pending has been toned down from the versions of previous years only to get it through the Congress.

As a matter of principle, it shouldn't matter whether Chicago takes one cubic foot or a million cubic feet.

The water of the Great Lakes is a natural resource and its depletion by any agency, private or public, ranks in calumny with the stripping of our forests by the old lumber barons.

Conservation of our national resources as a necessary policy for the public interest was established 50 years ago.

Yet Chicago, continuing thievery it began when it started diverting Lake Michigan water into its drainage canal, in 1900, has subverted this policy.

Now, through the machination of its representatives in the Congress, Chicago has connived to aggravate the subversion.

A brief history of what has happened is in order. In 1900, Chicago began draining off Greak Lakes water without permission of the Congress. In 1913, 1918, and 1925, the Federal Government sought to curb Chicago. By 1930, when a Supreme Court decree finally was obtained, Chicago was draining 6,500 cubic feet per second.

The Court allowed diversion to continue at this rate until 1935, with reduction to 5,000 cubic feet per second from 1935–38, and 3,300 cubic feet per second after 1938.

Chicago has continued diversion at that rate until the present.

Michigan and other Great Lakes States have continued to fight to force Chicago to do as every other community on both the United States and Canadian shores of the Great Lakes does—use the water but return it after treatment for the elimination of sewage and waste.

In late June, the U.S. Supreme Court, on petition of the protesting States, appointed

a special master to review the diversion problem. Hearings will begin October 5 in Chicago.

Meanwhile, the Illinois representatives have continued their attack in the Congress.

The effects of the bill should be obvious.

If it becomes law, it would, by implication, sanction similar usage by any Great Lakes community either in the United States or Canada.

It would lower the level of the Great Lakes by 1 inch every 15 years. This would reduce the amount of tonnage a given vessel could carry through the St. Lawrence Seaway, making a mockery of this great joint United States-Canadian project.

It would reduce the cargo tonnage in the Detroit River by at least 330,000 tons annually.

It would cut the hydroelectric power output at the St. Lawrence River plants of Canada and New York.

For Michigan hunters, it would turn hundreds of acres of duck hunting marshes into hideous mud flats.

For Great Lakes boating enthusiasts, it would mean dry boat wells.

And it would injure our diplomatic relations with Canada, where leaders have already sent sharp protests against the bill to Washington.

The matter is now properly before the courts. Congress should not interfere.

Only Chicago would benefit unjustly at the expense of citizens throughout the Great Lakes States.

RED CHINA AND THE UNITED NATIONS

Mr. McGEE. Mr. President, this morning I wish to make another reference to the growing concern of many persons about the intangibles of what some call the China question.

Some persons—and I have been among them—have been insisting that the time has long since come when we should reexamine our whole position in regard to China, in view of the events of the last 4 or 5 or 6 years.

We do not know what the answers to be obtained from the reexamination would be; but we believe that such a reexamination would be very much in order. Perhaps we would then arrive at the same answers we have now; but that would serve to strengthen our own state of mind.

In any case, we serve our purpose ill by taking a static position in regard to policies which were fitting in 1950 or 1952, but are being called unrealistic at the present time.

William S. White has written an interesting article in which he develops the implications of such a proposal. His article, which was published in the Washington Evening Star on yesterday, August 28, is very well worth reading. Therefore, Mr. President, I ask unanimous consent that Bill White's article, entitled "Red China and the U.N." be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED CHINA AND THE U.N.—NEW DEBATE EXPECTED ON RECOGNIZING REGIME THAT MADE WAR ON FREE WORLD

(By William S. White)

The unequal sides in an old argument over how we should deal with Communist China are marshaling for a new struggle coincident with the arrival here of Nikita Khrushchev of the Soviet Union.

Both the legislative and the executive branches of the U.S. Government are massively and repeatedly committed to nonrecognition of the Red regime. Indeed, the House of Representatives, in anticipation of new pressures for recognition, for the 14th time has just resolved, by 368 to 2, against any such course. The Senate time and again has done the same, and will again if a similar resolution is presented there before the adjournment of Congress.

The State Department seems more than ever opposed, if this is possible, to giving the slightest international respectability to the Chinese Reds. This is notably true of these American diplomats most directly responsible for the remaining free areas of Southeast Asia. These men are saying that to recognize Communist China now, at the very hour Communist pressure is being applied to our friends in Laos, in what used to be French Indochina, would be catastrophic.

"Unimaginable disaster" is the phrase used by the ablest of this diplomatic group. To make any deal with the Communists, he says, would shake every free world position left in Asia.

All the same, though Washington would thus appear practically unanimous against any accommodation with the Chinese, this is not the absolute end of the thing. Down underneath, primarily in the Senate, there is some growing insistence for a complete reassessment, at least, of our policy.

This demand, though cautiously put by men who are not appeasers, and naturally do not want to be called that, is not inconsiderable. And it could become actually substantial. It rises mainly from western Senators with perfectly good anti-Communist records who are interested not so much in ideology as in trade with the Orient and in facing reality as they see it.

Senator WARREN MAGNUSON, of Washington, has long been concerned in a trade revival eastward. Senator GALE MCGEE, of Wyoming, is another who would like at all events to see a reexamination of our policy. Ironically, and importantly, so is the successor to the man who more than any other symbolized absolute opposition to any conceivable arrangement with Red China. former Senator William F. Knowland, of California, an orthodox Republican.

The man who replaced him—Senator CLAIR ENGLE, of California, a moderately liberal Democrat—has been calling for a critical reexamination of the position of having nothing whatever to do with the China regime.

All this, then, briefly, is the domestic scene. As to the international scene, Mr. Khrushchev has already let it be known that among the things he will talk about here with President Eisenhower will be American recognition of Communist China.

There are some officials here, who work in foreign intelligence, who doubt that Khrushchev is really very keen to bring about this recognition. They reckon that Soviet fear of the emerging and ghastly giant in China has already overtaken Soviet satisfaction at seeing that vast neighbor communized. They believe, in short, that Khrushchev is talking big for recognition mainly so that the Red Chinese can overhear and thus credit him with working in their behalf.

Finally, in this estimate lies the sole possibility for any real change in the American attitude toward recognition. It is conceivable that we would slowly move toward some form of recognition if—but only if—it became plain that such an act could well and truly detach the China monolith from the Soviet monolith, and so weaken imperialist communism.

It is hardly possible morally—at any rate it is surely not politically possible—to defend recognition on any other ground or for any other reason. Neither the administration nor Congress has forgotten what some have forgotten: The Chinese Reds made aggressive and thus-far-unrepented war on us and on all the United Nations in Korea.

ORDER OF BUSINESS

Mr. WILEY. Mr. President, in view of the fact that a motion to lay on the table is not debatable, I desire to propound a parliamentary inquiry.

Before the Senate votes on the question of agreeing to the motion to lay on the table the motion to refer House bill 1 to the Foreign Relations Committee, I wish to make a very brief statement—one which I have not had an opportunity to make during the last 2 days; and I trust that it will not take me more than 3 minutes to make it.

My parliamentary question is as follows: Before the end of the morning hour, if I suggest the absence of a quorum, will I thereafter have an opportunity to speak for 3 minutes?

The VICE PRESIDENT. The Senate is now proceeding in the morning hour; and, in that connection, the Senator from Wisconsin has been recognized for 3 minutes.

Mr. WILEY. But my question is as follows: If I now suggest the absence of a quorum, and if a quorum is then obtained, before the Senate proceeds to vote on the motion to which I have referred, will I then have an opportunity to speak for 3 minutes?

The VICE PRESIDENT. The Senator from Wisconsin would then have an opportunity to speak for 3 minutes, if he then obtained the floor.

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

Mr. DOUGLAS. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin withhold that suggestion for a moment?

Mr. WILEY. Yes.

The VICE PRESIDENT. Let the Chair point out that the statement the Chair made was that the Senator from Wisconsin would have an opportunity to speak for 3 minutes, following the quorum call, if he then obtained the floor. Recognition will then be accorded to Senators in the order in which they address the Chair.

Mr. MANSFIELD. Mr. President, it was the intention to have a quorum call as soon as the morning hour was concluded—for the purpose of having a quorum present before the Senate proceeded to vote on the motion to lay on the table.

Mr. WILEY. I understand that. But in view of the fact that the motion to lay on the table is not debatable, after the morning hour has been concluded, can any Senator be recognized to speak at that time, except by unanimous consent? I felt that I could get my statement in if I used my 3 minutes in the morning hour after the quorum was called for. Is that correct?

Mr. MANSFIELD. Yes. The Chair so ruled.

Mr. WILEY. I suggest the absence of a quorum.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LAUSCHE. Do I correctly understand it is only in the event the Senator from Wisconsin is recognized that he will be able to speak the 3 minutes in the morning hour; if he cannot get the floor he cannot make that statement?

The VICE PRESIDENT. That is correct. Any Senator can speak for 3 minutes in the morning hour.

Mr. WILEY. I just wanted to get this little statement in as to what I think is the basic issue. So I repeat my request.

The VICE PRESIDENT. The Senator requests——

Mr. WILEY. Mr. President, it has been suggested, because we have such a magnificent crowd here now [laughter], that perhaps if I made a unanimous-consent request during the morning hour I could have a little more time—and I make that request. I started out last night, as Senators may remember, and there was a diversion immediately by the distinguished Senator from Illinois, who started asking me about something I was not going to talk about. I was going to talk about the Canadian notes to this country. And, of course, the diversion worked again—a very good diversion. The result was that I became a little disgusted. Then it was that the Senator from South Dakota [Mr. CASE] moved that the bill be referred to the Foreign Relations Committee. While ordinarily I enjoy those tactics, I do feel it is proper that I have an opportunity to present briefly what I think is the outstanding issue in this matter.

The VICE PRESIDENT. Does the Senator desire to ask unanimous consent for additional time?

Mr. WILEY. Mr. President, I said last night I could make the statement I wanted to make on the subject in 15 minutes, but what I wanted was the crowd that was present then [laughter]; but I am willing to make the statement now. They are all intelligent, good-looking, vigorous, and wholly understanding.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. Are we still in the morning hour?

The VICE PRESIDENT. Yes; and the Senator's time has expired.

Mr. DIRKSEN. Is there pending a request for a quorum call at the present time?

The VICE PRESIDENT. The Senator has withdrawn that request.

Mr. LONG of Louisiana. Mr. President, do I correctly understand the morning hour is over or not?

Mr. DIRKSEN. I have the floor, Mr. President.

Mr. WILEY. It has been suggested by my good frend, the junior Senator from Illinois, that I make a request for an extension of time of, say, 10 minutes, in the morning hour.

Mr. DIRKSEN. Does the Senator want a quorum before that?

Mr. DOUGLAS. Mr. President——

The VICE PRESIDENT. The Senator from Illinois [Mr. DIRKSEN] has the floor.

Mr. DIRKSEN. I have the floor for the moment. I am trying to ascertain whether the distinguished Senator from Wisconsin wants a quorum call before he discusses the subject before the Senate. If he will relent in his request for a quorum, I ask unanimous consent that the Senator from Wisconsin may proceed for 10 minutes in the morning hour.

Mr. DOUGLAS. Mr. President, reserving the right to object, and under certain conditions I do not intend to object, if the purpose is to make an address on the motion of the Senator from South Dakota, and that privilege is accorded to the Senator from Wisconsin, it seems to me an equal amount of time should be accorded to those who are not in favor of it. If that right is accorded, I shall be very glad to give consent.

Mr. MANSFIELD. Mr. President, if the Senator will yield to me, I should like to propound a unanimous-consent request, not with much hope that it will be adopted, but at least to make it for the RECORD—that the morning hour be extended to 11 o'clock a.m., and that at that time we vote on the tabling motion.

The VICE PRESIDENT. Is there objection?

Mr. MCNAMARA. Mr. President, reserving the right to object, it seems to me I should have an opportunity to speak on this subject at least once. I know that we shall have 45 minutes in the morning hour, but I would like an opportunity to speak on this subject at least once. I have not had an opportunity to do so because of being tied up in the conference committee on the labor bill. I would like to have 15 minutes.

Mr. DOUGLAS. Mr. President, I suggest that the opponents of the lake diversion bill be given 35 minutes and that we have 10 minutes. They would have three and a half times the amount of time we ask for.

Mr. MCNAMARA. Mr. President, I object to the unanimous-consent request.

The VICE PRESIDENT. The Senator from Michigan objects.

Mr. MANSFIELD. Mr. President, I move that the morning hour be terminated at 11 o'clock a.m. and that at that time we proceed to a vote on the tabling motion.

The VICE PRESIDENT. Such a motion is not in order.

Mr. WILEY. Mr. President, may I get a ruling on my request for 10 minutes during the morning hour?

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois that the Senator from Wisconsin have 10 minutes?

Mr. LONG of Louisiana. Mr. President, reserving the right to object, may I inquire when some of us who have just some morning hour business may have an opportunity to put those matters in the RECORD? Every Senator has a right to be heard, but——

Mr. DIRKSEN. Mr. President, I amend my request by providing that 10 minutes be given to the Senator from Wisconsin as the last business of the morning hour.

Mr. AIKEN. Mr. President——

The VICE PRESIDENT. The Senator from Vermont.

Mr. AIKEN. Does this mean a reversal of the decision of last night? I notice that last night the minority leader [Mr. DIRKSEN] said, "Let us have that definitely understood. Everybody is going to conform to the rules—every one of them, including the 3-minute rule in the morning hour."

I came here this morning expecting to comply fully with the 3-minute rule. Does this mean the minority leader has changed his mind about enforcing every one of the Senate rules?

Mr. DIRKSEN. Mr. President, the minority leader has not changed his mind. The rules have not been violated. A unanimous-consent request is in order under the Senate rules. If there is anybody on the floor who wants to object, he is free to do so. So I renew my request that the Senator from Wisconsin have 10 minutes at the end of the morning hour to discuss the matter which he alluded to.

Mr. AIKEN. Mr. President, do I understand that request to mean that the Senator from Wisconsin would be limited to 10 minutes?

Mr. DIRKSEN. Yes.

Mr. WILEY. In the morning hour.

Mr. AIKEN. But he is not limited after the morning hour is completed. He can talk as long as he desires.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. MANSFIELD. Mr. President, reserving the right to object, I would like to have some idea how much longer the morning hour is going to last and under what circumstances, because if we cannot get some order out of the chaotic situation which has developed in the last 15 minutes, I am going to make a motion that we adjourn until 12 o'clock noon Monday.

Mr. MCNAMARA. Mr. President, I make that motion.

ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I move that the Senate adjourn until 12 o'clock noon Monday.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The motion is not debatable. The question is on agreeing to the motion that the Senate adjourn until 12 o'clock Monday.

The motion was agreed to; and (at 10 o'clock and 19 minutes a.m.) the Senate adjourned until Monday, August 31, 1959, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Wisconsin "Tops" Soviet Union in Cheese Production

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Saturday, August 29, 1959

Mr. WILEY. Mr. President, during these days when the Soviet Union is experiencing growing pains, in the economic, military, scientific, and other fields, we receive repeated reports of bragging about their program.

Among these claims, for example, is that they have made a 500 percent increase in production over pre-World War years of a product for which my home State is famous, that is, cheese.

At this time I want to set the record straight.

Now, it may well be true that they have increased cheese production 500 percent. However, the real facts in cheese production illustrate that my home State of Wisconsin—with only about 2 percent of the population of the Soviet Union, far out-produces the Soviet Union in cheese.

In 1958 the Badger State output amounted to 280,000 metric tons of cheese; by comparison, the production of the Soviet Union totalled only about 150,000 metric tons, approximately 23 percent of the cheese production in the United States.

For a further comparison of cheese production—in which Wisconsin "tops" the Soviet Union—I ask unanimous consent to have the text of a release issued today printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WILEY HAILS WISCONSIN CHEESE OUTPUT AS SYMBOL OF FREE ENTERPRISE TRIUMPH OVER COMMUNISM; WISCONSIN WITH POPULATION OF 3.8 MILLION PRODUCES ALMOST TWICE AS MUCH CHEESE AS SOVIET UNION, POPULATION 208 MILLION

Senator ALEXANDER WILEY, Republican, of Wisconsin, ranking Republican member on the Senate Foreign Relations Committee, today hailed Wisconsin's record of outproducing Russia in cheese as a symbol of triumph of free enterprise over communism.

"Currently, the Communist leaders brag about the stepped up production of consumer goods under their system. The Soviets are advertising the fact that their cheese production is up 500 percent since the pre-World War years. The fact is, however, that the State of Wisconsin, alone, now producers almost twice as much cheese as the whole Soviet Union. In 1958, the Badger State output amounted to 280,000 metric tons of cheese; by comparison, the production of the Soviet Union totaled only about 150,000 metric tons—approximately 23 percent of the cheese production in the United States. For further comparison, Russian cheese production amounts to 1.6 pounds per person, while the United States production amounts to 8 pounds per person—according to statistics released earlier this month by the United Nations Food and Agriculture Organization.

"Globally, the production of cheese between the years prior to the Second World War and 1958 increased about 70 percent. During this same period, American cheese production more than doubled and the United States tops the list of cheese producers. Next in importance are France, Italy, the Federal Republic of Germany, the Netherlands, the Soviet Union, Denmark, and Switzerland.

"Although the United States is the world's No. 1 cheese producer," the Wisconsin Senator pointed out, "statistics illustrate that the consumption of cheese in some countries far exceeds that in the United States. Here the per capita consumption is approximately 8.5 pounds. This compares poorly with higher consumption of 19.5 pounds in Norway and 18.7 pounds by the Swiss (who were the pre-world war champions but are now outperformed by the Norwegians).

"Consequently, the United States still represents a large untapped market for the cheese industry. If the challenge of increasing consumption can be met successfully and will result in a per capita increase, this should substantially brighten the outlook for the American cheese industry. This should be particularly important to Wisconsin since it produces about 44 percent of all American cheese.

"The cheese consumption figures for the United States illustrate that what may be considered a luxury in Russia is everyday diet in this country. In the United States, a pound of hard cheddar cheese sells for about 58 cents, which would mean that an average industrial worker would have to put in about 16 minutes of work to buy a pound of cheese. In Moscow, a pound of the cheapest hard cheese sells for 11 rubles, and comparatively, would require 2 hours and 34 minutes of work.

"In attempting to show that the lot of the Soviet workers is not inferior to that of the American working class, the Communist leaders have denied that the American automobiles, the American home, and the American goods exhibited in the Moscow fair can be afforded by the typical American workingman. As usual, the Soviets are unlikely to accept our superiority in production or our ability to better provide the people's needs. Therefore, although I am not in favor of an 'open arms' welcome for Khrushchev when he comes to this country, I would be happy to send him some samples of Wisconsin cheese, which any American can afford, to help him find out for himself what the advantages of free enterprise are, and what the life and diet of an average American are like," Senator WILEY concluded.

SENATE

MONDAY, AUGUST 31, 1959

Rev. W. Vaughan Moore, associate pastor, Mount Vernon Place Methodist Church, Washington, D.C., offered the following prayer:

Almighty God, Father of us all, give us grace to approach Thee at this time with penitent and believing hearts.

Enlighten our understanding with knowledge of right, and govern our wills by Thy laws. Grant us calmness and control as we face uncertainty and anxiety; let our hearts stand fast, believing in the Lord. Give us the right judgment to discern between values visible and values spiritual.

May the sense of our relationship to Thee fill us with a saving self-respect.

May our country be great in righteousness, wisdom, and peace; may its strength be used honorably for the good of mankind.

And, now, Holy Father, bless each Member of this august body. Accept our eternal gratitude and thanks for watchful care over our loved ones here or there, and gather each on to Thy lap; keep them with us so close to Thee that we can feel the warmth of Thy presence and the coolness of Thine assurance.

Dear Lord and Father of mankind,
Forgive our foolish ways;
Reclothe us in our rightful mind,
In purer lives Thy service find,
In deeper reverence, praise.

Drop Thy still dews of quietness,
Till all our strivings cease;
Take from our souls the strain and stress,
And let our ordered lives confess
The beauty of Thy peace.

In the name of God, the Father; God the Son; and God, the Holy Spirit. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, August 29, 1959, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

POSITION ON YEA-AND-NAY VOTE

Mr. KEATING. Mr. President, on the yea-and-nay vote taken on Friday, August 28, 1959, I was absent from the Senate on official business. I desire to state for the RECORD that on the call of the roll which appears on page 17337 having to do with the recess of the Senate, had I been present I would have voted "yea."

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Beall	Butler
Allott	Bennett	Byrd, Va.
Anderson	Bible	Byrd, W. Va.
Bartlett	Bush	Capehart

Carlson	Hennings	Moss
Carroll	Hickenlooper	Mundt
Case, N.J.	Hill	Murray
Chavez	Holland	Neuberger
Clark	Humphrey	Pastore
Cooper	Jackson	Prouty
Cotton	Johnson, Tex.	Proxmire
Curtis	Johnston, S.C.	Randolph
Dirksen	Jordan	Robertson
Douglas	Keating	Russell
Dworshak	Kennedy	Saltonstall
Eastland	Kerr	Schoeppel
Ellender	Kuchel	Scott
Engle	Langer	Smith
Ervin	Lausche	Sparkman
Fong	Long, La.	Stennis
Fulbright	McCarthy	Symington
Goldwater	McClellan	Talmadge
Gore	McNamara	Thurmond
Green	Magnuson	Wiley
Gruening	Mansfield	Williams, N.J.
Hart	Martin	Williams, Del.
Hartke	Morse	Yarborough
Hayden	Morton	Young, N. Dak.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New York [Mr. JAVITS] are detained on official business.

The PRESIDENT pro tempore. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 510) amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2539. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes;

H.R. 968. An act to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon;

H.R. 2717. An act for the relief of Eber Bros. Wine & Liquor Corp.;

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn;

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure of $3,000; and

H.R. 6118. An act to amend section 6 of the act of September 11, 1959.

TEMOPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1960

Mr. HAYDEN. Mr. President, I ask that the Presiding Officer lay before the Senate a joint resolution just received from the House of Representatives.

The President pro tempore laid before the Senate the joint resolution (H.J. Res. 510) amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes, which was read twice by its title.

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the immediate consideration of House Joint Resolution 510.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the motion of the Senator from Arizona [Mr. HAYDEN].

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. HAYDEN. Mr. President, the effect of the House joint resolution is to continue for the month of September the same provisions with respect to the payment of salaries and so forth, as was provided for the present month of August.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. Mr. President, I understand this is the customary resolution, in instances where we have failed to complete action on an appropriation bill, when personnel matters and other matters cannot be properly attended to, and the personnel cannot be paid in the absence of passage of the resolution.

Mr. HAYDEN. That is correct.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. RUSSELL. What effect does the continuing resolution have on civil works projects which have been carried over from the first of July, where the projects have been funded only to the first of July?

Mr. HAYDEN. The resolution says:

> The amounts appropriated by section 2 of Public Law 86–118 are hereby increased as follows: Mutual security programs from "$300,000,000" to "$430,000,000."

The original public law we passed provided for one-twelfth of the amount of money available in the previous fiscal year to be available each month. The departments will have one-twelfth of what they had last year, for expenditure in the month of September.

Mr. RUSSELL. There would be no question about carrying on the projects already authorized or commenced, but it would be impossible for a new project to be started?

Mr. HAYDEN. That is correct.

Mr. RUSSELL. All the appropriation bills have been passed, I believe, except those for military construction and for mutual security?

Mr. HAYDEN. That is correct.

Mr. RUSSELL. All the others have been properly funded?

Mr. HAYDEN. All other bills have been passed.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 510) was ordered to a third reading, read the third time, and passed.

CURTAILMENT OF RAILROAD PASSENGER SERVICE IN WISCONSIN—JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. WILEY. Mr. President, my colleagues will recall that the last Congress enacted legislation, the Transportation Act of 1958, to ease some of the problems confronting the railroads of the Nation.

The legislation provided, among other things, an easing of the machinery by which railroads could discontinue service if it were felt such service could not be performed on an economically sound basis.

During the first year of operation under this law, there have been a substantial number of discontinuances of service by the railroads in Wisconsin and throughout the country. In fact, the scope of such actions now requires that Congress take a second look at this situation.

As you know, there is a bill, S. 1331, pending before the Senate Interstate and Foreign Commerce Committee. A subcommittee of the full committee is in the process of taking action on the measure. Hearings have already been held. The purpose of the bill is to provide for a somewhat more thorough airing of evidence in cases of proposed abandonment prior to discontinuance of service. Unfortunately, there have been several abandonments of service to communities in Wisconsin, thus causing serious problems in some instances for expanding communities. Since 1950, more than 70 passenger trains have been discontinued. In addition, there are now pending applications to suspend operations of 12 more passenger trains serving our Badger communities.

We recognize, of course, that it is necessary to weigh all factors in such cases, including the economic situation. However, it is also important to take into account the impact that discontinuance of such public service can have on communities.

Recently, I received from Senate Chief Clerk Lawrence R. Larson, Wisconsin Legislature, a copy of a joint resolution—No. 83—memorializing Congress to study the effects of severe curtailment of railway passenger service. To give my colleagues the benefit of this joint resolution, I request unanimous consent to have it printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interstate and Foreign Commerce, as follows:

SENATE JOINT RESOLUTION 83

Joint resolution memorializing Congress to study the severe curtailment of railroad passenger service in Wisconsin

Whereas public transportation is vital to the social and political life of a nation and public welfare demands the utmost practical development of every form of transportation and the best possible service; and

Where World War II amply demonstrated that the transportation problem is one of deficiency and not of excess and that the development of transportation must keep pace with the expansion of the Nation's economy; and

Whereas modern transportation must reach all sections of our State and Nation, without discrimination, if our greatness is to be preserved; and

Whereas it is noted with grave concern by the members of the Wisconsin Legislature that while other forms of transportation are rapidly expanding and modernizing their facilities, the passenger service of the railroads operating in the State of Wisconsin and, to a great extent, across the Nation, has been steadily curtailed by the discontinuance of substantial numbers of trains, inadequate service by remaining passenger facilities, and a gradual withdrawing of related services to a point where this process critically affects the economic, social and political existence of our State and the Nation as a whole; and

Whereas since 1950 more than 70 passenger trains have been discontinued in the State of Wisconsin and there are pending applications to suspend operation of 12 more passenger trains serving Wisconsin communities which, if granted, will leave many more Wisconsin areas stranded without rail passenger service; and

Whereas if such trend continues unabated across the country, this Nation in time of national emergency will not be able to cope with sudden demands upon its transportation system: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin respectfully memorializes Congress to recognize the gravity of this transportation crisis by instituting a comprehensive study and investigation of the lamentable state of conditions of railroad passenger service in Wisconsin with an eye to solution of this problem; and be it further

Resolved, That special attention should be paid to those areas wherein abandonment or pending abandonment of railroad passenger service jeopardizes the welfare of the people of our State; and, be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the presiding officers of the U.S. Senate and House of Representatives, to each Member of Congress from Wisconsin and to the Chairman of the Interstate Commerce Commission.

PHILIP ASH,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Assembly.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. 1502. A bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system (Rept. No. 837).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1822. A bill for the relief of Hirsh Marinski (Rept. No. 840);

S. 2129. A bill for the relief of Mileva Lovric (Rept. No. 841);

S. 2319. A bill for the relief of Sergiusz Rudczenko (Rept. No. 842);

S. 2347. A bill to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution (Rept. No. 843);

H.R. 1665. An act for the relief of Mrs. Vassiliki P. Theodorou (Rept. No. 846);

H.R. 2946. An act for the relief of Cecil E. Finley (Rept. No. 847);

H.R. 2978. An act to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants (Rept. No. 848);

H.R. 3801. An act for the relief of Harry and Lily Stopnitsky (Rept. No. 849);

H.R. 3816. An act for the relief of Mukhtar Mohammed (Rept. No. 850);

H.R. 4134. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska (Rept. No. 851);

H.R. 5873. An act for the relief of Clara H. Hall (Rept. No. 852); and

H.R. 7745. An act for the relief of Mrs. Willie Soher (Rept. No. 853).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1696. A bill for the relief of Wong Sue Chee (Rept. No. 839);

S. 2321. A bill for the relief of Bernardine Lovse (Nadica Lovse) (Rept. No. 844); and

H.R. 8277. An act for the relief of Harold William Abbott and others (Rept. No. 854).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 231. A bill for the relief of Richard Peter Gustav Bredee and George Edward Bredee (Rept. No. 845).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the executive department, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

John A. McCone, of California, to be the representative to the third session of the General Conference of the International Atomic Energy Agency; and

Paul F. Foster, of Maryland, to be alternate representative to the third session of the General Conference of the International Atomic Energy Agency.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HICKENLOOPER:

S. 2619. A bill for the relief of Maria Critelli Ventura; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 2620. A bill for the relief of Leonard Mitchell; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 2621. A bill to provide for the establishment of a Commission on Problems of Small Towns; to the Committee on Government Operations.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 2622. A bill for the relief of Gerda Bleisch and her minor child Billy Ray Arnett; to the Committee on the Judiciary.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 2623. A bill relating to emergency relief, and amending sections 120 and 125 of title 23, United States Code; to the Committee on Public Works.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. COTTON, and Mr. KEATING):

S. 2624. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes"; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under separate heading.)

By Mr. JACKSON:

S. 2625. A bill to amend the War Claims Act of 1948 to provide for the payment of benefits under such Act to certain citizens and permanent residents of the United States; to the Committee on the Judiciary.

By Mr. LAUSCHE:

S. 2626. A bill for the relief of Zlata Dumlijan and Djuro (George) Kasner; to the Committee on the Judiciary.

KRAEMER MILLS, INC.—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. HART. Mr. President, from the Committee on the Judiciary, I report an original resolution referring S. 2496 to the Court of Claims, and I submit a report (No. 838) thereon.

The PRESIDING OFFICER. The report will be received and the resolution will be placed on the calendar.

The resolution (S. Res. 182) was placed on the calendar, as follows:

Resolved, That the bill (S. 2496) entitled "A bill for the relief of Kraemer Mills, Incorporated", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amounts, if any, legally or equitably due from the United States to the claimant.

PRINTING OF ADDITIONAL COPIES OF PARTS 3 AND 4 OF SECOND INTERIM REPORT OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN. Mr. President, I submit, for appropriate reference, the following resolutions:

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field three thousand three hundred additional copies of part 3 of the Second Interim Report made by that committee pursuant to Senate Resolution 44.

And—

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field three thousand three hundred additional copies of part 4 of the Second Interim Report made by that committee pursuant to Senate Resolution 44.

The Senate select committee is undertaking to wind up its business and make a final report next January. It has completed almost all of its hearings; but one of its final and most important duties is to write a report of its findings and conclusions.

The demands for the committee reports thus far published have been exceedingly heavy. Copies of the report have been requested by labor and management, both on an individual and organizational basis, as well as the public, the press, libraries, law-enforcement agencies, and State and local authorities.

Because of the widespread interest in the committee's work, I am, therefore, requesting that the Senate authorize the publication of 3,300 additional copies of part 3 and 3,300 copies of part 4 of the Second Interim Report of the committee.

The PRESIDING OFFICER. The resolutions will be received and appropriately referred.

The resolutions, submitted by Mr. McCLELLAN, were received and referred to the Committee on Rules and Administration, as follows:

SENATE RESOLUTION 183

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field three thousand three hundred additional copies of part 3 of the Second Interim Report made by that committee pursuant to Senate Resolution 44.

SENATE RESOLUTION 184

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field three thousand three hundred additional copies of part 4 of the Second Interim Report made by that committee pursuant to Senate Resolution 44.

COMMISSION ON PROBLEMS OF SMALL TOWNS

Mr. MUNDT. Mr. President, I introduce for appropriate reference, a bill to provide for the establishment of a Hoover-type commission to study the problems of America's small towns.

Throughout history, Mr. President, the small towns of America—for the purposes of my bill I have arbitrarily designated as a small American town any community of 10,000 population or less—have contributed greatly to the growth progress and stability of our great country. Like all other segments of our economy, however—our urban centers, agriculture, labor, education, transportation, and the like—America's small towns have been confronted with new problems created by our changing times and the forward march of technical developments. Consequently, my bill proposes for the first time a nationwide down-to-earth study of what makes our small towns tick, and what is needed to insure the growth and stability of such communities.

The study and recommendations proposed by my bill, Mr. President, would help develop a clear pattern for all such communities in analyzing why some towns maintain a successful growth in today's circumstances while others tend to wither on the vine and die. This proposed commission can be helpful in developing recommendations which can be highly helpful in community planning for the future, and in exploring the impact and potentialities of governmental programs on the small towns of America, which form an important part of the lifeline of the economy not only in such States as South Dakota and other great commonwealths of the Midwest, but throughout America.

Mr. President, the self-contained, self-reliant, small towns of this country comprise a form of community living and economic opportunity almost unique in the world outside of English-speaking countries. Together they comprise great bastions to protect and perpetuate what we all acclaim and admire as our American way of life—economically, politically, and spiritually. Their problems deserve our attention and I express the hope my bill to deal with them will be approved.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2621) to provide for the establishment of a Commission on Problems of Small Towns, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF EMERGENCY FUND IN HIGHWAY ACT FOR DISASTERS

Mr. MURRAY. Mr. President, as the Members of the Senate know, Montana has been stricken by an earthquake which has done a tremendous amount of damage. Ever since that unfortunate event, the Montana congressional delegation has been exploring every possible way to bring real aid to our State. On August 22 and 23 a congressional delegation visited the area to see with their own eyes the damage done by this earthquake.

There has been major damage to highways in Montana and in Wyoming and most of these highways are of a type eligible for complete financing by the Federal Government. Montana 1, a forest highway, has had some $4 million worth of damage. Key roads in Yellowstone National Park from Canyon and Old Faithful to West Yellowstone have had about $1½ million worth of damage. Subsidiary forest development roads have had some $500,000 worth of damage done to them.

On Tuesday, August 25, I had a member of my staff consult with the Bureau of Public Roads to explore amending the emergency fund in the Highway Act to permit full restoration of roads, which are wholly a Federal responsibility, from the emergency disaster fund in the Highway Act. I am pleased to say that on Wednesday, August 26, the Bureau of Public Roads, supplied draft legislation along with a letter which I ask to have made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., August 26, 1959.

Hon. JAMES E. MURRAY,
U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: In accordance with the request of August 25 by Mr. Wolf of your office, we are glad to furnish the following information relative to the availability of Federal highway funds for the rehabilitation of the section of Montana State Route 1 affected by the recent earthquake in that area.

Montana State Route 1 is included in the Federal aid primary highway system and is eligible for improvement on its existing or a new location if requested by the State and matched in an appropriate amount by funds under the State's control and if approved by the Bureau of Public Roads. The current unobligated balance of Federal aid primary funds apportioned to the State of Montana as of July 31 is $4,722,179 of which $2,811,392 has not been programed for specific improvements. The matching ratio of Federal aid primary funds with State funds for Federal aid highway improvements in Montana, which is a public lands State, is on a basis of 56.49 percent Federal funds and 43.51 percent funds under the State's control.

The section of this route extending through the Gallatin National Forest is also included on the forest highway system which establishes the eligibility of that section for improvement with forest highway funds. Projects to be included in the forest highway construction program are agreed upon jointly by the State highway department, the regional forester, and the division engineer of the Bureau of Public Roads, and are approved by the Federal Highway Administrator and Chief of Forest Service. The current balance of unobligated forest highway funds for the State of Montana is $3,032,922 of which $147,872 have not been programed for any specific projects.

Title 23, United States Code, section 125 provides for the conditions under which emergency funds authorized by the Congress may be expended for the repair or reconstruction of highways and bridges on the Federal aid highway systems which have suffered serious damage as a result of disaster over a wide area. Under the provisions of this section no funds may be expended with respect to any such catastrophe in any State unless an emergency has been declared by the Governor of such State and concurred in by the Secretary of Commerce. As provided under section 120(f) of this legislation, the Federal share payable on account of any repair or reconstruction with such funds shall not exceed 50 percent of the cost.

All of the regular Federal aid funds available to Montana for expenditure upon forest highways without State matching funds as provided in the last sentence of section 3(a) of the Federal Aid Act of 1958, have been obligated.

We appreciate the situation resulting from the recent earthquake and wish to assure you of the cooperation of this Bureau with the States affected in the reconstruction of the highways affected by this catastrophe to the extent feasible under the existing highway legislation.

Sincerely yours,

F. C. TURNER,
Deputy Commissioner.

Mr. MURRAY. Mr. President, my colleague, the junior Senator from Montana [Mr. MANSFIELD] and I immediately consulted with the Senator from New Mexico [Mr. CHAVEZ] chairman of the Public Works Committee. He, in turn, offered his cooperation and I ask unanimous consent that his letter of August 27 be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
August 27, 1959.

Hon. JAMES E. MURRAY,
U.S. Senate,
Washington, D.C.

DEAR JIM: I have gone over the draft of the amendment of the Highway Act to permit 100 percent financing of Federal roads destroyed by disasters, prepared at your request by the Bureau of Public Roads.

To answer your question on expediting legislation, it can be best taken up when the highway bill comes to the Senate. I would prefer at least waiting to call a hearing until after the meeting you plan with Mr. Tallamy on August 31 so that all of us will have the benefit of his thinking. In addition, a little more time would afford your Governor and other Governors a chance to express their views on the solution proposed by your delegation.

If it is agreeable with you and Senator MANSFIELD, we can take the problem up in committee with the highway bill. Should we not have a highway bill in committee, we can have a special meeting or you can bring the amendment up on the floor.

Personally, I am much impressed with your suggestion for amending the highway disaster emergency fund. I regret the earthquake tragedy that befell Montana and will cooperate in every possible way to help.

Sincerely,

DENNIS CHAVEZ,
Chairman.

Mr. MURRAY. Mr. President, today the Montana delegation met with Federal Highway Administrator Bertram Tallamy and his Deputy Commissioner Francis Turner to discuss ways and means of helping restore the transportation network in southwestern Montana.

As matters now stand, the highway emergency disaster fund supplies 50 percent of the money required to restore Federal aid highways. It does not provide a means for restoring Federal roads in national parks, for forest highways which are wholly within national forests and constructed entirely with Federal funds or for roads on Indian reservations which are a Federal responsibility. The bill I am now introducing along with my colleague [Mr. MANSFIELD] will correct this oversight in the Highway Act.

I realize that there are many complex problems before us on the question of highway financing but it is my hope that in taking care of the large emergency we face in the highway program, the Congress will also be able to adopt the legislation proposed by the Montana delegation to meet the disaster which now exists in Montana. This bill is general and is not directed solely toward solving Montana's problem. We believe that the experience we have had serves as a clear example of the need to revise the law. I have had wonderful cooperation from the chairman of the Public Works Committee. I ask unanimous consent that a telegram which the senior Senator from New Mexico [Mr. CHAVEZ] sent to the western Governors be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AUGUST 31, 1959.

Hon. WILLIAM A. EGAN,
Governor, Juneau, Alaska:

Airmailing you draft of proposed amendment to Highway Act originated by Senators MURRAY and MANSFIELD and Congressmen METCALF and ANDERSON presented to me on August 27 to cope with highway emergency caused by earthquake in Montana.

Decisive to consider amending emergency fund sections 120 and 125 highway act when highway bill is before Senate. Act does not now cover wholly Federal roads in national parks, national forests, Indian reservations.

Would like your views as soon as possible keeping in mind whether this would be helpful to your State if a disaster destroyed sizable amount of Federal forest, park, or Indian roads.

DENNIS CHAVEZ,
Chairman, Senate Public Works Committee.

(Same wire to Hon. Paul Fannin, Governor, Phoenix, Ariz.; Hon. Orville L. Freeman, Governor, St. Paul, Minn.; Hon. John Burroughs, Governor, Santa Fe, N. Mex.; Hon. Edmund G. (Pat) Brown, Governor, Sacramento, Calif.; Hon. J. Hugh Aronson, Governor, Helena, Mont.; Hon. John E. Davis, Governor, Bismarck, N. Dak.; Hon. Stephen L. R. McNichols, Governor, Denver, Colo.; Hon. Grant Sawyer, Governor, Carson, City Nev.; Hon. J. Howard Edmondson, Governor, Oklahoma City, Okla.; Hon. Mark O. Hatfield, Governor, Salem, Oreg.; Hon. Albert D. Rosellini, Governor, Olympia, Wash.; Hon. Ralph Herseth, Governor, Pierce, S. Dak.; Hon. J. J. (Joe) Hickey, Governor, Cheyenne, Wyo.; Hon. George Dewey Clyde, Governor, Salt Lake City, Utah.)

Mr. MURRAY. Mr. President, I send the bill to the desk, and ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2623) relating to emergency relief, and amending sections 120 and 125 of title 23, United States Code, introduced by Mr. MURRAY (for himself and Mr. MANSFIELD), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 125 of title 23, United States Code, is amended to read as follows:

"§ 125. Emergency relief

"(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120, for the repair or reconstruction of highways, roads and trails which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophies in any part of the United States. The appropriation of such moneys, not to exceed $30 million, as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized. Pending such appropriation or replenishment the Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.

"(b) The Secretary may expend funds from the emergency fund herein authorized for the repair or reconstruction of highways on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter. Except as to highways, roads and trails mentioned in subsection (c) of this section, no funds shall be so expended unless the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary.

"(c) The Secretary may expend funds from the emergency fund herein authorized, either independently or in cooperation with any other branch of the Government, State agency, organization or person, for the repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, whether or not such highways, roads or trails are on any of the Federal-aid highway systems."

SEC. 2. Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof, except that the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, may amount to 100 per centum of the cost thereof, whether or not such highways, roads or trails are on any Federal-aid highway system."

Mr. MANSFIELD. Mr. President, it is with pleasure that I join with my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], in the introduction of proposed legislation which will provide that road disaster funds can be applied on a 100-percent basis to forest, park, and Indian roads. The enactment of this proposed legislation we feel will expedite the improvement and repair of road and highway damage in southwestern Montana and Yellowstone National Park.

On the morning of August 18, I arose to learn the tragic news of the earthquake which raised such havoc in my State. I immediately made several telephone calls to the State, making in-

quiries as to the earthquake damage, and offered the assistance of the Montana delegation in any area we might have been of some help. As soon as the preliminary reports were received on the disaster, it was apparent that one of the major aftermaths of this upheaval would be the repair and reconstruction of roads and highways.

The Montana delegation immediately made contact with the Bureau of Public Roads here in Washington to see what could be done in the way of providing emergency funds for this necessary and immediate road construction.

We were informed that the Highway Act creates an emergency relief revolving fund of $30 million for reconstructing roads destroyed by catastrophes, including earthquakes. These emergency funds are restricted to Federal-aid roads, excluding park roads, forest roads, and trails.

This money is available on a 50–50 sharing basis. This program goes into operation when an emergency is declared by the State Governor, and the Secretary of Commerce agrees.

The unfortunate part about this is that this 50–50 emergency money applies to forest, park, and Indian roads which were originally constructed by 100-percent Federal funds. Highway No. 1 in Montana, and the other roads that are in need of extensive repair are all forest highways or park roads and trails. As I have just stated, they were all originally constructed with 100-percent Federal funds.

It appears to me that it is only reasonable that any repairs should be made on a 100-percent Federal basis. After all, the Federal Government is a self-insurer. I feel that perhaps this was an oversight when the original law was enacted.

The bill my colleague [Mr. MURRAY] and I, and our colleagues in the House, LEE METCALF and LEROY ANDERSON, seek to have enacted would rectify this inequity in the present law. The interested agencies will then be able to go into Montana and immediately undertake a reconstruction and repair of these necessary roads and highways out of this emergency funds. I do hope that the Senate can act on this matter expeditiously. It is vital to the restoration of normal operations in Montana and Yellowstone National Park.

TAXATION ON INTERSTATE SHIPMENTS OF CIGARS

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from New Hampshire [Mr. COTTON], and my colleague, the junior Senator from New York [Mr. KEATING], I introduce for appropriate reference a bill dealing with the extension of the Jenkins Act, a law which itself deals with the inhibition upon the interstate shipment of cigars, where such interstate shipment vitiates the State tax laws on cigarettes, extending them to cigars.

New York State now imposes a tax on cigars. It is trying to pay its way in times which are very difficult for all States.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a list of States which are in the same situation. We are trying to extend the law which already applies to cigarettes so that it will include cigars, in order to protect the States in their taxing power. The bill will cost the Federal Government nothing; in fact, will help the Federal Government, because if the States can maintain their own services, there will be less of a call by them for Federal help.

Mr. President, I also ask unanimous consent that a statement explaining the purpose of the bill, together with the text of the bill itself, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the list of States, statement, and bill will be printed in the RECORD.

The bill (S. 2624) to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes," introduced by Mr. JAVITS (for himself, Mr. COTTON, and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Finance.

The list of States, statement, and bill are as follows:

LIST OF STATES IMPOSING CIGAR TAXES

Alabama, Arizona, Georgia, Louisiana, Minnesota, Mississippi, New Hampshire, New York, Oklahoma, South Carolina, Tennessee, Vermont, and Washington.

MEMORANDUM TO ACCOMPANY PROPOSED BILL TO EXTEND COVERAGE OF JENKINS ACT (15 U.S.C., SEC. 375 FF.) TO INTERSTATE SHIPMENTS OF CIGARS

During legislative sessions in 1959, New York and several other States imposed a tax on cigars for the first time. At the time the imposition of tax was under consideration the tobacco industry brought to the attention of authorities in New York the fact that there already existed a considerable interstate traffic in cigars. It was argued, with much force, that the imposition of a 15-percent tax by New York, when many other States either imposed no tax or imposed a lesser rate of tax, would result in an increase in the flow of cigars into New York from other jurisdictions.

The same situation existed, and continues to exist to some extent, with respect to cigarettes when cigarette taxes were first imposed by the States. The differential in tax per unit which exists from State to State led to a considerable mail-order business in cigarettes. Federal legislation, commonly known as the Jenkins Act, was passed to overcome problems created by this interstate traffic. The problems are identical with respect to cigars, and consequently this amendment is urged.

As in the case of cigarettes, the requirement of notification of the State fiscal authority in the State to which the product is shipped accomplishes two main purposes. First, a factor of unreal competition based on the tax differential is eliminated if the same tax must be paid on products shipped into the State as is paid on products passing to the consumer from a retail outlet located within the State. Secondly, the State imposing the tax minimizes its loss of revenue through the collection of tax on all products shipped into a State for ultimate consumption therein.

The ease and simplicity of evading the tax on cigars through mail order and other purchases from outlets located in sister States, must be self evident. Furthermore, the consumer has more economic incentive to order from a low-tax or no-tax area because of the relatively higher price per unit than in the case of cigarettes. For example, on a box of 50 25-cent cigars, a purchaser in New York could save roughly $1.87, less postage, by having cigars shipped to him from a no-tax State.

This measure will have no fiscal effect on the Federal Government. It merely seeks to protect State revenues and, at the same time, eliminate an artificial competitive disadvantage that may be suffered by the cigar industry in New York and other States imposing taxes on cigars.

An Act to amend the Act of October 19, 1949, entitled "An Act to assist States in collecting sales and use taxes on cigarettes"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the title of the Act of October 19, 1949, entitled "An Act to assist States in collecting sales and use taxes on cigarettes", is hereby amended to read as follows: "An Act to assist States in collecting sales and use taxes on cigars and cigarettes".

SEC. 2. Such Act, as amended (15 U.S.C., secs. 375–377), is hereby amended to read as follows: "That for the purposes of this Act—

"(1) The term 'person' includes corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals.

"(2) The term 'cigar' means any roll for smoking, other than a cigarette, made in whole or in part of tobacco.

"(3) The term 'cigarette' means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

"(4) The term 'distributor licensed by or located in such State' means—

"(A) in the case of any State which by State statute or regulation authorizes the distribution of cigars or cigarettes at wholesale or retail, any person so authorized, or

"(B) in the case of any other State, any person located in such State who distributes cigars or cigarettes at wholesale or retail; but such term in no case includes a person who acquires cigars or cigarettes for purposes other than resale.

"(5) The term 'use', in addition to its ordinary meaning, means the consumption, storage, handling, or disposal of cigars or cigarettes.

"(6) The term 'tobacco tax administrator' means the State official duly authorized to administer the cigar or cigarette tax law of a State.

"(7) The term 'State' includes the District of Columbia, Hawaii, and the Commonwealth of Puerto Rico.

"(8) The term 'transfers for profit' means any transfer for profit or other disposition for profit, including any transfer or disposition by an agent to his principal in connection with which the agent receives anything of value.

"SEC. 2. (a) Any person who sells or transfers for profit cigars or cigarettes in interstate commerce, whereby such cigars or cigarettes are shipped into a State taxing the sale or use of cigars or cigarettes, to other than a distributor licensed by or located in such State, or who advertises or offers cigars or cigarettes for such a sale or transfer and shipment, shall—

"(1) first file with the tobacco tax administrator of the State into which such shipment is made or in which such advertisement or offer is disseminated a statement

setting forth his name and trade name (if any), and the address of his principal place of business and of any other place of business; and

"(2) not later than the 10th day of each calendar month, file with the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every shipment of cigars or cigarettes made during the previous calendar month into such State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

"(b) The fact that any person ships or delivers for shipment any cigars or cigarettes shall, if such shipment is into a State in which such person has filed a statement with the tobacco tax administrator under subsection (a)(1) of this section, be presumptive evidence (1) that such cigars or cigarettes were sold, or transferred for profit, by such person, and (2) that such sale or transfer was to other than a distributor licensed by or located in such State.

"SEC. 3. Whoever violates any provision of this Act shall be guilty of a misdemeanor and shall be fined not more than $1,000, or imprisoned not more than 6 months, or both.

"SEC. 4. The United States district courts shall have jurisdiction to prevent and restrain violations of this Act."

DIVERSION OF WATER FROM LAKE MICHIGAN AT CHICAGO—AMENDMENTS

Mr. McNAMARA. Mr. President, I submit an amendment, in the nature of a substitute, intended to be proposed by me, to the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, when the bill is again before the Senate.

In brief, H.R.1 would authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, to divert from Lake Michigan, for the purpose of a study of the effect of such an increased diversion and for other purposes, an additional 1,000 cubic feet per second over and above the 1,500 cubic feet per second now permitted by the 1930 decree of the Supreme Court for navigation and the 1,800 cubic feet per second now authorized for domestic usages.

I have no objection to any study of pollution, sewage disposal, efficient methods of sewage disposal and related subjects by any Federal or State agency anywhere, but we do not need an additional diversion of waters out of Lake Michigan for such a study. We have recently been so informed by the Public Health Service of the Department of Health, Education, and Welfare.

So I submit an amendment, in the nature of a substitute, to H.R. 1, which, while it would authorize a study, would not authorize any additional diversion.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to House bill 1, supra, which was ordered to lie on the table and to be printed.

WITHDRAWAL OF RESERVATIONS FROM PUBLIC LANDS—ADDITIONAL TIME FOR BILL TO LIE ON THE DESK

Mr. GRUENING. Mr. President, on Monday, August 24, my colleague, the senior Senator from Alaska [Mr. BARTLETT], on behalf of both of us introduced a bill (S. 2587), which would require approval by Congress of any public land withdrawals or reservations in excess of 5,000 acres, and so forth. The bill was ordered to lie on the table until the end of business on August 31, so that other Members who desired to do so might cosponsor this proposed legislation.

I ask unanimous consent that the bill continue to lie on the table until the close of business this Friday, September 4, 1959, and that the bill be printed in full in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, the bill will lie on the desk, and be printed in the RECORD, as requested by the Senator from Alaska.

The bill (S. 2587) is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Land Withdrawals Act Amendments of 1959."

SEC. 2. The first section of the Act entitled "An Act to provide that withdrawals, reservations, or restrictions of more than five thousand acres of public lands of the United States for certain purposes shall not become effective until approved by Act of Congress, and for other purposes", approved February 28, 1958 (72 Stat. 27), is amended by striking out "the Department of Defense for defense purposes" and inserting in lieu thereof "any department or agency of the Government".

SEC. 3. Section 2 of such Act of February 28, 1958, is amended to read as follows:

"SEC. 2. No public land, water, or land and water area shall, except by Act of Congress, hereafter be (1) withdrawn from settlement, location, sale, or entry for the use of any department or agency of the Government; (2) reserved for such use; or (3) restricted from operation of the mineral leasing provisions of the Outer Continental Shelf Lands Act (67 Stat. 462), if such withdrawal, reservation, or restriction would result in the withdrawal, reservation, or restriction of more than five thousand acres in the aggregate for any one project or facility of such department or agency since—

"(a) the date of enactment of this Act with respect to any defense project or facility of the Department of Defense,

"(b) the date of enactment of the Public Land Withdrawals Act Amendments of 1959 with respect to any other project or facility, or

"(c) the last previous Act of Congress which withdrew, reserved, or restricted public land, water, or land and water area for such project or facility, whichever is later."

COMMENDATION OF NATIONAL JAYCEE COMMUNITY DEVELOPMENT PROGRAM—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HARTKE. Mr. President, I ask unanimous consent that the name of the junior Senator from Washington [Mr. JACKSON] may be added as an additional cosponsor of the resolution (S. Res. 173) commending the National Jaycee community development program, submitted by me on August 24, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAN-PACIFIC EXPOSITION—ADDITIONAL SIGNER OF CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, on Saturday the conference report on the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, was adopted by the Senate. At that time the name of the Representative from Pennsylvania, Mr. FULTON, was not on the report, though he had indicated he was in favor of it. It is my understanding that his name is now available, and I ask that his name be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DOUGLAS:

Article entitled "Plan for Shore Line Parks," written by Senator RICHARD L. NEUBERGER and published in the New York Times of August 30, 1959.

NOTICE OF HEARING ON NOMINATION OF GIRARD E. KALBFLEISCH, TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF OHIO

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, September 9, 1959, at 2:30 p.m., in room 2228, New Senate Office Building, on the nomination of Girard E. Kalbfleisch, of Ohio, to be U.S. district judge, northern district of Ohio, vice Paul C. Weick, elevated.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATIONS OF CHARLES M. MERRILL, TO BE U.S. CIRCUIT JUDGE, NINTH CIRCUIT, AND JOHN O. HENDERSON, TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, September 8, 1959, at 2:30 p.m., in room

2228, New Senate Office Building, on the following nominations:

Charles M. Merrill, of Nevada, to be U.S. circuit judge, ninth circuit, vice William Healy, retired.

John O. Henderson, of New York, to be U.S. district judge, western district of New York, vice Justin C. Morgan, deceased.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NEW YORK NEGROES SEND CHILDREN TO SCHOOL IN SOUTH

Mr. THURMOND. Mr. President, a very informative and enlightening article was published on the front page of the New York Times of Sunday, August 30, 1959, entitled "Some Negroes Here Send Their Children to School in South." The article states, in essence, that even the Negroes in New York City are becoming grossly dissatisfied with racial tensions, street crimes, and juvenile delinquency—all of which are being fostered by forced integration of the races—and that they prefer to send their children to school in the South, where orderly segregation is maintained by law, custom, and the overwhelming sentiment of the people. They realize that there is more to be gained by their children in a segregated school system where segregation is honest and aboveboard, where there are no racial tensions in the schools, and where crime and juvenile delinquency in the schools are at a bare minimum. Senators will recall, Mr. President, that it has been found necessary in schools of New York to call out police to patrol the corridors.

Mr. President, I commend these Negro parents for being concerned about the atmosphere in which their children are required to try to learn and obtain an education. The books are difficult enough themselves, Mr. President, without students having to fight racial tensions, school hall crimes, and juvenile delinquency.

I also commend the editors of the New York Times for presenting the facts to their readers. Only last week I brought to the attention of the Senate an outstanding editorial which the Times published on the necessity of getting the word to city hall to clean up the mess in New York City. That editorial had to do with racial tensions, crime, and juvenile delinquency in general. This article, however, has to do specifically with integration of the races in the public schools of New York City, and it pinpoints the heart of the whole trouble in New York—the attempt to force different racial groups together into an amalgamated society in every social endeavor in derogation of the wishes of the people. If the people of New York, with their relatively low ratio of Negro population to white population, find it so difficult to operate their schools and to maintain law and order, I cannot fathom how their political leaders can expect the people of the South to bow to their political demands that they accept an even more mammoth mess than their own people are willing to stomach.

I ask unanimous consent, Mr. President, to have printed in the body of the RECORD at this point in my remarks this article from the New York Times, together with another article, from the Washington Post and Times Herald of Monday, August 31, 1959, entitled "Two Slain as Youth Feuds Continue in Manhattan."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug 30, 1959]

SOME NEGROES HERE SEND THEIR CHILDREN TO SCHOOL IN SOUTH

Some Negro families in New York are sending their children to segregated schools in the South because of dissatisfaction with school conditions in the city.

Apparently a much larger number are sending their children to parochial and other private schools.

And still others are registering their children from false addresses in order to get them into better public schools in New York.

Negro leaders here disagree on how many children are leaving the city to attend southern schools. One estimate there are 2,000. Another says he would be astonished if there were 50. But dozens can be identified by name and address.

COMPLAIN OF OVERCROWDING

Most of the parents complain of overcrowding in what they say are neighborhood schools that are segregated in fact. They say these schools operate on split sessions and do not give full educational opportunities to their children.

They worry also over potential associations with delinquents that might affect their children.

Another reason for sending children south to school was given by the Reverend George E. Calvert, minister of the Church of the Son of Man, 227 East 104th Street.

He said these families found it "simpler to educate children in the old culture than to make the new, confusing city culture relevant to the lives of their children."

However, more often Negro parents are turning to parochial or private schools, which already teach 30 percent of the city's school children.

A Brooklyn official of the National Association for the Advancement of Colored People says more than 25 parents who worked with her last year to improve public schools are shifting their children to parochial schools this year.

Campaigns by Negro leaders for changes within the public schools are being stepped up this fall. The New York branch of the NAACP plans to submit to the board of education the names of 1,100 pupils in Manhattan and 500 in the Bronx who should and want to be transferred from overcrowded schools to schools in other districts.

Another technique is the illicit one of registering children from false addresses in preferred districts.

Despite these shifts, Negro public school enrollment may hold its own or edge up as the Negro population increases. Last fall, the public schools had 184,985 nonwhites among their 967,865 pupils, or 19 percent, against 172,957 or 20 percent the year before.

MONEY A FACTOR

Economic circumstances compel the overwhelming bulk of the city's Negro children to keep attending public schools. There were 197,584 nonwhite children here 5 through 16 years old in the special census of April 1957.

The 172,957 nonwhites attending public schools here that fall were 87 percent of this total.

Nevertheless, there are cases like that of William Hicks, 12 years old, of 546 Macon Street, in the Bedford-Stuyvesant section of Brooklyn. For the second consecutive year, he has started off to school in Bedford, Va.

His father, Samuel Hicks, a taxi driver, and his mother, Bertha, a children's nurse, said William had been on split sessions during his first four grades at Public School 70. The old brick structure at Macon Street and Patchen Avenue dates from 1887.

The Hickses' protests to school authorities got William put on full time only after his first 2 months in the fifth grade. They said he had had five teachers in 1 year.

His father worried about William's friends. "Some children are easily persuaded," the father said. "The child was being persuaded too much for his own good by some children we didn't like for him to associate with."

BEATEN IN STREET

Then, there was another factor. William and his twin sister Juanita were walking home one Sunday night. Two boys—aged 14 and 11—stopped them, and wanted to know what school William went to. Then they beat him.

The Hickses came here from Virginia—the father in 1927, the mother in 1931—and still have relatives there. In 1952, when financially pressed, they sent their second oldest child, Maxine, now 19, to school for a year in Bedford. At the same time, the twins also stayed there with Mrs. Hicks' sister.

Last fall, the Hickses sent William to sixth grade in the elementary school in Bedford, even with the cost of boarding him with a teacher there and with the extra burden of buying $20 worth of books.

The Bedford schools are segregated, but Mr. Hicks said he was pleased by the progress that William had made in class and in conduct. The 5-foot, 112-pound youngster played quarterback on the football team there, but conceded he has found some of the going a bit hard in the segregated State.

RETURNING NEXT YEAR

Last Thursday, the Hickses sent William back to Bedford to junior high school. However, Mr. Hicks said that after this school year he planned to enroll William in the New York public schools again, where he considered the facilities better for vocational training. He hopes William will become a mechanic.

"We like New York," Mr. Hicks said. "I feel the teachers here are more highly qualified than some in the lower grade schools in Virginia. Here they have to be college trained. Even the old schools here have a decided advantage in buildings.

"But the Bedford school is a good school. It has a good playing area. The environment in a small town is more wholesome for a small child."

The Reverend J. Archie Hargraves of the Congregational Church of the Nazarene, 506 McDonough Street, Brooklyn, says 10 of the 475 families in his congregation are sending children out of town this fall—7 of them to Virginia and North Carolina.

He knows of 20 other families that are sending their children out of town, and he guesses that from the Bedford-Stuyvesant area alone, with 300,000 population, perhaps 1,000 children are being sent out of the city for their education.

SLOW PROGRESS SEEN

"Basically," Mr. Hargraves said, "this is because of dissatisfaction that the children are not progressing rapidly in the schools here. Then there is a fear that they may get into trouble because they are not doing well in school. The families have ties in the

South. Perhaps they remember basic education in the South."

L. Joseph Overton, president of the New York branch of the NAACP, said sending children to schools out of town had always occurred. This was primarily when both parents were working and had relatives elsewhere to care for the children, he added.

Mr. Overton guesses there might be perhaps 2,000 such cases—500 or fewer from the Bronx, 600 from Brooklyn, and 1,000 from Manhattan.

But Roy Wilkins, national executive secretary of the NAACP, said he would be astonished if as many as 50 Negro children from New York were sent back south.

"It's the other way," Mr. Wilkins said. "Hundreds of southern children are sent up here. They live catch-as-catch-can here with relatives, to enjoy better education here."

FOUR CASES NOTED

Mrs. Florence Lucas, president of the Jamaica, Queens, branch of the NAACP, whose son has gone to a private school for the last 5 years, said she knew of only one child now and three in the past who had been sent to southern elementary and secondary schools. Two were girls whose parents thought they would be morally or socially better off; another was a boy whose parents had separated.

Mrs. Lucas depreciated southern schools, and said children from such schools had been one of the greatest drawbacks to schools here.

Roman Catholic and Negro leaders agree that more Negro children are transferring to parochial schools here. While no figures are kept by race, Msgr. John Paul Haverty, superintendent of schools for the Archdiocese of New York, noted that Manhattan enrollments in parochial elementary schools had increased from 38,000 to 43,000 since 1950.

The borough's white population has decreased during the same period. Msgr. Haverty said Harlem parochial schools had more than 10,000 pupils.

City Councilman Earl Brown and Hubert T. Dalany, chairman of the intergroup committee on public schools, noted that the Roman Catholic Church had increased efforts to convert Negroes.

REPUTATION CARRIES WEIGHT

Mr. Wilkins said he knew non-Catholic Negro parents who had sent their children to parochial schools here because of their reputation for good education, discipline, and personal attention.

Enrollment of all races in private and parochial elementary and secondary schools in the five boroughs this fall will reach 421,000, according to the State department of education. The public schools expect to take 979,000 pupils.

Among private schools, the Junior Academy, 404 Herkimer Street, Brooklyn, has had a 50-percent increase in students, to 160, in the last 5 years. Ninety percent are Negroes.

Families that withdraw children from the public schools come largely from the higher social and economic groups. Many had been active in parent associations and committees for improving their neighborhoods. But in interviews they said they had not been strong enough to better the public schools, and did not want to risk their children's education.

"I don't like progressive education, especially in a split session," Mrs. Margaret Graves, of 424 Macon Street, Brooklyn, said. "I want my child to learn the three R's and to associate with nice children. That is why I put him into a private school."

Mrs. Ollie Dent of 385 Stuyvesant Avenue, Brooklyn, complained of overcrowding in the public schools. A non-Catholic, she sends her children to a Catholic school.

YOUTH SENT TO FLORIDA

One father whose son has just graduated from a Pensacola, Fla., high school, said he had sent the youth there because New York City had "just too much juvenile delinquency and racial tension." He asserted, "New York City is not a place to bring Negro kids up."

The father had graduated from the Pensacola school. The son stayed with a grandmother while in Florida. The father planned to send a 15-year-old daughter to finish her schooling in Florida. An 8-year-old son now attending a Manhattan public school is to go south when he is older.

The Urban League of Greater New York had 25 to 30 calls daily last fall from mid-September to the end of October from Negro parents asking how to transfer children from overcrowded schools, according to Dr. Ofelia Mendoza, education director.

Dr. Mendoza said there was "a growing anxiety among parents having children in segregated schools." Many parents, she said, declared they would "prefer to sacrifice themselves and send their children to private schools because of the psychological damage they receive in segregated schools, plus the fact that they don't get proper preparation to go ahead in life."

Of all last fall's inquirers, Dr. Mendoza said only two parents decided to send their children south—both to relatives. Mr. Overton said that when the New York branch of the NAACP submitted its list of 1,600 would-be transfers to Dr. John J. Theobald, superintendent of schools, it would stress that "the main thing we're interested in right now is in having these kids receive a full day's education."

None of the parents interviewed thought there was discrimination on the part of the board of education here.

But their feelings were summed up by Mr. Hargraves, who said: "It just turns out that overcrowded neighborhoods are usually your racial ghettoes."

Mrs. Claire Cumberbatch, chairman of the education committee for the Brooklyn branch of the NAACP, led a fight last fall for 81 fourth-graders in Crown Heights seeking a transfer to better schools.

When the board of education finally agreed, she said, "60 had vanished." She said she believed most had effected their own transfers by falsifying addresses.

[From the Washington Post, Aug. 31, 1959]

TWO SLAIN AS YOUTH FEUDS CONTINUE IN MANHATTAN

NEW YORK, August 30.—A group of boys who shouted "We don't allow gringos near the park" stabbed two youths to death and injured three others early today at a playground in the old Hell's Kitchen area.

One of the victims described the attackers as 6 to 10 Puerto Rican youths. "Gringo" is a word of contempt sometimes used by Spanish-speaking peoples to describe North Americans.

Police working on the case said three suspects were picked up tonight and four others were being sought. None was identified.

Five boys and a girl, all white, were sitting on benches in the unlighted playground shortly after midnight when the other teenagers appeared, armed with knives and bottles.

A few moments later two 16-year-old boys were dead. Witnesses told of seeing some youths flee from the park and jump into a taxicab following the attack.

One of the survivors, 16-year-old Harold Luken, whose sister, Sandy, 14, was present, said the gang of boys approached his group and asked him if he had seen "Frenchie," a youth who works in a gas station. Luken said "No."

"Then they walked away and started talking," Luken went on. "When I got up to leave they came back and told me I ain't leaving.

"Then they jumped on us. I got hit on the head with a bottle and ran home. They didn't hurt Sandy, they let her out."

Dead with stab wounds were Robert Young and Anthony Krzesinki, both 16. Ewald Riemer, 18, was taken to a hospital with a stab wound in the abdomen.

The deaths brought to four the number of teenagers slain by gang violence in the past 8 days. Last Sunday a 15-year-old Negro girl was shot to death and a 14-year-old boy was fatally stabbed.

SHEEP AND WOOL REFERENDUM VOTE

Mr. MUNDT. Mr. President, I am very much distressed over the major crisis facing the sheep and wool industry as it votes in September on the market promotional section of the National Wool Act. The outcome of the vote has been thrown into the shadow of doubt by opposition of the American Farm Bureau, one of the Nation's leading farm organizations. The promotional program has the emphatic approval of all sheep grower organizations.

During September, the sheep and wool industry will vote in a national referendum whether to renew the agreement between the Secretary of Agriculture and the American Sheep Producers Council provided for in section 708 of the National Wool Act. This section provides for the deduction of 5 cents per head of lambs and 1 cent per pound on wool for the promotion, research, and educational program to encourage the use of wool and lamb. The vote is crucial because it requires the approval of every two out of three voters for success. The organized opposition of the American Farm Bureau places the outcome in doubt.

In a letter last week the presidents of the two major sheep and wool growers associations put Charles B. Shuman, president of the American Farm Bureau, on notice that that farm organization would be held responsible in the event of an unfavorable vote. Harold Josendal and Lester Stratton, presidents of the National Wool Grower Association and the National Lamb Feeders Association, said they would look to Shuman and his organization to provide the sheep producers with an alternative program.

If the AFBF cannot or will not provide an alternative, then it must be assumed that the AFBF desires to see synthetics and man-made fibers with their tremendous advertising resources take over the entire textile industry and subjugate wool and other natural fibers to a minor role in blends—

They said.

Last year the National Farm Bureau opposed my amendment to the Packers and Stockyards Act which I cosponsored and which would have allowed a meat promotional program for the cattle industry similar to this outstandingly successful plan in the sheep and wool industry. However, as the Sheep Industry Journal pointed out last week, the defeat of this program might well endanger the future of the other half of the National Wool Act—the incentive payments program. If the self-help provisions of the act are lost the future

of wool price support would be tremendously affected.

The American Farm Bureau Federation is a large and responsible farm organization which is highly respected. Its opposition to a successful sales-promotion program of the type which operated so constructively in the sheep and wool industry is disturbing and lamentable. To me, this program in reality exemplifies the concept of free-enterprise farming and self-help programs advocated generally by the bureau. Why should it oppose its extension at this time? Surely our sheepmen are entitled to some explanation and I dare to hope the AFBF may still revise its thinking on this measure and provide it with the support which it merits. Otherwise, what alternative does it recommend to this successful program?

Mr. President, I urge every eligible voter in the September referendum to register a resounding "yes," thereby insuring the broadening of the sheep and wool market, the improvement of distribution, the continued education of consumers toward lamb and the insurance of the future of the entire wool support program. I sincerely hope other groups and farm organizations will join in a campaign to get out a large affirmative vote. It means much to every sheep-producing State in America.

THE SITUATION IN THE MIDDLE EAST

Mr. FULBRIGHT. Mr. President, 1 year ago the Middle East was in crisis. A revolution in Iraq had brought down a pro-Western government and had started alarm bells ringing in the Western capitals. It placed in power a man about whom nothing was known, although it was suspected that he would not be able to resist demands of extremists ranged around him.

The revolution seemed capable of spreading.

American troops were sent to Lebanon, whose half-Christian, half-Moslem population bristled with passions that in the past produced holy wars.

In Jordan, British paratroopers were helping to defend what seemed an indefensible situation—the continued rule of King Hussein, a leader whose enemies appeared far more numerous and resourceful than his friends.

Many qualified observers of Middle East affairs believed the Western Powers were reaping the whirlwind of past mistakes and misjudgments. There was a serious question whether shattered Western influence and prestige could ever be regained.

Fortunately, there has been a tenuous stability in the Middle East during the past year. Along with that, the trend of events in the area offers a certain amount of cautious encouragement.

In Iraq, there is evidence that the new government had the support of a majority of the population in its recent efforts to cope with and, so far, even put to rout, the extremists and unruly elements that have intrigued for power. This has been done while correct relations with other nations have been maintained and commercial obligations have been honored.

In Lebanon, elements in open conflict during a good part of 1958 have joined in a coalition cabinet that gives promise of a capacity for effective government.

In Jordan, King Hussein has not, as predicted, met the same fate as befell his cousin, King Feisal of Iraq. Instead, he has liberalized his government somewhat, and appears to be stronger as a result. Moreover, the recent agreement to resume diplomatic relations between Jordan and the United Arab Republic suggests a normalization of relations between these two States which should help to soften one of the deepest hostilities in the Middle East.

With respect to the United Arab Republic, I find encouragement in our mutually improved understanding of each other. I have never concealed my belief that our past equivocal attitude toward Egypt and its present leader has been the source of much of our trouble in the Middle East. In the past year, we seem to have matured somewhat in our understanding of the strong drives of Arab nationalism. We seem finally able to distinguish between Arab nationalism and communism. And as for the Egyptian leaders, I believe they are tempering their emotional anticolonialism with the realization that economically, politically, and spiritually they can develop an independence of outside controls and influence.

As a result, Egypt and the United States are cooperating again in a mutually advantageous technical assistance program. Public Law 480 agreements and Export-Import Bank loans are assisting our two countries in moving toward closer working relationships.

I have always hoped that U.S. policy in the Middle East would become something more than a series of ad hoc measures designed to cope with periodic crises. And I hope such a policy is being developed now, because many of the fundamental causes of unrest in the Middle East are all still there.

We could only devise such a policy by treating each of these sovereign States on an adult and realistic basis, rather than suggesting the presence of a political vacuum in the Arab world. We must take into account the full capabilities of the Arabs themselves. This we have failed to do in the past. President Nasser's decision to manage the Suez Canal independent of outside assistance, for example, was greeted with sentiment ranging from skepticism to open derision. However, the canal is being operated just as efficiently as before, the banks have not crumbled, the locks not failed, or ships collided. The only difference is that half of the pilots are now Egyptian nationals, and this is all good. Furthermore, as a result of normal economic growth the volume of goods moving through the canal is considerably higher than it was prior to nationalization. This is just one example of a misjudgment by the West of the capabilities of the Arab peoples.

Sending troops into Lebanon last summer was regarded by many informed people as another misreading of a serious situation. In this view, the United States exaggerated the external threat to Lebanon's security while failing to comprehend the complex internal pressures that had splintered Lebanon into assorted political factions. Furthermore, it was a case of sending troops into one country, Lebanon, as a result of events in another, Iraq.

In much the same way, a great many responsible Americans, Government officials and journalists alike, have apparently misjudged the ability of the present Government of Iraq to stabilize conditions within its borders. Yet General Kassem's government has indicated that by next year the political situation will be sufficiently calm and orderly to permit a resumption of normal political life, with even the possibility of elections—a most hopeful estimate.

In short, it seems to me that the peoples and governments of the Arab States may be in the process of establishing the stability and relative calm essential to the development of representative government and economic growth.

This is what we wish to see—not representative government necessarily in our pattern—not economic growth necessarily in the American pattern—but essentially we want to see men and women able to govern themselves and improve their standards of living.

There are, of course, many more steps that the Arab States could take that would promote developments of mutual advantage in the area. Moreover, as I have indicated, certain basic divisions between some Arab States still exist. But political stability and economic development cannot be attained overnight. It is a gradual process. And we, as a nation, must be prepared to meet these hopeful developments in the Arab world with a policy considerably more mature than that which we have followed in the past.

I submit that the time to formulate our long-range policy for the Middle East is in a period of relative calm. In the recent past, such periods have been all too rare. We seem to be in a period of calm now. I hope very much that the leaders of the Arab States and of the United States may move imaginatively and boldly toward a new, more mature, and realistic relationship.

PRESIDENTIAL APPROVAL OF VETERANS' PENSION BILL

Mr. NEUBERGER. Mr. President, I desire to commend President Eisenhower for signing the veterans' pension bill recently passed by Congress. This was a realistic bill, which stiffened the test of need with respect to pensions, but also brought widows and orphans of World War II and Korea to a parity with the widows and orphans of World War I. The bill increased some costs, but it reduced others. It represented the middle ground, because its supporters in Congress had rejected far more expensive proposals which would have added a $29 billion program of new special pensions for veterans of World War I with nonservice-connected disabilities.

We all know that Mr. Eisenhower was under pressure from certain economy groups to veto this bill, because it did not take away various veterans' benefits which had been the law of the land for many years. From the other extreme, there were those who expressed dissatisfaction because the bill failed to add costly additional programs of benefits and pensions.

This middle-ground bill represented what I would describe as the moderate approach in the Senate and the House, and the President has acted wisely in making it law with his signature. There had been predictions he would veto the bill, but fortunately these predictions have now proved to be false.

I ask unanimous consent to have printed in the RECORD an article from the New York Times of August 30, which includes an accurate and comprehensive summary of what the new bill provides for veterans themselves, and for the widows and orphans of veterans.

The being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT SIGNS VETERAN-AID BILL—WIDOWS HELPED—NET COST OF REVISED PENSION PLAN IS PUT AT 10 BILLION IN 40-YEAR PERIOD—TEST OF NEED STIFFER—TWELVE BILLION SAVING UNDER NEW RULES OFFSET BY 22 BILLION RISE IN SURVIVOR GRANTS

(By John D. Morris)

WASHINGTON, August 29.—President Eisenhower signed today a bill revising the system of pensions for war veterans with disabilities not connected with their war service.

The new law, which takes effect next July 1, will cost the Government about $10 billion in additional benefits over the next 40 years.

It makes the widows of veterans of World War II and of the Korean war eligible for pensions on the same basis as the widows of World War I veterans, at an estimated cost of $22 billion between now and the year 2000.

It sets up a new sliding-scale formula for benefits of all veterans and dependents going on the pension rolls in the future. This system, it is estimated, will save $12 billion in the next 40 years. Payments under the new plan are to be based on need to a greater extent than at present.

The White House announced that President Eisenhower signed the bill this morning at Chequers, the country home of Prime Minister Harold Macmillan of Britain, near London.

The action ended much speculation over the possibility of a veto. The administration had recommended a stricter needs formula for benefits and had opposed the broadening of widow's pensions.

WIDOWS' AID NOW EQUAL

The pension system, now costing about $1,100 million a year, is separate from the system of compensation for veterans disabled in military service.

Benefits are paid to veterans deemed totally disabled. Those over 65 years of age are presumed to be 90 percent disabled and consequently must show an additional disability of only 10 percent to qualify for pensions. Nearly all can do so.

While widows of World War I veterans get benefits under the present law, widows of veterans of World War II and the Korean war get help only if their husbands were disabled in service. The new law makes the widows of all three wars eligible regardless of whether their husbands' disability was incurred in service.

The new payment formula provides higher pensions for veterans with low incomes and lower pensions for those with higher incomes.

However, veterans already on the rolls can choose either the old or new formula. As a consequence, about three-fourths of those now on the rolls will get higher pensions starting July 1 since they are in the lower-income group and will presumably choose the new formula.

Prospects of long-range savings to the Government under the new formula are based on the assumption that the outside income of veterans will increase.

Flat-rate benefits are prescribed by the expiring system. The exemptions of outside income in determining need are more liberal than they will be under the new law.

The old and new scales are as follows:

VETERANS

Veterans are now eligible if their annual income does not exceed $1,400 if they have no dependents, or $2,700 if they have dependents. They receive $66.15 a month at the start. After 10 years on the rolls, or at 65 years of age, the rate is $78.75.

Under the new system, veterans without dependents will get $85 a month if their income is less than $600, $70 if it is $600 to $1,200, and $40 if it is $1,200 to $1,800.

Veterans with one dependent will get $90 if their income is less than $1,000, $75 if it is $1,000 to $2,000, and $45 if it is $2,000 to $3,000. Veterans with two dependents will get $95, $75, and $45 in the same income ranges. Those with three or more dependents will get $100, $75, and $45.

All rates will be $70 a month for helpless veterans who require regular attendants.

WIDOWS

Widows now are eligible for pensions if their annual income does not exceed $1,400 when they have no minor children, or $2,700 with a minor child or children.

Widows without children now get $50.40 a month. Those with one child get $63. For each additional child, the benefit is $7.56.

Under the new system, childless widows will get $60 a month if their income is less than $600 a year, $45 if the income is $600 to $1,200, and $25 if it is $1,200 to $1,800.

Widows with one child will get $75 a month if their income is below $1,000 a year, $60 if it ranges from $1,000 to $2,000, and $40 if it is $2,000 to $3,000.

In all cases $15 a month will be paid for each additional child.

ORPHANS

Orphans now are eligible for pensions if their outside income is below $1,400 a year.

Payments amount to $27.30 a month for one orphan, $40.95 for two, $54.60 for three and an extra $7.56 for each additional one.

Under the new system orphans will be eligible with outside income up to $1,800 a year, not counting their own earnings.

Payments will amount to $35 a month for one orphan and an extra $15 for each additional child.

In prescribing a stricter needs test for determining eligibility, the new law requires the Veterans' Administration to take into account a prospective beneficiary's net worth, specified types of retirement income and the income of a veterans' wife in excess of $1,200 a year.

About 805,000 veterans and 450,000 widows are now on the non-service-connected pension rolls. The new law, it is estimated, will bring in 206,000 more widows and 72,000 veterans.

The additional cost in the first year is estimated at $308 million.

THE AMERICAN PEOPLE ARE ENTITLED TO THE TRUTH

Mr. SYMINGTON. Mr. President, a book "Design for Survival," written by Gen. Thomas S. Power, commander of the Strategic Air Force, is now being withheld from the American people because the Department of Defense does not consider it appropriate for this general to publish this book.

In a democratic form of government the people have the right to all truth which does not help a possible enemy.

Now that Director Keith Glennan of the National Aeronautics and Space Administration has been frank about the conditions incident to our space picture, and we know our military operational capacity in long-range missiles is still well into the future, we know also that the greatest deterrent to aggression against the free world today remains the Strategic Air Force.

An officer who has attained the respect of the Congress because of his candor, his sincerity, and the logic of his experienced views, is General Power, commander of SAC.

Numerous persons who have heard General Power discuss various aspects of survival in the nuclear age, urged him to compile his thoughts and ideas on this subject in book form; and thus make them available to the general public.

Motivated by the conviction that the Nation's problems cannot be solved unless the American people understand these problems, General Power decided, early in 1958, to write the suggested book.

It is a comprehensive discussion concerning the nature of the threat to the Nation's survival, how to meet that threat, how to maintain peace on honorable terms, and how to survive if deterrence fails.

Before proceeding, General Power discussed this project with the Air Force and obtained full approval.

General Power prepared the manuscript entirely in his own time, and at his own expense, maintaining an accurate account of receipts and all expenses incurred. The private nature of the book was also emphasized by a note on the title page to the effect that the opinions expressed by the author did not necessarily reflect those of the U.S. Air Force or Department of Defense.

In accordance with established procedures, the completed manuscript was submitted for Defense Department clearance on April 2, 1959.

It was indicated clearance would take about 1 month, and the publisher, therefore, set his publication date for the latter part of September.

When month after month passed without a decision, General Power learned that there were certain problems in connection with the clearance, but it proved impossible to find out exactly who was holding up the clearance and why.

On the morning of August 21, General Power heard of a statement in the Army-Navy-Air Force Journal, indicating that his book had been banned by the Secretary of Defense. Because of persistent media inquiries, General Power phoned Mr. Murray Snyder, Assistant Secretary of Defense for Public Affairs, who stated approval of the

manuscript was being withheld because the Department of Defense did not consider it appropriate.

As General Power was under the impression that the financial aspect might be a major item of objection, he offered Mr. Snyder to turn over all potential profits to the U.S. Treasury, emphasizing that his only motive in writing this book was to help make the American public better informed; and General Power confirmed this offer in a subsequent letter to Mr. Snyder.

I ask unanimous consent that there be printed at this point in my remarks a partial list of some high-ranking officers in all three services who have published important books while on active duty.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The following senior military officers published books while on active duty:

1. Gen. Omar Bradley, U.S. Army, "A Soldiers Story" (Henry Holt, June 15, 1951). General Bradley was Chairman, JCS at time of publication.

2. Gen. Laurence Kuter, USAF, "Airman at Yalta" (Duell, Sloan & Pearce, 1955). General Kuter was commander, Air University at time of publication.

3. Maj. Gen. William A. Dean, U.S. Army, "The Great Soldier" (Viking Press, 1954). General Dean retired on October 31, 1955.

4. Gen. George Kenney, USAF, "General Kenney Reports" (Duell, Sloan & Pearce, 1949). General Kenney was commander, Air University at time of publication. His previous assignment was commander, SAC.

5. Adm. Hyman G. Rickover, U.S. Navy, "Education and Freedom" (Dutton, 1958). Vice Admiral Rickover is on active duty with the Navy and is connected with atomic submarine research and development.

6. Rear Adm. George J. Dufek, U.S. Navy, "Operation Deep Freeze" (Harcourt Brace, 1958); "Through the Frozen Frontier" (Harcourt Brace, 1959). Admiral Dufek is commander of Operation Deep Freeze I, II, III, IV.

7. Maj. Gen. John Russell Deane, U.S. Army, "Strange Alliance" (Viking Press, 1947). General Deane had just returned from an assignment in Russia.

8. Maj. Gen. James Gavin, U.S. Army, "Airborne Warfare" (Infantry Journal Press, 1947). General Gavin was commander, 82d Airborne Division, Fort Bragg, N.C., at time of publication.

9. Lt. Gen. Henry "Hap" Arnold, USAAF, and Brig. Gen. Ira Eaker, "USAAF Army Flyer" (Harper & Bros., 1942). General Arnold was Chief of the Air Corps and Chief of Staff for Air in the War Department at time of publication.

10. Maj. Gen. Henry "Hap" Arnold, U.S. Air Corps, and Lt. Col. Ira Eaker, "USAC This Flying Game" (Funk and Wagnalls, 1938). General Arnold was Chief of the Air Corps.

11. Adm. Alfred T. Mahan, U.S. Navy, "The Influence of Sea Power Upon History, 1660–1783" (Little, Brown, 1890). Admiral Mahan was a professor at Annapolis.

12. Rear Adm. Dan Gallery, U.S. Navy, "Clear the Decks" (Morrow, 1951); "Twenty Million Tons Under the Sea" (Regnery, 1956). Admiral Gallery published these while on active duty. He is still on active duty. Admiral Gallery has also published numerous highly controversial articles in major magazines such as Saturday Evening Post and the late Collier's. Several were strong indictments of the Air Force, especially the B–36 and long-range bombers.

13. Gen. Mark Clark, U.S. Army, "Calculated Risk" (Harper & Bros., 1950). This was a highly controversial book when it came out. General Clark was commander, 8th Army in Korea at time of publication.

14. Gen. Dwight D. Eisenhower, U.S. Army, "Crusade in Europe" (Doubleday, 1948). General Eisenhower, at the time of publication, was officially on active duty drawing full pay and allowances. He retired from the service on May 31, 1952 and resigned his commission in July 1952. The book was written while he was Chief of Staff of the U.S. Army, November 19, 1945, to February 7, 1948.

15. Gen. Douglas MacArthur, U.S. Army, "MacArthur on War" (Duell, Sloan & Pearce, 1942). This is a collection of General MacArthur's writings and papers as Chief of Staff, U.S. Army, and reflects his thoughts on war and U.S. military situation. At time of publication General MacArthur was commanding general, U.S. Army Forces in the Far East.

Mr. SYMINGTON. If this country is to remain adequately strong, we must face up to the realities of this present era—and to do that the people must have the truth.

It now appears that the most able and experienced leaders of our Military Establishment are going to be denied the right to present that truth.

If this is to be future policy, how can the American people obtain the facts about the status of our national defense?

Not only are they entitled to know those facts, but they deserve to receive them from the best possible sources—and General Power is exactly that type of source.

NEEDED: CAUTION IN TRADE TALKS WITH KHRUSHCHEV

Mr. WILEY. Mr. President, the upcoming exchange of visits between President Eisenhower and Premier Khrushchev will, in all likelihood, involve discussions of a wide variety of topics.

During the visit, for example it is expected that the Soviet Premier will make a "pitch" for stepped-up United States-Soviet trade.

If and when such talks occur, I believe we must be extremely wary. The Premier is a good "horse trader"—although in this case, the stakes are much higher—that is, the security of the free world.

CONDITIONS TO MORE EAST-WEST TRADE

Earlier this year, Under Secretary of State Douglas Dillon set some very fundamental conditions which needed to be considered in any East-West trade talks. Among other things, these include: Settling the Russian lend-lease obligations—still amounting to millions of dollars—tearing down Communist barriers that prevent U.S. companies from access to producing and consuming industries that would be involved in trade; agreements to protect patent rights; and other actions to demonstrate good faith in trade policy.

TREAD CAUTIOUSLY IN ANY TRADE NEGOTIATIONS

The presentation of such factors in trade discussions—particularly the bad debts—would, in all likelihood, be unwelcome by the Soviet Premier.

Policywise, the Communists have a deceptive habit of wanting to handle such past debts, or other obligations, by sweeping them under the rug and forgetting about them. Thus, I believe we must tread cautiously in any negotiations for increased United States-Soviet trade.

Despite a thaw in the cold war that may be created by the agreed-upon exchange visits of President Eisenhower and Premier Khrushchev, we are still in a life-and-death struggle with communism. Until the Soviets show real signs of swerving from their oft-stated goal of world domination—including domination over the United States—we will need to be extremely careful not to engage in any negotiations—including trade—that would strengthen their ability to accomplish their objective.

I am aware, of course, that there are voices within this country which are urging increased trade with Communist countries, including Red China. Naturally, I can appreciate the interests of individuals, businesses—and yes, Members of Congress—in seeking to find outlets for commodities significant to the economies of their communities.

However, I would again warn that we cannot sacrifice our security for the almighty dollar. Rather, every possible precaution should be taken to insure that, in any instance, in which there might be increased trade between the East and the West—whether it is with the Soviet Union, Communist China, or any orbit country behind the Iron or Bamboo Curtains—every necessary effort be made to ascertain that such commodities will not ultimately threaten our own security.

TRIBUTE TO OSCAR L. CHAPMAN AND OTHER PIONEERS IN FIGHT FOR HAWAIIAN STATEHOOD

Mr. NEUBERGER. Mr. President, when the distinguished new Senators from the State of Hawaii [Mr. FONG and Mr. LONG] took their oaths of office last week, tribute was paid in the Senate to many who, over the years, had contributed to the fruition of Hawaiian statehood.

I desire to add a name which may have been overlooked—that of Oscar L. Chapman, who, as Secretary of the Interior, never flagged in his advocacy of statehood for both Hawaii and Alaska. An edifice rarely is built overnight. Those who toiled during the past were the ones who reared the foundation on which the present structure of statehood stands. Without the pioneering efforts of Secretary Chapman, I doubt if we would have States No. 49 and No. 50 today. A story appeared in the Washington Post and Times Herald of August 31, 1959, heralding the early interest of Oscar Chapman and his very attractive wife, Anne, in statehood for Hawaii, and I ask unanimous consent that the article appear in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR FORMER SECRETARY OF THE INTERIOR: HIS 20-YEAR DREAM CAME TRUE

(By Rosemary Donihi)

The Hawaiian congressional delegation had a busy weekend with parties in their honor both Saturday night and last night.

Saturday evening, the Oscar Chapmans entertained for the Hawaiian congressional delegation in their charming back garden with such luau-like additions to their cocktail table as roast suckling pig, toasted cocoanut, eggrolls, chicken balls, and "golden nuggets." Magnificent addition from Alaska was the giant king crab, flown in especially for the party.

Wandering through the garden, greeting friends, listening to the little band of Hawaiian musicians and generally enjoying themselves were the Philippine Ambassador and Mrs. Carlos P. Romulo; the Korean Ambassador and Mrs. You Chan Yang, and Guatemalan Ambassador and Mrs. Carlos S. Antillon-Hernandez. Guests from the Mexican Embassy included Minister Counselor Eugenio de Anzorena and Minister Juan P. Gallardo.

Hawaiian Senator OREN E. LONG, who last visited the former Secretary of the Interior and Mrs. Chapman a year ago as Governor of Hawaii, at a party celebrating Alaska's statehood, was greeted by fellow Senators JOHN SPARKMAN, Democrat, of Alabama, and PAUL H. DOUGLAS, Democrat, of Illinois, both of whom came alone. (Mrs. Douglas is in Tel Aviv at the bedside of her son-in-law who is seriously ill.)

Chatting with Hawaiian Democratic Representative DANIEL INOUYE and Mrs. Inouye were Senator and Mrs. CLINTON ANDERSON. Others from Capitol Hill included Senator and Mrs. WILLIAM E. PROXMIRE, Democrat, of Wisconsin, Senator CLAIR ENGLE, Democrat, of California, and his pretty wife and Senator RICHARD L. NEUBERGER, Democrat, of Oregon, who came alone. Mrs. Ralph Yarborough, wife of the Democratic Senator from Texas, was greeted by her many friends who were happy to see her looking completely recovered from her recent illness.

Perhaps happiest of all at the happy party were the Chapmans themselves, who see in statehood status for Alaska and Hawaii the fulfillment of one of his goals during his almost 20 years of service as Assistant Secretary and Secretary of the Interior.

Mr. NEUBERGER. Mr. President, I also desire to refer to the early efforts made toward statehood for Hawaii by the man who was my opponent for the Senate in 1954, the Honorable Guy Cordon, of Oregon. While Senator Cordon and I disagreed on many issues, both in the national and international realm, we definitely saw eye to eye on statehood for Hawaii. As chairman of the Senate Interior Committee during the Republican 83d Congress, Senator Cordon was a persistent and effective proponent of Hawaiian statehood, and I believe his name should be recorded among those who have contributed substantially to this great event of adding a 50th star to the flag of the United States.

In addition, I desire to list an Oregon resident whose editorials and whose voice as a member of our State legislature always have been loud and clear in the cause of Hawaii. I refer to State Senator Monroe M. Sweetland, of Clackamas County. Senator Sweetland served in the Hawaiian Islands as an American Red Cross representative during World War II. There he made many stanch personal friends, and there he became convinced that the inclusion of Hawaii's melting pot of many races in the Union of States would be a contribution to democracy throughout the free world. His editorials in the Milwaukie, Oreg., Review, which he publishes, and his memorials in the Oregon State Senate, have been further factors in the series of historic events which reached their climax last week, when HIRAM FONG and OREN E. LONG took their oaths as Senators from the sovereign State of Hawaii.

THE SUEZ CANAL TRANSIT ISSUE

Mr. SCOTT. Mr. President, I noted with great interest the statement of the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT].

All men of good will must agree with the Senator from Arkansas when he says:

> Fortunately there has been a tenuous stability in the Middle East during the past year. Along with that, the trend of events in the area offers a certain amount of cautious encouragement.

And the Government of the United States, along with the Senator from Arkansas, wants "to see men and women able to govern themselves and improve their standards of living."

This is a stated aim of the Eisenhower administration. I am sure we must agree that this administration's policies have contributed to both the stability in the Middle East and the encouragement felt in other parts of the world.

But I must take exception to an omission in the Senator's statement, when he said:

> President Nasser's decision to manage the Suez Canal independent of outside assistance, for example, was greeted with sentiment ranging from skepticism to open derision. However, the canal is being operated just as efficiently as before, the banks have not crumbled, the locks not failed, or ships collided. The only difference is that half of the pilots are now Egyptian nationals and this is all good.

The other difference is that the canal is not being operated legally.

President Nasser's government has refused passage to Israel ships or to other ships with Israeli cargoes.

For the past 100 days the Danish flag vessel *Inge Toft*, with an Israeli cargo, has been detained at Port Said. This action is in violation of international convention, United Nations decisions, the pledged word of the United Arab Republic, and the cause of peace in the Middle East.

The U.S. Government's position with respect to the unrestricted use of the canal is clear and unequivocal, and was restated as recently as last July.

I ask unanimous consent to include as part of my remarks a letter from the Department of State sent to me in answer to a telegram which was sent to President Eisenhower by 25 Senators, including myself; also an editorial entitled "The Canal and the Bank," published in the New York Times of August 29, 1959.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

JULY 3, 1959.

DEAR SENATOR SCOTT: In connection with the joint telegram which 25 Senators, including yourself, sent to the President on June 24, 1959, expressing concern over the recent detention by the United Arab Republic of cargoes bound from Israel on Israeli chartered ships, I have been asked to furnish you with details regarding the Department's position with respect to the Suez Canal transit issue.

As your telegram to the President indicates, the U.S. Government's position with respect to the unrestricted use of the canal is clear and unequivocal. The United States joined with France and the United Kingdom to sponsor a resolution before the Security Council in September 1951, which called upon Egypt to terminate restrictions on the passage of international commercial shipping and goods through the canal. This position was reaffirmed by a majority of the Security Council in voting in favor of a draft resolution, subsequently vetoed by the Soviet Union, on March 27, 1954, which called upon Egypt to comply with the 1951 resolution. Further statements by U.S. officials, including one by Ambassador Lodge in the Security Council on April 26, 1957, have maintained the position that there should at all times be free and nondiscriminatory passage through the canal for all countries. The United Arab Republic and all other members of the United Nations are fully conversant with the U.S. position.

The recent seizures of several cargoes bound from Israel aboard non-Israeli ships, and the current detention of a Danish-flag vessel chartered on behalf of Israel interests, have again raised the issue of free transit through the canal after a period of apparently satisfactory transit of cargoes originating in Israel. The United Nations and the parties concerned are currently engaged in trying to resolve the problem which had been created by these recent difficulties. The Secretary General of the United Nations is now visiting Cairo where he will be discussing a number of questions including the *Inge Toft* case.

It is hoped that the transit problem may be resolved between the parties immediately concerned, and we are encouraging and supporting the continuing efforts on the part of Mr. Hammarskjold. The U.S. Government has already discussed the Suez transit question in various foreign capitals, including Cairo and Tel Aviv. While the efforts at settlement currently being undertaken by the United Nations, supported by the United States and other powers, would appear for the present to constitute the most effective means of seeking a satisfactory solution, you may be assured that we will continue to take every appropriate measure which may contribute to a resolution of this problem.

The U.S. Executive Director of the International Bank for Reconstruction and Development is aware of developments in this matter and is also conversant with our longstanding policy in support of the principle of freedom of transit through the canal.

If I can be of any additional assistance to you with regard to this problem, please do not hesitate to communicate further with me.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary of State.

[From the New York Times, Aug. 29, 1959]

THE CANAL AND THE BANK

The technical aspects of arranging a loan by the World Bank for the United Arab Republic to widen and deepen the Suez Canal seem to have been settled in Cairo. The political aspects have not. This appears to be the gist of the impasse that has now been reached.

Obviously, the canal should be improved to take more and larger ships. The whole world would gain if that were done, and sooner or later it must be done. However, the World Bank is not a completely free agent. In theory it acts on a strictly financial and economic basis; in practice there are

bound to be occasions where its decisions cut across political lines. This is one of them, as the letter of protest sent by 13 Members of our House of Representatives to Eugene Black, President of the Bank, demonstrates.

The canal is an international thoroughfare, but it now belongs to the United Arab Republic. President Nasser continues to refuse to allow Israeli ships or even cargo destined to Israel through the canal. As long ago as September 1, 1951, the Security Council of the United Nations adopted a resolution calling on Egypt "to terminate the restrictions on the passage of commercial shipping and goods through the Suez Canal wherever bound, and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself."

If President Nasser can get his financing privately no one would have a right to complain, but Israel is a member of the World Bank, even if a modest one. There are also other members who would not want to see the Bank finance work on behalf of the Suez Canal so long as Colonel Nasser refuses to meet his international obligations. It should be made a condition of any loan that the Suez Canal be a truly international thoroughfare, without limitations or restrictions.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SCOTT. I shall be glad to yield in just a moment.

Mr. President, despite the improved political climate in the Middle East and despite a sincere desire by the people of that area for a lasting peace, I submit that such actions by President Nasser's government prevent better relations with the United States.

I wonder if the Senator from Arkansas knows of any development which would ease the situation with respect to the Suez Canal. I shall be glad to yield to him for any comment he cares to make.

Mr. FULBRIGHT. Mr. President, what I was hoping would come out of the present conditions was a lessening of the tension. I was suggesting that our Government should, in a time of relative quiet, undertake to find a way to solve the continuing differences between the United Arab Republic and Israel, or between all the Arab States and Israel. I would hope that we would not wait for another crisis and another outbreak before bestirring ourselves to do something.

I did not, as the Senator will agree, seek to make any political capital or to criticize the administration. However, inasmuch as the Senator has injected the administration's attitude, I must at least remind the Senator that at the time of the cancellation of the plan for financing the construction of the Aswan Dam I was very much in disagreement with the policy of this administration, then under the direction of Secretary Dulles. I am still of the same opinion. I still believe that was the source of much of the trouble. But in my own statement I did not make any reference to that, and I did not seek to make any partisan political implications. I do not know why the Senator insists on injecting partisan politics into this particular matter.

Mr. SCOTT. First of all, I agreed with the Senator when he was critical of the action taken with respect to the Aswan Dam, if by that position he means that when we undertook to build it we were wrong. I think we were. I am glad we decided not to build it, and I think that was right, but I wonder why the Senator feels that reference to the administration as having been correct in another instance is necessarily, or in itself the injection of politics or partisanship. I have referred to the statement by the Senator from Arkansas, who says that the canal is being operated legally.

Mr. FULBRIGHT. I did not say legally. I said efficiently. It is being operated efficiently.

Mr. SCOTT. So was Hitler's government. I have said that the canal was being operated illegally. I do not think that is any more a political statement than the statement made by the distinguished chairman of the Committee on Foreign Relations.

Mr. FULBRIGHT. My view of how to proceed is to encourage those people. Obviously they have been performing better than many expected. An example, is the resumption of relations with Jordan. I did not say that everything was solved. I believe that the way to make progress is to encourage those people in their more moderate views, rather than to continue to criticize them. I deplore the interruption of legitimate traffic, but the way to get at the problem is not by continuing to carp about it, but to go forward with an affirmative program, in an effort to try to reconcile the Arab States to the continued existence of Israel—in other words, to compose the differences.

Much has been done, or I should say it is in the process of being done, to reconcile the differences which exist between India and Pakistan. What I specifically have in mind, I did not put in my statement, because it is not really my responsibility to try to draw a blueprint for the State Department and the administration. My idea is to bring into this picture the same agency that was brought into the trouble between Pakistan and India, to see if some solution can be reached which would compose the differences leading to such instances as the interruption of traffic in the canal. That is all I was trying to suggest.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. SCOTT. May I have unanimous consent to proceed for 1 minute, to make further comment?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed for 1 minute.

Mr. SCOTT. First of all, I suspect that the reason why India and Pakistan seem to be drawing together is that the catalyst is Red China rather than the United Nations or any action of our own. But as to the concord or solution of the differences in the Middle East, I entirely agree with the Senator from Arkansas. I am only trying to say that I do not think it should be onesided. I think that so long as Nasser continues to refuse to permit the ships of any nation to go through the Suez Canal, we should be as much concerned about that as if some other government refused permission for ships to go through some other strait or canal. I would not spend my time praising Nasser for bringing peace to the Middle East when he is the man who is causing the only blockade or only existent trouble at the moment, namely that between Israel and the Middle Eastern countries.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to be allowed to proceed for one-half minute in order to comment on the statement of the Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. I do not wish to let the statement stand that Red China is the main reason why the troubles between Pakistan and India are being solved. I deny that. I do not believe that really is the reason. The real accord is being achieved because of the imaginative statesmanship of Mr. Eugene R. Black and because of the money available for disposition by the International Bank for Reconstruction and Development.

If we do not understand how these things are brought about, we cannot make any progress in the future. This is not at all an incidental development because Red China is being aggressive, in my opinion. The adjustment of this matter was under way before Red China's aggression became so evident. Work had been done on the problem for a long time. What is happening with respect to India and Pakistan is the culmination of a very intelligent way of going about the solution of difficulties of this kind. I only hope the administration can institute something similar in the Middle East with respect to a settlement of the difficulties between the Arabs and the Jews.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

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40 AND 8 SOCIETY DEFEATS ATTEMPT TO FORCE RACIAL INTEGRATION

Mr. JOHNSTON of South Carolina. Mr. President, last Wednesday the American Legion National Convention defeated an attempt to force integration upon the 40 and 8 Society, a subsidiary of the American Legion. The vote was 1,650 to 1,388.

The amazing part of this vote was not the southern bloc vote which voted against forcing the 40 and 8 to integrate, but the surprise—which was a pleasant surprise—came from Legion representatives from areas where integration has been a widespread practice and the preaching of some of the political leadership for years.

Mr. President, for example, Canada voted 6 to 0 against integration. The District of Columbia voted 16 to 4 against integrating; Idaho, 13 to 4 against integrating.

Mr. President, I particularly call to the Senate's attention the vote of the State of the distinguished senior Senator from Illinois [Mr. DOUGLAS] who is now presiding, which was 211 against integrating and 8 for. Iowa is another example, where the delegates voted 104 to 0 against integrating; Kansas, 67 to 0 against integrating.

Mr. President, again I cite the vote of the delegates from Michigan, where they voted 44 against integrating to 33 for integrating.

I wish to bring to the attention of the distinguished Senator from Missouri [Mr. HENNINGS], the chairman of the Constitutional Rights Subcommittee, who has announced his support of one of the strongest civil rights bills ever brought into the Congress, the vote of the delegates from his State to the American Legion National Convention. These Missourians voted 72 against integrating to 3 for integrating. In Montana the vote was 20 to 1 against integrating. Nevada voted 9 to 0 against integrating. Ohio voted 87 to 37 against integrating, and Oklahoma voted 52 to 0 against integrating. Oregon voted 25 to 5 against integrating, and the Panama Canal Zone voted 7 to 0 against integrating. The State of Washington voted 44 to 5 against integrating, and West Virginia voted 36 to 0 against integrating.

Mr. President, this recorded vote by American Legionnaires on the question of whether or not to force integration upon the 40 and 8 Society is a representative vote from across the entire United States and its possessions, and even including some foreign nations. This vote should be carefully analyzed by those who now wish to force more integration upon the country through civil rights laws such as the announced amendments and proposals by Senator KEATING of New York, and Senator HENNINGS of Missouri.

This vote certainly indicates that there is strong thinking among the people of the various States that forced integration is not necessary. In fact, Mr. President, I daresay that if the people across this land were given an opportunity to vote on whether or not to force integration on everybody, their answer would be "No," as it was at the American Legion National Convention.

However, so long as the question is left up to the Supreme Court, which is far removed from the squalor, prejudices, hatreds, and slums of New York and other large cities where integration has been forced on the people, then we shall never get the right answer. Similarly, I hope the Members of the Senate will not force civil rights legislation upon unwilling people until we find a solution to the horrifying problems that have already been created by the forced integrations of the past.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a table of votes from the American Legion National Convention, as published in the Minneapolis Tribune of Thursday, August 27, 1959.

There being no objection, the table of votes was ordered to be printed in the RECORD, as follows:

Here's key vote on race report

Department	Yes	No	Number of votes
Alabama		42	42
Alaska	9		9
Arizona		21	21
Arkansas		33	33
California	126	24	150
Canada		6	6
Colorado	27	4	31
Connecticut	37		37
Delaware		10	10
District of Columbia	4	16	20
Florida		51	51
France	7	1	8
Georgia		60	60
Hawaii	9		9
Idaho	4	13	17
Illinois	8	211	219
Indiana	75	40	115
Iowa		104	104
Italy	(1)	(1)	9
Kansas		67	67
Kentucky	0	60	40
Louisiana	3	37	60
Maine		27	27
Maryland		41	41
Massachusetts	92		92
Mexico	5	2	7
Michigan	33	44	77
Minnesota	99		99
Mississippi	1	37	38
Missouri	3	72	75
Montana	1	20	21
Nebraska	36	22	58
Nevada		9	9
New Hampshire	24	1	25
New Jersey	77	1	78
New Mexico	19	1	20
New York	211	9	220
North Carolina		49	49
North Dakota	20	16	36
Ohio	37	87	124
Oklahoma		52	52
Oregon	5	25	30
Panama, C.Z.		7	7
Pennsylvania	248	10	258
Philippines	9		9
Puerto Rico	(1)	(1)	14
Rhode Island	18		18
South Carolina		28	28
South Dakota	34	2	36
Tennessee	1	59	60
Texas	2	83	85
Utah		13	13
Vermont	18		18
Virginia		37	37
Washington	5	44	49
West Virginia		36	[2] 37
Wisconsin	67	14	81
Wyoming	14	2	16
Total	1,388	1,650	3,062

[1] Passed.
[2] 1 passed.

CANADA'S INTEREST IN LAKE MICHIGAN DIVERSION

Mr. AIKEN. Mr. President, in view of its timeliness, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Affront to a Neighbor," published in the Washington Post and Times Herald of today, August 31, 1959. The editorial relates to the proposed diversion of the waters of Lake Michigan.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFFRONT TO A NEIGHBOR

The argument usually heard in support of the bill to permit Chicago to divert 1,000 cubic feet of water a second from Lake Michigan is that it would lower the level of the lake by only one-quarter of an inch. This argument seems to us both dangerous and fallacious. In one sense, of course, one-quarter of an inch off the surface of Lake Michigan seems very little; but in another sense it is an immense amount of water.

Minnesota, Wisconsin, Indiana, Michigan, Ohio, Pennsylvania, New York, and our neighbor Canada have very direct interests in this water. With so large an area vitally concerned about the water of this great inland sea, it is difficult indeed to justify additional diversions to aid Chicago with its sewage problem. One must remember that Chicago already takes 3,300 cubic feet a second from the lake to flush its sewage through the Illinois Waterway.

This move in Congress to reduce the level of the Great Lakes by unilateral action is especially unfortunate because it is an affront to Canada. Sponsors of the bill argue vehemently that Lake Michigan is wholly within the United States, which is true. But this is only a quibble in view of the fact that it is linked with the other four Great Lakes, which are international waters. Control over these waters is made an international concern by a number of treaties; Canada has protested against the diversion bill; the State Department has frowned upon it; and it must be obvious to any Senator that it cannot be passed without worsening our relations with a close neighbor who is already nursing a number of grievances against this country.

Since any water diverted from the Great Lakes by way of the Illinois Waterway into the Mississippi and the Gulf of Mexico will obviously not be available for the great St. Lawrence Seaway project that the United States and Canada have jointly built, the proposed diversion might easily be regarded as an act of bad faith on the part of the United States. Senator PROXMIRE pointed out, moreover, that Canada could easily retaliate by taking 25 percent of the water of the Columbia River before it flows into the United States.

If Chicago can make a legitimate case for the diversion of more water from Lake Michigan to ease her sewage problem, at least the diversion should await full agreement with Canada.

Mr. AIKEN. Mr. President, I wish to call the attention of the Senate to the fact that the International Joint Commission has for some months been working on the proposed diversion of the headwaters of the Columbia River, several hundred miles above the U.S. boundary. This work of the International Joint Commission is in accord with the provisions of the treaty of 1909, which recognizes the right of either country to object to action by the other which will materially affect its water resources or the boundary waters which are mutual or common to both countries.

I trust that the U.S. Congress will show equal respect for the provisions of this treaty.

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS AND THE GASOLINE TAX

Mr. GORE. Mr. President, with the passage of each day, the need for congressional action to avert a collapse of our program to build a National System of Interstate and Defense Highways becomes more acute. There is general agreement that action to insure continued construction must, and will, be taken. The question is whether we shall make continuation of this vital program conditional upon a further in-

crease in the Federal sales tax on gasoline.

Mr. President, the power to levy taxes belongs to Congress. This power should be used wisely and fairly. In determining what kind of a tax shall be imposed, consideration must be given, not only to the need for revenue, but also to the question of whether the proposal is fair and would result in an equitable sharing of the overall tax burden.

I have already pointed out to the Senate that highway users, in addition to paying all types of taxes levied upon taxpayers generally, are paying direct excise taxes in an amount substantially in excess of the cost of highway construction, a program of which they are one, but by no means the sole, beneficiary. Yet it is now proposed to impose upon them a still greater burden.

Gasoline is a necessity, an essential commodity. Almost everyone must use it in one way or another. Many use it regularly, in order to earn a livelihood. The burden of a Federal sales tax or gasoline tax falls equally upon all, with no regard whatever to ability to pay. It is a regressive tax in every sense of the word. The wage earner pays at the same rate as does the top corporation executive. A person who earns a livelihood by means of the use of gasoline pays the same as does one who uses gasoline for pleasure purposes. The tax on gasoline is already too high.

With all the loopholes and areas of tax favoritism which remain uncorrected, I can not believe that this Congress, after due deliberation, will determine that the highway users are the one class of taxpayers upon whom an additional levy may equitably and fairly be imposed.

Already gasoline is the most heavily taxed essential commodity. In many States, the Federal and State sales taxes combined are approximately equal to the cost of the fuel at the refinery. Where is there another essential commodity which bears a 100 percent tax? Indeed, there are few luxuries which bear a tax proportionately as heavy as does this essential commodity.

It is said that this additional levy is to be imposed only for a temporary period of 1 or 2 years, to meet an emergency. I would remind my colleagues that the history of taxation is replete with examples of "temporary" taxes which have become permanent fixtures. Just this year, the Congress once again extended the corporate and excise tax rates. The excise taxes imposed on transportation and communications as wartime measures during World War II are still partially with us.

Should this Congress increase the gasoline tax for a definitely prescribed period, the same arguments that now are made in support of its adoption would be made in the future, for its extension.

Some appear to contend, Mr. President, that we must increase the gasoline tax because there is no other fiscally responsible way to continue the highway program. The fact is, however, that there is another course of action which will permit the program to go forward without increasing overall appropriations from the general fund of the Treasury.

I have proposed that appropriations for the fiscal year 1960 be reduced by 1 percent, with the amounts derived from this rescission to be transferred to the highway trust fund, to provide funds to pay the States the money the Federal Government is obligated to pay them. I emphasize, Mr. President, that the maximum amount by which any program would be reduced would be 1 percent of the amount appropriated. In the instances in which the full amounts appropriated are required by law to be paid, the reduction would not apply; and the President would be given the discretion to make this determination in instances other than those enumerated in my bill, such as veterans' pensions. I do not believe it can reasonably be asserted that a reduction of 1 percent would be disastrous to any of the many programs for which we annually appropriate funds.

To those who believe that the Congress should act to reduce expenditures, my proposal should appear indeed modest. Yet the amount of the reduction would be adequate to eliminate the 1960 deficit in the highway trust fund.

The PRESIDING OFFICER. The time available to the Senator from Tennessee, under the 3-minute limitation, has expired.

Mr. GORE. Mr. President, I ask unanimous consent that I may proceed for an additional minute.

Mr. RUSSELL. Mr. President, I join in that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Tennessee may proceed.

Mr. GORE. Mr. President, in addition to the sums already earmarked for the highway trust fund, highway users will pay into the general fund this year $1.6 billion derived from direct taxes imposed upon them. In addition, Mr. President, as I have said, they contribute otherwise to the general fund, in the same proportion as do all other taxpayers generally. I see no valid reason why the highway program, which benefits the entire economy and is necessary for our national security, should be made a stepchild, with further progress to be contingent upon the levy of a penalty tax upon the highway user.

The PRESIDING OFFICER. The additional time granted the Senator from Tennessee has expired.

THE IMPORTANCE OF INSURING UNFETTERED PASSAGE THROUGH THE SUEZ CANAL

Mr. KEATING. Mr. President, I desire to associate myself with the remarks made earlier today by the Senator from Pennsylvania in regard to the problem of the Suez Canal. It seems to me that the unconscionable action of President Nasser contravenes the spirit of international law, and is ample reason for the other nations of the world to unite in acting in concert.

Mr. President, it seems clear to me that no loan should be made by the World Bank to Egypt to improve the Suez Canal until President Nasser agrees to open the canal to trade by all nations of the world, no matter how efficient President Nasser may be claimed to be in his operations.

It had been my intention to ask unanimous consent to have printed in the RECORD the excellent editorial on this subject which was published on Saturday in the New York Times. However, my colleague from Pennsylvania has already received permission to have it printed in the RECORD. As is pointed out in the editorial:

> It should be made a condition of any loan (by the World Bank) that the Suez Canal be a truly international thoroughfare, without limitations or restrictions.

I agree entirely with that statement, Mr. President; and also with the statement, made by the Times, that Israel and other countries—including, I would hope, the United States—are unwilling to see World Bank funds advanced to Egypt, for canal work, "so long as Colonel Nasser refuses to meet his international obligations."

Mr. President, on June 24 of this year, I joined with 25 other Members of the Senate in urging President Eisenhower and the State Department to continue America's efforts to assure free transit of the Suez Canal. I have been reassured, by the response, that America will keep on playing its part in resolving this problem.

Specifically, on July 3, Assistant Secretary of State William B. Macomber, Jr., wrote that this country has continually stressed that "there should at all times be free and nondiscriminatory passage through the canal for all countries."

He further stated that although our Government at that time felt that negotiations under the auspices of the United Nations constituted "the most effective means of seeking a satisfactory solution, you may be assured that we will continue to take every appropriate measure which may contribute to a resolution of this problem."

In addition, Mr. Macomber wrote on July 3 that the World Bank was aware of the Suez Canal situation and "is also conversant with our long-standing policy in support of the principle of freedom of transit through the canal."

Mr. President, in this connection, I was delighted to note that a bipartisan group of 13 Members of the other body, under the leadership of the Honorable SEYMOUR HALPERN, of New York, recently wrote President Eugene R. Black of the World Bank urging that the Bank withhold the proposed loan to the United Arab Republic for canal work until freedom of transit through the canal was assured. I applaud heartily this action.

I have today signed a letter, in conjunction with my distinguished colleagues from New York [Mr. JAVITS] and from Pennsylvania [Mr. SCOTT], along the same lines, addressed to the Secretary of State. I am extremely

hopeful our actions will help put pressure on Mr. Nasser to stop plugging up this important international artery and will permit the noble State of Israel to continue its fine progress through increased trade with the nations of the world.

I further hope that the U.S. Government will continue by all means at its disposal to do its part to insure freedom of transit through the Suez Canal.

Mr. President, I turn to another subject.

The PRESIDING OFFICER. The Senator from New York.

BRANCH RICKEY'S GREATEST CHALLENGE

Mr. KEATING. Mr. President, the task of Branch Rickey in getting the third major league on its feet and into operation may well be the greatest challenge of an illustrious career filled with challenges and successes. Mr. Rickey brings magnificent talents to this important cause and the good wishes of all baseball fans, including myself, go with him as he proceeds with his work.

A fine editorial in the Christian Science Monitor recently pointed out that "if anybody can make baseball's third major league a going institution, Rickey is the man." There is much truth in that statement, Mr. President, and that is why so many of us are delighted that Mr. Rickey has consented to take up the cudgels in behalf of the Continental League.

I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 27, 1959]

BASEBALL'S ONE-MAN HALL OF FAME

For most men at the age of 77, success is something to look back upon, to dream about, to talk over on a quiet evening with old friends.

But to Branch Rickey, first president of baseball's Continental League, success has always been a springboard to something else. It may be that Mr. Rickey is the best thing the Continental people have going for them, since as yet they don't own any bats, balls, or players.

Briefly, Mr. Rickey has a long list of firsts to his credit, including the breaking of baseball's color line, establishment of the farm system, the numbering of players, and plastic helmets for batters.

Usually Rickey's talents come high, but he is a 100-cents-on-the-dollar man. He is scrupulously honest. Yet there are those who refused to make trades with him when he ran the Brooklyn Dodgers and St. Louis Cardinals because he invariably outfoxed them. For a club president who never went to a ball park on Sunday—because of a promise to his mother—he did extremely well.

To Rickey everything is a challenge. To the new league's most pressing question—where does it gets its players?—Rickey someday will answer in some four or five thousand well-chosen words. They will be over the heads of many of his listeners but that won't make any difference because Branch will come up with the players anyway.

Baseball writers who coined the term "Stengelese" for the vernacular of the New York Yankees' Casey Stengel have also come away from baseball dinners tremendously fired up from listening to Rickey. Yet, in most cases, few were able to discern the full import of what he had said. If anybody can make baseball's third major league a going institution, though, Rickey is the man.

THE ADMINISTRATION HAS LAGGED ON EDUCATION

Mr. YARBOROUGH. Mr. President, education of the youth is one of the chief duties of the state in a democracy. If properly and efficiently done, it is the chief safeguard of liberty and freedom. If neglected, ignorance and misguided mob psychology will undermine free and rational institutions.

Educational opportunity for American youth generally is more available now than it was a generation ago. However, that opportunity has increased in this generation much more slowly than educational opportunity has increased in many other countries in this same generation.

America will remain the light and the hope of free men everywhere on this earth only if we keep ourselves enlightened and free.

Education is the first and foremost of the keys to personal, national, and international understanding. A trained mind is the sharpest weapon in the arsenal of democracy.

Mr. President, this administration has done lipservice to education, but little else. It professes to believe in education, but it has toned down the financial support available for college loans under the National Defense Education Act; it has opposed the college classrooms construction program in the Housing Act; it is opposing the GI educational bill for veterans of the cold war; it is opposing classroom construction in grade and high schools. In short, this administration is waging war on every front on our democratic efforts to improve American education.

In the Washington Post for Sunday, August 30, 1959, the fine and perceptive lead editorial entitled "Under the Rug" narrates some of the administration's methods of delaying progress in education. It tells how American schoolchildren, 10 million of them, are being swept under the rug with their lost educational opportunities. When they get under the rug, they may find the administration's bug which put them there. And when they do, they will find that bug labeled "administration which puts the welfare of big money above the welfare of the people."

Mr. President, I ask unanimous consent that the Washington Post editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNDER THE RUG

The administration is going through its customary ritual of calling attention to the desperate condition of the country's public school system without doing anything effectual to correct that condition. The Secretary of Health, Education, and Welfare issued an unringing appeal on Wednesday for congressional action on an administration-sponsored installment plan of Federal aid for building classrooms. But no one seems to suppose seriously that it has any possibility of passage in this session of Congress. And no one can pretend that it proposes to do anything more than apply a poultice to a hemorrhage.

A fortnight ago Secretary Flemming told a news conference that when the public schools open next month for the 1959–60 school year there will be a shortage of about 140,000 classrooms throughout the United States. The shortage a year ago at the opening of school was 140,500 classrooms. "What does this continuing neglect by the Federal Government of this classroom shortage mean in terms of the actual loss of educational opportunity?" the Secretary asked the reporters rhetorically. He answered his own question as follows:

"When there aren't enough classrooms there are generally more pupils per teacher, educational facilities are crowded. Half-day and split sessions are imposed. There are fewer hours for children in school. Parents, teachers, children are subjected to constant frustration. A crowded classroom robs every child in that room—not just those who make up the statistical excess enrollment for the school."

The Commissioner of Education, Dr. Lawrence G. Derthick, has just announced that a total of 1,563,000 teachers will be needed in both public and nonpublic schools in the coming year, whereas the number presently qualified is 1,368,000. "The deficit of teachers will mean, in many communities, overlarge classes or the employment of teachers without adequate training, or both," Commissioner Derthick said. "In many instances, it will also mean curtailing the number of subjects offered."

The administration school-aid bill does not even pretend to do anything about the shortage of teachers. And it is by no means clear that it would do what it pretends to do about the shortage of classrooms. It would commit the Federal Government to pay, each year for 5 years, half the annual principal and interest on school bonds representing a capital outlay of $600 million to be allocated among the States on the basis of school population, per capita income, and school financing efforts. The Federal share of principal and interest would be $17 million in the first full year of operation, rising by the fifth year to a maximum level of $85 million which would be maintained until the bonds are paid off.

The virtue of this installment program is that it would not unduly swell the budget of an administration unwilling to recommend additional taxation to meet imperative human needs. It undoubtedly represents the most that Secretary Flemming, an educator who surely understands the problem, thinks he can induce the President to approve. Its vice is that it is niggardly and inadequate; it would mortgage the future without solving the problem; it would finance, at best, hardly half of the additional classrooms admittedly needed; and the terms of financing would be unacceptable or unattainable for school districts already at the limit of their financial resources. Worst of all, perhaps, it is a program presented with so little fervor, with so slight a sense of the urgency of school needs and with so conspicuous an absence of Presidential leadership or even support that it can evoke enthusiasm neither in Congress nor in the country.

Congress must bear, no doubt, a heavy burden of the blame for failure year after year to deal with the Nation's school needs. But a still heavier share of blame must be shouldered by the administration for its failure to give this problem the priority it deserves. Together, Congress and the administration can once more, as they have done so often in the past, brush this problem under the rug. But they will be brushing under the rug about 10 million American

children—the number doomed to overcrowded and obsolescent classrooms in the richest nation on earth.

PUBLIC AND PRIVATE POWER LEADERS IN PACIFIC NORTHWEST OPPOSE LAKE MICHIGAN DIVERSION

Mr. NEUBERGER. Mr. President, on the votes taken during the past few days with respect to the Lake Michigan diversion, I either have been opposed to this diversion or I have been paired against it with the distinguished majority leader of the Senate, the Senator from Texas [Mr. JOHNSON], who was absent on official business.

My basic opposition to further Lake Michigan diversion is based on the fact that Canada does not approve this diversion. My own Pacific Northwest region has a great stake in friendly relations with Canada, because Canada controls the upper reaches of the mighty Columbia River, which is vital to hydroelectric power and flood control in our States.

I ask unanimous consent, Mr. President, to include in the RECORD at this point a telegram which I have just received from Robert H. Short, of the Portland General Electric Co., of Portland, Oreg., in which he expresses the view of his company that any additional diversion might establish the precedent for Canadian diversion of the Columbia River.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *August 28, 1959.*

The Honorable RICHARD L. NEUBERGER,
U.S. Senate, Senate Office Building, Washington, D.C.:

Based on a brief study of Lake Michigan diversion problem, we suggest that action be delayed at least until pending court cases are settled. In view of the Supreme Court decision of many years ago, which we understand limited the quantity of water available for diversion to the Chicago Sanitary System and also in view of the possibility that any additional diversion would establish precedent for Canadian diversion of Columbia, we feel this question must be approached with great care.

Serious consideration should be given to the thought that no diversion should be permitted unless or until reasonable agreements are worked out with the Canadian Government.

ROBERT H. SHORT,
Portland General Electric Co.

Mr. NEUBERGER. It is encouraging to me that the position taken by Mr. Short and the Portland General Electric Co. is strikingly similar to that taken on this same issue last year by Gus Norwood, secretary of the Northwest Public Power Association. At that time Mr. Norwood telegraphed me as follows:

Urge you oppose Lake Michigan diversion as proposed by H.R. 2 unless covered by new treaty with Canada. Otherwise such diversion might become bad precedent for Columbia River.

Thus, Mr. President, both the advocates of private power and public power in the Pacific Northwest are opposed to further diversion of Lake Michigan lest it establish the perilous precedent for Canadian diversion of our Columbia River.

Mr. Norwood has reaffirmed his position regarding the effects of the proposed Lake Michigan diversion in a letter dated August 28, 1959. I ask consent that the letter from the Northwest Public Power Association be included in the RECORD with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTHWEST PUBLIC POWER ASSOCIATION, INC.,
Vancouver, Wash., August 28, 1959.

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: Thank you for telegram of August 28 relative to the Lake Michigan diversion bill.

On March 2, we sent the following telegram to Representative RUSSELL MACK, of the House Public Works Committee:

"MARCH 2, 1959.

"Hon. RUSSELL MACK,
"*House Office Building, Washington,* D.C.

"Please file this as our testimony in opposition to the Michigan diversion bill, which Canada opposes. Even if Canada favored the bill we would oppose any unilateral diversion policy which might be a precedent against us in the Pacific Northwest.

"GUS NORWOOD,
"Northwest Public Power Association."

As we read articles III, IV, and V of the 1909 Boundary Waters Treaty, neither country must divert water without the approval of the other country. If our reading of the treaty is correct, then at least we would urge the Senate Public Works Committee to request a legal opinion from the Attorney General or the State Department.

May we also call attention to our testimony before the Senate Interior Committee on May 7, 1958, in the hearings on upper Columbia River development, particularly pages 327–328, wherein we discussed the principle of integration versus the principle of sovereignty. This testimony lists the relevant documents which were presented at the Fifth World Power Conference at Vienna, 1956.

We also pointed out in the testimony that it is not only the Columbia River which is endangered but also the Yukon River.

We oppose unilateral diversion of either river by either nation.

As a very minimum position, we would urge that the Senate Public Works Committee postpone action on H.R. 1 until the second session of the Congress.

Our reason is that the present negotiations with respect to the upper Columbia River development are now making very good progress and may result in agreement before the end of this calendar year.

It is appreciated that the economic issue in H.R. 1 is infinitesimal since the main loss to Canada would be from reduced power in the St. Lawrence watershed.

This is primarily a matter of testing the principle or violation of principle. We think the country now operates under the principle that unilateral diversion is generally illegal.

We furthermore appreciate that the State Department's legal brief, pages 72 to 89 of the "Upper Columbia River Development" hearings, rests more strongly on principles of international law than it does on the 1909 treaty. Thus, even if the 1909 treaty can be read or interpreted to permit unilateral diversion, it is our understanding that international law would be persuasive against such diversion.

These points aside, it seems to us that the United States, as the more powerful nation, and because of our great concern for creating an international impression of fairness, should avoid antagonizing Canada.

While the Northwest Public Power Association has no resolution on the subject of this bill, we think that our general resolution favoring comprehensive, unified development of the Columbia River, as well as our specific resolution opposing Columbia River diversion, requires that we be recorded in opposition to H.R. 1.

Best personal regards.

Sincerely,

GUS NORWOOD,
Executive Secretary.

NEGRO FAMILIES SENDING CHILDREN TO SEGREGATED SCHOOLS IN THE SOUTH

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk an Associated Press dispatch from New York City which appeared in the Columbia, S.C., morning daily newspaper, the State, of August 30, 1959, entitled "New York Negroes Sending Children South to Segregated Schools."

Mr. President, this is one of the most extremely ironical situations that I have ever seen develop on the sociological or political front in the segregation versus integration controversy.

I sympathize with the Negro parents who are undertaking the expense of sending their children to segregated schools in the South, for I know they want their children to be well educated, and that they know the best education can be obtained for their children at the many fine segregated schools in the South. It is tragic that the leadership in New York and other similar cities across the Nation has undertaken to force integration in public schools by various means, and to force integration upon people in every social way.

This newspaper article quotes a Negro father who had sent his son to high school in Florida as stating he had sent his son there because "New York has just too much juvenile delinquency and racial tension. New York City is not a place to bring Negro kids up."

Mr. President, apparently some of the Negroes who live in New York at least remember that the South is a good place in which to bring up Negro children, for they are, according to the Associated Press reports, estimated to be sending back to the South every year 2,000 children to be educated in southern schools. Obviously, integrated schools are not providing the so-called better education for Negro children, as was alleged in the 1954 Supreme Court ruling which declared segregated education to be inferior to integrated education, and therefore unconstitutional in the eyes of that court.

Mr. President, I seriously believe that if the Supreme Court paused for a second look at the situation across the country today, it would not rule that integrated schools are superior to segregated schools, and I believe it would happily go back to the amicable conditions that existed prior to forced integration in large cities such as New York and elsewhere.

It is appalling what forced integration has done to millions of people in our land.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD this article from the State dated August 30, 1959, entitled "New York

Negroes Sending Children South to Segregated Schools."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW YORK NEGROES SENDING CHILDREN SOUTH TO SEGREGATED SCHOOLS

NEW YORK.—Some New York Negro families, protesting the spread of juvenile delinquency and racial tension in the Nation's largest city, are choosing to send their children to segregated schools in the South, the New York Times reported Saturday.

Overcrowded conditions in public schools as well as overcrowded neighborhoods, where youngsters are subjected to undesirable living and recreational conditions, are other factors influencing parents to send their children out of the State, the newspaper said.

Wide disagreement was reported, however, among Negro leaders on the number of children leaving the city to attend Southern schools.

One Negro leader placed the number at 2,000.

Another Negro leader estimated the number at 50 and added that the trend actually was in the opposite direction—that more southern children are being sent here to school away from segregated institutions in the South.

The newspaper's report was based on interviews with parents and school and church leaders. Those quoted included the following:

The Reverend J. Archie Hargraves of the Congregational Church of the Nazarene in Brooklyn. He said 10 of the 475 families in his congregation are sending children out of town this fall, 7 of them to Virginia and North Carolina. He said he knew of 20 other families taking similar action and he estimated the total number of children involved at 1,000.

"Basically," Reverend Hargraves said, "this is because of dissatisfaction that the children are not progressing rapidly in the schools here. Then there is a fear that they may get into trouble because they are not doing well in school. The families have ties in the South. Perhaps they remember basic education in the South."

Reverend Hargraves added: "It just turns out that overcrowded neighborhoods are usually your racial ghettoes."

The Rev. George E. Calvert, minister of the Church of the Son of Man, in Manhattan, said families sending their children to southern schools found it "simpler to educate children in the old culture than to make the new, confusing city culture relevant to the lives of their children."

Roy Wilkins, national executive secretary of the National Association for the Advancement of Colored People, disagreed with the large numbers estimated by some and said he "would be astonished if as many as 50 Negro children from New York were sent back South."

"It's the other way," Wilkins added. "Hundreds of southern children are sent up here. They live catch-as-catch-can here with relatives, to enjoy better education here."

One Negro father, unidentified by name, has a son who has just been graduated from a high school in Pensacola, Fla. The father said he sent his son to school there because New York has "just too much juvenile delinquency and racial tension."

"New York City is not a place to bring Negro kids up," the father added.

A different point was made by Dr. Ofelia Mendoza, education director of the Urban League of Greater New York. She said the league had received from 25 to 30 calls daily last fall from Negro parents asking how to transfer children from overcrowded schools.

Of all the inquiries, Dr. Mendoza said, only two parents decided to send their children to schools in the South. She said there was "a growing anxiety among parents who have children in segregated schools" and added:

"Many parents prefer to sacrifice themselves and send their children to private schools because of the psychological damage they receive in segregated schools, plus the fact that they don't get proper preparation to go ahead in life."

A CRITICAL ANALYSIS OF CIVIL DEFENSE

Mr. HUMPHREY. Mr. President, I have an address this morning which I should like to make on the subject of civil defense, and I ask unanimous consent that I may be permitted to speak an additional 5 minutes in the morning hour.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the Nation's state of preparedness, or rather the frightening lack of it, to survive the devastation which a nuclear attack could wreak upon this country, is a matter of our gravest concern.

I notice the morning's press carries a report of the recommendations of the subcommittee of the Joint Committee on Atomic Energy, relating to the recent hearings which were held as to the Nation's ability to withstand a massive nuclear attack and possible Soviet nuclear blackmail. A key recommendation is for a broad and extensive U.S. shelter program, for shelter not from bombs but from the effects of radioactive fallout, a matter to which I will direct my attention today.

I am not an alarmist, Mr. President, but estimates of civil defense officials at hearings conducted by the Joint Committee on Atomic Energy recently that a limited to medium range attack on the United States would result in the deaths of 50 million Americans illustrates the appalling nakedness of America's defenses against nuclear weapons.

Such a harrowing projection makes clear the urgent need for a fresh, critical appraisal of the Federal Government's civil defense program.

If, after almost 10 years of civil defense planning, the Government's capability to protect the population of the United States is as ineffective as these officials indicate, it is high time we face the problem of survival in the thermonuclear age squarely—and do something about it.

I am gratified that the President of the United States on August 25, 1959, directed to the Congress, relating to the supplemental appropriation bill, a request for additional funds for the civil defense program. His statement, which I shall include subsequently in my remarks, points up the urgent need for action—particularly on the $12 million requested for the matching of State funds for administrative purposes, which is the very heart of the program.

Mr. President, a great amount of public attention has been focused on civil defense, radiation fallout, and the hazards of nuclear warfare in recent years. Extensive congressional hearings have been held, the administration has developed an elaborate long-range civil defense plan, nationwide civil defense "exercises" have been conducted under hypothetical attacks, exhaustive research has been conducted on fallout shelters, mass evacuation, radiation detection, and other programs, and hundreds of millions of pamphlets have been distributed throughout the country advising citizens of action to take before, during and after nuclear attack.

However, Mr. President, despite these actions, our actual defenses against massive nuclear attack today are largely in the "blueprint" stage. Incredible as it is, after 10 years of planning and study, there are still not even the beginnings of a shelter program which could protect millions of Americans beyond the blast area from a nuclear explosion, and which could assure that the Nation would be able to pick itself off its feet and restore at least vital services within a reasonably short time.

A broad national program has been drafted, command centers for emergency operation of the Government have been established, detailed "survival projects" have been developed and responsibilities for conduct of the Nation's civil defense have been assigned.

But the civilian survival program exists today only on the drafting boards. The basic foundations of such a program—protection from radiation, rehabilitation of vital communications and emergency maintenance of the economy—simply do not exist. As anyone who has inspected the Nation's civil defenses knows, not a major city in America could evacuate or shelter 10 percent of its population in the event of a nuclear strike, except in totally inadequate makeshift shelter areas, nor does adequate fallout shelter exist in communities or elsewhere throughout the country to protect the remainder of the population from the deadly effects of widespread radiation which would follow in the wake of an atomic or hydrogen attack. Even if major cities could evacuate their populations in advance of an attack, as a few have on a token basis in carefuly prearranged hypothetical exercises, neither rehabilitation or reception centers exist to protect them from fallout which in heavy concentrations is as lethal as the direct impact of a hydrogen bomb.

I do not point out these facts in criticism of the OCDM, nor of civil defense officials or workers at any level. Nor do I have but the highest admiration for the hundreds of thousands of volunteer civil defense workers throughout the country who have contributed so much to the Nation's civil defense program since its inception in 1950. They have in the main given their best to building a strong civil defense, frequently, I might add, despite not only public apathy, but official apathy in high places.

Nor do I overlook the fine efforts of the many mayors, Governors, State civil defense directors, and local civil defense officials who have created active civil defense programs to augment the national program. In my State of Minnesota, for

example, Governor Freeman, State Civil Defense Director Hubert A. Schon, Walter P. Halstead, director of Minneapolis civil defense, and their coworkers have done a splendid job—but, Mr. President, neither they nor any other State or local officials can be expected to build adequate defenses against nuclear weapons on the limited resources available to them locally or on the basis of the token assistance the Federal Government provides under its present policy.

The default in civil defense, Mr. President, lies at much higher levels—in the Congress, at the White House, and in the Government's highest strategy councils.

To meet the dangers of nuclear warfare, we have staked everything on our ability to retaliate, coupled with an active defense system against bombers admittedly useless against missile attack.

We cannot afford to continue to differentiate between "national" defense and "civilian" defense. Indeed, the very fact that we possessed an effective fallout shelter program would be an added deterrent to a nuclear attack—an important consideration in further discouraging any would-be attackers.

But while we may find it possible to deter a rational, logical enemy, we must also consider the grave dangers which will rise as more nations join the "nuclear club," and the serious possibility of a completely irresponsible attack. Furthermore, there is always the possibility of a disaster through which a nuclear weapon would be launched by some horrible mistake.

Mr. President, while I zealously guard the spending of every tax dollar, for national security, or otherwise the appropriation of $45 million to $50 million—less than a tenth of 1 percent of our total military budget—for the civil defense of America is nothing more than a gesture.

Nuclear experts, civil defense authorities, and scientists who have conducted exhaustive research into nuclear weapons state that even under massive nuclear attack the Nation could sustain itself, the Government could continue to function and the great majority of the population could be saved if adequate measures to protect the United States are taken in advance.

These measures would include protection from radiation, rehabilitation of communities, restoration of the national economy, and maintenance of governmental functions.

There is little or no realistic defense against the direct impact of a multimegaton weapon. But the gravest danger to the United States from a nuclear attack, according to our foremost authorities on nuclear weapons, would not be from the blast effects of hydrogen explosions over targets, but from massive radiation which would blanket much of the country, would kill or incapacitate the majority of the people exposed to it, and which could seriously cripple our national capacity to recover.

It is important to distinguish between a fallout shelter program and the enormously more expensive program to provide not only protection against radioactive fallout, but also against heat and blast. While even the fallout shelter program would require a major investment, the return from such an investment would be so fantastically large—perhaps 25 million American lives saved in the case of a medium-sized nuclear attack—that it must be given the most serious consideration.

After all, our military leaders have given tacit recognition to the value of a shelter program, through the construction of underground command centers and hidden administrative and communication complexes. But what about the people our military leaders are trying to defend? It would be a hollow victory indeed if the leaders should survive and the people perish—simply because of a reluctance to develop a prudent and simple fallout shelter program.

I maintain, therefore, Mr. President, that if the United States is to survive a potential nuclear attack, it is imperative that the Federal Government develop an aggressive, commonsense approach to radiation protection, either through direct Federal financing or matching financing with the States, which would provide maximum protection for the population, assure that the national economy would continue to function, and enable the Nation to swiftly recover from initial attack.

The Federal Government will abdicate its responsibilities if it is content with a voluntary, "do it yourself" shelter-building program. As appealing as a voluntary home-shelter program is—and of course the more Americans who become interested in building home shelters the better—we are never going to have a realistic program of civilian survival in the case of nuclear attack without vigorous and aggressive governmental leadership from the White House on down.

While there is a great deal the average American householder in the fallout zone can do to protect his family, even if he begins during the first 30 minutes after a nuclear explosion, it is sheer folly to further delay the bringing to bear of all the resources of the community, State and Federal levels of government in a comprehensive fallout shelter program, sparked and maintained by Federal example and Federal leadership.

I invite to the Senate's attention that the 51st Annual Conference of Governors, which met in San Juan, P.R., early this month advocated immediate action on a nationwide fallout shelter program. The Governors' program is based upon the so-called New York State plan, which proposes the mandatory building of shelters by citizens, the modification of existing structures to provide protection against fallout, and the stockpiling of emergency supplies by individual citizens to enable them to exist during attack. The New York State plan, in effect, would make mandatory the administration's volunteer shelter program. But again, Mr. President, it overlooks completely the very fundamentals of civil defense of which I have spoken—that the full resources of the Government must be marshaled to provide maximum protection against radioactive fallout throughout the Nation and that neither volunteer nor mandatory shelter building by citizens alone will provide adequate protection against the nuclear bomb. All appropriate resources at Federal, State, and community levels must be brought to bear if we are to withstand the widespread devastation of a massive attack, and recover from it.

We must have an active Federal program of direct or matching financial assistance to the States and local communities for the building of realistic protection against radioactive fallout, as well as a thoroughgoing program of fallout protection training.

Certainly the average American can hardly be expected to take a voluntary shelter program seriously when the Federal Government does not itself require that its own new public buildings or federally assisted construction be equipped with shelters. Yet, with proper leadership, our people would come to realize that literally tens of millions of Americans could be saved from death by radioactive fallout by an adequate fallout shelter program.

I am aware, Mr. President, of the advances civil defense authorities have made in communications, shelter research, radiological monitoring, maintenance of government in emergency, stockpiling, and many other areas. OCDM can today flash a nationwide warning of enemy attack in a matter of seconds, it has established 500 Federal radiological monitoring stations across the Nation to measure the intensity of fallout, stockpiled $200 million worth of medical, radiological and engineering supplies at strategic locations throughout the country, and trained thousands of civil defense workers in every State in the fundamentals of survival under attack.

But, Mr. President, the ability to flash a warning in 30 seconds throughout the country or to report the amount of radiation existing or anticipated in a given locality when protection from fallout does not exist for either the victims of an attack or for civil defense workers, affords scant protection against the deadly effects of a nuclear missile. Likewise, air raid tests, civil defense exercises and extensive public information programs on the hazards of nuclear warfare, as important as they may be, will not protect the American people from the effects of a 20-megaton hydrogen bomb nor radiation fallout—unless adequate facilities to shelter people, rehabilitate communities, and restore the economy exist.

In other words, Mr. President, the finest of long-range plans, survival projects and blueprints for civil defense without the resources, operational capability, and facilities to implement them on a moment's notice provide no more than a paper defense against the catastrophic dangers of nuclear warfare. I repeat, realistic protection from radiation, rehabilitation of communities, restoration of the economy—these are the indispensible fundamentals of defense against nuclear weapons.

While I agree with the basic concept that civil defense is the joint responsibility of the Federal Government, State governments, and local communities, and that the full potential of all three levels of government must be mobilized to withstand the widespread destruction of nuclear weapons, nevertheless, the Federal Government must bear the primary responsibility for our nonmilitary defense, and demonstrate that it is prepared to discharge it.

What is required, Mr. President, and urgently required, is a complete recasting of Federal policy, a cold, calculating reassessment of the inadequacies of our present defenses against nuclear weapons and establishment of a Federal program which will provide realistic defenses against them.

The cost may be great compared to present expenditures, but the cost of continued default by the Federal Government in this vital area of national security, could, by comparison, be of incalculable consequence should a nuclear strike against this country ever be made.

Mr. President, I ask unanimous consent that the report and resolution on civil defense adopted by the Governors' conference, and an article from the Washington Post and Times Herald of August 5, 1959, on this report, be printed at this point in the RECORD.

There being no objection, the report and article were ordered to be printed in the RECORD, as follows:

REPORT OF THE SPECIAL COMMITTEE ON CIVIL DEFENSE OF THE GOVERNORS' CONFERENCE

For the past 3 years, the Governors' Conference Special Committee on Civil Defense has recommended a greater assumption of responsibility for civil defense by the Federal Government. On each such occasion, the Governors' Conference adopted the committee's reports.

Last year, subsequent to the Governors' Conference the Congress enacted legislation which defined responsibility for the vital task of affording protection to our citizens and institutions in the face of nuclear war. It is now national policy, declared by the Congress, that the responsibility for civil defense be vested jointly in the Federal Government and the several States and their political subdivisions.

In accordance with this recent declaration by the Congress, the President of the United States has promulgated within the past year the national plan for civil defense and defense mobilization—a plan developed under the wise leadership of our former colleague, Governor Hoegh.

This national plan brings sharp, new emphasis to the responsibility of every individual to survive, on his own resources, for at least 2 weeks following a nuclear attack. It is now clear for the first time that every individual citizen must be prepared to survive an attack on our country without outside help in the initial weeks.

This new responsibility is formidable and challenging. Formidable because there is so much to be done; challenging because so much can be done.

As our knowledge has grown about the dangers of radioactive fallout and the lethal destructiveness it may carry many hundreds of miles downwind from a bomb burst, it has become clear that it is not only the safety of the target area that is at stake, but the survival of every city and hamlet in the Nation. For no one can predict where the bombs will land—or even with certainty the targets to which they will be dispatched—or the vagaries of wind and weather bearing their deadly cargo of radiation.

In the event of nuclear attack, many more millions of people will be threatened by radioactive fallout than would be killed by the blast and heat of the bursting bombs. Indeed, in the last series of exercises in which nuclear bombs were assumed to have hit targets in the United States, it was estimated that 3,800,000 people would have died in the State of New York alone as a result of radioactive fallout as compared with 1,200,000 deaths in New York caused by the bomb bursts themselves. Another 4 million people would have been disabled by radiation sickness in the State of New York alone. The greater number of deaths by far are attributable to fallout even though the assumed bomb bursts were limited to [concentrated] urban areas.

Fortunately, studies indicate that the deaths and illness from fallout are avoidable. Protection against fallout can be achieved and the cost need not be prohibitive. But, if the American people are to have protection against fallout, realistic and cooperative action must be taken now by State and local governments and, most important, by the individual citizen himself.

Under the national plan for civil defense and defense mobilization, individuals and families who survive the blast and heat of the initial bomb bursts must be prepared to exist in fallout shelter areas, without any outside help, for a minimum of 2 weeks following an attack. To do this, they must have prestored stocks of food, water, fuel, medicine, and other survival items. Few families in any State are so prepared today.

Notwithstanding the present lack of preparation, however, there is reason for optimism. While every effort must be made to maintain peace with dignity for our Nation, and while we recoil from the catastrophe of a nuclear war, we, as Governors of our States, have a heavy personal and official responsibility for the safety and health of our citizens. The tragedy of a nuclear attack on our country, if it comes, cannot excuse any failure on our part to act now so as to save the lives and protect the health of the millions of people whose lives and health it is within our capacity to secure.

We are satisfied that it is not necessary for anyone to die from radioactive fallout in a nuclear war if relatively inexpensive preparation is made in advance, if the public is educated to understand the hazard, and if, in the event of attack, the simple rules for protection are observed. It is clear that, by taking steps which are within our reach as individuals and as States, our people can survive the fallout from even the most severe nuclear attack that might be made upon our country.

The committee believes that State governments, in cooperation with the Federal Government, can, by leadership and example, bring into existence the necessary protective preparation to assure such survival. The very existence of this capacity to survive the hazard of fallout will be as potent a force for peace as any we can yet devise. It will permit the people of our States to face with realism and confidence the threat of nuclear attack.

If we take the precautionary steps which are required for survival, we will have made a major contribution to peace. Confidence in our ability to survive will strengthen our national will; it will prevent nuclear blackmail; it will bolster the position of our national leaders in foreign policy negotiations; it will materially lessen the temptation to an aggressor to launch an attack; and it will provide assurance that our Nation will not only survive nuclear war, but will survive with dignity and without panic for final victory over any enemies who attack us.

The national plan, as promulgated by the President, makes it basic to all civil defense that individuals and families be able to survive on their own resources for as long as 2 weeks following attack. The success of other aspects of civil defense directly depends on how effectively individuals and families are prepared to meet this test. They are not so prepared today. The whole national defense effort, as a result, could be meaningless unless steps to protect against fallout are taken and taken promptly.

So crucial is the problem of fallout protection that the committee recommends it receive urgent and immediate action by all levels of government, Federal, State, and local.

Specifically, the committee recommends the following action:

1. That each State initiate a vigorous and continuing campaign of education as to the nature of fallout, the extent of the danger, the fact that protection is possible and the ways in which such protection can be achieved.

2. That the responsible government officials—Federal, State, and local—take immediate steps to assist and encourage the people of this country to prepare themselves successfully to survive radioactive fallout in the wake of an enemy nuclear attack on the United States. Among the steps which should be considered as part of an effective program for the safety and survival of our people are:

(a) Provision by State law both of incentives—for example, through loans, tax exemptions, and credits—and of requirements—by means of building codes, school and factory construction standards, and health and safety specifications—for the inclusion in all new construction and existing buildings of fallout protection meeting a specified minimum standard.

(b) The development and distribution of a kit of items essential to a 2-week survival, without outside help—items such as food, water, and radiation monitoring devices.

3. That each State initiate a survey of all State owned or operated facilities to determine both their adequacy as fallout shelters and what steps are needed to provide fallout protection for their users, both regular and transient.

4. That each State, in cooperation with Federal and local government, develop (promulgate) and consider (secure) the adoption of standards for construction which will provide adequate fallout protection in all types of buildings.

5. That each State develop a protected seat of State government which will assure the continuance of State government leadership and function during and after a nuclear attack.

RESOLUTION ON CIVIL DEFENSE UNANIMOUSLY ADOPTED AT THE 51ST ANNUAL GOVERNORS' CONFERENCE AT SAN JUAN, P.R., AUGUST 5, 1959

Peace, with dignity, is the paramount concern of our Nation. But the maintenance of peace requires national strength. An essential element of this strength is the ability of our Nation to survive a nuclear attack.

Unfortunately, today, our people are not prepared to survive the fallout from a nuclear attack on our country. Yet, it is the fallout from nuclear weapons which will threaten every hamlet, city, and farm in our Nation. It is fallout which will cause up to three times as many deaths as would result from the bursting of nuclear bombs on targets in our country. Deaths and sickness from fallout could make casualties of half the population of our country.

Protection against fallout, however, can be achieved and achieved by means which are within our reach as individuals and as States.

Without protection against fallout we are vulnerable to nuclear blackmail. But, if

our citizens, as individuals, take protective action against the threat of fallout it will be abundant notice to any potential enemy that we, as a people, are determined to survive and that we will not be forced by nuclear blackmail either to abandon our friends or to forsake our national interests at home or abroad.

As Governors we have a heavy personal and official responsibility for the safety and health of our citizens. So crucial is the problem of fallout to the maintenance of peace and the health of our people that we do hereby resolve that:

1. Each State initiate a vigorous and continuing campaign of education as to the nature of fallout, the extent of the danger, the fact that protection can be achieved, and the crucial importance of affirmative action by individual citizens as a protection against nuclear blackmail and to increase the prospects for peace.

2. That the responsible government officials—Federal, State, and local—take immediate steps to assist and encourage the people of this country to prepare themselves successfully to survive radioactive fallout and other aspects of an enemy nuclear attack on the United States, including such matters as adequate warning, shelters, radiation detectors and survival kits; and to that end, that an early meeting of the Governors Conference Committee on Civil Defense be held with the President of the United States, the national military leaders, and other official representatives of the executive and legislative branches of the Federal Government for an intensive review of the nature of the nuclear hazard and the cooperative steps which are available to government—Federal, State, and local—for the nuclear protection of our people.

3. That each State initiate a survey of all State owned or operated facilities to determine both their adequacy as fallout shelters and what steps are needed to provide fallout protection for their users, both regular and transient.

4. That each State develop a protected seat of State government which will assure the continuance of State government leadership and function during and after a nuclear attack.

[From the Washington Post and Times Herald, Aug. 5, 1959]

BOMB SHELTER WORK URGED BY GOVERNORS—CONFERENCE SEES IT AS DEFENSE AGAINST ATTACK OR BLACKMAIL

(By Robert C. Albright)

SAN JUAN, P.R., August 4.—The 51st annual conference of Governors went on record here today in favor of immediate steps to encourage a massive civil defense program aimed at a bomb shelter in every home as the best insurance against either nuclear attack or nuclear blackmail.

The Governors overwhelmingly adopted the report of New York Gov. Nelson A. Rockefeller's special committee on civil defense recommending such a program. Then they did an unusual thing—they adopted a resolution committing their resolutions committee in advance to support of the project.

It was a skillfully handled victory for the freshman Rockefeller and his heretofore highly controversial proposals for taking the civil defense problems to the people.

A closed session briefing by Allen W. Dulles, director of the Central Intelligence Agency, provided the backdrop for the action of the conference in resolving: "That the report and recommendations of the special committee on civil defense be accepted and approved and that the resolutions committee be requested to bring before the conference a resolution embodying the recommendations of the report."

The report among other things, called for an early meeting of the Governors' civil defense committee with President Eisenhower, the Nation's military leaders, and congressional leaders to review "the nature of the nuclear hazard and the cooperative steps which are available to Government."

"The evidence is overwhelming that the Soviets intend to use nuclear blackmail as a major weapon to promote their objectives—namely to spread communism throughout the world," Allen Dulles told the Governors at the closed meeting preceding Rockefeller's report.

"They showed this intent at the time of the Suez crisis about a year ago.

"They will use the same threat against this country."

The Nation's chief intelligence officer said he did not come to the conference to support any specific project, but he went on to say:

"If due either to any weakening of our defenses—and all forms of protection against nuclear attack are important elements of our defense—or due to any failure to maintain our retaliatory striking power, we render ourselves susceptible to such nuclear blackmail, the security of this country and of the free world would be gravely compromised.

"I have no reason to feel that we will fail to meet this challenge."

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD the President's massage to the Senate of August 25, 1959, again emphasizing the importance of certain civil defense activities, and the article entitled "$20 Billion U.S. Shelter Plan Urged," published in this morning's Washington Post and Times Herald. The latter relates to the recommendations of the subcommittee of the Joint Committee on Atomic Energy.

There being no objection, the message and the article were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 25, 1959.

The PRESIDENT OF THE SENATE

SIR: I transmit herewith to the Congress a supplemenetal appropriation request of $9 million for the fiscal year 1960 for the "Salaries and expenses" appropriation of the Office of Civil and Defense Mobilization. These funds are necessary to finance the civil defense and defense mobilization activities assigned to several Federal departments and agencies pursuant to law and the national plan for civil and defense mobilization.

I cannot emphasize too strongly the urgent need for the Congress to appropriate such funds before adjournment.

Along with our military defense and retaliatory forces, civil defense and defense mobilization are vital parts of the Nation's total defense—together they stand as a strong deterrent to war.

For this reason I am asking the Congress to reconsider my earlier request for funds to assure that Federal agencies, which have vital responsibilities for nonmilitary defense, will be enabled to discharge these crucial functions.

The nature of nuclear war places upon the American people the responsibility for considerable action and sacrifice to insure their own security. This is clearly spelled out in the national plan for civil defense and defense mobilization and the national shelter policy.

But the American people have the right to expect of their Government intelligent and aggressive preparation to carry out its essential defense role and to do those things which are beyond the capability of individuals.

I believe the American people will demand this. As an indication of the growing public desire for a strong civil defense, I call your attention to the unanimous vote by which the Governors' conference at San Juan passed a resolution supporting the national fallout shelter program. I was pleased by this action.

There persists in many minds the image of civil defense as something apart from regular government, something which would spring into being to bear the vast responsibilities of home defense and recovery in case of attack. This is a false image.

The responsibilities for civil defense in this Nation rests squarely on regularly constituted government at local, State, and Federal levels, and upon people.

There is before the conferees on the present independent offices appropriation bill my request for $12 million to match funds spent by State and local governments for personnel and administrative costs of civil defense. It is most urgent that this item be approved.

Matching funds are required to strengthen civil defense at the State and local levels, the very heart of civil defense, and to give tangible evidence of Federal leadership in encouraging State and local governments to prepare the defense for the people. These funds will implement Public Law 85-606.

Civil defense, the defense of our people in the missile age, is the joint responsibility of the Federal, State, and local governments; no one level of government can do the whole job. The partnership among the Federal, State, and local governments never was more intimate or more necessary.

The Office of Civil and Defense Mobilization and State and local civil defense offices serve a staff function to help elected officials perform their vital home defense roles by using all the built-in capability of existing government structure.

Within the Federal Government there are departments and agencies peculiarly competent to cope with many of the diverse problems that would come with nuclear war.

The request I am resubmitting today is for funds needed to permit these specially competent agencies to contribute their experience, knowledge, and resources to the total effort required.

The request is modest. But these modest funds will enable the Federal Government to take a long stride toward mobilizing its total resources to meet this problem.

The history of appropriations for Federal agency preparedness is most unfortunate. In fiscal year 1959, departments and agencies were asked to include funds necessary to finance all their civil defense and defense mobilization functions as a part of their regular budget estimates. The Congress eliminated these defense funds and directed that these departmental requests be consolidated in the budget for the Office of Civil and Defense Mobilization.

For fiscal year 1960, my budget for the Office of Civil and Defense Mobilization included $12 million to be allocated among nine departments and agencies needed to finance civil defense and defense mobilization programs. The $3 million provided does not enable the Federal Government to carry out the responsibilities contained in the National Security Act, the Defense Production Act, and the Federal Civil Defense Act.

It would be unwise to neglect our civil defense mission because our total defense is incomplete and meaningless without reliable and responsible home defense. Survival cannot be guaranteed merely with a capacity for reprisal. Equally important is our ability to recover. This means staying power and endurance beyond that ever before required of this Nation or any nation.

I recommend that the Congress appropriate the funds outlined above to carry out these programs which are so vital to the national security. The details of this proposed appropriation are set forth in the attached letter from the Director of the Bureau of the Budget.

Respectfully yours,

DWIGHT D. EISENHOWER.

[From the Washington Post and Times Herald, Aug. 31, 1959]

TWENTY-BILLION-DOLLAR U.S. SHELTER PLAN URGED—PROJECT COULD SAVE 46 MILLION LIVES, REPORT DECLARES

(By Joseph L. Myler)

A congressional subcommittee said yesterday that the "total unreadiness" of the American people to survive an atomic war threatens to undermine the Nation's ability to resist "possible Soviet 'nuclear blackmail.'"

The subcommittee made the statement in publishing expert testimony that a shelter system costing no more than $20 billion could save some 46 million American lives if nuclear war should come.

The testimony also challenged the notion that the radiation effects of nuclear war would "extinguish all human and animal life."

HEARINGS HELD IN JUNE

The report summed up hearings on the effects of nuclear war conducted June 22–26 by a Special Atomic Energy Subcommittee headed by Representative CHET HOLIFIELD, Democrat, of California. The committee is an arm of the Joint Senate-House Atomic Energy Committee.

Witnesses repeatedly stressed that this country would be in a far better position to deter Russia from atomic attack, and in better position to recover from an attack if it occurred, if it proved through a national shelter program its determination to resist nuclear blackmail.

The subcommittee did not pass judgment on responsibility for planning and financing "an effective national defense program." It said "the decision as to whether the Federal Government, the State, or the individual pay the bill remains and demands solution."

ATTACK POWER ASSUMED

For the purpose of the hearing the subcommittee assumed that 224 U.S. targets were hit with 263 nuclear weapons having the destructive power of 1,446 million tons of TNT. It also assumed that an additional 2½ billion tons were dropped on targets in the attacking country and Western Europe.

In stressing that man and nature would ultimately recover, the witnesses did not minimize the horrors of such a war. Assuming no effective civil defense, they said it would cost lives of about 50 million Americans, with 20 million others suffering serious injury.

THE SUPREME COURT SEGREGATION DECISION

Mr. RUSSELL. Mr. President, few decisions of the U.S. Supreme Court have provoked as much deserved criticism as the 1954 ruling undertaking to strike down the long-established right of the States to maintain separate but equal schools for the races.

The critics of that decision have by no means been limited to those in public life. They have included responsible citizens in all walks of life, distinguished attorneys and men as learned in the law as a former Justice of the Supreme Court.

The list of persons who have felt compelled to speak out against the flagrant abuse of the Constitution by the Court in the school cases has now been joined by one of the most respected figures in American academic circles.

Dr. E. Merton Coulter, for many years head of the department of history of the University of Georgia, delivered one of the most forceful and articulate criticisms of the decision that I have yet read in a graduation address at the University of Georgia summer school.

Dr. Coulter needs no introduction to those familiar with contemporary historical scholars. He is universally regarded as one of the leading authorities on southern history. Dr. Coulter has written many books and countless articles on southern history and is coeditor of the monumental 10-volume "History of the South," now under publication by Louisiana State University.

In addition to coediting this comprehensive work, Dr. Coulter contributed the two volumes dealing with the Civil War and Reconstruction periods.

In his address to the summer quarter graduates of the university, Dr. Coulter states that the 1954 school decision "called for a more fundamental change than was worked by any one of the last seven amendments to the Constitution." He also charged that in making this decision, the Chief Justice and his "assistants" exercised more power than could have been exercised by a President of the United States. He might well have added, Mr. President, that the Court undertook a power that is beyond the reach of the Chief Executive and Congress combined in its attempt to amend the Constitution.

Dr. Coulter also effectively answered those who naively contend that it is somehow wrong to criticize a decision of the Court and who contend that the Court cannot violate the Constitution.

This, Dr. Coulter says, "is equivalent to saying that the Court could put any interpretation that it pleased on any part of the Constitution, and that the interpretation would be the Constitution and the law of the land."

Mr. President, I commend Dr. Coulter's excellent and scholarly address as "must" reading by every Member of this body. I ask unanimous consent that it be inserted in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHAT IS HISTORY AND WHAT IS IT GOOD FOR?

(By E. Merton Coulter)

There is an old axiom which runs: "Shoemaker, stick to your last." Being applied to me, it might suggest that I stick somewhat closely to history, its implications and its applications to a world in which we live. In other words, my subject might be called something like this: "What is history and what is it good for?"

I think the first application of that formula or principle should be to our own university here. We often forget or have never known that we have a unique document which brought this university into being, and that it should be put in the same class with two other famous documents, the Declaration of American Independence and the Constitution of the United States, about which I wish to say something later on. It is the charter of this university, written and adopted in 1785, only 2 years after the Revolutionary War ended and 4 years before the Constitution of the United States came into force.

This was the first charter adopted by any of the American States for setting up and controlling an institution of higher learning. By an amazing good fortune this document has survived three removals of the State capital, where it was kept in the official archives, the torch of Sherman's army, and also the torch of a janitor who was about to light a fire with it in the furnace of the State capitol in Atlanta. It is now in our university library and may be seen there.

But I am not here to tell you about the history of the university. Rather, first, let us see what history is—that is, what people have said that it is. There is the famous definition of the English historian, Edward A. Freeman, who said that history was past politics and that politics was present history. This is certainly a very restricted definition and nobody today accepts it.

Then, Thomas Carlyle said that history was the lives of great men and he proceeded to write his book, "Heroes and Hero Worship," which I had to read to get into college.

Voltaire, in one of his sarcastic moments, said that history was a pack of tricks which people play on the dead—the dead, who cannot rise to defend themselves. And either he or someone else said that history was a story agreed upon. These definitions do not place history on a very high pedestal.

Benedette Croce, the Italian philosopher and historian, said that history was "contemporary thought about the past." This certainly sounds reasonable but hardly goes far enough to explain much.

Then Henry Ford, who got mixed up once on some historical characters, confusing, it seems, Benedict Arnold with Matthew Arnold, got out of his predicament by saying that history was the bunk.

James Harvey Robinson, an eminent American historian, now dead, gave the most inclusive of all definitions. History, according to him, is "all we know about everything man has ever done, or thought, or hoped, or felt." This definition included everything that can be related to mankind throughout all past generations—everything that we have any knowledge of. This includes only the human aspects of the past—not everything that happened, such as the progression of geological ages, glaciers, storms, earthquakes, the tides, the seven seas. These are the physical aspects of nature—not human.

Of course, present-day historians do not attempt to cover all the ground included in James Harvey Robinson's definition. Every important discipline, division, school, or college in universities today has taken that slice of history which relates to itself and has appropriated it to its own uses: Political scientists, economists, schools of journalism, of education, of fine arts, of geography, of classics, and so on. If present departments of history are not more careful and watchful, the only thing they soon will have left which they can truly call their own will be the history of history and of historians.

But whether we are satisfied with these definitions of what history is or is not, I must get along and try to find out what I think history is good for, if anything.

It used to be said that history was good to teach mental discipline. What a wearisome thing history became under that regime—dates, and names, and battles, and statistics. No wonder history came to be called as dry as dust, and this definition of history emerged: "If it is interesting, it is not history."

Then there came along this use which history was said to serve, and it has not been entirely given up yet: history is to teach patriotism. And a more dangerous assault on truth could not be devised that this use makes possible. If history is to teach patriotism, then all parts of it that do not teach patriotism must be suppressed. What a perverted history that would be. This is not to say that history may not teach patriotism (certainly much of it does) for there are many glorious chapters of American history that cannot help but make us proud of our country. And other countries and

peoples can likewise profit from their annals.

But there are other chapters of our history which should make us ashamed, and make us resolve not to be guilty of such like again. The recent past in Europe has given us some melancholy examples of how history has been perverted to teach patriotism, and how it has helped to get the world into the two greatest wars of all times. An overzealous patriotism makes for the master race or master nation or master doctrine movements (as communism today, and nazism and fascism yesterday), and they lead inevitably to disaster.

History has been put to some other dishonorable uses, largely for pecuniary gains, which are not likely to rock the world, but nevertheless gnaw away at truth and integrity. Take for instance historical fakes, frauds, and hoaxes. One of those nearest home was the attempt a decade or two ago to label the old ruins on the coast of Georgia as being the remnants of old Spanish missions, antedating those in California and Texas by a century or more. With that knowledge, all the tourists going to Florida would be attracted to these old ruins and by paying an entrance fee to see a fake, enrich the owners. There is no doubt that these interesting old ruins were once sugar houses where Georgia sugarcane a century and more ago was made into molasses, sugar, and rum.

But is it not possible to use history to foretell the future? Certain conditions in the past produced certain results; so when we have the same conditions recurring we will get the same results. But the trouble with this theory is that we never have the same conditions recurring. There is always a difference. The same thing never happens twice in human affairs. It is said that historians may, and often do, repeat themselves, but history never repeats itself. In a chemical laboratory we can make the same thing happen twice. We can put certain chemicals together and make the same thing happen again every time. We can make the same thing happen again and again in the other exact sciences; but the same thing never happens twice in human relations. The social picture is never the same from one minute to another; neither is the individual the same from day to day. One of the great pillars of wisdom with the Greeks was: "Know thyself." But no one has ever quite reached that state of perfection.

We speak of a social science. If it is a science, it is one without laws; for there are no laws of history, so exact that they can be formulated and codified. One person has said that "the past is a guess, and the future a gamble." The historian H. A. L. Fisher has said, "men wiser and more learned than I have discovered in history, a plot, a rhythm, a predetermined pattern. These harmonies are concealed from me. I can see only one emergency following upon another as wave follows upon wave; only one great fact with respect to which, since it is unique, there can be no generalizations; only one safe rule for the historian; that he should recognize in the development of human destinies the play of the contingent and the unforseen. This is not a doctrine of cynicism and despair. The fact of progress is written plain and large on the page of history, but progress is not a law of nature. The ground gained by one generation may be lost by the next. The thoughts of men may flow into the channels which lead to disaster and barbarism."

And how conscious we are of that today.

And another historian, James Westfall Thompson, said 10 years ago: "Neither a grain of sand nor history can be understood by the human mind. The stream of time has come down out of remote ages and passed headland and headland. It has brought down the debris of broken empires. The historian is but a fisherman on the shore, pulling out of the flood a fragment here, a broken statue there, vestiges of the dead past."

To what terrible fate, then, has mankind been sentenced, in the shadow of which it has been living from time out of mind? Must everything that takes place happen only by accident? Is mankind buffeted around by the whims and prejudices of one man or by chance or random? If Cleopatra had had a pug nose, think how the lives of Caesar and Mark Anthony would have been changed and how it would have affected the Roman Empire and Egypt. Had the winds blown in another direction or had there been no storm when the Spanish Armada descended on England and England had come under the dominion of Spain, then what about America? Would the United States be a Spanish-speaking and Roman Catholic country today? Had Columbus not followed a flock of birds flying to the southwest as he approached the North American shore, he probably would have landed somewhere on the coast of what is now Georgia. Did the flight of a flock of birds prevent North America from having been settled by the Spaniards, instead of the West Indies, Mexico, and South America? If George Washington had gone to sea and become a sailor, against the advice of his mother, would the American Revolution have been unsuccessful and would we today have Elizabeth II as our Queen? Or if George Washington had slipped on a cake of ice and been drowned when he was crossing a river on his return from delivering a message to the French commander on Lake Erie, would we be today a British commonwealth? Or to come down to the present, if there had been no Hitler, how different the world would be today. Or if Batista when he had Castro in his hands had shot him instead of pardoning him, how different Cuba would be today.

As fundamental and cataclysmic as these developments have been, they ultimately were not based entirely on accidents or the life of one man. They would not have happened just like they did or when they did, but they would have come after all. The American Revolution would have succeeded whether there had been a George Washington or not. Even if England had been conquered by the Spaniards, it is safe to say that the Spaniards later would have been expelled; and if Columbus had not followed the flock of birds and had landed on the coast of Georgia, the English would later have driven them out, as they did when the Spaniards one time held Florida. And if there had been no Hitler, the forces in Germany which made him possible would have found another leader, though hardly such a monster as Hitler; and if Castro had not happened along, Batista would have been pitched out of Cuba by a less radical leadership, and a more considered reform would have come about.

What I have just now said would indicate that I believe that there are some great fundamental forces or deep currents in the affairs of mankind, not always good, that push along as inexorably as a mighty glacier. And that leads me to say that some people assert that there is a law of continuity, which sounds very sensible and is in fact capable of proof to a certain extent. It seems safe to say that the "future is a variable consequence of the past"; and the law of continuity has been defined in these words: "All events, conditions, institutions, personalities, come from immediate preceding events, conditions, institutions, personalities."

Historical perspective acts almost like a crystal ball into which we gaze and see present-day happenings more closely and with greater understanding. For example, there is nothing new in the sectional attitudes of various people and newspapers in the North toward the South. That has been going on for more than a hundred years.

It has been an age-old habit with certain people to make the South a whipping boy. This attitude was basically the cause of the development of that bitterness and misunderstanding between North and South that brought on the Civil War. With that war over and the South forced back into the Union, there was still no letup; for the war was followed by a reconstruction that was pursued as ruthlessly as had been the war itself. And though the political aspects of the reconstruction have largely disappeared the old spirit of remaking the South socially, educationally, and intellectually is as strong and vibrant as ever. Hodding Carter recently wrote a book called the "Angry Scar," dealing with the reconstruction. The wounds of reconstruction have hardly yet healed into a scar; they are still angry and festering, made so by radical reformers to the northward, who have problems of their own as angry and festering as those in the South, which they conveniently ignore as far as possible.

For instance, the barbarous crime recently happening in Tallahassee, Fla., was played up on the front pages of the New York newspapers; a like crime with exactly the same racial components happened a few days afterward in New York City. One of the outstanding New York papers gave the news of this crime most inconspicuously, on page 11, column 3, at the bottom of the page, in 19 lines. "All the news that's fit to print," but the farther south these racial crimes, the fitter it is to print. And so the law of the continuity in history is exemplified in the existence of a sectionalism of North against South in our own country.

One of the greatest present-day heresies is the assumption that the U.S. Supreme Court has somehow been endowed with a sanctity which if questioned constitutes sacrilege; that in fact it is absolutely infallible. It has been said that it was an impossibility for the Court to violate the Constitution—a statement which surpasseth all understanding. It is equivalent to saying that the Court could put any interpretation that it pleased on any part of the Constitution, and that would be the Constitution and the law of the land.

If the Court should take it into its collective head to say that the part of the Constitution which awards to every State two Senators, irrespective of population, no longer comports with the present concepts of justice and is against the spirit of the 14th amendment and the pronouncements of Gunnar Myrdal on social progress, and that, therefore, hereafter Nevada shall have one Senator and New York, 100—then that would be part of the Constitution according to the doctine of the infallibility of the U.S. Supreme Court. This is not as fantastic an improbability as it might seem, for it might be argued that the 14th amendment having been later added to the Constitution nullified any previous part out of harmony with the Court's interpretation of that amendment.

It is a fact which anyone may decide for himself that the 1954 decision of the Supreme Court called for a fundamental social change and an upset of a way of life not only as old as the Republic, but antedating the Republic to the beginning of the colonization of America. It called for a more fundamental change than was worked by any one of the last seven amendments to the Constitution. Read them and see if you don't think so. And yet the Supreme Court took it upon itself to amend the Constitution. The Chief Justice with his assistants assumed vastly more power than he could have exercised if he had been elected President of the United States, a position which he tried several times to attain. Assuming that the decision was to carry into effect the 14th amendment, the Court usurped that

power, for the amendment reads: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." Even if an amendment to the Constitution were not required, to enact into the law of the land the decision of the Court would require a majority of the House and of the Senate and the signature of the President of the United States. There are four ways by which the Constitution may be amended, but a decision of the U.S. Supreme Court is not included in these four ways. Not only does the Court not have the right to amend the Constitution, but also it was never intended by the makers of the Constitution or by the American people thereafter that the Court should have the right to legislate or establish policies. Otherwise, why was a Congress and a President provided?

One is reminded of what Robert Toombs is supposed to have said a hundred years ago. As the sectional struggle was about to develop into a breakup of the Union by the secession of the South, when it was felt that there was no longer any protection in the Constitution, Toombs said that the greatest danger was that the Union might outlast the Constitution. No one today has any feeling that the Union is about to be broken up, but there is grave concern in Congress and out that our Constitution is coming to mean whatever the social and political prejudices, whims, and foibles of a Supreme Court want it to mean—that, in the fears of Tombs, the Union is outlasting the Constitution.

We had long prided ourselves that in a written document we had the safety and protection as surely as words in the English language had meaning—that fortunately we were not like Great Britain, which had only an unwritten constitution based on precedent which a Parliament might overturn if it liked. But it now turns out that the British people have the protection of a Parliament elected by the people, whereas the Americans with all their written Constitution have the protection of only nine men, not elected by the people at all, but appointed for life.

A slight application of history to the origin and progress of the Supreme Court ought to be an excellent tonic for the present generation. Criticism of the Court is as old as the Court itself. Although all of us like to call ourselves good Jeffersonians, some of us do not realize that Jefferson's greatest fear was that any subversion of the American system of government would come through the Federal courts. He had scarcely assumed the office of the Presidency before he was seeking the impeachment of Federal judges and considering action against the Chief Justice of the Supreme Court.

It is generally conceded that our next President in the order of greatness was Andrew Jackson. He likewise had a tilt with the United States Supreme Court in connection with a decision relating to the removal of the Cherokee Indians from Georgia. Georgia considered the decision unacceptable and refused to abide by it and never ceased to ignore it—even down to the present moment if that were necessary.

And President Jackson has been credited with this famous statement: "John Marshall has made his decision; now let him enforce it." And this was not the only Supreme Court decision which was never enforced by a President.

It might have been well had the present President of the United States known of the Cherokee Indian decision and how it was never enforced and how in spite of it, the United States Government did not collapse in 1832. Had he applied a little American history to his thinking, he might not have taken the advice of some of his advisors, and not sent troops to Little Rock under the mistaken notion that if the decision of a Federal judge was not enforced, the U.S. Government would have to go out of business.

Following Andrew Jackson, the next President in order of greatness was, by common consent, Abraham Lincoln. President Lincoln was greatly disturbed by the decision of the United States Supreme Court in the Dred Scott case, which declared the Missoury Compromise law unconstitutional, a compromise which had restricted slavery to the territories south of the southern border of Missouri, Lincoln was not as forthright in his language as some of his supporters, who averred that the Dred Scott decision should be awarded no more dignity or respect than a like decision by a bunch of habitues of a bar room.

Concerning the Supreme Court, Lincoln did say in his Inaugural Address in 1861, that generally the Supreme Court should be upheld, but at "the same time, the candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions, the people will have ceased to be their rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal." And so, with the criticisms of some of the rather amazing decisions of the U.S. Supreme Court today, we have another example of the law of continuity of history.

Our great danger today is that little by little we may allow the whole processes of American Government to be warped and changed by a Federal judiciary, appointed for life and never subject to the will of the people, until American democracy is anything but a democracy, becoming a far cry from what was intended by the makers of the U.S. Constitution, who provided four ways for amending the document they had made, but none of those ways by decisions of the U.S. Supreme Court.

Another one of the dangers we undergo today is the subordination of the ancient rights of the individual, our customs, folkways, mores, to expediency, and allow them to be whittled down and bartered away as pawns in our international diplomacy. It is argued that we must give way in this or that because in our present situation we may not please those who profess to speak for the rising nations in Asia and Africa, who may not be satisfied with the millions of dollars of aid we are giving them, but perforce we must give up important aspects of our way of life also. And when all this is done, we may still be without their gratitude and respect. And to please the Communists and hope to take the thunder out of their propaganda against us, there is no limit to what we must give up if we are to let them call the plays—every ancient right individual or social together with our so-called capitalistic system, which in reality is a mild form of socalism. We would have to enter the Communist orbit as a satellite—a captive nation. Nothing less would satisfy them.

And in playing this game, we will always find groups among us taking advantage of this foreign propaganda, demanding for themselves so-called rights which deprive other groups of their rights—individual associations and the right to choose their companions.

And in closing, let me say that we must all realize that we do live in a changing world and that there are wise changes that must come or we will be run over; but also at the same time there are certain fixed rights and principles which should be maintained at all hazards. Rome was not built in a day, and Rome should not be destroyed in a day.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. Is the Presiding Officer prepared to declare the morning business closed?

The PRESIDING OFFICER. I am informed that the Presiding Officer does not close morning business until 2 o'clock, but that if no Senator has any further business, resolutions 180 and 181 have precedence.

RESCUE THE WORLD COURT

Mr. HUMPHREY. Mr. President, I should like to call to the attention of this body an excellent editorial which appeared on August 24 in the Washington Post and Times Herald under the title, "Rescue the World Court." This editorial points out that the Connally amendment limits the usefulness of the World Court to the United States, and urges its repeal. It notes that the President, the Vice President, and the State Department have, in principle, endorsed an effort to eliminate "this court-crippling device."

The editorial supports Senate Resolution 94, which I introduced to accomplish this purpose, and urges the President to give this resolution his unqualified support: "Why doesn't he send up a rousing message asking for immediate passage of the Humphrey resolution as a means of striking a blow for world law."

I was pleased to read that Attorney General Rogers, speaking before the American Bar Association in Miami Beach, Fla., this past week, urged that the Connally amendment be repealed. This is encouraging. The Attorney General's plea is the strongest to date by an official of the administration, and I am hopeful that it will help in our efforts for adoption of my resolution.

I ask unanimous consent that the editorial to which I have referred, from the Washington Post of August 24, along with articles on Attorney General Rogers' speech from the Washington Post and the New York Times of August 27, be printed at this point in the RECORD.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 24, 1959]

RESCUE THE WORLD COURT

What has happened to the movement to rescue the World Court? A few months ago a considerable head of steam was built up behind the demand for repeal of the Connally amendment, which has gravely limited the usefulness of the Court. President Eisenhower had said in his state of the Union message that U.S. relations with the World Court should be reexamined "to the end that the rule of law may replace the rule of force in the affairs of nations." Vice President NIXON, Charles S. Rhyne, past president of the American Bar Association, and others stirred up a great deal of interest in the subject. Senator HUMPHREY introduced a resolution to repeal the Connally amendment. The State Department endorsed the resolution in a letter to the Senate Foreign Relations Committee in April, and since then the proposal has not moved off dead center.

This is especially unfortunate because it leaves the United States in the position of

holding back in the drive for substitution of judicial processes for force in the settlement of international disputes. This country can and does suggest that many international controversies be decided by the World Court, but it is an empty gesture. Through the Connally amendment the Senate asserted the right for this country to decide for itself in each case whether any dispute laid before the World Court is within its domestic jurisdiction. That gives every other country against which the United States may bring a case in the World Court a similar right to escape a judicial determination by asserting that the case is domestic regardless of what may be involved.

Every reason of justice and self-interest cries for removal of this court-crippling device. It would be especially salutary if President Eisenhower could inform our allies on his forthcoming visit and Premier Khrushchev on his September tour that the United States is accepting the compulsory jurisdiction of the World Court, without any strings attached.

Responsibility for the present inaction seems to be shared about equally by the administration and the Foreign Relations Committee (which reportedly is reluctant to move because of opposition mail). In any event, the President is in the best position to break the deadlock. Why doesn't he send up a rousing message asking for immediate passage of the Humphrey resolution as a means of striking a blow for world law?

[From the New York Times, Aug. 27, 1959]

WIDE ROLE ASKED FOR WORLD COURT—ROGERS BIDS BAR AID FIGHT TO END U.S. RESERVATION ON PANEL'S JURISDICTION

(By Anthony Lewis)

MIAMI BEACH, August 26.—The Attorney General, William P. Rogers, today urged early Senate action to remove U.S. reservations to the jurisdiction of the International Court of Justice.

Speaking to the annual meeting of the American Bar Association at the Americana Hotel here, Mr. Rogers urged lawyers to work for the elimination of the right this country retains to keep any dispute out of the World Court on the ground that it involved domestic issues.

Mr. Rogers' statement was the most direct call to date by any high administration figure for repeal of the reservation. He told the audience that if the United States fails to repeal it, "other nations will not believe we are sincere in our support for the rule of law."

The World Court is bound by its own charter not to consider matters within domestic jurisdiction.

Except for the reservations by a few nations, the court would itself decide—as other courts do—whether a case was within its jurisdiction.

NOTES FRENCH ACTION

Mr. Rogers noted that France last month had withdrawn a reservation similar to that of the United States. He said France was "surely as sensitive as we are in matters of sovereignty."

Of the 10 members of the North Atlantic Treaty Organization, Mr. Rogers said, "the United States is the only one which denies to the court the right to determine its own jurisdiction."

He pointed out that under principles of reciprocity, any country involved in a dispute with the United States could invoke a U.S. reservation of jurisdiction and keep this action out of the court.

He said no court could function effectively under such conditions.

CONNALLY AMENDMENT

The basis of the U.S. reservation is the so-called Connally amendment.

This was sponsored by Senator Tom Connally, Democrat of Texas, and chairman of the Foreign Relations Committee, when the Senate in 1946 ratified this country's acceptance of the court's jurisdiction.

The Attorney General also renewed a proposal first made in a speech last spring by Vice President RICHARD M. NIXON—that the United States try to write into future international agreements a clause providing for World Court resolution of any disputes over interpretation of the agreements.

"The fact that we may not be successful in securing agreement in such a clause in all cases does not mean that we should fail to try," he said.

He mentioned, for example, the possibility that the Soviet Union would refuse to go along with the provision in agreements.

"The more often the Soviets oppose reasonable methods to solve world tensions," he said, "the more the nations of the world will come to recognize the significance of the Soviet policy of world domination."

Mr. Rogers saw hope that Soviet leaders today may be willing to permit a freer flow of ideas between our two countries than they have in the past."

In this connection he urged exchanges of lawyers and judges so that Soviet legal figures may study our constitutional system and the operation of our courts and we theirs.

The bar association announced today that its 1961 annual meeting would be held in St. Louis. Next year's will be in Washington. The meeting here will close Friday.

[From the Washington Post, Aug. 27, 1959]

ROGERS ASKS GREATER ROLE FOR WORLD COURT

MIAMI BEACH, FLA., August 26.—U.S. Attorney General William P. Rogers called today for repeal of the so-called Connally amendment under which the United States decides for itself what disputes it will put before the International Court of Justice.

He said this amendment is partly to blame for the minor role of the court in settling international disputes. In its 13 years of operation, it has decided only 17 major cases.

Lawyers hearing the talk, delivered at the American Bar Association convention, called it the strongest pleas to date by any top official of the Eisenhower administration for repeal of Connally amendment.

The Connally amendment takes its name from former Senator Tom Connally, Democrat, of Texas.

When it came to accepting the idea of America joining the World Court, back in 1946, there were several exceptions laid down as to its jurisdiction. One was that the United States would not accept Court jurisdiction over disputes which deal with matters essentially in the domestic jurisdiction of the United States.

Connally proposed a further amendment of six words: "As determined by the United States." The Senate adopted this, 51 to 12.

Rogers said France recently withdrew a similar provision and that the United States now is alone among 10 NATO nations accepting the court's jurisdiction to make such a reservation.

In the eyes of other nations, the United States provision "adds up to a vote of no confidence that the Court will limit the cases it hears to those within its jurisdiction," Rogers said.

"It is argued that our sovereignty might thus be impaired," he said. "As a practical matter, the argument as to possible loss of sovereignty is not persuasive."

He said the Court's own charter limits it to international disputes and it has stayed closely within its jurisdiction.

Members of the 15-man Court are selected by the United Nations, which established the tribunal.

Rogers said establishment of an effective tribunal to decide controversies between nations is long overdue.

He called on the lawyers to urge the U.S. Senate to act quickly on the International Court's jurisdiction.

"If we fail to do so, it will make the other nations of the world believe we are not sincere," he declared.

Rogers also proposed an exchange of visits between American and Russian lawyers that would, he said, dramatize the contrast between a free system of government and a regimented Communist system.

"It is my opinion," Rogers said, "that the legal profession should give its support to a carefully planned exchange program of lawyers and judges in order that the Soviets may study our constitutional system and the operation of our courts, and that we be given an opportunity to study the system in effect in the Soviet Union."

The Bar Association will hold its 1961 national convention in St. Louis, the Board of Governors decided today. The dates will be announced later.

The ABA meets next year in Washington, D.C., from August 27 to September 2.

TOM DOOLEY, "HEALTH FOR PEACE," AND PARALLEL WORK BY THE INTERNATIONAL HEALTH SUBCOMMITTEE

Mr. HUMPHREY. Mr. President, I know that a great number of my colleagues have read with deep interest and concern the news reports concerning the return of the famed physician, Tom Dooley, from far-off Laos for cancer surgery. It is our earnest hope that the report that the cancer has been successfully removed will be fully borne out by future developments, as presently appears to be the case.

It is appropriate that Tom Dooley, who has personally contributed so much to medical science, should now be a beneficiary of the genius of modern medical science. Tom Dooley has become the symbol of the noblest motivation in the medical profession—to heal suffering human beings everywhere, regardless of race, creed, color, or national origin.

A SOUND APPEAL FOR SENATE JOINT RESOLUTION 41

It was characteristic, therefore, of Tom Dooley to appeal from his hospital bed for action on health for peace legislation, Senate Joint Resolution 41. This is the bill introduced by the distinguished senior Senator from Alabama [Mr. HILL] and cosponsored by well over half the Members of the Senate, including myself.

The ample case for that bill, as approved by the Senate 63 to 17, has been made by a great many medical experts who testified before the Senate Committee on Labor and Public Welfare and before a subcommittee of the House Committee on Interstate and Foreign Commerce.

The able chairman of the House subcommittee, Hon. KENNETH ROBERTS, has devoted intensive consideration to the proposed legislation, as have his colleagues. Regrettably, for other reasons, it does not appear, on the basis of present circumstances, that the bill will be approved this year by the House of Representatives. Thus, action cannot be commenced in 1959 under the proposed

new National Institute for International Medical Research.

This apparent delay well into 1960 is a source of sadness to all those who appreciate that time is of the essence in mankind's battle against disease. No one has proved that fact more eloquently than my colleague from Alabama [Mr. HILL].

Meanwhile, however, medical science does not wait.

DR. RUSK'S TRIBUTE TO TOM DOOLEY

Tom Dooley continues to symoblize medical valor and dedication. The inspiration of that symbol has been well described by the man who is universally renowned, not only for his personal contributions in physical medicine and rehabilitation but for his ability as a medical journalist, Dr. Howard A. Rusk, associate editor of the New York Times.

ANOTHER LEADER: THE LATE C. P. RHOADS

Let me mention now, however, that it is symbolic, as well, that the great surgery which was performed on Tom Dooley occurred in an institution which is famed throughout the world for its outsanding contributions to cancer research and therapy—the Memorial Center for Cancer and Allied Diseases.

Just recently a man whose name was rightly and closely identified with that great center and with the allied Sloan Kettering Institute for Cancer Research, Dr. C. P. Rhoads, unfortunately and prematurely succumbed to a heart attack.

No man can estimate the loss to humanity from the death of a great cancer fighter like Dr. Rhoads.

The best type of tribute that we can pay to the departed C. P. Rhoads is to enact legislation for which he himself so earnestly hoped and strove. It is the same legislation for which Tom Dooley from his sickbed appealed; namely, Senate Joint Resolution 41.

SEND CONTRIBUTIONS TO MEDICO

So, too, one of the ways by which we can say "get well" to Tom Dooley, is in a manner and way which he will best appreciate; namely, by sending contributions to the splendid organization which has made possible, not only his work in Laos, but the work of many other dedicated physicians in other emerging countries of the world. I refer to Medico, the private nonprofit organization whose work is an inspiration to the American medical profession and to physicians elsewhere throughout the world.

Endorsements of Medico, like endorsements of Senate Joint Resolution 41 have poured in, unsolicited, to the Senate Government Operations Subcommittee, of which I am chairman. As part of our international health study, there has come to us from all over the United States and the world, an almost unanimous volume of suggestions for enactment of this sound legislation and for encouragement of this type of dedicated private organization.

SENATE SUBCOMMITTEE'S PUBLICATIONS POINT UP THIS WORK

Meanwhile, I am glad to report that our Senate subcommittee's work is proceeding on a great many of the fronts which Tom Dooley's worthy career symbolizes.

Early next month, the International Health Subcommittee will release another of its committee prints, entitled "Patterns of Incidence of Certain Major Diseases Throughout the World." It will show various opportunities for expanded research, based on the fact that certain major diseases strike particular types of populations.

Shortly thereafter we will publish a report on "The American Pharmaceutical Industry and International Health." Here, let me note that pharmaceutical companies have generously donated drugs to Tom Dooley and to other nonprofit hospitals.

Thereafter, the subcommittee will publish the first part of a report on "American Voluntarism and International Health."

I hope that in this and other ways, we can make our own contributions to the great job which has been performed and which we hope can be resumed in the not too distant future by Dr. Dooley.

I send to the desk now the stimulating article in Sunday's New York Times by Dr. Rusk, and an editorial in this morning's Times, entitled "Tom Dooley's Message."

I ask unanimous consent that they both be printed in the body of the RECORD at this point.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 30, 1959]

FOR DOOLEY AND LAOS—JUNGLE DOCTOR GAINS IN CANCER FIGHT AS DRIVE IS BEGUN FOR HEALTH AGENCY

(By Howard A. Rusk, M.D.)

In a 3-hour operation here on Thursday, Dr. Tom Dooley had the cancer on his chest wall successfully removed at the Memorial Center for Cancer and Allied Diseases.

On Friday, thousands of his friends, admirers, and professional colleagues in the United States and 10 times their number of natives in the jungles of Laos were deeply relieved to hear he was convalescing normally after this major surgery.

The first hurdle has been cleared. Only time will bring the final answer.

It was typical of this dedicated international physician that the day before he went to the operating room he sent the following telegram to more than 50 leaders in Congress:

"I returned last week from Laos where for the past 2 years I have been operating a hospital near the border of Communist China, under the auspices of Medico, with voluntary funds raised from the public.

"During this period I have seen a complete change in the attitude of the Laos people whom I have served. The people now understand communism and want none of this way of life.

"I am being operated on tomorrow for cancer. As soon as I recover, I intend to go back to Laos to continue this fight against communism with the tools of health.

"I want to thank you and your colleagues in Congress for the support you have given to medical research. I know Tulane Medical College has recently developed a new technique for treating the type of cancer I have, that may save my life.

"I am deeply distressed that the Health for Peace Resolution No. 41 now in the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce may not be acted on before Congress adjourns. I feel that this would be a tragic waste of irretrievable time. Unless you have lived and worked in the primitive jungle as I have, you cannot realize what this means. Please do everything possible to get action on this vital bill before adjournment."

The research to which he referred as a possible help to him was developed under grants from the National Cancer Institute and the American Cancer Society by Dr. Oscar Creech, Jr., Dr. E. T. Krements, Dr. R. F. Ryan, Dr. Keith Reemstsma, Dr. J. N. Winblad, Dr. James L. Elliott, the Tulane University School of Medicine, Charity Hospital, Touro Infirmary, and the U.S. Public Health Hospital, New Orleans.

The technique is known as perfusion and consists of placing a tourniquet around the affected area and forcing phenylalanine mustard through the circulation in the area, but not through the entire body. This new procedure for the first time permits the concentration of cancerocidal drugs with minimum toxic effects. It represents a great advance in cancer therapy.

Tom Dooley has also been anxious this week about the fate of his two colleagues, Dwight Davis and Earl Rhine, whom he left behind to continue his work when he was ordered back to the United States for treatment.

With Communist troops within 50 miles of the capital of Laos, and with guerrilla fighting all through the country, especially in the area of his hospital at Muong-Sing, Dr. Dooley's apprehension is well founded.

Laos is a country the size of Utah, bounded on the east by Vietnam, on the south by Cambodia, on the west by Thailand, and on the north by Communist China. The current fighting is in the north near the 600 miles of border with Communist China and Communist North Vietnam. The Communists who have been captured or killed in the recent deep-jungle fighting in the monsoon season have been well armed with new guns stamped "Made in Czechoslovakia."

Tom Dooley has much to give when he recovers to the point that he can return to his station. He wants to establish two more hospitals in this wild area of Laos. If he can obtain a small airplane, it will enable him to fly the circuit as a modern "horse-and-buggy" doctor.

Tom Dooley has awakened anew our realization that healing is a priceless tool in the winning of men's minds for freedom. He has been not only a great emissary for healing, but for peace.

Hundreds of letters addressed to Dr. Tom Dooley came last week to the offices of Medico at 251 Fourth Avenue. All were expressions of gratitude from those who sat in comfort at home for the sacrifices he has made and for his jungle battle for democracy.

Many contained contributions for Medico, a tax-exempt, nonprofit organization that facilitates scientific communication and provides health services in the underprivileged parts of the world. Dr. Peter Comanduras, a dedicated Washington physician, is Medico's director general.

Dr. Dooley's professional colleagues are starting a campaign for funds among the physicians of America to support Medico, because Tom Dooley epitomizes Medico, which he helped to found. Its life and future are more important to him than his own.

Millions of Americans who never knew Tom Dooley or read his books have prayed this week that he may win his victory over cancer and rise again to walk among the sick and to serve his fellow men.

[From the New York Times, Aug. 31, 1959]

DR. DOOLEY'S MESSAGE

Dr. Thomas Dooley has been in this city during the last week or so when his services were badly needed at the hospital he has been operating in Laos, near the border of Communist China. He came here because that was the only way he could hope to be cured of a cancer which was operated on last Thursday.

Tom Dooley seems to have thought of himself during this ordeal only in terms of the work he could do and hopes to keep on doing for other people. Before his operation, when his personal fate was still uncertain, he sent a message to 50 Members of Congress in which he urged the passage of the beautifully named "health for peace" bill. This measure, which has now unhappily been postponed, would set up an international medical research institute. The opposition to it has been hard to understand.

Tom Dooley's case, his message and his work were described in an article by Dr. Howard A. Rusk in yesterday's issue of the Times. Tom Dooley has done his almost miraculous work on private funds contributed through a tax-exempt nonprofit organization called Medico, which has its headquarters in New York City at 251 Fourth Avenue. Much more could be done, however, if these contributions were supplemented by the kind of organization that would be set up under the "health for peace" bill. It is tragic that Dr. Dooley's example did not bring the bill out of the House committee where it is now locked up. The mistake could still be remedied if the need and the opportunity were keenly realized.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. WILEY. Mr. President, as I understand it, we are operating under the 3-minute rule.

The PRESIDING OFFICER. That is correct.

Mr. WILEY. But I have noticed that Senators have been using from 6 to 10 minutes, and no one objects.

The PRESIDING OFFICER. The Chair should inform the Senator from Wisconsin that in the case of the Senator from Minnesota, he requested 5 extra minutes, which were granted to him.

Mr. WILEY. Mr. President, one of the priceless privileges and pleasures that I have experienced in being a Senator is to know Senators who have been men of great understanding. During my 20 years in the Senate, I have literally sat at the feet of men who had learned much on life's highway. I remember among them Senator Vandenburg. I remember when he rose to speak he always said, as a distinguished Senator the other day did, "Mr. President, I desire to be uninterrupted until I have finished what I have to say." Then he delivered his talk, which would be relatively short, and would provide an opportunity to be questioned. Today I make the same request.

Before I get into the subject at hand, may I say that in the debate so far, I have had a number of surprises, and over the Sabbath I thought about one of them. I am going to lay it before the Senate.

You know, Mr. President, I never question the integrity or the judgment of a fellow Senator. When a Senator tells me, for instance, as several of them have, that he had pledged Mr. O'BRIEN that he would support his bill, and this occurred when they were in the House, who am I to question such an understanding? Yet, let me say that another bit of—let us call it wisdom or knowledge—comes to my mind.

A very distinguished Senator, when I first came to the Senate—and one of whom I became very fond—in speaking of his experiences said, "Senator, you know, I never give a firm committal to any individual or about any bill. If people want to talk to me, I am glad to give them my present conception on any subject. But I have found so many times that Senators have found themselves in a tight box because they had given their word they would vote for a certain measure. Then when the measure came up, it was the same bill, but it wouldn't contain the basic ideas it had in the beginning." As a result he would, he said, have to give a lot of explanations why he voted against it.

I was called out just now and asked to make a committal. I simply said, "No. I do not know what the report is going to be when it comes out of the labor conference, but I assure you it will have my honest judgment when I do vote."

How is that pertinent to the matter I am discussing? Just this: Representative O'BRIEN, apparently, got a blanket agreement which, of course, referred to a bill then under consideration. The present bill is entirely different from any previous bill. For instance, I hold in my hand the 1957 bill, on which we voted in 1958; the pending bill, as introduced; and the pending bill, as proposed to be amended. I ask that they be placed in the RECORD at this time.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

H.R. 2

[85th Cong., 1st sess., in the House of Representatives, January 3, 1957—Mr. O'BRIEN of Illinois introduced the following bill; which was referred to the Committee on Public Works, April 17, 1957—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed]

A bill to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army, to test, on a three-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide a basis for a study of the effect of increased diversion of water from Lake Michigan upon the Illinois Waterway and the degree of improvement in such waterway caused thereby, the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterway, and the extent to which such increased diversion may affect the level of Lake Michigan, authority is hereby granted to the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the supervision and direction of the Secretary of the Army, to withdraw water from Lake Michigan, in addition to all domestic pumpage, at a rate providing a total annual average of not more than two thousand five hundred cubic feet of water per second, to flow into the Illinois Waterway during the three-year period which begins on the date of enactment of this Act, subject to the following limitations:

(1) The maximum direct diversion from Lake Michigan shall not at any time exceed a flow of five thousand cubic feet per second;

(2) The Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan; and

(3) The Secretary of the Army shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, or Calumet Rivers.

SEC. 2. As soon after the date of enactment of this Act as is possible, the Secretary of the Army shall cause a study to be made of the effect on Lake Michigan and on the Illinois Waterway of the increased diversion authorized by the first section of this Act, and the improvement in conditions along the Illinois Waterway which may result from such increased diversion. The Secretary of the Army shall report to the Congress on or before January 31, 1961, the results of such study. Such report shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway in the amounts authorized by this Act, or increasing or decreasing such amounts.

PRESENT BILL

[86th Cong., 1st sess., in the House of Representatives, January 7, 1959—Mr. O'BRIEN of Illinois introduced the following bill; which was referred to the Committee on Public Works]

H.R. 1

A bill to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide the basis for the study, authorized by section 2 of this Act, of the effect of increased diversion of water from Lake Michigan, in addition to the one thousand five hundred cubic feet of water per second presently provided by the 1930 decree of the Supreme Court of the United States (281 U.S. 181–202) and subsequently authorized by the Rivers and Harbors Act of 1930 (46 Stat. 918, 929), upon the Illinois Waterway and the degree of improvement in such waterway caused thereby, and the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterway, authority is hereby granted to the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the supervision and direction of the Secretary of the Army, to withdraw water from Lake Michigan for the one-year period specified in paragraph (3) of subsection (b) of section 2 of this Act, in addition to all domestic pumpage, at a rate providing a total annual average of not more than two thousand five hundred cubic feet of water per second, to flow into the Illinois Waterway during such one-year period, subject to the following limitations:

(1) The Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan.

(2) The Secretary of the Army shall not allow any water to be directly diverted from

Lake Michigan to flow into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, or Calumet Rivers.

SEC. 2. (a) During the three-year period beginning on the date of enactment of this Act the Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army (acting through the Chief of Engineers), shall cause a study to be made of the effect on Lake Michigan and on the Illinois Waterway of the increased annual diversion of one thousand cubic feet of water per second for the one-year period authorized by this Act, and the improvement in navigation conditions and other improvements along the Illinois Waterway which may result from such increased diversion.

(b) The study authorized to be made by subsection (a) of this section shall be divided into the following phases:

(1) The first period of six months shall begin on the date of enactment of this Act and shall be used to develop plans for the tests and range of studies of the Illinois Waterway, with no increase in the authorized diversion from Lake Michigan during such period.

(2) The twelve-month period immediately following the period specified in paragraph (1) shall be devoted to a stream survey of the Illinois Waterway under existing conditions, with no increase in the authorized diversion from Lake Michigan during such period.

(3) The twelve-month period immediately following the period specified in paragraph (2) shall be used to study the conditions in the Illinois Waterway with a total annual average diversion of two thousand five hundred cubic feet of water per second (comprising the authorized diversion of one thousand five hundred cubic feet of water per second and the additional one thousand cubic feet of water per second authorized by the first section of this Act) in addition to all domestic pumpage.

(4) The six-month period immediately following the period specified in paragraph (3) shall be used to prepare the final report required by subsection (c) of this section.

(c) Upon completion of the study authorized by subsection (a) of this section, the Secretary of Health, Education, and Welfare and the Secretary of the Army shall correlate the results of such study. Thereafter the Secretary of the Army shall report such results to Congress on or before June 1, 1962. The report on such results shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway in the amount authorized by the first section of this Act, or increasing or decreasing such amount.

[86th Cong., 1st sess., in the Senate of the United States; March 16, 1959, read twice and ordered to lie on the table; March 18, 1959, referred to the Committee on Public Works; August 25, 1959, reported by Mr. CHAVEZ, with amendments]

[Insert the part printed in italic]

H.R. 1

An Act to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide the basis for the study, authorized by section 2 of this Act, of the effect of increased diversion of water from Lake Michigan, in addition to the one thousand five hundred cubic feet of water per second presently provided by the 1930 decree of the Supreme Court of the United States (281 U.S. 181–202) and subsequently authorized by the Rivers and Harbors Act of 1930 (46 Stat. 918, 929), upon the Illinois Waterway and the degree of improvement in such waterway caused thereby, and the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and their connecting waterways, and the Illinois Waterway, authority is hereby granted to the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the supervision and direction of the Secretary of the Army, to withdraw water from Lake Michigan for the one-year period specified in paragraph (3) of subsection (b) of section 2 of this Act, in addition to all domestic pumpage, at a rate providing a total annual average of not more than two thousand five hundred cubic feet of water per second, to flow into the Illinois Waterway during such one-year period, subject to the following limitations:

(1) The Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan.

(2) The Secretary of the Army shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, or Calumet Rivers.

(3) With respect to the regulation of flows along the Illinois River, particularly at Pekin, Illinois, the diversion authorized by this Act in accordance with this section will be regulated with the objective of maintaining a uniform flow at Pekin of eight thousand cubic feet per second when such uniformity of flow is feasible, as determined by the Chief of Engineers and the Secretary of the Army, and when maintenance of this uniformity will not conflict with or interfere with the preceding provisions of this section.

SEC. 2. (a) During the three-year period beginning on the date funds are first made available for the study the Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army (acting through the Chief of Engineers), shall cause a study to be made of the effect on the Great Lakes and their connecting waterways and on the Illinois Waterway of the increased annual diversion of one thousand cubic feet of water per second for the one-year period authorized by this Act, and the improvement in navigation conditions and other improvements along the Illinois Waterway which may result from such increased diversion. *The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.*

(b) The study authorized to be made by subsection (a) of this section shall be divided into the following phases:

(1) The first period of six months shall begin on the date funds are first made available for the study and shall be used to develop plans for the tests and range of studies of the Illinois Waterway, and the Great Lakes and their connecting waterways, with no increase in the authorized diversion from Lake Michigan during such period.

(2) The twelve-month period immediately following the period specified in paragraph (1) shall be devoted to a stream survey of the Illinois Waterway, and the Great Lakes and their connecting waterways, under existing conditions, with no increase in the authorized diversion from Lake Michigan during such period.

(3) The twelve-month period immediately following the period specified in paragraph (2) shall be used to study the conditions in the Illinois Waterway, and the Great Lakes and their connecting waterways, with a total annual average diversion of two thousand five hundred cubic feet of water per second (comprising the authorized diversion of one thousand five hundred cubic feet of water per second and the additional one thousand cubic feet of water per second authorized by the first section of this Act) in addition to all domestic pumpage.

(4) The six-month period immediately following the period specified in paragraph (3) shall be used to prepare the final report required by subsection (c) of this section.

(c) Upon completion of the study authorized by subsection (a) of this section, the Secretary of Health, Education, and Welfare and the Secretary of the Army shall correlate the results of such study, and shall report such results to Congress. The report on such results shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway in the amount authorized by the first section of this Act, or increasing or decreasing such amount: *Provided, That nothing in this Act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of one thousand cubic feet per second, or any other amount if hereafter recommended. Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada. But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan.*

Mr. WILEY. Then, as my friend said, "You know, facts—a change of facts—changes the picture."

It wasn't until about a month after the pending bill was referred to the Public Works Committee that the Canadian Government sent its note to the Secretary of State, which note I ask to have printed in the RECORD at this point.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

CANADIAN NOTE

Hon. CHRISTIAN A. HERTER,
Acting Secretary of State,
Department of State, Washington, D.C.:

I have the honor on instructions from my Government to refer to proposals for legislation in the United States concerning an increase in the diversion of water from Lake Michigan through the Chicago drainage canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate.

During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by U.S. authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Gov-

ernment of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States.

The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular:

(a) The Boundary Waters Treaty of 1909: The applicability of either article II, paragraph 2, or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

(b) Niagara Treaty of 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated.

In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draft may proceed with full load to and from ports of the upper Great Lakes. In this connection, I would refer to the following matters:

(a) The construction of the St. Lawrence Seaway: Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the Seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway.

(b) Dredging: By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place or is about to take place in the International Rapids Section of the river, in the Amherstburg Channel, and in the St. Clair River. These agreements are based on the implied understanding that material changes would not be made in the volume of water available for navigation.

(c) New channel: In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called Southeast Bend of the St. Clair River. The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water.

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY.

WASHINGTON, D.C., *April 9, 1959*.

Mr. WILEY. Thereafter, hearings were held before the Public Works Committee, and the bill was reported—8 to 6—with two of the eight stating that the bill should be referred to the Foreign Relations Committee. None of the others made any expression on that subject. As Senator CASE said, they simply went into the facts of the diversion.

Another fact—after the bill had been reported 8 to 6—the Canadian Government sent its second note, which I ask to have printed in the RECORD at this point. The point I am making there is that these two notes from the Canadian Government have changed the picture entirely. They certainly could not have been considered at the time Mr. O'BRIEN exacted the promise of support.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

INFORMATION OFFICE,
CANADIAN EMBASSY,
Washington, D.C.

I have the honor to refer to my note 184 of April 9, 1959, concerning legislative proposals to increase the diversion of water from Lake Michigan at Chicago.

I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter. In this connection, I am to advise you that the Government of Canada explicity reaffirms the position set forth at length in the above-mentioned note. In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY,
Ambassador.

AUGUST 20, 1959.

Mr. WILEY. Mr. President, I ask to be allowed to continue for 2 additional minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Wisconsin be allowed to proceed for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. I hope my bit of philosophy, if it has no other effect, will cause all of us to do some thinking. We who represent this Government in the legislative branch should do some thinking before someone has a rope around our necks on a given measure which is not yet in existence.

I remember so well when I decided to run for the Senate that groups came to me and wanted me to give my promise that I would vote for such and such a measure when it was introduced. I had had 30 years of experience in the law business which had taught me not to make any such promises, and I have been grateful ever since. A prominent labor leader, in my presence and in the presence of others, said, "I have not always agreed with the Senator, but I know that nobody or group has a rope around his neck." And in the last election, the best compliment I got was from one of the "kingmakers," who said, when asked why he was not supporting me, "The old s.o.b. does not take orders."

Much I have said is more in the nature of advice to the young Senators who have a great responsibility in representing their Commonwealth and their country. One can sleep well nights if he feels that God is his only Master.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that the unfinished business be laid before the Senate for its consideration.

Mr. WILEY. Mr. President, I must object to that request. I believe we must have a quorum present.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The clerk will continue with the quorum call.

Mr. WILEY. Mr. President, I renew my objection.

The PRESIDING OFFICER. To what does the Senator from Wisconsin object?

Mr. WILEY. I object to the request that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Objection is heard; and the clerk will continue with the call of the roll.

The Chief Clerk resumed and concluded the call of the roll; and the following Senators answered to their names:

Aiken	Byrd, W. Va.	Dirksen
Allott	Capehart	Douglas
Anderson	Carlson	Dworshak
Bartlett	Carroll	Eastland
Beall	Case, N.J.	Ellender
Bennett	Chavez	Engle
Bible	Clark	Ervin
Bush	Cooper	Fong
Butler	Cotton	Fulbright
Byrd, Va.	Curtis	Goldwater

Gore	Kuchel	Proxmire
Green	Langer	Randolph
Gruening	Lausche	Robertson
Hart	Long, La.	Russell
Hartke	McCarthy	Saltonstall
Hayden	McClellan	Schoeppel
Hennings	McNamara	Scott
Hickenlooper	Magnuson	Smith
Hill	Mansfield	Sparkman
Holland	Martin	Stennis
Humphrey	Morse	Symington
Jackson	Morton	Talmadge
Johnson, Tex.	Moss	Thurmond
Johnston, S.C.	Mundt	Wiley
Jordan	Murray	Williams, N.J.
Keating	Neuberger	Williams, Del.
Kennedy	Pastore	Yarborough
Kerr	Prouty	Young, N. Dak.

The PRESIDING OFFICER. A quorum is present.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The PRESIDING OFFICER. The morning hour has expired; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is House bill 1, to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from South Dakota [Mr. CASE] to refer the bill to the Committee on Foreign Relations, with instructions to report it back not later than January 15, 1960.

Mr. MANSFIELD. Mr. President, is the pending motion debatable?

The PRESIDING OFFICER. The pending motion is not debatable.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. If the pending motion is rejected, will the Senate then vote on the motion to refer the bill to the Foreign Relations Committee?

The PRESIDING OFFICER. That motion would then be the pending question. Whether or not a yea-and-nay vote would be taken on it at that time would depend upon the subsequent developments.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. On what question is the yea-and-nay vote about to be taken?

The PRESIDING OFFICER. On the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from South Dakota [Mr. CASE] to refer the bill to the Committee on Foreign Relations, with instructions to report it back not later than January 15, 1960.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana (when his name was called). On this vote I have a pair with the junior Senator from Delaware [Mr. FREAR]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from South Dakota [Mr. CASE]. Were he present and voting, he would vote "nay." Were I permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. WILLIAMS of New Jersey (when his name was called). On this vote I have a pair with the Senator from Ohio [Mr. YOUNG]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Accordingly, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. Mr. President, I have a pair with the Senator from Idaho [Mr. CHURCH]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], the Senator from Oklahoma [Mr. MONRONEY] are absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

On the vote the Senator from Nevada [Mr. CANNON] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Oklahoma would vote "yea."

The Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maine [Mr. MUSKIE]. If present and voting the Senator from Tennessee would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Connecticut [Mr. DODD] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Florida would vote "nay."

I further announce that if present and voting, the Senator from Hawaii [Mr. LONG] and the Senator from Wyoming [Mr. MCGEE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland, and his pair has been previously announced.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New York [Mr. JAVITS] are detained on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New York would vote "nay."

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Allott	Fong	Kennedy
Bartlett	Goldwater	Kerr
Bennett	Gore	McCarthy
Byrd, W. Va.	Gruening	Morse
Carroll	Hartke	Morton
Chavez	Hayden	Moss
Cotton	Hickenlooper	Murray
Curtis	Hill	Pastore
Dirksen	Holland	Randolph
Douglas	Jackson	Saltonstall
Eastland	Johnson, Tex.	Schoeppel
Ellender	Johnston, S.C.	Yarborough
Engle	Jordan	

NAYS—42

Aiken	Fulbright	Prouty
Anderson	Green	Proxmire
Beall	Hart	Robertson
Bible	Hennings	Russell
Bush	Keating	Scott
Butler	Kuchel	Smith
Byrd, Va.	Langer	Sparkman
Capehart	Lausche	Stennis
Carlson	McClellan	Symington
Case, N.J.	McNamara	Talmadge
Clark	Magnuson	Thurmond
Cooper	Martin	Wiley
Dworshak	Mundt	Williams, Del.
Ervin	Neuberger	Young, N. Dak.

NOT VOTING—20

Bridges	Humphrey	Monroney
Cannon	Javits	Muskie
Case, S. Dak.	Kefauver	O'Mahoney
Church	Long, Hawaii	Smathers
Dodd	Long, La.	Williams, N.J.
Frear	McGee	Young, Ohio
Hruska	Mansfield	

So the motion to lay on the table was rejected.

Mr. WILEY. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. AIKEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the motion of the Senator from South Dakota [Mr. CASE] to refer the bill to the Committee on Foreign Relations with instructions to report back not later than January 15, 1960.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. FULBRIGHT. Is the motion subject to amendment?

The PRESIDING OFFICER. The instructions are subject to amendment.

Mr. FULBRIGHT. Mr. President, I move to strike "January 15, 1960," and to insert in lieu thereof "April 1, 1960."

If the bill is to be referred to my committee, I do not think the committee should have such a short period of time to consider it. I do not think we could

possibly give the bill due consideration in 15 days at the first of a session. I therefore move to amend the motion by striking out "January 15, 1960" and inserting in lieu thereof "April 1, 1960."

The PRESIDING OFFICER The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Have the yeas and nays been ordered on the motion by the Senator from South Dakota [Mr. CASE]?

The PRESIDING OFFICER. They have not.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota [Mr. CASE], as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). Mr. President, on this vote I have a pair with the Senator from South Dakota [Mr. CASE]. Were he present and voting, he would vote "yea." Were I at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. SPARKMAN (when his name was called). Mr. President, on this vote I have a pair with the junior Senator from Delaware [Mr. FREAR]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. WILLIAMS of New Jersey (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Ohio [Mr. YOUNG]. If he were present and voting, he would vote "yea." If I were at liberty to vote I would vote "nay." Accordingly I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

On this vote the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Florida would vote "yea."

I further announce that if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business, and on this vote, is paired with the Senator from Maine [Mr. MUSKIE]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Maine would vote "yea."

The result was announced—yeas 41, nays 46, as follows:

YEAS—41

Aiken	Green	Neuberger
Anderson	Hart	Prouty
Bible	Hayden	Proxmire
Bush	Hennings	Robertson
Butler	Humphrey	Russell
Byrd, Va.	Javits	Scott
Cannon	Keating	Smith
Capehart	Kuchel	Stennis
Case, N.J.	Langer	Symington
Clark	Lausche	Talmadge
Cooper	McNamara	Thurmond
Dworshak	Magnuson	Wiley
Ervin	Martin	Williams, Del.
Fulbright	Mundt	

NAYS—46

Allott	Engle	Long, La.
Bartlett	Fong	McCarthy
Beall	Goldwater	McClellan
Bennett	Gore	McGee
Bridges	Gruening	Morse
Byrd, W. Va.	Hartke	Morton
Carlson	Hickenlooper	Moss
Carroll	Hill	Murray
Chavez	Holland	Pastore
Cotton	Jackson	Randolph
Curtis	Johnson, Tex.	Saltonstall
Dirksen	Johnston, S.C.	Schoeppel
Dodd	Jordan	Yarborough
Douglas	Kennedy	Young, N. Dak.
Eastland	Kerr	
Ellender	Long, Hawaii	

NOT VOTING—13

Case, S. Dak.	Mansfield	Sparkman
Church	Monroney	Williams, N.J.
Frear	Muskie	Young, Ohio
Hruska	O'Mahoney	
Kefauver	Smathers	

So the motion of Mr. CASE of South Dakota was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. McNAMARA. Mr. President, I oppose the passage of the pending bill for many reasons. H.R. 1, if it becomes law, will constitute, in my opinion, a wholly unwarranted taking of waters belonging to all the Great Lakes States solely to assist the city of Chicago, Ill., in solving its sewage problem, a problem, incidentally, which it has failed to solve in the past 70 years because of inexcusable procrastination, inaction, and delay on the part of the city of Chicago.

H.R. 1 is not a new legislative proposal by any means. It differs but slightly from H.R. 2, introduced in the last session; H.R. 3210 passed in the 83d Congress, and vetoed by President Eisenhower; and H.R. 3300, passed in the 84th Congress, which was also vetoed by the President. All four would authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago to withdraw water from Lake Michigan at a rate of not more than 2,500 cubic feet a second, in addition to all domestic pumpage. H.R. 1 differs from previous measures only in that the proposed diversion is for 1 year instead of 3.

There is nothing new about the question of diversion of waters of Lake Michigan. This question has been before our courts for many years. In fact four cases are now pending in our Supreme Court on this same issue.

Diversion of the waters from Lake Michigan by the city of Chicago goes back to the beginning of this century, when Chicago conceived a plan to dispose of its raw sewage by cutting a canal from the upper end of the Chicago River, which up until that time flowed into Lake Michigan, through a hilly area south of Chicago. This hilly area constituted a natural boundary between the Great Lakes basin and the Mississippi River basin. The canal, a narrow body of water about 36 miles long, reversed the flow of the Chicago River so that instead of flowing into Lake Michigan, it flowed southwesterly through the canal, thence into the Des Plaines River, thence into the Illinois River, and thence into the Mississippi River.

H.R. 1 would authorize a diverson of 2,500 cubic feet a second from Lake Michigan into the Illinois Waterway for a 1-year period, in addition to 1,800 cubic feet a second for domestic pumpage. This does not sound like very much water to the average person as it is measured in cubic feet per second.

So I computed the number of gallons involved in this proposed diversion. Pursuant to the Supreme Court decree of 1930, Chicago is now taking 1,500 cubic feet a second for navigation in addition to approximately 1,800 cubic feet a second for domestic purposes, or a total of 3,300 cubic feet a second. The bill would authorize an additional 1,000 cubic feet a second.

The 1,500 cubic feet a second amounts to 972 million gallons every 24 hours, and the 1,800 cubic feet for domestic purposes amounts to 1,166,400,000 gallons every 24 hours. Add these figures together and we find that Chicago is already taking more than 2 billion—to be exact 2,138,400,000 gallons—a day.

The additional 1,000 cubic feet a second amounts to 648 million gallons every 24 hours. Hence, if the bill becomes law, Chicago will be taking 2,786,400,000 gallons of water out of Lake Michigan every 24 hours, not a drop of which is ever returned to the lake.

Mr. President, my concern is primarily because of the adverse effect the bill would have on all of the people of my State of Michigan. They are strongly opposed to this proposed diversion. We in the Great Lakes States fear this foot-in-the-door approach. To us it is simply another version of the camel's nose and the Arab's tent. If a 2,500 cubic foot diversion is now enacted, then another 5,000 cubic feet will probably be sought in another few years, and so on.

It is undisputed that this diversion will lower the levels of all of the Great Lakes except Lake Superior. A hydrograph prepared by the Corps of Engineers conclusively shows that the lake levels in Lake Superior, Lake Michigan, Lake Huron, and Lake St. Clair have been steadily dropping since 1952. Senate hearings in 1956 brought out that the level of Lake Michigan had dropped 2½ feet from the 1952 level, in the 4½-year period from 1952 to July 1956.

This drop has already increased considerably the cost of the dredging the connecting channels of the Great Lakes and the St. Lawrence Seaway. These connecting channels are being dredged to a 27-foot depth, and in many cases the dredging is being carried on through almost solid rock at a tremendous expense to the U.S. Government.

It would seem foolhardy, on one hand, to continue with this costly dredging of these connecting channels on the Great Lakes Waterway and the St. Lawrence Seaway, and at the same time to lower the levels of the Great Lakes, thereby necessitating even more and costly dredging of the connecting channels between the Lakes.

Mr. President, we were told in the Committee on Public Works, last year, that we should pass H.R. 2 providing for a 2,500-cubic-foot diversion for a 3-year period, but that we did not really mean it. What we really meant was a 1-year period, because the Sanitary District of Chicago would take the water for only 1 year.

We were told that the sanitary district had made this commitment in the form of a letter to the Public Works Committee, and this commitment was in our committee report. To me, this was a new high in legislative achievement, so I proposed an amendment to H.R. 2 to make the bill read as the Committee on Public Works said it should read.

It was also stated that notwithstanding my submitting this amendment, I was not in favor of the bill as it then read, nor would I be in favor of it if my amendment were adopted.

I simply felt that the bill should so read that any ordinary person with a moderate amount of intelligence could determine from reading the bill itself what the proposal was.

Canada is opposed to this measure. Last year, as Senators know, there was some question as to whether Canada was opposed to a pending Chicago water diversion bill. Today there is not question.

In the Canadian note of April 9, 1959, to the United States, Canada expresses in no uncertain terms its opposition to H.R. 1 and other similar measures. This note has been made a part of the files and records of the Committee on Public Works.

Canada on August 21, 1959—only last Friday—again set forth her strong opposition to the bill.

Furthermore, the Canadian-United States Interparliamentary Group, composed of 24 members of the U.S. Congress and 24 Members of the Canadian Parliament, met for the second time on June 25 to 28, 1959, in Canada. At that meeting the Chicago water diversion, among other subjects, was discussed by the group.

A report of this meeting is contained in House Report No. 730, dated July 29, 1959. The group agreed, with respect to water matters between the two nations, that "unilateral action should not be taken in legislative or administrative matters affecting the interests of both countries without entering into discussions aimed at reconciling divergent views."

It was also agreed that a steering committee should explore the adequacy of existing bodies and procedures having jurisdiction over boundary-waters problems, specifically the Great Lakes and the St. Lawrence Seaway, and should then report its findings with suggestions to the group.

In reference to Chicago water diversion, the group recommended:

> The steering committee of the Canada-United States Interparliamentary Group collect all existing reports, studies, and other data relating to problems of pollution, recreation, conservation, power utilization, industrial development, port facilities, and navigation in the Great Lakes area.

It was recommended to the steering committee that it review and evaluate this material looking toward the making of further suggestions at the next meeting of the steering committee.

Actually, the whole question of Chicago water diversion is now before the U.S. Supreme Court. On June 29, 1959, the Court appointed Hon. Albert B. Maris, U.S. circuit judge, as a special master in four cases in the Supreme Court, each of which directly involves water diversion from Lake Michigan.

At an informal conference in Philadelphia, Pa., on Tuesday, August 4, 1959, Judge Maris met with attorneys representing the Lake States, the State of Illinois, the city of Chicago, the sanitary district, and the Elmhurst-Villa Park-Lombard Water Commission, at which time the scope of the special master's investigation to be made pursuant to the order of the Supreme Court appointing him, was outlined.

The special master will begin his hearings in Chicago on October 5 of this year. His investigation will involve every facet of water diversion out of Lake Michigan, including methods of sewage treatment, efficiency, and the like. Obviously, it will be an extensive survey, so common sense alone tells us that we ought to let him complete his investigation and make his report to the Supreme Court, and that all who are concerned should wait for the Supreme Court to act again in this matter.

It should be borne in mind that the 1,500 cubic feet a second which Chicago is now diverting, in addition to all domestic pumpage—approximately 1,800 cubic feet a second—is being made pursuant to the 1930 decree of the Supreme Court. Furthermore, the U.S. Supreme Court has retained jurisdiction, and the Court has exercised this jurisdiction on many occasions since 1930.

In fact, Chicago invoked the jurisdiction of the Supreme Court in 1956 in a suit for a declaratory judgment against the Lake States. This case is one of the suits now pending in the Supreme Court and under active consideration by the special master.

One more point: This bill was reported out of our committee by a vote of 8 to 6 with six of our committee filing strong minority views opposing this measure. Furthermore, two of the eight majority have filed individual views expressing support for reference of this bill to the Senate Committee on Foreign Relations. So in our committee there is no unanimity on this bill.

And just the other day another member of the committee who voted to report the bill, stated that he believed that the responsibility for exploring the international aspects rests primarily with the Senate Committee on Foreign Relations, and added that purely on that jurisdictional question he would vote for reference of the bill to that committee.

Six members filed the minority views. When we add to those 6 the 2 just mentioned, who filed individual views, and the third Member, who spoke on the floor of the Senate, we find 9 of the 14 members of the committee opposed to the passage of this measure by the Senate at this time. Certainly this does not speak very highly for the merits of the bill, insofar as enactment now is concerned.

Since this whole question of water diversion is now before the Supreme Court, and since the Court has appointed a special master who is wasting no time in looking into this situation, and in view of the strong protests of our Canadian neighbor to the north, as well as the objections of our Lake States, it seems to me that Congress should take no action on this proposed legislation at this time.

Mr. President, I urge all of my colleagues to oppose passage of House bill 1.

Mr. President, I repeat that there is nothing new about this proposal. President Eisenhower vetoed two previous measures practically identical with H.R. 1. In his veto message he said that his veto was based on the following reasons:

First. Existing diversions are adequate for navigation on the Illinois Waterway and Mississippi River.

Second. All methods of control of lake levels and protection of property on the Great Lakes should be considered before arbitrarily proceeding with the proposed increased diversion.

Third. The diversions are authorized without reference to negotiations with Canada.

Fourth. The legitimate interests of other States affected by the diversion may be adversely affected.

At hearings of our Subcommittee on Flood Control, Rivers, and Harbors on this particular measure, we were told by proponents of this measure that it would aid navigation on the Illinois Waterway and down the Mississippi. In my opinion, that is sheer nonsense. The depth along the Illinois sanitary canal is only 9 feet, a level which is easily maintained with the present allowed diversion of 1,500 cubic feet per second, as authorized by the Supreme Court. Any further

increase would only serve to overflow the banks of this 9-foot channel, and thus inundate adjacent lowlands. Several shipping interests from Minnesota submitted to our subcommittee statements in which they urged this diversion on the ground that it would assist in navigation on the Mississippi from the point where the Illinois River enters the Mississippi, at Alton, Ill., to dam and lock 26, some distance below the confluence of the Illinois River and the Mississippi River. This, too, is a specious argument. Actually, during World War II, when an increased diversion was allowed, the resulting overflow caused serious damage to the docks, locks, and piers along the Illinois Waterway. In all probability, if the diversion now proposed were allowed, the same thing would occur again.

But aside from that, our own Committee on Public Works at the last session reported an omnibus flood control bill which became Public Law 85–500. That law authorizes, among other things, an appropriation of approximately $6 million for improvement of navigation between St. Louis and dam and lock 26 for the express purpose of solving completely, and for all time, navigation problems incident to navigation on that portion of the Mississippi. Hence, the plea that this sought-for diversion will aid navigation through the Illinois Waterway and a portion of the Mississippi is wholly without merit.

Unquestionably the bill will help Chicago solve its sewage problem. But such a taking of the waters of the Great Lakes cannot be justified on any moral or legal ground. From a moral standpoint, the waters of the Great Lakes Basin belong to all of the citizens of the Lakes States. Each of them has an interest in these waters. Every day we realize more and more the truth of the old adage that water is liquid gold. It is becoming more precious by the minute, and we ought not to squander this priceless heritage of the people of the Great Lakes States simply to aid the city of Chicago in its sanitation problem.

The people of my State of Michigan and the people of the other Great Lakes States are strongly opposed to this proposed diversion.

This is a "heads I win, tails you lose," proposition, so far as the people of the Lakes States are concerned. If the diversion were granted and if there were an unusual amount of rainy weather, so that the diversion for the 3-year period did not appreciably lower the level of the Lakes States, Chicago would ask for more water, on the ground that the diversion had done no harm. On the other hand, if Chicago were unable to solve her sewage problem with the 2,500 cubic feet of water provided in this bill, she would seek more water, on the ground that sufficient water to provide a fair test was not authorized.

I cannot emphasize too highly the opposition of the people of my State to this proposed diversion. We are opposed to it for many reasons. We are opposed to it because of the adverse effect it would have on navigation on the Great Lakes. As previously mentioned, the Corps of Engineers made a study for our Senate Committee on Public Works; and that study was based, not on a 2,500-cubic feet per second diversion, as proposed in this bill, but on a diversion of only 1,000 cubic feet per second. The Corps of Engineers pointed out in its study that if a diversion of 1,000 cubic feet per second were permitted for a 3-year period, it would take 15 years after the diversion was terminated for the level of the lakes to reach their prediversion depth.

Moreover, even the more conservative estimates indicate that the result of a lowering of the lake levels by means of a 1,000-foot flowage would mean the loss of approximately 1½ million tons of cargo in a conservative-year period. If we multiply this 1½ million ton estimate—and it is a conservative estimate, because figures presented to our committee went as high as 2 million tons annually—we reach an estimated loss of tonnage on the Great Lakes, for this period, of nearly 57 billion tons.

In hearings on this bill, held by the Subcommittee on Rivers and Harbors, of the House Committee on Public Works, it was pointed out that with each new drop in levels, the bulk carriers on the Great Lakes must limit the amount of cargo carried, in accordance with the depth in the inbound and upbound channels between the upper and lower lakes, and to conform to the depth available in the various harbors on the Great Lakes. The large bulk carriers could carry up to 100 tons of cargo per inch of immersion. Therefore, it seems clear that if additional diversion at Chicago were authorized, it would have the effect of reducing the carrying capacity of the Great Lakes fleet about 100 tons per ship per inch of loss of lake level for each trip made. One of the more interesting facets of the report of the Corps of Engineers is the statement that it would take 15 years after the termination of the proposed diversion for the level of Lake Michigan to reach the same level it had at the time when the diversion was begun.

Proponents of this measure sneer at a reduction of the lake level by only an inch, but they neglect to point out that when one adds this inch to the billions of gallons already being pumped out for domestic purposes in Chicago, the level of the lake will be lowered considerably more than an inch, particularly when one multiplies the amount of water taken out for domestic purposes by the number of years that Chicago has been taking this water.

The report of the Corps of Engineers states that a diversion of only 1,000 feet per second for a 3-year period would adversely affect hydroelectric power projects on the St. Lawrence, and would tend to adversely affect navigation on Lake Michigan and Lake Huron. Charts and data in inches on the effect of this diversion are more fully set forth in this report—Senate Document No. 28, 85th Congress, 1st session. Speaking of hydroelectric power, it is interesting to note that the Great Lakes Harbor Association in House hearings on H.R. 2 suggested that the real motive behind this demand for increased diversion was the desire on the part of the sanitary district to obtain additional hydroelectric power to be generated by the facilities that own and operate the hydroelectric project at Lockport, Ill.

While the Sanitary District of Chicago has repeatedly denied that it is interested in the development of this additional power at Lockport, its denials cannot be given too much weight, because at every opportunity the sanitary district has pressed for increased diversion of lake water which will, in fact, increase the power to be produced at Lockport.

In 1946, Mr. Horace P. Ramey, assistant chief engineer for the sanitary district, asserted that increased diversion would double the power output at the Lockport plant of the sanitary district; and in 1947, a suggestion was made that increased diversion of water was needed for development of atomic power because of the establishment of the Argonne Laboratory on the banks of the sanitary district canal some 20 miles southwest of Chicago.

Furthermore, in 1950 an appeal was made to President Truman to obtain additional diversion in order to obtain additional hydroelectric power during the coal strike, thus it appears that despite the repeated denials the Chicago Sanitary District is interested in obtaining additional diversion for power purposes.

The report of the Corps of Engineers shows an estimated loss, if this diversion were allowed, of an estimated 188 million kilowatt-hours. The maximum estimated energy losses from a 3-year increase in diversion, as based on existing and proposed plants, are 148,700,000 kilowatt-hours in U.S. plants and 294,300,000 kilowatt-hours in Canadian plants for a total estimate loss of 443 million kilowatt-hours. The energy losses are therefore estimated to be plants for a total estimated loss of 443 million kilowatt-hours, and will vary with the timing of installation of additional generating capacity at the several power sites on the Niagara and the St. Lawrence Rivers.

The Corps of Engineers found that the 3 year increase of diversion of 1,000 cubic feet per second would increase energy production at the Lockport plant on the Illinois Waterway by about 70,400,000 kilowatt-hours. In other words, this diversion while it would aid Chicago in solving its sewage problem and in increasing its production of electricity at the Lockport plant, would at the same time, would rob Canada and the Lake States and the States of New York and Vermont and possibly others, as well, of power output real and potential of plants along the St. Lawrence.

The proposed version would unquestionably adversely affect the interests of Canada, our neighbor on the north. I am not a spokesman for Canada. Canada should and it can speak for itself, and it has spoken on many occasions in objecting to proposals of Illinois and the Chicago Sanitary District for additional diversion of water from Lake Michigan.

The committee on uses of international waters, a committee of the international comparative law section of the American Bar Association, in its report dated May

17, 1958, prepared for submission to the American Bar Association at its annual meeting in Los Angeles, Calif., on August 26, 1958, with a resolution for submission to the American Bar Association, opposed in its entirety H.R. 2, a similar measure, for reasons set forth in that report. It is an excellent treatise on this proposed diversion and I have found occasion to refer to it quite frequently.

While on the subject of Canada, I might point out that there is another facet to Canada's interest. I refer to proposed Canadian diversions in the Pacific Northwest involving the Columbia River. The Columbia River, as we all know, originates in Canada, but almost two-thirds of its length lies within the boundaries of the United States. Most of the water is derived from Canadian sources. The waters of the Columbia are now being used extensively by the United States for hydroelectric power projects. Five dams are completed, two more are under construction, and five more are planned. In addition, the waters are being used for irrigation and reclamation. Great quantities of water from the Columbia are being used also for the operation of the Hanford Atomic Works. The lower reaches of the river are used for navigation, and the fishing industry draws on the same water for its supplies.

Canada is now planning some diversion of the Columbia River waters, which will greatly affect not only the Northwest but the entire west coast of our country.

My concern is primarily because of the adverse effect passage of this bill would have on all of the people of my State of Michigan. The Supreme Court has found, and it is undisputed, that the purposed diversion would lower the levels of all of the Great Lakes. The report prepared by the Corps of Engineers conclusively shows that the lake levels in Lake Superior, Lake Michigan, Lake Huron, and Lake St. Clair, have been steadily dropping since 1952. In fact, in the hearings held in 1956 on H.R. 3300 by our Subcommittee on Flood Control, Rivers, and Harbors, Senate Committee on Public Works, it was brought out that the level of Lake Michigan had dropped 2½ feet since 1952, in the 4½-year period from 1952 to July 1956. This drop has already increased considerably the cost of dredging the connecting channels of the Great Lakes and the St. Lawrence Seaway. These connecting channels are being dredged to a 27-foot depth, and in many cases the dredging is being carried on through almost solid rock at a tremendous expense to the U.S. Government. It would seem foolhardy on one hand to continue with this costly dredging of these connecting channels on the Great Lakes Waterway and the St. Lawrence Seaway and at the same time to lower the lake levels of the Great Lakes, thereby necessitating even more and costly dredging of the connecting channels between the lakes. It simply does not make sense.

Michigan is a great industrial State touching on four of five of the Great Lakes. Water navigation is one of the great industries of that area, and many of our industrial products—for example, automobiles made in Detroit, furniture from Grand Rapids, iron ore from the mines in the Upper Peninsula, and the many thousands of products manufactured in our factories—are carried on the waterways constituting the Great Lakes.

In addition to our many other industries, one of the great industries of our State is our tourist industry, and we are blessed by our proximity to the waters of Lake Superior, Lake Michigan, Lake Huron and Lake Erie. Our upper lakes region is rightfully proclaimed as "the Playground of the Middle West." It offers boating, fishing, swimming, wildfowl hunting; in fact, all forms of outdoor sports. We know that the proposed diversion will lower the levels of our Great Lakes. The people in the Upper Peninsula, and particularly the owners of land along the shallow bays on the north shore of Lake Michigan, are keenly aware of the impact of this Chicago diversion on them. For example, Portage Bay, just west of Escanaba, was at one time a beautiful, wide but shallow bay teeming with wildfowl and game fish of every description. Portage Bay is no more. The water has receded from the bay with the drop in the level of Lake Michigan, and that entire area is now a series of mud banks, reed beds, rushes, and cattails.

Some effort was made at our subcommittee hearing to belittle the impact of this diversion on Canada on the theory that the Canadian boundary was some 38 or 40 miles away. However, the waters of Lake Michigan and Lake Huron are connected by a narrow band of water called the Straits of Mackinac, some 25 or 30 miles long, up to 250 feet deep, and 4 or 5 miles wide in the narrowest portion. Canada owns almost three-fourths of the waters and the lands along Lake Huron and if Chicago takes out a million gallons of water from Lake Michigan, thereby lowering Lake Michigan to that extent, a million gallons of water will flow from Lake Huron through the Straits of Mackinac into Lake Michigan, and the level of Lake Huron will be lowered. Hence, Canada does have an interest. Moreover, the Corps of Engineers in its report pointed out that the diversion at Chicago would decrease the depths of Lake Michigan, Lake Huron, and Lake Erie, and would adversely affect hydroelectric power projects at the St. Lawrence.

To summarize, this proposed study cannot be justified on the theory that it would assist in navigation on the Chicago Sanitary District Canal and the lower Illinois River and a portion of the Mississippi, because the present authorized diversion of 1,500 cubic feet per second is sufficient to maintain a maximum desired depth of 9 feet in the canal and any navigation problems on the Mississippi immediately below the confluence of the Illinois River and the Mississippi will be ultimately resolved on the completion of the $6 million aid to navigation project already authorized for that portion of the Mississippi.

The proposed increased diversion in H.R. 1 would adversely affect Canadian navigation and Canadian power projects on her side of the Great Lakes. Moreover, Canada now proposes a diversion of a portion of the headwaters of the Columbia River in the Pacific Northwest. If we go ahead with this Chicago diversion without Canada's consent, we will have established a precedent which may preclude us from objecting to a Canadian proposed diversion in the Northwest.

The proposed increased diversion would have an adverse affect on the Great Lakes States and Canada because it would lower the levels of the waters of the Great Lakes, which in turn would adversely affect navigation and hydroelectric power developments along the St. Lawrence.

It would also adversely affect the constitutional right of citizens of the Lake States to enjoy their God-given blessings in the form of waters of the Great Lakes and the tributaries thereto.

The lowering of the levels of the lakes will result in a tremendous loss of shipping on the Great Lakes in addition to injuries to navigation. Chicago has no legal, moral, or constitutional right to a single drop of water from Lake Michigan. As pointed out, the Chicago River originally flowed into Lake Michigan until its course was reversed by action of the City of Chicago in digging a canal, thereby causing the waters of the Chicago River to flow southward into the Des Plaines, thence into the Illinois, thence into the Mississippi.

Moreover, Chicago's remedy lies with the Supreme Court of the United States, which authorized its present 1,500 cubic feet per second diversion, in addition to domestic pumpage. Chicago has gone to the Court time after time to secure additional diversion, and it has on several occasions secured additional diversions by an appropriate plea to the Supreme Court. While the diversion will unquestionably aid Chicago in solving its sewage problem, Chicago has had nearly 70 years to resolve that problem. Chicago is in no worse a fix now than any of her sister cities of the Middle West, who for reasons of health, have been forced to construct suitable sewage disposal plants.

I have gone into this matter at some length because I feel very strongly about this bill. I have had communications from practically every community in our State opposing this measure.

Mr. President, some questions have been raised here during the debate of the last few days, and some of them have been answered. Perhaps some have not been. One of the questions raised over and over again is: Should this matter be before the U.S. Congress at this time?

Obviously it should not be before us at this time. The Supreme Court, as I have pointed out previously, is now handling this matter. The Court recently appointed a special master who has promptly taken action. He called a meeting in Philadelphia of all the interested parties, and he then announced

that he would begin hearings in Chicago on this matter on October 5 and all the interested parties would be given the opportunity to present their case. This meeting, as he has announced, will take place in Chicago on October 5.

Why should this matter be before Congress? It has been decided time and time again by the courts. We now have it before us and, generally speaking, few of us have any interest, little vested interest, at any rate, in the proposal. People on the east coast and the west coast and in other areas of the country are just not directly concerned with this problem. This is a problem of interest to just a few States. This in itself accounts for the fact that the Senate has been empty practically all the time during this debate.

I am sure that when we consider the machinery established by the courts, and the fact that a regional setup of the interested States has been approved by the Senate, though not as yet approved by the House, we all can agree that this matter should be handled regionally and through the courts before it reaches the Federal Congress for consideration.

In the figures I have presented here I have pointed out the amount of water involved, in gallons. I repeat that these figures show well over 2 billion gallons of water being diverted. One just cannot explain to the people in my area of the country, to the people of the State of Michigan, that the taking of 2 billion gallons of water a day, much more than 2 billion gallons of water a day, out of the Great Lakes Basin, will not substantially affect the water levels. That is a tremendous amount of water. As the Governor of Pennsylvania said recently, it is about equal to the flow of the Delaware River.

THE LABOR-MANAGEMENT REFORM BILL

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my colleague from New York.

Mr. JAVITS. Mr. President, I agree that my remarks may follow the debate on the bill.

Mr. McNAMARA. The Senator may go right ahead.

Mr. JAVITS. Mr. President, the first matter to which I should like to call the attention of the Senate is a problem in reference to the labor bill now in conference. It involves a highly controversial issue which is before us in the resolutions submitted by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Illinois [Mr. DIRKSEN] with reference to the garment industry and the clothing industry, which is so heavily represented in New York, and it deals with the question as to whether unionization of contractors who do work which is farmed out to them by people who are called jobbers shall come under the inhibition of the provisions of this new labor bill which would prevent unionization from taking place by agreement with the jobber who farms out the work.

Mr. President, this is a longstanding course of business in the clothing industry. The International Ladies Garment Workers' Union is probably as correct a union in terms of its fight against racketeering and other excesses which have been disclosed in the McClellan committee hearings as any in the country. It is also, incidentally, one of our leading anti-Communist unions. I certainly hope that we do not intend to inhibit it in its legitimate activities.

I raised this question on Friday night when these resolutions were submitted, and I am much pleased, therefore, to be able to ask unanimous consent to make part of my remarks an editorial in the New York Times of August 30, 1959, calling attention to this situation, and urging that great care in drafting the new legislation is needed, and is demonstrated by the reflection that interference should be avoided with already established and legitimate labor union practices in the effort to check corruption, dictatorship, and the violation of the rights of innocent parties in the garment and men's apparel fields.

Mr. President, it is readily felt that the elimination of sweatshops in these two industries is heavily attributable to this method of proceeding to unionization through the fact that there is an integrated production process. I ask that the editorial to which I have referred may be made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A LABOR BILL PROBLEM

Of all the complicated controversial issues raised by the House and Senate labor bills, on which the conference committee has asked instructions from the Senate, one is really not controversial nor is it especially complex. It ought to be quickly settled. We refer to subdivision 8(a) of section 705 (a) of the Landrum-Griffin bill which prohibits the making of any collective agreement with an employer "whereby such employer * * * agrees to cease doing business with any other person."

A narrow court interpretation of this language might wreck the whole structure of labor-management relations in the garment and clothing industries built up over the years and now become traditional. It has largely done away with sweatshop conditions in these trades and has established relatively high wage and working standards which neither the leading employers nor the workers want to have broken down.

In these industries the firms responsible for the manufacture of clothes (called jobbers) design and cut the goods but farm out to other shops (called contractors) the sewing and the pressing—run by firms which are fiercely competitive, constantly changing and difficult to organize. The vast improvement in working conditions in the contractors' shops has largely come about through agreements between the jobbers and the unions which require the jobbers to farm out their work only to contractors who live up to union standards.

So close have these two parts of the single production process become that jobbers and contractors have been considered as one in applying the provisions of the Taft-Hartley law which probihit secondary boycotts. Senator Taft himself agreed to this in discussing the law's intent on the Senate floor and so have Representatives LANDRUM and GRIFFIN as to their bill during the debate in the House and in the conference committee discussions.

But such assurances do not have the force of law. Whatever bill may emerge from the deliberations this week should clearly and explicitly exempt these traditional union-jobber agreements from secondary boycott prohibitions. This situation is a good illustration of the urgent need for care in drafting this legislation so as to avoid interference with already established and legitimate labor union practices in the effort to check corruption, dictatorship and the violation of the rights of innocent parties.

Mr. JAVITS. I express great hope that we shall find our way out of the present impasse, because I deeply believe that it results really only from the difficulty of finding a formula to be employed rather than from any disposition on the part of any of those in the conference committee, who are thoroughly cognizant of the work of the ILGWU and of the Amalgamated Clothing Workers Union. It is that which has so far frustrated our endeavor to solve this dilemma.

Mr. GOLDWATER. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I should like to comment on what my friend from New York has been discussing.

We conferees are in the very peculiar position of everyone of us agreeing that we do not intend to upset the status quo of the garment or apparel industries. I am one who is probably closer to this situation than anyone except my friend from New York [Mr. JAVITS]. I have been engaged in the retail end of this business all my life. I have watched what has happened in the garment section of New York and the garment section of Philadelphia and St. Louis and Chicago and on the west coast, and I have seen sweatshops disappear. I have seen order come out of chaos. I have seen unions create profits for businesses which were unable to produce profits, and, Mr. President, none of us wants to disturb for one second the status the garment trade now occupies under the present law.

We know full well the very complicated manner in which this complicated industry works, and I can assure my friend from New York that the efforts of Senator JAVITS and Senator KEATING and Senator SCOTT have been most appreciated by those of us of the conferees as we have tried to develop language to take care of this situation which all of us are sincerely interested in taking care of.

I thank my friend for his continued interest in this matter.

Mr. JAVITS. I not only am deeply interested, Mr. President, but I also have confidence in the statements just made by my friend and colleague from Arizona, and I believe that with his help it is very likely that this matter may find a resolution satisfactory to all. I thank my colleague.

Mr. GOLDWATER. I thank my friend from Michigan.

Mr. COOPER subsequently said: Mr. President, will the Senator from Michigan yield to me in order that I may direct a question to the distinguished Senator from Arizona [Mr. GOLDWATER].

Mr. MCNAMARA. I shall be glad to yield for that purpose, provided I do not lose my right to the floor.

Mr. SPARKMAN. Mr. President, reserving the right to object, what was the request?

Mr. COOPER. I asked if the Senator from Michigan would yield to me to address a single question to the Senator from Arizona in connection with the colloquy he had with the Senator from New York.

Mr. SPARKMAN. I have no objection.

Mr. COOPER. I return for a moment to the colloquy between the Senator from New York and the Senator from Arizona on the subject of the labor bill conference. The Senator from Arizona said that the conferees were still trying very hard to come to an agreement upon the particular problem in the garment industry. I know that there are a very limited number of questions which were left for decision in the conference.

I ask the distinguished Senator from Arizona if the conferees are attempting to resolve those questions, so that they will be able to present to the Senate an agreed-upon bill.

Mr. GOLDWATER. Mr. President, in answer to that question, let me say that the conferees never had any intention of breaking up the conference, nor did the conference take any formal action to break up. We merely used the precedents of the Senate in asking for instructions. At the same time, we agreed to continue with our conference.

This morning, for example, we met from 10:30 a.m. until 12:30 p.m. We had scheduled another conference this afternoon at 4 o'clock, but because groups of us working together have been engaged in something we cannot complete by 4 o'clock, we have agreed to meet again at 10:30 tomorrow morning.

Speaking as one conferee, I am sincerely hopeful that we can bring out a conference report. I think the Senate would much rather vote on a conference report than go through 4 or 5 days of battle in a floor debate on a very complicated problem involving highly emotional factors.

So, to complete my answer to my friend from Kentucky, let me say, Yes; we are continuing to confer, and we are continuing to hope and pray that, as reasonable men, we may be able to reach a reasonable solution.

Mr. COOPER. I thank the Senator. I make only this comment: If the conferees do not agree, I am prepared to vote on the issues, as are my colleagues.

Remembering the Taft-Hartley bill, and the consequences of that bill, and the opinions which were inflamed in the country, rightly or wrongly, I believe that if the conferees can agree, there will be a large vote in this body, as well as in the House, and there will be public acceptance of the bill, which is very important.

Mr. GOLDWATER. I say to the Senator in closing that as one conferee, I do not believe the difference between success and failure in this conference is any wider than the thickness of a Gillette blade; and that is mighty thin.

THE STEEL STRIKE

Mr. JAVITS. Mr. President, I should like to acquaint the Senate with a statement issued over the weekend by the Senator from Vermont [Mr. AIKEN] and myself relating to the steel strike. The Senator from Vermont is in the Chamber and may have some comment on it.

Mr. President, the Senator from Vermont and I had the honor of seeking the release by Secretary of Labor James Mitchell of the facts found by him for the President on the steel strike, and we are happy to say that, whether it was because of our efforts or whatever may have been the cause, they were released, and we hope that the release of those facts will enable the public to be the jury in the dispute. The public has now had a chance to consider the facts, and the public now has the opportunity to influence the situation as it exists at this moment.

The steel strike settlement talks have been set over to September 2, and while each of the parties is thinking it over, this is an opportunity for the public to make its voice heard clearly in demanding intensive continuance of collective bargaining negotiations and a settlement of the strike.

The longer we wait, Mr. President, the nearer is brought that emergency which a long cessation of production of so vital a commodity as steel must bring about in the private economy, as well as in defense production orders.

Already the strike is in its 48th day, a postwar record exceeded only by the 58-day strike of 1952. The emergency will, it appears, begin in mid-September, when we are already told steel shortages may affect operations of freight car manufacturers and manufacturers of machinery and chemicals will be acute by early October reaching out to autos, aircraft, and shipbuilding. Then Taft-Hartley procedures for an 80-day injunction are the most likely to be invoked. The result will be a dug-in struggle between management and labor which will only make a settlement harder to attain. We believe that the leadership of the United Steel Workers will have no real trouble in calling out the men at the end of the 80-day period, should the dispute remain unsettled.

The result of such an exacerbation of this industrial conflict can only be seriously damaging to the national interest. If management is waiting for the invoking of the national emergency provisions of the Taft-Hartley law, it is making a serious mistake.

The ominous calm at present—as though the strike did not exist, and were not before us—makes me feel very strongly that people are sitting around waiting for the Taft-Hartley law to be invoked. I believe, and the Senator from Vermont [Mr. AIKEN] believes—although he will speak for himself in a moment—that nothing would be more unwise, in terms of the best interests of our country.

Labor is apparently already not insisting on its total demand for this, too, would be a serious mistake as we are convinced the public will not stand for a price increase in steel. Indeed there is strong opinion that in the highest public interest what should result from the strike is a price decrease in steel.

I insert parenthetically two thoughts. First, steel is rarely produced at maximum capacity; and steel is beginning to feel very seriously the influence of foreign competition, with about 1½ million tons of steel imported this year already.

These are two situations which are of the gravest interest, not only to management, but to workers and to the United States, in terms of maximum production of steel. This is best for the steelworker, because he works more hours.

One of the points made by Secretary Mitchell in his findings of fact is that whereas hourly wage rates for steel production workers are at about $3.10 an hour, on the average, which is pretty good, the fact is that the average steelworker earns only about $5,600 a year; and in 1958, 22 percent of the steelworkers earned less than $3,000 a year.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I point out that the $3.10 an hour applies to all the workers. The manual laborer receives $2.13 an hour, I believe.

I was glad to join the Senator from New York in undertaking to prod the public into becoming a bit resentful over the steel strike. The more one reads the fact sheets released by Secretary Mitchell a week or so ago, the more one must be convinced that a settlement is possible without any increase in the price of steel. The longer the strike continues, the more it looks like a planned test of strength between the companies and the unions; and that is not good for the public. I believe that if public pressure should be exerted anywhere, it should be exerted upon the participants in this gigantic battle, which promises, if it continues unchecked, to do a great deal of harm to the national economy.

I believe that we must keep prodding the participants as well as the public. The side which will win will be the side which has public opinion with it. I should like to see them both meet each other half way, and perhaps the entire industry would have public confidence. But if the strike continues, many people will be hurt who do not deserve to be hurt.

Mr. JAVITS. My colleague is exactly right. I am very grateful to him for joining me in this effort. The public does need to be prodded into taking an active part in the effort to obtain a settlement. From the figures given by Secretary Mitchell, one can almost draw a line down the middle and determine what can be done without a steel price increase.

The situation is clearly one in which a settlement is indicated and demanded and should be made. The figures bear

this out. Steel company profits as a percentage of net worth compared with the annual earnings of steel production workers and the pattern of major wage negotiation settlements in the first half of 1959 as disclosed by Secretary Mitchell all show that there is enough "give" possible for both management and workers to make a settlement entirely practicable without a steel price increase. We urge the public to demand a negotiated settlement most insistently at this time.

I shall not stop, and I hope the Senator from Vermont will continue to cooperate with me, and that other Senators will join us, in urging the public most insistently to demand a negotiated settlement at this time. I cannot help feeling that if we come to a Taft-Hartley law injunction, it will be our common and collective fault, in not having made our demands felt keenly enough, both by management and by the leaders of labor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 510) amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other puropses, and it was signed by the President pro tempore.

ISRAEL AND THE UNITED ARAB REPUBLIC

Mr. JAVITS. Mr. President, may I have 2 more minutes?

Mr. McNAMARA. Mr. President, I yield 2 minutes to the Senator from New York, without losing my right to the floor.

Mr. JAVITS. Mr. President, I should like to comment upon a colloquy which took place this morning.

Mr. DOUGLAS. Mr. President, I make the point of order that the Senator who occupies the floor may yield only for a question. If the Senator from New York intends to make a statement, I shall reluctantly be compelled to raise the point of order.

Mr. McNAMARA. Mr. President, did I correctly understand the Senator's request to be in the nature of a unanimous-consent request?

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. I believe I made a unanimous-consent request that I might interrupt the Senator from Michigan for the purpose of transacting other business, and that my remarks would follow his, and that he would not lose his right to the floor. I believe that request was granted.

The PRESIDING OFFICER. The Senator from New York is correct.

Mr. JAVITS. I may say to the Senator from Illinois that I shall intrude for a matter of only 2 minutes.

I understand a colloquy took place on the floor this morning about the way in which the Egyptians are running the Suez Canal. I was unfortunately delayed in my arrival by airplane this morning and was unable to participate in the colloquy. I am grateful that my colleague from New York [Mr. KEATING] and the junior Senator from Pennsylvania [Mr. SCOTT] were able to participate and point out, as I understand they did with great effect and with great eloquence, that it is one thing to operate the Suez Canal technically, so that the banks do not cave in and ships do not collide with one another, but that it is another thing to obey international law and keep the commitments which were made to the United States at the time this country helped Nasser out of the toughest spot he was ever in when the forces of the United Kingdom and France were all in Egypt. Then the United States used its great influence to get these forces out, with the implied understanding that international law and the Suez Canal Convention itself would be obeyed in respect to the operation of the canal. President Eisenhower on February 20, 1957, in urging the Israeli to withdraw their forces, had declared:

> We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligation, then this should be dealt with firmly by the society of nations.

The fact is that Israel is blockaded in terms of its cargoes moving through the canal. There is no justification whatever for this in international law, yet the United States is now proposing, through the International Bank of which we are a principal member, to make a loan to Egypt, notwithstanding the violation of international law and the Suez Canal Convention—the Constantinople Convention of 1888. I have protested against this in company with the junior Senator from New York and the junior Senator from Pennsylvania. We will continue to protest. While, on the one hand, the mechanical operation of the canal seems to be proceeding all right, for which Egypt is entitled to credit—and no one would deny it to them—on the other hand, we protest against the infraction of international law, a practice which we simply cannot condone and remain civilized countries, obedient to the dictates of human personal relations.

In making this statement I join with my colleagues in this particular effort, because I wish to identify myself with their point of view. I shall continue this effort to make certain that justice is done in terms of lifting the blockade which has been imposed upon Israel and its cargoes, because it is quite illegal and in violation of every international concept of law and order and commerical practice being imposed by the Government of the United Arab Republic on Israel and its people and is, indeed, a very real threat to the peace in a sensitive area of the world.

Mr. JAVITS. Mr. President, I express to the Senator from Michigan my application for his courtesy in yielding and to the Senator from Illinois by thanks for allowing me to proceed. I was detained this morning. I was at my office. I should have been here. I am very grateful to both Senators.

FEDERAL AID TO EDUCATION

Mr. McNAMARA. Mr. President, while we have this interruption in the proceedings connected with the Lake Michigan water diversion bill, I should like to comment upon an editorial entitled "Under the Rug," published in the Washington Post of Sunday, August 30, 1959. The editorial points up the hypocrisy of the administration with respect to Federal aid to education.

Year after year the administration makes pious noises about the shortage of classrooms and other deficiencies in education—and it occasionally proposes legislation aimed at meeting these problems.

Yet—when the time comes to act—the administration is figuratively looking in the other direction—or else talking about what an effective program would do to the President's sacred budget.

Helping to provide a sound elementary and secondary education system is still one of the most pressing needs facing this country.

Even the administration officials concede the seriousness of the situation. But they refuse to do anything about heeding the grave warnings contained in their own statements.

As I have said year after year in this Senate, this situation will not cure itself. The States desperately need assistance. It is our duty as a Congress, representing all the States, to provide that assistance. I am hopeful that we now are coming closer to that goal.

The Subcommittee on Education of the Senate Labor and Public Welfare Committee has favorably reported a school-construction bill—which would provide $500 million a year for 2 years.

It is my belief that the full committee will soon give the bill its approval and that it will be reported to the Senate for action.

We have again an opportunity to back up words with action. We must not fail.

Mr. President, I ask unanimous consent that the editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNDER THE RUG

The administration is going through its customary ritual of calling attention to the desperate condition of the country's public

school system without doing anything effectual to correct that condition. The Secretary of Health, Education, and Welfare issued an unringing appeal on Wednesday for congressional action on an administration-sponsored installment plan of Federal aid for building classrooms. But no one seems to suppose seriously that it has any possibility of passage in this session of Congress. And no one can pretend that it proposes to do anything more than apply a poultice to a hemorrhage.

A fortnight ago Secretary Flemming told a news conference that when the public schools open next month for the 1959–60 school year there will be a shortage of about 140,000 classrooms throughout the United States. The shortage a year ago at the opening of school was 140,500 classrooms. "What does this continuing neglect by the Federal Government of this classroom shortage mean in terms of the actual loss of educational opportunity?" the Secretary asked the reporters rhetorically. He answered his own question, as follows:

"When there aren't enough classrooms, there are generally more pupils per teacher. Educational facilities are crowded. Half-day and split sessions are imposed. There are fewer hours for children in school. Parents, teachers, children are subjected to constant frustration. A crowded classroom robs every child in that room—not just those who make up the statistical excess enrollment for the school."

The Commissioner of Education, Dr. Lawrence G. Derthick, has just announced that a total of 1,563,000 teachers will be needed in both public and nonpublic schools in the coming year, whereas the number presently qualified is 1,368,000. "The deficit of teachers will mean, in many communities, overlarge classes or the employment of teachers without adequate training, or both," Commissioner Derthick said. "In many instances it will also mean curtailing the number of subjects offered."

The administration school-aid bill does not even pretend to do anything about the shortage of teachers. And it is by no means clear that it would do what it pretends to do about the shortage of classrooms. It would commit the Federal Government to pay, each year for 5 years, half the annual principal and interest on school bonds representing a capital outlay of $600 million to be allocated among the States on the basis of school population, per capita income, and school financing efforts. The Federal share of principal and interest would be $17 million in the first full year of operation, rising by the fifth year to a maximum level of $85 million which would be maintained until the bonds are paid off.

The virtue of this installment program is that it would not unduly swell the budget of an administration unwilling to recommend additional taxation to meet imperative human needs. It undoubtedly represents the most that Secretary Flemming, an educator who surely understands the problem, thinks he can induce the President to approve. Its vice is that it is niggardly and inadequate; it would mortgage the future without solving the problem; it would finance, at best, hardly half of the additional classrooms admittedly needed; and the terms of financing would be unacceptable or unattainable for school districts already at the limit of their financial resources. Worst of all, perhaps, it is a program presented with so little fervor, with so slight a sense of the urgency of school needs and with so conspicuous an absence of Presidential leadership or even support that it can evoke enthusiasm neither in Congress nor in the country.

Congress must bear, no doubt, a heavy burden of the blame for failure year after year to deal with the Nation's school needs. But a still heavier share of blame must be shouldered by the administration for its failure to give this problem the priority it deserves. Together, Congress and the administration can once more, as they have done so often in the past, brush this problem under the rug. But they will be brushing under the rug about 10 million American children—the number doomed to overcrowded and obsolescent classrooms in the richest nation on earth.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. McNAMARA. Mr. President, to continue my remarks on the questions which were raised about the water diversion proposal which we are now considering, I was pointing out that Canada has every right to be worried and concerned about her rights under the treaty of 1909 and the Niagara Power Treaty of 1950. Lake Michigan and Lake Huron are, to all intents and purposes, one body of water. That has been so recognized by the Army engineers for many years. All the material which is on display in the rear of the Chamber indicates that these two lakes are considered as one body of water. References to reports and surveys by the Army engineers always treat this area as one body of water.

Canada has great interest, not only in the hydroelectric features which have been mentioned, but in the rather newly developed area for recreation and vacationing in the Georgian Bay area and in the Bruce Peninsula area. All of this vacationland hunting and fishing area is dependent upon the maintenance of a reasonable water level.

We are not talking about all the rest of the Canadian shore, which is indicated here on the map; we are stressing again the connection between Lake Michigan and Lake Huron, which is such as to make those two lakes one body of water, which rise and fall together.

I think one of the things which puts the State of Illinois, on the one hand, and the State of Michigan and the other Lake States, on the other hand, in a little different position in this situation, in the consideration of the bill before us, is the difference in their shorelines. Illinois and the Chicago area have approximately 100 miles of lake shoreline. Michigan has 3,000 miles of lake shoreline. It is understandable that Illinois and Michigan are concerned in opposite manners in this matter. The developments of boating, fishing, and all other kinds of water recreation are 30 times as great in Michigan as they are in the State of Illinois.

I am sure that these answers to the questions which have been raised, and some other answers which I am sure my colleagues are about to present in the course of their arguments against the pending bill, will go far toward convincing the few Senators who will take the time to read the RECORD or to listen to what my colleagus have to say that this measure is bad proposed legislation and should not be passed at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEATING. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO DISCRIMINATION IN THE AMERICAN LEGION

Mr. KEATING. Mr. President, I am about to make an announcement which I believe it is important to make with respect to an issue which was raised last week at the national convention of the American Legion, in Minneapolis.

This morning I have been in touch with Mr. Martin B. McKneally, of Newburgh, N.Y., the new national commander of the Legion. Mr. McKneally has authorized me to make public a statement in which he makes clear:

First. That he is personally strongly opposed to the policy of the Forty and Eight, a subsidiary of the American Legion, which restricts membership in the Forty and Eight to white males.

Second. That as national commander of the American Legion, he will take immediate action, by examination of the legal aspects and through appointment of a committee to meet with the Forty and Eight on this issue, in an effort to eliminate this membership restriction.

I shall now read Mr. McKneally's statement in full.

Mr. JAVITS. Mr. President, will my colleague yield briefly to me?

Mr. KEATING. I am very glad to yield.

Mr. JAVITS. I should like to compliment my colleague on this job.

A short time ago, when he happened to be off the floor, I took occasion to "say my piece" on this subject, as a member of the American Legion; and I, too, expressed the hope that the new national commander of the American Legion—whom both my colleague and I know—would seek to do something about this situation.

I am especially delighted it was my own colleague from New York who was able to report to the Senate that our friend and the new national commander of the American Legion, from Newburgh, N.Y., is really going to dig into this situation.

Mr. KEATING. I appreciate the remarks of my colleague from New York.

I shall now read the rather short statement which Mr. McKneally has authorized me to release today. It reads as follows:

An issue raised at the recent national convention of the American Legion in Minneapolis has received much public comment and calls for a statement from me as national commander.

The comment is based on the rejection of a resolution by the convention which declared the eligibility requirements of the Forty and Eight to be in violation of the constitution of the American Legion and called for immediate compliance by the Forty and Eight with the American Legion constitution.

The convention, it must be borne in mind, did not stop there. It adopted the report of the constitution and bylaws committee of the convention which declared "that exclusion of members because of race, creed, or color in either the Legion or its subsidiary organizations is presently considered unlawful." It also passed a resolution which called upon the Forty and Eight to reexamine its eligibility requirements with the purpose of making them coincide with those of the American Legion.

This resolution, while general in tone, nevertheless calls for immediate action by the American Legion.

As national commander, it is my responsibility to see that that action is not delayed. For the information of all, I shall state my own personal position in this matter:

(1) I believe that the membership requirements for eligibility in the American Legion, as set out in its constitution, should not be added to by subsidiary organizations. The Forty and Eight, while it is an independent corporation, restricts its membership to legionnaires who are "white males." The membership requirements of the American Legion, be it noted, are simple: "Honorable service by a U.S. citizen in time of war," and none other.

(2) I believe that the American Legion, composed as it is of veterans of three wars, which were fought for the preservation of freedom and human dignity, should be in the forefront in promoting brotherhood and should be the leader in allaying prejudices.

(3) I am required in this connection to do all that lies within my power to uphold the constitution of the American Legion and to do less would be a clear violation of my obligations as national commander.

I shall direct that an immediate examination by the American Legion of the legal aspects of this issue be made. I shall appoint a committee to meet with the Forty and Eight to discuss and clarify and bring to a proper conclusion this conflict; and I shall act in all these matters without delay.

In conclusion, I say that my responsibility as national commander is to preserve the American Legion in all of its original greatness as the guardian of American ideals and to lead this organization in the difficult days that lie ahead, and to act always in accordance with the high and best traditions of the American Legion and of the United States of America.

That concludes the statement of Mr. McKneally.

Mr. President, I should like to add that I share Mr. McKneally's opinion as to the membership policies of the Forty and Eight and shall do all I can, as a member of the American Legion, to support him in his efforts to rectify this situation.

I might note, as a matter of information, that the Forty and Eight has a membership of about 100,000, while the American Legion, as a whole, has a membership in excess of 2,700,000.

I feel that Mr. McKneally is to be congratulated for his forthright approach to this serious problem which confronts him at the outset of his tenure as national commander.

The election of Mr. McKneally as national commander of the American Legion is a high honor for the State of New York and a great tribute to Mr. McKneally's outstanding record in fostering the principles of Americanism.

As president of the board of education in Newburgh, commander of his hometown American Legion post, commander of the Department of New York of the American Legion, American Legion representative on the Governor's committee on youth and delinquency, and in many other important roles within and without the Legion, Mr. McKneally has performed extraordinary public service. I extend to him my heartiest congratulations.

Mr. President, I ask unanimous consent that a brief biography of Mr. McKneally be printed in the RECORD following my remarks.

I shall not read the biography, but I call attention to the fact that Mr. McKneally is a graduate of Holy Cross College and Fordham Law School, had distinguished service in the war, and has been an outstanding citizen in every sense of the word. As is stated in this biography, he has been a very busy man, but he has carried out the precept that if one wants something done well, he should be sure that he gets a busy man to do it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

Martin B. McKneally was born in the picturesque old town of Newburgh, N.Y., a short distance up the Hudson River from Manhattan. He was graduated from the Newburgh public schools and from Holy Cross College and Fordham Law School.

On March 17, 1941, in response to greetings extended by the President of the United States, he joined the long OD line. In a rapidly expanding Army, he won sergeant's chevrons as a field artilleryman and, after sweating through officers candidate school at Fort Washington, he won a commission in September 1942.

Overseas service included an assignment on the staff of Lt. Gen. Robert C. Richardson, commanding general, mid-Pacific areas, and duty at several Far Eastern points. During overseas service, he was promoted to major and left the service in that rank at the end of World War II.

Since returning from service, he always has given the American Legion a top priority on a busy time schedule. He has been in the forefront of this service, beginning as Americanism chairman in the Judson P. Galloway Post No. 152 of Newburgh. Honoring local citizens for outstanding Americanism and bringing top speakers to the community, he has augmented those regular American Legion programs that are dedicated first to God and country.

Success with a local Americanism program and ability and willingness as a speaker brought him the department's Americanism chairmanship, a task performed with distinction for 3 years. While giving generously of himself to other causes, it is on the cornerstone of Legion Americanism that he has built a career of community service.

He comes to the top level of department work from a distinguished career which has included outstanding duty as parliamentarian for the national convention in Miami, and commander of his hometown post. He has served as a member of the department convention resolutions committee for 3 years, has been a representative of the American Legion on the Governor's committee on youth and delinquency, and is currently a member of the national foreign relations committee of the American Legion.

For some years the confidential secretary to a supreme court justice of the ninth judicial district, New York, McKneally has also found time to serve as president of the board of education in the city of Newburgh, justifying the old saying that "If you want something done well, be sure to get a busy man to do it."

He was unanimously elected department commander at the 38th New York Department convention at Rochester on July 28, 1956, and national commander at the national convention in Minneapolis on August 27, 1959.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KEATING. Mr. President, the debate in which we are now engaged has at times become a little acrimonious, and I hope as time wears on such acrimony will not return.

Mr. President, I should like to offer a small historical footnote to the current debate with respect to the Lake Michigan water-diversion bill.

I do not anticipate that this offering will change any votes, but it may be of interest at least to those Senators who are students or connoisseurs of early American jazz.

The late Jelly Roll Morton, one of the great pianists which New Orleans gave to the Nation, used to sing a 12-bar blues song not long after the turn of the century, and the title of that song was "Michigan Water Blues."

The first chorus went as follows:

Michigan water tastes like sherry wine,
(I mean sherry wine);
Mississippi water tastes like turpentine,
Michigan water tastes like sherry wine.

Frankly, I do not know at this point whether Michigan water tastes like sherry wine, but even if it should, that would still be no justification for diverting it to the Chicago sewer system.

Mr. President, I yield the floor.

Mr. PROUTY. Mr. President, I desire to express very vigorous opposition to H.R. 1. This bill in different forms and various guises has been before the Congress for a number of years. It has been vetoed twice, and justifiably so.

Although watered down somewhat from previous versions, it still constitutes, in my mind, a prime example of bad legislation.

The alleged purpose of the bill is to clean up a malodorous pollution problem in the Illinois River, created by the sewage effluent of one of our great municipalities. It proposes that the increased diversion of 1,000 cubic feet per second of water from Lake Michigan cover a period of 1 year, for the purpose of determining future recommendations for action.

I feel that this would constitute a dangerous precedent, would have a harmful effect on the economic interests of many Americans and Canadians, and is an

example of special legislation of the worst type.

We in Vermont of course are interested in any action which would affect the generation of hydroelectric power at the St. Lawrence power project. Vermont has been a high-cost power region for many years and only now is beginning to enjoy some benefit from this long-dreamed-of project. Loss of hydro power caused by diversion of water from Lake Michigan as would be authorized by passage of this proposed legislation may be difficult of determination but it is certain to be material.

The Power Authority of the State of New York is even more deeply concerned with the St. Lawrence Seaway and power projects and as a committee member I have been greatly impressed with facts and figures they marshaled at the hearings to substantiate their objections. They have stated, for example, that if the power authority is deprived of the historic flow of the Great Lakes-St. Lawrence system by a 1-year additional diversion at Chicago of 1,000 cubic feet per second, and Canadian interests do not share the loss, the authority will suffer a total revenue loss of $1,038,000. If the diversion of 1,000 cubic feet per second should become permanent the annual loss, they assert, would amount to $1,142,046. For every lost kilowatt in a month the authority believes it will lose $1 of revenue which will have to be made up by its customers who will have to purchase such lost kilowatts from private utilities at substantially higher cost.

Only a few weeks ago the two great North American democracies were hosts to the Queen of England and her consort. The primary focal point of the latters' visit was the formal dedication of one of the age's great engineering accomplishments, the twin projects—the St. Lawrence Seaway and power projects.

It should be noted that one of the recurring themes stressed in much of the press coverage of the dedication was the extremely fine relationships between the two neighboring countries. Now, however, the Congress and the Senate, are confronted with a legislative proposal—H.R. 1—which would strike a blow that would imperil the friendly atmosphere of cooperation and amicable give and take characterizing relationships between these nations.

As a member of the Committee on Public Works I had the honor of officially attending the dedication of the St. Lawrence Seaway and power project. There I had the opportunity of talking with a number of Canadian officials. It was made very clear to me that Canada is strongly opposed to any increased diversion of Lake Michigan water.

While Canada recognizes fully that Lake Michigan is within the jurisdiction of the United States that nation has rightfully expressed concern over the proposed diversion. In a note to the United States last February Canada stated that—

It is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities on both sides of the border.

Canada is not alone in its opposition to this diversion of water from Lake Michigan. The U.S. Department of State is opposed, on the score that it would endanger present amicable relations with a friendly neighbor through its damaging affects on power generation in the St. Lawrence, Niagara, and Quebec hydroprojects. It would also disastrously affect navigation on the Great Lakes. It has been estimated that the shipping interests of the United States as well as Canada would suffer damages through lowering of lake levels and consequent restrictive effects on navigation, of up to $2 billion annually.

All of the other States bordering the Great Lakes oppose this bill, and rightly so, because of its adverse effect on navigation.

Enactment of the authority to divert additional water from Lake Michigan, aside from its immediate affect on navigation and hydropower generation, would constitute a dangerous precedent. Other communities might take this as a justification for additional diversions for their own purposes. This could well nigh become disastrous in cumulative total loss of waterflow from the lakes through the St. Lawrence. Many communities could more economically use water from the lakes than from other sources but do not do so at present.

Another dangerous byproduct involved in an approval of this proposed legislation would be the encouragement it would give Canada to believe that boundary waters are the property of those who get there first. That nation could, were this proposed legislation to pass, be well justified in feeling that the waters of several international streams may be utilized by them, to the disadvantage of those on the American side of the border.

If we establish the precedent of water diversion against the objections of a neighboring friendly country, what argument will we then have available to us to oppose the proposed diversion of water from the international Columbia River to the all-Canadian Fraser River?

It is perhaps not as widely known as it ought to be that Canada is proposing to divert 15 million acre-feet of water annually from the Columbia River into the Fraser River to increase its production of electricity. We all know that the Columbia River originates in Canada and most of its water is derived from Canadian sources, although almost two-thirds of its length lies in the United States. In the United States the waters of the Columbia River are used extensively for hydroelectric power projects, for irrigation and reclamation. The Hanford Atomic Works depends for its operation on the waters of the Columbia. The lower reaches of the river are used for navigation, and the fishing industry draws on the same water for its supplies. The proposed diversion would cut off approximately 25 percent of the flow of the Columbia River into the United States, with the result that American industries and projects dependent on the waters of the river could operate only at 75 percent of capacity.

This could also work in reverse. The United States, utilizing H.R. 1 as a precedent, could insist on preemption of some of these international waters at the expense of our Canadian neighbors. This would be an unfortunate situation, one fraught with danger. It could result in much ill will between the two nations, ending the present hard-earned and well deserved feeling of good will between neighbors.

Passage of H.R. 1 bypasses the mechanism provided by the International Boundary Waters Treaty of 1909 which has been an important factor in maintaining good relations between the United States and Canada.

The U.S. Supreme Court still has jurisdiction over diversion of water from Lake Michigan by Chicago. It has acted numerous times in the past, and may, in the future, act to meet any emergency situation which can be the only equitable reason for increased water diversion. Proponents of the bill in question have produced no evidence to demonstrate the inadequacy of this procedure.

Passage of H.R. 1 would constitute privileged legislation and preferred treatment by Congress of the worst possible type. Special consideration would thus be granted, providing a supposedly easy solution to a problem for which there are undoubtedly other less damaging solutions. This consideration would be at the expense of the economic welfare of the several States and those Canadian Provinces which would suffer as a consequence. Further, international relations with a great, friendly, democratic nation will be strained as a consequence, laying the foundation for future conflicts of interest and points of friction.

Actually there is considerable doubt as to whether diversion of an additional 1,000 cubic feet per second would accomplish the declared purpose of cleaning up a bad pollution problem in the Illinois River caused by its use as a depository for the sewage of the Chicago area. I believe that the 1 year test period would be utilized to accumulate evidence favoring a very much greater diversion beyond that period. This of course would multiply the potential damages many times.

If, as the Chicago Sanitary District maintains, it is the Seventh Wonder of America, it certainly is not too much to expect them to develop some other solution to their problem which would work no hardship on millions of other good American and Canadian citizens.

I have no wish to see legislation sanctioned for the advantage of a few at the expense of many, especially legislation which attempts to solve a problem by such hazardous means where there surely must be alternate solutions which will have no harmful effects on others.

For these reasons, therefore, I oppose passage of H.R. 1 and urge this body to refuse to sanction such potentially dangerous legislation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. AIKEN. Mr. President, I wish to compliment my colleague on the speech which he has made.

Mr. PROUTY. I thank the Senator very much.

Mr. AIKEN. What the Senator has said about releasing Canada from any obligations relating to the upper reaches of the Columbia River is very true. There is the treaty of 1909, establishing the International Joint Commission to handle matters of disagreement relating to waters which affect the boundary waters, or waters which are common to both countries.

It so happened that Canada once proposed to divert 20,000 cubic feet from the upper reaches of the Columbia into another river so that those waters would not then flow down through the States of Idaho, Washington, and Oregon, and finally enter the Pacific Ocean. The United States naturally protested this diversion, and Canada agreed that under the agreement which both countries had signed the matter should be referred to the International Joint Commission. That was done last fall.

The International Joint Commission has been working on this problem involving waters in Canada several hundred miles above the international boundary, and within the next few months is expected to have some report to make to the governments of the two countries. That will be in accordance with the rules and regulations which both countries entered into and signed supposedly in good faith. They have demonstrated their good faith up to now. But if we violate that agreement, I cannot see why it should continue to be binding on Canada as it relates to the headwaters of the Columbia River.

We need that 20,000 cubic feet in the Columbia River. I understand that all the firm power from Bonneville has already been sold, and that the Bonneville Power Administration has recently been operating in the red. It cannot afford to lose any more of the flow of the Columbia River.

I think there may be those who may say, "We will vote for this bill. We will please the leadership on both sides of the aisle." Why in the world the leadership on either side should advocate the violation of a treaty with another country is beyond me.

Some Senators may say, "We will vote for the bill anyway, because the President never will sign it." Of course the President cannot sign any measure if it provides for violating an agreement with another country.

We never had a President who would do a thing like that, and I am sure that the President who is now in the White House would not so lightly regard the promises and the pledges of the United States as to be a party to their violation. In fact, anyone who advocates violating a treaty with a friendly country should never be President of the United States, should never even aspire to be President or Vice President, and certainly anyone who is in the White House could never agree to a willful violation of any agreement with any friendly nation, even if it were sanctioned by Congress.

Mr. PROUTY. Mr. President, I appreciate very much the observations which have just been made by my distinguished senior colleague from Vermont. I am sure that the Members of the Senate realize that no one in this body has done more to cement and further cement good relations between this country and the Dominion of Canada. If any of my colleagues had had the privilege of being in Montreal during the dedicatory exercises of the St. Lawrence Seaway, they would have recognized the deep respect in which the senior Senator from Vermont is held by his counterpart in the Canadian Parliament, and I can assure my colleagues that these men in that great legislative body are deeply concerned at the action which it is contemplated we shall take as a result of action on H.R. 1.

I think it would be a great mistake to pass the bill. I believe, Mr. President, that all the pronunciamentos nurtured in the agony of tortured logic cannot make this an equitable, fair proposition for the people of this country, and certainly not for the citizens of our great neighbor to the north.

I hope very much that the Senate will consider its action on this question very seriously, because a great deal is involved.

Mr. President, I yield back the balance of my time.

Mr. PROXMIRE. Mr. President, I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. When the Parliamentarian is present I should like to make an inquiry about the rollcall vote that was taken earlier today.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The Senator will state it.

Mr. PROXMIRE. Mr. President, I wish to make it clear for the RECORD that the Parliamentarian was present. He was sitting at his desk, but his back was turned. A motion was made to refer H.R. 1 to the Foreign Relations Committee.

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. That motion was defeated. At that point there was a motion to reconsider the vote by which the motion was defeated. A motion to lay that motion on the table then was agreed to.

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. My inquiry is whether or not it is in order for opponents of the bill—or, I should say, for those who feel that the bill deserves the consideration of the Foreign Relations Committee—to move again at a later date to refer the bill to the Foreign Relations Committee, after the first committee amendment is agreed to.

The PRESIDING OFFICER. Such a motion would be in order after the adoption of the pending committee amendment or it would be in order if the instructions set forth in the motion were modified.

Mr. PROXMIRE. So if the date of April 1 were modified to March 15 or to April 15 it would be in order?

The PRESIDING OFFICER. It would be in order.

Mr. PROXMIRE. Or in the event that the first committee amendment were adopted. As I understand, if the first committee amendment and the second committee amendment were not adopted and the bill were exactly the same, then it would not be in order. Is that correct?

The PRESIDING OFFICER. That is correct, until at least a reasonable length of time has elapsed.

Mr. PROXMIRE. I thank the Presiding Officer.

Mr. President, this morning the Washington Post and Times Herald carried an excellent editorial on the very issue that was just voted on by the Senate, one which I earnestly hope will be voted on again and voted on favorably, regarding this issue of diverting an additional thousand cubic feet of water from Lake Michigan.

This is such a pertinent editorial that I shall read it into the RECORD. It is entitled "Affront to a Neighbor." The editorial reads as follows:

> The argument usually heard in support of the bill to permit Chicago to divert 1,000 cubic feet of water a second from Lake Michigan is that it would lower the level of the lake by only one-quarter of an inch. This argument seems to us both dangerous and fallacious. In one sense, of course, one-quarter of an inch off the surface of Lake Michigan seems very little; but in another sense it is an immense amount of water.
>
> Minnesota, Wisconsin, Indiana, Michigan, Ohio, Pennsylvania, New York, and our neighbor Canada have very direct interests in this water. With so large an area vitally concerned about the water of this great inland sea, it is difficult indeed to justify additional diversions to aid Chicago with its sewage problem. One must remember that Chicago already takes 3,300 cubic feet a second from the lake to flush its sewage through the Illinois Waterway.
>
> This move in Congress to reduce the level of the Great Lakes by unilateral action is especially unfortunate because it is an affront to Canada. Sponsors of the bill argue vehemently that Lake Michigan is wholly within the United States, which is true. But this is only a quibble in view of the fact that it is linked with the other four Great Lakes, which are international waters. Control over these waters is made an international concern by a number of treaties; Canada has protested against the diversion bill; the State Department has frowned upon it; and it must be obvious to any Senator that it cannot be passed without worsening our relations with a close neighbor who is already nursing a number of grievances against this country.

Before continuing with the editorial, I point out that the motion to refer the bill to the Foreign Relations Committee is not necessarily a motion to kill the bill, particularly if the motion contains instructions to the Foreign Relations Committee that it must report it back to the Senate.

It seems to me that it is the clearest kind of affront—perhaps I should use the more vigorous word "insult"—to a good neighbor, for us to refuse to have the one committee in the Senate which has jurisdiction over treaties, consider a matter which a friendly foreign power like Canada, rightly or wrongly, thinks violates a treaty. The Senator from Oklahoma [Mr. KERR] and others have made an excellent case. I do not agree with the case they have made, but obviously they have argued it sincerely and fervently. They have contended that this proposal does not violate any treaty.

Whether they are right or wrong, Canada thinks they are wrong and has said so. Under those circumstances, it seems to me that, rather than have the Senate pass on this question, it is only proper to refer it to the Foreign Relations Committee, so that it can judge.

I point out further that a majority of the members of the Public Works Committee, which held extensive hearings, agree with that viewpoint. They also say that the bill should be referred to the Senate Foreign Relations Committee. True, the bill was reported from the committee without specific instructions, by a vote of 8 to 6, but all six members who voted for it favored referring the bill to the Foreign Relations Committee.

In addition, the Senator from Maine [Mr. MUSKIE] in a separate opinion printed in the report, states that he thinks it should be referred to the Senate Foreign Relations Committee.

In addition, the Senator from Kentucky [Mr. COOPER] has expressed an identical opinion. Moreover, the Senator from South Dakota [Mr. CASE] moved that the bill be referred to the Foreign Relations Committee, and it was his motion that was defeated today.

So it is obvious that the committee which conducted hearings on the bill in greater detail than any committee has devoted to a bill of this kind this year, by a substantial majority vote, feels that it should go to the Committee on Foreign Relations.

It is clear that the administration feels the same way, in view of the position of the State Department.

Obviously Canada is offended by our refusal to consider the foreign relations aspect of the question. It seems to me that the case is overwhelming that the Foreign Relations Committee is where the bill should go, and I think it would be a great mistake for those of us who feel as strongly as we do to give up at this point.

Senators are very busy, with vitally important matters. There has been deep concern over the labor bill. Most Senators are doing their best to familiarize themselves with this extremely difficult, complex legislation, upon which we shall be called upon to pass in a day or so. For that reason I do not believe that Senators have had an opportunity to consider the pending question fully, and on the basis of the merits. I am positive that if we can talk long enough to let Senators see fully the merits of our position, at least three or four Senators will come over to our viewpoint.

It should also be observed that those of us who oppose the bill have picked up votes. Our position has been strengthened. When the debate started we were defeated by a resounding vote on initial procedural motions. The motion by the Senator from Vermont [Mr. AIKEN] to table the bill was defeated by a decisive vote. Nevertheless, we were successful in defeating the motion to table the motion to send the bill to the Senate Foreign Relations Committee, by a slim margin.

Continuing with the editorial:

> Since any water diverted from the Great Lakes by way of the Illinois Waterway into the Mississippi and the Gulf of Mexico will obviously not be available for the great St. Lawrence Seaway project that the United States and Canada have jointly built, the proposed diversion might easily be regarded as an act of bad faith on the part of the United States. Senator PROXMIRE pointed out, moreover, that Canada could easily retaliate by taking 25 percent of the water of the Columbia River before it flows into the United States.
>
> If Chicago can make a legitimate case for the diversion of more water from Lake Michigan to ease her sewage problem, at least the diversion should await full agreement with Canada.

The two distinguished Senators from Vermont [Mr. AIKEN] and [Mr. PROUTY] have affirmed and emphasized this point. They have pointed out how this proposal would affect the Columbia River, and how it would affect the great States of the Northwest. I feel that the excellent case they have made should be very convincing. I earnestly hope that the case they have made will be read and considered by Senators who may have missed their speeches. I hope Senators will read them in the CONGRESSIONAL RECORD.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Connecticut for a question.

Mr. BUSH. I wonder if the Senator will yield to me for perhaps 10 minutes.

Mr. DOUGLAS. Mr. President——

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Connecticut for 10 minutes without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. DOUGLAS. Mr. President, I object.

Mr. PROXMIRE. I regret that the Senator from Illinois has objected. Obviously, it will make no difference whatsoever in the consideration of this matter. Ten minutes is a very brief time, and I feel that the good nature and fairness of the Senator from Illinois should permit the Senator from Connecticut to speak for only 10 minutes.

Mr. DOUGLAS. Mr. President, we are obviously being confronted with a filibuster, and I do not propose to be a party to it.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Connecticut for a question.

Mr. BUSH. I should like to frame the question very carefully, and I should like to have the attention of the Senator from Illinois.

This debate has continued for a long time. The remarks which I had intended to make, and for which I asked the indulgence of my good friend from Wisconsin, have nothing to do with the pending issue. I wonder if that might modify the views of the distinguished Senator from Illinois, so that he might permit our mutual friend to yield in order that I might make some history on an entirely different subject for a few moments.

I see the distinguished Senator from Illinois is unmoved, so I suppose there is nothing I can do. I regret that he takes such a harsh view of this situation.

Mr. DOUGLAS. Mr. President, I believe in the orderly procedures of the U.S. Senate.

Mr. PROXMIRE. Mr. President, I think we all believe in the orderly procedures of the U.S. Senate. However, it is customary and habitual for Senators to yield, in situations of this kind.

Actually, we have not taken a great deal of time in this debate, as I am sure the Senator from Illinois realizes. At least to date we have not taken a great deal of time. It may be that in order to get our viewpoint across it will be necessary to do it.

I assure the Senator from Illinois that I have no intention of talking in order to prevent a vote. I do intend to talk, however—no matter how many hours it requires—to get the merits of this question before all Senators. The merits are very strong.

As I said before, I do not believe that Senators have had an opportunity to consider the issue on the merits. So once again I appeal to my good friend from Illinois to permit me to yield this one time to the Senator from Connecticut. I think the Senator from Illinois has made his point most emphatically. He may feel that if he yields now he will be called upon to do so again; but in view of the fact that I have spoken for less than 5 minutes, will not the Senator from Illinois permit the Senator from Connecticut to speak for only 10 minutes?

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. BUSH. I wonder if the Senator from Illinois would be mollified or would be more indulgent with me if he realized that the subject on which I had planned to speak would interest him very much, even though it does not have anything to do with water diversion.

I am afraid the silence of the Senator bespeaks his disapproval even of that suggestion.

I thank the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. PROXMIRE. If I should yield the floor, and then the Senator from Connecticut should secure the floor, and then I should seek recognition again, that would mean that I would have spoken at that point twice on this amendment, and that I could not in this legislative day, which might carry on for a period of a week, be recognized again to speak in my own right on this amendment. Is that correct?

The PRESIDING OFFICER. The Senator from Wisconsin is correct.

Mr. PROXMIRE. On the other hand, if I should offer an amendment to the pending amendment and change "175 miles" to "180 miles"—and I think such an amendment would have some merit—it would then be possible for me to secure the floor twice in support of that amendment. Is that correct?

The PRESIDING OFFICER. The Senator from Wisconsin would be entitled to make two speeches on that amendment.

Mr. PROXMIRE. Mr. President, in view of the fact that the Senator from Connecticut has a matter of considerable importance to discuss, I yield the floor.

THE IMPORTANCE OF PRICE STABILITY

Mr. BUSH. Mr. President, on August 17 the Cabinet Committee on Price Stability for Economic Growth, of which the Vice President is Chairman, issued a statement entitled "What Do We Really Want From Our Economy?"

This statement was entirely consistent in emphasis and content with the interim report which the same Committee had given the President, and which the President made public on June 29.

Much of the press misinterpreted the new statement as representing in some way a shift of emphasis away from the important problem of price stability. No one who read the statement could interpret it that way, and no one who read the two statements together could possibly interpret them as inconsistent.

Following the press accounts, we are now having a number of comments on the statement by public figures. Several of these statements make it clear that the speakers have not read the statement itself, but only the erroneous press interpretations of the statement. In this connection, I regret that I find myself in disagreement with my esteemed friend, the senior Senator from Tennessee [Mr. KEFAUVER], who spoke on this subject on this floor on August 18.

Incidentally, I have advised the Senator from Tennessee that I would speak on this matter this afternoon, although there is nothing personal in my remarks, so far as he is concerned.

I can reassure the Senator from Tennessee that he need have no worries about the Cabinet Committee reducing the attention it is giving to the problem of inflation. In their interim report of June 29, the Committee listed three important reasons why inflation is bad for the economy. In their August 17 statement, they repeated these three reasons and added three additional reasons.

In the August 17 statement, the Committee indicated, as it had done in its June 29 interim report, that price stability ought to be a recognized aim of national economic policy, on a par with economic growth and maximum employment opportunities. A bill to accomplish this, Senate bill 64, has long been before the Senate, but has not been reported out of the Banking and Currency Committee. Indeed, no hearings have been held on the bill.

While the Cabinet Committee statement of August 17 did properly emphasize the importance of economic growth, so did the interim report of June 29, which said:

> In the long run, however, the most effectice antidote to inflation is increased efficiency and productivity of the economy. This is one of the reasons why a major part of our work is directed toward actions to promote sustained economic growth.

If the Committee were to change its emphasis now, surely the change would be in the opposite direction. When the June 29 report appeared, the Consumer Price Index had been virtually stationary for more than a year, yet the Committee said at that time that the economy "is at a critical juncture urgently requiring action to forestall inflation." They also said that:

> Prices of industrial commodities and many other goods have been rising in wholesale markets and this is usually followed by rises at retail.

Developments since that time have certainly borne out this warning, for the Consumer Price Index has gone up a total of 0.8 point, which is as much as it had gone up in the 14 months preceding the month of June. Had the Committee not been foresighted enough to anticipate this development in June, it might have emphasized economic growth and minimized inflation at that time, but surely subsequent developments would have caused a reversal.

Furthermore, I am informed that the statement issued on August 17 was actually written, except for a few final revisions, before the Interim Report of June 29 was released. This was explained to the press at the time the August 17 statement was released. Perhaps the misinterpretations of the August 17 statement resulted from the fact that when it was released, the reporters were told that the Cabinet Committee entertains a cautious optimism that the line can be held on the general level of prices. It was emphasized that the fight is not over, that victory is not achieved, but that it is by no means the losing battle which everyone assumed 6 months ago.

I simply wanted to make this statement for the benefit of any other Senators who may not have read the statement of the Cabinet Committee, and may have been misled by the newspaper headlines and the reports. I commend the statement itself to the attention of the Senate as being a thoughtful and informative document.

Mr. President, I ask unanimous consent that the statement of August 17, 1959, to which I have referred, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I particularly call attention to the emphasis which the statement places, contrary to the impressions of the Senator from Tennessee, upon reasonable stability of the price level and on the necessity of maintaining a sound dollar. The last two pages of the statement itself deal exclusively with the question of price stability. I particularly mention the following passage:

> A continuously rising price level, on the other hand, strikes at the roots of our way of life, economically and morally, for it inflicts unjust hardships on the many families whose incomes, pensions, or savings are fixed in dollars, or do not rise in proportion to prices; violates our standards of fair play by harming families whose incomes are average or below average more than families whose incomes are above average.

There is no question about that. I have said repeatedly that with inflation the rich can get richer and the poor get poorer. There is no doubt about that. That is why inflation is one of the pressing issues of this day; not that prices are increasing rapidly at the present time, but that the pressures of an economic boom may indeed tend to force prices up. We in Congress cannot ignore that possibility.

Mr. President, this condition of a continuing increase in the price levels contradicts the promises implied to the people when they put aside some of their income into insurance, Government bonds, retirement funds, and other forms of saving, for—if there is inflation—when that money is returned to them, it fails to buy the goods and the services they were led to expect it would buy, when they put the money aside.

Inflation also creates expectations of further price increases, and thus causes transfers of energy, ingenuity, and resources from productive activities to speculative activities, and so forth.

Indeed, Mr. President, the argument is so convincing and so thorough that I find it amazing that the press would have thought that the Cabinet Committee had changed its emphasis or in any way had departed from its earlier view that price stability is one of the important objectives of the national policy and is self-conducive to the maximum economic growth possible.

Mr. President, I hope my good friend, the Senator from Tennessee [Mr. KEFAUVER], will read both the statement I have made and the statement of August 17, and, particularly, the quotations I have given from it and the parts of it to which I have directed especial attention. After he has done so, I do not think he can be—as he has said he is—"concerned that the contrast in emphasis between the two reports of the Cabinet Committee reflects a weakening of the administration stand against inflation."

Mr. President, I do not believe that anyone who reads the statement issued

on August 17 could possibly feel that there is any weakening of the resistance to inflation or any softening of the conviction that price stability is an essential ingredient for economic growth.

I remind the Senate that the title of the committee is "The President's Cabinet Committee on Price Stability for Economic Growth."

So, Mr. President, I am grateful to Senators for their attention to this matter.

I yield the floor.

EXHIBIT 1

STATEMENTS TO BE ISSUED BY THE PRESIDENT'S CABINET COMMITTEE ON PRICE STABILITY FOR ECONOMIC GROWTH

Thoughtful citizens are concerned increasingly with such questions as:

Are continual price increases inevitable?

If not, how can the general level of prices be stabilized?

Can price stability and maximum employment opportunities be maintained together?

How can a high and sustainable rate of economic growth best be brought about?

Can a high rate of growth and a stable level of prices be maintained together?

These are among the questions which the President's Cabinet Committee on Price Stability for Economic Growth is studying. From research now under way on these and related questions the Cabinet Committee will formulate a comprehensive program for price stability and economic growth.

Intelligent consideration of the broad questions listed above requires that several other questions be answered first. Among these are:

What do we really want from our economy?

What is economic growth, and what is the importance of economic growth to ordinary citizens in their daily lives?

What are maximum employment opportunities?

What is reasonable stability in the general level of prices, and what is the importance of price stability to ordinary citizens in their daily lives?

How much have prices actually risen?

What is the relation of productivity to wages and prices, and to wage-price spirals?

Would rising prices threaten our export markets and, more generally, would they threaten the continuation of prosperity?

Answers to such questions as these constitute building blocks from which can be constructed answers to the broader questions listed first.

The Cabinet Committee is summarizing its conclusions on these building block questions in a series of short statements. These statements are intended to help build a better public understanding of policies for maintaining growth and price stability. The first statement, on a question which is basic to any formulation of broad economic policy, "What Do We Really Want From Our Economy?" is presented herewith. Others will be made public soon.

Richard M. Nixon, Vice President (Chairman); Robert B. Anderson, Secretary of the Treasury; Ezra Taft Benson, Secretary of Agriculture; James P. Mitchell, Secretary of Labor; Frederick H. Mueller, Secretary of Commerce; Raymond J. Saulnier, Chairman, Council of Economic Advisers; Arthur E. Summerfield, Postmaster General; W. Allen Wallis, Special Assistant to the President (Executive Vice Chairman), Cabinet Committee on Price Stability for Economic Growth.

CABINET COMMITTEE ON PRICE STABILITY FOR ECONOMIC GROWTH—WHAT DO WE REALLY WANT FROM OUR ECONOMY?

AIMS OF ECONOMIC POLICY

What we really want is an ever freer, richer, better life for everyone.

Our economy must provide conditions that develop the mind and the spirit, as well as an abundance of material comforts and mechanical marvels. It must provide expanding opportunities for every individual to realize his own potentialities to the utmost and to open wider vistas for his children. It must encourage initiative, independence, and integrity. It must preserve and enlarge the dignity and moral worth of the individual. Our economy must, in short, strengthen the basic ideals and traditions of American life.

Our ways of working and of consuming constitute a large part of our whole way of life, and are closely intertwined with nearly all the rest. The goods and services provided by our economy, and growth in the economy, provide the means for preserving and enlarging the dignity of the individual. They make it possible to approach more closely our ideals of personal freedom, justice and fair play, broad and equal opportunity, the rule of law, and mutual respect and charity. Those very ideals and traditions are themselves responsible above all else for the unparalleled economic progress which our country has experienced under our Constitution.

These truths, old and familiar and almost commonplace, need to be restated here because policies for our material well-being must always be dominated by the fact that ours is a nation in which idealism, not materialism, is fundamental, a nation in which the government is the servant not the master of the people. If we think at all deeply about problems of economic policy we must recognize that economic growth is not an end in itself but a means of advancing toward more fundamental ends. In considering our economic goals, and in evaluating policies for achieving them, we must always keep in mind their contribution to the things we really want.

What then should be the economic aims of the American people?

Their aims should be economic growth—that is, a large and expanding output of goods and services; maximum employment opportunities; and reasonable stability of the price level.

While maximum employment opportunities and reasonable price stability both contribute to economic growth, they are worthwhile aims in their own right because they contribute directly to our ideals of self-reliance, integrity, and opportunity.

ECONOMIC GROWTH

A large and expanding output of goods and services makes possible a high and rising standard of living—and rapid improvement is as characteristic of the American standard of living as is its high level; national security and adequate roads, schools, and other public facilities; expanding job opportunities for ourselves and our children; an increasing range of choices of cultural, educational, recreational, religious, and social activities.

A large and expanding output requires improving health, education, skills, and job opportunities; discovering, developing, and conserving natural resources; expanding science and technology; increasing and improving our stock of tools, machines, buildings, and other equipment; improving organization and management, so that men, machines, and resources produce the things that are most useful, and produce them ever more efficiently.

Economic growth is complicated, and defies valid measurement. Numbers purporting to indicate what the rate of growth is, has been, will be, or should be, require intricate interpretation. Economic growth is measured sometimes by increases in the Nation's total output of goods and services. These increases are partly due simply to population growth, so for some purposes a better criterion of economic growth is average output per person. Even this is unsuitable for some purposes, for it fails to reflect increases in leisure due to shorter working hours, later ages of starting work, earlier ages of retirement, longer vacations, and other results of economic growth that are valuable but are not measured in terms of money. This difficulty is partly overcome by using still another measure, average output per hour of work. That average, too, may understate our real growth because as our incomes grow we spend more on services (education and medicines are examples) and other things for which measured productivity grows comparatively slowly. Thus the average may appear to grow more slowly or more rapidly merely because of shifts in consumption, not because of any real retardation or acceleration anywhere in the economy.

We shall present in a separate statement some basic facts about economic growth—what it is, how it is measured, and the limitations of any measurement, what the record is, how it may be stimulated.

MAXIMUM EMPLOYMENT OPPORTUNITIES

For economic growth it is essential that our people, our machines and equipment, and our natural resources all have the fullest practicable opportunities for employment.

Not only is it important that they have maximum opportunities for employment, but also that they be employed efficiently. They must be used to produce more useful rather than less useful things, and outputs must be as large as possible in relation to inputs.

Finally, they must be employed under conditions of economic freedom. People must be free to choose for themselves among a variety of occupations, industries, areas, and jobs; free to decide whether to venture into a new business or risk their savings on a new idea; and free to choose according to their own tastes the ways in which they will spend their incomes after paying the taxes necessary to support essential public needs.

Even the ideas of maximum employment opportunities and of unemployment are not as simple as they sound. Much unemployment—sometimes nearly all of it, especially during recessions or in depressed areas—involves the hardships and lack of opportunity that we all associate with the word "unemployment." Some unemployment, however, especially in prosperous times, represents people who have just recently made themselves available for work and have not yet found their first jobs, or people who have given up or declined jobs with confidence that they can get other jobs that will suit them better. This latter type of unemployment—which, paradoxical though it sounds, reflects breadth of opportunity, not hardship—accounts in part for the fact that no one who talks about "full employment" ever means "full" in the literal sense of 100 percent. It also explains why maximum opportunities for employment is a more appropriate goal than simply maximum employment.

A separate statement will present information about employment—what is meant by "maximum" or "full" employment opportunities, various reasons for unemployment, the measurement of employment and unemployment, and related topics. An understanding of these matters is particularly important in considering the relation between maximum employment opportunities and price stability, for policies to eliminate unemployment do not need to raise prices

unless an attempt is made to eliminate the unemployment that results from free choice rather than from lack of opportunity.

PRICE STABILITY

Reasonable stability of the general price level supports prosperity and growth. It also accords with our ideals of fairness and justice and the rule of law. A continuously rising price level, on the other hand, strikes at the roots of our way of life, economically and morally, for it inflicts unjust hardships on the many families whose incomes, pensions, or savings are fixed in dollars, or do not rise in proportion to prices; violates our standards of fair play by harming families whose incomes are average or below average more than families whose incomes are above average; contradicts promises implied when people put aside income in insurance, Government bonds, retirement funds, and other forms of savings, for when the money is returned it fails to buy the goods and services that people were led to expect when they put the income aside; creates expectations of further price rises and thus causes transfers of energy, ingenuity, and resources from productive to speculative activities; distorts the accounts of business firms, creating at times an illusion of profits when in fact capital is being consumed, thereby threatening jobs; reduces the Nation's ability to sell in foreign markets, further threatening jobs.

Resistance to rises in the general price level is bound to cause temporary inconvenience to some and to limit the gains of others, but reasonable price stability will powerfully promote the welfare of all.

Our economy has grown since the founding of the Republic because we have had faith in ourselves, because we have developed institutions that reward enterprise and efficiency, and because we have believed in progress sufficiently to put aside enough from our current income to expand the productive plant and build the technology needed by a venturesome and growing population. Increases in the price level have not contributed to our economic growth. On the contrary, prices have risen most during war periods. In other periods price rises have often led to speculative booms, which have been succeeded by recessions and, sometimes, by prolonged and acute depressions. We surely do not want booms followed by depressions. What we want and need is sound, sustainable economic growth. The lesson of history is that orderly growth is most likely to occur under conditions of price stability.

Price stability is an idea that involves more than meets the eye. It certainly does not mean that every individual price is stable. On the contrary, freedom of individual prices to change is essential to economic efficiency, for prices are the messages that tell producers and sellers what things should be made in greater quantities and what in smaller quantities, and what materials and services are abundant and what are scarce in relation to uses for them. "Price stability" must refer to the general level of prices. Even this is oversimplified, however, for the general level normally ebbs and flows with prosperity.

The idea of price stability must refer to the average over a period of time of the general level of prices.

In another statement we will explain more fully what is meant by reasonable price stability, how it is measured, what the record shows about price rises, and related matters that must be understood for the intelligent consideration of policies to promote price stability.

CONCLUSION

Policies for promoting economic growth, maximum employment opportunities, and price stability must be consistent with the fundamental goals and ideals of Americans.

Discussion of economic policies for promoting growth, employment, and price stability can proceed intelligently only on a basis of sound understanding of the many facets of the broad problem. This statement is the first in a series intended to help build that understanding. Later statements will deal with other facets of the problem of economic growth with price stability.

Richard M. Nixon, Vice President (Chairman); Robert B. Anderson, Secretary of the Treasury; Ezra Taft Benson, Secretary of Agriculture; James P. Mitchell, Secretary of Labor; Frederick H. Mueller, Secretary of Commerce; Raymond J. Saulnier, Chairman, Council of Economic Advisers; Arthur E. Summerfield, Postmaster General; W. Allen Wallis, Special Assistant to the President (Executive Vice Chairman), Cabinet Committee on Price Stability for Economic Growth.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, to the pending amendment, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. HART in the chair). The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 3, in lines 22 and 23, it is proposed to strike out "one hundred and seventy-five", and to insert in lieu thereof "one hundred and eighty".

Mr. PROXMIRE. Mr. President, in order that I may be sure of the parliamentary situation, let me state that I understand that I have been recognized at this time to speak on my amendment to the committee amendment; and that thus, Mr. President, up to this time I have been recognized only once to speak on the committee amendment and once to speak on my amendment to that amendment. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Mr. President, once again, I wish to assure my good friend the Senator from Illinois [Mr. DOUGLAS], that I am not attempting to delay the Senate or to act in a dilatory fashion.

Whenever the able and outstanding Senator from Connecticut [Mr. BUSH] speaks on inflation, it is difficult for me not to engage in debate with him. Thus it is that a few minutes ago I was tempted once again to conduct an extended debate with him on the question of inflation. He and I agree on many things; but on the question of inflation we disagree. However, I was afraid that, if I were then to engage with the Senator from Connecticut in extended debate on the question of inflation, my friend the Senator from Illinois [Mr. DOUGLAS] might regard that as an attempt by me to postpone the taking of action by the Senate on House bill 1. So I shall postpone my debate on inflation with the Senator from Connecticut until we dispose of House bill 1, because I do not want to hold up the taking of action on House bill 1; in fact, I want the Senate to vote on that bill as soon as possible.

Mr. President, I wish to clarify a statement in the RECORD which involves the senior Senator from Pennsylvania [Mr. CLARK], who spoke on this particular matter, and myself. In that connection, I refer to the CONGRESSIONAL RECORD for last Friday, August 28; and I quote from page 17311. At that point I said:

> I submit that men of the caliber of Charles Evans Hughes and Albert Maris, who I understand was the senior judge of his circuit at the time of his appointment——

The Senator from Pennsylvania [Mr. CLARK] then stated:

> No; he was not the senior judge. Judge John Biggs was the chief judge, or senior judge. Judge Maris retired under the retirement laws available to the judiciary. He served on the bench for, I should say, 25 years.

Mr. President, I hold in my hand a document entitled "The Supreme Court of the United States—Wisconsin, et al, Against Illinois." I shall not read the entire document because, once again, I want to proceed as quickly as possible to get the case placed in the RECORD, but in that document we find the following:

> *Ordered*, That the Honorable Albert B. Maris, U.S. senior circuit court judge, be, and he is hereby, appointed special master in each of these cases, with authority to summon witnesses, issue subpenas, and take such evidence as may be introduced and such as he may deem it necessary to call for.

It was the Supreme Court of the United States that thus identified him as the senior circuit court judge. So I presume that identification is accurate and correct.

Incidentally, Mr. President, my good friend, the senior Senator from Pennsylvania [Mr. CLARK], has once again told me what a very fine man Judge Maris is, what an outstanding character he has. This is pertinent, because it seems to me that when a judge of great character and outstanding reputation, who, as I have said, is the senior U.S. circuit court judge, is appointed to consider this matter, and to explore its every detail, and to make his recommendations and findings on it to the Supreme Court, legislation of the kind it is now proposed that the Senate pass is unnecessary, because Judge Maris wishes to make the study, and the Supreme Court has told him to do so.

It is also clear that the Supreme Court has exercised jurisdiction over this matter for a long, long time—ever since the early part of this century. The Supreme Court appointed Judge Hughes to make a study; and the Court has a number of times varied the amount of diversion from Lake Michigan into the Illinois Waterway. As recently as 1956, the Court increased the allowable diversion to 8,500 cubic feet a second, and allowed diversion at that rate to continue for 2½ months.

In view of all those circumstances, and particularly in view of the fact that so

outstanding a judge as Judge Maris is engaged in making the study, I am convinced that it would be a mistake for Congress to proceed with this bill, in the face of the strenuous objections of Michigan and the other Great Lakes States involved; and I believe that the Senate should not pass the bill.

Mr. President, at this time I wish to state—for it cannot be repeated too often, in my opinion—that every dispassionate, qualified expert who was consulted by the Senate Committee on Public Works agreed—without exception—that the proposed diversion of an additional 1,000 cubic feet of water a second from Lake Michigan into the Illinois Waterway is unnecessary or undesirable, or both. There is no question about that. The committee consulted four agencies of the Federal Government.

I also submit that in this particular case, no partisan politics is involved. The senior Senator from Illinois [Mr. DOUGLAS] is a very good Democrat, and is a proponent of the bill. I am a Democrat, and I am an opponent of the bill. The senior Senator from Wisconsin [Mr. WILEY], my fine colleague, is a strenuous opponent of the bill. The junior Senator from Illinois [Mr. DIRKSEN], another Republican, is a strenuous proponent of the bill. So this bill is not a matter of partisan politics.

In this situation, when we ask the executive agencies for their opinions, certainly we can be sure that what they tell us is not based on a party-line position or is not in accordance with an order from the President for partisan advantage. The President has no interest in this matter, of course. All of us recognize that we have to rely on the various agencies and departments of the executive branch of the Government, for expert advice.

The Department of the Army spoke out, and the committee report, at page 13, indicates that it said legislation is not necessary—I repeat, is not necessary—to obtain data in relation to these items.

Those items refer back to the effect of diversion on navigation, on power, on aeration, and so forth—all the matters that are within the jurisdiction of the U.S. Army. The Army says, so far as it is concerned, this proposed legislation is unnecessary.

I repeat again, because I think, once again, it cannot be emphasized enough, the Public Health Service, which has jurisdiction over everything which does not come under the jurisdiction of the Department of the Army, spoke out with equal emphasis, and the Department of the Army has jurisdiction over navigation, power, and so forth, while the Public Health Service has jurisdiction over sanitation. In its letter to the chairman of the committee, the Honorable DENNIS CHAVEZ, it said this study is unnecessary.

Again, because it is so important and so pertinent, I am going to read into the RECORD once again a part of its report, which pertains to this matter.

> Our comment on this bill has been prepared in the light of the points raised and the generally adverse position taken in the July 1, 1959, letter from the Budget Bureau on S. 308. This Department is in agreement with the recommendations made in the July 1 letter. We believe that a study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without an increase in diversion.

To me, that sentence is the key to this whole bill. The Army has said that, so far as it is concerned, the proposed legislation is unnecessary. The Public Health Service, which is the dispassionate, objective, qualified judge of the sanitation aspect of the problem, which is the only other consideration in this bill, has said:

> We believe that a study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without an increase in diversion.

I read further:

> From the point of view of water pollution control additional diversion over the amount now authorized is not absolutely necessary for completion of a satisfactory study.

I shall document that matter a little later, but that is an extremely important point.

I hope all Senators are aware at least that the Public Health Service, which is our authority on health matters, so believes. I am sure that, in spite of several days of debate, a number of Senators feel the bill should be passed because the health of the people of Chicago is at issue and because they believe the safeguarding of health should take precedence over the requirements of navigation, power, and so forth. If the health of the people of Chicago could be benefited by this diversion, I would have no question this bill should pass.

Mr. President, under those circumstances, we do not go to the particular politician who is involved, no matter how fine his character may be, but we go to the experts. What do the experts say about this? The experts say the diversion is not necessary. Nobody has questioned the integrity or honesty of the Public Health Service in this matter. We know they speak honestly, sincerely, and, what is most important, competently; and they say no diversion is necessary.

I desire to go on and point out that this is not just a heartless statement the Public Health Service is making. It is not forgetting about Chicago, because it says:

> It should be noted, however, that the Budget Bureau proposal is for a study which would be limited to a study of the sanitation and sewage treatment problems of the district and the Illinois Waterway. Unlike the study proposed in S. 308, it would not include an exploration of the effects of an increased diversion of water from Lake Michigan into the waterway other than as one possible means of correcting existing and future sanitation problems in the area—and as such an alternative means of correction, increased diversion would be evaluated in terms of comparable costs and effectiveness.

At a later time today, I shall make reference to some excellent documentation, which dates back to 1947, which is the most authoritative, definitive, and expert study I have ever seen of any public health problem. It was made in Chicago, on this very problem, by some of the outstanding authorities in America, headed by the Public Health Service itself, which corroborates what has been said in the last few weeks by the Public Health Service.

I return to the report:

> Unlike the study proposed in S. 308, it would not include an exploration of the effects of an increased diversion of water from Lake Michigan into the waterway other than as one possible means of correcting existing and future sanitation problems in the area—and as such an alternative means of correction, increased diversion would be evaluated in terms of comparable costs and effectiveness. Authorizing legislation designed to carry out the Budget Bureau study recommendation should, therefore, carefully limit the Department of Health, Education, and Welfare responsibilities—

At that point, I should like to emphasize that the Department points out that it wants to consider and compare diversion of 1,000 cubic feet per second as one possible solution, aeration as another possible solution, chlorination as another possible solution, eliminating the tremendous industrial pollution at the source as another possible solution, and consider those possible solutions on a fair, equitable basis.

The study proposed by the Public Health Service would go into this. It would do so because it does not provide for 1,000 cubic feet of diversion for a year. I think it is very important to recognize that H.R. 1 does not provide for a fair study, because it gives great advantage to diversion as compared with these other alternative solutions.

Diversion is the one solution which is provided for as a practical, 1-year test. There is no such test provided for chlorination. There is no such test provided for aeration. There is no such test provided for any of the other proposals, but there is a test provided for diversion.

The fair way to do it, of course, if we are to go ahead with a practical test of the situation, is to provide for a 1-year test of diversion, and after that 3-year period is over, have another 3-year period with a test, under the same conditions, for aeration, and then another 3-year period with a test for chlorination.

I recognize that I am repeating to some extent what I have already said. I am almost through with the repetitive part of my talk. I have a great deal of other, new material I should like to put in the RECORD. I am repeating this matter, however, because I think it is so important to emphasize, and the only way we can emphasize something is to say it over and over and over again. I am convinced the 100 Senators in this body are honest persons, who will always vote on the merits of an issue if they know the merits; but I think it is difficult to call the merits of this bill to their attention at a time of tremendous distraction, when so many other matters are going on with which they are concerned.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question.

Mr. AIKEN. Is the Senator not aware of the fact that his reference to the 1,000 cubic feet of water per second, in addition to the 1,500 feet of water which is now being diverted, is a bit misleading? Is the Senator not aware that this bill provides for diversion of water from Lake Michigan at an annual average of not more than 2,500 cubic feet of water per second to flow into the Illinois Waterway during such a 1-year period? Did not the Senator from Wisconsin understand that through much of the year there would be no increase whatsoever in the water diverted from Lake Michigan, namely, during the high-water season?

Mr. PROXMIRE. That is my understanding. The Senator from Vermont is absolutely correct.

Mr. AIKEN. But the bill would permit the diversion of unlimited amounts of water from Lake Michigan during the dry season.

Mr. PROXMIRE. I think the Senator from Vermont is correct. It is my understanding that perhaps in the previous bill there was a provision of a limitation of 5,000 cubic feet per second.

Mr. AIKEN. Yes.

Mr. PROXMIRE. It is my understanding there is no such limitation in the bill now under consideration.

Mr. AIKEN. There is no limitation provided now. If the Senator will read the proposed legislation, he will find that not only 1,000 cubic feet per second but 5,000 or 10,000 cubic feet per second, or any amount, could be diverted under the provisions of the bill under consideration.

Mr. PROXMIRE. It is my understanding that the Senator from Vermont is correct.

Mr. AIKEN. I thought the Senator would want to have the situation made perfectly clear. This is not a bill for a 1,000 cubic feet per second diversion; this is a bill for unlimited diversion.

Mr. PROXMIRE. The Senator from Vermont makes an excellent point.

I should like to supplement by emphasizing something which has already been pointed out. The fact is that there is a 1,500 cubic feet per second diversion for so-called navigation purposes, but also obviously for sanitation purposes. There is another 1,700 or 1,800 cubic feet per second diversion for domestic pumpage. I am going to come to a discussion of that matter in a minute, because it seems to me that is a very extravagant figure. We can show it is an extravagant amount. Chicago is the most extravagant user of water of any city in the country, on a per capita basis. It does not meter its water fully. It meters some 30 percent or less of its water. Many other cities meter all their water. By metering water the cities can cut down on the use of water.

I think the case is very strong that the amount of water being diverted from Lake Michigan at the present time is about 3,300 cubic feet per second, and this bill would make it 4,300 cubic feet per second.

What is more, if the entire 3,300 cubic feet per second were returned to Lake Michigan, it is my understanding the lake level would be raised some 3 inches.

Mr. AIKEN. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Vermont for a question.

Mr. AIKEN. Is the Senator aware of a report that a certain large corporation—the largest of its line in the country—has built a plant down the river, in the lower reaches of the river below the city of Chicago, and has found, to its discouragement, that there are certain times of the year when it cannot get the raw material down to the plant in the quantity desired, and that it is necessary to get a large amount of water out of Lake Michigan during the dry season to make that plant economically profitable? I am not pointing out the names mentioned in that report.

Mr. PROXMIRE. That is an interesting and understandable situation, I will say to the Senator from Vermont. I feel that this situation is much more a matter of commercial competition than a matter of health. I think I can show that a little later. There is not any question about the health angle. There is a question of keeping Chicago taxes low. There is a question of making it more attractive for industry to be placed in Chicago, at considerable expense to industry in Milwaukee and the other Great Lakes area cities. There is not a substantial question of health involved at all. There has not been one single health authority who has testified since 1954 on this issue who has said that the proposed legislation is necessary from a health standpoint, yet we have all kinds of testimony, which I am going to put in the RECORD, from the health experts, saying the proposed legislation is not necessary, and, as a matter of fact, would be undesirable.

Mr. AIKEN. I think the Senator will find, according to the report I received, that this is an economic proposition for a certain large corporation, which unfortunately cannot get full advantage of the situation so long as low water prevails, on some of the waterways it has to use, at certain periods of the year.

Mr. PROXMIRE. I thank the Senator from Vermont for that very interesting and helpful interjection.

Mr. President, I turn to the third bureau or agency of the Federal Government which was consulted in this matter, which is the Department of State. The Department of State voiced the belief that enactment of the proposed legislation would adversely affect our relations with a friendly foreign government, and therefore stated the Department was unable to support it.

Congress has gone to the Department of State on a matter which has no partisan political implications, a matter as to which the Department of State can particularly speak out as an expert. The Department of State has told us this proposal would adversely affect relations with a friendly foreign power.

I think many Senators perhaps did not recognize that when they voted against referring the bill to the Committee on Foreign Relations. If only three Senators who voted that way can recognize this point, and see its implications, then we can send the bill to the Committee on Foreign Relations.

Whether the committee feels the bill is good or bad, such a referral will at least give us the opportunity to cooperate with our friendly neighbor Canada. It will prevent us from insulting our good neighbor, Canada. It will permit the Committee on Foreign Relations to give its own qualified expert opinion to the Senate, as to whether we would be acting in a way which would be offensive to our good neighbor Canada.

Mr. KEATING. Mr. President, will the distinguished Senator yield to me?

Mr. PROXMIRE. I yield to the Senator from New York for a question.

Mr. DOUGLAS. Mr. President, I make the point that the Senator can yield for a question only.

Mr. KEATING. I ask the Senator to yield for a question.

Mr. PROXMIRE. I yield to the Senator from New York for a question.

The PRESIDING OFFICER. The Senator from Wisconsin yields to the Senator from New York for a question.

Mr. KEATING. Mr. President, I assure the Senator I have a question to ask.

Would the distinguished Senator from Wisconsin give us his analysis of the curious vote today, whereby the Senate voted not to table the motion to send the bill to the Committee on Foreign Relations and then in a reversal voted against sending the bill to the committee? Does the Senator have any analysis of that vote?

Mr. PROXMIRE. I think the only analysis of that vote which makes any sense at all—and I will say, incidentally, I think a vast majorty of Senators were consistent in their votes—is that obviously some Senators were not consistent in voting, and I think they were inconsistent in a perfectly proper and sensible way. Such action perhaps would make sense.

The only explanation which makes sense to me at all is that the Senators wanted to hear more debate. Their minds were not made up. The motion to table, if agreed to, would have ended the debate of the matter, but Senators were not satisfied with the debate and they wanted to hear more discussion. That is the only explanation I can think of as being a sensible one. Otherwise, as the Senator from New York implied in his question, Senators would have voted to table the motion, to end the discussion. However, the Senate voted against tabling the motion, saying, in effect, "We want you fellows to tell us a little more about this matter." And then the Senate voted against referral of the bill, which indicated Senators were not ready at that point to refer the bill to the Committee on Foreign Relations.

The only way I can explain that action is that the Senators were telling us they want us to go into much more detail, and to explain this proposition in a much more convincing and persuasive manner.

Mr. KEATING. That we will try to do. There are not many Senators present. I wish all of those who voted in

that manner were present to hear the fine argument being made by the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator very much. I think that if we can continue to make this point perhaps many Senators will see it in the RECORD, and will benefit from our arguments.

Mr. SPARKMAN. Mr. President, in that connection, will the Senator from Wisconsin yield to me for a question?

Mr. PROXMIRE. I yield to the Senator from Alabama for a question.

Mr. SPARKMAN. I think the question is quite pertinent. The question then comes to my mind, Why did we not receive the additional debate? I will say to the Senator from Wisconsin, I think his analysis is exactly correct. That was my own thinking. If the motion were voted down, then I thought we would have a debate on the question relating to the interest which Canada had in the matter, but instead of debate, immediately there came a vote on the motion to refer the bill to the committee, so we did not hear the debate.

I will say as one Senator, to me all of this is very confusing. There are many things concerning this matter I do not understand. I have not understood them yet. I will say, so far as I am concerned, the principal point is the interest which Canada has in this matter and the effect our action might have upon a friendly government.

I was disappointed that we did not have the debate immediately following the vote on the motion to table, before a vote was taken on the question of referral of the bill.

Mr. PROXMIRE. I thank the Senator from Alabama. I think it may have been a matter of misjudgment on both sides. We felt, of course, since we prevailed against tabling, that we had the votes. Obviously we did not have, and I think the position of the Senator from Alabama and the position of the Senator from New York, as brought out in their questions, was obviously the wise and sensible one. The only way we can remedy that is to talk about it now. It is very apparent that some Senators at least want more enlightenment on this subject. So we are going to take plenty of time to give it to them.

I yield to the Senator from New York.

Mr. KEATING. If the Senator will yield for a question, does not the Senator feel that perhaps the situation in which we find ourselves, where there has been inadequate debate of this question, could be cured by a motion to refer the matter to the Committee on Foreign Relations with instructions to report back at some date other than the date named in the previous motion? That would permit a very full debate of that particular issue, which I agree is a very important one.

Mr. PROXMIRE. I think that is an excellent point. I inquired from the Parliamentarian about the situation, and I was informed that there are two circumstances under which we can move to refer to the Foreign Relations Committee. One is with simply a change of instructions; the other is to adopt the first committee amendment or any other amendment that would change the bill, and then, even though we have the same date of April 1, we could make the motion once again.

But I would agree that it is obviously indicated that the Senate has told those of us who feel strongly on this bill that it wants to hear further from us, and make up its mind after it has heard from both sides.

Mr. KEATING. I think it might be helpful to start from the beginning and enlighten Senators on this international problem. It might be very helpful.

I thank the Senator.

Mr. PROXMIRE. I thank the Senator from New York very much.

Mr. SPARKMAN. Mr. President, will the Senator from Wisconsin yield for another question?

Mr. PROXMIRE. I yield to the Senator from Alabama.

Mr. SPARKMAN. Why does not the International Joint Commission have jurisdiction over this subject? Does it have any jurisdiction over it?

Mr. PROXMIRE. It is my understanding that the International Joint Commission apparently does not have jurisdiction over diversion from Lake Michigan, although it does have jurisdiction over diversion from the Columbia River, for example.

Mr. SPARKMAN. It may be that when it was set up, it was given certain limitations, but it seems to me we ought to have some kind of commission to look into the matter. This condition has existed certainly since before 1909, and it would seem that there would be a joint commission or joint committee of some kind to consider the problem.

Mr. PROXMIRE. That is exactly why it would seem to me that it would be inadvisable to pass this proposed legislation without at least giving these foreign policy questions further study, and at best it would seem to me that we should require our Government to sit down with the Canadian Government and find out exactly what the situation is and how it can be compromised fairly to both sides, or give the International Joint Commission jurisdiction over the matter.

Mr. SPARKMAN. I may say to the Senator from Wisconsin that I was perfectly sincere when I said a while ago that I was considerably confused about the whole thing. To be frank with the Senator, when the Senator talks about the diversion of 1,500 cubic feet per second, or whatever the figure is that might be used, it does not make much impression on my mind with reference to the lowering of the water in the lake as a whole or the effect it might have on Wisconsin or Michigan or any other area, and the same comment applies to the amount of power that may be generated in some of the streams.

But when the Senator talks about it being something in which two countries are interested, and are concerned, and that unilateral action is about to be taken, then that attracts my attention. It seems to me that that is the point a great many people would like to hear straightened out. I do not ask that the Senator do it now, but certainly in the course of this debate we ought to have a thorough discussion of that point.

Mr. PROXMIRE. I thank the Senator from Alabama. I think it is necessary for us to discuss that point. Later in my speech I am going to discuss, however, also what one might call the positive aspects of the bill, to consider whether or not there is enough merit in the benefits of this bill to overweigh or override the objections of Canada. It might be that it is a bill of such great interest and important to the health of the people of Chicago and the people of America that it should pass anyway, even though another country does object, and though it may violate treaty rights.

The Senator from Michigan has been very helpful, and has called to my attention article 3 of the convention, which bears directly on the point the Senator from Alabama has raised.

Mr. SPARKMAN. Could the Senator give the page numbers?

Mr. PROXMIRE. Page 205 of the hearings, toward the bottom of the page, from which I read:

> It is agreed that, in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the parties hereto, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission.

I take it that the reason why this has not been referred to the International Joint Commission is because it is the conclusion of the proponents of the bill that Lake Michigan is not a boundary water and that Lake Michigan is not covered by the treaty. But I am sure that even the question as to whether or not diversion of Lake Michigan would be pertinent, I have read it in the treaty, though at the moment I do not know exactly where it is. It is the interpretation of this clause of the treaty that has convinced Canada that we are violating the treaty, and that the bill should not be passed for that reason.

Mr. SPARKMAN. Let me ask the Senator a question frankly. I did not know that the International Joint Commission entered into this question. I asked a question about it a few minutes and apparently it is tied in.

I read article VIII:

> This International Joint Commission shall have jurisdiction over and shall pass upon all cases involving the use or obstruction or diversion of the waters with respect to which under articles III and IV of this treaty the approval of this Commission is required—

And so forth. I wonder why Canada, if she feels aggrieved, does not refer the case to the International Joint Commission. In fact, it would seem to me, from reading this provision that the International Joint Commission, if the situation is a problem involving both Canada and the United States, would automatically

have jurisdiction over it and could assume jurisdiction, or could intervene in any one of the attempts to divert water.

Mr. PROXMIRE. I agree with the Senator wholeheartedly. It should be referred to the Commisison; but I think that, of course, Canada recognizes the futility of referring it to the International Joint Commission if Congress is going to act precipitately, as it has twice in the past, in that it passed a similar bill in 1954 and one in 1956 despite their protestations. Of course, the President vetoed the bills. There is a feeling of futility on the part of Canada, a feeling that they cannot get the Congress of the United States to recognize what they feel are their rights.

Mr. SPARKMAN. Would the Senator not agree with me that if the treaty sets up rights, an act of Congress cannot override those rights?

Mr. PROXMIRE. I would agree. I think it is a grave question as to whether or not an act of Congress would be valid.

Mr. SPARKMAN. Of course, I am not qualified to pass on the application of this treaty, but it would seem to me that if the treaty does apply, then an act of Congress that would contravene the provisions of the treaty would be unconstitutional. That is another problem, it seems to me, that should be gone into in the discussion on this bill.

Mr. PROXMIRE. The Senator from Alabama raises a number of very important points, all of which indicate why this bill should go to the Foreign Relations Committee. These are foreign relations matters, and a majority of the members of the Public Works Committee said, "Send it to Foreign Relations." The fact is that the leadership of the Senate acted in contravention of what the Public Works Committee said we should do. Six members voted against reporting the bill. Three members voted for reporting the bill, but said, "Send it to Foreign Relations." That is what the Public Works Committee has told the Senate to do. What has happened is that the Senate has ignored the committee recommendations.

Mr. SPARKMAN. Mr. President, will the Senator yield for another question?

Mr. PROXMIRE. I yield to the Senator from Alabama.

Mr. SPARKMAN. Does the Senator believe that the average Member of the Senate knew of these matters the Senator has just related? It seems to me that illustrates a part of the weakness of no debate.

Mr. PROXMIRE. I think the Senator is correct.

Mr. SPARKMAN. The Senator has called attention to things I have never heard of before. I did not know, for example, that a majority of the Committee on Public Works had recommended that the bill be referred to the Foreign Relations Committee. I did not know some of these other things. I did not know that the International Joint Commission had jurisdiction. I knew that there was such a commission. The Senator will recall that I asked him a while ago why it did not have jurisdiction. When we turn to the treaty of 1909, we find that it has jurisdiction.

Mr. PROXMIRE. The position of the proponents of the bill is an honest position. Their position is that the International Joint Commission does not have jurisdiction, because they say these are not boundary waters. They say it with sincerity. They may be correct. But whether they are right or wrong, a sovereign country thinks we are dead wrong, and that we are violating a treaty. The least we can do is to let the one committee in the Senate which is competent to pass upon this question have a look at it. I refer to the Committee on Foreign Relations.

Under these circumstances I think the situation has become much clearer, by reason of the questions of the senior Senator from New York [Mr. JAVITS] and the junior Senator from Alabama.

I ask, Why in the world did the Senate refuse to table, and then seem to reverse its position and refuse to send the bill to the Foreign Relations Committee? The only reason is that Senators want more enlightening debate on what the merits are, on the question of whether the bill should go to the Senate Foreign Relations Committee or not. The Senator from Alabama is correct. After the Senate refused to table, it voted immediately on the motion to refer the bill to the Senate Foreign Relations Committee. That was not the fault of the leadership. It was the fault of those who felt strongly about the bill. We should have spoken out at the time. However, we felt that we had the votes, and the other side felt that it had the votes. The other side was correct and we were in error. However, we are advised by the Parliamentarian that we shall have another opportunity to vote to refer the bill to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. I was one of those who voted against tabling. I did so with the full expectation of hearing a discussion as to why the bill should be sent to the Foreign Relations Committee. I fully expected to vote to send it there. The Senator may recall that on the vote to refer the bill to the Foreign Relations Committee I had a pair with the Senator from Delaware [Mr. FREAR]. Had I been free to vote I would have voted to refer it to the Foreign Relations Committee. But I was taken by surprise when there was no discussion following the vote to table. I believe that a number of Senators voted against tabling because they felt that the motion to table was merely to cut off debate, and that we were entitled to have this question debated.

Mr. PROXMIRE. Mr. President, I think I should take a couple of minutes to drive home a position which is obvious, but which has not been emphasized enough, as to what the Public Works Committee feels should be done with regard to the bill.

The six members who voted against reporting the bill all felt that it should be referred to the Foreign Relations Committee.

In addition, the Senator from Maine [Mr. MUSKIE] has filed an individual opinion with the committee report, in which he says it should go to the Foreign Relations Committee, though he favored reporting the bill.

The Senator from Kentucky [Mr. COOPER] takes the identical position, as he has stated in an individual opinion. That makes eight.

In addition, the Senator from South Dakota [Mr. CASE] moved to send the bill to the Foreign Relations Committee, although he favored reporting the bill.

Nine of the fifteen members of the Public Works Committee favored referring the bill to the Foreign Relations Committee, after the most extensive and exhaustive hearings that have been accorded any bill of this character in the Senate in a long time.

I thank the Senator from Alabama very much. He has been extremely helpful and to the point.

I refer now to the fourth and last agency of the Federal Government which was consulted, namely, the Budget Bureau. It was more emphatic than any of the other agencies. It perhaps speaks more nearly with the voice of the President than does any other agency. The Bureau of the Budget stated that it recommended against the enactment of the bill. On June 1, 1959, Phillip S. Hughes, Assistant Director for Legislative Reference, writing on the stationery of the Executive Office of the President, Bureau of the Budget, wrote to the distinguished chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], as follows:

> On February 20, 1959, and again on April 9, 1959, the Government of Canada communicated to the United States its opposition to any additional diversion from the Great Lakes and expressed the view that such diversions would have a damaging effect on Canadian interests. In the face of these protests from Canada and in view of the pending application by certain Great Lakes States before the Supreme Court for a review of the decree of April 21, 1930, the Bureau of the Budget must recommend against the enactment of S. 308.

The fact of the pending application by certain Great Lakes States before the Supreme Court for a review of the decree of April 21, 1930, has not been debated at great length in the Senate.

The Bureau of the Budget continued:

> However, there is an avenue of further exploration which may prove fruitful, i.e., a full technical study of the sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago to be undertaken and financed jointly by the U.S. Public Health Service and the sanitary district without any actual increase in the present diversion of water from Lake Michigan.

ORDER OF BUSINESS—ORDER FOR RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Wisconsin [Mr. PROXMIRE] may yield to me with the understanding that he will not lose his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I do not know how long the Senator from Wisconsin plans to speak this evening, but

for the information of Senators, I hope he will conclude his address; and when he concludes his address, the Senate can take a recess until tomorrow.

I therefore ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. For the information of Senators, I will ask that when the Senator from Wisconsin concludes his address, a motion to recess pursuant to the order just entered be made. If there is a demand for a rollcall for any reason, I will ask the acting majority leader to move that the Senate take a recess until 11 o'clock a.m. tomorrow, in order that Members may understand that there will be no further rollcalls today.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, I do not wish to detain the Senate at too great length. On the other hand, I have a great deal of information before me. I know that Senators are weary. Members of the press who are compelled to cover the Senate are probably also weary. So I shall try to make this presentation as brief as possible.

The Senator from Alabama has emphasized a point which is very solid and very right, and that is that we should debate the subject at greater length. However, I think he will agree that it is extremely important that we debate it at a time and in such a way that the maximum number of Senators can be present to hear the discussion. For that reason I shall speak rather briefly at this time.

I now wish to address myself to my substitute for the first committee amendment. It is not merely a pro forma substitute. I am not sure that 180 miles is the correct figure. Perhaps it should be 185, 195, or 200. It is difficult to tell. Perhaps another amendment, involving a greater mileage, might be in order at a later date, when we receive information to the effect that the study of the currents of Lake Michigan indicates that an additional mileage is in order.

I hold in my hand the hearings on water diversion from Lake Michigan. On page 355 there is a map. The map indicates the currents. Why the committee chose 175 miles is difficult to discover. I questioned the chairman of the subcommittee at great length the other day as to why the committee chose 175 miles. As I recall, there was no precise justification for that particular distance. The map would seem to indicate that the mileage should be substantially greater than that. The major cities of Sheboygan, almost certainly Manitowoc, and by all means Kewaunee, Green Bay, and Marinette, are well beyond the 170-mile limit. It is my understanding that those cities would be affected by this current, and that therefore they deserve the same protection as does the southern half of the lake.

I raised this point and offered this amendment because it seemed that the benefits of the study were going almost exclusively to the city of Chicago.

One of the provisions in the bill is that the Federal Government shall pay for the whole study. The amendment which some of us have considered provides that Chicago shall pay for all the study, or perhaps half the study.

ORDER LIMITING STATEMENTS IN THE MORNING HOUR TOMORROW TO 3 MINUTES

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wisconsin yield again, and under the same circumstances?

Mr. PROXMIRE. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, under the rule, there be the usual morning hour tomorrow, with statements limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, the amendment itself provides that the studies shall include the effect of the diversion of 1,000 additional cubic feet on the levels of the Great Lakes. Of course, that is included in the text of the bill. But I think this is something which either should not be done or, if it should be done, should be paid for by someone other than the Federal Government, instead of permitting a waste of money, because we know, and we know perfectly well, what the effect of the additional diversion will be on the level of Lake Michigan.

Furthermore, the effect of permanent diversion is quite different from the effect of a 1-year temporary diversion. What is more, the effect of a 1-year temporary diversion cannot, in the judgment of the best experts, the Corps of Engineers, be fully appreciated for at least 15 years. When will the report come in? It will come in only after 3 years.

It is perfectly obvious that for the Federal Government to appropriate a million dollars under those circumstances, some of which is directed to be spent on the effect of a permanent diversion of the lake level, is ridiculous and is, on the face of it, a waste of money.

I think everyone, including the senior Senator from Illinois, stipulates that it is already well known what the effect of the permanent diversion will be on the lake level.

Mr. President, I have a large amount of material to which I should like very much to call the attention of Senators, but the hour is late. In view of the fact that very few Senators are now on the floor, I yield the floor at this time.

SPOKANE VALLEY PROJECT—CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HART in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, p. 17430, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the apportionment to such commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers;

S. 417. An act to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota;

S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams;

S. 1221. An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands;

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site;

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua;

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938;

S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowance for prisoners;

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes;

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes;

S. 2118. An act to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes;

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect to insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes;

S. 2339. An act to amend the law relating to the distribution of the funds of the Creek Tribe;

S. 2421. An act to amend the Klamath Termination Act; and

S. 2435. An act to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the following joint resolutions of the House:

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 444. Joint resolution for the relief of certain aliens.

The message further announced that the House had agreed to the amendment of the Senate to the joint resolution (H.J. Res. 445) to facilitate the admission into the United States of certain aliens.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 31, 1959, he presented to the President of the United States the enrolled bill (S. 2539) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

RECESS UNTIL 11 A.M. TOMORROW

Mr. DOUGLAS. Mr. President, in accordance with the order previously entered, I move that the Senate recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 55 minutes p.m.) the Senate took a recess, in accordance with the order previously entered, until tomorrow, Tuesday, September 1, 1959, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 31, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 58: 11: *The Lord shall guide thee continually.*

O Thou who hast revealed Thysclf as the Guiding Intelligence, grant that we may meet and master the difficult problems of this new week with an indomitable faith and the fortitude of an unconquerable soul.

May we never feel that we are the victims of fate and that the odds are against us as we face obstacles that seem to be insurmountable.

Help us to declare courageously that we are ready to follow without question or compromise whatsoever things are true and righteous.

We beseech Thee to establish deeply within us those resources and reserves which will enable us to carry on bravely when the winds are contrary and our strength is in danger of being depleted.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of Thursday, August 27, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2717. An act for the relief of Eber Brothers Wine & Liquor Corp.; and

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 981. An act for the relief of T. W. Holt & Co.; and

S. 1015. An act for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6939) entitled "An act to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8374) entitled "An act to amend Public Law 85–880, and for other purposes."

AMENDING PUBLIC LAW 86–118

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 510, a continuing resolution.

The Clerk read the House joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of July 31, 1959 (Public Law 86–118), is hereby amended by striking out "August 31, 1959" and inserting in lieu thereof "September 30, 1959".

SEC. 2. The amounts appropriated by section 2 of Public Law 86–118 are hereby increased as follows: Mutual security programs from "$300,000,000" to "$430,000,000".

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the pending resolution makes temporary provision beyond today for continuing those agencies and programs for which the regular supply bills have not become law. They are:

Independent offices bill—1 amendment unsettled.

Military construction—in conference.

Mutual security—in Senate committee.

Public works—veto message pending House action.

On appropriation bills sent to the President this session, the budget estimates for appropriations have been reduced by the net sum of $372,200,778, including the public works bill vetoed by the President last week. The final appropriations reduction will be increased several times over when the remaining bills are finally processed.

The House joint resolution was agreed to, and a motion to reconsider was laid on the table.

COMMUNICATION FROM CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read:

AUGUST 28, 1959.

The Honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the Clerk's office at 3:15 p.m. on August 28, 1959, and said to contain a veto message on H.R. 7509, "An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority for the fiscal year ending June 30, 1960, and for other purposes."

Respectfully yours,

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

PUBLIC WORKS APPROPRIATION BILL, 1960—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 222)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval H.R. 7509, a bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

This public works appropriation bill for fiscal 1960 includes 67 unbudgeted projects estimated eventually to cost over $800 million. It ignores the necessity for an orderly development of America's water resources within the Nation's fiscal ability.

Without any of the unbudget projects provided for in this measure, 1960 expenditures for the Corps of Engineers and the Bureau of Reclamation will reach $1.1 billion—an alltime high and almost three-quarters again as much as the expenditure level in fiscal 1955. Moreover, just to carry on construction currently underway will require by 1962 even higher expenditures—approaching twice as much as those of fiscal 1955—and will ultimately cost $6 billion.

These future expenditure commitments result largely from the fact that in the last 4 years the Congress has added to budgeted construction over 200 unbudgeted starts, involving total costs of nearly $3.8 billion. In view of these commitments, I recommended in the January budget message that no funds be appropriated to start additional projects in 1960.

This tremendous expansion in Government expenditures in just this one area in so short a period of time brings into sharp focus how Congress by action in one year builds increases into the Federal budget in future years. For example, although the cost of the unbudgeted projects in H.R. 7509 will be relatively small in fiscal 1960—about $50 million—their ultimate cost will be more than $800 million. This illustrates how easily effective control of Federal spending can be lost.

Overspending in respect to water resources is hurtful to the United States and to the proper development of these resources themselves. The American people are opposed to overspending no matter where it is attempted.

The unbudgeted projects provided for in this bill will, at the proper time, make an important contribution to the economic development of the areas in which they are to be built and to the Nation as a whole. But by any sound test of urgency, these projects should not be started this year if we are to have a responsible Federal fiscal policy. I believe that the American people look to the Government to see that their tax money is spent only on necessary projects and according to a priority as to urgency that does not weaken our financial structure nor add to the tremendous debt burden that posterity will have to pay.

I urge the Congress to enact a new bill appropriating funds only to finance projects now under construction and other going programs. If the Congress continues its refusal, in the case of the Trinity River project, to save $60 million of taxpayers' money through providing for construction of electric power facilities by non-Federal interests, such new bill should of necessity include funds to provide for Federal construction of such facilities, since the dam is now being built and it is essential that power facilities be in place when the reservoir is full.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 26, 1959.*

The SPEAKER. The objection of the President will be spread at large upon the Journal and, without objection, the bill and message will be printed as a House Document.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that further consideration be postponed until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOINT COMMITTEE ON ATOMIC ENERGY

Mr. HAYS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 356) to authorize printing of additional copies of the Joint Committee print entitled "Summary-Analysis of Hearings on Biological and Environmental Effects of Nuclear War."

The Clerk read the resolution, as follows:

Resolved, That the Joint Committee on Atomic Energy be authorized to have printed for its use, at a cost not to exceed $1,200, additional copies of the Joint Committee print entitled "Summary-Analysis of Hearings on Biological and Environmental Effects of Nuclear War" prepared by the Joint Committee on Atomic Energy during the Eighty-sixth Congress, first session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at the end of the proceedings today and to include an address by Ernest O. Thompson, chairman, Texas Railroad Commission, on Oil Centennial Celebration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HIRING OF OLDER PERSONS IN PRIVATE INDUSTRY

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I am today introducing a bill to encourage the hiring of older persons in private industry. It is an identical measure to H.R. 8695, introduced by the gentleman from Illinois [Mr. PUCINSKI].

One of the most difficult problems facing millions of middle-aged and elderly persons is the difficulty of finding jobs. Many companies refuse to hire persons over age 45, not because they are not experienced or capable of doing the job well, but because of higher costs of providing insurance, pension plan benefits, and other fringe benefits for which they would be eligible.

The bill would give employers full tax credit for the additional cost of hiring people of advanced age. It would permit the employer to compute what it costs him in fringe benefits for younger and older age group employees, and to receive a tax credit for the difference. Thus, he would be completely relieved of the additional cost of hiring older workers.

From personal experience I know the extent of job discrimination based on age and the hardships which it brings to these persons and their families. Many residents of my district faced with this discrimination have written to me to urge that the Government recognize this problem and find a way to solve it.

We cannot afford to waste the skills and productive capacity of our people merely because they are over a certain age. These persons are entitled to the chance to work and earn a decent living for themselves and their families. I am hopeful that this legislation will offer a workable solution to this problem.

REPORT OF THE BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY, NEW LONDON, CONN., MAY 1, 1959

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to insert a report at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, the report is as follows:

THE PRESIDENT OF THE SENATE.
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to section 194 of title 14 of the United States Code, the following Senators and Members of the House of Representatives were designated to constitute the 1959 Board of Visitors to the U.S. Coast Guard Academy.

By the President of the Senate: Senator PRESCOTT BUSH, Republican, Connecticut.

By the chairman of the Senate Committee on Interstate and Foreign Commerce: Senator E. L. (BOB) BARTLETT, Democrat, Alaska; Senator NORRIS COTTON, Republican, New Hampshire.

By the Speaker of the House of Representatives: Representative CHESTER BOWLES, Democrat, Connecticut; Representative WILLIAM B. WIDNALL, Republican, New Jersey.

By the chairman, House Committee on Merchant Marine and Fisheries: Representative GEORGE P. MILLER, Democrat, California; Representative ALTON LENNON, Democrat, North Carolina; Representative WILLIAM S. MAILLIARD, Republican, California.

Ex officio members: Senator WARREN G. MAGNUSON, Democrat, Washington (chairman, Senate Committee on Interstate and Foreign Commerce); Representative HERBERT C. BONNER, Democrat, North Carolina (chairman, House Committee on Merchant Marine and Fisheries).

MEETING

A meeting of the Board of Visitors was held at the Academy on May 1, 1959. The following members of the Board were present: Senator E. L. BARTLETT, Democrat, of Alaska, Representative GEORGE P. MILLER, Democrat, of California; Representative WILLIAM B. WIDNALL, Republican, of New Jersey; Representative CHESTER BOWLES, Democrat, of Connecticut; Representative WILLIAM S. MAILLIARD, Republican, of California; Representative ALTON LENNON, Democrat, of North Carolina.

The following officials of the U.S. Coast Guard were also present from headquarters: Vice Adm. A. C. Richmond, Commandant; Rear Adm. R. M. Ross, Chief of the Office of Personnel; Capt. G. R. Boyce, Jr., Chief of the Training and Procurement Division; and Capt. David O. Reed, liaison officer. From the Academy: Rear Adm. F. A. Leamy, Superintendent; Capt. J. A. Alger, Jr., Assistant Superintendent; Capt. A. A. Lawrence, head, Humanities Department; and Capt. W. J. Smith, Commandant of Cadets.

INSPECTION OF GROUNDS AND BUILDINGS AND REVIEW OF THE CORPS OF CADETS

Upon arrival at the Academy, the Board, accompanied by the Coast Guard officers, inspected the grounds and buildings. Following the inspection, the Cadet Regiment passed in review before the members of the Board. The Board then had lunch with the Corps of Cadets.

BOARD SESSION

The Board members were joined by Admiral Richmond, Admiral Leamy, Admiral Ross, Captain Alger, Captain Lawrence, Captain Smith, and Captain Boyce in formal session. Representative MILLER was unanimously elected Chairman of the 1959 Board of Visitors.

SYNOPSIS OF THE MINUTES OF THE BOARD SESSION

1. The Superintendent made a brief summary, outlined herein, of the formal report submitted to the Board, discussing its most important aspects.

2. The Superintendent stated that the corps of cadets at present consists of 571 cadets, including a graduating class of 80. The top 300 of the successful candidates for this year's entering class received notice of their appointment to the Academy. The new class is expected to number about 200. The attrition rate has dropped 10 percent without lowering any of the academic or adaptability standards. This reduction has been obtained primarily through the assignment of company officers to keep a closer supervision over the cadets. The attrition rate is expected to level off at 50 percent.

3. Upon questioning by the Board, the following additional facts were reported. About 35 percent of an entering class are lost due to involuntary resignations which result from academic failures, conduct deficiency or physical deficiency. About 30 percent resign voluntarily, primarily because they decide, after a period of time at the Academy, that they do not desire a career in the Coast Guard. Many find that they do not like the regimentation, organization, and the strict discipline which go with any military organization. On arrival, they frequently do not know enough about the Coast Guard to choose to make a career of it, therefore, every attempt is made to motivate a cadet to remain at the Academy. Between 7 and 10 percent resign during the fourth class summer training program, prior to returning to the Academy for regular courses. The Coast Guard Academy's attrition rate is higher than the Military Academy's 28 to 32 percent. The Naval Academy's attrition figure is approximately the same as at West Point, whereas, the Coast Guard Academy has been graduating about 35 percent of entering classes. The higher academic failure rate is believed to be a result of more difficult academic courses. Some of the voluntary resignations are probably caused by a feeling that the Coast Guard Academy has insufficient prestige compared to the Military and Naval Academies which are well known nationally.

4. The Commandant stated that before World War II, attrition of officers during the first 10 years of service was very small. After the war, the loss was terrific. The Coast Guard was losing approximately one-third of its Academy graduates. The obligated service was increased from 3 to 4 years. In an attempt to get reasons for this large increase in resignations, the Commandant wrote a letter to each officer to try to determine the reason why each resigned. Most of the reasons implied that they felt they would be better off financially following some other career. Besides the economic reason for leaving the service, some left because of the lack of home life—others because of benefits not available that were available to other servicemen. Another outstanding reason was the lack of medical services in many areas for Coast Guard dependents. This latter problem was eliminated with the passing of the medicare bill. Although the last pay increase helped to reduce attrition, it is believed the change in the economic situation in the country was more responsible for a reduction. Another important factor appears to be that the cadets are coming to the Academy with a better appreciation of the Academy and the Coast Guard. A further factor in the reduction of attrition, ironically, was the withdrawal of accreditation by the Engineer's Council of Professional Development. Prior to that time, some cadets accepted appointments solely because they felt they were getting a free engineering education. They were not planning to be career officers. Since the Academy no longer has this accreditation, the number of cadets who desire only an engineering education in lieu of a Coast Guard career is diminishing. This year only 10 to 12 graduates have resigned after their 4 years obligated service. During a recent field trip to isolated stations, it was noticed that the attitude of the officers assigned is entirely different from that noted on earlier tours. While isolated duty still is not considered desirable, by officers, it does not appear to be an important factor in causing them to resign. Further reasons for past attrition were the lack of career motivation of many cadets who entered the Academy during the Korean War and the fact that one Academy academic department head, no longer on the staff, appeared to require an excessively high academic standard.

5. A member of the Board commented on the possibility of developing more of a liberal arts background at the Academy. The Board was advised that this development is to be considered at the conference of Superintendents of the four service academies this year.

6. The Commandant stated that a sound reason for keeping the Coast Guard Academy course somewhat more technical than other service academies is because the Coast Guard is unable, due to operations commitments, to provide postgraduate training for its officers on as large a scale as other services. Therefore, they must receive the technical knowledge they need primarily while at the Academy. Other services have a much larger percentage of their officer personnel in training at any one time than the Coast Guard.

7. A member of the Board suggested the possibility of increasing the authorized number of Coast Guard officers to permit sending more officers to postgraduate training. This would allow a reduced level of technical training at the Academy and should result in a more favorable attrition rate.

8. The Commandant stated that the Academy course is definitely an engineering type and its attrition rate is not unfavorable when compared to engineering schools generally. He reported that the curriculum at the Academy has proven sound when considered in the light of the academic achievements of officers who take postgraduate training at engineering schools, such as Massachusetts Institute of Technology.

9. Additional statistics shown to the Board indicated that the attrition rate is presently down. For example, in 1956–57, 15 percent had to resign for academic failure. Last year only 5 percent were required to resign for this reason.

10. The Academy Commandant of Cadets stated that since all cadets come from the top 10 percent of the high school population, he believed that a further reduction in the academic standards would be possible without seriously affecting the basic competence of the Academy graduates.

11. The Superintendent reported that the first conference of the Superintendents of the four service academies which was initiated by the Superintendent, U.S. Coast Guard Academy, was so successful that the four Superintendents decided to make it a regular annual conference, rotated at the four academies. He also reported that the separate Officer Indoctrination School, consisting of the Officer Candidate School, the General Service School, and the Merchant Marine Safety School, will be transferred to the Coast Guard Reserve Training Center, Yorktown, Va., on July 1, 1959.

12. The Superintendent briefly outlined the 1958 Congressional Board of Visitors recommendations, including the establishment of an order of priority for projects for the improvement of the physical plant. He then discussed the construction, alterations, and improvement projects in the order of priority as follows:

(a) Extension of class space: Construction, alterations, and improvements to existing Academy buildings to provide additional classrooms and laboratories for the increased student enrollment. Estimated cost, $200,000.

(b) Maintenance building: Construction of a maintenance building to provide adequate facilities for all maintenance equipment, shops, and storerooms, office space, etc. Estimated cost, $555,000.

(c) Auditorium: Construction of an auditorium to replace the existing, deteriorated, hazardous, temporary, wooden, World War II structure with a permanent building of larger capacity. This building will be used to provide the cadets and faculty with the cultural and intellectual advantages of stimulating lectures and outstanding musical performances and to provide for student convocations and graduation exercises. Estimated cost, $990,000.

(d) Student activities building: Construction of a student activities building to replace the existing, deteriorated, hazardous, temporary, wooden, World War II structure with a permanent building, adequate in size to provide facilities for the extracurricular activities of the cadets and for the recreational and social activities of the cadets and faculty. Estimated cost, $1,125,000.

(e) Fieldhouse: Construct a fieldhouse to replace the existing, deteriorated, temporary, wooden, World War II structure with a permanent building of adequate size to provide the necessary facilities for the character building, leadership training, and physical development for the corps in the program of

physical education, intramural and intercollegiate athletic competitions. Estimated cost, $660,000.

(f) Concrete grandstand: Construct a concrete grandstand to replace the existing, deteriorating, wooden grandstands to provide enlarged and safe seating facilities for the corps of cadets, alumni, and the general public. Estimated cost $200,000.

(g) Wooden docks and causeways: Make major repairs to the wooden docks and causeways. The existing structures are deteriorating to the point where use is now restricted to light vehicles. Large vehicles transporting stores, supplies, and so forth, to vessels at the docks are denied access due to the unsafe conditions of the ramps and docks. Estimated cost $700,000.

(h) Additional playing fields: Reclaiming to land north and riverward of present area to provide additional playing fields for the expanded size of the corps of cadets. Estimated cost of the necessary fill and bulkheading, $1,315,000.

(i) Main entrance: Relocate the main entrance to eliminate the existing and increasing traffic hazards of access from and egress to the main highway. Estimated cost $50,000.

(j) Officers quarters: Construct four additional buildings each containing two family quarters for the senior staff officers and enlargement of the Superintendent's quarters to provide adequate accommodations and facilities for the increasing number of official guests visiting or in attendance at Academy functions. Estimated cost $500,000. Several Board members, the Commandant and other Coast Guard officers discussed various cost aspects of this project.

(k) Enlisted men's recreation building: Construct a building to provide adequate recreational facilities for the 270 enlisted men and their families. Estimated cost $260,000.

(l) Total estimated cost: Total estimated cost of all projects $6,565,000.

13. The Board then discussed at length with the Commandant, the Superintendent and the other officers present, the problems involved in obtaining funds for these projects.

14. The Board questioned if any difficulties remained in regard to the supervision of cadets by newly commissioned, inexperienced Reserve officers. The Board was informed that this problem had been satisfactorily resolved.

15. The Board asked and received clarification on a statement made during this session in regard to a department head at the Academy being able to influence the attrition rate by a personal policy of strict grading.

16. The Board, after considerable discussion, decided to arrange a meeting with the Secretary of Treasury to bring to his attention its views on the needs of the Coast Guard Academy as developed during the inspection and Board session.

CONCLUSION

The Board commends the Superintendent, Rear Adm. F. A. Leamy, and his staff for their efforts in maintaining the high standards of this institution, and the excellent caliber of the cadet corps. The Board wishes to extend its thanks to Vice Adm. A. C. Richmond, Commandant; Rear Adm. R. M. Ross, Chief of the Office of Personnel; Capt. G. R. Boyce, Jr., Chief of the Training and Procurement Division; and Capt. David O. Reed, liaison officer, for the assistance rendered to them. The Chairman and members of the Board wish to express their appreciation to the regimental officers, class presidents, and other members of the cadet corps for their very helpful assistance to the Board in expressing their views on the functioning of the Academy. The Board earnestly recommends to all Members of the Senate and House of Representatives that they assist in every way possible in bringing the Coast Guard Academy to the attention of eligible candidates, and urging their constituents to participate in the nationwide competitive examination to be held on February 23 and 24, 1960.

The Board urges all Members of the Senate and House of Representatives and particularly the Members of the Senate Committee on Interstate and Foreign Commerce and the House Committee on Merchant Marine and Fisheries to visit the Academy, inspect its grounds and buildings, classrooms and laboratories, and judge for themselves its facilities and needs.

GEORGE P. MILLER, *Chairman.*
E. L. BARTLETT.
WILLIAM B. WIDNALL.
CHESTER BOWLES.
ALTON LENNON.
WILLIAM S. MAILLIARD

GOOD LOBBYING SHOULD BE ENCOURAGED

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I am putting in the RECORD a copy of the letter that Sidney Zagri sent to Life magazine in answer to the charge that he had used improper lobbying techniques in presenting the Teamsters Union position on labor reform legislation.

I observed Mr. Zagri's lobbying techniques and discussed them with many of my colleagues. Mr. Zagri is a constituent of mine and I was interested for that and other reasons. To date I have heard only vague charges such as the one in Life's editorial and a recent article in Time magazine that his techniques were other than proper. These rumors have been unsubstantiated.

I am quite disturbed at this constant attack on lobbying by all sides. The attack on lobbying and lobbyists is an improper technique in itself to pass or defeat legislation. These attacks have contributed greatly to the disinclination of the public to participate in their government, in politics, if you please. After all if we are to have representative government the people must participate in it through their representatives and in choosing and electing their representatives. Lobbying in essence is nothing more than the people participating in their government. It should be encouraged not discouraged.

There are improper lobbying techniques. Falsely accusing another of improper lobbying techniques is itself an improper technique. These improper techniques should be attacked but when they are attacked one should be careful to make it clear that it is the improper technique not lobbying itself that is the basis of the adverse criticism. Good lobbying should be encouraged.

Frankly, I have been shocked by both Time and Life magazines. Nor is it just Time and Life. They merely reflect an approach to public debate that is all too common today in our country. But Time and Life seek the image of promoters of the best in public morals and to a great degree they deserve this image.

I want to say something else. I think a great deal of the criticism of the letter of James Carey is just as off base as some of the things Carey said in his letter. The fact that his letter said his group was going to try to beat those who had voted for the Landrum-Griffin bill I thought was perfectly proper. If we want our people active in Government they certainly should try to beat representatives they think are not good and elect those they think are good. My quarrel with Carey is that he does not think people can disagree with him unless they are tools, bigots, or uninterested in the welfare of the common man. I answered his letter by accepting his challenge at the polls, but appealing to him to keep the public debate on the facts and logic of the issue and off the attacks on the integrity of those with whom he disagreed.

Lest there be any misunderstanding I should mention that I basically disagree with Mr. Zagri on the Landrum-Griffin bill. I voted for it after thorough study and with conviction that this was in the best interests of the general public and of the unions themselves. Furthermore, the powerful Teamsters union headed by Harold Gibbons, another one of my constituents, has provided the basis of my opposition each time I run for election in a district which has powerful labor organization. There is little question in my mind that they will continue to provide this opposition.

Here is Mr. Zagri's letter. I think it is up to his accusers to prove their case. I will be happy to place in the RECORD the reply the editors of Life make to Mr. Zagri:

AUGUST 4, 1959.

EDITOR, LIFE MAGAZINE,
New York City, N.Y.

DEAR SIR: The editorial in Life's issue of July 27, titled "Danger: Hoffa Man at Work," is so grossly inaccurate and so brazenly unfair to the Teamsters and to myself that I cannot let it pass without a protest.

First of all, I most emphatically deny that I have ever threatened any Member of Congress with political reprisals of any kind, no matter how they choose to vote. I have far too much respect for our Nation's lawmakers to approach any of them with anything but the most complete courtesy. I hereby challenge any of the three Representatives you mention, Mr. UDALL, Mr. THOMPSON, or Mrs. GREEN to cite one example of unethical conduct on my part.

I might add that you are completely wrong regarding the lady from Oregon's unladylike departure from character. She most certainly never used the phrase you quote to me and I'm sure she never would.

Never at any time have I used the name of Speaker RAYBURN and again I challenge you to cite a single occasion on which I have.

We of labor are well aware that the right kind of labor reform legislation would benefit the Nation, just as business reform legislation would also, but we are convinced that none of the bills now under consideration could possibly do anything but great harm to all organized labor.

In this connection, informed labor relations experts are well aware of the ironic fact that the Teamsters Union, admittedly the prime target of all the proposed new

measures, would survive under even the toughest bill, whereas most other unions could not.

Nevertheless, we of the Temasters Union, as members of organized labor, undertook a drive to defeat pending laws which we feel to be punitive rather than corrective, and which we fear would eventually eradicate all the great gains made by labor since the Wagner Act emancipated the working man. In every case when we have opposed a measure which we considered harmful to labor we have suggested an alternative which we felt would be of actual benefit.

Since our campaign began we have followed the classic patterns adhered to by groups seeking to enlighten and influence their congressional representatives:

1. We met with Congressmen, most of whom were unaware of the key punitive sections of the proposed bills, and explained to them just why we objected to these sections.

2. We urged our members to contact their Congressmen and voice their feelings on such antilabor measures.

3. We sought wherever possible to bring about personal meetings between Congressmen and their constituents for discussions of the merits and demerits of the pending bills.

Our methods resemble nothing so much as your own when you urge, as you have repeatedly, that your readers contact their Congressmen and demand severe new labor reform laws, and they are no more sinister and no more "dirty" to quote from your editorial.

We are using the most fundamental of the democratic processes: Let your Congressman know how you feel about something he is going to vote on. If informing our own members of the activities and voting records of their Congressmen is unfair pressure then there is not an important segment of American business that is not equally unfair, because this is standard procedure. If, as Life magazine wrote, Speaker RAYBURN himself offered to campaign personally on behalf of any one in Congress who feels that his chances of reelection have been endangered by my activities, then we are certainly justified in campaigning for what we believe to be right.

In closing, to attribute to me so much power—as your editorial does—is absurd and unrealistic. The opposition arrayed against the other labor spokesmen and myself consists of an almost limitless army of lobbyists, lawyers, and public relations experts, backed by inexhaustible money and resources of every kind, all of them under direct orders from the enemies of labor to stop at nothing until organized labor as we know it today is destroyed forever.

Yours truly,

SIDNEY ZAGRI,
Legislative Representative.

THE STEEL STRIKE

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, many people have asked my views about the steel strike. Here are the observations I have made.

The way we get an increased standard of living is through increased productivity. In other words, due to new inventions and new ways of doing things, the same men can produce more goods. Then we have increased productivity.

The gain should be split three ways. One for labor, in increased wages; two for the investor, in increased investment and in dividends; and three for the consumer, in lower prices.

It now becomes apparent that in the steel industry the split has only been going two ways. Labor has been getting increased wages so that they are about the highest paid labor in America, and the investor has been getting dividends, plus a high increase in the value of his investment. But the consumer has been forgotten. The price of steel has not been decreased, in fact, it has been increased.

Fortunately, in the private enterprise system there are some automatic checks that will prevent any industry, even one as basic as the steel industry, from getting too far out of line in neglecting the consumer. One of the checks is becoming apparent—that of foreign competition. Foreign steel is beginning to come into the American market in large quantities. The second of these checks is competition from substitute materials. It is true that in many places where steel has to be used probably no substitute can be employed, but in many areas plastics and other materials can and do replace steel, if steel prices remain too high.

Sometimes the consumer has to wait a little bit for this marketplace operation to show its effect. Wise management and wise labor will anticipate the market operation, instead of waiting for it to hit. The Government's place is to preserve real competition in the marketplace and real collective bargaining in labor-management relations.

There are many people who, just as soon as an issue arises, want the Federal Government to rush in to solve it, instead of waiting for the marketplace to operate. I think one of the most damaging things that could happen would be for the Federal Government to move into the steel strike prematurely. Government control of prices or wages is a very poor second best to the operation of the marketplace. As long as competition and collective bargaining are real, the consumer will be assured his share of increased productivity, and the whole society will gain in a higher standard of living.

PENDING NOMINATIONS FOR U.S. JUDGESHIPS

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I was pleased to see that the American Bar Association at the end of last week took strong action criticizing the majority side of the other body for failing to confirm 20 Presidential nominees for U.S. judgeships. The Federal courts of this country are far behind in disposing of the backlog of cases to be tried. In the southern district of New York alone it takes 2 years to get a civil jury case to trial. There are two distinguished lawyers who have been nominated to the trial court bench who have not been confirmed, although they were nominated in March.

It is a disgrace for this condition to continue, and it is imperative that the public become aware of the fact that no action has been taken yet to confirm these presidential nominees to the Federal courts of this country.

ARRESTMENT OF SEAMEN'S WAGES

Mr. BONNER. Mr. Speaker, I call up the conference report on the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of United States seamen, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1072)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of United States seamen, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the second sentence of section 12 of the Act of March 4, 1915 (38 Stat. 1169; 46 U.S.C. 601), is amended by striking out the period at the end thereof and inserting a colon in lieu thereof and the following: '*And provided further,* That no part of the wages due or accruing to a master, officer, or any other seaman who is a member of the crew on a vessel engaged in the foreign, coastwise, intercoastal, interstate, or noncontiguous trade shall be withheld pursuant to the provisions of the tax laws of any State, Territory, possession, or Commonwealth, or a subdivision of any of them.' "

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

HERBERT C. BONNER,
GEORGE P. MILLER,
HERBERT ZELENKO,
THOR C. TOLLEFSON,
JOHN H. RAY,
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN O. PASTORE,
CLAIR ENGLE,
E. L. BARTLETT,
JOHN M. BUTLER,
THRUSTON B. MORTON,
HUGH SCOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of United States seamen submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Both the Senate bill and the House amendment would prohibit a State, Territory, possession or Commonwealth, or a subdivision of any of them, acting pursuant to its tax laws, from withholding wages of seamen who are crew members of a vessel engaged in certain specified types of trade.

The Senate bill and the House amendment differ significantly in three respects.

First, the Senate bill is temporary since it is limited to the period prior to September 1, 1961. The House amendment contained no such time limit.

Second, the Senate bill referred only to a "seaman" while the House amendment spoke of "master, officer, or any other seaman."

Third, the Senate bill referred to certain specified types of trade, one of which was "interstate" trade. The House amendment omitted interstate trade from the specified type of trade.

The conference agreement is identical with the House amendment with the exception of the inclusion of interstate trade in the specified types of trade referred to in the legislation.

The House and Senate committee reports on this legislation pointed out the urgent and important need for clarification of the act of March 4, 1915 (46 U.S.C. 601), due to serious problems created by conflicting Federal court decisions interpreting the law. As matters now stand, shipowners are on the horns of a dilemma. Enactment of this legislation will resolve the complicated questions resulting from attempts by shipowners to follow a myriad of State withholding tax laws and a growing number of such laws in subdivisions of States such as counties, municipalities, and, in at least one case, a school district. The conferees considered the fact that such State and local withholding tax laws vary widely as to the scope of their coverage and the amounts to be withheld. Consideration of this legislation thus brought out the existence of tax problems of very great complexity involved in the withholding of State and local income and wage taxes as it affects persons whose salaries and wages are derived from interstate and foreign activities, both in the cases of persons who are residents of the State or locality for whose benefit the tax is withheld, and of persons who are nonresidents of such State or locality.

One of the purposes of the expiration date in the Senate bill was to give impetus to an examination and study by the Congress of these problems. The conference agreement does not contain any expiration date, however, because it was agreed that the matter of a study of tax laws should be undertaken by committees other than the committees having cognizance of the act in conference. Nevertheless, it was the unanimous agreement of the conferees that this statement should contain a recommendation that there be a thorough examination by the appropriate committees of the Congress of the entire question of multiple taxation involving businesses engaged in interstate commerce. If and when, through such a study, the complex questions of the various systems of State taxation of interstate commerce are resolved, there will be time to review this particular statute again.

HERBERT C. BONNER,
GEORGE P. MILLER,
HERBERT ZELENKO,
THOR C. TOLLEFSON,
JOHN H. RAY,
Managers on the Part of the House.

SUBCOMMITTEE ON ELECTIONS, COMMITTEE ON HOUSE ADMINISTRATION

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARRESTMENT OF SEAMEN'S WAGES

Mr. BONNER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 149]

Adair	Cramer	Griffin
Albert	Curtis, Mass.	Hall
Andrews	Dague	Halleck
Anfuso	Delaney	Halpern
Ashley	Dent	Hardy
Barden	Denton	Hargis
Barrett	Derounian	Harris
Barry	Derwinski	Harrison
Bass, N.H.	Devine	Healey
Baumhart	Diggs	Hébert
Becker	Dollinger	Hess
Bentley	Donohue	Holifield
Blitch	Dooley	Holtzman
Boggs	Dorn, S.C.	Irwin
Bolton	Dulski	Jackson
Bosch	Farbstein	Jarman
Bowles	Fino	Jennings
Boyle	Flynn	Johnson, Md.
Brewster	Flynt	Jones, Ala.
Brock	Fogarty	Jones, Mo.
Buckley	Ford	Kelly
Burke, Ky.	Frazier	Keogh
Burke, Mass.	Frelinghuysen	Kilburn
Byrne, Pa.	Friedel	Kluczynski
Canfield	Gary	Lane
Casey	Giaimo	Lesinski
Coffin	Glenn	McDonough
Conte	Gray	McGovern
Cook	Green, Oreg.	Macdonald
Cooley	Green, Pa.	Machrowicz
Martin	Quigley	Taylor
Mason	Rabaut	Teague, Calif.
Minshall	Reece, Tenn.	Teague, Tex.
Mitchell	Rhodes, Ariz.	Teller
Monagan	Riehlman	Thompson, La.
Montoya	Rodino	Toll
Morris, N. Mex.	Rogers, Tex.	Van Pelt
Nix	Rooney	Van Zandt
O'Brien, N.Y.	Rostenkowski	Wainwright
O'Neill	St. George	Watts
Osmers	Santangelo	Westland
Philbin	Saund	Williams
Pillion	Sikes	Wolf
Poage	Staggers	Yates
Powell	Steed	Zelenko

The SPEAKER pro tempore (Mr. IKARD). On this rollcall, 300 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

ADDITIONAL COMPENSATION FOR DEAFNESS OF BOTH EARS

The Clerk called the bill (H.R. 268) to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MICHEL. Mr. Speaker, reserving the right to object, and I shall not object, except to ask the gentleman from Alabama if this is the same bill which I introduced in the 85th Congress, which passed the House unanimously.

Mr. BOYKIN. That is correct.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, the bill (H.R. 268) to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears, is identical to my bill (H.R. 566) which I introduced in this Congress and is the very same measure (H.R. 4214) initially introduced in the 85th Congress, and which subsequently was unanimously reported by the Veterans' Affairs Committee and passed the House July 7, 1958, only to die in the Senate.

Mr. Speaker, an interview with one of my own constituents prompted me to introduce this legislation. Some time ago, I met a young man who belongs to the same Disabled American Veterans chapter as I do, and was astonished to learn from him that even though suffering from a complete loss of hearing as a result of his war service he was not receiving a statutory disability award. This young man was exposed to considerable gunfire and the noise of aircraft. There was no history of ear disease nor associated illness before his entry into the service.

This young man has beeen examined by the best qualified doctors in the country on ear disease, including Drs. Walsh, Rosen, and Shambaugh. Dr. Morris H. Cohen, of Peoria, who was also treating the patient, indicates in a letter to the

DAV—that the boy has "total disability of both ears."

I have been advised off the record that our pilots are under constant danger of incurring similar disability because of the noise produced by our jet engines. I am sure we all realize that the Air Force or any other branch of service would not submit a statement emphasizing the danger of a particular assignment even though it be obviously hazardous duty. Because it is obvious, there is no need to advertise the point, but each man takes a calculated risk and I think we ought to take a look into the periscope and provide for the future of those who might likewise suffer complete loss of hearing as a result of their service.

The case of the young man in my district is not an isolated one. Since introducing this legislation, I have received a number of letters from veterans in all sections of the country who are suffering from complete loss of hearing and who have urged me to press for favorable consideration of my bill. I am sure the chairman and the distinguished members of this committee have received communications from those individuals and veterans' organizations seeking passage of this legislation.

Subparagraph (k) of paragraph II, part I, Veterans Regulation No. 1(a), as amended, states if the disabled person as the result of service-incurred disability has suffered the anatomical loss or use in varying degrees of various body organs and appendages, the rate of compensation shall be increased by $47 per month for each such loss or loss of use, but in no event to exceed $420 per month. It seems only logical and fair that this same rate should be applied to the compensation given to veterans having the service-incurred disability of deafness of both ears since we are giving it to those who have injured their creative organs, feet, hands, eyes, and buttocks. To my mind complete loss of hearing is just as tragic, if not more so, as the aforementioned disabilities, and I see no reason why the House today should not give favorable consideration to this bill as they did on July 7, 1958.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314(k) of title 38, United States Code, is amended by inserting after "having only light perception," each place it appears therein the following: "or deafness of both ears, having absence of air and bone conduction,".

SEC. 2. The amendments made by this Act shall become effective on the first day of the second month following the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASED COMPENSATION FOR CERTAIN DISABLED VETERANS

The Clerk called the bill (H.R. 283) to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314(k) of title 38, United States Code, is amended to read as follows: "(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, the rate of compensation therefore shall be $47 per month for each such loss or loss of use independent of any other compensation provided in subsections (a) through (j) of this section; and in the event of anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, in addition to the requirement for any of the rates specified in subsections (1) through (n) of this section, the rate of compensation shall be increased by $47 per month for each such loss or loss of use, but in no event to exceed $450 per month;".

SEC. 2. Any increased compensation because of a combination of blindness of one eye with another disability, as herein authorized, shall be effective as of the first day of the first month, following this enactment.

With the following committee amendments:

On page 1, line 6, strike out "a creative organ, or".

On page 1, line 7, after the word "hand," insert "or one or more creative organs,".

On page 2, line 3, after the word "section" insert "but in no event to exceed $309 per month;".

On page 2, line 4, strike out "a creative organ, or".

On page 2, line 5, after the word "hand," insert "or one or more creative organs,".

On page 2, beginning on line 11, after the word "compensation", strike out "because of a combination of blindness of one eye with another disability as herein authorized," and insert in lieu thereof "authorized by section 1".

On page 2, line 14, strike out the word "first" and insert in lieu therof "second calendar".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF COCONUT OIL FROM NATIONAL STOCKPILE

The Clerk called the resolution (H.J. Res. 441) relating to the disposition of coconut oil from the national stockpile under the Strategic and Critical Materials Stockpiling Act.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEASE PART OF TWIN CITIES ARSENAL, MINNEAPOLIS, MINN.

The Clerk called the bill (H.R. 2449) to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minneapolis, Minn., to Independent School District No. 16, Minnesota.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I should like only to say that it seems to me that the House Committee on Armed Services ought to provide, in the next session of the Congress, a uniform policy with respect to the use of buildings for public purposes, that is, buildings on military establishments. I think there ought to be a uniform policy. We have two bills on the Consent Calendar today, and there is no uniformity in this matter. I hope that next year the Committee on Armed Services will provide uniformity through legislation.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from North Carolina, a member of the House Armed Services Committee.

Mr. DURHAM. I think it should be understood that we started to work out a uniform policy at this session of the Congress, but we found out, of course, that it was quite a job. Now, we have these two emergencies. These children will not be in school unless we do something for them this year. I can assure the gentleman that we will do everything we can to straighten this matter out. I agree with the gentleman that there ought to be some kind of an overall policy, because we go out and give them the money to relieve the situation in these impacted areas. We impact them, and then we do away with the business, and the children are sitting there not going to school and we find ourselves in this situation. It is an emergency.

Mr. GROSS. I thank the gentleman from North Carolina for his statement and withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to lease for a five-year period to the Independent School District Numbered 16, State of Minnesota (Spring Lake Park School District) space it occupies in Building Numbered 105, and adjacent land area at the Twin Cities Arsenal, Minneapolis, Minnesota,

subject, however, to conditions and restrictions set forth in section 2 of this Act.

SEC. 2. The lease authorized by this Act shall be made without monetary consideration therefor, but upon condition that the property shall be used for the operation and maintenance of a public school only and in the event that it shall not be used for such purpose the lease shall immediately terminate and title to all improvements made by the school district during its occupancy shall vest in the United States without compensation therefor. The lease shall further provide that the school district shall at all times keep the premises in good repair, that use of the premises shall be subject to regulations by the commanding officer of the arsenal and shall in no way interfere with operations of the United States; that no change shall be made in the building or grounds without the prior consent of the district engineer, United States Army Engineer District, St. Paul, Minnesota; that no claim shall be made against the United States by the school district for damage to any of its property on the premises; that the school district will protect the United States against any claim for personal injury or property damage resulting from use of the premises; that the lease shall be revocable at will by the Secretary of the Army; and that the school district will on or before expiration or earlier termination of the lease vacate the premises, remove all its property, and restore the premises to a condition satisfactory to the aforementioned district engineer.

SEC. 3. Upon acceptance by the school district of the lease authorized by this Act, the Secretary of the Army is further authorized and directed to cancel lease (DA-21-019-eng-2100) under which the school district is occupying the property described in section 1 of this Act.

With the following committee amendments:

Page 2, line 1, following the word "therefor", insert a comma and the following language: "except for the cost of utilities or other special services furnished the lessee by the Government,".

Add a new section 4 as follows:

"SEC. 4. The Secretary of the Army, or his designee, may also include in the lease authorized by this Act such other terms and conditions as he considers to be in the public interest."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF REAL PROPERTY TO SACRAMENTO COUNTY, CALIF.

The Clerk called the bill (H.R. 2247) to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CURTIS of Missouri. Mr. Speaker, reserving the right to object, and I probably shall object, information was given to me which leads me to believe that this bill should be taken off the calendar until a further investigation is made. This is income-producing property for which the Federal Government should be getting some quid pro quo. I do not understand why this should be on the calendar without a more thorough investigation.

Mr. Speaker, I object.

There being no other objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Air Force is authorized and directed to convey to the county of Sacramento, California, without monetary consideration, and subject to the condition set forth in section 3 of this Act, (1) all right, title, and interest of the United States in and to the real property (including all improvements thereon) more particularly described in subsection (a) of section 2 of this Act, and (2) a perpetual easement for disposal of sewage effluent and waste water in, over, upon, and across the property more particularly described in subsection (b) of section 2 of this Act.

SEC. 2. (a) All that real property lying, being, and situate in the county of Sacramento, State of California, described as follows:

Beginning at a point located north 1,320.00 feet, thence east 569.00 feet from the corner common to sections 37, 38, 47, and 43 as shown on the recorded map of Rancho Del Paso recorded in the Sacramento County Recorder's Office in book 2 of maps, map numbered 32; thence from said point of beginning north 405.00 feet; thence east 211.6 feet; thence south 100.00 feet; thence east 138.4 feet; thence south 530.00 feet; thence west 350.00 feet; thence north 225.00 feet to the place of beginning, containing 4.744 acres, more or less.

(b) A perpetual easement for disposal of sewage effluent and waste water, in, over, upon and across the following described property, lying, being, and situate in the county of Sacramento, State of California, described as follows:

PARCEL NUMBERED 1

A strip of land 25.0 feet wide lying 12.5 feet on each side of the following described centerline: Beginning at a point in the west line of said section 48 located north 710 feet from the southwest corner of said section 48; thence along a ditch channel known as Magpie Creek south 89 degrees 30 minutes east 620.0 feet to a point located 12.5 feet west from the west line of Attu Road (so-called) and thence north 0 degrees 15 minutes east 450.0 feet to a point in the south line of the parcel described in subsection (a) of section 2 herein, known as the sewage treatment plant; containing 0.614 acre, more or less.

PARCEL NUMBERED 2

A strip of land 25.0 feet wide, lying 12.5 feet on each side of the following described centerline: Beginning at a point in the north line of Palm Avenue located north 89 degrees 10 minutes 30 seconds west 730.0 feet and north 00 degrees 49 minutes 30 seconds west 30.0 feet from the southeast corner of said section 37; thence along a ditch channel known as Magpie Creek in a northeasterly direction the following five courses and distances: North 22 degrees 30 minutes east 90.0 feet, north 53 degrees 30 minutes east 450.0 feet, north 1 degree 45 minutes west 180.0 feet, north 31 degrees 15 minutes east 150.0 feet, and south 89 degrees 30 minutes east 280.0 feet to a point in the east line of said section 37, containing 0.66 acre, more or less.

SEC. 3. The conveyances authorized by this Act shall be subject to the condition that the county of Sacramento shall process without charge to the United States all sewage and waste water from the McClellan Air Force Base laundry and the McClellan Air Force Base communications building for so long as such laundry and building remain the property of the United States, and if such condition is not fulfilled, all right, title, and interest in and to such property shall revert to the United States, which shall have an immediate right of entry thereon.

With the following committee amendments:

On pages 3 and 4 strike out section 3 and insert in lieu thereof a new section 3 as follows:

"SEC. 3. The conveyance authorized by this Act shall be subject to the negotiation of an agreement between the county of Sacramento and the Secretary of the Air Force, or his designee, providing for the county to process without charge, all sewage and waste water from the McClellan Air Force Base laundry, and the McClellan Communications Building so long as such facilities remain the property of the United States. In addition, the agreement will specify any requirements for service to be provided by the county in event additional Federal facilities are involved at Camp Kohler proper. If such conditions are not fulfilled, all right, title, and interest in and to such property shall revert to the United States which shall have an immediate right of entry thereon."

Add a new section 4 as follows:

"SEC. 4. The Secretary of the Air Force, or his designee, may also include in the conveyance authorized under this Act such other terms and conditions as he considers to be in the public interest."

Mr. CURTIS of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CURTIS of Missouri. Is it too late to have three objectors?

The SPEAKER pro tempore. It is.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that objection by three objectors may be in order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. PRICE. Mr. Speaker, I object.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CURTIS of Missouri. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 94, not voting 136, as follows:

[Roll No. 150]

YEAS—204

Abbitt	Boland	Coad
Abernethy	Bolling	Cohelan
Addonizio	Bonner	Colmer
Alexander	Bowles	Daddario
Alford	Boykin	Daniels
Anderson, Mont.	Boyle	Davis, Ga.
	Brademas	Davis, Tenn.
Ashmore	Breeding	Dawson
Aspinall	Brooks, La.	Denton
Avery	Brooks, Tex.	Dingell
Bailey	Brown, Ga.	Dowdy
Baldwin	Brown, Mo.	Downing
Barden	Broyhill	Doyle
Baring	Burdick	Durham
Barr	Burleson	Edmondson
Bass, Tenn.	Carnahan	Elliott
Beckworth	Chamberlain	Everett
Bennett, Fla.	Chelf	Evins
Blatnik	Clark	Fallon

Fascell	Lankford	Pucinski
Feighan	Lennon	Rains
Fisher	Levering	Randall
Flood	Libonati	Reuss
Flynn	Lipscomb	Rhodes, Pa.
Fogarty	Loser	Riley
Forand	McCormack	Rivers, Alaska
Forrester	McDowell	Rivers, S.C.
Fountain	McFall	Roberts
Gallagher	McGinley	Rogers, Colo.
Garmatz	McMillan	Rogers, Fla.
Gathings	McSween	Rogers, Mass.
Gavin	Madden	Rooney
George	Magnuson	Roosevelt
Granahan	Mahon	Roush
Grant	Mailliard	Rutherford
Griffiths	Marshall	Scott
Gubser	Matthews	Selden
Hagen	Metcalf	Shelley
Haley	Meyer	Sheppard
Harmon	Miller, Clem	Shipley
Hays	Miller, George P.	Sisk
Hechler	Mills	Smith, Iowa
Hemphill	Moeller	Smith, Miss.
Herlong	Moorhead	Smith, Va.
Holifield	Morgan	Spence
Holland	Morris, Okla.	Steed
Holt	Morrison	Stratton
Huddleston	Moss	Stubblefield
Hull	Moulder	Sullivan
Ikard	Murphy	Thomas
Inouye	Murray	Thompson, Tex.
Irwin	Natcher	Thornberry
Johnson, Calif.	Norblad	Trimble
Johnson, Colo.	Norrell	Tuck
Johnson, Wis.	O'Brien, Ill.	Udall
Karsten	O'Hara, Ill.	Ullman
Karth	O'Hara, Mich.	Vanik
Kasem	O'Konski	Vinson
Kastenmeier	Oliver	Walter
Kee	Passman	Wampler
Kelly	Patman	Watts
Kilday	Perkins	Whitener
Kilgore	Pfost	Whitten
King, Calif.	Pilcher	Wier
King, Utah	Porter	Winstead
Kirwan	Preston	Wright
Kitchin	Price	Young
Kowalski	Prokop	Younger
Landrum	Zablocki	

NAYS—94

Alger	Dwyer	Milliken
Allen	Fenton	Mumma
Andersen, Minn.	Fulton	Nelsen
Arends	Goodell	Ostertag
Auchincloss	Gross	Pelly
Baker	Henderson	Pillion
Bates	Hiestand	Pirnie
Belcher	Hoeven	Poff
Bennett, Mich.	Hoffman, Ill.	Quie
Berry	Hoffman, Mich.	Ray
Betts	Horan	Rees, Kans.
Bow	Hosmer	Robison
Bray	Jensen	Saylor
Broomfield	Johansen	Schenck
Brown, Ohio	Jonas	Scherer
Budge	Judd	Schwengel
Bush	Kearns	Short
Cahill	Keith	Siler
Cannon	Knox	Simpson, Ill.
Cederberg	Lafore	Smith, Calif.
Chenoweth	Laird	Smith, Kans.
Chiperfield	Langen	Springer
Church	Latta	Taber
Collier	Lindsay	Thomson, Wyo.
Conte	McCulloch	Tollefson
Corbett	McIntire	Utt
Cunningham	Mack, Wash.	Wallhauser
Curtin	May	Weaver
Curtis, Mo.	Meader	Weis
Dixon	Merrow	Wharton
Dorn, N.Y.	Michel	Withrow
	Miller, N.Y.	

NOT VOTING—136

Adair	Burke, Ky.	Diggs
Albert	Burke, Mass.	Dollinger
Andrews	Byrne, Pa.	Donohue
Anfuso	Byrnes, Wis.	Dooley
Ashley	Canfield	Dorn, S.C.
Ayres	Carter	Dulski
Barrett	Casey	Farbstein
Barry	Celler	Fino
Bass, N.H.	Coffin	Flynt
Baumhart	Cook	Foley
Becker	Cooley	Ford
Bentley	Cramer	Frazier
Blitch	Curtis, Mass.	Frelinghuysen
Boggs	Dague	Friedel
Bolton	Delaney	Gary
Bosch	Dent	Giaimo
Brewster	Derounian	Glenn
Brock	Derwinski	Gray
Buckley	Devine	Green, Oreg.
Green, Pa.	Macdonald	St. George
Griffin	Machrowicz	Santangelo
Hall	Mack, Ill.	Saund
Halleck	Martin	Sikes
Halpern	Mason	Simpson, Pa.
Hardy	Minshall	Slack
Hargis	Mitchell	Staggers
Harris	Monagan	Taylor
Harrison	Montoya	Teague, Calif.
Healey	Moore	Teague, Tex.
Hébert	Morris, N. Mex.	Teller
Hess	Multer	Thompson, La.
Hogan	Nix	Thompson, N.J.
Holtzman	O'Brien, N.Y.	Toll
Jackson	O'Neill	Van Pelt
Jarman	Osmers	Van Zandt
Jennings	Philbin	Wainwright
Johnson, Md.	Poage	Westland
Jones, Ala.	Powell	Widnall
Jones, Mo.	Quigley	Williams
Keogh	Rabaut	Willis
Kilburn	Reece, Tenn.	Wilson
Kluczynski	Rhodes, Ariz.	Wolf
Lane	Riehlman	Yates
Lesinski	Rodino	Zelenko
McDonough	Rogers, Tex.	
McGovern	Rostenkowski	

So the bill was ordered to be engrossed.

The Clerk announced the following pairs:

Mr. Green of Pennsylvania with Mr. Halleck.

Mr. Barrett with Mr. Ayres.

Mr. Nix with Mr. Wainwright.

Mr. Toll with Mrs. St. George.

Mr. Teller with Mr. Baumhart.

Mr. Teague of Texas with Mr. Byrnes of Wisconsin.

Mr. Powell with Mr. Van Zandt.

Mr. Rabaut with Mr. Martin.

Mr. Friedel with Mr. Moore.

Mr. Dollinger with Mr. Rhodes of Arizona.

Mr. Machrowicz with Mr. Teague of California.

Mr. Carter with Mr. Bentley.

Mr. Hogan with Mr. Riehlman.

Mr. Healey with Mr. Minshall.

Mr. Harrison with Mr. Jackson.

Mr. Byrne of Pennsylvania with Mr. Hess.

Mr. Brewster with Mr. Dooley.

Mr. Foley with Mr. Ford.

Mr. Flynt with Mr. Curtis of Massachusetts.

Mr. Mitchell with Mr. Derounian.

Mr. Philbin with Mr. Fino.

Mr. Donohue with Mr. Becker.

Mr. Dulski with Mr. McDonough.

Mr. Boggs with Mr. Griffin.

Mr. Thompson of Louisiana with Mr. Devine.

Mr. Slack with Mr. Frelinghuysen.

Mr. Dorn of South Carolina with Mr. Derwinski.

Mr. O'Neill with Mr. Dague.

Mr. Monagan with Mr. Bosch.

Mr. Lane with Mr. Cramer.

Mr. Lesinski with Mrs. Bolton.

Mr. Holtzman with Mr. Canfield.

Mr. Morris of New Mexico with Mr. Bass of New Hampshire.

Mr. Santangelo with Mr. Wilson.

Mr. Hébert with Mr. Taylor.

Mr. Willis with Mr. Widnall.

Mr. Zelenko with Mr. Osmers.

Mr. Rodino with Mr. Van Pelt.

Mr. Keogh with Mr. Barry.

Mr. Buckley with Mr. Simpson of Pennsylvania.

Mr. Anfuso with Mr. Glenn.

Mr. Delaney with Mr. Westland.

Mr. Multer with Mr. Reece of Tennessee.

Mr. Farbstein with Mr. Kilburn.

Mr. Healey with Mr. Adair.

Mr. Giaimo with Mr. Mason.

Mr. ALLEN changed his vote from "yea" to "nay."

Mr. CHAMBERLAIN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. IKARD). The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, H.R. 8315, reported out by the Armed Services Committee, is listed on the Consent Calendar as a bill to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.

The committee report concludes that this conveyance will not entail any additional expenditure on the part of the United States.

The question at issue is not brought out in the committee report. The question at issue is what is the real estate worth and what is the Federal Government getting for it?

The real estate is not just the few acres mentioned. On the acreage is a sewage disposal plant built during World War II at a cost of about $160,000 and subsequently leased to the county of Sacramento and improved by the county.

Sewage disposal plants are income producing property in the hands of private individuals and there are a number of private sewer companies in the United States which make a good profit in operating sewage disposal plants.

Actually, the reason for the request to transfer this facility to the county of Sacramento is essentially to benefit an operation of a large home builder who is developing a large private home construction project. This developer will spend about $700,000 to improve the present sewage disposal plant so that the homes may have proper sewage. Undoubtedly, the present disposal plant is of considerable value to this homebuilder, and undoubtedly it would be well worth his while paying something for the land and the sewage facilities presently on it. The private homebuilder will make a profit on this enterprise, as he should, but I submit the Federal Government under the circumstances should not contribute to his profit by turning over free of charge these facilities and the land.

The Government does get a meager quid pro quo. It gets the free use of the sewage facilities for a laundry and other facilities still on the military base. However, the amount of sewage charge the Government would have to pay per annum to a private company or to a municipality in lieu of sewer taxes would be infinitesimal compared to the value of the plant, and land. The Government is getting a rabbit for a horse.

This matter should not have been on the Consent Calendar. Indeed, the property if it was surplus to the Army's needs should have been turned over to the GSA for disposal. I believe the GSA has some

knowledge of the value of sewage disposal plants and would have insisted on a proper payment from the private developer, or the county whichever the case might be. Furthermore, the matter would then have been handled by the subcommittee of the Government Operations Committee which has been doing a splendid job of checking on these various items of Government surplus disposals.

The Congress has a law whereby any community can purchase at half the appraised value property and facilities which will be used for what might be regarded as governmental purposes. In this instance the general law could have been followed.

I am sorry that the proponents of this legislation undertook to try to push this matter through in such a way that the House was unable to consider the issues involved.

The Military Establishment has been disposing of surplus properties at the rate of many billions of dollars a year and has been realizing less than 8 cents on the dollar. It behooves Congress to watch this disposal program with real care. The only way to watch it is to follow correct procedures.

This matter has passed the House, but I trust it will not be enacted into law until a proper amount is paid for the property the Federal Government is conveying.

Mr. MOSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I point out that passage of my bill, H.R. 2247, authorizing the conveyance of certain real property of the United States, known as the Camp Kohler Sewage Treatment Plant, to the county of Sacramento, Calif., will not involve any additional expenditure by the Government now or in the future.

This is not giveaway legislation. The Federal Government is getting more value out of this conveyance than it gives, as is definitely indicated by the fact that the Department of the Air Force has reported favorably on this bill to the Armed Services Committee.

The Camp Kohler Sewage Treatment Plant, adjacent to McClellan Air Force Base in California, was constructed by the Federal Government during World War II at an initial cost of $128,770. It was leased to the county of Sacramento for 4 years beginning December 12, 1950, and the lease was renewed in 1955. During all this time the county of Sacramento has been processing, without charge, the sewage from the laundry and communications buildings at McClellan Air Force Base. Currently, the county of Sacramento is processing without cost approximately 32,000 gallons of sewage effluent and waste water per day for the Federal facilities named.

In addition to processing sewage from McClellan Air Force Base, since 1950 the county of Sacramento has greatly improved the capacity of the Camp Kohler plant, spending an estimated $485,000 in the process. Within the next few months, the county will spend an additional $60,000 or more in repairs and modifications to the plant.

The legislation in question here authorizes the Secretary of the Air Force to convey to Sacramento County, without monetary consideration, all right, title, and interest to approximately 4.744 acres of land, including the initial $128,770 plant investment by the Government. In consideration for the conveyance of this property, the county of Sacramento has bound itself to process without charge all sewage and waste water from the McClellan Air Force Base laundry and communications buildings for so long as such buildings remain the property of the United States, with reversionary right if such condition is not fulfilled.

Under the current operation of Sacramento County, the Camp Kohler laundry is serving an area northeast of McClellan Air Force Base with a population of approximately 12,000 people, many of whom are defense workers employed at the base.

LEASE CERTAIN PROPERTY IN MISSOURI FOR SCHOOL PURPOSES

The Clerk called the bill (H.R. 8315) to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to lease for not to exceed a five-year period to the Stella Reorganized Schools R–I, State of Missouri, space it occupies at Fort Crowder, Missouri, subject, however, to conditions and restrictions set forth in section 2 of this Act.

SEC. 2. The lease authorized by this Act shall be made without monetary consideration therefor, but upon condition that the property shall be used for the operation and maintenance of a public school only and in the event that it shall not be used for such purpose the lease shall immediately terminate and title to all improvements made by the school district during its occupancy shall vest in the United States without compensation therefor. The lease shall further provide that the school district shall at all times keep the premises in good repair, that use of the premises shall be subject to regulations by the Secretary of the Army, or his designee, and shall in no way interfere with operations of the United States; that no change shall be made in the building or grounds without the prior consent of the district engineer, United States Army Engineer District, Kansas City, Missouri; that no claim shall be made against the United States by the school district for damage to any of its property on the premises; that the school district will protect the United States against any claim for personal injury or property damage resulting from use of the premises; that the lease shall be revocable at will by the Secretary of the Army; and that the school district will on or before expiration or earlier termination of the lease vacate the premises, remove all its property, and restore the premises to a condition satisfactory to the aforementioned district engineer.

With the following committee amendments:

Page 1, line 9, following the word "therefor" insert a comma and the following language: "except for the cost of utilities or other special services furnished the lessee by the Government."

Add a section 3 as follows:

"SEC. 3. This Act shall apply to any contract or lease heretofore entered into between Stella Reorganized Schools R–I and the United States that has not expired or been terminated, as well as to any contract or lease authorized by this Act."

Add a section 4 as follows:

"SEC. 4. The Secretary of the Army, or his designee, may also include in the lease authorized by this Act such other terms and conditions as he considers to be in the public interest."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILDLIFE CONSERVATION IN MILITARY RESERVATIONS

The Clerk called the bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations.

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

INCREASED RETIREMENT FOR MEMBERS OF LIGHTHOUSE SERVICE

The Clerk called the bill (H.R. 5431) to provide a further increase in the retired pay of certain members of the former Lighthouse Service.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the annual rate of retired pay of each person retired prior to January 1, 1958, under section 6 of the Act of June 20, 1918, as amended and supplemented, shall be increased, effective on the first day of the first calendar month following the date of enactment of this Act, by 10 per centum.

Mr. DINGELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 1, line 7, strike out the period and insert in lieu thereof a comma and the following: "or $150 per annum, whichever is the greater."

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Washington.

Mr. TOLLEFSON. May I inquire whether the gentleman has cleared this amendment with the chairman of our committee?

Mr. DINGELL. Yes. It is my understanding that it has been cleared with the chairman of the committee. This is similar to the amendment which was to be offered in the committee by me awhile ago. The reason it was not offered in the committee is that I did not have the full cost estimates. I now have the cost estimates, which it is estimated will be $3,000 a year. It will give raises to a few people who draw as little as $600 and $800 a year.

Mr. TOLLEFSON. I thank the gentleman.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Nebraska.

Mr. WEAVER. According to the information I have, the cost of the bill is in the neighborhood of $116,000, and this would make a total of $163,000.

Mr. DINGELL. I understood it was $122,000.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARCTIC WILDLIFE RANGE, ALASKA

The Clerk called the bill (H.R. 7045) to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes.

Mr. RIVERS of Alaska. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

GREAT LAKES PILOTAGE

The clerk called the bill (H.R. 57) to require pilots on certain vessels navigating U.S. waters of the Great Lakes, and for other purposes.

Mr. REUSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. BONNER. Mr. Speaker, if the gentleman will withhold that, those who formerly objected to the bill have talked to me about it and have withdrawn their objections. Without a doubt, something has to be done on the Great Lakes. Unless it is done, you will have a tragic situation and we will lose many lives. Here are these foreign vessels coming into these waters, and they do not have pilots on them nor the equipment to navigate the waters, and are not familiar with the conditions in the Great Lakes. I do hope that the gentleman will allow this bill to pass, and if there is anything that proves unworkable or unfair in the legislation, I assure you that if you come before our committee, we will amend it in the next session of the Congress. Give us a running start to see what can be done. Now, in this bill, as against the former bill, we have made provision for an international commission which was requested before.

Mr. REUSS. The bill does set up compulsory pilotage on the Great Lakes, something we have never had and my people in the State of Wisconsin are concerned about it. We should have pilotage in the harbors, and in difficult places, but to require pilotage over every foot of the Great Lakes is something else again. I regret having to ask unanimous consent that it be passed over, but I must ask it.

Mr. BONNER. We have compulsory pilotage in all the harbors in the coast ports of the United States. Of course, if there are those who wish this danger to exist, then they have the opportunity now and it will be their responsibility.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield for a question?

Mr. REUSS. I yield.

Mr. PUCINSKI. Do they not now have pilotage into the harbors?

Mr. BONNER. No, there is no pilotage under the supervision of the Coast Guard on the Lakes at the present time. There have been about six accidents up there. The Coast Guard realizes its responsibility. When a tragedy happens I hope that the gentlemen who feel this way about this bill will not then say, "Well, why didn't you do something?"

Mr. PUCINSKI. Does this provide that the Coast Guard will supervise the pilotage?

Mr. BONNER. The Coast Guard supervises the pilotage into our harbors and out of our harbors at the present time. In the committee we have given a great deal of attention to the bill, but I want the House to know that the Committee on Merchant Marine's responsibility ceases here today and the responsibility for whatever happens in the future will be on someone else.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. VANIK. Mr. Speaker, I should like to inquire of the chairman whether or not this bill in any way gives preferential treatment to Canadian pilots.

Mr. BONNER. The gentleman asks an interesting question. As it is now, what pilots are assigned are assigned in Canadian waters.

Mr. VANIK. In Montreal.

Mr. BONNER. That is right. We are trying to work out a system here so that we will have joint pilotage. We will recognize the pilots that they say are certified and whom they certify as being qualified and they will recognize our pilots. In addition, as I have said, if there is anything in the bill that is not workable, we provide that this Commission shall make recommendations to the committee or to the Congress or to the administration, and those kinks will be worked out. But we have a serious condition here. I cannot imagine how it can do any harm. The intent here is lifesaving, safety at sea. That is about all we can say about it.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. REUSS. I yield.

Mr. VANIK. I should like to inquire of the chairman whether or not the pilotage concerns travel in the Great Lakes or only within certain harbors.

Mr. BONNER. It concerns the foreign ships coming into your ports, in American waters. We cannot do anything about the Canadian waters.

Mr. VANIK. I thank the gentleman.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. O'KONSKI. I would like to ask the author of the bill, is it not true under this bill you are asking the same consideration for American pilots as the Canadian pilots already have?

Mr. BONNER. That is exactly it. They can furnish the pilots to go with the ships. Under this bill there would be a joint arrangement of pilotage on the lakes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONVEYING CERTAIN LANDS IN SALT LAKE COUNTY, UTAH

The Clerk called the bill (H.R. 5270) to authorize the Secretary of the Interior to convey to the Metropolitan Water District of Salt Lake City, Utah, all right, title, and interest of the United States in certain lands located in Salt Lake County, Utah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey to the Metropolitan Water District of Salt Lake City, Utah, without consideration, all the right, title, and interest of the United States in and to the following described land located in Salt Lake County, Utah:

That certain parcel of land located in the southwest quarter of section 25, and in the southeast quarter of section 26, township 1 south, range 1 east, Salt Lake base and meridian, Salt Lake County, State of Utah, more particularly described as follows:

Beginning at a point from which the east quarter corner of said section 26 lies north 1,468.5 feet and east 61.6 feet, more or less, said point being on the north right-of-way boundary line of 33d South Street, and running thence south 89 degrees 58 minutes 45 seconds east 231.75 feet; thence north 25 degrees 20 minutes east 155 feet; thence north 3 degrees 17 minutes 10 seconds east 910.2 feet; thence along a regular curve to the left with a radius of 1,450 feet and a distance of 184.5 feet; thence west 283.4 feet; thence south 3 degrees 03 minutes west 987 feet; thence south 86 degrees 57 minutes east 50 feet; thence south 3 degrees 03 minutes west 40 feet; thence north 86 degrees 57 minutes west 50 feet; thence south 3 degrees 03 minutes west 208 feet, more or less, to the point of beginning, containing 7.7 acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENALTIES FOR UNOFFICIAL USE OF GOVERNMENT VEHICLES

The Clerk called the bill (H.R. 766) to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I need some light on the necessity for this bill. I wonder if there is any member of the Committee on Government Operations who can explain it to me. According to the stated purpose of the bill, it provides that any officer or employee of the United States who willfully uses or authorizes the use of any Government-owned vehicle or aircraft, owned or leased by the Government, for other than official purposes, shall be subject to such disciplinary action as the head of the department concerned or his representative may prescribe, which may include removal from office, if warranted.

That is the purpose of the bill. The existing law covering passenger-carrying vehicles or aircraft, owned or leased by the Government, provides a penalty of suspension from duty without compensation for not less than 1 month and suspension for a longer period or removal from office if circumstances warrant.

It is stated in the committee report that the present law is unduly harsh. I would like to ask someone why it is held that the existing law is unduly harsh.

Mr. Speaker, in view of the fact that no one seems to be able to answer that question, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. IKARD). Is there objection to the request of the gentleman from Iowa?

There was no objection.

DIRECTING ADMINISTRATOR OF GENERAL SERVICES TO CONVEY TO MOBILE, ALA., INTEREST OF UNITED STATES IN CERTAIN LAND

The Clerk called the bill (H.R. 2386) to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall convey to the city of Mobile, Alabama, by quitclaim deed, all the right, title, and interest of the United States in and to the land described in the deed, dated June 28, 1939, by which the United States of America conveyed certain lands to the city of Mobile, Ala., recorded on page 256 of deed book 285, probate ccurt records, Mobile County, Ala.

With the following committee amendments:

Page 1, lines 4 and 5, strike out "and without consideration" and insert in lieu thereof the following: "for the current appraised fair market value of the Government's interest as determined by the Administrator of General Services."

Page 1, after line 10, add the following:

"SEC. 2. This act shall expire 1 year after the date of its enactment unless the conveyance authorized and directed hereby is effected prior thereto."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, DONATION OF SURPLUS PROPERTY TO VOLUNTEER FIREFIGHTING ORGANIZATIONS

The Clerk called the bill (H.R. 3722) to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. POFF. Mr. Speaker, reserving the right to object and I shall not object, I support this bill and ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Speaker, I am pleased to have the opportunity to speak in support of legislation to permit donations of surplus property to volunteer firefighting organizations. On February 17, 1959, I introduced H.R. 4646 which is similar in purpose and effect. Let me say at the outset that it is unimportant to me whose name this legislation bears. My only concern is that Congress, at this session, pass legislation which will make available to volunteer fire companies certain surplus property for which they have a continuing need.

Under existing law, the procedure governing the disposal of Federal surplus property by donation is contained in the Federal Property and Administrative Services Act of 1949, as amended. The General Services Administrator is authorized to donate available surplus materials to tax-supported or non-profit tax-exempt institutions, hospitals, clinics, schools, colleges, universities, and civil defense units, upon allocation by the Secretary of Health, Education and Welfare. The General Services Administrator has statutory jurisdiction over disposal of property as provided in title 40, United States Code, section 484(j), and the purpose of the legislation is to enlarge his jurisdiction to include the power of donation to volunteer fire companies not included in the civil defense setup.

My file contains many letters from volunteer fire companies, State organizations of volunteer fire companies, municipal officials, and citizens who must depend upon these departments for protection of their lives and property. From an urban area in the congressional district I am privileged to represent, I have a letter stating that the city will shortly be forced, for economic reasons, to curtail its fire protection to outlying areas. It will now fall upon these small, financially weak communities to provide for their own fire protection. From a rural area in my district, I have a letter from a group that has been trying, without success, to organize a volunteer fire company for the mutual protection of its residents. This area is remote from any town or city with a department; yet, they are financially unable to purchase the expensive equipment needed to equip a fire company to even a minimum degree. In the event of a civil disaster, such areas as these face two unpleasant possibilities: First, neighboring communities must dispatch their own fire apparatus to these outlying areas at great risk to the lives and property of the lending community; or, more likely, second, the community which has its own fire department will be so busily engaged with its own disaster that it will be unable to give any assistance whatever to the small community's needs. It is apparent that the passage of this legislation would have a salutary effect on the civil defense effort.

For these communities to buy new tools to do their job may be impossible, but to supply old tools in which the taxpayers already have a depreciated investment is not only possible, but logical in every respect. The average Government recovery on the sale of property declared to be surplus, regardless of life expectancy, is about 10 cents on the dollar. It is poor business to sell Government property for such an uneconomic return on investment when it can be used to the benefit of the tax-weary people of our small communities for such a worthwhile purpose.

During World War II, Prime Minister Churchill called upon the American people to "Give us the tools, and we'll finish the job." Now, the American people are calling on Uncle Sam to give them the tools to finish a job. Our volunteer "smoke-eaters" never fail to answer the call of a neighbor in distress. Uncle Sam can do no less.

Mr. JOHNSON of Wisconsin. Mr. Speaker, thousands of communities throughout the country are completely dependent on volunteer firefighting organizations for the protection of life and property from fire. Tens of thousands of civic-minded individuals give their time, effort, and resources to keep these firefighting units in operation. Their biggest problem is money for equipment. Modern fire engines cost anywhere from $25,000 to $30,000, and other types of very necessary equipment are also expensive.

Much of the needed equipment, which includes water tanks, pumps, firehoses, tank trucks, ropes, axes, tarps, picks, shovels, lanterns, and so forth, is now reposing in Federal Government ware-

houses. As surplus property not needed by the Federal agencies nor by the education, health, and defense agencies, the equipment has been sold at a small return to the Government.

While it is true that this surplus property can be purchased by the firefighting organizations, it is usually offered for sale in larger lots than the volunteer fire departments can afford to acquire. Therefore, they are forced to purchase the equipment from retail sources at a higher cost, while the Government's surplus firefighting equipment is sold for scrap.

Mr. Speaker, it is my firm belief that this property, bought with public funds, should be donated to the volunteer fire departments to aid them in their public-spirited undertaking. H.R. 3722, which is identical to a bill that I have introduced, would extend the benefits of the surplus personal property donation program to any incorporated or unincorporated volunteer fire department, fire company, or other similar firefighting organization which is tax supported or tax exempt.

Congress has already made surplus property available for civil defense purposes. And since the volunteer firefighting organizations perform civil defense functions, this is one more reason why these groups should be included in the surplus property donation program.

Mr. JENNINGS. Mr. Speaker, during the last Congress and in this first session of the 86th Congress I have introduced legislation with objectives similar to those of H.R. 3722—to make the Nation's volunteer fire departments eligible for donable, surplus, Federal property. Therefore, I support the passage of H.R. 3722 today.

In the last Congress, my bill was H.R. 242. Late in the second session of that Congress, H.R. 13673 was favorably reported from the Government Operations Committee and was passed in the House. However, it was not acted upon in the Senate before adjournment last year.

This year, I have introduced H.R. 105. The committee has now favorably reported H.R. 3722, which is being considered by the House in plenty of time for final passage in this Congress.

Mr. Speaker, the bills that I have sponsored went beyond the provisions of H.R. 3722. They would have expanded the donable property program to both volunteer rescue and lifesaving squads, and to volunteer fire departments. I regret that H.R. 3722 was not amended in committee to include rescue and lifesaving squads, and I will give consideration to introducing another bill to make these organizations eligible for such property. The rescue and lifesaving squads are very numerous in the Nation and should be allowed to utilize any donable property that might meet their needs.

Although H.R. 3722 does not go as far in its provisions as I would prefer, it should be approved today as a step in the right direction. The Nation's volunteer firemen should receive every possible assistance in their important and dedicated work.

This legislation has the endorsement of the Virginia State Firemen's Association and the Southwest Virginia Firemen's Association. This latter group—generally—is located in my area of Virginia.

In a meeting last spring, the Southwest Virginia Firemen's Association adopted a resolution in support of H.R. 105, stating that many volunteer departments within the United States would benefit by passage of this bill. I am sure they support passage of H.R. 3722.

It is clear that Congress intends that the donable property program be aimed at helping those organizations and institutions serving the public interest. The Nation's volunteer fire departments meet this test in every respect.

I hope that H.R. 3722 can be passed today and given final approval at the earliest possible date.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 203(j)(1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C., sec. 484(j)(1)) is amended to read as follows: "Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate without cost (except for direct costs of care and handling) for use in any State for purposes of education, public health, or civil defense, or for research for any such purpose, or for the purpose of aiding in the protection of life and property by volunteer fire-fighting organizations, any equipment, materials, books, or other supplies (including those capitalized in a working capital or similar fund) under the control of any executive agency which shall have been determined to be surplus property and which shall have been determined under paragraph (2), (3), or (4) of this subsection to be usable and necessary for any such purpose."

(b) The last sentence of section 203(j)(1) of such Act is amended by inserting before the period at the end thereof the following: ", except that notwithstanding a State agency is not designated under State law for the purpose of distributing property for use by volunteer fire-fighting organizations, such property may be transferred to such State agency for use for purposes of education, public health, or civil defense, or for research for any such purpose".

SEC. 2. (a) The first sentence of section 203(j)(3) of such Act (40 U.S.C., sec. 484(j)(3)) is amended to read as follows: "Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of education or public health, or for research for any such purpose, or for the purpose of aiding in the protection of life and property by volunteer fire-fighting organizations, in any State shall be made by the Secretary of Health, Education, and Welfare, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator to such State agency for distribution to (A) tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities, (B) other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges, and universities which are exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, or (C) to any incorporated or unincorporated volunteer fire department, fire company, or other similar fire-fighting organization which is tax-supported or has been held exempt from taxation under section 501 of the Internal Revenue Code of 1954."

(b) The second sentence of section 203(j)(3) is amended by inserting "or for the purpose of aiding in the protection of life and property by volunteer fire-fighting organizations in the State," after "in the State,".

SEC. 3. Section 203(k)(2) of such Act (40 U.S.C., sec. 484(k)) is amended by striking out "or" at the end of clause (D), by striking out the comma at the end of clause (E) and inserting in lieu thereof "; or", and by inserting immediately after clause (E) the following new clause:

"(F) the Secretary of Health, Education, and Welfare, through such officers or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to this Act to volunteer fire-fighting organizations for aiding in the protection of life and property by such organizations,".

SEC. 4. Section 203(o) of such Act (40 U.S.C., sec. 484(n)) is amended by inserting "or volunteer fire-fighting organizations" after "educational or public health institutions".

With the following committee amendments:

On page 3, lines 18 and 19 strike out "(40 U.S.C., sec. 484 (k))" and insert in lieu thereof "(40 U.S.C., sec. 484 (k)(2))".

On page 4, lines 6 and 7, strike out "(40 U.S.C. (sec. 484(k))" and insert in lieu thereof "(40 U.S.C., sec. 484(o))".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRIBE OF SILETZ INDIANS, OREGON

The Clerk called the bill (H.R. 6790) to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes.

The Clerk read the title of the bill.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that S. 2029, to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes, an identical bill, be considered in lieu of H.R. 6790.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to distribute on a pro rata basis, to the persons whose names appear on the final roll approved pursuant to section 3 of the Act of August 13, 1954 (68 Stat. 724), or their heirs or legatees, the balance of the

funds, after paying approved attorney fees and expenses, appropriated by the Supplemental Appropriation Act, 1959, in satisfaction of the judgment against the United States obtained in the Indian Claims Commission in docket Numbered 239, and accrued interest thereon. The funds so distributed shall not be subject to Federal or State income tax.

SEC. 2. (a) Except as provided in subsection (b) of this section, the Secretary shall distribute a share payable to a living enrollee directly to such enrollee, and the Secretary shall distribute a share payable to a deceased enrollee directly to his next of kin or legatees as determined by the laws of the place of domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) A share payable to a person under twenty-one years of age or to a person under legal disability shall be paid in accordance with the laws applicable to such person in the place of his domicile, or in the discretion of the Secretary to the natural parent or guardian of such person.

SEC. 3. All costs incurred by the Secretary in the preparation of the roll and in the payment of shares in accordance with the provision of this Act shall be paid by appropriate withdrawals from the judgment fund.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

EXTENSION OF REMARKS

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks before the passage of Calendar No. 241.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

UTE MOUNTAIN TRIBE OF THE UTE MOUNTAIN RESERVATION, COLO.

The Clerk called the bill (H.R. 8344) to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.

The Clerk read the title of the bill.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 2435) to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo., an identical bill, be considered in lieu of H.R. 8344.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the entire proceeds of the judgment in Court of Claims case numbered 47565 entitled "The Confederated Bands of Ute Indians against the United States of America", now on deposit in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians, together with all accrued interest thereon, be transferred and credited to the account of the Ute Mountain Tribe of the Ute Mountain Reservation, Colorado, to be used as directed by the Ute Mountain Tribal Council and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal or State income tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

KLAMATH TERMINATION ACT

The Clerk called the bill (H.R. 8501) to amend the Klamath Termination Act.

The Clerk read the title of the bill.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 2421) to amend the Klamath Termination Act, an identical bill, be considered in lieu of H.R. 8501.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to permit an immediate payment of the purchase price of the Klamath Marsh, the title to which was taken by the United States by the Act of August 23, 1958 (72 Stat. 816), and thereby make possible partial distribution of funds to the Klamath Indians who have elected to withdraw from the tribe, which will lessen the need for making interim loans to such Indians, subsection 28(f) of the Act of August 13, 1954, as amended (72 Stat. 816), is hereby amended by changing the effective date for the taking of title by the United States from April 1, 1961, to the earliest date after September 30, 1959, when the Secretary of the Interior determines that funds for the payment of the purchase price are available from the sale of stamps under the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (16 U.S.C. 718).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AGUA CALIENTE (PALM SPRINGS) RESERVATION

The Clerk called the bill (H.R. 6672) to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation.

Mr. PELLY. Mr. Speaker, I have been asked by a Member who is not present, and I cannot find him, to ask unanimous consent that this bill be passed over. Therefore, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

GUADALUPE AND SAN ANTONIO RIVER BASINS AND TEXAS BOARD OF WATER ENGINEERS

The Clerk called the bill (S. 300) to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such Commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to designate the dam and reservoir to be constructed on the Cumberland River near Carthage, Tennessee, as the 'Cordell Hull Dam and Reservoir' and to establish the United States Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins, and intervening areas", approved August 28, 1958 (Public Law 85-843; 72 Stat. 1058), is amended by striking out "Guadalupe-San Antonio," where it appears in sections 201(a), 203(a), 203(b)(1), 207, and 208(1)", and inserting in lieu thereof in each such instance the following: "Guadalupe, San Antonio,".

SEC. 2. Section 203(b) of such Act is amended by striking out "fourteen" and inserting in lieu thereof "sixteen".

SEC. 3. Section 203(b)(3) of such Act is amended to read as follows:

"(3) One member, nominated by the Governor of Texas subject to the provisions of subsection (c) of this section, who shall represent the Texas Board of Water Engineers, and eight members, nominated by the Governor of Texas subject to the provisions of subsection (c) of this section, each of whom shall be a resident of a different one of the following geographical areas of Texas:

"(A) Neches River Basin;
"(B) Trinity River Basin;
"(C) Brazos River Basin;
"(C) Brazos River Basin;
"(E) Guadalupe River Basin;
"(F) San Antonio River Basin;
"(G) Nueces River Basin; and
"(H) San Jacinto River Basin."

SEC. 4. Section 203(g) of such Act is amended to read as follows:

"(g) Nine members of the Commission, of whom at least five shall have been appointed pursuant to subsection (b)(3) or (c) of this section, shall constitute a quorum for the transaction of business."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDING ROCK SIOUX RESERVATION IN NORTH DAKOTA AND SOUTH DAKOTA

The Clerk called the bill (H.R. 3144) to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota.

The Clerk read the title of the bill.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill (S. 417) to place in trust status certain

lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota, an identical bill, be considered in lieu of H.R. 3144.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all the right, title, and interest in and to the west half northeast quarter, section 23, township 130 north, range 80 west, fifth principal meridian, Sioux County, North Dakota, containing 80 acres, more or less, on the Standing Rock Sioux Reservation in North Dakota, purchased by the United States with funds derived from the "Indian Moneys, Proceeds of Labor, Standing Rock Boarding School" account, shall hereafter be held by the United States in trust for the benefit of the Standing Rock Sioux Tribe of North Dakota and South Dakota.

The bill was ordered to be read a third time was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CATAWBA INDIAN TRIBE OF SOUTH CAROLINA

The Clerk called the bill (H.R. 6128) to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That the membership roll of the Catawba Indian Tribe of South Carolina is hereby classed as of midnight of the date of enactment of this act, and no child born hereafter shall be eligible for enrollment. The Secretary of the Interior with advice and assistance of the tribe shall prepare a final roll of the members of the tribe who are living at such time, and when so doing shall provide a reasonable opportunity for any person to protest against the inclusion or omission of any name on or from the roll. The Secretary's decisions on all protests shall be final and conclusive. After all protests are disposed of, the final roll shall be published in the Federal Register.

SEC. 2. Each member whose name appears on the final roll of the tribe as published in the Federal Register shall be entitled to receive an approximately equal share of the tribe's assets that are held in trust by the United States in accordance with the provisions of this act. This right shall constitute personal property which may be inherited or bequeathed, but it shall not otherwise be subject to alienation or encumbrance.

SEC. 3. The tribe's assets shall be distributed in accordance with the following provisions:

(a) If the State of South Carolina by legislation authorizes assets that are held by the State in trust for the tribe to be included in the distribution plan prepared by the Secretary in accordance with the provisions of this Act, they may be included.

(b) The tribal council shall designate any part of the tribe's land that is to be set aside for church, park, playground, or cemetery purposes and the Secretary is authorized to convey such tracts to trustees or agencies designated by the tribal council for that purpose and approved by the Secretary.

(c) The remaining tribal assets shall be appraised by the Secretary and the share of each member shall be determined by dividing the total number of enrolled members into the total appraisal. The tribal assets so appraised shall not include any improvements that were placed on the part of an assignment that is selected by an assignee, or his wife or children, pursuant to subsection (d) of this section. Such improvements shall be property of the assignee.

(d) Subject to the provisions of this subsection, each member who is an adult under the laws of the State and who has an assignment shall be given the option of selecting and receiving title to any part of his assignment that has an appraised value not in excess of his share of the tribe's assets. A wife, husband, or child of such adult member may select and receive title to any part of such assignment that has an appraised value not in excess of her or his share of the tribe's assets; and, if the child is a minor under the laws of the State, the option on his behalf may be exercised by such adult member. Each selection shall be subject to the approval of the Secretary of the Interior, who shall consider the effect of the selection on the total value of the property. The title to any part of an assignment so selected may be taken in the name of the person entitled thereto, or the title to all of the parts of an assignment so selected may be taken in the names of the persons entitled thereto as tenants in common.

(e) Each member who has no assignment may select and receive title to any part of the tribal land that is not selected pursuant to subsection (d) of this section and that has an appraised value not in excess of his share of the tribe's assets.

(f) All assets of the tribe are not selected and conveyed to members pursuant to subsections (d) and (e) of this section shall be sold and the proceeds distributed to the members in accordance with their respective interests. Such sales shall be by competitive bid and any member shall have the right to purchase property offered for sale for a price not less than the highest acceptable bid therefor. If more than one member exercises such right, the property shall be sold to the member exercising the right who offers the highest price. Any tribal assets that are not sold by the Secretary within two years from the date of this Act shall be conveyed to a trustee selected by the Secretary for disposition in accordance with this subsection, and the fees and expenses of such trustee shall be paid out of funds appropriated for the purposes of this Act.

SEC. 4. The Secretary of the Interior is authorized to make such land surveys and to execute such conveyancing instruments as he deems necessary to convey marketable and recordable titles to the tribal assets disposed of pursuant to this Act. Each grantee shall receive an unrestricted title to the property conveyed.

SEC. 5. The constitution of the tribe adopted pursuant to the Act of June 18, 1934 (48 Stat. 984), as amended, shall be revoked by the Secretary. Thereafter, the tribe and its members shall not be entitled to any of the special services performed by the United States for Indians because of their status as Indians, all statutes of the United States that affect Indians because of their status as Indians shall be inapplicable to them, and the laws of the several States shall appply to them in the same manner they apply to other persons or citizens within their jurisdiction. Nothing in this Act, however, shall effect the status of such persons as citizens of the United States.

SEC. 6. Nothing in this Act shall affect the rights, privileges, or obligations of the tribe and its members under the laws of South Carolina.

SEC. 7. No property distributed under the provisions of this Act shall at the time of distribution be subject to any Federal or State income tax. Following any distribution of property made under the provisions of this Act, such property and income derived therefrom by the distributee shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided,* That for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the grantee.

With the following committee amendments:

Page 1, line 3, after the word "That", strike out the word "the" and insert in lieu thereof the following: "when a majority of the adult members of the Catawba Indian Tribe of South Carolina, according to the most reliable information regarding membership that is available to the Secretary of the Interior, have indicated their agreement to a division of the tribal assets in accordance with the provisions of this Act, the Secretary shall publish in the Federal Register a notice of that fact. The."

Page 1, line 4, strike out the words "is hereby" and insert in lieu thereof the words "shall thereupon be."

Page 1, line 5, strike out the words "enactment of this Act," and insert in lieu thereof the words "such notice".

Page 5, following line 24, add a new section to read as follows:

"SEC. 8. Prior to the revocation of the tribal constitution provided for in this Act, the Secretary is authorized to undertake, within the limits of available appropriations, a special program of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program, the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or persons. Nothing in this section shall preclude any Federal agency from undertaknig any other program for the education and training of Indians with funds appropriated to it."

The committee amendments were agreed to.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 4, line 15, after the word "tribe" insert the word "that."

The amendment was agreed to.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 4, line 25, after the word "date" insert the words "of the notice provided for in section 1."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRIBUTION OF THE FUNDS OF THE CREEK TRIBE

The Clerk called the bill (H.R. 8317) to amend the law relating to the distribution of the funds of the Creek Tribe.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill (S. 2339) to amend the law relating to the distribution of the funds of the Creek Tribe, an identical Senate bill, be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of August 1, 1955 (69 Stat. 431), is amended by changing "$200,000" to "$325,000".

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 8317) were laid on the table.

USE OF FUNDS OF KIOWA, COMANCHE AND APACHE TRIBES

The Clerk called the bill (H.R. 7437) to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Kiowa, Comanche, and Apache Tribes that were appropriated by the Act of May 20, 1959 (Public Law 86–30), to pay a judgment by the Indian Claims Commission for inadequate compensation for lands ceded by the Act of June 6, 1900 (31 Stat. 677), and the interest thereon, may be advanced or expended for any purpose that is authorized by the tribal governing body and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal or State income tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND OF THE CREEK TRIBE OF INDIANS

The Clerk called the bill (H.R. 8514) to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to sell all of the right, title, and interest of the United States and of the Creek Tribe of Indians in the southeast quarter northeast quarter section 3, township 9 north, range 16 east, Indian base and meridian, containing approximately 40 acres, and located near the Eufaula Indian boarding school, Oklahoma. The land may be offered for sale to the city of Eufaula, Oklahoma, at its appraised fair market value, as determined by the Secretary, and if the offer is not accepted the land may be sold on the basis of competitive bids for not less than its appraised value or an amount substantially equal thereto. The proceeds of the sale shall be deposited in the Treasury of the United States to the credit of the Creek Indian Tribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TABLET IN HONOR OF DR. SAMUEL ALEXANDER MUDD

The Clerk called the resolution (H.J. Res. 80) providing for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BENTLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BENTLEY. Mr. Speaker, I wish to make a statement on behalf of my bill, House Joint Resolution 80, which provides for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd.

On April 14, 1865, at 4 o'clock in the morning, two men appeared at the Maryland home of Dr. Mudd. One of the men, who called himself Tyler, asked the doctor to treat him for a broken leg which he said he received when he fell off his horse. Of course, the doctor treated the man. Not until the following afternoon did Dr. Mudd discover that this man was not named Tyler but was actually John Wilkes Booth, the assassin of Abraham Lincoln.

Dr. Mudd was taken to Washington, tried before a military court with seven other "conspirators," convicted as an accessory after the fact, and sentenced to life imprisonment at the island fortress of Garden Key, Fla., for giving medical aid to Booth.

Four years later, in 1869, Dr. Mudd was released from this prison and returned home, a "frail, weak, and sick man, never again to be strong during the 13 years he survived."

Two motivating reasons stand behind my desire to see Congress pass a bill providing for a memorial tablet for this Dr. Mudd. The first is that Dr. Mudd was without much doubt innocent of the charges brought against him. While it is impossible to conclusively prove Dr. Mudd's innocence or guilt one way or the other, most historians of the Civil War agree that Dr. Mudd could hardly have known either of President Lincoln's death or of the true identity of the man named Tyler at the time he treated this man for the broken leg. It was in recognition of this fact that President Johnson pardoned Dr. Mudd 4 years after he had been imprisoned.

Secondly, despite the fact that Dr. Mudd was unjustly convicted, he nevertheless unselfishly and heroically rendered medical aid to yellow fever victims at the fortress prison in Florida. Dr. Mudd undoubtedly saved many lives which would have otherwise been lost.

It is in recognition of these two facts, Dr. Mudd's unjust conviction and his unselfish medical aid to unfortunate yellow fever victims, that I think we should unanimously authorize the Secretary of the Interior to erect a memorial tablet to Dr. Mudd at Garden Key, Fla. It is especially appropriate that we in some measure make reparation to Dr. Mudd for the dishonor and punishment inflicted upon him, since the prison site where Dr. Mudd served his term has been declared by former President Roosevelt to be a national monument.

Therefore, I strongly urge the House to unanimously approve my bill, House Joint Resolution 80.

Mr. FASCELL. Mr. Speaker, as a cosponsor of the legislation under consideration, I express my hope that it will be approved by the House today. The location of the tablet in honor of Dr. Samuel A. Mudd which is proposed by the legislation is Fort Jefferson on Dry Tortugas, Garden Key, Fla., which lies in the southernmost part of my congressional district.

Dr. Mudd was imprisoned in Fort Jefferson after being convicted by a military court as an accessory after the fact in the conspiracy which assassinated Abraham Lincoln. However, grave doubts and questions arose concerning the doctor's guilt and on June 29, 1869, he was unconditionally pardoned by President Andrew Johnson. During his imprisonment at Fort Jefferson, he rendered great and selfless service in caring for those stricken by the yellow fever epidemic of 1867.

I have received numerous expressions of support of establishing this memorial from various individuals and groups, including the Dade County Medical Association, Miami, Fla., and the Southern Cross and Miami-Yulee Chapters of the United Daughters of the Confederacy of Coral Gables and Miami.

I was very pleased that the distinguished chairman and members of the Committee on Interior and Insular Affairs granted approval of this measure; and I hope it can be passed today unanimously.

There being no objection, the Clerk read the resolution, as follows:

Whereas historians are virtually in unanimous agreement that Doctor Samuel Alexander Mudd, of Charles County, Maryland, did not know of the death of Abraham Lincoln at the time the said Doctor Samuel Alexander Mudd gave medical and and a night's lodging to John Wilkes Booth, the assassin of President Lincoln; and

Whereas the same historians agree that John Wilkes Booth concealed his true identity from Doctor Samuel Alexander Mudd when he visited Doctor Mudd's home in the black of the night, following the assassination of President Lincoln; and

Whereas following his conviction as an accessory after the fact and following his subsequent sentence to life imprisonment at

Fort Jefferson, the United States Government prison at Garden Key, in the Dry Tortugas, Florida, Doctor Samuel Alexander Mudd, though a prisoner, rendered heroic and invaluable medical aid to yellow fever victims who inhabited said fort and said key; and

Whereas in recognition of Doctor Samuel Alexander Mudd's innocence of the charges which resulted in his life imprisonment he was given a complete and unconditional pardon by President Andrew Johnson; and

Whereas the ruins of Fort Jefferson, Garden Key, Florida, were declared a national monument by President Franklin D. Roosevelt: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That, in recognition of the unselfish services rendered to fellow prisoners by Doctor Samuel Alexander Mudd while he was imprisoned for a crime which he did not commit the Secretary of the Interior is authorized and directed to erect a memorial tablet of appropriate design on the site of the ruins of Fort Jefferson, Garden Key, Florida, to the memory of Doctor Samuel Alexander Mudd.

With the following committee amendments:

Page 2, line 5, strike out the words "imprisoned for a crime which he did not commit", and insert in lieu thereof the word "imprisoned.".

Strike out all of the preamble.

The amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO PENITENTIARY IMPRISONMENT

The Clerk called the bill (S. 1647) to amend section 4083, title 18, United State Code, relating to penitentiary imprisonment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4083, title 18, United States Code, relating to penitentiary imprisonment, is amended to read as follows:

"§ 4083. Penitentiary imprisonment; consent

"Persons convicted of offenses against the United States or by courts-martial punishable by imprisonment for more than one year may be confined in any United States penitentiary.

"A sentence for an offense punishable by imprisonment for one year or less shall not be served in a penitentiary without the consent of the defendant."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPUTATION OF GOOD TIME ALLOWANCES FOR PRISONERS

The Clerk called the bill (S. 1645) to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 4161 of title 18, United States Code, is amended by striking out the words "to be credited as earned and computed monthly".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE REQUIREMENTS FOR POSTMASTER APPOINTMENTS

The Clerk called the bill (H.R. 5571) to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. GUBSER. Mr. Speaker, as author of the bill I would like to explain anything the gentleman from Massachusetts wishes to know about the bill.

Mr. BOLAND. As one of the official objectors I have been requested to ask that the bill be passed over, and that is what I have done.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY OF CUSTOMS COURT TO APPOINT EMPLOYEES

The Clerk called the bill (S. 1947) relating to the authority of the Customs Court to appoint employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 55 of title 28 of the United States Code is amended to read as follows:

"CHAPTER 55—CUSTOMS COURT

"Sec.
"871. Clerk, chief deputy clerk, assistant clerk, deputies, assistants, and other employees.
"872. Marshal and deputy marshals.
"873. Criers, bailiffs, and messengers.

"§ 871. Clerk, chief deputy clerk, assistant clerk, deputies, assistants, and other employees.

"The Customs Court may appoint a clerk, a chief deputy clerk, an assistant clerk, deputy clerks, and such deputies, assistants, and other employees as may be necessary for the effective dispatch of the business of the court, who shall be subject to removal by the court.

"§ 872. Marshal and deputy marshals.

"The Customs Court may appoint a marshal and deputy marshals, who shall be subject to removal by the court.

"The marshal and his deputies shall attend court at its sessions, serve and execute all process and orders issued by it, and exercise the powers and perform the duties concerning all matters within such court's jurisdiction assigned to them by the court.

"Under regulations prescribed by the Director of the Administrative Office of the United States Courts, the marshal shall pay the salaries, office expenses, and travel and subsistence allowances of the judges, officers, and employees of the court, and shall disburse funds appropriated for all expenses of the court.

"On all disbursements made by the marshal of the Customs Court for official salaries or expenses, the certificate of the payee shall be sufficient without verification on oath.

"§ 873. Criers, bailiffs, and messengers.

"The Customs Court may appoint such criers as it may require for said court, which criers shall also perform the duties of bailiffs and messengers and such other duties as the court directs and shall be subject to removal by the court."

SEC. 2. Section 550(b) of title 28 of the United States Code is amended by striking out "judges of the Customs Court,".

SEC. 3. The first paragraph of section 253 of title 28 of the United States Code is amended to read as follows:

"The chief judge of the Customs Court, with the approval of the court, shall supervise the fiscal affairs and clerical force of the court. The chief judge shall assign or reassign, before trial and under rules of the court, any case for hearing, determination, or both; and promulgate dockets."

SEC. 4. Nothing contained in the amendments made by this Act shall be construed to deprive any person serving on the date of enactment of this Act as an officer or employee of the Customs Court of any rights, privileges, or civil service status, if any, to which such person is entitled under the laws of the United States or regulations thereunder.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DETENTION OF MAIL FOR TEMPORARY PERIODS

The Clerk called the bill (H.R. 7379) to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ADDITIONAL FEDERAL HOME LOAN BANK DIRECTORS

The Clerk called the bill (H.R. 8591) to amend section 7 of the Federal Home Loan Bank Act so as to authorize additional directors for Federal home loan banks under certain circumstances.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GRANTING CONSENT TO THE WABASH VALLEY COMPACT

The Clerk called the bill (H.R. 5711) granting the consent and approval of Congress to the Wabash Valley Compact, and for related purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the consent of Congress is hereby given to the States of Illinois and Indiana to enter into the Wabash Valley Compact in the form as follows:

"THE WABASH VALLEY COMPACT

"Article I

"Findings and Purpose

"The party states find that the Wabash Valley has suffered from a lack of comprehensive planning for the optimal use of its human and natural resources and that under-utilization and inadequate benefits from its potential wealth are likely to continue until there is proper organization to encourage and facilitate coordinated development of the Wabash Valley as a region and to relate its agricultural, industrial, commercial, recreational, transportation, development and other problems to the opportunities in the valley. To this end it is the purpose of the party states to recognize and provide for such development and coordination and to establish an agency of the party states with powers sufficient and appropriate to further regional planning for the valley.

"Article II

"The Valley

"As used in this compact, the term 'Wabash Valley' shall mean the Wabash River, its tributaries, and all land drained by said river and tributaries, to whatever extent they lie within the party states.

"Article III

"The Wabash Valley Interstate Commission

"(a) There is hereby created an agency of the party states to be known as the Wabash Valley Interstate Commission (hereinafter called the Commission). The Commission shall be composed of seven Commissioners from each party state designated or appointed in accordance with the law of the state which they represent and serving and subject to removal in accordance with such law. The federal government may be represented without vote if provision is made by federal law for such representation.

"(b) The Commissioners of the party states shall each be entitled to one vote in the Commission. No action of the Commission shall be binding unless taken at a meeting in which a majority of the members from each party state are present and unless a majority of those from each state concur, provided that any action not binding for such a reason may be ratified within thirty days by the concurrence of a majority of each state. In the absence of any Commissioner, his vote may be cast by another representative or Commissioner of his state provided that said Commissioner or other representative casting said vote shall have a written proxy in proper form as may be required by the Commission.

"(c) The Commission may sue and be sued, and shall have a seal.

"(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman and a treasurer. The Commission shall appoint an executive director who shall also act as secretary, and who, together with the treasurer, shall be bonded in such amounts as the Commission may require.

"(e) The Commission shall appoint and remove or discharge such personnel as may be necessary for the performance of the Commission's functions irrespective of the civil service, personnel or other merit system laws of any of the party states.

"(f) The Commission may establish and maintain, independently or in conjunction with any one or more of the party states, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old-age and survivors insurance provided that the Commission takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate to afford employees of the Commission terms and conditions of employment similar to those enjoyed by employees of the party states generally.

"(g) The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation.

"(h) The Commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state of the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm or corporation, and may receive, utilize, and dispose of the same.

"(i) The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

"(j) The Commission may adopt, amend, and rescind bylaws, rules, and regulations for the conduct of its business.

"(k) The Commission annually shall make to the Governor of each party state, a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been adopted by the Commission which report shall be transmitted to the legislature of said state. The Commission may issue such additional reports as it may deem desirable.

"Article IV

"Finances

"(a) The Commission shall submit to the executive head or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

"(b) Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. Subject to appropriation by the respective legislatures the Commission shall be provided with such funds by each of the party states as are necessary to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Commission.

"(c) The Commission may meet any of its obligations in whole or in part with funds available to it under Article III (h) of this compact, provided that the Commission takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the Commission makes use of funds available to it under Article III (h) hereof, the Commission shall not incur any obligations prior to the allotment of funds by the party jurisdictions adequate to meet the same.

"(d) The expenses and any other costs for each member of the Commission shall be met by the Commission in accordance with such standards and procedures as it may establish under its bylaws.

"(e) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"(f) The accounts of the Commission shall be open at any reasonable time for inspection.

"Article V

"Advice and Cooperation

"(a) The Commission shall establish a technical advisory committee which shall be composed of representatives of such departments or agencies of the governments of the party states as have significant interest in the subject matter of the Commission's work: Provided that if pursuant to the laws of a party state a representative of any such department or agency serves as a member of the Commission said department or agency need not be represented on the technical advisory committee. The Commission shall provide under its bylaws for the procedures for the reference of questions to such committee.

"(b) The Commission may establish other advisory and technical committees composed of private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, and officials of local, state and federal government, and may cooperate with and use the services of any such committee and the organizations which they represent in furthering any of its activities under this compact. The Commission shall encourage citizen organization and activity for the promotion of the objectives of this compact.

"Article VI

"Functions

"The Commission shall have the power to:

"A. Promote the balanced development of the Wabash Valley by

"(1) Correlating and reporting on data significant to such development.

"(2) Recommending the coordination of studies by the agencies of the party states to provide such data.

"(3) Publishing and disseminating materials and studies which will encourage the economic development of the Valley.

"(4) Recommending standards as guides for local and state zoning and other action which will promote balanced development by encouraging the establishing of industrial parks to facilitate industrial development, the reservation of stream bank and lake shore areas for recreation and public access to water, the preservation of marshes and other suitable areas as wild life preserves, the afforestation and sustained yield forest management of submarginal lands, the protection of scenic values and amenities and other appropriate measures.

"(5) Preparing in cooperation with appropriate governmental agencies a master plan for the identification and programming of public works.

"(6) Cooperating with all appropriate governmental agencies in the encouragement of tourist traffic and facilities in the Valley.

"B. Recommend integrated plans and programs for the conservation, development and proper utilization of the water, land and related natural resources of the Wabash Valley, including but not limited to:

"(1) Encouraging the classification of Valley lands in terms of appropriate uses.

"(2) Cooperating in the development of appropriate plans for flood protection, including but not limited to the construction of protective works and reservoirs.

"(3) Developing public awareness of the need for flood plain zoning and in cooperation with the appropriate agencies of the party states and their political subdivisions evolving standards for the implementation and application of such zoning in the Valley.

"(4) Reviewing the need for and appropriate sources of suitable water supplies for domestic, municipal, agricultural, power, industrial, recreation and transportation purposes.

"(5) Encouraging a pattern of land use and resource management which will increase the natural wealth of the Valley and promote the welfare of its inhabitants.

"(6) In cooperation with appropriate agencies, analyzing the recreational needs and potential of the Valley and developing a program for the use and maximization of recreational resources.

"C. Secure the necessary research and developmental activities by:

"(1) Correlating such research and developmental activities as are placed within its purview by this compact. The Commission may engage in original investigation and research on its own account or secure the undertaking thereof by a qualified public or private agency.

"(2) Making contracts for studies, investigations and research in any of the fields of its interest.

"(3) Publishing and disseminating reports.

"D. Make recommendations for appropriate action to:

"(1) The legislatures and executive heads of the party states and the federal government.

"(2) The agencies of the party states and the federal government.

"E. Undertake such additional functions as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of a party state concurred in by the legislature of the other.

"Article VII

"Enactment and Withdrawal

"This compact shall become effective when entered into and enacted into law by the States of Illinois and Indiana. The compact shall continue in force and remain binding upon each party state until renounced by legislative action of either party state.

"Article VIII

"Construction and Severability

"The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be unconstitutional or the applicability thereaof to any state, agency, person or circumstances is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any other state, agency, person or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed."

SEC. 2. A Federal representative to the Wabash Valley Interstate Commisison shall be appointed by the President, and he shall report to the President either directly or through such agency or official as the President may specify. Such representative shall have no vote on the commission. His compensation shall be in such amount, not in excess of $100 per diem, as the President shall specify, but the total amount of compensation payable in any one calendar year shall not exceed $10,000: *Provided,* That if the Federal representative be an employee of the United States he shall serve without additional compensation: *Provided further,* That a retired military officer or a retired Federal civilian officer or employee may be appointed as such representative, without prejudice to his retired status, and he shall receive compensation as authorized herein in addition to his retired pay or annuity but the sum of his retired pay or annuity and such additional compensation as may be paid hereunder shall not exceed $12,000 in any one calendar year. The Federal representative shall be entitled to travel expenses, he shall also be provided with office space, stenographic service, and other necessary administrative services. The compensation of the Federal representative shall be paid from available appropriations for the White House Office or from funds available to the President in connection with special projects. Travel expenses, office space, stenographic, and administrative services shall be paid from any available appropriations selected by the head of such agency or agencies as may be designated by the President to provide such expenses.

SEC. 3. The Wabash Valley Interstate Commission constituted by the compact shall make an annual report to Congress not later than sixty days after the beginning of each regular session thereof.

SEC. 4. The right to alter, amend, or repeal this Act is expressly reserved.

With the following committee amendments:

Page 1, lines 4 and 5, strike out the words "to enter into the Wabash Valley Compact" and insert in lieu thereof "for the compact, known as the Wabash Valley Compact. (Laws of Indiana, 1959, chapter 3, approved February 26, 1959, House Enrolled Act No. 22; Laws of Illinois, 1959, approved March 20, 1959, Senate bill No. 78)."

Page 13, line 16, add the following new sections:

"SEC. 5. Nothing contained in this act or in the compact herein consented to shall be construed as impairing or affecting the authority of the United States of any of its rights or jursdicition in and over the area or waters which are the subject of the compact.

"SEC. 6. That all future legislation enacted pursuant to Article V, Clause E of the compact, requiring concurrent action by the States of Indiana and Illinois, shall be submitted to Congress for approval before such legislation becomes effective.

"SEC. 7. Nothing contained herein shall be interpreted or construed as approving any act, action or conduct which is or has been or may be in violation of existing law nor shall anything herein contained constitute a defense to any action, suit or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action or conduct.

"SEC. 8. The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information or data by the Wabash Valley Interstate Commission as is deemed appropriate by the Congress or any such Committee."

The amendments were agreed to.

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: On page 14, line 9, strike out "V" and insert "VI."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN AGENTS REGISTRATION ACT

The Clerk called the bill (H.R. 6817) to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended.

Mr. GROSS. Mr. Speaker, reserving the right to object, will some member of the committee tell me whether this bill increases the number of foreign agents? Or just what does it do?

Mr. ROGERS of Colorado. This bill proposes to broaden and clarify present law. There is a question as to whether or not an individual working for an organization engaged in legitimate business financed or party financed by a foreign country, should come under this act. This bill makes it certain that they do.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. McCORMACK. I was the author of the original act back some years ago in 1935 and 1936, the Foreign Agents Registration Act, and, naturally, I follow any amendment to it very closely. I can assure the gentleman that these amendments are very good ones. I originally introduced the bill as a result of the findings of a special committee of which I was chairman, which investigated communism, nazism, fascism, and bigotry in 1934.

This bill was one of the recommendations of my special committee, and what is known as the Smith Act was another recommendation of my special committee. This Foreign Agents Registration Act was very effective during the war, and it is a very effective piece of legislation in meeting subversive activities, sabotage, or anything of that kind. This amendment is a very good one, I assure the gentleman.

Mr. GROSS. My interest in this matter goes to the small army of Americans who are now hiring themselves out to represent foreign governments and foreign corporations in this country. Some of them are being paid fancy fees for representing governments and corporations.

A former Governor of New York, I understand, is being paid a couple of hundred thousand dollars to promote trade for Japan, and so it goes. He is also on the payroll of the Turkish Government for a substantial fee, or was a few months ago.

Does this bill deal with those people? That is what I am trying to get at. Does this bill have anything to do with those people? They are agents of foreign governments, are they not?

Mr. ROGERS of Colorado. For propaganda purposes.

Mr. GROSS. I do not believe it is limited to propaganda. I think in this instance the former Governor is engaged in something more than propaganda.

Mr. ROGERS of Colorado. All I can say to the gentleman is the purpose of it, and I am sure the gentleman from New York on your right will verify this, is to define a foreign principal as that term is being used in the act: Domestic organizations which are substantially supervised, directed, controlled or financed by a foreign government or a foreign political party. That is the wording of the law, and this additional definition will bring agents of domestic corporations within the purview of the registration requirement of the act, regardless of whether such organizations are subsidized, which was heretofore the only requirement. In other words, it broadens rather than narrows, and this

has been requested by the Department of Justice.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. LINDSAY. I may say to the gentleman from Iowa that the gentleman from Colorado is absolutely correct. The effect of this amendment will be to broaden the coverage of the Foreign Agents Registration Act.

Mr. GROSS. Let me ask the gentleman, by "foreign agents" the gentleman means those who are being paid a fee for representing foreign governments in this country?

Mr. LINDSAY. That is correct. Prior to this time a domestic organization was required to have been found to be "subsidized" by a foreign principal in order to come within the coverage of the act. They have found in the administration of the act that there have been technical difficulties surrounding the requirement of making that finding, therefore this amendment broadens it to include the words "supervised, directed, controlled, or financed."

Mr. GROSS. I wish the amendment had provided for a reduction in the number of American agents representing foreign governments for fat fees. I wish the bill had provided for that.

Mr. LINDSAY. The purpose of the Registration Act is to require registration.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. PELLY. I think in fairness the gentleman would want the record straight. He just made reference to the fact that a former Governor of New York was getting $200,000 a year for representing a foreign government. I saw a statement in a number of papers to that effect, but subsequently I saw a statement in the papers where he had declined the offer to represent a foreign government.

Mr. GROSS. And subsequently there was another item in the paper saying he was reconsidering his alleged declination.

Mr. PELLY. The gentleman has made a statement, and I do not believe it is proper to leave it in that loose fashion unless the gentleman knows he is representing the foreign government. I do not think the gentleman should make that statement.

Mr. GROSS. A few weeks ago I called the Justice Department to find out if he was then representing the Government of Turkey and was being paid for that representation. I was informed that was correct and the amount of his last payment was given me. I have no doubt he is now representing the Government of Japan. He is not the only one. Do not misunderstand me. I can recall a certain law firm of which a former Secretary of State was a member. His name did not appear on the door when he was Secretary of State but he was in and out of the State Department. His law firm was paid, as I recall it, $90-000 as a fee in connection with a loan for Poland. That has been several years ago. But it was after Poland fell behind the Iron Curtain.

Mr. ROGERS of Colorado. This is not a question of who gets what fees. The question is, Shall he register under the Registration Act?

Mr. GROSS. I will say to the gentleman I am now satisfied on that point. I was responding a moment ago to the remarks of my friend, the gentleman from Washington [Mr. PELLY]. I am now satisfied on the point that the gentleman has made with reference to the bill.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(b) of the Foreign Agents Registration Act of 1938, as amended (56 Stat. 248), is amended by adding thereto a new paragraph (6) to read as follows:

"(6) A domestic partnership, association, corporation, organization, or other combination of individuals, supervised, directed, controlled, or financed, in whole or in substantial part, by any foreign government or foreign political party;".

SEC. 2. Section 3(d) of such Act is amended to read as follows:

"(d) Any person engaging or agreeing to engage only in private and nonpolitical financial or mercantile activities in furtherance of the bona fide trade or commerce of such foreign principal or in the soliciting or collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of the Act of November 4, 1939, as amended (54 Stat. 48), and any such rules and regulations as may be prescribed thereunder;".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, H.R. 6817 amends the Foreign Agents Registration Act by adding to the definition of a "foreign principal," as that term is used in the act, domestic organizations which are substantially "supervised, directed, controlled, or financed" by a foreign government or foreign political power. This additional definition will bring agents of domestic corporations within the purview of the registration requirements of the act irrespective of whether such organizations are subsidized, which was heretofore the only requirement.

In addition, the bill clarifies the so-called commercial exemption provisions of the Foreign Agents Registration Act by providing that an agent of a foreign principal, in order to be eligible for exemption from registering under the act, must be engaged in activities which are either private and nonpolitical and financial or private and nonpolitical and mercantile.

The present language of the act has proved ambiguous and has led to difficult administrative problems. It has been argued that an agent of a foreign principal is exempt from registering if the agent is engaging only in private, or nonpolitical, or mercantile or other activities in furtherance of the business of his foreign principal. In other words, if the agent is engaged in only one of the above conditions, as distinguished from meeting several or all of the requirements, he is not obliged to register. As rewritten, the section makes it clear that for an agent to qualify for exemption from the obligation of registering he must be engaged in activities which meet either of two sets of three requirements, namely, the activities must be private and nonpolitical and financial or private and nonpolitical and mercantile. If any one of these requirements is lacking, the agent cannot qualify for exemption and therefore must register under the act.

House Report No. 949, 86th Congress, which accompanies the instant bill H.R. 6817, is incorrect on this point and does not make it clear that it is the agent and not the foreign principal who, under section 2 of the bill, must be engaging in private and nonpolitical financial or mercantile activities. Likewise with regard to section 1, it is intended in further defining "foreign principal" to bring agents of domestic organizations within the purview of the registration requirements of the act.

PROGRAM FOR BALANCE OF THE WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader if he will inform us as to the program for the balance of the week.

Mr. McCORMACK. I will be very happy to do so. The other day, when I obtained unanimous consent that tomorrow would be considered suspension day, I stated that I would announce to the House before the day was over the bills that would be on the program tomorrow for suspension. They are as follows:

S. 2162, health benefits program for Federal employees.

H.R. 2164, reduce cabaret taxes.

H.R. 7379, detention of mail, obscene matter.

H.R. 7476, extending Air Pollution Control Act.

H.R. 7889, rice marketing quotas.

H.R. 8639, Agricultural Research and Development Commission.

H.R. 3151, withholding city income taxes.

S. 2181, amend Mineral Leasing Act of 1939.

H.R. 4279, construct lower Rio Grande, Tex., rehabilitation project.

H.R. 7681, Reorganization Plan No. 1, 1959.

H.R. 3792, admitting the vessel *John F. Drews* to American registry.

H.R. 5004, fish, research on migratory species.

H.R. 5813, fish and wildlife, effect of insecticides.

S. 107, vessels, definition of drydocks.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. It is my understanding that H.R. 7681 has been scheduled, by agreement between the leadership on both sides, for suspension on Tuesday.

Mr. McCORMACK. Under certain conditions.

Mr. BROWN of Ohio. With certain amendments that have been agreed to by both the majority and minority and by the Bureau of the Budget and the department involved; is that correct? Those amendments will be offered at that time?

Mr. McCORMACK. The bill was put on the list for suspensions with the understanding that certain amendments would be offered, and if they were not, that the bill was not going to be subject to suspension.

Mr. BROWN of Ohio. That is the understanding, I think, we had with the gentleman from Illinois and the chairman of the committee.

Mr. McCORMACK. So, if the chairman of the committee and the minority members are in agreement with reference to certain amendments, the bill will come up. If there is a difference of opinion, the bill will not come up.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the majority leader if these bills will come up in the order in which he has read them.

Mr. McCORMACK. Yes; that is, generally in that order. Do not hold me to it, but it is the intention to bring them up in that order.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from California.

Mr. ROOSEVELT. May I ask the majority leader this question: I note with regret that the civil rights bill is not on this list. I would like to ask the gentleman what the position of the civil rights bill is at this time.

Mr. McCORMACK. Well, the gentleman's knowledge on that is as good as mine. If the gentleman asks me what my personal views are, I will answer the gentleman.

Mr. ROOSEVELT. I would be glad to have the gentleman's personal views, because it is important for us to know what the position of the leadership is.

Mr. McCORMACK. Expressing my personal views, I would certainly like to see a civil rights bill passed this year. We know what the situation is. We have to have three Republican votes on the Committee on Rules in order to get it out. I would like to see a civil rights bill acted on this year because I think it would be for the best interests of both parties, because next year both parties will have their national conventions and if it is possible to get it out of the way this year, it will be advantageous to both parties.

Mr. BROWN of Ohio. Mr. Speaker, the majority leader made reference to Republicans on the Rules Committee. The fact is that the Rules Committee is made up of 8 Democrats and 4 Republicans. Is it not a fact, if I may ask the majority leader, that this great liberal leadership of the Committee on the Judiciary did not apply for a rule until just a few days ago?

Mr. McCORMACK. In justice to the Committee on Rules, the bill was reported out last week and it was only in recent days that a request was made, yes. Anything I said is not to be construed at all as any direct or indirect criticism of the Committee on Rules in relation to any hearings up to date. I will agree with the gentleman in that respect.

Mr. BROWN of Ohio. I thank the gentleman very much.

Mr. McCORMACK. But that does not change my expression of personal hope.

Mr. BROWN of Ohio. The gentleman's personal hope may be in line with mine, as far as that is concerned. But is it not also a fact that this bill could be brought up on Calendar Wednesday, which is next Wednesday week?

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. ROOSEVELT. Would it not be possible for the Committee on Rules to meet, hold a short hearing and report a resolution immediately?

Mr. BROWN of Ohio. I do not know. I suggest that the gentleman from California discuss that with the Democratic leadership that controls the Committee on Rules. I do not control it, so I cannot speak for it. But the Democratic leadership also controls the matter of Calendar Wednesday.

Mr. ROOSEVELT. I hope we will have the gentleman's support in the committee.

MISSOURI-ILLINOIS BI-STATE DEVELOPMENT AGENCY COMPACT

The Clerk called the joint resolution (H. J. Res. 465) approving certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the Congress is consenting to the compact between Missouri and Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District in Public Law 743, Eighty-first Congress, approved August 31, 1950, provided that no power or powers shall be exercised by the Bi-State Agency under that certain portion of article III of such compact which reads:

"8. To exercise such additional powers as shall be conferred on it by the legislature of either State concurred in by the legislature of the other or by Act of Congress."

unless and until such power or powers shall have been conferred upon the Bi-State Agency by the legislature of one of the States to the compact and concurred in by the legislature of the other and shall have been approved by an Act of Congress; and

Whereas such States have now enacted certain legislation in order to confer certain additional powers on such Bi-State Development Agency: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby approves the additional powers conferred on the Bi-State Development Agency by senate bill numbered 364, Laws of Illinois 1953; senate bill numbered 97, Laws of Illinois 1959; senate bill numbered 11, Laws of Missouri 1957, second extra session; and senate bill numbered 25, Laws of Missouri 1959.

SEC. 2. The provisions of Public Law 743, Eighty-first Congress, approved August 31, 1950 (64 Stat. 568), shall apply to the additional powers approved under this joint resolution to the same extent as if such additional powers were conferred under the provisions of the compact consented to in such public law.

SEC. 3. The right to alter, amend, or repeal this joint resolution is expressly reserved.

With the following committee amendments:

Page 2, after line 16, insert:

"SEC. 4. The right is hereby reserved to the Congress and to its standing committees to require the disclosure and furnishing of such information or data by the Bi-State Development Agency as is deemed appropriate by the Congress or any such committee."

Page 1, first line of first whereas clause, change "is" to "in".

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAYOUS TERREBONNE AND LECARPE, LA.

The Clerk called the bill (S. 551) to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for a navigation channel in Bayou Terrebonne authorized by the River and Harbor Act of June 25, 1910 (36 Stat. 630, 647), insofar as said project relates to said bayou west of Barrow Street in the city of Houma, State of Louisiana, be and the same is hereby, abandoned.

SEC. 2. That Bayou Terrebonne west of Barrow Street and Bayou LeCarpe west of the Intracoastal Waterway in the city of Houma, State of Louisiana, be, and the same are hereby, declared to be not navigable waters of the United States within the meaning of the Constitution and laws of the United States.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCLUDING FLOATING DRYDOCKS UNDER THE TERM "VESSEL"

The Clerk called the bill (S. 107) to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WEAVER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what cost may be involved in this proposal.

Mr. BONNER. There is no cost.

Mr. WEAVER. There is no reference to cost?

Mr. BONNER. That is correct. We now insure the mortgages on construction of new vessels under the American flag. This would extend the existing law and make provision for insuring the loan for the construction of floating drydocks. The reason is that there is only one floating drydock on the Atlantic coast of the capacity to take care of the new ships now being built. It is not applicable to one case. It is general in scope.

In the experience of this entire program they have had to take back only one vessel over the years. That was a passenger vessel that was built for operation on the Pacific coast. That is the only mortgage that the Maritime Administration insured under this that has had to be taken back. So the experience has been a good one and it is an inducement to use private capital.

Mr. WEAVER. Mr. Speaker, I withdraw my reservation of objection.

Mr. PRESTON. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from North Carolina if this bill includes also graving docks as well as drydocks?

Mr. BONNER. Mr. Speaker, the gentleman knows that I am very sympathetic to his situation. I know why he has asked the question. The committee considered shore installations. When we come to the matter of graving docks that is a fixed installation in a shipyard, fixed just as the warehouses are fixed and the piers are fixed and other things that cannot be moved from the particular yard. If the committee had included graving docks, eventually we would come to docks and piers. It was thought at this time in all probability that the situation the gentleman is interested in could be served by a floating drydock just as well as it could be served by graving docks. This offers that opportunity. I assure the gentleman in the next session of the Congress I will again consider and have hearings on the situation he is interested in with respect to graving docks.

Mr. PRESTON. Mr. Speaker, further reserving the right to object, of course I appreciate these words of hope that the chairman has given me about next year. But I have been around here long enough to learn that these hopes, although they spring eternal, never always are realized. It seems to me the purpose of this type of dock is simple. Whether it is floating or whether it it cut out of the bank of the river, it is the same thing. These two docks are designed to accept ships for repairs and for construction. So I cannot see where it makes any difference whether it is floating in a river or cut into a bank as a graving dock is, with a gate where the ship is put in and the water is pumped out and the ship is worked on in a graving dock. We appeared before the committee and sought to have this language included. It has been excluded because of the objections of some members of the committee who had more than a passing interest in shipyards in their own localities. But we have just as much interest in shipyards in our areas as they have and when we in a port like the city of Savannah cannot repair a modern vessel simply because we have a small river that is too narrow to put a floating drydock in and because the existing graving docks are so small that they cannot accommodate modern vessels, I think we bring a fairly good case to the Congress in seeking to have the language "graving docks" included in the bill, as well as floating drydocks. For the benefit of the Members of the House let me say that this law was created originally to insure ships. This bill would expand it to include floating drydocks which in no sense of the word are ships. There is just as much reason to include warehouses as there is to broaden the act to include a floating drydock.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. PRESTON. I gladly yield to my colleague.

Mr. BONNER. This bill is supported by the National Defense and the Navy. During World War II we had these floating drydocks all through the Pacific and they would repair the badly damaged vessels in the immediate area, rather than return them back to Pearl Harbor or to the Pacific coast or to any other shore base. That is the reason you can take this drydock and move it any place in the Atlantic or any place in the Pacific or send it any place where there is a sufficient draft of water to repair the vessels at sea or in port. That is the close kinship of a floating drydock to the insurance construction of a vessel. I have the deepest sympathy in the world with the gentleman from Georgia in his problem. The gentleman knows my position. I have endeavored to do the best I could in this situation. This does fit the pattern of American national defense. That is the only reason this bill has been brought out here.

Mr. PRESTON. I am sure if the gentleman from North Carolina had had his way about the matter, graving docks would have been included, but there were forces within the Committee on Merchant Marine and Fisheries who have great appreciation for their shipyard installations which were apparently able to overcome the wishes of the distinguished chairman who has done so much for the American merchant marine and for whom I have the highest and the greatest admiration. But consistency is a jewel that we should cherish in this House. Sometimes we go astray and are not always consistent. In this instance I think it is not proper to change the intent of this act to accommodate one situation without at the same time accommodating another one which has for its purpose the identical purpose of the floating drydocks. I have tried every way I know, appearing before the committee with the proper witnesses and I think we made out a good case. This bill lounged around in the committee for some time before they finally decided to bring it out. There was grave doubt about it coming out at all. Now finally it is on the Consent Calendar. I am constrained to object to it unless I might be given an opportunity to offer an amendment which would include graving docks. May I inquire of the chairman of the Committee on Merchant Marine and Fisheries, would he object to an amendment at this time to include graving docks?

Mr. BONNER. I personally would not object.

Mr. PRESTON. Would the minority object to an amendment to include graving docks?

Mr. PELLY. I think in fairness to the committee, in view of the fact that we delayed action on it, that it should not be offered as an amendment on the Consent Calendar. I think the gentleman made a wonderful presentation; he put on very fine witnesses. I know the chairman of the committee stated in committee that he was asking that this be considered, but I do not believe this is the proper place, the Consent Calendar, and I would have to object to an amendment if the gentleman offered one.

Mr. PRESTON. In the light of these statements, Mr. Speaker——

Mr. BONNER. Mr. Speaker, will the gentleman yield before he objects?

Mr. PRESTON. I yield.

Mr. BONNER. This bill is not restricted to one area. Under this bill a drydock can be built on the Pacific coast, the Atlantic coast, the gulf coast, or the Great Lakes; it is not for any specific location; and, as I have said before, these drydocks are necessary, are needed, since we have increased the size of ships, and I do hope the gentleman will not object.

Mr. PRESTON. We all have our responsibility here. I certainly have one to represent my district, and I think in fairness to a large number of workers in my district and in the matter of consistency and in the matter of fairness to the people who work in this shipyard in Savannah, Ga., that I should object to this measure being considered on the Consent Calendar.

We will have an opportunity tomorrow under suspension of the rules. It was just announced by the majority leader that this bill will be called up under a suspension of the rules if it is not passed today.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. GROSS. The gentleman understands, of course, he will have no opportunity to offer an amendment if the bill is called up under suspension.

Mr. PRESTON. Between now and tomorrow there could be a lot of con-

versation taking place about this bill and perhaps something might be worked out. I have seen things arranged in the last few days of a Congress that could not be arranged at any other time.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PRESTON. Mr. Speaker, I object.

CONVEYANCE OF LAND TO KEOSAUQUA, IOWA

The Clerk called the bill (S. 1453) to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to sell and convey to the city of Keosauqua, Iowa, by quitclaim deed, at the fair market value as determined by him, and subject to all outstanding rights, all the right, title, and interest of the United States in and to that certain tract of land containing ninety-nine and fifty-seven one-hundredhs acres, more or less, located in Van Buren County, Iowa, in and adjacent to the city of Keosauqua, conveyed to the United States by the Grand Lodge of the Ancient Order of United Workmen of North Dakota by deed dated December 10, 1936, and recorded in Van Buren County in book 78 on page 303.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF CUMBERLAND COUNTY, TENN., LANDS

The Clerk called the bill (S. 1521) to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed or other appropriate means to the State of Tennessee all right, title, and interest remaining in the United States in and to the following described tract of land situated in Cumberland County, Tennessee, which is held by such State under a deed executed by the Secretary of Agriculture in 1938:

Beginning at a stake in the center of State Highway Numbered 28 where the lands of Cumberland Homesteads and the lands of Cumberland State Park corner and runs with the centerline of said highway south 45 degrees 12 minutes and 15 seconds east 177.73 feet to a stake; thence continuing with the centerline of said highway south 23 degrees 38 minutes and 30 seconds east 755.40 feet to a stake; thence continuing with the centerline of said highway south 43 degrees 03 minutes and 15 seconds east 155.65 feet to a stake; thence leaving said highway south 44 degrees 13 minutes and 45 seconds west 600 feet to a stake; thence north 29 degrees 54 minutes and 00 seconds west 1,073.90 feet to a stake; thence north 44 degrees 13 minutes and 45 seconds east 600 feet to the beginning; containing 14.36 acres, more or less; being located at the northeast corner of the Cumberland State Park in Cumberland County, Tennessee.

SEC. 2. The conveyance authorized by this Act shall provide that in the event that the lands cease to be used for public purposes all right, title, and interest therein shall immediately revert to and revest in the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. EVINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, the bill just passed will permit the State of Tennessee to make more effective and efficient public use of 14.36 acres of a larger tract of land conveyed to the State of Tennessee in 1938 by the United States.

This bill is, in effect, a quitclaim to the State of Tennessee of a small parcel of land which is now a part of the Cumberland State Park, Cumberland County, in the Fourth District of Tennessee which I have the honor to represent. The land conveyed was transferred to the State of Tennessee by the Farm Security Administration in 1938 for use as a park. This park and forest area covers approximately 1,250 acres.

The Commissioner of Highways and the State Highway Department of Tennessee have plans for constructing a highway maintenance garage at a remote northeast corner of this tract using this small portion of the land conveyed for this purpose. A public use of the land will thus be continued and assured.

The use of this land by the State Highway Department at this particular location will in no sense affect the operation of the park. As a matter of fact, the commissioner of conservation, State of Tennessee, who has jurisdiction over the State parks, has expressed his agreement and approval of the use of this land for the purposes indicated.

The Secretary of Agriculture and the Bureau of the Budget have indicated that there is no objection to the passage of the bill.

In the original conveyance of this land from the Farm Security Administration to the State of Tennessee there is a clause providing for reversion of the property in the event it ceases to be used exclusively for State park or State forest purposes. The Secretary of Agriculture has indicated that he has no authority to permit modification or release from the reversionary provisions in the original conveyance. Thus, the passage of this bill is necessary to release this land to the State Highway Department for the more effective public use and for the desired purposes.

The Senate has previously passed the bill. The cost will be negligible. The public interest will be served.

EXTENDING TIME FOR VESSEL CONSTRUCTION RESERVE FUNDS

The Clerk called the bill (S. 2013) to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds.

Mr. VANIK. Mr. Speaker, reserving the right to object, will the chairman of the committee kindly explain the reserve fund involved in this legislation?

Mr. BONNER. Yes. These are funds that are placed in the reserve deposits of the Maritime Administration for ship construction. Under the law the fund is available for a certain length of time. If it is not used for the replacement of a vessel it has to be taken out and these funds are put in there tax exempt and may only be used where a new vessel is built to replace an old vessel of 20 years or more.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. BONNER. I yield.

Mr. VANIK. Are these funds subject to investment at the discretion of the American-Hawaiian Steamship Co.?

Mr. BONNER. They are subject to investment by the Maritime Board under certain conditions, yes, not by the shipping company; but the funds are preserved for the replacement of the American fleet. That is the purpose.

Mr. VANIK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso at the end of section 511(h) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: *"Provided,* That until January 1, 1961, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than December 31, 1961."

SEC. 2. The amendment made by the first section of this act shall take effect June 30, 1959, or on the date of enactment of this act, whichever date first occurs.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD TO PRESCRIBE LIFESAVING REGULATIONS

The Clerk called the bill (S. 2118) to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4488 of the Revised Statutes, as amended (46

U.S.C. 481), is further amended to read as follows:

"(a) In order to provide against hazard to life and property, the Secretary of the Department in which the Coast Guard is operating (hereinafter referred to as the 'Secretary') shall prescribe such rules and regulations as may be necessary for vessels subject to inspection and certification by the United States Coast Guard with respect to the following matters:

"(1) Lifesaving equipment, including, but not limited to, the number, type, size, capacity, details of construction, methods of operation, stowage, maintenance, manning, use, testing, and inspecting of such equipment, and drills and exercises necessary to assure proper functioning and use of such equipment.

"(2) Firefighting equipment and precautionary measures guarding against fire, including, but not limited to, the number, type, size, capacity, details of construction, methods of operation, stowage, maintenance, manning, use, testing, and inspecting of such equipment, and drills and exercises necessary to assure proper functioning and use of such equipment.

"(3) Muster lists, including, but not limited to, the posting of such lists, and prescribing the special duties to be performed by crew members in the event of emergency.

"(4) Ground tackle and hawsers, including, but not limited to, the number, size, stowage, use, maintenance, manning, testing, and inspection.

"(5) Bilge systems for the removal of liquid from the various parts of the vessel, including, but not limited to, design, installation, capacity, composition, functioning, manning, testing, and inspection.

"(b)(1) In prescribing rules and regulations pursuant to this section, the Secretary shall give consideration to the age, size, service, route, and other factors affecting the operation of the vessels.

"(2) Unless otherwise prescribed by treaty or other international agreement, the rules and regulations prescribed by the Secretary pursuant to this section shall be applicable to all foreign vessels carrying passengers from ports of the United States.

"(3) The Secretary may, upon his own motion, or upon the application of any interested party, determine that the application to any vessel of the rules and regulations prescribed pursuant to this section, or any part thereof, is not necessary in the public interest, and he may order such vessel exempt from their application upon such terms and conditions and for such periods of time as he may specify in the order.

"(c) The owner or operator of any vessel who neglects or refuses to provide and equip his vessel with the lifesaving, firefighting, or other equipment, or take other measures required by the rules or regulations issued pursuant to this section shall be liable to the United States in a penalty of $1,000 for each such neglect or refusal for which sum the vessel shall be liable and may be seized and proceeded against by way of libel in any district court of the United States having jurisdiction of the violation; and any master or person in charge of such vessel who so defaults shall be liable to a penalty of $500.

"(d) Any person who willfully and knowingly manufactures or sells, or offers for sale, or has in his possession with intent to sell, any lifesaving, firefighting, or other equipment subject to the provisions of title 52 of the Revised Statutes, as amended, which is so defective as to be inefficient to accomplish the purpose for which it is intended, shall be fined not more than $10,000 and may, in addition thereto, in the discretion of the Court, be imprisoned for a term not exceeding five years."

SEC. 2. To the extent that any existing provision of law, or any rule or regulation prescribed pursuant thereto, is in conflict with any provision of section 4488 of the Revised Statutes (46 U.S.C. 481), such section as amended by this Act, and the rules and regulations hereafter prescribed pursuant thereto, shall prevail.

SEC. 3. (a) The following Acts or parts of Acts and all amendments thereto are hereby repealed:

(1) Section 4470 of the Revised Statutes (46 U.S.C. 463).

(2) Section 4471 of the Revised Statutes (46 U.S.C. 464).

(3) Section 4479 of the Revised Statutes (46 U.S.C. 472).

(4) Section 4481 of the Revised Statutes (46 U.S.C. 474).

(5) Section 4482 of the Revised Statutes (46 U.S.C. 475).

(6) Section 4483 of the Revised Statutes (46 U.S.C. 476).

(7) Section 4492 of the Revised Statutes (46 U.S.C. 490).

(8) Section 2(a) of the Act of October 9, 1940 (ch. 777, 54 Stat. 1028; 46 U.S.C. 463a).

(9) Section 11 of the Act of May 28, 1908 (ch. 212, 35 Stat. 428; 46 U.S.C. 396).

(b) Any reference in any other law to any Act, or any part thereof, repealed by this Act shall be deemed as a reference to section 4488 of the Revised Statutes, as amended (46 U.S.C. 481).

SEC. 4. Any rights or liabilities existing on the effective date of this Act shall not be affected by the enactment of this Act. Any procedures or rules or regulations in effect on the effective date of this Act shall remain in effect until modified or superseded under the authority of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORLD WAR II INSURANCE BENEFITS FOR SEAMEN

The Clerk called the bill (S. 2334) to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce shall certify to the Secretary of Labor amounts payable under crew life and injury and second seamen's war risk insurance policies issued under authority of subtitle "Insurance" of title II of the Merchant Marine Act, 1936, as amended, extended, and supplemented (Act of June 29, 1940, section 222 (54 Stat. 689); Act of March 6, 1942 (56 Stat. 140); Act of April 11, 1942 (56 Stat. 214); Act of March 24, 1943, section 2 (57 Stat. 45); Act of September 30, 1944 (58 Stat. 758); Act of August 8, 1946 (60 Stat. 937)). Payments of such amounts so certified shall be made by the Secretary of Labor from the Employees' Compensation Fund established under the Federal Employees' Compensation Act of September 7, 1916, as amended (5 U.S.C. 751, 785).

SEC. 2. The powers, duties, and functions of the Secretary of Commerce in respect of permanent total or partial disability benefits (allowable upon exhaustion of insurance benefits referred to in section 1 hereof) under section 2(c) of the Act of March 24, 1943 (Public Law 17, Seventy-eighth Congress; 57 Stat. 45), as amended by the Act of September 30, 1944 (Public Law 449, Seventy-eighth Congress; 58 Stat. 758), are hereby transferred to the Secretary of Labor. Payments of such benefits, including costs and payments on account of medical care authorized by the Secretary of Labor, shall be made by him from the Employees' Compensation Fund as established under the Federal Employees' Compensation Act of September 7, 1916, as amended (5 U.S.C. 751, 785). The Secretary of Commerce shall furnish to the Secretary of Labor such information, data, and reports and certifications in respect of cases within the purview of this section as the Secretary of Labor may request. Nothing in this section shall be construed to authorize any appeal to, or review or redetermination by, the Secretary of Labor from any order, finding, determination, or adjudication in respect of eligibility for benefits made by the Secretary of Commerce in force on the effective date of this Act, except upon a showing to the satisfaction of the Secretary of Labor of a change in the nature and extent of the disability for which benefits were approved for payment in accordance with the provisions of such Acts.

SEC. 3. The Secretary of Labor is authorized to make such rules and regulations as he may deem necessary or appropriate to carry out the provisions of this Act and the functions vested in him by this Act.

SEC. 4. This Act shall become effective as of July 1, 1959.

Mr. COHELAN. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. BONNER. I yield to the gentleman from California [Mr. GEORGE P. MILLER] to explain the bill.

Mr. GEORGE P. MILLER. Mr. Speaker, this bill would transfer from the Maritime Administration to the Department of Labor the matter of the payment of benefits to disabled ex-seamen. Heretofore this has been handled by the Maritime Administration. There are only 62 of these ex-seamen now receiving benefits. The purpose is to transfer to the Department of Labor where other similar claims are handled.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield.

Mr. PUCINSKI. Will this then enable a reduction of the staff now handling it?

Mr. GEORGE P. MILLER. No; they are not reduced because the determination of the amount due the seamen is made by the Maritime Administration.

Mr. PUCINSKI. Possibly the gentleman does not understand my question. In transferring these responsibilities to the Department of Labor will it be possible for the Department of Commerce to reduce its staff for the number of people now required to handle the claims of these 62 men?

Mr. GEORGE P. MILLER. I presume it will, but I do not know. It presumably would take a very small staff to handle such a small number of claims, but this is to be transferred to another department that has been set up for such purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT McDERMITT PAIUTE AND SHOSHONE TRIBE OF INDIANS

The Clerk called the bill (H.R. 24) to provide that certain real property of the United States situated in the State of Nevada shall be held in trust for members of the Fort McDermitt Paiute and Shoshone Tribe of Indians of the Fort McDermitt Indian Reservation, Nev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest in the United States in and to the real property described in section 2 of this Act and lying within the Fort McDermitt Indian Reservation, Nevada, is hereby declared to be held in trust by the United States for the use and benefit of the members of the Fort McDermitt Paiute and Shoshone Tribe of Indians of the Fort McDermitt Indian Reservation, Nevada.

SEC. 2. The real property referred to in the first section of this Act is more particularly described as the south half northeast quarter and north half southeast quarter section 7, township 47 north, range 39 east, Mount Diablo base and meridian, Nevada, containing 160 acres more or less.

With the following committee amendment:

Page 2, following line 8, add a new section to read as follows:

"SEC. 3. This Act shall become effective upon agreement by the Fort McDermitt Paiute and Shoshone Tribe of Indians to eliminate from their suit now pending before the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049), any claim based on alleged inadequate compensation for the lands involved in this Act and to renounce any other claim they may have with respect thereto. If the lands involved herein are not embraced within said suit, the transfer hereby authorized shall be considered by way of offset under section 2 of said Act. Nothing contained in this Act shall be construed as an admission of liability on the part of the United States with respect to these or any other lands."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHEAT ACREAGE HISTORY

The Clerk called the bill (H.R. 4874) to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ROOSEVELT. Mr. Speaker, reserving the right to object, I would like to ask a question. I am looking at the report and under "Purpose" it says the purpose of this bill is to correct an equitable situation. If we have to correct equitable situations around here, I would like somebody to explain the purpose of the bill.

Mr. SMITH of Kansas. Mr. Speaker, this bill is an effort to do a little justice on base acreage. A farmer has a certain allotment and if he overplants the allotment he must pay a penalty when he harvests. If he has a storm and does not raise the number of bushels he should, he is penalized too. The man who raises his wheat and markets it does not pay a penalty. It is only the man who by hail storm or some other disaster has less acreage in his base.

Mr. ROOSEVELT. I have such good respect for my friend that I think what he means is "an inequitable" situation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section, any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to regulations implementing paragraph (12) of section 1340 of title 7 of the United States Code (7 U.S.C. 1340 (12)), shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE CROOKED RIVER FEDERAL RECLAMATION PROJECT, OREGON

The Clerk called the bill (H.R. 4952) to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WEAVER. Mr. Speaker, reserving the right to object, and I do not intend to object, I wonder if the gentleman from Oregon, author of the bill, would take a moment to clear for the record the extenuating circumstances which necessitate the continuing of this project by this legislation without a feasibility report being first submitted to the Congress.

Mr. ULLMAN. Mr. Speaker, this involves an enlargement of the canal on a reclamation project, the Crooked River Federal reclamation project in Oregon, now under construction. This is a matter of great urgency. The reclamation project itself contains some 51,000 acre-feet of water and this involves an extension of the project by an additional 2,900 acres which would receive a portion of this surplus water supply.

I called the Commissioner of Reclamation, Mr. Dominy, this morning in reference to this matter because I knew of its urgency, and I knew that the gentleman would be interested in the feasibility report. Mr. Dominy authorized me to make the following statement:

With respect to H.R. 4952, we have examined the findings of engineering and economic feasibility that will be embodied in the report on the Crooked River extension and have found them completely satisfactory.

The only reason this extension was not incorporated in the original plan was because of the matter of timing. As far as the Bureau is concerned, there remains only the matter of putting the report into final form.

He has assured me that this matter is feasible and they are very anxious that the bill be approved because they have to let contracts within the next few weeks.

Mr. WEAVER. I would like to say to the gentleman I have also talked to the Commissioner of Reclamation, Mr. Floyd Dominy, and he wholeheartedly agrees with the gentleman's statement. I withdraw my reservation, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 1221) to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act entitled "An Act to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon," approved August 6, 1956 (70 Stat. 1058), is amended by adding to that section the following: "The Secretary of the Interior is hereby authorized to construct extra capacity in the canal below said reservoir and pumping plants located on the canal for the future irrigation of approximately three thousand acres of land, in addition to the presently proposed development, and to recognize the cost of providing such extra capacity as a deferred obligation to be paid under arrangements to be made at such time as the additional area may be brought into the project."

SEC. 2. There are hereby authorized to be appropriated such sums, in addition to the sum of $6,339,000 authorized to be appropriated for the Crooked River Federal reclamation project in section 5 of the Act of August 6, 1956 (70 Stat. 1058), as may be required to carry out the purposes of this Act.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 4952) was laid on the table.

A motion to reconsider was laid on the table.

LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE LANDS

The Clerk called the bill (H.R. 6669) to amend the act of July 14, 1945, to provide that the Louisiana State University and Agricultural and Mechanical College may use certain real property heretofore conveyed to it by the United States for general educational purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to transfer certain lands situated in Rapides Parish, Louisiana, to board of supervisors of Louisiana State University and Agricultural and Mechanical College", approved July 14, 1945 (59 Stat. 468), is amended by striking out "for the establishment and maintenance of an agricultural and vocational school" and by inserting in lieu thereof the following: "for educational purposes".

SEC. 2. The Secretary of Agriculture shall execute such instruments in writing as may be necessary to carry out the amendments made by the first section of this Act.

With the following committee amendment:

Page 2, line 3, strike out lines 3 through 5 and insert the following:

"SEC. 2. The Secretary of Agriculture is authorized and directed upon written consent of the Louisiana Rural Rehabilitation Corporation, to execute such quitclaim deed or other instruments in writing as may be necessary to carry out the amendment made by the first section of this Act.

"SEC. 3. Public Law 41, 82d Congress, approved May 29, 1951 (65 Stat. 46), which provided for transfer of 25 acres of the subject property to the Police Jury of the Parish of Rapides, is hereby repealed since such transfer was not made because the proposed transferee made other arrangement for holding livestock and agricultural expositions."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EQUITY UNDER SOIL BANK CONTRACTS

The Clerk called the bill (H.R. 8043) to amend the Agricultural Act of 1956.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2457) to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government be considered in lieu of H.R. 8043.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. FORRESTER. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask my distinguished colleague, the gentleman from Minnesota [Mr. MARSHALL], a few questions, if he would be kind enough to answer them for me.

Mr. MARSHALL. Certainly.

Mr. FORRESTER. First, I want to say to the gentleman that I know he is the author of H.R. 8043, which is the bill that is going to be dispensed with by substituting therefore the Senate bill S. 2457. I want to compliment the gentleman on the bill that he introduced, H.R. 8043, and I want to say to the gentleman that I have looked over the Senate bill here, and so far as I can see the only difference in the House bill that the gentleman introduced is the provision for payment is made mandatory, whereas in the Senate bill the discretion is in the Secretary of Agriculture.

Mr. MARSHALL. Mr. Speaker, if the gentleman will yield, I would like, first, to thank the gentleman for his kind remarks. The Senate bill and the House bill were very similar, as I have stated, when I asked for unanimous consent that the Senate bill be substituted. It is true that the House bill language was mandatory, but the Senate report relieves any anxiety which anybody might have on that score. So, I am sure, so far as the bills are concerned, that the two bills are comparable and would accomplish exactly the same purpose.

Mr. FORRESTER. As I understand it now, the purpose of the Senate bill is the same as the House bill, H.R. 8043, as is set out in the report which accompanies H.R. 8043, where it is entitled "Purpose of the bill"; is that correct?

Mr. MARSHALL. That is correct.

Mr. FORRESTER. Now, I notice in the report from the Senate committee on the Senate bill there are several instances that they refer to which have already occurred and which they say will be covered by this legislation, if passed. In other words, the bill, by its very nature, to cover those transactions the bill is naturally retroactive.

Mr. MARSHALL. That is correct. It was the purpose of the authors of these two bills, and it was also the purpose of the report from the Department of Agriculture and the report from the Committee on Agriculture, which was unanimous, that they be retroactive.

Mr. FORRESTER. Now I would like to ask the gentleman this question. This question is based upon certain hard facts which have occurred down in the district in Georgia which I have the privilege of representing. It involves two of my constituents, Mr. J. H. Daniel and his son, down in Pulaski County, Ga. Their applications under this program had been approved by the local ASC office; approved by inspectors of the State ASC office, and by the State ASC office and payments authorized to them, and payments were made under the terms of the program. Later they, the Daniels, were advised that they had been paid $2,929 too much, and a claim for that amount was placed in the county debt register. Now, these two constituents of mine, for many reasons, paid that amount of $2,929 which was set out in the county debt register. Now, under the terms of this Senate bill, they would be authorized to file their claim with the Secretary and they are not barred by reason of the fact that they have paid that money; is that correct?

Mr. MARSHALL. I am sure that under the purposes of this bill they would not be discriminated against in any way, and were their claims just, under the provisions of this bill, they would be covered by this legislation. The matter referred to may have resulted from the fact that they may have received some misinformation, which undoubtedly is the case.

Mr. FORRESTER. In other words, in the case I just narrated to you, to inquire into such and reimburse if proper, is one of the prime purposes for this legislation.

Mr. MARSHALL. The gentleman is absolutely correct.

Mr. FORRESTER. I withdraw my reservation of objection, Mr. Speaker.

Mr. AVERY. Mr. Speaker, I withdraw my reservation on the substitution, but I still have a pending objection on the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Soil Bank Act is amended by adding at the end thereof the following new section:

"SEC. 128. Nothwithstanding any other provision of law, the Secretary may, to the extent he deems it desirable in order to provide fair and equitable treatment, pay a producer compensation under the acreage reserve or conservation reserve program which he otherwise would not be entitled to receive because the contract, application therefor, action, or conduct of the producer is—

"(1) not in conformity with the provisions of the program, or

"(2) less favorable to the producer than would have been the case if it had been based on correct information, or

"(3) based on an understanding that payment would be forthcoming in an amount in excess of that permitted by the program, if it is established to the satisfaction of the Secretary that the contract, application, action, or conduct of the producer was the result of relying in good faith on the erroneous approval of such contract, application, action, or conduct by, or on the erroneous advice, determination, or computation of, an authorized representative of the Secretary."

Mr. MARSHALL. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: At the end of the Senate bill, strike out the quotation marks and add the following:

"No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties.' "

Mr. MARSHALL. Mr. Speaker, this is a committee amendment. There is no controversy over it and I recommend that it pass.

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARNAHAN. Mr. Speaker, I rise in support of H.R. 8043 introduced by my colleague the gentleman from Minnesota [Mr. MARSHALL], and I commend him for the work he has done in clearing up a perplexing problem. This bill directs the Secretary of Agriculture to pay producers compensation under the acreage reserve or conservation reserve program which the Secretary has ruled is not permitted under the law. These cases involve contracts made by producers who relied in good faith on erroneous advice of an authorized representative of the Secretary.

I introduced H.R. 8443, a similar bill this Congress and feel strongly that this legislation should be passed. A great number of producers throughout the United States have suffered extreme hardship and will continue to be unfairly treated without this legislation. In one county in the Eighth Congressional District of Missouri, there are more than 20 producers who are being asked by the Department of Agriculture to make refunds as the result of an audit made of their contracts. Based on this audit the Department of Agriculture ruled that a part of the land the individual producers were permitted to place in the Conservation Reserve was ineligible land.

More than a year after these conservation reserve contracts were signed by the producers and the Department, and the producers had accepted payment in good faith after complying with the terms and conditions of the contracts, the producers were notified that these payments must be refunded because a part of the land was later determined to be ineligible. The farmers in my area rightfully resent this injustice. They are being penalized because of errors made by authorized representatives of the Department of Agriculture. It is only right that these producers should receive fair and equitable treatment for participation in the soil bank program and I urge that H.R. 8043 be passed so that these cases may be equitably settled.

Mr. RANDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Speaker, I want to associate myself with the efforts of the Honorable FRED MARSHALL, of Minnesota, who has had a long and distinguished record of effective efforts to help the American farmer under an intelligent and workable farm program. His efforts today are certainly following this same course when he introduced H.R. 8043 and when on the floor we asked consent to amend by substituting S. 2457, introduced by Hon. STUART SYMINGTON of Missouri. While I am aware of only two or three cases in the Fourth Missouri District which would come in the classification covered by this bill, I feel sure there are many cases throughout the country which would be quickly settled by the permissive provisions of this measure. This bill permits the Secretary of Agriculture to pay compensation under the conservation reserve program where, in good faith, the farmer relied on the erroneous advice of an authorized representative of the Department of Agriculture.

The inequities such as this should not be perpetuated. This bill affords the needed authority and I am glad I can join in with the timely and appropriate efforts of the gentleman from Minnesota and urge passage of a measure whose purpose is fairness for the American farmer.

The SPEAKER pro tempore. The question is on the amendment. The amendment was agreed to.

Mr. ANDERSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I will take but a moment of the time of the House for a brief explanation of H.R. 8043 and the companion bill recently approved by the other body. Although this is a relatively minor measure, it is of vital importance to a few farm operators who have been unjustly penalized under the soil bank program.

I should point out that a similar bill which I introduced on the same date as the gentleman from Minnesota [Mr. MARSHALL] introduced his bill was referred to the U.S. Department of Agriculture and was the subject of an official report from that Department in which its approval was recommended. In substance, what this bill will do is give the Secretary of Agriculture and his authorized representatives the legal right to make necessary economic adjustments in deserving cases.

As the bill and the committee report indicate, this authority is needed in a very few instances in which farm operators, acting in good faith, did something or failed to do something which resulted in their being declared ineligible for payment or otherwise penalized. This bill is intended as much to protect the integrity of the county committees locally administering the farm programs as it is to protect the farmers because it allows adjustments where honest mistakes have been made. If we failed to show such good faith, farmers in the future would have to refer all of their questions to higher authority and the administration of our farm programs would become costly and burdensome in the extreme.

Typical of the adjustments that would be authorized under this bill is the case of a farmer in my district who, acting in good faith and on the advice of an official employee in his county committee office, failed to technically comply with the soil bank regulations. As a result, he was directed to destroy a crop of soybeans and suffered a considerable loss. When this bill becomes law the Department will have the authority to recompense that farmer and others in his unfortunate position for the losses they suffered because of improper or incorrect information given him by representatives of the U.S. Department of Agriculture. In this particular case in my district, it is our intent that the farmer involved be compensated for his soil bank contract and reimbursed for the loss of his soybean crop.

There are only a few of these deserving cases, Mr. Speaker, and equity and justice demand that these wrongs be righted. I know the circumstances in some of these cases, and I urgently recommend approval of this bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRICULTURAL ATTACHÉ ROTATION

The Clerk called the bill (H.R. 8074) to amend section 602 of the Agricultural Act of 1954.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if some member of the Committee on Agriculture can explain this bill. I have a number of questions I should like to ask.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am delighted to yield.

Mr. MATTHEWS. I am delighted to do my best to explain this bill. It concerns the agricultural attachés who are attached to our embassies abroad, not a part of the embassies, of course, but responsible to the Department of Agriculture.

At the present time these gentlemen are called back to the Department of Agriculture here in Washington for a period sometimes of a year or two, for reorientation on problems of export, for information that would enable them to do a better job for America, in helping with our agricultural exports.

It has been found during the time that they have been assigned duty here in the Department of Agriculture in the United States, because of civil-service regulations often they have had to be downgraded. Sometimes for a period of a year or two they do a type of work that makes it necessary for them to get a little bit less money. So it was felt that if we passed this bill that would correct the situation. This is what the bill states.

Mr. GROSS. The gentleman says that they might have to take a little less money, that they would be downgraded. As a matter of fact, just listen to the terms of this bill: "be assigned for duty in the continental United States, without regard to the civil service laws and without change in grade, for a period of not more than 4 years."

They would not be downgraded.

I should like to ask the gentleman this question. What are the grades of the people who would be affected by this bill?

Mr. MATTHEWS. I think they go up to about grade 13 or grade 14 which, as the gentleman knows, is a very high grade.

Mr. GROSS. And they could be supergrades; let us be frank about this, they could be supergrades, could they

not? They could be grades 16, 17, or 18, is not that right. There is no definition of what constitutes an officer or employee under the terms of this bill. They could be anything; in any grade. What you are doing here is setting aside the civil service law. How this bill got to the gentleman's Agriculture Committee in the first place, I will never know.

Mr. MATTHEWS. I would like to say to the gentleman that ordinarily I think he is 100-percent correct in his viewpoint. I do not always agree with him——

Mr. GROSS. There are others who do not always agree with me.

Mr. MATTHEWS. I want to say that I really do not believe that his viewpoint on this particular matter is exactly my viewpoint and the correct viewpoint, for this reason. There is no intention to upgrade these men.

Mr. GROSS. I did not say there was any intention to upgrade these employees. But you talk about a grade 16 being rotated back to this country. As I understand this bill, he could be put in grade 12 and still be paid the salary of a grade 16; is that correct.

Mr. MATTHEWS. Yes, sir.

Mr. GROSS. Certainly. What happens to the civil service system in this country if all other agencies are given such authority?

Mr. MATTHEWS. I would like to say to the gentleman that here is a man who has a higher grade. We do not want to penalize him.

Mr. GROSS. I am not desirous of penalizing him, not for half a second. But you are doing violence to the civil service system in this country when you start this kind of operation. This bill is not well thought out and I do not propose to take a lot of time of the House to argue it today. The gentleman cannot tell me how many people are going to be brought back and what their grades are going to be or how they will get jobs in this country and whose jobs they will displace. I have no idea how they are going to be reassigned to this country.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MATTHEWS. I know that the gentleman from Iowa is always fair and will give me at least 2 or 3 uninterrupted minutes for me to do the best I can to explain this bill. In the first place I want to assure the gentleman there will be no effort at all to tear down any civil service regulation. The intent is to do a better job for America and for the export of agricultural commodities. These gentlemen are few in number. There are just a few dozen of them. At the present time it is necessary to bring them back to this country for a few months to give them orientation and to give them more information so that they can do a better job. If they hold grade, let us say, 15 as an agricultural attaché, ordinarily in this country they could probably hold the same grade. But sometimes, perhaps for 2 or 3 months or for a year, they would have to downgrade them and the Department of Agriculture did not think it was fair. I know the gentleman will not interrupt me for just 1 more minute, because the gentleman is eminently fair. The Department of Agriculture feels it is not fair to these men to give them a lesser salary for doing the fine job that they are doing. I would like to say I think they are doing a good job. I want to assure the gentleman this will not cost any more money. It has been approved by the Bureau of the Budget. It has been approved by the Civil Service Commission. It has been approved by Mr. Benson in the Department of Agriculture and, please, sir, with all these gentlemen approving any measure I submit, perhaps it does have some pretty good points, let us say, on the conservative side.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ROOSEVELT. May I ask the gentleman, If this is such a good thing why we should not look at the Foreign Service Act itself? Why is this reserved just for Department of Agriculture personnel? Why is it not a perfectly good thing for Department of Commerce personnel also?

Mr. MATTHEWS. If the gentleman will yield, I would like to say to the gentleman that the Department of State has that same privilege.

Mr. ROOSEVELT. How about the Department of Commerce?

Mr. MATTHEWS. I am not sure.

Mr. ROOSEVELT. How about the Department of Labor?

Mr. MATTHEWS. I am not sure about them, but the Department of State certainly has this privilege. The gentleman may recall that the agricultural attachés at one time were attached to the Department of State. All we are asking for is that they just be treated now on the same basis as officials of the Department of State.

Mr. ROOSEVELT. It would seem to me before we start picking favorites around here that we ought to go to the basic act and do a good job, and I will join with the gentleman and I object.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

HUNTLEY RECLAMATION PROJECT, YELLOWSTONE COUNTY, MONT.

The Clerk called the bill (H.R. 8726) to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.

The Clerk read the title of the bill.

Mr. PELLY. Mr. Speaker, reserving the right to object, I would like to inquire as to whether or not the figure of $115 for which, as I understand it, this property would be transferred, is the fair market value?

Mr. ANDERSON of Montana. The representative of the Department of the Interior who testified before our committee gave that as his opinion, that this was the fair market value of the land involved.

Mr. PELLY. Does the gentleman from Montana think this figure is the fair market value?

Mr. ANDERSON of Montana. Yes; I do. This is what the Government paid for it.

Mr. PELLY. Mr. Speaker, I withdraw my reservation of objection.

Mr. WEAVER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Montana, since the other body passed a similar bill, what figure was provided in it?

Mr. ANDERSON of Montana. The other body did not provide for any reimbursement at all. The Senate bill provides simply for the ceding of the land. The Bureau of the Budget and the Department indicated it should include a figure and this is the figure that the Department of the Interior recommended be included.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I yield.

Mr. ASPINALL. It is my purpose to ask for the consideration of the Senate bill and then offer an amendment which would bring the Senate bill in line with the House bill.

Mr. WEAVER. Mr. Speaker, I withdraw my reservation of objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 53) to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont., be considered in lieu of H.R. 8726.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the consideration of the Senate bill?

Mr. PELLY. Mr. Speaker, reserving the right to object, do I understand your amendment would have the figure of $115 or would it be "fair market value"?

Mr. ASPINALL. The amendment would have the figure which the Department suggested was a fair figure, $115.

Mr. PELLY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions, terms, and conditions of any other Act of Congress, the Secretary of the Interior shall cause to be conveyed without restriction, save as hereinafter set forth, to school district numbered 24, Huntley Project Schools, Yellowstone County, Montana, its successors and assigns, the following described land and premises located and situated in Yellowstone County,

Montana: Lot 3 of block 3 of the original townsite of Ballantine, Montana, and block 14 of the original townsite of Pompeys Pillar, Montana, and block 15 of the original townsite of Huntley, Montana, subject to reservation from said land of a right-of-way thereon for ditches and canals constructed by the authority of the United States in accordance with the provisions of the Act of August 30, 1890 (26 Stat. 391), and any and all existing easements on said lands; reserving to the United States, and its assigns, all coal, oil, gas, and other minerals, including, without being limited by enumeration, sand, gravel, stone, clay and similar materials, together with the usual mining rights, powers, and privileges, including the right at any and all times to enter upon said land and use such part of the surface thereof as may be necessary in prospecting for, mining, saving, and removing said minerals and materials, upon payment of damages caused by said surface use to the owner thereof, or upon giving a good and sufficient bond or undertaking in an action instituted in any competent court to ascertain and fix said damages.

SEC. 2. The Secretary of the Interior is hereby authorized and empowered to execute and deliver to school district numbered 24, Huntley Project Schools, Yellowstone County, Montana, any documentary evidence which he may determine to be necessary to carry out the intent of this Act.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 1, line 5, after the word "shall" insert a comma and the words "upon payment of $115 to the United States,".

The amendment was agreed to.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 2, line 4, strike out the word "and".

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

On the motion of Mr. ASPINALL the title was amended so as to read: "A bill to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont."

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ESTABLISHING THE ARKANSAS POST NATIONAL MEMORIAL, ARK.

The Clerk called the bill (H.R. 6108) to provide for the establishment of the Arkansas Post National Park, in the State of Arkansas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall acquire, by gift, purchase, condemnation, or otherwise, the lands (together with any improvements thereon) known as the Arkansas Post State Park, and any other lands adjacent to such park which, in his opinion, are necessary or desirable to carry out the purposes of this Act.

SEC. 2. (a) The lands acquired under the first section of this Act shall be set aside as a public park for the benefit and enjoyment of the people of the United States, and shall be designated as the Arkansas Post National Park. The Secretary of the Interior shall administer the park as a part of the national park system, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535).

(b) In order to provide for the proper development and maintenance of the park, the Secretary of the Interior shall construct and maintain therein such roads, trails, markers, buildings, and other improvements, and such facilities for the care and accommodation of visitors, as he may deem necessary.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

With the following committee amendments:

Page 2, line 1, strike out the word "Park." and insert in lieu thereof the word "Memorial."

Page 2, line 13, strike out all of section 3 and insert in lieu thereof the following:

"SEC. 3. There are hereby authorized to be appropriated such sums, but not more than $125,000, as may be needed for the acquisition of lands and interests in lands and for development of the Arkansas Post National Memorial, of which not more than $25,000 shall be used for acquisition purposes, and in addition thereto such sums as may be needed for its administration and maintenance."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read "A bill to provide for the establishment of the Arkansas Post National Memorial, in the State of Arkansas."

A motion to reconsider was laid on the table.

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. NORRELL. Mr. Speaker, the purpose of the bill H.R. 6108, which I introduced, is to establish Arkansas Post within the national park system. The House Committee on Interior reported favorably thereon and recommended passage of the bill as amended.

The amendment designates Arkansas Post as a national memorial, rather than as a national park. This is in accordance with the recommendation of the Department of the Interior that the appropriate classification for commemorating the historical events associated with Arkansas Post would be that of a national memorial. It is understood that there are a number of categories used in designating areas within the national park system, and that the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments, has set up certain criteria under each category is classified.

Under the provisions of the Historic Sites Act of 1935, Arkansas Post was included in the national survey begun in 1937, and in 1939 a special report was prepared by the Branch of Historic Sites in the Department. However, the outbreak of World War II shortly thereafter led to the discontinuance of this program for many years.

Early in 1956 the National Park Service informed me that the Department was prepared to proceed with definitive surveys, both historic and archeologic, if funds for the purpose were made available. The Congress did appropriate funds for these on-site surveys at Arkansas Post, and the Department assigned two highly qualified men—a historian and an archeologist—to conduct the surveys.

The work was completed in 1958, and the official reports on the surveys were scheduled for inclusion by the Advisory Board on National Parks in a theme study then in progress on "French Exploration and Settlement." In March 1959, I received word from the Under Secretary of the Interior that the Advisory Board had concluded its study of Arkansas Post and had passed a resolution in the following language:

The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments recommends Arkansas Post State Park and its environs, Arkansas, as of exceptional value for commemorating the important historical events associated with the exploration and settlement of the lower Mississippi Valley.

In the reports of official surveys made over a period of more than 2 years by the National Park Service there is a wealth of historical information on Arkansas Post. The great significance of Arkansas Post is that it was the first white settlement in the lower Mississippi Valley and the later Louisiana Purchase. From the Louisiana Territory, 16 of our States came into being. This was the beginning of the white man's westward advance from the Mississippi River to the Pacific Ocean.

Arkansas Post was established in 1686 as a fur trading post by Henry de Tonty, a lieutenant of the famed explorer, Robert Cavalier de La Salle. Later it was involved in the "Mississippi Scheme" or the "Mississippi Bubble" of the Scotch promoter, John Law.

In his evaluation of the national significance and historical importance of Arkansas Post, the field historian of the Department of Interior stated as follows:

It presents a strong claim for being a point or base from which the entire story of French, Spanish, and English colonial expansion in the lower Mississippi Valley might be told. Arkansas Post is associated with a number of phases of French-Spanish colonial history. These include La Salle's expeditions, the John Law colony, French-Spanish-English colonial rivalry, French-Indian relations, Spanish-American rivalry to control the lower Mississippi, and Spanish-Indian relations.

Arkansas Post was considered by the colonial administrations of both France and Spain to be of such importance that from the early 1730's a military garrison was maintained. Following the transfer of Arkansas Post to the United States in 1804, the area continued to be an important center for Indian trade.

During the Civil War, the Confederacy recognized its strategic location on the Arkansas River by fortifying it and placing 3,000 troops there. In January 1863, 30,000 Federal troops under Maj. Gen. John A. McClelland captured the Post and kept control of the area during the remainder of the war.

Arkansas Post was the birthplace of the State of Arkansas. It was the capital of the Arkansas Territory in the years 1819 to 1821. The site is preserved as Arkansas Post State Park. The State will tender to the United States the 62 acres of land and improvements for the establishment of the national memorial.

The purpose of the bill has been approved by the Advisory Board on National Parks, by the Department of the Interior and the Bureau of the Budget, and by the House Committee on Interior and Insular Affairs.

I shall appreciate passage of the bill by the House.

ABRAHAM LINCOLN BIRTHPLACE NATIONAL HISTORIC SITE

The Clerk called the bill (H.R. 5764) to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln's Birthplace, and for other purposes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1448) be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Abraham Lincoln National Historical Park at Hodgenville, Kentucky, shall hereafter be known as Abraham Lincoln Birthplace National Historic Site, and any law, regulation, document, or record of the United States in which such historical park is designated or referred to under the name of Abraham Lincoln National Historical Park shall be held to refer to such historical park under and by the name of Abraham Lincoln Birthplace National Historic Site.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 5764, were laid on the table.

ACQUISITION OF LAND IN VICINITY OF PENAL INSTITUTONS

The Clerk called the bill (H.R. 7571) to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), is amended by inserting the words "or in the vicinity of" immediately following the words "adjacent to".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COUNTY OF CUYAHOGA, OHIO

The Clerk called the resolution (H. Res. 309) providing for sending the bill (H.R. 4583) for the relief of the county of Cuyahoga, Ohio, with accompanying papers, to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 4583) entitled "A bill for the relief of the county of Cuyahoga, Ohio," together with all accompanying papers, is hereby referred to the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and the court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

The SPEAKER pro tempore. This is the last eligible bill on the calendar.

AMENDING THE FEDERAL BOATING ACT OF 1958

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8728) to amend the Federal Boating Act of 1958 to extend for an additional year the period when certain provisions of that act will take effect, notwithstanding the fact it has not been on the calendar for the required number of days.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (8) of subsection (c) of section 3 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960," and inserting in lieu there of "January 1, 1961".

(b) Subsection (b) of section 11 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960." and inserting in lieu thereof "January 1, 1961."

(c) Section 12 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960." and inserting in lieu thereof "January 1, 1961."

Mr. BONNER. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 6, strike out "January 1, 1961" and insert in lieu thereof "April 1, 1961."

Page 1, lines 9 and 10, strike out "January 1, 1961" and insert in lieu thereof "April 1, 1961."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE REQUIREMENTS FOR POSTMASTER APPOINTMENTS

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 257, H.R. 5571, to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

Mr. MATTHEWS. Mr. Speaker, reserving the right to object, I would like to have the gentleman explain the measure, and before he makes the explanation, may I make this observation, that as I recall, for the appointment of a postmaster there are certain residence requirements. Naturally I think all of us would be concerned as to just how this particular measure would change those requirements and I would be very glad to have an explanation from our colleague.

Mr. OLIVER. Mr. Speaker, in order that the explanation may be as intelligent as possible under the circumstances, I think perhaps I should yield to the author of the bill, the gentleman from California [Mr. GUBSER].

Mr. GUBSER. I thank the gentleman.

Mr. Speaker, this is the third session of Congress in which this legislation has been reported out by the Committee on the Post Office and Civil Service unanimously. It is endorsed by all the major employee organizations, including the clerks and carriers, supervisors, rural carriers, and postmasters.

I think I can best explain the purpose of the bill by using a hypothetical example. As you know, it is not under present law possible for a career employee to have an opportunity to be appointed as postmaster of the office unless he lives within the delivery limits of that office. To use a hypothetical example, let us assume that we had an employee working in the Washington Post Office who was a career employee, who had been there 3 or more years as a career employee. If he lives in Arlington, Va., it would not be possible for that career employee ever to be appointed to the position of postmaster.

This bill would make it possible if the person or persons responsible for the recommendation cared to have it that way. There is nothing in the bill which would change the present situation except that the residence requirement would be waived for a career employee only insofar as the office to which he hopes to be appointed postmaster is concerned.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from California.

Mr. ROOSEVELT. If, for instance, in Culver City, Calif., the appointing officer wanted to appoint a civil service or a career person from outside the State but we had an eligible list, would it be possible to bypass that eligible list and appoint a civil service employee from the outside?

Mr. GUBSER. No. Under present law postmasters must live within the delivery limits of the office to which they seek appointment. This would make an exception to that in this one instance, and that is where an employee in that particular office—no other—who had been there for 3 or more years could be appointed to the top job in that office.

Mr. ROOSEVELT. If there happened to be a Democratic administration and I had a good Democrat that I wanted to promote, it would simply mean I could move him in there to get rid of a Republican who was actually there by previous examination?

Mr. GUBSER. I do not believe the gentleman could move him in there because he would have to come in under present civil service requirements, but any classified employee who was in the Culver City post office and working there for 3 years and the gentleman had the right to make the recommendation, yes, he could recommend him to be postmaster. This must be a presently employed individual.

Mr. ANDERSEN of Minnesota. Mr. Speaker, it seems to me this bill is too far reaching to come up here for a few minutes' discussion, therefore I object.

AMENDMENT OF WATERSHED ACT

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4781) to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes, notwithstanding the fact it has not been on the Consent Calendar for the required time.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. WEAVER. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman state for the purpose of the RECORD what the bill does. The report is favorable.

Mr. ABERNETHY. Mr. Speaker, I will be happy to explain the purposes of the bill.

The purpose of this bill is to make the provisions of the Watershed Protection and Flood Prevention Act—Public Law 566, 83d Congress, as amended—applicable to areas included in watershed improvement programs authorized by the Flood Control Act of 1944.

Eleven major watershed projects were authorized by the Flood Control Act of 1944. Work on these projects has been going on for some 10 or 12 years and all the projects are in a partial state of completion. When the Watershed Protection and Flood Prevention Act was passed in 1944, the authority for these 11 major watershed projects was specifically continued, but the provisions of the new act were not made applicable within these major watershed areas. It now appears highly desirable that some of the work which needs to be done within these major project areas should be done under the authority of the Watershed Protection and Flood Prevent Act, since a substantially more complete job of water conservation and use can be carried out under the provisions of the later act. The need for the legislation is explained in some additional detail in the letter of the Department of Agriculture recommending enactment of this bill, which is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 25, 1959.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your letter of February 26, 1959, requesting a report on H.R. 4781, a bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes.

We recommend that the bill be enacted.

The bill, by amendments to sections 7 and 8 of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong., as amended), would authorize the Secretary of Agriculture, in connection with the 11 watershed improvement programs authorized by the Flood Control Act of 1944, to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of Public Law 566, and to make loans or advancements to State and local agencies to finance the local share of costs of works of improvement for any part of the purposes provided for by that act that are included as integral parts of watershed or subwatershed work plans agreed upon by the Secretary of Agriculture and the concerned State and local agencies.

Complete development of the water resources of subwatersheds of the 11 watersheds authorized by the Flood Control Act of 1944 is not possible with Federal assistance because existing authorizations applicable to the programs in those watersheds do not provide for Federal assistance on structural works of improvement for purposes other than for flood prevention. This is an undesirable restriction when compared to the broader authorities under which Federal assistance is now being furnished in areas outside the 11 authorized watersheds under the Watershed Protection and Flood Prevention Act.

The bill would remove this restriction by simply authorizing the Secretary of Agriculture to undertake in cooperation with State and local agencies the installation of additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of the Watershed Protection and Flood Prevention Act and to make loans or advancements to State and local agencies to finance the local share of the cost of carrying out works of improvements in the 11 watersheds.

Work plans for subwatershed areas within the 11 watersheds are now prepared and approved by the State conservationist or the Administrator of the Soil Conservation Service by delegation of authority from the Secretary of Agriculture essentially as for Public Law 566 projects.

In carrying out the provisions of the bill, if enacted, this Department would expect to obtain the views and recommendations of the Secretary of the Interior, the Secretary of the Army, and other interested agencies with respect to plans incorporating any of the additional features provided for in the bill, under procedures similar to those set forth in section 5 of the Watershed Protection and Flood Prevention Act as amended. It is also expected that suitable amendment of the President's rules and regulations, issued in accordance with the provisions of section 5, would be considered in order to assure the coordination of work authorized under the bill with related work of other agencies.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

MARVIN L. MCLAIN,
Acting Secretary.

There would be no direct additional cost resulting from enactment of this bill since the engineering and technical work is now being done by the Soil Conservation Service and any project expenditures will come within the annual limitations established generally for this work in appropriation acts.

Mr. WEAVER. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows: "The Secretary is authorized to make loans or advancements (a) to local organizations to finance the local share of costs of carrying out works of improvement provided for in this Act, and (b) to State and local agencies to finance the local share of costs of carrying out works of improvement for any of the purposes provided for by this Act in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented: *Provided,* That the works of improvement in connection with said eleven watershed improvement programs shall be integral parts of watershed or subwatershed work plans agreed upon by the Secretary of Agriculture and the concerned State and local agencies."

SEC. 2. Section 7 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by changing the period at the end thereof to a colon and adding the following: *Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF COMMERCE TO RESELL FOUR C1-SAY-1 VESSELS TO THE GOVERNMENT OF THE REPUBLIC OF CHINA

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8042) to

authorize the Secretary of Commerce to resell four C1–SAY–1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland.

Mr. PELLY. Mr. Speaker, reserving the right to object, I would like to clarify with the gentleman from Maryland as to whether or not he has in mind to offer an amendment which would change this legislation to provide for the sale of two vessels and to apply the payment which the Government of China has previously made to two vessels instead of four?

Mr. GARMATZ. It will be two instead of four.

Mr. PELLY. Otherwise it is the same legislation which was reported out of the Committee on Merchant Marine and Fisheries and placed on the Consent Calendar but eligible on the call of the next Consent Calendar?

Mr. GARMATZ. Yes.

Mr. PELLY. I understand that the chairman of the committee, the gentleman from North Carolina [Mr. BONNER] is agreeable to this legislation?

Mr. BONNER. Yes. The price for the sale of the two ships is identical with the price as if it were four ships as is in the bill at the present time, but allowing the former payments on the two ships which they will purchase under this amendment.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is authorized, at any time prior to twelve months from the date of enactment of this Act to sell, on an as is, where is, basis to the Government of the Republic of China the four C1–SAY–1 type vessels that the Maritime Commission had heretofore sold to the Chinese Government but which the Chinese Government had been compelled to return to the United States Government.

SEC. 2. The sales authorized in this act shall not be made unless—

(a) after consultation with the Secretary of State, the Secretary of Commerce determines that such sales will contribute to the economic development of Taiwan and will serve the interests of the United States;

(b) after consultation with the Secretary of Defense, the Secretary of Commerce determines that such sales would not adversely affect the defense of the United States; and

(c) The Government of the Republic of China agrees that vessels sold will be used in trade in Far East and Near East waters exclusively.

SEC. 3. (a) The sales authorized in this Act shall be made at—

(1) the statutory sales price, as defined in section 3(d) of the Merchant Ship Sales Act of 1946, except that in the subtraction of amounts from such price for normal depreciation under the provisions of such section, amounts for depreciation shall continue to be subtracted after the minimum provided for in such section has been reached, but at a reasonable rate, to be determined by the Secretary of Commerce, or

(2) the present fair market value of the ships to be sold, as determined by the Secretary of Commerce, whichever is greater.

(b) The Government of the Republic of China shall be credited with the downpayments made on such vessels under the original sales thereof to such Government and shall also be credited with the payments made under the installment notes in such original sales. After making such credits the unpaid balances shall be secured by first preferred mortgages. Interest on such unpaid balances shall be charged as specified in the mortgages in such original sales at 3½ per centum. The Secretary of Commerce shall fix the terms of payment on such balances over a period of time not in excess of the expected natural life of the vessel or twenty years, whichever is the lesser, and on such other terms as are not more favorable than terms applicable in the case of sales of vessels to citizens of the United States. Any such mortgage shall contain provisions according to such mortgage priority over other liens and encumbrances accorded any mortgages on merchant vessels, under the laws of the country to which the registry of the vessel is to be transferred.

SEC. 4. All repairs and betterments required to fit the vessels for their intended use shall be done in a shipyard in the United States at the expenes of the purchaser.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of Commerce is authorized to sell, within one year after enactment hereof, on an 'as is, where is' basis, to the Government of the Republic of China the four C1–SAY–1 vessels, Empire Anvil, Empire Battleax, Empire Cutlass, and Empire Spearhead, for $778,000 each, subject to the further terms and provisions of this bill. Such vessels shall be sold only if (1) the Department of State finds that such sale will contribute to the economic development of the Republic of China and will serve the interests of the United States, (2) the Department of Defense finds that such sale would be compatible with the interests of the United States, and (3) the Government of the Republic of China gives assurances acceptable to the Secretary of Commerce that each vessel sold under this Act shall (a) remain documented under the laws of the Republic of China for ten years after such sale, or so long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period, (b) be used only in trade between Taiwan and ports in the Far East and ports east of the Suez Canal, and not engage in trade prohibited to United States-flag vessels under Department of Commerce Transportation Orders T–1 and T–2 or any modification thereof, and (c) be returned to the ownership of the United States, upon request of the Government of the United States, during any national emergency declared by the President of the United States and during any war in which the United States is participating, the compensation for the vessel to be the value of the vessel but not exceeding the statutory sales price of the vessel under the Merchant Ship Sales Act of 1946 ($1,100,000) depreciated at the rate of 10 per centum per annum from the date of sale under this Act to the date ownership of the vessel is returned to the United States, or the scrap value of the vessel, whichever is higher. No downpayment of any part of the purchase price shall be required at the time of the sale. The purchase price shall be payable in not more than ten equal annual installments with interest on the unpaid balance at a rate determined by the Secretary of Commerce after consultation with the National Advisory Council on International Monetary and Fiscal Problems. The obligation of the Government of the Republic of China to pay the purchase price and interest thereon shall be secured by a mortgage on the vessel with terms satisfactory to the Secretary of Commerce. All repairs and betterments required to fit the vessels for their intended use shall be done in a shipyard in the United States at the expense of the purchaser."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING THE ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H.J. Res. 406) to facilitate the admission into the United States of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Page 3, strike out all after line 23 over to and including line 4 on page 4.

Page 4, line 5, strike out "10" and insert "9".

Page 4, line 10, strike out "11" and insert "10".

Page 4, line 16, strike out "12" and insert "11".

Page 4, line 24, strike out "13" and insert "12".

Page 5, line 7, strike out "14" and insert "13".

Page 5, line 12, strike out "15" and insert "14".

Page 5, after line 19, insert:

"SEC. 15. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lewis Dosa, shall be held and considered to be the natural-born alien child of Mr. and Mrs. William Dosa, citizens of the United States: *Provided,* That the natural parents of Lewis Dosa shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman state what this bill proposes to do?

Mr. WALTER. This bill as it passed the House contained a number of names for suspension of deportation. The Senate deleted one of the names, and we are now concurring in the Senate amendment that deletes one name and adds another name.

Mr. GROSS. I withdraw by reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FOR THE RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H.J. Res. 444) for the relief of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The clerk read the title of the resolution.

The clerk read the Senate amendments, as follows:

Page 1, strike out all after line 2 over to and including "For" in line 4 on page 2 and insert "That, for".

Page 2, line 17, strike out "3" and insert "2".

Page 2, line 20, strike out "Ohannes Vartanyan".

Page 2, lines 20 and 21, strike out "Agavni Vartanyan".

Page 3, line 1, strike out "4" and insert "3".

Page 3, line 12, strike out "5" and insert "4".

Page 3, line 13, strike out "Anna Almo".

Page 3, line 17, strike out all after "fees:" down to and including "Galli" in line 20 and insert: *"Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act in the case of Primetta Galli".

Page 3, line 21, strike out "6" and insert "5".

Page 4, line 5, strike out "7" and insert "6".

Page 4, line 6, strike out "John C. Flores and".

Page 4, line 10, strike out "parents" and insert "father".

Page 4, line 10, strike out "beneficiaries" and insert "beneficiary".

Page 4, line 13, strike out all after "Act." down to and including line 20.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FACILITATING THE ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H.J. Res. 445) to facilitate the admission into the United States of certain aliens, with a Senate amendment thereto, and concur in the Senate amendment.

The clerk read the title of the resolution.

The clerk read the Senate amendment, as follows:

Page 3, after line 12, insert:

"SEC. 8. For the purposes of the Immigration and Nationality Act, Lee Kuhn Wui and Makoto Yabusaki shall be deemed to be nonquota immigrants."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SPOKANE VALLEY PROJECT, WASHINGTON AND IDAHO

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1051)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by section 2 of the House amendment insert the following:

"SEC. 2. In constructing, operating, and maintaining the Spokane Valley project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), except that (1) he may extend the base period of any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193; 43 U.S.C. 485h(d)), as amended, to not more than fifty years, exclusive of a development period if he finds such to be proper, (2) the amount to be repaid during said base period shall be not less than $4,400,000, (3) the remaining reimbursable cost of the project, except for such parts thereof as may be returned under temporary water supply contracts or from other sources, shall be accounted for in the same manner as provided in item (c) of section 2 of the Act of July 27, 1954 (68 Stat. 568), and (4) he may, upon the request of any contracting entity, transfer to it the care, operation, and maintenance of those project works which serve it alone or, upon the request of two or more contracting entities, transfer to them or to any agency designated by them and satisfactory to him the care, operation, and maintenance of those project works which serve them, all on terms and conditions satisfactory to him."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

WAYNE N. ASPINALL,
WALTER ROGERS,
JACK WESTLAND,
CRAIG HOSMER,
Managers on the Part of the House.

CLINTON P. ANDERSON,
HENRY M. JACKSON,
THOMAS H. KUCHEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two houses on the amendment of the House to the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The language agreed upon by the conference committee differs from the language of the House-passed bill principally with respect to the amount of the repayment obligation of the project water users. The House-approved language would have required full repayment of the cost of the Spokane Valley project, estimated at $5,100,000, within a base period of 50 years, exclusive of any development period that might be required. The Senate-approved language would have required the water users to repay not less than $3,700,000 in the same period and provided for return to the reclamation fund of the difference between the amount paid by the water users and the full reimbursable project cost from net revenues derived from power marketed through the Bonneville Power Administration.

The conference committee, after carefully considering the studies and views of the Department of the Interior with respect to the repayment ability of the water users, agreed that the repayment obligation of the water users should be not less than $4,400,000 to be repaid in a base period of 50 years. In considering how the difference between this amount and the reimbursable project cost should be handled, the conference committee adopted language requiring that this amount, estimated at $700,000, be accounted for and paid into the reclamation fund in the manner provided in the act of July 27, 1954, relating to the Chief Joseph Dam project. That act already authorizes financial assistance from Chief Joseph power revenues to reclamation projects in the general vicinity of the Chief Joseph Dam and Congress has on two other occasions authorized reclamation projects to receive such assistance. The procedure under that act is already well established. On the other hand, to provide financial assistance from net revenues derived from power marketed through the Bonneville Power Administration, as provided in the Senate-passed bill, would have involved new policy and procedure as well as additional bookkeeping problems.

WAYNE N. ASPINALL,
WALTER ROGERS,
JACK WESTLAND,
CRAIG HOSMER,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COAL RESEARCH AND DEVELOPMENT COMMISSION

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. GROSS. Mr. Speaker, reserving the right to object, this Commission is now to be located in the Department of the Interior; is that correct?

Mr. ASPINALL. For bookkeeping and housing purposes. The gentleman is correct.

Mr. GROSS. But none of the money already being spent on research in the development and use of coal in the Department of the Interior is being diminished as a result of the creation of the new Commission?

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. So this may well be a layer of fat added to a research and development program for this purpose and already costing millions of dollars annually.

Mr. ASPINALL. I will say to my friend from Iowa, if it is the purpose of the people down in the Department of the Interior to make some transfers of the personnel that they have on research work at the present time, there is no reason in the world why they could not make some savings. But, it is up to them to make the move.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1052)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 4, and agree to the same.

WAYNE N. ASPINALL,
ED EDMONDSON,
JOHN P. SAYLOR,
J. ERNST WHARTON
By proxy,
Managers on the Part of the House.

JAMES E. MURRAY,
FRANK E. MOSS,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate-passed bill proposed striking out the House language designating the Coal Research and Development Commission as an independent agency in the executive branch. This amendment was rejected by the committee of conference and the Commission will remain an independent agency as proposed by the House.

A Senate amendment locating the Coal Research and Development Commission for administrative purposes in the Department of the Interior was accepted. This provision will give the Commission building space and provide it with housekeeping facilities and, if and to the extent requested by the Commission, budgetary, personnel, legal, and other ancillary services. It will not, on the other hand, interfere with the Commission's independent conduct of its essential research functions.

Subsections (b) and (c) of section 6 of the House bill are stricken as proposed by the Senate and there is inserted in lieu thereof an amendment to the first section of the act of August 1, 1947 (Public Law 313, 80th Cong.), adding to that act authority for the Coal Research and Development Commission to establish and fix the compensation of not more than 11 scientific or professional positions in the Commission.

This amendment was suggested after the bill passed the House by the House Post Office and Civil Service Committee. It brings the establishment and fixing of compensation for scientific and professional positions called for by the bill within the act of August 1, 1947, as is the usual practice. This amendment is perfecting in nature and does not alter the substance of the bill as passed by the House.

The committee of conference accepted a Senate amendment requiring the Commission to submit its annual reports to the Secretary of the Interior for transmittal to the President and to Congress. This will establish an appropriate channel for the transmittal of the annual reports of the Commission and will assist the Secretary in coordinating the activities of his Department with those of the Commission. It will not prejudice the status of the Commission as an independent agency in the executive branch or in its direct relations with and responsibility to the President and the Congress.

WAYNE N. ASPINALL,
ED EDMONDSON,
JOHN P. SAYLOR,
J. ERNEST WHARTON,
By proxy,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the creation of a new Coal Research and Development Commission will be a significant forward step in meeting some of the great needs of a major American industry. I earnestly hope the President will speedily approve this measure and activate the new Commission.

No other industry in America offers greater hope in the years ahead for substantial increases in both employment and capital investment. The Nation's great coal reserves are our richest mineral resource, and the research program assured by this legislation will provide another key to full use of this tremendous treasure.

Both Chairman WAYNE ASPINALL, of Colorado, and Congressman JOHN SAYLOR, of Pennsylvania, have rendered great public service in the advancement of this measure, and it has been a privilege and a pleasure to work with them in the cause of resource development and use.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 510. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

CIVIL RIGHTS BILL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objeciton.

Mr. DINGELL. Mr. Speaker, I am very happy to state that a discharge petition will be filed on H.R. 8601 as soon as the 7-legislative-day period required by the rules of the House has expired. This will give all Members of the House an opportunity to participate in bringing to the floor for debate and passage a civil rights bill reported by the House Judiciary Committee on August 20, 1959. This bill provides for important legislative advance in the field of civil rights and a significant opportunity for Congress to return home with a record of real achievement in this most vital field. The provisions of the bill are as follows:

First. It proposes to strengthen the penal law with respect to the obstruction of court orders in public school desegregation cases.

Second. It proposes to make criminal flight in interstate or foreign commerce to avoid prosecution or punishment for damaging or destroying any building or other real or personal property.

Third. It provides for preservation of Federal election records and authorizes their inspection by the Attorney General.

Fourth. It amends the Civil Rights Act of 1957 so as to extend the existence of the Civil Rights Commission for 2 years.

Fifth. It contains a proposal to enable the Federal Government to provide for the education of all children of the members of our Armed Forces, whether they are or are not residents on Federal property, when public schools have been closed because of desegregation decisions or orders.

Although this bill is not as strong or forward looking as I would like, it is, nonetheless, a long stride forward in the field of human rights.

It has been reported widely in the press and rumored around the Halls of Con-

gress that our Republican colleagues and our southern Democratic friends made a deal in which the Republicans promised to assist in preventing enactment of any civil rights legislation during this Congress if southern Members would support harsh, punitive, antiunion legislation.

I hope this story is untrue, and I know our Republican colleagues will be happy to join with us in the swift filing of the discharge petition to bring this vital legislation on the floor quickly on the merits of the matter alone. Such action will show the American public that there was no deal made here on matters of such grave importance to both working men and women and to minority groups in this country. The challenge is before Congress and the actions of Members on both sides of the aisle from both North and South are being weighed in the balance on this legislation.

AREA REDEVELOPMENT ACT VITAL PROGRAM FOR MONTANA'S INDIAN TRIBES

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objeciton.

Mr. ANDERSON of Montana. Mr. Speaker, I am greatly disappointed in the continued delay in bringing up the Area Redevelopment Act legislation. America needs to make this sound investment in its future.

While my congressional district does not have any major metropolitan cities, we do have six Indian reservations. There is no type of area in the entire United States which is as deserving of the assistance offered by the Area Redevelopment Act as is this area where the Indian tribes are located.

Mr. Speaker, My remarks will be confined to one aspect of S. 722, the Area Redevelopment Act, or perhaps I should say more correctly, to the aspect with which one minority group of American citizens is particularly concerned. I refer to the American Indians. In the report of the House Committee on Banking and Currency, House Report No. 360, the eligibility of Indians is noted, but no explanation or justification is made for the special mention of Indians in the legislation. The reason for the special mention is simply that Indian reservations are not legally subdivisions of the States and counties in which they lie. Indians are citizens of the United States and of the States in which they reside, and they should be included in a national program such as we are here considering. It is proper that Indian tribes be eligible both for loans and grants.

Some Members may ask is there a need for such assistance to Indians. Does not the Federal Government already provide aid in various ways for the redevelopment of Indian areas and the rehabilitation of the Indian people? The answer is "No." Through the Bureau of Indian Affairs, the Public Health Service, and other agencies, the Government is providing, at least in part, education, medical care, farm and home extension service, and other aid. Yet it is a notorious fact that the standard of living in almost every Indian community is lower than that of their non-Indian neighbors. If an Indian community is surrounded by a depressed area it is imperative that the entire community be considered, not merely the Indians alone, or the non-Indians alone. And if the Indians' economy is substandard, as it is on many reservations, then this act would provide one way of tackling the problem.

I do not wish to give the impression that enactment of S. 722 would solve all Indian problems. It would not be a panacea. It would, however, open the way for improvement on some reservations, and it would help to teach both Indians and non-Indians that a festering spot, be it Indian or non-Indian, in a commuity needs to be treated with every possible remedy.

I call the attention of the House to the data and the maps which appear in hearings on this bill and its predecessors. In the 84th Congress, my colleague, the gentleman from Montana [Mr. METCALF], was one of the Members directly responsible for bringing the Indian problems to attention of the sponsors of this legislation. He testified about conditions on Indian reservations in Montana. Even though some of the Montana tribes are considered prosperous, as compared to tribes in other States, the employment figures were almost unbelievable. On the Northern Cheyenne Reservation, which is in my district, out of 972 adult males only 189 were employed. In percentage, 81 percent were unemployed. On the Crow Reservation, out of 1,418 males, 280 were employed, an unemployment ratio of 80.3 percent. On Fort Belknap the percentage of unemployment was slightly lower, only 72 percent, but the average family income was also lower. On that reservation the only families with incomes over $1,500 a year were Government employees. Finally, I refer to Rocky Boy's Reservation, where the average family income was less than $1,000 and the unemployment ran as high as 90 percent.

These reservations I have mentioned, Mr. Speaker, are in my district. I have seen the conditions there. I cannot vouch for the exact percentages I have quoted, but they are taken from official House documents—House Report 2503, 82d Congress, 2d session; House Report 2680, 83d Congress, 2d session. I can say that unemployment in these reservation areas is chronic, and it makes little difference whether the percentage is 70, 80, or 90. The situation is desperate. Such aid as is contemplated in the pending bill could make a fundamental change in the local economy.

The testimony of Indians and non-Indians, including Members of the Congress, discloses that similar conditions exist in other States. The map inserted in the Senate hearings on this bill, part 1, February 25, 26, 27, 1959, shows that several areas which may qualify for assistance contain concentrations of Indian population: southeastern Oklahoma, northwestern New Mexico, northern Michigan and Minnesota, and western Washington. In addition, as Members from the States know, there are tribal groups in the Dakotas, in Nevada, in Arizona, and perhaps other States, which might qualify.

I have said enough, Mr. Speaker, to show that the American Indians need the kind of help which this legislation would permit.

JAPANESE RED CROSS AND THE NORTH KOREAN COMMUNIST RED CROSS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FOLEY. Mr. Speaker, a matter has been brought to my attention which, in my opinion, is of vital importance to the Congress and to the American people, and I should like to briefly comment upon it.

A white paper, issued by one of the strongest allies of the United States in the Far East, the Government of South Korea, contains facts which, if substantiated, may well shock the conscience of mankind and imperil the safety and security of the United States in the Far East.

Briefly, it concerns an agreement between the Japanese Red Cross and the North Korean Communist Red Cross, whereby 600,000 Korean nationals now resident in Japan are to be sent to Communist North Korea and known slavery. More than 95 percent of the persons to be sent to North Korea come from the southern part of Korea.

The background of this situation, I am informed, is as follows:

During and prior to World War II, the Japanese ruled Korea by power of armed conquest. Some 2 million Korean nationals were forcibly taken to Japan and there compelled, in the words of the Korean Government, to work "virtually as slaves" in Japanese war industries and able-bodied men among the group were, in many cases, drafted into the Japanese Army to fight against the United States and her allies.

One million four hundred thousand of these Korean nationals were later repatriated to the Republic of Korea, but 600,000 remain, and it is the fate of these people that the present controversy between Japan and the legitimate Government of Korea is concerned.

The Korean Government, through its Ambassador, Dr. You Chan Yang, has issued the following statement:

> Why is Japan taking this drastic step? Sending 600,000 persons into Communist slavery? Drastically increasing the war potential of Communist North Korea * * * branded an aggressor nation by the United Nations? (For many of the able-bodied men will unquestionably be drafted into the North Korean Army * * * or sent to the

Communist war factories in Manchuria as laborers.)

By this cruel act, Japan is trying to defeat the just claims of these pathetically treated human beings for compensation for the service performed as virtual slaves in Japanese factories during World War II.

The facts are these:

Japan, as ruler by conquest of Korea prior to the late World War, forcibly seized more than 2 million Koreans and forced them to work virtually as slaves in Japan's war factories. In some cases, Koreans were forced to serve in the Japanese armed forces, fighting against the United States and the democratic nations of the West.

All that Korea insists upon is that these Korean nationals should be given some pay * * * an amount to be determined by negotiation * * * for the services they performed for so many long, weary years in Japanese factories.

To defeat this small, pathetic claim, the Japanese Government is willing to turn over to Communist North Korea, a government it does not even recognize as legitimate, 600,000 human beings.

This is an act of infamy that cannot but shock the conscience of the world once the facts are known.

Ambassador Yang has informed me that the legitimate Government of Korea is now, and has at all times been, willing to accept a mass repatriation of Korean nationals in Japan, but feels that Japan should compensate these persons for the labors they performed.

The Korean Government has urged the U.S. Government to extend its good offces in composing the differences between two of America's allies in the Far East, Japan and Korea. It seems to me that this is a step, the advisability of which the American Government should give serious consideration.

AGRICULTURE

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objeciton.

Mr. MARSHALL. Mr. Speaker, it is time to dispel the cloud of confusion and frustration surrounding our farm programs by letting in the clear light of facts.

My purpose in speaking is not to offer simple solutions or to belabor the present but to recall some of the basic principles so long enshrouded in the fog of controversy.

Some of this fog has been generated by those seeking political advantage and much has been added by the press, radio, and television industries which are often more guilty than politicians of telling people what they want to hear rather than giving them cold, hard facts.

DISREGARD REALITIES

There are those so committed to various theories that they overlook the realities of the farm question.

There are those who remain unaware of the tremendous evolution which has taken place in agriculture.

There are those who cling to antiquated ideas and opinions unrelated to the present and future of a modern agriculture.

There are those who slip into the all-too-human error of confusing criticism with action.

OVERBURDENED WITH THEORY

Agriculture has become so overburdened with economic theories that the eminently practical business of farming is almost forgotten. Economists continue to try to impose upon agriculture rules long ago abandoned by labor and industry. To expect agriculture to be prosperous within one economic framework while labor and industry operate within another is pure fallacy.

It is equally ridiculous to expect that industry and labor will abandon the economic practices which have become accepted by society. Can anyone imagine industry or labor accepting an economic policy of unlimited production and unlimited working hours?

The control of prices, wages, working hours, and factory output are all developments outside of agriculture but they are certainly factors with which farmers must contend as one of industry's best customers and suppliers.

DISUNITY IS FACTOR

Certainly another major factor in the situation today is the disagreement among farm organizations themselves. What one proposes, the others oppose. With farmers a minority at the polls and in the Halls of Congress, this assuredly creates new problems. In order to win a skirmish, these organizations sometimes engage in sectional strife and while the skirmish may be won, the overall effect on farm policy is disastrous. Labor is not divided today by jurisdictional disputes as is agriculture.

LACK OF LEADERSHIP

In considering the problem, we cannot overlook the Secretary of Agriculture. He is a political appointee of the administration and as a political appointee is carrying the responsibility for an administration not noted for intelligence in farm matters. The present occupant of the position has confused the issue by attempting to direct political pressure toward some vision compounded of misconceived "morality" and "freedom." The ingredients of this mystic farm plan are never wholly revealed to farmers or to Congress. This lack of leadership has caused a loss of confidence and a feeling of mistrust on the part of farmers that will not be improved to any marked degree as long as he remains in his position.

It is unfortunate that this misguided man who has so much ability in so many ways should see fit to disregard the facts of his own Department in presenting the Department's views. The present lack of leadership is a calamity coming as it does when vision and imagination are sorely needed to solve a difficult problem. What we need is positive action, not negative reports and studies.

FARMERS WILL PROVIDE ANSWER

Where then can we look for an answer? I say it will come from farm people themselves. By and large they understand their problems. They have shown leadership in the past; they will in the future. It is true they need some legislative help and an attitude on the part of a Department of Agriculture of trust and factual information. Farmers have a long record of doing things for themselves in a cooperative way. Farmers are ready and willing to adjust to market needs. Farmers are ready and willing to continue the long-range soil-conservation efforts as stewards of a precious resource. Farmers are willing to think out their problems and apply remedies that will work. We need only to dispel the fog so that the path is clear and the goal is understood.

Let us examine the recent egg situation. It provides us with a good example of the need for looking at the record without political emotion and with a sincere regard for the facts.

REVIEW EGG SITUATION

A review of the records of the Department of Agriculture on this situation is an informative experience. It does not of itself answer the questions of the future, but it does suggest some alternative policies worthy of consideration.

My State, Minnesota, ranks among the Nation's largest egg-producing States. When the farm price of eggs fell to an 18-year low this spring and early summer, it meant hardship and worry for many farm families who must rely on egg production for a good part of their income.

Prices have moved up some but the outlook for the immediate future is still far from promising. The victims are efficient farmers whose only mistake may be doing their job too well.

To bring the situation into perspective, we have traced the egg price story through the Department's records for the past 10 years. Some interesting facts immediately become apparent.

EGGS AT 44.6 CENTS IN 1949

Under the Steagall amendment in effect in 1949, providing mandatory price support at not less than 90 percent of parity, the farm price of eggs was held at 44.6 cents a dozen. This was the average January through June price. For the corresponding period this year, 1959, the average farm price was 31.7 cents a dozen.

Our per capita consumption of eggs in 1949 was 383 eggs per person. The Department of Agriculture estimates that we will consume 352 eggs per person during 1959—or 31 fewer eggs per person at reduced prices. In the same period, our population increased 28 million.

MARKETING COSTS CONSTANT

The market spread between the farm and retail price was 18.6 cents a dozen in 1949. For the comparable months this year—January through June—the market spread was 18 cents a dozen. Regardless of the bigger drop in price, marketing costs have remained fairly constant.

For the comparable months of 1949 and 1959, the retail price of eggs dropped 13.7 cents a dozen. The farm value dropped 12.9 cents a dozen. So all of the decline in price came out of the farmer's pocket.

FARM COSTS CLIMB

Even this does not tell the whole story. Farm costs have climbed 19 percent since 1949 and the dollar taken in this year will buy only 81 cents worth of goods in 1949 terms.

Estimated cash receipts for eggs in 1959 have a buying power of less than $1.5 billion—a drop of $649 million in buying power as compared with 1949. Though the number of dollars taken in from the sale of eggs in 1950 was not much larger than the Department of Agriculture's estimate for this year, the 1950 receipts would buy $365 million worth more of these things the farmer needs than will this year's estimated income. During 1950, price supports were dropped to 75 percent of parity.

MORE EGGS—FEWER HENS

Poultrymen will produce approximately 62.8 billion dozen eggs this year compared to 52.1 billion in 1949. Yet the Department of Agriculture reports only 363 million laying hens and pullets on farms today compared to 399 million in 1949.

No one can question the increased efficiency of the poultry farmer. They have produced for markets, not for storage. They have converted increased and lower priced feed supplies into nourishing products. They have remained free to produce, to compete, and to make their own management decisions. In other words, they have done everything the Department of Agriculture has been urging them to do. Did they do their job too well?

TABLE I.—*Egg production, prices, income, and potential market*

	Hens and pullets of laying age on farms, Jan. 1	Production, millions	Parity price, cents per dozen	Average farm price, cents per dozen	Cash receipts from eggs, millions	Population, millions	Civilian per capita consumption, number
1949	399	56,154	52.0	45.2	$2,103	149.2	383
1950	424	58,954	51.0	36.3	1,773	151.7	389
1951	399	58,063	52.7	47.7	2,298	154.4	392
1952	397	58,068	50.7	41.6	2,002	157.0	390
1953	373	57,891	47.4	47.7	2,289	159.6	379
1954	371	58,933	46.7	36.6	1,795	162.4	376
1955	369	59,496	46.1	38.9	1,924	165.3	371
1956	360	60,877	46.2	38.7	1,961	168.2	368
1957	369	60,448	47.9	35.2	1,799	171.2	358
1958	352	60,681	48.7	37.3	1,935	174.1	349
1959	363	[1] 62,804	[2] 47.4	[1] 33.0	[1] 1,726	177.0	[1] 352

[1] Estimated.
[2] 1st 6 months.

Source: U.S. Department of Agriculture.

This table clearly shows that a reduction in price supports does not of itself decrease production. Compare the years of 1949 and 1950, both years under a Democratic administration. Is it not a little ironical that this experience with eggs should be so completely ignored and misunderstood by a Republican administration that could be expected to criticize rather than follow the same course. As the table shows, when price supports were lowered, the average farm price of eggs dropped from 45.2 cents a dozen to 36.3 cents a dozen. At the same time, production rose from 5.6 billion dozen to 5.9 billion dozen. This same result has almost always taken place when the so-called flexible price theory has been put into effect.

LOWER PRICE—MORE PRODUCTION

With example after example in Department files showing the fallacy of this theory, the Department of Agriculture still persists in selling it to the public. Price supports on corn were lowered from $1.36 to $1.12 per bushel and the farmers responded with an anticipated corn production of an alltime record of 4.2 billion bushels.

The American consumer paying 45.2 cents a dozen to the farmer used 383 eggs in 1949. In 1958, he paid 37.3 cents a dozen and used only 349 eggs. This year, with an estimated average farm price of 33 cents per dozen, he is expected to use 352 eggs. And while all this is going on, the poultry farmer will take in $649 million less this year compared with 1949.

SECRETARY COMMENTS

This is what the Secretary of Agriculture had to say about it in Philadelphia on June 18, 1959:

We have urged the American people to increase consumption of eggs during this period of plentiful supplies. The way to get out of a surplus situation is to eat our way out—not to pile up supplies in warehouses.

We are not going to put the Government into the egg business. As you know, the Government has been in the egg business before—in 1950 for example. Various programs around that time resulted in losses totaling approximately $190 million. Even more important, these attempts to support egg prices simply did not attain the objective.

We are not going to repeat the fiasco of 1950. We still, on the contrary, help the poultry industry with sound positive measures.

We could go on with many other illustrations of how the sound programs I've been talking about improve the marketing and use of farm products. Such programs serve all the people. They result in food and fiber of higher quality. They expand existing markets—create new markets. They cut marketing costs—reduce spoilage in transportation, handling, and processing.

AGRICULTURE DEPARTMENT SAYS

So says the Secretary of Agriculture. Now, let us briefly review the facts as presented in Department of Agriculture figures a few moments ago.

Our population is up.

Our poultry farmers are producing more eggs with fewer hens.

Our marketing costs are constant.

Our egg prices hit a new low.

Our egg consumption is down.

Is this the answer to the surplus situation? If it is, why must farmers alone be expected to carry the full burden.

TABLE II

[1949=100]

Year	Farm prices	Farm costs	Total production	Population	Retail price
1949	100	100	100	100	100
1950	80	102	105	102	87
1951	106	112	104	104	106
1952	92	114	104	105	97
1953	106	110	103	107	101
1954	81	110	105	109	85
1955	86	109	106	111	88
1956	86	111	107	113	87
1957	78	113	108	115	83
1958	83	117	108	117	88
1959 [1]	73	119	112	119	79

[1] Estimated.

These are interesting figures and they tell an important story. We are repeatedly told in speeches and in the press that four-fifths of American agriculture is operating successfully without price support operations. The table above needs to be reexamined by those who accept this statement.

GREATER LOSS THIS YEAR

The Secretary implies that what he calls the egg fiasco of 1950 cost $190 million. The farmer can expect a greater loss than this in buying power this year as a result of the egg market bust.

How does this affect the consumer: The average retail price from January through June was 49.5 cents per dozen in 1959. In 1950 it was 49.2 cents for the same period. The farmer receives less, the consumer pays slightly more. It is difficult to believe that consumers profit by loss of buying power on the part of farmers and a chaotic market that could easily mean more costly eggs in the future.

TABLE III.—*Purchasing power of egg receipts*

	Farm cost index, 1910–14=100	Change from 1949, percent	Egg cash receipts, millions	Purchasing power of cash receipts, millions	Change in buying power of cash receipts since 1949, millions
1949	251	100.0	$2,103	$2,103	0
1950	256	102.0	1,773	1,738	−365
1958	293	116.7	1,935	1,658	−445
1959	298	118.7	[1] 1,726	1,454	−649

[1] Estimated.

The relationship between farm prices and farm costs plays an important role in the farmer's well-being. Using 100 as an index figure for 1949, we see that farm prices stood at 83 last year and are estimated to 73 this year. In the meantime, costs rose to 117 in 1958 and are estimated to be 119 this year. Production has risen to 108 in 1958 and is expected to go to 112 this year. Population, or mouths to feed, has risen even faster—to 117 in 1957 and to an estimated 119 in 1959.

HIGHER COSTS—LOWER INCOME

This illustrates the plight of the egg producer. He has increased his efficiency yet he is not keeping pace with the growth of population. His costs

have risen but he took in $445 million less from eggs last year and will probably take in $649 million less this year as compared with 1949.

Department of Agriculture figures reveal that egg purchases in 1949 has an influence upon the cash receipts from eggs three times greater than the cost of purchasing the eggs. Purchases in 1950 again boosted receipts to farmers by three times the cost of eggs.

SPREAD EFFECTS OF LOW COST

This illustrates a function of price support operations that is often overlooked. Price support spreads the effect of low prices among all the people, rather than concentrating the effect on farmers alone. At the same time it assures steady supplies at fair prices, as is illustrated by the higher rate of consumption.

A similar function is served by the postal subsidy to the big national magazines, such as Life, Look, Reader's Digest, and the Saturday Evening Post—magazines which are so often critical of farm price support programs.

TAXPAYERS PAY MAIL BILL

These magazines could not afford to mail the large numbers they circulate at the rates they charge if they had to pay the full costs of mailing. So all the taxpayers help to finance the circulation of these magazines, whether they are subscribers or not, through the second-class mail subsidy.

It costs the Government $179,000 to deliver Life magazine through the mails every week it is issued. An issue of the Saturday Evening Post costs the Government $117,000. The tab Uncle Sam picks up for an issue of the Reader's Digest is $348,000.

Commodity Credit Corporation reports losses after the commodity has been disposed of or its inventory value has changed. The total realized loss listed for eggs from 1941 through 1958 is $298.3 million.

The realized loss therefore averages about $16 million a year. This is $3 million less than it costs the Government in postal subsidies to deliver three magazines of national circulation—Life, Saturday Evening Post, and Reader's Digest.

FOR MANY OR FEW?

It must be remembered that the postal subsidy is a price-support program for the benefit of a few large publishers. The egg industry is made up of millions of farm families producing an essential food product for 177 million people.

We must all ask ourselves this. As a national policy can be permit our resources to be depleted in producing eggs, pork, dairy products, corn, cotton, wheat, et cetera, for which we have no markets? Can we deny our efficient farm families a just return for their investment and labor? Must the people in our cities and towns who need the wholesome products of our farms be faced with disorderly marketing, markets with shortages and gluts being reflected in waste and costs.

When an answer is found to those questions we will be on our way to solving the farm problem.

The egg situation was not good in 1950. From a farmers standpoint it is admittedly worse now. An estimated loss of $284 million is not chickenfeed.

Mr. Speaker, the egg fiasco of 1959 recalls to us a pledge made by General Eisenhower at Brookings, S. Dak., on October 4, 1952:

The Republican Party is pledged to the sustaining of the 90 percent of parity price support and it is pledged even more than that to helping the farmer obtain full parity, 100 percent of parity, with the guaranty in price supports of 90.

LET US OVERRIDE THE PRESIDENT'S VETO

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, I have just returned from a brief trip to my State of Indiana and have felt firsthand the reaction of the people to the President's action in vetoing the public works bill. My people are aroused and indignant and rightly so. For years Indiana has been seeking effective flood control and just when it seemed that we were going to make some real progress the bill which was to provide the means for adequate flood control for our State was vetoed. By one stroke of his pen the President has destroyed the vision and dreams of thousands of Hoosiers.

The veto message contains much talk of sound fiscal policies and yet this bill which was vetoed deals with a relatively small portion of our total budget. The amount is comparatively only slightly higher than that requested by the President. However, Mr. Speaker, the expenditure of funds for the protection and safety of property and lives is certainly never amiss.

The President speaks of new starts and of unbudgeted items which are included in the bill. But Mr. Speaker, I would call to his attention and to the attention of the people that every project in the public works bill has the approval of the Corps of Engineers and the interested Government agencies. These experts after long and arduous study had determined that the various projects were economically sound in that the economic benefits outweighed the cost and on this basis recommended the projects. Every single project in this bill underwent this test.

The President is provoked and upset because the bill contains the appropriation of funds beyond that which he requested. I wonder if we are placing the emphasis in the proper place. Not too long ago he was complaining because the House of Representatives cut his request for foreign aid by 1¼ billion dollars. Ironically there will be included in that $3-billion-plus to be spent abroad millions of dollars for projects of the very type which the President says we cannot afford for America. In other words the President is demanding funds for dams, reservoirs, and reclamation projects abroad and deploring requests for the same projects in America.

It seems to me that it is the responsibility of the Congress to legislate and that it is the primary responsibility of the President to administer the laws. Just because the President says we have not complied with his wishes and his demands does not mean that we should sit idly by as duly elected Representatives and meekly bow to his will disregarding our responsibilities to our constituents. The mere utterance by one man that this bill would promote an unsound fiscal policy does not make it so. As much as we may respect our President's judgment we cannot blindly and without protest substitute his judgment for that of this Congress. I suggest, Mr. Speaker, that we reaffirm our belief that the public works bill is legislation which will benefit America and that we without hesitation or delay override the President's veto.

PROMOTING MAXIMUM EMPLOYMENT, PRODUCTION, AND PURCHASING POWER

The SPEAKER. Under previous order of the House, the gentleman from Colorado [Mr. JOHNSON] is recognized for 45 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, one of the tragedies of our political discourse in the matter of economic issues is that we must necessarily accept a gross oversimplification of some very complex issues.

It is a necessity of our structure of government that we must deal with the complex problems of the impact of the Federal Government's action on our national economy one step at a time. The result is that we rarely get a full perspective on the issues with which we must deal. And so because of this habit of the press, of the Members, and of the committees in dealing with these issues one at a time, I welcome that rare document which embraces more than a single issue, the report of Monday, August 17, by the Cabinet Committee on Price Stability for Economic Growth. I do so because this Committee, which is asking itself the question, "What do we really want from our economy?" has at least taken the trouble to reaffirm that the administration in 1959 is in support of the Employment Act of 1946.

There was a time, Mr. Speaker, you may remember, shortly after this administration took office, when they seemed to have repudiated the Employment Act of 1946. But the present report makes it clear, on page 2, that the aims of the American people should be economic growth, maximum employment opportunities, and reasonable stability of the price level. The balance of the report discusses those questions in very general terms.

The Employment Act of 1946 has spelled out the objectives which the Congress then hammered out in great detail, very explicitly.

The Congress hereby declares—

We said then—

that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with the needs and obligations and other essential consid-

erations of national policy to coordinate and utilize all of its—

That is the Federal Government's—

plans, functions and resources for the purpose of creating and maintaining conditions under which there will be afforded useful employment opportunities, including self-employment for those able, willing, and seeking to work and to promote maximum employment, production, and purchasing power.

This last phrase is the one which we most frequently hear, that it is the purpose of Congress to promote maximum employment, production, and purchasing power. But let us not quibble about a distinction found in the language of the Cabinet Committee report and the language of the Employment Act, even though I would prefer the language of the Employment Act. But although this report dated August 17 gives us an overall view of the purposes of our economy, we received barely a week later, on August 25, 1959, from the President another report to the Congress. Unhappily this report narrows the focus down to the very fine and detailed item of the management of the Federal debt. It calls upon us to again resuscitate that twice dead bill to raise the ceiling on the interest rate on long-term loans. It also asks us to raise the interest rate on savings bonds which, as the Members know, is about 1 percent lower than the interest rate on other long-term bonds.

As a witness before the Committee on Ways and Means, I have indicated my willingness to accept a higher interest rate on savings bonds. It has been my understanding, Mr. Speaker, that the reason we have not raised the interest rate on savings bonds is because the Treasury has taken the position, at least informally, that if they cannot have the whole package they want none of it.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. METCALF. Would the gentleman say that these two matters can be divided and that we should handle them in two separate packages instead of the whole package?

Mr. JOHNSON of Colorado. I think it is very clear the Congress can divide, and as a matter of fact they have divided this thing. We raised the ceiling, for example, on the public debt, which was a related issue, in a completely separate package. I see no reason why we could not raise the interest rate on savings bonds, since in raising that it would still be below the 4¼ percent ceiling on long-term bonds, and these savings bonds are also long-term bonds. It seems perfectly reasonable to assume that many of us would accept a higher than 3¼ percent rate without necessarily accepting higher than a 4¼ percent rate on long-term bonds. I would hope a separate bill could be reported out so that we can honor this request of the President.

Mr. METCALF. I want to assure the gentleman I would certainly support such a separate bill to increase the interest rate on savings bonds, although I am vehemently opposed to any increase in the interest rate on other long-term bonds.

Mr. JOHNSON of Colorado. I thank the gentleman. If one were only to read, for example, the editorials in the New York Times or in the press which concerns itself with our debt policy and our Federal finances, one would have the mistaken impression that raising the rate of interest on long-term Government bonds is the only thing that can stand between the American people and some awful bugaboo of inflation. By inference we get the information if we were to approve the higher rate of interest on long-term Government bonds, that somehow that would save the Nation and protect us against inflation. Now, neither proposition can be fully supported by the facts or by the logic of our national economic life. The issues with which we must deal are far more complex than this; and this one adjustment, whatever its merits or demerits may be, will not by itself do the things which are claimed for it.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I am happy to yield to my colleague.

Mr. CURTIS of Missouri. I wonder if the gentleman can identify who it is that said that that is the essence of the problem of inflation. I have never heard anyone advance such a theory.

Mr. JOHNSON of Colorado. I was referring most recently to the report submitted to the Congress in a special message from the President of the United States where this is the sole issue singled out for discussion.

Mr. CURTIS of Missouri. If the gentleman will yield further, it is an issue that the President pointed out and he is pointing out, of course, that the manner in which we manage the debt does have an influence on how much inflation we have. But for the gentleman to read into that a statement that that would be the be-all and end-all of the problem of inflation is certainly an erroneous reading.

Mr. JOHNSON of Colorado. I would go on to answer the gentleman, then, by pointing out that editorials in such distinguished journals as the New York Times and others have chosen to abuse the Congress on this point. I yield to no man with respect to my desire to avoid inflation and I shall in the course of my remarks this afternoon spell out the complexities of this issue and insist that we not oversimplify it.

Mr. CURTIS of Missouri. On that point I agree with the gentleman. The only reason I rose to question him was I think you were implying, in fact you actually said, that somebody, presumably the administration, was advancing the theory that this debt mangement bill would solve the problem of inflation and the administration certainly has not advanced that. I think the administration pointed out that the real cause of inflation and the thing that feeds it most is spending more money than we take in.

Mr. JOHNSON of Colorado. Indeed, indeed. I thank the gentleman very much for his contribution. I want to come back to that at a later point in my remarks this afternoon. I would have preferred, this being in fact the last day of August, I would have preferred at any time in the last 2 months for the President, through his Council of Economic Advisers, to have sent down to the Congress a full midyear economic report. There have been profound changes in the nature and progress of the economy since the report which we received in January, and it would have been a very opportune time for the President to have sent to the Congress not a message on a single issue alone but a full-blown review of our economic situation.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. REUSS. Is it not a fact that the administration is currently opposing legislation which would redirect the administration's attention to that section of the Employment Act of 1946 which on a permissive basis makes possible midyear reports?

Mr. JOHNSON of Colorado. Yes; and I regret the administration's view. I was a recipient of the reports of the Council from the first day of its creation. Many of its early staff members were friends of mine and colleagues in the same work that I had been engaged in, in the Bureau of the Budget during the war years. The midyear reports which were made were very helpful.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Texas.

Mr. PATMAN. Is it interesting to the gentleman to witness a problem like this, and the many solutions offered by the Secretary of the Treasury and the administration generally without actually laying the blame where it belongs, on the Federal Reserve Board, when the Congress turns the Nation's purse over to the Federal Reserve Board and the Federal Reserve Board does not use that purse? The one organization that is wholly to blame and is always excused by the administration is the Federal Reserve Board and the Open Market committee.

Mr. JOHNSON of Colorado. I confess I have difficulty understanding how the administration can hold its nominees to office free from blame for the consequences of their choices. Now that brings me to my very next point.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield before going on to his next point?

Mr. JOHNSON of Colorado. Does the gentleman wish to engage in a colloquy with the gentleman from Texas or with me?

Mr. CURTIS of Missouri. With the gentleman from Colorado.

Mr. JOHNSON of Colorado. I yield to the gentleman.

Mr. CURTIS of Missouri. I would be very happy to have a colloquy with the gentleman from Texas on that point, because I took issue on that with him. Mr. William McChesney Martin, Chairman of the Federal Reseve Board, is a former Assistant Secretary under Mr. Truman. But I wanted to discuss the midyear report.. These are several factors connected with this midyear report.

Mr. JOHNSON of Colorado. I am thinking that this is the 31st day of August.

Mr. CURTIS of Missouri. The Joint Economic Committee on which I happen to serve and which is chairmaned by Senator DOUGLAS has not made any such request, has it?

Mr. JOHNSON of Colorado. I am not a member of that committee. I am speaking as a Member of the House.

Mr. CURTIS of Missouri. I think there is a great deal of merit in what the gentleman suggests, but I think the proper way for Congress to act is through the committee which has jurisdiction of the subject matter which, of course, is the Joint Economic Committee.

Mr. JOHNSON of Colorado. Then let us treat this as a request between the gentleman and myself, that the Joint Economic Committee be requested to ask for it. They should have done it, obviously.

Mr. CURTIS of Missouri. Where does the gentleman draw the conclusion that they were opposing it?

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Wisconsin.

Mr. REUSS. I would be very glad to respond to the question of the gentleman from Missouri. The House Committee on Government Operations in June of this year reported favorably to the floor the so-called Clark-Reuss bill which was bitterly opposed by the administration, particularly a provision which memorialized the administration to go back to the wholesome practice which prevailed before the time of the present administration, of submitting a midyear report to the House Committee on Government Operations. This committee, as the gentleman knows, has competent jurisdiction over the Employment Act of 1946.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. Briefly.

Mr. CURTIS of Missouri. I might say that I think the gentleman, to be fair, should concede there is a great deal more of importance in that particular bill.

Mr. REUSS. Yes, but the administration also opposed the many other wholesome provisions of the Clark-Reuss bill.

Mr. CURTIS of Missouri. Just one other statement in clarification, if the gentleman will permit.

Mr. JOHNSON of Colorado. Certainly.

Mr. CURTIS of Missouri. I know the administration is opposed to particular features of the bill and I am very strenuously opposed to the bill as a whole because of these features, but the one feature the gentleman referred to about midyear reports, I doubt if the administration is opposed to it.

Mr. JOHNSON of Colorado. May I comment further for myself that the Council does not need additional language in law to give us a midyear report. For many years they were issued by the previous Council of Economic Advisers.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KASEM. This question of inflation is vital not only because of higher prices but also it is vital because the administration has chosen to make a political issue of it.

I have always been under the impression that inflation was a condition that existed when there was a disparity between the supply of merchandise and goods available for sale and the monetary supply, or in this relative position there was an excess of money.

Mr. JOHNSON of Colorado. "Too much money chasing too few goods," is the stock phrase.

Mr. KASEM. The way the country has been flooded with this massive propaganda campaign that is so well concerted and directed against the country I thought perhaps I was wrong in my understanding, so I went to Webster's Dictionary. But I found I was not wrong; it was described just exactly as I have described it.

I know many people will ask: "What difference does it make as long as prices are rising?" In order for there to be true inflation in the economic sense there has to be a shortage of goods. I have great confidence that anyone can walk into any store in the United States and the merchant will tell him that he can get all the merchandise he can sell. That should quickly put to rest the idea that there is any economic inflation.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for an observation?

Mr. KASEM. The gentleman from Colorado has the time. Let me finish my remarks and then if the gentleman from Colorado desires to yield, that is up to him.

I have for this purpose coined a word "uplation," which means a phenomenal production of goods accompanied by rising prices.

It takes into account the other factor that goes into rising prices besides the shortage of goods which we well know does not exist, and the factors that follow.

It is interesting to see one report that reads like the National Association of Manufacturers. This is not significant; that is, the difference of various things included under the word "inflation." It makes no difference whether it is caused by their own factors or by a disparity in the monetary and goods supply. I would like to know if the gentleman feels it is not important to make this distinction?

Mr. JOHNSON of Colorado. That is precisely the purpose of my comment this afternoon, and I thank the gentleman from California. I would point out consumer prices are continuing to rise; the aggregate of the price level is continuing upward. If the word "inflation" means rising prices, regardless of causes, there is a fact base for concern about inflation. But the tragedy has been that we have tended to close our eyes to the effect of administered prices, which is to say that a certain part of the economy can control prices at will, and more than that it does control prices at will. That is testimony that has been given before committees of Congress at great length by a very good economist, Gardner Means, and I shall not go into detail.

What I want to say now is you cannot avoid making choices in our society. To take no action and hence choose inaction is to make a choice. You cannot avoid the consequences of the choices, including the choice of inaction; therefore the sober question facing the Congress is, Do we know what the consequences are of our inaction or action? Are those the consequences we want to have? If they are not the consequences we want to have, what choices might we have made that would have come closer to the consequences we seek? Both in the administration documents and in the Employment Act of 1946 there are spelled out a general set of goals. So our quarrel should not be with goals. Our question should relate to the means by which we might attain those goals.

Let me this afternoon briefly review those varieties of policy choices which Congress cannot avoid acting on which have a real impact on the answers to this thorny question: "Can we have economic growth without inflation?" I speak under these topical headings: "Monetary Policy, "Credit Policy," "Budget Policy"—including expenditures, revenues, and debt—and "Price Policies." If I can at least give these a quick review for the record, I want to show that we cannot solve the problem by focusing all of our attention upon one feature of debt management, because this is inadequate.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Texas.

Mr. PATMAN. While the distinguished gentleman from Missouri [Mr. CURTIS] referred to the fact that in my reference to the Federal Reserve Board I was referring to the Chairman who was Assistant Secretary of the Treasury under Mr. Truman, that is very true, and Mr. Truman selected him as Chairman of the Federal Reserve Board, and I believe that in the public interest it was done with a distinct understanding, an understanding that no one could even claim there was any other factor or consideration involved, that Mr. Martin, as Chairman of the Federal Reserve Board, would hold the line on 2½ percent U.S. Government bonds and not let them go below par. I state that as my belief, based upon the sound knowledge of the subject, and I do not believe it will be denied by the parties participating in it—President Truman and William McChesney Martin.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I would be very happy to have the comment of the Chairman of the Federal Reserve Board, and if I can get it I will put it in the RECORD at this point.

Mr. JOHNSON of Colorado. I would be happy to have it, too.

Let us turn to the question of monetary policy.

MONETARY POLICY

Certainly we have a power of Congress which everyone has recognized since the year 1 of the American Republic. It has a profound impact on our national economic life, this power to coin money and to regulate the value thereof. It is also true that 40 years ago we gave this power in substantial part to the Federal Reserve. Their policies with respect to raising or lowering of reserve requirements, the increasing of bank reserves, the purchase or sale of Government bonds are powers which are administratively exercised, but in keeping with delegation under the broad powers of Congress.

The debates which have been taking place before the Joint Economic Committees with respect to this issue are most illuminating, and I commend them to any Member of the House who wishes to explore the difference in debt management between the Chairman of the Federal Reserve Board and members of the Joint Economic Committees who are apparently not completely unanimous among themselves with respect to this issue.

Suffice it to say that I aline myself with those who believe we must have a growing money supply. The rate of increase must not be allowed to get out of hand, but it must be reasonably related to growth in economic activity. I do not accept the proposition that the Federal Reserve should not be concerned with the cost of the alternatives to the Treasury and, therefore, really to the American taxpayer.

I would support the position taken by the distinguished chairman of the Joint Economic Committee and other Democratic members thereof who hold that since the same end can be achieved by at least two alternate routes, that route which lowers the aggregate cost to the taxpayer ought to be the preferred route.

Mr. PATMAN. Mr. Speaker, will the gentleman yield further?

Mr. JOHNSON of Colorado. I yield.

Mr. PATMAN. Does the gentleman know of any other major country in the world whose central bank does not come to the aid and rescue of its parent government when it is needed? It is my statement that this is the only country in the world whose central bank is absolutely refusing to come to the aid and rescue of the Government when it is its duty to do so.

Mr. JOHNSON of Colorado. I have not made as thorough a study of central banking as the gentleman from Texas has, but so far as my training and experience are concerned, it would tend to support the view of the gentleman from Texas.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for a comment?

Mr. JOHNSON of Colorado. I yield.

Mr. CURTIS of Missouri. I think, again, there is a tendency to oversimplify this problem. The Federal Reserve does not take the position of not being interested in the management of the Federal debt. The Federal Reserve, through its chairman, testifying before our committee, with the gentleman from Texas present and the gentleman from Wisconsin interrogating, constantly made the point that they do have regard and gave specific examples in very recent times of when they did go to the aid of the Treasury. One particular example I recall was in the Iraq-Lebanese crisis when they were going to market some bonds at the same time. All I am trying to say is that it is not all black or white, gentlemen.

Mr. JOHNSON of Colorado. I do not have the transcript of the hearings here, but members of the committee are on the floor. As I read the transcript, it is my impression that the Federal Reserve's position was that it was not a primary concern of theirs as to what the burden was on the taxpayer of the alternatives which might be selected for increasing bank credit.

Mr. CURTIS of Missouri. I think the gentleman is correct when he uses the word "primary." They said it was not their primary concern to deal with the stability of the dollar, but they certainly did have some concern for the management of the debt.

Mr. JOHNSON of Colorado. Let me then proceed to the second point.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Wyoming.

Mr. METCALF. The gentleman from Wisconsin [Mr. REUSS] the other day put into the CONGRESSIONAL RECORD an editorial from Business Week, which points out in almost the words that were used by the gentleman from Texas that the Reserve System is the only banking system in the whole world that does not come to the aid of its Government in assisting in the financing of the Government debt.

In spite of the pious statements that Mr. Martin continuously makes, that does not only hold true as far as research by the gentleman from Texas is concerned, but many others, including the very conservative Business Week, join in the feeling that the Federal Reserve System does not and has not, since the adoption of the act, assisted in the management of the public debt.

Mr. JOHNSON of Colorado. From my own knowledge as a member of the Committee on Banking and Currency, reading the memorandum of the Federal Reserve staff submitted to us in the course of our consideration of the vault-cash bill, subsequently approved, and from reading the testimony of the chairman of the board of the Joint Economic Committee, I get, instead, the impression that an even stronger consideration has to do with the level of bank earnings. These apparently are viewed as being inadequate when they are roughly 10 percent on capital. Now, I do not view this as a deficiency in the earning rate, because I have not adjusted myself to the new economics of this administration.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield, I did want to make this brief comment with reference to the editorial in Business Week. I did not know it was in the RECORD, but I replied to that as soon as I saw it. I think I will put my reply in the RECORD, if I may, because just the other day I put into the RECORD a more recent report from Business Week which I think is quite a bit different from their original editorial.

Mr. JOHNSON of Colorado. I would like to go on now to credit policy.

CREDIT POLICY

I would note that the Congress has created a whole host of credit-related agencies. In the field of agricultural credit we deal with farm-home loans, we deal with crop loans, we deal with producer-cooperative loans, and so forth.

We have in the Housing and Home Finance Agency and in the housing bill which passed the House just the other day, a whole series of housing credit features in Federal law which have become an established part of our economy and upon the operation of which depends the well-being of a very basic industry and the housing accommodations of millions of Americans.

We have Federal insurance of loans and the rules and regulations under which this insurance takes place has an impact upon the availability of credit. We make direct loans to State and local governments for certain particular purposes. We make loans to businesses under certain circumstances. We have a growing number of loans to foreign governments as a part of the Federal Government's policy, starting with the Export-Import Bank and running on through the World Bank for Reconstruction and Development and the new Bank for Inter-American Loans.

The amount of money made available and the terms under which it is made available—including interest rate, the length of the loan, the purposes for which such loans are made available—these present choices which both the Congress in its basic statutes and the administration in its operation must decide. We must decide many questions and the decisions we make will have consequences for the well-being of our own economy, for the nature of our economy, and for the well-being of the world.

These are programs which have stood the test of time. Nonetheless the administration has chosen to ignore them as devices whose operation can be used to influence advantageously the health of the economy and the problem of inflation.

Upon other occasions we have given special powers to the Federal Reserve with respect to consumer credit. I do not want to go into that in detail now except to say that the kinds of credit which we encourage or discourage by law have an impact upon the places where inflation shows up and have an impact upon the ultimate success of our economy in meeting the very goals recently endorsed by the Cabinet Committee.

BUDGET POLICY

Let me turn to budget policy. The appropriations which are approved here each year are a direct allocation of about 20 percent of the economic life of this country. Just under 20 percent of the economic life of this country is determined by decisions which are ratified

in this House and which are made in the various subcommittees of the Committee on Appropriations. We tend to get our eyes focused solely on the amounts because of the nature of our law and our legal process. But we should not lose sight of the purpose for which these appropriations are made and the differences in the kinds of purposes for which our appropriations are made.

For example, certain of our appropriations are really self-liquidating. Some of them are truly loans and every dime advanced will be repaid with interest. A part of the debate with respect to the features of the Housing Act confuses the dollar outflow as though it were an outright expenditure which would not be reimbursed when in point of fact some of these are direct loans which will be repaid with interest and have no net ultimate cost to the taxpayer. They do have an effect upon the economy to be sure, but we tend to confuse economic control with taxpayer burdens. We talk about balancing the whole budget as though every dollar loaned out had to be covered by a dollar of taxes, even though the money was to be repaid by the person who was the recipient of the loan.

In addition to self-liquidation projects we have a whole host of reproductive projects. I am certain some of the projects contained in the public works bill which will be before us on Wednesday are projects which will reproduce for the health of the economy many times over the sums we spend on them. For example, those which improve our harbors, those which protect us against floods, those which improve the water supply systems—these are investments in the ultimate well-being of America. And, again, a careful reading of the Cabinet Committee's report shows that they found that "a large and expanding output requires improved health, education and skills."

Where is the administration's bill for education? Where is the administration's program for improving the Nation's health?

The Cabinet Committee speaks about the requirement of "discovering and developing and conserving natural resources." We in the West are especially concerned that a portion of our moneys be devoted to those reproductive investments in our natural resources which will make this a larger and better Nation in accordance with the wisdom which is contained in the statement over the House door, by Daniel Webster.

Some of our expenditures are merely productive. They improve our well-being but they do not put any dollars directly back into the Treasury. But they do raise the standard of living.

Some of our appropriations, let us face it, are not productive. They are wasteful. And just as there is every reason to increase expenditures which are self-liquidating and reproductive there is an equally good reason for reducing those expenditures which are essentially wasteful. I commend those Members of the Congress and those committees that are bird-dogging to flush into sight every dollar which may be wasted in any program, be it civilian program, public works program, foreign aid program, military program or whatever. We should not countenance waste, because it is an uneconomic use of funds. Even if it increases employment it is an uneconomic use of funds.

To turn from expenditures to revenues, our tax laws indirectly influence the allocation of resources. As we put heavy burdens upon some types of industry and discourage them, and as we give special subsidies or special tax favors to other types of industry, we may encourage them but we ought to be concerned when we pass upon such bills with the question, "Does this measure truly improve the well-being of America or are we merely allocating resources that might better go to some other purposes, to this more favored purpose?"

The rates of taxes are an important consideration. But from the standpoint of the national budget, ultimately the total amount of revenues is the figure which is used and we are measured not by the wisdom with which we design the tax law but by the aggregate revenue raised.

Last year the Congress was roundly abused because of the $12 billion deficit. But that $12 billion deficit was not because of congressional tax cuts, that was because the national income as a whole fell—for a variety of reasons that I will not go into now. But we must recognize that our revenues are a function not merely of the tax law, the structure of the tax base and the tax base schedules, but also of the economic base growing out of these administrative decisions about which I have been speaking.

DEBT POLICY

What about debt policy, the subject of the presidential message of August 25? Debt policy is, insofar as we are dealing with the aggregate amount of debt, merely the consequence of all of our decisions about appropriations and total amounts of revenues which flow as the result of our tax base. We cannot completely control our debt policy but we can intend to control it by seeking to balance, overbalance or underbalance that budget.

Most of you know, in fact, that during a depression it is the course of prudence and wisdom to incur some deficit so as to build back to prosperity. But in times of high employment and prosperity, as the gentleman from Texas said so effectively the other day in committee, we ought to encourage a surplus and pay down the debt because if we cannot pay off the debt during periods of high levels of employment, when will we ever reduce the debt? More than that, this is one of the best ways of fighting inflation. I, for one, hold at a time like this—assuming the steel strike will shortly be ended—with employment relatively high, we might do well to plan for a debt policy which will reduce the aggregate outstanding debt by planning for revenues in excess of total expenditures.

But there is another part of the debt policy which has been receiving a bit of our attention, and that is the question of debt management, whether more of the debt should now be placed in long-term obligations at higher interest rates or in short-term obligations at higher interest rates. The problem of how to manage the debt will always be a problem, whether we are running a budget deficit, or have a balanced budget or have a budget surplus, because we must refinance crudely $100 billion. There is at least $50 billion which floats in short-term obligations and the Treasury must pay off and resell at least $100 billion of debt in the course of a normal working year.

In these circumstances how the Treasury and the Federal Reserve, as its fiscal agent, manage the Federal debt is the question which deserves close attention. But I have not known anyone who willingly sought to incur a long-term debt at high interest rates when he could hope, by temporarily taking care of his financing by high interest short-term loans, that he might later refinance at a more favorable time with a long-term loan at low interest rates. The President's suggestion that we cannot afford to rely exclusively on borrowing that must be continually renewed raises the question of what the word "afford" means. Frankly, I do not know what it means in this connection.

PRICE POLICY

Against that background let us close with the matter of a review of price policies. We have been conducting a battle over the price of money. The same administration which has concerned itself so zealously in the public prints with the job of an attack upon inflation has insisted that we be inflationary and raise the price of long-term money. Raising the price of long-term money will not increase the supply of money. I call the attention of the Members to the excellent discussion in the August 1959 Federal Reserve Bulletin on savings and financial flows.

I think a careful reading of that will support these conclusions (a) that by and large the supply of money is not appreciably responsive to changes in the price of money; (b) that changes in the price of money results in a particular allocation of alternative uses among potential demanders of money; and (c) the allocation is determined by a series of administrative decisions which are made by the Federal Reserve and the banking system.

The result unfortunately has been for the money to go to the wrong places. Allocation by high interest has encouraged consumptive uses, which are inflationary, and has discouraged productive uses of money which are anti-inflationary. High interest certainly opposes those creative uses of funds which would improve our health and education, our natural resources, our science, and our technology, which the Cabinet Committee says it wants to accomplish.

The administration has chosen largely to look the other way on the whole question of administered prices, but we ought to have a way of encouraging competition. We ought to consider this matter of administered prices. That means, of course, we ought to have an even more

vigorous antimonopoly program in both the Federal Trade Commission and in the Department of Justice.

Finally, I suggest that the administration might well consider requesting standby price controls. I have said before, and I will say again, that it is better to have a shotgun in the closet and not need it, than to need it and not have it. I submit that in these times the administered price increases still remain the fundamental basis of the present inflation in our economy.

The administration would certainly do well to endorse the Clark-Reuss bill which does not go that far. The Clark-Reuss bill says in effect, let us put the spotlight of publicity on price rises. The administration has demonstrated that it agrees with this, for the President directed the Secretary of Labor a couple of weeks ago to put the spotlight of publicity upon the steel industry. The administration apparently does recognize de facto what it is not willing to consider de jure—if I may be permitted to indulge in some Latin here. We must stop any excessive increase of prices as against the national interest. We have been told at high levels that it requires more jawbone treatment. We have been using the jawbone against price inflation for 6 years, and the jawbone does not do the job; prices keep going up.

No one wants any more control than is absolutely necessary, but price control now exists; it is in private hands. What I am asking for is public review of the private control of basic prices which affect the health and well-being of the American economy.

Adequate economic growth without inflation depends on wise choices over the whole field of all these policies. Let us keep it in perspective.

I am concerned about inflation, not as a campaign issue; I am concerned about inflation because inflation is a danger to the well-being of the American economy and our place in the world. Under those circumstances I want to give the administration adequate power to deal with it. But we are not asked to grant adequate power, we are asked to grant power only to deal with a pimple of the whole problem.

The SPEAKER pro tempore. The time of the gentleman from Colorado has expired.

NEEDED: A CHANGE FROM A POLICY OF TIGHT MONEY AND FISCAL LOOSENESS TO A POLICY OF ADEQUATE MONEY AND FISCAL TIGHTNESS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, the House Committee on Ways and Means has recently turned down the administration's request to lift the 4¼ percent ceiling on U.S. bonds. The administration was offered several alternatives. It was offered the alternative of lifting the 4¼ percent rate, accompanied by the "sense" resolution recommending to the Federal Reserve that when increasing the money supply, it should be done by purchasing U.S. securities, of varying maturities. That the administration turned down. It was also offered the alternative of lifting the ceiling on savings bonds. Lifting it, I believe, would be in the public interest. They turned that down.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. Who makes these offers and these turndowns? The Ways and Means Committee has jurisdiction over this, and there was no proposal made on this E- and H-bond proposition.

Mr. REUSS. My understanding was from press sources that the Ways and Means Committee had offered that to the administration.

Mr. CURTIS of Missouri. No.

Mr. REUSS. I am delighted to hear what my ears tell me I hear, that the gentleman is now suggesting, or rather, the Republican Party is now suggesting, that the administration will accept a lifting of the savings bond interest ceiling.

Mr. CURTIS of Missouri. No. The gentleman goes from one extreme to the other. I was simply pointing out that no proposition has been offered, therefore no proposition could have been turned down. I myself would recommend against such a thing, but certainly in order to let the House work its will on this whole debt management thing, I would vote to report a bill, provided we had the opportunity to offer amendments to cover the field of debt management and this interest rate problem. Now, that is something that could be done, I believe, if the Ways and Means Committee would meet tomorrow. But there has been no proposition offered in resolution form, therefore none has been turned down.

Mr. METCALF. The gentleman from Missouri knows there was an opportunity offered in the Ways and Means Committee to vote out a bill so that the House of Representatives could work its will, but that was objected to. That was the sense of Congress amendment, the amendment that provided for a moderate admonition to the Federal Reserve System. The gentleman from Missouri did not vote for that.

Mr. CURTIS of Missouri. The gentleman from Missouri did vote twice with the majority, incidentally, 15 to 10, to report a bill out. The point I was raising is in reference to this new point that has recently come up of the E and H. The gentleman knows that proposition has never been offered in the Ways and Means Committee.

Mr. METCALF. It has not been formally offered, but the gentleman from Missouri will recall the situation, and I will say no member of the committee has been more faithful in attendance than has the gentleman from Missouri. In all the time we have had under consideration this question of the increase in debt limit and interest rate, we had 10 or a dozen representatives from the Treasury Department and the Federal Reserve System and asked, Would you agree, would you consent to bring out an increase in savings bonds? And each time the Secretary of the Treasury or his representative has said he would prefer to have the whole package and he feels he would resist the simple increase in interest rates on savings bonds.

Mr. REUSS. I will yield to the gentleman from Missouri so that he may respond, but meanwhile I want to assert again what I think I heard the gentleman say a moment ago, that he, the gentleman from Missouri, opposes any offer of just lifting the ceiling on savings bonds.

Mr. CURTIS of Missouri. Yes. I want to agree with the gentleman from Montana that this certainly has been the subject matter of discussion in the Ways and Means Committee with the officials of the Treasury Department. But I think I am correct in saying that never once was a formal proposition offered, so there never was anything to accept or to reject.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to insert in the RECORD the names of those departmental representatives who sat with us in conference of the Ways and Means Committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The matter referred to follows:

DEPARTMENTAL REPRESENTATIVES

Treasury: Hon. Robert B. Anderson; Julian B. Baird, Under Secretary for Monetary Affairs; Charles E. Walker, Assistant to the Secretary; Robert P. Mayo, Assistant to the Secretary; Nils A. Lennartson, Assistant to the Secretary; Nelson P. Rose, General Counsel.

Federal Reserve System, Board of Governors: Hon. Wm. McC. Martin, Jr.; Jerome W. Shay, legislative counsel; Winfield Riefler, Assistant to the Chairman; Charles Moloney, Special Assistant to the Board.

Mr. REUSS. Mr. Speaker, I would like to get on to my central point, which really goes beyond this 4¼ percent interest rate. What was in the mind of the Democratic majority of the Ways and Means Committee when they turned down the administration's request to pierce the 4¼ percent interest ceiling? I believe that what the Ways and Means Committee was doing was expressing its unwillingness to ratify the economic policy that the administration has been pursuing in the last 6 years. That policy is a policy of tight money and fiscal laxity; of rising interest rates on the one hand, and decreasing fiscal restraint on the other. What the Ways and Means Committee was saying was: "No."

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. When the gentleman makes the statement he is advancing his own theory of what the administration policy is, certainly not the administration's theory of what that policy is.

Mr. REUSS. My theory of the administration's fiscal and monetary policies is: "By their deeds ye shall know them."

Tight money and high interest rates have been the one cardinal economic policy of this administration. The administration has achieved this by a variety of devices. On numerous occasions, a higher interest coupon was put upon new Treasury issues than the market required. Federal Reserve rediscount rates have repeatedly been raised. And the money supply, from 1954 to 1958, was held down to a 6.6 percent increase, compared with a 21.6 percent increase in gross national product during this same period.

Loose fiscal policies have equally been a characteristic since 1953. The Internal Revenue Act of 1954 saw our tax system riddled with loopholes; no successful attempt has been made since to plug them. The inadequacy of our tax system, of course, contributed to this deficit.

I am going to try to demonstrate, Mr. Speaker, that the tight-money-loose-fiscal-policy mix of the administration hurts the United States where it hurts most, by seriously retarding our rate of growth.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield further, I ask the gentleman to make this point along with his development. The Congress has been under the control of three Democratic leaderships now in a row. Now, surely the responsibility for our tax policy and tax establishment, the Federal Reserve System, and so on is in the hands of the Congress, too; will the gentleman not agree?

Mr. REUSS. No. The gentleman has a different theory of government from mine. I believe that the President is elected by the people to be President.

Mr. CURTIS of Missouri. That is true.

Mr. REUSS. And the Employment Act of 1946 placed upon him the obligation, as the guardian of our economy, to come up before the Congress with a healthy and proper legislative program, a proper tax program, a proper monetary program. As I will try to demonstrate in just a few moments, he has not done so. Therefore, whatever may be the sins of Congress, the original sin is that of the President.

Mr. CURTIS of Missouri. The gentleman has answered my question. He does not feel Congress has the responsibility.

Mr. REUSS. I did not say that. I said the primary, initiating responsibility is on the President, and it is to the manner in which he has discharged his responsibility that I want to turn the spotlight.

I think we all know the rather unhappy facts of our growth rate. While during the postwar period from 1947 to 1952 it was at a healthy rate of around 4½ percent a year, since 1953 it has declined to around 2 percent. This compares unfavorably with the 5 to 6 percent in Western Europe, and the 8 to 10 percent achieved in the Soviet Union.

This lagging growth rate endangers our security abroad and our national welfare at home.

But how does this obsession with monetary restraints and high interest rates, to the neglect of fiscal restraints, retard economic growth?

Let us look at monetary restraint. First of all, what does it do to State and local governments? Take a community that wants to build schools, hospitals, bridges, or streets, for which State and local governments ought to be responsible. The evidence is clear that high interest rates have a very pronounced dampening effect.

Similarly, capital developments, particularly of small and new business enterprises, those that cannot go to the equity market, are dealt mortal blows by high interest rates. Indeed, large business enterprises find that their capital programs are likewise curtailed as a result of high interest rates.

Finally, the whole construction industry, housing and nonresidential construction alike, through the impact of high interest rates on the mortgage structure, shows a very high degree of responsiveness to high interest rates.

So, it looks at first blush as if the main effect of a restrictive monetary policy is to dampen and restrain growth: growth private, through the housing industry and through private business expansion; growth public, through the building and construction activities of State and local governments.

Now, what does monetary policy do to consumer spending? If it operates at all, it has to operate in one of two ways.

It has to operate directly by increasing interest charges for consumer credit. All the evidence available to anybody who turns on his car radio and listens to advertising for installment purchasing from discount houses, leads to the conclusion that high interest rates have no effect whatsoever on consumer purchasing. The length of payments can be strung out from here to eternity, and the installment purchaser never knows what has hit him.

What about the other way in which high interest rates might effect a dampening of consumer expenditures, namely, by increasing the propensity to save? Here again the evidence is overwhelming that high interest rates do not seem to have any effect one way or the other on consumer decisions as to whether to spend or whether to save. For example, if we look at the situation today, with recordbreaking high interest rates, saving by consumers does not seem to have expanded.

Therefore, the administration's tight-money, loose fiscal policy mix fights inflation principally at the expense of investment. In addition to slowing our rate of growth, it has reduced management of the national debt to a shambles. Higher and higher interest rates mean lower and lower market prices for outstanding U.S. securities. This has led to the present debacle of Treasury debt management.

What about fiscal policy, on which I believe we must place much greater emphasis? From the standpoint of limiting total demand to noninflationary proportions, fiscal policy can be every bit as effective as monetary policy. You can restrain total demand just as well by one policy as by the other.

A comparison of the two 6-year post World War II periods—1947–52 and 1953–58—shows that either policy mix can produce about the same anti-inflationary action.

During the 6-year period 1947–52, the policy in effect was one of monetary ease and fiscal stringency. Because of Federal Reserve policy, money was easy and interest rates were low. At the same time, the tax and expenditure policies which were followed resulted in a series of cash budgets surpluses totaling $12.4 billion.

Yet the total price rises during the period 1947–52, if we leave out the distortions produced by Korea, are, if anything, less than the price increases in the period 1953–59, during which a policy of tight money—fiscal laxity prevailed.

In both periods, of course, we could have done a much better anti-inflationary job than we did. The point I wish to make is that our anti-inflation record will be largely determined by what restraints we put upon total demand, and that these restraints can be produced as effectively by a combination of fiscal stringency and adequate money as by a combination of tight money and fiscal laxity.

But the crucial difference is that in monetary policy, when you use that to achieve restraint, you hit at growth, you hit at investment—investment in housing, investment in construction, investment in new plant and equipment, investment in homes, in highways, in schools, in the antipollution programs attempted by our State and local governments.

But when you use fiscal restraint, you can tailor your program to what needs to be done.

For example, if you use fiscal policies and there are inflationary demands, on the expenditures side you can cut down certain governmental outlays as total economic activity increases. If something has to be cut down and the choice lies between cutting down swimming pools on the one hand and cutting down schools on the other, fiscal policy at least helps one to make the choice. On the revenue side, tax policy can be adjusted so as to restrain the demand as between capital goods and consumption goods, and as between different types of consumption goods.

For example, if a higher rate of expansion of productive capacity is needed, in order to achieve more growth, tax policy can be directed toward restraining the increase in consumer demand, as by resisting a general individual income tax decrease.

This, Mr. Speaker, is the issue we face. Shall we not, in the interest of promoting a more rapid growth and in the interest of managing our national debt economically and sensibly—shall we not rely more heavily than we have in the past 6 years on fiscal policy, and less heavily on monetary policy?

I realize that Congress is on the verge of adjournment, and that the administration continues to engage in economic ancestor-worship, so that we can hardly hope to take a new look at our policy now. But January next is another story.

The President, in pursuance of his statutory duty, has to bring in a budget message. He has to bring in an economic report. And I hope, Mr. Speaker, that in those historic documents he will jettison his tight-money, fiscal-laxity policy, and instead substitute, as long as we have inflationary processes, a policy of monetary adequacy and fiscal tightness.

If he will do so we can get on with the job of making our economy grow. If he will do so, our national debt will cease to nag us, and be reduced to manageable proportions.

If recovery continues, there is an excellent prospect that in the fiscal year 1961 budget, to be submitted next January, we can adequately provide for the Nation's needs and still show a surplus on the order of $2 or $3 billion. It seems to me that it would be the course of responsible statesmanship for the President to scotch the idea of a vote-catching election-year tax reduction, and instead to hold that surplus.

Moreover, next January will be long overdue for a loophole-plugging reform of our entire tax structure—the oil depletion allowance, failure to report dividends and interest payments, excessive entertainment deductions, to mention only a few such loopholes. If these were closed, our surplus could well be widened to the order of $5 billion.

This combined action—holding the line against a general tax reduction and plugging the loopholes—would produce a program of adequate fiscal tightness. This by itself—and here is the main point—would result in greater monetary ease. Running a surplus means that some of the national debt can be retired, and investments in U.S. securities can become available to the private sector of the economy and to State and local governments. Credit will become more abundant, and interest rates will go down. This development will reduce the present constraint on investment.

Easing tight money, furthermore, would very substantially help to ease the difficulties of managing the public debt. With interest rates generally declining, the 4¼-percent ceiling should present no problem.

I can cite the most impeccable authority for the proposition that fiscal tightness produces budget surpluses, that budget surpluses permit reducing the national debt, and reduction in the national debt cause interest rates to decline.

Secretary of the Treasury Anderson in testifying last month before the Ways and Means Committee said:

> Budget surpluses in the twenties allowed the Federal Government to reduce the public debt by more than one-third. As a direct result, interest rates declined during a period of general prosperity. (Hearings, p. 17.)

Coming events cast their shadows before. The action of the Ways and Means Committee in turning down the administration's interest rate request reveals a dissatisfaction with the present tight money-loose fiscal policy mix. If inflationary pressures persist, we cannot have both monetary laxity and fiscal laxity—easy money and lower taxes. If price stability, growth of the economy, and a well-managed public debt, are primary objectives of national policy—as they assuredly are—then the tight money-fiscal laxity policy should be abandoned, and a policy of fiscal tightness and adequate money should be substituted.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman.

Mr. CURTIS of Missouri. In all this list of things, did I fail to hear cutting expenditures, or did not the gentleman refer to the expenditure side?

Mr. REUSS. What I say on expenditures is this: Cut out the fat and waste. In the defense program, in the agriculture program, in the foreign-aid program, in many other programs are great opportunities to eliminate wasteful expenditures. On the other hand, let the expenditure program of the Nation take care of the great priorities of the Nation's needs. Let it take care of our defense program. Let it take care of our international responsibilities. And let it take care of the needs of this country for the kind of welfare at home which the people deserve and want. If that is done, and if a long overdue program of plugging some of the more grievous tax loopholes is adopted, then we will be able to see the kind of surplus that I have indicated.

Mr. CURTIS of Missouri. Does the gentleman believe that we can cut Federal expenditures below the levels that we have been making and the ones projected for the next fiscal year?

Mr. REUSS. We do not now have any projections for the next fiscal year. But let me say, in answer to the gentleman's question, this year's $77 billion-plus budget is going to about balance out. In next year's budget, I would look to an expenditure level which is just slightly above the present level. That can be achieved by cutting out the hundreds of millions of dollars of waste and extravagance that are in this year's budget request and substitute for them attention to some of the great priority needs of the country. So my concept of how you make a budget is that you first look at the things that need to be done in this country, and then, on the next go-around, you look at the tax structure and your economic structure, and you see to what extent you can run a surplus by proper adjustments in the tax structure—particularly to the imperative need to plug these loopholes, which are the greatest cause of the sievelike fiscal policy of the Eisenhower administration.

Mr. CURTIS of Missouri. In theory certainly I agree with the gentleman.

Mr. REUSS. I thank the gentleman.

Mr. CURTIS of Missouri. Where we run into difficulty is applying that theory, and that is why I am led to ask this specific question. Will the gentleman vote to sustain the President's veto on this public works project that will come before us Wednesday? There is an example of cutting expenditures, because frankly I have never seen the gentleman from Wisconsin once vote to cut any proposal to spend money. Not once have I seen the gentleman vote against any of these expenditures.

Mr. REUSS. I do not know where the gentleman was when I led the fight to prevent Secretary Benson from writing these million-dollar checks to the large corporation farms. I do not know where the gentleman was when Secretary Benson thumbed his nose at the Congress and insisted on writing these checks anyway. I do not know where the gentleman was when I led the fight to cut out waste and extravagance in some of the airfield programs this year.

But getting back to the public works program, I intend to vote in favor of this year's public works program, because by and large this is a sound program which recognizes the present and future needs of the Nation for resource development. I would say to the gentleman there is a difference in our philosophy. The first concern of Republicans, it seems to me, is to cut out on the expenditure side of the budget those items that are necessary for the health and welfare and well-being of the American people. My effort is to see that we get a proper health and welfare program, and then see how, by plugging the tax loopholes, we can run the type of surplus that I am talking about, which would enable us to discard the present high-interest rate policy of the administration, and by encouraging national growth, produce a tax base upon which we could in the years to come run a steady surplus, which I believe is a necessity.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield at that point, since he brought in the question of Republican policy?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. I do not know where you got that idea.

Mr. REUSS. I see it demonstrated here on the floor of the House every day.

Mr. CURTIS of Missouri. I do not see it. As a matter of fact, I think the gentleman would observe that actually on the Republican side there is an attempt to try to bring down expenditures in whatever area, depending on whether they are well spent or not. I am happy to hear the gentleman say what he has said in regard to the farm program. But there the bulk of the support came from this side of the aisle. I am glad the gentleman is trying to cut expenditures there and in the other areas that he mentioned.

Mr. REUSS. I want to pay tribute to the many economy-minded Republicans who supported me in my fight against Secretary Benson and the Republican administration to stop these wasteful million-dollar payments to the large corporation farms.

Mr. CURTIS of Missouri. The gentleman keeps referring to this Benson farm program. It is not entirely Secretary Benson's program. I came down here under the Truman administration and we have had that thing in here all along.

Mr. REUSS. But it was Secretary Benson who thumbed his nose at the $3,000 limitation which Congress inserted.

Mr. CURTIS of Missouri. He recommended it and I tried to get it through in several Congresses. I will say to the gentleman that I do not know why he quibbles about it, for this Congress has its share of the blame for the farm mess.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Just a moment. I ask the gentleman what party has been in control of the executive branch of the Government for the past 6½ years?

Mr. CURTIS of Missouri. May I answer that?

Mr. McCORMACK. I think the gentleman from Wisconsin can answer that.

Mr. REUSS. I have already made the point that the Republican Party and its leader, President Eisenhower, have been charged with giving to the Congress a sound economic program, and they have failed to do so.

Mr. McCORMACK. And they have not come up with a farm bill yet.

Mr. REUSS. That is correct.

Mr. McCORMACK. Secretary Benson promised the Senate last January that he would recommend to Congress a farm bill, back 3 or 4 months ago. He has not come up with it.

Mr. REUSS. Perhaps it will come in October.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Just a minute; this is interesting.

Mr. REUSS. I yielded to the gentleman from Massachusetts.

Mr. CURTIS of Missouri. I am asking the gentleman from Massachusetts if he in turn will yield for a correction.

Mr. McCORMACK. Of course, the gentleman from Wisconsin has the floor.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. REUSS. I have yielded to the gentleman from Massachusetts.

Mr. McCORMACK. As I remember, the Republican Party in 1952 promised to reduce the national debt. It is now $20 billion higher, is it not?

Mr. REUSS. That is correct. And the interest rate is almost doubled.

Mr. McCORMACK. Oh, talk about the interest rate. I am talking about what the American people have paid, $10 billion a year in interest alone as a result of the policy of the present administration.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. We will get around to you in a minute.

Let me call the gentleman's attention to the fact that in the last 6 years of the Truman administration the income tax revenue was $292,500 million. In the first 6 years of the Eisenhower administration the tax revenue was $444,500 million.

Mr. REUSS. And the significant portion of these figures is that in the Truman administration, during the years 1947 to 1952, the budgetary position was one of surplus. In other words, here was a policy of fiscal tightness at the same time there was a policy of adequate money. As a result, we got a more than doubled growth rate per annum.

Since the Eisenhower administration took over, instead of following a policy of adequate money and fiscal tightness such as was followed in the years 1947 to 1952, it has followed a policy of tight money and fiscal laxity. That has obtained since 1953. The former is a better policy, because it resulted in national growth at twice the annual rate we have had since 1953. It is a better policy, since it makes the national debt our servant rather than our master; I commend to the administration that it ponder the thesis that I advance this afternoon. If the administration will see the error of its ways, and come up next January with a sensible policy of adequate money and fiscal tightness, it will get overwhelming support on this side of the aisle, and once again our country can go forward to adequate growth and adequate management of the national debt.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. I thank the gentleman. I thought maybe this was going to be a one-way street. I simply point some things to the majority leader that he conveniently forgets in this presentation: No. 1, the Republican controlled 80th Congress deserves a great deal of the credit for what fiscal responsibilities there was during this period. Second, during this period this administration came into power with appropriations made in preparation for handling the Korean war which creates an unusual economic condition and unusual expenditures.

And one further thing, during this same period that is regarded as the millenium, we had this heavy inflation.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

REA IN TRANSITION

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Texas [Mr. ALGER] is recognized for 30 minutes.

Mr. ALGER. Mr. Speaker, electric service, with all of its work-saving and pleasure-giving benefits, is available to practically all rural residents today. That was not true in 1936; comparatively few farms were reached by powerlines. City dwellers, enjoying their lights, radios and refrigeration, nodded approval when Congress created the Rural Electrification Administration. The purpose of this lending agency was to help extend electric service to residents of rural areas who did not have it, and this has been done.

Propagandists for the rural electric cooperatives imply that most farmers would still be without electric service had it not been for the REA. That is anything but a logical assumption, since our living standards in many other respects have also risen since 1936—mainly because our free enterprise system thrives on progress.

It may be conceded, however, that the REA caused electric service to reach some rural areas sooner than it would have in the normal process of economic revolution—that is, had the law of supply and demand been allowed to operate without benefit of bureaucracy. The REA speeded up rural electrification at the expense of all the people, the principal subsidies to its co-op borrowers being exemption from Federal taxation and loans at 2 percent, which is less than the money costs the Government.

My purpose here, however, is not to argue the merits or demerits of the REA. The point is that this lending agency was created to do a specific job, and that original job is now done. Quoting from the law creating it, the REA's purpose originally was "for the furnishing of electric energy to persons in rural areas who are not receiving central station service."

According to REA's own figures:

REA estimates[1] that 95.4 percent of the farms in the United States had central station electric service at June 30, 1959.

This being the case, it would seem in the public interest that the farmers of America might be assisted by the Congress in setting up a program where they might operate and finance their own future programs.

But such is not the way of bureaucracy. As one New Dealer so aptly put it, "the nearest thing to immortality on this earth is a Government agency." If one works itself out of a job, it seeks a new one or a new identity. This is especially true of the million dollar lobby that now lives on the pennies and dimes taken from the farmers of America.

The REA-financed rural electric cooperatives want to keep growing, but they are unwilling to give up the tax advantage and subsidies provided them for farm service—even though their new business must come from nonfarm customers. Commenting on certain Federal spending programs "no longer related to the needs of today," Federal Budget Director Maurice H. Stans recently had some interesting comments on the rural electrification program. He said that $3,500 million had been invested in the program at 2 percent interest, and further pointed out that the program has been continued in its original form even though about 95 percent of all farms are now electrified—page 3, second paragraph, report of the REA Administrator, 1958. Half of all REA electricity now goes to industries and other nonfarm customers, and three out of four new customers being added by rural electrics are nonfarm consumers, which is not in keeping with the intent of the law.

As the horrible specter looms—the possibility that a Government lending agency might well go out of business—bureaucrats, lobbyists, and politicians have all joined to urge cooperatives to launch new expansion programs which will extend the need for Federal supervision, and of course, new lending programs.

This year, the electric cooperatives launched a nationwide movement to change the basic law which limits the operation of rural electric cooperatives to areas not receiving central station service, and to eliminate the provision which restricts REA co-op service to cities of not more than 1,500 population. Not only have attempts been made to change the Federal law, but in my own State of Texas, a similar attempt to expand the permissible coverage of electric co-ops was made during the 1959 sessions of the legislature.

[1] Report of the Administrator of the REA, 1958, p. 2, line 33.

It takes no keen analyst to see that with 95.4 percent of the farms of the Nation electrified, the electric co-ops will next try to move into cities and suburban areas already served by existing utilities. The future customers of these so-called rural electric cooperatives will not be farmers but will be factories, markets, refineries, and other nonfarm customers.

The National Rural Electric Cooperative Association is an organization which purportedly represents rural electric cooperatives, and which maintains one of the most powerful lobbies on the Washington scene. The NRECA derives its income from a 1-cent-per-month head tax on each of its 4,500,000 members. NRECA is trying to boost this head tax to 1½ cents per month, and while it is not a taxing authority, it should be able to impose this tax on its captive members with impunity.

The NRECA house organ Rural Electrification in a recent issue mentions the following questions in an editorial headed "Set Thine House in Order"—Rural Electrification, page 6:

> Are the rural electric systems a bunch of "fat cats"?
>
> Are the electric co-ops really being operated as true cooperatives?
>
> Are the electric co-ops violating the spirit and intent of the REA Act?
>
> Do they have a formalized and defensible reserve policy?
>
> Are they borrowing funds from REA at 2 percent and investing them at a higher percent?
>
> Are the electric cooperatives speculating in the market with their reserve funds?

According to the NRECA writer, these are "only some of the questions being asked about your rural electric cooperative."

Electric cooperative spokesmen make much of the fact that their groups are repaying their Government loans. The Administrator reports that "electric borrowers have made debt payments totaling $1,002,581,110"—report of the Administrator of the REA, 1958, page 5, last line—"since the program began." The REA partisans suggest that the 2 percent interest paid by co-op borrowers on loans is profit to the Government. But, as the Administrator points out in his report:

> The REA accounts do not take into consideration the interest costs incurred by the Treasury in excess of the amount received from REA for funds made available to finance REA lending programs.

Fifteen million dollars on amount outstanding last year—Comptroller General's report, page 11. And note that the cost of administering the REA program through 1958 totaled $115,794,850—report of the Administrator of the REA, 1958, page 13, line 33—in addition to the interest losses mentioned.

In a recent speech to members of the National Rural Electric Cooperative Association at their annual convention, President Eisenhower said:

> I like to think that the program which lighted the farm homes of America will also help illuminate the path to sound finance, good government and responsible citizenship.

This thought, along with his suggestion that the co-ops had grown up, and no longer comprised an infant industry, was received coolly by the delegates.

The Government has been lending co-ops money for almost 15 years now at 2 percent interest. The President's suggestion that electric co-ops should pay their own way, by at least paying more realistic interest rates on their Government loans brought forth loud wails of anguish from co-op members and politicians alike. This, they said, was "driving the co-ops to Wall Street for their money." Conveniently ignored was the fact that in the original REA Act of 1936 it was stated that loans should bear an interest rate equal to that which the United States paid on its long-term obligations, which is now about 4 percent per year.

Just recently, here in Washington, we have witnessed the electric co-op lobby at work. Pursuing their convention resolution to strip the incumbent Secretary of Agriculture of his authority over loans made by the Rural Electrification Adminstration, the NRECA made every effort to obtain passage of their pet bill, which would have left only housekeeping functions of the REA to the Agriculture Department.

The No. 1 lobbyist for the REA co-ops in Washington is Clyde Ellis, a former Congressman from Arkansas, who heads NRECA. Mr. Ellis had his own reasons for wanting the transfer of the REA loan authority from the Secretary of Agriculture to the Rural Electric Administrator, even though there is no record of any loan request having been denied by the Secretary. Peculiarly enough, when Mr. Ellis was in Congress in 1939, he voted to have the loan authority placed under the then Secretary of Agriculture, the great liberal leader and progressive Democrat, Henry Agard Wallace.

Electric cooperatives receive special income tax benefits, and therefore are given an unfair advantage by the Federal Government over their taxpaying, investor-owned competitors. Efforts made in the past to tax cooperatives on an equitable basis have always failed.

The Treasury, recognizing the inequalities inherent in this double standard of taxation, has proposed that the so-called certificates which co-ops often give their members in lieu of cash dividends, be made tax-free for 3 years only. After that period, they would be taxed just as are corporate income and stockholder dividends. In 1 year, 1954, approximately $150 million was retained by co-ops for reinvestment and to pay off old certificates. Taxes on such an amount would run from $12 million to $30 million.

May I cite two examples of the REA planned economy in my own State. I might mention that electric co-ops claim 341,561—report of the Administrator of the REA, page 18, table 3—members in Texas. According to a recent estimate made by the U.S. Census Bureau, the population of my district, Dallas County, is 917,000, or almost three times the electric co-op membership in the entire State of Texas. Now, since the taxpayers in my district are being tapped regularly through income tax deductions to help pay interest and tax subsidies given to electric co-ops, I believe that these two cases should be mentioned for the record.

On March 20, 1959, ground was broken for a new 66,000-kilowatt steam-electric generating plant to be constructed by the Medina Electric Cooperative of Hondo, Tex. The Medina Electric Cooperative serves some 6,700—REA Bulletin 1–1, page 188, 1957 last issue—consumers, and purchases its power from Ceneral Power and Light Co. and from the San Antonio Public Service Board. The co-op's power capacity requirement in 1958 was approximately 17,000 kilowatts, compared with the 66,000-kilowatt capacity of the plant now under construction.

This new generating plant was financed by two loans approved by the Rural Electrification Administration, one of $3,700,000 and another of $11,480,000.

Here are two points to be noted: At no time has this co-op required more power than was available from present sources of supply, and the rate charged for this energy is one of the Nation's lowest.

When it was first learned that the Medina Electric Cooperative was contemplating the construction of a steam generating plant, engineers of the Central Power & Light Co., which was under contract to supply power to the co-op, inquired in a letter to David Hamil, REA Administrator, as to whether there had been a change in the criteria for REA generation and transmission loans, as outlined in Administrative Bulletin, No. 61, dated May 30, 1950, and signed by Claude R. Wickard, then Rural Electrification Administrator. This policy bulletin included the following provisions:

First. The Rural Electrification Administration will make loans to finance the initial construction of generation facilities and transmission facilities only under the following conditions:

(a) Where no adequate and dependable source of power is available in the area to meet the borrower's needs.

(b) Where the rates offered by existing power sources would result in a higher cost of power to the borrowers than the cost from facilities financed by REA.

Administrator Hamil replied that there had been no change in this policy.

The two Government loans amounting to $13,893,000 increase the Medina co-op's indebtedness to more than $3,500—according to REA Bulletin 1–1, 1957, plus new loan—announcement 2561–58—per customer—compared with an average for all Texas rural electric co-ops of $726—report of Administrator of the REA, 1958, tables 1 and 3, pages 16 and 18—per customer. Even at the subsidized REA interest rate of 2 percent, this means that each co-op member will be paying more than $70 per year in interest costs alone.

No question has been raised by the Medina co-op as to the adequacy and dependability of their power sources, and although the co-op has been advised of a small rate increase to become effective upon the expiration of present contracts, the cost of power will remain lower than that at which the co-op could generate and transmit it to consumers. It should also be noted that neither the matter of rates nor of service adequacy was used

as a criterion in granting the first loan of $3,709,000.

If the Medina co-op generates 88 percent of its power requirements as planned, it will reduce its bill for purchased power by about $320,000 per year on the basis of 1957 use. At the same time, the interest on the money required to construct the plant will amount to almost $280,000. Even with slightly higher power costs in years to come from Central Power & Light, it will cost the Medina Electric Cooperative more to generate its own power than to purchase it from the private utility. I think that the members of the Medina Electric Cooperative are entitled to have this information.

I think the Members of Congress and the people generally are entitled to the information provided by the Comptroller General in his annual report to Congress regarding the specific provisions of this loan, inasmuch as the Medina corporation proposed to use $675,000 of this money to relend to a private corporation—at 5 percent interest—to construct the gas pipeline which would provide Medina's fuel. Ownership of the pipeline would remain in the hands of the private corporation. The Comptroller General makes two points very clear: First, that REA funds borrowed from the Government at 2 percent were thus reloaned to a private entity not entitled to REA funds; and, second, that funds borrowed from the Government at 2 percent were reloaned by this corporation at 5 percent.

Another interesting development in Texas has to do with the operation of the Brazos Electric Power Cooperative of Waco, another REA-financed generating and transmission system. A recent survey of power costs of cooperative members of this group clearly demonstrates that the cost of energy purchased by REA co-ops from generating and transmission systems is the most expensive that the farmer purchases—REA Bulletin 111–2, page 65, line 2, and page 83, line 1. Private utilities 7.9 mills per kilowatt-hour versus 1.12 cents per kilowatt-hour for power supplied by the G. and T. REA systems. During the past 8 years, power supplied by the Brazos Electric Power Cooperative to distribution cooperatives has cost these farmers $2 million more than if the same service had been supplied by previously existing suppliers. Incidentally, this information comes altogether from figures published by the Rural Electrification Administration.

Gentlemen, I do not get these figures from anybody who in any way can be considered an opponent of the REA.

I might say relative to this matter of competition—and that is what we are talking about—I would like to quote here from the Comptroller General's statement. Actually, it is the report to the Congress by the GAO and it quotes here earlier from Speaker RAYBURN. Mr. RAYBURN is quoted as saying, and I am quite certain this is correct:

> Mr. RAYBURN. May I say to the gentleman that we are not, in this bill, intending to go out and compete with anybody. By this bill we hope to bring electrification to people who do not now have it. This bill was not written on the theory that we were going to punish somebody or parallel their lines or enter into competition with them.

Can our Government afford to continue making these ill-advised and questionable loans to power-type electric cooperatives, to pay for unnecessary duplication of utility services in areas served by taxpaying corporations?

Can the farmer members of these co-ops afford the luxury of higher costs for electric service?

Proponents of public power can see, a short distance over the horizon, a completely socialized electrical industry with those who planned it in comfortable command of the empire they survey.

The time has come when this grasping for more power, for more territory, for more funds must be curbed. Taxpayers cannot support many more freeloaders. This Nation cannot long endure half socialist and half free. That is another interesting observation.

Mr. Speaker, I conclude by saying that with a debt interest of over $8 billion, with the many demands we have in domestic programs and in foreign programs as well as great defense programs, it would seem that it behooves all of us to save money where we can. I might say that the farmers of this Nation should want, and I think they do want, to cooperate in fiscal responsibility.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I am glad to yield to the gentleman.

Mr. KASEM. Mr. Speaker, I want to preface my remarks by saying that the gentleman speaking is one of the ablest proponents of the philosophy advocated on the other side of the aisle; and I do not mean that in any derogatory way at all. I very frequently agree with his remarks and very seldom agree with his conclusions.

However, there was one noticeable other instance in which that was not true, that was on continuance of the renegotiation proceedings in defense contracts. I agreed with the gentleman's conclusions. The gentleman's talk has been an excellent compliment to the great Democratic program of the REA and the service it has rendered to this country. I would like to point out certain fallacies that I believe appear in his argument. One, if this program has served well and has brought light even to the moderate degree that the gentleman is willing to admit, to the unelectrified rural areas of the United States, it appears to me and it should appear to him, since he is on the threshold of that area of the United States where we have vast undeveloped areas yet to be developed, that we should certainly continue the REA.

Mr. ALGER. I must observe to the gentleman that I hope he will not make a speech but ask me questions. May I answer that if that is in the form of a question? Ninety-five point four percent of the farms of the great United States are now electrified. By the way, I might counsel you, when you have the time, to read the report of the Comptroller General. My remarks stem from the report of the Comptroller General, with the preparation of which I had nothing to do, and about which I am sure no political party has anything to do. If I speak on this side of the aisle, the gentleman may know if he observes my record that I do these things generally based on some principles that I believe in and not necessarily because of a party platform.

Mr. KASEM. I concede that very readily and that is why I always like to hear the gentleman speak. I think he is a very sincere and very able Member. I would say this. There are 95 percent electrified farms but there are infinitely varying degrees of electrification and within that 95 percent I am sure there should and will be more improvements. There is the unelectrified 5 percent and there is going to be more ruralization, if you please, in vast areas of the United States that are not developed now at all.

Some financing vehicle must exist that will encourage them to electrify where it cannot be an attraction to private capital to sponsor such development.

Mr. ALGER. Does the gentleman think there is anything anywhere in my statement to indicate that I was opposed to that?

Mr. KASEM. I got a suggestion of that. I was not sure. But I would like to ask the gentleman on that point if he would abolish the REA program?

Mr. ALGER. May I counter that by saying to the gentleman wherever the REA can clearly be established as providing a need that cannot otherwise be met, I am for it. I am merely saying to them that the original intent of the law should be followed. I would turn right around and fight for the right of the REA to provide electricity. And I think you are missing the best point and that is in the telephone field. There are only half of the necessary telephones provided. In fact, I went further here and said, and I realize I did not permit any interruption and it certainly would have aided the gentleman in questioning me, and I apologize for that, but I thank him for permitting me to go on, but I point out to you and I want to quote that in case the gentleman would like to take issue with me:

> The farmers of America should be assisted by the Congress in setting up a program where they might operate and finance their own future programs.

I would actually put into the hands of the farmers the means to do this, but I would not duplicate existing facilities, particularly where, as the Comptroller General shows, in one instance they were building duplicate facilities within 160 feet and running a $120,000 transmission line when the service facilities were already there.

I am only looking at the inequity and the waste that has been so well pleaded here before the committee. I am not trying to disband the REA.

Mr. KASEM. I am very happy to hear that. I would go along with the gentleman in those instances where we can eliminate waste. But with the gentleman's permission I would like to move to another point. The gentleman has spoken of taxpaying corporations and the taxpayers of his district carrying the burden for other areas. He refers to areas in Texas, but it would presumably apply to all other areas. The rural electrification financing is by way of loans,

and I believe at the rate of 2 percent; is that not correct?

Mr. ALGER. That is correct.

Mr. KASEM. And the burden that falls upon the taxpayers——

Mr. ALGER. However, the gentleman knows that the original law stated the interest charged should be at the same rate that the Government pays. Did the gentleman know that?

Mr. KASEM. No; I did not know that, and there is an abundance of things that this gentleman does not know.

Mr. ALGER. I am in that same category. Let me assure the gentleman there is much that I do not know about the REA, but having made a study of this matter on which I am speaking today I might point out to the gentleman that the original law said that the interest should not be less than that paid by the Government itself. But we cut it back to 2 percent. With that I take issue, but it is the present law.

Mr. KASEM. I think at that time it was intended to make it a subsidy. It was originally made 2 percent because the Government was paying 2 percent. It really seems if the burden is on the taxpayers, it is because of the fiscal policies that it has increased interest rates to the Government. Would that not be true?

Mr. ALGER. I think the gentleman is wandering far afield from the basic point of whether the original intent of the law should be followed and the interest rate be the same as the Government pays and why the Government should pledge its assets in order to subsidize these industries by letting these industries have money at a cheaper rate than the Government can borrow it. Can you tell me? And what would you tell your constituents in your home district?

Mr. KASEM. I would tell the gentleman what I tell my constituents: There are areas of the economy that need the general help of all that are in the throes of initial development. This is the answer given by those who want to have protective tariffs, you see.

Mr. ALGER. I cannot yield further to the gentleman for I need to use my own time. The gentleman is perfectly welcome to take the position that he does. It is proper to recognize that the Government subsidizes this particular field. My point is that the Government should not make loans at a rate of interest lower than what the Government itself has to pay. We should not ask the taxpayers to take up the difference.

Mr. KASEM. We are in basic disagreement. I think it is fair that we certainly encourage embryonic endeavors that promise great public good. We subsidize practically everything in the United States of America and obviously we have heavily subsidized some things that were good and some that were not so good.

Mr. ALGER. I must yield to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. First I want to commend the gentleman for a well-prepared and fine presentation and a very good study of the subject. I just want to make one point.

I am afraid the gentleman from California has one misconception. The REA program was not born in politics and it has never been in politics in its essence. In other words, it has been supported by Republicans and Democrats since its beginning and I trust that it will continue to be supported by Democrats and Republicans, both.

The gentleman on the other side of the aisle I hope will realize that the gentleman from Texas and others on this side who have the term "Conservative" applied to us, and I think properly, that we believe in certain Federal expenditures but we hold that they should be well documented, that they should be proper expenditures; and, certainly, even where an expenditure might be justified in a particular program that we should be careful to see that it is spent for that particular program and not for something else.

One other point, and a very important one that is involved in this question is this: It has been pointed out if REA duplicates services provided by the private sector of our economy we take out just that much of the tax base. Whenever the Government assumes an operation it removes that operation from the tax base and thereby puts an added burden on those who are paying the taxes. So whenever we can properly turn something over to the private sector of our economy we gain two advantages: One, it does not come from Federal expenditures; two, it actually adds to the Federal revenues, for it enlarges the tax base.

Mr. ALGER. I thank the gentleman. I have tried to give a fair example of the operations under the present administration of REA and I think from the examples shown I have proved in many instances people are paying higher rates; and secondly, that REA is duplicating existing facilities. Apparently many people do not know this, but will become more aware of it when they realize that their electric rates are higher than others.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. With respect to the REA, I see the distinguished former Administrator of REA in the Chamber, the gentleman from Minnesota, Mr. NELSEN, and his distinguished successor, Mr. Hamil, a former speaker of the State Legislature of Colorado, under whom I served. Am I to understand that the gentleman's remarks made this afternoon are intended to be a criticism of the administration of either of these two estimable gentlemen?

Mr. ALGER. My remarks, as the gentleman well understands, were intended to be just about as critical as they could be in the examples I gave.

It seems to me I have presented a problem that the gentleman from Colorado would like to help solve because he spoke so eloquently of the need for a sound fiscal policy.

The thing I object to is that the taxpayers have paid $15 million of interest more for REA than they should have. In other words, the REA interest rate has been less than the rate the Government had to pay to borrow that money in the first place. The REA has been subsidized in its operations to this extent. They have actually been paying a lower interest rate than the Government had to on the money it borrowed. I suggest that the gentleman should be very much interested in helping to correct this situation.

Mr. JOHNSON of Colorado. I thank the gentleman for his comments. If I may comment further I will say that my purpose earlier this afternoon, as was that of the gentleman from Wisconsin, was to note that if present interest rates are too high I would prefer to get the level of interest rates back to a lower point rather than provide higher interest on long-term government bonds, which seems to be the policy of the Government and the policy of the President.

Mr. ALGER. If I may be permitted an answer in rebuttal, I am not trying to place blame; I was presenting a case I thought, for the correction of REA administration, a system that has actually done a fine job. The gentleman has misunderstood me entirely if he thought I wanted to wreck the program. I want to strengthen it and put it on a sound basis. I am sure the gentleman is just as interested in eliminating waste, in economizing, and in making this country right for the taxpayers who ultimately pay the bill.

Am I wrong?

Mr. JOHNSON of Colorado. I would agree with that, and to footnote: This is one of the cases where the investment in the long run is self-liquidating. As you electrify the farms, we have far fewer farmers producing more, you increase the amount of money the Government recovers in income taxes from the farmers because of their increased productivity. So that is entirely different from apparently what the gentleman believes.

I would note, too, that in the campaign last fall my two Republican opponents coming from Mr. Hamil's district preceded me in answering the question by saying they would not dream of raising interest rates. You can see where that puts me.

Mr. ALGER. I can see the problem, but I would rather not get mixed up in the gentleman's campaign. The gentleman, like myself, does not believe we should duplicate private facilities with REA's side by side; is that correct?

Mr. JOHNSON of Colorado. I would make this further comment: You must take both a short- and long-run view. The use of electricity in this country has increased tremendously, and I would not want to assume that because at the moment there was a surplus of power in one area, a new generation and transmission facilities might not be needed. I would have to examine it case by case. I would not want to generalize.

PUBLIC WORKS VETO

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 30 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I understand the House is to vote on

the question of whether or not to override the President's veto of the public works appropriation bill.

I find myself in sympathy with one argument being advanced by those who wish to override the veto. This argument is that the Congress should not have to take just what the President says in his judgment is a proper public works project. Because I am in sympathy with this argument, I have opposed and still do oppose the proposal for an item veto. I wonder how many advocates of the item veto will vote to override this veto? Those who try to make a party issue out of this veto will, but those who put their belief in the propriety of an item veto will not.

I am also in sympathy with those who disagree with the President's principle of "no new starts" in public works projects. I think many public works need to be started which have not been and there are many which have been started that should be stopped. However, I do appreciate the practicality of the President's policy. It is one way to keep public works expenditures within some budgetary limit.

In spite of this sympathy I shall vote against overriding the President's veto for the following reasons:

First. Federal expenditures must be held within some budgetary limit. The problem of inflation and the fiscal solvency of this Nation is serious. Those people who do not like to vote for increasing the debt limit, or removing the ceiling on interest which we pay for the Federal debt, or do not want to increase taxes must recognize that there is only one way to avoid that which they dislike and that is to stop appropriating more money than we collect in taxes.

Second. The Congress has not set up a workable method to hold public works appropriations in hand. Or, for that matter, Congress has adopted no workable procedure for keeping any appropriations within a total budget. Therefore, it ill behooves Congress to raise a fuss because the Executive through the Bureau of the Budget is trying to bring this desirable thing about.

If Congress will exercise self-discipline in the area of expenditures then we have a basis to quarrel with the Executive about cutting back as he sees fit, but not otherwise.

Third. Not only has Congress not set up a method of holding expenditures in line, it submits to pressures by individual Members to violate the rule it has set up to regulate public works appropriations. Most of the projects in the appropriation bill to which the President has objected to in his veto are projects that were put into the budget in violation of the ground rules set up.

When a Member gets a project in the bill contrary to the rules it makes it tough on every other Member who did not get a project in because his fell short of meeting the standards set. Most Congressmen prefer to follow fair rules if the rules are enforced. I personally will fight the battle for my projects within the rules. When I find a bill vetoed because others have violated the rules I lose a great deal of sympathy for their pleas to override a veto in order to protect the prerogatives of the Congress.

I want to say a word about another argument that is being advanced by some of my colleagues. We hear it all the time as justification for voting for expenditures. The argument is, if we are going to spend the money abroad, let us spend it at home, too.

One of the reasons I have voted against foreign aid appropriation bills, though not the primary one, is the damage done to fiscal responsibility just because of this kind of argument is appealing to so many Congressmen.

I notice, however, that the main persons using this argument are those who vote for all expenditures—at home, abroad, or in outer space, it matters not where it is spent to them. I cannot appeal to them, I know. But I do appeal to those who sincerely are concerned about holding Federal expenditures to a budget figure. Instead of giving into this phony argument of the spenders let us boil it down to what it really is. If we are going to be fiscally irresponsible in spending money abroad why should we be fiscally responsible about spending money at home? The answer is this. To be fiscally responsible we must be fiscally responsible in all things. It matters little where the budget is burst, the net result is the same. It creates inflation and damages the budget of all our people, stunts economic growth, and destroys prosperity.

We can have a good appropriation bill stripped of the projects which were in violation of the rules the rest of us abided by in trying to get our projects included. The President will sign a bill which includes the projects that met the tests set up. Let us sustain the veto and submit a bill divested of the projects which are in violation of the standards which were set in full time for all Members to comply with.

In conclusion, Mr. Speaker, I would like to make reference to the previous debate that has ensued involving our fiscal difficulties and debt management. It was very noticeable in all the remarks the gentlemen on the other side were making that hardly ever did they talk about cutting expenditures. There was no attention paid to what creates high interest rates. What creates high interest rates, of course, is the demand for money; demand for investment capital.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thought I spent some time, in the brief period I had, on budget policy, pointing out that you can differentiate between liquidating and self-liquidating, productive and unproductive, or wasteful expenditures, and the gentleman from Wisconsin joined me in singling out a number of places where he felt there was waste. And, I think it would be a misunderstanding about what was said here this afternoon to suggest that we were not concerned with the quality as well as the amount.

Mr. CURTIS of Missouri. I might say to the gentleman that the answer is not general theory. When I interrogated the gentleman from Wisconsin, I said in theory that was very fine, but I thought we had to get down to some details. Then I made the charge to which he answered and pointed out two instances where he said that he had voted to cut expenditures. But, I want to point out again that the gentleman from Colorado, I have observed, has not been among those—and this is not in criticism of his views—has never been among those who tried to cut these budget requests down and has always been for those who want to increase the budget request.

Mr. JOHNSON of Colorado. If the gentleman reviews my voting record, I think he would find he is in error.

Mr. CURTIS of Missouri. The gentleman from Massachusetts [Mr. McCORMACK] in debate the other day, was telling some of his friends "I voted for your projects, and therefore you should be voting for these." And I felt like taking the floor, but I could not grab it quite then.

There was too much going on, but I wanted to take the floor and ask the question whether the gentleman had ever voted against anybody's proposal for expending money. There is the issue. I think economy has to begin at home, as it were. It has to begin with the Congressman's own district. If we are not willing to start cutting and to consider cutting budgets with reference to projects that affect our own district, things of that nature, then I think all our talk about trying to keep expenditures down is just so much talk.

Essentially it is this, reverting again to the addresses of the gentleman from Colorado [Mr. JOHNSON] and the gentleman from Wisconsin [Mr. REUSS]. They create the impression, and I think it is their theory, that the administration is a high-interest-rate administration, that it believes in high interest rates. That is untrue. The administration has denied it. I, who believe the administration's theories are essentially correct, deny it. I do not think anyone in this country is for high interest rates. We want to have interest as low as practicably possible. But what creates high interest rates? Again I say it is the demand for investment capital. If you have the demand high, and with a tremendous Federal debt, such as we have, and continued deficit financing, you will have high interest rates. To finance the $12 billion deficit of last year means that there is an added demand for investment capital. That is a basic cause of high interest rates. Not that anyone plans it, but because there is the demand for investment capital and our people's savings have not kept up with the demand.

Mr. JOHNSON of Colorado. The deficit last year, of course, is now history so far as the financial life is concerned.

Mr. CURTIS of Missouri. No, no. The deficit of last year is having its impact right now. It did not have it until—well, I think you could say that the deficit began having its impact probably around April or May. We are now in the full swing of it.

Mr. JOHNSON of Colorado. Then how do you account for the rise in interest rates in years when there was not a $12 billion deficit?

Mr. CURTIS of Missouri. There is more to interest rates and demand for private capital than the Federal sector. That is another error that I think the gentleman from Colorado and the gentleman from Wisconsin and those who follow their theories, are constantly making. They think the Government can set interest rates. The point that I am trying to advance is that the marketplace essentially sets the interest rates. When interest rates go up, it may be partly due to Government policy, but Government is only one factor and not the largest factor, either. It may be the largest single factor. But the Government is by no means the only factor in the money market.

The SPEAKER pro tempore (Mr. BOLLING). The time of the gentleman from Missouri [Mr. CURTIS] has expired.

THE HONORABLE EDWARD EAGLE BROWN DIED AUGUST 24, 1959

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 20 minutes.

Mr. LIBONATI. Mr. Speaker, the germinating of a seed or bud means life, in plant or man, but the genes in man are his inheritance from his ancestry.

Mr. Speaker, nature works its wonders through all living things. It follows a definite pattern and manifests itself according to rules. Its work, in such an undeviating manner, can only be indicative of a God-like obedience to God's will—if not the power, then the Almighty Himself.

And so, as the sprouting bud, cracking forth as a rudimentary crinkled, delicate transparent silk green finger of plant tissue, alive with freshness and peeking at the world.

And this perfect leaflet, nurtured by the earth and the elements, grows to a predestined maturity. Its perfections or imperfections are nature's secret.

A low, soft whistling in the leafy trees; the foliage lazily turning on twisting stems, as though to escape the sun's penetrating beams that play upon their veined and green-tinted summer faces, and tomorrow changingly wears a coat of brown or tinted colors that scintillate in the sun, as the wind buoyantly lofts it into space and away.

And so it is with life.

Nature displays the utmost of perfection of form and symmetry in the leaf—but for man, with mind and soul, nature leaves to his offspring the future development of the genes of his posterity.

It was not a mere accident of nature that Edward Eagle Brown was a brilliant and talented man in the field of finance and corporation law. He was the son of distinguished parents. It is a scientific fact that the offspring inherit, congenitally, those strong characteristics and talents of the parents. It can be truthfully said that geniuses are born of intellectually favored mothers. Eagle Brown was truly a real genius and his revolutionary contributions to the advancement of corporate organization and the development of new methods of corporate control for modern business proved it. He needs no monument dedicated to his memory—by his work the world of finance has received its highest contribution in the perfection of rules to insure financial security protection. His resourceful mind perfected functioning organization for big business. It was sorely needed.

And so it was with the career of Edward Eagle Brown, a native Chicagoan, born June 4, 1885, of a distinguished father, Judge Edward Osgood Brown, for many years attorney for the First National Bank, before his ascendancy to the bench in 1903.

He was graduated from Harvard Law School in 1908 and admitted to the Illinois bar. Several years later he become one of the staff of legal counsel for the First National Bank.

In 1913 he married Miss Phyllis Wyatt, the literary columnist on the staff of the Chicago Evening Post. She died in 1944; the couple was childless.

It was during these early years after graduation that he came under the direction of our beloved Jane Addams of Hull House. As a resident at Hull House he participated in all youth activities, teaching in evening classes, and as a director of club activities. It was here that he studied life's experience of others in the raw. He never lost the urge for, nor failed to support worthy charities for the welfare of those less fortunate than himself.

In his early youth, he became very active in Democratic politics and his identification with the party gave him many opportunities to advance the interests of his bank, both in Washington, D.C., and Springfield, Ill., and, of course, at home.

He was an astute student of every phase of banking and relative financial interests. He knew the monetary practices and intricacies of world governments. His mind became so retentive in all areas of finance that, mentally, he could retain all of the financial figures of every corporation of importance to his banking interests. He was said to have a photographic memory.

His rise was immediate, in that his knowledge was profound. He became an expert in banking methods and its involved operations.

His advice was law. His solutions were infallible. He worked far into the nights—he believed in work. He rewarded those who joined the ranks of the bank employees. The high level pension system and employees' bank stock buying plan was a revelation to American enterprise. The longevity of service years of valued employees increased.

His work and value did not escape the good notices of those in authority. He served as assistant attorney and general counsel for 14 years, and then as vice president for 12 years, and as president of the bank for 12 years, to 1945. He was then elected chairman of the board, and served until 1955.

The greatest era of the bank's progress was during his term as president and chairman of the board, deposits advancing from $583,000 in 1934 to $2,800,000 in 1955.

The legislative history of the Illinois Assembly is replete with many laws touching the financial structure of State, county, and city governments. The practical approach in their applicability to intricate and momentuous programs was due to his consistent and clarifying proposals. He alone did much to perfect the legalistic language of the Chicago Transit Authority. His tremendous knowledge of the financial implications involved, permeated the legal structure of its financial operation. He was the last word in the reorganization of the antiquated practices of the financial departments of government. His valued advice in formulating these changes into law bridged across dishonest practices and recouped public confidence. Time and again he lent his talents toward that end—he was a godsend to honest government in the handling of public moneys.

Everyone loved Eagle Brown. He was a clean and honest man. He loved his city, county, State, and country and worked hard for the attainment of perfection in the handling of public funds. As he often said, it is difficult to legislate honesty but, at least, foolproof measures of control will guard against temptation.

The First National Bank, its officers and personnel, venerated and loved the Old Eagle—Vice President George Sisler and Jeannette were ever at his call, they knew him for what he was—the grand old boss. He was their friend in times of need. The employees, over the years, looked upon him as their anchor to a feeling of security. He was not a demonstrative man, but one who liked people, especially those who needed his advice. He was no exhibitionist and never sought public nor political aggrandizement. He was a gentleman of the old school of thought—do your job well and you will feel rested in doing it.

It was Mr. Brown who kept the bank open certain nights to receive the deposits or cash the checks of working people, who were unable to leave their duties elsewhere to transact their business. No problem escaped him—he always had a solution. He believed that a satisfied depositor is one who is accommodated. Depositors traveled far from the boundaries of the metropolitan area to continue to do business with the First National Bank—it gave good service. Good service instills confidence. Real confidence insures good business and a secure bank. No one withdrew an account to change to another bank near home.

Among his many friends in all walks of life, were those whom he had approved as men of character. To these he extended the advantages of his bank's facilities. He was a veritable genius in determining to whom loans should be given. Hundreds of enterprising businesses would never have survived the financial pressures of their formative years had it not been for the acute and discerning qualities of Eagle Brown. The most affluent businesses owe their financial success to him. He believed in the growth and expansion of business in Chicago and approved many loans that contributed to the economic stability of a growing city.

Mr. Eagle Brown believed in the principles of the American Legion. He realized the high purpose of the organization to keep America strong; to aid and serve the veteran who was unable to help himself; to protect the widows and the orphans. He spoke glowingly of the auxiliary, in its contributions of time, effort and money to the veterans in hospitals and on sick beds; their many sacrifices for the orphans and abandoned children of veterans at the Soldiers' and Sailors' Home at Normal, Ill. His constant interest in their cause was further reflected by his unqualified support of the First National Bank Post, the American Legion, Department of Illinois, in all of their endeavors. His employment of hundreds of veterans seemed to place those men, who served their country in time of war, in his special esteem.

He was elated over the election of Jack Gleason, vice president of the First National Bank, as national commander of the American Legion. He was proud of Jack's career in national affairs of the organization. It was a natural feeling, for Jack was the son of his deceased friend and fellow official at the bank for many years. He was especially proud of the accomplishments of Vice President "Bumps" Cross, presently retired after 50 years with the bank, whose activity in the Legion for over 40 years marked him as a powerful associate of Jim Ringley, the leader and last word in American Legion politics. The Legion, at every level, responded to his friendliness by depositing thousands of dollars of their funds and accounts in his bank. He held their highest confidence and admiration.

And so we have lost a genius of finance; a great American; a man who believed in hard work, integrity, intelligence, studied knowledge and an uncompromising courage to stubbornly resist exploitation of an honest principle.

He was a simple man both in dress and manner. He said what he meant and did not seek to say things to please the ears of a listener. He was forthright and gruff when he drove home a point. He was frank and did not equivocate on a subject. Above all he was never guilty of crooked thinking. The high regard and respect that others held for him was not unearned. His sentimental depth of feeling was a secret—that he kept well—no doubt it was a flame unquenched and undiminished since the Hull House days when we little urchins of the old neighborhood sat upon the floor and listened to this teachings and guidance. I really was proud of him always, but especially the last time he came before the State legislative commission, appointed to report upon the CTA problems of financing and subsidy proposals, of the 1957 session of the Illinois General Assembly. He was not too well but nevertheless he came to the hearing. The wisdom of his words upon the subject, spoken in a low measured tone, carried the weight of a sage.

He was a straight thinker who instilled in others a will to follow through. His thorough knowledge of the subject matter under consideration was the product of a careful study and years of hard work tempered by experience. He was no dreamer but visualized the application of the principles of practical and sound thinking to gain the solution of the problem presented. He was given every courtesy—for he had long ago proven to us that he spoke an honest tongue with an honest heart.

The Nation, the State of Illinois, and the metropolitan area of Chicago have lost one of their most distinguished and patriotic citizens in the death of this brilliant genius of the world of finance, Edward Eagle Brown, on the 24th day of August 1959.

May God rest his soul.

We of the Illinois delegation in Congress extend our heartfelt sympathy to his sister, Mrs. John W. Brown; his brother, Walter E. Brown, naval captain retired; his neices and nephews, Wilburt, Walter E., Lee B., Mary W. and Francis E. Haggerty; Eloise B. Thornburg; Edward O., Robert L., and Dorcas P. Brown; Helen W. B. Levine and Sarah W. B. Zorn.

A MINUTE OF SILENT PRAYER TO GREET KHRUSHCHEV

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. ZABLOCKI] is recognized for 30 minutes.

Mr. ZABLOCKI. Mr. Speaker, last Friday, August 27, a movement was launched in Washington to unite Americans of all faiths, and in every walk of life, in a dramatic demonstration of our Nation's unity and devotion to God when Khrushchev arrives in the United States on September 15.

A unique organization made up of Americans of all major religious faiths—Protestant, Catholic, Jewish, and Eastern Orthodox—is urging our citizenry to observe a nationwide "minute of silence"—devoted to prayer and meditation about our spiritual heritage—at 11 a.m. on the day of Khrushchev's arrival.

The organization sponsoring this movement is the Foundation for Religious Action in the Social and Civil Order—FRASCO. Its chairman and executive director is Dr. Charles Wesley Lowry, a well-known theologian and Episcopal clergyman. Other prominent national leaders in religion and education, leading the movement, include the Reverend Theodore M. Hesburgh, president of Notre Dame University; Rabbi David Panitz, minister of Washington's Adas Israel Congregation; and Rev. Demetrios G. Kalaris, pastor of Sts. Constantine and Helen Greek Orthodox Church, Washington, D.C.

The minute of silence will be a dramatic demonstration of solidarity of the American people and our Government during these grave times. It will be an open reaffirmation of our Nation's faith in God and of our belief in the dignity of each human being, arising out of our origin at the hands of our Creator.

I understand that FRASCO is planning to promote the observance in various ways. Church leaders of all denominations are being urged to sponsor the minute of silence with special services in their churches and synagogues.

Workers, businessmen, and farmers are being asked to stop work during the minute where this will not entail a great inconvenience. Schoolchildren will be asked to stand beside their desks in silence, and housewives can pause in their daily routine.

Under present plans, the minute of silence will also include the halt of automobile, bus, and truck traffic on every road and street in America. Travelers in trains and airplanes can simply bow their heads in meditation.

Dr. Lowry expressed the hope that church bells and air raid sirens will sound out at 11 a.m. on Tuesday, September 15, and again at 11:01, to mark the beginning and the end of the minute.

Requests are going out to Governors asking them to issue proclamations for an official minute of silence in every State, Commonwealth, and territory. Congressional leaders and Government officials are also being asked to join in this religious and patriotic observance.

According to Dr. Lowry, the individual may pray or meditate during the minute, as his own conscious dictates to him. "This is a measure to unite all Americans," he says, "in the way we are united in every Thanksgiving Day, when we stop our work and express our gratitude to the Almighty."

FRASCO has prepared a short meditation entitled "A Creed for Americans," which can be used as the basis for individual meditation. The creed is made up entirely of quotations from America's state papers and other sources. It begins with a quote—"In the name of God, amen"—from the Mayflower Compact and ends with a quote from the pledge of allegiance to the flag—"One nation under God, indivisible, with liberty and justice for all"—which was amended and approved by Congress in 1954, as well as with our national motto—"In God We Trust"—approved in 1955.

The full text of the creed reads as follows:

A CREED FOR AMERICANS

In the name of God, amen. (Mayflower Compact, Plymouth Rock, Mass., 1620.)

"Proclaim liberty throughout all the land unto all the inhabitants thereof." (Leviticus 25: 10: Inscription on Liberty Bell at Independence Hall, Philadelphia, Pa., 1752.)

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. * * *

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to affect their safety and happiness. (Declaration of Independence, Philadelphia, Pa., 1776.)

No people can be bound to acknowledge and adore the invisible hand which conducts the affairs of men more than the people of the United States. Every step by which they have advanced to the character of an independent Nation seems to have been distinguished by some token of providential agency. (Washington, First Inaugural Address, New York, N.Y., 1789.)

Our reliance is in the love of liberty which God has planted in our bosoms. Our defense is in the preservation of the spirit

which prizes liberty as the heritage of all men, in all lands, everywhere. (Lincoln, speech at Edwardsville, Ill., 1858.)

We cannot escape history. * * * No personal significance, or insignificance, can spare one or another of us. The fiery trial through which we pass, will light us down, in honor or dishonor, to the latest generation. (Lincoln, message to Congress, Washington, D.C., 1862.)

We here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth. (Lincoln, address at Gettysburg, Pa., 1863.)

One Nation under God, indivisible, with liberty and justice for all. (Pledge of allegiance to the flag, 1892, 1954.)

"In God We Trust." (National motto, 1864, 1955.)

Dr. Lowry pointed out that the minute of silence will sweep across the Nation in eight waves, since it will be observed at exactly 11 a.m. in standard or daylight time beginning on the east coast and Puerto Rico, and continuing across the continent and on out to Hawaii and the Bering Strait.

In an effort to assist in the movement originated by the Foundation for Religious Action in the Social and Civil Order, I introduced a resolution in Congress today, House Resolution 367, "to affirm the solidarity of the American people and their faith in God at the time of the visit to the United States of the Chairman of the Council of Ministers of the U.S.S.R."

The text of my resolution reads as follows:

RESOLUTION TO REAFFIRM THE SOLIDARITY OF THE AMERICAN PEOPLE AND THEIR FAITH IN GOD AT THE TIME OF THE VISIT TO THE UNITED STATES OF THE CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE U.S.S.R.

Whereas the Chairman of the Council of Ministers of the U.S.S.R. has been invited to the United States of America for an official visit and for discussions with American officials regarding the relations between these two nations, and is scheduled to arrive in the United States on September 15, 1959; and

Whereas the Government of the U.S.S.R. and the Communist Party are, on the basis of repeated declarations, committed to the denial of the existence of God, and the ultimate extirpation of belief in Him; and

Whereas the American heritage, as enshrined in our Declaration of Independence and other state papers, has been one of constant acknowledgment of and gratitude to Almighty God: Therefore be it

Resolved, That in order to reaffirm the solidarity of the American people and the United States Government during these discussions, and to demonstrate this Nation's adherence to our traditional motto, "In God We Trust," a minute of silence, for prayer or meditation, according to the conscience of the individual, be commended to the American people, for observance at 11 a.m., local time in each time zone, on September 15, 1959.

Mr. Speaker, I sincerely hope that this resolution will receive speedy and favorable consideration in this House, thereby lending the support of the membership of this body to this worthy movement.

GENERAL LEAVE TO EXTEND

Mr. KOWALSKI. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD on the bill H.R. 3722, the voluntary firemen's bill, on donable surplus property, which passed the House earlier today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ADDRESS BY GEN. ERNEST O. THOMPSON, CHAIRMAN, TEXAS RAILROAD COMMISSION, ON OIL CENTENNIAL CELEBRATION

Mr. PATMAN. Mr. Speaker, Gen. Ernest O. Thompson is the best informed man in all the world on oil and its related products. No other person has had the wide experience dealing with the difficult problems concerning oil that General Thompson has experienced during the past 30 years. It is appropriate that General Thompson was called upon to make one of the principal addresses on August 27, 1959, at Titusville, Pa., at the Oil Centennial Celebration commemorating Drake's discovery of oil. His address was as follows:

ADDRESS BY GEN. ERNEST O. THOMPSON, CHAIRMAN, TEXAS RAILROAD COMMISSION, OIL CENTENNIAL CELEBRATION COMMEMORATING DRAKE'S DISCOVERY OF OIL, TITUSVILLE, PA., AUGUST 27, 1959

Today we celebrate the discovery of a new source of energy that has greatly shaped the course of mankind in bringing more light and satisfaction under control.

Here in Titusville, Colonel Drake was the persistent searcher who, 100 years ago, hit oil in a well drilled on purpose to find oil. He found oil and by this success he set off a chain of events that has revolutionized our lives the world around.

Down in Corsicana, Tex., on May 5 of this year, it was my great privilege to send on its way, through the great pipeline system, a steel capsule which carried a microfilm of a message from 33 oil State Governors to you, Governor Lawrence, expressing their greetings and congratulations on this the centennial of the discovery of oil—nature's bounty to mankind.

Along with these men, may I as one who has devoted over a quarter of a century to the stewardship of oil and gas conservation join in these congratulations on this proud celebration put on by the people of Pennsylvania. Surely Pennsylvania can be proud of this day and the event it memorializes.

It is of the greatest concern that the United States is producing our oil six times faster than the rest of the world when production is compared to reserves.

Little did Colonel Drake know about the revolution that his discovery of oil would bring about. He of course was looking for a source of kerosene, or coal oil as it was then called, for the lamps of the country and the world. Coal oil was to find its way throughout the world.

Pennsylvania crude was to become the lubricant standard of the world. The gasoline ran down the creeks as an unwanted by-product of kerosene.

Then, in the 1890's, the internal combustion engine was perfected. This brought on the automobile.

The discovery of Spindletop Field in 1901, in Texas, assured the supply of oil to aid Pennsylvania in fueling the engines to run the automobiles of the world.

Drake found the oil, Ford put in the assembly line to make cars fast and cheap, then Kettering invented the self-starter making it possible for women to drive automobiles thus doubling the number of cars in use. It remained for the industry, through conservation and exploration, to find the oil.

While we celebrate the discovery of oil, from the first oil well drilled for oil, we can very well also take note of the first dry hole started just 4 days after Drake's discovery. This dry hole was drilled on the J. L. Grandin farm and although put down in an oil spring the hole was dry. It is to the courage of thousands of dry hole drillers that we pay respect along with Colonel Drake for his successful effort.

I read in Petroleum Week that you people had placed a marker on the site of this first dry hole as a perpetual reminder of the heavy odds that oil operators face in drilling for oil. Only one wildcat out of nine finds any oil at all. I know of no other business that has the hazards faced by oil operators in their constant search for oil.

I have often heard it said that more money has been spent than has been recovered in oil to date.

There has been throughout the years constant recurrent talk about running out of oil. We are not running out of oil. There is at the present time in the United States the reserve daily producing ability of 3 million barrels of oil; that is, we can produce 3 million barrels more oil than we are now producing from the wells presently drilled at their most efficient rate. It should be remembered that under proper conservation rules, with the wells producing no faster than their most efficient rate, it is entirely possible to recover four times as much of the oil in place as was formerly recovered under the old open flow methods.

We are constantly going deeper to find more oil. It was in 1931, or 72 years after Drake's discovery, before an oil well went down to 10,000 feet. Now we have reached a 25,000-foot depth.

It is a remarkable achievement that in this 100th year of oil, and after the production of 62 billion barrels of oil, we find ourselves with a reserve of 37 billion barrels of oil and a gas reserve of 260 trillion cubic feet; both the largest in the history of a hundred years of oil.

With broader spacing of wells we have made it possible to keep up the reserves without drilling so many wells. Forty-seven thousand wells per year drilled today do the work of 58,000 wells in the years past. Broader spacing is a necessary improvement to prevent unnecessary waste and keep petroleum products cheap. Of course, closer drilling can be had later on if found necessary.

Drilling for oil is going on from Alaska in the north to Australia on the south, also in the Middle East in a big way, and in the Sahara Desert. In fact, it is hard to find a spot on the globe where oil is not sought. Success crowns these efforts in a surprising manner. We are blessed with a surplus of oil the world around and we are assured of ample supplies for the forseeable future.

Ample oil supplies have made it possible for the United States to win two World Wars and many brushfire wars in the last generation or two.

Sixty percent of the United States' oversea tonnage in World War II was petroleum products. Never was there any fuel shortage at the front. Sometimes an army would run ahead of its supplies but the supply of gasoline was within their army zone. They simply went forward faster than they had anticipated.

The good that oil has done for humanity is almost impossible to evaluate. The discovery of oil has meant more to man's progress than any invention since man learned how to make a wheel.

Sixty million automobiles in use give the greatest mobility to the United States of any nation on earth. The railways have dieselized their trains, the Navy moves by oil, and the airplanes are fueled by petroleum. Trucks and buses, tractors, and farm machinery move on oil.

One of the reasons of our great agricultural surpluses is that the farmers do not have to raise feed for horses and mules. Some experts say this contributes one-fourth to the available farm production in net gain for human consumption.

Manpower and animal power has been supplanted largely by petroleum motivated engines.

Some hundreds of products are now being extracted and made from petroleum to fill new needs of our people in all walks of life.

The broadening of the use of petroleum and natural gas has even taught our Federal and State Governments how to work together, each in its unquestioned field of jurisdiction. The soverign States have the exclusive control of conservation of oil and gas in its production within its borders, except on Federal lands and indeed even in that area the Federal Government stands in the position of the ordinary landowner where conservation, as it applies to waste prevention, is concerned. Then, too, the Federal Government is bound to look after the Indian lands since the Indians are wards of the Federal Government.

Most of the oil-producing States have passed wise conservation statutes to prevent physical waste in connection with the production and transportation and storage of oil and its products. Conservation, to my mind, means wise use of the reservoir energy which propels the oil through the rocks and raises it to the well bore and thence up to the surface of the earth. This is in contrast to the old gusher days practice of letting wells blow their heads off for a spell and dissipate the God-given energy to their air instead of wisely controlling the flow and fully utilizing this motivating energy. This means greater ultimate recovery of oil from each field. This is good stewardship of a God-given resource.

Perhaps no other industry in America is as fiercely competitive as is the oil industry in all its divisions.

The operators find the drilling contractors bidding at lower figures to drill wells on lands the operators have hotly competed for in the bidding for leases for oil and gas.

The producers compete for their share of the production in every field that produces oil or gas and this competition is great in view of America's ability to produce for more oil than is needed to fill all demands.

Foreign oil, although limited by quota, seeks to come in in ever-increasing quantities.

The refining capacity is far greater than present demand for products, yet the refineries freely run far more crude than is possible to sell. Filling stations dot almost every corner to serve the public. It really seems that the refiner and the marketer are truly, in fact, merely the outlet to sell the crude which is so plentiful. I do not say this is in any way wrong; I am simply stating a fact as I see it. This fact is deeply impressed upon me by the circumstances that cause Texas' 190,000 oil wells to be allowed to produce only 9 days a month because we can produce all we can sell in a month with only 9 days' operation.

More wells are brought in every day to supply more oil. In Texas, last year (1958), we brought in 12,268 new oil producers. We plugged 3,050, thus showing a net gain of 9,218 new producers for the year. Of course the same progress is being made all over the world. Thus does the surplus of oil-producing ability increase in spite of greater use.

It should always be kept in mind that this oil surplus, ready to be produced from the reservoirs already drilled and hooked up to pipelines to refineries of the land, is stored at the exclusive cost to the producers. I mean there is no cost of storage to the Government in connection with this storage. And it must always be emphasized that God's or nature's reservoir is the place to keep this oil until it is needed for our expanding peacetime economy or for national defense, come war.

The wise 27½-percent tax recognition in depletion helps to keep on building these reserves. There can be no finer or better example of the wisdom of this legislation passed in 1926 by the Congress.

IMPORTS

Department of the Interior (July 30, 1959) reported: "Imports of crude and unfinished oil, finished petroleum products, and residual fuel oil totaled 1,441,059 barrels daily throughout the United States and Puerto Rico during the first allocation period under mandatory controls, the Department of the Interior announced today. This figure does not include 93,776 barrels daily of Canadian crude oil imported during June and exempt under Presidential Proclamation 3290."

So here are more than 1.5 million barrels per day of crude and products that must be made room for every day before there is need for any domestic crude to be produced.

This new mandatory oil imports control seems to be working. It at least furnished an effective roadblock to what had been an every mounting flood of foreign crude and products.

HISTORY OF THE CONNALLY ACT

In all my experience and study of administrative law and its practical application, there has come to my attention no such helpful and constructive cooperation between State and Federal agencies as has been furnished by the provisions and the administration of the Connally Act.

The Connally Act covers only movements of the oil in interstate commerce where the oil is not produced in accord with the statutes, rules, and regulations of the oil-producing origin State.

The act applies only to the strictly Federal field of constitutional authority and leaves entirely to the States the complete control of their oil and gas conservation laws, rules, and regulations.

Such was the aim and intent of the Congress when the act was passed in 1935 on February 22.

Some background may be of interest. The Texas legislature passed the market demand statute and the Texas Railroad Commission in east Texas set up a tender system by which each well was given its daily allowable credit and movements of oil by pipeline, truck, and tankcar by rail were permitted only when the oil shipment had been cleared as legally produced and a tender issued to accompany the oil, attached to the bill of lading or shipping ticket on the oil concerned. We in Texas even checked the throughput rate would yield out of the specific number of barrels of crude oil tender covered.

This action proceeded very well until we were met by the opposition of the railroad companies and shipment of oil by tankcars. It was pointed out by the railroad attorneys that the Railroad Commission of Texas was acting beyond its scope of authority in placing a burden on interstate commerce by requiring these tenders, and the railroads contended that if they did not obey our orders they would be subject to action by the Railroad Commission of Texas; and, at the same time, if they refused to take the oil that was tendered to them by interstate shippers they themselves—the railroads—would be subject to a penalty of $1,000 a day at the hands of the Interstate Commerce Commission for not taking the shipments. They were afraid of that course—a course which would subject them to possible risk—and, of course, the railroads naturally were not anxious to lose some 700 cars of freight movement a day when they were hard pressed for revenue. And I do not suppose that it took a very strong urge for the railroad lawyers to raise the constitutional ground and thereby be compelled to take this business. Anyway, a part of the problem was to stop the movement of this excess produced oil from interstate commerce.

I suggested to the railroad lawyers and to the other members of our Commission that we send a telegram to the President asking him to issue an executive order which would relieve the railroads of this penalty pending the passage of an act. Here follows the telegram which I sent to the President on July 8, 1933:

"In order that full cooperative effect can be given to oil-control measures, may we suggest that our enforcement of oil proration orders could be made more effective if you could at this time prohibit the shipment of illegally produced oil in interstate and foreign commerce. We have called a hearing for July 31 at Austin to ascertain the amount of oil that will be permitted to be stored in Texas and will issue orders prohibiting storage in excess of that amount. Prevention of shipment of illegal oil and elimination of excess storage of crude will go far toward a solution of the oil problem. Your order at this time prohibiting interstate and foreign shipment of oil illegally produced or withdrawn from storage will greatly assist in bringing all elements of the industry in accord. The situation in Texas is steadily improving. The Railroad Commission of Texas is now getting the unqualified support of the greater part of the industry.

"ERNEST O. THOMPSON,
"Member, Railroad Commission of Texas."

On July 11, 1933, the President issued the requested executive order prohibiting the transportation in interstate and foreign commerce of petroleum and products thereof unlawfully produced or withdrawn from storage. The order follows:

"By virtue of the authority vested in me by the act of Congress entitled 'An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes,' approved June 16, 1933 (Public, No. 67, 73d Cong.), the transportation in interstate and foreign commerce of petroleum and the products thereof produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by any State law or valid regulation or order prescribed thereunder, by any board, commission, officer, or other duly authorized agency of a State, is hereby prohibited.

"FRANKLIN D. ROOSEVELT."

After such action was taken by the President, all three members of our Commission sent the President the following telegram:

"THE PRESIDENT,
"Washington, D.C.:

"The Railroad Commission notes with much gratification your order of today prohibiting interstate transportation of oil produced or withdrawn from storage in excess of allowable amounts. This will, to a large extent, solve a vexatious problem in the oil industry and will help this Commission in maintaining orderly production and fairness to operators so that all may benefit. The order means that the State and national authorities are cooperating for the good of the whole, and we congratulate you on the promptness and sympathetic interest you have given. With such forces at work and with harmony prevailing, the oil problem will be satisfactorily adjusted for the common welfare.

"TEXAS RAILROAD COMMISSION,
"LON A. SMITH,
"Chairman.
"C. V. TERRELL,
"ERNEST O. THOMPSON,
"Commissioners."

This cleared the atmosphere until the Supreme Court knocked out the Industrial Recovery Act, after which time Senator Connally promptly, on February 22, 1935, passed through the Congress the Connally Act which prohibits the shipment in commerce of petroleum and its products produced in violation of State law.

The Federal Petroleum Board has an annual appropriation of $209,000 which gives employment to a total of 25 persons in 4 offices located at Lafayette, La., and Kilgore, Midland, and Victoria, Tex.

Fines have been collected in the sum of $1,092,000 in 22 years—1936 to 1958.

All said and done, only praise and commendation can be given, and must be given, to this fine example of State and Federal cooperation, each division—State and Federal—operating strictly within its own sphere of unquestioned jurisdiction, thus showing that the sovereign States and the Federal Government can operate together, each on its own ground.

THE INTERSTATE OIL AND GAS COMPACT

This is a treaty between the sovereign signatory oil and gas producing States. Provision for such compact is found in article I of the U.S. Constitution. Thirty States are now members of the compact, and two prospective oil States are observers hoping to become members when oil or gas is discovered.

Canada's Alberta and Saskatchewan provinces are observers as is the Republic of Venezuela.

The compact was formed by five States and approved by the Congress in 1935.

It was a determined expression of the States' desires to block threatened Federal encroachment upon the exclusive right of each State to control its own conservation of oil and gas through the effective prevention of physical waste.

Each State has its own laws. The compact permits them to meet and coordinate their police powers to prevent waste. The text of the compact follows:

"AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"ARTICLE I

"This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"ARTICLE II

"The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"ARTICLE III

"Each State bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"(a) The operation of any oil well with an inefficient gas-oil ratio.

"(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

"(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

"(d) The creation of unnecessary fire hazards.

"(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"(f) The inefficient, excessive, or improper use of the reservoir energy in producing any well.

"The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

"ARTICLE IV

"Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted, then it will continue the same in force, providing in effect that oil produced in violation of its valid and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"ARTICLE V

"It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"ARTICLE VI

"Each State joining herein shall appoint one representative to a commission hereby constituted and designated as the Interstate Oil Compact Commission, the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its finding and recommendations to the several States for adoption or rejection.

"The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting States, represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

"ARTICLE VII

"No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"ARTICLE VIII

"This compact shall expire September 1, 1937.[1] But any State joining herein may, upon 60 days notice, withdraw herefrom.

"The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory States.

"This compact shall become effective when ratified and approved as provided in article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified and ratified.

"Done in the city of Dallas, Tex., this 16th day of February 1935."

The compact has just been renewed by the Congress for another 4 years. The U.S. Attorney General's report on the compact to the Congress was that it was operating in accordance with its charter which is the treaty or compact itself.

In all these years since 1935 it has not been necessary to change a word of the original treaty or compact.

The Commission meets twice a year and its committees freely and publicly exchange information on better ways to conserve oil and gas.

The compact—like the Connally Act—backing up State law, strengthens our military and economic strength to help maintain the freedom of action in this changing world.

THE NEXT 100 YEARS

Oil will continue to furnish over 60 percent of our energy and will be ample for the foreseeable future—certainly through 1980 when it is predicted that atomic energy will come into competition for large units of energy.

With the driving force of the oil industry, its aggressive research program, the constant increase in percentage of recovery per reservoir and even more efficient use of its products, I see nothing but a bright future for oil. Our present oversupply, worldwide, will in time be worked off by the increasing use of petroleum fuels all over the world.

The determined spirit of Colonel Drake and the early pioneers of oil will be the constant inspiration to the oil men of today and tomorrow. We accept the challenge to be good stewards of this natural resource placed here by our Creator for man's use in an ever better economy.

I thank you.

[1] The States have successively extended the compact with congressional sanction.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BAUMHART, at the request of Mr. HALLECK, until September 20, 1959, on account of official business with Space and Astronautics Committee.

Mr. ANFUSO, at the request of Mr. DENT, for an indefinite period, on account of official business.

Mr. RODINO, at the request of Mr. GALLAGHER, for Monday, August 31, 1959, on account of illness in family.

Mrs. ST. GEORGE, at the request of Mr. ARENDS, on account of official business to attend Interparliamentary Union in Warsaw, Poland.

Mr. DAGUE, at the request of Mr. FENTON, on account of death in immediate family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 30 minutes, on tomorrow.

Mr. CURTIS of Missouri, for 15 minutes, on today.

Mr. LIBONATI (at the request of Mr. KOWALSKI), for 20 minutes, today, to revise and extend his remarks and to include extraneous matter.

Mr. ZABLOCKI (at the request of Mr. KOWALSKI) for 30 minutes, today.

Mr. HECHLER (at the request of Mr. KOWALSKI), for 10 minutes, on tomorrow.

Mr. PUCINSKI (at the request of Mr. KOWALSKI), for 45 minutes, on tomorrow.

Mr. EVINS (at the request of Mr. KOWALSKI), for 40 minutes, on Wednesday, to revise and extend his remarks and to include extraneous matter.

Mr. MEYER (at the request of Mr. KOWALSKI), for 10 minutes, on Wednesday.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WHARTON.

Mr. CANNON and to include extraneous matter.

Mr. SAYLOR in two instances.

Mr. ALGER.

(At the request of Mr. KOWALSKI, and to include extraneous matter, the following:)

Mr. DINGELL in three instances.

Mr. KITCHIN in two instances.

Mr. MCDOWELL.

Mr. RIVERS of South Carolina in two instances.

Mr. COOLEY.

Mr. EVINS in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 981. An act for the relief of T. W. Holt & Co.; to the Committee on the Judiciary.

S. 1015. An act for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C.; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 968. An act to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon;

H.R. 2717. An act for the relief of Eber Bros. Wine & Liquor Corp.;

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn;

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000;

H.R. 6118. An act to amend section 6 of the act of September 11, 1959; and

H.J. Res. 510. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2539. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 968. An act to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon;

H.R. 2717. An act for the relief of Eber Bros. Wine & Liquor Corp.;

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American War veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 2886. An act to suspend for 3 years the import duties on certain classifications of spun silk yarn;

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $2,500;

H.R. 6118. An act to amend section 4 and section 6 of the act of September 11, 1957;

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans;

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes;

H.R. 8159. An act to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes;

H.R. 8160. An act to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

ADJOURNMENT

Mr. KOWALSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p.m.) the House adjourned until Tuesday, September 1, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1342. A letter from the Secretary of the Army, transmitting the Annual Report of the U.S. Soldiers' Home for the fiscal year 1958, and the Report of the Annual Inspection of the Home, 1958, by the Inspector General of the Army, pursuant to the act approved March 3, 1883, as amended (24 U.S.C. 59 and 60); to the Committee on Armed Services.

1343. A letter from the Administrator, General Services Administration, transmitting a notice of a proposed disposition of approximately 4,413 short tons of cadmium-magnesium scrap and 451 short tons of magnesium scrap now held in the national stockpile, pursuant to the Strategic and Critical Materials Stock Piling Act, 53 Stat. 811, as amended, 50 U.S.C. 98b(e); to the Committee on Armed Services.

1344. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "a bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under that act only to educational institutions conducting approved military training programs"; to the Committee on Government Operations.

1345. A letter from the Administrator, General Services Administration, transmitting a report on tort claims paid by the General Services Administration during fiscal year 1959, pursuant to title 28, section 2673, of the United States Code; to the Committee on the Judiciary.

1346. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "a bill to repeal certain retirement promotion authority of the Coast and Geodetic Survey"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1075. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1076. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MORGAN: Committee on Foreign Affairs. S. 1973. An act to extend the validity of the passport to 3 years; without amendment (Rept. No. 1077). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5054. A bill to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers; with amendment (Rept. No. 1078). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5920. A bill to amend title II of the Social Security Act to provide that an individual who had maximum earnings for a year before 1951 shall be credited with four quarters of coverage for such year (with certain exceptions) in the same manner as is provided for years after 1950; with amendment (Rept. No. 1079). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6132. A bill relating to the rate of tax on the issuance of shares or certificates of stock by regulated investment companies; without amendment (Rept. No. 1080). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6785. A bill to amend section 4071 of the Internal Revenue Code of 1954

so as to fix a tax of 1 cent per pound of certain laminated tires produced from used tires; with amendment (Rept. No. 1081). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 7947. A bill relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; with amendment (Rept. No. 1082). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8578. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; with amendment (Rept. No. 1083). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. Senate Joint Resolution 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant; without amendment (Rept. No. 1084). Referred to the House Calendar.

Mr. ZABLOCKI: Committee on Foreign Affairs. House Concurrent Resolution 393. Concurrent resolution to promote peace through the reduction of armaments; without amendment (Rept. No. 1085). Referred to the House Calendar.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on first Soviet moon rocket (Rept. No. 1086). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on space propulsion. (Rept. No. 1087). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. S. 2220. An act to strengthen the Commissioned Corps of the Public Health Service through revision and extension of some of the provisions relating to retirement, appointment of personnel, and other related personnel matters, and for other purposes; without amendment (Rept. No. 1091). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 1149. An act for the relief of Capt. Thomas J. McArdle; without amendment (Rept. No. 1088). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1891. An act for the relief of Donald G. Coplan; without amendment (Rept. No. 1089). Referred to the Committee of the Whole House.

Mr. MORGAN: Committee on Foreign Affairs. S. 252. An act to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France; without amendment (Rept. No. 1090). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 1540. A bill for the relief of Edward F. Stefan; with amendment (Rept. No. 1092). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 4546. A bill for the relief of Margaret P. Copin; without amendment (Rept. No. 1093). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 4965. A bill for the relief of Pioneer Air Lines, Inc.; with amendment (Rept. No. 1094). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6712. A bill for the relief of Sam J. Buzzanca; with amendment (Rept. No. 1095). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6885. A bill for the relief of Neal Anderson; with amendment (Rept. No. 1096). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7260. A bill for the relief of John Napoli; with amendments (Rept. No. 1097). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 7932. A bill for the relief of William E. Dulin; with amendment (Rept. No. 1098). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7935. A bill for the relief of Father Kenneth M. Rizer; without amendment (Rept. No. 1099). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8110. A bill for the relief of Miss Elsie Robey; with amendment (Rept. No. 1100). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8801. A bill for the relief of the Maco Warehouse Co.; without amendment (Rept. No. 1101). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 266. Resolution providing for sending the bill (H.R. 7081) with accompanying papers to the U.S. Court of Claims; without amendment (Rept. No. 1102). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 8946. A bill relating to emergency relief, and amending sections 120 and 125 of title 23, United States Code; to the Committee on Public Works.

By Mr. BALDWIN:

H.R. 8947. A bill relating to the operation and maintenance by the Secretary of the Interior of reclamation works on rivers and streams tributary to the Sacramento-San Joaquin Delta in California; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 8948. A bill to include certain officers and employees of the General Services Administration within the provisions of the United States Code relating to assaults upon, and homicides of, certain officers and employees of the United States as constituting a crime; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H.R. 8949. A bill to provide for payment of a death gratuity in certain cases involving deaths of members of the uniformed services after June 27, 1950, and before January 1, 1957; to the Committee on Armed Services.

By Mr. FASCELL:

H.R. 8950. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAGEN:

H.R. 8951. A bill to permit the Department of Agriculture to cooperate with the meat inspection services of the various States; to the Committee on Agriculture.

By Mr. HALEY:

H.R. 8952. A bill to authorize longer term leases of Indian lands on the Seminole reservations in Florida and the Agua Caliente (Palm Springs) Reservation, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 8953. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. HORAN:

H.R. 8954. A bill to permit the Department of Agriculture to cooperate with the meat inspection services of the various States; to the Committee on Agriculture.

By Mr. KEOGH:

H.R. 8955. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes"; to the Committee on Ways and Means.

By Mr. BOSCH:

H.R. 8956. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes"; to the Committee on Ways and Means.

By Mr. LOSER:

H.R. 8957. A bill to permit the flying of the flag of the United States for 24 hours of each day over the grave of Capt. William Driver in City Cemetery, Nashville, Tenn.; to the Committee on the Judiciary.

By Mr. MACDONALD:

H.R. 8958. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. METCALF:

H.R. 8959. A bill relating to emergency relief, and amending sections 120 and 125 of Title 23, United States Code; to the Committee on Public Works.

H.R. 8960. A bill to amend section 18 of the Railroad Retirement Act of 1937 to provide free transportation on any railroad carrier subject to that act for individuals receiving pensions or annuities under that act, and for their dependents, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL:

H.R. 8961. A bill relating to the operation and maintenance by the Secretary of the Interior of reclamation works on rivers and streams tributary to the Sacramento-San Joaquin Delta in California; to the Committee on Interior and Insular Affairs.

By Mr. McMILLAN:

H.R. 8962. A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes; to the Committee on Public Works.

By Mr. OLIVER:

H.R. 8963. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 8964. A bill to extend the period for commencing construction of buildings and improvements on certain land heretofore conveyed by the United States to the State of Texas; to the Committee on Public Works.

By Mr. PRICE:

H.R. 8965. A bill to amend title II of the Social Security Act to provide that full benefits (when based upon the attainment of retirement age) will be payable to both men and women at age 60; to the Committee on Ways and Means.

By Mr. RAY:

H.R. 8966. A bill to amend the Employment Act of 1946 to emphasize the policy of promoting employment under stable prices; to the Committee on Government Operations.

By Mr. RHODES of Pennsylvania:

H.R. 8967. A bill to amend the Internal Revenue Code of 1954 to provide credit

against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 8968. A bill to authorize the Secretary of the Interior to enter into cooperative agreements with States for research and management investigations on migratory and other marine species of game fish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BARING:

H.R. 8969. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 8970. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. HALEY:

H.R. 8971. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. LOSER:

H.R. 8972. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MACDONALD:

H.R. 8973. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. McGOVERN:

H.R. 8974. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 8975. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Florida:

H.R. 8976. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ROOSEVELT:

H.R. 8977. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BRAY:

H.R. 8978. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. GROSS:

H.R. 8979. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By McMILLAN:

H.R. 8980. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 8981. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 8982. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 8983. A bill to require Panama Canal tolls to be prescribed in accordance with the tolls formula provided in section 412 of title 2 of the Canal Zone Code and pursuant to the provisions of the Administrative Procedure Act; to the Committee on Merchant Marine and Fisheries.

By Mr. RANDALL:

H.R. 8984. A bill to provide for the establishment of a U.S. Foreign Service Academy; to the Committee on Foreign Affairs.

By Mr. McGINLEY:

H.R. 8985. A bill to provide for the inclusion of the Nebraska Mid-State unit in the Missouri River Basin project; to the Committee on Public Works.

By Mr. LOSER:

H.J. Res. 512. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. MARTIN:

H.J. Res. 513. Joint Resolution designating the 17th day of December in each year as "Wright Brothers Day"; to the Committee on the Judiciary.

By Mr. SCHENCK:

H.J. Res. 514. Joint resolution designating the 17th day of December in each year as "Wright Brothers Day"; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. Res. 367. Resolution to reaffirm the solidarity of the American people and their faith in God at the time of the visit to the United States of the Chairman of the Council of Ministers of the U.S.S.R.; to the Committee on Foreign Affairs.

By Mr. BUCKLEY:

H. Res. 368. Resolution to amend House Resolution 91 of the 86th Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H.R. 8986. A bill for the relief of Eleftherios John Theodoropoulos; to the Committee on the Judiciary.

By Mr. CRAMER:

H.R. 8987. A bill for the relief of Sterie D. Todorov; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 8988. A bill for the relief of Warren S. Boggess; to the Committee on the Judiciary.

By Mr. HEMPHILL:

H.R. 8989. A bill for the relief of Ralph W. Anderson; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 8990. A bill for the relief of Bogdan Kusulja; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 8991. A bill to authorize the President to issue posthumously to the late Jane A. Delano a commission as general, Army of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. BOYLE:

H.R. 8992. A bill for the relief of Monicilo Velickovic; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

267. The SPEAKER presented a petition of the city clerk, Los Angeles, Calif., recommending that the State Department be requested to conduct negotiations with the Mexican Government to obtain a suitable site for a monument to Hidalgo in Mexico City; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Maj. Gen. W. P. Fisher, Director of Legislative Liaison, Department of the Air Force

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 31, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, in September 1959, a familiar Air Force figure will be missing from Capitol Hill, Maj. Gen. W. P. Fisher is being assigned to the Military Air Transport Service after completing his assignment as Director of Legislative Liaison, Department of the Air Force.

General Fisher has provided outstanding service to both Houses of Congress as Director of Legislative Liaison since March 1958. Members of Congress have great responsibilities pertaining to our national defense in these turbulent times, and General Fisher has been most helpful with his sincere and clear representation of the U.S. Air Force capabilities and requirements. His insight and experience has especially been of unusual assistance in military personnel matters, such as the officer promotion program, to name but one area out of hundreds.

My colleagues in the House join in wishing General Fisher much success in his assignment. We, in Congress, lose a capable and effective liaison officer, but the Military Air Transport Service gains a leader for its Eastern Transport Air Force.

Analysis of Public Works Bill Veto Message

EXTENSION OF REMARKS
OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 31, 1959

Mr. CANNON. Mr. Speaker, an analysis of the veto message on the public works appropriation bill for 1960—H.R. 7509—shows clearly that the basis of the President's objection to the bill is the unbudgeted construction starts. No reference is made to unbudgeted general investigations and preconstruction planning items. Items in these categories do not represent substantial dollar commitments and the absence of any reference to them in the veto message warrants the conclusion that the President has no objection to them. Unbudgeted items added by the Congress in these two categories are:

Rivers and harbors and flood control:	
General investigations	89
Advance planning	32
Subtotal	121
Bureau of Reclamation:	
General investigations	1
Advance planning	0
Subtotal	1
Total	122

The veto message makes no reference to increases or decreases made by the Congress on budgeted items. It can therefore be assumed that there is no objection on the President's part to the individual project figures in H.R. 7509 for all projects which were budgeted.

The only reference which the veto message makes to power facilities concerns the Trinity River project in California. The statement concedes that funds for starting Federal construction of these facilities are necessary unless partnership development with Pacific Gas & Electric Co. is authorized. In the absence of any other reference to power facilities, it may be assumed that there is no objection to other adjustments made by the Congress in the power program.

The following two lists indicate which unbudgeted items would remain in the bill and which would be eliminated if the veto is sustained:

Unbudgeted items remaining in the bill if veto is sustained

GENERAL INVESTIGATION ITEMS

Arizona:	
Gila River below Painted Rock Dam	$20,000
Gila River, Phoenix metropolitan area	30,000
Arkansas: Benton Dam survey	5,000
California:	
Dry Creek resurvey	50,000
Napa River	5,000
Soquel Creek	3,000
Sweetwater River	40,000
Connecticut:	
Connecticut River at Essex	5,000
Popuonock River, Groton	5,000
Delaware:	
Indian River Bay via Peppers Creek to Dagsboro	9,000
Broad Creek River, Sussex County	5,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

Florida:	
Pensacola Harbor	$7,500
Tampa Harbor (Ybor Channel)	27,000
Georgia:	
Oostanaula River	25,000
Savannah turning basin	4,000
Tugaloo River, Georgia and South Carolina	26,000
Illinois:	
Illinois River	25,000
Little Calumet River	10,000
Indiana: Michigan City	8,000
Kansas:	
Cow Creek	20,000
Three Mile Creek, Leavenworth	5,000
White Clay Creek, Atchison	8,000
Kentucky:	
Bunches Creek	15,000
Kentucky River	12,000
Licking River Basin	20,000
Louisiana:	
Bayou Bartholomew and tributaries	25,000
Bayou Bonfouca	10,000
Calcasieu River salt barrier	9,000
Maine:	
Kennebunk River	9,000
Monhegan River	2,500
Portsmouth Harbor, Piscatague River, Maine and N.H	9,000
Searsport Harbor	9,000
Stave Island Harbor	8,000
Maryland: Wicomico River	15,000
Massachusetts: Town River survey	9,000
Michigan:	
Detroit metropolitan area	5,000
Holland Harbor: Lake Michigan-Lake Macatawa Channel	13,500
Kawkawlin River	8,000
Ontonagan Harbor	8,900
Red Run-Clinton River	10,000
Traverse City Harbor or Refuge	5,000
Minnesota: Levee Wall at Winona	9,000
Mississippi: Okatibbe Creek	25,000
Missouri: Clarksville	6,000
Nevada: Las Vegas Wash	9,000
Nebraska:	
Missouri River slackwater navigation	10,000
Republican River	15,000
Missouri River bank, stabilization and navigation, Sioux City to Yankton	20,000
New Jersey:	
Newark Bay—Passaic River Channel	15,000
Sandy Hook Inlet (Shrewsberry River, N.J.)	25,000
New York:	
Buttermilk Channel	10,000
Cazenovia Creek	10,000
Hudson River siltation	114,000
Little Neck Bay	9,000
New York State Barge Canal	10,000
New York Harbor deepwater anchorage	10,000
Tonowanda Creek	32,000
North Carolina:	
Rogue Inlet and Swensboro Harbor	15,000
Cape Fear River	10,000
Rollinson Channel-Hatteras Harbor	6,500
Shallote River	7,500
Wrights Creek	10,000
North Dakota:	
Missouri River bank stabilization, Garrison to Oahe	10,000
Souris River	10,000
Ohio:	
Chagrin River	10,000
Crab Creek at and in the vicinity of Youngstown	30,000
Mad River drainage basin	22,000
Sandusky River basin	60,000
White Oak Creek	10,000
Oklahoma: Oklahoma City floodway extension	6,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

Oregon:	
Rogue River	$11,000
Umpqua River, north to Reedsport	11,000
Walla Walla River, Milton Freewater	13,500
Willow Creek	18,400
South Carolina: Santee River and tributaries	30,000
Texas:	
Arkansas-Red River pollution survey	75,000
Big and Little Vince Bayou	21,000
El Paso	20,000
Guadalupe River	11,000
Gulf Intercoastal Waterway Channel to Port Isabel	7,500
Lake Kemp	35,000
Neches River	10,000
Salt Fork and Prairie Dog Town Fork of the Red River	90,000
San Jacinto survey	15,000
West Fork, Double Bayou	2,000
Utah: Great Salt Lake (Saltair)	25,000
Washington:	
Ben Franklin Dam	20,000
Swinomish Slough	20,100
West Virginia:	
Deckers Creek	15,000
Twelve Pole Creek	10,000

ADVANCE PLANNING ITEMS

Alabama: Holt lock and dam	150,000
Arkansas:	
DeGray Reservoir	150,000
Gillham Reservoir	80,000
Illinois: Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Drainage and Levee District No. 1	50,000
Indiana:	
Clinton (deferred for restudy)	5,000
Sugar Creek levee	15,000
Terre Haute-Conover levee (deferred for restudy)	2,000
West Terre Haute	30,000
Iowa:	
Green Bay Levee and Drainage District No. 2	75,000
Saylorville Reservoir	200,000
Kansas:	
Frankfort	50,000
Marion Reservoir	25,000
Kentucky: No. 2 Green Reservoir	50,000
Michigan: Hammond Bay Harbor	20,000
Missouri: Marion County drainage district	73,000
New York: Herkimer	48,000
Ohio: Belleville locks and dam, Ohio and West Virginia	125,000
Oklahoma:	
Lukfata Reservoir	50,000
Pine Creek Reservoir	80,000
Oregon:	
Willamette River basin channel improvement and major drainage: Coyote and Spencer Creek	50,000
Yaquina Bay and Harbor	100,000
Pennsylvania: Turtle Creek	25,000
Texas: Matagorda ship channel: 36-foot channel	150,000
Virgin Islands: Christiansted Harbor (inactive)	3,000
Washington:	
Columbia River between Vancouver, Wash., and The Dalles, Oreg.: (b) Bingen Barge Channel	10,000
Little Goose lock and dam	450,000
Wisconsin:	
Bad River:	
(a) Mellen Channel	25,000
(b) Odanah, moving village and raising school	25,000
Eau Galle River	75,000
Saxon Harbor	31,000

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Construction and planning:	
Greenville Harbor	60,000
Lower White River	107,000

Unbudgeted construction items to be eliminated if veto is sustained

CORPS OF ENGINEERS

Project	Benefit-cost ratio	Total estimated Federal cost	Appropriation to date	Amount in H.R. 7509
Arkansas: Beaver Reservoir [2]	1.1	$56,100,000	$1,291,000	$1,500,000
Alaska: Dillingham Harbor	1.3	412,000	6,000	406,000
California:				
Mill Creek levees	2.1	1,740,000	107,000	500,000
New Hogan Reservoir	1.7	19,300,000	740,000	1,500,000
Redwood City Harbor: 30-foot depth San Bruno Shoal entrance and Redwood Creek channels	1.6	1,380,000	2,000	1,378,000
San Jacinto River and Bautista Creek	2.1	5,770,000	215,000	225,000
Connecticut:				
Hall Meadow Brook Reservoir	2.4	2,210,000	20,000	250,000
Mad River Reservoir	1.2	5,970,000	18,000	275,000
Florida:				
Apalachicola Bay:				
(a) Channel at East Point: Reimburse	N.A.	[1] 39,100		39,100
(b) St. George Island: Reimbursement	N.A.	[1] 43,000		43,000
Intracoastal Waterway, Caloosahatchee River to Anclote River	N.A.	6,860,000	370,000	600,000
Hawaii: Kahului Harbor	2.9	963,000	14,000	140,000
Illinois:				
Drury drainage district	3.7	1,520,000	84,000	540,000
Henderson River: Diversion unit	2.8	1,750,000	150,000	550,000
Hunt drainage district and Lima Lake drinage district	1.8	5,420,000	174,000	1,000,000
Iowa: Red Rock Reservoir	1.5	71,400,000	1,717,000	1,113,000
Kansas:				
Council Grove Reservoir	1.8	12,700,000	303,000	300,000
Wilson Reservoir	1.2	18,100,000	259,000	500,000
Kentucky: No. 2 Barren Reservoir	2.3	23,500,000	214,000	1,000,000
Louisiana:				
Gulf Intracoastal Waterway: (a) Algiers Cutoff, Jefferson-Plaquemine drainage district	N.A.	[1] 1,420,000		1,420,000
Barataria Bay	3.5	2,400,000	85,000	1,000,000
Massachusetts:				
Boston Harbor: (b) 35-foot reserved channel	2.3	829,000	4,000	825,000
Westville Reservoir	1.1	7,450,000	328,000	1,800,000
Michigan: Grand Marais Harbor	N.E.	1,020,000	5,000	300,000
Mississippi: Pascagoula Harbor	1.8	1,248,000	6,000	1,242,000
Missouri: Des Moines and Mississippi Levee District No. 1	2.7	1,690,000	103,000	500,000
Nebraska: Gering and Mitchell Valleys	1.8	$1,400,000	$45,000	$350,000
New Mexico:				
Two Rivers Reservoir	1.2	6,900,000	390,000	75,000
Rio Grande Floodway, Cochiti to Rio Puerco	N.A.	4,400,000	50,000	800,000
New York:				
Buttermilk Channel [2]	N.A.	1,551,000		1,500,000
Hudson River, New York City to Albany 32-foot channel	1.9	36,300,000	65,000	500,000
New York-New Jersey pierhead line [2]	1.4	1,311,000		500,000
Ohio Street Bridge, Buffalo River	N.E.	4,520,000		2,000,000
North Carolina:				
Morehead City Harbor	1.9	1,382,000	12,000	600,000
Wilkesboro Reservoir	1.2	8,350,000	387,000	1,000,000
Ohio:				
Muskingum River Reservoir [2]	N.E.	615,000		500,000
West Branch Mahoning River Reservoir	1.3	6,940,000	261,000	525,000
Oregon: Malheur River, Vale unit	2.3	423,000	70,000	250,000
Pennsylvania:				
Allegheny River Reservoir [2]	1.3	113,000,000	2,733,000	1,400,000
Brookville	2.7	1,340,000	87,000	500,000
Shenango River Reservoir, Pennsylvania and Ohio	1.7	28,000,000	374,000	500,000
Texas:				
Colorado River channel	1.5	1,310,000	54,000	400,000
Gulf Intracoastal Waterway, channel to Port Mansfield	1.1	3,446,000	15,000	150,000
Port Aransas-Corpus Christi Waterway, channel to La Quinta	5.4	[1] 959,000	5,000	954,000
Proctor Reservoir	1.4	17,100,000	325,000	300,000
Virginia: Pound Reservoir	1.2	17,700,000	331,000	2,500,000
West Virginia:				
East Rainelle	2.0	840,000	58,000	500,000
Princeton	1.8	1,085,000	74,000	500,000
Summersville Reservoir	2.6	46,800,000	685,000	2,000,000
Flood control, Mississippi River and tributaries:				
West Tennessee tributaries	3.0	8,400,000	170,000	200,000
Wolf River and tributaries	1.3	2,025,000	43,000	300,000
Yazoo backwater	2.2	30,900,000	279,000	50,000
Total, Corps of Engineers (52 projects)		598,231,100	12,728,000	37,809,100

RECLAMATION

California: Trinity power facilities		$59,607,000		$2,415,000
Idaho: Burns Creek		44,616,000		500,000
Washington: Greater Wenatchee Division	7.0	7,579,000		500,000
Missouri River Basin:				
Kansas: Cedar Bluff unit	2.02	4,625,000		400,000
Montana: East Bench unit	2.07	20,597,000		1,000,000
Nebraska: Red Willow Dam	1.87	6,597,000	$214,253	525,000
Upper Colorado River:				
Colorado: Smith Fork	1.2	$4,420,000		$500,000
New Mexico: Hammond project	2.1	3,280,000		500,000
Wyoming: Seedskadee project	1.5	37,885,000		1,354,000
Loan program (6 projects)		17,089,500		6,016,500
Total reclamation (15 projects)		206,295,500	$214,253	13,710,500
Grand total (67 projects)		804,526,600	12,942,253	51,510,600

[1] Reimbursements to local interests.

[2] Resumption of construction.

Maj. Gen. William P. Fisher

EXTENSION OF REMARKS
OF

HON. A. PAUL KITCHIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 31, 1959

Mr. KITCHIN. Mr. Speaker, this seems to be the year for many changes in key command and staff officers in the armed services. Recently we were informed that Major General Michaelis was leaving his assignment as Chief of Legislative Liaison for the Army. Now, I have been told that Maj. Gen. William P. "Bill" Fisher, Director of Legislative Liaison for the Department of the Air Force has been assigned as Commander, Eastern Transport Air Force, Military Air Transport Service at McGuire Air Force Base, N.J. He will be leaving here about the 10th of September. He is a personal friend and one of my most distinguished constituents.

General Fisher has been the Director since March of last year and has done an outstanding job in handling the very difficult task of providing Congress with prompt and accurate answers to its many inquiries. He has rendered invaluable assistance to the Members of Congress and their constituents in efficiently and effectively helping to solve their innumerable difficult problems.

General Fisher has a long history as an enthusiastic pilot and as a highly respected commander. His impressive combat record is filled with repeated praise of his ability as an outstanding leader and his easy, sensible way of doing things. These attributes were recognized early in his career when he was given command of the 20th Bomb Squadron at Clark Field prior to Pearl Harbor. Wounded during the bombing there, he lead his squadron from Bataan to Mindanao where he became an infantry commander when his unit joined the ground fighting against the Japanese until we were forced to leave the Philippines.

After a short tour in the United States, he went to the China Theater in command of a B–24 Group. This was the beginning of a long series of assignments in strategic bomber operations, including duty with the Strategic Air Command. His duties included those of wing, base, and air division commander, Inspector General of the Strategic Air Command, and Deputy Commander of 8th Air Force.

He served for a year on the faculty of the Air War College and headed the Far East Air Forces Bomber Command during the Korean war. As a command pilot and command observer, General Fisher has logged more than 6,600 hours in jet and conventional aircraft and flew 59 combat missions during World War II and Korea.

General Fisher's decorations include the Distinguished Service Medal, Legion of Merit with three Oak Leaf Clusters, Distinguished Flying Cross with one Oak Leaf Cluster, Air Medal, Purple Heart, and Presidential Unit Citation with four Oak Leaf Clusters.

I regret that he is leaving Washington, but know that he is looking forward to commanding another flying organization in one of the combat arms of the Air Force. I am certain that many of us will see more of General Fisher as this outstanding officer assumes positions of increasing importance as the continues his successful Air Force career.

Conservation and Management of Migratory Marine Fish

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. SAYLOR. Mr. Speaker, a serious problem regarding the conservation and management of migratory marine fish has been brought to my attention. At my request, the Department of the Interior has informed me of the phenomenal growth of recreational salt water fishing in recent years, which growth has created many problems in the field of management and its relationship to commercial fishing.

During the year 1955, 4½ million sportsmen participated in this popular sport for a total of 59 million days and spending $489 million.

I have been advised that the annual sport harvest may now approximate a half-billion pounds of fish and may double in the next decade.

For these reasons, Mr. Speaker, I would like to suggest that future study and consideration be given to authorizing a comprehensive and continuing study of migratory marine fish of interest to recreational fishermen of the United States.

The purpose of such a study would be to develop wise conservation policies and constructive management activities.

It is my belief that a cooperative program of research between the States involved and the Federal Government would be a logical approach to the problem. The Federal Government could supply funds in equal proportion to those supplied by the States for this purpose, limited to 50 percent of the cost of the program. I would recommend that not more than $100,000 be made available, on a 50–50 matching basis, with any one State in any one year.

Federal funds employed on a joint Federal-State level have in the past proven to create greater State financial participation and interest in planning research programs of this nature.

It is my hope, Mr. Speaker, that in the next Congress we may establish a continuing research program for the conservation and improved management of migratory marine fish in the United States and contiguous waters.

For the purpose of studying this problem, I am introducing H.R. 8968. I welcome any and all comments from interested conservation and sportsmen's agencies on this proposed new program.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of August 29, 1959:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS

AUGUST 29, 1959.

Before flying to Europe, President Eisenhower appealed to Congress to pass necessary legislation in the closing days prior to adjournment. In two messages to Congress he stressed three programs. He asked: (1) Remove interest rate ceilings on long-term Government borrowing; he explained this is necessary because (a) bondholders deserve a fair rate of return; (b) $85 billion refinancing of Government debt is necessary in the next 12 months; (c) it costs Government more to refinance time and again, on a short-term basis, as we're forced to do now; (d) present law stimulates inflation, weakens our currency, and worries investors both here and abroad; the urgency of this item he made clear when he warned that those unwilling to pass the needed legislation "must assume full responsibility for the possibly serious consequences," for the administration cannot and will not; (2) FHA loan insurance authorization—the President said, "An increase in FHA's loan insurance authority should not be made contingent upon the possibility of approval by the President, after the Congress has adjourned, of legislation which contains features that the administration finds seriously objectionable and that are entirely unrelated to FHA's home loan insurance program." (3) Increased tax reserves to pay for highway program—he stressed the need, in his opinion, for maintaining the pay-as-we-go play by providing the money needed for the increased costs. (See Newsletters of August 1 and July 25.)

The Housing Act of 1959 (second version) passed 283 to 105, containing many features objected to by the President in his veto of the original bill. The House leadership completely disregarded the earlier message from the President (see above) and tied many undesirable items to the necessary extension of FHA home insurance authority. Efforts to eliminate (a) public housing, and (b) direct loans for college classroom construction, failed. Efforts to reduce urban renewal by stretching the $650 million to 2 years failed. The bill contains other administration-opposed provisions as well. I voted to improve the bill, and the amendments failing, voted against the bill. This bill may well be vetoed again.

The vehicular safety standards bill offers a prime example of a bill whose noble sounding title and obviously desirable objective makes it difficult for Congressmen to vote against, however impracticable its language. Who wants to appear to vote against safety? This bill directs the Commerce Department to establish minimum safety standards for all Government autos. It would put the Government into the auto design and engineering field and was condemned by every Government agency which considered it. Result? It passed, pointing up again that many feel that any need can be met by simply passing a law. Incorrect solutions, though they bear fine and imposing titles, can do more harm than good, and that has been pointed up, in my opinion, by congressional action on housing, highways, and interest rates, no less than on vehicular safety standards.

Political issues, and how to find, define and exploit them, seem to be dominant in these closing days of Congress. A special session now appears quite possible since the President may have to force Congress to face up to its responsibility, primarily in the fields of housing and interest rate flexibility.

A lot of dust is being thrown in the voters' eyes these days in the debate over who is really economy minded. Under pressure from home, economy, you know, has suddenly turned fashionable again among political candidates. Hence, it's not surprising that the back page of each day's CONGRESSIONAL RECORD now features a chart, crammed full of figures and purporting to show that Congress, far from exceeding the President's budget, has actually slashed administration requests by a present total of some $650 million. Oh? Take just one item, out of several which might be mentioned, housing. According to this chart, the President wanted $1,650 million for housing, while Congress "reduced" that figure to $1,300 million, a cut again according to the chart of $350 million. What the chart doesn't say is that the figures cover entirely different periods of time. Hence, the President's proposal called for spending $1.5 billion on urban renewal over the next 6 years. Congress instead voted to spend almost one billion in only 2 years. Some cut. If you "economized" around your house this way, you could "save" yourself broke in a hurry.

The President's veto of the public works appropriation (money for rivers, harbors, dams, reclamation, etc.) will spark a fight next week on the floor. It seems to me that if we're to live within our means, these public works programs provide an obvious opportunity to cut down spending. The only responsible alternatives is to raise taxes, and I believe they are too high now. Hence, though only 20 of us voted that way when this bill passed the House, I believe the President should be commended for his determination to hold the line on public works spending.

Position of Congress on Public Works Appropriations Should Be Sustained

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. EVINS. Mr. Speaker, once again an effort of the Congress to meet the executive branch halfway on an important issue has been nullified by a Presidential veto—this time, the public works appropriations bill of 1960. In considering a vote on this veto we are faced once again with the question of how far the Congress should go in knuckling under to the Budget Bureau and the executive branch in the matter of determining the policies of this government.

The question at issue here between the Congress and the President is purely on a matter of policy. As we know, the bill as it was sent to the President's desk called for only a very slightly larger expenditure than the recommendations in the budget—an increase of approximately 3 percent. The President's objections to this bill appear to be based largely on the fact that the Congress has refused to accept the Budget Bureau's policy against new starts or even any new planning studies. The basic issue therefore is largely whether the Congress or the President shall determine the policy underlying the development of our water resources of the Nation.

The President, as we know, has guarded the prerogative of the Presidency. He has stated that he would not leave the White House with the powers of the President diminished. But, Mr. Speaker, Congress must guard its prerogatives also and no Congress would be living up to its constitutional responsibilities if it permitted its own powers to be diminished.

There are other good reasons why this veto should be overridden:

First. In rejecting the administration's "no new starts" policy, the Congress did not act capriciously or hastily. Let me recall that the Public Works Appropriations Subcommittee spent many months taking testimony on this matter. It heard from some 1,200 witnesses, including the representatives of the Federal agencies and 243 Members of the Congress. The testimony filled four volumes and 4,222 pages of printed hearings. In the other body, the comparable committee also held extensive hearings and heard many witnesses.

The Appropriations Committees and the Congress has considered carefully and well this whole matter.

Second. The "no new starts" policy with which your appropriations Committee was faced when the budget was submitted to the Congress by the President is both unwise and unrealistic. If it were continued it would lead to a drying up of the water resources program of the Nation.

Third. Even more unrealistic is the policy restricting surveys and planning of new projects. It takes many years to make and complete intelligent and prudent surveys, and additional years for making plans for efficient projects. Stopping surveys and planning might very well lead us into a position where in a sudden emergency we would be forced into hurried surveys and planning where the possibilities for costly mistakes and errors would be greatly multiplied. Both the Corps of Engineers and the Bureau of Reclamation feel that this Nation should have new starts and an orderly, progressive, and efficient program of water resource development. The amounts budgeted for new surveys and planning in this bill this year are modest indeed and insure a continuation of construction on an orderly basis.

Fourth. We must look at our water resources program as a positive program to develop the resources of our country and to lay a foundation for the continued growth of every region of our country.

Fifth. This Nation cannot run a water resource development program on a "stop and go" basis. We must have an orderly and well-planned continuing program of surveys, of planning and construction. On this basis our country can go forward on a more economical and sound basis.

Sixth. With respect to the questioned construction projects added to this bill by the Congress there are five which resume construction of already started but not yet completed projects; there are four which are actually reimbursements to local interests for expenditures made by these local communities; and there are six which are small loan projects. So that there are actually only 50 completely new projects involving construction by the Federal Government. This is just one for each State. Surely, in view of the billions we are expending for projects abroad, these investments in the development of our own country cannot be considered extravagant.

Seventh. The bill is a good bill, a realistic bill, and a measure that faces up, not only to the present needs of our Nation for the development of our water resources, but also looks to and prepares for the future.

Eighth. It is a bill that insures that this great program of water-resources development which we have had under way for the past 25 years will continue in an orderly and uninterrupted program.

Ninth. It is a bill with a truly national point of view which recognizes the needs of every area of our country and the different types of programs needed in the different regions, and continues a well-balanced program that is truly in the interest of the entire Nation.

Tenth. In short, Mr. Speaker, the Congress in writing and passing this bill did a good job and responsible service. It should stand behind this bill now and see that the months of work which went into the writing of this bill will not have been in vain.

A vote to override the veto will sustain the prerogative of the Congress to establish the policy of our Nation.

Pothole Drainage Problem

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. SAYLOR. Mr. Speaker, the most important waterfowl production area remaining in the United States is localized in the prairie pothole sections of Minnesota, North Dakota, and South Dakota. Within some 140 counties in these States, over a million potholes totaling some 4 million acres of wetlands are concentrated. The potholes are water-holding depressions varying in size from fraction acre puddles to shallow lakes covering hundreds of acres. They vary in depth from shallow temporary areas containing a few inches of water in wet weeks of early spring to semipermanent and permanent water areas 6 feet or more in depth which retain water the year round in seasons of normal precipitation. The deeper and more permanent potholes are the less numerous.

In recent years, the tristate area of Minnesota, North Dakota, and South Dakota has produced an average of 4 to 5 million ducks annually or nearly three-fourths of the ducks produced in the United States south of the Canadian border.

Because of its importance from a production standpoint, preservation of the U.S. prairie pothole region as a breeding area for waterfowl has been of major concern to the Fish and Wildlife Service. For over 10 years the Service has been concerned with loss of breeding habitat to farm drainage in this area. Studies conducted by the Service during 1949 and 1950 indicated that during those 2 years more than 32,000 water areas valuable to waterfowl were eliminated annually in this region. Estimates for the 12-year period 1943–54 are that about 350,000 potholes valuable to waterfowl were drained. Additional studies have shown that, while the rate of loss declined somewhat during subsequent years, substantial loss of valuable breeding acreage has continued. During the past year the rate of loss has again increased.

A major factor in sustaining the program of farm drainage in the pothole area has been the subsidy payments and the technical assistance provided by the Federal Government. For at least 8 years the Fish and Wildlife Service has studied this situation in an effort to find alternative uses for wetlands which farmers could adopt and other means of discouraging pothole drainage. To date this effort has not been successful. It appears therefore that as long as Federal subsidies and technical assistance without cost to the farmer are available, drainage of farm wetlands and loss of valuable waterfowl breeding habitat in the prairie pothole sections of Minnesota, North Dakota, and South Dakota will continue.

Faced with the above situation, the Fish and Wildlife Service, several years ago, began thinking in terms of a more positive program to preserve pothole wetlands as waterfowl breeding habitat. Additional field studies were initiated to determine which of the 140 pothole counties in the tristate area contained the most and best remaining habitat for waterfowl production. As a result of these studies, it was determined that there were 90 counties which contained the best remaining waterfowl production habitat. This total of 90 counties includes 22 counties in eastern Minnesota, and 34 counties each in eastern North Dakota and eastern South Dakota.

The enactment of Public Law 85–585 provided amendments to the Migratory Bird Hunting Stamp Act, authorizing the Secretary of the Interior to acquire by lease, purchase or other means, small wetlands and pothole areas to preserve them for waterfowl production. The amendments also provided, through the increase of the duck stamp cost from $2 to $3, additional funds to finance the future acquisition of such areas. The

Fish and Wildlife Service, through the field staff of the Bureau of Sport Fisheries and Wildlife, currently is initiating a long-range program to preserve selected pothole wetlands within the 90-county delineated area in Minnesota and the Dakotas by lease and purchase.

This program of small wetland acquisition has not yet progressed to the point where the degree of its success in future years can be appraised. There is no question, however, that continued Federal subsidies and free technical assistance to the landowner for drainage of potholes will make acquisition of pothole wetlands by the Service for waterfowl breeding habitat more difficult and more expensive than would be the case if they were not available.

The overall problem of preserving wetland habitat for waterfowl breeding and for other wildlife is recognized and appreciated by the State fish and game agencies in the prairie pothole States. The Minnesota Conservation Department has acquired about 56,100 acres of land under its wetland preservation program since October 1951, at a cost of about $1,770,000. The South Dakota Department of Game, Fish, and Parks has acquired about 30,100 acres using $754,327 of Federal aid funds, and in the past 20 years has also purchased about 30,000 acres with its regular funds. North Dakota has acquired about 15,000 acres of wetlands at a cost of about $212,000.

This year we all anticipate a drastic reduction in hunting seasons and bag limits for ducks and coots, especially in the Central, Mississippi, and Atlantic Flyways. These cutbacks may reduce the hunting season to 40 days in the Atlatic and Mississippi Flyways, and 50 days in the Central Flyways.

These drastic reductions will be necessary because of reduced waterfowl breeding this year in the prairie pothole region of the continent. The waterfowl reduction has resulted from widespread drought from the destruction of breeding areas by drainage and other factors. While widespread drought produces a sudden spectacular reduction in duck breeding habitat and in duck production, these losses are temporary and the naturally prolific birds can restore their populations to former levels when normal water conditions return to the prairies.

There can be no such recovery by waterfowl populations from extensive drainage programs. Insofar as breeding waterfowl are concerned wholesale pothole drainage is the establishment of permanent drought.

To those who may question this statement, the State of Iowa can serve as an example. In 1900 numerous potholes and sloughs in Iowa produced vast numbers of ducks, including nearly all of our important game ducks. Today the production of waterfowl in Iowa is but a fraction of that of a short half century ago. The difference in this production lies in the almost total conversion for agricultural uses of the sloughs and potholes which once constituted some of the finest duck breeding habitat on the North American Continent.

There can be no question but that we must move quickly to preserve these pothole areas. Ducks and other migratory waterfowl need water—and they need it badly.

Significant Comments by Lawrence, Truman, McCormack, and Walter on Khrushchev Visit

EXTENSION OF REMARKS
OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 31, 1959

Mr. EVINS. Mr. Speaker, there has been considerable comment about the exchange of visits by Premier Khrushchev to this country and President Eisenhower to Soviet Russia. Among these the following by David Lawrence, former President Harry Truman, and our distinguished colleages, the majority leader, Hon. JOHN MCCORMACK, and the Honorable FRANCIS E. WALTER, as reported in U.S. News & World Report, are especially significant; and under unanimous consent I include them in the CONGRESSIONAL RECORD:

THE ONE BIG DANGER

(By David Lawrence)

Missiles and nuclear bombs are in themselves no menace to mankind—nor are the conventional weapons which can inflict widespread destruction. The menace is the man who, in disregard of the wishes of his people, can order the trigger pulled.

The one big danger in the world, therefore, is one-man rule—autocratic government.

The basic cause of World War I and World War II was the power of an autocratic one-man government to make war on other nations.

Despite public appeals in 1912 for a naval holiday, one man—the Kaiser—started the war in 1914.

Despite the peace talk and appeasement at Munich in 1938, one man—Hitler—started the war in 1939.

What, then, are we doing to remove the menace of one-man government? Will we remove it merely by showing Khrushchev our might—a sort of veiled threat—or even by President Eisenhower's politeness in making a return visit to the Soviet Union?

We shall not make progress by enhancing the prestige of the dictatorship government in Moscow.

We shall not make progress by abandoning our position in West Berlin in favor of a "deal" that satisfies the material cravings of some of our allies for more trade with the Soviets but robs us of our self-respect and, indeed, reveals us as irresolute and faltering.

We shall not make progress by oversimplifying our dilemma with the Soviet Union as we give an impression that, by temporarily restraining the hand of the mad man, we have accomplished peace for the world.

There has been too much emphasis on the "one man" idea as the answer to the current crisis. Personal diplomacy cannot be of avail against an autocratic system that rules only through intimidation and terror.

Nikita Khrushchev is accustomed to brutishness, to murder—"purges"—and to the exercise of whatever force seems necessary to him to gain his ends.

We must use the occasion of the Khrushchev visit to talk over his head to the peoples behind the Iron Curtain. The protests from groups of citizens in our midst will be made, but there must be forthcoming also from the Government of the United States a restatement of the case for democracy.

Warning must be given that democratic governments cannot "peacefully coexist" alongside an autocratic government that keeps on threatening to destroy us.

This is not just an internal question—it is external in its global effects. The lives of free men everywhere are at stake. As long as an autocratic government is in power in Moscow, there can be no disarmament agreement, no treaty to bar aggression, no written pledge that will be worth the paper on which it is written.

Only when peoples are able, in free elections, to choose their leaders and to remove them at will can there be an assurance of peace in the world. Peoples don't make war—only dictators do.

Until the people of the Soviet Union and the peoples of the neighboring countries of Eastern Europe are free, there can be no relief from the burdens of armament. Tension cannot be relaxed anywhere while the murderous regime in Moscow keeps its conspiratorial agents in every part of the world and its troops quartered in supposedly independent countries.

The menace is one man rule. We should be courageous enough to tell Nikita Khrushchev that we cannot feel safe as long as his people are enslaved and that we will feel secure only when the peoples of the many nationalities that make up the Soviet Union have successfully asserted their right to individual freedom. This may not happen soon, but we must not lose sight of the long-range goal—the removal of autocratic governments from a position that enables them to endanger the peace of the world.

TRUMAN: "I QUESTION WISDOM OF IKE'S VISIT"

(One of the criticisms of the Eisenhower-Khrushchev program was written by ex-President Harry S. Truman, and appeared in newspapers a few hours before the President's news conference. Full text of Mr. Truman's article is given here:)

(By Harry S. Truman)

I seriously question the wisdom of President Eisenhower's going to Moscow. If this journey leads the world to expect that peace can be advanced by the mere exchange of visits between heads of government, then we all face certain disappointment.

The President already has declared that he has no intention of conducting separate negotiations with Khrushchev. If that is the case, why could not the amenities be confined to Khrushchev's visit to the United States, where he will be received with the consideration due him?

When a President of the United States leaves the country it should be a momentous occasion in the exercise of the unique authority of his office. The power and leadership of the Presidency should not be dissipated in ceremonial visits so reminiscent of those days when diplomats and rulers traveled back and forth on their balance of power visits, which marked this, the bloodiest century of history.

President Eisenhower is leaving shortly for Europe to dispel from the minds of our allies any anxiety they may have that the United States and the Soviet Union would engage in separate negotiations. I am sure that President Eisenhower would be quick to resent, and rightly so, any suggestion that he is embarking on a course of the United States going it alone with Russia.

The critical problems we continue to have with the Kremlin are how to get it to keep the commitments and to stop it from interfering and plotting in the internal affairs of other nations.

There can be no durable peace until we make some progress in those two areas.

From Yalta to Potsdam to Geneva we have had many meetings, all of which have resulted in failure—not because of any acts of ours—but solely because the Communists have not lived up to their promises.

An exchange of visitors holds no more promise of success than we have had in conferences and diplomatic negotiations. The President probably will meet the same Khrushchev in Moscow that he met in Geneva and will meet again in Washington—a man with an unyielding ambition and fixed purpose.

Khrushchev is not coming to Washington to learn anything about us or our strength that he does not know already. The real purpose of his visit is to appraise our determination and will to stand up and resist Communist aggression and mischievous probings around the world.

Khrushchev's main objective, I believe, is to see whether he can divide us as a people and lure us into compromising our rights. He would also seek by every means to divide us from our allies and then go about picking them off one by one. Since Khrushchev has the initiative to make war, he also has the advantage of beguiling us with offers of peace. This is where Khrushchev is most dangerous and why we have to be exceedingly careful about maintaining our strength and never letting down our guard.

It would be most unfortunate if, by the exchange of visits, we allow the Russians or the world to gain the impression that we are being lulled into complacency.

I hope that Khrushchev, when he leaves here, will have a clearer understanding of what he and the Kremlin are up against in American determination to stand with our allies. Let us be sure that it is a more accurate and realistic evaluation than either Mikoyan or Kozlov (Anastas I. Mikoyan and Frol Kozlov, Soviet Deputy Premiers) seemed to have got out of their visits.

Disregarding all the ceremonies that will be connected with Khrushchev's visit—a visit that I have favored—it is in Washington that Khrushchev must learn conclusively where and how we stand.

The reception accorded the President in Moscow will have little bearing on Khrushchev's decisions and acts, and that is why I feel that little purpose will be served and a great deal of misunderstanding might arise from the President's return of Khrushchev's visit.

There are all sorts of interpretations that can be given to a visit by a President of the United States, and such a journey to Russia could be distorted for propaganda purposes beyond the announced intent. The claim that the tensions of the "cold war" between the East and the West could be lessened by such visits is to ignore the basic reasons for the cold war.

I do not think the Communists are impressed by anything except force. They do not respond to tough talk unless that talk is backed by force. The only way to insure peace is to make certain that they who threaten understand that we will fight if given no other choice.

Up to now I see no evidence that the Communists have changed their goal, which is to impose their rule on the world. This we have to prevent.

One place where we must make that clear to Khrushchev is at the White House. Equally important is that our Allies and friends should never have reason to entertain any misgivings as to the firmness of this resolve. I think it would have been more in keeping with our responsibilities and our leadership to have invited the heads of allied governments and the Secretary General of NATO [North Atlantic Treaty Organization] to come to Washington before Khrushchev's visit to this country. This would have been an opportunity to remind the world, and ourselves as well, that our security and peace are mutually interdependent.

But, in his decision to visit Bonn, Paris, and London in preparation for his meeting with Khrushchev in Washington, the President has the complete support of a nation united.

I cannot say it too often that the proper place to conduct any negotiations affecting the peace of the world is in the United Nations. The world has had all it ought to stand from the maneuvering and bickerings of nations seeking to exploit others. The United Nations has played an increasingly important role in focusing the light of world opinion on transgressors.

In this period of transition from old, exploitive colonialism to independence and nationalism, let us not overlook the growing menace of a new brand of colonialism—the Red exploitive colonialism.

If Russia is sincere in her professed desire for peace, Khrushchev ought to come before the United Nations to try to work out a constructive plan for disarmament and control of nuclear weapons and to cease interfering in the internal affairs of other nations. But from experience we ought to know that plans, resolutions, and agreements made by the Communists up to now are meaningless.

What the world needs is a show of good faith by peaceful acts and deeds by Khrushchev and not through visits, fanfare and gala performances.

While we are striving to achieve some common working ground for peace with the Communists, we are compelled to maintain and build our military might, no matter what the cost.

REMARKS BY HOUSE MAJORITY LEADER JOHN W. MCCORMACK, DEMOCRAT, OF MASSACHUSETTS

The invitation by President Eisenhower of the Soviet dictator, the head of the worldwide Communist conspiracy and also Prime Minister of the Soviet Union, Mr. Khrushchev, to visit the United States, has been received with sharp discussion and much concern by our people, and properly so. It is my opinion that time will show that President Eisenhower made a serious mistake. It will be interesting to note "the law of natural and probable consequences" operating as a result of the President's invitation and the coming visit of Mr. Khrushchev.

REMARKS BY REPRESENTATIVE FRANCIS E. WALTER, DEMOCRAT, OF PENNSYLVANIA, CHAIRMAN OF HOUSE UN-AMERICAN ACTIVITIES COMMITTEE

(In a Letter to President Eisenhower)

Your attention is respectfully directed to two phases of the total war which the international Communist conspiracy is waging against the free world with the United States the principal target.

The first phase is the extensive current Communist espionage operations in this country.

The second phase is the flood of Communist propaganda which is being sent into the United States at an ever-increasing rate.

May I conclude, Mr. President, by quoting the words of Dimitry Z. Manuilsky given in the Lenin School of Political Warfare in Moscow in 1931: "So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice and cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist."

Contempt of the People

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include therewith an editorial from the Allendale County Citizen, Allendale, S.C., concerning James B. Carey's threat against me and the other 229 Members of the House who supported the Landrum bill. I also enclose therewith a copy of my letter to Carey along with his record in the archives of the Un-American Activities Committee.

[From the Allendale County Citizen, Allendale, S.C., Aug. 28, 1959]

CONTEMPT OF THE PEOPLE

The arrogant, well-nigh stupid, attitude of union labor leaders is well exemplified in letters which James B. Carey, AFL–CIO vice president, sent to 229 Representatives who voted for the Landrum-Griffin labor bill, which Carey opposed. The letters over Mr. Carey's signature threaten the legislators with retaliation at the polls.

The same type of letter could have been written by the head of a criminal syndicate to law enforcement officers trying to protect the lives and property of their neighbors. The labor movement is not a government and has no more right to interfere with due process of law than any other group in this Nation.

Thousands of people, who hitherto have desired to give labor its due, will be disgusted by the Carey tactics and will vote for those Congressmen who, faced with the mounting power, almost the power of life and death, accumulated by union leaders, saw fit to set the Nation's welfare above that of a group seeking only its own benefit at whatever cost to the public.

Too often in the past several years we have seen how a powerful minority, using pressure, blackmail and other unethical if not criminal methods, can force its will upon a reluctant people in spite of all those safeguards assured us in the Bill of Rights and the U.S. Constitution.

We know that the power exercised unscrupulously by these minorities enters into the highest and most sacrosanct areas of Government, in direct contempt of the people of this Nation.

The people of this district and every other congressional district in the land should at once let Congressmen know that no influence within or without the district can be used against men who have honorably made decisions within their best ability and understanding.

Few of us object to the right of labor to better itself, or to seek its full value; but when the power of labor unions is used to serve the ends of racketeers and gangsters, the people have a right to call a halt. They called such a halt in the Congress, where 229 Congressmen, moved by the wishes of the people, conveyed to them by every form of communication, voted for the Landrum-Griffin bill.

The men and women who form the rank and file of the organized labor movement probably realize that the Landrum-Griffin bill provides them a voice in their own affairs. They know that to date they have not had a voice. They, too, will be with and of the people when Mr. Carey's showdown comes at the polls.

Meanwhile, the severest condemnation should be Mr. Carey's lot. His threatened blackmail of Congressmen speaks poorly, indeed, of his concept of justice, democracy, and American principles of honest dealing and fair play.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 31, 1959.

JAMES B. CAREY,
Washington, D.C.

SIR: Your insolent letter of August 18 wherein you, among other things, attempt to threaten me for my support of the Landrum antiracketeering and antiextortion bill, has been received. This bill will harm nobody in organized labor who is honest. It has nothing to do with the rights, privileges and immunities of labor. These are taken care of in the Taft-Hartley Act. The Landrum bill is to protect the American public and the American workingman from those who are wrecking the labor movement in America.

As you and I go through life we make a record. My record in public life, for the most part, is in the archives of the Congress of the United States. Yours is in the archives of organized labor as well as the Committee on Un-American Activities. Of all the labor leaders in America, you should be the last one to try to intimidate anybody from my section of the world. South Carolinians in the ranks of organized labor will not heed your advice.

If I had to hold public office at your pleasure and under your sufferance, I would rather go down to the "tongueless silence of the dreamless dust" then ever again be entrusted with the high responsibility of serving my fellow man. My people know my record and they know yours and will know it better when I place the Un-American Activities' report in the CONGRESSIONAL RECORD. They will be quite interested to learn how many years it took you to get religion. I will see you at the ballot box.

Sincerely,

L. MENDEL RIVERS,
Member of Congress.

INFORMATION FROM THE FILES OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES, U.S. HOUSE OF REPRESENTATIVES

AUGUST 21, 1959.

For: Hon. L. MENDEL RIVERS, Member of Congress.

Subject: James D. Carey.

This committee makes no evaluation in this report. The following is only a compilation of recorded public material contained in our files and should not be construed as representing the results of any investigation or finding by the committee. The fact that the committee has information as set forth below on the subject of this report is not per se an indication that this individual, organization, or publication is subversive, unless specifically stated.

Symbols in parentheses after the name of any organization or publication mentioned herein indicate that the organization or publication has been cited as being subversive by one or more Federal authorities. The name of each agency is denoted by a capital letter, as follows: A—Attorney General of the United States; C—Committee on Un-American Activities; I—Internal Security Subcommittee of the Senate Judiciary Committee; J—Senate Judiciary Committee; and S—Subversive Activities Control Board. The numerals after each letter represent the year in which that agency first cited the organization or publication. (For more complete information on citations, see this committee's "Guide to Subversive Organizations and Publications.")

Mr. Carey was a featured speaker at the national convention of the United Electrical, Radio, & Machine Workers Union, CIO, which was held in Cleveland, Ohio, as was shown in the Daily Worker of September 3, 1940, page 1: he was reelected president of the union at that convention, as was revealed in the Daily Worker of September 4, 1940, page 1, September 5, 1940, page 4, and New Masses of September 17, 1940, page 18. He testified at hearings before a special subcommittee of the Committee on Education and Labor during an investigation of Communist infiltration of the UREMWA (hearings held during September and October 1948); Mr. Carey identified himself before that committee as secretary-treasurer, Congress of Industrial Organizations, Washington, D.C.

The Special Committee on Un-American Activities, in its report of March 29, 1944, pages 18 and 19, listed the United Electrical, Radio, & Machine Workers of America among the 21 CIO unions in which the committee had found Communist leadership strongly entrenched. The 1949 convention of the Congress of Industrial Organizations expelled the United Electrical, Radio, & Machine Workers from the CIO on grounds of Communist domination (press release, 12th CIO constitutional convention, November 20–24, 1950).

After the expulsion of the United Electrical, Radio, & Machine Workers, the Congress of Industrial Organizations set up a new anti-Communist electrical union and at an organizational convention held in Philadelphia formally approved the name, International Union of Electrical, Radio, & Machine Workers, and the identifying initials, IUE–CIO. The convention inserted in the constitution of the new union clauses barring Communists or adherents of other totalitarian organizations from holding national or local office. (See article in the New York Times of December 1, 1949, p. 3, datelined Philadelphia, November 30.)

It is noted that James B. Carey was listed as chairman of the International Union of Electrical, Radio, & Machine Workers (IUE–CIO) on a letterhead of the union dated January 12, 1950.

An article in the Daily People's World, west coast Communist Party organ (issue of October 13, 1952, p. 3) reported that "Under impetus from Red-baiting union buster James B. Carey, a new anti-Communist organization was being projected today by the Los Angeles CIO Council." The organization was described as "a chapter of Carey's latest brainchild, the so-called Negro Labor Committee, U.S.A." which, "he said frankly, is being designed to counteract the influence nationally of the Negro Labor Council."

The Committee on Un-American Activities, in its annual report for 1952, released December 28, 1952, stated: "The National Negro Labor Council is a Communist-front organization, designed to infiltrate communism into Negro life" and "by accusing established labor organizations of overlooking the needs of the Negroes, it hopes to capture more Negroes for communism" (p. 11).

The National Negro Labor Council has been redesignated as subversive and Communist by the Attorney General in a list of organizations previously designated pursuant to Executive Order 10450, released April 1, 1954.

Reference to Mr. Carey is found in the committee's report, "100 Things You Should Know About Communism," released May 14, 1951, as follows:

"96. What's a good program for an American union man against communism? Here is one given by James B. Carey, secretary-treasurer of the CIO: Full exposure of the Communists, plus a strong, progressive policy far in advance of the bogus progressivism of the Communists. Swift, flexible infighting that defeats the Communists at their own game within the union" (p. 86).

Masses and Mainstream of November 1950 (pp. 53–54) reported that Mr. Carey had headed a delegation to the Soviet Union in October 1945; the article revealed that "Mr. Carey, speaking for the delegation, said they had 'been deeply moved by the personal warmth and friendship' shown to them by the Soviet workers. He emphasized that no American could himself see the Soviet Union and its peoples without being 'moved by the same feeling of deep human sympathy which we have felt and by the same desire to assist and cooperate in the great tasks in which the Soviet people are now engaged.' The delegation, said Mr. Carey, was especially impressed by the manner in which 'the Soviet trade unions * * * promoted the interests of the workers' and by the 'many activities of a social, welfare, and cultural character and the comprehensive nature of the social security system which they operate.'"

A pamphlet, "Report of the CIO Delegation to the Soviet Union" (p. 1), reveals James B. Carey, secretary-treasurer of the CIO, was the chairman of the CIO delegation which visited the Soviet Union as guests of the All-Union Central Council of Trade Unions in return for a visit paid to the United States by a Soviet trade union delegation invited by the CIO.

The Daily Worker of September 3, 1940 (p. 4), identified Mr. Carey as a member of the National Council of the Emergency Peace Mobilization (C—1944; A—1942) at which the American Peace Mobilization (C—1942; A—1942; I—1956) was formed. Mr. Carey was a delegate to the American Congress for Peace and Democracy (C—1944), according to the Daily Worker of January 6, 1939 (p. 2). He was nominated for membership on the National Labor Committee of the American League for Peace and Democracy (C—1939; A—1942), which was formed by the Congress held in Washington, D.C., January 6–8, 1939 (pamphlet "7½ Million * * *," p. 32); he spoke on the subject "Labor and Democratic Rights" at a meeting held during the congress (ibid., p. 46); in this source he was identified as president, UERMWA, and secretary, CIO. A letterhead of the American League, dated February 8, 1939, named him as a member of the national labor committee of the league.

The "Call to a Conference on Civil Rights, April 20–21, 1950," page 3, issued by the Washington Committee for Democratic Action C—1942; A—1942), named James B. Carey as one of the speakers at the conference. He was one of the sponsors of the Greater New York Emergency Conference on Inalienable Rights (C—1944), as was revealed by the prorgam of the conference dated February 12, 1940.

Mr. Carey contributed to the publication, Champion (C—1942), as shown by the November 1937 issue, page 9, and by the Daily Worker of February 17, 1938, page 7.

According to the Daily Worker of March 29, 1938, page 4, James Carey endorsed the Committee for Peace through World Cooperation (C—1944). He spoke before the committee (Daily Worker of Apr. 2, 1938, p. 1; New Masses, April 5, 1938, p. 27) and before the Jewish People's Committee (C—1944; A—1948) (Daily Worker of Jan. 21, 1939, p. 4).

Equal Justice for October 1938, page 4, named James Carey as having been arrested in Chicago for distributing leaflets and as having been defended by the International Labor Defense (C—1939; A—1942). He spoke at the fourth annual convention of the American Student Union (C—1939) on December 26–30, 1938, as shown in "The Student Almanac" for 1939, page 32; he was identified as National Secretary, Congress of Industrial Organizations in this source.

In the call to the New York Legislature of Youth, issued by the American Youth Congress (C—1939; A—1942) for January 28–30, 1938, James Carey is shown as one of those who signed the call; he was identified as president, UERMWA. In the proceedings of the American Youth Congress, July 1–5, 1939, page 48, he was named as vice chairman; "Youth Defends America," a report of the Sixth American Youth Congress, July 3–7, 1940, reveals (on p. 44) that he was

elected vice chairman of the group; he was identified as president, UERMWA.

Mr. Carey was a member of the organizing committee of the World Youth Congress (C—1939) (Daily Worker, April 4, 1938, p. 3) and a delegate from the United States to the Second World Youth Congress, August 16–23, 1938 (report of the congress entitled "Youth Demands a Peaceful World").

A leaflet announcing a public meeting to revise the neutrality act to be held in Carnegie Hall, February 13, 1939, named James B. Carey as a speaker at the meeting held under the auspices of the Union for Concerted Peace Efforts (C—1944). He spoke before the Negro People's Committee to Aid Spanish Democracy (C—1944) (Daily Worker, February 8, 1939, p. 2). Mr. Carey was one of those who signed a petition of the American Committee for Democracy and Intellectual Freedom (C—1942), as shown on a mimeographed sheet attached to a letterhead of that committee dated January 17, 1940.

Mr. Carey signed a telegram of the Joint Committee for Trade Union Rights (C—1944) addressed to President Roosevelt on behalf of the International Fur and Leather Workers Union (C—1944) defendants (Daily Worker, Nov. 11, 1940, pp. 1 and 5).

Mr. Carey's activities in the World Federation of Trade Unions were described in Free Trade Union News for July 1948, pages 3, 4, and 7. The Daily Worker of September 19, 1947, page 5, reported that he had praised the Soviet trade unions, and the Daily People's World of October 11, 1948, page 6, quoted him in a statement of cooperation with Soviet trade unions.

However, after the CIO withdrew from the WFTU, an article, "Why the CIO Bowed Out," by James B. Carey, secretary-treasurer, CIO, as told to Sidney Shallett, appeared in the Saturday Evening Post of June 11, 1949, pages 28, 128–132. In brief, Mr. Carey commented as follows:

"The CIO was under no illusions when, in February, 1945, we took the momentous step of participating in organization of the World Federation of Trade Unions. We knew that Soviet Russia and her satellites were in the WFTU. From the pitched battles we had fought against Communist attempts to dominate our own organization, we had a precise blueprint of what could be expected from the Reds. Still, the CIO, together with the British and other democratic trade unions, took on the job of attempting to work with the Communists in building a solid, lasting structure of security for the workingmen of all nations.

* * * * *

"Three years and eleven months later, the CIO and the British Trades Union Congress, disillusioned and doublecrossed, had to walk off the job. * * * Thanks to the Reds, the foundation of our structure for the international workingman was built of sand, its timbers were wormy and its roof was full of leaks. Once again we had learned the old lesson that when the Communist brethren give you the kiss of friendship, they also take a bite out of your cheek."

Hon. J. Bayard Clark

EXTENSION OF REMARKS
OF
HON. A. PAUL KITCHIN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. KITCHIN. Mr. Speaker, I desire to join my colleagues in paying tribute to an outstanding North Carolinian and a truly great American who has passed to his reward. While it was not my privilege to serve in this body with the Honorable J. Bayard Clark, I know of his long and able public service and have been intimately acquainted with the Clark family through long friendship with his distinguished brother, Jim Clark, of my hometown. Mr. Clark sprang from an illustrious family, and throughout his life demonstrated a keen interest in the affairs of his State and Nation. The works he did in life remain as an imposing monument to his memory.

My heartfelt sympathy goes out to his beloved wife, daughters and sons.

Safeguarding Our Scenic Shorelines

EXTENSION OF REMARKS
OF
HON. PAUL H. DOUGLAS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Monday, August 31, 1959

Mr. DOUGLAS. Mr. President, the distinguished junior Senator from Oregon [Mr. NEUBERGER] has been a leader in the field of conservation of natural resources ever since he entered the Senate in 1955.

True to his tradition, he is now a vigorous and effective sponsor of bills for national shoreline parks in such scenic areas deserving of preservation as Indiana Dunes on Lake Michigan, Oregon Dunes in his own State along the Pacific Ocean, and Padre Island beside the gulf coast.

In the New York Sunday Times for August 30, 1959, Senator NEUBERGER has written an excellent and comprehensive article entitled "Plan for Shoreline Parks," which summarizes the efforts of many of us in the Senate to preserve these lovely shorelines and seacoasts before it is too late. I commend the New York Times for publishing this splendid article. I commend the Senator from Oregon [Mr. NEUBERGER] for writing it.

The Senator from Oregon emphasizes what many of the rest of us know to be true: That this is a nationwide movement to protect our scenic shorelines. because Americans know that each has a heritage in the relatively few outdoor areas beside our oceans and lakes which still are susceptible of being established as national parks, monuments, or seashores.

Mr. President, I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 30, 1959]

PLAN FOR SHORELINE PARKS—U.S. SENATE BILLS WOULD SET ASIDE RECREATIONAL AREAS ON SEACOAST AND IN THE GREAT LAKES REGION

(By RICHARD L. NEUBERGER)

Nearly all the great national parks of the United States are in mountain ranges—Grand Canyon, Yosemite, Crater Lake, Rainier, Shenandoah, Yellowstone, Zion, and most of the rest. In the process of setting aside these magnificient upland reserves, the Nation has neglected another realm which is equally alluring to the tourist and the seeker of outdoor recreation. This realm consists of the seacoasts and shorelines of the United States, which are among the most beautiful on earth. Indeed, the first settlers in America found pleasure and inspiration where white-maned breakers spent their strength on sandy ocean strands.

Today, a belated effort is underway in the U.S. Senate to add headlands and beaches to the gorges and alphine peaks which already are part of the national park system. This effort is expressed in an omnibus bill that would create some 10 waterside parks on four picturesque shorelines. The shores are those of the Atlantic, Gulf, Great Lakes, and the Pacific. No major coast has been omitted.

TEN PROPOSED PARKS

Principal authors of the bill are Senator JAMES E. MURRAY, of Montana, chairman of the Senate Interior Committee; Senator CLINTON P. ANDERSON, of New Mexico; Senator PAUL H. DOUGLAS, of Illinois; and the writer of this article. The 10 national shoreline recreational areas proposed for inclusion in the country's park network, with the maximum acreage of each, would be as follows:

Cape Cod, Mass., 30,000 acres.
Padre Island, Tex., 60,000 acres.
Oregon Dunes and Sea-Lion Caves, Oreg., 35,000 acres.
Indiana Dunes, Ind., 5,000 acres.
Point Reyes, Calif., 35,000 acres.
Cumberland Island, Ga., 25,000 acres.
Huron Mountains, Mich., 90,000 acres.
Channel Islands, Calif., 76,000 acres.
Pictured Rocks, Mich., 100,000 acres.
Sleeping Bear Dunes, Mich., 26,000 acres.

The four at the top of the roster—Cape Cod, Padre Island, Oregon Dunes, and Indiana Dunes—have been specifically recommended by the National Park Advisory Board as having qualities worthy of this recognition. It is these four areas around which most of the controversy revolves, because they probably will be reserved first. In fact, along with Senator GORDON ALLOTT, of Colorado, I also am sponsoring a bill at the request of the Eisenhower administration which would authorize three shoreline parks, to be selected administratively by the Secretary of the Interior.

THE OREGON DUNES

The three probably would be chosen from among the leading four in the omnibus bill, and the Interior Department has gone so far as to disclose that Oregon Dunes would have an excellent prospect of being among these.

The omnibus shoreline bill authorizes $50 million for the acquisition of land for the parks. The administration bill is considerably more modest in this respect—$15 million. Furthermore, the omnibus bill specifies 10 additional seashores or Great Lakes shorelines to be studied by the National Park Service "for the purpose of determining what action should be taken by the United States to save and preserve them." They are these:

Fire Island, N.Y., 3,540 acres.
Cape Flattery, Washington State, 16,000 acres.
Leadbetter Point, Washington State, 4,250 acres.
Mosquito Lagoon, Fla., 9,700 acres.
Pigeon Point, Minn., 6,400 acres.
Debidue Island, S.C., 8,400 acres.
Kiawah Island, S.C., 7,300 acres.
Popham-St. John, Maine, 1,100 acres.
Parramoure Island, Va., 6,250 acres.
Smith Island, N.C., 11,900 acres.

Intensive congressional interest in this question dates from several years ago, when the National Park Service published, with funds given by an unidentified private benefactor, a brochure entitled "Our Vanishing Shoreline." It revealed that, while the Nation's conservationists had been guarding the mountains and hills, the seashore was being exploited and gobbled up.

This survey showed, for example, that of the 3,700 miles of shoreline in the Atlanitc and gulf coasts, only 240 miles were in Federal or State ownership for public recreational uses. And it disclosed that time was running out. Where a lovely 30-mile beach could have been purchased for national seashore park purposes in 1935 at a total cost of $260,000, the cost per mile by 1957 would have been $110,000.

Specific National Park Service studies of the Atlantic and gulf coasts, and then of the Pacific coast, soon followed. These studies furnish the basis for the recommendations contained in the omnibus bill now before the Senate Interior Committee. Senator MURRAY already has ordered public hearings to be held on the Oregon Dunes and Sea-Lion Caves Seashore at Reedsport and Eugene, Oreg., during the first week in October. Hearings are expected slightly later at Padre Island, in Texas. A special Interior Subcommittee headed by Senator ERNEST GRUENING, of Alaska, recently toured the Indiana Dunes region and made on-the-spot observations.

"Our organization regards the rescue of America's majestic shorelines as the most compelling outdoor issue of this era," declares Joseph W. Penfold, conservation director of the Izaak Walton League of America. "It is almost too late now. If we delay for many more years, expenditures to purchase the land not only may be prohibitive but steam shovels and bulldozers will have torn away many dunes and beaches, which can never be restored to their former grandeur and solitude. This is a national problem of great and crucial importance."

Practically all the shorelines proposed as national parks have one essential element in common. They offer outstanding recreational opportunities where land and water meet. Otherwise, they are strikingly different in appearance and character. Padre Island and Indiana Dunes are gleaming white beaches which are comparatively flat as a contour.

By contrast, Oregon Dunes are among the highest billows of sand in the world, and timbered mountains loom in the background. The shorelines of the Great Lakes are caressed by fresh water, whereas the Atlantic and Pacific shorelines are rimmed and crusted with salt.

OPPOSING VIEWS

Controversy surrounds some of the national seashore proposals. Although they are 3,000 miles apart in location, both Cape Cod and Oregon Dunes have witnessed protests by cottage owners, who fear they will be displaced, and by taxpayers' groups, who claim that valuable property will be removed from the tax rolls in order to make room for the parks. In addition, at Indiana Dunes, there are claims by Indiana political leaders that the Lake Michigan strands and inlets might more profitably be made the site of a vast steel mill and ore dock.

Interest in the situation is so great that an enterprising newspaper near the Oregon Dunes, the Eugene Register-Guard, assigned a reporter and photographer to study the Cape Hatteras national seashore, on the opposite side of the continent, along the North Carolina coast. This is the only such shoreline reserve thus far established by Congress. It was set aside some 6 years ago. The writer for the Register-Guard, A. Robert Smith, discovered that many of the arguments then voiced locally against the Cape Hatteras Park were almost identical to those opposing Cape Cod, Oregon Dunes, and Indiana Dunes today.

Mr. Smith reported, however, that many original adversaries of the Cape Hatteras seashore had become its enthusiastic backers, as the years have passed. He also noted that the 100,000 visitors a year who traveled to the area just before the national park was created, burgeoned to 348,000 last year.

A leading banker in the vicinity of the park told Mr. Smith that, while it was true some property had been taken off assessment lists in order to make the park possible, nearby property remaining in private possession had soared in value 50 to 100 times. This more than made up the difference to taxing authorities. "The fishing business is gone," this banker added. "If it hadn't been for the Hatteras Park, I don't know what we would have done."

Senator JAMES E. MURRAY, who has been in the Senate since 1934, has been urging his Interior Committee to hurry in its action on the omnibus national seashore bill. He recently told us that, in the quarter of a century since he entered Congress, costs of acquiring some of this shoreline land actually have gone up as much as 3,000 percent.

"In 1935," Senator MURRAY said, "there was a magnificent 70-mile stretch of ocean beach on the Delaware-Maryland Eastern Shore which could have been acquired for $2 a front foot. Most of this stretch is beyond preservation today. It has already been subdivided and developed." And the cost of the Cape Cod national seashore alone is estimated as approximately $16 million, whereas it might have been purchased a few years ago for less than $9 million.

Dr. Conrad L. Wirth, director of the National Park Service, and his associates hope that some private benefactions may help to ease the pressure on the Treasury in buying the land required to safeguard representative scenic sections of the Atlantic, Gulf of Mexico, Great Lakes, and Pacific coasts. Such a donation occurred in the towering Grand-Tetons 30 years ago, when John D. Rockefeller, Jr., and his family bought up the land around Jackson Lake in Wyoming, which eventually became the citadel of one of our most stirring alpine parks.

Between 1916 and 1958, annual visits by tourists to the national parks of the United States soared from 400,000 to 58 million. If this rate of increase should continue, not even the 20 national shoreline parks sought in our omnibus bill will be sufficient to assure Americans of the future the travel opportunities which ought to be theirs.

Americans Provided Best and Cheapest Food Anywhere in World While Farm Program Has Operated—Benson Works To Destroy This Program—Farmers Enter a New Depression—A Report on Agriculture

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. COOLEY. Mr. Speaker, as the 1st session of the 86th Congress draws to a close, I feel it is my duty, as chairman of the House Committee on Agriculture, to review for Members of the House the work of our committee and of the Congress in behalf of agriculture and to bring into proper perspective for the Nation the general circumstances of our farmers and their families.

In this session of Congress, as in past sessions, Mr. Ezra Taft Benson, the chief agriculture officer of our country, has placed roadblocks and obstacles in the pathway of progress.

The Secretary of Agriculture has not provided leadership commensurate with the responsibilities of his high office. On the contrary, he has continued his efforts to divide the agricultural forces of our country and to array consumers against producers and to bring the farm program into disrepute. He has not championed the cause of agriculture nor has he demonstrated a willingness to compose differences with those who do not see "eye to eye" with him. He has been stubborn and unrelenting.

Mr. Benson has not presented a single new thought nor has he proposed a single new program, nor has he been courageous enough to advocate the outright repeal of a single law or program which he has so constantly and consistently criticized. He says that he dislikes the production adjustment programs and the price-support programs but when challenged to do so he refuses to advocate the repeal of either. He seeks only to modify the price-support programs and to lower prices to starvation levels.

"Freedom" and bankruptcy for the farmers of America is Mr. Benson's program.

Unfortunately he does not understand the plight of our farmers nor does he understand their problems, and he is definitely not in favor of a Federal farm program for the farmers of our country. He believes in letting the farmer earn his living "by the sweat of his brow" and to live by the harsh and cruel law of supply and demand without any aid or assistance from the Government, such as are extended to other areas of our economy.

Certainly he should know that the farmers of America have mastered the techniques of production and are now capable of producing more food and fiber than the Nation can possibly consume. Unless our farmers are permitted to exercise some control over production our supplies will be abundant, our surpluses will accumulate, prices will deteriorate, and farmers will suffer. He wants the farmer to go it alone while every other great segment of our economy enjoys a high degree of Government protection.

Our Secretary just does not want to understand the farm program which operated successfully for 20 long years and under which our farmers and the people of our Nation prospered. He wants to destroy the program and to permit our farmers to bury themselves beneath the abundance they are capable of producing.

Mr. Speaker, we hear a lot of talk about the administration's farm program. There is no such thing. I have challenged the Secretary, and I now challenge any Member of this House to tell us what the Eisenhower-Benson farm program really is. We know and we understand the program which operated so long and so well and we know that under that program America has been the best fed Nation on earth and we know that the consumers of America have had more, better, and cheaper food than at any other time in all history.

THE CONSUMER

The average worker in the United States in 1958 spent only 25 percent of

his earnings to buy the average amount of food consumed by a family of three. Thirty years earlier the same food would have cost the same worker 48 percent of his earnings.

Over the 30-year period, with farm price support programs in operation in most years, 23 percent of the average worker's earnings has been released by lower food prices for other uses—to improve his home, send his children to college, buy an automobile, and in many ways to increase and dignify his standard of living.

Farmers in no other country of the world have lowered food costs, in relation to workers' earnings, so dramatically. Food costs, in spite of sharp increases in processing and marketing charges, are lower in the United States in terms of workers' wages than anywhere else in the world.

This has been made possible by the great forward strides in farmers' production efficiency, and we may credit the farm program as a dominant factor in bringing about this high level efficiency. With this farm program, the earnings of farmers were raised from the former low levels and they were able to invest in mechanization, in soil improvements, in chemicals, in new plant varieties, and in production methods which previously were impossible because the farmers were so poor.

Mr. Speaker, if all farm program costs had been added to the cost of food in 1958, the average worker would have spent only 26 percent of his earnings for food, as compared with 35 percent for the same food 10 years earlier, 41 percent 20 years earlier, and 48 percent 30 years earlier.

Yet, there is a movement abroad in this country to heap ridicule upon all farm price stabilization and production adjustment programs, and upon farmers as well. The movement aims to prejudice nonfarm people against farm people, and thus to destroy and foreclose a workable program aimed at economic justice for the people who produce our food and fiber.

Mr. Speaker, there are sly and insidious political calculations back of this movement, as some politicians bid for the vote of the cities, deserting our farmers because they now are so few.

THE BENSON PROGRAM

Mr. Benson has conjured up a program without real form or substance, which he glibly alludes to at every opportunity as the route to a free, prosperous, and expanding agriculture. In fact, however, the Benson program is an incredibly inadequate proposal involving unlimited free production, higher Government costs, and lower prices to farmers. The nearer he has moved agriculture toward his philosophy, the poorer our farmers have become.

The Secretary during his tenure has spent more money than the accumulated total expenditures by all his predecessors in this office during the prior 90-year history of the Department of Agriculture.

Yet in these 6½ years the net income of our farmers has been almost $20 billion less than in the 6½ years prior to his taking office. The earnings of our people in agriculture have been reduced drastically, while other areas of our Nation's economy have experienced unprecedented prosperity. Moreover, Government investments in surplus farm commodities have increased more than threefold, from $2,452 million on January 1, 1953 to $9 billion by the latest report.

And now the stage is set, as a result of Mr. Benson's dreamworld economic theories, for an even greater farm debacle within the next 2 years. Prices received by farmers are in a new downward swirl. They stand now at a level 17 percent below 1952. Hog prices have joined in the decline, falling in July to the lowest level for that month since July 1944. Economists are predicting a slide in beef cattle prices in the months ahead.

The situation demands action.

THE VETO

But, Mr. Speaker, the unyielding, uncompromising, negative position of Mr. Benson and this administration has brought about a paralysis in Washington where the interests of our farmers are concerned.

The veto power of the President, placed at Mr. Benson's disposal, has been raised as an absolute barrier between the farmers and their Government.

The President himself, in a special farm message shortly after this Congress convened, proposed further retreat of the Government from responsibility in the price stability of agriculture and from farm production adjustment undertakings. He called for outright repeal of the parity principle, which is the only means under law to determine a fair relationship of farm prices and costs to the total of the Nation's economy.

Notwithstanding the President's pronouncements, this Congress set out with earnestness and dedication to arrest the 6-year deterioration of our agricultural economy, and to return our farmers nearer to a parity position in our free enterprise society.

But, Mr. Speaker, it soon became crystal clear that no bill could become law unless it hewed to the line laid down by the President. Our efforts were scuttled by the President's negative power—the veto.

WHEAT NO. 1 PROBLEM

It was evident to the Congress and to the President, when this Congress convened, that the great accumulation of wheat surpluses presented the Nation with its No. 1 farm problem. The Congress passed a bill cutting the wheat acreage in 1960 by 25 percent below 1959. It would have brought wheat plantings down to 41 million acres and would have reduced production substantially. This would have been less than half the 84 million acres our farmers seeded to wheat 10 years ago. The legislation represented a willingness of our farmers to assume great sacrifices to bring down the wheat surplus.

The President vetoed the bill.

He condemned the legislation because it included price supports which sought to prevent great hardships to wheat farmers while they were reducing their crops so severely. He did this in the face of a Department of Agriculture statement that the price support would not influence the price of bread, and despite a sound showing that the legislation would save the Government and taxpayers approximately a half billion dollars over a 2-year period.

By this action the President has assumed full responsibility for the future buildup in wheat surpluses and for the huge costs of financing these extraordinary supplies.

TOBACCO BILL

The Congress passed a tobacco bill, the effect of which was to prevent increases in the support prices of tobacco, so that our tobacco might continue to compete pricewise in world markets. All interests in the tobacco industry supported the legislation.

The President vetoed this bill. I never have understood why.

Our Committee on Agriculture held hearings on long-range farm program proposals in an effort to bring general farm legislation before this session of the Congress. We sought to halt the dangerous decline in farm prices and to restore agriculture to an equitable position in the general economy. We would not accept the administration's proposals for agriculture. As a consequence, we were unable to develop legislation which would meet with the President's approval. The farmer does not now have, in the political alinement existing in the Congress, sufficient strength for a two-thirds vote in both Houses to override a veto of legislation in his interest.

Nevertheless, Mr. Speaker, the deep concern of the Members of this House for the well-being of agriculture is spread vividly in the records of our committee. I have been especially impressed and pleased by the dedicated work in behalf of agriculture by the newly elected Members of this body. Our committee records show that Members of the House have introduced to this date in the first session of the 86th Congress 461 bills dealing with conditions on our farms.

Our committee held 113 sessions.

We reviewed these bills and sent 118 to the Secretary, to determine his position upon them. Mr. Benson approved only eight of these bills, and most of these were of a minor nature. He disapproved, proposed changes, or did not report at all, with respect to all the others. He rejected all legislation proposing fundamental improvements in the operation of farm laws to increase the income of farm families.

In fact, Mr. Benson's predisposition to oppose everything would be comical, if it were not so tragic.

SCHOOL MILK

He went so far as to send his assistants before our committee to oppose an additional national authorization of $3 million for the special school milk program, without which the program through which milk is supplied to children would have been closed down in many schools before the last school term ended. We passed the authorization bill, Mr. Benson notwithstanding and, not risking a chance of being overriden in the Con-

gress on a milk-for-schoolchildren issue, the President signed it.

CORN GLUT

Early in the session it became evident that Mr. Benson's action drastically reducing the prices of oats, rye, barley, and barley and grain sorghums would severely aggravate the feed surplus situation, by influencing a shift from these small grains to the production of corn. To remedy this our committee developed a bill which would have balanced the price supports of the small grains to their feed value relationship with corn. The Secretary opposed this legislation. And now there is in prospect the largest corn crop in history, to add to the surplus and create graver problems for the livestock industry in the years ahead.

INDUSTRIAL USE RESEARCH

In the Agricultural Act of 1956 the Congress provided for the establishment of a Commission to examine the possibilities of new markets by increasing research in industrial uses of the products of our farms. The Commission made its recommendations. The administration opposed the legislation embracing these recommendations. Our committee worked throughout the session to develop legislation Mr. Benson would accept.

EGGS AND BROILERS

Our poultry industry suffered a price disaster in the spring of this year. It was ironic that the President, in his January farm message condemning the farm price support program, had singled out the poultry industry specifically as an example in agriculture where prosperity abided without the help of Government. Many hundreds and perhaps thousands of family enterprises in poultry were wiped out by the price debacle. The poultrymen appealed to the Congress and to Mr. Benson for help. Mr. Benson opposed legislation to deal with the long-range problems of the industry. He refused to ease the egg market glut by using funds which already were available to buy laying hens, although the product could have been used in a substantial way to improve the school lunch and relief food programs. He did inaugurate a modest egg-buying program, the effect of which came too late to aid many family poultry farms.

REA AND THE VETO

The Congress approved a bill to return to the Administrator of the Rural Electrification Administration the full loan-making authority, so that such authority would not rest with an unsympathetic appointee of the Secretary of Agriculture. Mr. Benson opposed the bill. The President vetoed it. The Senate voted to override, but the House failed to cast the necessary two-thirds vote to set aside the veto.

FOOD FOR THE NEEDY

Many bills were presented to provide for more effective distribution of surplus foods, through a food stamp plan, among needy people. Mr. Benson opposed all these bills.

COUNTRY LIFE COMMISSION

The bill to establish a bipartisan Country Life Commission, to study the most pressing problems of the changing rural scene, drew a neutral report from the Department of Agriculture. This Commission would have been similar in its operations to one appointed by President Theodore Roosevelt in the early part of the century and which made recommendations which brought about substantial improvements in the farm economy and in country living.

HOGS

As the autumn marketing season approached, it became increasingly clear that a crisis was building up in farmer prices for hogs. When July prices for hogs dropped to the lowest level for that month in 15 years there no longer was any doubt that positive measures should be taken to forestall a price catastrophe which might bring grave consequences to the economy of the Midwest and in some other areas of the Nation. Several bills were introduced, proposing various ways of dealing with the situation. Our committee brought up for consideration the bills proposing a program of incentive payments to encourage the marketing of lightweight hogs and thereby ease market gluts. This approach was supported by the National Planning Association, a nonpartisan body. Mr. Benson opposed it. Our committee reported a bill embracing this approach to the hog price problem, but with the opposition of the administration it did not become law.

The Secretary of Agriculture has surplus removal funds already available to initiate a pork purchase program, with the pork to be used in schools and for relief food. It is my hope that he will use his authority and the funds the Congress has provided, in the manner and to the extent necessary, to maintain the maximum stability in the hog markets under the pressures of huge supplies during the impending marketing season. Our bill encouraging lightweight marketings would deal more effectively with the problem, at smaller expense, with the major benefits going to farmers rather than to meat processors; but the Secretary can do an effective job with the authority and funds already at hand, if he will use them wisely.

We have sent to the Secretary, in this and previous Congresses, bills proposing revisions in the present price support and production adjustment program. We forwarded to him bills proposing two-price or domestic parity systems for various commodities which would let these crops move competitively into world markets while maintaining a reasonable price in our domestic markets. We sent to him proposals for production payments, compensatory payments, or marketing equalization payments to farmers. He has returned them with the Department's stamp of disapproval.

In these circumstances I have set forth, Mr. Speaker, we have been unable to put on our statute books the public policies so sorely needed to stop the piling of surplus upon surplus, reduce Government costs and to arrest the new and deeper depression that is settling upon our farms.

ACCOMPLISHMENTS

We have, however, brought forward, with the prospect of Presidential approval, legislation to extend and improve Public Law 480, the Agricultural Trade Development and Assistance Act. This bill embraces a section calling upon the Secretary to initiate a food stamp plan for a more adequate distribution of surplus foods among needy people. It includes another section which should prevent the destruction of the extra long staple cotton production industry in the United States. I hope that when the President signs the Public Law 480 extension bill it will include these provisions, although his Secretary vigorously opposes any food stamp plan.

We passed and the President signed legislation important to cotton producers, in that it provides a sound base for making cotton acreage allotments.

Legislation was enacted to assure the operation of special school milk program throughout the last school term, and the authorization for this program was increased by $6 million to $81 million for the school term now commencing and by $9 million to $84 million for the 1960–61 school term.

We took steps to improve farm credit operations, crop insurance, pest control and several other laws important to agriculture.

We approved numerous watershed projects, for soil and water conservation.

Mr. Speaker, while our efforts to write general farm legislation have been thwarted by the administration, our studies and our work should be of substantial value in the development of sound farm policies when we have an administration sympathetic to the needs of the people who produce our food and fiber.

I would remind the House that before Mr. Benson became the Secretary of Agriculture we had a farm program under which for 11 consecutive years the average prices paid to farmers were at or above 100 percent of parity. I would point out that this program operated for two decades prior to 1953 at an actual profit of $13 million on Commodity Credit Corporation price supports for the basic crops. CCC operations for all crops including perishables and nonperishables, cost only $1,064 million over a 20-year period.

This program which worked so long and so well, at so little expense, now is a virtual shambles.

THE GOVERNMENT AND FARMERS

Mr. Speaker, our Government has given labor the minimum-wage and collective-bargaining laws. We have clothed industry with the corporate structure and the many Federal and State statutes which regulate competition. With the help of these Government aids and regulations, both labor and industry have built up a marketing structure which maintains price and wage rates at balanced levels while adjusting supply to demand. How, then, can the modern, highly mechanized farmer survive, when he must do all his buying in the protected market of industry and labor, and do all his own selling at auction, with no protection?

Surely our national interest requires that we have a farm program which will enable farmers to adjust their marketing to available outlets and demand—

at prices in line with their costs, as is essential in any successful business.

Now, in conclusion, Mr. Speaker, I say this:

The well-being of agriculture is a matter of concern to all the people. Our Government research, conservation, and educational programs, combined with the intelligence and labor of our farmers, have given us the most efficient agricultural production in the world. They are giving consumers the cheapest food—in relation to wages—on record. Our farm marketing and pricing machinery, however, is woefully behind the times. Without governmental assistance in the marketing and pricing fields, the exploding production technology on our farms will surely proceed to create a disastrous economic situation for agriculture.

Government cannot now stand by while propagandists cry that all old programs have failed and all new programs are doomed to failure. This Government of ours, representing all the people, cannot say there is nothing it can do to avert the impending economic misery of the farmer. This Government can and must act to salvage some economic justice and stability for farmers—and protect everyone against the ruinous imbalance arising from the abnormal rate of technological advances in production, in relation to available market outlets.

This Government has a moral, an ethical, an inherent, and a constitutional obligation to establish public policies and programs that will open to the men and women of agriculture the opportunity for fair returns on their management, their risks, their capital investment, and their labor on a basis comparable with the workers in all other undertakings in this free enterprise economy and in this democratic society.

The safety, the health, the aspirations of all the people—the strength of our Nation—demand this.

District Juvenile Judges

EXTENSION OF REMARKS
OF

HON. J. ERNEST WHARTON

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. WHARTON. Mr. Speaker, my remarks are no doubt prompted by the fact of my many years experience and connection with juvenile courts but I recall that my first impression of the Federal City was utter amazement when I learned that we have but one children's court judge. Even assuming the highest type of citizen, this would seem entirely inadequate and after due observation I would not characterize the juvenile court situation as bordering on the ridiculous. In neglecting this court we have invited an increase in the crime rate and it is a serious one.

A good juvenile judge should be about 30 percent judge, one-third probation officer and social worker and the remainder a sounding board for beatniks and teen-agers in their relations with society and the general public. In juvenile court the calendar should be clear from day to day. Here is a court where cases cannot be put off for 6 months, or even 6 days. These misguided and ill-advised young people are running up the criminal statistics by leaps and bounds. Many psychopathic cases find their way into the court.

If you want ot know what accounts for the rapidly rising crime rate, just call in a juvenile judge. However, with a single juvenile judge in the entire District of Columbia, I can assure you he has little time to appear before congressional committees, and there is ample work for several judges here.

In this connection let us take note of the statement of a Democratic Senator from Oregon on last Sunday's television program and not be "a Congress of mistaken judgment."

Rescue the World Court

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Monday, August 31, 1959

Mr. McDOWELL. Mr. Speaker, last week, in a major speech which he delivered at the 82d annual meeting of the American Bar Association, the U.S. Attorney General William P. Rogers called for repeal of the so-called Connally amendment.

Under this amendment the United States decides for itself what disputes it will put before the International Court of Justice.

It is this amendment, Attorney General Rogers said, which is partly to blame for the minor role the Court has taken in settling international disputes. In its 13 years of operation, it has decided only 17 major cases.

Those lawyers who heard the speech say it was the strongest plea to date by any top official of the Eisenhower administration for repeal of the amendment.

The Attorney General pointed out that France recently withdrew a similar provision and that now the United States is alone among 10 NATO nations to continue to insist on such a reservation.

President Eisenhower told the Congress in his state of the Union message that U.S. relations with the World Court should be reexamined "to the end that the rule of law may replace the rule of force in the affairs of nations."

Senator HUBERT H. HUMPHREY and I have introduced resolutions calling on the Senate of the United States to repeal the Connally amendment. The State Department has endorsed our proposal, but nothing much else had happened until the speech by Attorney General Rogers.

I am delighted that the Attorney General has now come forward to support this important step.

I include here the text of my House Resolution 267, an editorial from the Washington Post of August 24, 1959, and the text of the splendid speech by the Attorney General of the United States to which I have referred:

HOUSE RESOLUTION 267

Resolved, That it is the sense of the House of Representatives that the determination of whether an international dispute to which the United States is a party involves matters which are essentially within the domestic jurisdiction of the United States, and is therefore not within the compulsory jurisdiction of the International Court of Justice, should be made by the Court itself rather than by the United States; and that any provision of law or resolution to the contrary should be repealed or otherwise nullified.

[From the Washington Post, Aug. 24, 1959]

RESCUE THE WORLD COURT

What has happened to the movement to rescue the World Court? A few months ago a considerable head of steam was built up behind the demand for repeal of the Connally amendment, which has gravely limited the usefulness of the Court. President Eisenhower had said in his state of the Union message that U.S. relations with the World Court should be reexamined "to the end that the rule of law may replace the rule of force in the affairs of nations." Vice President NIXON, Charles S. Rhyne, past president of the American Bar Association, and others stirred up a great deal of interest in the subject. Senator HUMPHREY introduced a resolution to repeal the Connally amendment. The State Department endorsed the resolution in a letter to the Senate Foreign Relations Committee in April, and since then the proposal has not moved off dead center.

This is especially unfortunate because it leaves the United States in the position of holding back in the drive for substitution of judicial processes for force in the settlement of international disputes. This country can and does suggest that many international controversies be decided by the World Court, but it is an empty gesture. Through the Connally amendment the Senate asserted the right for this country to decide for itself in each case whether any dispute laid before the World Court is within its domestic jurisdiction. That gives every other country against which the United States may bring a case in the World Court a similar right to escape a judicial determination by asserting that the case is domestic regardless of what may be involved.

Every reason of justice and self-interest cries for removal of this court-crippling device. It would be especially salutary if President Eisenhower could inform our allies on his forthcoming visit and Premier Khrushchev on his September tour that the United States is accepting the compulsory jurisdiction of the World Court, without any strings attached.

Responsibility for the present inaction seems to be shared about equally by the administration and the Foreign Relations Committee (which reportedly is reluctant to move because of opposition mail). In any event, the President is in the best position to break the deadlock. Why doesn't he send up a rousing message asking for immediate passage of the Humphrey resolution as a means of striking a blow for world law.

ADDRESS BY HON. WILLIAM P. ROGERS, ATTORNEY GENERAL OF THE UNITED STATES, BEFORE THE GENERAL ASSEMBLY, 82D ANNUAL MEETING, AMERICAN BAR ASSOCIATION, MIAMI BEACH, FLA., AUGUST 26, 1959

It is a great honor and privilege again to address the annual meeting of the American Bar Association. This association is the largest and most influential group in the

legal profession. What you think and do has a significant impact on the administration of justice and on public affairs.

We in the Department of Justice have a common objective with you in seeking constantly to improve our system of justice so that it may better serve the people of our Nation. In pursuit of this objective there may be, on occasion, an action taken or a statement made by this association, or one of its numerous committees, with which we are not in full accord. But I want you to know that I am well aware, particularly from reading some of my mail from you, that this occasional lack of togetherness is mutual.

Notwithstanding any infrequent minor differences, we in the Department know that the American Bar Association is earnestly and effectively striving to improve our profession and has made significant and important contributions to that end. The support you have given to the Department of Justice, especially in certain difficult and sensitive areas, has been of the highest order and I want you to know that I, and all of us in the Department, sincerely appreciate it. May I also commend the association for its splendid record of achievement this year under the outstanding leadership of your president, Ross Malone.

What is the responsibility of our profession in today's world? As I see it there are two broad areas to be considered.

First, the administration of justice in the United States is on display in every part of the world. When we talk about competing with international communism in the realm of ideas, we are talking in large measure about the ideas which are the basis of our legal system.

Second, in the long view the main hope for peace is that nations will be wise enough not to rely on sheer strength in dealing with each other but will move toward establishing systems based on considerations of law and justice in the resolution of international disputes. Nations have readily paid lipservice to the soundness of this proposition but progress in this area has been tragically slow.

Dramatic events in the past few weeks and those indicated in weeks to come suggest that we are at a point in our international relations at which our profession will have new opportunities to serve our Nation in these two areas.

As to the first, although Soviet leaders are still firmly committed to the policy of world domination there is hope today that they may be willing to permit a freer flow of ideas between our two countries than they have in the past. For this reason I believe the time has come when we should act and speak more vigorously and effectively for those ideals and ideas which have given this country its strength. People throughout the world, even to some extent in the areas controlled by the Soviet Union, may have an opportunity to get a more accurate picture of America and the meaning of justice and freedom here as contrasted with the Soviet Union.

In this international competition we must not fall into the trap of emphasizing material considerations to the exclusion of all else. To some of the uncommitted nations of the world the Soviet system of state controls and planning may seem attractive. The Russians point to the fact that their economic system has been applied in a country which was initially very backward in technology, with a low standard of living compared to the West. Because a similar situation exists to some degree in several of the new nations of the world, they see a parallel that has some surface attraction.

But the situation is different when it comes to the appeal of ideas. Freedom under law is one of the most powerful ideas ever conceived by the mind of man. Its appeal will continue to grow in the uncommitted nations of the world. It has not been too long since many of these nations completed their successful struggle for independence. With national freedom there has arisen a great awareness of and interest in the concept of individual freedom. Thus the free world has an unusual opportunity in the years ahead to place in bold relief the weaknesses of the Soviet system compared with the strength of ours.

Why does the legal profession have a responsibility for this? Because we are daily involved in the proceses of justice, and its administration is our business. We are officers of the courts of the United States and should be the leading spokesmen for presenting the case of freedom to the world. The merits of the case have to be articulated more effectively than has been done in the past. In the world in which we live it is not enough to be convinced that our system holds forth the greatest promise of individual liberty for people all over the world. We should present the true picture of a system of liberty under law to those who do not fully understand it or who may have been misled by Soviet propaganda. This must be done so that people will realize the importance of maintaining free governments and not succumb to the Soviet scheme for world domination.

These are a few of the truths which need to be dramatized:

1. We cannot rest our case on the size and productivity of our farms, factories, and mines, nor even on the excellent wages and working conditions of the American people. These are important, but they are the by-product of freedom—not its source. The source of strength in a democracy is the freedom of the individual to think, speak, and do the things he decides to do as long as he does not transgress the rights of others. We must point out, too, that these freedoms are not a matter of grace but are guaranteed and protected by our legal system.

2. The land and the tools of production in our Nation are owned by the people, not by the Government as in Russia. It should be emphasized that our legal system protects this ownership against intrusion by any other individual or by the Government itself. Under this system in which the free initiative of the individual plays the major role the United States has achieved the greatest distribution of wealth among its people and has come closest to the ideal of prosperity for all.

3. We are a government of law, not of men. Regardless of wealth, power or station, no one is above the law in the United States. For this reason our people need never fear that they may become the victims of ruthless political leaders. Thus the fact, now generally conceded by everyone, that under Stalin thousands of innocent victims were killed and tortured in the Soviet Union, seems almost beyond belief to a free people. Yet, because the law in the Soviet Union is what the Communist Party says it is, many of those who acted in concert with Stalin in perpetrating these atrocities apparently have not been prosecuted nor has retribution been made for the wrongs committed.

4. We must constantly emphasize that the will of the people is controlling in the United States. Under our legal system public officials are responsive to the will of the people. Our Nation will never start a war because our people fervently want peace. Anyone who believes that our Nation might act in a manner inconsistent with the will of the people in maintaining peace is ignorant about how our system works.

These are merely a few ideas which can be emphasized. There are a great many others, of course, with which we are all familiar and with which you and this association will be concerned in the future. For the past several years this association has done an excellent job in awakening the public to the significance of the rule of law. I commend you particularly for the vigor and imagination with which you are planning to cooperate in the future with the legal professions of many other nations to intensify interest and support for the rule of law in resolving international disputes.

President Eisenhower expressed the thought well in his letter to Mr. Malone when he said:

"Peace cannot prevail until men and nations recognize that their conduct must be governed by respect for and observance of the law. The American Bar Association by seeking to promote this principle is helping to advance the cause of enduring peace in the world."

In this connection we should keep in mind that there is a good likelihood that the exchange programs between East and West will continue, and may even be expanded in the future. As you know, the exchange programs now in effect include representatives from industry, agriculture, medicine, student groups, the arts and sciences, athletics, and many other fields, but there has been little exchange between members of the legal profession.

It is my opinion that the legal profession should give its support to a carefully planned exchange program of lawyers and judges in order that the Soviets may study our constitutional system and the operation of our courts and that we be given an opportunity to study the system in effect in the Soviet Union. Because of fundamental differences the systems are in no sense similar but exchanges would provide a method for our profession to increase its knowledge of their system. At the same time there may be some value in having the Russians who come to our country judge for themselves the comparative merits of the two systems. In any event the exchanges would provide a means to dramatize more effectively to the rest of the world the contrast between a free system of government and a regimented system under Communist control.

Turning now to the second area, I believe we have a responsibility to work for the establishment of systems of law and justice to deal with international disputes.

In his state of the Union message this year, President Eisenhower said:

"It is my purpose to intensify efforts during the coming 2 years in seeking ways to supplement the procedures of the United Nations and other bodies with similar objectives, to the end that the rule of law may replace the rule of force in the affairs of nations."

The attainment of this high goal will not be achieved by any single stroke or by any single government. In fact, because the Soviet Union seems intent on world domination which is the antithesis of the rule of law, the concept is apt to seem illusory and of no practical importance in today's world.

The point to bear in mind is that there is no other way to travel which provides hope for peace. Despite the discouragements which may arise the United States must take the lead in an effort to make progress along this road. Certainly, in the foreseeable future, if it is necessary to live in a world in which the settlement of international disputes will depend principally on factors of terror rather than on justice, then we should make it clear that such an uncivilized stalemate is not of our choosing.

Following the state of the Union message, and as part of the intensification of effort referred to by the President, both Secretary of State Dulles and Secretary of State Herter supported a proposal in the Senate of the United States to strengthen the International Court of Justice by repealing the so-called Connally amendment.

This Court, as you know, was created by the United Nations in 1945 to decide legal disputes between nations. It sits at The Hague and is composed of 15 judges elected by the General Assembly and the Security Council of the United Nations.

When established, the Court appeared to hold great promise, but through no fault of its own it has played a minor role in the settlement of international legal disputes. In its 13 years of existence it has decided only 17 contentious cases.

The Court has suffered because some nations have refused to accept the Court's jurisdiction at all and as to many disputes it has no jurisdiction unless the nations agree that it has in the particular case. The blame—some might prefer to use the word responsibility—for this latter condition rests in some degree, at least, on the United States.

The United States accepted the jurisdiction of the International Court in 1946. The history of our declaration of acceptance is significant.

The resolution introduced in the Senate with bipartisan support contained a reservation excluding from the Court's jurisdiction "disputes with regard to matters which are essentially within the domestic jurisdiction of the United States."

Public hearings were conducted on the resolution in this form, and it was unanimously endorsed by the Senate Committee on Foreign Relations. Its report stated:

"The question of what is properly a matter of international law is, in case of dispute, appropriate for decision by the Court itself, since, if it were left to the decision of each individual state, it would be possible to withhold any case from adjudication on the plea that it is a matter of domestic jurisdiction."

Nevertheless, on the floor of the Senate the Connally amendment was adopted adding to our reservation the clause "as determined by the United States of America."

Thus, in the declaration of acceptance by the United States our reservation is that the Court shall not have jurisdiction of "disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America as determined by the United States of America."

We were the first Nation to provide that the jurisdiction of the Court should be determined not by the Court but by us. Following our example seven other nations made similar reservations.

Furthermore, the rule of reciprocity applies so that any nation may invoke the terms of the reservations of any nation with which it is involved in a dispute.

It is plain to see why the existence of this type of reservation has had an impact on the effectiveness of the Court. Imagine the impairment which would result to the court system in the United States if the defendant in a law suit had the right to determine for himself whether his case was within the court's jurisdiction.

The Court's statute explicitly limits its jurisdiction to international legal disputes. By the plain terms of the grant, it has no jurisdiction over domestic matters. So the "as determined by the United States of America" clause adds up, in the eyes of other nations at least, to a vote of no confidence that the Court will limit the cases it hears to those within its jurisdiction.

There are those who are concerned that the Court might exceed its jurisdiction. It is argued that our sovereignty might thus be impaired. As a practical matter the argument as to possible loss of sovereignty is not persuasive.

The International Court of Justice, in the final analysis, depends largely on world opinion for the enforcement of its decisions—in fact, for the participation of the nations. It has carefully stayed within the limits of its jurisdiction as provided by its basic statute. There is no reason to believe that the Court would invade areas properly reserved to domestic jurisdiction.

In July of this year, France, surely as sensitive as we are in matters of sovereignty, withdrew her reservation containing the equivalent of the Connally amendment.

Thus, today six NATO nations have not even deemed it necessary to make any express reservation with respect to domestic disputes. Three others—Canada, Great Britain, and now France—have done nothing more than make explicit the exclusion of domestic questions from the Court's jurisdiction. Hence, of the 10 NATO nations which have accepted the Court's jurisdiction, the United States is the only one which denies to the Court the right to determine its own jurisdiction.

For more than 50 years our statesmen have advocated an impartial international court to decide disputes between nations. In 1907, Secretary of State Elihu Root, in his instructions to our delegates at the Second Peace Conference at The Hague, said we should develop a permanent tribunal composed of judges who will devote their entire time to the trial and decision of international causes by judicial methods.

In 1925, President Coolidge, in his inaugural address, advocated the "establishment of a tribunal for the administration of even-handed justice between nation and nation." As he put it, "The weight of our enormous influence must be cast upon the side of a reign, not of force but of law and trial, not by battle but by reason."

Every President since World War I has advocated the submission of international legal disputes to a judicial tribunal.

A half century of debate has resulted in little progress. It must be obvious to everyone that action in this field is long overdue. That is why our profession should urge the Senate of the United States to act at the earliest possible time on this important matter of the jurisdiction of the International Court of Justice.

Finally, let me turn for a moment to the question of international agreements. The nations of the world today are in almost constant discussion and negotiation at the conference table. The purpose of the meetings is to arrive at agreements for the settlement of critical world problems.

From the standpoint of a lawyer, it is discouraging to see how often in important international agreements no provision is made for settling disputes which may arise about the interpretation of the agreement.

And an agreement, as every lawyer knows, may solve a lot of problems or may cause a lot of problems. It depends on how well the agreement is drafted and on the frame of mind of the parties to it.

Lawyers know, too, that it is not possible to draft an agreement to eliminate all possible future differences as to its meaning which might arise.

For that reason, even after exercising all possible care in drafting agreements, we know there must be a court—or at least some method agreed upon by the parties—to resolve disputes which may arise as to the interpretation of agreements.

The same principle, of course, applies to nations. For when two or more nations make an agreement, notwithstanding every effort to make the agreement as clear as possible, they know that disputes about the interpretation of it may arise. If no provision is made for disposition of these disputes, each nation will naturally insist on interpreting the agreement for itself. Thus, rather than resolving differences, the agreement may give rise to new tensions and recriminations.

Last April the Vice President in a significant address urged that the United States take the initiative in future agreements to secure the inclusion of provisions to the effect "(1) that disputes which may arise as to the interpretation of the agreement should be submitted to the International Court of Justice at The Hague; and (2) that the nations signing the agreement should be bound by the decision of the Court in such cases."

Certainly this basic idea deserves our support. A well-understood policy among nations to refer disputes with respect to the interpretation of treaties and other international agreements to the International Court of Justice, or some other impartial tribunal, would be a great step forward on the road to a rule of law among nations.

Knowing that an impartial tribunal would resolve any dispute as to meaning would strengthen the force of the agreement and cause less controversy about it.

The fact that we may not be successful in securing agreement to such a clause in all cases does not mean that we should fail to try. The fact that the Soviets, for example, might not agree to such a policy is no ground for not advocating it. The more often the Soviets oppose reasonable methods to solve world tensions, the more the nations of the world will come to recognize the significance of the Soviet policy of world domination.

For the reasons I have indicated, I hope that the American Bar Association will continue to give its vigorous support to the rule of law in the resolution of international disputes.

No one need point out that because of the present Soviet policy this seems less like a goal than a mirage. Nevertheless, we must believe in it and we must believe it is possible to attain. More than that, we must make some progress along this road.

Our Nation has no goal of world conquest, no intention of infringing the liberties of any people, and no desire other than to deal justly with the other nations of the earth. But there are persons in the world who are skeptical about this. Thus I believe that the members of our profession should make clear beyond any doubt that the United States has but this single goal—that the family of nations may live together in peace under law.